Meeting the Challenges of Representation and Accountability in Multi-party Governments

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Abstract:
In systems of proportional parliamentarism political parties play a double role. On the one hand they make delegation and accountability work, on the other they add complexity to the delegation regime, as minority situations require inter-party cooperation. Because coalition government usually involves policy compromises, the question arises how the coalition parties can ensure that the ministers stick to the coalition deal. Employing the principal–agent framework, we show that coalitions can use several control mechanisms to pursue this goal. We consider ex ante mechanisms such as policy agreements that set the agenda for future policy decisions and coalition screening of ministerial candidates. Next we discuss the effects of ex post mechanisms such as strong committee systems and institutional checks like ‘watchdog’ junior ministers. Employing a simple spatial model we illustrate how these instruments work. Using control mechanisms is not costless, however, and more likely under conditions specified in the article.

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Introduction

Modern democracies build on the ideas of representation, accountability, and party government. Citizens participate in the formal political decision-making process only in their capacity as voters. Once the votes are counted and the seats allocated elected representatives take over. As parliamentary systems do without mechanisms for recalling these representatives they represent the citizens for the entire lifetime of the legislature (which, however, can be cut short by elites in most countries). Save rare moments of direct democratic choices, it is only through these representatives that citizens participate in the making of policy decisions. And the government remains only indirectly accountable to the voters through their elected representatives (Laver and Shepsle 1999). The formal involvement of citizens in making democratic decisions thus remains rare and mostly indirect.

Political parties help making this process work (Müller 2000a). For one thing, they provide their members and activists with chances to go beyond making one-point interventions into the decision-making process by casting their votes in elections (Maravall 2008). Yet, the most important contribution of political parties is the structuring of elections and providing for joint action of the MPs elected under their respective labels. This ‘party link’ allows voters understanding their choices and acting accordingly and it gives political parties as enduring organizations an incentive to live up to their claims in representing the voters. In the textbook case of the Westminster system this may be sufficient to overcoming the most severe limitations built into the democratic process. Here, a single party wins a majority of seats and takes government office. The party then is well positioned to transform its programme into government
policy and can be held accountable by the voters in the next general election. This cleanness of political representation and accountability makes the beauty of the Westminster model.

Things are more complex under proportional parliamentarism (Powell 2000). Typically, no single party is able to win a parliamentary majority what requires the formation of inter-party coalitions. While such alliances can be parliamentary or governmental, in this article we will be concerned exclusively with the more permanent form of party alliances – government coalitions. As none of the coalition parties can realize its ideal positions by acting alone they have to hammer out a deal to be implemented by the government. The government hence is accountable to a coalition. One theoretically conceivable way to organize inter-party government would be appointing a cabinet of politically neutral technocrats and providing them with a detailed policy programme agreed in the coalition. Notwithstanding the occasional appointment of individual technocrats and, indeed, technical cabinets, this is not the way real-world parties act. On the one hand, government office is too attractive by itself to deny it to their leaders. On the other hand, finding fully neutral technocrats might be impossible as is the writing of a government policy programme that leaves no discretion to the ministers. Thus, real world coalition governments are staffed with party leaders (Andeweg 2000).

In such situations the question arises why cabinet ministers would act on the behalf of the coalition rather than their respective party. After all the ministers’ careers depend mainly on the parties who had made them cabinet members in the first place. Hence, it is the parties that decide whether the ministers will maintain their cabinet offices or become party nominees for other attractive positions. Indeed, even a minister’s sheer
survival in politics may depend on the individual party's good will. Finally, the policy preferences of a minister will typically be located closer to the policy position of his or her party than to that of the coalition. Ministers thus can be expected to be mainly concerned with the well-being of their own respective party and, in the case of party preferences diverging from the coalition agreement, promote the former rather than the latter. Coalition governance hence poses the question how coalitions hold ‘their’ ministers accountable.

One possible response to the problem of diverging policy preferences in a government coalition is splitting up the portfolios and allowing each party to act as ‘policy dictator’ in its domains. This is what Austen-Smith and Banks (1990) and Laver and Shepsle (1990, 1996) have theorized. Policy compromises are not required as each minister implements his or her party's ideal policy positions. However, empirical evidence suggests that this is not the case, certainly not in a fully-blown version (see the country chapters in Laver and Shepsle 1994 and Müller and Strøm 2000a). Even the occasional observer of coalition politics notes that the parties aiming to form a joint cabinet or already sitting together in cabinet (1) take opposing positions on some policy issues and (2) engage in negotiations in order to arrive at a common coalition policy. Consequently, some coalition formations take considerable time (DeWinter and Dumont 2008) and the passage of laws takes longer and more amendments are made with increasing policy differences between the coalition parties (Martin and Vanberg 2004, 2005). If ministers were policy dictators, policy negotiations and resulting agreements would be absent from coalition politics.

If coalition government involves policy compromises, the problem arises how the coalition partners can make sure that their counterparts will stick to the deal. We tackle
this problem using the principal–agent approach. We assume that the coalition is the principal who delegates decision-making to the cabinet that, in turn, acts as the coalition’s agent (with specific tasks given to individual ministers). Another line of delegation takes place between each government party (principal) and its ministers (agents). Therefore, the minister faces the problem of having competing principals: the coalition and their own respective party. Enforcing the coalition deal means to strengthen the link between the coalition and the minister relative to the one between the party and the minister.

In this article we discuss how coalitions can build up and strengthen the links to their agents in government office. The principal–agent literature provides a catalogue of strategies through which principals can hold their agents accountable. We can distinguish ex ante and ex post control mechanisms. Contract design and screening belong to the former, monitoring and institutional checks to the latter (Kiewiet and McCubbins 1991). We introduce these concepts in the following section. Next we adapt these concepts to coalition governments. Drawing on the empirical literature on coalition governance we identify relevant instruments and behavioural strategies. We then show how these instruments actually work. For that purpose we move on discussing them in the context of a simple spatial model. Yet, controlling agents is no ‘free lunch’. There are always constraints that restrict the availability of control mechanisms or affect their efficiency. We address these topics in the penultimate section. Finally, we conclude by summing up our arguments and briefly sketching ideas for future research extending our approach.
Delegation: An introduction

Lupia (2003: 33) defines delegation as ‘an act where one person or group, called a *principal*, relies on another person or group, called an *agent*, to act on the principal’s behalf’. Delegation of competences is a necessary process for many activities in everyday life. All of us delegate to banks, medical doctors, lawyers, or car mechanics. We do so because we are not able or willing to perform these tasks ourselves. The reason for this might be a lack of knowledge (i.e. expertise in a specific field) or time constraints. In politics, voters delegate competences to parties and politicians in parliament and government. Usually, delegation takes several steps. The ‘chain of delegation’ that characterizes parliamentary democracies consists of the following delegation steps: from voters to parliament, from parliament to the cabinet, from the cabinet to specific ministers, and finally from ministers to civil servants (Strøm 2000; Strøm, Müller, and Bergman 2003, 2006).

