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Mainstreaming the Radical Right by Viktoryia Schnose

A dissertation presented to the Graduate School of Washington University in partial fulfillment of the requirements for the degree of Doctor of Philosophy

> August 2016 St. Louis, Missouri



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Viktoryia Schnose

#### ABSTRACT OF THE DISSERTATION

Mainstreaming the Radical Right

by

#### Viktoryia Schnose

Doctor of Philosophy in Political Science Washington University in St. Louis, 2016 Professor Margit Tavits, Chair

Radical right parties are on the rise. The once despised pariahs of the political world now emerge as policy makers in governing coalitions across Europe: from the volatile democracies of Eastern Europe to the well-established Nordic welfare states. Despite an impressive collection of theoretical and empirical studies explaining the rise of the radical right, this literature has largely overlooked the variation in government participation of these parties. This leaves several important questions unanswered: why do well established mainstream parties accept radical right parties that often promote extreme anti-liberal and anti-democratic platforms as coalition partners in some countries but not in others? how long do the coalitions that contain radical right parties last? what kind of ministerial portfolios are the radical right parties allocated once the enter governing coalitions?

In my dissertation, I argue that the probability of radical right parties getting into government, securing cabinet portfolios and remaining part of the coalition, all depend on their ideological position on the economic dimension and is not hampered by their extremism on the socio-cultural dimension. The reason being that radical right parties place high importance on the socio-cultural dimension and low value on the economic dimension, which is orthogonal to dimension saliencies of mainstream parties. This allows radical right parties to be more flexible in finding compromise with the rest of the coalition partners. I show that while all radical right parties maintain extreme positions on the socio-cultural dimension.

sion, they display a great deal of variation on the economic dimension. While some espouse ultra-neoliberal economic programs, others champion protectionism, welfare chauvinism, and openly reject capitalism. Radical right parties that position themselves close to the rest of the coalition's ideal point on the economic dimension are able to offer its coalition partners valuable policy compromises. I employ a multi-method approach that includes both large N analyses as well as case studies to test my theory in a series of three articles. In the first article, I test how the probability of the radical right parties entering cabinet depends on their ideological positioning on different dimensions. In the second article, I argue that radical right parties are often over-compensated with portfolios due to coalition stability considerations and lower "costs" of some portfolios. The lower "costs" are the direct result of dimension orthogonality and party position's on the economic dimension. Finally, in the third article, I extend my argument to show that the distance on the economic dimension between the formateur and the radical right party is an important factor that affects durability of such coalitions: the smaller the distance, the longer the coalition is likely to survive. I also find that coalitions containing a radical right party with a moderate economic platform are not any more volatile than the more traditional coalitions that only consist of mainstream parties.

This work contributes to the literature on radical right parties that is predominantly focused on explaining why these parties succeed or fail on the electoral arena but does not address what happens after radical right parties get elected. In addition, I make a contribution to the broader coalition literature by proposing a more nuanced view for the role of ideology in coalition politics. This dissertation concurs with extant literature in political science on the role of ideology in coalition politics: ideology, and specifically ideological diversity, matters. However, I argue that not all ideology matters all the time. I provide a more detailed theoretical account for the role of ideology for the coalition formation, portfolio distribution, and cabinet stability by introducing the importance of dimension saliencies. While I apply my argument to explain a number of empirical puzzles generated by the

entrance of radical right parties into mainstream politics, this theoretical framework can be extended to other niche party families, such as the Greens, Communist, and regionalist parties.

By way of closing, I should point out the implications of my work for policy outcomes. While radical right parties are still often perceived as "unexperienced radicals hungry for power," I show that their unique blend of ideological positions and dimension saliencies puts them at an advantageous position when working with mainstream parties. This means that we should expect more and more countries to experience mainstream-radical right cabinets. I expect to see direct and indirect impact of radical right parties. First, given the extraordinary policy influence afforded to parties in a governing coalition, we should soon observe a direct impact of radical right politics on policy outcomes such as a surge of restrictive anti-democratic policies across Europe, including in countries with some of the oldest liberal democracies. Second, there is a great potential for an the indirect impact of the radical right's political discourse on the fundamental health of representative democracies. Given the success of radical right parties in parliamentary and government arenas and the politicization of anti-immigration rhetoric throughout many parts of Europe due to the migration crisis, mainstream actors on both sides of the ideological spectrum have increasingly shifted their ideological positions to the right, which further legitimizes and normalizes some of the more radical right's exclusionary nativist ideologies, which are often incompatible with the democratic principles on which Europe has been built on. In order for European democracies to effectively resist this "contagion from the right," we must first understand what contributes to their success both in parliamentary and government arenas. In addition, the indirect impact will manifest itself through the creation of a polarised society which does not appear to materially change, frustrating those who feel like they have expressed their political will only to find it unanswered. The result, unless handled properly by the mainstream political community, is a potential for violence that has already reared its head brutally on the European continent, and unless carefully checked will do so again.

The rise to power of the radical right is one of the most important stories in Europe today. And one that Americans should pay attention to in the age of Donald Trump with his blend of extreme hostility to immigration paired with left-wing stances on elements of the welfare state.

## 1. Introduction

The problem is we don't have a good answer yet.

Anders Brog,

Swedish former finance minister

For a long time, radical right parties were believed to act outside of mainstream politics. They were often treated as isolated, ephemeral, crisis-related phenomena on the fringes of established consolidated democracies. However, in the last fifteen years, radical right parties have moved to the front and center of European politics. Mainstream political parties find themselves besieged by these newcomers who are rapidly gaining parliamentary representation on local, national and EU levels. And so far the mainstream's response to this predicament on dealing with the radical right is summed up by Sweden's well-regarded former finance minister Anders Brog: "The problem is we don't have a good answer yet" (Milne, 2015).

The previous strategy of mainstream parties to simply ignore or impose an official "cordon sanitaire" on radical right parties that often promote anti-liberal, anti-democratic, and xenophobic appeals has not proven successful. In the wake of the largest migration crisis that has ever faced the Old Continent and gruesome terrorist attacks in Brussels and Paris, mainstream actors have increasingly shifted their strategy from ignoring the radical right towards co-optation and even cooperation. In a number of countries, radical right parties have successfully shed their pariah status for that of policy-makers by entering governing coalitions and securing ministerial portfolios.

This development has been met with much fear and trepidation from politicians and political pundits alike, with some predicting the return of the fascist ideology. Greece's motor-cycling former finance minister Yanis Varoufakis is one of many to publicly declare that "Europe could be falling into a modern 1930s" (Lambert, 2016). Scholars are more cautious with their concerns. However, all of the literature on radical right parties is predicated on the implicit assumption that the presence of these parties in parliaments and governing coalitions directly translates into negative consequences for coalition formation, government stability, policy direction, party and voter behaviors, and ultimately for the fundamental health of representative democracies. Yet it is unclear that this assumption is justified. Unfortunately, the current literature can also be summed up by Anders Brog's humble "not yet."

The main thrust of this dissertation lies with filling this lacuna in the literature by examining the impact of radical right parties on the critical functions of democratic governments such as coalition formation, portfolio distribution, and cabinet duration. Specifically, why do some radical right parties successfully enter governing coalitions while others remain excluded? What kind of portfolios do radical right coalition partners receive? And, how do coalitions containing radical right parties differ from those composed only of mainstream parties? In an anecdotal capacity, this dissertation is about why the Danish People's Party became an essential part of the cabinet just six years after the party's formation while one of the strongest radical right parties in Europe, French Front National, has been continually excluded from government despite its growing electoral gains. This dissertation examines why in 2002 the radical right Freedom Party of Austria received over one third of all cabinet portfolios (4 out of 11) despite contributing only 10% of the seats. This dissertation is also about how the radical right Lega Nord managed to become part of the longest surviving

<sup>&</sup>lt;sup>1</sup>See, for example, Arter (2010); Betz and Immerfall (1998); Carter (2002); Cole (2005); Givens (2005); Golder (2003); Ignazi (2003); Ivarsflaten (2005); Jackman and Volpert (1996); Kitschelt (1995); Lubbers, Gijsberts and Scheepers (2002); Meguid (2005, 2008); Minkenberg (2015); Mudde (2007, 2014); Norris (2005); Rovny (2013); Rydgren (2012); Swank and Betz (2003); Van der Brug, Fennema and Tillie (2005); Veugelers and Magnan (2005).

coalitions in Italian history in spite of the many predictions for the coalition's collapse.

The main answer to the questions posed above is tried and true: ideology matters. However, I depart from this standard argument by claiming that it is not only a party's ideological position on a certain issue that is crucial but also the importance or salience of that issue that contributes to party's final calculations of costs and payoffs when conducting politics. Different ideological dimensions matter for different types of parties: while the radical right right parties, a subset of niche parties, mostly care about the socio-cultural issues (and, specifically, the issue of immigration), mainstream parties tend to focus on the economic ideological dimension. These orthogonal dimension saliencies allow mainstream and radical right parties to find common ground on the dimensions they care most about. Furthermore, I question a prevalent assumption in the literature that radical right parties espouse ultra neo-liberal economic policies (Betz, 1994, 2002; Höbelt, 2003). I show that while radical right parties are located on the extreme right of the overall Left-Right ideological spectrum, when their positions on different dimensions are separated from their socio-cultural positions, these parties often look similar to the rest of the mainstream parties. Specifically, on the economic dimension, these parties span the ideological spectrum from Left to Right and approximate the distribution of the mainstream parties' positions. This further facilitates the integration of the radical right into the mainstream by allowing plenty of room for negotiation on the economic dimension. In short, this dissertation shows how separating ideology into different dimensions and accounting for both the importance and the position of these dimensions alters parties' cost-benefit analysis. This in turn exerts considerable influence over whether or not a party is invited to join a governing coalition, to what degree it is compensated with portfolios, and how long it will remain part of the governing coalition.

