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Coalition Government and Party Mandate

How coalition agreements constrain
ministerial action

Catherine Moury



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Coalition Government and Party Mandate

"Professor Moury has provided us with the first true comparative empirical understanding of what goes on inside Western European coalition governments. She does so by examining in depth the part which 'coalition agreements' play and shows that part to be truly very large. As a result of her many empirical findings, moreover, one overall conclusion which emerges is that, deep down, coalition agreements help to maintain the true nature of cabinet government: they do so by promoting 'collectivism' against the widespread tendency of prime ministers to assume a controlling function and against the potentially overwhelming desire of parties – and in particular of party leaders – to dominate the actions of cabinet ministers."

Jean Blondel, *Professor Emeritus of The European University Institute*

Which kind of decisions are passed by Cabinet in coalition governments? What motivates ministerial action? How much leeway do coalition parties give their governmental representatives?

This book focuses on a comparative study of ministerial behaviour in Germany, Belgium, Italy and the Netherlands. It discredits the assumption that ministers are 'policy dictators' in their spheres of competence, and demonstrates that ministers are consistently and extensively constrained when deciding on policies. The first book in a new series at the forefront of research on social and political elites, this is an invaluable insight into the capacity and power of coalition government across Europe.

Looking at policy formation through coalition agreements and the effectiveness of such agreements, *Coalition Government and Party Mandate* will be of interest to students and scholars of comparative politics, governance and European politics.

Catherine Moury is Assistant Professor at the New University of Lisbon, Portugal and Research Fellow at CIES-IUL.

Routledge research on social and political elites

Edited by Keith Dowding

Australian National University,

and

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University of Luxembourg

Who are the elites that run the world? This series of books analyses who the elites are, how they rise and fall, the networks in which they operate and the effects they have on our lives.

1 Coalition Government and Party Mandate

How coalition agreements constrain ministerial action

Catherine Moury

2 The Selection of Ministers around the World

Hiring and firing

Edited by Keith Dowding and Patrick Dumont

To Ines and Elsa

Preface from the series editors

It is a pleasure for us to introduce our new series, Routledge Research on Social and Political Elites, on the occasion of the publication of its first book, Catherine Moury's *Coalition Government and Party Mandate*. The aim of the series is to examine the important ruling elites under different political regimes and in the global political space. Through the series we aim to study how such elites emerge, how they behave, and under what circumstances they lose their power and elite status. Some of these elites include shadowy figures of which little might be known publicly, or society personalities whose influence on governing is at one remove. Media tycoons, religious and ethnic leaders, those in business or even the arts might be influential in certain areas. Some of the most obvious ruling elites are those involved directly in governing: presidents, prime ministers, cabinet ministers, senior public servants, local officials and judges.

The aim of the series is to provide new information and data on these social and political elites. Whilst elites have been much studied in the past, modern computing and electronic data-collection facilities mean that for the first time comprehensive information on the personal characteristics of elites, including factors such as birthplace, age, and social and educational background, can relatively easily be gathered. This enables deeper analysis of how people enter the elite, the networks they come from and form, and the policies they put into effect. The series will combine strong empirical data together with theory in dedicated comparative analysis.

The first book in the series, Catherine Moury's *Coalition Government and Party Mandate*, combines several of these core characteristics. It examines in a theorised comparative manner the formation of coalition agreements and how they affect the nature of cabinet decision making in multiparty governments. It combines qualitative information drawn from interviews with ministerial elites and their collaborators with quantitative assessments of how pledges made in coalition agreements are subsequently fulfilled or not in four western European parliamentary democracies. Catherine Moury's study will of course appeal to coalition scholars. Her main finding, that ministers are effectively constrained during their mandate by agreements drafted at time of government formation, clearly runs counter to the policy dictatorship by ministerial portfolio holders assumed by some famous theoretical models predicting coalition formation and

duration. It will also speak to students of comparative public policy processes. Moury's results in effect confirm the differences between US and European models of agenda-setting, with the latter being more influenced by party politics than triggering events.

The book gives food for thought to all students of political elites; it shows the respective power of party leaders, cabinet ministers, parliamentary party groups, ministerial staff and senior civil servants in policy making in western European countries accustomed to multiparty government. For instance, whereas the turnover of ministers has been found to be lower in coalition governments than in single-party ones, it has seldom been shown that ministers are very often negotiators of coalition agreements themselves, and that party leaders prefer to select their ministers from those who know best how measures specified were arrived at and proved themselves able to reach an agreement even when trust amongst partners is low. Rather than provoking further potential shirking problems – as negotiators generally do not know which portfolio they will receive – this reduces risks of unilateral action that could in turn trigger shorter life expectancy in office. Moury's book opens intriguing new avenues for revisions of the principal-agent relationships assumed to be at work between party leaders, prime ministers and line ministers. It is a thought-provoking inaugural book for Routledge Research on Social and Political Elites.