Delegation always entails risks (Kiewiet and McCubbins 1991: 25–6; Müller, Bergman, and Strøm 2003: 21–6). First, principals might choose the ‘wrong’ agents – lacking knowledge, skills, or motivation. This may happen when the information required for selecting a good agent is not available to the principal (*hidden information*). A second type of problem may occur once the agent is chosen. As principals cannot monitor all moves of their agents, they may take actions that are not in the principal’s best interest (*hidden action*). As a consequence of these two problems, the agent’s work may not produce the results the principal expected. Specifically, an agent may not work (hard enough) (*leisure-shirking*) or he¹ may pursue his personal goals rather than those
of his principal (dissent-shirking). The difference between the preferences of the principal and the actual outcome is called ‘agency loss’. In that sense, delegation will almost always lead to agency loss as it is zero only if ‘a hypothetical agent does what the principal would have done if the principal herself had unlimited information and resources to do the job herself’ (Lupia 2003: 35).

Principals can employ a range of control mechanisms to overcome the problems of hidden information and hidden action (see Kiewiet and McCubbins 1991). Two of these mechanisms are used ex ante, in other words before the agent begins working for the principal. Principals can design ‘contracts’ that align the agent’s interests with those of his principal. Depending on the outcome of his work, the agent receives a reward or gets punished. The other important ex ante mechanism is the ‘screening and selection’ of candidates to find the best agent. Principals scan the credentials and past behaviour of potential candidates. To provide one example, political parties screen potential cabinet members for their abilities (as policy experts, organizers, communicators, etc.) and loyalty (as expressed in past voting behaviour in parliament, speeches, etc.). Doing this, the party diminishes the risk of choosing ministers (agents) who are unable or unwilling.

Principals also use ex post control mechanisms to control incumbent agents. ‘Monitoring’ might be the most obvious way to do this. However, direct monitoring, which McCubbins and Schwartz (1984) call ‘police-patrol oversight’, is costly and error-prone as it has to cope with the information problem. As Kiewiet and McCubbins (1991: 31) put it, ‘a principal can either be starving for information or, more often, drowning in a sea of it’. In order to avoid this problem, principals can rely on oversight by third parties (i.e. actors who are not part of the principal–agent relationship). Such players,
known as ‘fire alarms’, must have an incentive to inform the principal about the agent’s
behaviour. For example, interest groups might inform the parliament about (the
consequences of) government policy in order to pursue their own objectives. Again, this
method has its drawbacks, as alarms can be false. As Lupia and McCubbins (1994, 1998,
2000) have shown, ‘fire alarms’ are efficient instruments of control when the principal
and the ‘fire alarm’ share interests, when alarming requires effort, and when false
alarms get punished.

Finally, principals can install ‘institutional checks’ to control the agent’s
behaviour. In that case, power is delegated to at least one additional agent with the
power to veto or block decisions of the initial agent. For example, special party
committees may be created to check the party leaders during coalition negotiations.
Thus the Irish Labour Party is a point in case. It requires approval of the leaders’
coalition deals by a special party committee. The consequence of this procedure is that
the Labour Party gets better deals, at least in the initial agreement (see Marsh and
Mitchell 1999: 43–5).³

The Complex Delegation Regimes of Coalitions

Coalitions are not homogenous in their policy preferences as the participating parties
maintain their distinct policy goals. In the course of coalition formation they agree to
some kind of joint policy programme. Although we can think of constellations that allow
each government party’s ideal policy positions to be accepted as the coalition’s policy
positions (identical preferences, niche parties with policy concerns limited to one sector
of society), this typically is not the case. Teaming up with other parties in government coalitions thus requires the participating parties to make concessions with regard to the government’s policy programme. Although bargaining power differences are likely to impact on the magnitude of the concessions, hardly any government party will succeed in getting accepted all of its policies as the coalition programme. In some cases, the policy deals at the coalition formation stage are explicit and detailed, in other cases they remain vague and perhaps implicit (by remaining silent on issues and therefore maintaining the status quo) (see country chapters in Müller and Strøm 2000a; Timmermans 2006).

There is always some form of agreement between the parties forming a coalition government. Simply, otherwise no coalition cabinet could take office. Of course, the form and depth of such agreements differ. Some coalitions choose tight mechanisms. They may produce lengthy and detailed coalition agreements and create a set of conflict management mechanisms whereas others trust that all will be sorted out on the way and seal the agreements by handshake.

[Figure 1 about here]

Using the principal–agent framework, we can identify two broad delegation relationships within coalition governments (see Figure 1). First, parties (as principals) delegate to party leaders and MPs (agents) who are assumed to pursue the goals of their parties in government and parliament. Second, the coalition (i.e. the parties in government) delegates to the cabinet. The cabinet hence is expected to realize the goals of the coalition (see dashed
line in Figure 1). We briefly discuss these two delegation chains and identify the problems involved.

*Delegation within parties*

Parties structure political competition by offering policy and candidate choices and providing government. In so doing, parties are collective actors with their own delegation regimes. Intra-party delegation involves choosing party leaders and candidates for public office (see Figure 1). Even when parties are ‘men united ... upon some particular principle on which they are all agreed’ (Burke), their agents may have large incentives to shirk. For example, party leaders might have an incentive to give undue priority to their personal ambitions for high public office over their party’s policy ideal. For that reason, political parties use a variety of mechanisms for controlling their agents (see Müller 2000a).

First, parties screen potential candidates for high positions to be filled by the party ex ante. That is to say they examine the previous behaviour of these candidates. Everything else equal, the more these candidates represent the party’s ideal positions, the higher their probability of getting selected.

Second, parties try to bind their agents to their evolving preferences and moves. In other words, parties have a largely unwritten ‘contract’ with their nominees. This ‘contract’ demands the agents to follow the party line and specifies a set of rewards and punishments that help enforcing it. Party discipline in legislation is one often-observed result of such a ‘contract’ between the party (as the principal) and its members of
parliament (as its agents) (Müller et al. 2001: ch. 5). Empirical evidence suggests this mechanism works quite well (Sieberer 2006).

Third, parties monitor the behaviour of their agents. Once in office, agents report to other party members. For example, ministers report to the cabinet (including party colleagues), to the parliamentary committees corresponding with the relevant ministries and the party delegation in these committees, or to other party elites. Parties may also employ special committees to prepare party positions in their respective policy area that will also observe relevant policy developments in that domain.

