Title

Opposition Structure and Government Policy Making in Parliamentary Democracies

Permalink

https://escholarship.org/uc/item/8mz966v4

Author

Magyar, Zsuzsanna Blanka

Publication Date

2017

Peer reviewed|Thesis/dissertation

UNIVERSITY OF CALIFORNIA

Los Angeles

Opposition Structure and Government Policy Making in Parliamentary Democracies

A dissertation submitted in partial satisfaction

of the requirements for the degree

Doctor of Philosophy in Political Science

by

Zsuzsanna Blanka Magyar

2017

Abstract of the Dissertation

Opposition Structure and Government Policy Making in Parliamentary Democracies

by

Zsuzsanna Blanka Magyar

Doctor of Philosophy in Political Science

University of California, Los Angeles, 2017

Professor Michael F. Thies, Chair

I examine how the structure of the party system, specifically the structure of the opposition, influences government policy making in multi-party parliamentary democracies. In parliamentary countries a party or a coalition of parties backed by the majority of the legislature is considered to be the government, and the rest of the parties in the legislature are the opposition. In a parliamentary country, legislation needs to be supported by a legislative majority. Because of this, previous literature has examined how the ideology and the structure of the government influences policy making.

This dissertation contains two main parts. First, I propose that the government's strategic environment influences policy making. I show that when the opposition is unified, and there is a coalition government, government spending increases. Second, I explore long term strategic alliances between parties that cooperate in the opposition. I call these alliances *stable coalitions*, and I propose that they change the structure of the opposition.

In the first part, I show that when a coalition government faces the opposition, spending increases when the opposition is unified as opposed to when the opposition is fragmented. I argue that this is because the smaller party in the government coalition has leverage — it can join the unified opposition and therefore transform them into the new

majority. I argue that in this case, when the small coalition partner is pivotal, the bigger coalition partner will pay them more in goods to ensure their continued membership, which will increase government spending overall. I provide evidence for this proposition through a cross-sectional time-series data analysis of 16 European Countries from 1970-2013.

In the second part, I focus on pre-electoral coalitions that stay allied in the long term. I refer to them as stable coalitions. I argue that because stable coalitions do not dissolve when their parties are in the opposition, it is necessary to examine these alliances in order to understand the government's strategic environment. First, I test two extant hypotheses using data from France: that pre-electoral coalitions form because the parties are ideologically close, and that pre-electoral coalitions form because the parties are electorally synergistic. I find that these propositions are true. In the following chapter however, I also find that the causality may run in the opposite direction, and parties that are in stable coalitions narrow their ideological differences and instruct their members to vote strategically. I argue that stable coalitions exist because the member parties can expand their support bases and thus increase their electoral success. Accordingly, stable coalitions are beneficial in the long run and allow parties in the opposition to pose a unified threat to the government.

Overall, I explore a previously understudied aspect of politics: the role of the opposition in policy making. I find that the party system, specifically competition in the party system, influences the government. Previous studies of policy making and representation are incomplete due to their failure to carefully consider how parties strategize in and out of government.

The dissertation of Zsuzsanna Blanka Magyar is approved.

Sona Golder

Thomas Schwartz

Michael F. Thies, Committee Chair

University of California, Los Angeles

2017

to Anya and Apa

Table of Contents

List of Figures

LIST OF TABLES

their help during my field work.

Vita

2000–2007	Japanese Government Ministry of Education (MEXT) Fellowship
2005	B.A. (Economics and Business), Osaka University
2007	M.A. (Political Science) Kobe University
2009	A.M. (Regional Studies East Asia) Harvard University
2010	Sasakawa Recruitment Fellowship, Terasaki Center for Japanese Studies, University of California, Los Angeles.
2014	Baerwald Fellowship, Summer Research Grant, Terasaki Center for Japanese Studies, University of California, Los Angeles.
2014	CEES Summer Dissertation Research Fellowship, Center for European and Eurasian Studies, University of California, Los Angeles.
2011-2016	Teaching Assistant, Political Science Department/Statistics Department, University of California, Los Angeles.

CHAPTER 1

Introduction

1.1 Introduction

In a parliamentary democracy, we expect that the interests of voters will be represented in policy making by elected legislators. But which legislators become influential, and which voters' interests, therefore, end up reflected in government policies? Typically, scholars address these questions by reference to the government-formation process that occurs after elections are completed. The parliament invests a prime minister and cabinet to form the country's executive and set the legislative agenda. Consequently, in most parliamentary systems, the government as a whole, or the ministers individually, are responsible for policy decisions (Powell 2000, 93). When a single party controls a majority of parliamentary seats, it governs alone. When no majority party exists, parties form coalitions that enjoy majority support (although one or more of the constituent parties might choose to support a "minority government" from the shadows rather than join the cabinet in an official capacity).

Thus, the political science literature focuses primarily on the people and parties in government when it examines policy making. Previous studies have considered how different electoral laws influence the policy of the government, and the ideology of the winning parties and coalitions. Some studies have examined how rival parties formulate policy in coalition governments: there are studies that examine how the overall numbers and ideological proximity of coalition partners influences policy. But what of the legislators whose parties find themselves left out of government? Are they powerless? The accepted view is that opposition parties may protest against government policies, but mostly bide their time, hoping that circumstances (or a new election) will allow them to break into government, replacing

the incumbent coalition in whole or in part.

In this dissertation, I argue that an additional source of opposition influence has been overlooked. This is the *structure of the opposition*, namely the extent to which it is dispersed into several small, independent parties or concentrated into a single party or long-lived coalition of parties. I argue that the more unified the opposition is, the more it can influence government policy making. This is important, as it shows that the power of the government is not unlimited; it must consider the likelihood that it will be replaced in the next period, and that likelihood is in part a function of the opposition structure. To guard against such turnover, parties in government take account of opposition parties when making decisions. This is true even when the rules of the legislature do not give special privileges to any other party apart from the majority. In the first part of this dissertation (Chapters 1-4), I discuss the circumstances under which the opposition has policy influence and I provide empirical support for this theory.

In the second part of the dissertation, I turn to a natural extension of this proposition. Specifically, I home in on long-lived coalitions of parties, coalitions that span electoral periods, and even stick together during spells in opposition. To what extent should such teams, including but not limited to what Sona Golder has called "pre-electoral coalitions," be treated as units in government formation game and the policy-making game? Thus, in the second half of my dissertation (Chapters 5 and 6), I examine in greater detail how inter-party cooperation works in practice and whether we should consider long-term coalitions between parties (those that span elections) as unitary, strategic players in the legislature. Overall, in the dissertation, I argue that political scientists must examine the power dynamics of the legislature as a whole to fully understand how policy gets formulated.

1.2   Opposition under Different Representative Systems

Political scientists differentiate between representative (consensus) type democracies and majoritarian (mandate) type democracies (Lijphart 1984; Powell 2000). In majoritarian, two party democracies, the people give a mandate to one of the parties to govern. At the

end of the legislative period, voters may decide to reward the governing party with another term, or they may offer the opposition the chance to govern (Fiorina 1981). In such a political system, the main role of the opposition is to be the alternative government-in-waiting. For instance, in Britain, the leader of the opposition is considered to be the "prime minister in waiting," and he is assigned special privileges. According to Foord: "as an alternative Government, the Opposition provides a means for peaceful change of administration, the overthrow of those in power without resort to violence or revolution (Foord 1964, 3)." The opposition party may create a shadow government and, through the shadow ministers, offer an alternative policy platform to the voters. A voter for an opposition party clearly prefers these policies compared to the policies of the government and can plausibly expect that, should the opposition take power, its alternative platform will be executed.

In contrast, consensus type democracies tend to use proportional representation (PR) electoral systems, which makes small parties viable, and tends to reduce the probability than any one party will capture a parliamentary majority on its own. Parties can be understood as champions of specific interest groups, and an elections serve more like a political census than a mandate-producing battle of alternative governments. These systems typically produce coalition governments. The exact government program is negotiated by the parties (representatives of the interests) when the government forms (Powell 2000). Negotiations can be lengthy and difficult, and the resulting contracts can be fragile. Consequently, in the past, political scientists argued that multiparty democracies were unstable, inchoate and inferior compared to two party democracies (Duverger 1954). However, one could argue that the voters in these democracies have a much more hands-on influence on making specific interests important. To understand more about policy formulation in multi-party democracies, prior political science literature explored in detail which parties are likely to form a government coalition and how coalition partners with different policy demands create common policy platforms.

We should also bear in mind, however, that in these countries, the opposition also typically consists of several parties, sometimes with opposing ideologies. In these circumstances, the parties that are left out of the government have a less straightforward route to

getting their interests represented than in a country with a majoritarian electoral system. If a coalition government fails, often a new coalition government gets the chance to govern. It is possible that some of the old coalition members will continue in the new government coalition and at the same time, it is possible that some of the opposition parties permanently remain in the opposition. Opposition parties thus cannot promise their voters that, if the government fails, their own policies will be implemented. Under this system, the small parties have to strategize more carefully than in a majoritarian system: they may aspire to form a near majority opposition party with other smaller parties, or each can hope to replace one single party in the government coalition. Small parties may have a chance to succeed in either of these ways.

Some examples illustrate this complexity. In Austria, the $\ddot{O}VP$ has been in the government from 1983-2013 with various coalition partners. In Finland, from 1945-2015, there was only one instance (1968) when the entire government changed.[1] In all governmental changes, only part of the coalition left, and other parties entered the government. There are also cases in which the opposition is so divided that it cannot form an alternative government. Consequently, the incumbent government can continue even after new elections. Scholars have argued, for instance, that the main reason that Japan saw only one governing party (the Liberal Democratic Party - LDP), from 1955 to 1993 is that the opposition was fragmented (Baerwald 1986; Scheiner 2006). Moreover, the debates among opposition parties were not primarily ideological; rather they competed over who was going to be leader of the opposition (Johnson 2000, 171).

In other multiparty countries, however, electoral competition looks much more like electoral competition in a two party system, as "party blocs" emerge. In a party bloc, parties frequently cooperate with each other in and out of the government. In Sweden, for instance, it was clear for most of the 20th Century that a non-socialist bloc competed against the Social Democratic Party. The parties in a given party bloc may constitute an alternative for the government. For instance in 1976, the Social Democratic Party was the biggest party,

---

[1]Data: Nordsieck (2016).

4

but it could not find a coalition partner as all the other parties belonged to the opposition party bloc. Thus, the non-socialist parties – the Center Party, the People's Party, and the Moderate Party – formed a government (Hadenius 1999).

Table 1.1 shows the complete landscape of government changes in 17 countries in Europe. Out of 300 government changes between 1945 and 2015, there were 201 partial government changes and 99 times when the government changed completely. Here I measure all the instances when there was a full or partial change in the partisan composition of the government, with or without elections. In several countries however, there are parties that stay in the government for a long time (we cannot see from the table whether these parties are small or big). We can see from the table, however, that for a small party, either route to gaining policy influence could be feasible. In the following chapters, I will explore in more detail the strategic options for opposition parties.

Table 1.1: Number of Partial and Full Government Changes 1945-2015

	Country	Full Gov't Change	Partial Gov't Change	Total Change
1	Austria	1	7	8
2	Belgium	1	23	24
3	Denmark	11	10	21
4	Finland	1	32	33
5	France	9	23	32
6	Germany	1	12	13
7	Greece	13	9	22
8	Iceland	4	15	19
9	Ireland	12	3	15
10	Italy	5	29	34
11	Luxembourg	0	11	11
12	Netherlands	1	19	20
13	Norway	15	2	17
14	Portugal	7	1	8
15	Spain	5	0	5
16	Sweden	6	4	10
17	UK	7	1	8
	Total	99	201	300

Notes: Data: Nordsieck (2016). Table 1.1 shows how many times the party composition of the government changed from 1945-2015. These changes can be the result of elections or the splitting of the government. Full Gov't change: all government parties were replaced by a new government. Partial Gov't change: one or more parities of the old government became part of the new government.

1.3 Coalition Governments and Policy Formulation

In some cases the opposition may have some role in the legislative process (Strøm 1990; Powell 2000).[2] However, in parliamentary countries, making policy is the job of the parties in the government and the government is backed by a legislative majority. Thus even though the opposition parties may have a chance to voice their dissatisfaction, unless the government coalition suffers a pivotal number of defections, it does not matter if oppositions oppose or not.[3] Due to this, our current knowledge about how interests get represented in the legislature mostly arises from studies that investigate how the government works.

If there is a single party government, the policy outcomes will reflect the policy promises of the party. Studies find, for instance, that left-wing governments spend more on welfare and redistribution, and right-wing governments spend more on security, as expected from their ideological positions (Iversen and Soskice 2006).

In multiparty countries, if no party wins a majority, a coalition government must form. In a government coalition, often ideologically different parties have to govern together. Within the government coalition, the parties are allies and foes at the same time (Thies 2001). Therefore, political scientists focus on the composition of the government coalition, and the negotiation between parties in the government coalition to predict policy outcomes. Overall, evidence shows that governments under proportional representation (PR) electoral systems spend more money than governments under majoritarian electoral systems. Specifically, more money is spent on redistribution (Roubini and Sachs 1989). As I discuss below, previous research has offered two possible mechanisms that could explain this finding. One of these explanations is that PR electoral competition itself generates higher spending, the second is that PR countries usually feature coalition governments, and coalition governments spend

---

[2]Some political scientists note that under some circumstances the opposition can have real legislative influence (Strøm 1990; Powell 2000). Powell argues that the opposition can have a bigger influence in the legislative process when it is unified, there is a minority government in place, or if the opposition has a big role in the committee system (Powell 2000, 104).

[3]The only notable exception is when a minority government is in power. As both Strøm (1990) and Powell (2000) note when a minority government is in power (a government with less than 50% of the legislative seat shares), the opposition has real power. A minority government has to build ad hoc coalitions and must get the support of one or more opposition parties.

more than single party governments.

In 1999 Persson and Tabellini argued that under PR electoral systems, the competing parties have to build overarching coalitions. Politicians do this by offering redistributive goods to the voters. In contrast, in majoritarian electoral systems, the elections are decided in small swing districts. The parties may win an election by offering targeted goods to these swing districts. Thus spending overall, and redistributive spending in particular, is going to be smaller under majoritarian electoral systems. Persson and Tabellini (2004) argue, further, that politicians extract fewer rents when they are accountable to the public, because voters will choose the least corrupt politicians. Because the barrier to entry in majoritarian electoral systems is high, politicians may be able to extract high rents. At the same time, PR is not a panacea, as it may prevent voters from being able to punish rent-seeking politicians. Thus, Persson and Tabellini predict that in those multiparty countries in which there is no clear alternative government, spending will be high. The overall effect of the electoral system on spending is ambiguous.

Some of the explanations for higher spending in PR countries point to the higher incidence of coalition governments in these countries. However, because we know that similar electoral systems can lead to different party systems, it is clear that an important part of the puzzle is left out of the explanation. Two things may influence the policies of a coalition government: the identity and policy preferences of the individual parties within the coalition, and the internal negotiations among the parties. The parties have to agree on the division of the cabinet portfolios, and on how much control they give to the ministers.

Several political scientists have tried to predict which coalitions will form. Gamson (1962) and Riker (1962) argue that coalitions will be minimal winning. This means that they will control bare minimum legislative majorities in order to maximize the individual gain for their members. The policy position of the emerging coalition is not important in this model. Axelrod (1970) and de Swaan (1973), in contrast, argue that parties that are ideological neighbors on a single-issue dimension have fewer conflicts with each other and will be more likely to enter into coalition. The policy of the coalition will be somewhere in the range of their joint policy range on the most important issue dimension.

Laver and Shepsle (1990, 1996) assume that potential coalition partners cannot bargain over the entire policy space, but instead are limited to a few plausible policy deals that are defined by the ideal policies of the parties that would control each ministry (and hence the corresponding policy dimensions). Parties enter into the coalition with a partner that lets them offer a mix of policies that the majority of the legislature supports. The policy of the coalition is decided at the coalition bargaining stage, and each party gets its separate policy areas to control.

Thies (2001) argues that coalition parties can find policy combinations that are moderate compared to the combination of their individual demands by committing to a coalition agreement. To avoid parties pursuing their own self-interests in the ministries that they "control," coalitions create institutions, such as junior ministers (Thies 2001) or parliamentary committees (Martin and Vanberg 2011) to monitor the work of each other's ministers. While in this case the multiparty coalition may not be more expensive for the voters than a single party government, we can see that the parties have to pay substantial transaction costs to monitor each other's ministers.

Coalition governments may spend more for various reasons. Roubini and Sachs (1989a,b) argue that coalition governments are more vulnerable to budget deficits because divided governments cannot agree on how to reduce the budget. Bawn and Rosenbluth (2006) show that other things equal, spending increases with the number of parties in the coalition. Bawn and Rosenbluth assume that each party in a coalition wants to please its own support groups. If one assumes a similar range of interest groups across countries, then if there are a few, big parties in the coalition, it must mean that some interest groups have joined forces to support a party that internalizes the conflicts among them, and internalizes some of the costs. Bawn and Rosenbluth (2006) show that a multi-party coalition is more expensive for its members than if they were to merge into a single party.

The connection between the competitiveness of the electoral environment and the inner workings of the coalition government has been under-theorized. In the 1960s and 1970s political scientists argue that party systems are important. Sartori argues that it is not even a question whether the size of the party system matters or not: "it does" (Sartori 1976,

120). The size of the party system was examined as an explanatory factor for government stability (Warwick 1994), explanation for minority governments (Strøm 1990). However, the research did not find any systematic evidence that party systems mattered. In recent years, this research agenda was almost entirely given up, and the research shifted to voter behavior and party behavior (Kitschelt 2008, 523).

Hallerberg (2004) is one of the few scholars who considers the influence of party system and party competition on fiscal governance and on domestic budgets. He claims that countries without competitive elections—countries where there is no identifiable alternative government in the opposition— end up with a "fiefdom" type of ministerial governance. This means that the individual ministers allocate the budget in their respective ministries as Laver and Shepsle (1990) predict. This is because if the government turnover is a low-probability event, each individual party in government believes that it has a chance to continue in government if it satisfies its own supporters. Thus, individual ministers spend a lot, and the government ends up with a common resource pool problem. In contrast, if there is a competitive electoral system, the parties will either delegate the fiscal policy to a powerful finance minister, or the coalition government will commit to a fiscal plan. In conclusion, Hallerberg argues that if a country has a non-competitive electoral system, spending will be high 2004.[4]

Many political scientists have investigated the policy formulation of the government to understand how interests get represented through democracy. However, the role of the opposition has been so far left out of this investigation. In this dissertation, I argue that in multi-party countries the parties are in a much bigger strategical game than we have considered previously. To understand what kind of policies get represented, we have to examine how parties interact with each other in and out of the government.

In the first part of the dissertation, I will examine how the structure of the opposition influences the government. I argue that during government formation, parties consider

---

[4]In addition, Hallerberg argues that in countries that have two party blocs, even if there is a coalition government, the ministers will be close ideologically and spending will be lower than in countries without party blocs (Hallerberg 2004, 37).

the other government coalitions that could be formed in the legislature. A party's bargaining power is a function of how many of these alternative government coalitions it could join (Shapley and Shubik 1954). Thus if there are two big parties in the legislature that could potentially form a government, a small party might have a outsized influence and be regarded as the "kingmaker." In this case, the small party may be able to bargain for a higher spending on its preferred policies. In the second half of the dissertation, I examine coalitions as an inter-party cooperation form in and out of the government. I argue that inter-party cooperation may last through periods when all parties are in the opposition and that these stable coalitions can be another path through which small parties can hope to get representation. In this dissertation, I propose that we may have to reconsider the way how the parties balance their task of representing interests with their goal of creating a unified majority party bloc.

1.4   Roadmap of the Dissertation

In this dissertation, I examine how small parties may try to influence policy making. In Chapter 2, I introduce a theory in which I argue that coalition governments may spend more when the opposition is unified compared to when the opposition is fragmented. In Chapter 3, I discuss how political scientists have thought about party systems throughout the years. I discuss how the traditional party system size indices have been constructed, and what these indices actually measure. Further, I introduce the measures that I am going to use in the empirical test of my theory. In Chapter 4, I present the main empirical test of my theory. I show that coalition governments spend more money (and run larger deficits, the more unified the opposition is.

In Chapter 5, I discuss inter-party cooperation between parties that are outside of the government. I argue that our understanding of how pre-electoral coalitions (PECs) behave is partial at best, and that the label of pre-electoral coalition may mask in certain cases a close, continuous cooperation between parties. To explore this possibility, first, I investigate why PECs form through a study of French pre-electoral coalition formation

under the Fifth Republic. I show that pre-electoral coalitions are more likely to form when the parties are ideologically close, or when the PEC would win more seats in an election than the sum of the parties running separately. In Chapter 6, I examine the behavior of the pre-electoral coalitions in detail. First, I re-examine the results of Chapter 4, including pre-electoral coalitions and not just parties in the analysis. I argue that PECs may be treated by others as if they were single parties. In addition, I show that parties adjust their manifestos to converge ideologically right before forming a PEC, apparently preparing for cooperation. Finally, I discuss case studies of Hungary and Japan to illustrate how some parties in pre-electoral coalitions continue to work together in the opposition. In Chapter 7, I summarize my argument on the strategic possibilities of small parties in the legislature, and I discuss the implications of this dissertation and the path for future research.

CHAPTER 2

Opposition Structure and Government Policy, Theory

2.1   Introduction

I discussed in Chapter 1 that while there has been extensive research on how governments formulate policy, the research has mostly overlooked whether the opposition has any influence on government policy making beyond their legislative roles. In this chapter, I introduce my theory as to how the structure of the opposition influences the government. I argue that if there is a coalition government, the more unified the opposition is, the higher the government spending is going to be. This is because the junior coalition partner is more valuable when it is in a pivotal position, and can leverage that bargaining power into benefits for its supporters.

To illustrate the mechanism, in this chapter I show how coalition negotiations may be affected by the extent of party fragmentation in the legislature. First, I discuss what could happen if coalition bargaining between parties were to break down. I argue that even if there is no government for a period of time, parties will receive payoffs based on their voting power in the legislature, and the carry-over budget from the previous year. Second, I show that if we believe that parties take this outside option seriously, a small party in the coalition can do better if there is a unified opposition than if there is a fragmented one. At the end of the chapter, I introduce the hypothesis that I test in Chapter 4.

2.2   The Argument

I argue that the size and structure of the opposition determines the relative power of the parties in a government coalition. This is because if the opposition is unified, a small party

in a coalition can credibly threaten a bigger partner with joining the opposition and thus producing a new majority that relegates the current big partner to the wilderness. The larger and more unified the opposition is, the better the bargaining position of the smaller coalition parties and thus they can extract policy concessions beyond their sizes.

2.3 Theory of how the Structure of the Opposition Changes Policy

In this chapter I show how the different outside options of the parties change their bargaining power within the coalition. In the following pages, I discuss what these outside options are. Note that even when the majority government fails, or one of the coalition partners leaves the majority coalition during the government's tenure, the parties continue to face similar outside options.[1] Thus, while I model the power of the parties during the coalition negotiation process, this illustration speaks to the relative power of the parties during the entire legislative period.

2.3.1 Outside Options in Real Life

If no single party wins a majority of legislative seats, then coalition bargaining must begin after the election. While often a majority coalition is formed quickly, sometimes the coalition negotiations are not easy. If a majority coalition cannot form right away, three things could happen: a lengthy coalition negotiation process can start, there can be a new election, or a minority government can form and govern by building ad hoc, bill-by-bill coalitions with other parties. Any of these three scenarios could include a time period during which there is no government in place to pass a budget. However, because countries still need budgets, either a caretaker government with limited powers or a minority government has to negotiate the budget with the other parties.

If a coalition cannot form, the easiest solution is to call new elections. However,

---

[1]Lupia and Strøm (1995) argue that a coalition will dissolve if all offering parties prefer an election compared to making an offer to their coalition partners. In other words, if the smaller coalition party is pivotal, and the representatives of the bigger party do not believe that their party could do better in a snap election, the big party will keep paying off the small party.

this may not help the situation, and could prolong the government formation even further. The issue is that even if a new election is called, the results often do not change very much. For instance, in the Spanish general election of December 2015, the conservative People's Party (PP) and the center-left Spanish Socialist Workers' Party (PSOE) won first and second place, respectively, but neither could form a coalition with other parties, and the two refused the idea of a grand coalition.[2] The election was repeated in June 2016. The results were very similar,[3] and again the parties were unable to form a coalition (Jones 2016b). Because of this, a third election was planned for December 2016, but at the last moment the PSOE abstained, allowing for the investiture of a minority PP-led government, finally ending nearly a year of waiting (Jones 2016a). Even without repeated elections, coalition negotiations can last for an extraordinary long time. In Belgium 2010-2011, coalition negotiations lasted for 541 days.

While parties bargain, usually there is a caretaker government is in place. A caretaker government is most often the previous cabinet,[4] or it can be a technocratic cabinet.[5] Normally the rights of a caretaker government are more limited than the rights of a normal government (Golder 2010). However, a budget still must pass.[6] In Belgium, during the one and a half years while there was no government, the country had no official budget. In each month of 2011, the legislators voted to continue the 2010 budget for another month (and each ministry received 1/12th of the previous budget each month). In addition, legislators formed ad hoc coalitions to pass legislation (and give funds) to urgent matters (Bouckaert

---

[2]The seat shares of the parties were: PP 123, PSOE 90, Ciudados 40, Podemos 69, IU-Upec: 2 and Others 26 and a coalition needed 176 votes.

[3]The results were: PP 137 (+14), PSOE 85 (-5), Ciudados 32 (-8), Podemos 71 (+2), and Others: 25(-2).

[4]In Spain the previous prime minister Mariano Rajoy headed the caretaker government. In Belgium, also the previous prime minister, Yves Leterme served as a caretaker premier.

[5]One such example is the Monti cabinet in Italy, which formed as an interim cabinet in 2011 after Silvio Berlusconi resigned in the wake of the financial crisis (Marangoni 2012).

[6]Note that the following model and discussion does not take into account the role that Upper Houses may play in either the coalition negotiation, or in the budget negotiations. I do not consider Upper Houses because in most countries financial legislation must be introduced by the Lower House. Out of the countries I examine Upper Houses have a say in the budget in Italy and Germany (Money and Tsebelis 1992). Examining the role of the Upper Houses could be an important avenue of extension in the future.

and Brans 2012).[7] In Spain in 2016, the caretaker government had no right to create a new budget and thus the budget from the previous year was carried forward. Thus Spain's 2017 budget is going to be the same as the 2016 budget (Spanish News Today 2016).

If a majority government is not formed, another possibility is that a minority government forms. In this case, the government has to rely on a support of (at least part of) the opposition to pass the budget. A minority government may have a stable outside support party, or it could rely on its ability to form ad hoc support coalitions bill–by– bill (including the budget). Strøm argues that in almost 90% of cases a minority government has to build its legislative coalition vote–by–vote (Strøm 1990, 62). And a minority government is always in danger of not being able to forge an agreement with the opposition, and once a budget fails, the government fails. In 2014, the Social Democrats and the Green Party formed as a minority coalition in Sweden. However, the parties could not find external supporters for their budget proposal and the legislature accepted the budget proposal of the conservative opposition (the Alliance) instead. This led to a new general election.

Even outside parties that explicitly agree to support a government may turn out to be feeble friends. In Norway in 2016, the Conservatives and the Progress Party were leading a minority coalition. Both the Christian Democrats and the Liberal Party agreed to support the minority government coalition from outside (The Nordic Page 2013). Either party's seat share would be enough to give the governing coalition a majority. Nevertheless, as of this writing (December 2016), the government has not been able to pass a budget because neither the Christian Democrats nor the Liberal Party will support its budget plans. If the negotiations fail, the government can initiate a vote of confidence. In Norway there are no early elections after a vote of confidence, so instead all parties may begin to negotiate to form a new government. In this case, the second placed Labour will potentially have a chance to govern (Reuters 2016).

Because an outside support party can so easily renege on its promise to support a minority government, often the minority government gives policy concessions to all parties

---

[7]"[N]ew legislation was approved in parliament by a combination of the old majority of the incumbent government and ad hoc 'coalitions of the willing'" (Bouckaert and Brans 2012, 174).

regardless of their status. For instance in Ireland in 2016, the Fine Gael (FG) party formed a minority government. In exchange for policy concessions and fast tracked committee hearings, Fianna Fáil (FF), the other big Irish party, agreed that it would not prevent the budget from passing and it would not attempt to change the prime minister or the other ministers. To formalize this agreement, the two parties created an elaborate, lengthy document (Kelly 2016). In spite of this, Fianna Fáil claimed that the party would seek the support of other members of the legislature as well. Thus, similarly to a caretaker situation, often when there is a minority government in place, most of the legislative parties get policy benefits.

In multi-party countries, these examples are not unusual; the above discussed cases are just from the past couple of years. While the modal outcome may be that a majority coalition forms in the first bargaining round, the parties leave this equilibrium path surprisingly often and engage in lengthy bargaining, force new elections, or refuse to enter a minority government. The examples show that it is not unusual for a country to go without a government for a certain time, and there are procedures to allow for these times of transition. I argue in this paper that during coalition bargaining, parties consider their outside options. Even if there is no government, or even if there is a minority government, some parties are in a better bargaining position and will get a better payoff because their help is needed to pass a budget. In the following pages I will discuss two scenarios that show how the change in the payoff of this outside option alters the position of the parties within a coalition, or during coalition bargaining.

2.3.2 The Game

To describe coalition bargaining in this environment, I propose a nested game (Tsebelis 1990). I suggest that there is an inside game and an outside game. If the coalition bargaining process succeeds, the parties expect to get the payoffs from the inside game. If the bargaining process fails, the parties expect to get the payoffs from the outside game. We may only observe the inside game in equilibrium and only observe the outside game off the equilibrium path. The

country has to pass a budget every year. I call the budget that was passed in the previous year **Budget1**. I call the budget that is being negotiated for this year (after the formation or non-formation of the government) **Budget2**. The payoffs of the game are realized one year after the negotiations take place from **Budget2**.

2.3.2.1 Outside Game

In the outside game, I analyze what happens if there is no majority government, either because of lengthy coalition negotiations or because of a minority government. Because a country cannot be without a budget, even in years of drawn-out coalition negotiations and reelections, all parties still receive a certain amount from the available budget. I assume that this budget is carried over from the previous year and equals **Budget1**. The amount is fixed (on the previous year's level) and the parties cannot increase or decrease this amount.[8]

However, because the extension of the budget still has to be voted on, I further assume that the parties have leverage over the allocation of the money. Because there are multiple rounds of voting, and the parties have to build ad-hoc coalitions in each of these voting rounds, I argue that the amount that any party can expect for its preferred policies is a function of its bargaining power. Specifically, I assume that the expected payoff from this outside game is going to be equivalent to the Shapley-Shubik index of the parties, multiplied with the amount of **Budget1**, or the budget carried over from the previous year. I call this amount the *reservation price* of a party. This is the amount that a party could get without joining a coalition and this is the amount that a party would demand to join a coalition. I denote this value as k_i, k amount for the "i"th party.

The Shapley-Shubik index is a solution concept that calculates the "ex ante" power

---

[8]Note that the assumption that the country will have the same budget if government formation fails is a simplification. In practice, the budgetary rules can vary and can be quite complex. However, as Kiewiet and McCubbins (1988) note, the reversion point is hardly zero in any country, because there are some basic services a country must offer. For instance, Kiewiet and McCubbins (1988) note that in the US the reversion point is determined by the " Fenno Rule:" " Agencies are allowed to spend at the previous year's rate or, if only the House has passed the appropriation bill, at whichever rate is lower, or, if both Senate and House have passed the bill, at whichever of those two rates is lower" (Fenno 1966). Note, that the model I present in this chapter is true for any budget bigger than zero.

of players in a given bargaining game (Shapley and Shubik 1954). Even before a game starts, we know how much weight each party has in the legislature (its seat share) and we know the decision rule (a coalition with 50% or more of the seat shares can pass legislation). Thus we can calculate the proportion of times any given party would be pivotal for passing legislation.[9] As I argued before, both when there is a caretaker government and a minority government in a given country, the parties need to build ad hoc coalitions to pass legislation. Thus the parties may make a similar calculation to evaluate their potential payoffs before the game starts.

Below, I discuss two scenarios to illustrate the idea that in some cases, during coalition formation, a small party is the kingmaker. In other cases though, as we expect, the formateur party[10] can choose between various coalition partners. In reality many other party numbers and sizes may exist,[11] but using the same setup allows for a simple comparison between the impacts of these situations on government policy.

Let us assume that parties represent interest group(s), and the interest groups want certain policies. All of these policies cost money, and one group does not benefit from the money that has been allocated to another group's interests. In the following scenarios I assume that there is a society that consists of 5 equal sized groups. The two scenarios only differ in whether these groups form three parties or four parties. In the first scenario, one big party faces three smaller parties (in Scenario 1 the party system is fragmented); in the second scenario, a big party faces one small and one big party (in Scenario 2 the party system

---

[9]The Shapley-Shubik index ranges from 0 to 1. If a party has more than 50% of the seats, its Shapley-Shubik value is 1 and all the other parties have a Shapley-Shubik value of 0. We can calculate the Shapley-Shubik value from the legislative seat shares of the parties by listing all the party configurations and checking in what proportion of times a party's participation would change a non-winning coalition (below the 50% threshold) into a winning one (above the 50% threshold).

[10]The formateur party is the party that has the right to try to form a government after a given election. Often the biggest party gets that role although in some monarchies the head of state has the right to choose another party (for instance in Britain).

