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Conflicts, Agreements, and Coalition Governance

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Abstract

In most of the theoretical literature on coalition governments, coalition formation is seen in isolation from what precedes and follows it. Although theoretical work increasingly views coalition formation in terms of policy bargaining, it is often depicted as a process during which parties are not very explicit about the policies they intend to pursue jointly. This paper is based on the idea that policy bargaining is not just a ritual dance, but is instead a real chance for parties to deal with substantive issues during coalition formation. In countries with a long tradition of coalition governments, but increasingly also in other countries, written coalition agreements are the tangible result of interparty and intraparty bargaining, and these agreements can be seen as the link between the formation of coalition governments and their lives. In this paper an approach is presented to examine this link. The central elements in this approach are: the set of controversial issues dealt with during coalition formation; the possible functions of coalition agreements in which these issues are included; and the effects of these agreements (?) during the life of governments. The approach is illustrated with a case study of a Dutch coalition government.

1 Introduction

One of the peculiar things about the theoretical development of coalition research is that although it has become increasingly realistic, it has continued nevertheless to be concerned with mainly two aspects of coalition governments: their formation and their termination. Even in countries known for frequent political crises and protracted government formations, however, it is the *life* of governments that accounts for most of the time of interaction between coalition members.

In this contribution I link the formation of coalition governments to their actual life. Coalition formation and termination are not seen as isolated phenomena or events, rather they are considered to be the elements of a continuous process, in which the end of one government is the beginning of the next.

Indeed, even government formation, as one of the elements of the coalition life cycle, is a dynamic process. The central subject of this paper is the coalition policy agreements which are, in most countries with coalition governments, the tangible result of the government formation negotiations. The focus is on manifest policy conflicts that may emerge during government formation. What factors influence the potential for policy conflict in government formation? How are manifest policy conflicts between the parties dealt with? The central question is: What is the role of coalition agreements during the life of governments? The approach presented here may be used in case studies of coalition governments, but the analytical steps from which it is constructed may have wider applicability.

The paper consists of three sections. In the first section, I discuss different views on policy bargaining in coalition formation. In section two, the focus is on policy conflicts in coalition government formation. What is the potential for policy bargaining during the formation process? How are manifest conflicts resolved or appeased, and how is this reflected in coalition agreements? The functions of coalition agreements and their possible effects during the life of coalitions are the central points of attention in section three. By considering functions of coalition agreements and their possible effects, the formation and life of coalition governments are linked to one another. This is illustrated with a case study of the Lubbers I government, a Dutch coalition in office between 1982 and 1986. Finally, I summarize the approach and indicate points for a future research agenda.

2 Views of policy bargaining in coalition formation

2.1 The multi-motivational nature of competitive parties

The distinction between office seeking and policy pursuit is one of the conceptual enrichments of coalition theory of the last ten years (Budge and Laver 1986; Laver and Schofield 1990). The discussion of the different goals that drive parties, however, has sometimes been a bit sterile, as if parties have only one basic motivation or one hierarchy of motivations that remains constant over time. In fact, it is hard to think of a political party in a parliamentary democracy that does not have several or *multiple goals*: the benefits of office, policy pursuit, electoral rewards, and the maintenance of internal party cohesion. The idea that parties are driven by multiple goals is becoming more common with the acknowledgement of the existence of different branches and factions within parties, as well as rivalry for leadership (Luebbert 1986; Strøm 1990; Harmel and Janda 1994; Maor 1995; Bergman 1995; Mitchell 1996).

The idea of multiple party goals can increase our understanding of empirical processes of coalition politics. Nevertheless, what party motivation prevails in relative terms remains a relevant question.¹ During government formation, parties are concerned most with the conditions for getting into office and with the things they will be doing once they are in office – provided that they seek government responsibility. Office implies that parties control portfolios and pursue substantive policies, and in some countries patronage appointments are also important. When parliamentary elections are due, votes become a more direct incentive for party behaviour. A consequence is that the tension between coalition policy and the preferences of individual parties may intensify. This happens when the end of a government's constitutional term is approaching, but, depending on institutional possibilities, there may also be an element of strategic timing by calling early elections (Lupia and Strøm 1994). Another type of motivation is the preservation of internal party unity. To do well parties pretend to be internally coherent during elections and government formations, and once in office, party leaders emphasize the need for disciplined voting in parliament.

This is only a cursory look at party motivations, but the general point should be clear now. Different party goals are likely to vary in relative weight between the times of formation and termination of coalition governments. This varies from country to country. In Italy, for example, the usually very short duration of governments may mean that parties take elections and government formation into account almost continuously (these are almost constantly short term occupations?). In Norway, on the other hand, the constitutionally fixed interval of four years between elections may lead to longer cycles in the prevalence of specific party goals.

2.2 Policy bargaining in government formation: ritual dance or real chance?

Notwithstanding the variety in party motivations in the real world of coalition politics, most coalition theories have focused on the composition of governments without looking beyond.² In coalition theoretical models, policy has often remained 'instrumental' to government composition. Hardly any attention has been given to the role the results of policy negotiations have played after the government has taken office. The limited attention for the process of policy negotiations and its implications beyond government formation is one reason why rather different concepts of this subject exist. These different concepts can be represented by two contrasting perspectives of policy bargaining in government formation.³

Policy bargaining as a ritual dance – The first view on policy bargaining in government formation could be called the sceptical view. This view is implicit and sometimes explicit in some of the theoretically oriented work as well as in a number of comparative studies that have appeared in the last ten years. The sceptical view basically says that party leaders pretend to make hard deals, but that they do not really engage in bargaining with other parties on concrete policy issues. As a consequence, the meaning of policy bargaining in government formation is limited. Without substantive results in which the parties take a real interest, there is little to be said about the result other than that it is symbolic: a confirmation of the parties' willingness to hold office together. Luebbert, for example, has stated:

