Much of the fascination that parliamentary regimes hold for students of democratic government resides in their nontransparency. Unless voters give a single party a parliamentary majority (which is usually not the case), it may be far from obvious which party or parties will form the next government and, in the event that a coalition takes office, how cabinet portfolios and policy influence will be allocated among its members. Given that bargains made can always be unmade, the length of time that any such government can expect to remain in office is equally unclear. Political outcomes in these circumstances often seem less a function of voters’ choices than of largely invisible processes of party positioning and interparty bargaining.

AUTHOR’S NOTE: I wish to thank Ian Budge for supplying both the government manifestos data and the 1997 version of the comparative manifestos project (CMP) data and François Pétry for supplying his parties and governments data for the French Fourth Republic. Neither they nor the CMP are responsible for the use made of the data here.
It was entirely to be expected that this situation would engage the attention of formal theorists, and indeed, a very active and productive research agenda has emerged in recent years. Perhaps the simplest prediction derives from Black’s (1957) median voter theorem: It anticipates that the median party, regardless of its majority status, will be able to impose its own policies for as long as it holds this status (which makes largely irrelevant the issue of which parties, if any, will coalesce with it). The loosening of key assumptions that generate this result—especially the assumption of a single policy dimension—has led to the development of much more complex but arguably more realistic models that often embrace the possibility that coalitions will form in which no one party monopolizes anything.

Different models, of course, yield different predictions. Consider the situation with respect to the policy outcomes of coalitional politics. A cornerstone of Laver and Shepsle’s (1996) well-known portfolio allocation theory is that each party in a governing coalition is able to implement its own policies in the areas under its jurisdiction. The party that holds the finance ministry, for example, is presumed to exercise paramount control over government taxation and spending policies. In contrast, “proposer” models such as those put forward by Baron (1998) and Diermeier and Feddersen (1998) see influence over government spending as shared among parties, with the party in charge of the formation process using its position to take a disproportionately large share.

I use policy outcomes as the example here because it is the area in which the least amount of empirical testing of competing theoretical expectations has been generated. Is it true that fundamental policy decisions such as taxation and government spending are biased toward the wishes of the government proposer or formateur in parliamentary systems, as the proposer models suggest, or do they mirror instead the wishes of the party holding the finance ministry (assuming these are different), as the portfolio allocation approach would imply? Alternatively, could it be that influence over government policy simply reflects the legislative sizes of the members of the governing coalition, with no party disproportionately advantaged? Anecdotal evidence aside, the short answer is that we simply do not know.

Clarification of these matters would be of considerable value for both the insight it would provide with respect to the most basic of government’s duties, the making and implementing of policy decisions, and the clues it would yield concerning which theoretical directions are the most worthy of pursuit. Despite these potential gains, however, the lion’s share of the empirical work on parliamentary governments has focused instead on the composition and survival of governments. This is not because composition and survival matter more; indeed, a good case could be made that their value largely
depends on the implications they bear for policy. Rather the greater attention these matters have received largely relates to the fact that they are readily measurable. The tasks of determining which parties entered a government, how portfolios were distributed among them, and how long the government survived in office are minuscule compared with those of measuring its policy output.

The gap in measurement capacity is not quite as stark as it appears, however. The empirical investigation of parliamentary government formation and survival typically entails some measurement of the ideological or policy positions of parties, and researchers realized some time ago that party manifestos or platforms could be used for this purpose (e.g., Budge, Robertson, & Hearl, 1987). But if content analyses of the party manifestos can be employed to generate estimates of their policy positions, it follows that the same type of analysis can be applied to coalition government declarations to generate corresponding estimates of government positions. Granted, the analysis of these declarations would provide evidence of what governments say they will do, which may not be the same as what they actually do. But at the very least, such an analysis should provide a good indication of how much each party concedes when a coalition deal is struck.

This type of enterprise was undertaken on one occasion for 11 mainly West European countries by the comparative manifestos project (CMP) and reported in Laver and Budge (1992). Although much useful information did emerge from these analyses, there were certain disappointments. Foremost among these was the finding that the impact of parties on government policy is generally quite modest—indeed, nonexistent in some countries (Budge & Laver, 1992b). To be specific, coalition policy did not appear to correspond consistently well with the mean or weighted mean position of the parties in the coalition or the legislature or with the positions of either the median party or the predominant party on a left-right scale (Budge & Laver, 1992b). Although improvements in both data accuracy and model specification are possible, Budge and Laver were obliged to conclude that any such improvements were unlikely to reverse the basic conclusion that “party policy, influential though it obviously is in coalition bargaining, still has less consistent and strong effects than those assumed by policy-based spatial models” (p. 429).

The aim of this article is to reexamine the entire issue of the determinants of coalition government policy with the aid of both the government declarations and the party manifestos data gathered and coded by the CMP. Although the data source remains the same, the hypotheses to be examined range considerably beyond those included in the Budge and Laver (1992b) investigation. Among these are the prediction, derived from proposer models of legislative bargaining, that the party forming the government should be able to
capture a disproportionately large policy payoff and the proposition, most starkly expressed in Laver and Shespe’s (1996) portfolio allocation model, that policy in any given area should correspond with the position of the party given jurisdiction over that area. Budge and Laver’s (1992b) finding of a rightward bias in government programs will also be investigated, as will the notion that changes in government policy are constrained by the status quo. Underlying these issues is the larger matter of whether Budge and Laver’s pessimism concerning the degree of linkage between party and government policies is indeed warranted. As we shall see, it is not.

HYPOTHESES ABOUT COALITION GOVERNMENT POLICY

Let us begin with a brief discussion of various factors that may affect coalition government policy and that are amenable to investigation with the aid of the party manifestos and government declarations data sets. Some time ago, Gamson (1961) proposed the hypothesis that each participant in a coalition will expect to receive a share of the payoff that is in proportion to the resources it contributes and, consequently, that only coalitions that match payoffs with resources will form. Browne and Franklin (1973) subsequently put this hypothesis to the test, with striking results. Operationalizing the resources of a coalition party as the proportion of legislative seats it contributes to the coalition’s total (its “seat share”) and its payoff as the share of ministerial portfolios it receives, they found a nearly perfect one-to-one correspondence between the two in West European parliamentary systems. Indeed, so close was the connection between seat and portfolio shares that some observers (e.g., Morelli, 1999) have come to refer to it as Gamson’s law.