[11]In addition, there are many other factors that could play into creating similar situations, for instance in real life, parties may consider the ideology of the potential political partner when they decide whether they form a coalition or not. In Italy for instance the parties refused to form a coalition with the communist party during the Cold War, while in Austria SPÖ and the ÖVP refused to form a coalition with the nationalist FPÖ.

is concentrated).

2.3.2.2   Outside Game Scenario 1: Fragmented Party System

In the first scenario, there are four parties — A, B, C and D — representing the 5 groups in the society. Party A is bigger than the others, and represents Groups 1 and 2. Party B represents Group 3, Party C represents Group 4, and Party D represents Group 5.[12] We are assuming that all 5 groups are equal in size, so a party that two groups support is twice as big as a party that only one group supports. Consequently, in a given election, Party A wins twice as many legislative votes and legislative seats as does each of Parties B, C, and D.

This means that the four parties that have legislative seat sizes {2, 1, 1, 1}. Considering all of the possible majority coalitions that might form in such a legislature, the proportions in which each party would be pivotal (their Shapley-Shubik values) are: $\{Shap_A,$ $Shap_B, Shap_C, Shap_D\}=\{\frac{1}{2}, \frac{1}{6}, \frac{1}{6}, \frac{1}{6}\}$.[13] This is because Party A is twice as big as the other parties; it can create a majority with any one of the other parties. Because the rest of the parties are small, each is pivotal only if the Party A invites it to the coalition, or if is the last to join a B-C-D coalition.

If there is no government, the parties divide last year's budget. This means that the four parties should expect to receive the following amounts: $\{\frac{1}{2}*$ **Budget1**, $\frac{1}{6}*$ **Budget1**, $\frac{1}{6}*$ **Budget1**, $\frac{1}{6}*$ **Budget1**$\}$ if no coalition forms. For instance, if the Budget in the previous year was \$120, then the parties can expect to get: {\$60, \$20, \$20, \$20}. So **Budget2 =** **Budget1**= \$120. Note here that if there was a majority government in the previous year, the allocation was different, and all money was transferred to the projects of the majority coalition. However, the parties cannot increase the budget, and this time around, they have

---

[12]This is a situation similar to what Sweden experienced between 1950-1980.

[13]The potential coalitions are: {**AB**CD, **AB**DC, **A**C**B**D, **AC**DB, **A**D**B**C, **AD**CB, B**A**CD, B**A**DC, BC**A**D, BC**D**A, BD**A**C, BD**C**A, C**A**BD, C**A**DB, CB**A**D, CB**D**A, CD**A**B, CD**B**A, D**A**BC, D**A**CB, DB**A**C, DB**C**A, DC**A**B, DC**B**A} altogether 24 possible orders. A is pivotal any time it is the second or third party to join a coalition. B, C, and D are pivotal if they join after A or if they are the third small party to join the coalition. This is when the parties have more than 3 out of the 5 votes. All pivotal parties are bolded. Thus A is pivotal: 12/24 times, while B, C and D are pivotal 4/24 times.

to share the benefits. Thus the parties that were in the government earlier are potential losers from this change and parties that were in the opposition earlier are potential winners.

2.3.2.3   Outside Game Scenario 2: Concentrated Party System

Now let us assume that there are 3 parties: A, B and C, and still five equally sized societal groups. Party A represents Groups 1 and 2, Party B (which is a small party) represents Group 3, and Party C represents groups 4 and 5.[14] Thus, there are three parties with size distribution $\{2, 1, 2\}$. This time the Shapley-Shubik values of the parties are the following: $\{Shap_A, Shap_B, Shap_C\} = \{\frac{1}{3}, \frac{1}{3}, \frac{1}{3}\}$. This is because while one of the parties is smaller than the rest, any two parties are enough to create majority so all parties will have equal powers when it comes to voting. In this scenario as well, if there is no new government, the parties will have to allocate Budget1, the same amount to last year's budget. This means that the three parties would expect to have the amounts: $\{\frac{1}{3}$*Budget1, $\frac{1}{3}$*Budget1, $\frac{1}{3}$*Budget1$\}$ if no coalition forms. If the Budget in the previous year was \$120 again, then the parties can expect to get: $\{\$40, \$40, \$40\}$, and the new budget will be **Budget1 = Budget2** = \$120.

2.3.2.4   Inside Game

The inside game is a very simple, one round bargaining game. If bargaining fails, the parties get the payoffs from the outside game. During the bargaining process, the biggest party is named the formateur. It makes an offer to another party, who either accepts or rejects. The other party accepts any offer that is at least as big as the amount it could get from the outside option (the reservation price of the party). If the other party accepts the offer, the coalition is formed. The biggest party pays out its support group(s) and it pays out its coalition partner; thus **Budget2** is created as the sum of the payoffs for the two parties. This budget can increase or decrease from the previous year as the government is a majority government. I assume that the biggest party does not have to take into account the burden of taxation,

---

[14]This scenario describes a situation similar to what the Netherlands experienced between 1950-1980. While there were other very small parties the size of the first two parties were almost equal, with a pivotal third party.

that any increase in the budget increases the deficit. While the budget may increase, the formateur party would still not want to pay more to the interest groups supporting the other party (which could become a potential rival) than it needs to.

Figure 2.1: Inside Game: Game Tree
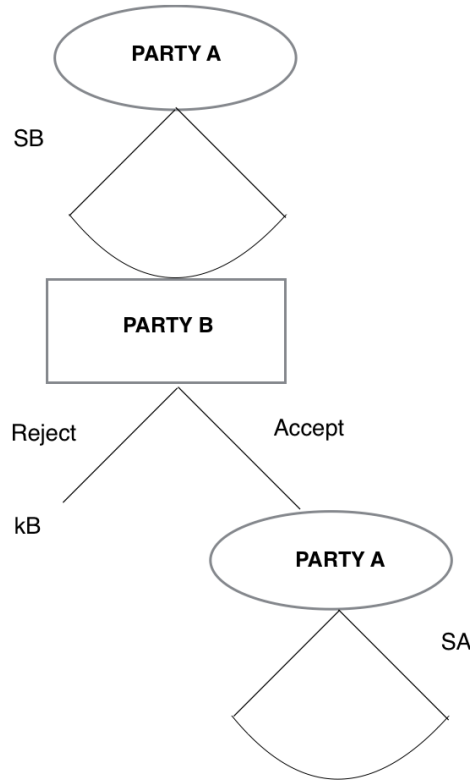
Figure 2.1 represents the game tree of the bargaining between parties A and B. Party A offers a subsidy to B (S_B), Party B either rejects or accepts (it accepts if the offer is bigger than its reservation price, then in the next move, Party A offers a subsidy to its own support groups (S_A). The budget is going to be the subsidy paid overall to Party A

and to Party B when the coalition offer is accepted by Party B. This equals to the subsidy paid to Party A plus the reservation price of Party B. Mathematically: **Budget2** $= S_A + S_B = S_A + k_B$.

2.3.2.5   Inside Game Scenario 1: Fragmented Party System

Returning to Scenario 1, again there are four parties — A, B, C, and D — representing the 5 groups in the society. Party A represents Groups 1 and 2, Party B represents Group 3, Party C represents Group 4, and Party D represents Group 5. As I established above, in this case if the coalition bargaining fails these parties receive, in order: $\{\frac{1}{2}$***Budget1**, $\frac{1}{6}$***Budget1**, $\frac{1}{6}$***Budget1**, $\frac{1}{6}$***Budget1**$\}$. Thus in the inside bargaining game, this is going to be the reservation price of the four parties: $\{k_A, k_B, k_C, k_D\} = \{\frac{1}{2}$***Budget1**, $\frac{1}{6}$***Budget1**, $\frac{1}{6}$***Budget1**, $\frac{1}{6}$***Budget1**$\}$.

Because Party A is the biggest party, it will be named the formateur after the election. A majority coalition would represent at least 3 of the 5 groups, so in this scenario a coalition of at least two parties will be needed to form a government. Let us assume that Party A will start bargaining with Party B. Because Party B's reservation price is $\frac{1}{6}$***Budget1**, this is the amount that Party A have to offer to Party B so that it accepts the coalition. So in this case: $k_B = S_B = \frac{1}{6}$***Budget1**. Now suppose that the support groups of Party A demanded a certain amount for their preferred policy (S_A). Party A will pay their voters and pay Party B. Thus the new budget, **Budget2** is going to be: **Budget2**$= S_A + k_B$ ($\frac{1}{6}$***Budget1**). If, for instance, Party A's voters demand most of the previous budget for themselves (S_A=\$110) the new budget is going to be: **Budget2**$= 110 + \frac{1}{6}$*120=\$130. If Party A's voters are more reserved, and they demand less, it is even possible that the budget decreases from **Budget1**. If Party A's voters demand for themselves (S_A=\$90) the new budget will be: Budget2$= 90 + \frac{1}{6}$*120=\$110.

2.3.2.6 Inside Game Scenario 2: Concentrated Party System

Now consider the inside game in the scenario with 3 parties: A, B and C. As earlier, Party A represents Groups 1 and 2, Party B represents Group 3, and Party C represents groups 4 and 5. Because there are three parties with size distribution {2, 1, 2} and 3 supporter groups are needed to win a majority, the parties must form a coalition in this case as well. This time the Shapley-Shubik values of the parties are the following: $\{Shap_A,\ Shap_B,\ Shap_C\} = \{\frac{1}{3},\ \frac{1}{3},\ \frac{1}{3}\}$, and thus in this case if the coalition bargaining fails these parties receive in order: $\{\frac{1}{3}*\textbf{Budget1},\ \frac{1}{3}*\textbf{Budget1},\ \frac{1}{3}*\textbf{Budget1}\}$. Thus in the inside bargaining game, this is going to be the reservation price of the three parties: $\{k_A,\ k_B,\ k_C\} = \{\frac{1}{3}*\textbf{Budget1},\ \frac{1}{3}*\textbf{Budget1},\ \frac{1}{3}*\textbf{Budget1}\}$.

Suppose that Party A, as one of the big parties, is named formateur after the elections. Again, we need at least 3 of the 5 groups for a majority coalition; at least two parties will be needed to form a government. Assume that Party A will start bargaining again with Party B. This time Party B's reservation price is $\frac{1}{3}*\textbf{Budget1}$, and thus this is the amount that Party A offers to Party B. This means that $k_B=S_B=\frac{1}{3}*\textbf{Budget1}$. Thus the new budget, **Budget2** is going to be: **Budget2**$= S_A + \frac{1}{3}*\textbf{Budget1}$. If Party A's voters demand most of the previous budget for themselves (S_A=\$110) the new budget will be: **Budget2**$= 110 + \frac{1}{3}*120 = \$150$. If Party A's voters are more reserved and they demand less, in this scenario the budget will not decrease. If Party A's voters demand for themselves \$90, (S_A=\$90) the new budget will be: **Budget2**$= 90 + \frac{1}{3}*120 = \$130$. As we can see, no matter what Party A's voters demand (no matter what S_A is) Budget2 is higher in Scenario 2 than in Scenario 1, since $\frac{1}{3}*\textbf{Budget1} \geq \frac{1}{6}*\textbf{Budget1}$.

According to the illustration above, when the reservation price of Party B increases, other things equal, the government budget increases. Party B's reservation price increases if there is a unified opposition group, because its bargaining power increases (it is pivotal more often) when the party system is more concentrated and presents fewer majority permutations that would exclude it. Party B evaluates this outside option and demands more of the budget for participating in a coalition. Assuming that the demands of Party A's supporters are not

affected by the change in the bargaining environment, a higher payoff to Party B must lead to either higher taxation or an increase in the government deficit. Notice that the theory does not require that the unified opposition be big. If in Scenario 2 the two big parties form a coalition and the small party is the opposition, the budget will be still higher than the budget in Scenario 1.

2.3.3 Observational Implications

H1: Other things equal, a coalition government will spend more when facing a unified opposition than when facing a fragmented opposition.

We could arrive at the opposite prediction based on theories in the previous literature. As I discussed above, Persson and Tabellini connect higher government spending and debt to lower government accountability. If politicians are more accountable to the public, they will not run up the deficit (Persson and Tabellini 2004). A unified opposition, in this context, would mean a clear alternative government option that voters can choose if they are dissatisfied with the government. Consequently, this theory suggests that when one government is easily replaceable with an alternative one, spending will go down. A similar prediction emerges from the theory of Hallerberg (2004). Hallerberg argues that in countries with competitive party systems,[15] an alternative government can be identified easily by the voters, thus they can easily punish the government for its bad behavior (which means running deficits). Thus in a competitive party system the governments delegate decisions to a centralized finance minister or make long term commitments to avoid deficits. In contrast, in non-competitive party systems all parties fight to stay in the government. Thus the individual ministers keep their authority over fiscal policy. Consequently, countries with more competitive party systems spend less than countries with less competitive party systems (Hallerberg 2004). Maeda (2010) argues that the identifiability of the alternative

---

[15]A competitive party system for Hallerberg means that there are either two parties or two coalitions with diverging ideologies that compete in the elections. He argues that in these party systems the governments will be ideologically cohesive thus they will be satisfied with a common fiscal policy (Hallerberg 2004, 37).

government is higher when the opposition is more concentrated. If this is the case, and Hallerberg's theory is correct then, if the opposition is concentrated the government will be more fiscally responsible and will run lower deficits.

Another important question is what happens if there is a coalition in the opposition. In the subsequent chapters of this dissertation I argue that parties may cooperate in the opposition. I will call the coalitions that are stable partners, stable coalitions.

H2: H1 applies to stable coalitions as well. A stable coalition in the opposition affects the government spending the same way a single party would.

This is because stable coalitions stay unified with a high probability, if the current coalition loses the elections. Thus a big opposition coalition poses a similar threat to the biggest government party as a big opposition party. Thus I argue that if there are stable coalitions in the legislature we should calculate their impact on the government as if the parties would have merged.

Two further observable implications arise. First, minority governments may appear when a big party has not offered enough policy concessions to a (potential) coalition partner. Thus minority governments should be more frequent in more concentrated electoral systems if the bargaining leverage of a small coalition partner is high.[16] Second, this model could provide an alternative explanation as to why small parties do not always merge to form one big opposition party. Maeda (2015) argues that parties remain small if the opposition has legislative powers. This is because the parties can influence policy without being in the government, thus they do not have to form a big party that could replace the government.[17]

_____

[16]In Strøm's theory, minority governments may form if parties are willing to forgo joining a current government to be part of the next one (1990). Strøm hypothesizes that when these the opposition has legislative power (in the committees), and the identifiability of an alternative government is high, there will be more minority governments. The identifiability of the government alternative is scored by Strøm so it is unclear how much party fractionalization influences this variable. _In addition_, Strøm uses party system fractionalization as a control variable in his analysis. In the multiple regression/ logistic regression, the party system fractionalization is not significant. Strøm does not examine this question further (1990). While the empirical implication of my theory is the same as Strøm's (more minority governments in less fractionalized party systems) notice that my explanation does not require any intertemporal calculation from the parties.

[17]Maeda's theory is closely related to how Powell (2000) and Strøm (1990) define the power of the opposition in the legislature. The argument is that certain legislative institutions, such as the power of the legislative committees, allow for a bigger opposition input in legislative deliberations.

This theory can only explain variations between countries. In contrast to this theory, I argue that a small party in the government could gain more policy benefits, the more pivotal it is in the legislative majority-coalition-building game. While it could be more beneficial for small parties to join a big opposition party than to remain one of the small parties in a fragmented electoral system, the most beneficial scenario is to be the lone small party that can play "kingmaker."[18] Small parties face a prisoner's dilemma when deciding on the optimal strategy to influence policy making. The observational implication is that the ideological positions of the parties will be less clear (as they try to indicate that they are desirable coalition partners) in a more fragmented party system than in a less fragmented party system.

2.3.4 Limitations of the Analysis

In section 2.3, I have discussed how parties may bargain when they consider the outside option that a caretaker or a minority government will govern the country if bargaining fails. Notice that the discussion only provides a partial equilibrium analysis, that is, I only examine the comparative statics on the reservation prices of the non-formateur parties. In this chapter I do not model the effect of alternative coalitions on this bargaining process, or the potential multiple rounds of post-electoral bargaining. I also do not discuss whether parties that were previously in the government would have different incentives than parties that were previously in the opposition. I do not predict the circumstances under which a majority coalition or a minority government will form.[19] While the above discussion is enough to illustrate the conditions under which the opposition could impact government

---

[18]One example when a small party became extremely important in the coalition negotiations happened in Japan in 1993. At this time the Liberal Democratic Party (LDP), that has been in power since 1955 faced an anti-LDP pre-electoral coalition in the elections. However, after the elections the electoral results were such that neither side could form a government. Even though the winner LDP had the most votes, and no alternative coalition could have formed without the second place Japanese Socialist Party (JSP) the real bargaining power was in the hand of two uncommitted tiny parties: Japan's New Party and Sakigake. At the end the anti-LDP coalition had to offer the prime ministership to Hosokawa, the leader of Japan's New Party. Thus the head of a tiny party, without political experience, became the prime minister (Kohno 1997, 154).

[19] Golder (2010) finds that coalition bargaining takes longer when the bargaining environment is complex and the uncertainty about the ideological position of the parties is high. This shows that a useful way to change the model could be to introduce uncertainty about the reservation price of the parties.

policy, modeling the full game could lead to many important insights and this is an important avenue of future research.

2.4   Conclusion

In this chapter I discussed my theory of how the structure of the opposition influenced government spending. I argued that a coalition government would spend more if there was a unified opposition, rather than a collection of small parties in the opposition, because the junior coalition partner would be a more valuable ally who could therefore demand more compensation. To illustrate this theory, I discussed two scenarios. In one of these scenarios, the government coalition faced a fragmented opposition while in the second one, it faced a unified opposition party I argued that during coalition bargaining, parties consider the policy implications of bargaining failure. In this case, a caretaker (or minority) government would have to divide up the same budget as from the previous year, and each party could expect to receive a share of this unaltered budget, that corresponds to its bargaining power. I argued that this share was the Shapley-Shubik power index of the parties.

Consequently, a small party can demand that a higher amount be spent on its preferred policies if the opposition is concentrated, because in that scenario the small party would be the kingmaker. In Chapter 4, I test this theory with electoral and budgetary data from 16 countries over 43 years. Before the empirical test however, I discuss in Chapter 3 how party systems have been measured in the political science literature and I discuss how I measure the structure of the opposition.

CHAPTER 3

Measuring Party Systems and Opposition Structure

3.1 Introduction

In Chapter 2, I introduced my theory that the spending of a coalition government will be higher when the opposition is unified than when the opposition is fragmented. This is because the junior member of the coalition will be a more expensive partner if it could be pivotal to an alternative governing coalition. Consequently, the bigger coalition partner has to increase spending. In Chapter 4, I will run an empirical test to provide evidence for this proposition. Furthermore in this dissertation, I argue that if the structure of the opposition matters then we must examine party alliances in the legislature in more detail than has been done to date. In Chapters 5 and 6, I will discuss inter-party cooperation in the opposition and how it may influence government policy.

All of the following chapters of the dissertation propose that previous measures of the structure and size of the party system were not entirely successful in measuring political competition. In this chapter, I survey the literature on how party systems were measured and classified in the past. I argue that apart from the size of the party system, most of the typologies take into account the the nature of the competition within the party system when they classify the countries.

After reviewing the literature, I discuss the party system typologies that were created in the 1960s and 1970s and I review the literature on party system size measures. Then, I conduct a Principal Component Analysis (PCA) to find combinations of features that separate party systems. This is an objective analysis, which I argue can help us understand the structure of the data better. After this I calculate some of the party system measures that

the previous literature has suggested and I examine whether these are correlated with the dimensions that the PCA analysis has found. I find that most of the traditional party system size measures are correlated with the sizes of the two biggest parties but do not measure party competition. Finally, I calculate some of the opposition concentration measures and I show that these measures relate to the competitiveness of the party system. Although this chapter focuses mainly on the technical debates about how to measure party systems, the conclusion is that we should base the measures we use in theory and careful empirical analysis, otherwise they may not be helpful in uncovering empirical regularities.

3.2   Literature Review: Party System Typologies

A party system describes the number of parties, types of parties, and their relationships to one another (Duverger 1963, 203). The number and relative sizes of the parties is one of the main characteristics of any political system. Specific country studies often have a detailed description of a particular party system (Sartori 1976), but political scientists would like to find a way to compare these party systems. The ways that parties coordinate and compete with one another differ across countries and over time. Thus, political scientists have struggled to understand to what extent these interactions are determined by systematic, structural factors and to what extent they are determined by the stochastic political behavior of the elites.

Two big schools emerge: one group of scholars categorize the countries qualitatively, based on coarse number (one, two, many) and the behavior of the parties. Another group of scholars create summary measures that assign similar numbers to similar countries thus making it easier to analyze the differences in party systems with quantitative methods. In the next few pages I discuss both of these literatures, and in the last part of the chapter I compare and contrast the results of these literatures with the help of a PCA analysis.

The most canonical difference in party systems across countries is between two-party and multi-party systems. In a two-party system, the winning party always holds the legislative majority by itself. In contrast, if there are many parties, it is likely that no party

holds a majority by itself. If none of the parties wins a majority, some parties have to form a governing coalition. Duverger (1954) argues that plurality electoral systems (in which only one candidate can win in a given district) lead to a two-party competition, at least at the district level.[1] By contrast, proportional representation electoral system (PR) produce (or at least, allow for) a multi-party system. Duverger considers the two-party system the superior type, while he thinks that multi-party systems are unstable and inchoate, as the coalition governments are less stable than single party governments.[2]

In practice, however, there are very few countries with ideal-type two party systems.[3] The rest of the countries are multiparty countries. Within the countries with non-majoritarian electoral systems, there is a wide variety of different sized and structured party systems.[4] Even among countries with the same electoral system, different party systems have developed, and keep evolving. To impose order on the chaos (to group *similar* countries together), political scientists classify the multi-party countries into more refined categories (Blondel 1968; Rokkan 1970; Sartori 1976).

Blondel (1968) is the first to recognize that, not only the number of parties, but also their relative sizes, are important to compare party systems, as small parties are less important than big ones.[5] Most of the typologies following Blondel sort the countries based on the number of the parties and based on how the parties compete. Depending on their approach, some authors argue that the competition style is a direct outcome of the party

---

[1]This is because the voters do not to waste their vote on third party candidates, thus small parties fall out from the competition (Duverger 1954).

[2]Under PR, several candidates can win seats within a given electoral district. The parties get seats based on their vote shares in the election (thus a party that got 15% of the votes receives roughly 15% of the seats in the legislature). Under this system, small parties can gain legislative representation.

[3]Countries that have close to two party systems, at least in the 1970s include Britain, the United States, Canada, New Zealand, Austria and Australia (Sartori 1976).

[4]One reason for this again is the electoral system: In some of the PR countries, electoral districts are relatively small, - there are electoral districts in which only a few seats get allocated. Even though *within* the electoral districts seats are allocated proportionally, the smallest parties cannot gain seats (for instance if there are only 5 seats available a party with 15% of the votes may not gain seats). However, the variation is not limited to electoral causes.

[5]Blondel sorts the party systems into two-party systems, two and a "half" party systems, multiparty systems with a dominant party and multiparty systems without a dominant party.

system size and structure, while others argue that the competition between the parties is an independent feature, a separate dimension. Rokkan classifies the countries based on whether the parties in the party system are roughly the same sizes (compared to each other) or whether there is one or more dominant parties facing small parties 1970.[6] Laver and Benoit (2015) create a party system classification based on the coalition potential of the different parties.[7]

Other authors consider competition style as a feature that distinguishes party systems. Dahl (1966) sorts countries into different categories based on whether the parties only compete, or at the same time cooperate with each other. This depends primarily on whether the parties have to build coalitions or not. Thus he argues that the competition style is directly influenced by the party system, as in a two party system there is no need to form coalitions.[8] On the other hand, (Sartori 1976) argues that party fragmentation and the ideological distances between the parties are two separate characteristics. These two dimensions determine the type of political competition in a country.[9] Finally, Mair classifies party systems based on whether a country has open or closed party competition, which means whether new parties can enter the race (Mair 2002).[10]

---

[6]Rokkan's categories are named after the sizes of the parties in these groups. For example the British-German "1 vs. 1+1" system describes a two and a half party system (with a dominant party facing one dominant and one small party 1970.

[7]Laver and Benoit (2015) establish categories based on how the ranked parties (biggest, second biggest, etc.) could form winning coalitions (reach the 50% seat share threshold). Thus, the authors classify countries based on the party seat shares. The authors do not explicitly show the countries that belong to each category, as they argue that the multi-party countries shift in and out of these categories quite frequently, based on small changes in the electoral results.

[8]Dahl claims that the opposition is competitive in two-party systems (where only two parties compete) while it is cooperative-competitive in multi-party systems (where small opposition parties have a chance to join the government coalition without changing the entire government) (Dahl 1966).

[9]Sartori draws a distinction between countries in which two ideologically close party groups compete (limited or moderate pluralisms) and between countries in which the opposition is fragmented, and ideologically diverse (extreme pluralisms). In his classification, the cut off between moderate and polarized pluralism is around five or six parties (Sartori 1976).

[10]Closed party systems are those where the alternation in government is fully predictable and new parties have no chance of gaining power. In contrast, it is unclear how the next government is going to look in an open system. Mair (2002) argues that open competition emerges in transitional (inchoate) party systems, or is a sign of party system failure which is reminiscent of Duverger's characterized multi-party systems 1954.

Table 3.1: Party System Classifications

Author	Criteria	Typology	Countries
Duverger (1954)	Numbers of Parties	1.Two-party Systems 2. Multi-party Systems	Sartori: 1. England, United States, New Zealand, Australia, Canada, Austria 2. All else
Dahl (1966)	Competitiveness of the Opposition	1. Strictly competitive 2. Co-operative-competitive 2a. two-party 2b. multi-party 3. Coalescent-competitive 3a.Two-party 3b. Multi-party 4. Strictly coalescent	1. Britain 2a. United States 2b.France, Italy 3a Austria, Wartime Britain 3b. (no example) 4. Colombia
Blondel (1968)	Numbers of parties Relative size of parties	1.Two-party systems 2. Two-and-a-half-party systems 3. Multi-party systems with one dominant party 4. Multi-party systems without dominant party	1.United States, New Zealand, Australia, England, Austria 2. Germany, Canada, Belgium, Ireland 3. Denmark, Norway, Sweden, Iceland, Italy 4. Netherlands Switzerland, France, Finland
Rokkan (1970)	Numbers of parties Proximity to the majority Evenness of the competition	1.The British-German "1 vs. 1+1" system 2. The Scandinavian "1 vs. 3-4" system 3. Even multi-party systems "1 vs. 1 vs. 1+ 2-3" 3a. scandinavian "split working class" systems 3b. segmented pluralism	1 Austria, Ireland, some periods Belgium 2. Sweden, Denmark, Norway 3a. Finland, Iceland 3b. Netherlands, Belgium, Luxembourg Switzerland
Sartori (1976)	Party fragmentation (number of parties) Ideological distance	1. Predominant party regimes 2. Two-party systems 3. Moderate pluralism 4. Polarized pluralism	1. Norway(or 3), Sweden (or 3), Japan, Uruguay, India, Turkey 2. Canada, Australia, Austria, England, New Zealand, United States 3. Switzerland, Netherlands, Israel, Denmark, Iceland, Luxembourg, Belgium, Ireland, France (after 1958), Germany 4. Finland, Chile, France(before 1958), Italy
Mair (2002)	Type of Competition (alternation of the government, new parties: in the system, in the government)	1. Open Party System 2. Closed Party System	1. Denmark, the Netherlands, post authoritarian systems 2. United Kingdom, New Zealand (till mid 1990s), Japan(1955-93, Switzerland, Ireland (1948-89)
Laver and Benoit (2015)	Type of Competition (potential winning coalitions)	1. Single Winning Party 2. No Single Winning party 2a. Strongly dominant party $(S_2 + S_3 < W)$ 2b.Top- three $(S_2 + S_3 \leq W)$ 2c. Top-two 2d.Open	countries change categories

Note: The table is modified from Table 1 in Mair (2002). The countries in the different categories are the authors' own except for Duverger, where I take my information from (Sartori 1976).

Table 3.1 summarizes the typologies created by previous literature. The table lists the countries that the authors bring up as examples for the categories. Overall, the table shows that finding the proper categorization of multi-party countries is more difficult than dividing two-party from multi-party countries. While two-party systems are classified as their own category by all authors, some multi party countries (such as Finland or France) are grouped with different countries by different authors. Nevertheless, the various typologies are not that different from each other. Rokkan's 1970 idea to categorize parties based on how parties face each other within party system is made more precise 40 years later by Laver and Benoit (2015). Sartori's distinction between moderate and polarized pluralisms creates a very similar categorization to Mair (2002). All typologies suggest that, apart from the size and relative power of the parties, we should consider the competition within the party system to separate countries into groups.

While several different typologies are created, political scientists do not examine whether we can expect any policy differences in the countries with different party systems. Political scientists do not consider political outcomes, with one notable exception. In the period following World War Two, government failure was one of the main concerns of political science.[11] Political scientists note that one of the reasons that coalitions fail may be because of the structure of the bargaining environment in the legislature. However, there are contrary predictions as to how the party system may influence government stability. Dodd argues that in fractionalized and unstable party systems, information certainty is low, and so parties are more reluctant to enter coalitions (Dodd 1974). He argues that in fragmented party systems, coalition governments fail more easily, and there are more minority governments.

In contrast, Strøm argues that minority governments form when the party system is not fragmented. He argues that parties forgo a governing opportunity if they anticipate that they can govern in the next elections with more favorable conditions. This might happen if a potential new government is clearly identifiable (Strøm 1990). Dalton (2008) argues

---

[11]Government failure means that the government loses the confidence of its supporting majority the legislature. It can either mean the dissolution of the legislature and new elections or the replacement of the government by a new, majority government (Warwick 1994).

that the ideological polarization of parties may be more important for the (in)stability of the government than for the number of parties. Amid the inconsistent predictions, Warwick (1994) tests the influence of the bargaining environment on government stability, but does not find any systematic effect. He concludes that the bargaining environment concept is not well defined.[12]

While this line of research is not concerned with policy outcomes, some political scientists consider that the governing coalition parties may abandon the government faster if other viable coalitions can form in the legislature (Strøm 1990). Later in this chapter, I argue that smaller coalition parties may use the threat of joining another potential coalition to extract policy concessions from the biggest government party. Thus, it is possible that Warwick did not find an effect of the bargaining environment because its impact is not on the probability of government failure, but it is instead on the amount of policy concessions going to the smaller coalition partner.

3.3   Measuring Party Systems

Another group of scholars creates measures to summarize the structure of the party system. As discussed above, counting the sheer number of parties may not be informative enough: parties can be smaller or bigger which changes their importance. Thus the aim of these scholars is to find the right balance between counting the parties and giving more weight to bigger, more important parties so that as a result similar party systems would end up with similar numbers. In the next section, I will recap how researchers have measured the size of party systems. Later in the chapter I will examine the underlying data structure of party systems and I will compare these measures to some of the important dimensions that distinguish party systems.

---

[12]Warwick (1994) in his book on government survival uses eight different measures to operationalize the bargaining environment concept of (King et al. 1990). King et al. (1990) call the fractionalization (Rae and Taylor 1970) and the polarization (support of extremist parties (Powell 1982)) of the party system the bargaining environment (Warwick 1994).

3.3.1 Indices

3.3.1.1 Maximum Entropy

Kesselman (1966) develops an entropy-based hyper-fractionalization index to characterize the shapes of party systems (Taagepera and Shugart 1989, 5).[13] In case of continuous distributions such as the party system, the entropy is the minimum value of information that is needed to convey the shape of the distribution to the receiver. Thus the hyper-fractionalization indices uniquely characterize each party distribution. However, the entropy-based indices can be extremely sensitive to the entry and exit of smaller parties. This is because seat shares must add to one and if a party enters, it necessarily changes at least one other party's seat share, causing a change in the entire distribution (Molinar 1991). This makes the measure unreliable, as similar party systems may end up with different numerical representations. For this reason Laakso and Taagepera (1979) argue that to get a meaningful party system size measure, we should identify the parties that are big enough to have a meaningful role in the system, and they turn towards concentration measures.

3.3.1.2 Concentration

In order to give more weight to bigger parties in the system and minimize the weight of smaller parties, political scientists adapt an economic measure. The basis of this family of measures is the Herfindahl-Hirschman concentration index, which is the sum of squares of the market share of each company in a given market HH=$\sum s_i^2$. The range of this index is 0 to 1 where a 1 means that the market is dominated by one company and 0 means that all companies are equal. Rae and Taylor (1970) calculate a fractionalization index by replacing the companies' market shares with parties' seat shares in the formula, and changing the formula to 1-HH. This measure shows the probability that two randomly selected voters would vote for the same party (Molinar 1991, 1). Laakso and Taagepera (1979) argue that

---

[13]The entropy measure evaluates the probability of the "i" th bin in a histogram. It counts the number of ways how we could rearrange the parties while still arriving at the same histogram. A very high peaked histogram has a very low entropy (in fact a histogram with one bin would have an entropy of 0) while a uniformly distributed one has a high entropy (Bishop 1995).

a more intuitive transformation is 1/HH, which shows how many equal sized parties would be equivalent to the current party system. They call this measure the Effective Number of Parties (*ENP*). Currently the *ENP* is probably the most widely used measure of party-system concentration.