The first paper, "Pariahs or Policy Makers? The Radical Right in Governing Coalitions," begins the analysis by asking why well-established mainstream parties have accepted radical right parties that often promote anti-liberal and anti-democratic platforms as coalition partners in some countries but not in others. This paper provides a detailed theoretical account

of how ideological issue saliencies and positions interact to explain the variation in radical right parties' coalition politics success. Specifically, I show that the differences in issue dimensions between the mainstream and the radical right parties, as well as radical right's moderate position on the economic dimension, allow these niche parties to find compromise and closely accommodate a formateur's policy preferences on economic policies, the dimension formateur cares most about. Since the formateur cares less about the socio-cultural dimension, a radical right party's extreme position on that dimension does not prevent it from entering the cabinet. Under these conditions, the potential policy costs of entering a governing coalition with a radical right party for the formateur are greatly reduced. Thus, a radical right party becomes not only a viable, but even desirable coalition partner despite its radicalism on the socio-cultural dimension. The contribution of this paper is to provide a theoretical account for the role dimension saliency plays in coalition politics, especially in the case of niche parties. Thus, it provides a priori explanation for why we see governing coalitions that have been previously considered "anomalous" given the overall ideological distances between the mainstream and the radical right parties.

The second paper, "Getting a Bigger Piece of the Pie: Portfolio Allocation, Gamson's Law and the Radical Right," extends the argument about the role of a party's positions and dimension saliencies to portfolio allocation. Specifically, I address the question of why a formateur would ever over-compensate a minor coalition partner with ministerial portfolios. I argue that over-compensating a coalition partner with cabinet posts allows the formateur to maximize its own final utility payoffs during the portfolio allocation process. Specifically, two considerations are important for the formateur: coalition stability and the cost of giving up additional portfolios. The formateur values coalition stability because its payoffs accrue when the coalition remains stable over time. Concern for stability creates incentives for overcompensating coalition partners with additional portfolios to prevent defections. However, giving up portfolios is costly. These costs are determined by how much the formateur and its coalition partner value different types of portfolios. Since radical right parties consistently

value the socio-cultural issues more than the traditional economic left-right issues, it should be least costly for the formateur mainstream party to over-compensate coalition partners from exactly this party family. This theoretical account provides an explanation for the perplexing empirical regularity in which radical right parties are consistently over-compensated with portfolios during the coalition formation process. Current literature that relies on predictions of proportional portfolio distribution of Gamson's law and formal theories that propose a formateur advantage fail to explain this empirical puzzle. This paper differs from the majority of the portfolio allocation literature by showing that the allocation of portfolios depends on factors beyond the number of seats parties contribute to the cabinet, such as the value of coalition stability and the weight or importance parties place on certain types portfolios.

Finally, the third paper, "Radical Right Saboteurs? Cabinet Duration and Radical Right Parties," applies my theoretical framework to explain some of the variation in cabinet survival rates. While the current literature commonly assumes that ideological diversity equals a quick demise for a new coalition, I show that this is not always the case. This paper incorporates the role of different dimensions' saliencies for cabinet survival. I argue that since mainstream and radical right parties have orthogonal issue saliencies, it is only the ideological diversity on a party's most salient dimension that will negatively impact government survival. This explains why cabinets that contain ideologically extreme parties, such as radical right parties, are not necessarily any more volatile than those with a more limited ideological range represented by the mainstream parties. On average, cabinets that contain radical right parties last as long as the more traditional governing coalitions that only contain mainstream parties.

This dissertation concurs with extant literature in political science on the role of ideology in coalition politics: ideology, and specifically ideological diversity, matters. However, I argue that not *all* ideology matters *all* the time. I provide a more detailed theoretical account for the role of ideology for the coalition formation, portfolio distribution, and cabinet stability

by introducing the importance of dimension saliencies. While I apply my argument to explain a number of empirical puzzles generated by the entrance of radical right parties into mainstream politics, this theoretical framework can be extended to other niche party families, such as the Greens, Communist, and regionalist parties.

By way of closing, I should point out the implications of my work for policy outcomes. While radical right parties are still often perceived as "unexperienced radicals hungry for power," <sup>2</sup> I show that their unique blend of ideological positions and dimension saliencies puts them at an advantageous position when working with mainstream parties. This means that we should expect more and more countries to experience mainstream-radical right cabinets, turning these political outsiders into viable policy-makers. Thus, I expect to see direct and indirect impact of radical right parties on European politics. First, given the extraordinary policy influence afforded to parties in a governing coalition, we should soon observe a direct impact of radical right politics on policy outcomes. Given the anti-liberal xenophobic appeals of radical right parties, there might be a surge of restrictive anti-democratic policies across Europe, including in countries with some of the oldest liberal established democracies. Second, there is a great potential for an the indirect impact of the radical right's political discourse on the fundamental health of representative democracies. Given the success of radical right parties in parliamentary and government arenas and the politicization of anti-immigration rhetoric throughout many parts of Europe due to the migration crisis, mainstream actors on both sides of the ideological spectrum have increasingly shifted their ideological positions to the right, which further legitimizes and normalizes some of the more radical right's exclusionary nativist ideologies, which are often incompatible with the democratic principles on which Europe and European Union has been built on. In order for European democracies to effectively resist this "contagion from the right," we must first understand what contributes to their success both in parliamentary and government arenas.

<sup>&</sup>lt;sup>2</sup>Osborn (2002)

<sup>&</sup>lt;sup>3</sup>Budge and Keman (1990); Laver and Budge (1992); Klingemann, Hofferbert and Budge (1994); Laver and Shepsle (1996).

# 2. Pariahs or Policy Makers? The Radical Right in Governing Coalitions

## - Paper 1 -

#### Abstract

Radical right parties are on the rise in Europe. However mainstream parties have not come to a consensus on how to deal with these parties that were once regarded as political pariahs. Why have well-established mainstream parties accepted radical right parties that often promote anti-liberal and anti-democratic platforms as coalition partners in some countries but not in others? I argue that it is orthogonal issue saliencies and position on the economic dimension that explain the variation in radical right parties' coalition politics success. Specifically, I show that the probability of radical right parties getting into government depends on their ideological position on the economic dimension and is not hampered by their extremism on the socio-cultural dimension. I find support for my theoretical argument in a cross-country analysis of coalition politics in 18 European democracies and a case study of Denmark.

### 2.1 Introduction

The radical right is here to stay. In 1999, when Freedom Party of Austria (FPÖ), a radical right party, won 27% of electoral votes, becoming the second largest party and entering cabinet, fourteen EU countries threatened Austria with a diplomatic boycott and introduced sanctions. The "Thursday marches" in Vienna became a regular public rally against the newly formed government. Both inside and outside Austria, several voices warned against the worrisome extremist and racist backlash that was taking place in the small Alpine country (Meret, 2010). Ten years later radical right parties appear in governing coalitions not only in local but also national parliaments across a number of European institutional contexts: from Hungary's Jobbik and Slovak National Party in more volatile democracies of Eastern Europe to the Progress Party in the well-established democratic Norway.

Given the rise of the radical right in the last 20 years, scholars have predominantly focused on explaining why such rise has occurred and why some parties are more successful than others in the electoral arena (Betz and Immerfall, 1998; Carter, 2002; Givens, 2005; Golder, 2003; Ivarsflaten, 2005; Jackman and Volpert, 1996; Mudde, 2007; Norris, 2005; Van der Brug, Fennema and Tillie, 2005). A few scholars examine the impact of radical right government participation on policy outcomes (Heinisch, 2002, 2003; Minkenberg, 2001; Pettigrew, 1998; Schain, 2006). However, the question of how radical right parties end up in a governing coalition in the first place has received little scholarly attention. The lack of literature on coalition participation of radical right is surprising for several reason. First, it stands out in comparison to the extensive literature that explores government participation of other niche parties, such as the communists (Druckman and Roberts, 2007; Grzymala-Busse, 2001) and the greens (Müller-Rommel and Poguntke, 2002). Second, a number of scholars directly link electoral success of radical right parties to government participation. Finally and, most importantly, government formation and the allocation of portfolios have been shown in numerous studies to shape policy outcomes (see, for example, Klingemann,

Hofferbert and Budge (1994) and Lijphart (1999)). Thus, if the radical right is able to enter governing coalitions, then we should ultimately observe its profound effects on the politics in Europe.

Despite the controversy behind the rise of radical right and its implications for policy impact, scholars have largely ignored the variation in rates at which radical right parties are able to enter governing coalitions. Why do some mainstream parties accept radical right-wing populist parties that often promote anti-liberal and anti-democratic platforms as coalition partners in some countries but not in others? And why are some radical right parties able to successfully integrate government coalitions, while others remain continually excluded from office despite electoral gains? This paper seeks to answer these questions. I argue, counter to the conventional wisdom, that a radical right party can be a viable and even desirable coalition partner despite its radicalism on the socio-cultural dimension. Specifically, I claim that mainstream and radical right parties place orthogonal importance (or salience) on different issue dimensions: mainstream parties value the economic dimension most while radical right parties weigh the socio-cultural one more heavily. These differences in issue saliencies coupled with a moderate position on the economic dimension allow radical right parties to be more flexible and better accommodate formateur's policy preferences on economic policies, the dimension formateur cares most about, compared to other mainstream coalition partners. Since the formateur cares less about the socio-cultural dimension radical right's extreme position on that dimension does not hamper its chances of entering a governing coalition. My argument is supported by an empirical analysis of coalition politics in 18 European parliamentary democracies as well as the case study of Denmark.