To assert a law on the basis of relatively few empirical studies is optimistic; it is even more so in this case because the only type of payoff examined was the quantitative allocation of portfolios. Browne and Franklin (1973) assumed that the number of portfolios a party receives may stand in for its overall payoff but provided no evidence that this is the case. Because the CMP’s coding of government declarations provides a more direct measure of the policy outcome of coalition deliberations, an alternative test of Gamson’s hypothesis becomes possible. This test would consist of determining whether coalition policy corresponds with the weighted mean position of the parties in the government, with the parties’ seat shares constituting the weights. In this formulation, each party’s seat share remains the resource it brings to the coalition, but its payoff is measured in terms of the proximity of coalition policy to its own policy position. If coalition members are rewarded in policy
according to the legislative seats they contribute, coalition policy should match this weighted mean.

The next five hypotheses cover other possible influences on government policy emanating from party policies, most of which were not considered in Budge and Laver’s (1992b) investigation. The first such influence is based on the policy position of the formateur party, that is, the party that was assigned the task of putting the coalition together. Proposer models, as noted earlier, generally anticipate that the formateur party should be able to extract a disproportionately large share of coalition payoffs. In policy terms, this means that the formateur party should be able to “pull” coalition policy closer to its own position than would otherwise be the case. The influence of the formateur party’s policy preferences on the weighted mean position derives solely from its seat share; if formateur status gives it extra leverage, we would expect government policy to be biased away from this weighted mean in the direction of its own position.

A very different approach to coalition formation was taken by Laver and Shepsle (1996), whose portfolio allocation model was predicated on the assumption that ministers are policy dictators in their jurisdictions. In the specific policy area governed by a given minister, the model assumes that policy preferences of the minister’s party will prevail. This assumption cannot be tested in a rigorous fashion with the manifestos and government declarations data because they do not lend themselves to the generation of the relatively narrowly defined policy dimensions central to the Laver-Shepsle (1996) approach. Nevertheless it turns out that the left-right dimension produced from these data is closely related to the most important of Laver and Shepsle’s policy dimensions, that concerning the trade-off between reducing taxes or increasing expenditures. Because they assume that the finance minister has jurisdiction over this issue, it is reasonable to infer from their approach that some linkage should exist between the government’s left-right policy position and that of the party holding the finance ministry.

If Gamson (1961) is right that parties expect payoffs in proportion to the amount of resources they contribute to the coalition, then there is one circumstance in which the weighted mean policy position of government parties will fall short: that in which the government depends on the support of parties not represented in the cabinet. There may be occasions, to be sure, when such external support is ad hoc in nature, varying from one issue to the next. But where one or more parties have entered into an arrangement to support the

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1. The portfolio allocation model requires that policy dimensions be defined in terms of the jurisdictions of the various cabinet ministries. Laver and Shepsle (1996) therefore relied on expert assessments of party positions on policy dimensions defined to accord with this criterion.
government on an ongoing basis, it is plausible that policy concessions have been extracted in return for this support. This may cause the government’s policy declaration to be biased toward the weighted mean position of the external support parties.

Apart from these considerations, governments may respond in some way to the policy concerns of opposition parties. One reason why this might occur is because governments feel an obligation to appear less divisive and more consensual in their approach to policy making. This presumably would reveal itself in the existence of a bias in government programs toward the weighted mean position of all parties in the parliamentary system. The available data cannot tell us whether such a bias, if it exists, would signal a sincere intention to moderate policies or would constitute nothing more than a public relations exercise designed to show the government’s desire to govern with the entire population’s interests in mind. Nevertheless, it need not be solely “window dressing”: some formal models (e.g., Baron, 1998; Diermeier & Feddersen, 1998) incorporate the possibility that the opposition may receive some positive policy payoff.

A final possibility is that government policy is biased toward the position of the cabinet party that experienced the largest improvement in its seat share in the most recent elections. Mansergh (1999), in testing the first hypothesis listed here on three Irish coalition governments, found evidence of such a bias in two of the cases. Her evidence suggests that a strong showing at the polls may strengthen a party’s bargaining position, creating expectations of superior treatment in coalition negotiations and perhaps reducing fear of the consequences if negotiations should break down.

The preceding hypotheses all involve the potential influence of the policy preferences of various parties or groups of parties in the parliamentary arena. But other types of influence are possible as well. One such influence is the dead weight of past policy. Whatever policy position a coalition government agrees on, it may be necessary or expedient to move policy to that position only gradually. This might occur because the new government believes that policies cannot be changed quickly without causing undue disruption, waste, and confusion or because it does not wish to frighten voters (or markets) by appearing too radical or iconoclastic. Although we cannot measure the evolution of government policy over time (the government data record declared policy only at the beginning of each government’s tenure in power), it may be possible to capture the weight of the past with a lagged dependent variable, 2. The reasons Budge and Laver (1992b) suggest are that policy making is consensual or that governments may be threatened with defeat in a confidence motion if policy concessions are not made. The latter possibility is captured here via the preceding hypothesis, which involves policy concessions made by minority governments to their external supporters.
the previous government’s policy position. If policy inertia is present, we might hypothesize that the previous government’s position exerts an independent influence on that of the new government.

The final type of effect to be considered concerns the tendency for government declarations to be more rightwing than the mean positions of the parties composing them. Budge and Laver (1992b), who reported the tendency, speculated that it may reflect the preoccupation of government declarations with “administrative concerns and ongoing matters of government (for example defence and foreign policy) which have not necessarily entered into the election campaign”; if so, they concluded, it would “cast some doubt upon the validity of using published policy declaration[s] as indicators of ‘real’ government policy” (p. 411). This is not the only interpretation possible, however. If the rightward bias of government policy varies systematically with certain economic conditions such as rising inflation and/or declining unemployment, it may indicate that government parties have seen some need to alter their policy stances to accommodate those conditions. Thus we might expect a rise in inflation and/or a decline in unemployment between the time of the last election and the time the government is formed to be positively associated with the degree of rightward bias in government policy.