Finally, parties can employ ‘institutional checks’ to control their delegates. In that case power is delegated to more than one agent so that ‘there is at least one other agent with the authority to veto or to block the actions of that agent’ (Kiewiet and McCubbins 1991: 34). In our context, this is the case whenever cabinet or ministerial action requires parliamentary consent. No bill can become a law without parliamentary approval and hence the members of parliament can check the proposals from ‘their’ ministers with partisan yardsticks in their mind before they vote it into law.

**Delegation within coalitions**

The second chain of delegation connects the coalition to the cabinet and the individual ministers. In contrast to political parties that aim for eternal life, coalitions have a much more limited time horizon. Mutual control, therefore, is a challenging task. Compared to the control mechanisms available to parties, coalitions are definitively weaker. The coalition is, of course, a construct. At most, the coalition policies are written down in the coalition contract, but this is a piece of paper that needs to be implemented by human beings. Given the lofty legal status of political inter-party agreements, enforcement
remains a political task. Yet, there are good reasons to expect from each of the human beings involved in the coalition contract’s implementation that they have other priorities. Each of them wears several ‘hats’ – including that of party member (perhaps even leader), head of a ministry, and coalition member. The first two may provide the cabinet member with incentives not to honour the obligations resulting from the coalition contract. In other words, for each of the agreement’s enforcers (as party members and department heads) on any particular item doing more or doing less or doing different things than the contract actually specifies might be better than observing the deal. In such situations, can we see actors who indeed have incentives to be concerned about the coalition contract’s enforcement?

The situation is not as bleak as one might think. First, any of the functions listed above may also provide ministers with incentives to honour the coalition deal. A cabinet minister may only be better off with reneging his obligations resulting from the coalition deal if such behaviour remains inconsequential. A minister who cannot agree with his cabinet colleagues may in the end have little to show in terms of policies enacted. Even when the coalition deal is not perfect from his partisan or departmental point of view, it may be better than no policy at all. In other words, the content of the coalition deal may be the best what can be achieved under the given circumstances. That may be the case even when the minister prefers the policy status quo to the coalition deal with regard to specific issues, as unwillingness to fulfil this part of the deal may have negative spill-over effects on other policies of the minister. Moreover, the policies of the ministers’ co-partisan cabinet colleagues may be ‘taken hostage’ and blocked unless a deal already made in the coalition formation process is implemented or the policy on a previously unresolved issue agreed. In such situations, the minister’s partisan incentive condition
works towards coalition loyalty, as not doing so would reduce the party pay-offs from participating in the coalition. And even if individual ministers are unwilling to do so, they may be forced to do so by their own co-partisans. A coalition that satisfies itself with the mutual blocking of policy initiatives will produce policy immobilism with the likelihood of electoral fall-out for the government parties. Coalition failure may take this party combination out of the game. That can generate incentives both to make the current coalition successful and to undermine it, depending on the individual preferences and the alternatives available to the parties. Yet, for individual politicians it may be difficult to derive personal credit (and hence re-nomination) from participating in a cabinet generally considered a failure. Perhaps the prime minister will be most affected by such concerns and therefore should be most determined to keep the government working. Finally, to the extent that the coalition’s policy programme is in the public domain, politicians should be concerned about their reputation. Playing foul with one coalition partner does not attract others. Even voters may be disgusted by politicians publicly behaving as many expect them to do privately. We will return to many of these arguments in our more detailed discussion of how various control instruments help enforcing coalition policy in the context of our spatial model.

Yet, all this only suggests that there may be incentives for actors to see themselves committed to the coalition as a whole (see dashed line in Figure 1). The problem remains to activate these incentives and hence to balance the fact that ministers are agents of their respective parties and agents of the coalition. In other words, they are expected to pursue party and coalition goals simultaneously. Facing two principals, cabinet members might be forced to choose between producing party or coalition benefits. On the one hand, ministers should be perfect agents of the coalition
and enforce its policy goals, since all parties of the coalition government agreed to govern together. On the other hand, the fulfilment of their career ambitions depends solely on their own party. Therefore, all ministers have an incentive to shirk (i.e. to pursue party policy goals) in order to appeal to party delegates and leaders who can influence their further careers. If all minister ‘shirk’ (i.e. if all ministers pursue party goals), we end up with ministerial government (see Laver and Shepsle 1996). However, this solution is suboptimal since policies (‘policy winsets’ in Laver and Shepsle’s terminology) exist which leave all parties better off.

Therefore, the question arises how coalitions can make the ministers to stick to the coalition goals instead of serving their own party. We believe that this (collective action) problem can be kept at bay by introducing control mechanisms that strengthen the link between the coalition and the cabinet. In this case, ‘shirking’ for the benefit of the own party is more difficult.

**Holding ministers accountable: How coalitions control ‘their’ ministers**

Coalitions can hold ‘their’ ministers accountable by drawing on the four control mechanisms also employed by political parties (see above): screening, contract design, monitoring, and institutional checks. However, since coalitions are much more heterogeneous than parties, the strength and form of these mechanisms differ.
Screening

Screening (i.e. the scanning of potential candidates for ministerial office) is a difficult task for coalitions. Usually, the pool candidates is limited to high-ranking members of the (potential) parties in government. If we use the distinction of unwilling and/or unable agents to address the problem of hidden information (Lupia 2003: 43), unwilling agents are the more severe problem. This is so because parties share with coalitions the concern to eliminate potential agents with insufficient knowledge or skills. Thus, intra-party control mechanisms reduce the risk to obtain unable individuals within the pool of potential candidates. The identification of unwilling agents, however, is a major challenge for coalitions. Given the parties’ pre-selection of party-loyal candidates the entire pool of candidates is biased towards candidates with an incentive to shirk (in favour of their own party). To make the best out of this situation, the coalition can use a screening mechanism to select cabinet members jointly. This is most likely when non-partisan ministers are appointed to particularly technical or, conversely, politically very sensitive government departments (e.g. justice). What seems to occur more often, however, is that the government parties remain free to nominate ministerial candidates for the portfolios allocated to them while their coalition partners maintain the right to veto them. Again, realistically this can only help to avoid the most radical partisans. Most coalitions indeed agree on leaving each party free hand with regard to filling its portfolios (Müller and Strøm 2000: 574).