## 2.2 Coalition building and radical right: theory

The literature on coalition formation suggests that specific characteristics of parties (such as size, electoral share, and ideology) and features of the institutional context (for example, the number of veto players, formation, legislative and cabinet operation rules) explain parties'

probability of getting into government (Axelrod, 1970; Baron and Diermeier, 2001; Klingemann and Volkens, 1992; Laver, 1992; Laver and Schofield, 1990; Lijphart, 1999; Martin and Stevenson, 2001; Strøm, Müller and Bergman, 2008; Volden and Carrubba, 2004). Often these studies focus on coalitions as the unit of analysis, seeking to explain the likelihood that a particular coalition forms without considering the prospects of specific parties. Some of the more recent studies shift the focus from coalitions to parties as the unit of analysis. However, they often address the questions of "who gets what" (Bäck, Debus and Dumont, 2011; Verzichelli, 2008) or which parties are more likely to obtain prime ministership (Isaksson, 2005; Glasgow, Golder and Golder, 2011). As such, current literature on coalition formation does not directly address the variation in government participation of radical right. However, one of the most important insights we learn from this literature is that ideology matters. Axelrod's "minimal connected winning" coalition theory suggests that parties form coalitions with other parties that are ideologically proximate to their most preferred policy position, minimizing the conflict of interest among governing coalition partners (Axelrod, 1970). More generally, Axelrod predicts that we should observe (1) governments that consist of the most closely aligned, minimal set of parties, and (2) governing coalitions that do not omit any parties located between two other parties in the coalition (1970).

Axelrod's theory is intuitive and underlies a number of other coalition building theories.<sup>1</sup> However, it precludes us from studying radical right in governing coalitions. In this unidimensional world, radical right parties, by definition place on the extreme right of the left-right ideological spectrum (see Figure 2.1), which makes them highly unattractive coalition partners and virtually excludes them from ever entering the government, according to the Axelrod's model.

A number of more recent theoretical works on coalition formation assume that more than one policy dimension is present during coalition bargaining (Grofman, 1996; Krehbiel,

<sup>&</sup>lt;sup>1</sup>Empirical support for Axelrod's theory is mixed (Volden and Carrubba, 2004). Most importantly, the assumptions on which the model is built (and that are common to a number of coalition formation models) are problematic. Axelrod assumes that: (1) parties' ideological preferences are uni-dimensional and (2) their policy preferences are single-peaked.

#### Overall Left-Right

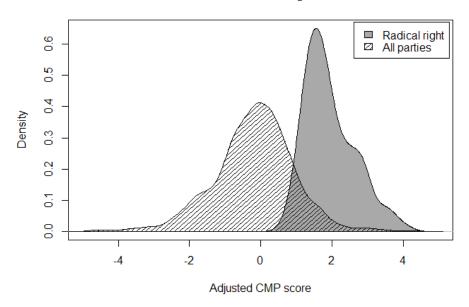


Figure 2.1: Distribution of Lowe et al. (2011) adjusted Comparative Manifesto Project scores on the Left-Right spectrum for radical right parties (in gray) and the other parties (striped). See Table A1.1 in the Appendix for definitions of the Left-Right positions.

1988; Laver and Schofield, 1990; McKelvey, 1979). Existing empirical literature argues that economic and socio-cultural issues constitute the two main dimensions of party competition in most democracies (Benoit and Laver, 2006; Marks et al., 2006; Schofield and Sened, 2006). I build on this insight to explain participation of radical right-wing parties in governing coalitions. According to my argument, parties compete on two dimensions, an economic and a socio-cultural one, and it is both the position on and the saliency of each dimension that matter for understanding radical right's coalition potential.

## 2.2.1 Dimension saliency and policy position

Alongside a large number of scholars in the coalition literature, I assume that any political party is characterized by a mixture of office-seeking (desiring to get into office for office spoils themselves) and policy-seeking (fundamentally concerned with the policies of government, wanting to get into office primarily in order to influence these policies) motivations (Baron

and Diermeier, 2001; Laver and Schofield, 1990). Given this assumptions, during the coalition bargaining process parties will strive to remain as close as possible in the policy space to their preferred position since any movement away from that position can result in electoral costs. Previous literature often implicitly assumes that in a multidimensional setting, parties value different dimensions equally. Thus, parties are more likely to form a coalition when their ideal points are close to each other on both dimensions.

Figure 2.2(a) shows a hypothetical example of a two-dimensional policy space and three parties' ideal positions: Social Democrats, Christian Democrats, and Radical Right. In this example, Social Democrats and Christian Democrats have closely located centrist positions on the economic and socio-cultural dimensions. The Radical Right party is far apart from the other two mainstream parties, given its extreme position on the socio-cultural dimension. Shaded circles around parties' ideal points represent their policy horizons or the amount of movement away from the ideal points that parties are willing to accept during the coalition bargaining process (Warwick, 2006). If we assume that parties want to minimize any deviation from their ideal points, we would expect Social Democrats and Christian Democrats to form a coalition with an agreed policy package at X, the intersection of their policy horizons. According to the argument of the traditional coalition literature, then, given Radical Right's extremism on the socio-cultural dimension, it stands no chance of being offered a slice of the government pie. However, I argue that this is not always the case because different types of parties place different salience on the two dimensions.<sup>2</sup> Generally, low saliency allows parties more movement away from their most preferred position while high saliency severely restricts it. While I maintain that the distance between coalition partners' ideal points matters, I also argue that varying dimension saliency or weight allows viable policy compromises between the formateur and a radical right party during the coalition negotiation stage. Specifically,

<sup>&</sup>lt;sup>2</sup>While there is a number of definitions of salience, sometimes even contradictory ones, in both American and Comparative literatures, I define salience as simply the weight or the importance party places on a certain dimension. Similarly, Baron and Diermeier (2001) use policy preference intensities. See the following section for examples of empirical literature that shows how different types of parties value different types of issues.

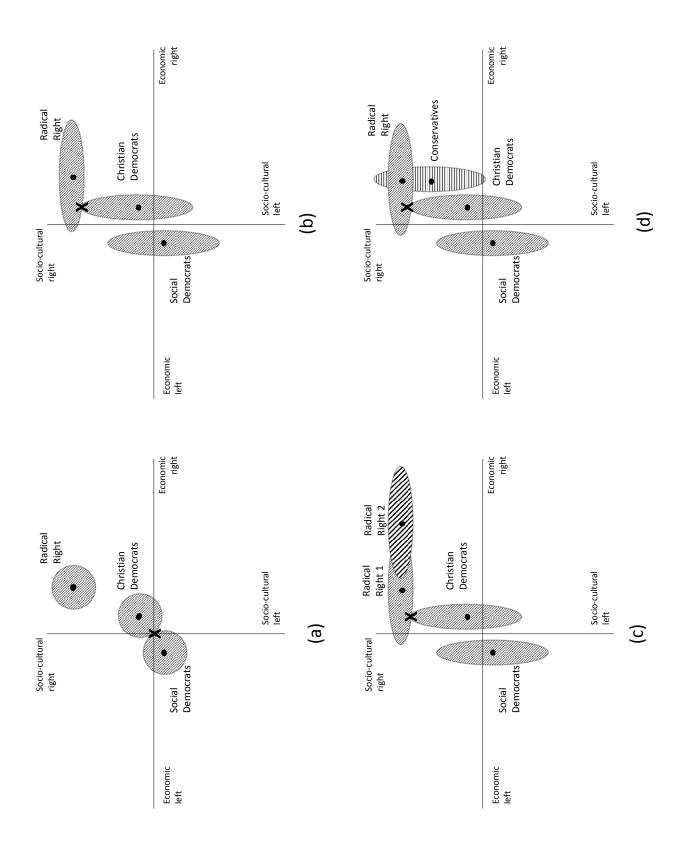


Figure 2.2: A hypothetical two-dimensional policy space, parties' positions, and their policy horizons. \$13\$

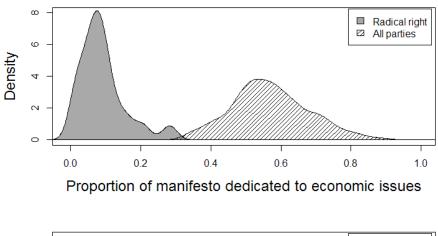
since economic dimension matters more for the mainstream parties while the socio-cultural dimension is more important for the radical right, as long as a radical right party holds a position on the economy that is close to the formateur's ideal point, it becomes a more desirable coalition partner than other mainstream parties.

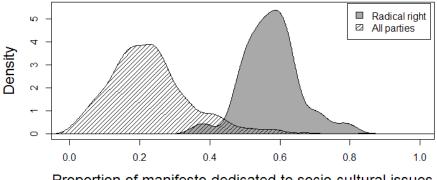
#### 2.2.2 Varying dimension saliency

Several studies have argued that some parties traditionally compete on different primary dimensions (Grofman, 2004; Laver and Hunt, 1992; Lijphart, 1982; Lowe et al., 2011; Riker, 1996). However, theoretical literature on coalition formation has not incorporated this insight. I argue that such varying weights or saliency placed on different dimensions alters the policy horizons for each party, as illustrated in Figure 2.2(b), allowing parties to form a coalition with minimal movements away from their ideal point on their most preferred dimension. Figure 2.2(b) replicates Fig 2.2(a) with one difference: it allows parties to hold varying saliencies (or weights) for each dimension. As a result, the policy horizons are no longer circular, but elliptical. Here I assume that the two mainstream parties place much higher saliency on the economic dimension, while Radical Right weights the socio-cultural dimension more heavily. Thus, the horizontal movements on the economic dimension for Social Democrats and Christian Democrats away from their preferred position are rather restricted and, despite holding relatively centrist economic platforms, these parties policy horizons do not intersect, making them unattractive coalition partners to each other. However, since economic dimension is not salient for Radical Right, it might be willing to make larger movements away from its most preferred economic policies and find compromise with the Christian Democrats at policy X, where their policy horizons intersect. Furthermore, the closer the Radical Right's economic position to the center, the bigger the intersection of its policy horizon with the mainstream parties' policy horizons, making it an attractive coalition partner. Similar logic applies to the socio-cultural dimension: while radical right parties will be stingy in giving up any of their most preferred socio-cultural policies, mainstream parties who care less about the socio-cultural issues will be willing to move further away from their ideal policy on this dimension. Thus, at point X, both the formateur and the radical right party get their ideal policy on their most preferred position.