It is also possible that no adverse changes in economic conditions are needed to generate a rightward drift in government policies. Generally speaking, one would expect government declarations issued soon after elections to represent the positions of the parties in the cabinet relatively accurately because the commitments made to voters are recent. Individual cabinet parties may have to make concessions to their coalition partners, but there is no reason why the overall effect of these concessions should be to move government policy to the right. With time, however, things may change. A left-wing interpretation of these changes would be that big business is able to exert its influence (i.e., its blackmail potential) to induce governments gradually to abandon electoral commitments and accept more right-wing policies. A right-wing interpretation would be that with time, governments are increasingly forced to face socioeconomic reality, which generally means easing away from unrealistic commitments and adopting more workable (i.e., more market-friendly) policies. We cannot adjudicate between these rival perspectives here, but we can determine whether the rightward bias in government policy is positively related to the time that has elapsed between the last election and the formation of the government.

The hypotheses to be tested are summarized in Table 1. It is appropriate to conclude this discussion by noting one hypothesis that will not be considered, the hypothesis that government policy corresponds to that of the median party. There are a number of reasons for this. The first is that Budge and Laver
(1992b) tested the hypothesis on a country-by-country basis and found that it worked well in only a couple of countries. More significant is the fact that medians can be very sensitive to small changes in party sizes and placement along the dimension, which means that the failure of the CMP to code the manifestos of minor parties leaves the median indeterminate in some cases.3 Finally, there is the problem that even with complete information, medians can be nonunique: Counting to the median from one direction does not always produce the same result as counting from the other direction.

3. Median parties are given for these systems in the various contributions to Laver and Budge (1992). However I found that I was unable to reproduce the same median party in many instances using the same data, which probably indicates that assumptions were made by those authors about the placement of small, noncoded parties that critically affect the location of the median.

Table 1
Hypotheses to Be Tested

<table>
<thead>
<tr>
<th>Hypothesis Number</th>
<th>Hypothesis Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>The government’s left-right policy position corresponds to the weighted mean left-right policy position of the parties represented in the cabinet (the cabinet weighted mean), with the parties’ cabinet seat shares constituting the weights.</td>
</tr>
<tr>
<td>H2</td>
<td>The government’s left-right policy position is biased away from the cabinet weighted mean toward the left-right position of the party that forms the government.</td>
</tr>
<tr>
<td>H3</td>
<td>The government’s left-right policy position is biased away from the cabinet weighted mean toward the left-right position of the party that holds the finance portfolio.</td>
</tr>
<tr>
<td>H4</td>
<td>The government’s left-right policy position is biased away from the cabinet weighted mean toward the left-right policy position(s) of any declared external-support parties.</td>
</tr>
<tr>
<td>H5</td>
<td>The government’s left-right policy position is biased away from the cabinet weighted mean toward the parliamentary center of gravity.</td>
</tr>
<tr>
<td>H6</td>
<td>The government’s left-right policy position is biased away from the cabinet weighted mean toward the left-right position of the cabinet party that received the largest increase in parliamentary seats in the most recent election.</td>
</tr>
<tr>
<td>H7</td>
<td>The government’s policy position is positively influenced by the policy position of the government that preceded it.</td>
</tr>
<tr>
<td>H8</td>
<td>Rising inflation and/or declining unemployment between the last election and the time the government is formed move the government’s policy position to the right.</td>
</tr>
<tr>
<td>H9</td>
<td>Government policy moves to the right with the length of time between the last election and the formation of the government.</td>
</tr>
</tbody>
</table>

Note: All hypotheses are ceteris paribus.
Although the median-party hypothesis will not be tested, the range of hypotheses that will be examined is extensive—certainly much more so than has ever been attempted. The choice, moreover, is theoretically apposite, involving important implications from major theoretical streams as well as possibilities not previously embedded in theoretical formulations. The use of multivariate techniques will make it possible to bring competing hypotheses into confrontation with each other for the first time. In the next section, I outline how the testing will be effected.

DATA AND METHODS

The objective of this article is to analyze the influences on government policy in West European parliamentary systems and, in particular, to determine the nature and degree of connection between party and government policies in those systems. The only available data dealing directly with government and party positions in these countries over a broad range of policy areas are the codings of party manifestos and government declarations undertaken by the CMP. The CMP maintains an ongoing program of coding party manifestos for a wide variety of democratic countries and has made these data available to the academic community for some time; the 1997 version of the data set is the one that will be used here. Government declarations, in contrast, have been coded just once for a more limited subset of countries and have yet to be released for general use. That coding effort covered all governments in those countries, apart from single-party majority governments, in the postwar period up to approximately the mid 1980s. The data set built for this study combines the two sources and covers the 10 European systems included in the latter source.4

The basic coding scheme for both data sets consists of recording the amount of attention devoted to each of 54 topics or issues. This scheme was designed to accord with a “saliency” interpretation of party behavior, which holds that parties stress issues with which they are uniquely or largely identified and ignore or downplay other issues. A number of issues, however, are coded separately into positive and negative mentions (e.g. labor groups: negative versus labor groups: positive) to reflect the fact that parties often stake out opposing positions in these areas. This fits poorly with the saliency

4. The countries and periods covered are Belgium (1945-1982), Denmark (1945-1984), France (1946-1958), Ireland (1981-1983), Italy (1948-1983), Luxembourg (1945-1985), the Netherlands (1946-1990), Norway (1945-1990), Sweden (1945-1989), and West Germany (1949-1987). The French Fifth Republic was omitted to exclude the possible influence of a strong president on policy.
approach and has led some to question the appropriateness of the entire coding scheme (e.g., Laver & Garry, 2000). Nevertheless one of the fundamental findings to emerge from analyses of the party manifestos data is that they do yield very good indications of the left-right position of parties.