Contract Design

Most coalitions write coalition contracts or coalition agreements. Although these agreements are difficult to enforce (Müller and Strøm 2008), they establish what the
coalition requires the ministers to do. In the Netherlands, for example, the coalition agreement of the Lubbers I cabinet was seen as ‘holy agreement’ that considerably diminished the ministers’ agenda-setting power (Timmermans and Andeweg 2000). Therefore, detailed policy agreements can help coalitions to keep ministers in line and to prevent deviations in favour of their parties. We would expect that the more detailed the policy agreements are, the lower the probability of cabinet members to pursue policies not acceptable to the coalition partner(s).

Moreover, procedural rules can be designed to facilitate the coalition agreement’s enforcement. Such rules can diminish the agenda-setting power of cabinet members and thereby prevent ministers from unilateral action that benefit their parties at the cost of the coalition partner(s).

To agree on coalition discipline in legislation is one specific procedural tool to constrain the power of ministers. Since the parties in government commit themselves to joint legislative behaviour, the monitoring competence of the parliamentary groups is strengthened. Such a rule might be particularly important in ‘oversized’ coalitions that contain at least one party that is not required for majority formation (for such an assumption see Tsebelis 2002). In minimal winning coalitions (where each party is required for the government’s majority), agreeing to coalition discipline can prevent ministers from building legislative voting alliances cross-cutting the coalition for specific policy proposals.

Finally, a coalition can keep the individual parties and their ministers in check if they agree on an ‘election rule’. In other words, the parties in government agree ex ante to call new elections if the coalition fails. Leaving aside constitutional rules that may render such a rule not feasible (Norway) or not attractive (Sweden), this mechanism can
put high pressure on cabinet members. Ministers and their parties may be deterred from the possibility to lose office benefits as a consequence of early elections. Without an election rule, parties in government may look for alternative coalition partners within the sitting parliament and blackmail their current partners if such options exist (Lupia and Strøm 1995).

Of course, none of these mechanisms is self-enforcing. Deliberately not respecting a procedural rule at first sight seems as easy as reneging a policy commitment. Yet, it is easier to see whether procedural rules are observed than whether specific policy proposals represent the original bargain, particularly in the case of policy issues with great substantive complexity. Hence, breaking procedural rules is more likely to put a party’s reputation at risk than manipulating policy details in its favour.

**Monitoring**

Although ex ante control mechanisms are intensively used in parliamentary democracies (Strøm 2003: 71–2), they are by far not the only mechanisms to control the government. Coalitional countries make frequent use also of ex post control mechanisms. Each parliamentary democracy allows for the direct monitoring of the executive by parliamentary committees. They can scrutinize legislative proposals and in most cases also other executive behaviour. Provided that parliamentary committees have sufficient resources and include MPs with strong and extreme preferences that collectively represent the coalition’s entire policy spectrum (cf. Krehbiel 1991), committee oversight can effectively serve the interests of the coalition at large. Parliamentary committees are likely to reveal ministerial deviations from the coalition
course and to contain at least one party with the incentive to act upon this information (Martin and Vanberg 2004, 2005).

Third parties may also influence the relationship between the coalition and its ministers. With the caveats introduced above, such actors provide information about the individual ministers’ behaviour and thus help the principal (i.e. the coalition) containing the hidden action problem.

**Institutional Checks**

Cabinets can rarely change the institutional features of a polity, but they are largely free to choose intra-coalition conflict management mechanisms. Typically, these are more or less permanent bodies with representatives from all coalition parties, including cabinet members, party leaders, and parliamentary leaders in various combinations (see country chapters in Müller and Strøm 2000a; Andeweg and Timmermans 2008). Moreover, the number of conflict management arenas differs: Whereas some coalitions use none or only one of such mechanisms, others employ several of them. These bodies constitute institutional checks on ministers. Thus coalitions often install at least one additional player who can veto or change ministerial policy proposals.

Another method of coalitions to control cabinet members is the appointment of ‘watchdog’ junior ministers. They belong to different coalition parties than the minister under whom they serve. The purpose of these ‘watchdogs’ is controlling their minister’s departmental activities and reporting violations of the coalition agreement to their own party. The party, in turn, can invoke coalition conflict management mechanisms (as discussed above). Although junior ministers remain constitutionally subordinated to their minister, they are politically independent and constitute important information
sources for their parties. ‘Watchdog’ junior ministers are used in several West European countries (see Thies 2001; Verzichelli 2008). This mechanism is not error-prawn as the ‘watchdogs’ may become their ministers’ lap dogs (what may make life more comfortable for both of them). Nonetheless, ‘watchdog’ junior ministers constitute an institutional check: Power is delegated to a minister who is controlled by another agent of the coalition (with different policy preferences).

The relative strength of control mechanisms

So far, we have presented several mechanisms of how coalitions can hold ministers accountable. Not all of them are always available, for instance, because they are alien to the institutional setup. Constitutional constraints, in turn, are unlikely to be changed during coalition formation periods. ‘Watchdog’ junior ministers, for example, are only feasible in countries where junior ministers are known. Likewise, an election rule is impossible in Norway as this country has fixed terms. For the mechanisms discussed above, however, this limitation is especially relevant for the monitoring devices controlling the cabinet. Parliamentary oversight rules or the parliamentary committee structure are unlikely to be changed for coalitional purposes only. Coalitions therefore can be expected to concentrate on the three remaining devices of screening, contract design, and institutional checks.

These three mechanisms differ in their effectiveness. If we compare the mechanisms presented above, screening seems to be the weakest device to control a minister. Although the parties assist the coalition to eliminate unable candidates, coalitions can rarely find candidates who are willing to prioritize a priori the policy goals of the coalition over those of the individual coalition parties. Although the right to reject
another party’s candidate can help sorting out truly unacceptable candidates, coalition partners can only hope to end up with the ‘lesser evil’ as most candidates in the pool are partisans.

Contract design and institutional checks allow for a greater extent of control. While a coalition agreement can map out or constrain future decisions, institutional checks provide information (e.g. through ‘watchdog’ junior ministers) and check the behaviour of ministers during the term (e.g. by transferring ministerial decisions to coalition bodies). There is no reason to assume a priori that one of these two control mechanisms is stronger. Rather, they complement each another: Ex ante policy agreements need to be enforced during the lifetime of the principal–agent relationship. This enforcement is easier to achieve if coalition committees exist which help to resolve conflicts when they occur. And ‘watchdog’ junior ministers are more efficient means of party control if they can apply an uncontested yardstick such as the agreements in a coalition contract. While this does not prevent problems of interpretation of both the contract and the meaning of actions, coalitions without such instruments are more likely to suffer from agency loss.