3.3.2 Alternative Measures

There are two major criticisms of the *ENP*: one is that it overestimates the number of relevant parties, the other is that it is not sensitive enough to small changes in the party system. The first group of critiques suggest weighing big parties more, while the second group of critiques suggest weighing small parties more. The first group of scholars argue that we should only consider parties to be relevant if they have a real probability of joining a governing coalition (Kline 2009) or at least of influencing the behavior of parties that do have coalition potential (Sartori 1976).[14] Thus new measures are created to put more weight on the bigger parties if they have a higher coalitional potential (or in other words power). In practice all power indices use the same data as the party number indices: the seat shares (or the vote shares) of the parties. The only difference is that based on some combinatorial rules, the parties may receive bigger or smaller weight than their original seat (vote) shares. In the section below I discuss how the most popular power indices are calculated. Later I will discuss how the power indices are combined with party system size measures.

3.3.2.1 Incorporating Party Power into the Number of Parties

As discussed in the previous chapter, the Shapley-Shubik power index calculates the proportion of times a party could be pivotal. The calculation starts from the premise that all possible coalitions are ordered; that is, the parties join them in particular order (Shapley and

---

[14]This could potentially cause real issues in the analysis. For instance the *ENP* can be close to two even when one party has the majority in a legislature so it can govern alone. Another issue is that if the competitiveness between the first and the second party decreases as the *ENP* tend to increase. This is because the special constraints on the compositional data, when the difference in seat shares between the first and the second parties increases the difference in seat shares between the second and the third parties could decrease, hence we end up with a higher *ENP*. However, the competitiveness of the system has actually decreased (Molinar 1991).

Shubik 1954).[15] Banzhaf takes a slightly different approach to calculating the power of the parties. He starts with all the possible coalitions when they already formed. So the order in which the parties joined in does not matter. Instead, the index measures how many times a coalition would shift from winning to losing if a particular actor were to change their vote (**?**).[16]

Caulier and Dumont (2005); Grofman (2006); Kline (2009) all suggest using the sum of squared power shares instead of the seat shares of the parties in the formula of the *ENP* in order to address the potential over-valuing of small parties. Grofman calls this measure LTB (Laakso and Taagapera score normalized with the Banzhaf score).[17] Later, Grofman and Kline (2011) claim that they can improve their own measure. They argue that switching the Banzhaf power shares of the parties into the *ENP* formula is not enough as ideology matters too for coalitional potential (de Swaan 1973). They argue that if two parties are close enough ideologically they can be counted as one.[18] Several other measures have been created to increase the weight of bigger parties.[19] Dunleavy and Boucek (2003) suggest that because all of these measures are correlated with the size of the biggest party, we might as well use the latter to measure the size of the party system. This is also suggested by Taagepera (1999).

---

[15]After listing all coalitions, in each coalition the pivotal player is identified. The pivotal player is the player that can make the coalition's total vote share pass the threshold that is needed to win the particular vote. The index is calculated for each actor (party) and it shows how many times a player would be pivotal out of all possible permutations of party coalitions.

[16]In practice, bigger parties could get a higher Banzhaf power value than Shapley-Shubik value. This is because in an oversized coalition, a big party may be the only one whose leaving could swing the coalition from winning to losing so it would be the only party that is relevant for the calculation of the Banzhaf index. But the big party still may not be a majority party and may therefore need coalition partners, so it would not be the only party relevant for the calculation of the Shapley-Shubik value.

[17]This measure in practice ends up having sharper step-downs in the number of parties than the *ENP* when certain thresholds (of coalitional potential) are hit. Especially around these thresholds, the measure diverges from *ENP* (Kline 2009, 21).

[18]Grofman and Kline (2011) use a loss function to evaluate what would happen if two ideologically close parties were to merge. If the loss of information caused by this change is below a certain threshold they claim that the parties can be counted as one party.

[19]For instance, Molinar (1991) argues that we should always count the winning party as one, and then he suggests that we should calculate the *ENP* with all the other parties and add the two values together. This index is criticized by Dunleavy and Boucek (2003) as it behaves erratically under certain circumstances.

All of the above measures of the party system size incorporate the institutional constraint that parties need a majority in the legislature in the counting of the parties. Grofman and Kline add an additional constraint, the ideologies of the parties. It is a theoretical question whether we should include these constraints to the index that we calculate, or whether we should treat the thresholds as a separate consideration. One issue is that there may be other thresholds that are important but are idiosyncratic in the systems. This means that these thresholds cannot be easily built into a universal measure.[20] Another issue with the ideologies is that the ideological locations of the parties may be an outcome variable dependent on the party system itself. Kline (2009) argues that while all these measures are highly correlated with the *ENP*, the threshold effect due to the power calculations means that there are sharper step-downs in the measures modified by the power of parties. In fact, this modification amplifies that problem that *ENP* has, that some very different party configurations end up with the same index numbers.

3.3.2.2 Full Distribution

As I discussed above, the *ENP* and even more the indices that weight the bigger parties more give the small parties, and small changes in the distribution a small weight. Because of this a lot of different party systems that are configured differently can end up with the same number. Thus the index may mask important differences among the party systems. However, the original goal of Laakso and Taagepera (1979) was to create exactly such a measure, one that would find systemic similarity among superficially (i.e., countably) different arrays of parties.[21] Thus the *ENP* gets criticized also by researchers who want to measure the small changes. In recent years, some political scientists have created measures again to describe the

---

[20]For example it is possible that only a certain number of legislators can create a parliamentary group that has the right to participate in committees. There are also some legislation which requires a super-majority. In addition, it is possible that the legislature has another chamber which could add another layer to the threshold problem.

[21]This is because they believed that the party systems that they characterized with the same value were indeed similar. "The effective number of parties is the number of hypothetical equal-size parties that would have the same total effect on fractionalization of the system as have the actual parties of unequal size" (Laakso and Taagepera 1979). The goal of the authors with the index was to create a measure that will not change significantly when there is an additional small party in the party system.

full distribution of parties in order to capture the nuanced changes in the party system (Katz and King 1999; Rozenas 2011). These measures are reminiscent of the hyper-fractionalization indices from decades before.[22]

3.3.3 Measuring Party Systems: Summary

Most of the researchers mentioned above have attempted to create a measure that is useful to investigate the particular phenomenon that interests them. Perhaps it is not entirely fair to compare these measures to each other, it would be better to evaluate whether they are useful to what they were developed for.

Overall, there is a tradeoff between how comprehensively we would like to describe the party system on the one hand, and how much we would like to identify the relevant parties. The former approach yields a measure that weights smaller parties more, while the latter yields a measure that weights larger parties more. These variations can be used for different purposes. The methods that describe the entire party system distribution are useful when we are interested in individual party size changes within a system as an outcome variable. The method suggested by Katz and King (1999) and Rozenas (2011) allows the authors to predict the vote shares of individual parties. By contrast, the concentration measures are more useful to be used as independent variables as they were developed to predict coalition formation and government (coalition) termination.

However, in most empirical studies that evaluate whether certain factors influence government policies, an author will pick one or more controls for the party system size without sufficient attention to what the indices actually measure. The index of choice is usually the *ENP*. In the next part of this chapter, I show that the problem may be that

---

[22]Katz and King (1999) in their paper use the fact that the vote shares within a party system form a compositional dataset. Such a dataset can be uniquely represented on an n dimensional simplex (where n is the number of parties) (Aitchison n.d.). They use district level electoral data from England to calculate the changes of party vote shares within the system. With the full distribution, they predict the expected vote share for each party in the districts and compare it to the actual vote shares that the politicians receive. With the difference of these numbers they can calculate the size of the incumbency advantage. Rozenas (2011) uses the relative sizes of the parties similarly. The parties are not defined by their names but their electoral results (biggest, second biggest etc.). He uses this approach to examine whether the electoral system change created a different party system in Japan or not.

some of these measures are correlated with each other and measure a similar underlying dimension of the party system structure. Next, I will examine the underlying dimensions of the party system structure through Principal Component Analysis (PCA).

3.4   Recovering the Latent Party System Dimensions

In Chapter 4, I will run an empirical test to show that the opposition structure influences government policy. For this purpose I have calculated indices that reflect the opposition structure. The challenge is that because the opposition is part of the party system, my results may end up to be non-identifiable, and we will not be able to discern whether a change in government spending is due to the change in the opposition structure in particular, or the party system structure as a whole. To understand how these measures relate to each other, the first step is to understand what the party system size indices measure. In this section, I first analyze the party systems as their own dataset, to recover the important characteristics that differentiate them. Second, I will discuss how the party system size measures relate to the opposition size indices that I use in Chapter 4.

Below I present the findings from a Principal Component Analysis (PCA) that I conducted to identify the most important characteristics that differentiate the party systems from each other. PCA is a statistical technique that reduces the noise in the data and reveals the underlying dynamics of the dataset (Bishop 1995).

The data I use in this analysis is all party seat shares in 17 European countries from 1970 to 2013.[23] These countries all have relatively stable party systems, which means that the political systems are comparable (Mair 2002). Moreover, I chose these countries as most of the above mentioned party system typologies use them, thus making my results comparable with those typologies.

---

[23]The countries are: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, and the U.K. Greece, Portugal and Spain enter the dataset after they democratize: Greece in 1974, Spain in 1978 and Portugal in 1976. I use these years because in Chapter 4 I analyze how the party system structure influences spending and these are the years I have economic data on. All data in this chapter, including the seat shares of the parties, and the identity of the governments, comes from Nordsieck (2016).

To analyze the data, I created a matrix that ranks parties in each country-year based on legislative seat shares. Each row of the matrix is a country-year, and for each row the first entry is the seat share of the biggest party in the legislature, the second entry is the seat share the second biggest party in the legislature, and so on. When I run out of parties in a given year, the remaining entries are all zeros.[24] Thus, in the following analysis I recover the structures of the party systems without considering the identities of the individual parties.

I have a total of 719 country-years in the data frame, and each country-year can be considered a separate dimension of the data, a separate observation. As I discussed above, we probably do not believe that small variations in the sizes of the parties mean a real difference in the party system structure. To be able to understand what features of the party system make countries most unalike we have to find which features of the party system structure vary the most.

We can do this with a Principal Component Analysis (PCA). PCA is a dimensionality reduction technique, which projects high-dimensional data onto a lower dimensional space. The lower dimensional space is determined by the directions in which the data varies most, so the least amount of information is lost during the projection. Essentially, the PCA finds the features that we need to know about the party system of a country to be able to group it with countries with similar party systems. Thus, in spirit, this method is not unlike the efforts of the scholars that created party system typologies back in the 1960s and 1970s.

In practice, the PCA estimation first calculates the dimension where the data has the biggest variation. It then finds n-orthogonal dimensions that explain the biggest part of the remaining variation within the data. These dimensions are the principal components, the characteristics that distinguish un-alike party systems.[25] Figure 3.1 shows the first four eigenvectors (or principal components) that the PCA has recovered. The plots show the loadings that create these dimensions: which parties get a weight in separating the most

[24]For example, the first entry in the matrix is Austria 1970: Party1: 0.49, Party2: 0.48, Party 3: 0.03, Party4....Party20: 0 .

[25]The method determines these dimensions by minimizing the loss function of the sum of squared errors. Thus how the method finds the first dimension is closely related to regression estimation.

dissimilar party systems. On the x-axes of the plots we can see the party numbers (since the parties are ordered by size this means the biggest party is Party 1, second biggest is Party 2 etc...). On the y-axes of the plots we can see the weights that each party has in the given principal component. At the same time, the dimensions are orthogonal to each other, so we know that the components are not correlated with each other. This can be the key to identifying different aspects of the party system that are theoretically important but at the same time statistically are not correlated.[26]
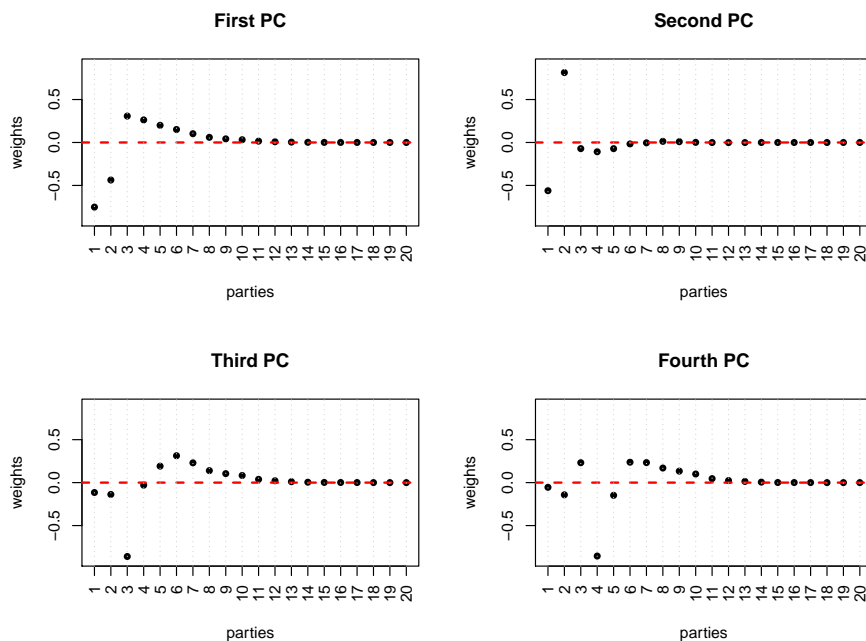
Note: The plot shows the loadings of the first four principal components. It shows how much the sizes of the parties influence the dimensions. On the x-axes we can see the party numbers (ranked by size). On the y-axes we can see the weights of the parties.

Figure 3.1: Loadings of the First Four Principal Components

As Figure 3.1 shows, the first dimension is most heavily influenced by the size of the two biggest parties relative to the other parties. I call this dimension "Size of the Biggest

---

[26]PCA is inherently a linear method it can only extract linear dimensions. But one issue with compositional data is that the seat share of each party depends on how many other parties are in the dataset. Consequently, the data may not be linear. To get around this issue I replicated the following analysis with the kernel PCA (kPCA) and Non-Linear PCA (NLPCA). Both methods allow for non-linearity in the estimation process. The results of this analysis are very similar to the results of the linear PCA. Because the linear PCA dimensions are easier to interpret, I will continue here with the analysis of the linear PCA.

Two Parties." The second dimension is influenced by the size biggest two parties but with opposite weights. So we can understand this dimension as the "Competition between the Biggest Two Parties." The third dimension is most heavily influenced by whether there is a third party in the system or not ("Third Party"), while the fourth dimension is a little bit unclear but it is influenced by Parties 3-5 so I call it: "Multipartism."[27]

3.5   What do the Indices Measure?

In this section I calculate some of the party system size measures that I discussed in the literature review. The indices I calculate for each country-year are: the Effective Number of Parties in the Legislature (*ENP*), the Biggest Party in the Legislature (*BigP*), The Raw Number of Parties in the Government (*GPs*), the Shapley ENP – an ENP like measure, in which I replace the parties' seat shares with their Shapley-Shubik indices (*S.ENP*).[28] As discussed above, all of these indices come from different theoretical roots and were developed to weight different features of the party system. However, I would like to explore whether these traditional party system size indices can measure the dimensions that the PCA analysis recovered as important to distinguish between party systems. Thus, I check how the indices and how the locations of the countries on the reduced dimensions relate to each other. To do this, I calculate I the position of each country-year in the four dimensional space that was defined by the four principal components of the PCA analysis. I create four variables (*PC1, PC2, PC3* and *PC4*) that are the coordinates of each country in each year on the dimensions.

In Figure 3.2 I plot all these measures in a correlogram. A correlogram is a graphical

---

[27]To analyze this dimension I also conducted a PCA on the residuals of the dataset in which I controlled for the sizes of the two biggest parties. The analysis shows that this fourth dimension is probably the balance between the sizes of the smaller parties (whether the smaller parties are equal sized or not).

[28]I calculated a composite measure of the Effective Number of Parties including the Shapley-Shubik power index. Grofman and Kline (2011) have used the Banzhaf index in their calculations. I am using the Shapley-Shubik index as opposed to the Banzhaf index because I examine how coalitions are formed, thus the sequential approach to the coalition formation seems to be more appropriate. In addition, mathematically, the Banzhaf index puts additional weight on the biggest party. As I am interested in the opposition structure, I chose a measure that evaluates the opposition power more precisely.

Correlogram with PCA
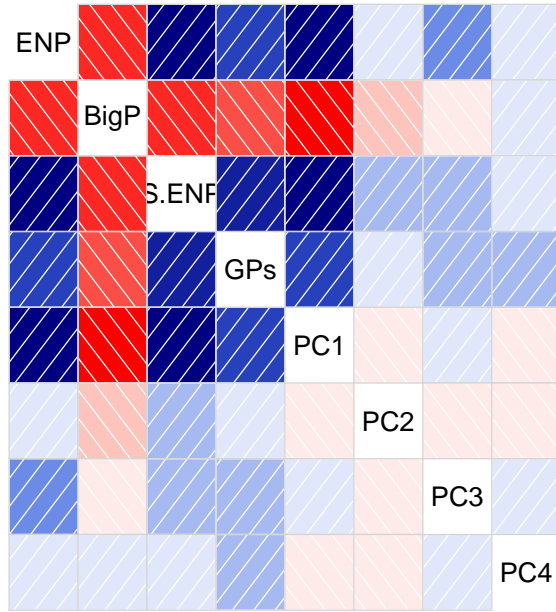
Notes: *PC1*: "Size of the two biggest parties," *PC2*: "Competition," *PC3*: "Third party," *PC4*:"Multipartism," ENP: Effective Number of Parties, BigP: Size of the Biggest Party over the size of the Legislature, S.ENP: Effective Number of Parties (Shapley), GPs: Parties in Government.

Figure 3.2: Correlations of Party System Measures with the first four Principal Components

representation of the correlations between the variables in a given dataset. Along the main diagonal we can see the variables. The cells on the two sides of the diagonal show the direction of the correlations. Upward slopes mean that there is a positive correlation between two variables, while downward slopes indicate a negative correlation between the two variables. The darkness of the shading indicates the strength of the correlations. We can see in Figure 3.2 from the intensity of the shading that all of the four traditional party system size measures are highly correlated with each other and with *PC1*. This means that in a statistical analysis we may not be able to make a distinction between the effect of the size of the biggest party, the size of the party system (as measured by the effective number of legislative parties), the number of parties in the government, and the size of the party system (as measured by the power of the parties). In addition, we could run into multicollinearity issues if included more

than one of these variables in a regression analysis.

3.6   Measuring the Opposition Structure

Next, I calculate different measures of the opposition structure. I calculate the Effective Number of Opposition Parties (*ENOP*) where I take the opposition as its own dataset, and I will calculate the distance between the biggest and the second biggest opposition parties (*OPOP*) and the size of the biggest opposition party (*BOPP*) in relation to the entire legislature. Then, I will show that the opposition structure variables vary independently from the party system size. Thus, I will argue that the results of the empirical analysis will be identifiable.

3.6.1   Effective Number of Opposition Parties (*ENOP*)

The Effective Number of Opposition Parties *ENOP* is calculated the same way as the Effective Number of Parties *ENP* suggested by (Laakso and Taagepera 1979).[29] This measure is the reciprocal of the sum of squared seat shares across all parties in opposition in the legislature in a given year, $ENOP = \frac{1}{\sum S_{Opp_i}^2}$ where S_{OPP_i} is the seat share of each opposition party. This index inherits the virtues and the shortcomings of the *ENP* measure. First, different opposition structures may be represented by the same number. Second, this measure does not take into account the ideologies of the parties, which could be an issue if I would like to measure coalitional potential. My current theory does not take into account possible changes in the reservation prices of the parties due to ideological considerations.[30] Due to this, at this stage, using the concentration of the opposition parties without ideologies may

[29]The variable *ENOP* is used by Maeda (2010, 2015). However Maeda does not include changes in the government and opposition between two elections when he calculates his measure, whereas I do include these changes. In addition, Falcó-Gimeno and Jurado (2011) use the Herfindahl-Hirschman index to measure the opposition concentration in their paper, which, as discussed above, is only a transformed version of the *ENOP*.

[30]How the reservation price of the parties would change due to ideological concerns is a complex question, and it deserves a careful analysis. However, as I will discuss in Chapter 6, parties may change their ideological positions to be more desirable coalition partners. This dynamic is an avenue of future research.

be appropriate for the empirical test of the theory.

3.6.2 The Difference between the Biggest and the Second Biggest Opposition Parties ($OPOP$)

For this analysis I also calculate an index that measures the competition between the biggest and the second biggest opposition parties. This may be a useful index as it shows the size difference between the first two opposition parties, hence it shows opposition concentration without having same values for different strategic situations as the *ENP* sometimes does. I normalize the difference between the seat shares of the two biggest opposition parties by the number of total available legislative seats within a country. Theoretically this measure could range from 0 to 1; in my data, the maximum value is 0.4933. Mathematically, this index is: $OPOP = \frac{S_{OPP_1} - S_{OPP_2}}{n}$ where S_{OPP_1} is the number of seats that the biggest opposition party has in the legislature, while S_{OPP_2} is the number of seats that the second biggest opposition party has in the legislature, and n is the number of total legislative seats.

3.6.3 Size of the Biggest Opposition Party ($BOPP$)

Several works argue that if we want to measure the power structure of the entire party system we can simply look at the size of the biggest party (Taagepera 1999; Dunleavy and Boucek 2003). Thus I test the hypothesis that the structure of the opposition matters for spending by using the size of the biggest opposition party as well ($BOPP$). I calculate this measure as the seat share in the legislature of the biggest opposition party. Theoretically this measure could range from 0 to 1; in my data, the maximum value is 0.4933.[31] Mathematically this index is: $BOPP = \frac{S_{OPP_1}}{n}$, where S_{OPP_1} is the number of seats that the biggest opposition party has in the legislature, and n is the number of total legislative seats.

---

[31]The maximum of ($BOPP$) is the same as the maximum of ($OPOP$) in country-years when there was only one opposition party.

3.6.4 What do the Opposition Concentration Indices Measure?

As I discussed above, one concern is that these indices may simply measure the size of the entire party system. This is because the party system in a given year is a compositional data set which means the opposition and the government party sizes are not independent of each other. So even when I do not include the government parties in the calculations, they may be implicitly included as the omitted category. To address this concern, I present two more correlograms. Figure 3.3 shows how these indices relate to the principal components of the party systems that I identified above. As we can see all opposition measures are related to both *PC1* and *PC2*. The *ENOP* is related to somewhat to *PC3*— whether there is a third party in the legislature or not. In addition, out of the opposition measures, *ENOP* is most strongly correlated with *PC1*.

Figure 3.4 shows how the indices relate to the traditional party system size measures and to the principal components. We can see that the opposition measures are more closely correlated with *PC2* while the party system size measures are more closely correlated with *PC1*. The only exception is the size of the Biggest Party (*BigP*) which seems to be somewhere in between the opposition measures and the party system size measures. This makes sense because it is possible that the biggest party in the party system is not a government party but an opposition party.[32] This provides evidence that the two types of indices measure two different attributes of the party system. While traditional measures correlate with the size of the party system, my indices also show the competition within the system. Consequently, in my regressions, in Chapter 4, I include one variable that is close to *PC1* and one variable that is close to *PC2*. Figure 3.4 also shows that of the variables that are related to *PC1*, the number of parties in government is the least correlated with my measures. In Chapter 4, I choose this variable as my *PC1* measure.

---

[32]Even though in most cases the biggest party is the first appointed formateur, often if this party does not manage to form a coalition the second biggest party gets the right to attempt to form a coalition (Golder 2010).
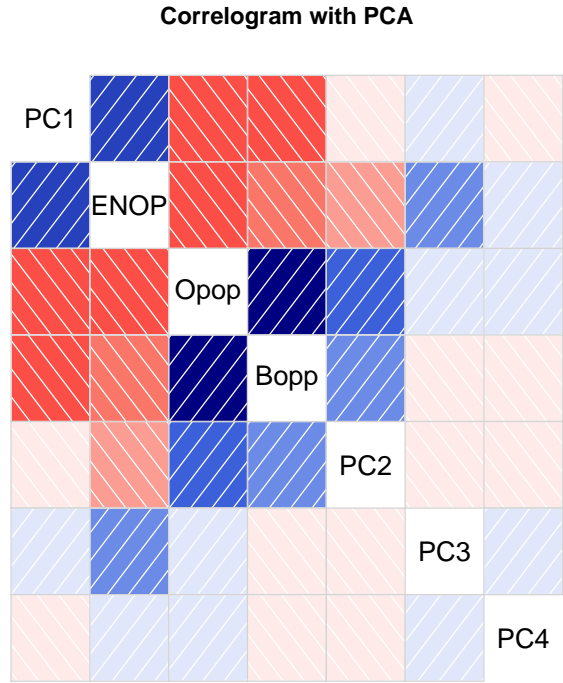
Correlogram with PCA

Notes: *PC1*: "Size of the two biggest parties," *PC2*: "Competi-
tion," *PC3*: "Third party," *PC4*:"Multipartism," *ENOP*: Effec-
tive Number of Opposition Parties, *OPOP*: The difference be-
tween the first and the second biggest opposition parties over the
size of the legislature, *BOPP*: Size of the biggest opposition party
over the size of the legislature.

Figure 3.3: Correlations of Opposition Measures with the first four Principal Components

3.7   Conclusion

In this chapter I discussed how the structure and the size of the party system was measured
in the political science literature. I discussed that in the 1960s and the 1970s, political
scientists created typologies of different types of party systems. These scholars argued that
certain outcomes such as the stability of the government will be similar in countries with
similar party systems. The two main features that these typologies were based on were the
size of the party system and the competitiveness of the party system.

As a response to these qualitative efforts, some other scholars made new measures
to evaluate the size of the party system without any preconceived notion about the countries.
As I discussed in this chapter a host of party-system measures were developed. The main

Correlogram with PCA
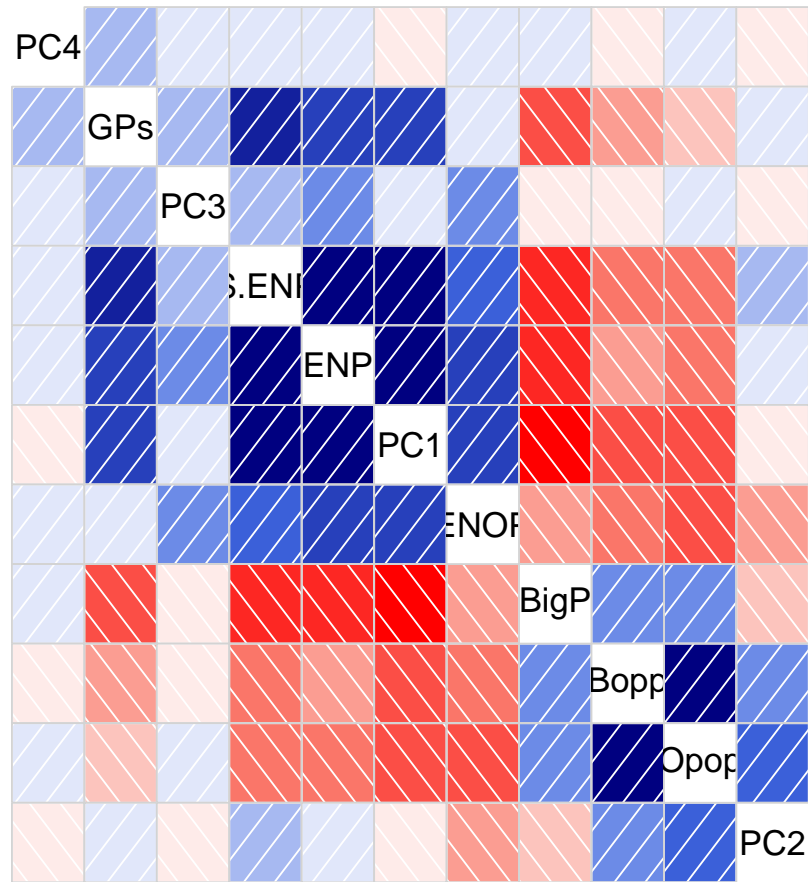
Notes: *PC1*: "Size of the two biggest parties," *PC2*: "Competition," *PC3*: "Third party," *PC4*: "Multipartism," *ENOP*: Effective Number of Opposition Parties, *OPOP*: The difference between the first and the second biggest opposition parties over the size of the legislature, *BOPP*: Size of the biggest opposition party over the size of the legislature.ENP: Effective Number of Parties, BigP: Size of the biggest party over the size of the legislature, S.ENP: Effective Number of Parties(Shapley), GPs: Parties in Government.

Figure 3.4: Correlations of Opposition Measures and Party System Measures with the first four Principal Components

difference between these indices is how they weight small versus big parties. As I showed, most of these indices measure how big are the two biggest parties compared to the rest of the parties within the party system, however they do not measure competition. This could be problematic if we wanted to test with these variables theories that are about the

competition within the party system and not about the size of the party system. Finally, I discussed the measures that measure opposition fragmentation. I showed that these indices measure competition, rather than the size of the party system. In Chapter 4, I will use these measures to evaluate the hypothesis I presented in Chapter 2, and I will show that government spending increases if there is a unified opposition in a given country.

CHAPTER 4

Opposition Structure and Government Policy, Empirical Evidence

4.1 Introduction

In Chapter 2 I introduced the theory that coalitional government spending was higher if there was a unified opposition than if there was a fragmented opposition. I argued that the price of the junior coalition partner was higher when the party was pivotal which resulted in the increased government spending. In Chapter 4 I am going to test this theory empirically. My results, which are based on economic and political data from 16 European OECD countries from 1970 to 2013, show that overall government spending is higher when there is a big opposition party. In addition, I show in this chapter that the government finances this extra spending by running a deficit, not by raising taxes.

4.2 Empirical Test

4.2.1 Data

The universe of cases I am going to test in this chapter is advanced Western European parliamentary democracies. In its current in my theory the main decision maker is the formateaur party, for this reason I select parliamentary systems, and France which is a semi-presidential system.[1] In addition, I selected countries and years for that I have the longest

---

[1]The domestic policy making in France is in the hands of the prime minister(Duverger 1980).

run of economic dependent and independent variables.[2] To test my hypothesis I gathered seat share data, vote share data, and government composition data from 16 Western European countries from the years 1950 to 2013.[3,4] All of these countries are developed countries with competitive elections and stable economic systems.[5]

While I have the party system size measures from 1950 through 2013, the economic variables, including the two dependent variables, are available only from 1970 through 2013, so the analysis in this chapter is limited to this time period.[6] The economic variables are either from the World Bank (World Development Indicators) or the OECD. I take the dependent variables from the Comparative Political Data Set (Armingeon et al. 2015), and I also collect spending data from the OECD (OECD 2016a).[7]

In addition to the shortened time period, I also exclude from the series country-years during which the government was provisional or non- partisan in any of the countries.[8] This is because the government or the opposition is not identified, so I cannot calculate the index variables. I limit this analysis to years when there was a coalition government in these

---

[2]Getting the same series of economic data is especially challenging. I use as a base point the dataset of Bawn and Rosenbluth (2006) as the dataset contains data from the period of 1970-1998.I collected addition data from 1998-2013. The CDPS data while it has a more variables often does not have a full panel so in a lot of cases I can only use the variables for robustness check.

[3]The countries in the dataset are Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Sweden, and the UK. While I have calculated the measures for Spain as well, the country did not have a coalition government from 1970-2013 so it falls out of the dataset.

[4]Data available: http://www.parties-and-elections.eu/countries.html. If there were two elections in a given year the dataset is using the results of the second one. The dataset counts unions/pre-electoral coalitions as one party if the parties have joint seat shares in the legislature. In contrast the dataset counts unions/ pre-electoral coalitions as separate parties if they have their own separate seat shares in the legislature.

[5]The data are not available for every country for every year; for instance, Portugal and Greece were not democratic in the beginning of the period.

[6]I validated my calculations using the *Effective Number of Parties* of Warwick's Survival Dataset II (1994) and Bawn and Rosenbluth's *Parties in the Governments* variables (2006).

[7]I also constructed the spending data based on two government outlay series - one from 1970-1998(Bawn and Rosenbluth 2006) and another one from 1995-2013 from the OECD (OECD 2016a) . Using a combined version of these two series versus using the series found in the CPDS dataset yields to the same results.

[8]The excluded years are: Italy 1995, 2011-2012.

countries. Altogether, in the regressions I use 417 country years.[9]

4.2.2   Independent Variables

As discussed in Chapter 3, in this empirical test I am going to use three different indices to measure the opposition structure. These are: the Effective Number of Opposition Parties ($ENOP$),[10] the Difference between the Biggest and the Second Biggest Opposition Parties ($OPOP$)[11] and the Size of the Biggest Opposition Party ($BOPP$).[12]

4.2.3   Dependent Variables

The first dependent variable that I use is overall public sector spending as a percentage of GDP (Data: Armingeon et al. 2015, OECD 2016a).[13] The second is the government budget surplus.[14]

---

[9]There are 1-43 years from 16 countries. The countries and years are: Austria 1983-2013; Belgium 1970-2013; Denmark 1970-2013; Finland 1970-2013; France 1970-2012; Germany 1970-2013; Greece 2012-2013; Iceland 1970-78, 1980-2013; Ireland 1973-76, 1981-2011; Italy 1970-2010, 2013; Luxembourg 1970-1986,1990-2013; the Netherlands 1970-2012; Norway 1970,1972, 1985, 1989, 1997-1999, 2001-2013; Portugal 1977, 1983-1984, 2002-2004, 2011; Sweden 1976-1981,1991-1993, 2006-2010; United Kingdom 2010-2013.