This can be seen with the measure of left-right party position developed and used in the Laver and Budge (1992) volume. With the aid of exploratory factor analyses, Budge and Laver (1992a) identified 13 issues that could be interpreted as left wing and a further 13 that are classifiable as right wing. Their measure calculates left-right position by subtracting the total amount of attention devoted in manifestos to the left-wing issues from the total amount allocated to the right-wing issues (Budge & Laver, 1992a). They assessed the measure’s accuracy informally by calculating party positions for Britain and found a high degree of face validity—the positioning of the principal British parties corresponded, with very few exceptions, to accepted wisdom in all elections examined (Budge & Laver, 1992a). A more systematic indication of its accuracy was provided in Gabel and Huber’s (2000) comparative evaluation of five manifesto-based measures of left-right party position, which shows that the Budge-Laver measure provides party positions that correspond very well with estimates derived from surveys of country experts.

Not only do the party manifesto data provide good measurement of left-right party positions but also it appears that the addition of further dimensions does not improve matters very much. In the country analyses undertaken by the contributors to the Laver and Budge (1992) volume, two-dimensional representations of the policy space were found to generate better results in

5. Of the 13 left-wing items, five concern state intervention, four involve peace and cooperation, and the rest are the individual items democracy, social service: positive, education: positive, and labor groups: positive. The right-wing items consist of five referring to capitalist economics, six involving social conservatism, plus freedom and human rights and military: positive.

6. The Budge-Laver (1992a) measure performed noticeably better than both the original Budge, Robertson, and Hearl (1987) measure and Klingemann’s (1995) measure and approximately the same as the Laver-Garry (2000) measure, which is a variant of it. The only measure that clearly outperformed the Budge-Laver measure was the one derived from Gabel and Huber’s “vanilla” method. This method is a factor analytic method that is not well suited to the present data set, however, because the different coding scheme used for the French Fourth Republic data (see as follows) precludes the application of the method to the entire dataset. The French data could be factor analyzed separately, but Gabel and Huber’s (2000) analysis indicates that applying the method to individual countries produces much less accurate results. The Budge-Laver measure, as we shall see, is readily extendible to the French data. Another indication that the coding scheme adopted by the comparative manifestos project (CMP) does not lead to inaccuracy is Laver and Garry’s (2000) finding that an alternative coding of British and Irish manifestos of 1992, which was designed specifically to address their reservations concerning the original CMP coding scheme, yielded measures of left-right position virtually identical ($r = .94$) to those produced using the original scheme.
only one country: Belgium. Indeed in only four European countries did a much more complex 20-dimensional representation perform better (Budge & Laver, 1992b). In this sense, the Budge-Laver (1992a) left-right measure captures much of the information that the manifestos and declarations contain concerning party positions.

A third advantage of this measure is that it makes it relatively straightforward to handle the case of the French Fourth Republic, whose coding presents special problems. The first of these is that the government declarations data were coded into 18 rather than 54 categories (Pétry, 1992). Fortunately, the difference is not as great as it appears because the 18 categories include most of the major designations used in the Budge-Laver (1992a) measure. The principal deviation for our purposes is that two left-wing items are absent (education: positive and labor: positive) and two different left-wing items have been added (laicity and antiright). By using the latter in place of the former, a measure of left-right position that is very similar to the Budge-Laver measure can be created. The second problem is that the manifestos data are very incomplete and sometimes of questionable accuracy. This problem can be overcome by using Pétry’s much more comprehensive coding of party positions, which follows the same 18-category coding he used to code the government declarations. Although these changes appear relatively innocuous, the data analysis will be conducted with an eye to any unusual effects deriving from the data for France.

Apart from these considerations, there is one further reason why the Budge-Laver (1992a) measure will be used to estimate the policy positions of parties and governments: It allows us to maintain comparability with the findings reported in Budge and Laver (1992b). This will be valuable for determining whether the various other considerations outlined in the preceding section enhance our ability to account for declared government policy. The influences in question will be operationalized and tested as follows.

The basic measure against which the government’s declared policy will be assessed is the weighted mean position of the parties composing the cabinet, with each party’s cabinet seat share (share of cabinet-held legislative seats) providing its weight. This variable will be known as the cabinet weighted mean. Under the first hypothesis, there should be a close connection between the two.

Other factors may mask or obscure this connection, as we have seen. One such factor is the policy preferences of the formateur party. This party’s abil-

7. The worst case of omissions is the 1951-1956 legislature, whose total of three coded parties is far too few for meaningful analysis. As for inaccuracies, an outstanding example is the Communists in 1946, who receive a score of 18.9 on the Budge-Laver scale (1992a), considerably to the right of the Socialists (−14.4) and rather close to the Conservatives (25.5).
ity to capture a disproportionate share of the policy payoff has been an important feature of a prominent stream of formal models. If the formateur party’s position itself were used as an independent variable, however, it would show a high degree of overlap with the cabinet weighted mean because formateur parties tend to be located close to the cabinets they form (Warwick, 1998). What we really want is a variable that records the formateur party’s influence above and beyond its contribution to the weighted mean, in other words, a variable that can reveal any bias in government policy away from the cabinet weighted mean and toward the formateur party’s position. This type of effect can be captured by means of a variable that records the formateur party’s deviation from the cabinet weighted mean (i.e., the formateur party’s left-right position minus the cabinet weighted mean). Under the hypothesis, the further the formateur party deviates to the right or left of the cabinet weighted mean, the more government policy should be pulled in that direction. Thus any disproportionate capacity of the formateur party to move government policy toward its own position should be reflected in a significant positive role for this variable, labeled *formateur-cabinet distance*.

The assumption of ministerial autonomy that drives Laver and Shepsle’s (1996) theory is less easily tested with the data at hand, because the left-right policy scale would appear to be too encompassing to be under the exclusive control of any one minister. Laver and Shepsle’s tests employed a more narrowly defined component of it—the issue of what balance should be struck between the conflicting goals of reducing taxes and increasing expenditures—which they regard as the exclusive prerogative of the finance ministry. As noted earlier, however, the dilemma is less serious than it appears because party positions on this issue, at least as measured by the “taxes versus spending” dimension of Laver and Hunt’s (1992) expert survey (which is the source Laver and Shepsle relied on), are very closely associated with the Budge-Laver (1992a) positions ($r = .792, p < .001, n = 63$). This suggests that the issue is at the very heart of the left-right dimension used here. If so, then by the hypothesis of ministerial autonomy or dictatorship, government policy on this dimension should be heavily influenced by the preferences of the party holding the finance ministry. This can be assessed by determining whether the deviation of the finance minister’s party from the cabinet weighted mean—denoted *finance minister–cabinet distance*—exerts any independent influence on government policy.