Finally, can we distinguish the relative strength of the individual elements of contract design and institutional checks? We expect the four contract design options – policy agreements, discipline in legislative behaviour, the ‘election rule’, and remaining country-specific procedural rules – not to be equally strong. Comprehensive policy agreements are an effective tool to tie the hands of the cabinet members. Such agreements can set the agenda and contain detailed policy prescriptions. Agreeing on coalition discipline in legislation confines the party leaders (and ministers) to making deals with their coalition partners rather than trading policy concessions with
opposition parties. This device therefore makes the compliance with policy compromises more probable. Compared to the first two means, the ‘election rule’ and remaining country-specific procedural rules are weaker devices for controlling agents ex ante. As we have seen, procedural rules can contain important features such as coalition committees as ‘courts of appeal’ and they can commit the government parties to the principle of coalition discipline. However, having singled-out the most important features for separate discussion above, the remaining ‘rules of the game’ are generally less important. Finally, agreeing on the calling of early elections if the coalition breaks down is a mighty tool to put pressure on the coalition partners. However, without devices such as a detailed policy agreement or the principle of coalition discipline it will remain indeterminate who actually broke the contract. To be sure, in real-world coalition politics even having such yardsticks only narrows the room for interpretation.

Within the block of institutional checks, we see no reason to rank-order ‘watchdog’ junior ministers and conflict management mechanisms. Both are useful control devices that constrain the power of ministers. Whereas ‘watchdog’ junior ministers are mainly providing information, conflict management bodies make decisions if individual agents or parties disagree. Here, again, the two devices complement each other: ‘Watchdogs’ within the government departments can provide the information the coalition leaders need to prevent a minister from shirking in favour of his party.
How coalition control mechanisms work: Some illustrations

We now illustrate some effects of the control mechanisms discussed above in a spatial model and compare the results with the portfolio allocation approach of Laver and Shepsle (1990, 1996). For simplicity, we look at a three-party parliament and a coalition consisting of two parties. In Figure 2, which is adapted from Laver and Shepsle (1996: 64), we consider party positions in a two-dimensional policy space (in our example finance and foreign policy). We assume the two dimensions being ‘distinct’ (i.e. the dimensions are independent from each other) and of equal salience. The two-dimensional ideal points of the three parties are at AA, BB, and CC, respectively (marked by dots). The intercept or lattice points (marked by crosses) describe the ideal positions of two-party coalitions provided that one party is a ‘policy dictator’ in one of the policy dimensions but concedes dictatorial power to its coalition partner in the other. For example, the point BA is the position of the coalition of the parties A and B, in which party B occupies the finance department and party A holds foreign affairs. Suppose that this is the incumbent government coalition (i.e. the status quo is equal to that point, or simply BA=SQ). The lattice point concept allows us to predict that cabinet BA is stable. It is stable because no lattice point lies within the winset of this coalition (i.e. the overlapping circles). In other words, there are policies preferred to that point, but there are no feasible government coalitions that would make the required policy decisions. This is so because of the institutional prerogatives of cabinet ministers. Given the ministers’ policy dictator positions their parties cannot credibly commit to policies that differ from their own ideals (Laver and Shepsle 1996: 63). The heroic assumptions of
this approach allow for parsimonious modelling and identifying equilibrium cabinets (i.e. cabinets pursuing policies that withstand the problem of cycling majorities).\textsuperscript{7} 

[Figure 2 about here]

In the ministerial government approach cycling is prevented by the institutional prerogatives of cabinet ministers. Yet, institutions can help to stabilize the policy process and to prevent cycling more generally (Shepsle 1979; Laver and Schofield 1998: 126). Recall, that coalition policy positions exist that leave both parties better off than the ministerial government outcome located at BA (the shaded area between the two ideal positions of the parties A and B (AA and BB, respectively) in Figure 2). To prevent cycling, a policy in that area can only be pursued if both coalition partners have an incentive to stick to that policy. We argue that coalition control mechanisms provide such an incentive by reducing uncertainty. In so doing, they produce stability in policy terms and prevent cycling. In the remainder of this section, we discuss the working of coalition control mechanisms in detail for the first policy dimension (finance policy).

Figure 3 shows the party positions of the parties A, B, and C on the first dimension, finance policy. The status quo is located at the ideal position of party B, therefore SQ=B. The minister is a member of party B. The problem is, of course, that party B has (in the one-dimensional view) no incentive to move the status quo away from its own ideal position. Of course, it can trade policies with party A so that overall both parties are better off choosing positions which differ from their ‘policy dictator’ positions at BA (i.e. positions within the shaded area in Figure 2). To achieve this, the minister from party B has to propose a policy left of his party’s ideal position (say CA in
The incentive problem emerges from the fact that this leaves his party worse off than maintaining the status quo. The minister might indeed go down the annals as the person who introduced this reform and hence as a traitor to his party’s cause. Why should he take this risk?

[Figure 3 about here]

**Ex ante control in a spatial model**

The ex ante mechanisms, discussed above, can create the conditions for such behaviour. First, screening devices can help to select a minister who is willing to pursue such a move. As mentioned earlier, coalitions usually face the problem of finding willing candidates rather than candidates who are able to do their job. If the parties have the freedom of appointment, party B will try to select a candidate with an ideal position close to the party’s ideal position (i.e. close to B). However, if the coalition parties agree to mutual veto rights, party A can try to get party B nominating a candidate who is more affectionate to the coalition of the parties A and B. In other words, party A can influence its partner to select a minister whose ideal position is left of party B, say M1. At least, party A can veto potential candidates who are not attached to the coalition (say M2 in Figure 3) and rather prefer a coalition with party C. In both cases, screening by the coalition leads to a better outcome.

Policy contracts define the coalitions’ goals, commit the ministers to these goals and provide yardsticks for evaluating their performance. Under perfect information, a coalition’s policy agreement will define a single point on the policy dimension as the coalition’s goal, say CA in Figure 3. However, real world policy agreements are never
complete. They neither cover all issues nor do they fix all details with regard to the topics covered. In short, there is always room for manoeuvre. Both partners may have different interpretations of the policy agreement’s content. Consequently, the coalition agreement is not located at one specific policy point but rather at an interval. Let therefore \([CA - \alpha, CA + \alpha]\) describe the margin of interpretation for the policy agreement. The more details a policy agreement contains, the lower is the margin of interpretation. The larger the margin of interpretation, the higher is the probability that a minister can shift the policy outcome towards his party’s ideal positions. In Figure 3, a minister from party B would therefore propose a policy located at \(CA + \alpha\) since this move reduces the policy costs of the compromise with party A.

