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The Electoral Cost of Coalition Governance and Elites’ Behavior in Parliamentary Democracies

by

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Abstract

This dissertation examines the interaction between voters and party elites in parliamentary democracies, particularly those with multiparty governments. In the first half of the dissertation I focus on individual party supporters and explore their reactions to coalition policymaking. I develop a heuristic model that explains voters’ preferences for coalition governance and the consequent impact of their preferences on voting behavior. I contend that party voters’ preferences for coalition governance are associated with two simple heuristics: cabinet membership and their own ideological locations relative to parties in a coalition on the left-right policy spectrum. I find that party supporters who perceive themselves to be located between coalition partners are less likely to cast a punishing vote. This is because voters expect that policy compromise essentially brings cabinet parties closer to their own ideal points. In the second half of my dissertation, I derive a behavioral implication from the theory regarding the collaborative behavior of party elites. I argue that rational politicians should be able to predict the potential cost of coalition participation by gauging the size of ideological interior voters (i.e., party supporters located in between a pair of parties) they share with other parties, and that they can respond to this information by acting strategically. Specifically, political parties are more likely to cooperate with one another when they share more interior supporters than when they do not. This
is because parties in such a situation face a lower cost of collaboration if they chose to partner with each other. I then examine this implication empirically by using data on parliamentary speeches and coalition partnerships. The empirical investigations show results that are consistent with my argument. I find party elites to be less likely to engage in lengthy floor debates on government policies and to be more likely to govern together when they share more interior voters. Taking all these findings together, this dissertation enhances our understanding of citizens’ preferences for collective policymaking and of the connection between voters and political elites in parliamentary democracies.
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Chapter 1

Introduction

1.1 Motivation and Research Questions

Unlike in single party governments, political parties with divergent preferences over a broad range of issues in multiparty governments are motivated to bargain with their ruling partners over scarce resources and benefits. As a result, the conflict of interest between coalition members creates a need for these parties to accommodate their policy preferences with the demands of their partners. That is, parties in coalitions are incentivized to make policy compromises. By doing so, they could then cooperate to convert divergent policy interests into a manageable set of policies and ultimately achieve successful coalition governance. To enforce these compromises, parties in coalition governments may design certain institutions, such as coalition agreements (e.g. Müller and Strøm 2008; Moury 2010; Timmermans 2006) and electoral pledges (e.g. Thomson 2001), to explicitly list the policy arrangements they all agreed upon in order to avoid potential conflicts (Strøm 1995). They may also employ existing control mechanisms such as junior partners and parliamentary committees to prevent
their partners from going off the path that the coalition team has agreed upon (e.g., Kim and Loewenberg 2005; Martin and Vanberg 2011; Thies 2001).

However, while parties need to run for elections independently, entering a coalition has the potential to undermine a party’s ideological profile and to erode its electoral support. As noted by Martin and Vanberg (2008), this is because the necessity of making policy accommodations in the coalition governing process “obscures the relationship between the policies a party supports as a member of the government and its ‘pure’ policy commitments” (2008: 503). Consequently, a coalition party encounters electoral danger when its supporters observe the policy compromise and believe that the party has abandoned its established policy profile and failed to honor what the party has promised in campaigns. Most importantly, in this situation voters may further believe that the coalition party has moved away from them and therefore supporters may simply punish the party in next election. A recent empirical study has shown that coalition membership serves as a useful informational heuristic for voters which leads them to see political parties in a coalition government as ideologically similar (Fortunato and Stevenson 2013). Moreover, the perceived ideological proximity between a coalition party and its partners may further lead to its electoral loss because party supporters penalize the party for pursuing compromises (Fortunato 2012, Ch3). In short, while party collaboration in coalitions is essential for success-
ful governance, the consequent policy accommodations may impose an electoral price on coalition parties since making policy compromises in the joint-governing process may result in the dissatisfaction of party voters.

The idea that parties would be punished for coalition participation is theoretically important because it has essential implications for the behavior of political elites. It suggests that rational political actors should anticipate the electoral danger and then act strategically to avoid it. Indeed, this assumption has motivated numerous empirical works that examine the behavior of coalition parties in parliaments. For instance, highlighting this electoral dilemma faced by coalition parties, several studies argue that political communication is an important tool with which coalition parties can defend and justify their behavior in parliaments and ultimately reverse voters’ perceptions of coalition compromise (Fortunato 2012, Ch4; Klüver and Sagarzazu forthcoming; Martin and Vanberg 2008). Specifically, this line of research shows that coalition parties may use parliamentary activities (e.g., floor speeches and legislative amendments) or press releases as signaling devices to communicate with their supporters with the aim of convincing voters that they are “fighting the good fights”. Also, adopting the same assumption, the other strand of work argues that coalition parties are motivated for electoral and policy reasons to play non-cooperatively in the collective ruling process in order to directly pursue the best
interests of their constituencies. Anticipating the potential deviating behavior of their partners, coalition parties are thus encouraged to employ institutions to keep tabs on their partners in order to make sure they act properly (e.g., Carroll and Cox 2012; Falcó-Gimeno 2014; Keating 2010; Lipsmeyer and Pierce 2011; Martin and Vanberg 2005, 2011; Müller and Meyer 2010; Strøm and Müller 1999). For instance, coalition parties may design coalition agreements to specify the “game rules” that coalition partners should follow in the joint-ruling process. Also, coalition members may use control mechanisms, such as junior ministers and parliamentary committees, to scrutinize their partners’ legislative activities and eventually keep everything on the right track.

That said, while this literature seems to take the assumption of “cost of coalition compromise” for granted, there are surprisingly few empirical attempts to examine whether voters punish parties for entering into coalitions. We do not know yet whether voters punish political parties simply because they join coalitions and pursue policy compromises. Most importantly, we do not even know how and whether or not voters perceive policy compromises and/or the ideological movements of coalition parties, which turns out to be the fundamental informational resource that drives voters’ decisions of whether to punish a coalition party. In his dissertation, Fortunato (2012, Ch3) attempts to address these questions. He argues that government parties
are more likely to be punished when voters perceive them as ideologically converging toward each other, and he provides some empirical evidence to support his claim. However, his work builds on a particular premise that assumes voters in general do not like policy compromise but prefer to see conflicts among cabinet parties. While coalition governance has become a norm in West European countries and the cohesion of government is found to be positively associated with the public’s rating of government performance (Angelova, König and Proksch 2014), Fortunato’s assumption seems to be somewhat unrealistic and thus his findings actually leave us with more questions. Specifically, are party supporters all alike in punishing coalition participation when they perceive compromise? Which voters, if any, are more or less likely to punish parties for governing with other parties? Given the major role played by the assumption of compromise cost in the coalition governance literature, we definitely need more efforts to demonstrate the validity of this argument.

Moreover, if this assumption is true, what Martin and Vanberg (2008) and other theoretical works on coalition governance suggest is that political elites do acknowledge the electoral danger of entering coalition governments and they, therefore, fight fiercely against it. Indeed, rational politicians should not simply confront this foreseeable electoral penalty without attempting to manage it. For instance, they may choose to team up with or stay away from specific parties in the coalition formation
process (Mershon 2002; Müller and Strøm 1999; Strøm 1990a). Nevertheless, while the literature acknowledges the impact of this potential electoral penalty on elites’ coalition behavior, no research has been done to provide a way to measure such cost. What the literature does is simply to rely on this coalition punishment assumption. It also implicitly assumes that all the parties would pay the same electoral price when they face a collective ruling opportunity and therefore they blindly cast their resources in order to reduce such cost. This actually makes us wonder what exactly the electoral cost looks like and how politicians gauge such cost. Ideally, if there is a way to measure such cost, one would expect that the electoral price for coalition participation must vary across parties, and thus parties could then pursue different solutions to reduce or even to avoid it.

Motivated by these questions, this dissertation is an attempt to fill the gaps in the coalition governance literature. I argue that the questions that I raised above are actually correlated with each other. Specifically, I believe that the answer to the question of how parties may gauge the electoral price of coalition collaboration comes from the answer to the other question of whether voters are all alike in punishing parties for making policy compromises. In other words, we first need a theory of why individuals punish parties that enter coalitions and pursue policy compromises. If we had such a theory, we could ask whether certain types of voters would be more or
less likely to punish some coalitions more or less than others. Identifying these voters will further help us answer how parties may measure the potential cost of making compromise, which would in turn enhance our understanding of elites’ behavior in parliamentary democracies. For instance, if coalition parties could target those voters who are more or less likely to place blame for policy accommodations in coalition governments (i.e., identify where the electoral penalty comes from), they should be able to manage the potential punishment accordingly by taking different collaborative strategies. In what follows, I will describe the outline of this dissertation.

1.2 Overview of Chapters

To reiterate, the electoral dilemma we discussed above has motivated a significant number of empirical works that attempt to explain parliamentary behavior of party elites in coalition governments. However, the tendency of the literature to simply rely on the assumption that voters punish parties for entering coalitions has also left us with several unanswered questions. These questions are integrally related to the validity of the whole coalition governance literature. In this dissertation I attempt to answer the questions I raised above and ultimately fill the voids in the literature. The dissertation can be divided into two parts.

In the first part of my dissertation, I focus on individual voters. The first essay
(Chapter 2) examines how voters perceive coalition compromises as well as the ideological drifts of the parties they support and answer whether or not voters punish coalition parties for being a part of coalition governments. Specifically, I follow the heuristic approach (e.g., Armstrong and Dutch 2010; Duch, Przepiorka, and Stevenson 2015; Fortunato and Stevenson 2013) and contend that voters may employ two simple heuristics to form their perceptions of the coalition compromise and the ideological movements of parties. They may first adopt the coalition membership heuristic proposed by Fortunato and Stevenson (2013) to build their expectations about the directions of coalition parties’ ideological shifts. Then, they will use their own ideological location relative to cabinet parties as a second heuristic to form their anticipations about whether coalition parties are moving away from or coming closer to them. In short, my results demonstrate that voters who perceive themselves to be located in between a pair of cabinet parties are less likely to penalize parties for participating in coalition governments. On the contrary, those voters who believe that they are not surrounded by any pair of coalition parties are more likely to switch their vote in support of other parties.

After demonstrating empirically that the theoretical assumption of coalition cost is true and showing that the electoral price comes from a particular type of party supporters, I then move to the second part of this dissertation in which I switch
from the individual-level to the party-level and examine the behavioral implications of the above results for the coalition behavior of political parties. In this part I offer three essays to describe and examine the empirical implications I derived from the above chapter. In the first essay (Chapter 3) I propose a general theory of cooperative behavior in coalition governments. More precisely, based on the findings that ideological interiors – voters located in-between two parties – are less likely to punish parties for collaborating in coalition governments, I argue that political parties may simply gauge the potential “electoral price of coalition participation” by looking at where their voters are distributed in the policy space. In other words, a party may simply look at how many interior supporters are located in between the party and its coalition partners, and then make its decisions of whether to play a collaborative game or a non-cooperative one with its partners. I expect that a political party’s willingness to cooperate (or not cooperate) with other parties is positively (or negatively) associated with the size of “interior supporters” in between the party and its partners.

In order to empirically test my argument, in the next essay (Chapter 4) I concentrate on the coalition governing process and examine how the size of interior supporters conditions the willingness of parties to make policy differentiations. By examining parliamentary speeches, I take a coalition party’s efforts of engaging in
extensive debates on policies as a form of being non-collaborative and I find that coalition parties are less likely to produce lengthy speeches when they share more interior voters with their teammates. This is consistent with the theory I propose in Chapter 3.

In the last essay (Chapter 5), I move to another form of party cooperation – coalition formation – in order to further investigate my conjecture. The intuition is fairly straightforward. If political parties are indeed rational and would act strategically to manage the potential electoral penalty of coalition participation, one critical thing they could do is to directly gauge the potential cost and then decide whether to team up with or stay away from particular parties when they face collective ruling opportunities. My findings again buttress my argument. In general, when two parties share more interior voters, they are more likely to partner with each other to form a coalition.

Finally, in the concluding chapter (Chapter 6) I will summarize my findings and discuss the potential implications for future research.
Chapter 2

Ideological Interiors and Punishment of Coalition Participation

2.1 Motivation

The theoretical literature on coalition governance often assumes that voters punish political parties when they share policymaking authorities in coalition governments. For instance, building on this assumption, it is argued that political parties in coalition governments are encouraged to differentiate themselves from their partners. By doing so coalition parties can signal to their supporters that they are fighting rigorously in order to honor the promises they made in elections, and ultimately to avoid potential electoral penalties (e.g., Fortunato 2012, Ch5; Martin and Vanberg 2008, 2011; Klüver and Sagarzazu forthcoming). Studies of coalition policymaking in parliamentary democracies also rely on the same assumption and contend that parties employ various institutions to prevent or manage potential compromise-breaking behavior from their coalitional teammates (e.g., Carroll and Cox 2012; Falcó-Gimeno 2014; Indridason and Kristingsson 2013; Kim and Loewenberg 2005; Lipsmeyer and
Pierce 2011; Schermann and Ennser-Jedenastik 2014; Thies 2001). These potential deviating activities are exactly driven by the threat of losing electoral support. In addition, we can further find a similar proposition in some of the works on coalition formation, in which parties are assumed to be electorally motivated to choose to enter into or stay out of specific coalitions in order to avoid the price carried by coalition participation (e.g., Mershon 2002; Müller and Strøm 1999).

Why would voters penalize political parties for forming coalitions with other parties? By looking more closely at the theoretical works that invoke this assumption, we have learned that it is the policy accommodations and compromises that political parties have to make in coalition governments result in a loss of electoral support. More specifically, originating from the perspective of spatial voting models, policy compromises lead supporters of a party to update their beliefs about the new ideological position and platform of the party (i.e., its ideal point), and voters tend to punish the party when they realize that, in this altered landscape, they are farer away from the party than they were. This is clearly the idea in Martin and Vanberg (2008) who, for instance, suggest that participating in a coalition may bring fatal electoral consequences to a party when its long established profile is undermined by coalition cooperation and the associated policy compromises. Also, David Fortunato in his dissertation (2012, Ch.3) has provided some empirical evidence showing
that the perception of policy compromise (i.e., ideological proximity) is what makes voters punish coalition parties. In this sense, the Dutch Labour Party in the 1950s and the Irish Labour Party in 1987 are good anecdotal examples of what appear to be a penalty for coalition participation. They both paid a heavy electoral price for collaborating with other parties in coalition governments.