What makes the talks so long, difficult and complex is generally not the lack of goodwill among elites, but the fact that negotiations must appear the way they do in order to satisfy the members whose orientations are still largely attuned to the vocal, symbolic, and ideological aspects characteristic of each respective political subculture. It is wrong to assume that, because interparty negotiations take a long time, much is being negotiated among the parties. Most negotiation in cases of protracted government formation takes place between leaders and their followers and among rival factions within parties. (1986: 52)

This author sees party leaders as political entrepreneurs who use policy positions to strengthen their position within their own parties. To ensure that the rank and file of each party can identify with the government, a new flag showing all the party 'colours' must be drawn up. In government formation, party leaders avoid confrontations on concrete policy issues that could frustrate the building of the coalition, provided that policy preferences do not differ to such an extent that it is impossible to sell the coalition to the parties in the first place. Usually, a limited number of 'principles of direction' are agreed, which are defined at a level of abstraction that is high enough to allow compromises without any party suffering a violation of its central values. This yields the paradoxical combination of an emphasis on party principles in a process which is highly pragmatic.

In their overview of coalition research in political science since the early 1960s, Laver and Schofield comment on the results of policy bargaining, the joint programme:

While such a document is unambiguously the immediate output of coalition bargaining over policy, we must none the less be wary about its real political significance. It might, after all, be little more than window dressing. (1990: 189)

These authors argue further that it is difficult to read a meaning into the documented results of policy bargaining. Parties are seen to avoid drawing

attention to what divides them and instead emphasize points of agreement, even on trivial issues (ibid: 191-192).

It is paradoxical that another example of the sceptical view derives from one of the few studies in which systematic attention has been given not only to the party composition but also to the policy programmes of coalition governments. In summarizing the results of a content analysis of party programmes and government programmes conducted by the Manifesto Research Group, Laver and Budge assert that published government programmes may not always reflect real government policy positions, because they may be "patched up hastily between party leaders more as a public relation exercise." (1992: 410.) In a subsequent volume edited by Klingemann, Hofferbert and Budge, a similar view of coalition programmes is displayed (1994: 33).

A final demonstration of scepticism about the meaning of policy bargaining in government formation can be found in the work of Laver and Shepsle, presented as the portfolio allocation approach. While the initial point of departure in their work was the rather bold assumption that cabinet ministers are policy 'dictators', enjoying full autonomy within their field of jurisdiction (1990), findings from empirical country studies led to a modification of the theory, in that ministers are now seen to be constrained by the parties to which they belong (1994: 308-309). Nonetheless, the central argument has remained, that the most credible statement about the future policies of governments is the allocation of cabinet portfolios to 'ministrables' whose policy positions are well known. These prominents may have a personal reputation or they may be reliable agents of their party. The allocation of the defence portfolio to the proverbial hawk is an example (and hawks on defence policy are usually more at home in one party than in another). The implication of Laver and Shepsle's argument is that the results of policy bargaining in government formation have little meaning until it is known who or which party will be in charge of implementing these results.

A distinction which seems to be relevant here is that between different levels or categories of policy. For matters that are the typical domain of one party or are clearly departmental in a 'technical' sense, the portfolio allocation assumption is a plausible one. If no other party cares really about defence policy, the hawk taking the portfolio may have appreciable discretion in this area. Those issues, however, that attract the serious attention of several or all of the coalition parties may be or become matters of 'high politics'. In such cases, decision-making may be more collective, and the division between formal policy jurisdictions of individual ministers may be of secondary importance, even if this is to the regret of the individual minister. By assuming that policy issues are "bundled into mutually exclusive packages (and that) each of these packages falls into the jurisdiction of a particular government ministry" (1994: 288), Laver and Shepsle seem to be referring to issues of the first category. The

question is whether such selectively emphasized and departmental matters are predominant in government formation.

Policy bargaining as a real chance – The contrasting view is that government formation provides opportunities for dealing with policy issues, particularly controversial issues. *Which* policy issues are dealt with is a question to which this alternative view may also have a response.

In the conclusion to one of the early comparative works on coalition governments, Browne and Dreijmanis (1982: 349-350) argue that the key process determining the value of coalition membership is the negotiation of a more or less formal agreement that specifies the general expectations of the prospective partners. The primary concern of actors during these negotiations is to reach an agreement that commits the government to a set of policies as similar as possible to their own policy positions. Government formation is thus seen as an opportunity for parties to establish the extent of their influence over the process of policy determination. This is clearly a different conception of bargaining on coalition agreements, though it must be said that most of what is written about this subject in the country chapters in the Browne and Dreijmanis volume is not backed up empirically.

In an interesting study of government formation and policy formulation, Peterson and associates (1983; 1986) are more specific about the subject. Though these authors consider only Belgium and the Netherlands, their argument may have broader empirical relevance. Government formation is called a policy-making arena *par excellence*, as “it is an instrument whereby differences over certain kinds of policy questions can for a time be resolved, as a coalition of parties results from an issue-specific consensus.” (1986: 565.) This government formation arena is seen to have the advantages of an informal context, with fewer institutionally required procedures than in the formal legislative process (1983: 68-82). The possibilities for ‘invisible politics’ and the greater flexibility of parties facilitate consensus building. In this perspective, government formation forms an important stage in a cumulative process of policy-making, following immediately after a government has ended. This is obvious in a chronological sense, but the less obvious point is that issues which cause the fall of a government are seen to return on the agenda during the formation of the next government.

The process of government formation is disaggregated into three ‘stages’: (1) the selection of participants, (2) policy negotiations, and (3) the allocation of portfolios. The authors emphasize, however, that this is an analytical distinction which does not mean that these stages always follow in a chronological order.⁴ Though in many countries there are certain procedures and conventions, coalition formation usually involves a high degree of what Lax and Sebenius call ‘process opportunism’ (1991). Intraparty politics are also

important in this process, but in a different way from in the sceptical view. A certain amount of ‘saleswork’ by the party leaderships to their respective party rank and file may occur, but most of the interaction within parties is seen to be between different factions or groups and between party organs (Peterson et al. 1983: 71).