[10]$ENOP$ is the reciprocal of the sum of squared seat shares across all parties in opposition in the legislature in a given year, $ENOP = \frac{1}{\sum S_{Opp_i}{}^2}$, where S_{Opp_i} is the seat share of each opposition party.

[11]Mathematically $OPOP$ is, $OPOP = \frac{S_{Opp_1} - S_{Opp_2}}{n}$, where S_{Opp_1} is the number of seats that the biggest opposition party has in the legislature, while S_{Opp_2}, is the number of seats that the second biggest opposition party has in the legislature, and n is the number of total legislative seats.

[12]Mathematically $BOPP$ is: $BOPP = \frac{S_{Opp1}}{n}$, where S_{Opp_1} is the number of seats that the biggest opposition party has in the legislature, and n is the number of total legislative seats.

[13]"General government spending, as a share of GDP and per person. This indicator is measured in terms of thousand USD per capita and as a percentage of GDP Data under the System of National Accounts 2008 (SNA 2008)." (OECD 2016a).

[14]The original name of the variable is the "Annual deficit (overall balance /net lending of general government) as a percentage of GDP." General government deficit is defined as the fiscal position of government after accounting for capital expenditures. "Net lending" means that government is providing financial resources to other sectors, while "net borrowing" means that government requires financial resources from other sectors. General government net lending is calculated as: "gross savings plus net capital transfers (receivable minus payable) minus gross capital formation, followed by the subtraction of acquisitions minus disposals of non-produced, non-financial assets. This indicator is measured as a percentage of GDP. Data are under System of National Accounts (SNA 1993) for all countries except for Australia and United States (SNA 2008)" (Armingeon et al. 2015).

4.2.4 Expectations

If my theory is correct I expect the sign of the coefficient for Effective Number of Opposition Parties ($ENOP$) to be **negative** with respect to government spending. This means that spending should decrease with increased opposition fragmentation and increase with increased opposition concentration. In contrast, the sign of $ENOP$ should be **positive** when the dependent variable is government surplus. This means that if the opposition fragmentation increases, the government surplus should increase (or government deficit should decrease).[15] Conversely, when opposition concentration increases the deficit should increase.

I expect the sign of the difference between the biggest opposition party and the second biggest opposition party ($OPOP$) to be **positive** with respect to government spending. This means that government spending should increase on average when the biggest opposition party is big compared to the second biggest opposition party. In contrast the sign of $OPOP$ should be **negative** when the dependent variable is government surplus. This means that when the $OPOP$ is big that should be associated with an increase in government deficit and when the variable $OPOP$ is small it should be associated in with an increase in government surplus on average.

Finally, I expect that the influence of the size of the biggest opposition party ($BOPP$) will be **positive** with respect to government spending. I expect that a bigger biggest opposition party will be associated with higher spending on average. In contrast the sign of $BOPP$ should be **negative** when the dependent variable is government surplus. This means that a bigger biggest party should be associated with a decrease in government surplus and an increase government deficit on average.

---

[15]Notice that the variable measures the difference between government income and government spending. When the variable is positive, the government has a surplus and when the variable is negative, the government has a deficit. So a positive change in this variable can either mean a surplus increase, turning the deficit into a surplus or a deficit decrease.

4.2.5 Control Variables

I control for various economic factors that have been shown in previous research to have an influence on public spending. The economic control variables are the unemployment rate, trade openness, GDP per capita, and the dependency ratio in the society. The economic variables are from the World Bank database. The *GDP per capita* variable measures the gross domestic product in a given country divided by midyear population in constant 2005 U.S. dollars (World Bank 2016a). The *Unemployment Rate* is the percent unemployed as a share of the total labor force, based on the World Bank data from 1990– 2014 (World Bank 2016d) and based on the OECD economic outlook from 1970-1998 (Bawn and Rosenbluth 2006).[16] *Trade* is the sum of exports and imports of goods and services measured as a share of gross domestic product (World Bank 2016c). The variable *Dependency Ratio* is one minus the percentage of the total population that is in the age group 15 to 64 (World Bank 2016b).

The first political variable that I control for in the regressions is whether the country had a proportional representation electoral system or not *(PR)*. Previous research has established that PR countries spend more. If this is because of a feature of the party system and not of the electoral system I will find no effect of this variable, after controlling for the party system. If the PR countries have a higher spending for reasons uncorrelated with the fragmentation of the party system (for instance because candidates have to campaign differently (Persson and Tabellini 2004)) then this variable will have an independent, positive effect on spending.

I also include a variable indicating whether the prime minister was from a left-wing party or not (*Left*). Iversen and Soskice (2006) argue that multiparty systems spend more because the middle class in these countries can form left wing coalitions with the poor without the fear of getting taxed (because they can always break the coalition in case the poor want to raise their taxes). Hence, Iversen and Soskice (2006) argue, that there are

---

[16]Since I have two different series of unemployment data: one for the years 1970-1998 and another for 1995-2014, using the overlap in the two series I created an adjusted measure for the entire period. To adjust the two series I predicted the old series to the new time period based on the shift between the two series. This method works if the OECD changed the calculation and applied the same calculation to all years. The adjustment is calculated for each country individually.

more left-wing governments and higher redistribution from rich to the middle class and to the poor in PR countries. If this mechanism works within countries as well, we should see that governments with left-wing prime ministers spend more, other things equal.

In this chapter I report the regression with one "opposition" type variable and one "party system size" type variable.[17] For the party system size variable I choose the raw number of the parties in the government. Of the various party system size variables, this is the least correlated with the opposition measures. This makes sense theoretically as well – the number of the government parties does measure a strictly government related idea, while the opposition structure measures a strictly opposition related idea. This means that these variables could affect the outcome independently from each other. Bawn and Rosenbluth show that an increase in the raw number of government parties increases government spending (2006). I expect a similar finding in this study too.

4.2.6   Estimation Issues

Governments must decide on the budget one year before the fiscal year. There are two types of outlays: those that automatically change (they are pegged to various economic indicators), and those that are decided year by year. For instance, spending on pensions can be set to change automatically based on the rate of inflation, say, and does not require active policy intervention by politicians. In contrast, such items as law enforcement or education are decided on year-to-year basis. To address this issue, I use the one year lagged version of all relevant political variables to estimate my model and both the current and the one year lagged variables for economic variables. I use country fixed effects to account for unspecified country-level covariates, and year fixed effects to deal with common shocks hitting all the European countries at once (such as the 2008 economic crisis).

In addition to these variables, because this is a cross-sectional-time-series (CSTS) dataset that may have serial correlation in the error terms, I include the lagged dependent

---

[17]This categorization is based on the correlations between the various party system size measures, as I discussed in Chapter 3.

variable in the model (Beck and Katz 1996). I estimate the model with a simple OLS with Panel Corrected Standard Errors (PCSE).[18] However, including the lagged dependent variable and fixed effects in a CSTS model can introduce bias in the estimation (Beck and Katz 1995; Nickell 1981). For this reason, as a robustness check, I also estimate the models without the lagged dependent variables.

4.2.7 Results

Table 4.1 presents the results on how the opposition structure influences government spending. *Columns 1* and *2* present models including the Effective Number of Opposition Parties (*ENOP*) (with and without the lagged DV, respectively), *Columns 3* and *4* present models including the difference between the first and the second biggest opposition parties (*OPOP*) and *Columns 5* and *6* present models including the size of the biggest opposition party (*BOPP*). As we can see, the variables are significant at conventional levels and their signs are as expected in all specifications.

Column 1 of Table 4.1 shows that a unit increase of the concentration of the opposition parties (a unit decrease in *ENOP*) increases government spending in the public sector by 0.243% of the GDP in a country on average.[19] The mean GDP in the dataset was US\$993 billion in 2015. Consequently, for a country with the average GDP, a unit decrease in *ENOP* would be associated with a US\$2.41 billion increase in the budget. If we compare the highest *ENOP* (7.16)[20] in the dataset with the lowest (1.00),[21] we can see that holding all other things equal, government spending changes by 1.5% of GDP.

Column 3 of Table 4.1 shows that a 100% increase in the difference between the

---

[18]I correct for the possible error caused by the time wise and cross sectional heteroscedasticity in the errors by estimating the model with panel corrected standard errors, with a robust covariance structure suggested by Beck and Katz (1995).

[19]Similarly to the *ENP*, the *ENOP* does not have natural units. Roughly we can think about the units as one relevant party fewer in the opposition, is captured by a unit decrease in the *ENOP*. "Relevant" refers to more proportional to other parties in the opposition, and not necessarily to the size of the party, as the measure is calculated solely with the seat shares of the opposition parties.

[20]UK 1983-1986.

[21]Germany 1982, Norway 1970, Austria 1983-1985.

Table 4.1: Effect of the Opposition Concentration on Size of Public Sector, Coalition Governments.

	Dependent variable: Total Government Outlays as a % of GDP					
	(C/Y FE)	(C/Y FE)	(C/Y FE)	(C/Y FE)	(C/Y FE)	(C/Y FE)
ENOP lag	−0.243**	−1.008***				
	(0.112)	(0.354)				
OPOP lag			2.771***	9.840***		
			(0.974)	(3.000)		
BOPP lag					3.535***	11.819***
					(1.158)	(3.485)
P. in Gov't lag	−0.002	−0.105	0.038	0.040	0.043	0.050
	(0.137)	(0.394)	(0.137)	(0.397)	(0.137)	(0.391)
Left PM lag	−0.221	−0.044	−0.211	−0.044	−0.196	−0.006
	(0.283)	(0.709)	(0.283)	(0.726)	(0.280)	(0.733)
PR	−0.534	−0.940	−0.926	−2.391	−0.886	−2.200
	(1.210)	(1.950)	(1.253)	(2.264)	(1.227)	(2.268)
GDP/cap curr	−0.001***	−0.0002	−0.001***	−0.0002	−0.001***	−0.0002
	(0.0001)	(0.0003)	(0.0001)	(0.0003)	(0.0001)	(0.0003)
GDP/cap lag	0.001***	0.001***	0.001***	0.001***	0.001***	0.001***
	(0.0001)	(0.0003)	(0.0001)	(0.0003)	(0.0001)	(0.0003)
Dep curr	−0.281	1.167	−0.231	1.251	−0.152	1.477
	(0.681)	(2.001)	(0.673)	(2.001)	(0.673)	(1.994)
Dep lag	0.493	−0.442	0.438	−0.553	0.360	−0.777
	(0.678)	(1.990)	(0.670)	(1.977)	(0.670)	(1.972)
Unemp curr	0.450***	1.552***	0.411***	1.390***	0.406***	1.376***
	(0.117)	(0.204)	(0.115)	(0.197)	(0.114)	(0.196)
Unemp lag	−0.336***	−0.314	−0.304***	−0.181	−0.292***	−0.144
	(0.113)	(0.219)	(0.113)	(0.214)	(0.112)	(0.210)
Open curr	0.017	0.006	0.020	0.019	0.020	0.016
	(0.029)	(0.036)	(0.029)	(0.034)	(0.029)	(0.033)
Open lag	−0.045	−0.089**	−0.047*	−0.098***	−0.047*	−0.098***
	(0.029)	(0.040)	(0.028)	(0.037)	(0.028)	(0.037)
Lagged DV	0.792***		0.790***		0.789***	
	(0.038)		(0.038)		(0.037)	
Observations	417	417	417	417	417	417
R^2	0.783	0.476	0.784	0.479	0.785	0.479
Adjusted R^2	0.650	0.396	0.651	0.398	0.651	0.398

*p<0.1; **p<0.05; ***p<0.01

Notes: All regressions are reported with country and year fixed effects and panel corrected standard errors. The dependent variable is total government outlays as a percent GDP. Independent variables: ENOP: the effective number of legislative opposition parties; OPOP: the difference in size between the first and second biggest opposition parties normalized by the size of the legislature; P. in Gov't: Number of parties in the government; BOPP: size of the biggest opposition party normalized by the size of the legislature PR: proportional representation or not; Dep:dependency (population share below 15 above 65); Open: Export plus Import as a percent of the GDP; Unemp: percent of unemployed as a percent of total workforce. GDP/cap: GDP per capita (constant 2005 US$).

sizes of the biggest and the second biggest party ($OPOP$) increases government spending in the public sector by 2.771% of the GDP in a country. Consequently, for the country with the average GDP (US\$993 billion), a one percent increase in $OPOP$ would be associated with a \$275.2 million increase in the budget. If we calculate the difference between the highest $OPOP$ in the dataset (0.4933)[22] and the lowest (0)[23] we can see that, holding all other things equal, government spending changes by 1.37% of the GDP.

Column 5 of Table 4.1 shows that a 100% increase in the size of the biggest opposition party ($BOPP$) is associated with a 3.535% increase in government public-sector spending on average. This means that for the country with the average GDP (US\$993 billion), a one percent increase in $BOPP$ would mean a US\$351.0 Million increase in the budget. If we compare with the highest $BOPP$ (0.4933)[24] in the dataset and the lowest (0.066)[25] we can see that holding all other things equal the difference could increase the government spending by 1.5% of the GDP.

Columns 1, 3, and 5 of Table 4.1 are reported with country and year fixed effects and panel corrected standard errors and the lagged dependent variable. *Columns 2, 4* and *6* of Table 4.1 report the regressions without the lagged dependent variable to show that the results are not due to bias.[26]

Turning to the control variables, only a few of the economic variables are important: notably, unemployment seems to increase spending (even beyond the previous year's spending) and the openness of the economy seems to decrease spending somewhat. Again, the spending from the previous year is the most important "explanatory" variable. Notably, once my measures of opposition structure are included, none of the political control vari-

---

[22]Norway 1969-1970.

[23]Austria 2007, Denmark 1979-1983, Norway 2000, Netherlands 2011.

[24]Norway 1969-1970.

[25]Belgium 1980.

[26]If we include time fixed effects and the lagged dependent variable in an estimation we induce a correlation between the error terms and the outcome variables. This is because the error terms will be partly generated by the previous year's dependent variable which is correlated with the current dependent variable. This will cause a bias even when N increases (Nickell 1981).

ables is significant in any specification.[27] In this study I did not find any result that supports the hypothesis that more parties in government increases spending. Because my study is limited to coalition governments, I suggest that the difference that Bawn and Rosenbluth found in their (2006) study is driven by the difference between single party governments and multi-party governments.[28]

Table 4.2 presents the empirical results on how the opposition structure influences whether the government runs a surplus or deficit in a given year. A positive number of this variable indicates government surplus (net lending) while a negative number indicates government deficit (net borrowing). *Columns 1* and *2* present models including the Effective Number of Opposition Parties (*ENOP*), *Columns 3* and *4* present models including the difference between the first and the second biggest opposition parties (*OPOP*) and *Columns 5*, and *6* present models including the size of the biggest opposition party (*BOPP*). *Columns 1, 3*, and *5* of Table 4.2 are reported with country and year fixed effects and panel corrected standard errors and the lagged dependent variable, whereas *Columns 2, 4*, and *6* report the regressions without the lagged dependent variable. As we can see the sign of the variables are significant at conventional levels and the signs of the coefficients are as expected in all specifications.

The results are similar to the previous findings. A unit increase in the concentration of the opposition parties (a unit decrease in *ENOP*) increases the government net borrowing by 0.345% on average. The difference of the opposition structure could increase the government deficit by 2.12% of GDP. The distance between the sizes of the biggest and

---

[27]The political variables are not significant either even when I do not include any opposition structure variable in the model (with country and year fixed effects).

[28] Note that compared to the Bawn and Rosenbluth study, the length of the time series in my study is extended. The *Raw Number of Parties* variable gets closer to significance without fixed effects, and when I use the spending data projected from the original dataset.

The other difference between the Bawn and Rosenbluth data and my *Raw Number of Parties* variable is the treatment of the pre-electoral coalitions (2006). Bawn and Rosenbluth, based on Warwick (1994), count the German CDU, CSU as one party. My dataset uses legislative seat shares, and in my dataset the CDU/CSU are two parties. Whether these parties should be treated as one or as separate parties is a widely debated topic in the literature (Lijphart 2012). However, as a robustness check, I ran the regressions with taking the CDU and CSU as one party as well. The results are very similar to the ones presented in the paper.

the second biggest party (OPOP) is associated with an increase in the government deficit of 2.139% of GDP on average. The difference in the gap between he largest and second-largest opposition parties increases government deficit by 1.055% of GDP. Finally a unit increase in the size of the biggest opposition party (BOPP) is associated with a deficit increase of 2.437% of GDP on average. Other things equal, increasing the size of the biggest party from the minimum to the maximum in the opposition could increase the government deficit by a maximum of 1.04% of GDP.

4.2.7.1 Robustness Checks

I report in Tables 4.1 and 4.2 the results with and without the lagged dependent variable.[29] As an additional robustness check, I have collected several other economic and political variables. In other regression specifications I controlled for caretaker government status, and for whether the country was part of the EU (European Union) or the EMU (European Monetary Union), but neither of these variables had an effect on the results.[30] I also included Hallerberg's classifications of countries based on their financial system.[31]

In the robustness-check specifications, the Effective Number of Parties (ENP) vari-

---

[29]While I used controls that economists commonly use, and that can influence budget decisions, there are some criticisms about having more than three independent variables in the regression (Achen 2005). Due to this, I ran the regressions only with the focal independent variables too. The regressions without any additional controls, only year and country fixed effects (with and without the lagged dependent variables) yield the same results. While the statistical significance of the *ENOP* variable falls below conventional levels, both the *OPOP* and the *BOPP* variables stay statistically significant on the conventional level. This result shows that the effects that I find do not depend on some correlation with the economic or political variables.

[30]Since the EU requires the members to keep the deficit within 3% of the entire GDP, membership in this body may decrease spending.

[31]Hallerberg argues that a competitive party system will make politicians either delegate their fiscal policy to a strong finance minister or make long term policy commitments, as opposed to let all the ministers guide policy (which would be "fiefdom"). I included both the classification of the financial systems of the countries ("commitment", "delegation", "fiefdom" and "mixed"), and the classification of the countries by their party system competitiveness in different model specifications (Hallerberg 2004). Since the variables do not significantly vary on the country level they only yield to a result in the pooled model. The pooled model shows a difference between delegation and commitment type countries. This goes against Hallerberg's theory that fiefdom countries spend more than any other type of countries. As the model only works without fixed effects it is possible that it is entirely capturing variation between groups of countries (Austria is the only country that had both commitment and delegation financial systems according to Hallerberg) (Hallerberg 2004).

Table 4.2: Effect of the Opposition Concentration on Government Surplus, Coalition Governments.

	(C/Y FE)	(C/Y FE)	(C/Y FE)	(C/Y FE)	(C/Y FE)	(C/Y FE)
	Dependent variable: Net Lending vs. Net Borrowing of the Gov't to other Sectors as a % of GDP					
ENOP lag	0.345***	0.648***				
	(0.120)	(0.247)				
OPOP lag			−2.139**	−3.969*		
			(0.999)	(2.164)		
BOPP lag					−2.437*	−4.707*
					(1.261)	(2.733)
P. in Gov't lag	0.071	0.072	0.037	0.009	0.036	0.006
	(0.117)	(0.202)	(0.124)	(0.213)	(0.125)	(0.212)
Left lag	0.118	0.266	0.145	0.324	0.139	0.310
	(0.294)	(0.499)	(0.295)	(0.507)	(0.295)	(0.509)
PR	1.666	2.424	2.029	3.123	1.978	3.042
	(1.286)	(1.934)	(1.316)	(2.048)	(1.318)	(2.087)
Gdp/cap curr	0.0003*	−0.00004	0.0003**	−0.00002	0.0003**	−0.00004
	(0.0001)	(0.0002)	(0.0001)	(0.0002)	(0.0001)	(0.0002)
Gdp/cap lag	−0.0004***	−0.0003*	−0.0004***	−0.0004**	−0.0004***	−0.0003*
	(0.0001)	(0.0002)	(0.0001)	(0.0002)	(0.0001)	(0.0002)
Dep curr	−1.588**	−4.357***	−1.503**	−4.263***	−1.542**	−4.350***
	(0.691)	(1.390)	(0.704)	(1.420)	(0.714)	(1.419)
Dep lag	1.505**	4.176***	1.429**	4.097***	1.468**	4.183***
	(0.707)	(1.425)	(0.721)	(1.460)	(0.732)	(1.462)
Unemp curr	−0.640***	−1.169***	−0.588***	−1.085***	−0.586***	−1.079***
	(0.109)	(0.156)	(0.107)	(0.155)	(0.106)	(0.152)
Unemp lag	0.449***	0.458**	0.405***	0.374**	0.397***	0.360*
	(0.099)	(0.189)	(0.097)	(0.189)	(0.096)	(0.187)
Open curr	−0.062**	−0.060*	−0.065**	−0.067**	−0.064**	−0.065**
	(0.027)	(0.032)	(0.027)	(0.031)	(0.027)	(0.031)
Open lag	0.071***	0.076***	0.075***	0.083***	0.075***	0.083***
	(0.023)	(0.025)	(0.022)	(0.023)	(0.023)	(0.023)
Lagged DV	0.604***		0.612***		0.612***	
	(0.045)		(0.046)		(0.047)	
Observations	417	417	417	417	417	417
R^2	0.590	0.359	0.586	0.347	0.586	0.346
Adjusted R^2	0.489	0.299	0.486	0.288	0.486	0.288

*p<0.1; **p<0.05; ***p<0.01

Notes: All regressions are reported with country and year fixed effects and panel corrected standard errors. The dependent variable is net lending or next borrowing of the government to other sectors as a percent GDP (surplus). Independent variables: ENOP: the effective number of legislative opposition parties; OPOP: the difference in size between the first and second biggest opposition parties normalized by the size of the legislature; BOPP: size of the biggest opposition party normalized by the size of the legislature PR: proportional representation or not; P. in Gov't: Number of parties in the government; Dep: dependency (population share below 15 above 65); Open: Export plus Import as a percent of the GDP; Unemp: percent of unemployed as a percent of total workforce. GDP/cap: GDP per capita (constant 2005 US$).

able is significant in all specifications even when I include the opposition size measures. As I discussed above, this variable has the opposition structure coded in it. To check whether it is in any way the size of the biggest government party that matters and drives this results I also tested whether the size of the biggest government party influences spending (normalized by the number of seats available in the legislature), but this variable was not significant.

I also tested whether the association between the opposition structure and spending pattern depends on the time the coalition spent in the government. It is possible that the increased spending is a consequence of competition between the biggest opposition and the biggest government party. If we assume that this hypothesis is correct, we would expect that the government will spend more right before elections (Nordhaus 1975).[32]

I created a variable *New Government*, to test whether having a new government decreases spending as opposed to having an old one.[33] I did not find any effect. In addition, I coded each country-year based on the tenure of the current government, to test whether there is a time trend in spending during the life of a the government. I hypothesized that it is possible that the effect is bigger at the beginning or at the end of the tenure of the government. The time elapsed in the government's tenure did not change the effect of the main independent variable. This potentially shows that the concentrated opposition does not increase the government spending because the government is threatened by a unified competitor in the electoral context. Another piece of evidence that contradicts the competition hypothesis is that while the size of the biggest opposition party matters, the size difference between the biggest government party and the biggest opposition party does not

---

[32] Nordhaus (1975) argues that the governments engage in expansionary fiscal policy before the elections. Consequently, if the government would spend because there is a competitive opposition we would expect spending to go up before the elections. On the flip side it is possible that the government would schedule the elections when the economy is strong and the government could spend more (Smith 1996). If this is the situation we may find increased spending before the elections irrespective of the structure of the opposition.

[33] The variable *New Government* is 0 if the government continued from the previous year and 1 if there was an election and the a new government started as a new one. I conducted a difference-in-difference estimation with all beginning (and consecutive) years across countries. While the focal independent coefficients do not change the interactions of the years with the opposition structure are not significant. This indicates that there is no systematic time trend in the spending associated with the opposition structure.

seem to influence government spending.[34]

4.2.8 Discussion

I have theorized that a bigger, and more concentrated opposition increases government spending if there is a coalitional government in the country. Overall, the findings are consistent with the theory and they consistently show the same effect over specifications and over various measures of opposition structure.

Over the entire range of outcomes in the data set, a maximum increase of concentration in the opposition is associated with an increase in government spending of 1.5% of the entire GDP and an increase in budgetary deficit of 1-2%. The Maastricht Treaty in the EU limits potential government deficit to 3% of the GDP, so these magnitudes are quite significant. While we may not expect that this extreme shift would happen in any given country, countries with more concentrated oppositions could accumulate debt fairly easily. Overall, the regression results support the hypothesis that the structure of the opposition influences governmental decision making: governments increase spending and deficits when faced with a credible rival bidder in the coalition-formation game.

The regression analysis does not support either of the alternative hypotheses. First, contra Persson and Tabellini (2004), it does not seem as though the higher identifiablilty of the government decreases government spending. On the contrary, if there is an identifiable opposition group against a coalition government that will increase spending. Second, contra Hallerberg (2004), the model works with country and year fixed effects, which indicates that the results are not driven by national financial institutions that depend on the party system type of the country. Finally, the results support that this effect is not due to a pre-electoral competition factor between the big parties, as single party governments do not increase spending when they have a big opponent.

In addition, the results show that, indeed, several measures that people have used

---

[34]Another possibility is that this variable is not significant because the sizes of the biggest party and the biggest opposition party are often correlated and the difference between these two parties may vary very little in very different strategic situations.

simultaneously do in fact measure the same thing even though they may have been created with slightly different considerations in mind. This may have led us to draw erroneous conclusions in the past. Thus when we are selecting party system size variables to include in our regressions we have to not only pay attention to what these variables theoretically are, but also we have to pay attention as to with what other variables they are mathematically correlated with.[35]

4.3 Conclusion

In Chapter 2 of this dissertation, I argued that a small coalition partner could become important beyond its size if the biggest government party faced a strong, unified opposition competitor in the legislature. The empirical results that I presented in this chapter support this hypothesis: a more unified opposition is associated with higher spending and bigger government deficits.[36] These results proved to be robust to three different operationalizations of the main explanatory variable: the effective number of opposition parties (*ENOP*), the size difference between the biggest and the second biggest opposition parties (*OPOP)*, and the size of the biggest opposition party (*BOPP*). While the results are robust to many alternative specifications and even to alternative measures of the unified opposition, there are many caveats in the study in its current form. I left out of the study the ideology of the opposition parties, and their coalition potential. It is possible that I will have to reestimate the regressions with power indices that take into account the ideological positions of opposition parties to get a clearer picture of the influence of the party system structure.

---

[35]This idea can be demonstrated with an example: I also calculated the *ENP* by changing the seatshares of the parties to the Shapley-Shubik indices of the parties as a potential measure to the opposition structure (to calculate whether the opposition structure is more or less fragmented power wise). However, because this measure the power of government parties is correlated with the *Number of Government Parties*, including both made the estimation of the coefficients inefficient.

[36]Falcó-Gimeno and Jurado (2011) find similar results in the case of minority governments. The authors argue that the opposition uses its influence on policy making to deliberately drive up deficit spending so the government parties suffer an electoral defeat. Clearly, this theory cannot stand if there is a majority government in place, because the opposition cannot influence policy. Thus the evidence I presented here shows that we have to look for a different explanation for this phenomenon.

The results I presented in this chapter show that sometimes it is worthwhile to be a small party within the party system, and it could be disadvantageous for the parties to unify in the opposition. This result could potentially explain why sometimes parties cannot unite as a majority seeking opposition party. In the Chapter 6 and 7, I will discuss an alternative way to build a majority seeking opposition coalition as I will discuss how pre-electoral coalitions form and how the cooperation between parties works. I argue in the following chapters that some of the pre-electoral coalitions in the opposition are stable, and may provide an alternative to the member parties a unified opposition party.

CHAPTER 5

Marriage of Love or Marriage of Convenience?

5.1 Introduction

In studies of parliamentary democracy, the conventional wisdom is that the government is solely responsible for policy making. Accordingly, political science has all but ignored the influence of the opposition on policy making. In the previous chapters I showed that, contrary to the conventional wisdom, the structure of the opposition does in fact influence government policy. Coalition governments tend to increase government spending when they face a big party in the opposition, relative to when the opposition is fragmented. I infer that the beneficiaries of these spending increases are junior coalition partners, who receive policy concessions from senior partners. The reason for this is that, at the time of coalition bargaining, all parties evaluate the outside options that they have for alternative coalitions, and if there is a unified, opposition the junior coalition partner enjoys a much stronger bargaining position.

If the above proposition is true, however, and the senior partner in the government decides on policy in part based on the strategic situation the party is in, policy making also might be affected by inter-party cooperation and competition within the opposition. In Chapters 5 and 6, I examine inter-party cooperation in the opposition in more detail, and I will focus on pre-electoral coalitions (PECs). Normally, if no party wins a majority of parliamentary seats in an election, smaller parties that competed against each other in the elections form post-electoral coalitions to govern. However, sometimes parties choose to form coalitions even to contest elections. Pre-electoral coalitions are coalitions that form before elections and compete as teams in those elections (Golder 2006). I argue in this dissertation

that not all pre-electoral coalitions are equal. While some pre-electoral coalitions form to contest just a single election, some of these pre-electoral coalitions are stable over time, which means that the parties maintain their coalitions in and out of the government. I argue that if the government faces such a coalition in the opposition, it could also potentially change its behavior.

In Chapter 5, I show that stable coalitions exist around the world. I review the literature on pre-electoral coalitions and electoral blocs, to show that currently we do not have a systematic understanding of long term party alliances. Last, in this chapter, I focus on the case of France to test two hypotheses that the previous literature established on why pre-electoral coalition (PECs) form. The evidence supports the existing theories: I find that PECs form between parties that are either ideologically close or electorally synergistic.

In Chapter 6, I interrogate the above hypotheses further, to ask whether the causal arrows may instead run in the opposite direction, from PEC to compatibility and synergy. I explore how PECs work. First, I show that parties participating in PECs may narrow their ideological distance when they join forces. In addition, examining case studies of Japan and Hungary, I show that PECs do not necessarily form because participating parties make a one time cost-benefit calculation before each election. I show that some of the PECs are strategic partnerships that connect voters that would not necessarily vote for the other party otherwise. I argue that these party alliances cooperate in the long run. Thus, looking back at the measurement issues discussed in Chapter 3, I argue that we may have to consider these alliances as single units when we examine party systems.

5.2   Stable Coalitions around the World

Although the term "pre-electoral coalition," implies that these coalitions form before a given election to compete, in many countries the same PECs run in consecutive elections, and I argue that sometimes these parties cooperate in the legislature while in the opposition. Parties cooperate with each other for an extended time in many countries, under various electoral systems.

Denmark, Norway, Sweden, Belgium, Spain, Portugal, and Greece all use proportional representation (PR) electoral systems for their parliaments. In Denmark, two competing party blocs, centered on the Social Democrats and the Liberals respectively, emerged between 1913 and 1945, again between 1953 and 1964, and for a third time after 1988 (Esaiasson and Heidar 2000). In Sweden and Norway, after the Second World War, the Socialist Party faced a consistent coalition of non-socialist parties (Esaiasson and Heidar 2000).[1]

These coalitions did not disband when they were in the opposition. In fact, the current conservative coalition in Sweden, the "Alliance," formed while the parties (Liberals, Conservatives, the Center Party and the Christian Democrats) were in opposition in 2006. In Belgium, pairs of Christian Democratic Parties, Socialist Parties, and Liberal Parties have been strong allies, ever since unified parties split into separate Walloon and Flemish parties in the 1960s and 1970s (Lijphart 2012, 67). In Portugal, Spain, and Greece party unions often enter electoral contests.[2]

Germany, Hungary, Italy, and Japan all use mixed-member electoral systems to elect their parliaments. The Christian Democratic Union (CDU) and the Christian Socialist Union (CSU) in Germany have maintained a working coalition since the Second World War. In Hungary, Fidesz and the Christian Democrats have been in a coalition since 2006, and the

---

[1]In Norway, a conservative alliance emerged in 1945 (bourgeois or non-socialist bloc), till 1997 it including the Center Party, the Conservative Party, the Liberal Party and the Christian Democrats. The Center Party has left the alliance in 1994 after the EU referendum. Between 1997-2000 a minority coalition government formed which included the Center Party, the Christian Democrats and the Liberals, however, the Conservative Party, the Liberal Party and the Christian Democrats continued to cooperate. This conservative alliance (without the Center Party) was back again by 2007. While the Center Party left the bloc- the identity of the party bloc remained and the remaining parties continued to cooperate (Osterud 2013, 120). In 2013, the Conservatives formed a minority government with outside support from the Liberals and the Christian Democrats, which shows how durable this cooperation is (Milne 2013).

[2]In Portugal the *Unitarian Democratic Union* (CDU) is formed by the Communist Party and the Greens. The United Block of Left (UBL) is formed by the Worker's Revolutionary Party, Democratic People's Union and Extreme Left (Golder 2006). In Spain the *United Left Coalition* (IU) is formed by the Spanish Communist Party, Communist Party of Peoples of Spain, Catalan Unified Socialist Party, Socialist Party Progressive Federation, Party of Socialist Action, Unitarian Candidature of Workers, Berdak-Les Verds and Republican Left. This coalition has been a federation since 1994. The *Union for Democratic Center* (UCD) which was a coalition of fourteen right wing parties, merged in 1978 (Golder 2006). In Greece, the *Coalition of the Radical Left* (SYRIZA) was formed by Movements and Ecology(SYN), Renewing Communist Ecological Left (AKOA), Internationalist Workers Left (DEA), Movement for the United in Action Left (KEDA), and Active Citizens in 2004. In 2012 the SYRIZA registered as a single party.

parties continued to cooperate even when they lost an election. Although Italy boasts a very big party system, in reality since the 1993 electoral reforms, these parties have competed in two coalitions under various names.[3] In Japan, Kōmeitō and the Liberal Democratic Party (LDP) have been in coalition since 1999, and also continued to work with each other during a spell in the opposition.