Although procedural rules are difficult to display in policy terms, they can constrain policy decision-making and resolve potential conflicts. Consider coalition bargaining of the parties A and B in Figure 3. Party B could present a potential ministerial candidate with an ideal position similar to the party’s ideal position (i.e. close to B). Since the status quo is also positioned at B, party A might have doubts whether the minister will really stick to the coalition compromise at CA. Therefore, the parties could agree to split the portfolio or make two ministers jointly responsible for introducing the proposal.

To agree on an ‘election rule’ is an additional device to enforce the goals of the coalition leaving all parties in government better off. Consider again the situation represented in Figure 3. To agree on a policy compromise between the ideal positions of the parties A and B leaves party B worse off (as the status quo already represents its ideal position). However, the whole situation is improved if party A makes a similar concession on the second policy dimension (moving the status quo towards party B’s
ideal position; see Figure 2). Both parties have incentives to maintain the status quo in their own jurisdiction while the coalition partner moves the policy towards the coalition compromise. Party B, for example, wants to maintain the status quo in its jurisdiction (finance) but wants party A to propose foreign policy measures that are closer to party B’s ideal position. Provided party A has already delivered its part of the coalition deal, party B will find switching to a coalition with party C more attractive in policy terms than maintaining its alliance with party A. An election rule can reduce such incentives: To agree on calling elections if the coalition collapses increases the parties’ uncertainty as the election outcome can change the parties’ voting power. In our example the worst-case scenario for party B would be party A winning a majority and hence being able to govern alone. In more complex party constellations than represented here alternative coalitions excluding party B may become viable. An election rule thus puts the parties’ office and policy benefits at risk. This, in turn, makes them value the current coalition higher and hence more willing to live up to their commitments from the coalition deal.

To see the impact of coalition discipline in the spatial model represented in Figure 3, assume the status quo to be located at the position of the coalition agreement CA. Yet, party B may nevertheless consider moving the status quo to its ideal position. Given its spatial location, party C would be the natural partner for such a move (see Figure 3). This, however, would mean the joining of forces of one government party with the opposition, what would conflict with the rule of coalition discipline. A ‘coalition discipline’ rule thus can be a means to achieve the coalition’s policy goals even when they conflict with those of individual coalition parties that would be viable in unconstrained parliamentary voting.9
Ex post control in a spatial model

The most obvious ex post device to control the cabinet is direct (or ‘police-patrol’) monitoring by the parliament and its committees. They check where the minister’s policy proposal is located and whether it fits with the coalition’s goals. Figure 4 displays the position of a proposal P and some uncertainty of its interpretation $\beta$. If P is the ‘true’ position of the proposal, strong (i.e. resourceful) committees can help the parliament to locate it at this place by understanding its implications and consequences.

[Figure 4 about here]

‘Fire alarms’, the second form of monitoring, usually report alleged misbehaviour on the agent’s part to the principal. The more credible the sources of such alarms (see the criteria introduced above), the more they help to reduce $\beta$. In any case, ‘fire alarms’ may be useful in identifying proposals from the coalition partner that merit closer scrutiny by the party’s ‘police forces’. If the coalition programme is detailed and public, even the opposition parties may be functional in that respect by measuring government policy against the coalition’s claims and making deviations public.

Institutional checks provide another ex post mechanism to enhance the coalition’s control of the cabinet. ‘Watchdog’ junior ministers, for example, can contribute expertise and effort to enhance their respective party’s evaluation of proposed policies. In the example represented in Figure 4, a junior minister from party A can check whether the proposal of the minister is sufficient for producing the agreed policy compromise. With precise policy agreements (i.e. small $\alpha$), this task is easier than with broad and vague ones. However, the main task of a junior minister is to
evaluate the minister’s policy proposal for his party colleagues and to estimate where the policy would be located, if implemented. This again means reducing the uncertainty \( \beta \) of the proposed policy \( P \). ‘Watchdog’ junior ministers come in at an early stage of the policy development process and follow it through. Given the time constraints of policy making that may be particularly useful for containing agency loss.

Finally, the existence of conflict management arenas diminishes the agenda-setting power of ministers. Suppose a scenario in Figure 4, in which party A claims that the policy proposal of the minister does not represent the coalition's goals. In this case, a conflict management body, typically consisting of party leaders, parliamentary leaders, and cabinet members, meets to discuss the issue and resolve the conflict. Typically, the committee will aim for a compromise between the ideal positions of the government parties. Consequently the minister's agenda-setting power is diminished. Ministers anticipating such outcome are less likely to engage in dissent-shirking for the sake of their party.

In developing our argument we have taken Laver and Shepsle’s ministerial government model as point of departure. In that model the coalition parties agree to grant each of the partners exclusive jurisdictions where they can govern unconstrained. They do so because given the prerogatives of cabinet ministers this is the only workable solution. Yet, once we give up the strict assumption of ministerial policy dictators, the coalition parties are able to achieve a package of government policies that overall is closer to their ideal positions than the package resulting from ministerial government. Control mechanisms such as veto rights in ministerial selection, policy agreements, procedural rules (including the election rule and mutual commitment to coalition discipline), ‘watchdog’ junior ministers, and conflict management arenas make it more
likely that government policy is indeed coalition policy rather than the assembling of ministry-specific party policies. Institutional features, such as the parliamentary committee structure, also shape the relationship between the coalition and its ministers. However, changing a system’s features in most cases is beyond the power of a government coalition. Coalitions, therefore, often anticipate the consequences of these features and act accordingly.

What coalitions have to consider: Costs and constraints

Using control mechanisms is no ‘free lunch’. Each mechanism imposes costs on the coalition and the net effects of control may be minor or even negative. In other words, the energy spent on mutual checking and holding the coalition’s policy course may lead the coalition to achieve less than a more laissez-faire coalition regime would produce. To frame the discussion more systematically, we follow the approach of Müller and Strøm (2008) and look at different factors that potentially influence the usage of coalition control mechanisms.

Time

Control mechanisms are not uniformly employed over time. Any first-time use of a specific mechanism (in a given country) involves higher risks and uncertainties because its consequences are unknown. Later coalitions can use the accumulated knowledge and experience from their predecessors to set the constraints for their agents. This is the case with regard to the use of coalition agreements (Müller and Strøm 2008) but the
same argument is valid for other control devices such as screening, ‘watchdog’ junior ministers, or a system of coalition management bodies. Hence, we can formulate our first hypothesis:

Hypothesis 1:

*Due to learning effects, the use of control mechanisms increases over time.*

*The allocation of resources among political actors*

The most fundamental allocation of resources among the relevant players is the seat distribution in parliament. Parliamentary voting always constitutes the default option if voluntary agreements between the parties break down. Such voluntary agreements define the divide between government and opposition and the rules to be followed in cabinet coalitions. The seat shares of parties determine their ‘mechanical’ bargaining power (i.e. without considering the effects of their spatial location). Bargaining complexity results from the number of possible majority coalitions. The higher the bargaining complexity in parliament, the greater the gains from employing control mechanisms. Yet, the higher the bargaining complexity, the greater the costs for negotiating an agreement between the parties in the first place. Therefore, it is difficult to derive expectations for the use of control mechanisms from bargaining complexity.