The issues dealt with in the government formation arena are those that generate intense disagreement. These relate to the identity and status of societal actors or groups represented by the parties, to the structures and the functioning of national or subnational political institutions, or to policies that lead to serious deprivation of political actors (Peterson et al. 1986: 569-570). This characterization is somewhat abstract, and I will say more about the key issues in government formation later.

The other valuable element in the study of Peterson et al. is that it deals with the results of policy bargaining and their possible effects during the life of governments. Policy negotiations are seen to lead to a *coalition agreement*. According to Peterson and associates, coalition agreements are reference documents for policy-making during the life of the government. More specifically, coalition agreements may indicate alternative courses of action or give more details about one particular alternative, possibly in the form of a concrete legislative proposal. Agreements may also contain a framework that must be filled in by the government and may mention procedures for dealing with issues (1983: 74).

More recently, this result of government formation is included in a theoretical model of coalition bargaining developed by Baron (1991; 1993). According to this author, agreements are credible because breaking them would result in the failure of the government and the possibility that a coalition party may be excluded from the next government (1993: 35). In this concept, coalition agreements are thus a crucial element of coalition governance, though Baron’s formal model of bargaining as a non-cooperative game between unitary actors is rather different from the inductive approach of Peterson et al.

Elsewhere in the literature other functional aspects of coalition agreements are mentioned, be it without much emphasis. Typically, most conceptions of agreements relate to coalition maintenance. In the ‘events approach’ to coalition stability, it is stated that terminal events may be drawn from, for example, the economic cleavage, unless the forging of a government agreement resolves economic issues, “leaving subsidiary issue dimensions such as ethnicity or the environment to generate the disputes that disrupt the political environment and bring governments down” (Browne, Frensdreis and Gleiber 1986: 96-97). Budge and Keman assert that reaching agreement among parties is important because it reduces the costs of internal negotiation and averts the risk of conflicts which threaten the continuation of the government (1990:47). A similar view can be found in the introduction to a comparative

study of ministers and cabinet government, where Blondel and Müller-Rommel argue that during the negotiations on an agreement, areas of potential conflict are reduced and eliminated, and that this may smooth the path of the government (1993: 9).

In this second view, then, policy bargaining in government formation is a process with a substantive meaning. Parties may engage in negotiations on concrete policy issues because they feel this is a real chance to set at least part of the coalition agenda. The result of this process is a new government, but often also a more or less formal coalition agreement containing substantive and procedural elements. As such, coalition agreements may be not only a result of the formation process, but also a point of departure for the ensuing government.

The two views of policy bargaining have been presented here as a contrast. However, they may both contain elements of truth about the reality of coalition formation. The easy way would be to argue that one perspective fits one set of countries, while other countries can be better characterized by the second perspective. My assumption, however, is that both views may have relevance for single countries and indeed for single cases of government formation. The point to appreciate is that of the often wide range of issues included in government policy programmes, only some of them may have been the object of real bargaining in government formation. An empirical assessment of policy bargaining should start, therefore, with the identification of the central issues.

3 Policy conflicts in coalition formation

3.1 The potential for policy bargaining in coalition formation

So far in the discussion the factors inducing party leaders to deal with policy in government formation in a more or less serious way have been largely implicit. Both views of policy bargaining seem to be based essentially on motivational aspects of party behaviour, mostly on some combination of the office and policy drives. Though these motivations are at the heart of coalition politics, other (often related) factors are likely to influence the process of coalition formation as well. One factor is indeed fundamental and concerns the bargaining system, a concept that includes both party system structures and interparty relationships. A second element that deserves more explicit attention is the internal power structures within parties. How can features of the bargaining system and intraparty structures influence the potential for policy bargaining in coalition formation?

The bargaining system context – The specific political context in which parties

interact is the bargaining system. Basically, a bargaining system consists of the relevant parties represented in parliament. A party is considered relevant if it has government potential. Each relevant party has a certain parliamentary strength (share of the total number of seats) and is located somewhere on one or more policy dimensions. At a basic level, a policy dimension is a conceptual model of a societal cleavage such as the socio-economic, the religious, or the ethno-linguistic divide. However, if there is anything in the coalition literature that has been defined in different ways, it is the concept of *policy space*, which is used if two or more policy dimensions are relevant.⁵ Parties have no fixed position within a policy space over time; they shift between elections. These movements are usually incremental, but considerable changes may occur in a system over a longer time period (Budge, Robertson and Hearl 1987). The relationships between parties can be seen in terms of mutually perceived positions and direction of movements on the relevant dimension(s) in the policy space.

Laver and Schofield distinguish between three types of bargaining systems: unipolar, bipolar and multipolar systems (1990: 110-137). Two distinctive elements are the number of relevant parties and their relative sizes. As the term suggests, unipolar systems contain one large party and a number of small ones (Scandinavia, except Finland and Denmark, after the elections of 1971); bipolarity means that there are two large parties and possibly a third small party (Austria and Germany); multipolar bargaining systems contain three or four 'coalitionable' parties with relatively limited differences in size (examples are Belgium, Finland, Italy and the Netherlands). An additional feature of this latter system is that one party rarely obtains an absolute majority in parliament.⁶

Though the interaction between parties in each of these types of bargaining systems is constrained by institutional factors, differences between bargaining systems do have a direct impact on party behaviour and coalition politics. For example, in multipolar systems, governments tend to emerge often after several failed formation attempts (Laver and Schofield 1990: 162; Timmermans 1996: 13-16). Another observation is that the three bargaining systems appear to produce different types of coalition governments, even if we consider only majority coalitions. In multipolar bargaining systems, majority coalitions often contain parties that are not each other's neighbours on the left-right dimension (Timmermans 1996: 14). This finding corresponds with the idea that government formation in some of the European coalition systems can be explained better with multidimensional models than with a one-dimensional model (Laver and Budge 1992; Laver and Hunt 1992).