The idea that parties are penalized for joining a multiparty government and making policy accommodations is important because it has numerous implications for behavior of political elites. It implies that rational politicians should anticipate the electoral price and therefore act strategically in order to manage the potential loss of support. Yet, despite numerous empirical works that have been motivated by this assumption, there have been very few empirical attempts to test whether supporters punish parties for collaborating in coalitions. This, thus, leaves us with unanswered questions, such as which voters are more or less likely to punish parties for joining a coalition. Moreover, as I will discuss below, the intuition behind this premise assumes that voters are Bayesian updaters who are excessively informative about coalition policymaking process and thus they are capable of renewing their beliefs about positions of coalition parties after observing some policy outputs. However, several recent investigations of voters’ understanding of coalition politics have demonstrated that the public is not as informed as what the coalition literature
would expect (e.g., Bowler, Gschwend, and Indridason 2014; Fortunato, Lin, Stevenson 2014). This makes it not at all clear whether average voters, having observed some policy compromises, are able to update their beliefs about policy positions of parties in ways that would systematically lead them to punish parties. Given the essential role of this assumption in studying elites’ behavior, it is therefore an important task to empirically test the assumption.

This essay attempts to fill this theoretical void by empirically examining whether supporters punish parties for working together in coalitions, and if they do, how they form their expectations about new party positions. Following the heuristic approach in the recent behavioral literature, I argue that voters can employ simple heuristics to comprehend coalition politics. Specifically, I contend that voters may simply use two cheap informational inputs as heuristics to update their expectations of party positions. Using survey data from Comparative Study of Electoral Systems, I empirically test my conjecture and I find supportive evidence.

In what follows, I first discuss the rationale behind the assumption of coalition punishment and then show that the traditional spatial voting perspective fails to produce a systematic connection between making policy accommodations and subsequent losses in support. Also, the reliance on unrealistic assumptions about the informational and cognitive abilities of voters makes the argument more vulnerable.
In response to this failing, I then propose a model in which spatially motivated voters (i.e., who vote for the party perceived to be closest to them) use simple heuristics to update their beliefs about the positions of parties in coalition cabinets and thus they know whether they should penalize coalition parties or not. Afterward, I then move to my research design and describe how I empirically examine my hypotheses. Conclusions and implications are discussed in the final section.

2.2 Punishing Coalition Participation? The Rationale from the Spatial Voting Perspective

From the conventional spatial voting perspective, the rationale that explains why voters punish parties for making policy compromises is straightforward. The fundamental assumption of spatial voting theory suggests that the likelihood of a voter’s support for a party decreases as the ideological distance between the party and the voter increases (Downs 1957). It implies that platform-concerned supporters would punish a cabinet party when they believe that policy accommodations have made the party move away from them and toward its coalition partners.¹ How would party supporters know that the party they support has changed its policy position? Implied

¹Spatially speaking, a voter is less likely to vote for (i.e., more likely to punish) a party as it moves away from the voter. However, in order to punish the party for making compromises, the voter has to perceive that the party has moved away from him and toward its coalition partners.
by the coalition governance literature, voters are seen as Bayesian updaters who are capable of drawing inferences about policy positions of cabinet parties from policy outcomes. By observing the actual policy output of a coalition government, voters then use their own “model of coalition policymaking” to update their beliefs about the new positions of parties in the coalition government. Consequently, whether a coalition party would be punished is solely determined by how far the party’s new position, which is perceived by voters after updating, from voters’ ideal positions.

Indeed, the above argument looks fairly simple. However, whether voters could effectively renew their perceptions of party positions through this updating process is questionable. To examine this notion, in what follows I will demonstrate a simple practice of how a voter would process the update. Imagine now there is a voter who possesses some beliefs about the policy positions of two parties before they form a coalition at time $t_1$. Considering the potential noises in the policymaking environment, we assume that his beliefs of party positions come with some uncertainties. These are illustrated in panel (a) in Figure 2.1 where $A_{t_1}$ and $B_{t_1}$ refer to this voter’s perception of party positions, and the corresponding distributions represent his uncertainties about them. Also, the voter perceives the policy outcome of this coalition at time $t_2$, which is indicated by $P_{coa}$. In addition to his perceptions, I assume, for simplicity, that the voter also holds a particular model with which he believes
coalition policy making is simply an unweighted average of the policy positions of the parties in the coalition. This model in his mind can be presented as $\frac{A_{t1} + B_{t1}}{2}$.

To decide whether to punish coalition compromise or not, the voter then uses the observed government policy output and his own model of coalition policymaking to update his beliefs about the policy positions of these two cabinet parties.

Figure 2.1: Voter’s Updated Perceptions of Cabinet Party Positions

![Figure 2.1: Voter’s Updated Perceptions of Cabinet Party Positions](image)

Note: dashed arrows indicate the voter’s perception of the direction that a cabinet party is moving toward.

However, as I will show below, there is actually no systematic way to implement this updating process. For instance, as presented in panel (b), this voter somehow believes that party A has not changed its position at all so at $t_2$ party A still remains
at the same spot as it was at $t_1$. Then, through the updating process this voter updates his perception of party B’s position to $B_{t_2}$ and as a result the voter thinks that party B is the one who actually made compromises in the coalition. Another possibility of belief updating is presented in panel (c). This voter may think that party B for some reasons holds its position in the joint governing process, and in this way his perception of party A is then updated to an more extreme position at $A_{t_2}$. In this case the voter may believe that neither party makes a compromise but party A has moved leftward.

The above two situations I just described assume that voters have two pieces of information in mind: the observed coalition policy output and the position of at least one of the cabinet parties. Nevertheless, what if this voter only observed the coalition policy but possesses no information about either party’s position? In fact, this voter has to feed enough information to his own model to make an effective update. In this hypothetical circumstance where the voter only knows the coalition policy output, it is almost impossible for him to rely on only one piece of information to update his beliefs about the altered policy positions of two parties. This situation is depicted in panel (d) in Figure 2.1. There could be infinite possibilities of updated beliefs and no one would know which belief is true. While some cases show that both parties have made policy accommodations and moved toward each other (i.e., $A'_{t_2}$
and $B'_{t_2}$), others demonstrate that neither party has done so (i.e., $A''_{t_2}$ and $B''_{t_2}$).

A more common circumstance could be that voters may have some beliefs about party positions, but they have no idea about the policy output of a coalition government due to the complex nature of the coalition policymaking process. In their recent work, Bowler, Gschwend, and Indridason (2014) examine whether voters form expectations about coalition policy. Their findings indicate that factors such as party size, bargaining power, and leader image affect voters’ evaluations of coalition policy. However, their results also present no evidence that there is a systematic pattern of voters’ understanding of how coalition policy is formed. Without a doubt, the lack of such critical information – coalition policy output – may further prevent voters from implementing the Bayesian updating process to obtaining new beliefs of party positions. Consequently, it is almost an impossible mission for supporters to tell whether a party has made policy compromises and whether it has moved away from them.\footnote{In fact, several recent works have demonstrated that voters are far from Bayesian updaters (e.g., Dickson, Hafer, and Landa, 2008; Mattes 2012; Redlawsk 2002).}

Finally, even if there is a systematic way for voters to successfully update their understanding of the whole new ideological landscape, what comes before is an extravagant informational requirement that is imposed on voters. In other words, voters are required to know each party in a coalition government well (i.e., about
each party’s role, seat share, and etc.), and they also need a model that helps them to comprehend cabinet decision making. Most importantly, they are supposed to know where the policy output of the coalition government is in the policy space, which has been demonstrated to be difficult (Bowler, Gschwend, and Indridason 2014). All of these together suggest that voters have to be unrealistically informed about coalition politics and are unreasonably capable of doing complex calculations, in order to make themselves efficient Bayesian updaters. However, while a recent empirical investigation has demonstrated that voters in parliamentary systems are not as knowledgeable as scholars would expect (Fortunato, Lin and Stevenson, 2014), the assumption about voters’ informational abilities seems to be contentious.

To reiterate, while the spatial voting model provides a simple rationale to explain why voters would blame political parties for entering into a coalition and making policy compromises, it fails to demonstrate a systematic prediction of how exactly voters update their beliefs on party positions and of when voters observe the compromise (i.e., moving away from supporters and toward coalition partners). Consequently, it fails to explain why and how voters would punish parties. Besides, the unrealistic assumptions of voters’ informational abilities also make the story less convincing.

In what follows, I will propose a theory that combines the fundamental spatial voting assumption (i.e., voters vote for parties perceived to be the closest to them)
and the heuristic approach, to explain when individual punish parties who pursue policy compromises and when they do not.

2.3 Heuristics and the Electoral Price of Coalition Governance

Although voters may not have encyclopedic knowledge of parties to make themselves perfect Bayesian updaters, they may use cheap informational shortcuts to comprehend the political world, including locating parties in an ideological landscape (e.g., Armstrong and Dutch 2010; Duch, Przepiorka, and Stevenson 2015; Fortunato and Stevenson 2013). For instance, recent research by Fortunato and Stevenson (2013) argues that, instead of doing complex calculations, voters employ a simple heuristic to renew their perceptions of policy positions of cabinet parties.\(^3\) Their empirical results indicate that coalition partners are perceived as significantly more similar than parties that are not in coalition governments. In other words, voters believe that once parties participate in a government jointly, their policy positions will eventually converge because ruling together creates the needs for policy accommodations as well as compromises.

\(^3\)Specifically, voters use coalition participation as the informational input and a heuristic rule that “parties in cabinet tend to converge to each other ideologically” to update their perceptions of party positions.
Fortunato and Stevenson’s (2013) major finding has substantive implications for understanding voters’ preferences for coalition governance as well as their voting behavior. Voters may vote in response to their own expectations of potential policy compromises (e.g., Fortunato 2012, Ch3; Kedar 2005). For example, Fortunato in his dissertation (2012) attempts to answer whether voters punish cabinet parties for making policy compromises. By assuming that voters prefer to see conflicts over policy accommodations among coalition parties, his empirical results provide supportive evidence to the question. Nevertheless, the underlying assumption in his work seems to be unrealistic. In parliamentary systems where joint-governing has become a norm, voters should not punish a party simply because it shares governing power and makes policy adjustments with other cabinet members. In fact, the cohesion of a coalition government is found to be positively associated with voters’ ratings of government performance (Angelova, König and Proksch 2014). That is, voters should understand the needs for policy accommodation and must expect to see certain policy compromises being made in coalition governments. This is precisely the assumption that buttresses Fortunato and Stevenson’s (2013) argument and it explains why coalition membership is such a useful heuristic for voters to update their perceptions of parties’ policy positions. As a result, simply assuming that

4Specifically, his findings suggest that when supporters of a coalition party perceive the ideological convergence between the party and its coalition partners, they are more likely to punish the party.
voters are all alike in their preferences for coalition compromise does not answer the question successfully.

In this chapter, I pursue the same research question that Fortunato did in his dissertation, but make a different assumption in order to address how voters react to policy accommodations. I argue that a voter’s taste for coalition compromise is conditioned on another piece of cheap information—a voter’s perception of his own location relative to cabinet parties in the policy space. To be more precise, when the voter sees coalition partners as ideologically converging objects (i.e., by employing the coalition membership heuristic), he also makes a prediction about the “direction” of the ideological drift that a cabinet party is moving toward. That is, by observing parties participating in coalition governments, the voter expects to see left parties in the cabinet moving rightward and right parties proceeding leftward. In other words, using the coalition participation heuristic, the voter may form rough predictions about where the cabinet parties may be located after their cooperation in coalition (Fortunato and Stevenson 2013). Then, from the voter’s point of view, if the voter perceives himself ideologically located in between cabinet parties (i.e., the second heuristic), he always expects to see these parties moving toward him. More precisely, he applies the heuristic rule “coalition parties always move closer to oneself if one is located in between these parties” to renew his own belief about the distance
between himself and the coalition party he supports. Consequently, the spatially motivated and party platform-concerned voter, who is sitting in between cabinet parties, should be satisfied with joint governance as he perceives cabinet parties to be moving closer to him.\(^5\) On the contrary, for those who perceive themselves locating outside a pair of coalition parties, they tend to see the opposite way: they see parties moving away from them, which further causes their dissatisfactions with coalition collaboration.

Most importantly, using these two heuristics does not bear impractical informational demands. Voters are simply required to know the cabinet composition (i.e., the first heuristic) and their own ideological location relative to the coalition parties (i.e., the second heuristic). Furthermore, when voters build these expectations, they are only required to know the relative positions of themselves to cabinet parties. They do not need to possess the knowledge of the exact positions of every object, nor to have a complex model in mind nor the ability to make sophisticated calculations.\(^6\)

I illustrate the above discussion in Figure 2.2. Suppose now there are two parties

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\(^5\)Again, the constraints of his informational ability prevents him from calculating the exact distance between himself and a cabinet party. But by using heuristics, one could generate rough but reasonable expectations about it.

\(^6\)It is clear that knowing the relative positions is an easier task for voters than knowing the exact positions and then doing complex calculations. In fact, Fortunato, Lin, and Stevenson’s work (2013) has shown that voters in coalitional systems know better about the relative ideological positions of parties than the exact positions of parties. Specifically, when voters are asked to place a dyad of parties in the left-right order, they manage the job well.
$P_A$ and $P_B$ in a coalition government and voters have perceived their ideological convergence (dashed black arrows). For a voter $V_i$ who perceives himself as ideologically located “inside” (i.e., in between) this dyad of government parties, his updated perception of the policy positions of these parties is not only that they are converging (i.e., updated from the coalition membership heuristic), but also moving in a direction toward his own position. Consequently, $V_i$ may be less likely to punish the party he supports for pursuing compromises as he perceives a closer distance to the party. On the contrary, for voters $V_j$ and $V_k$ who believe that they are located “outside” the government party dyad, the way they view coalition compromise is completely different. When they perceive government parties that are spatially converging, they see these parties as moving away from their own positions. As a result, these ideological exteriors are more likely to punish coalition compromise since they feel the party they support is moving away from them.

To reiterate, in order to answer whether they should punish a cabinet party for policy accommodations, voters simply need to know whether the party is in a coalition (i.e., cabinet composition) and their own policy positions relative to coalition parties. By employing these two simple heuristics, a party supporter is able to build a fairly reasonable prediction about where a party is moving – either moving away from or toward the supporter – and ultimately the voter may cast his vote accordingly.
This generates my first hypothesis:

**Ideological Interior Hypothesis:** Ideological interiors (who are located in between a party dyad) are less likely to punish parties in a coalition government than ideological exteriors.