A coalition’s parliamentary status – majority or minority – may also influence the strength of the control devices employed. As minority cabinets have to bargain with opposition parties to reach policy compromises, intra-coalition control is likely to be less consequential. Whatever the coalition agrees must also find the approval of outside forces and hence may not hold. More generally, the simple fact that minority cabinets
may not expect a long life may makes the setting-up of coalition control mechanisms an investment not worth making.

The time argument is not confined to minority cabinets, however. The time the government has available until the next (scheduled) election is a major factor influencing what the government can do in policy terms. This, in turn, is likely to influence the behaviour of the coalition partners. To put it simply, investments in the setting up of control mechanisms are worthwhile only if there is considerable time until the next election. This applies to all the control mechanisms introduced above: Elaborated coalition contracts, the installation of ‘watchdog’ junior ministers, and conflict management mechanisms become less likely the shorter the cabinet’s maximal possible duration.

Finally, policy and office trades between the coalition partners can determine the use of control mechanisms. If the parties trade offices against policy concessions, we expect a greater use of ex ante (e.g. policy agreement) and ex post mechanisms (e.g. coalition committees) to monitor the fulfilment of these concessions. To sum up, we derive the following expectations:

Hypothesis 2:

*Coalition governments are more likely to use control mechanisms if (a) the cabinet controls the majority of seats in parliament, (b) there is considerable time until the next general election, and (c) if the coalition parties trade policy against office concessions.*
Policy preferences

Policy-oriented parties try to form coalitions that are as homogenous (in policy terms) as possible. If the policy positions of the parties in government are similar, strong control devices are not required. Quite simply, the shirking of ministers in favour of their parties does not impose high policy costs on the coalition partners. The more the policy preferences of the coalition parties differ, however, the more control mechanisms are required. Furthermore, the number of feasible cabinet alternatives might affect the parties’ willingness to strengthen the link between the coalition and the cabinet. On the one hand, the higher the number of feasible alternatives for government coalitions or, at least, parliamentary voting alliances, the higher is the risk that government parties join forces with opposition parties. Hence, control mechanisms are beneficial if several coalition alternatives exist. On the other hand, least some cabinet parties may not agree on tight control mechanisms given their ‘outside options’.

The median party in any policy dimension enjoys the advantage of having more feasible coalition alternatives than the other parties (Laver and Schofield 1998). In other words, the presence of the median party in the most important policy dimension in the coalition indicates unequal bargaining power within the coalition. Müller and Strøm (2008) found a strong and significant relationship between different policy preferences variables and the use of coalition agreements. We expect a similar relationship for the control mechanisms discussed in this article. In sum, then, we derive the following expectations:
Hypothesis 3:

Coalition governments are more likely to use control mechanisms if (a) the coalition parties’ policy preferences are diverse and (b) the parliamentary median party is a member of the cabinet.

Political institutions

As Lane and Ersson (2000: 56) have put it into a nutshell: ‘Institutions restrain individual behaviour.’ This simple lesson from the ‘new institutionalism’ is also valid for coalitions and their willing and ability to control their ministers. We can think of two different ways how institutions influence the use of control mechanisms. First, institutions shape the bargaining inequality within governments. For example, the power of prime ministers differs between countries (Bergman et al. 2003; O’Malley 2007). Since only one party can hold the position of prime minister, important institutional prerogatives of that office increase the risk of the incumbents’ exploiting them to favour their parties. In such instances, we expect coalition partners to having strong incentive for increasing control. Second, other institutional features are also potentially relevant. If decision-making processes of the parliamentary majority can be challenged by external veto players such as strong presidents, second chambers, constitutional courts, or referendums government policy decisions face higher uncertainty. Hence, coalition parties should have fewer incentives to fix agreements ex ante. If, however, the parties nevertheless agree on common policy goals or procedural rules, external veto players may raise doubts among the coalition partners whether the
partners will remain faithful to the deal if the intervention of other actors improves their bargaining position. Hence, we derive the following expectations:

Hypothesis 4:

(a) Institutional prerogatives of the prime ministership lead coalition governments to use more control mechanisms. (b) Likewise, the existence of external veto players makes ex ante agreements between the coalition parties less likely. However, if the coalition partners agree on specifying goals ex ante, external veto players lead coalition partners to employ more ex post control mechanisms.

The bargaining environment

Typically, coalitions are aware of the fate of former coalitions and the problems they had to face. They should, therefore, have an incentive to avoid these difficulties and to prepare for similar situations. If, for example, prior coalitions terminated because of policy or office conflicts, this should have a positive influence on the strength of control mechanisms employed by the present coalition. Similarly, if parties know that voters are ‘available’ (i.e. in systems with high electoral volatility), the calculation of future electoral gains or losses becomes difficult. We would therefore expect coalitions to strengthen the control mechanisms in order to avoid early government resignation. The same argument holds for critical events that former cabinets had to face. If these ‘shocks’ led to government terminations, future coalitions should try to close their ranks in order to prevent repeating such experiences. This leads to
Hypothesis 5:

*Coalition governments are more likely to use control mechanisms if (a) preceding cabinets terminated due to policy or office conflicts, (b) electoral volatility is high, and (c) critical events terminated former cabinets.*

Conclusion

Coalitions of political parties are weak principals and face difficulties in holding ‘their’ ministers accountable. Given the limited time horizon and the heterogeneous policy preferences of coalitions, ministers have strong incentives to serve their own parties rather than these ‘weak constructs’. After all, it is political parties that have made them minister and will determine whether the incumbents’ further career ambitions will be satisfied. How can coalitions cope with this dilemma and commit the ministers to the common coalition goals rather than those of the individual parties in the coalition?

Employing the principal–agent framework, we have shown that coalitions can employ several control mechanisms to pursue this goal. Ex ante control mechanisms can set the agenda for future policy decisions and define rewards and punishments to tie the ministers to the coalition programme. Coalitions may also try to select the ‘right’ candidates (i.e. coalition-loyal ministers) but there are severe limits to that strategy. Once the coalition cabinet has taken office, ex post mechanisms come to the fore. Direct monitoring by the parliament is a challenging task given the notorious supremacy of the executive. Strong committee systems can help to contain this problem. This device may work if a strong committee system is already in place. If not, this mechanism is probably
irrelevant for coalition control as changes in the institutional setting are only rarely within the coalition's power. And even if coalitions could introduce such changes, they would take some time to become effective. ‘Fire alarms’ can be useful when some conditions are satisfied. Institutional checks, such as ‘watchdog’ junior ministers or coalition committees, can be set up as checks on individual ministers.