On the majoritarian side of the electoral systems world, Australia uses an Alternative Vote electoral system, and France a two-round plurality electoral system. In Australia, the Liberal Party and the National Party of Australia have been in coalition since 1922. In France, starting in 1974, the multi-party competition typically transforms into a competition between two party blocs, the "Left" (Communists and Socialists) and the "Right" (Gaullists and Moderate Conservatives) (Müller and Strøm 2003). Between elections, sometimes parties within one bloc compete with one another. This happens for instance within the Right bloc: the UDF and the DL compete after 2002. However, even when the parties seem to be more distant on the national level, they continue to cooperate on the local level, and coordinate their party programs (Sauger 2003, 115).

While there is evidence that shows that long term coalitions between parties exist around the world, so far the political science literature has not examined them in a systematic way. In the next section, I discuss our current knowledge of PECs, and in particular, of those PECs that are long-term coalitions.

5.3   Literature Review

As I discussed in Chapter 4, some authors argue that ideologically similar parties do not constitute separate forces within a legislature. Grofman and Kline (2011) reduce the number

---

[3]In 1994, in Italy there were three alliances running the *Progressive Alliance* (Democratic Party of the Left (PDS), Communist Refoundation Party (PRC), Federation of the Greens (FdV), Italian Socialist Party (PSI), The Network (LR), Democratic Alliance (AD), Social Christians (CS), and Socialist Rebirth (RS)), the *Pact for Italy* (Italian People's Party (PPI), Segni Pact (PS), Italian Republican Party (PRI)) and the *Pole of Good Government* (Forza Italia (FI), National Alliance (AN), Christian Democratic Centre (CCD), Union of the Centre (UdC), Liberal Democratic Pole (PLD), Pannella List (LP)). The Pole of Freedoms Coalition formed as a continuation of the Pole of Good Government in 1996, while it became the House of Freedom in 2001. The Progressive Alliance continued as the Olive Tree coalition.

of parties in his party system size measure by asserting that parties that are ideologically close could merge without changing the ideological distribution within the party system. Grofman and Kline (2011) do not examine whether or not these ideologically close parties actually cooperate with each other. I agree with Grofman and Kline (2011) that we may over-estimate the fragmentation of the party system by counting each nominal party in the legislature as a separate entity. In contrast to Grofman and Kline (2011) though, I propose that we should investigate the inter-party cooperation between the parties in more detail to get an accurate measure of the units that we need to analyze.

The conventional wisdom is that coalitions form after elections, out of necessity, so that the eventual prime minister can enjoy the support of a legislative majority (Riker 1962). But some coalitions actually form *before* elections. Pre-electoral coalitions are coalitions of parties that form to contest an election together, and they may help each other in various ways: by stepping down from part of the contest and supporting the partner's candidates, by forming a common party list, by producing a joint manifesto, and so on.[4] Golder (2006) theorizes that parties decide to form pre-electoral coalitions not long before the elections. She argues that they do so when they have a higher chance to enter into the government together than separately.[5]

We know from country studies that several parties have engaged in long-term cooperation with each other, often beyond the contestation of the elections pre-electoral coalitions continue the cooperation. Sartori classifies these countries with party-bloc politics as moderate pluralisms. He argues that in these countries, "alternative coalitions" compete, and are close to being two party systems (Sartori 1976, 178).[6]

---

[4]Golder (2006) defines a pre-electoral coalition as "a collection of parties that do not compete independently in an election, either because they publicly agree to coordinate their campaigns, run joint candidates or joint lists, or enter the government together following the election."(Golder 2006, 12)

[5]Parties are more likely to enter into a pre-electoral coalition when the electoral threshold is high, when the expected size of the coalition is not too large, and when the asymmetry between the parties is not too big. In addition, Golder finds that pre-electoral coalitions are more likely to emerge when the coalition parties are ideologically close and the opposition is ideologically distant (Golder 2006).

[6]In 1976, Sartori classified the German Federal Republic, Belgium, Ireland, Sweden, Iceland, Luxembourg, Denmark Switzerland, Netherlands and Norway as countries with moderate pluralisms and segmented societies (Sartori 1976, 173).

Party alliances can vary in strength. Ideologically close parties that regularly enter government together or support an ideologically close minority government, are referred to as party blocs in Denmark. Green-pedersen and Thomsen define bloc politics as the situation when legislation is supported by either left or right wing parties within the legislature (Green-Pedersen and Thomsen 2005, 157). The parties that support the government bloc do not necessarily have to be in the government (i.e., they need not hold cabinet portfolios), but they are parties that would not wish for a different government.[7]

As a stronger form of cooperation between parties, in different countries there are alliances that last through several elections. In Dutch politics, the long term alliance between the CD/V and NV/A is commonly referred to as a cartel. In other countries, semi-permanent party alliances take the name of a combination of the colors of the parties within the coalition. Thus there was the "red-green" coalition (the Labour Party (Ap), the Socialist Left Party (SV), and the Centre Party (Sp)) in Norway between 2005 and 2013, and the "rainbow coalition" which consisted of the SDP, KOK, RKP/SFP, VAS, and VIHR in Finland between 1995 and 2003 and again from 2011 to 2016. These coalitions are often presented as unique phenomena by single-country studies, but a broader, comparative perspective reveals them to be quite common (Green-Pedersen and Thomsen 2005).

Sometimes cooperation between two parties is so strong that political scientists struggle with how to count the parties. Lijphart (2012) discusses the problem of how to count "strongly allied parties." He considers the problematic cases the CDU and CSU in Germany, the Liberal and National parties in Australia, and the Flemish/Wallonian pairs of Christian Democratic Parties, Socialist Parties and Liberal Parties in Belgium (the pairs descend from splits of national parties in 1968, 1971, and 1978, respectively). Lijphart offers three criteria to evaluate whether these are separate parties or not: whether the parties directly compete with each other; whether the parties form one legislative group or two groups; and the duration of the collaboration. Even with these criteria, Lijphart finds that none of the cases

---

[7]For instance an extreme right party that may attack the right government from the right, but would be still counted as a part of the right bloc since they prefer the right government to a potential left challenger (Green-Pedersen and Thomsen 2005).

mentioned above can be clearly defined. He suggests taking the average of the ENPs with and without the coalitions to calculate ENP of the country (Lijphart 2012, 70). There is no scholarly consensus about how to treat these parties in applied works. Golder codes them as pre-electoral coalitions formed by separate parties (Golder 2006). Warwick (1994) treats the CDU-CSU as one party but the Belgian parties as separate parties. Bawn and Rosenbluth (2006) follow Warwick's protocol. The classification of these alliances is difficult because the parties operate their own party institutions, but the alliances are stable. Even though political scientists observe that these stable coalitions exist, currently there is no standard about how these alliances should be treated.

The exact nature of the cooperation between parties in the blocs and alliances is currently under-theorized. We also do not know much about how the voters and other parties perceive these inter-party alliances. Tillman (2013) investigates how voters perceive pre-electoral coalitions. He finds that when pre-electoral coalitions (PECs) run in an election and the PEC is big, the future government is more identifiable, so turnout increases. Gschwend and Hooghe (2008) create an experimental design to explore how people react to pre-electoral coalitions in Belgium. They find that about 80% of voters follow their favorite party into the coalition. In addition, the supporters of the bigger party are more loyal than those of the smaller party if the coalition is asymmetric. Voters turn away when the two parties do not share the same ideology, if they do not like the other party, or if they do not like the joint candidates.

The above section shows that while there is evidence that stable coalitions exist, we have very little systematic knowledge about why they form, how long they last, how they operate, and whether they influence policy making. In the next part of this dissertation, I begin to fill in this lacuna. In the next section of the chapter, I examine how pre-electoral coalitions form. In the next chapter, I report the results of fieldwork in two cases – Hungary and Japan – to get a better sense of how these coalitions operate.

5.4 Determinants of Pre-electoral Coalition Formation in France

In the remainder of this chapter, I examine pre-electoral coalition formation in France. I examine two theories suggested by the previous literature on why PECs form: one that parties form pre-electoral coalitions when they expect that they could be electorally more successful together than apart, and second that parties form PECs when they are ideologically close (Golder 2006).[8] In this dissertation, I suggest that some alliances form not only to contest a single election, but that they persist between elections (that is, in the legislature), whether in government or in opposition. In this chapter I re-examine these propositions with district level data from France. I argue that each factor increases the probability that two parties form a PEC.

France is a especially suitable country in which to test these hypotheses, because PECs form in every election. France uses a two round, majority-plurality electoral system. This means that parties are institutionally encouraged to form PECs between the two electoral rounds. In addition, the country uses single-member districts. This allows me to calculate the joint competitiveness of the parties over all the single member districts based on the results of the first electoral round.

In France's version of the two-round electoral system, if no candidate wins a majority of votes in the first round, all those who that pass a 12.5% threshold may advance to the second round of the elections.[9] However, such a party may choose to withdraw its candidate and instead strike a deal to back the candidate of another party. In the second round, the plurality winner of the single member district wins the legislative seat. In France, pre-electoral coalitions have run in every election since the beginning of the Fifth Republic

---

[8]Blais and Indridason (2007) examine the French PEC formation before the first round of elections. They find that parties form PECs before the first round to reach the 12% threshold to get to the second round of elections. Here, I examine PEC formation before the second round of elections.

[9]The threshold has increased throughout the years of this study. First it was 5% of all the votes cast, in 1966 this increased to 10% of the registered voters and again in 1976 to 12.5% (Clift 2003). As the 12.5% is the percent of the registered voters, in reality the around 17% of the votes cast needed to advance to the second round of the elections (Golder 2006).

in 1958.[10]

Pre-electoral coalition formation is a distinct process from post-electoral coalition formation. Post-electoral coalition formation is usually determined by the outcome of the elections. By contrast, pre-electoral coalition formation requires very careful strategical calculations by the parties. The parties have to be very successful at guiding their voters how to vote so at the end they could all get a positive pay-off from the transaction. This could fail if the voters feel the coalition does not represent them ideologically. Due to this circumstance, parties may prefer ideologically close pre-electoral coalition partners (Golder 2006).

Of course, there are reasons to be conscious about the size of the alliance as well. There are certain thresholds built into the competition that could encourage cooperation for a higher vote share. First, parties that want to pass the 12.5% threshold to compete in the second round of elections may form pre-electoral coalitions for the first round (Blais and Indridason 2007).[11] Second, parties must win a lot of votes (potentially a majority if there are only two candidates) in the second round (Golder 2006), and so will choose their PEC partners with victory as the goal.

This logic leads to two testable hypotheses.

- **H1: Parties form PECs when they believe that they can win more seats together than separately.**

- **H2: Parties form PECs when they are close ideologically.**

---

[10]Parties have incentives to form pre-electoral coalitions when there are a lot of parties in the country (so there is little chance that any party alone can win a majority) and when the electoral rules give an advantage to larger parties or coalitions (Golder 2006). France fits this description on both counts. While some parties form pre-electoral coalitions before the first round of the elections to pass the 12.5% threshold to get into the second round, the parties have an incentive to compete alone in the first round of elections. The level of public financing that parties receive depends on the results of the first electoral round (Blais and Indridason 2007). In the second round, however, only the strongest candidates have a chance to win. Consequently, parties have a strong incentive to form alliances for the second round of the competition (Duverger 1954; Golder 2006). Due to these factors, in each French legislative election between 1958 and 2006, there were at least two pre-electoral coalitions running(Blais and Indridason 2007; Golder 2006).

[11]I do not examine these coalitions in this study since they would form before the first round of the voting.

5.4.1 Data

To test these hypotheses, I use district-level electoral data from the first round of French legislative elections from 1962 through 2002[12] (Fifth Republic of France) and the manifestos of the most important parties that ran in the elections at the same period in France.[13] The number of single member districts varied between 400 and 600 during this period. In addition, I use the data from the *Comparative Manifestos Project* to calculate the issue positions of the parties. The *Comparative Manifestos Project* only codes 5-6 parties in any given legislative election. This means that when I put together my dataset I have to limit my cases to pairs of parties that had manifestos.[14] Of the parties that have both manifestos and electoral results, I choose the winner party and the biggest opposition party on the national level, and examine how they chose from the potential pre-electoral coalitions. In the dataset, each observation is a potential coalition that includes one of the big parties and one other party.[15] Altogether I have 86 cases.[16]

5.4.2 Measure of Joint Competitiveness

First, I examine the hypothesis that parties form PECs when they believe that they can win more seats together than separately. To test this hypothesis, I create a measure to evaluate

---

[12]These are the elections for which district level legislative data was available, which was necessary to conduct this study. Data: BDSP / CDSP (1962, 1967, 1968, 1973, 1978, 1981), Ministère de l'Intérieur/ CDSP (1988, 1993, 1997, 2002)

[13] I exclude 1986 because that election was run under proportional representation (PR) electoral rules. The elections covered in this analysis are the French legislative elections of 1962, 1967, 1968, 1973, 1978, 1981, 1988, 1993, 1997 and 2002.

[14]This is not a big problem for this study, since smaller parties join a pre-election coalition before the first round of the elections.

[15]In this chapter, I do not address what happens when there are three or more parties in a pre-electoral coalition. This has occurred among the Gaullists, Conservatives and Independent Conservatives several times as well as among the Greens, the Socialist Party and the Communist Party in France. While I could address this question by adding the vote shares of all possible party groups (with 3, 4,..., n parties) the number of the permutations in this calculation increases rapidly. In addition, it would be difficult to calculate the policy distance between three parties and to compare the measure to the policy distance between two parties.

[16]All told, my dataset consists of $k * (2 * (n_k - 1) - 1)$ observations where n_k is the number of parties that had manifestos in any given year and k is the number of years.

how competitive any two parties would be together in the second round of the elections. I believe that the parties can make predictions about their future joint success based on their individual first round results.[17] I argue that parties choose to join a PEC that will make them competitive in as many districts as possible. Here, I define being competitive as having a joint vote share as close to the fifty percent vote share as possible in as many districts as possible. Each party can calculate its potential joint vote share distribution with each of the other parties.

I illustrate this idea with the plots of the joint vote distributions of the Socialist Party with each of the other parties in 1978. Figure 5.1 shows that the Socialist Party was competitive in most districts together with the Communist Party. That is, in most districts, the proportion of votes fell close to the 50% mark. Potential Socialist Party-Rally for the Republic (PS-RPR) and Socialist Party-Union for French Democracy (PS-UDF) coalitions should have been expected to produce much flatter vote-share distributions. A potential Socialist Party-Other Left (PS-DVD (Diverse Droite) coalition would lose in most districts, another undesirable result.

To summarize this concept numerically, I created a measure called *Vote Share Spread*. This measure is based on the mean absolute deviation of the joint vote shares from the 50% threshold in the districts.

$$2 \sum_{i=1}^{n} \left| x_i - \frac{1}{2} \right| p(x_i)$$

Where x is the joint vote share of two parties i in a given district, n is the number of districts and $p(x_i)$ is the probability of observing that particular joint vote share.[18] With

---

[17]In reality the vote share of a realized coalition can be lower or even higher than the votes that the individual parties realized depending on the voter turnout (Tillman 2013).

[18]For instance let's imagine a country with five electoral districts where in each district there are 100 voters. Let's suppose in a given elections, Party A gets {15,16,17,14,11} votes, while Party B gets {30, 32, 44, 11, 60} votes in the electoral districts. To get the vote share we have to divide these numbers with 100. Thus the joint vote shares of Party A and Party B in the five district are: {0.45, 0.47, 0.61, 0.25, 0.73}. So now we can calculate how far the two parties together are in each district from the 50% threshold, to the positive or to the negative direction: {|0.45 − 0.5|, |0.47 − 0.5|, |0.61 − 0.5|, |0.25 − 0.5|, |0.71 − 0.5|}. Next, we divide each value with 5 which is the number of districts and the probability of the observation in the distribution: {0.05/5, 0.03/5, 0.11/5, 0.25/5, 0.21/5}. Finally, we add the numbers together, which results
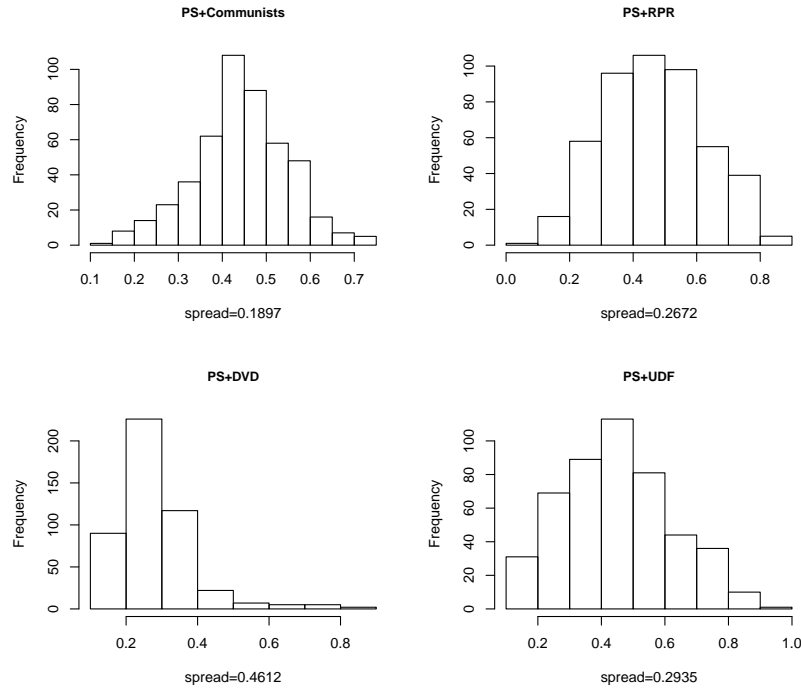
Notes: Histogram of the Joint Vote Shares in all electoral districts:

Potential Socialist Party(PS) Coalitions in 1978.
Top row: PS and the Communist Party; PS and the Rally for the Republic.
Bottom Row: PS and the Divers Droite; PS and the Union for French Democracy. Below the histograms appear the Vote Spread Measures. The potential coalition of the Communists and the Socialists has the lowest value: this is the most desirable coalition

Figure 5.1: Histograms of Potential Joint-Vote Shares of Socialist Party and other Parties in France, 1978

this measure, we can evaluate in how many districts the two parties would be competitive together. If the measure is 0, that means that the parties together could get 50% of the votes in each district (they are very competitive together in all districts) while a value of 1 indicates that the parties are either strong in the same districts or they are very strong in polar opposite districts (they reap no benefit from working together).[19]

in 0.13/5, and we multiply this number with 2 since we want the measure to have a range between 0 and 1 (we have to multiply the value with 2 as the threshold was 1/2). At the end we find that the *Vote Share Spread* of Party A and Party B is 0.26.

[19]A value of 1 indicates that in any district the two parties together would either get 0% of the votes or a 100% of the votes.

Figure 5.1 shows that in 1978, from the perspective of the Socialist Party, their joint *Vote Share Spread* would be the smallest if they entered into a Socialist-Communist pre-electoral coalition. Thus, for the Socialists, the Communists are the most desirable pre-electoral coalition partner. This is indeed one of the pre-electoral coalitions that formed in 1978.[20]

5.4.3 Measure of Ideological Proximity

The second hypothesis is that parties are more likely to form a pre-electoral coalition the closer they are to one another in ideological terms. I use non-linear correspondence analysis to estimate the ideological position of the parties based on the data of the *Comparative Manifestos Project* to test this hypothesis.

The *Comparative Manifestos Project* data is one of the most widely used datasets of party positions. As it is a time-series cross-country dataset, the data are easily comparable across countries (Gemenis 2013). The data consist of the shares of each party's manifesto allocated to each of 56 issues in a given election (Volkens et al. 2012). The issue categories cover a variety of economic and social topics that could be important for the parties. Most, but not all, issue categories show whether the party mentions the issue in a positive or a negative way. For example, two of the categories are: *Internationalism Positive* and *Internationalism Negative*.[21]

The information in the *Comparative Manifestos Project* can be too rich. There are 56 issue categories, but only a few parties that are coded for each year in a given country. Thus for any given year there are 5-6 observations (parties) and 56 variables. This

---

[20]To compare whether this is the best measure for success in the electoral competition, I also calculated the probability that the joint vote share of the parties would be less than 10%, and that the probability that their joint vote share would be over 60%. Out of these three measures, the *Vote Share Spread* measure was the only one that predicted pre-electoral coalition formation.

[21]The dataset has been criticized because the categories do not reveal the salience of the issues in a given election. Moreover, the issues may not mean the same thing in different countries or even across time in a given country (Gemenis 2013). In addition, as there are some "negative" and some "positive" categories, it can be difficult to assess the position of the parties (Gemenis 2013). While these may be valid criticisms, here I am evaluating the ideological positions of parties compared to each other in a given election so this problem does not affect this study.

means that the data matrix is much wider than it is long, and we would not be able to run a traditional regression analysis on the data.[22] Here, I use Non-linear Correspondence Analysis to place the parties in a multi-dimensional space, based on how close (or distant) the parties' rankings are of issues to one-another. Homogeneity Analysis[23] has been popular methodology to analyze categorical data since the 1970s, but it has been used rarely by political scientists (de Leeuw and Mair 2009).[24] The manifesto dataset has been analyzed

---

[22]There have been several attempts to scale the party positions on a left- right issue dimension. The creators of the manifesto data publish a left-right summary measure with the data. To calculate this measure, first, each of the 56 issue dimensions is sorted to the category of a "Left", or a "Right" issue. The categorization of the issues does not change by countries. Then, for each party, a composite "Left" and a composite "Right" score is calculated. The final ideological position of any given party is going to be the difference of these two scores (Laver and Budge 1992). Many people have expressed concerns about this score. Gemenis argues that the left and right issues can be different in every country and year which this calculation does not take into account. Thus parties within a country can end up with composite scores that do not express the reality of the political competition within their country(Gemenis 2013).

Other scaling methods use factor analysis to find the left-right dimension either by using all the issues or by using a selection of issues (Gabel and Huber 2000; Klingemann 1995). Still others use regression analysis to differentiate valiance issues from salient left and right issues and to find the left-right dimension (Franzmann and Kaiser 2006). These attempts do not take into account that in multiparty countries parties may compete along more than one dimension.

Warwick (2002) places the parties onto two dimensions using principal component analysis. However, this approach can run into issues of scaling, because the Comparative Manifestos Project does not use absolute values but relative ones. Some researchers have reached back to the text of the manifestos to find the most important issues without pre-determining the issue categories (Slapin and Proksch 2008). However, others have noted that this technique might result in finding potentially meaningless dimensions (Grimmer and Stewart 2013).

[23]The Non-Linear Multivariate analysis or Gifi System is a methodology developed by Jan de Leeuw in the 1970s and he and his collaborators expanded the method in the 1980s and 1990s. The Gifi group connected and generalized multivariate analysis techniques. The underlying novelty of the technique is that each variable is taken as categorical (in case of a continuous variable each observation is a category). To calculate the principal components the categories of each variable are scaled so that the variables become more homogeneous and that the biggest eigenvalue can be extracted, Then to find the second principal component the categories of the variables are scaled again and the method is repeated. A lot of multivariate analysis techniques such as regression, PCA, homogeneity analysis can be considered as a special case of the Gifi method (Van Der Heijden and van Buuren 2016).

[24]While the method is a generalization, and it is related to many popular techniques (such as multivariate regression, PCA and homogeneity analysis, correspondence analysis) it did not gain overarching popularity. Homogeneity analysis which is a related technique was popular in the 1970s. One of the issues is that the Gifi group often produced papers that they distributed within the group, to interested parties as opposed to necessarily publishing the results. One of the papers that shows how political science could use this technique can be found in Jan de Leeuw's paper: "Principal Component Analysis of Senate Voting Patterns," in which he analyses roll call voting in the US Senate with this technique (de Leeuw 2006b). DeNardo (1995) surveys students (amateurs) on their hypothetical preferences on the kind of weaponry that the government should purchase and uses homogeneity analysis to recover the respondents psychological types. This example shows that this method could be useful for analyzing the results of surveys as it can handle ordinal variables and dummy variables as well (Van Der Heijden and van Buuren 2016).

with many different methods but I argue that because of the characteristics of the data, non-linear correspondence analysis is a uniquely suitable method to explore the underlying structure of the data. In contrast to a simple principal component analysis, this technique allows for data that is not numerical or for this dataset that is more wide than long.

As I discussed in the previous chapter, the principal component analysis (PCA) finds the dimensions where the data varies the most and projects the data onto these dimensions. In contrast, the Non-linear Correspondence Analysis optimizes the data itself (minimizes the variation of the data) while it finds the dimensions that the data can be projected on. The calculation is an iterative process where at the same time the variance of the data matrix and the loss function is minimized. In one iteration, the positions of the parties are the dependent variables and the issue positions are the independent variables. In the next iteration, the issue positions are the dependent variables, and they are predicted with the positions of the parties (de Leeuw and Mair 2009). This means that the shape of the data matrix does not matter as we can use the 56 variables as independent variables and the 5 parties as outcome variables. In simpler terms, how the parties rank the 56 issue dimensions will define the space that shows which issues are important. Turning back again, the issue dimensions will define the location of the parties. Eventually, parties end up in a location close to parties that ranked similar issues in similar ways.

In theory, we could also use principal component analysis to reduce the dimensionality of a "wide dataset," as Warwick has suggested (de Leeuw and Mair 2009). However, in the case of the Comparative Manifestos data we actually do not have meaningful values to calculate with. As I mentioned above, the *Comparative Manifestos Project* reports the share of text that the parties allocate to each of the 56 political topics from their manifestos. These values have to add up to 1. It is probably easier to conceptualize these values as rank orderings coming from the parties. Parties will spend more of their asset (manifesto space) on the topics that they deem more important. If the dataset is ordered, then we cannot be sure that the values are in equal distance from each other. The non-linearity of the non-linear correspondence analysis means that we allow for non-linear transformation of the data and, thus, overcome this problem. Since all variables are considered to be categorical

in the calculations, the method can handle ordinal and categorical variables too (de Leeuw and Mair 2009)(de Leeuw 2006*a*) .

The output of the method is similar to a regular Principal Component Analysis that I discussed in Chapter 3. Based on their manifestos, we can pull out the main issue dimensions that separate the parties, and we can find the positions of the parties in these dimensions. I calculate the distance between the parties using these locations. Figure 5.2 shows the locations of the French parties in the space that the 56 issue dimensions created. The main issue dimensions need not to be the same for each year, as they are calculated by the party manifestos of each election. However, the plots show that the *First Dimension* is probably the traditional left-right scale in each year. The parties separate into two or three groups, with Communists and Socialists on the left and Conservative parties towards the middle. It is a little bit harder to interpret the *Second Dimension*. On this dimension, the Socialists are often on the opposite side of the Communists and the Conservatives are often on the opposite side of the Gaullists. On the *Second Dimension* the parties separate into three or four groups. Based on further analysis this dimension may be internationalism.[25] After calculating the position of the parties I created three variables: the distance between any two parties on the *First Dimension*, the distance between any two parties on the *Second Dimension*, and an the overall distance: *Euclidean Distance* between any two parties.

5.4.4 Results

After constructing the dataset, I ran logistic regressions to calculate how the ideological distance between any two parties and their ability to collectively win districts influence the probability that they form a pre-electoral coalition. The dependent variable is whether parties formed a pre-electoral coalition. The binary outcome is a "Yes" or "No" for every

---

[25]We can plot a so called *vector plot* to find out what the dimensions are. The *vector plot* shows which of the 56 issues align with the issue dimension and which are orthogonal to it. In the 1988 elections for instance the *Second Dimension* was determined mainly by issues that relate to international relations such as foreign relations, peace and EU relations. In Figure 5.2 however, we can see that the National Front', the nationalistic party, is only a few times at the extreme end of this second dimension. This may mean that the dimension is not the same every year or that the everyday rhetoric of the parties is different from the content of their manifestos.
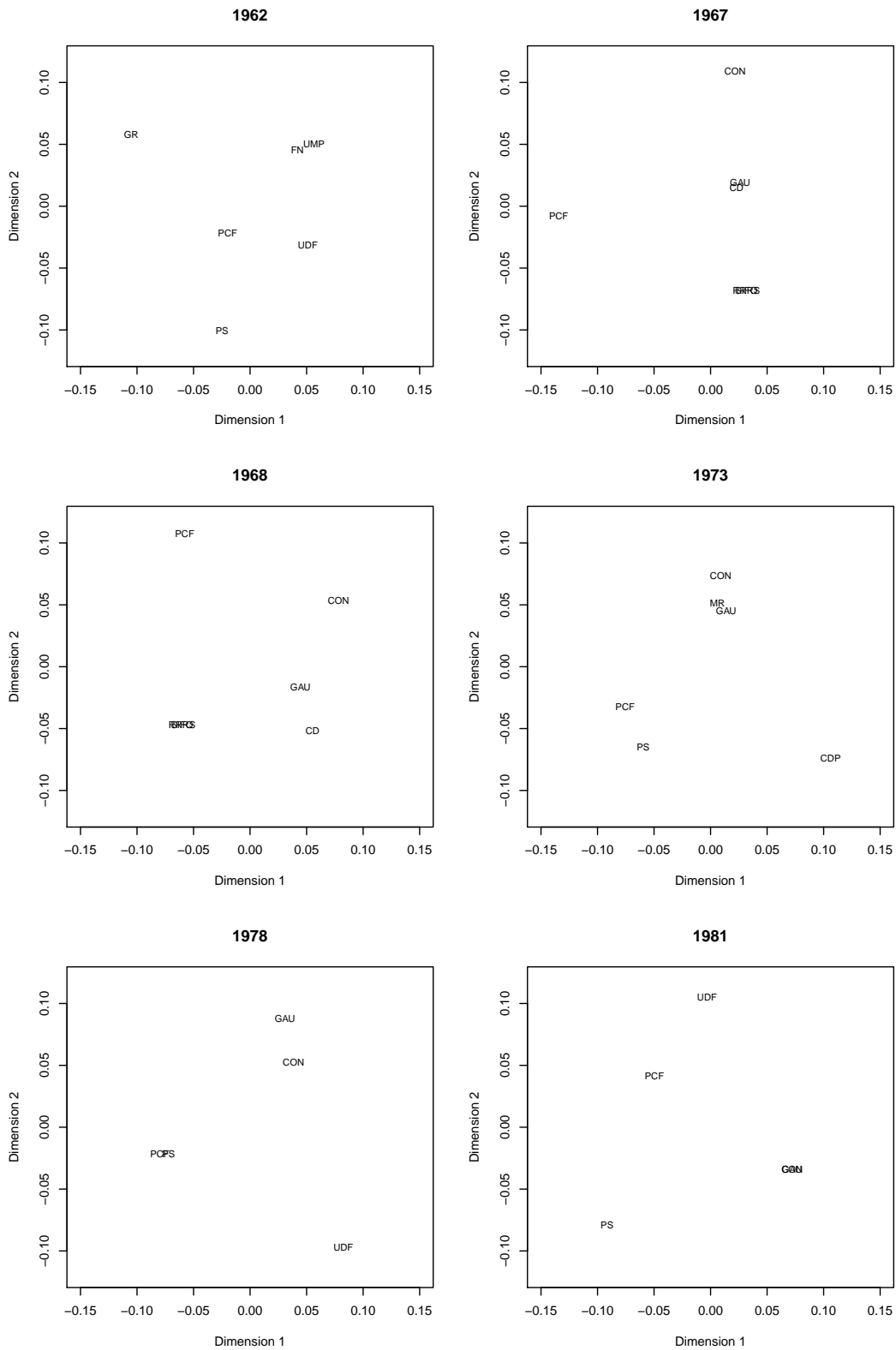
Figure 5.2: Location of the French Parties on the Two Main Ideological Dimensions 1962-2002

1988

1993

1997

2002
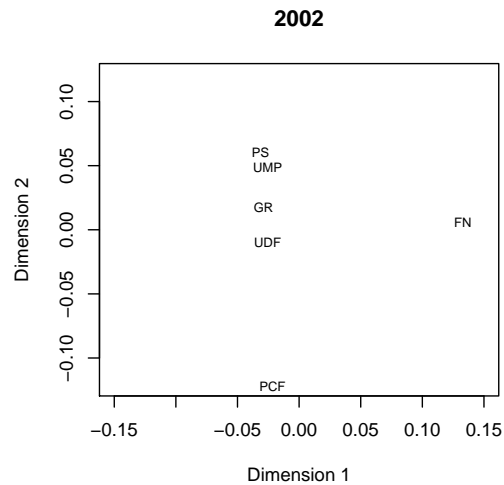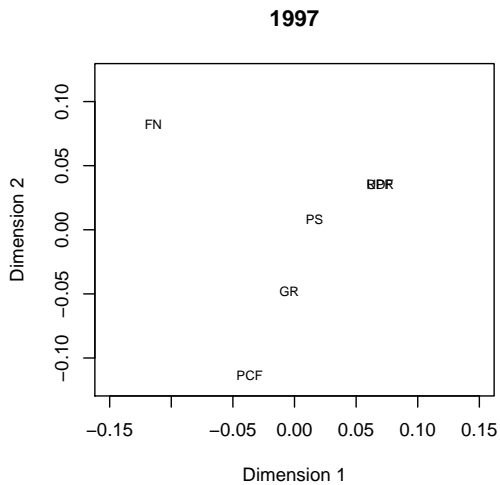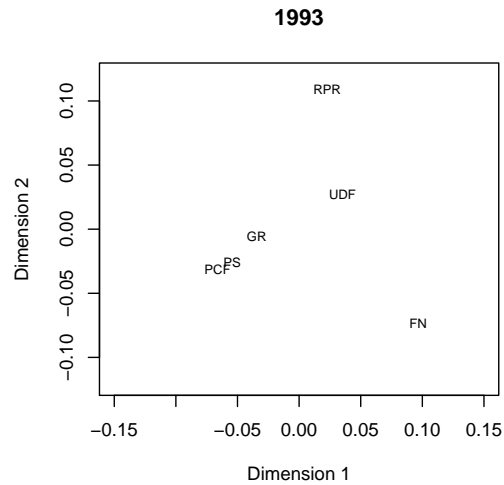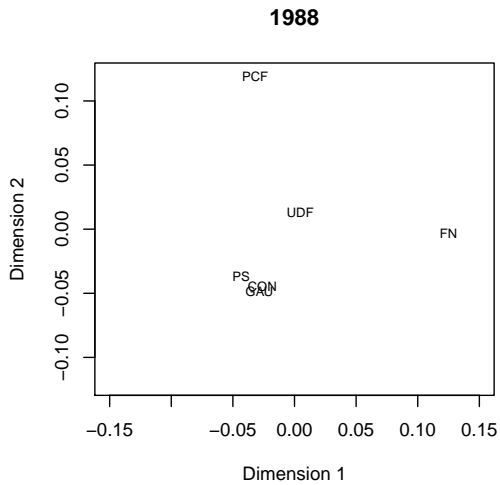
Notes: Party abbreviations: CDP-Center Democracy and Progress, CD-Democratic Centre, CON-Conservatives, FN- National Front, GAU-Gaullists, GR-Greens, MRP-Popular Republican Movement, MR-Reformers' Movement, PCF-Communist Party, PS-Socialist Party, RPR-Rally for the Republic, RRRS- Radical Socialist Party, SIFO-Socialist Party, UDF- Union for French Democracy, UMP-Union for the Presidential Majority.

possible two party combination. The independent variables are: *Dimension 1*, *Euclidean Distance*, *Dimension 2*, and *Vote Share Spread.*

Table 5.1: Effect of Ideological Distance and Potential Electoral Success on the Probability of Pre-electoral Coalition Formation between Two Parties. France 1968-2002.

| | *Dependent variable: Pre-electoral Coalition: Formed* | | | | |
	(1)	(2)	(3)	(4)	(5)
Dimension 1	−19.270***			−19.581***	
	(5.910)			(6.006)	
Euclidean Distance		−11.123***			−12.569***
		(4.072)			(4.302)
Dimension 2				−1.520	
				(4.773)	
Vote Share Spread			−3.062*	−3.464*	−3.787**
			(1.769)	(1.826)	(1.858)
Constant	0.126	0.264	0.380	1.646*	1.921**
	(0.341)	(0.448)	(0.718)	(0.902)	(0.929)
Observations	86	86	86	86	86
Log Likelihood	−45.358	−48.682	−51.015	−43.321	−46.275
Akaike Inf. Crit.	94.717	101.365	106.030	94.642	98.550

*p<0.1; **p<0.05; ***p<0.01

Notes: Dependent Variable: Pre-electoral coalition formed between two parties: yes or no; Independent Variables: *Dimension 1*: The distance between two parties on the first ideological dimension; *Dimension 2*: The distance between two parties on the second ideological dimension; *Euclidean Distance*: The euclidean distance between the ideologies of two parties; *Vote Share Spread*: Joint competitiveness of two parties

Table 5.1 presents the results of the logistical regressions. The results show that the *Vote Share Spread* (joint competitiveness) and the *Euclidean Distance* between the parties both matter when the parties decide whether to form a pre-electoral coalition with each other. In addition, the distance between two parties on the first issue dimension matters. All of these variables are statistically significant with the expected sign. The closer the parties are ideologically and the closer they can get to reaching 50% of the votes in the districts when running jointly, the more likely they are to form a pre-electoral coalition. Because the variables *Dimension 1* and *Euclidean Distance* are highly correlated, I only use *Euclidean Distance* here and I report the results of Model 5: Pr (Coalition Formation) = (1.92-12.569* *Euclidean Distance*-3.787* *Vote Share Spread*).