So far, the dimensionality of the bargaining system has been considered mostly in connection with the composition of governments. Yet the policy space including one, two or more dimensions is of course also the context in

which policy bargaining takes place. Whatever the level of abstraction we use in defining a policy dimension, parties deal with concrete issues in coalition negotiations. The basic features of the policy space – for example the range of salient issues in party competition – are likely to have important implications for the scope and results of policy bargaining in coalition formation.

This last point may be seen in combination with institutional and behavioural factors, that also influence coalition bargaining (Strøm, Budge and Laver 1994). Coalition building may, for example, be constrained by the need to have a qualified majority in parliament, a need that exists in many countries if constitutional revisions are intended or if the implementation of particular laws requires such a supermajority. Though this is not really a hard constraint because parties could choose also to construct a legislative majority on an *ad hoc* basis, the important point is that the perceived need, for reasons of 'political security', to construct a two-thirds majority in government formation not only limits the set of alternative coalitions, but also *increases* the diversity of policy preferences within any of the alternatives tried. This is particularly the case in policy areas relating to other dimensions than the one on which the 'surplus majority' is formed. This institutional aspect may thus increase the scope of policy bargaining during government formation.

An institutional factor which may have a more general impact is the doctrine of collective cabinet responsibility that exists in many countries (Laver and Shepsle 1994: 298). Though collective responsibility is a *cabinet* rule, it may be anticipated in the formation of the cabinet. Strøm and others (1994: 313) argue that this rule induces parties to build ideologically compact coalitions. This may be true, but it may also be an incentive for individual parties to make the substance of collective responsibility explicit before they commit themselves to the rule of collective responsibility by participating in the cabinet. The anticipated collective responsibility for certain policies may imply that parties engage in informal collective decision-making on these policies during coalition formation.

Bargaining relationships are influenced also by factors that are endogenous to parties (Strøm et al. 1994: 308-9). Particular parties may, for example, be considered pariahs in the system (this is the reason why we speak of *relevant* parties in the bargaining system, excluding 'non-coalitionable' parties⁷), or parties may exclude others – and possibly each other – from cooperation in a government. Such constraints are often the visible elements of party strategies, and these too may influence (narrow) the scope of policy bargaining.

A somewhat more diffuse aspect, but which can have a quite large impact on bargaining relationships, is the level of mistrust between parties. There are, of course, many sources of mistrust, among which the competitive nature of party relationships in pluralist systems. Whatever the deeper causes, the relevant point is that parties have experiences in coalition formation and in

government, and these experiences may fuel mistrust. One reaction to negative experiences could be to refuse cooperation with a particular party, but this is not always possible. Mistrust on the basis of past experiences is an incentive for parties to deal with controversial issues in coalition formation and codify this mistrust by formulating written agreements.

A final point to be mentioned is that, as was suggested in the discussion of the view of policy bargaining as a real chance, the 'stage' of policy negotiations in government formation has become institutionalized in a number of countries. Apart from Belgium and the Netherlands, other countries in which this is increasingly the case are Austria, Germany, the Scandinavian countries and more recently also Ireland (Müller and Strøm forthcoming).

Internal party structures – Changes in the internal structures of parties have resulted in broader competences for the party conference or congress or any other internal organ to set the course of party policy, especially on such important occasions as elections and government formation. Specific party organs may have a decisive vote on government participation as well, a sort of party investiture (and this is certainly not always the same sort of ritual as in the Soviet Communist party under Brezhnev). In such cases, increases in intraparty democracy gave the often strongly policy-oriented party rank and file a higher degree of control over their party leaders. During government formation, party spokespersons are likely to be constrained more by such internal power structures than by the institutional rules that ministers must observe as members of the cabinet. Moreover, party leaders are often not the only party spokespersons in government formation but are often accompanied by policy area specialists.

The extent to which intraparty structures induce party spokespersons to take policy bargaining in coalition formation seriously is likely to vary across countries and cases, because not all parties have the same extent of internal constraints on party leaders. Maor (1995) asserts that the degree of internal centralization affects the bargaining power of parties. Another assumption could be that parties within the social democratic family are more inclined to press for substantive negotiations on policy than parties within the Liberal family. Socialist or social democratic parties often have a strong orientation to programmes and there are internal mechanisms within the party to police this orientation. Prominents of Liberal parties, on the other hand, are often perceived as trustees who enjoy more freedom of manoeuvre.

Structural properties and institutional rules at system level, and internal structures and rules within parties thus affect the potential for policy negotiations during coalition formation. Particularly in multipolar systems the presence of three or four relevant parties involving different societal cleavages may increase the potential range of policy issues to be discussed in

government formation. Additional incentives in such systems may be the existence of mistrust and a perceived proximity of one or more external parties to a prospective coalition party.

These points apply especially to majority coalitions. When minority coalitions are formed, parties may be less inclined to engage in extensive policy bargaining for a strategic reason. The reason being, that any result of bargaining still needs support from at least one external party to obtain a parliamentary majority, and the more elaborate a coalition agreement the more difficult it may be to get that external support.

3.2 The creative management of policy conflicts: drafting coalition agreements

There are thus different reasons to believe that policy bargaining in government formation is more than just a ritual dance. However, a large *potential* for policy bargaining does not imply that party spokespersons advance all points listed in their election manifestos. One reason why this is unlikely to happen is the time constraint. There is usually a pressure on parties to produce a new government in a short period (in Israel this is even a formal constitutional rule).