A number of empirical studies confirm the intuition that for different types of parties (mainstream vs. niche) some issues matter more than others. On the one hand, the economic dimension is the most important or salient one for mainstream parties because it is often considered to be a dominant dimension for the majority of their voters. Lewis-Beck and Stegmaier (2000) show that, among a range of issues on a typical voter's agenda, none is more consistently present or has a stronger impact on party choice than economic considerations. Given the primary nature of these considerations, the economic dimension allows mainstream parties to find the broadest base of appeal. On the other hand, the socio-cultural dimension is most important for radical right parties which mainly campaign on value-based issues such as nationalism, cultural protectionism, and immigration. In fact, the radical right's emphasis on these issues is by far the most pervasive approach in the literature that explains the electoral success of these parties (Cole, 2005; Norris, 2005; Taggart, 1995). Several scholars note the secondary role of the economic dimension in the radical right's programmatic appeals (see review in Mudde, 2007).

The importance of different dimensions for mainstream and radical right parties is also explained by a number of empirical studies of parties' electorates. For example, based on survey data, Swyngedouw (2001) and Fetzer (2000) show that electorates of mainstream parties select their party based primarily on the economic dimension while motivations of radical right voters are dominated by the socio-cultural one. In addition, Evans (2005) and Ivarsflaten (2005) demonstrate that, unlike mainstream parties that have homogeneous electorates across economic classes, radical right-wing parties often have broad cross-cutting class electorates, combining an over-representation of two opposing economic groups: the self-employed and blue-collar workers. Radical right parties are able to unite electorates with such diverse economic preferences by heavily relying on populist appeals on the socio-





Proportion of manifesto dedicated to socio-cultural issues

Figure 2.3: Proportion of parties' manifestos dedicated to the economic and socio-cultural dimensions, based on the scaled additive Comparative Manifesto Project (CMP) dimensions "State Involvement in the Economy" and "Social liberal-conservative" (Lowe et al., 2011). See Table A1.2 in the Appendix for all items included in these dimensions.

cultural dimension (Mudde, 2007). Thus, since parties care about electoral gain and loss at time t+1, they compete on dimensions their electorates care the most about.

Analyzing the way parties allocate limited manifesto space also supports these assumptions. Figure 2.3 depicts the proportion of parties' manifestos dedicated to the economic and socio-cultural dimensions based on the scaled additive Comparative Manifesto Project (CMP) dimensions "State Involvement in the Economy" and "Social liberal-conservative" described in Benoit and Laver (2007) and Lowe et al. (2011). We see that mainstream parties spend more than half of the manifestos on the economic dimension while most radical

<sup>&</sup>lt;sup>3</sup>For the discussion on the Comparative Manifesto Project scores and the scaling of these scores by Lowe et al. (2011), see the Analysis section.

right parties spend 10% or less. The picture is reversed for the socio-cultural dimension: while radical right parties spend close to 60% of their manifestos on socio-cultural issues, mainstream parties seem to mostly ignore these issues with less than 30% of their manifestos dedicated to talking about them.

#### 2.2.3 Varying position on the economic dimension

Varying dimension saliency matters for radical right's coalition potential but it does not negate the importance of the position of its ideal point with respect to the formateur's ideal point. Figure 2.2(c) replicates the previous hypothetical examples and adds another radical right party. Here both Radical Right parties have the same saliency for both dimensions coupled with an extreme position on the socio-cultural dimension. However, their positions on the economic dimension differ: Radical Right 1 is relatively moderate while Radical Right 2 places on the extreme right. As we can see, despite putting a low weight on the economic dimension, the distance from the mainstream parties's ideal points is too great for Radical Right 2 to overcome, ruling out a possible coalition with either one of the two mainstream parties. Thus, Radical Right 1 remains the most desirable coalition partner for Christian Democrats since it gets to keep its ideal point preferences without compromises at point X on its most preferred dimension. In this scenario, what matters for radical right's coalition potential is not the extremism on the socio-cultural dimension, but rather its position on the economic dimension: the closer it is to the formateur's position, the more likely it is to offer viable compromises to the mainstream party in exchange for a chance to enter the cabinet.

But isn't a radical always radical? In other words, do radical right parties always place on the extreme right of the ideological spectrum on both dimensions, which, despite the low saliency on the economic dimension, would still preclude them from forming a government coalition? A number of scholars implicitly assume that radical right parties espouse ultra neoliberal economic policies (Betz, 1994, 2002; Höbelt, 2003). However, more recently several scholars pointed out a peculiar combination of policies for some radical right parties that

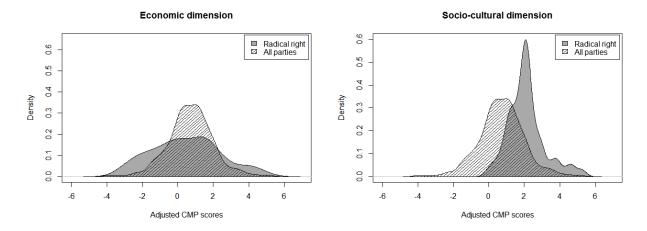


Figure 2.4: Distribution of Lowe et al. (2011) adjusted Comparative Manifesto Project scores on the economic dimension, based on the State Involvement in Economy additive scale, and socio-cultural dimension, based on the Social liberal-conservative additive scale (Lowe et al., 2011). See Table A1.2 in the Appendix for specific item definitions.

support neither a purely liberal nor a purely socialist economic program (Minkenberg, 2002; Mudde, 2007; Rovny, 2013).

Furthermore, a quick content analysis of the radical right manifestos' economic dimension does not support the dominance of the neoliberalism assumption. Figure 2.4 depicts the distribution of parties' positions on the economic and socio-cultural dimensions. Parties' positions are based on the dimensions "State Involvement in the Economy" and "Social liberal-conservative" described in the previous section (Benoit and Laver, 2007; Lowe et al., 2011). Not surprisingly, on the socio-cultural dimension, radical right parties place predominantly on the right of the ideological spectrum with the average score of 2.1 while mainstream parties follow a normal distribution centered around 0.6. On the economic dimension, however, the distribution of radical right scores follows more closely the distribution of scores for all parties in countries under consideration (with the most extreme Left value at -3.5 and the most extreme Right value at 4.9). The means for the two distributions of scores are much closer: 0.47 for radical right parties and -1.13 for the other parties. Surprisingly, some radical right parties, such as Front National in France, place on the extreme left on the economic dimension because they espouse protectionism, welfare chauvinism, and openly

reject capitalism. Other radical right parties, including Freedom Party of Austria, have more centrist economic platforms that promote regulated liberalism, with adjusted CMP scores on the economic dimension closer to -1.

#### 2.2.4 The role of the socio-cultural dimension

While I argue that radical right's position on the economic dimension is crucial for its probability of entering government, I also claim that its position on the socio-cultural dimension does not affect its coalition potential. This runs counter to the intuition from the existing radical right literature, but is a clear implication of my theory. Consider the position of parties in Figure 2.2(d) that replicates Figure 2.2(b) and adds a mainstream Conservative party. In this scenario, the formateur (Christian Democrats) will still prefer Radical Right over Conservatives as a coalition partner despite the fact that Conservative party holds exactly the same position on the economy as the Radical Right party and is more moderate on the socio-cultural dimension (recall Radical Right is relatively extreme on the socio-cultural dimension). The reason being that both Christian Democrats and Conservatives are mainstream parties who place high saliency on the economic dimension, unwilling to compromise much on their ideal economic position. For Radical Right, however, it is a secondary dimension, on which they are willing to accommodate formateur's preferences in exchange for concessions from the formateur on the socio-cultural dimension. Since the formateur makes the first move in selecting a coalition partner, it will be formateur's most valued dimension that matters during the coalition negotiation stage.

Empirically the formateur is always a mainstream party. Thus, it is the economic dimension and the position of potential coalition partners on that dimension that is crucial in determining their coalition potential. And even though Radical Right holds an extreme socio-cultural position, it does not prevent it from being a more attractive coalition partner, i.e. it does not detract from its chances of entering cabinet, as long as its economic position

is close to that of the formateur's.<sup>4</sup>

## 2.2.5 Testable hypotheses

To reiterate my argument: the presence of a two dimensional policy space allows parties room for compromise on the less salient dimension without paying high electoral costs since their voters are less likely to care as much about that dimension. Inversely, parties will be more restricted in moving away from their ideal points on the dimension they consider to be their most salient one. Due to the primary nature of the economic dimension, it is fair to assume that mainstream parties are less willing to compromise on the economic than on the socio-cultural policies. Thus, they will be looking for coalition agreements in which they have to compromise the least in terms of economic policies. Therefore, I expect

Hypothesis 1: A party is more likely to enter a governing coalition when its position on the economic dimension is close to that of the formateur's.

Since the economic dimension is of secondary nature to the radical right parties, they will be to give up enough ground in a compromise where the formateur gets to keep its ideal point on the economic dimension, making them an attractive coalition partner. In other words, while radical right party's proximity to the formateur on the economic dimension matters for its coalition potential, it is not as crucial as it is for other mainstream coalition partners due to the increased potential for policy movement.