In addition to the first hypothesis, I also consider how political attentiveness conditions a voter’s tendency to employ coalition heuristics and the subsequent effects

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7In fact, another hypothesis that could be derived from the above argument is about voters’ coalition preferences. Specifically, while an interior party supporter expects to see a pair of parties surrounding him moving toward his ideal location, it makes the collaboration of these two parties more likely to be preferred by the voter. That is, a voter should prefer to see two parties to make a coalition together if he is ideologically sitting in between those two parties. Using the data from the Dutch Parliamentary Election Surveys, I find empirical support for this additional hypothesis. The results are available upon request.
on his vote choice. In their study, Fortunato and Stevenson (2013) show that political sophisticates are less likely to rely on the coalition membership heuristic and therefore perceive cabinet parties differently than how non-sophisticates do. This is because voters who are more politically attentive tend to receive greater amounts of information from daily politics and consequently they know better about what exactly happened in the coalition governing process than those who pay less attention to politics. Particularly, these highly informed voters are more likely to receive messages sent by party elites that emphasize the policy differences between them and their partners. While these political messages are exactly designed for counterbalancing voters’ perceptions of coalition compromise (Martin and Vanberg 2008; Kluiver and Sagarzazu forthcoming), political sophisticates, rather than uninformed voters, are therefore the ones that are more likely to be influenced and thus less likely to rely on the heuristic of coalition participation to build their expectations about party positions.

In turn, I argue that this mediating effect of political sophistication on the usage of the coalition partnership heuristic then imposes an impact on party supporters’ vote choice. This is particularly obvious for those voters who believe that they are not surrounded by cabinet parties (i.e., ideological exterior voters). Specifically, while average ideological exteriors may simply employ the proposed heuristics and
to punish coalition parties, informed exterior voters’ perceptions of compromise have been balanced by political messages delivered by coalition parties. That is, these sophisticated exterior supporters are less likely to expect ideological convergence between coalition parties when they cast votes. Therefore, they are less likely to punish coalition parties for coalition participation. However, the mediating effect of political attentiveness on voters who perceive themselves located in between coalition parties could be a bit tricky. For sophisticated interior voters, while they also receive the messages from party elites that justify party behavior in coalition government, the expectation of non-convergence should still satisfy these voters and make them less likely to punish. As a result, we may not be able to observe a behavioral difference between those ideological interiors who rely on heuristics and those who know a lot about what happens in the coalition governing process. As a result, the above discussion about the mediating effect of political sophistication leads to my second hypothesis, including two predictions:

**Sophisticated Exterior Hypothesis**: Political sophisticates who are ideological exteriors are less likely to punish coalition parties than those non-expert exterior voters.

**Sophisticated Interior Hypothesis**: There is no difference of the tendency to punish or reward coalition parties between political sophisticates
who are ideological interiors and those non-expert ones.

2.4 Data and Research Design

To examine my hypotheses, I need information that concerns voters’ perceptions of their own ideological positions as well as party positions. I thus employ the survey data from the Comparative Study of Electoral Systems (CSES). Specifically, I use the second and the third waves of the CSES surveys and focus on those West European countries with coalition governments. By doing so I compile a data set that covers 27 elections in 12 countries in the period of 2001 to 2011. I particularly focus on those elections that are held right after coalition ruling. This allows me to test my hypotheses and potential factors that affect vote choice of the public before and after each coalition government. The countries and election years included in my data are provided in Table 2.1.

Since my theory suggests that whether a voter punishes coalition parties depends on his perception of his own ideological location relative to a dyad of cabinet parties, I need a data structure that is appropriate to test my hypotheses. More precisely, unlike the traditional approach that examines vote choice by employing individual respondent as the unit of analysis, I construct a data set in which the unit of analysis

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8I do not include the first wave since it does not provide the question of government performance evaluation, which is an important control variable in my model.
Table 2.1: List of Countries and Election Years in the Sample

<table>
<thead>
<tr>
<th>Country</th>
<th>Election Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>2004, 2007</td>
</tr>
<tr>
<td>Denmark</td>
<td>2001, 2007</td>
</tr>
<tr>
<td>France</td>
<td>2002, 2007</td>
</tr>
<tr>
<td>Germany</td>
<td>2002, 2005, 2009</td>
</tr>
<tr>
<td>Ireland</td>
<td>2002, 2007</td>
</tr>
<tr>
<td>Italy</td>
<td>2006</td>
</tr>
<tr>
<td>Portugal</td>
<td>2005</td>
</tr>
<tr>
<td>Switzerland</td>
<td>2003, 2007</td>
</tr>
</tbody>
</table>

is a respondent-party dyad.\textsuperscript{9} The data structure is in fact similar to the one adopted by Fortunato and Stevenson (2013) in which each respondent enters the data $k_j$ times, where $k_j$ indicates the number of party dyads in each election. Also, a party dyad may appear in different elections multiple times.

\textbf{2.4.1 Constructing Variables}

Since my theory focuses particularly on party voters and their reactions for coalition governance, the dependent variable captures whether a voter punishes an incumbent party that he voted for in the previous election. It is measured as a respondent’s

\textsuperscript{9}A sample of the data structure is illustrated in the appendix.
choice of a specific cabinet party at time $t_1$, and whether the respondent choose to vote for the incumbent party again at time $t_2$. I code the variable as 1 when a respondent decides to punish a coalition party by switching his support to other parties (including switching to other cabinet parties) or by abstaining from the election at $t_2$, and as 0 when the respondent decides to vote for the party again.

The major explanatory variable indicates whether a respondent perceives himself as an ideological interior or not. That is, whether one perceives oneself to be ideologically surrounded by a given pair of government parties. The CSES surveys provide questions that ask respondents for their ideological self-placements as well as their perceptions of party positions on a 10-point left-right scale. Using these questions, I identify those respondents who see themselves located in between cabinet party pairs and code them as 1, and for those respondents who believe they are not surrounded by cabinet party dyads I code them as 0. My theory suggests that there is a negative relationship between being an ideological interior and casting a punishing vote. That is, interior party supporters are less likely to punish cabinet parties.

My interest also lands on how political attentiveness conditions heuristic usage and ultimately the change in voting behavior. Ideally, I need information that captures voters’ political interests or the extent to which they pay attention to real world politics. Unfortunately, CSES does not include such questions in most of the coun-
tries. That said, in each wave of CSES surveys there are three questions designed to capture respondents’ knowledge about politics. Since one’s political knowledge often correlates with one’s political interest and information acquisition positively (e.g., Carpini and Keeter 1996; Luskin 1990; Prior 2005), I employ these knowledge questions as a proxy of political attentiveness. Specifically, a respondent gets 1 point when he answers a knowledge question correctly. With all these three questions, I then construct a 4-point scale variable, ranging from 0 to 3, with higher numbers indicating higher interest and attentiveness in politics. To examine my second hypothesis, I further create an interaction-term between the interior/exterior variable and political attentiveness.

In addition to these major variables, I also control for several factors that may affect a respondent’s vote choice. The first control variable I include in my model is the extent to which a respondent is satisfied with the performance of a coalition government. The intuition is fairly straightforward. If one is not satisfied with the performance of the government, it is more likely to see one punishes the incumbent parties. This variable is measured on a 4-point scale, in which a higher value represents that one is more satisfied with a coalition government. I expect that one’s satisfaction with coalition government is negatively associated with one’s decision of punishing cabinet parties.
Second, I control for one’s party identification. When a voter is affiliated with a particular party that he voted for, it is less likely for him to punish the party. This variable is measured by a question asking whether a voter is adherent to a party. It is treated as a dichotomous variable, in which 1 indicates a party identifier, and 0 otherwise. I expect that a partisan voter is less likely to punish the cabinet party he adheres to.

Finally, I also take the potential effects of respondents’ age and gender into account. It is argued that elderly persons are more stubborn about their opinions, thus they are less likely to change their vote. In addition, women are believed to be more tolerant and are more likely to accept policy compromise. I expect that female voters are therefore less likely to punish parties they support for making compromises.

2.5 Empirical Results

Given the dichotomous nature of my dependent variable, the standard logistic regression is therefore adopted. Also, building upon Fortunato and Stevenson’s (2013) finding, I assume that voters always expect ideological convergence between coalition parties because they expect to see frequent policy accommodations in coalition governments. As a result, in my analysis I only focus on those parties that par-
participate in coalition governments.\textsuperscript{10} That is, each dyad in my analysis is actually a dyad that includes two cabinet parties. Furthermore, since my data structure is hierarchical (i.e., respondent-dyad-country), I include random effects at the dyadic level and the country level in order to control for the potential biases resulting from the unobserved characteristics at these levels.

The estimated results are presented in Table 2.2. As expected, the effect of being ideologically located in between a given cabinet party dyad is negatively associated with one’s willingness to punish the cabinet party one voted for before. To be clear, when a voter sees himself as spatially located in between two coalition parties, he is less likely to punish the party he supported than someone who perceives himself as located outside the same dyad. The statistically significant result therefore bolsters my first hypothesis.

To examine my second hypothesis, I include an interaction term between the interior/exterior and political sophistication variables in my empirical model. Unlike in an OLS model, it is somewhat difficult to directly interpret the coefficients of the interacting effects between interior/exterior and political attentiveness on vote choice. As a result, I calculate and plot the predicted probability of coalition party punishment with confidence intervals to show the conditional impact of political

\textsuperscript{10}Parties included in the analysis is presented in the appendix.
Table 2.2: Interior Voters and Coalition Party Punishment

<table>
<thead>
<tr>
<th></th>
<th>Coefficient</th>
<th>Standard Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interior Voter</td>
<td>-0.865**</td>
<td>(0.115)</td>
</tr>
<tr>
<td>Political Attentiveness</td>
<td>-0.273**</td>
<td>(0.048)</td>
</tr>
<tr>
<td>Attentiveness * Interior Voter</td>
<td>0.230**</td>
<td>(0.058)</td>
</tr>
<tr>
<td>Coalition Performance</td>
<td>-0.435**</td>
<td>(0.050)</td>
</tr>
<tr>
<td>Partisan Voter</td>
<td>-3.546**</td>
<td>(0.064)</td>
</tr>
<tr>
<td>Age</td>
<td>-0.011**</td>
<td>(0.002)</td>
</tr>
<tr>
<td>Gender</td>
<td>-0.093†</td>
<td>(0.055)</td>
</tr>
<tr>
<td>Constant</td>
<td>2.856**</td>
<td>(0.216)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Coefficient</th>
<th>Standard Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Random Effect (Dyads)</td>
<td>0.541**</td>
<td>(0.075)</td>
</tr>
<tr>
<td>Random Effect (Countries)</td>
<td>1.359**</td>
<td>(0.107)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td># of Countries</td>
<td>12</td>
</tr>
<tr>
<td># of Dyads</td>
<td>49</td>
</tr>
<tr>
<td># of Observations</td>
<td>16438</td>
</tr>
<tr>
<td>Loglikelihood</td>
<td>-4773.072</td>
</tr>
</tbody>
</table>

Standard errors in parentheses.
† p<0.1; * p<0.05; ** p<0.01
sophistication on the relationship between heuristic use and voting behavior. These predicted values are calculated by holding all the control variables at their mean values, and setting political attentiveness at its 10th quantile (low attentiveness) and 90th quantile (high attentiveness) values. The results are presented in Figure 2.3 in which the thin lines represent the 90% confidence intervals and the thick lines indicate the 95% confidence intervals.

The estimated results illustrated in Figure 2.3 clearly support my conjecture about the mediating impact of political attentiveness. Specifically, respondents who are located outside of a party dyad (black squares) with low political sophistication are more likely to punish cabinet parties they voted for in previous elections than what their sophisticated counterparts would do. This result is revealed by the fact that the two vertical lines that represent the 95% confidence internals of the two black squares do not overlap. This particular finding therefore provides support for the first part of my second hypothesis. Moreover, as indicated by the two black diamonds and the confidence intervals associated with them, we do not find a significant difference between attentive interior voters and their non-expert counterparts. This null-finding also lends support to the second part of my second hypothesis.

In addition to my major theoretical arguments, all the control variables behave consistently with theoretical predictions in a statistically significant way. As one
would expect, partisan voters and those respondents who are satisfied with the performance of a coalition government are less likely to punish cabinet parties for the policy accommodations and compromises they made. The robustness of my major results after adding these two variables should add more confidence to the notion
that heuristic usage indeed has an impact on voting behavior.

2.6 Conclusion and Implications

While the literature that studies party behavior in parliaments frequently assumes that voters punish parties for entering coalition governments and pursuing policy compromises, there is almost no empirical evidence that supports this claim. In addition, if we scrutinize the theoretical works that invoke this assumption, we may find that the mechanism suggested by these works (originated from spatial voting models) actually fails to provide us a systematic way to show how voters perceive ideological convergence between cabinet parties (i.e. policy compromises), not mentioning the unreasonable assumptions about the informational and cognitive abilities that this argument imposes on voters. This essay is therefore an empirical attempt to examine the assumption by taking a different approach from what the spatial voting model suggests. Following what previous works suggest, I believe that the policymaking process in democracies with coalition governments is too complex for most voters to comprehend (Downs 1957; Powell and Whitten 1993). It is almost impossible for voters to acquire every single piece of information that helps them understand how the coalition policymaking process functions. However, voters should be able to generate simple but reasonable expectations about coalition politics by employing
heuristics (Duch, May and Armstrong 2010; Duch, Przepiorka and Stevenson 2015; Fortunato and Stevenson 2013).

Building on Fortunato and Stevenson’s (2013) work, I argue that these spatially motivated and party-platform concerned voters may simply employ two simple heuristics to decide whether to punish a cabinet party or not. More precisely, voters may use the coalition membership heuristic to form their expectations about ideological convergence between parties, and then identify the direction of such convergence – whether a cabinet party drifts away from or close to supporters’ ideal positions – by using a second heuristic: where they stand in the policy space relative to coalition parties. This additional heuristic conditions one’s approval of coalition compromise and further affects their voting decisions. By using CSES survey data from 27 elections in 12 West European countries, I find empirical evidence that buttresses my theory.