What types of issues are dealt with if parties focus on a limited number? Here, the policy content of bargaining relationships is relevant. Luebbert makes a useful distinction between convergent, tangential and divergent relationships between parties (Luebbert 1986:62-63). Issues can be more or less salient to individual parties.⁸ On matters that are generally salient, parties may be in agreement or have conflicting viewpoints (convergent or divergent relationships). Given the time constraint and the structural possibilities that the government formation arena provides for dealing with policy problems, parties focus on issues that are manifestly or potentially conflictual. This is one of the main reasons why, in coalition systems, the 'stage' of policy discussions in government formation often takes several weeks and almost always is the longest episode in the government formation process. In an analysis of three cases of government formation in Belgium and the Netherlands, Peterson et al. (1983) found that the central issues are those that generate intense disagreement. Such matters may be inherited from the outgoing government. Relevant in this respect is that policy conflicts are a frequent cause of termination in coalition systems (Budge and Keman 1990). Both inherited policy conflicts and disputes manifesting themselves before and after elections set the tone in coalition formation.

How do parties deal with controversial issues in coalition formation? Parties display greater or lesser flexibility on issues and this determines the possibility

of compromise. This flexibility is a function of the salience of issues to each of the parties involved and is influenced also by the possibility of reaching an agreement with parties not involved in the negotiations.

Within the part of the policy space that is delimited by the bargaining flexibility of parties, party spokespersons negotiate arrangements on disputed issues. Such arrangements may be substantive compromises or be procedural, and these may be more or less clear cut. Luebbert distinguishes between explicit and implicit compromises (1986: 62-63). Explicit compromises contain unilateral or mutual concessions and are usually 'doable': they include intentions that are sufficiently clear-cut to be implemented, and thus involve clear commitments. In contrast, implicit compromises contain general and sometimes vague or ambiguous intentions. Such arrangements are often made to conceal persisting disagreement, and as such they are hardly committing to any party. Though Luebbert includes also procedural arrangements in the category of implicit compromises, I prefer to separate this type of arrangement. The three types of arrangements that may ensue from policy bargaining are thus: (1) explicit compromises, (2) implicit compromises, and (3) procedural arrangements.

It should be appreciated that not all negotiated points become visible in a written agreement, and that not all matters included in an agreement have been negotiated. How much of the policy bargaining during government formation is reflected in written coalition agreements, and how much of the coalition agreements is devoted to really negotiated issues are empirical questions. Since the early 1990s attention to government policy documents in coalition systems has increased (Laver and Budge 1992; Klingemann, Hofferbert and Budge 1994). Nonetheless, these two questions remain largely unanswered. The problem with the approach used to date in comparative work, known as the manifesto project, is that in its content analysis of policy documents it has focused on relative shares devoted to particular policy fields and has tried to infer relative party positions and policy payoffs from it. It has failed to take into account that long pieces of prose may be largely symbolic and short statements may be politically much more significant, also in terms of payoffs. The alternative presented in this contribution is to explicitly focus on policy conflicts during government formation and use the distinction between procedures, explicit and implicit compromises to classify the content of coalition policy documents.

3.3 The Lubbers I government: coalition formation

These points can be illustrated by the case of the Lubbers I coalition in the Netherlands, formed in the autumn of 1982 and in office until the regular

elections in 1986. Empirical material on the formation process was obtained from Keesings Historical Archives, newspaper articles, and a content analysis of election manifestos and the written coalition agreement.⁹

The bargaining context included four main parties with high mutual mistrust and with several salient fields of policy. Particularly important were conflictual issues. The ensuing two party coalition of Christian Democrats (CDA) and Liberals (VVD) was a *marriage de raison* given the relevant parties' positions on socio-economic and financial policy, but they were less obvious partners in the fields of social and civil, and military nuclear power policy. The parties had divergent preferences in these areas and hammered out explicit and implicit compromises as well as procedural arrangements to postpone delicate decisions.

In analysing these types of interparty arrangements, I defined compromises as policy statements containing more or less mutual concessions at the level of individual and separable conflict points. These conflict points often overlap with issues, but they may also concern elements of bigger issues. Package deals including different conflict points, if made, were seen to consist of different compromises. Explicit compromises were defined operationally as clear-cut and doable statements. Implicit compromises, on the other hand, were defined as general and often opaque statements on policy content, requiring further elaboration. Procedural arrangements contained no substantive intentions, but rather procedures that were to be followed by the parties with regard to policy-making on the disputed issues.

Explicit compromises were made almost exclusively on financial cutbacks whereas less clear-cut implicit compromises were formulated on tax policy, income levelling, the linkage between social benefits and minimum wages, and the setting up of a state-owned postbank. On matters of 'immaterial policy', such as commercial broadcasting, euthanasia, nuclear power and cruise

Table 1 Lubbers I coalition agreement: arrangements on policy conflicts

Policy field	Type of arrangement		
	Explicit	Implicit	Procedural
	Compromise	Compromise	
Budgetary	6	1	
Socio-economic	1	5	
Media (broadcasting)	1	2	
Nuclear power/arms		1	1
Education		1	1
Social		2	
	8	12	2

missiles, implicit compromises and procedural arrangements were formulated. On these points of quasi agreement or agreement to disagree, either the Liberals or (part of) the Christian Democrats in parliament were closer to the Social Democrats (PvdA), the largest external party. This induced both parties to emphasize the need for coalition loyalty and discipline if no substantive agreement could be reached. The result was a comprehensive coalition agreement with variations in the degree of clarity of commitments. Table 1 gives the results of negotiations on policy conflicts during the coalition formation. Note that these results represent only a part, but a politically crucial part, of the coalition agreement.

4 Coalition agreements and the life of governments

4.1 Functions of coalition agreements

Coalition agreements may have different functions: a *symbolic function*, an *agenda function* and a *conflict prevention function*. The symbolic function represents the public relations aspect and concerns primarily the policies that were *not* central during government formation. In this sense the symbolic function legitimizes a sceptical view of policy bargaining, in which the value of the agreement lies more in office than in policy aspects. The other two functions, however, relate to policy bargaining as a real chance and to the types of compromises in agreements.