<sup>&</sup>lt;sup>4</sup>One might wonder if moderate economic positions increase the radical right's chances of entering government, why would not all radical right parties compromise on the economic dimension? The reason why some radical right parties might refuse to moderate on the economic dimension is because they have previously made public commitments to or campaigned on specific economic policies. Reneging on these promises would indicate inconsistency and lack of credibility, which is likely to be costly at the voting booth. For example, after the 2011 election in Finland, two mainstream parties, the National Coalition Party (NCP) and the Social Democrats (SDP) began negotiations to form a cabinet with the radical right Finns Party. However, when it became clear that the NCP and the SDP would continue to support EU economic bailouts, which the Finns Party vehemently opposed during their electoral campaign, the Finns Party voluntarily broke from the negotiations to become the leading opposition party. The Finns Party's leader said in an interview that the party would not compromise its principles just to get into the government. In this case, the Finns Party made earlier policy commitments on the economic dimension, which severely limited their potential for policy movements during the coalition negotiation process. As such, the Finnish radical right party was unable to offer common ground for compromise to the formateur mainstream party.

Hypothesis 2: Radical right party's distance from the formateur on the economic dimension matters less for its chances of entering a governing coalition than the distance between the formateur and a mainstream party.

Finally, since it is the economic dimension that formateur cares most about, party's position on the socio-cultural dimension (including radical right's extremism) does not affect its chances of entering governing coalition. Then

Hypothesis 3: A p arty's position on the socio-cultural dimension does not matter for its probability of entering a governing coalition.

In summary, along with the majority of the coalition formation literature, I maintain that ideology matters for the radical right's prospects of entering cabinet. Overall, extreme ideology makes it hard to enter a governing coalition. However, I argue that distinguishing between the position and saliency on two ideological dimensions matters for radical right coalition potential: moving closer to the formateur's position on the economic ideological dimension can make up for the extremism on the socio-cultural one, making the radical right a viable coalition partner. Specifically, a formateur is more likely to maximize its utility and invite a radical right party with a moderate economic program into a coalition because the radical right party holds lower salience on that dimension and will be willing to give up more than another mainstream party would. In the next section, I probe the plausability of my argument in a case study of radical right parties in Denmark.

## 2.3 Case study: Denmark

Denmark presents a good case study of radical right's coalition potential since for a period of time, it had two active radical right parties, Progress Party (PP) and Danish People's Party (DPP), with similar electoral shares but vastly different histories of government participation. Studying these radical right parties in the same country allows me to control for a large

number of political, economic, and cultural factors while observing variation on ideological positions and government participation.

Despite receiving 7% of the national vote share in the 1998 parliamentary elections, the newcomer to Danish political arena, radical right DPP was ostracized by the mainstream parties in the same way as its more established radical right colleague, PP, had been for over 20 years. In his address to the parliament in October 1999, Danish Prime Minister, Poul Nyrup Rasmussen, boldly stated: "Therefore I say to the Danish People's Party: no matter how many efforts you make, for me you will never become respectable enough" (Meret, 2010). In 2001, just two years after Rasmussen's remarks, the DPP became an essential coalition partner in the Danish government while the PP continued to remain a political outsider, despite maintaining similar vote shares that averaged around 10% (see Figure 2.5). What explains different political trajectories of the DPP and the PP? How did the DPP manage to transform from a pariah party into a key coalition partner?<sup>5</sup>

The PP was founded in 1972 as a populist, ultra-liberal and anti-tax party, which campaigned on abolishing income taxes, abandoning public regulation, and welfare and tidying up the public sector. The DPP was officially launched in 1995 and was a splinter from the PP. A number of scholars point to a close ideological affinity between the DPP and the PP on the socio-cultural dimension (e.g. Andersen and Bjørklund, 2002). Both parties have strong anti-immigration platform. For example, both the DPP and the PP claim that the right to vote and run in municipal and regional elections should be given to Danish citizens only (Rydgren, 2004). In addition, both demand a general tightening up of the asylum and immigration law, arguing in favor of "massive and durable repatriation politics" (Meret, 2010). The adjusted CMP score on the socio-cultural dimension for both parties have remained practically unchanged throughout the time averaging 2.36 points.

<sup>&</sup>lt;sup>5</sup>While the DPP entered the governing coalition as a support party to the minority Liberal-Conservative coalition, a number of scholars point out that in the case of Denmark, where minority governments are a norm, support party provides legislative support on a more permanent basis (vs ad hoc as is more common in the traditional minority cabinets). Thus, in Denmark, the cabinet together with the support party functions as a quasi-majority government with a substantial policy role allocated to the support party (Müller and Ström, 2003; Strom, 1984).

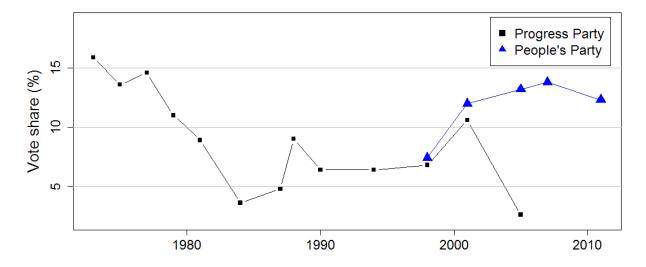


Figure 2.5: Electoral returns for radical right parties in Denmark.

While promoting similar positions on the socio-cultural dimension, the economic programs of the two parties differ significantly.<sup>6</sup> In the beginning, the DPP attempted to preserve the neo-liberal and tax protest program inherited from the PP. The economic strategy proposed by DPP's 1997 manifesto was blatantly defined by the Danish Ministry of Finance as unrealistic, since the demand for tax reductions would not have allowed public finances to cover the increasing public expenditure planned for health care, education and improvements in the nursing sector (Meret, 2010). However, by 2001 the DPP broke away from these unreasonable demands in favor of moderate pro-welfare propositions while PP continued to run on the radical economic program that called for complete abolishment of the income tax and drastic reduction of bureaucracy (Fremskridtspartiet, 2014). For example, in its 2001 manifesto, the DPP expresses a favorable position in relation to an increase in public spending (Folkepartis, 2001). In the updated 2007 program, the DPP further moderates its economic position, supporting redistribution of the national wealth and proposing fiscal policies similar to those dominant in the mainstream Venstre party's manifesto. The section of the DPP's 2007 manifesto on tax policy could be easily mistaken for a section taken out of the centrist parties' manifestos: DPP proposes a higher taxation of the top incomes, arguing

<sup>&</sup>lt;sup>6</sup>In fact, Rydgren (2004) argues that they should be classified into two different party families and treated accordingly.

it is necessary to finance welfare benefits and services for socially and economically needy citizens (Folkepartis, 2008).

While both are members of the radical right family, the DPP and the PP are distinct in the economic programs they promote. The DPP has shifted away from radical taxprotest profile developed by the PP in favor of a moderate pro-welfare image similar to one maintained by the mainstream parties. The DPP's moderation on the economic dimension have paid off in policy perks. While the PP has never been offered a chance at government participation, despite steady electoral showing (see Figure 2.5), the DPP was a key partner of the Liberal-Conservative coalition in office from 2001 to 2011 and returned in 2015. The Prime Minister Rasmussen has publicly justified the controversial choice of a radical right as a support party by emphasizing the consensus between the two parties on economic matters: "In order to be a government, one needs consensus on all important issues, both domestic and international. Venstre, together with the Folkeparti (People's Party), stands as the guarantor of the Danish welfare state. Together we will deliver on our promises to cut foreign aid, provide tax cuts, and improve hospital services" (Larsen, 2001). In 2001 and the following two governments, the DPP's support secured the Liberal-Conservative government the necessary number of votes when passing broad agreements on labor market reforms, welfare reforms, reforms of the public administration, and all annual budget negotiations (Meret, 2010). In turn, the DPP was allowed to introduce a new immigration law, passed by the government in May 2002 (Meret, 2010).

Secondary literature points out PP's extreme economic prescriptions, described as anarcholiberal by some, as the main reason behind its failure to enter governing coalitions, especially after the 1975 elections (Andersen, 2003; Elklit, 1999; Nannestad, 1991). In general, the other mainstream parties found it hard to accept the PP as a viable and responsible actor playing a role in policymaking (Meret, 2010). In comparison, Andersen and Bjørklund (2002) argue that "mainstreaming" some of the DPP's policy prescriptions allowed the party to function not only as a nominal parliamentary basis for the Liberal-Conservative coalition government,

but also as an influential policy-maker in day-to-day politics. DPP's centrist position on the economic dimension was also reflected in regular contacts with trade unions, who lobbied the party to avoid government regulation against closed shop arrangements (Rydgren, 2004).

In summary, despite similar electoral shares and radical positions on the socio-cultural dimension, the DPP was successful in transforming from a pariah party into a policy maker while the PP remained marginalized on the outskirts of the Danish political landscape. Secondary literature explains these different trajectories by pointing to the fact that the DPP has profitably moderated its economic platform in favor of moderate pro-welfare policies while the PP continues to push an ultra liberal anti-tax program. Studying the two Danish radical right parties provides support for my theoretical argument. In the next section, I test its generalizability across time, countries, and parties.

# 2.4 Empirical analysis

# 2.4.1 Data and modeling strategy

The focus of this article is how ideological positions on different ideological dimensions influence parties' chances of getting into government. Therefore, the unit of analysis is a party at election t rather than the overall configuration of the coalition that eventually forms. Since I'm particularly interested in the success of radical right parties in integrating governing coalitions, I include all elections from 1956 to 2011 in Europe in which a radical right party gained at least one seat. My sample includes 614 observations, including 27 radical right parties, from 18 European parliamentary democracies, with contrasting democratic histories, patterns of industrial development, and political institutions, as well as divergent electoral fortunes for the radical right parties. My sample is a universe of all radical right parties that compete in Europe. Table 2.1 presents a full list of radical right parties included in the analysis.