The possibility that government policy takes account of the preferences of external support parties—that is, parties that provide essential parliamentary support to coalition governments—can be assessed by determining whether the formateur’s influence as emanating from its status as a proposer, not from its size.

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8. This variable is not weighted by the formateur’s size because proposer models see the formateur’s influence as emanating from its status as a proposer, not from its size.
support but do not take up cabinet positions—is a relatively neglected consideration. The only study to explore this issue in any detail was Warwick’s (1994) investigation of government survival, which found that taking the support parties into account enhanced the capacity of the variables he considered to account for longevity in office. Following Warwick, support parties will be identified as those parties that formally ally with or openly declare their intention to support the cabinet, as identified in *Keesing’s Contemporary Archives* (1945-1990). Because coalition governments can have more than one support party, the overall location of the external support will be represented by their weighted mean position, with each party’s share of the total amount of external support constituting its weight. The influence of these parties will be measured by *supporter-cabinet distance*, the deviation of their weighted mean position from the cabinet weighted mean; in cases in which there are no support parties (which is true about 80% of the time), this distance is set equal to zero.

The next policy-distance effect to be considered is that emanating from the parliamentary center of gravity. This center can be represented with the weighted mean position of all parliamentary parties (using parliamentary seat shares as the weights), but it is unclear whether this mean should be calculated for the current parliament only or whether a more generalized version is warranted. The latter would better capture the notion that governments are responding to a sense of where public opinion has been centered over an extended period of time. Two versions were therefore created: the weighted mean party position in the current parliament and the average of the weighted mean positions in all previous legislatures in that country (the cumulative weighted mean). For each version, the possibility that government policy is biased toward it will be captured by means of a variable, *parliament-cabinet distance*, that records its deviation from the cabinet weighted mean.

The final position-based hypothesis concerns the possibility that the party that has profited the most in the preceding election will exert disproportionate influence over government policy. This party is identified as the party that had the largest increase in parliamentary seats in that election. Any disproportionate influence for this party should be reflected in a significant role for *gainer-cabinet distance*, the deviation of its position from the cabinet weighted mean.

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9. A more extensive definition of support parties, which includes all parties known to be government supporters, was also tested. It turned out, however, to perform less well.

10. To use the largest proportional increase would be to bias results in favor of very small parties. A party that increased its seats from one to two would show a 100% increase, for example, but it seems unlikely that it would wield a great deal of bargaining power because of that single extra seat.
The other possible influences to be considered concern policy inertia—a tendency for past government policy to constrain future policy, net of other factors—and the rightward bias in government programs reported by Budge and Laver (1992b). As noted earlier, policy inertia will be represented by means of a lagged dependent variable, \textit{declared government policy–lagged}. To incorporate the idea that adverse changes in economic circumstances generate the rightward bias, inflation rates and unemployment rates at the time of the last election and at the time of government formation have been recorded. Because the bias is to the right, we would expect it to be related to increasing inflation and/or decreasing unemployment in that time interval. \textit{Inflation change} registers the change in the annual rate of inflation between the month of the last election and the month in which the government was formed; \textit{unemployment change} records the corresponding change for unemployment rates. If policy drifts to the right regardless of economic conditions, then the length of time between the election and government formation alone should account for it. This hypothesis will be captured by \textit{time since last election}, a variable recording the number of months elapsed between the two occurrences.

Let us turn now to the issue of research design, beginning with the choice of statistical methodology. Generally speaking, the most appropriate way to handle a cross-national data set is to use a hierarchical or multilevel model. The distinguishing feature of this type of model for present purposes is that it permits slopes and intercepts to vary across higher level units, in this case across the various countries in the sample. Because the variances of these slopes and intercepts are calculated, however, it is necessary to have not only adequate numbers of cases per country but also adequate numbers of countries as well. Jones and Duncan (1998) argue, for example, that it would not be appropriate to have hundreds of respondents in just 10 higher level units. In the present data set, the situation is considerably less favorable: We have complete data on just 154 governments in 10 countries.


12. A straightforward introduction to multilevel models is provided in Jones and Duncan (1998).
For this reason, a multilevel approach will not be adopted as the principal methodology here; ordinary least-squares regression will be used instead. Close attention will be paid, however, to the possibility that relationships differ across countries and, where the evidence warrants it, interactive terms will be used to capture the deviant situations. Fortunately (given the relatively small number of cases under scrutiny), this situation does not crop up very often.

The testing procedure will be guided by the notion that absent any other influences, government policy should reflect the weighted mean position of the cabinet parties. This starting point is indicated not only because it embodies the earliest hypothesis on the subject but also because the other hypotheses involve it as a reference point. For instance, the formateur advantage hypothesis suggests that the formateur may be able to pull government policy away from the cabinet weighted mean toward its own position. Any such tendency can be assessed by regressing government policy on both cabinet weighted mean and formateur-cabinet distance; the effect estimated for the latter variable would then register the degree of formateur advantage. Note that the effect associated with the weighted mean need not weaken or disappear if formateurs are advantaged; indeed, the opposite might be true. If the underlying tendency is for proportionality, the presence of formateur-cabinet distance should lead to a strengthening of the estimated proportionality effect because the distortion generated by the formateur’s disproportionate influence will have been controlled.

A theoretical approach premised on the idea that only the formateur wields disproportionate influence implies no significant effects for any other independent variables. Clearly, assessing this implication requires the presence of the other proposed influences on government policy in the regression model. This is no mere formality; the risk of misattributing effects is considerable. Consider, for example, the third hypothesis, which alleges disproportionate influence for the party holding the finance ministry. It so happens that the formateur party holds this portfolio in about two thirds (64.3%) of the governments under scrutiny. If the third hypothesis is true, the consequence could be that any disproportionate influence that formateurs appear to exert on policy may actually emanate from their propensity to control finance ministries rather than from their status as formateurs. Because the roles played by any of the other proposed influences may also create a risk of mistaken inference, the appropriate procedure for testing this and the other hypotheses is

13. Inspection of bivariate relationships indicates that linearity is a reasonable assumption; the rationale for additivity is discussed as follows.
not to conduct separate hypothesis tests but rather to look for net effects when all other influences are controlled.