Both the *Vote Share Spread* and the *Euclidean Distance* variables are standardized by design, so we can interpret the model straightforwardly. When the *Vote Share Spread* measure of any two parties is 0, this is to say together they would be getting exactly 50% of the votes in each district and their manifestos are identical: the probability that that they form a PEC is 87%. The *Vote Share Spread* varies from 0 to 1. The *Euclidean Distance* varies between 0.01 and 0.17. We have to calibrate the interpretation of the coefficients accordingly.
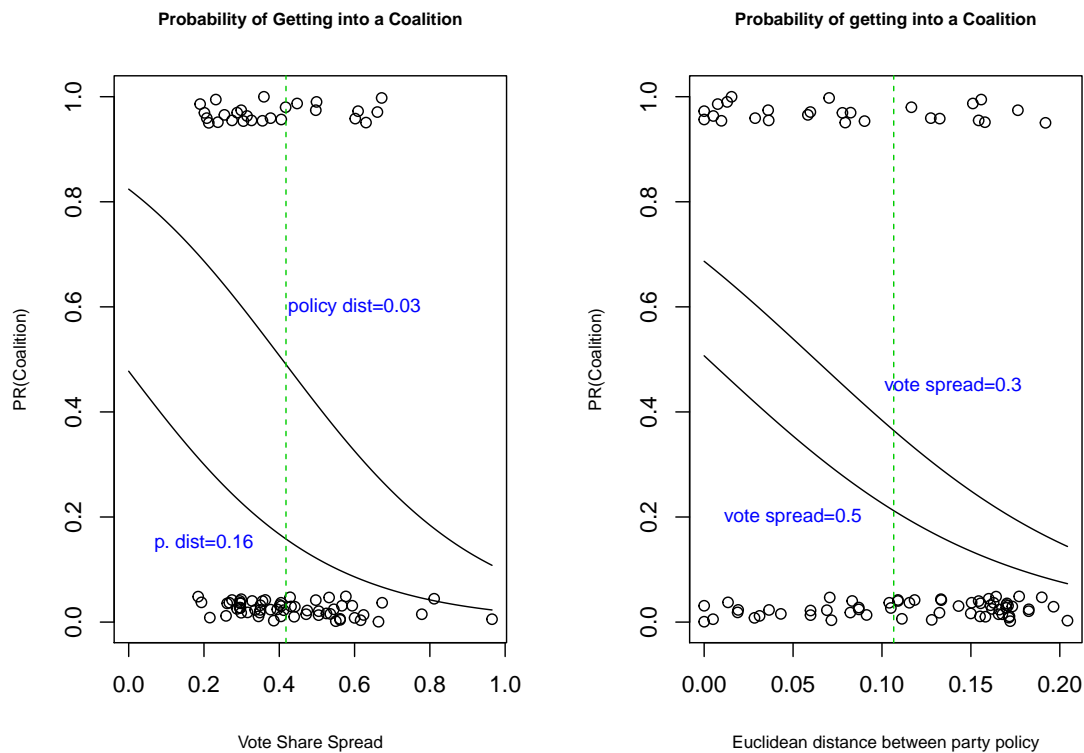
(a) Vote Share Spread Fixed (b) Euclidean Distance Fixed

Notes: Interpretation of the logistic regression results. Left: The *Vote Share Spread* variable is fixed at its 1st and 3rd quartiles. The curves show how the probability of the parties getting into a pre-electoral coalition changes when we the *Euclidean Distance* between the party ideologies changes. Right: The *Euclidean Distance* Variable is fixed on its 1st and 3rd quartiles. The solid curves show how the probability of the parties getting into a pre-electoral coalition changes when the *Vote Share Spread* of the parties changes. In both cases the dashed line shows the mean of the variable on the x-axis.

Figure 5.3: Determinants of Coalition Formation in France: Interpretation of the Logistic Regression Results

To ease interpretation of the result, I offer the plots in Figure 5.3. In Figure 5.3b

the curves show how the probability that two parties form a PEC changes as the *Euclidean Distance* between the parties changes. To interpret the results let us fix the ideological distance between the parties at the mean level of the variable (0.11). This is the dashed line. *Vote Share Spread* is fixed at its 1st and 3rd quartiles (these are the curves). We can see that if a party that has a choice between two ideologically identical partners (with a mean ideological distance of 0.11), but one with which they have a *Vote Share Spread* of 0.3 and another party with which they have a *Vote Share Spread* of 0.5, the party will be 20% more likely to chose the electorally more competitive partner.

In Figure 5.3a the curves show how the probability that two parties form a PEC changes as the *Vote Share Spread* of the parties changes. Figure 5.3a shows that if a party has a choice between two parties that it could be equally competitive with (*Vote Share Spread* is 0.5) but one is in a 0.03 ideological distance, and the other one is in a 0.16 ideological distance, it will be 30% more likely to choose the ideologically closer ally. We can see from this analysis that ideological distance matters more in selecting the potential coalition partner than joint vote share potential. I also tried to interact the two variables, as it is plausible that given policy distance, two parties might value joint competitiveness at different levels, however I ran into multicollinearity issues.

5.5   Conclusion

In this chapter, I have argued that if the structure of the opposition can influence government policy, then we must take account of inter-party cooperation in the opposition. This is because it could also affect the strategic choices of the government if the nominally distinct opposition parties are committed to forming a governing coalition with each other, should the government fail. Currently, the question of how parties interact with each other outside of the government in a multiparty environment is under-theorized. Here, I argued that we should unpack the concept of the pre-electoral coalition and explore the form of inter-party cooperation that is long and stable (stable coalitions).

In this chapter, I tested two hypotheses on pre-electoral coalition formation using

district level data from the French legislative elections during the Fifth Republic. I found support for these hypotheses: parties formed PECs when they could win more seats together than alone and when they were ideologically close. In the next chapter, I examine whether the causal arrow could be potentially in the reverse direction. Maybe the formation of PEC predicts synergy and ideological convergence, rather than the other way around. I examine how parties adjust their manifestos when they form a PEC and I discuss how stable coalitions have worked in Hungary and in Japan.

CHAPTER 6

Party Cooperation in the Opposition

6.1 Introduction

In the first four chapters of this dissertation, I argued that the structure of the opposition can influence the behavior of coalition governments. In Chapter 5, I proposed that if this is true, then we must examine inter-party conflict and cooperation in the opposition in closer detail, as stable cross-party alliances *within* the opposition might influence the government in the same way as large opposition parties do. I examined a case study of Fifth-Republic France and found that pre-electoral coalitions (PECs) tended to *form* when parties were either ideologically close or electorally synergistic. In this chapter, I examine how pre-electoral coalitions *operate*.

As I discussed in the previous chapter many country studies have described stable or long-term coalitions. There are two features that seem to define these alliances. One is that the cooperation between the parties does not cease if the parties find themselves in the opposition. The second is that even when the senior coalition partner could govern alone, it brings the junior coalition partner into the coalition. Thus in some cases, over-sized coalitions are created. For the rest of the chapter I am going to refer to these coalitions as stable coalitions.

It would be straightforward to re-create the empirical test of Chapter 4 with stable coalitions to examine whether big coalitions in the opposition influence government spending the same way as big parties do. Currently, however, I do not have accurate data on coalitions in the opposition, as often there is little reliable information about parties that are not in government. To get around this issue I use pre-electoral coalitions as an operationalization

of stable coalitions. Thus I recalculated the measures that I used in Chapter 4, but this time, I took pre-electoral coalitions that ran in the previous elections as single parties, without taking into consideration whether they continued their cooperation or not. In practice, I summed the legislative seat shares of parties that were in a pre-electoral coalition (and counted the parties that were not in a PEC as distinct). Then with the new measures, I ran the regressions again. I expected that if it is in fact correct that governments treat opposition PECs as unitary actors, then counting PECs as parties will create a less noisy measure, and the regression will therefore have a better fit. However, this test was inconclusive. The results and the regression fit remained the same as in Chapter 4. I present the results of this analysis in the appendix to this chapter.

To get around the lack of this specific data, in the first part of this chapter I am going to examine evidence from the *Comparative Manifestos Project* data to show that the manifestos of parties in pre-electoral coalitions converge during their joint election campaigns. In the second part of the chapter, I discuss two case studies, Hungary and Japan, where PECs that formed in government survived stints in the opposition. All the evidence shows that PECs can become ideologically and electorally closely aligned and these coalitions continue in the opposition as well.

6.2   Evidence from Manifestos of PEC partners

Previous literature finds that pre-electoral coalition parties are ideologically closer to each other than post-electoral coalition partners (Golder 2006). I also find in Chapter 5 that two parties that are ideologically close have a higher probability to form a PEC than two parties that are ideologically distant. In this part I argue that if PEC partners write their manifestos in anticipation of the electoral contest with an ally, it is possible that they adjust their ideological positions to reflect their alliance. Thus it is possible that the ideological closeness of the parties in a PEC is a manifestation of their alliance, rather than a motivation for it.

As discussed in Chapter 5, the *Comparative Manifestos Project* collects data on the

manifestos of all parties that ran in elections between 1945 and 2002 in 50 countries. The following analysis is based on the ideological positions of all parties in pre- and post-electoral coalitions that ran in elections from 1946 to 2002 in 20 countries.[1] For this analysis I use the left-right ideology scale that the dataset provides. This scale ranges from -100 to 100 (Volkens et al. 2012).[2] I calculate the distances between the ideological positions of the manifestos of pre- and post-electoral coalition parties on the election when they enter into a coalition and one election before that. I calculate the distances between the parties as the absolute value of the ideological position of the coalition party furthest to the right (R) minus the ideological position of the party furthest to the left (L): $|R–L|$.[3]

After calculating the composite measure, I separate the coalitions in PR systems from those in mixed electoral systems. I do so because, all else equal, under more proportional electoral systems parties have a higher incentive to polarize ideologically (Cox 1990). This means that the ideological space on which the parties can form coalitions may be bigger in PR versus mixed-member systems. In addition, the electoral system has an influence on PEC formation as well: under more majoritarian electoral systems there are bigger incentives to form a PEC as bigger political entities win big, but usually there are fewer parties to form PECs (Golder 2006). Because both the likelihood of PEC-formation and the size of the ideological distance between the parties depend on the electoral system, it is possible to run into an aggregation problem (also known as Simpson's Paradox). Thus, I show below the

---

[1]The countries are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, and the UK. The table is an extension of Golder (2006), table 7.4. in which she finds that PECs are ideologically closer than post-electoral coalitions. To the cases I added countries that are also in the dataset of the book and that are also in the *Comparative Manifestos Project* data (Golder 2006, 125). The range of the previous ideological diversity is calculated in the same manner from the ideological position of the parties in the election before they entered into a pre- or a post-electoral coalition with each other. When one party from the coalition of more than two parties did not exist in the previous election the range was still calculated (it is a conservative estimate). If only one of the coalition parties was running in the previous election, the previous elections value is missing.

[2]The reason that I am able to use this scale here is that I make a cross-election comparison between the parties that formed a pre-electoral coalition. Furthermore, I am comparing the ideological positions of the same parties in the same countries, in consecutive elections. Consequently, in this particular case there is a high chance that the ideological positions of the parties are comparable.

[3]This is the same measure that Golder uses to show that pre-electoral coalitions are ideologically closer than post-electoral coalitions (Golder 2006, 123)

aggregate results as well as the results separated by electoral systems.

Table 6.1 reports the average distances between the ideological positions of parties in pre- and post-electoral coalitions in the election when they formed the coalition and the election before. The table shows that parties that form pre-electoral coalitions are not closer to one another than parties in post-electoral coalitions until they decide to work together. If we look at the pre- and post-electoral coalitions in different electoral systems it becomes clear that pre-electoral coalitions do not form because the parties are ideologically close, but that they converge once they have decided to form a pre-electoral coalition.

Table 6.1: Ideological Distance of Pre-and Post-Electoral Government Coalition Parties in Different Electoral Systems

	Coalition Type	All Electoral Systems (Distances Mean)	Proportional Representation (Dist. Mean)	Mixed-Electoral Systems (Dist. Mean)
Elections of the Coalition	**Pre-Electoral**	22.99	26.20	20.83
	Post-Electoral	28.09	29.43	21.54
Previous Elections	**Pre-Electoral**	25.06	29.40	22.35
	Post-Electoral	28.50	30.01	17.57

Table 6.1 shows that in aggregate, pre-electoral coalition parties in the previous elections are somewhat closer to each other (25.06) than post-election parties (28.50). In the elections when pre-electoral coalitions run together the partners decrease the difference (22.99) but post-electoral coalitions do not, probably because the parties do not anticipate that they will cooperate (28.09). Table 6.1 also shows that the movement is clearer if we separate the results by electoral system type. All coalitions in PR systems are indeed more distant from each other than coalitions in mixed systems, which supports Cox's insight (Cox 1990).[4]

In PR electoral systems, the mean difference between the ideological positions of

---

[4]Cox (1990)does not directly talk about the mixed-member systems. In fact, the mixed system can vary from electoral systems that are closer to proportional (mixed-member propositional) to electoral systems that are closer to majoritarian (mixed member majoritarian) electoral systems. However, mixed systems on average are more majoritarian than PR countries, and we observe that the parties are less ideologically dispersed that parties under PR systems.

post-electoral coalition parties in the run-up to the previous election is 30.01 points while the mean distance is 29.40 points between the ideological positions of parties that will forge a PEC before the next election. In countries with mixed-electoral systems the mean difference between the ideological positions of post-electoral coalition parties in the previous election is 17.57 points, while the mean distance is 22.35 points between the ideological positions of parties that will form a PEC before the next election. The data also show that both in countries with PR electoral systems and in countries that use mixed-member electoral systems, parties in pre-electoral coalition write manifestos that are ideologically closer to each other for elections in which they run together than in elections when they run separately. The mean difference between the ideological position of the pre-electoral coalition parties decreases from 29.40 to 26.20 points in the PR countries as decreases from 22.35 to 20.83 points in countries with mixed-electoral systems. While the difference in the ideological distance between the pre-electoral coalitions and post- electoral coalitions is not significant in the elections before the parties form a pre-electoral coalition, it is significant at the 90% level when the pre-electoral coalitions form.[5]

In Chapter 5, I found through an examination of France that parties form pre-electoral coalitions with either electorally or ideologically compatible partners. This analysis shows that at least part of this equation is manipulated by the parties, as they coordinate their ideological positions when they are planning to contest an election together. Below, I discuss two cases, Hungary and Japan, which may give us an idea as to what makes parties electorally synergistic. I argue that a senior coalition party may form a stable coalition with a smaller party when that party can deliver a group of loyal, niche voters. As I have shown in the case of the French pre-electoral coalition formation, a big party tries to find a partner whose voters can swing electoral outcomes. It may be useful for the big party if these voters are single issue voters so they are not swayed by the inter-party competition on the main issue dimension.

---

[5]To evaluate the differences between the means I use a Welsh two sample t-test. The p-value shows that the probability that we observe a difference between the pre-electoral coalition and the post-electoral coalitions is 0.10 in a given elections. The ideological difference between the same group of parties is not significant in the election before.

Moreover, I argue that under some circumstances the senior coalition partner in the legislature will use the alliance to experiment with the popularity of some policy issues. If the supporters of the junior partner identify with that party not because of its policy promises, but because the identity the party represents, this experimentation will not deter them from voting for the small party. On the other hand, the junior partner benefits from this alliance, because the senior partner is likely to bring it into government even if doing so produces an oversized coalition (that is, even if the junior party's seats are not needed to form a parliamentary majority).

6.3 Case Studies – How do PECs Operate?

I now turn to two case studies to show how parties within a stable coalitions work with each other. The case study of Hungary contrasts the story of a PEC that did not cooperate in opposition and ultimately dissolved (Hungarian Socialist Party-Alliance of Free Democrats) with a stable PEC that now operates in a very closely allied form (Fidesz - Christian Democratic People's Party).

The case study of Japan discusses a stable coalition that formed from two ideologically very different parties, whose voters are still not particularly fond of each other. Nevertheless, the coalition of the Liberal Democratic Party (LDP) and the Clean Government Party (Kōmeitō) turned into a close alliance that has lasted 17 years to date, survived a spell in opposition, and shows no signs of breaking up in the near future. Both of these case studies show that in the legislature the parties often closely cooperate in policy making, and the alliance continues on in the opposition as well. However, the parties do not merge as they get benefits from the two brands: the alliance gains electoral advantage by advertising to two different groups of voters.

6.3.1 Hungary

Hungary uses a mixed-member majoritarian electoral system for its parliament. In this system, the voters have two ballots, one for a party in a proportional representation (PR)

tier, and the other for a candidate in a single member district (SMD). The legislature consists of a mixture of representatives who win their seats on these two tiers. While small parties can survive because of the PR tier, the SMD tier incentivizes small parties to cooperate with larger parties.

Democratic elections in Hungary began in 1990, after the fall of communism. Pre-electoral coalitions first formed between the two rounds of the elections as early as that first election. In 1994, a liberal pre-electoral coalition was formed by Fidesz (Young Democrats), the Alliance of Free Democrats (AFD) and the Entrepreneurs' Party (EP). After a resounding defeat, this coalition dissolved, the AFD joined a post electoral coalition with the Hungarian Socialist Party (HSP), and Fidesz moved to the ideological right in opposition to the HSP-AFD government (Koszeg 2000). In the 1998-2010 period, there emerged a "Right" party bloc centered on Fidesz and a "Left" party bloc centered on the HSP. Since 2010, the Left party bloc has fragmented, and the far right has been getting stronger. In 2014, the (Left) opposition poses a much less concentrated challenge than ever before, and Fidesz enjoys a non-competitive legislative environment.

The current fragmentation of the opposition is partly due to electoral rule changes in 2012. Before 2012, SMD winners were chosen using a French-style majority-plurality two-round system. This electoral system induces parties to cooperate.[6] Since 2012, however there is a single round in the SMD tier, with a plurality winner. This system still should encourage inter-party cooperation (Duverger 1954). However, the parties get public financing based on the number of candidates they file in the SMD tier, which discourages inter-party cooperation in the SMD tier.[7]

Table 6.2 presents the summary table of pre-electoral coalition formation in Hungary. From 1994 to 1998, the Hungarian Socialist Party (HSP) governed with the Alliance of Free Democrats (AFD) in a post-electoral coalition. In the 1998 election, the two Left

_____

[6] As in France, Hungarian parties formed PECs to pass a 10% threshold that joint party lists have to pass before the first electoral round, and they formed PECs between the two rounds to win the runoffs.

[7] Parties receive a bonus for running candidates in the SMD districts. If the party runs less than 29 candidates it gets no bonus while if it runs 106 (one in each SMD district) it gets about $2 million beyond the regular financing.

parties ran on the platform of continued governance and coordinated their electoral efforts.[8] In this election, Fidesz, the biggest conservative party, formed a pre-electoral coalition with the Hungarian Democratic Forum (HDF), the conservative party of the transition period,[9] and the Independent Smallholders Party (ISP).[10] During this period, the parties formed pre-electoral coalitions simply to contest an election, and there was quite a bit of hostility between the allies.[11]

During this period, both Fidesz and the HSP grew in size while their coalition partners shrank. The HSP governed with the AFD between 2002 and 2010. Fidesz contested the elections of 2002 and 2006 by running joint lists with small coalition partners,[12] while the HSP and the AFD ran separate lists and separate candidates in the first round of elections, but coordinated in the run-off round.[13] The HSP and AFD won reelection in 2006, and started to govern together, but the government coalition broke up in 2008. The AFD joined the opposition and then fell out of the legislature in 2010. In the 2010 election, after spending four years together as a coalition in the opposition, Fidesz once more asked the Christian Democratic People's Party (CDPP) to run on a joint party list. Fidesz did this amid a widely predicted landslide victory which left the party with no numerical need for a partner, either to contest the election or to govern.

---

[8]Between the two electoral rounds of elections in the SMDs, 27 Free Democrat candidates withdrew in favor of the Socialists.

[9]The HDF was a small party by 1998, but back in 1990, it had won the most seats and was the government formateur. Because of the legislative past, it had highly recognizable, quality candidates, with legislative and government experience. In 1998 the HDF did not pass the 5% threshold on the PR level but it won enough SMD seats that it could form a legislative group (Kovacs 2006). Fidesz and HDF ran joint candidates in 78 of the 178 districts.

[10] In this year 82 ISP candidates withdrew in the SMDs in favor of Fidesz.

[11]When Fidesz won the highest seat share and became the formateur in 1998, it gave key ministerial positions to the SHP in exchange for the previous withdrawal of the SHP candidates. The coalition did not work however, and the SHP fell apart during its time in the government, and fell out of the legislature in the next elections.

[12]In the 2002 elections Fidesz and HDF had a joint party list. In the 2006 election, the HDF split from Fidesz. The Fidesz formed a pre-electoral coalition with the CDPP and created a joint list in 2006. At this instance, the CDPP have not been a parliamentary party for 8 years, having fallen out of Parliament in 1998.

[13]The HSP cooperated with the AFD again in 2006. Before the elections the leader of the HSP was campaigning together with the AFD to help them pass the 5% threshold (Fabian 2006).

Table 6.2: Pre-electoral Coalitions in Hungary

Election year	Left	Center	Right
1990		Fidesz-AFD-EP	HDF-ISP-CDPP
Nature of the Coalition		reciprocal withdrawal of candidates at the second round	reciprocal withdrawal of candidates at the second round
1994		Fidesz-AFD-EP	
Nature of the Coalition		reciprocal withdrawal of candidates at the second round	
1998	HSP- AFD		Fidesz-HDF -ISP
Nature of the Coalition	reciprocal withdrawal of candidates at the second round		Fidesz-HDF : joint candidates Fidesz-HDF-ISP: reciprocal withdrawal of candidates in the second round
2002	HSP- AFD		Fidesz-HDF
Nature of the Coalition	joint candidates		Joint list, joint candidates
2006	HSP- AFD		Fidesz- CDPP
Nature of the Coalition	joint candidates		Joint list, joint candidates
2010	none		Fidesz- CDPP
Nature of the Coalition			Joint list, joint candidates
2014	HSP-Egyutt-DC-HLP-PM		Fidesz- CDPP
Nature of the Coalition	joint list		Joint list, joint candidates

Note: Dark shade indicates that the coalition won. Christian Democratic People's Party (CDPP), Alliance of Free Democrats (AFD), Democratic Coalition (DC), Hungarian Democratic Forum (HDF), Hungarian Liberal Party (HLP), Hungarian Socialist Party (HSP), Együtt, Entrepreneurs' Party (EP), Independent Smallholders Party (ISP), Párbeszed Magyarorszagért (PM)).

The Fidesz-CDPP alliance won a 2/3 supermajority in the 2010 election and promptly rewrote the constitution and the electoral law and the HSP splintered into three parties.[14] The new electoral law discourages inter-party cooperation on the SMD level. This might have been one of the keys to the success of the Fidesz-CDPP alliance in the 2014 elections, because in the SMD districts several opposition candidates ran. Thus the two parties were victorious in 90% of the SMDs and could again win 2/3rds of the seats in the legislature.

The coalition between the HSP and the AFD started as a post-electoral coalition, and the parties had a lot of disputes while they were in government. Imre Szekeres (the

---

[14]The Hungarian Socialist Party (HSP), the Democratic Coalition (DC), and Together (Egyutt).

leader of HSP at the time) argued in an interview in 1998 that if the two parties could keep cooperating in the opposition, then the coalition has a deep foundation, otherwise it was just a strategic alliance.[15] From evidence in news articles it seems that the parties did not manage to cooperate in the opposition, and the coalition destabilized (Gavra 2002). While the two parties did run together in 2006 (and won), by 2008 the alliance had fallen apart.

In contrast to this alliance, on the conservative end of the spectrum, Fidesz built a very stable coalition with the Christian Democratic People's Party (CDPP) starting in 2006. I conducted interviews with several politicians from the CDPP and Fidesz in Hungary, to find out how the alliance works. I discuss the methodology of these interviews in Appendix 2. I conducted these interviews between August and September of 2014, between the legislative elections of April 2014, and the municipal elections of October 2014.

It is clear from these interviews that while Fidesz does not want to merge with the CDPP, it does want to continue the alliance between two parties with separate identities.[16] The politicians that I spoke with could not give a specific answer as to why this alliance was so important for the bigger coalition party. According to the politicians, the only tangible electoral benefit that Fidesz gets from having the CDPP as a coalition partner is that the priests (who back the CDPP) campaign for Fidesz-CDPP coalition in their Sunday sermons.[17] Only about eight percent of Hungarians attend church regularly, but it is possible that those eight percent are very loyal to the church, and they follow the guidance of the priest on how to vote.

But it is also possible that the Fidesz wants to appeal to socially conservative voters. As I discussed above, Fidesz first ran a joint list with the HDF (another small conservative party), then, when this coalition fell apart, it wooed the CDPP. This suggestion is supported

---

[15] After the HSP-AFD PEC lost that year's election.

[16] One interview subject, the leader of the "Entrepreneur Party," another partner of Fidesz, noted the since 2006 Fidesz itself is an "alliance" (so the PEC is between the *Fidesz Alliance* and the CDPP). Indeed, in 2006 the party integrated several movements and fringe groups on the right with the slogan: "One camp one flag." If the party had wanted to integrate the CDPP as well, it could have done so at this time.

[17] Even CDPP politicians were slightly unsure why the CDPP was needed as a separate party. Potentially the CDPP prevents the far right party Jobbik (Jobbik, the Movement for a Better Hungary) from getting the issue ownership of protecting Christianity and the nation.

by a statement from the leader of the CDPP Zsolt Semjén: "the two parties' political co-operation is not only strategic but it has a deeper intellectual foundation." He added: "the important factor in the cooperation is that Fidesz is a mass party with a wide support base and the Christian Democratic People's Party is an explicitly ideological party. The harmonious co-operation of the two parties led to their fantastic support at the (previous) parliamentary election (KDNP 2010)."

In elections, Fidesz and CDPP run a joint party list. Fidesz decides who gets on the list and in which position are the candidates of the CDPP. Fidesz stands down in some SMDs in favor of the CDPP as well, but according to the interviews, the CDPP candidates get the least safe districts. The two parties do not run separate campaigns; rather Fidesz and CDPP leaders appear together on the campaign trail. Currently, the CDPP has 16 politicians in the legislature. After getting elected on the joint list, the legislators join one of the two legislative groups, and nominally they either become Fidesz or CDPP MPs. Some of the members of the CDPP group are recognized CDPP leaders but the rest of the legislative group is chosen by Fidesz leader (and Prime Minister) Viktor Orbán. According to several different CDPP politicians, the CDPP does not get a say as to who the candidates are going to be either on the national or the local level. All members of the CDPP are members of Fidesz as well in the party organization, but the two parties have separate legislative groups. Dual party membership in the alliance is encouraged, although it is only required if the members belong to the CDPP. All politicians have a primary party affiliation though.[18]

Fidesz also decides on the common policy of the coalition, and CDPP ministers do not enjoy any policy discretion. There is no formal coalition agreement.[19] Still, some of the most controversial issues over the past six years have been connected to this small party. While the CDPP is over-represented in the cabinet considering its seat share (3 out

---

[18]According to my sources in the CDPP, of the CDPP's current 16 official MPs, only about seven are "real" Christian Democrats. The other nine members are originally from Fidesz and have been assigned to the CDPP legislative group. Some members of the Fidesz legislative group also have "dual membership" in both parties. However, nobody is sure how many such legislators exist, or at least none of my subjects wanted to give me even an estimate for this number.

[19]To be precise, the interview subjects heard about that there is one but no-one has seen it. One subject described it as "the Columbo's wife," because everyone heard about her but nobody has ever seen her.

of 14 ministers in the 3rd Orbán government are from the CDPP) the party does not get to decide on policy. For instance, my sources discussed at length the story of Rózsa Hoffmann, the Secretary of Education from 2010-2013. She was one of the Fidesz members of the CDPP. Thus, in name, the CDPP was responsible for the education reform she introduced, which proved to be very unpopular. As one part of this education reform, elementary school children started to take either religious education or an ethics class. Surprisingly, this idea did not come from the CDPP at all. In fact, the Christian Democrats opposed the idea, and did not support the bill (mostly because the Catholic Church cannot supply enough teachers to teach religion). However, voters connect the idea to the CDPP. Another, similar issue was that the all vendors had to close on Sunday. However, this policy was so unpopular that the government ultimately withdrew the law.[20]

The case of Hungary shows that sometimes parties that form and re-form pre-electoral coalitions, and are considered to be part of a party-bloc, nevertheless do not cooperate in the opposition (Hungarian Socialist Party-Alliance of Free Democrats). However, the Fidesz- Christian Democratic People's Party alliance shows that sometimes two parties can cooperate very closely. Fidesz and the CDPP worked with each other when the two parties were in opposition, and Fidesz included the CDPP in the government even when they had enough support to win the majority alone. In the legislature the two parties have their own legislative groups, but Fidesz is responsible for policy making.