Since this is a discrete choice outcome, a logit model is used for all analysis in this

Table 2.1: Countries, years, and radical right parties\* included in the analysis

Country	Party	Years
Austria	Austrian Freedom Party	1956 - 2008
Belgium	Flemish Interest (previously Flemish Block)	1985 - 2008
	National Front	1979 - 2008
Bulgaria	Attack	2005 - 2009
Denmark	Progress Party	1984 - 1998
	People's Party	1998 - 2011
Finland	Finns Party	1999 - 2010
France	National Front	1986 - 2007
Hungary	Jobbik	2006 - 2010
	Fidesz	1990 - 2010
Italy	Forza Italia**	1994 - 2006
	National Alliance (previously Italian Social Movement)	1994 - 2006
	Northern League	1992 - 2006
Latvia	For Fatherland and Freedom and National Alliance	2002 - 2006
Lithuania	Order and Justice	2004 - 2008
Netherlands	Party for Freedom	2006 - 2010
	List Pim Fortuyn	2002 - 2003
Norway	Progress Party	2001 - 2009
Poland	United Poland and League of Polish Families	2001 - 2007
Portugal	People's Party**	2002 - 2009
Romania	Greater Romanian Party	2004 - 2008
Slovakia	People's Party – Movement for a Democratic Slovakia	2002 - 2010
	Slovak National Party	2002 - 2010
Slovenia	Slovenian National Party	2004 - 2008
	Slovenian Democratic Party	2004 - 2008
Sweden	Sweden Democrats	2010
	New Democracy	1991 – 1994

<sup>\*</sup> The following radical right parties are not included: National Party and Worker's Party in the Czech republic, National Republican Movement in France, Republican Party, People's Union, Democratic Party in Germany, Golden Dawn in Greece, Liveable Netherlands and Center Democrats in Netherlands, All for Latvia in Latvia, National Democratic Party of Lithuania, United Poland and National Rebirth of Poland in Poland. The reason for excluding these parties is the lack of Comparative Manifesto Project (CMP) data for these parties. All but the Golden Dawn in Greece have been minor parties that either (a) failed to achieve any parliamentary representation or (b) did not achieve representation in two consecutive elections. Golden Dawn is a new radical right party for which no CMP data yet exists.

<sup>\*\*</sup> Classification of these parties into the radical right right category is deemed controversial by some scholars. Thus, while I report results based on including these parties in my analysis, I also ran the analysis excluding these parties. The results remain robust to this alternative specification.

article. Theoretical literature on coalition formation routinely employs dichotomous choice models, such as logit and probit, as the preferred strategy for modeling government choice (Bäck, 2003; Bäck, Debus and Dumont, 2011; Diermeier and Merlo, 2004; Druckman, Martin and Thies, 2005; Kang, 2009; Tavits, 2008; Warwick, 2005). Some scholars point out that a regression framework is not an appropriate modeling choice given the conditional dependence of the data (Glasgow, Golder and Golder, 2012). Similarly to other scholars, I use robust standard errors clustered on the political party in the reporting of the results, which captures correlation due to unobserved factors within each cluster (Bäck, 2003; Tavits, 2008).

The dependent variable is a dummy variable coded 1 if the party has entered a governing coalition at time t, and 0 otherwise. The majority of the data comes from Müller and Ström (2003) dataset and covers election from 1956 to 2000. I update this dataset to cover most recent electoral cycles (up to 2011). All of the electoral data comes from Brancati (2011) and national election websites. Coalition membership data is from Nordiesk's Parties and Elections database.<sup>8</sup>

Measuring the independent variables requires party-level information on the positions of parties on different ideological dimensions. To capture ideological variables I rely on data collected by the Comparative Manifesto Project (CMP) scholars. CMP data is based on the "saliency approach" scheme (Budge et al., 2001; Klingemann et al., 2007), which allows it to capture not only the ideological position of the parties but also the saliency of the issues.<sup>9</sup>

<sup>&</sup>lt;sup>7</sup>This approach does not address the concern that party probabilities will depend on the observed characteristics of the other parties in the formation opportunity and the bargaining situation itself (Glasgow and Golder, 2014). However, implementing the suggested solution (a conditional logit model) to this methodological problem requires focusing the analysis on the characteristics of a formation opportunity rather than the party itself making the extraction, calculation, and interpretation of the party level variables I am interested in particularly challenging. I have ran the conditional logit models on a subset of all potential formation opportunities that contain a radical right party. All together, the data comprised information on a total of 3,300 potential governments for 80 formation opportunities, each with one potential government that formed. The results of these models (see Table A1.4 in the Appendix) are in line with the results of the logit models presented in the article.

<sup>8</sup>http://www.parties-and-elections.eu/

<sup>&</sup>lt;sup>9</sup>On the one hand, CMP data is considered to have a greater degree of impartiality, objectively placing parties in a common policy space, without requiring further knowledge about their policy record. In addition, manifesto data surpasses any other approach to studying parties' ideological locations in the number of years and countries available for analysis, facilitating cross-country time-series comparisons. On the other hand, CMP faces a number of criticism. Most important is the question of how to construct a left-right scale from

Specifically, I use CMP data scaled by Lowe et al. (2011), using log odds-ratios, to adjust for the bias introduced by the coding of proxy documents.<sup>10</sup>

To capture the *Economic Dimension*, I use the State Involvement in Economy additive scaled dimension that aggregates the following items: 401 (free enterprise: positive), 402 (incentives for enterprise), 403 (market regulation: positive), 404 (economic planning: positive), 406 (protectionism: positive), 407 (protectionism: negative), 412 (controlled economy: positive), 414 (economic orthodoxy: positive), 413 (nationalisation: positive), 504 (welfare state expansion: positive), 505 (welfare state limitation: positive), 506 (education expansion: positive), and 701 (labour groups: positive). The choice of these variables follows previous literature (Benoit and Laver, 2007; Budge et al., 2001; Laver and Garry, 2000; Tavits, 2007). I take the absolute value of the difference between the party's and the formateur's positions on the economic dimension. Based on my argument, I expect that smaller differences between the formateur's and coalition partner's positions on the economy to increase the likelihood of the party entering a governing coalition.

In addition to including parties' positions on the socio-economic dimension, I control for their position on the socio-cultural dimension (Difference on Socio-cultural Dimension). While, my argument suggests that the socio-cultural dimension should not matter for party's coalition potential, some may wonder if a more moderate position on the socio-cultural dimension is correlated with moderation on the economic dimension, increasing coalition partner's (especially in the case of the radical right) chances of joining the government. To capture this variable, I use Lowe et al.'s (2011) Social liberal-conservative additive scaled dimension that includes the following items: 103 (anti-imperialism: anti-colonialism), 104 (military: positive), 105 (military: negative), 106 (peace: positive), 107 (internationalism:

the normalized sentence counts. This has led to a lively debate on the pros and cons of the various methods (see Laver and Garry (2000); Budge et al. (2001); Marks et al. (2007); Benoit and Laver (2007). While the inclusion of the saliency has been criticized by some scholars, this measure is a good fit with my theory that includes the role for both ideological position and saliency in parties' probabilities of entering cabinet. To account for the scaling criticism, I use CMP data scaled and validated by Lowe et al. (2011).

<sup>&</sup>lt;sup>10</sup>See Lowe et al. (2011) for more specification on the scaling methods and validation checks.

<sup>&</sup>lt;sup>11</sup>For more on items included under the *Economic* dimension, see Table A1.2 in the Appendix.

positive), 201 (freedom and human rights: positive), 202 (democracy: positive), 203 (constitutionalism: positive), 305 (political authority: positive), 601 (national way of life: positive), 603 (traditional morality: positive), 605 (law and order: positive), and 606 (social harmony: positive). Similarly to measuring the position on the economic dimension, I take the absolute value of the difference between the formateur's and coalition partner's positions on the socio-cultural dimension. Based on conventional wisdom, the larger the difference on the socio-cultural dimension, the less likely the formateur should be to offer another party (and especially a radical right one) government membership. However, based on my argument, I expect that the position of coalition parties on the socio-cultural dimension does not have an effect on their coalition prospects.

To compare the results of my analysis to previous studies, I run a model that includes an overall ideological score, Left-Right, a measure traditionally used in the coalition literature. This score is based on Lowe et al. (2011) adjusted Comparative Manifesto Project scores on the Left-Right spectrum, that combines the economic and socio-cultural dimensions, where Left position defined as items 103 (anti-imperialism: anti-colonialism), 105 (military: negative), 106 (peace: positive), 107 (internationalism: positive), 202 (democracy: positive), 403 (market regulation: positive), 404 (economic planning: positive), 406 (protectionism: positive), 412 (controlled economy: positive), 413 (nationalisation: positive), 504 (welfare state expansion: positive), 506 (education expansion: positive), 701 (labour groups: positive), and Right position is defined as items 104 (military: positive), 201 (freedom and human rights: positive), 203 (constitutionalism: positive), 305 (political authority: positive), 401 (free enterprise: positive), 402 (incentives for enterprise), 414 (economic orthodoxy: positive), 505 (welfare state limitation: positive), 601 (national way of life: positive), 603 (traditional morality: positive), 605 (law and order: positive), 606 (social harmony: positive). I take the absolute value of the difference between the formateur's and coalition partner's positions on the overall Left-Right dimension.<sup>13</sup>

<sup>&</sup>lt;sup>12</sup>For more on items included under the *Socio-cultural* dimension, see Table A1.2 in the Appendix.

<sup>&</sup>lt;sup>13</sup>For a summary of items included under *Left-Right* dimension, see Table A1.1 in the Appendix.