Keith Dowding and Patrick Dumont

May 2012

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1 Introduction

At the time of writing this introduction, December 2011, Belgian political parties have just managed to form a government – after 541 days of negotiations on a common programme. Although this particular case is an extreme, dysfunctional example of coalition governance, the point I make in this book is that there are good reasons for party leaders dedicating substantial time and energy on the preparation of a coalition agreement. As I see it, coalition agreements – which enable package deals and are drafted under conditions that ease the making of compromises – allow party leaders to agree on more policy deals than they would otherwise do. Putting their policy deals into black and white also commits individual ministers to the coalition parties' priorities and reduces the risk of serious intra-party dissension. Party leaders have efficient mechanisms of information and vetoes at their disposal; they can be confident that ministers will transfer most of the coalition agreement into concrete decisions, including those that are unpopular within their party or Ministry. They also know that the cabinet will accept few initiatives the document had not previously foreseen. In sum: I argue that it is party leaders' wish that ministers comply with the document and they can make this happen. This obviously does not mean that ministers never deviate from the coalition agreement; they sometimes do. But my point is that this deviation is not widespread and would generally occur solely when it is in the interest of all coalition parties to do so.

While this argument is not new, it has been the subject of much debate: several influential authors have claimed that ministers have a high degree of autonomy to make decisions within their field of competences. Scholars also warned that ministers have incentives to act 'opportunistically' and, thanks to their privileged access to information and their exclusive competences to draft bills, have many opportunities to do so. As we will see in detail in the following chapter, the existing empirical evidence is too scarce to definitively settle the debate, and the extent to which ministers are constrained by party lines is still largely unknown. This book aims to fill this empirical gap. Drawing on more than 60 interviews with key cabinet decision-makers (including 42 former ministers) and on the codification of all important decisions taken by eight cabinets in four different countries, I show that ministers are in no way policy dictators in their sphere of competences: they are in fact strongly and consistently

2 *Introduction*

constrained by the coalition agreement. This holds true for a large variety of cabinets, including those that were least likely to present congruence between their actions and the coalition agreement.

The book is organised as follows: The following chapter ('theory') develops my argument at length and situates it within the broader stream of coalition governance, party-government and agenda-setting literature. It sets out my principal assumptions, stipulates the specific research questions and proposes expectations about variation in ministerial constraint. Chapter 3 ('methodology') details the method I developed to answer the research questions as rigorously and objectively as possible. Chapters 4 to 7 present the results of interviews with key cabinet actors ([former] ministers, chiefs of staff and civil servants) in Germany, Belgium, the Netherlands and Italy respectively and the empirical data for two cabinets in each country. Chapter 8 summarises and compares the preceding country-specific chapters. The small number of cases in this study, combined with the large number of potentially explanatory variables, does not allow hypotheses about what could explain variation across cabinets to be tested. Nevertheless, in my opinion it is still useful to suggest some preliminary explanations for variation. For that purpose, Chapter 9 examines the institutional arrangements of cabinets in the four countries under study and compares the results of the dependent variables across and within countries. A final chapter concludes.

2 Theorising coalition agreements

Entering cabinet provides parties with direct influence over public policies and office positions; it then comes as no surprise that parties rarely decline such an opportunity. However, incumbent parties not only benefit from advantages but also face challenges. These include the risk of disappointing voters and of losing representation in parliament as a result. This threat is even more acute in coalition; it is not straightforward for governing parties to make policy decisions together with their partners while at the same time keeping a distinct and attractive party profile (Müller and Strøm 2000; Martin and Vanberg 2011). The disappearance of the Italian Communist Party, *Rifondazione Comunista*, from parliament after having governed in coalition with the Centre-Left Democratic Party (2006–8) is a good example of the difficulty of such an enterprise.

A different, but related, challenge that parties face when entering government is that ministers may act according to what is best for their career or their department rather than for the party they represent. In technical terms, party leaders risk ‘agency loss’ when delegating to ministers. In a coalition agreement, this risk is aggravated by the fact that an alliance of parties (‘a collective principle’) delegates decision-making powers to a single minister (‘agent’). The latter manifestly has many incentives to act in a way that is good for his/her own party (or for himself/herself) but detrimental to the others (Martin 2004; Strøm 2000; Thies 2001).

Recent literature has shown that parties have many effective mechanisms at their disposal to respond to this dual challenge. My argument is that formulating a coalition agreement is one of them. I believe that party leaders value the policies included in the document and are often in a position to make ministers comply with it. In this chapter, I develop this argument at length and situate it within the broader stream of coalition governance and party-government literature. I set out testable hypotheses, propose expectations about variation, and finally note how my research is also significant for scholars interested in agenda-setting theory.