The most general way in which coalition agreements can have an agenda function is by mentioning issues that were raised during the formation process, as a 'collective memory' of the coalition partners. In the case of disputed issues, parties may have the ambition to predetermine decisions, indicate briefly some general goal, or produce statements at an intermediate level of specificity. Peterson et al. call agreements reference documents that mention alternative courses of action, give details about one particular alternative, or even contain complete blueprints for legislation (Peterson et al. 1983: 74). Agreements may also have a negative agenda function, as parties may intend to remove conflictual issues from the agenda for some time or for the whole parliamentary term. This is the function of procedural arrangements.

Such procedures relate to the other function of coalition agreements, which is the prevention of conflict within the coalition once in office. In Belgium and the Netherlands, for instance, party spokespersons state frequently that negotiations over policy problems during government formation are intended to cement the coalition internally and to streamline policy-making. In the perception of parties, procedures and substantive compromises may be instrumental to this general goal of internal peace and coalition maintenance. If this

purpose is assigned to agreements by all coalition parties in government formation, it is surely an ambitious one.

4.2 The problem of enforcement

It is one thing to make a coalition agreement, but is a different matter to enforce such a document once the government has taken office. Finer once noted: "When a government sets out to be 'faithful', it is frequently unwise, and when it has learned to be wise, it is frequently unfaithful." (Quoted in Rose 1984: 55.) While Finer made this point in criticizing the 'manifesto moonshine' of single party governments in Britain, the elements of faith and wisdom may also apply to coalition governments.

Coalition agreements are not legally-binding contracts that can be enforced by an external actor such as an independent judge. This means that enforcement is endogenous to the coalition and this may become problematic. As Hobbes observed: "For he that performeth first, has no assurance the other will performe after; because the bonds of words are too weak to bridle mens ambition, avarice, anger, and other Passions." (Hobbes 1968: 196.)

First and most obviously, parties and governments operate in a broader environment, that changes after the formation period. Economic circumstances, for example, may deteriorate, and it depends on the anticipation of such developments whether, in the perception of parties, the faith and wisdom aspects remain compatible.

Second, as coalition agreements are often multi-issue agreements, a difference may exist between policy payoffs at aggregate level (the coalition agreement as a whole) and the payoffs that parties receive from individual arrangements. Individual compromises may contain asymmetrical concessions, tolerated by the least well-off party, because in coalition formation issues are often linked and included in package deals, through which the party is compensated and an overall balance is established.¹⁰ When the government has taken office, however, it may not always be possible to link issues; matters may be dealt with separately. One reason is that the decision-making capacity of governments and parliaments is limited, and particularly if issues are intensely disputed, policy-making institutions may shift from parallel to sequential processing. This may lead impatient parties to press for reopening negotiations on issues on which they made large concessions earlier on. How, then, can parties be committed to policy arrangements crafted during coalition formation?

Enforcement is facilitated by institutions designed by parties and emerging from repeated interaction. Beginning with emerging institutions, the key mechanism here is the norm of reciprocity. This mechanism entails more than the moral principle of *pacta sunt servanda* (pacts must be observed), as it

crucially relates to the interdependent nature of obligations included in agreements (Gilbert 1993: 688-91) and indeed to self-interest (Hardin 1990). The essence of reciprocity is that parties cooperate in implementing policies that contain different relative payoffs to each of them over time. This reciprocity entails mutual control in that a party is prevented from defecting by the fear of similar action by others and by losing its reputation as a credible coalition partner in the future. As Hobbes put it: "Bonds, that have their strength, not from their own Nature, (for nothing is more easily broken than a mans word,) but from Feare of some evill consequence upon the rupture." (Hobbes 1968: 192). The multi-issue character of coalition agreements implies that reprisals are a real possibility, and each individual party will weigh this threat against the expected benefits from acting unfaithfully. The currency of these expected benefits may be policy or electoral rewards for dissociating itself from an unpopular policy. The risk here is, however, that the other party uses the 'big gun', the threat to immediately bring down the government, and this may not always be an attractive prospect.

Institutions that are often designed by parties are specific arenas in which enforcement can be organized and problems resolved. These arenas may differ widely between countries and within countries over time, but what they have in common are several key features of the government formation arena in which coalition agreements were made in the first place. These features are that party spokespersons are less exposed to the public and the media, that decision rules are more informal (compared for example with the majority vote in parliament), and that greater flexibility in making concessions is possible.¹¹

4.3 Effects of coalition agreements

The effects of coalition agreements may be seen in similar terms as their substantive functions: policy prefiguration and conflict prevention. The extent to which functions and actual effects are similar depends on how well parties contain the enforcement problem through the aforementioned institutional mechanisms. This is, of course, also a major empirical question, the answers to which may vary in the following way.

First, policy statements in the agreement may be turned into legislation or any other policy format smoothly and be approved in parliament. Second, intentions may be elaborated within the conditions set in the agreement. Here, the agreement is a framework that has to be filled in, but it may still streamline policy-making by giving parties a number of agreed points of departure. Third, substantive decisions may be procrastinated in accordance with a procedure mentioned in the agreement, either until a specified date during the government's term or until some indefinite point after the next elections. Post-

ponements of substantive decisions may also be made ad hoc in contradiction with the coalition agreement. Finally, conflict over substantive compromises or procedures may recur. This may happen if parties begin to feel the 'pain' of specific concessions and have second thoughts, or if they differ in their interpretations of arrangements which were left vague. Conflict over procedural arrangements may either concern the procedures or the substantive issues for which they were made. One party may raise an issue again that was supposed to be left aside but which is vital to a party's identity within the coalition. Such incentives may become stronger if elections are approaching or if a party does badly in the polls.