DATA ANALYSIS

When Budge and Laver (1992b) investigated the effect of the weighted mean cabinet position on government policy, they found a very mixed picture: The relationship was strong in three of the eight countries they examined ($r^2 \geq .29$), relatively weak in a couple of others ($0.12 \geq r^2 \geq .05$), and negligible in the remaining three ($r^2 < .02$). The other five hypotheses they tested produced equally mixed results and even lower correlations on average—all of which induced their conclusion that only a weak connection exists between party policy and government policy.

The finding that relationships vary so much by country probably encouraged Budge and Laver (1992b) to report their results on a country-by-country basis. It is not clear, however, that this is the most appropriate way to proceed. For one thing, there was no theoretical reason to anticipate variations across countries: the hypothesis linking government policy with the cabinet weighted mean (like their other hypotheses as well as those outlined here) is meant to apply without qualification to all parliamentary systems. Moreover although the evidence certainly showed wide variations across countries, it is also true that the numbers of cases per country are relatively small; these differences may therefore not be statistically significant.14

A reexamination of the relationship provides ample grounds for believing that the data can, in fact, be pooled. The results of regressing government policy on the cabinet weighted mean over all cases in the present sample are reported in the first model of Table 2. They show a sizeable and highly significant positive effect, but is the relationship confined to just a few countries?

Whereas the effects do vary by country, the use of interactive terms to capture these deviations reveals that a statistically significant deviation from the overall tendency occurs in only one country, the French Fourth Republic.15 That France should be a deviant case is hardly surprising given that the cod-

14. Correlations are not the best way to make cross-national comparisons in any case because they may vary not only when the relationship differs in different contexts but also when the variances of the variables differ across contexts.

15. This was done by performing 10 regressions, in each of which were entered the weighted cabinet mean, a country dummy, and an interactive term formed by the product of those two variables. In 2 of the 10 regressions, the country slope was negative, but in neither case was the deviation from the overall relationship statistically significant.
ing methodology employed for the French manifestos and declarations differs substantially from that used for the rest of the sample. What matters more is that the nature of this deviation does not violate the hypothesis: The French data differ by showing a significantly stronger relationship between the variables. Thus there is neither any theoretical nor any statistical reason to infer anything other than a positive relationship between the cabinet weighted mean and the government’s policy position and, with the possible exception of France, no reason to suppose that it differs in strength across systems.

Although we can conclude, at least tentatively, that government policy does track the weighted mean policy of cabinet parties, it is also evident that the relationship is far from being one to one. In this sense, Budge and Laver’s (1992b) conclusion remains valid. We have noted, however, five other policy positions that may be interfering with this connection. They are the policy positions of the formateur’s party and the finance minister’s party, the weighted mean positions of the support parties (if any) and all parliamentary parties, and the position of the party gaining the most seats in the last elections. In each case, the effect will be captured by means of a variable measuring the deviation of the policy position in question from the cabinet weighted mean. For the parliamentary center of gravity, however, it is unclear whether the weighted mean position of parties in the current parliament or a cumula-

Table 2
Party Policy Effects on Government Policy (ordinary least squares regressions)

<table>
<thead>
<tr>
<th></th>
<th>Model 1</th>
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<th>Model 2</th>
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<tbody>
<tr>
<td></td>
<td>Coefficient</td>
<td>Standardized Coefficient</td>
<td>Coefficient</td>
<td>Standardized Coefficient</td>
</tr>
<tr>
<td>Intercept</td>
<td>3.481 (1.455)</td>
<td>—</td>
<td>7.098 (1.776)</td>
<td>—</td>
</tr>
<tr>
<td>Cabinet weighted mean</td>
<td>0.497 (0.081)</td>
<td>0.445</td>
<td>0.857 (0.145)</td>
<td>0.766</td>
</tr>
<tr>
<td>Formateur-cabinet distance</td>
<td>—</td>
<td>0.259 (0.158)</td>
<td>0.116</td>
<td></td>
</tr>
<tr>
<td>Finance minister–cabinet distance</td>
<td>—</td>
<td>0.185 (0.112)</td>
<td>0.112</td>
<td></td>
</tr>
<tr>
<td>Supporter-cabinet distance</td>
<td>—</td>
<td>0.454 (0.136)</td>
<td>0.237</td>
<td></td>
</tr>
<tr>
<td>Parliament-cabinet distance</td>
<td>—</td>
<td>0.370 (0.152)</td>
<td>0.319</td>
<td></td>
</tr>
<tr>
<td>Gainer-cabinet distance</td>
<td>—</td>
<td>0.004 (0.095)</td>
<td>0.003</td>
<td></td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>.192</td>
<td>292</td>
<td>154</td>
<td>154</td>
</tr>
</tbody>
</table>
tive mean should be used as a reference point. Testing both versions reveals that the cumulative weighted mean produces a parliament-cabinet distance variable that is more strongly linked to the dependent variable; it is the version that will be used here.

The influences of these five variables are shown in the second model of Table 2. In each case, support for a hypothesis would be indicated by a significant effect coefficient attached to the appropriate variable in addition to any effect attributed to the cabinet weighted mean. Exclusive support for that hypothesis would be indicated by an absence of other significant effects. Such a theoretically decisive outcome is not in evidence, however. In fact, the first four hypothesized influences all affect government policy in the appropriate direction and at or very near to conventional levels of statistical significance ($p = .05$) in a one-tailed test. Clearly, there are grounds for believing that each of these policy positions has some degree of influence on declared government policy. The one exception is the policy position of the largest gainer in the last election; it appears to have no influence at all on declared government policy. The results also show that controlling for these factors allows a much closer connection between the cabinet weighted mean and declared government policy to emerge, suggesting that the relative weakness found earlier was due to a suppression of the effect by these other influences.