This study thus contributes to the literature on coalition governance by providing a piece of evidence for the assumption that scholars in this field heavily rely on. The major finding of my empirical results suggests that there is indeed an electoral price to pay if a party participates in a coalition government and shares the policymaking authority with other parties. This penalty often comes from voters who perceive themselves as not ideologically surrounded by cabinet parties since they are the ones
who dislike ideological convergence the most. Moreover, this essay also contributes to the recent emerging behavioral literature in which voters are demonstrated to be able to utilize simple and cheap informational heuristics to comprehend the political world, particularly in those complicated environments like coalitional systems. The substantive conclusion from my estimated results suggests that voters may use two simple heuristics to form expectations about the directions of the ideological movements of cabinet parties. In addition, my results may provide some indirect support for the political communication literature which contends that parties may craft political messages to counterbalance voters’ perceptions of policy compromise (e.g., Fortunato 2012, Ch4; Martin and Vanberg 2008; Klüver and Sagarzazu forthcoming). Specifically, while my study suggests that exterior voters are the ones that dislike policy compromise the most, the results that demonstrate that sophisticated exterior voters are less likely to punish cabinet parties may further suggest that those political messages initiated by party elites indeed help alter voters’ perceptions of policy compromise.

Most importantly, while my findings suggest that not all voters are alike in their tastes for party collaboration and the consequent compromise in coalition governments, it provides essential implications for political elites’ behavior in coalition systems. Specifically, while collective ruling indeed bears a cost, my findings may imply
a way to measure the potential electoral penalty for political parties. Party elites may simply target those who are more or less likely to punish coalition cooperation and then react accordingly. After all, it is impractical to expect rational politicians to simply encounter an electoral cost without attempting to manage it. Political elites must know what the cost looks like and then pursue cost-reduction strategies to manage the potential price of coalition participation. For instance, they could influence a particular type of supporters’ perceptions by differentiating themselves from their coalition partners, or they could moderate the costs by choosing who to cooperate with before forming a coalition government.

In the following chapters of this dissertation, I will develop these electoral implications in detail for elites’ behavior and then examine how these electoral costs condition political parties’ strategies of collaborating in coalition governments.
Chapter 3

A Theory of Cooperative Behavior in Coalition Governments

3.1 Motivation

Parliamentary democracies with coalition governments have generated numerous occasions for political parties to cooperate with one another. Working through collaboration, parties may be better off than they would be if they simply fought individually. For instance, before government formation, political parties are encouraged to coordinate to establish a parliamentary majority and ultimately to seize the ruling opportunity. Also, after building a coalition, cabinet parties are incentivized to work closely in order to successfully achieve the policy goals they agreed upon and thus maximize the benefits they could derive from policies (Martin 2004; Strøm and Müller 1999). Yet, while teamwork certainly helps political parties accomplish collective goals, it simultaneously involves sacrifices of individual parties’ benefits (Müller and Strøm 1999). As a result, what fosters cooperative behavior among political parties in parliamentary democracies has remained a salient question over
the decades.

In the early research on parties' cooperative behavior, particularly the coalition formation and stability literature, party characteristics – such as party size, ideology, and governing experience – and institutional and structural settings – such as constitutional features and party systems – are considered the major driving forces that make political elites more or less likely to coordinate after elections. While voters are seen as an important component that conditions party competition in multiparty systems (Downs 1957), however, this literature largely concentrates on the bargaining process among party elites with an assumption that elites' decisions about cooperation are solely independent from the electorate (e.g., Austen-Smith and Banks 1988; De Swaan 1973; Laver and Schofield 1990; Laver and Shepsle 1996; Lubbert 1986).¹ Until recently, the literature on coalition governance starts to bring voters into consideration. Specifically, scholars in this body of research contend that joint-governance requires not only cooperation but also policy accommodations, which may potentially cause the dissatisfaction of voters since a compromised policy output is very likely to deviate from a coalition party’s original policy platform. As a result, while political parties acknowledge that there is an electoral price to pay for sharing policymaking authority with other parties, they actively draw lines to

¹A small body of the coalition formation literature argues that parties are concerned about their electoral performance and assumes that voters may influence elites' decisions on collaboration (e.g., Mershon 2002; Müller and Strøm 1999; Strøm 1990a)
differentiate themselves from their coalition partners in order to avoid the potential penalty (e.g., Carroll and Cox 2012; Falcó-Gimeno 2014; Heller 2001; Kim and Loewenberg 2005; Lipsemeyer and Pierce 2011; Martin and Vanberg 2005, 2008, 2011; Müller 2000; Müller and Meyer 2010; Thies 2001). Put alternatively, coalition parties are encouraged to act uncooperatively even when they team up with their partners in the policymaking process.

Certainly, rational political actors do not simply encounter costs, but attempt to manage them. Parties should anticipate the potential electoral loss and act strategically to reduce it with an aim of standing out in next election. For instance, they may choose to enter or stay out of specific coalitions before forming a coalition (e.g., Mershon 2002, Strøm 1990a), or to signal to their supporters that they never made compromises in the collective policymaking process (Martin and Vanberg 2008, 2011). However, up until now, while recognizing the potential electoral danger, the current literature relies heavily on this simple assumption that the electorate plays an influential role on elites’ behavior but provides no investigation on what this “electoral price” may look like and how exactly voters may influence parties’ cooperative behavior. It is simply assumed that political elites all suffer the same electoral loss for cooperating with each other and that they act similarly in order to mitigate the cost. This raises at least three critical questions that need further investigations:
1) Does the electoral cost vary across parties? 2) How do political elites estimate the potential price for joining coalitions? 3) How would the cost condition parties’ incentive to cooperate? After all, if parties know where the cost comes from and how much it will be, they should be able to manage the potential electoral danger accordingly.

To answer these questions, the aim of this chapter is to establish a direct connection between the electorate and political elites by providing the first attempt to gauge the “electoral price” of coalition governing. I propose a feature of parties (or pairs of parties) that I think it conditions the incentive of parties to manage the electoral price of cooperation in coalition governments. Specifically, in the previous chapter, I have shown that those voters who perceived themselves ideologically standing in between two parties are less likely to punish policy compromise in coalitions. This is because, compared with their “exterior” counterparts, these ideological interiors are more likely to expect a dyad of coalition parties to move toward them. This implies that political elites could simply use the size of such “interior supporters” as a proxy to estimate the potential electoral penalty of coalition collaboration and then respond to it accordingly. For instance, two parties may choose to form a coalition with each other when most of their supporters are located in between them. They choose to do so because they anticipate that the majority of their supporters might
reward, rather than punish, them for coalescing with each other.

In the rest of the paper, I first review the literature of coalition formation and coalition governance and then point out the current gap in the literature. I will then provide a theory, building upon the empirical findings from the last chapter, explaining how party supporters may influence political elites’ cooperative strategies. Afterward, I derive two hypotheses from the existing literature on political elites’ cooperative behavior.

3.2 The Literature

Traditional research on collaborative behavior between political parties has been concerned primarily with the theme of government formation, including questions like which party gets into coalition, and how long a coalition government lasts. Both the theoretical and empirical works designed to predict the party composition of coalition governments has largely focused on party characteristics (e.g., Axelord 1970; De Swaan 1973; Döring and Hellström 2013; Golder 2006; Martin and Stevenson 2010; Laver and Shapsle 1996; Martin and Vanberg 2003; Riker 1962; Schofiled 1996; Sened 1996; van Roozendaal 1990; Warwick 1999) and institutional and structural features (e.g., Dodd 1976; Druckman and Thies 2002; Druckman, Martin, and Thies 2005; Golder 2005; Indridason 2013; Kang 2009; King et al. 1990; Laver and Schofiled
1990; Lupia and Strøm 1995; Martin and Stevenson 2001; Strøm 1990b; Strøm, Budge and Laver 1994; Strøm and Swindle 2002). In general, the interest of this scholarly literature has mainly landed on discovering what party characteristics and which types of institutions may grant parties an advantageous status in the coalition formation process and the subsequent governing period. Yet, while the role played by voters has been considered one of the essential factors that drive party competition in parliamentary democracies (e.g., Adams et al. 2004; Downs 1957; Mershon 2002; Powell 2000), how exactly the electorate affects the cooperative behavior between political parties has been surprisingly understudied. Voters, in this particular literature, are assumed to be a less relevant element in the decision making process of political elites (but also see Mershon 2002; Müller and Strøm 1999; Strøm 1990a).

Recent theoretical works on coalition policymaking have explicitly challenged this “voter-free” approach. In their works, Martin and Vanberg (2008, 2011) bring party supporters into consideration and contend that cooperating with other parties in coalitions actually comes with an electoral cost. Specifically, since successful multiparty governance requires each coalition member to accommodate policies to its partners’ interests, the resulting policy output is absolutely not a good reflection of the original platform of a party. Such an outcome may further alienate support-

\footnote{Also see Strøm, Müller, and Bergman (2008) for a discussion of other clusters of explanatory variables.}
ers from the party when they become dissatisfied with the policy adjustments and think that the party has failed to honor the policy promises it made in campaigns. Consequently, the electoral fortune of governing parties is endangered. Martin and Vanberg (2008) explain the rationale in the following way:

“[Policy] compromise obscures the relationship between the policies a party supports as a member of the government and its “pure” policy commitments. As a result, participation in coalition has the potential to undermine a party’s carefully established profile and to erode support among constituents with a particular concern for the party’s traditional goals.” (p. 583)

Highlighting the dilemma between incentives to maintain effective multiparty policymaking and to balance the potential electoral punishment of joint-governance, Martin and Vanberg (2008) further argue that parties in a coalition are encouraged to play a “non-cooperative game” during the collective ruling period. More precisely, party leaders have great incentive to show their constituents that they are “fighting the good fights”. One way to do so is to communicate with party supporters through parliamentary speeches. Their study offers supportive empirical evidence for their argument: party elites engage in legislative debate more extensively on policy areas that are highly divisive among coalition members than that are non-divisive.
Additionally, Fortunato (2012) shows empirically that cabinet parties employ parliamentary amendments as another type of signaling device to convince their supporters that they have fought rigorously to preserve the interests of party supporters.

The same electoral cost assumption can also be found in the studies that examine how cabinet parties could effectively solve delegation problems in the coalition policymaking process. This line of research demonstrates that cabinet parties may employ coalition agreement (e.g., Indridason and Kristinsson 2013), cabinet institutions (e.g., Andeweg and Timmermans 2008; Lipsmeyer and Pierce 2011; Müller and Strøm 2000; Thies 2001), and parliamentary institutions (e.g., Carroll and Cox 2012; Martin and Vanberg 2005, 2011; Müller and Meyer 2010) to monitor and constrain their partners in order to prevent potential compromise-breaking activities. The fear of electoral punishment is precisely one of the major causes that drive such deviating behavior of parties in coalition governments.

In fact, this assumption of the coordination cost is empirically buttressed to some extent by several recent works on mass behavior in parliamentary democracies with coalition governments. Specifically, Fortunato and Stevenson (2013) argue that voters tend to use coalition membership as a heuristic to update their perceptions of party policy positions. They find empirical evidence that voters see coalition partners as more ideologically similar than non-partners. Building on this particular
empirical finding, Fortunato (2012, Ch3) further demonstrates that coalition parties that are perceived to be ideologically close to their partners are more likely to be punished by supporters in elections. In addition to the empirical evidence, the Dutch Labour Party in 1950s, the Irish Labour Party in 1987, the New Zealand First Party in 1996, and the recent British Liberal Democratic Party 2015 can serve as good anecdotal examples that bolster this assumption. These parties were punished badly after their joint-governing experiences.

Taking the above discussion together, this emerging literature implies that the electorate does impose its effect on political parties’ cooperative behavior. The empirical results of this literature suggest that parties in a multiparty government recognize the potential electoral danger for joint-governance and as a result they all fight fiercely in order to minimize such cost. However, a gap still exists in this literature. That is, these works at best offer indirect evidence for voters’ impact on parties’ coalition behavior. Until now there has been little research that attempts to directly examine how exactly voters or features of the electorate affect the collaborative strategies of political elites. Most of the explanatory variables adopted in these works are still the ones that are designed to capture the effects of party and institutional features.\(^3\) Consequently, we still lack answers in questions such as how

\(^3\)A recent empirical work by Fortunato (2012) is the only exception. Building on the works by Martin and Vanberg (2008) and Fortunato and Stevenson (2013), Fortunato argues that cabinet
the electoral cost looks like, whether the cost varies across parties, and whether there is a way to measure the cost. In the following section, I will provide a more detailed discussion and then offer an empirical attempt to fill the void in the literature.

3.3 Gauging the Electoral Cost by Locating Interior Voters

As I have discussed in the previous chapter, the whole rationale that explains why supporters punish parties for making compromises in coalition governments is actually derived from the traditional spatial voting perspective. That is, the likelihood of a voter’s support to a party is assumed to be conditioned on the ideological distance between the party and the voter. Thus, when the voter perceives that the party is moving away from him and toward its coalition partner, he then punishes the party. In fact, in addition to the voter’s utility function, another assumption on voters is being implicitly made by spatial voting models. Specifically, the distribution of supporters of a party is assumed to be normally distributed and centered around the ideal point of the party. It then implies that when a left-leaning party moves its policy position rightward in order to accommodate its right-leaning cabinet partner, it suffers serious electoral loss from those far-left supporters. Likewise, the

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parties have great incentives to differentiate themselves from their coalition partners when voters perceive them to be ideologically similar. His empirical results work consistently with his claim, and show that parties offer more amendments to the bills introduced by coalition partners.
same punishment occurs when supporters of a right-leaning party believe that the party is moving leftward toward its coalition partner. As a result, coalition parties are encouraged to influence voters’ perceptions of their policy positions by playing a non-cooperative game even though they are on the same team. That is, they need to make their own supporters believe that they never moved their policy positions at all.

The assumptions above suggest that the price for a party to cooperate with its partner in a coalition is largely determined by how much compromise the party makes (i.e., how far it moves away from its constituents) and how much effort it contributes to change its supporters’ perception of the resulting positional change. This essentially makes the features of voters less interesting for scholars in this literature since the ideological distance between parties could do a nice job as a proxy of approximating the potential electoral cost of cooperation in coalitions (e.g., Golder 2006; Martin and Vanberg 2008; 2011). This potentially explains why the recent literature on coalition governance relies heavily on the assumption that ruling jointly bears a cost while it does not investigate what the cost may look like. After all, in this perspective, the electoral concern has been well taken care of by empirically incorporating the ideological proximity of coalition partners.