A number of hypotheses may be formulated on effects of different types of arrangements. These hypotheses concern policy effects and conflict prevention effects of explicit compromises, implicit compromises, and procedural arrangements. As explicit compromises are relatively specific compromises with sunk costs of negotiations, a first hypothesis is that explicit compromises are implemented peacefully. Implicit compromises are quasi agreements on controversial issues, and this leads to a second hypothesis: implicit compromises generate new conflict and are turned into authoritative policy decisions less often than explicit compromises. A third hypothesis is that procedural arrangements do not give rise to recurring conflict. Procedural arrangements have a negative agenda function and thus no substantive effects are to be expected at least for the period mentioned in the procedure. The argument here is that parties will prefer no policy to any policy that may be difficult to agree on, may not really be satisfactory and for which subsequent electoral credit is uncertain. These three hypotheses may guide further research on the role of coalition agreements in coalition governance, and they may increase our knowledge about what happens within coalition governments both when supported or falsified by empirical evidence.

4.4 The Lubbers I government: coalition life

With its comprehensive coalition agreement, expectations were high when the Lubbers I government took office on 4 November 1982. This was because the section in the agreement on budgetary and socio-economic policy was more detailed than ever before and contained most of the explicit compromises reached by the parties during government formation. In principle at least, these arrangements could thus be implemented directly, with 'implementation' referring to authoritative decisions taken by the government and parliament and included in legislation or other containers of public policy. On other controversial matters, however, implicit compromises or procedures were formulated that left the two coalition partners with the politically difficult task

of reaching real agreement on still vague intentions.

The explicit compromises, mostly on austerity policy, were implemented by the government in most cases, but this generally also involved new conflict, as Table 2 below shows.¹² The explicit compromises in the Lubbers I coalition agreement thus only partly streamlined policy-making. Here, Toirkens's assertion that the Lubbers I coalition agreement effectively reduced mistrust in the field of budgetary policy is too optimistic (Toirkens 1988:143). The agreement was, however, a 'paper ally' for the Minister of Finance, who was involved in many (interdepartmental) conflicts but managed to achieve the main monetary and budgetary targets set in the agreement (Andeweg 1989: 16-17). Though much broader empirical testing is needed, the findings from the present case give only partial support for the hypothesis that explicit compromises streamline policy-making in governments coalitions.

Table 2 Effects of Lubbers I coalition agreement

	Type of arrangement		
	Explicit	Implicit	Procedural
Effect	Compromise	Compromise	
No conflict, implemented	2	1	1
Conflict, implemented	3	6	1
No conflict, not implemented	1		
Conflict, not implemented	2	5	
	8	12	2

Implicit compromises were elaborated less often than those of the explicit type, and policy success occurred almost exclusively in the field of budgetary and socio-economic policy. In terms of conflict prevention, these and certainly the other implicit compromises worked like a boomerang: serious conflict re-emerged in all cases except one (concerning the setting up of a state-owned postbank). No substantive policies ensued from implicit compromises on media policy, education policy, and the issues of euthanasia and equal rights. The coalition partners disagreed too much about these matters, and the arrangements also entailed a commitment to refrain from forming a legislative coalition with one or more opposition parties. This constrained mainly the vvd, as the cda benefited from maintaining the status quo on these issues involving the religious-secular divide. Of the two main procedural arrangements, one effectively removed one issue from the agenda but the other, on nuclear arms, failed to do this. That second procedure, however, was a postponement until a date during the life of the government, and this temporal 'freezing' appeared insufficient to depoliticize the issue.

These results provide evidence, if modest, for the hypotheses on implicit compromises and procedural arrangements. As expected, implicit compromises generated new conflict and they were implemented less often than explicit compromises, although not much less. Here, however, differences between policy areas were large, and this may inspire additional hypotheses on the types of issues on which arrangements are made. For example, position issues on which party ideologies hinder the splitting of differences, seem to be typical subjects for implicit compromises and, during the life of coalitions, difficult to convert into concrete policy output. They are sources of political deadlock.

A final point to be made about the Lubbers I coalition is that it reached the end of its constitutional term, despite the recurrence of conflict (and probably also conflict on matters not openly controversial at an earlier stage or not included in the coalition agreement). If this recurring conflict had produced complete policy paralysis we could be wary about the positive functions of the coalition agreement, but such broad paralysis did not occur. This suggests that the agreement was indeed a reference document, and in some cases a court of appeal, to which commitments were kept. This is actually quite an achievement in a context as dynamic as a government coalition for which no external enforcement mechanisms exist.

5 Conclusion

The aim of this paper was to explicate how an analytical link can be made between the formation and the life of coalition governments, something that has received surprisingly little attention in coalition research. The point of departure in establishing such a link is the idea that coalition formation provides opportunities for parties to negotiate over coalition policy, especially over controversial issues. Though negotiations during government formation may not exhaust all possible sources of policy conflict, they may be important for more than just symbolical reasons. The potential for substantive bargaining in coalition formation seems to be largest in multiparty and multidimensional bargaining systems where party competition is close and coalition parties have potential legislative allies outside the formal government coalition.

Parties focus on a limited set of controversial issues: a selective confrontation. Arrangements on policy conflicts are the key political statements in coalition agreements drafted in most European multiparty systems with coalition governments. These statements may take different forms, and they are made to set the agenda for the coming term in office and limit conflict potential. The enforcement of coalition agreements, however, is not a discrete act in a *ceteris paribus* situation, but is a dynamic process in which commitments made during coalition formation are continuously under pressure. Much can be

done during a government's term to flesh out a brief and vague agreement, and parties may also obstruct the implementation of a comprehensive and detailed agreement and take political risks by renegeing on delicate issues.

The possible effects of clear-cut explicit compromises, vague implicit compromises and procedures may vary in terms of policy prefiguration and conflict prevention. An illustrative case study of the Lubbers I government in the Netherlands has shown that this variation in effects may actually occur and that the distinction between types of arrangements and types of effects can be analytically useful.