Note, however, that using control mechanisms is not costless. In some situations, coalition partners can ‘agree to disagree’ if the setting-up of control mechanisms and their operation is not worth the effort. The factors shaping such decisions are outlined above: First, the use of control mechanisms is time-dependent. If prior coalitions already used specific control instruments, they constitute a model that can be followed or adapted to a new situation. ‘Copying’ and making ‘local adaptations’ is always cheaper than ‘inventing’ and initial ‘testing’. Second, the allocation of resources among the actors shapes the implementation of control mechanisms: The coalition's parliamentary status and the policy and office trades between the coalition partners affect the implementation of control mechanisms. Moreover, we expect the time until the next election to have a positive effect on the use of control instruments. Third, the heterogeneity of policy preferences within the coalition and parliament and the bargaining power resulting from the spatial location (and seat shares) of the respective parties impact on the use of coalition control mechanisms. To put it simple, coalition parties with similar preferences and equal bargaining power should have fewer incentives to control each other than parties characterized by great differences in bargaining power and policy preferences (Müller and Strøm 2008). Fourth, institutions are relevant here. The power of the prime minister and institutional constraints such as the number of potential veto players make coalition control instruments more or less
desirable. Finally, the fate of former cabinets (especially the conditions causing their termination) and the uncertainty of the bargaining environment shape the behaviour of the present cabinet. If prior cabinets had to face policy or office conflicts or critical events, and if high volatility signals uncertainty towards future elections, we expect the coalition partners to use more control mechanisms.

What is missing from this article, of course, is an empirical analysis of the arguments presented above. There is already work in progress in which we will test the hypothesis that the use of control mechanisms of coalitions is constrained by their costs. Müller and Strøm (2008) make a similar argument for the use of coalition agreements and our approach is the natural extension of their research.

In the longer term, however, progress with understanding coalition governance in particular and coalition politics more generally, will require studying policy agreements in greater depth. Only once we know with some precision what parties have agreed in their coalition deals we will be able to understand a number of questions relevant not only to coalition studies but central to the broader topics of representation, accountability, and party government. Of course, coalition policies do not constitute uncharted territory. Indeed, many country studies and the party government literature contain important contributions. Yet, the comparative party government literature has never analyzed the policy content of coalition agreements and initial attention to the empirical study of government declarations regrettably has vanished. In contrast, the country-specific literature is rich in detail for some countries and coalitions, but it is hard to generalize from the state of the art for two reasons: uneven coverage and lack of comparability of existing studies, even within countries. Of course, our observations do not question the merits of what actually is contained in these bodies of work. Although
important issues of representation and accountability under multi-party governments still remain desiderata for empirical research, it is rewarding to see the progress since these issues were first addressed by Lawrence Lowell, James Bryce, Herman Finer, and Maurice Duverger.
References


Erforderliche Parameter fehlen oder sind falsch.
FIGURE 2: POLICY POSITIONS OF THREE PARTIES IN A TWO-DIMENSIONAL POLICY SPACE INCLUDING WINSETS\textsuperscript{12}
Legend:
A, B, C = Party ideal positions
SQ = Status quo
CA = Coalition policy agreement
\( \alpha \) = CA's margin of interpretation
M1, M2 = Minister ideal positions
FIGURE 4: EX POST COALITION CONTROL MECHANISMS

Legend:
A, B, C = Party ideal positions
SQ = Status quo
CA = Coalition policy agreement
α = CA’s margin of interpretation
β = P’s margin of interpretation
P = Policy proposal
Following what now seems convention, we assume female principals and male agents throughout the article.

We can further distinguish sabotage as a sub-category of shirking (see Brehm and Gates 1997; Müller 2000a). However, the distinction between leisure-shirking and dissent-shirking is precise enough for the present purpose.

Other parties require the summoning of a party congress for making the decision to enter coalitions. These events typically take place only late in the game but nevertheless contain elements of risk that will be anticipated in the negotiations (see country chapters in Müller and Strøm 2000a).

Note that coalition parties might benefit from the appointment of ministers by their partners who are too incompetent to make full use of all the policy concessions these parties had been able to achieve. Yet, failure is unlikely to be limited to issues contested between the coalition partners and indeed may undermine the entire cabinet’s credibility and electoral prospects.

Such mechanisms were, for instance, developed during the first ‘grand coalition’ period in Austria (until 1966). At that time, the coalition parties normally did not negotiate policy issues ex ante but relied on rules how to resolve problems once they occur (see Müller 2000b). However, only few cabinets use procedural rules to a similar extent (Müller and Strøm 2000b: 575–8).

That is not to say that these rules are irrelevant. In Germany, for example, the coalition agreement of the CDU/CSU-FDP coalition in 1961 prescribed the resignation of the chancellor Adenauer after two years. In return, the FDP promised to vote for Adenauer in the investiture vote (Saalfeld 2000).

If the parties A and B agree to implement a policy within their winset (i.e. the cross-section of the circles surrounding their ideal positions), party C can offer another policy which is preferred by at least one of the parties A or B. This ‘cycling’ process continues if rarely existing conditions are not met. Laver and Shepsle’s lattice points concept is a theoretical explanation why cycling does not occur and produces point-predictions. Our more realistic approach of negotiated coalition policies implies that the cycling problem is back on the table. The control mechanisms discussed in this article are designed to keep it at bay.

For simplicity, we assume a symmetric interval (i.e. the margin of interpretation is the same to the left and the right).

Logically, the opposite can also occur: Respect of coalition discipline can prevent the coalition programme from being enacted. This may happen, when a minister is not acting upon the coalition’s policy programme while the parliamentary opposition would be ready to vote this policy into law on the basis of a parliamentary proposal. For all the other reasons we discuss here, and on the basis of our own non-systematic observations, we consider this alternative empirically less important.

As for the coalition agreement, we assume symmetry for the interval surrounding the proposal P. However, asymmetric pictures are also possible.

While Laver and Budge (1992) base their analyses on both party manifestos and government declarations, later publications of the manifest project satisfy themselves with calculating estimates for government positions from party manifesto data and seat shares (see e.g. Budge et al. 2001). Whatever the merits of these estimates, they do not pay tribute to bargaining and its complexities.

Adapted from Laver and Shepsle (1996: 64).