However, in reality this simple assumption of voter distribution may not be accu-
rate and the resulting empirical strategy could thus lead to a biased inference. This can be visually explained in the figure below. Assuming there are three parties in a single-dimensional policy space, as illustrated in the upper panel in Figure 3.1. \( P_A, P_B, \) and \( P_C \) represent the ideal positions of these parties, and the corresponding distributions represent the supporter distributions for each party. As argued by the spatial voting literature, I assume that each distribution of supporters is normally distributed and centered around the ideal point of each party. If we follow the traditional spatial voting perspective and holding all else equal, quite possibly, party A and party B will form a coalition government (or use other forms of cooperation) because in this case each party would make less policy accommodations than they would do in alternative coalitions. Moreover, as the coalition governance literature would suggest, if their supporters perceived policy compromise in the subsequent policymaking period, both parties would have electoral motivations to engage in activities that help them differentiate themselves from their partners.

However, the above prediction could be dramatically altered if we tell a different story about voter distributions. The lower panel in Figure 3.1 depicts a different situation where the distributions of supporters are skewed and not exactly centered on the ideal points of these parties. Under this hypothetical circumstance, most of the supporters of party A and party C are located at the left side of the party
positions, while a large portion of party B’s voters landed at the right side of the party’s ideal point. I argue that the change of the assumption of voter distributions may result in differential behavioral implications for party elites’ coalition strategies, and thus make it necessary for parties to look closely where their supporters are located.

Specifically, in the preceding chapter I demonstrated that party supporters who are ideologically located in between two parties are less likely to punish parties for
building a coalition together. These “interior” voters actually prefer to see the two parties that surrounded them govern jointly because they anticipate that a closer party position will come after coalition compromises are made. These findings first imply a different coalition formation strategy for parties. That is, the coalition between party B and party C becomes a better alternative than the coalition between party A and party B. The rationale behind is straightforward. When party B is looking for a potential coalition partner, party C becomes a better option as it shares a good number of interior voters with party B. Both parties may expect the coalition built by them to be favored by most of their supporters and consequently they are less likely to be punished if they make policy compromises. On the contrary, since party B shares very few interior voters with party A, the coalition between party A and party B – as predicted by the spatial voting literature – is no longer the most optimistic choice. This is because the policy compromise made by party A and party B, if they formed a coalition, would not be appreciated by their supporters, even though these two parties are ideologically closer to each other. The policy adjustments that party A and party B would make may lead most of their supporters to believe that these two parties are moving away from them (since most supporters are exterior voters). Moreover, we could also apply the same rationale to cabinet parties’ efforts on making policy distinctions, which generates another behavioral implication. When parties B
and C acknowledge that the partnership between them is less likely to be punished, their electoral incentive to differentiate one from the other is reduced.

In sum, the above discussion suggests that party elites may gauge the potential electoral costs by directly identifying the location of their supporters in a policy space, and see how many interior voters they share with other parties. In this perspective, I argue that ideological interior voters serve as a signaling device that informs political parties about not only whether there is potential common ground in terms of policy (Levendusky and Pope 2011), but also whether a potential coalition would be favored (Gschwend and Hooghe 2008; Meffert and Gschwend 2012). When parties learn where the electoral danger comes from, it should be fairly easy for them to manage.

3.4 The Hypothesis of Cooperative Behavior

Making strategic moves in order to respond to how voters are distributed and thus maximize party benefits is not something innovative. Many scholars have argued that political parties act strategically in order to react to the ideological locations of voters. For instance, parties may adjust their policy positions in response to changes in public opinion (e.g., Adams et al. 2004, 2009; Ezrow et al. 2011; Klüver and Spoon forthcoming; McDonald and Budge 2005) and to the mean position of party
supporters (e.g., Ezrow et al. 2011). In this chapter, I contend that the cooperative behavior of political parties is conditioned on how their supporters are distributed. More concretely, I argue that political parties may approximate the extent of the electoral danger they could face when they make choices that are associated with collaboration across party lines. They may first identify the locations of voters on policy spaces and then measure the size of interior supporters they share with other parties. With such information political elites then are able to infer voter’ preference about party collaboration (and essentially policy compromise) and ultimately to avoid or reduce the potential electoral cost that comes with it. In other words, after knowing what exactly the potential electoral punishment may look like, parties should be more (or less) willing to be involved in cooperative activities. For instance, party elites may select which party to work with or whether there is a need for being uncooperative during the joint-ruling process. After all, when parties share more like-minded voters, they are more likely to coordinate with each other (Golder 2006). The above argument generates a major hypothesis for parties’ cooperative behavior:

**Cooperative Hypothesis:** Political parties’ willingness to cooperate (not cooperate) with other parties is positively (negatively) associated with the size of “interior supporters” in between them.
To examine my argument, in the following two chapters I will empirically test political parties’ behavior during the coalition policymaking process and the government formation process. The cooperative hypothesis could be rewritten into two testable hypotheses that correspond to different kinds of party behavior as what follows:

**Differentiation Hypothesis**: Political parties’ efforts to differentiate themselves from their partners is negatively associated with the size of “interior supporters” in between them.

**Coalition Membership Hypothesis**: Political parties are more likely to form coalitions with each other when the size of “interior supporters” between them increases.
Chapter 4

Shared Interior Voters and Elites’ Incentives of Making Policy Differentiation

4.1 Introduction

One of the chief electoral dilemmas faced by political parties in multiparty democracies, is the need to rule collectively with other parties while at the same time running elections independently (Laver and Schofield 1990; Martin and Vanberg 2008). On the one hand, while political parties have their own policy goals to pursue, they are required to cooperate with each other such as making policy compromises in the joint decision-making process in order to retain the effectiveness of coalition governance (Strøm and Müller 1999). On the other hand, such collaborative behavior comes with a price. It endangers a party’s electoral fortune if the party is perceived as abandoning or selling out its supporters (Fortunato 2012). As a result, to successfully compete in elections, parties in coalitions are motivated to actively engage in activities that help distinguish themselves from their coalition partners in order to prevent the potential electoral loss (Martin and Vanberg 2008, 2011).
One way of doing so is to communicate with party supporters directly to clarify a party’s own policy profiles. Recent empirical works have demonstrated that parties in coalitions employ venues such as parliamentary speeches (Martin and Vanberg 2008), legislative amendments (Fortunato 2012, Ch4), and press releases (Klüver and Sagarzazu forthcoming) to speak to their constituents without being constrained by their coalition partners. Through political communication coalition parties may justify their coalition behavior, clarify their policy positions, and differentiate themselves from their coalition partners. Ultimately parties are able to make their supporters believe that they are still standing by the side of voters. The recent UK coalition between the Conservative Party and the Liberal Democratic Party is a good anecdotal example to explain why policy differentiation is important for parties in coalitions. Since the first day of the coalition, the LDP has in many occasions attempted to remind voters that its party platform is in many ways different from its Tory partner. For instance, the LDP leader, Nick Clegg, has criticized the Conservative’s plans for welfare cuts many times. Moreover, the LDP’s efforts of making differentiation increased significantly right before the 2015 general election. After all, the electoral concern provides coalition parties a legitimate reason to be uncooperative although they have to work closely on coalition policymaking.

However, making differentiation is not cost-free. When a coalition party tries to
draw clear lines to distinguish itself from its partners, it simultaneously imposes a reputation cost on the party (Martin and Vanberg 2011), which may ruin potential governing opportunities in the future (Tavits 2008). Thus, if party elites are rational, it is unrealistic to believe that they would blindly deploy their resources to distinguish themselves from cabinet partners. They should gauge the potential electoral cost and understand possible trade-offs before making such decisions. Yet, while the coalition governance literature has largely recognized the potential cost of cooperation in coalition governments, the question of how exactly parties may measure such cost is totally overlooked. To fill this void, I argue that the electoral price of collaboration varies across parties and propose a feature of parties (more precisely, a dyad of cabinet parties) with which coalition partners are able to get a sense of what the potential cost may look like. I then focus on parties’ efforts on making policy differentiation and contend that the electoral incentive to make differentiation (i.e., being uncooperative) is conditioned on the extent to which they share interior supporters. As I discussed in Chapter 3, the intuition behind this argument is that these ideological interiors are less likely to punish coalition parties because they believe cooperation across party lines will eventually bring coalition parties closer to them. Anticipating that they are less likely to be punished, parties therefore have greater incentive to cooperate without making efforts on policy differentiation since
their electoral concerns have been relieved. This brings us the following hypothesis:

**Differentiation Hypothesis**: Political parties’ efforts to differentiate themselves from their partners is negatively associated with the size of “interior supporters” between them.

In this chapter, I empirically test my conjecture by focusing on coalition parties’ efforts to contrast their policy positions from those of their partners. Specifically, I focus on parliamentary speeches made by cabinet parties and examine whether the extent to which parties involve in floor debates are conditioned by the size of their shared interior supporters. The hypothesis above is then tested with the floor debate data produced by Martin and Vanberg (2008) and the survey data from European Election Survey and Comparative Study of Electoral Systems. My empirical results suggest that the efforts parties pour into making policy distinctions are affected by how many interior supporters they share with other parties. More precisely, when a pair of coalition partners shares more interior supporters, they make fewer speeches on government legislation in floor debates. On the contrary, when the two cabinet parties share fewer interior supporters, they tend to engage in more extensive debates.

This essay contributes to the coalition governance literature by providing a way for political parties to measure the potential electoral penalty of collaborating with other parties. The results suggest that rational politician may look at where their
supporters are in the policy space and then act strategically in order to maximize their electoral gains. Further, the scholarly literature that studies cooperative behavior of political parties in the parliamentary democracies is traditionally “voter-free”. This study therefore contributes to this body of research by empirically demonstrating that party elites’ behavior is influenced by a specific feature of voters. More importantly, this chapter adds another piece of evidence to the emerging literature that aims to empirically bridge voters and elites’ coalition behavior (e.g., Fortunato 2012, Ch4) by modelling parliamentary debates with the proportion of interior supporters shared by cabinet parties.

In what follows I will illustrate the research design of my empirical test, and then discuss the empirical results and their implications afterward.

4.2 Data and Research Design

Examining my hypothesis on parties’ efforts of making policy differentiation requires information on parliamentary activities such as legislative debates, oral and written questions, and bill amendments. These activities provide party elites unique opportunities to directly advertise their positions on government policies, and therefore they serve as effective tools to help parties draw clear lines that distinguish them from their coalition partners (Fortunato 2012, Ch4; Martin and Vanberg 2008; Rozenberg
et al. 2011; Tzelgov Forthcoming). In this chapter, I employ the floor speech dataset that was originally collected by Martin and Vanberg (2008) to test my argument. This dataset contains parliamentary debates on about 190 government bills in lower chambers in two Western European countries: Germany (1994-2002) and the Netherlands (1994-2002). As I will discuss below, I concentrate on cabinet parties and the speeches they made on policy areas that are associated with the general left-right dimension, and then examine the factors that condition party elites’ incentives to make these speeches.

Similar to Martin and Vanberg, I employ the length of parliamentary speeches as the dependent variable. In their words: “speech length is a reasonable proxy for the extensiveness of a party’s attempt to communicate its position on a particular scale” (2008: 507). The rationale is fairly straightforward: the more extensive a party addresses a government bill, the clearer the message the party sends out to its supporters. In other words, the length of a legislative speech serves as a nice venue that approximates a cabinet party’s effort and willingness to communicate with its constituents on a particular policy. If a party leader wants to justify the party’s behavior on policy accommodations it has made, or take a particular position on policy compromises the coalition has agreed upon, we expect the leader to engage in a detailed speech.
4.2.1 Dependent and Independent Variables

Since my major explanatory variable is at the party-dyad level, I need to restructure Martin and Vanberg’s original data from party-level to party-dyad level in order to build the dependent variable appropriately. In this way, what my dependent variable captures is the sum of the total number of words that a pair of cabinet parties contributes to government legislation. It thus represents the joint-efforts that the two cabinet partners made in floor debate on policies, rather than one particular speech addressed by one single party. Moreover, while I am interested in how the distribution of voters influences elites’ cooperative behavior, it is worth noting that oftentimes voters’ perceptions regarding ideological competition are landed on a unidimensional left-right space. Particularly in Western democracies, voters usually employ a generalized left-right scale to comprehend the political world (Laver and Budge 1992). Therefore, to examine my conjecture it is ideal to focus on those issue areas that are associated with the generalized left-right policy dimension, rather than on those policies that may fall on orthogonal dimensions. As a result, I concentrate on parliamentary legislation that falls in the following three categories: tax and welfare, industry and markets, and social policies.¹ After restructuring the dataset, my

¹Martin and Vanberg’s original dataset covers policies across five issue areas, including tax and welfare, industry and markets, environmental, social, and regional.
unit of analysis is cabinet party dyads. The structural transformation of the data provides me a total number of 331 cabinet partner dyads. The distribution of the data is presented in Table 4.1.

Table 4.1 : Distribution of Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Governing Period</th>
<th>Cabinet Composition</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>1994 - 1998</td>
<td>CDU/CSU, FDP</td>
<td>42</td>
</tr>
<tr>
<td>Germany</td>
<td>1998 - 2002</td>
<td>SPD, Greens</td>
<td>40</td>
</tr>
</tbody>
</table>

Total Partner Dyads 331

Further, the major independent variable is the proportion of interior supporters of a dyad of cabinet parties. My argument suggests that this information helps incumbent coalition partners gauge potential electoral costs. In the real political world, one direct way party elites could approach such information is to conduct national surveys to get a sense of how their supporters are distributed and to what extent their supporters are overlapped with that of other parties. Thus, I rely on EES surveys conducted in 1994 and CSES surveys in 1998 (first wave) and 2002 (second wave) to generate my explanatory variable. I first identify those interior supporters – party voters of a pair of cabinet parties – who consider themselves ideologically located in between the two parties on a general left-right policy space,
and then calculate the ratio of interior supporters to the total voters of these two coalition partners. After generating such information, I then combine it with the parliamentary debate dataset. Specifically, I match government legislation proposed in the period between 1994 and 1996 with the voter data generated from EES 1994 survey, legislation introduced in the period between 1997 and 1999 with the voter data from CSES 1998, and legislation conducted in the 2000-2002 period with the voter data from CSES 2002. Here I assume public opinion is relatively stable and lasts for a short period of time, and therefore it could be useful information for political parties.2

In general, I expect to see a negative effect of the proportion of interior supporters on the total number of words that a party-dyad contributes to a policy in floor debates. That is, when two cabinet parties share more interior supporters, they are less willing to be uncooperative – engage in extensive speeches – since they acknowledge that their collaboration will not be punished.