The remaining hypothesized influences on declared government policy all involve time in some fashion. One concerns the dead weight of past policy, represented here by a lagged dependent variable. The others relate to the possibility that the gap between government and party policy may increase in the postelection period, perhaps reflecting changing economic circumstances or just a tendency for government policy to drift rightward over time. As it happens, the latter turns out to be more accurate. Only the variable recording the amount of time elapsed since the last election is able to provide a significant net contribution to the explanation of the government’s declared policy position. The impact that this variable and the lagged dependent variable add to the variables already shown to play some role can be seen in the third model, which is presented in Table 3. Clearly, there is a very substantial drag on government policy imposed by previous government policy (net of any similarity in the policy positions of consecutive cabinets, formateurs, finance ministers, and so forth) as well as a pronounced tendency for government pol-

16. If all four variables are added to Model 2 of Table 2, only time since last election and government policy–lagged show significant effects. The coefficients for change in unemployment and change in inflation are 0.516 ($SE = 1.109$) and $-0.097$ ($SE = 0.467$), respectively. This model is not shown in Table 2 because the inclusion of the economic variables entails a large loss in numbers of cases ($N = 118$), primarily because accurate economic data are not available for the Fourth Republic.
icy to move to the right as the time gap between the election and the formation of the government widens. In fact, these are among the strongest determinants of government policy, apart from the cabinet weighted mean itself. Despite their importance, however, the addition of these variables does not undermine the role of the variables previously showing effects in any serious way and, as a result, all seven variables show significant (in most cases highly significant) effects on government policy.

Model 3 provides evidence that most of the effects hypothesized earlier have substance; what remains to be determined is whether these effects can be taken as cross-nationally relevant. Further testing of country effects reveals that in just two other instances can a significant country deviation be detected. Both deviations involve the Fourth Republic, which appears to lack influences emanating from the parliamentary center of gravity and from the

<table>
<thead>
<tr>
<th></th>
<th>Model 3</th>
<th>Model 4</th>
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<tbody>
<tr>
<td></td>
<td>Coefficient</td>
<td>Standardized Coefficient</td>
</tr>
<tr>
<td>Intercept</td>
<td>2.567 (1.725)</td>
<td>—</td>
</tr>
<tr>
<td>Cabinet weighted mean</td>
<td>0.802 (0.140)</td>
<td>0.717</td>
</tr>
<tr>
<td>Formateur-cabinet distance</td>
<td>0.256 (0.138)</td>
<td>0.115</td>
</tr>
<tr>
<td>Finance minister–cabinet distance</td>
<td>0.279 (0.101)</td>
<td>0.169</td>
</tr>
<tr>
<td>Supporter-cabinet distance</td>
<td>0.439 (0.120)</td>
<td>0.230</td>
</tr>
<tr>
<td>Parliament-cabinet distance</td>
<td>0.418 (0.143)</td>
<td>0.360</td>
</tr>
<tr>
<td>Government policy–lagged</td>
<td>0.260 (0.064)</td>
<td>0.301</td>
</tr>
<tr>
<td>Time since last election</td>
<td>0.421 (0.081)</td>
<td>0.325</td>
</tr>
<tr>
<td>Cabinet weighted mean × France</td>
<td>—</td>
<td>0.239 (0.217)</td>
</tr>
<tr>
<td>Parliament-cabinet distance × France</td>
<td>—</td>
<td>−0.886 (0.236)</td>
</tr>
<tr>
<td>Government policy–lagged × France</td>
<td>—</td>
<td>−0.520 (0.149)</td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>.445</td>
<td>529</td>
</tr>
<tr>
<td>$N$</td>
<td>154</td>
<td>154</td>
</tr>
</tbody>
</table>
policy stance of the preceding government. The addition of interactive terms to capture these deviations plus the deviation noted earlier involving the cabinet weighted mean produce the results presented in Model 4 in Table 3. They show that France is indeed a deviant case with respect to two of these variables, government policy–lagged and parliament-cabinet distance, and that the overall effect of these variables on government policy is stronger once the influence of the French case has been controlled. As noted earlier, it is impossible to know whether the Fourth Republic is truly a deviant case or whether it simply appears deviant because it was coded differently. The key point, however, is that there is no other evidence suggesting that these patterns differ by country—no reason, in other words, not to treat them as general.

**DISCUSSION**

One of the more notable findings that emerges from the preceding data analysis is that the connection between the weighted mean position of cabinet parties and the government’s declared policy stance is very close, much closer than appeared to be the case in the bivariate relationship shown in Model 1. In fact, with the other factors controlled, a near one-to-one correspondence emerges between the two variables. This is indicated in Model 4 by an intercept that is not significantly different from zero \((a = 2.902, SE = 1.680)\) and a slope \((b = 0.935)\) that is close to unity. The lack of fit between government and party policies lamented by Budge and Laver (1992b) as well as several of their collaborators now appears to have been overly pessimistic.

This finding would seem to affirm that Gamson’s (1961) proportionality conjecture applies to policy payoffs as well as portfolio allocations. Gamson’s reasoning is also sustained by the significant role played by supporter-cabinet distance: Where parties have declared their willingness to provide external support for cabinets, they appear to be rewarded for their contribution to the government’s viability with policy concessions. A strong degree of proportionality between contributions to a government’s parliamentary basis and policy rewards, while very important, is not the only factor at play, however. We have seen evidence that a number of other considerations affect the declared policy stances of governments. One of these is the policy preferences of the formateur’s party. Model 4 provides the first empirical evidence that the formateur party may be able to exploit its position to extract more than its proportional share of the payoff. Although this supports a central premise of proposer models of legislative bargaining, it should also be noted that the effect is quite limited. In fact, it is the weakest and least significant effect in the model (apart from an insignificant interactive term).
models that see the formateur as grabbing the lion’s share of the policy pay-off, with other cabinet members perhaps doing only marginally better than if they had stayed in opposition, receive little comfort from these results.

The finding of a significant effect emanating from the position of the finance minister’s party would seem to provide support for another key assumption used in formal modeling, the ministerial autonomy assumption that underpins Laver and Shepsle’s (1996) portfolio allocation model. Here too the evidence is not totally clear-cut. Model 4 falls well short of a sweeping endorsement of the assumption because total control over government policy on the left-right dimension by the finance minister should preclude effects emanating from any other source, which is clearly not the case. In fact, government policy on this dimension more closely reflects the entire cabinet’s preferences than the preferences of the party holding the finance ministry.17

On the other hand, the failure of government policy to coincide exactly with the policy position of the finance minister’s party is not decisive evidence against the assumption because the left-right dimension used here is not identical with the taxes versus spending dimension that Laver and Shepsle identify as the finance minister’s jurisdiction.18 The most that can be concluded is that net of other factors, the party holding the finance ministry does wield some degree of influence over left-right policy beyond that to which its size alone would entitle it.