The approach presented in this contribution may therefore help students of coalition politics to open the black box of coalition life. First of all, this is a suggestion for further empirical research on countries with coalition governments, focusing on effects of coalition agreements. Here, it may be possible to distinguish between types of conflicts and the extent to which recurrence yields a threat to coalition life. Further, theorists may not only continue to consider the building of coalitions and policy bargaining but also begin to deal more systematically with the conditions for enforcing coalition agreements. This theme includes, for example, the symmetric or asymmetric structure of the coalition policy agenda and the keeping of a balance in policy payoffs over time, interparty norms emerging in the coalition game, intraparty delegation and accountability arrangements, the involvement of ministers in government formation and more structural conditions for enforcement such as the design of arenas in which party leaders may monitor ministerial and parliamentary behaviour and settle interparty disputes. A useful theoretical perspective for studying these points is neoinstitutional economics, which has much to say about agreements, reciprocity and reputation. Clearly, these points constitute a rich research agenda, the underlying idea being that coalition politics should be investigated as a highly dynamic and continuous process.

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Notes

1. Harmel and Janda pose this question in their theory of party goals and party change, and they start with the premise that a party has a 'primary goal' (1994: 265). Ström's theory of competitive parties (1990) is another example.
2. An exception in the theoretical corner is Baron (1991).

3. I should stress at this point that I make selective use of the literature. The concepts referred to in this chapter may not be entirely representative of the work from which they are taken, but for the sake of the argument I have highlighted differences between existing concepts of policy bargaining.

4. This distinction is also used and discussed in the comparative study edited by Laver and Budge (1992), which was referred to in the previous section. In many cases there is overlap between the party selection and policy negotiations, whether serious or not. This overlap is acknowledged also in the Laver and Budge volume.

5. Laver and Hunt even say that "in an important sense, there are at least as many policy spaces as there are people interested in politics." (1992:67)

6. The metaphor 'multipolar' may be somewhat misleading, as it suggests that there are many parties that are really different poles. This seems to contradict the general view that in countries such as Belgium, Italy and the Netherlands one party (the Christian Democrats) has long been (or in the case of Belgium is still) central in coalition politics. This point is emphasized by Warwick (1994) in a critique of Laver and Schofield. Also in earlier work, the 'more equal than others' status of a particular party in countries that Laver and Schofield call multipolar (Belgium, the Netherlands, and perhaps Israel as well) has received attention. A good example is Luebbert's study of government formation, in which he distinguishes between dominated and undominated competitive systems (1986). The concept of dominance, and related concepts such as the median position, the core and its variations used in spatial representations of party competition, and the consequences of all this for coalition bargaining are sufficiently broad and complex to require a separate discussion. Leaving these points further aside, I use the term multipolar in a more quantitative sense, referring to the number and the size of the relevant parties.

7. Parties may be excluded or decline government participation. If such parties are not considered as directly relevant parties in a bargaining system, they may of course have relevance in a more indirect sense, particularly by inducing the larger parties to shift their policy positions. This has happened in many European countries in the area of immigration policy, on which conservative parties took a more 'hard line' stand after extremist parties began to challenge the immigration policies of governments.

8. In Luebbert's distinction, preferences are tangential if an issue is salient to one party but not (or less) to another, or if preferences are different but still compatible.

9. The newspaper was NRC Handelsblad; the coalition agreement was published in the Parliamentary Annals (Handelingen Tweede Kamer 1982-83, no. 17555/7). For a more detailed case analysis, see Timmermans (1996: 141-151).

10. If such a balance is absent, the coalition probably would not be accepted, unless there are important constraints in coalition formation that are unrelated to policy.

11. For a formalized argument on these points, see Tsebelis 1990.

12. See Timmermans for a more detailed case study of the life of the Lubbers I government (1996: 151-170).

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Book Reviews

Anthony Giddens, *The Third Way: The Renewal of Social Democracy*. Polity Press, Cambridge 1998, ISBN 0745622674, £ 6.95

What does left-wing politics look like nowadays? Tony Blair's New Labour and Bill Clinton's New Democrats promise a new political programme for social democratic parties. A third way between socialism and neo-liberalism. Since the 1980s, political scientists have been engaged in analysing the (possible) changes in political strategies of social democratic parties. Prominent examples of publications are Adam Przeworski's *Capitalism and Social Democracy* (1985), Fritz Scharpf's *Crisis and Choice in European Social Democracy* (1991) and Herbert Kitschelt's *The Transformation of European Social Democracy* (1994). These publications criticize neo-liberal politics, compare the political strategies and policy choices of social democratic parties and analyse the structural societal changes affecting politics. Anthony Giddens' book *Beyond Left and Right* (1994) is part of the scientific debate about political competition in the 1990s. *The Third Way*, however, goes beyond the scientific political and sociological debate and aims at presenting an agenda for modern social democratic politics. As an important adviser to Tony Blair, Giddens wrote a book that is best characterized as a political pamphlet. The introductory chapters, in which he presents his political analysis, are more interesting than the chapters about the various policy fields. The book as a whole forms a challenging basis for discussions about political preferences.

Giddens' analysis starts with the death of socialism and the shortcomings of neo-liberalism (Chapter 1). Both themes have been discussed widely, in the scientific community as well as publicly. The economic deficiencies of western style socialism – social democratic policies regarding the welfare state – became visible in the 1970s under the influence of, as Giddens explains, globalization and technological change. The collapse of central planning ideology in the Soviet Union and the countries in Eastern Europe increased the need for social democratic parties to look for a new political philosophy. Neo-liberalism gained the upper hand in the 1980s, with Thatcher and Reagan as political leaders. Neo-liberalism, however, is not a comprehensive political ideology. According to Giddens, economic individualism in a free market is incompatible with the conservative emphasis on family values and the nation state. The inefficiency of old-style social democracy and the contradictions within the neo-liberal ideology prompted Giddens to look for a third way for social democratic politics.