4.2.2 Control Variables

In addition to the main variables of interest, I also control for a number of factors that influence parties’ willingness to engage in legislative debates. First, Fortunato

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2Ideally my design would be better off if I could use national surveys that are conducted on the yearly basis. However, due to the lack of such surveys (that are public) I have to make a compromise and thus I use electoral surveys with a longer time interval instead.
(2012, Ch4) argues that, in order to avoid electoral punishment, a cabinet party is motivated to make policy differentiation when it is perceived to be ideological proximate to its coalition partners. To take this into account, I include a variable that captures voters’ perceived left-right distance for each dyad of coalition parties. I expect to see a negative relationship between voters’ perceived distance of a party dyad and the joint-length of legislative speeches the pair of parties make. That is, the closer a pair of parties is perceived by the public, the more words they say on parliamentary bills. On the contrary, the more distant the two parties are perceived, the less extensive they engage in legislative debates.

Second, in the empirical model I also include a variable that measures the ideological conflict between cabinet parties on policies in order to control for the influence of ideological divergence on parties’ legislative speeches. I obtain the information on party policy positions from the expert survey conducted by Benoit and Laver (2006). With this information I first calculate the ideological distance for each pair of government parties, and then weight this distance measure by issue saliency. The expectation is simple: coalition partners will engage in more extensive debates on government bills when the disagreement between them on those bills increases.\(^3\)

Third, as suggested by Martin and Vanberg (2008), it is also important to control

\(^3\)The major empirical results still hold even if I remove the saliency weight from the distance measure.
for the debate behavior of parties in opposition since floor debate provide a unique opportunity for opposition parties to directly interact with government parties. On the one hand, by engaging in parliamentary speeches opposition parties are offered a chance to advertise their own platforms by, for instance, challenging government policies and suggesting potential policy alternatives. It is thus reasonable to expect that opposition parties will be motivated to craft lengthy speeches to criticize cabinet parties. On the other hand, confronting extensive criticisms from the opposition on their policies, cabinet parties should be encouraged to prepare even lengthier responses in return in order to explain and justify their policy positions. Consequently, we should expect to see a positive effect of the speeches made by opposition parties on the extent to which cabinet parties are involved in parliamentary debate. To control for this potential effect, I include a variable that measures the total number of words in speeches made by opposition parties for each bill.

Fourth, the literature on party competition has demonstrated that political parties may act strategically in order to respond to changes in public opinion (Adams et al. 2004; Ezrow et al. 2011; Stimson, Mackuen and Erikson 1995). They may adopt whatever positions on policies that voters prefer. Such electoral connection therefore assures correspondence between the public and political elites (Miller and Stokes 1963). While the attempts at making policy differentiation in parliamentary
debate help parties counterbalance supporters’ perceptions of policy compromise, it also can be seen as a way to respond to party supporters (Hetherington 2001; Lowry and Shipan 2002). In other words, legislative speeches is not only a tool that party elites employ to adjust voters’ perception of the party’s policy position and thus make supporters believe that the party has not abandoned them, but also a way to convince supporters that the party is responding to what they actually like. In this sense, if supporters of a pair of cabinet parties are polarized (i.e., ideologically distant from each other), then these two parties should have greater incentive to talk lengthily in order to differentiate their positions and respond to their supporters. To account for this, I use the ideological self-placement question to capture the median positions of supporters for each cabinet party, and then calculate the absolute median distance of party supporters. I expect to see a positive effect of this variable on parties’ joint-efforts on speeches.

Moreover, electoral cycle is another essential factor that drives the behavior of parties in coalitions (Klüver and Sagarzazu forthcoming; Martin and Vanberg 2008; Lupia and Strøm 1995; Zubek and Klüver 2015). The idea behind it is simple: while the ultimate goal of making parliamentary speeches is to communicate with party supporters, cabinet parties may strategically put more emphasis on what they have done in order to impress their constituents when elections approach. Therefore,
I include a variable that counts the number of days a bill remains until the next scheduled elections to control for the impact of electoral cycle on parties’ legislative speeches. Here, I expect a negative relationship between these two variables. That is, cabinet parties should make more speeches on government bills when elections are approaching.

Party size is another factor that should not be ignored, since parliamentary seats in general represent the resource parties possess in the policymaking process (e.g., Riker 1962; Gamson 1961). The larger a party is, the more resource the party is able to devote to parliamentary activities such as cultivating policy expertise, drafting legislation and parliamentary speeches, and scrutinizing its cabinet partners. Therefore, I include a variable that measures the total size for each partner dyad, and I expect a positive impact of it on the length of parliamentary debates of parties. Additionally, complexity of legislation also matters because complex bills may receive greater attention from legislators than those bills that are less complicated. For this purpose I then include a measure of the number of articles as a proxy to capture the degree of bill complexity. In general, I expect to see cabinet parties talk more about those bills designed with a greater number of articles.

Finally, in the empirical model I include a dummy variable that indicates whether two parties in a partner dyad are both non-ministerial parties. I expect that a non-
ministerial party is less likely to craft lengthy speeches than a ministerial party on a
given policy since the latter has greater incentives to defend a bill that comes from
its own. I also control for issue area and country fixed effects in order to account
for the unobserved biases at these levels. The descriptive statistics are reported in
Table 4.2.

Table 4.2: Summary Statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min.</th>
<th>Max.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speech Length (Cabinet Parties)</td>
<td>15122.9</td>
<td>14987.199</td>
<td>0</td>
<td>91194</td>
</tr>
<tr>
<td>% Shared Interior Supporters</td>
<td>0.43</td>
<td>0.251</td>
<td>0.078</td>
<td>0.788</td>
</tr>
<tr>
<td>Voters’ Perception of Party Distance</td>
<td>1.745</td>
<td>1.025</td>
<td>0.427</td>
<td>3.595</td>
</tr>
<tr>
<td>Policy Conflict between Parties</td>
<td>6.411</td>
<td>4.897</td>
<td>0.508</td>
<td>13.574</td>
</tr>
<tr>
<td>Logged Speech Length (Opposition Parties)</td>
<td>9.036</td>
<td>1.322</td>
<td>4.443</td>
<td>11.451</td>
</tr>
<tr>
<td>Electoral Cycle (logged days)</td>
<td>6.175</td>
<td>0.831</td>
<td>2.944</td>
<td>7.236</td>
</tr>
<tr>
<td>Median Distance between Party Supporters</td>
<td>1.77</td>
<td>1.091</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Total Seats</td>
<td>0.441</td>
<td>0.068</td>
<td>0.346</td>
<td>0.553</td>
</tr>
<tr>
<td>Number of Articles (logged)</td>
<td>3.168</td>
<td>1.27</td>
<td>0</td>
<td>6.589</td>
</tr>
<tr>
<td>Partner Dyad</td>
<td>0.251</td>
<td>0.434</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Germany</td>
<td>0.248</td>
<td>0.432</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

4.2.3 Statistical Model

Since my dependent variable is a number of counts that measures the joint length of
speeches (i.e. number of words) generated by a pair of coalition parties, I will utilize
an event count model rather than the traditional OLS model as the latter relies on
particular assumptions that are not completely satisfied with the type of count data that we are dealing with here.\(^4\) Moreover, I follow Martin and Vanberg’s (2008) strategy by employing the negative binomial model, rather than the Poisson model, to examine my hypothesis empirically. This is because legislative speech data involves over-dispersion as they are very unlikely to be independent from one another (that is, drafting the first speech makes drafting following speeches more likely), it may result in underestimated standard errors if we chose the Poisson regression to model the stochastic component (King 1988). Instead, the negative binomial model solves this issue by providing an extra parameter to model over-dispersion and allowing the variance to be different from the mean. Therefore, it serves as a better alternative to the Possion regression.

### 4.3 Empirical Results

The estimated results are presented in Table 4.3, in which one may find supportive evidence for my major hypothesis. As I expected, the direction of the coefficient of the size of interior supporters is negative and statistically significant. That is, when two cabinet parties share more interior voters, they have less incentive to be

\(^4\)First, the OLS model assumes that the dependent variable is continuous and does not come with lower and upper bounds. While a count variable has a lower bound at zero, the OLS model could easily provide predicted values that go below the lower bound (i.e. negative values). Also, the OLS model assumes that the variable is normally distributed and centered at its mean, which can be very different from what the true distribution of a count variable is.
uncooperative since they have less electoral costs to worry about. Consequently, they are less willing to engage in floor debate and thus spend less effort on making legislative speeches on government policies.

In addition to my major hypothesis, the effects of several control variables are also worth discussing. First, consistent with Fortunato’s (2012) work, my results indicate that voters’ perception of the ideological distance of a pair of cabinet parties exerts a negative effect on parties’ debate behavior. Specifically, when two cabinet partners are perceived to be too close to each other, they speak loudly and rigorously in floor debates in order to clarify their party profiles. Taking this particular finding and my major finding above together, it reinforces my conjecture that party elites do pay attentions to voters and then act strategically in the joint-ruling process.

Second, as the conventional coalition governance literature would expect, ideological conflict is still the driving force of political parties’ behavior in coalition governments. The results suggest that when the preference of two cabinet parties on a given policy diverges seriously, they actively participate in floor debates and make lengthy speeches.

Third, consistent with what Martin and Vanberg (2008) suggest, the speeches made by opposition parties exert significant influence on the extensiveness of speeches made by coalition parties. That is, when their counterparts in the opposition address
Table 4.3: Determinants of the Speech Length of Cabinet Party Dyads

<table>
<thead>
<tr>
<th>Determinant</th>
<th>Coefficient</th>
<th>Standard Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Shared Interior Supporters</td>
<td>-0.36*</td>
<td>(0.16)</td>
</tr>
<tr>
<td>Voters’ Perception of Party Distance</td>
<td>-0.19*</td>
<td>(0.08)</td>
</tr>
<tr>
<td>Policy Distance between Parties</td>
<td>0.02*</td>
<td>(0.01)</td>
</tr>
<tr>
<td>Speech Length of Opposition Parties (logged words)</td>
<td>0.66**</td>
<td>(0.04)</td>
</tr>
<tr>
<td>Distance between Party Supporters</td>
<td>0.02</td>
<td>(0.05)</td>
</tr>
<tr>
<td>Electoral Cycle (logged days)</td>
<td>-0.10*</td>
<td>(0.05)</td>
</tr>
<tr>
<td>Total Seats</td>
<td>2.61**</td>
<td>(0.72)</td>
</tr>
<tr>
<td>Number of Articles (logged)</td>
<td>0.09**</td>
<td>(0.03)</td>
</tr>
<tr>
<td>Partner Dyad</td>
<td>-0.01</td>
<td>(0.07)</td>
</tr>
<tr>
<td>Industry and Markets</td>
<td>0.25†</td>
<td>(0.14)</td>
</tr>
<tr>
<td>Social Policy</td>
<td>-0.03</td>
<td>(0.08)</td>
</tr>
<tr>
<td>Germany</td>
<td>-0.95**</td>
<td>(0.16)</td>
</tr>
<tr>
<td>Constant</td>
<td>2.99**</td>
<td>(0.48)</td>
</tr>
<tr>
<td>Dispersion Parameter</td>
<td>-1.41**</td>
<td>(0.15)</td>
</tr>
</tbody>
</table>

Observations (bills/dyads) 162/331
Log-Likelihood -3262.79

Robust standard errors (clustering on bill) in parentheses.
† p<0.1; * p<0.05; ** p<0.01
more on government policies, coalition parties are more likely to engage in deep debates to defend their policy positions.

Moreover, the estimated result of electoral cycle on the length of parliamentary speeches also works as what the theory predicts. The negative and statistically significant coefficient indicates that cabinet parties in general talk less when elections are still far away. Yet, they start to participate in debates actively and create lengthy speeches on policies when national elections approach.

Although I do not see a significant impact from the distance between party supporters on party speech length, it is worth noting that the direction of the coefficient is consistent with my expectation. Specifically, the positive coefficient suggests that cabinet parties make long speeches when their supporters are ideologically distant from each other. This might suggest that cabinet parties are as responsive in the policymaking process as they are in election campaigns. Of course, it definitely needs further investigation and a better design to bolster such an argument.

The estimated results of the remaining control variables all support my expectations. The more legislative seats two cabinet parties contribute to the cabinet, the lengthier the speeches they craft on government policies. Also, the complexity of legislation increases cabinet parties’ incentives to engage in floor debates. That is, coalition partners make extensive speeches on those bills that come with substantial
policy details.

Interpreting the substantive effect of the results needs more elaboration. While this is not an OLS model, it is somewhat difficult to directly explain the impact of the major explanatory variable as well as the effects of other covariates on the length of parliamentary speeches. Therefore, following King, Tomz and Wittenberg (2000), I perform a simulation exercise in order to better understand the relationship between the major variables of my interest. I first draw 1,000 simulated values of the parameters in the estimated model from a multivariate normal distribution, and based on these simulated quantities I then generate two sets of predicted values for the dependent variable – the number of words that a pair of cabinet parties made on government bills during floor debate. For the first 1,000 predicted values I hold each control variable constant at its mean value and set the major independent variable – shared interior supporters – at its 10th quantile value, while for the second 1,000 predicted values I change the value of explanatory variable to its 90th quantile value.

The simulated results are plotted in Figure 4.1, in which the two distributions represent the frequencies of predicted length (in words) of parliamentary speeches made by two cabinet parties on a hypothetical government bill. The lighter distribution shows the scenario where the two partners share few interior supporters, while the darker distribution illustrates the case where there are more interior supporters.
The dashed lines indicate the median values of these distributions.