The remaining policy position to show an effect on declared government policy is the parliamentary center of gravity. As noted earlier, the tendency toward moderation in government declarations captured by the parliament-cabinet distance variable may represent nothing more than an exercise in public relations; only a detailed comparison of what governments say and what they actually do in office can determine how much substance there is to this effect. But what is clear from Model 4 is that the moderating tendency in government declarations is a powerful one (with the possible exception of France). In fact, France apart, the parliamentary center is the paramount influence in moving declared government policy away from the cabinet weighted mean, much stronger than the influences exerted by the formateur.

17. On average, the government’s policy is 14.1 units away from the cabinet weighted mean and 16.1 units away from the position of the finance minister’s party.

18. I attempted to create a scale that resembled more closely a tax versus spending scale by recalculating the Budge-Laver (1992a) scale using only those items that were associated with taxation or public spending. Unfortunately, this new scale did not prove to be any more closely associated with the Laver-Hunt (1992) tax versus spending scale ($r = .763$) than is the original left-right scale ($r = .792$). The problem could lie with the Laver-Hunt scale, of course, but there is no way of knowing this.
party or the finance minister’s party. If hypocrisy lies at its root, then the degree of hypocrisy must be large indeed.

The other significant influences on declared government policy concern past (declared) government policy and a tendency for policy to drift rightward with the passage of time since the last election. With respect to past policy, it is important to underline that the effect is independent of other influences in the model. This means that it is not the spurious consequence of any tendency for successive governments to resemble each other, such as when a government is reelected or forms from the remains of its predecessor. Had this not been the case, controlling for the cabinet weighted mean would have substantially weakened or eliminated the effect.19 What then is its source? One possibility is that it represents a realization by the new governing coalition that policy cannot realistically be quickly changed. A more cynical alternative is that it is intended merely as a display of responsibility or nonpartisanship, in other words, “window dressing.”

The final effect in Model 4 is certainly not window dressing: It shows that the rightward bias that Budge and Laver (1992b) noted of government policy declarations is a function of the time elapsed since the issuance of the party manifestos. This implies that it is not the consequence of a preoccupation in government declarations with the more mundane details of governing, as Budge and Laver supposed—such a preoccupation would presumably be time invariant. Instead it appears that the parties forming coalition governments increasingly disengage from electoral commitments and move policy rightward as those commitments become more distant. As noted earlier, it is possible to see in this tendency the nefarious influence of big business on democratic government or a salutary effort of parties to disentangle themselves from impractical promises and face socioeconomic realities. Whatever the case, the fact that this drift may well account for the entire systematic rightward bias in government declarations (the intercept in Model 4 is significant only at the $p = .086$ level) suggests that the declarations are better guides to “real” government policy than Budge and Laver realized.

CONCLUSION

The preceding discussion highlights both the limitations and the strengths of the analysis of party and government policy statements. The chief limita-

19. The bivariate slope for government policy—lagged is $b = 0.383$ ($SE = 0.073$). The addition of the other nine variables causes it to fall only slightly to $b = 0.335$ ($SE = 0.067$), indicating that its effect is largely independent of these other factors.
tion is that we do not know what governments actually do, we only know what they say they will do. Thus we have found that government policy statements reveal the influence of past government policy and the parliamentary center of gravity, but we do not know whether actual policies show these influences. Other effects would leave open major issues of interpretation, even if they could be shown to be real. For instance, is the rightward drift an instance of how capitalism undermines democracy or merely evidence that parties may make unrealistic commitments at election time and then abandon them when they can credibly do so?

The upshot is that there is plenty of scope for future research; the present effort represents merely a “second cut” at the sole extant data source covering government policies across a broad range of issues and governments. Nevertheless we should not underestimate what has been achieved. We have learned, for one thing, that declared government policy tracks the weighted mean position of cabinet parties very closely, as Gamson (1961) anticipated. This initially appeared not to be the case, but the weakness in the relationship turned out to be partly due to the need to make concessions to support parties as well as a tendency, perhaps more public relations than substance, to position the government closer to the parliamentary center. The weakness also reflects the disproportionate influence of the finance minister and the formateur, but both of these influences are relatively small—perhaps too small to sustain the assumption of ministerial autonomy or the degree of formateur advantage that figures in some formal models. Although the source of the rightward drift over time remains unclear at present, it seems likely that its existence—if confirmed in future research—will influence our understanding and evaluation of parliamentary government in important ways.

Beyond these individual findings lie two more general conclusions. The first is that declared government policy does not appear to follow the prescriptions of any one hypothesis or theoretical thrust. Instead it reflects a number of separate influences. Some of these may be no more than window dressing, but even so, the evidence does seem to imply a more complex confluence of forces than formal models typically incorporate. The second conclusion is simply that declared government policy turns out to be highly explicable. About one half of its variance as measured here has been accounted for; if reasonable allowance is made for measurement error (which I would suggest is substantial, given the nature of the data), the set of variables used here may account for a good deal more. The coefficient of determination ($R^2$) is sometimes criticized for its potential to mislead, but one thing is undeniable: If any of the influences identified in this analysis turn out to be spurious, it will be because others have been found that better explain govern-
ment policy. The present analysis has shown, in other words, that declared
government policy can be explained, even if not by the same factors as used
here. Given the central place that government policy occupies in the evalua-
tion of political systems, this outcome suggests that further efforts to measure
and quantify the concept should be a priority for investigators of democratic
government.

REFERENCES


*Paul V. Warwick is a professor of political science at Simon Fraser University, Burnaby, British Columbia, Canada. His current interests focus on coalition governments in parliamentary democracies, about which he has published a number of recent articles and a book, Government Survival in Parliamentary Democracies (Cambridge University Press, 1994).*