6.3.2 Japan

In Japan between 1955 and 1993, the Liberal Democratic Party (LDP) governed alone. According to political scientists, one of the reasons why the party stayed in power for all these years was that the opposition was fragmented (Scheiner 2006).[21] When the opposition finally managed to take over in 1993, the new government changed the electoral system

---

[20]The law was withdrawn as soon as the opposition managed to start to collect signatures for a referendum on the issue.

[21]During this time the electoral system in Japan was SNTV (Single Non-transferable Vote). This electoral system encouraged party fragmentation.

in the hopes that two big parties would emerge. Currently, and similar to Hungary, the Japanese electoral system for the Lower House of the Diet is a mixed-member majoritarian electoral system, with a closed-list PR tier and a plurality-rule SMD tier. In contrast to the Hungarian system, Japan does not allow for joint party lists. However, it is possible that parties ask their voters to cast their list vote for a partner party, and two parties might run joint candidates in an SMD district. In addition, Japan has a bicameral legislature with a strong Upper House (Thies and Yanai 2014). The electoral system in the Upper House is a mixed system with a single, nationwide PR tier and forty-seven SNTV districts with magnitudes ranging from 1 to 5.[22] In districts with low magnitudes, cooperation can be decisive.

The first mixed-member Lower House elections in Japan took place in 1996. After being the dominant party in Japan for several decades, the LDP had to change its electoral strategy (Schoppa and Tanaka 2011). Even with the new electoral rules, after 1996, the LDP was able to win the largest seat share in the Diet and stay the formateur of the government until 2009. Some argue that they used their alliances well (Michiaki 2010). The Kōmeitō (Clean Government Party) was founded as the political arm of the Sōka Gakkai Buddhist Sect in 1964 (Klein and Reed 2014). While the LDP was a dominant party for nearly forty years, Kōmeitō had no chance to become part of the government (Scheiner 2006). The party received a steady number of votes (roughly 9-10 percent) in every election from the Sōka Gakkai adherents, and maintained a relatively stable number of legislators after every election (Michiaki 2010, 93).

Table 6.3 presents a summary of the history of pre-electoral coalition formation in Japan. In 1999, the LDP-LP (Liberal Party) coalition invited Kōmeitō to join them as a (post-electoral) coalition partner, because they did not have the necessary votes to a majority in the Upper House (Wu and Lee 2011). The Liberal Party has disappeared, but the LDP and Kōmeitō have been in coalition ever since. Kōmeitō and the LDP coordinated before

---

[22]Until the 2016 Upper House election, there were 47 SNTV districts, one for each of Japan's prefectures. In that election, four of the most underpopulated districts were replaced with two districts that combined prefectures, for a total of 45. It is not clear at this time whether that reform will be reversed, maintained, or even extended to further reduce malapportionment.

Table 6.3: Pre-electoral Coalitions in Japan

Election Year	LDP (Liberal Democratic Party)	DPJ (Democratic Party of Japan)
1999	LDP –LP –Kōmeitō (post electoral)	
2000	LDP-CP- Kōmeitō	
2001	LDP-NCP- Kōmeitō	
2003	LDP-Kōmeitō	
2005	LDP-Kōmeitō	
2009	LDP-Kōmeitō -KC	DPJ-SDP- PNP (post electoral)
2012	LDP-Kōmeitō	

Notes: Dark shade indicates that the coalition won. LDP (Liberal Democratic Party), DPJ (Democratic Party of Japan), LP (Liberal Party), Kōmeitō (Clean Government Party), NCP (New Conservative Party), KC (Kaikaku Club), SDP (Social Democratic Party), PNP (People's New Party).

the elections for the first time in 2003 (Reed 2006, 31). We can see mutual withdrawals of candidates in the SMD tier and the LDP has encouraged its voters to support the Kōmeitō in the PR tier (Reed 2006, 31). The cooperation has been highly successful. In 2005, the LDP won a landslide victory. This could have been partly the consequence of the alliance between the two parties. According to an NHK exit poll 75% of Kōmeitō supporters voted for the LDP candidate in the SMD tier (Wu and Lee 2011). The vote share of Kōmeitō increased from 9% (in the old SNTV districts) to 13% in the new PR tier (at the same time in the SMD tier the Kōmeitō received about 4% of the votes). When the opposition Democratic Party of Japan won the 2009 general election, observers wondered whether Kōmeitō would jilt the LDP to form a coalition with the DPJ (Frederick 2003). However, Kōmeitō eschewed the role of " kingmaker" and instead stayed with the LDP in opposition. In the 2012 election, although the LDP won a majority big enough to govern alone, it brought Kōmeitō back into the government.

I conducted interviews with Kōmeitō and LDP politicians about their coalition between July and August of 2014. This period was a particularly difficult time for the coalition, as Prime Minister Abe wanted to pass a law to reinterpret the peace clause of the Japanese Constitution.[23] Kōmeitō, based on its Buddhist values vehemently opposed this

---

[23]The extreme right in Japan would like to abolish Article 9 of the Japanese Constitution which reads: *Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce*

idea. Finally, the LDP did not attempt to change the constitution and a coalitional crisis was avoided.

The Japanese case shows that stable coalitions do not only emerge when parties are ideologically close. The LDP-Kōmeitō coalition started out as a post-electoral coalition. According to a regional LDP secretary, it was difficult to sell the alliance to the voters when the Kōmeitō and the LDP first ran as a PEC. The original idea was that Kōmeitō supporters would vote for the LDP candidate in the SMD tier, as winning in SMDs district is unattainable for Kōmeitō, while equal numbers of LDP supporters would vote for Kōmeitō list in each PR district. Thus, Kōmeitō would get twice as many votes as it would alone on the list tier, while the LDP candidates would get an extra tranche of votes in SMDs.

In recent years Kōmeitō and its founding sect Sōka Gakkai became more ideologically distant from each other than they were in the 1990s, partly because of the former's coalition with the LDP (Ehrhardt 2014). My interview subjects acknowledged that this could cause problems once Ikeda Daisaku, the current leader of the Buddhist sect, passes from the scene. Depending on the new leader, the party may have to change its policies or break from the Sōka Gakkai. However, based on my interviews, and survey data, as of today, the adherents of the Sōka Gakkai can be mobilized reliably to support the Kōmeitō (Wu and Lee 2011).

During my interviews, both LDP and Kōmeitō politicians suggested that Kōmeitō, having been founded as the political arm of the Sōka Gakkai sect, is moderately disliked by non-Kōmeitō voters. However, Kōmeitō has something that all parties would envy, extremely loyal and disciplined voters. Since the voters are adherents in a religious organization, they vote in whatever way the sect and the party instructs. As members of Sōka Gakkai told me, they believe that Kōmeitō representatives will represent their personal interests. The representatives of Kōmeitō are selected from sect members by the leadership, so Kōmeitō

---

war as a sovereign right of the nation and the threat or use of force as means of settling international disputes. (2) In order to accomplish the aim of the preceding paragraph, land, sea, and air forces, as well as other war potential, will never be maintained. The right of belligerency of the state will not be recognized.(*The Constitution of Japan* 1948). The Liberal Democratic Party tried to cater to this constituency with a reinterpretation of the article. However, Kōmeitō as a Buddhist party of peace, opposed the change.

politicians are exactly like their constituency. Politicians and voters went to the same elementary school, same high school and same university, all of which are run by Sōka Gakkai. A more comprehensive look at Kōmeitō nominations reveals that most candidates indeed come from the Sōka Gakkai organizations, although a few non-sect members won legislative seats previously (Smith 2014).

Thus Kōmeitō politicians are in stark contrast to the LDP politicians, who often come from political dynasties, and who have to win over their voters by delivering either pork or policy. Kōmeitō politicians claimed that they had 20-30,000 voters in any given district (not just their own), stating that this number could have swung many districts easily. The LDP members that I interviewed confirmed these numbers. However, the LDP-Kōmeitō coalition is far from a natural alliance. As a Liberal Democratic Party official in Osaka Prefecture noted, if the voters of Kōmeitō are left without any guidance they vote "randomly" for parties ranging widely, from the Socialists to the LDP (from left to right).[24] Thus, as in the case of France, it seems that the senior coalition partner needs an *electorally* compatible ally that can take their candidates past the winning threshold in the SMDs.

In contrast to Kōmeitō, the LDP is a catch-all party that cannot easily direct its supporters to vote for its partner. In fact LDP politicians have to work hard even to get the support of their own voters.[25] My sources claimed that in the beginning, only 10-20% of LDP supporters voted for Kōmeitō in the PR tier.[26] So Kōmeitō asked for and received LDP

---

[24]This is definitely not a pre-electoral coalition in the traditional sense. According to my sources, in 2009 when the unpopular LDP could ill afford to donate PR list votes to its partner, the two parties coordinated much less successfully.

[25]During my interviews I participated in a political support group party in which the supporters of one representative could drink and eat with their Diet member and his family. In the event, where celebrities provided the show and local influential people gathered, the father-in-law who was a minister once himself also greeted the voters. At the end of the event, the LDP politician told its support group to support him and of course Kōmeitō.

[26]The Kōmeitōpoliticians were furious because this was supposed to be a direct exchange of voters. They demanded lists of voters from the LDP that would vote for them. The LDP often could not deliver these lists. The LDP candidates were also frustrated. In the beginning the LDP candidates felt that if they have to campaign for the Kōmeitōand assemble lists of supporters that pledge their vote for them may alienate their voters. As the alliance grew stronger however, voters are less resistant to split their tickets. Some LDP politicians still feel concerned about this issue especially in areas where Sōka Gakkai is less active. For instance, this seemed to be more of the concern of a politician in than Osaka during my interviews.

stand-downs in some single member districts as well.[27] As in Hungary, the junior partner in the coalition gets the districts that are more difficult to win. A lot depends on tradition, and the LDP "of course" will not transfer a district that they have been winning for a long time. However, Kōmeitō will not run candidates in a district if they are not sure that they can win. Sōka Gakkai knows exactly how many adherents it has in each SMD. Rumor has it that if necessary, they will ask their voters to register in a different electoral district to boost their numbers.[28] Thus for the alliance, the Kōmeitō can make a marginal district a safe district. In addition, if Kōmeitō is granted a clear path in an SMD tier, the leading LDP politicians, who are well known and trusted, would also campaign for its junior partner's candidate.[29]

While the Kōmeitō-LDP started as an electoral coalition, the alliance has grown into a strong legislative alliance that continues even when the parties found themselves in the opposition, as well as when the LDP has enough votes to govern alone.[30] According to the MPs, while the LDP and Kōmeitō have a coalition agreement, the most contentious issues are deliberately taken out of this agreement so that the parties can advocate two different positions without breaking the coalition. When in government, the prime minister decides on portfolio allocation, and Kōmeitō typically receives only one ministry. According Kōmeitō politicians, the key is that Kōmeitō is in every government meeting (because of the one minister they have) and their opinion is asked on every issue. The politicians argued that if the Kōmeitō and the LDP do not agree on a bill, it will not get voted on in the parliament so they can avoid disclosing their disagreement to the public.[31] Thus even having one minister

---

[27]Kōmeitō first received single member districts in the areas where the Sōka Gakkai was strong. Now they receive districts where there is an absence in candidacy, most recently in Hokkaido.

[28]**?**, discuss that in Japan, before each municipal election, there is an influx of new voters to competitive districts. They assert that this may indicate fraud.

[29]However, according to one Kōmeitō SMD Diet member, the Kōmeitō single member candidates cannot campaign with the party brand name as the Sōka Gakkai is disliked by voters, so he just says that he is the joint candidate (LDP candidate). The Kōmeitō voters will vote for him no matter what so he is essentially campaigning for votes of other parties who may be put off by the name of the party.

[30]The LDP- Kōmeitō coalition was in the opposition from 2009-2012. The LDP won 291 of 475 seats in the Diet which is 61% of the legislative seats so the party could have governed alone.

[31]The adherents would like to see more involvement from the Kōmeitō.

in the government means veto power.[32] The LDP politicians and the bureaucrats I spoke with in the Ministry of Land, Infrastructure, Transport and Tourism had a different story to tell. They argued that the decision on policy is in the hands of the party leaderships not the particular ministers - this evolved from a more separate portfolio control. The LDP politicians claimed that Kōmeitō has very little policy discretion. Moreover, the bureaucrats, that served under various governments and ministers, argued that having a Kōmeitō minister is pretty much the same as having an LDP minister; in the ministry they do not feel the difference between the two. As in Hungary, the small-partner-party minister advocates a common policy position, as opposed to it own preferred policy.[33]

6.4   Discussion

It is clear from the Japanese and the Hungarian case studies that both the Fidesz-CDPP alliance and the LDP-Kōmeitō alliance are very strong. There seems to be no immediate likelihood that any of the member parties will leave these alliances. In both cases, the small coalition partner delivers niche voters who help swing SMDs. In exchange, the big party offers either electoral votes cast to the party list of the small party (as in the case of Japan) or places on a joint party list (as in the case of Hungary) and can also offer a handful of SMD wins to the junior partner.

---

[32] Kōmeitō was in charge of the Ministry of Health, Labor and Welfare from 2002 to 2004. After 2004, the party got the Ministry of Land, Infrastructure, Transport and Tourism (with the exception of 2008 when they were in charge of the Ministry of the Environment). While the Ministry of Health, Labour and Welfare is closer to the policy profile of Kōmeitō, as the Kōmeitō defines itself as a party of the poor and small business, the politicians did not like being in charge of the ministry. Due to the economic crisis, Kōmeitō could not increase welfare spending and could not deliver on its policy promises. Its politicians prefer the Ministry of Land, Infrastructure, Transport, and Tourism, a much easier sell. First in Japan infrastructure is a very important area and one that can bring in support as there are constant projects. Second, the Sōka Gakkai participated in the reconstruction of the Tōhoku area after the 2011 earthquake and tsunami and hoped to gain new adherents. The leadership believed that the sect promises of helping the people in the area can be more trustworthy if the Kōmeitō have authority over the so much needed infrastructural reconstruction.

[33]My sources claimed that the Kōmeitō Minister of Land, Infrastructure, Transport, and Tourism, Akihiro Ōta, was a personal friend of Prime Minister Abe and did not protest the planned change in the interpretation of the constitution, although everyone was waiting for it. This shows that Kōmeitō ministers are expected to act as the agents of the coalition, not only the party.

Beyond the electoral advantages, being in a stable coalition can be advantageous for both parties, in the legislature as well.[34] In both cases, in government, the senior coalition partner is primarily responsible for policy making. In both cases the purpose of the alliance is long term cooperation thus the coalition agreement either does not exist (Hungary) or the most contentious issues are left out of the agreement (Japan). This means that the parties can communicate two different issue positions to the voters without breaking the coalition agreement. If the two parties forge an alliance they can adjust their manifestos, so that their voters will not feel cheated if they have to vote for the candidate of the other coalition partner.

The Hungarian case showed that the coalition was used by Fidesz, a big conservative party, to attempt to monopolize the entire political right, and to speak to all voters from moderate to radical right. In the alliance, Fidesz used the CDPP to cater to the social conservative voters (who often lean towards the radical right). The CDPP introduced bills that were unpopular or controversial among the moderate voters. As the parties ran on a joint party list, the moderate voters could not punish the CDPP for any unpopular policy proposal separately. I discussed that contrary to this veneer, often these radical policies originated from Fidesz. Thus, Fidesz could keep the support of both the moderate and the radical voters.

The case study of the LDP-Kōmeitō alliance showed that two parties did not have to be ideologically close to form a political alliance. The Japanese case was especially interesting as in the beginning the two parties were ideologically quite distant. A lot of LDP voters in Japan did not like Kōmeitō at first, because of the party's ties with the Sōka Gakkai sect. However, during the years of the cooperation the Kōmeitō became more conservative (Abe and Endo 2014), and the voters accepted the coalition (Klein and Reed 2014). My Japanese sources argue that having two parties in the coalition may create more flexibility for Prime Minister Abe, who can claim that policy shifted because the Kōmeitō requested it.

As we could see in the previous discussion, stable coalitions cooperate more closely

---

[34]Another potential advantage is, that the separate parties can have separate leadership and occupy more leadership positions.

than traditional, post-electoral coalitions. The analogy of marriage came up frequently in my interviews. A stable coalition is like a marriage: with time the trust grows between the partners, break-up becomes harder, and the coalition becomes more efficient. Their interests (manifestos) begin to converge. Although the partners may not agree on all policies, there is little chance that the alliance will break. The parties avoid contentious policy issues and they avoid competing for the same voters. Coalition meetings continue between the parties, whether the partners are in government or in the opposition. In addition, in the above cases it seems that the government program is primarily defined by the senior partner. Having an additional party to blame for unwanted policies, gives the opportunity for the senior partner to avoid electoral ramifications from failed policy. The politicians in stable coalitions form long lasting institutions (such as regular coalition meetings) and personal connections that can easily continue in the opposition as well. All of this means that opponents of stable coalitions may not be far off in treating them if they were a single party. This also means that we may have to treat these coalitions as unitary actors when we measure the size of the party system or when we discuss potential party strategies.

6.5   Conclusion

I argued in Chapter 5 that in France, parties chose their pre-electoral coalition partners in such a way that together they could swing single member districts. I also showed in Chapter 5 that parties chose partners that were close to them ideologically. I argued however, that not all pre-electoral coalitions were the same, and around the world there are pre-electoral coalitions that are stable, which means that the coalition does not dissolve if the parties lose the elections and if one of the partners wins enough to govern alone. In this chapter, I discussed how these pre-electoral coalitions operate. I argued that in the case of some of the coalitions the causality might run in the opposite direction: pre-electoral coalition parties decreased their ideological distances and they directed their voters to help each other. First, I showed that parties shift their policy positions in their manifestos to be closer to each other as they prepare to form pre-electoral coalitions. I argued that this may show that parties

choose their teammates primarily because of electoral gains and shift their policy platforms to be closer to each other.

Lastly, I provided qualitative evidence concerning how pre-electoral coalitions coordinate their electoral and legislative efforts in and out of government in Hungary and in Japan. The case studies showed a lot of parallels between the cases. In both cases the senior coalition partner is a catch-all party, while the junior member is a single issue niche party. It is possible that the senior coalition partners in Hungary and Japan chooses niche party partners for the same reason, as these parties may bring in enough voters that they can swing districts, and hence elections. In addition the parties in stable coalitions cooperate closely in the legislature, they coordinate their policy positions even when they are not in the government. For this reason I believe that these coalitions strategically pose a similar threat to a government as a unitary party, their cooperation influences the strategic landscape of the legislature. For these reasons I suggested that we might want to count these actors as one party when we operationalize political competition of our theories. In the following chapter I discuss the implications of these findings, and I connect them to the findings in the first part of this dissertation.

6.6 Appendix 1. Opposition Structure with Pre-electoral Coalitions and Government Spending

In this section, I repeat the empirical analysis of Chapter 4, but when I calculate the Effective Number of Opposition Parties (ENOP), I use the sum of seat shares of pre-electoral coalitions instead of individual parties in elections where they run. After recalculating the measures I rerun the regressions. If this is the correct specification of the model, the regression should become less noisy compared to the regression in which I only include parties, which means that the should increase.

6.6.1 Data

To test my hypothesis, I use data from the same 16 Western European countries as in Chapter 4. I add to the data all known PECs in the opposition and in government from 1970-2012. My variable is based on the data in Golder 2006, which I augment with pre-electors coalitions from 2002-2012 (Golder 2006).

6.6.2 Variables

For this test I use the *Government Outlays as a Percent of the GDP* variable as my dependent variable.[35] As the focal independent variable, I recalculate ENOP, but in this instance, I count pre-electoral coalitions that run before a given legislative period as a single "party." This means that I sum the seat shares of the participating parties.[36] I use the same control

---

[35]As in Chapter 4, model using government surplus as the dependent variables produces very similar results, so here I only report the results with spending as the dependent variable.

[36]I believe that on several levels this variable measures the concept in focus: PECs are publicized so that both voters and politicians likely perceive the participating parties as allies. In addition, having the experience of a previous PEC may cut transaction costs for the cooperating parties. To calculate this measure, I sum the seat shares of PEC-partner parties. I only use only the seat share of the member parties that have the same status (government or opposition) after the election. This is to say that if there are two parties in a PEC, and one joins the government and one does not, I consider the PEC to be dissolved. However, if there are three parties in the PEC, and two parties join the government, I add the vote shares of the parties that joined the government together. Conversely, if two parties remain in the opposition and one joins the government, I add the seat shares of the parties that are in the opposition.

variables as in Chapter 4, with one notable difference. Although there is high periodicity in the dependent variable, due to collinearity issues, I cannot use time fixed effects. Thus, I use country fixed effects, and I control for every five year period in the regression.

6.6.3 Results

Table 6.4 presents the results of four regressions. Column 1 shows how spending changes when I calculate the *ENOP* only with parties and I limit the dataset to governments that are coalitions but not pre-electoral coalitions. Column 2 shows how the spending changes when I calculate the *ENOP* by taking PECs as single parties and I limit the dataset to governments that are coalitions but not pre-electoral coalitions. Column 3 shows how the spending changes when I calculate the *ENOP* only with parties and I limit the dataset to governments that are coalitions of any kind (this is the same specification as the one in Chapter 4). Column 4 shows how spending changes when I calculate the *ENOP* by taking PECs as single parties, and I limit the dataset to governments that are coalitions of any kind.

All of the results are very similar and the key variables are statistically significant at conventional levels. All else equal, an opposition that is more unified (one with a lower effective number of parties) increases government outlays as a percent of GDP by 3-3.5%. The adjusted in Table 4 suggests that there is no real difference between the specifications. It does not change the explanatory power of the regressions significantly if we count pre-electoral coalitions as parties.[37]

---

[37] I also created a regression specification with a dummy variable for a pre-electoral coalition in the government, and I included an interaction term of this variable with the *ENOP*. The coefficients have the right sign (a pre-electoral coalition in the government decreases government spending, and the increase in spending that the decrease in *ENOP* generates is less steep if there is a pre-electoral coalition government). However, apart from the *ENOP* variable none of these terms are close to being statistically significant.

6.6.4 Discussion

I have proposed that a party alliance that cooperates while in the opposition poses the same threat to the senior coalition party in the government as a unified party does. However, the above test did not provide enough evidence for me to make this claim. This may be because the measure I use is noisy. I operationalize stable coalitions here, as pre-electoral coalitions that ran together in the previous election, and I do not take into account the length or strength of this cooperation.

However, some pre-election coalitions do not cooperate in the opposition. This is almost always true, if a real post-electoral coalition with competing parties forms a government, and in the consecutive elections this coalition runs on the platform of continuing the government. If this coalition fails the electoral bid, the parties will probably not behave as a stable coalition in the opposition.[38] It is also possible, as I discussed in the previous chapter, that a stable coalition formed in the opposition.[39] This alliance would not appear in my dataset until the first elections. It is also possible that after several years of cooperation a stable coalition falls apart right after an election.[40] This would still be a stable coalition in my dataset until the first election after the event. All of these problems make my measure noisy. In the future I have to create a much more accurate measure of inter-party cooperation in the opposition to test this theory. In the following parts of the chapter I examine how pre-electoral coalitions work, and see whether the ideological or electoral considerations dominate when an alliance is forged.

---

[38] As the example of the Hungarian Socialist and Liberal Party have shown sometimes this is exactly what happens.

[39] The current conservative coalition in Sweden, the "Alliance" formed while the parties (Liberals, Conservatives, the Center Party and the Christian Democrats) were in opposition in 2006.

[40] The red–green coalition, a center-left coalition in Norway, constituting the Labour Party (Ap), the Socialist Left Party (SV), and the Centre Party (Sp) formed in 2005 and dissolved right after losing power in the 2013 election.

Table 6.4: Effect of Pre-electoral Coalitions in Opposition and in Government on Size of Public Sector

	Gov't Precols(C/FE)	Gov't Precols(C/FE)	Gov't Parties(C/FE)	Gov't Parties(C/FE)
	Dependent variable: Total Government Outlays as a % of GDP			
ENOP lag	−0.355**		−0.330***	
	(0.156)		(0.104)	
ENOP Precols lag		−0.367**		−0.289**
		(0.168)		(0.114)
P. in Gov't lag	0.087	0.073	−0.002	−0.027
	(0.180)	(0.180)	(0.100)	(0.100)
Left lag	−0.072	−0.100	−0.134	−0.191
	(0.346)	(0.347)	(0.193)	(0.189)
PR			−0.616	−0.481
			(1.120)	(1.174)
Gdp/cap curr	−0.001***	−0.001***	−0.001***	−0.001***
	(0.0003)	(0.0003)	(0.0002)	(0.0002)
Gdp/cap lag	0.001***	0.001***	0.001***	0.001***
	(0.0002)	(0.0002)	(0.0002)	(0.0002)
Dep curr	−2.326**	−2.521***	−0.814	−0.911
	(0.912)	(0.886)	(0.653)	(0.664)
Dep lag	2.379***	2.582***	1.022	1.125*
	(0.864)	(0.841)	(0.647)	(0.658)
Unemp cur	0.682***	0.684***	0.563***	0.553***
	(0.165)	(0.165)	(0.127)	(0.128)
Unemp lag	−0.478***	−0.475***	−0.491***	−0.471***
	(0.158)	(0.159)	(0.123)	(0.123)
Open curr	−0.012	−0.014	−0.008	−0.010
	(0.032)	(0.031)	(0.022)	(0.022)
Open lag	−0.026	−0.025	−0.018	−0.017
	(0.030)	(0.030)	(0.022)	(0.022)
1970-74	−0.440	−0.352	−0.444	−0.362
	(1.549)	(1.535)	(0.989)	(1.005)
1975-79	−0.180	−0.075	0.318	0.354
	(1.444)	(1.427)	(0.900)	(0.926)
1980-84	−0.570	−0.491	0.088	0.138
	(1.280)	(1.276)	(0.849)	(0.875)
1985-89	−0.044	0.027	0.624	0.707
	(1.074)	(1.060)	(0.712)	(0.731)
1990-94	0.289	0.408	1.019*	1.078*
	(1.195)	(1.191)	(0.604)	(0.623)
1995-99	−0.216	−0.169	0.404	0.367
	(0.823)	(0.808)	(0.495)	(0.504)
2000-04	−0.859	−0.948	−0.215	−0.276
	(0.643)	(0.639)	(0.423)	(0.431)
2005-09	−1.048	−1.144	−0.370	−0.472
	(0.968)	(0.955)	(0.408)	(0.414)
Lagged DV	0.674***	0.671***	0.765***	0.764***
	(0.064)	(0.064)	(0.041)	(0.041)
Observations	294	294	419	419
R^2	0.811	0.811	0.842	0.842
Adjusted R^2	0.712	0.712	0.768	0.767

*p<0.1; **p<0.05; ***p<0.01

Notes: All regressions are reported with country fixed effects and panel corrected standard errors. The dependent variable is total government outlays as a percent GDP. Independent variables: ENOP: the effective number of legislative opposition parties; ENOP Precol: the effective number of legislative opposition parties, taking pre-electoral coalitions as a single party; P. in Gov't: Number of parties in the government; PR: proportional representation or not; Dep: Dependency Ratio (population share below 15 above 65); Open: Export plus Import as a percent of the GDP; Unemp: percent of unemployed as a percent of total workforce. GDP/cap: GDP per capita (constant 2005 US$).

6.7 Appendix 2: Interviews in Japan and in Hungary.

The UCLA IRB number of the study is: IRB#14-000815 - "Together We Stand Divided We Aren't." I conducted interviews in Japan with LDP and Kōmeitō politicians, as well as Sōka Gakkai adherents and bureaucrats, while in Hungary, I interviewed Fidesz and CDPP politicians. While the subjects of this study have to remain anonymous, the data stripped of personal identifiers is available upon request. I conducted the interviews between June 15, 2014 and August 15, 2014 in Japan, and between August 16, 2014 and October 2, 2014 in Hungary.

In Japan, I contacted 40 LDP politicians and 27 Kōmeitō politicians through postal mail and through fax. I contacted all Kōmeitō politicians (Upper and Lower House) for whom I could find publicly available fax numbers, and I chose Lower House LDP representatives whose districts were close to Kōmeitō districts. In addition to the Kansai area, which is a traditional stronghold of the Sōka Gakkai sect and Kōmeitō, I reached out to Hokkaido and Fukuoka LDP politicians. At the end, most of the LDP representatives came from the Kansai area (Osaka, Kyoto, Hyogo) and from Tokyo. I expected that it would be harder to reach Kōmeitō representatives, but the reality turned out to be the opposite.

In the end I spoke with seven Kōmeitō representatives from the Lower House, and one Kōmeitō representative from the Upper House of the Diet, two secretaries to Lower House Kōmeitō representatives, five LDP Lower House Representatives (including one deputy minister) and four secretaries of LDP Lower House Representatives. The secretaries of the legislators are very important aids to the politicians in Japan, and often they came prepared with the answers of the representatives. I conducted all the interviews in the personal offices of the politicians, in most cases in Tokyo. The politicians received the questions prior to the interview in fax and postal mail so they could prepare for the interview.

In addition, I spoke with LDP local level representatives in Shizuoka and in Osaka. In Shizuoka, the relationship between the Kōmeitō and the LDP is not without conflict. In Osaka, Kōmeitō is accepted and the coordination between the two parties has had a long tradition. In Shizuoka, I spoke with a local politician who works in the office of the Mayor

(of Shizuoka) while in Osaka I spoke with two local assembly members. These interviews were conducted in local cafes.

In addition, I also spoke with a group of Sōka Gakkai adherents (Kōmeitō voters) in the Kansai area, close to the Sōka Gakkai elementary school. These adherents had no connection to politics, but had been part of the organization for a long time. As pictures taken in the 1970s and 1980s showed, their children went to the local Sōka Gakkai elementary school. This means that these adherents started to support Kōmeitō long before it became the LDP's coalition partner. I contacted this group through personal connections, and the interview was conducted in a local cafe. I asked almost the same list of questions of the adherents as I did of the politicians.

I also conducted interviews with two public servants, two bureaucrats one from the Ministry of Economy of Trade and Industry (METI) led by an LDP minister, and one bureaucrat from the Ministry of Land Infrastructure and Tourism led by a Kōmeitō minister. I met the bureaucrats in their respective ministries and I asked them mostly about how the ministries operate under LDP and under Kōmeitō ministers. All interviews were conducted in Japanese.

Interview Questions in Japan. The Hungarian questions were similar:

1. In general what kind of voters support your party?

2. How does your party represent the supporters: what are the policies that the party advocates?

3. What are the necessary conditions for your party to get into any type of coalition with another party?

4. Talking about pre-electoral coalitions: do you think they are different from post- electoral coalitions? Please explain your answer.

5. Is forming a pre-electoral coalition with another party purely a one-time strategical decision or does it change the parties in the long run?

6. How can a party explain the voters that they should vote for another party?

7. How can a party explain the campaign workers that they should help another party?

8. What percent of your party's voters would follow the party's instructions to vote for another party?

9. If you were to ask your voters to support another party, would they care which was the other party, or would they just trust the leadership?

10. If a party formed a coalition for the local elections with another party (other than it is in a coalition with on the national level) could that cause a problem?

11. Would the leadership of your party consider forming a coalition (post or pre electoral) with another party (not your current partner) ? Under what conditions?

12. When two parties negotiate about forming a pre-electoral coalition, when do you think is the best time to negotiate about how to allocate districts?

13. How do the two parties in your coalition decide to allocate electoral districts?

14. When is the best time to negotiate about government positions?

15. Please tell me about any additional information that could be relevant for me to understand how the coalition works.

Thank you!

In Hungary I contacted politicians through official and through personal channels. I sent emails to several leading Fidesz and CDPP politicians, but as I conducted the interviews during the summer break of the legislature, I could mostly reach politicians through informal channels. In Hungary too, the politicians of the bigger party Fidesz, were more reluctant to talk to me. I met with politicians mostly from Budapest and from one of the catholic cities of Hungary, where the CDPP is strong and which city had a CDPP parliamentary representative between 1990-1994.

In Hungary I spoke with a CDPP Parliament member (a founding member of the CDPP), four CDPP regional leaders (three in Budapest one outside of Budapest), the vice president of Fidesz, a European Parliament Representative of Fidesz, the leader of the former Entrepreneur Party which is now in the Fidesz-led union (a Fidesz representative), a founding member of the Free Democratic Party, and Fidesz and CDPP candidates for the local elections. I conducted most of the interviews in the offices of the politicians but the interviews with the Hungarian European Parliament member, and the former Free Democratic Party member, were conducted by phone. In Hungary, I conducted interviews between the parliamentary and local elections of 2014 so I could reach politicians who were preparing for the local elections. All of these interviews were conducted in Hungarian.

While I had the same list of questions for the Hungarian politicians as I did for the Japanese politicians, often the interview subjects found the questions irrelevant. This was because the two parties were more closely allied than in Japan, and the joint policy making was more in the hands of Fidesz. This could be seen from the range of the additional information that the subjects provided as well. While in Japan the politicians often focused on their committee work and campaign strategies, in Hungary the politicians discussed the overall structural built up of the two parties and how candidate selection (for the national and the local election) is decided. Some of the information from these interviews is not part of this study as the information is sensitive.

CHAPTER 7

Conclusion

7.1   Introduction

Several political scientists argued in the 1960s and 1970s that the interaction between parties within a country– consequently the party system of the country — ought to matter for politics (Sartori 1976). It was unclear however, which features of the party system may influence politics and also what aspect of the political life could the party system influence (Kitschelt 2008). Countries had different party systems and each country's party system was constantly evolving.