Figure 4.1: Predicted Speech Length for Cabinet Party Dyad

As Figure 4.1 shows, the shared amount of interior supporters exerts a significant effect on cabinet parties’ efforts at making legislative speeches. No simulated speech length for the scenario where cabinet parties share more interior supporters is greater than or equal to the median predicted length for the case where partners share few interior supporter. Likewise, no predicted speech length for the case when cabinet parties share fewer interior supporters is less than or equal to the median predicted
length for the case where partners share many interior supporters. The substantive conclusion from Figure 4.1 is thus clear. When two cabinet parties share more interior supporters, they make significantly fewer efforts to participate in floor debates than they do when they share few interior supporters. In general, when there are a significant number of supporters located in between two cabinet parties, they only produce around 8,950 words together in their speeches on a government bill. On the contrary, when they do not share that many like-minded supporters, they tend to talk more, crafting lengthier speeches – about 11,100 words – on government legislation.

4.4 Summary

The tension between the potential cost of collective ruling and the electoral incentives to make policy differentiation has motivated a significant number of empirical works trying to explain the behavior of parties in parliamentary democracies (for instance, see Carroll and Cox 2012; Falcó-Gimeno 2014; Klüver and Sagarzazu forthcoming; Lipsmeyer and Pierce 2011; Thies 2001). This line of research largely relies on the assumption that cooperation and compromise bear an electoral price and accepts the premise that political parties in multiparty governments will always pour their resources into making policy differentiation in order to avoid the potential electoral penalty. However, questions like what the electoral penalty looks like and whether
it varies across parties are surprisingly understudied.

Building on my empirical findings from the last chapter, in this essay I attempt to fill this void by providing an empirical way for parties to measure the potential electoral danger of collaboration. More concretely, I contend that the proportion of interior supporters of two parties determines their incentive to make policy differentiation. Armed with such information, cabinet parties are able to predict whether they would be punished by their supporters if they coordinate on producing policies, and essentially they would know whether they should devote their legislative resource to conducting policy differentiation. By assembling parliamentary speeches with voter information generated from electoral surveys, my empirical results confirm my argument. That is, when two cabinet parties share more interior supporters, they are less willing to engage in floor debates and therefore craft shorter legislative speeches on bills. Additionally, my findings suggest that party elites are indeed rational. They are able to gauge the potential electoral danger of collaborating in coalition governments and then they act strategically to manage it, rather than acting blindly as if they all suffered the same punishment but did not know where it came from.
Chapter 5

Shared Interior Voters and Cabinet Partnerships

5.1 Introduction

Coalition formation is probably the most common form of collaboration among parties that we may observe in multiparty democracies. However, whether to participate in a coalition government with other parties is never an easy decision for party leaders. Political elites always face trade-offs between the goals they pursue such as policy, office, and electoral fortune. Only in a handful of circumstances parties may be able to achieve all the goals at once. Müller and Strøm (1999) has explained well why coalition participation is a “hard choice”:

“In some cases, policy pursuit may conflict with a party’s ability to capture office. When parties bargain over participation in a new government coalition, for example, they may often be asked to sacrifice some of their policy preferences in order to gain seats at the cabinet table. ...... In other cases, the gains of participating in a cabinet coalition may be likely to carry a price in future elections, so that the trade-off is between office
An extensive body of research has been established in order to investigate how political parties make such difficult decisions in parliamentary systems. The major explanatory variables in the theoretical literature, with some simplification, can be divided into two categories. The first cluster focuses on party features such as ideological positions and party sizes. Specifically, this line of research assumes that political parties are either office- or policy-oriented (or both) and therefore these factors play a major role in determining which coalition government will be formed (e.g., Axelrod 1971; de Swaan 1973; Gamson 1961; Laver and Schofield 1990; Riker 1962). The second group concentrates on structural and institutional settings, emphasizing on how the effects of different sets of institutions may offer parties an advantageous position in the coalition bargaining process. Variables such as formateur status (e.g., Austin-Smith and Banks 1988), incumbent status (e.g., Diermeier and Stevenson 1999; Lupia and Strøm 1995), and other constitutional features (e.g., Druckman, Martin, and Thies 2005; Strøm and Swindle 2002;) are the major scholarly concern in this strand of works. Moreover, following these works, the focus of the empirical efforts has also landed on examining the impact of these two clusters of variables on government formation, with supportive evidence being demonstrated (e.g, Laver and Shapsle 1996; Martin and Stevenson 2001, 2010; Mitchell and Nyblade 2008;
Surprisingly, voters have rarely been considered as an essential component in elites' formula of interparty coordination on coalition building. This might arguably be the result of the “indirectness of the link between electoral outcomes and government composition in parliamentary systems” (Warwick 1996: 471). That is, electoral performance has been a relatively poor predictor of getting into coalition government and thus political parties are not very responsive to shifts in voter preferences in the coalition bargaining process (Mattila and Raunio 2004). Even though there are several works that assume parties do have electoral concerns when considering potential coalition partners (e.g., Mershon 2002; Müller and Strøm 1999; Strøm 1990a), we see very few empirical attempts to address how changes in voter preferences (or any feature of voters) would affect parties’ strategies in choosing coalition partners, or the types of coalitions that can be formed.

Does the electorate impose any influence on political elites’ choices of coalition partners in parliamentary democracies? In fact, I think a recent coalition example in Germany has offered us an explicit answer:

“Germany has been drifting toward this partnership since its election on September 22nd, which left Mrs. Merkel the winner, but without an obvious coalition partner. But the Social-Democratic base fulminated,
fearing that Mrs. Merkel would once again overshadow the SPD in the coming four years, as she did during the last GroKo in 2005-09. So Sigmar Gabriel, the SPD’s boss, did something unusual: he negotiated a deal with Mrs. Merkel, but then allowed the members of the SPD to vote by mail on whether to accept it.” (Economist, December 14, 2013)

Certainly, the leader of the German Social Democratic Party Sigmar Gabriel faced a hard choice regarding the potential coalition opportunity with the Christian Democrats lead by Angela Merkel. He had to consider necessary policy accommodations as well as the potential electoral penalty if its supporters were not satisfied with the outcome of the coalition. To make this decision less difficult, he then chose to appeal directly to the SPD voters for a solution. The result was absolutely a triumph for the SPD and its leadership: 76% of its supporters voted in favor of joining a grand coalition with the CDU. Moreover, even among the CDU supporters there were about 80% who believed that CDU should build a coalition with the SPD.

The above example clearly suggests that it is unrealistic to assume that voters play no role in party elites’ decision making process when they choose coalition partners. On the contrary, party elites are supposed to be rational actors who may gauge the potential electoral danger of coalition collaboration in advance by looking at supporters’ preferences in order to make the hard choice less difficult. As I have
argued in Chapter 3, one way that parties could measure the potential cost of party cooperation is to look at where party supporters are distributed. Specifically, parties may look how many interior supporters they share with other parties to get a sense of what the price of coalition would look like. Based on such information, parties then can learn about whether a potential partner is “coalitionable” and whether the party would be punished if it made a team with the potential partner party. The hypothesis can be stated as follows:

**Coalition Partnership Hypothesis**: Political parties are more likely to join a coalition with each other when the size of “interior supporters” between them increases.

In this essay I turn my focus from the coalition policymaking process to the coalition formation process. By using the size of shared interior supporters as a proxy of the potential cost of coalition collaboration, I empirically test whether the electorate has an impact on political elites’ behavior in terms of selecting their coalition partners. To examine my argument, I assemble a data set that amalgamates information of coalition partnership in 16 Western European countries in a period from 1997 to 2011 with voter information from the CSES surveys. The estimated results indicate that the shared size of interior supporters have a positive impact on the willingness of political parties to cooperate in coalition building. That is, political parties in
parliamentary systems are more likely to partner with each other to form a coalition when they share a greater extent of ideological interiors. This particular study therefore contributes to the coalition formation literature by empirically bringing an often-overlooked factor – voters – into consideration. In addition to what I have shown in the previous chapter, the results in this essay reinforce my argument that rational political actors would estimate the potential electoral cost of coalition coordination and then respond to it accordingly. More precisely, party elites not only acknowledge the existence of the electoral penalty, but also actively gauge it and then act strategically in order to avoid it – both before and after coalition formation. In the next section I will describe the data and my research design, and in what follows I will discuss the estimated results and the potential implications.

5.2 Data and Research Design

To test my hypothesis, two types of data are needed. One concerns coalition membership across countries and elections, while the other requires information on distributions of party supporters in the policy space. For the former I gather information on coalition partnership in 16 parliamentary democracies between 1996 and 2011 from the Parliaments and Governments Database (ParlGov). As for the latter I utilize election surveys in the same period from the Comparative Study of Electoral
Before moving forward to explain how I construct my variables, it is worth discussing the structure of my data. In recent empirical literature on coalition formation the unit of analysis is usually a government formation opportunity (e.g., Martin and Stevenson 2001, 2010; Indridason 2011; Warwick 2005), which effectively helps scholars answer the question of “which type of coalition forms”. That said, unlike the conventional strategy, the unit of analysis in the present study is a pair of parties in parliament which faces a choice of whether to collaborate with each other in a coalition government. Such a unit of analysis has been adopted in the studies of pre-electoral coalition (Golder 2005, 2006a) and in the IR literature on alliance formation. Adopting such a design may help us answer how political parties in parliamentary democracies make “hard choices” when there is a joint-ruling opportunity. Most importantly, for the purpose of this paper, such a design helps evaluate the role of voters in political elites’ decision making process since the potential electoral cost of coalition cooperation is measured in a dyadic manner.

5.2.1 Constructing Variables

The dependent variable is a dichotomous variable which captures whether two parties in a party dyad join a coalition together after a national election. It is coded as 1
when two parties in a dyad decide to team up in a coalition government and as 0 when they do not. Similar to what I did in last chapter, the major independent variable is again the proportion of interior supporters of a party dyad. It is calculated as a ratio of those party voters who perceived themselves as being ideologically located between a pair of parties to the total supporters of those two parties. Here I employ the election surveys from CSES to build this variable. It is worth noting that not all parties that have seats in parliaments are included. Due to the representative nature of election surveys, voters of small parties are less likely to be included in surveys than big parties. Consequently, there may not be enough party voters of small parties in the surveys, which will make the calculation of the independent variable less accurate. Therefore, I dropped those small parties. The final data set then includes about 100 parties in 16 countries across 47 elections, and ultimately provides 721 party dyads for my empirical analysis. The distribution of my data is summarized in Table 5.1.

In additional to the major variables above, I include several control variables that may condition political parties’ motivation to govern together. First of all, ideology has long been considered as an essential determinant of the transaction costs of coalition bargaining in the literature of coalition formation (e.g., Axelrod 1970, de Swaan 1973; Martin and Stevenson 2001). Political parties in general are
Table 5.1: List of Countries, Parties and Election Years in the Sample

<table>
<thead>
<tr>
<th>Country</th>
<th>Parties</th>
<th>Election Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>FPO, OVP, SPO, Greens</td>
<td>2008</td>
</tr>
<tr>
<td>Belgium</td>
<td>AGL-Gr, CD&amp;V, CVP, Ecolo, MR, PRL PS, PSC, PVV, SP, VB, VU, N-VA</td>
<td>1999</td>
</tr>
<tr>
<td>Italy</td>
<td>AN, FI, PRC, UDC</td>
<td>2006</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>Tory, LDP, Labour</td>
<td>1997, 2005</td>
</tr>
</tbody>
</table>

more likely to govern together when they share similar policy preferences. For this purpose, I include a variable that measures the absolute ideological distance between two parties in a dyad as a proxy of ideological dissimilarity between them. The data
on the policy positions of political parties is taken from the Comparative Manifesto Project. In general, I expect that when two parties in a dyad are ideologically far from each other, they are less likely to participate in a coalition together.

Second, while the probability of forming a coalition is positively correlated with the total seat shares controlled by coalition parties, it is crucial to consider the impact of party seat share as it represents the resource a party may contribute to a cabinet. However, it is important to note that the relationship between the joint size of candidate parties and the likelihood of participating in a coalition government together should not be monotonic. Specifically, when rational party elites consider splitting a fixed quantity of office-benefits (e.g., portfolios), they should form a coalition that wins without including unnecessary members to the government (Riker 1962). In other words, the relationship between the joint size of potential coalition parties and the probability of forming a coalition together should be non-monotonic. That is, the increase of the seat shares of potential partners will make coalition partnership more likely when the sum of seat shares is under a certain level, but will make it less likely when the sum of partner sizes surpasses a given threshold. As a result, to capture this quadratic relationship, I first include the total number of seat shares controlled by a pair of parties to capture the positive effect of party sizes on coalition membership, and then control for a squared term of joint-size to capture the nega-
tive impact of party seat shares. In addition to these two variables, I also create a dummy variable to identify the party dyads that contain the largest party. I expect that the party dyad that includes the largest party is more likely to share coalition membership.

Third, when political parties consider a potential partnership, their past joint-governing experience also plays a role on whether they will govern together again (Franklin and Mackie 1983). Specifically, parties are more likely to build a coalition again if they had previously shared the policymaking power in government. This is because the prior ruling experience helps parties learn about their coalition partners and essentially reduce information asymmetry among them, and may ultimately solve commitment problems in the collective ruling process (Saalfed 2008). Moreover, this experience also helps potential partners save resources on coalition bargaining as it is easier for parties to “restrike a bargain that is working than to negotiate a new one” (Martin and Stevenson 2010: 505). As a result, to control for the impact of the past coalition experience, I generate a dummy variable that indicates whether a pair of parties in a dyad has previously governed together. I expect that parties who have previously worked together before are more likely to cooperate again in coalitions. The summary statistics are presented in Table 5.2.
<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min.</th>
<th>Max.</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coalition Partner</td>
<td>0.117</td>
<td>0.321</td>
<td>0</td>
<td>1</td>
<td>721</td>
</tr>
<tr>
<td>% Shared Interior Supporters</td>
<td>0.577</td>
<td>0.233</td>
<td>0</td>
<td>0.952</td>
<td>721</td>
</tr>
<tr>
<td>CMP Distance</td>
<td>20.4</td>
<td>16.076</td>
<td>0</td>
<td>85.19</td>
<td>721</td>
</tr>
<tr>
<td>Joint Seat Share</td>
<td>0.297</td>
<td>0.174</td>
<td>0.005</td>
<td>0.92</td>
<td>721</td>
</tr>
<tr>
<td>Joint Seat Share$^2$</td>
<td>0.118</td>
<td>0.132</td>
<td>0</td>
<td>0.846</td>
<td>721</td>
</tr>
<tr>
<td>Coalition Partner at $T_1$</td>
<td>0.111</td>
<td>0.314</td>
<td>0</td>
<td>1</td>
<td>721</td>
</tr>
<tr>
<td>Largest Party in Dyad</td>
<td>0.319</td>
<td>0.466</td>
<td>0</td>
<td>1</td>
<td>721</td>
</tr>
</tbody>
</table>

5.3 Empirical Results

Since my dependent variable is a dichotomous variable that indicates whether two parties in a party dyad would enter a coalition together or not, I employ a standard probit model to estimate the underlying likelihood that both parties participate in a coalition in a given year. The model is estimated with robust standard errors clustered on each dyad to account for additional non-independence of observations. The estimated results are demonstrated in Table 5.3.