Theoretical premises

My argument is based on three preliminary assumptions. The first is that political actors act rationally with the aim of maximising their share of a set of political

4 *Theorising coalition agreements*

resources. Above all, these include the electoral success of their party (and when preferences votes are allowed, of themselves); the access to top governmental positions and the adoption of policies closest to their ideals (Strøm and Müller 1999). As noted before, these resources are scarce and the contest for them tends to be constant sum: one party's gain is often another party's loss (Strøm *et al.* 2010).

I also assume that political actors' rationality is limited by their lack of complete information on a series of issues. For example, political actors can only very partially anticipate external events (recession, war, social mobilisation, etc.) that might occur during the legislature (Strøm *et al.* 2010). Neither could they know in advance exactly how voters will react to governmental policies – this is especially true in periods of high electoral volatility (Strøm 1990: 47; De Winter and Dumont 2008: 135).¹ This lack of information is often unequally distributed amongst parties and amongst individuals. New parties or those with inexperienced leaders, for example, are more likely to miss critical information than others (Diermeier and van Roozendaal 1998: 610). Moreover, when a specific act is discussed the minister who has prepared the measure might enjoy an informational advantage vis-à-vis his/her colleagues (Martin and Vanberg 2011: 10).

A third preliminary assumption relates to the strategic preferences of political actors. I assume that different institutional positions involve different resources and constraints and hence different strategic preferences.² Consequently, although ministers, MPs and party members from the same party have many goals in common, they are also likely to have different aspirations. Future cabinet members might, for example, be more eager than other party members to make large policy concessions in order to secure or maintain a seat at the cabinet table (Martin and Vanberg 2011: 10). Once in office, ministers are under the direct pressure of bureaucracies, interest groups and international actors. Hence, their objectives might be distinct from those of the party organisation members or the members of parliament who respond more directly to their rank-and-file and/or the voters. At the extreme, ministers might go 'native', i.e. they might take on their bureaucrats' aspirations and defend their departmental interests rather than those of their party (Andeweg 2000a; Dunleavy and Bastow 2001: 3).

The assumption that ministers' strategic preferences are influenced by their institutional position is empirically grounded: Blondel and Cotta, for example, show that party members adopt more intransigent ideological positions than do ministers and more often oppose pragmatic change and innovation (Blondel and Cotta 1996, 2000). Timmermans and Moury (2006) reveal that ministers are more oriented towards problem-solving, as inter-party conflicts tend to be initiated outside cabinet (by the party organisation or the parliamentary party) and to be solved inside it. Katz and Mair (1995) demonstrate that government participation has an impact on the organisation of parties (see also Rüdiger and Rihoux 2006) and Warwick reveal that coalition agreements deviate to the right vis-à-vis parties' manifestos in order to respond to economic actors (Warwick 2001). Finally, Pedersen shows that parties with strong national party organs are more

inclined to stick to policy ideals, making them less flexible in inter-party negotiations (Pedersen 2010).

Argument 1: coalition agreements reduce the cost of compromising

Parties joining a coalition have preferences that are likely to diverge and hence they often have to compromise. Yet, these compromises are risky because they obscure the relationship between the policies that a party supports as a member of the government and the policy commitments defended during the electoral campaign (Strøm *et al.* 2010; Powell 2000: 51–2; Martin and Vanberg 2011: 27). Governing in coalition therefore has the potential to disaffect party members and voters of the party. This is particularly true for ex-opposition parties that became more ‘radical’ in the preceding years. The words of a former minister and party leader illustrate this tension very well:

The risk of governing is that a party in government loses members and voters who do not recognise themselves in the actions of the party. (...) It is a very subtle game: the party should not be presenting itself at the following elections as the betrayer of the party spirit. (...) It is a question of a balance between reality and identity.³

Party leaders are probably those who face this tension most intensely. They naturally wish to keep their leadership position and hence try to minimise party disunity around their choices (Luebbert 1986). Although party leaders may be put at risk by accepting compromises and package deals, not being able to decide on common policies would certainly contradict their longer-term interests. Each policy decision therefore requires party leaders to appraise its intrinsic value; its expected repercussion within the electorate, the parliamentary group and the rank-and-file; and the time and effort which would be needed to obtain an agreement (transaction costs). In technical terms, they would (often instinctively) compare the expected costs of a decision to its expected benefits; and pass it only when the latter outweigh the former.

The first argument of this book is that coalition agreements considerably reduce the costs associated with policy-making and, hence, enable party leaders to agree on more policy deals than they would otherwise do. On the one hand, coalition agreements reduce the transaction costs associated with policy-making. Those documents indeed allow the grouping of policy deals (‘package deals’) on which coalition parties mutually commit. Party leaders and ministers do not have to negotiate on every single policy independently, and transaction costs are therefore reduced. In addition, the specific conditions under which coalition agreements are drafted – behind closed doors, in a limited time – removes public and media pressure on negotiators and hence ease the making of compromises (Peterson *et al.* 1983). The fact that negotiators (including party leaders) are theoretically eligible for ministerial posts also increases their willingness to