My argument applies to all coalition partners. However, since I assume that radical right parties are the ones that place importance on issues orthogonal to the formateur's interest in the economy, the distance on the economic dimension between the formateur and the radical right coalition partner should matter less because the radical right party has more room in terms of policy movement in accommodating formateur's ideal preferences. Thus, I include a dummy variable coded as 1 when a party belongs to the radical right family and 0 otherwise. To identify radical right parties, I use a broad definition accepted by a number of scholars. I define radical right parties as a family of right-wing parties that share a fundamental core of ethno-nationalist xenophobia, anti-political populism, and emphasis on the immigration issue (Kitschelt, 2007; Mudde, 2007; Norris, 2005; Rydgren, 2002). <sup>14</sup>

Finally, I control for parties' *Bargaining power*, using Banzhaf power index (Banzhaf, 1964). The Banzhaf index is a measure of a party's probability to change the outcome of the coalition bargaining process. It is calculated by the formula

$$b_i = \frac{b_i'}{\sum_{i=1}^n b_i'},$$

where  $\sum_{i=1}^{n} b_i = 1$  for i = 1, ..., n players. If the mainstream party does not have many choices in terms of coalition partners (i.e.  $b_i$  is low), the radical right party might be more likely to join the governing coalition regardless of its position on the economic dimension.

### 2.4.2 Results

Two separate models of party participation in government have been estimated. The first model considers ideological proximity to the formateur on the overall Left-Right dimension as is common in the coalition literature, while the second model separates party's position on the economic and socio-cultural dimensions.<sup>15</sup> The results of the analysis are provided

<sup>&</sup>lt;sup>14</sup>See Table 2.1 in the Empirical Analysis section for a full list of parties coded as radical right parties.

<sup>&</sup>lt;sup>15</sup>I also run a model that includes a number of control variables common in the coalition literature, such as party size in terms of seats, the effective number of parties in the parliament and number of parties in the cabinet, bargaining power fragmentation of the cabinet and minority cabinet status. The results of the

Table 2.2: Logit models of the effects of party's ideological position on the probability of entering a governing coalition.

Model 1	Model 2
1.30	0.31
-0.03	
(0.01)	
0.01	
(0.02)	
	-4.40
	(1.35)
	0.10
	(0.32)
	5.63
/	(0.92)
(0.79)	(0.06)
	3.81
	(1.36)
	-0.51
	(0.34)
614	614
	1.30 -0.03 (0.01) 0.01 (0.02) 5.94 (0.83) (0.79)

Robust standard errors are shown in parentheses. Models include country dummies.

in Table 2.2. All coefficients of interest are in the expected direction and reach conventional levels of statistical significance.

Model 1 examines the effect of party's distance from the formateur on the overall ideological score on the Left-Right dimension that has been used in previous studies (Martin and Stevenson, 2001; Tavits, 2008; Warwick, 1996). In general, scholars find that ideology is important for parties' probabilities of entering cabinet: smaller ideological distances between coalition partners make coalition building easier. Not surprisingly, the model confirms these findings with a negative and statistically significant coefficient. However, the distance on the overall ideological score does not appear to matter for the radical right parties: both the coefficient for the radical right dummy and the interaction term exhibit large standard

model with controls are reported in the Appendix in Table A1.3 and do not substantively differ from the results reported in the main table. While these variables have been shown to affect the dependent variable, party's coalition prospects, it is hard to conceive how these variables would affect the independent variables of interest, specifically, the ideological positions parties adopt on different dimensions. Thus, I do not include them in the main results (King, Keohane and Verba, 1994).

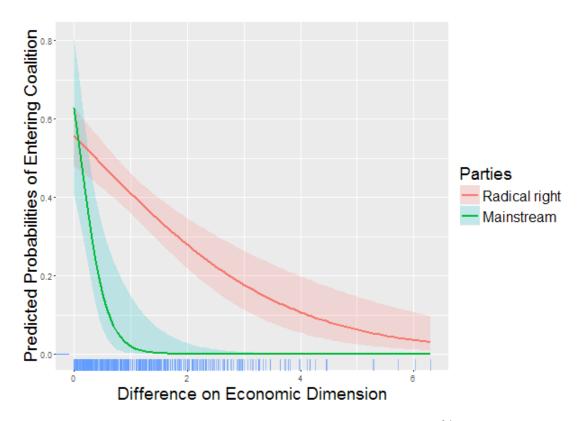


Figure 2.6: Predicted probabilities of government entry and 95% confidence intervals for the impact of the difference on the economic dimension between the formateur and the coalition partner by party type. The rug on the bottom of the plot indicates the distribution of actual data points for differences on the economic dimension between coalition partners and formateur in the dataset.

errors, failing to reach statistical significance.

Model 2 breaks down the overall Left-Right dimension into an economic and socio-cultural dimensions. The results indicate that it is the difference on the economic dimension and not the socio-cultural one that is driving party's chances of entering cabinet, supporting Hypothesis 1. While the effect of the difference on the economic dimension is as large as the effect of party's bargaining power, substantively, the size of the effect of the difference on the socio-cultural dimension is small and is not statistically significant. Overall, the further a coalition partner is from the formateur on the economy, the less likely it is to enter cabinet. For mainstream parties, moving away from the formateur on the economic dimension by

just 1 point decimates their chances of entering cabinet, bringing down its probability to 0 (see Figure 2.6 for predicted probabilities plot). Of course it is important to note that the distribution of differences on the economic dimension is relatively narrow for mainstream parties with a mean of 1.09 and IQR from 0 to 1.62.

Model 2 confirms that the economic dimension matters for radical right parties as well. Both the coefficient for the radical right dummy and the interaction term are positive and statistically significant. Thus, it appears that the difference on the economy between the formateur and the radical right party has a more moderate effect, which provides support for Hypothesis 2. Figure 2.6 plots predicted probabilities by party type. It indicates that while radical right party's chances for entering cabinet decrease as it moves further away from the formateur, the slope is not quite as steep as the one for the mainstream coalition partners: when moving from no difference to 1 point difference on the economic dimension, the radical right's chances of getting a slice of the government pie decrease only from 0.55 to 0.4.

Finally, in line with my theoretical expectations from Hypothesis 3, the results of the analysis indicate that party's distance from the formateur's position on the socio-cultural dimension does not seem to matter for its chances of entering a governing coalition: the coefficient's standard errors are larger than the coefficient itself, indicating that the effect of party's position on the socio-cultural dimension cannot be distinguished from 0. The same conclusion holds for both mainstream and radical right coalition partners since the dummy and the interaction term also fail to reach statistical significance. Thus, in contrast to the conventional wisdom that assumes that radical right parties' ideological extremism should prevent them from being considered as viable coalition partners by mainstream parties, the results of the analysis suggest that it is their position on the economic dimension that distinguishes pariahs from policy makers among the radical right parties. This is in line with my argument that stresses the importance of the economic dimension for the formateur.

The goodness-of-fit of each of the models, indicated by residual deviances and AICs, rep-

resents a significant improvement as compared to a null model. In other words, both models significantly improve our understanding of a party's chances for government participation.

In sum, my findings suggest that it is the difference on the economic dimension and not overall ideological differences between the formateur and the radical right that plays a significant role in the radical right's chances of exchanging the status of a pariah for that of a policy maker. When a radical right party adopts a moderate economic platform that is relatively close to the ideological position of the formateur on the economic dimension, it is more likely to join a governing coalition regardless of its (potentially extreme) positions on the socio-cultural dimension.

## 2.5 Conclusion

This paper sought to explain why some radical right parties are able to exchange their status of political pariahs for one of the policy makers, becoming part of the governing coalition, while others remain on the outskirts of the political landscape. I argued that a radical right party can be seen as a viable and even desirable coalition partner despite its radicalism on the socio-cultural dimension. I showed that mainstream and radical right parties value different ideological dimensions. These differences and a moderate position on the economic dimension allow radical right parties to find compromise and closely accommodate formateur's policy preferences on economic policies, the dimension formateur cares most about. And, since the formateur cares less about the socio-cultural dimension, radical right's extreme position on that dimension does not prevent it form entering cabinet.

In some ways, this study confirms the findings in the coalition building literature: ideology matters for party's prospects of getting into government. However, my view of ideology is more nuanced as I argued that ideology in the coalition bargaining stage should be conceived as a two dimensional space. The contribution of this study to the coalition literature is pointing out the crucial role that saliency of each dimension plays. While parties can be far apart on one ideological dimension (which would result in the their likelihood of forming

a governing coalition close to 0 based on the traditional coalition building theories), they can find room for bargaining compromises on the other dimension. This is especially true when parties place high saliency on opposite dimensions, which is the case for mainstream and radical right parties. Thus, when we find unlikely coalition partners, we should consider their positions on both of the ideological dimensions and the saliencies of each dimension before dismissing such coalition as an anomaly. Acknowledging the role of saliency can help explain why a specific coalition is formed out of several possible ones, considering the size and ideology of parties at the bargaining table and the institutional constraints of the given system. In the case of the radical right, it can help explain why mainstream parties might be willing to form a coalition with a pariah party even when other mainstream alternatives are available.

Understanding when radical right parties enter governing coalitions fills the lacuna in comparative literature on the radical right that primarily focuses on the electoral successes of these parties. My argument has several implications for future research. First, radical right's moderation on economic dimension will affect coalition duration. If a radical right party is close to the formateur on the economic dimension, a coalition between the two should be just as stable as a coalition between two mainstream parties. Furthermore, the closer the radical right is to the formateur on the economy, the longer the coalition should survive regardless of radical right's potentially extreme position on the socio-cultural dimension. Second, my argument carries implications for portfolio allocations. Given different saliencies that radical right and mainstream parties attach to the economic and socio-cultural dimensions, we should see a corresponding distribution of portfolios among coalition partners: the formateur should receive economic type of portfolios, such as Ministries of Economy and Finance, while a radical right party is more likely to get portfolios that deal with the socio-cultural issues, such as Ministries of Interior and Social Affairs. Finally, if radical right parties are here to stay, what should we expect in terms of policy outcomes? This study indicates that given the willingness of a radical right party to moderate, these political outsiders have the potential to become viable policy-makers by entering governing coalitions. Given that radical right parties often campaign on anti-liberal xenophobic appeals, should we expect to see a surge of anti-democratic policies across Europe, including in countries with some of the oldest established democracies? Does the advance of the radical right have the potential to threaten government stability, public policy agenda, and the fundamental health of representative democracies? In general, will radical right parties in coalitions matter for policy outcomes?