Because of this, more and more studies examined how the composition and the ideology of the government influenced domestic policies. It was logical to study governments, because in parliamentary countries the government is mainly responsible for policy making. Also governments were easier to study than party systems, because governments consist of fewer parties. However, during these years political scientists forgot that parties are constantly competing, that parties out of the government have to build strategies to get into the government and that the government have to build strategies to prevent this form happening.

In this dissertation, I returned to the previous research agenda, and I claimed that the strategic situation that the government was in influenced politics. I showed that the party system, specifically the opposition structure, influenced government spending. I argued that parties did not only campaign to the voters and hoped for a favorable outcome in the elections, but they strategized between elections as well. As a consequence, voters could influence policy not only by voting for a government but also by voting for the opposition. In

summary, I argued that to fully understand policy making and to be able to predict policies and other political outcomes we had to examine the party system structure in the entire legislature (and maybe beyond), and the interactions between parties and party groups in the legislature.

7.2 Summary

In this study I showed that the opposition structure influences government policy making. Specifically, I argued that when the opposition was unified the spending of a coalition government increased compared to when the opposition was fragmented. In addition, I argued that if this is true, we must examine in greater detail the causes and consequences of long term inter-party cooperation, even within the opposition, because it could also influence policy making.

In Chapter 2, I presented my theory. I argued that when the opposition is fragmented, the biggest party (the formateur) could negotiate with many other parties, but when the opposition is unified the biggest party has limited options to find a coalition partner. In this case, "the kingmaker," the party that decides which coalition will form, could be a small, pivotal party and not any of the big parties. If this is the case the putative formateur party will have to offer more to a potential coalition partner than if the opposition were fragmented.

To illustrate this idea I presented a bargaining game in Chapter 2. I assumed that if bargaining were to break down and no new government could form, the previous budget would be allocated between the parties in the legislature. This could happen in real life if there was a caretaker, or a minority government in a country. Further, I assumed that in the absence of a coalition bargaining success, with no government in place, the parties will have to form ad-hoc majority coalitions to allocate the budget. Thus any party in the legislature could expect to get the same share of the carried-over budget as the share of times that it would be pivotal in such ad hoc coalition formation. This proportion can be calculated as the Shapley-Shubik index of the party (Shapley and Shubik 1954).

Overall, a party with a higher Shapley-Shubik index can expect to receive a higher percentage of the carried over budget if no government forms than a party with a lower Shapley-Shubik index. I argued that this expected payoff is the reservation prices of a party. A small party is more pivotal if the opposition is more unified, thus it has a high reservation price. A party with a higher reservation price can demand more during coalition bargaining than one with a lower reservation price. Accordingly, if the formateur party in the coalition does not want to give up its own projects, the overall budget will be higher when the opposition is unified compared to when it is fragmented.

In Chapter 3, I reviewed the existing political science literature on party system typologies and party system size measures. I argued that most typologies classify party systems based on the number of parties but also based on the competition within the party system. Then, I showed with a principal component analysis that two features that makes party systems most dissimilar to each other were the size of the two biggest parties (compared to the other parties) and the balance between their sizes of these parties (the competition between the two biggest parties). I showed that if we separated the governing parties from the opposition parties, and calculated opposition concentrated indices, we could get closer to measuring the competitiveness of party systems.

In Chapter 4, I presented an empirical test of my theory. I collected data from 16 European countries from 1970-2013 and I calculated three different measures of the opposition concentration: the effective number of opposition parties, the size of the biggest opposition party, and the size difference between the biggest and the second biggest opposition parties. My empirical test showed that an increase in opposition concentration was associated with an increase in government spending in countries with coalition governments. This analysis was robust to several alternative model specifications.

In Chapters 5 and 6, I discussed one implication of the theory, that if the structure of the opposition influences government policy, then inter-party cooperation in the opposition matters. Because the political science literature so far has not examined in great detail long-term inter-party cooperation, I examined how these strategical alliances form and operate in these chapters. First, I tested existing theories about how pre-electoral coalitions form. Pre-

electoral coalitions (PECs) are coalitions that parties form between two elections to contest the elections. In Chapter 5, looking at the case of France, I showed that parties that were ideologically close or electorally synergistic were more likely to form pre-electoral coalitions than were party pairs that lacked those advantages.

In Chapter 6, I examined whether the causal arrow could might in the opposite direction, at least in the case of some PECs. I showed that some PECs are stable alliances, and because of the long-lasting cooperation, the participating parties became ideologically and electorally compatible with each other. I defined stable coalitions as pre-electoral coalitions that did not break up after the parties lost the elections or when one of the parties won enough seats to govern alone. Looking at 20 countries over several decades, I showed that parties that were ideologically distant narrowed this gap when they formed a pre-electoral coalition – ideological proximity seems to have been at least partly a consequence of coalition, not merely an impetus.

In addition, by taking advantage of two case studies: Japan and Hungary, I examined how stable coalitions operated. I examined the Hungarian Fidesz— CDPP (Christian Democratic People's Party), and the Japanese LDP (Liberal Democratic Party) — Kōmeitō coalitions. Both of these alliances were useful for the parties because the parties could campaign for two sets of voters at the same time, in both countries, having two brand names seemed to be a cushion against electoral swings, especially because in both cases, one of the coalition partners had a loyal, niche voting base.

These case studies revealed that some coalitions did not form because the parties needed to govern together, nor because the participating parties expected that they could increase their vote shares in one particular election by running together. Some long lasting inter-party cooperation lasted long because it could bring more benefits to the partners than a merger. I called these alliances stable coalitions. I argued that stable coalitions continued their cooperation in the opposition and both partners were included in the government even when one party had enough votes to govern alone. I argued that we might have to count these stable coalitions as one entity when we measure the size of the party system. This is because these alliances limited the strategic possibilities of parties within the party system.

121

7.3   Implications

Both the theoretical and the empirical part of this dissertation could lead straightforwardly to extensions. First, currently in the theory, I only examine a partial equilibrium. I do not discuss how the formateur party decides on whether to offer enough for the other party to join the coalition. As I discussed in Chapter 2, there were several examples when the coalition bargaining went off the equilibrium path. Even as of the writing of this dissertation, several European countries are without a majority government. This means that there might be times when the reservation price of any other party exceeds what the formateur party is willing to offer to form a coalition. One reason for this can be if there is a budget constraint, either because of a potential electoral punishment or because of some outside factor, such as the European Union (EU). In this case, it could be possible that a party chooses to govern as a minority government. With a full model one could explore these choices.

Another big question is whether there are other factors that increase or decrease a party's reservation price. For instance, an international threat could lower the reservation price of a party as a government is necessary to face such a threat (in the face of the Russian threat Finland had several unity governments during the Cold War). In addition, the ideological positions of the parties may play a complex role in the strategies of the parties. One possibility is that the ideological distance from the formateur party increases the reservation price of a small party. However, in the second half of this dissertation I showed that parties can and do change their ideological positions to form a coalition. Future studies should explore the full dynamics of which ideological positions are stable (if any) and which could be changed.

The results of the analysis in Chapter 5 showed that parties that form coalitions might close their ideological distance on the first dimension (which is often the economy dimension) but distinguish themselves on a second issue dimension. Currently, Chapter 5 is limited to an examination of the French party system, so I cannot discuss the results in general. If the results are generalizable that could further explain how the members of these alliances can brand themselves as champions of different interests at the same time as

justify their alliance. The Non-Linear Correspondence Analysis method that I introduced in Chapter 5 could be used to examine the issues that the parties compromise on. In addition, it would be interesting to see whether pivotal parties become less clear on their ideological positions to be able to credibly threaten one big party with joining the other big party's coalition. Because the inter-party cooperation outside of the government has not yet been systematically explored, it would be useful to analyze both the campaign and the legislative behavior of these alliances. It would be also useful to analyze when do these alliances form and break up. For these studies a comprehensive enumeration of stable coalitions would be necessary.

I have also argued that it could be advantageous to be a small party among big parties. Thus it is possible that within party systems the small parties are in a Prisoner's Dilemma, in which they have to decide whether to form an alternative coalition (or merge) to contest the elections or not. For any individual party, the best option would be to be the party left out from this merger, but collectively the parties could have a better chance of overthrowing the current government. This could provide an alternative explanation for Maeda's theory that institutional incentives influence whether the opposition is unified or fragmented. In addition, it could be interesting to explore whether there are strategies that a big party might use to keep the opposition fragmented.

Beyond the additional theoretical and empirical exploration, I also believe that we could gain insight by studying how parties behave in non-parliamentary democracies. I believe that in some multi-party Latin American countries we may see similar results to the ones I found. Although the formateur party in a presidential system is the president's party, the presidential race may offer a similar dilemma to small parties too: whether to get behind an alternative candidate or offer allegiance to the president.

The argument does not have to be limited to democracies either. In broad terms, my theory suggests that the structure of the competition matters for the people in power. This argument may have implications for various fields in political science. A lot of non-democratic regimes face oppositions of different structures. A non-democratic regime may have more tools in its disposal to keep the opposition fragmented. However, maybe the

best tool is to co-opt certain groups. If a small opposition group is co-opted, the other societal groups may face the dilemma I introduced above: whether to collectively oppose the government or hope that the government co-opts them next.

In conclusion, in this dissertation I showed that a formerly overlooked factor, the structure of the opposition, influences government policy in parliamentary countries. In addition, I noted that stable coalitions exist, and they may be important for the analysis of party systems around the world. Overall, I wanted to draw attention to a research area in the study of party systems that has received little thought in recent years. I wanted to show that we can gain a lot by exploring the consequences of the strategic interactions between parties in advanced democracies. These countries have stable political environments, long historical accounts of inter-party cooperation and reliable data on their economic performances. Thus, we can study how governments react to the changes in the strategies of their opponents in these countries. This in turn could inform the research on less institutionalized countries as well.

Data Sources

Armingeon, Klaus, Christian Isler, Laura Knöpfel, David Weisstanner and Sarah Engler. 2015. Comparative Political Data Set 1960-2013. Bern: Institute of Political Science, University of Berne

Bawn, Kathleen, and Frances Rosenbluth. 2006. "Replication Data for: Short versus Long Coalitions: Electoral Accountability and the Size of the Public Sector."

Elections législatives 1962, 1e tour, par circonscription - (1962) (fichier électronique), BDSP / CDSP (producteur), Centre de Données Socio-politiques (CDSP) (diffuseur)

Elections législatives 1967, 1e tour, par circonscription - (1967) (fichier électronique), BDSP / CDSP (producteur), Centre de Données Socio-politiques (CDSP) (diffuseur)

Elections législatives 1968, 1e tour, par circonscription - (1968) (fichier électronique), BDSP / CDSP (producteur), Centre de Données Socio-politiques (CDSP) (diffuseur)

Elections législatives 1973, 1e tour, par circonscription - (1973) (fichier électronique), BDSP / CDSP (producteur), Centre de Données Socio-politiques (CDSP) (diffuseur)

Elections législatives 1978, 1e tour, par circonscription - (1978) (fichier électronique], BDSP / CDSP (producteur), Centre de Données Socio-politiques (CDSP) (diffuseur)

Elections législatives 1981, 1e tour, par circonscription - (1981) (fichier électronique), BDSP / CDSP (producteur), Centre de Données Socio-politiques (CDSP) (diffuseur)

Elections législatives 1988, 1e tour, par circonscription - (1988) (fichier électronique), Ministère de l'Intérieur/ CDSP (producteur), Centre de Données Socio-politiques (CDSP) (diffuseur)

Elections législatives 1993, 1e tour, par circonscription - (1993) (fichier électronique), Ministère de l'Intérieur/ CDSP (producteur), Centre de Données Socio-politiques (CDSP) (diffuseur)

Elections législatives 1997, 1e tour, par circonscription - (1997) (fichier électronique), Ministère de l'Intérieur/ CDSP (producteur), Centre de Données Socio-politiques (CDSP) (diffuseur)

Elections législatives 2002, 1e tour, par circonscription - (2002) (fichier électronique), Ministère de l'Intérieur/ CDSP (producteur), Centre de Données Socio-politiques (CDSP) (diffuseur)

Sona Nadenichek Golder, 2016, "Replication data for: The Logic of Pre-Electoral Coalition Formation, Ohio State University Press 2006", hdl:1902.1/11869, Harvard Dataverse, V1

OECD. 2016a. General government spending (indicator). doi: 10.1787/a31cbf4d-en (Accessed on 25 March 2016)

OECD. 2016b. General government spending by destination (indicator). doi: 10.1787/d853db3b-en (Accessed on 25 March 2016)

Nordsieck, Wolfram. 2016."Parties and Elections in Europe". Available at
http://www.parties-and-elections.eu

Volkens, Andrea/Lehmann, Pola/Regel, Sven/Schultze, Henrike/Werner, Annika with Lacewell, Onawa Promise (2012): The Manifesto Data Collection. Manifesto Project (MRG/CMP/MARPOR). Version 2012b. Berlin: Wissenschaftszentrum Berlin fur Sozialforschung (WZB)

Warwick, Paul. 1999."Survival Dataset II". Simon Fraser University

World Bank. 2016a. GDP per capita (constant 2005 US$). World Bank national accounts data, and OECD National Accounts data files. Available at:
http://data.worldbank.org/indicator/NY.GDP.PCAP.KD

World Bank. 2016b. Population, ages 15-64 (% of total). Available at:
http://data.worldbank.org/indicator/SP.POP.1564.TO.ZS

World Bank. 2016c. Trade (% of GDP).World Bank national accounts data, and OECD National Accounts data files. Available at:
http://data.worldbank.org/indicator/NE.TRD.GNFS.ZS

World Bank. 2016d. Unemployment, total (% of total labor force) (modeled ILO estimate). Available at:
http://data.worldbank.org/indicator/SL.UEM.TOTL.ZS

Bibliography

Abe, Yuki, and Masahisa Endo. 2014. "Kōmeitō's Uncertain Decades between Religion and Politics." In *Kōmeitō: Politics and Religion in Japan*, ed. George Ehrhardt, Axel Klein, Levi McLaughlin, and Steven R Reed. Berkeley: Institute of East Asian Studies, University of California, Berkeley chapter 3, pp. 83–113.

Achen, Christopher. 2005. "Let's Put Garbage-Can Regressions and Garbage-Can Probits Where They Belong." *Conflict Management and Peace Science* 22(Jan): 327–339.

Aitchison, John. n.d. A Concise Guide to Compositional Data Analysis. Manuscript University of Glasgow.

Axelrod, Robert M. 1970. *Conflict of Interest: A Theory of Divergent Goals with Applications to Politics.* Markham Pub. Co.

Baerwald, Hans H. 1986. *Party Politics in Japan.* Allen and Unwin.

Bawn, Kathleen, and Frances Rosenbluth. 2006. "Short versus Long Coalitions: Electoral Accountability and the Size of the Public Sector." *American Journal of Political Science* 50(2): 251–265.

Beck, N., and J. N. Katz. 1996. "Nuisance vs. Substance: Specifying and Estimating Time-Series-Cross-Section Models." *Political Analysis* 6(Jan): 1–36.

Beck, Nathaniel, and Jonathan N. Katz. 1995. "What To Do (and Not to Do) with Time-Series Cross-Section Data." *American Political Science Review* 89(03): 634–647.

Bishop, Christopher M. 1995. *Neural Networks for Pattern Recognition.* Clarendon Press.

Blais, André, and Indridi H Indridason. 2007. "Making Candidates Count: the Logic of Electoral Alliances in Two-round Legislative Elections." *Journal of Politics* 69(1): 193–205.

Blondel, J. 1968. "Party Systems and Patterns of Government in Western Democracies." *Canadian Journal of Political Science* 1(02): 180.

Bouckaert, Geert, and Marleen Brans. 2012. "Governing without Government: Lessons from Belgium's Caretaker Government." *Governance* 25(2): 173–176.

Caulier, Jean-François, and Patrick Dumont. 2005. "The Effective Number of Relevant Parties: How Voting Power Improves Laakso-Taagepera's Index.".

Clift, Ben. 2003. "PS Intra-party Politics and Party System Change." In *The French Party System*, ed. Jocelyn Evans. Manchester University Press chapter 3, pp. 29–41.

Cox, Gary W. 1990. "Centripetal and Centrifugal Incentives in Electoral Systems." *American Journal of Political Science* 34(4): 903–935.

Dahl, Robert A. 1966. *Political Oppositions in Western Democracies*. Yale University Press.

Dalton, R. J. 2008. "The Quantity and the Quality of Party Systems: Party System Polarization, Its Measurement, and Its Consequences." *Comparative Political Studies* 41(7): 899?920.

de Leeuw, Jan. 2006*a*. "Nonlinear Principal Component Analysis and Related Techniques." In *Multiple Correspondence Analysis and Related Methods*, ed. J Blasius MJ Greenacre. Boca Raton: Hall/CRC Statistics in the Social and Behavioral Sciences pp. 107–133.

de Leeuw, Jan. 2006*b*. "Principal Component Analysis of Senate Voting Patterns." *Real Data Analysis* pp. 405–411.

de Leeuw, Jan, and Patrick Mair. 2009. "Gifi Methods for Optimal Scaling in R The Package Homals." *Journal of Statistical Software J. Stat. Soft.* 31(4).

de Swaan, Abrahaam. 1973. *Coalition Theories and Cabinet Formation a Study of Formal Theories of Coalition Formation Applied to Nine European Parliaments after 1918*. Elsevier.

DeNardo, James. 1995. *The Amateur Strategist: Intuitive Deterrence Theories and the Politics of the Nuclear Arms Race.* Cambridge University Press.

Dodd, Lawrence C. 1974. "Party Coalitions in Multiparty Parliaments: A Game-Theoretic Analysis." *American Political Science Review* 68(03): 1093–1117.

Dunleavy, Patrick, and Françoise Boucek. 2003. "Constructing the Number of Parties." *Party Politics* 9(Jan): 291–315.

Duverger, Maurice. 1954. *Political Parties, their Organization and Activity in the Modern State.* Methuen.

Duverger, Maurice. 1963. *Political Parties, their Organization and Activity in the Modern State.* Methuen.

Duverger, Maurice. 1980. "A New Political System Model: Semi-presidential Government." *European Journal of Political Research* 8(2): 165–187.

Ehrhardt, George. 2014. "How Kōmeitō Politicians Get Elected." In *Kōmeitō: Politics and Religion in Japan*, ed. George Ehrhardt, Axel Klein, Levi McLaughlin, and Steven R Reed. Berkley: Institute of East Asian Studies, University of California, Berkeley chapter 5, pp. 113–138.

Esaiasson, Peter, and Knut Heidar. 2000. *Beyond Westminster and Congress: the Nordic Experience.* Ohio State University Press.

Fabian, Gyorgy. 2006. "Ket Valasztas Europaban. A Magyar Valasztasi Rendszer a 2006os Magyar es Olasz Valasztas Tukreben." *Politikatudomanyi Szemle* 2(3).

Falcó-Gimeno, Albert, and Ignacio Jurado. 2011. "Minority governments and budget deficits: The role of the opposition." *European Journal of Political Economy* 27(3): 554–565.

Fenno, Richard F. 1966. *The Power of the Purse: Appropriations Politics in Congress.* Little, Brown.

Fiorina, Morris P. 1981. *Retrospective Voting in American National Elections.* Yale University Press.

Foord, Archibald S. 1964. *His Majesty's Opposition: 1714-1830.* Clarendon.

Franzmann, Simon, and André Kaiser. 2006. "Locating Political Parties in Policy Space A Reanalysis of Party Manifesto Data." *Party politics* 12(2): 163–188.

Frederick, Jim. 2003. "Japan's Holy Wildcard." *Time Magazin* November 23.

Gabel, Matthew J., and John D Huber. 2000. "Putting Parties in their Place: Inferring Party Left-right Ideological Positions from Party Manifestos Data." *American Journal of Political Science* pp. 94–103.

Gamson, William A. 1962. "Coalition Formation at Presidential Nominating Conventions." *American Journal of Sociology* 68(2): 157–171.

Gavra, Gabor. 2002. "Az MSZP es az SZDSZ Koalicios Targyalasai: Mire Mennek Ketten." *Magyar Narancs* May, 16(20).

Gemenis, Kostas. 2013. "What to Do (and Not to Do) with the Comparative Manifestos Project Data." *Political Studies* 61: 3–23.

Golder, Sona N. 2010. "Bargaining Delays in the Government Formation Process." *Comparative Political Studies* 43(1): 3–32.

Golder, Sona Nadenichek. 2006. *The Logic of Pre-electoral Coalition Formation.* Ohio State University Press.

Green-Pedersen, Christoffer, and Lisbeth Hoffmann Thomsen. 2005. "Bloc Politics vs. Broad Cooperation? The Functioning of Danish Minority Parliamentarism." *The Journal of Legislative Studies* 11(2): 153?169.

Grimmer, Justin, and Brandon M Stewart. 2013. "Text as Data: The Promise and Pitfalls of Automatic Content Analysis Methods for Political Texts." *Political Analysis* 21(3): 267–297.

Grofman, B., and R. Kline. 2011. "How Many Political Parties are There, Really? A New Measure of the Ideologically Cognizable Number of Parties/Party Groupings." *Party Politics* 18(4): 523–544.

Grofman, Bernard. 2006. "The Impact of Electoral Laws on Political Parties." *The Oxford Handbook of Political Economy* pp. 102–18.

Gschwend, Thomas, and Marc Hooghe. 2008. "Should I Stay or Should I Go? An Experimental Study on Voter Responses to Pre-electoral Coalitions." *European Journal of Political Research* 47(5): 556?577.

Hadenius, Stig. 1999. *Swedish Politics during the 20th Century: Conflict and Consensus.* Swedish Institute.

Hallerberg, Mark. 2004. *Domestic Budgets in a United Europe: Fiscal Governance from the End of Bretton Woods to EMU.* Cornell University Press.

Iversen, Torben, and David Soskice. 2006. "Electoral Institutions and the Politics of Coalitions: Why Some Democracies Redistribute More Than Others." *American Political Science Review* 100(02): 165–81.

Johnson, Stephen. 2000. *Opposition Politics in Japan: Strategies under a One-party Dominant Regime.* Routledge.

Jones, Sam. 2016*a*. "Spain Avoids Third Election and Ends 10-month Political Impasse." *Guardian* October 29.

Jones, Sam. 2016*b*. "Spain Braces itself for Unwanted Gift on Christmas Day: a Third Election." *Guardian* August 25.

Katz, Jonathan N., and Gary King. 1999. "A Statistical Model for Multiparty Electoral Data." *American Political Science Review* 93(01): 15–32.

KDNP. 2010. "Megerositette Egyutmukodeset a Fidesz es a KDNP, Fotok, Szerzodes." *KDNP News [CDPP News]* (May 21).

Kelly, Fiach. 2016. "The Full Document: Fine Gael-Fianna Fáil Deal for Government." *The Irish Times* May, 3.

Kesselman, Mark. 1966. "French Local Politics: A Statistical Examination of Grass Roots Consensus." *American Political Science Review* 60(04): 963–973.

Kiewiet, D. Roderick, and Mathew D. McCubbins. 1988. "Presidential Influence on Congressional Appropriations Decisions." *American Journal of Political Science* pp. 713–736.

King, Gary, James E. Alt, Nancy Elizabeth Burns, and Michael Laver. 1990. "A Unified Model of Cabinet Dissolution in Parliamentary Democracies." *American Journal of Political Science* 34(3): 846.

Kitschelt, Herbert. 2008. "Party Systems." In *The Oxford Handbook of Comparative Politics*, ed. Carles Boix, and Susan Carol Stokes. Oxford: Oxford University Press chapter 22, pp. 522–554.

Klein, Axel, and Steven R Reed. 2014. "Anti-Kōmeitō Counter-Mobilizations." In *Kōmeitō: Politics and Religion in Japan*, ed. George Ehrhardt, Axel Klein, Levi McLaughlin, and Steven R Reed. Berkley: Institute of East Asian Studies, University of California, Berkeley chapter 9, pp. 215–240.

Kline, Reuben. 2009. "How we Count Counts: The Empirical Effects of Using Coalitional Potential to Measure the Effective Number of Parties." *Electoral Studies* 28(2): 261–269.

Klingemann, Hans-Dieter. 1995. "Party Positions and Voter Orientations." In *Citizens and the State*, ed. Hans-Dieter Klingemann, and Dieter Fuch. Oxford University Press.

Kohno, Masaru. 1997. *Japan's Postwar Party Politics*. Princeton University Press.

Koszeg, Ferenc. 2000. "Tolgyessy es a Rendszervalto Partok Alkonya." *Beszelo* (April): 22–46.

Kovacs, Laszlo Imre. 2006. "Gondolta a Fene! Avagy Valasztoi es Partstrategiak a Magyar Valasztasi Rendszerben." *Politikatudomanyi Szemle* 2(3).

Laakso, Markku, and Rein Taagepera. 1979. "'Effective' Number of Parties: A Measure with Application to West Europe." *Comparative Political Studies* 12(1): 3–27.

Laver, Michael, and Kenneth A. Shepsle. 1990. "Coalitions and Cabinet Government." *The American Political Science Review* 84(3): 873–890.

Laver, Michael, and Kenneth A. Shepsle. 1996. *Making and Breaking Governments: Cabinets and Legislatures in Parliamentary Democracy.* Cambridge Univ. Press.

Laver, Michael, and Kenneth Benoit. 2015. "The Basic Arithmetic of Legislative Decisions." *American Journal of Political Science* 59(2): 275?291.

Laver, Michael J, and Ian Budge. 1992. "Measuring Policy Distances and Modelling Coalition Formation." In *Party Policy and Government Coalitions.* Springer pp. 15–40.

Lijphart, Arend. 1984. *Democracies: Patterns of Majoritarian and Consensus Government in Twenty-one Countries.* Yale University Press.

Lijphart, Arend. 2012. *Patterns of Democracy: Government Forms and Performance in Thirty-six Countries.* Yale University Press.

Lupia, Arthur, and Kaare Strøm. 1995. "Coalition Termination and the Strategic Timing of Parliamentary Elections." *American Political Science Review* 89(03): 648–665.

Maeda, Ko. 2010. "Divided we Fall: Opposition Fragmentation and the Electoral Fortunes of Governing Parties." *British Journal of Political Science* 40(02): 419–434.

Maeda, Ko. 2015. "Determinants of Opposition Fragmentation Parliamentary Rules and Opposition Strategies." *Party Politics* 21(5): 763–774.

Mair, Peter. 2002. "Comparing Party Systems." In *Comparing Democracies 2: New Challenges in the Study of Elections and Voting*, ed. Lawrence LeDuc, Richard G. Niemi, and Pippa Norris. London: Sage chapter 4, pp. 88–108.

Marangoni, Francesco. 2012. "Technocrats in Government: The Composition and Legislative Initiatives of the Monti Government Eight Months into its term of Office." *Bulletin of Italian Politics* 4(1): 135–149.

Martin, Lanny W., and Georg Vanberg. 2011. *Parliaments and Coalitions: The Role of Legislative Institutions in Multiparty Governance.* Oxford University Press.

Michiaki, Okuyama. 2010. "Soka Gakkai as a Challenge to Japanese Society and Politics." *Politics and Religion* 4(1): 83–96.

Milne, Richard. 2013. "Norway Agrees Centre-right Minority Government." *Financial Times* September, 30.

Molinar, Juan. 1991. "Counting the Number of Parties: An Alternative Index." *The American Political Science Review* 85(4): 1383.

Money, Jeannette, and George Tsebelis. 1992. "Cicero's Puzzle: Upper House Power in Comparative Perspective." *International Political Science Review* 13(1): 25–43.

Müller, Wolfgang C, and Kaare Strøm. 2003. *Coalition Governments in Western Europe.* Oxford University Press.

Nickell, Stephen. 1981. "Biases in Dynamic Models with Fixed Effects." *Econometrica* 49(6): 1417.

Nordhaus, William D. 1975. "The Political Business Cycle." *The Review of Economic Studies* 42(2): 169.

Osterud, Oyvind. 2013. *Norway in Transition: Transforming a Stable Democracy.* Routledge.

Persson, Torsten, and Guido Tabellini. 1999. "The Size and Scope of Government: Comparative Politics with Rational Politicians." *European Economic Review* 43(4): 699–735.

Persson, Torsten, and Guido Tabellini. 2004. "Constitutions and Economic Policy." *Journal of Economic Perspectives* 18(1): 75–98.

Powell, G. Bingham. 1982. *Contemporary Democracies: Participation, Stability, and Violence.* Harvard University Press.

Powell, G. Bingham. 2000. *Elections as Instruments of Democracy: Majoritarian and Proportional Visions.* Yale University Press.

Rae, Douglas W., and Michael Taylor. 1970. *The Analysis of Political Cleavages.* Yale University Press.

Reed, Steven R. 2006. "Japan: Haltingly Toward a Two-party System." In *The Politics of Electoral Systems*, ed. Michael Gallagher, and Paul Mitchell. Oxford: Oxford University Press pp. 277–293.

Reuters. 2016. "UPDATE 1-Norwegian Government at Risk as Budget Talks Fail Again - Broadcaster NRK." *Reuters* December 2.

Riker, William H. 1962. *The Theory of Political Coalitions.* Yale University Press.

Rokkan, Stein. 1970. *Citizens, Elections, Parties: Approaches to the Comparative Study of the Processes of Development.* Scandinavian University Press.

Roubini, Nouriel, and Jeffrey D Sachs. 1989*a*. "Political and Economic Determinants of Budget Deficits in the Industrial Democracies." *European Economic Review* 33(5): 903–933.

Roubini, Nouriel, and Jeffrey Sachs. 1989*b*. Government Spending and Budget Deficits in the Industrial Economies. Nber working paper no. 2919.

Rozenas, Arturas. 2011. "A Statistical Model for Party-Systems Analysis." *Political Analysis* 20(Feb): 235–247.

Sartori, Giovanni. 1976. *Parties and Party Systems: a Framework for Analysis.* Cambridge University Press.

Sauger, Nicolas. 2003. "The UDF in the 1990s: the Break-up of a Party Confederation." In *The French Party System*, ed. Jocelyn Evans. Manchester University Press chapter 7, pp. 107–120.

Scheiner, Ethan. 2006. *Democracy without Competition in Japan: Opposition Failure in a One-party Dominant State.* Cambridge University Press.

Schoppa, Leonard J., and Aiji Tanaka. 2011. "Conclusion: The Evolutionary Dance Continues with the DPJ Victory in 2009." In *The Evolution of Japan's Party System: Politics and Policy in an Era of Institutional Change*, ed. Leonard J. Schoppa. Toronto: University of Toronto Press pp. 205–213.

Shapley, Lloyd S., and Martin Shubik. 1954. "A Method for Evaluating the Distribution of Power in a Committee System." *American Political Science Review* 48(03): 787–792.

Slapin, Jonathan B, and Sven-Oliver Proksch. 2008. "A Scaling Model for Estimating Time-series Party Positions from Texts." *American Journal of Political Science* 52(3): 705–722.

Smith, Alastair. 1996. "Endogenous Election Timing in Majoritarian Parliamentary Systems." *Economics and Politics* 8(2): 85–110.

Smith, Daniel Markham. 2014. "Party Ideals and Practical Constraints in Kōmeitō Candidate Nominations." In *Kōmeitō: Politics and Religion in Japan*, ed. George Ehrhardt, Axel Klein, Levi McLaughlin, and Steven R Reed. Berkley: Institute of East Asian Studies, University of California, Berkeley chapter 5, pp. 139–162.

Spanish News Today. 2016. "Spanish Caretaker Government Lacks Authority to Draft New Budget." *Spanish News Today* October 11.

Strøm, Kaare. 1990. *Minority Government and Majority Rule.* Cambridge University Press.

Taagepera, Rein. 1999. "The Number of Parties as a Function of Heterogeneity and Electoral System." *Comparative Political Studies* 32(Jan): 531–548.

Taagepera, Rein, and Matthew Soberg Shugart. 1989. *Seats and Votes: the Effects and Determinants of Electoral Systems.* Yale University Press.

The Nordic Page. 2013. "Conservatives and Progress Party Form Norway's New Government." *The Nordic Page* September, 30.

The Constitution of Japan. 1948. EHS Law Bulletin Series Volume I.

Thies, Michael F. 2001. "Keeping Tabs on Partners: The Logic of Delegation in Coalition Governments." *American Journal of Political Science* pp. 580–598.

Thies, Michael F, and Yuki Yanai. 2014. "Bicameralism vs. Parliamentarism: Lessons from Japan's Twisted Diet." *Senkyo Kenkyu [Electoral Studies]* 30(2): 60–74.

Tillman, E. R. 2013. "Pre-electoral Coalitions and Voter Turnout." *Party Politics* 21(Sep): 726–737.

Tsebelis, George. 1990. *Nested Games: Rational Choice in Comparative Politics.* University of California Press.

Van Der Heijden, Peter GM, and Stef van Buuren. 2016. "Looking back at the Gifi System of Nonlinear Multivariate Analysis." *Journal of Statistical Software* 73(4).

Volkens, Andrea, Pola Lehmann, Theres Matthies, Nicolas Merz, and Sven Regel. 2012. "The Manifesto Data Collection. Manifesto Project (MRG.CMP.MARPOR). Version 2012b.".

Warwick, Paul. 1994. *Government Survival in Parliamentary Democracies.* Cambridge University Press.

Warwick, Paul V. 2002. "Toward a Common Dimensionality in West European Policy Spaces." *Party Politics* 8(1): 101–122.

Wu, Ming-shan, and Chun-ta Lee. 2011. "A Study of Komeito as a Critical Minority Party in Japanese Coalition Regimes." *Asian Social Science* 7(9): 9.