In general, the substantive conclusion of the estimated model is straightforward. The coefficient of the size of shared interior supporters suggests that this variable exerts a positive and statistically significant effect on the likelihood of party collaboration in the coalition formation process. That is, when a pair of parties shares a large number of supporters who perceive themselves as ideologically located in be-
between these two parties, they are more willing to collaborate and form a coalition together. This is because they anticipate that their collaboration will be rewarded, instead of punished, by their supporters. Moreover, the results are encouraging to a certain extent not simply because they are consistent with my theoretical conjecture but also because of the robustness after controlling for the potential confounder – ideological distance – in the empirical model. It further suggests that party elites do care about their supporters and take voter preferences into account when they

Table 5.3 : Determinants of Coalition Membership

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Shared Interior Supporters</td>
<td>0.81*</td>
<td>(0.33)</td>
</tr>
<tr>
<td>Ideological Distance</td>
<td>-0.01*</td>
<td>(0.00)</td>
</tr>
<tr>
<td>Joint Seat Share</td>
<td>2.62†</td>
<td>(1.40)</td>
</tr>
<tr>
<td>Joint Seat Share²</td>
<td>-2.98†</td>
<td>(1.57)</td>
</tr>
<tr>
<td>Largest Party in Dyad</td>
<td>0.38*</td>
<td>(0.17)</td>
</tr>
<tr>
<td>Previous Coalition Partnership</td>
<td>1.30**</td>
<td>(0.16)</td>
</tr>
<tr>
<td>Constant</td>
<td>-2.35**</td>
<td>(0.30)</td>
</tr>
</tbody>
</table>

Observations (Dyads) 721
Log-Likelihood -212.45

Robust standard errors (clustering on dyad) in parentheses.
† p<0.1; * p<0.05; ** p<0.01
consider potential cooperative opportunities.

Moreover, to better demonstrate the impact of the size of interior voters on the probability of coalition partnership, I follow the strategy suggested by King, Tomz and Wittenberg (2000) to simulate first differences. Specifically, I first draw 1,000 simulated values of the estimated parameters from a multivariate distribution. With these simulated quantities I then produce two expected values for the dependent variable. For the first value I hold all control variables at their mean values and fix the major explanatory variable – size of shared interior voters – at a value that is equivalent to its mean plus one standard error. For the second value I replaced the value of the major explanatory variable with a value that equals to its mean subtracts one standard error. I then calculate the difference between these two expected values and repeat the whole process for 1,000 times to produce 1,000 simulated first differences.

The simulated results are plotted in Figure 5.1. The distribution represents the frequencies of first differences on expected probability of coalition membership and the dashed line indicates the mean value. The interpretation of this plot is straightforward. When the size of interior supporters between two parties increases by two standard errors, the likelihood that these two parties participate in coalition together then increases by about 5.9%. The result of this simulation exercise indicates that
the size of interior supporters between two parties makes these parties significantly more likely to cooperate in the coalition formation process.

Figure 5.1: The Impact of First Difference Change in Size of Interior Supporters on Probability of Coalition Partnership

Note: the dashed line indicates the mean value of the distribution.

In addition to the major variable of interest, the effects of other control variables all work as expected. In line with the conventional coalition formation literature, ideological divergence is still the most robust factor that conditions political parties’ willingness to collaborate in coalition governments. The results here suggest that
the likelihood of ruling together in coalitions decreases when a dyad of parties are ideologically distant from each other.

The estimated results of size-related variables are also consistent with our theoretical expectations. As indicated by the positive coefficient on the joint party seat share, when two parties together control more parliamentary seats, they are more likely to govern together. Also, the presence of the largest party in a dyad also makes the two parties in the dyad more likely to team up in a coalition. That being said, the relationship between size and probability of joint ruling is not monotonic. The likelihood that the two parties participate in a coalition government together may decrease when the joint size of the parties surpasses a certain threshold (i.e., gets too large). This result is captured by the negative and statistically significant coefficient on the squared term of joint parliamentary seats.

Finally, consistent with what Martin and Stevenson (2010) find in their study, past joint-ruling experience indeed makes future partnership more likely. The empirical finding here suggests that the likelihood of being in a coalition government together is positively associated with political parties’ past coalition experience. After all, political familiarity enhances trust between parties and ultimately makes repeated cooperation more likely.

Before closing this section, it is worth discussing the overall predictive accuracy
of my model. That is, how good does my model do in terms of predicting coalition partnership? Since the adopted model here is a standard probit model, I rely on several simple summary measures of goodness-of-fit to assess the predictive power of the model. First, a Hosmer-Lemeshow test with 10 groups indicates that my model seems to fit reasonably well. The Hosmer-Lemeshow $X^2$ is 8.30 and the corresponding $p$-value is 0.41. In addition, the classification statistics report a similar result. The overall rate of correct classification is estimated to be 89.60%, with 21.43% of the true coalition partners correctly classified (sensitivity) and 98.59% of the non-partners correctly classified (specificity). Finally, the area under ROC curve is 0.78, which again indicates a relative good discrimination for my model.

### 5.4 Summary

Over the decades, scholars of coalition politics have made significant efforts exploring factors that make political parties more or less likely to get into coalition governments. However, despite the extensive research on how party characteristics and institutional rules affect coalition building, we have little understanding of the role played by the electorate in the coalition bargaining process. Moreover, the recent German grand coalition built by CDU/CSU and SPD in 2013, in which voters played an essential role in both parties’ decisions, has called into question the overlooked
role of the electorate in the coalition formation literature. As a result, this essay takes a natural step to further investigate how exactly voter preferences may influence the willingness of parties to collaborate to form a coalition together.

Specifically, to fill the void in the literature, in this essay I examine how the size of interior supporters between a pair of parties conditions their willingness to join a coalition together. Consistent with what I have argued in Chapter 3, my empirical results suggest that the size of interior voters makes two parties more likely to collaborate to build a coalition. This particular finding, together with what I have demonstrated in the last chapter, suggests that voters indeed impose an effect on political parties’ coalition behavior. More precisely, parties are rational players who take the electorate into account when they face difficult decisions. They investigate voter preferences and then act accordingly to maximize their benefits.
Chapter 6

Conclusion

This dissertation is motivated by an often adopted assumption in the coalition governance literature - that there is an electoral cost of coalition participation. It is concerned with how exactly party supporters react to coalition governance and the subsequent electoral implications of the reactions of individual voters for party elites’ coalition behaviors, including engaging parliamentary speeches and choosing coalition partners. In this concluding chapter, I will first review briefly the general findings of the preceding chapters. Afterwards, I will discuss the contribution of my dissertation as well as the potential implications for future research.

6.1 A Summary of This Dissertation

In Chapter 2, I empirically examine the validity of the assumption that voters punish parties for participating in coalitions. I argue that citizens are not perfect Bayesian updators who possess encyclopedic knowledge about coalition politics. Rather, following the recent behavioral studies of voters in coalitional democracies, I contend that citizens can use a wide range of simple heuristics to help themselves compre-
hend how coalition policymaking functions. More specifically, voters may use *cabinet membership* and their own *locations relative to coalition parties* to update their perceptions of party positions in the ideological landscape after coalition policies have been made. The renewed perception then further conditions one’s view towards coalition policymaking and therefore affects one’s voting behavior. Using survey data from twelve West European countries, I find voters who perceived themselves located in between cabinet parties in policy space to be less likely to penalize parties for entering into coalitions.

The above finding has provided critical behavioral implications for political elites in parliamentary democracies. If party leaders in coalitions are indeed as rational as what the coalition governance literature suggests, my finding would imply that these rational politicians should be able to predict potential punishment from voters by simply looking at where their supporters stand in the policy space (more precisely where those interior supporters are distributed), and then strategically respond to this prediction to maximize their electoral gains. To empirically test these implications, I then turn my attention from individual voters to political parties and examine their behaviors.

In Chapter 3, I explain the intuition of how parties may approximate the potential electoral cost of coalition governance by gauging how many interior party supporters
they share with their cabinet teammates or potential partners. I then derive specific hypotheses from the above rationale on elites’ behavior.

In Chapter 4, I focus on parties’ behavior in parliaments by investigating the extent to which cabinet parties engage in floor debates. I find that coalition partners are less likely to involve themselves in lengthy speeches when they share more ideological interior voters. In other words, when politicians acknowledge that they would not be penalized for their policy accommodations, they have less electoral incentives to conduct activities that are associated with policy differentiation.

In Chapter 5, I move to a broad theme by exploring the impact of the cost of coalition governance on parties’ coalition formation strategies. My empirical evidence suggests that a party’s strategy of choosing its potential coalition partners is affected by the size of interior supporters it shares with other parties. Parties are more likely to form a coalition together when they share a higher number of interior voters, since they know that their decision is very likely to be rewarded, rather than penalized, by their voters.

### 6.2 General Contribution

The role of voters has traditionally been assumed as an independent factor from the bargaining process of political elites in multiparty democracies. This could arguably...
be a result of voters’ lack of sophistication (Downs 1957; Powell and Whitten 1993) and a weak connection between electoral outcomes and government composition (Mattila and Raunio 2004; Warwick 1996) in such systems. Although this assumption has been recently challenged by the emerging literature on coalition policymaking, we see very few empirical attempts to verify the impact that the electorate could exert on party elites’ coalition behavior.

This dissertation therefore contributes to the general literature that studies voters’ and elites’ behavior in parliamentary systems, particularly those with multiparty governments. Specifically, Chapter 2 contributes to our understanding of how individual voters update their perceptions of the movement of party positions after coalition policies are made, and also the impact of these perceptions on their vote choices. The result suggests that citizens in multiparty democracies are not ignorant at all, but know how to use simple cues to make sense of how coalition politics work. It further provides a theoretical foundation at the individual level for the often seen assumption in the coalition governance literature – collective governance bears an electoral price.

In addition, Chapters 3 through 5 contribute to our understanding of how voters actually matter in the decision making process of political parties. By empirically modelling a feature of voters with elites’ coalition behaviors, these chapters jointly
suggest that party elites are actually rational actors who are concerned with knowing how their supporters are distributed, and that they take this information into consideration in the coalition bargaining process. The results ultimately provide empirical support for the coalition governance literature in which politicians are assumed to be actors who are aware of the electoral danger of coalition policymaking and know how to avoid it by acting strategically.

6.3 Implications for Future Research

Over the past decades voters have rarely been considered an important component in parties’ decision making process in multiparty governments. My dissertation is an attempt to fill this gap by empirically bridging voters and the behaviors of political elites. While the findings suggest that the electorate does exert an effect on elites’ behavior in coalitions, further investigations are still needed in order to strengthen the link between voters and party elites in coalitional democracies. For instance, do voters also influence the priority of a coalition’s legislative agenda, or the outcomes of coalition policymaking? Put it alternatively, do cabinet parties strategically change their policy priorities or even specific policy outcomes in order to respond to the public? Further research may explore in a more detailed manner how exactly the electorate affects parties’ behavior at each stage of coalition governance, from the
birth of a coalition government to its dissolution.

Moreover, this dissertation has proposed a way for party elites to gauge the electoral cost of coalition participation. Yet, is there an alternative feature of voters that parties may respond to, other than the one proposed in this dissertation? Identifying the potential voter features helps us obtain a better understanding of the interactions between voters and political parties in multiparty democracies. Finally, while the link between voters and party elites has been clearly established in this dissertation, it is also worth asking how institutional structures, such as electoral systems and bicameralism, may condition such a relationship. To fully understand how rational politicians play the coalition game, future research should consider the potential interaction between voters and institutions on elites’ collaborative behaviors.
Table A.1 : Data Structure Employed in Chapter 2

<table>
<thead>
<tr>
<th>Election</th>
<th>Respondent</th>
<th>Party Dyad</th>
<th>Interior Voter</th>
<th>Punishing Vote</th>
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<td>resp\textsubscript{1}</td>
<td>dyad\textsubscript{3}</td>
<td>1</td>
<td>0</td>
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<td>dyad\textsubscript{1}</td>
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<td>1</td>
</tr>
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Table A.2: Countries, Parties and Elections Included in Chapter 2

<table>
<thead>
<tr>
<th>Country</th>
<th>Parties</th>
<th>Election Year</th>
<th># of Dyads</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>NPA, LPA</td>
<td>2004, 2008</td>
<td>1</td>
</tr>
<tr>
<td>Austria</td>
<td>SPO, OVP</td>
<td>2008</td>
<td>1</td>
</tr>
<tr>
<td>Denmark</td>
<td>SD, V, KF, RV</td>
<td>2001, 2007</td>
<td>2</td>
</tr>
<tr>
<td>Finland</td>
<td>KESK, KOK, SDP, VAS, VIHR, RKP</td>
<td>2003, 2007, 2011</td>
<td>12</td>
</tr>
<tr>
<td>France</td>
<td>MoDem, PCF, Greens, PS, UMP</td>
<td>2002, 2007</td>
<td>4</td>
</tr>
<tr>
<td>Germany</td>
<td>CDU/CSU, Greens, SPD</td>
<td>2002, 2005, 2009</td>
<td>3</td>
</tr>
<tr>
<td>Iceland</td>
<td>FF, Graen, Sam, Sj</td>
<td>2003, 2007, 2009</td>
<td>2</td>
</tr>
<tr>
<td>Ireland</td>
<td>FF, PD</td>
<td>2002, 2007</td>
<td>1</td>
</tr>
<tr>
<td>Italy</td>
<td>AN, UDC, FI</td>
<td>2006</td>
<td>3</td>
</tr>
<tr>
<td>Portugal</td>
<td>PSD, CDS</td>
<td>2005</td>
<td>1</td>
</tr>
<tr>
<td>Switzerland</td>
<td>CVP-PDC, FDP-PRD, SVP-UDC, SP-PS</td>
<td>2003, 2007</td>
<td>6</td>
</tr>
</tbody>
</table>


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