# 3. Getting a Bigger Piece of the Pie: Portfolio Allocation, Gamson's Law and the Radical Right

# - Paper 2 -

### Abstract

Radical right parties are consistently over-compensated with cabinet posts when they enter governing coalitions. This trend runs counter to one of the most established empirical regularities in comparative politics: Gamson's law. Gamson's law predicts proportional allocation of portfolios based on party's seat share as well as the predictions of formateur bias produced by a large number of formal models. Portfolio over-compensation of radical right parties points to a more general question: why do parties ever get more than their (proportional) fair share of portfolios? I argue that when a formateur party has weak bargaining power, it is better off by over-compensating a coalition partner due to coalition stability considerations and lower "costs" of some portfolios. I find support for my argument in an empirical analysis of coalition governments from 1990 to 2015 in eleven European democracies and a case study of Austria.

# 3.1 Introduction

Portfolio allocation is one of the classic research questions in coalition studies that often focuses on explaining an established empirical regularity that has been elevated to the status of "law:" Gamson's law (Bäck, Debus and Dumont, 2011; Budge and Keman, 1990; Browne and Franklin, 1973; Carroll and Cox, 2007; Druckman and Roberts, 2005; Falcó-Gimeno and Indridason, 2013; Laver and Schofield, 1990; Verzichelli, 2008; Warwick and Druckman, 2006). In 1961, Gamson showed that during the portfolio allocation stage, parties receive a share of portfolios proportional to the seats that each party contributed to the coalition (Gamson, 1961). However, when radical right parties get into government in Europe, Gamson's law often fails to predict the number of ministerial portfolios these parties get: they tend to be consistently over-compensated. The over-compensation of minor coalition partners, such as radical right parties, is especially puzzling as it stands in stark contrast to the conclusion of formal theories of coalition formation. Formal scholars routinely find that it is the largest party in a coalition that exploits its privileged position as the formateur and, by doing so, receives a disproportionately larger share of cabinet posts than the smaller coalition partners (Ansolabehere et al., 2005; Baron and Ferejohn, 1989; Snyder, Ting and Ansolabehere, 2005).

Why should we be concerned about the proportionality (or lack thereof) between the seat and portfolio allocations among coalition partners? The most influential studies in the field of coalition theory and democratic governments argue that the control of relevant ministries in a governing coalition determines cabinet parties' influence on government policy and patronage power within policy areas (Budge and Keman, 1990; Laver and Budge, 1992; Klingemann, Hofferbert and Budge, 1994; Laver and Shepsle, 1996). Thus, "who gets what" during the portfolio allocation process largely determines the direction of the policies that will be adopted by that government. Given the extraordinary policy influence afforded to parties though portfolio allocation, it is important to understand when and why some

coalition partners, including radical right parties that often campaign on authoritarian and anti-democratic policy appeals, receive more ministerial portfolios than their "fair" share as indicated by their seat share.

I offer a general theory that shows over-compensating a coalition partner with cabinet posts allows the formateur to maximize its own final utility payoffs during the portfolio allocation process. Specifically, two considerations are important for the formateur: coalition stability and the cost of giving up additional portfolios. First, the formateur values coalition stability because its payoffs accrue when the coalition remains stable over time. Concern for stability creates incentives for over-compensating coalition partners with additional portfolios to prevent defections. However, giving up portfolios is costly. These costs are determined by how much the formateur and its coalition partner value different types of portfolios.

The result is that the formateur will be more willing to give up (and the coalition partner more likely to accept) those portfolios that hold little value to the formateur but high value to the partner. I further argue that the discrepancy in how much value different parties place on the same portfolio depends on their issue priorities. Since radical right parties consistently value the socio-cultural issues more than the traditional economic left-right issues, it should be least costly for the formateur mainstream party to over-compensate coalition partners from exactly this party family. This theory provides an explanation for the puzzling observation that the radical right parties are consistently over-compensated during the coalition formation process.

Using appropriate statistical methods, I model portfolio allocation in 11 European democracies from 1987 to 2011 and find support for my argument. In my empirical analysis, I address an important methodological challenge that has been largely ignored in the literature: the compositional nature of portfolio shares data. A case study of portfolio allocation after Austria's 2002 elections corroborates my cross-national findings. This paper differs from the majority of the portfolio allocation literature by showing that the allocation of portfolios depends on factors beyond the number of seats parties contribute to the cabinet, such as

the value of coalition stability and the weight or importance parties place on certain types portfolios.

# 3.2 Gamson's Law and the Radical Right

A number of empirical examples point out considerable discrepancies between the number of portfolios allocated to radical right parties and their seat shares. For example, after the 2002 Austrian elections, a radical right party, the Freedom Party of Austria (FPÖ), received over a third of all cabinet portfolios (4 out of 11) despite contributing only 10% of the seats in parliament. In other cases the over-compensation is not as large but still present. The same year, List Pim Fortyun (LPF), a Dutch radical right party, entered a governing coalition with the center right Christian Democratic Appeal (CDA) and the People's Party for Freedom and Democracy (VVD). After a protracted coalition negotiation, LPF was granted four of the fourteen cabinet seats (29% of portfolios compared to the 17% of the seats won in the election). This decision was widely condemned by the other mainstream parties and the media as giving too much power to "unexperienced radicals hungry for power" (Osborn, 2002).

These examples are not isolated incidents. From 1987 to 2012, radical right parties have been over-compensated with portfolios in 18 out of the 21 cabinets they joined. Figure 3.1 plots the distribution of seats vs portfolios for mainstream (empty points) and radical right (solid points) parties for coalition governments in eleven European democracies<sup>1</sup> as well as the predicted portfolio allocation generated by Gamson's Law according to the parties' seat shares (solid line). As Figure 3.1 indicates, there is a strong proportionality trend among the mainstream parties, with bigger parties being slightly under-compensated. However, the radical right parties in a governing coalition appear to be consistently over-compensated with cabinet posts compared to the number of seats they contribute to the governing coalition. Furthermore, the correlation between the share of seats and portfolios should be close to 1,

<sup>&</sup>lt;sup>1</sup>See Analysis section for the full list of countries included.

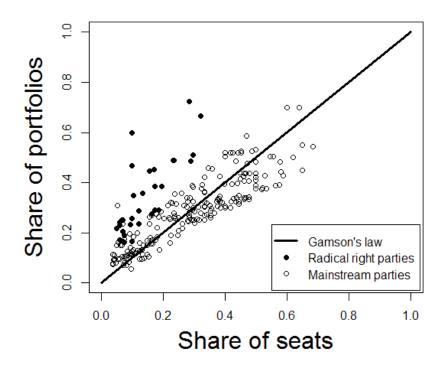


Figure 3.1: Discrepancies between predictions based on Gamson's law about proportional translation of seats into portfolio allocation (solid line) and actual distribution of seats vs portfolios for mainstream (empty points) and radical right (solid points) parties.

according to Gamson's law, but it is only 0.57 when looking at the subset of radical right parties.

Since the number of portfolios is fixed, the over-compensation of certain coalition members inevitably leads to others losing valuable cabinet posts. If you are a minor coalition partner being under-compensated with cabinet posts, you might not have much power over the portfolio distribution process. However, since the formateur often holds a disproportion-ately large amount of bargaining power due to its status as a proposer during the portfolio allocation process, this observation of over-compensating coalition partners appears to be irrational. In fact, an important body of literature on government formation,<sup>2</sup> generally predicts that it is the *formateur* and not other coalition partners who should be over-compensated with portfolios. However, as Ono shows, 79.3% of the time the number of

<sup>&</sup>lt;sup>2</sup>E.g. Baron and Ferejohn (1989); Yildirim (2007)

cabinet portfolios given to the formateur's party is *less* than proportionate to its seat share within the coalition (Ono, 2010). What explains why the formateur ever over-compensates minor coalition partners, such as radical right parties, with ministerial portfolios it could otherwise keep for itself?

# 3.3 Rethinking Gamson's Law

Over-compensation of minor coalition partners contradicts both the empirically established Gamson's law of proportional portfolio distribution and the predictions of a considerable theoretical literature based on a diverse family of Baron and Ferejohn style bargaining models (Baron and Ferejohn, 1989). Morelli and Bassi are the only scholars who offer theoretical accounts that address, albeit indirectly, the over-compensation of some cabinet members (Morelli, 1999; Bassi, 2013).

Morelli proposes a demand bargaining model. In his model, the parties do not vote on the formateur's proposal as they do in the traditional coalition models, but rather they demand a given share of portfolios in light of the demands by other parties that precede them (Morelli, 1999). The formateur has the agenda setting power in choosing the order in which parties can make demands. Morelli's model predicts a small-party bias (i.e. over-compensation) in coalitions where the number of coalition parties is small and under certain institutional conditions. The main weakness of the model is the assumption that each portfolio carries an equal weight for all parties (Druckman and Roberts, 2005). This assumption is problematic because, conventional wisdom, as well as a number of empirical studies, show that some portfolios are simply more important than others (Ecker, Meyer and Müller, 2015; Laver and Schofield, 1990; Warwick and Druckman, 2006). Furthermore, it is reasonable to assume that mainstream parties have different portfolio preferences than radical right parties, which are often considered to be niche parties (Demirkaya and Schofield, 2015). When the assumption about portfolio weights is relaxed, the equilibria proposed by Morelli (1999) do not hold.

More recently, Bassi offered a noncooperative theory of government formation according

to which parties enter a bargaining process and exchange their right of being formateur for a share of benefits/portfolios (Bassi, 2013). In her model, the role of formateur is determined endogenously (vs the traditional models that allow the formateur to be selected exogenously by another player or nature). Similarly to Morelli, the original model assumes cabinet portfolios to be equally weighted by coalition members, which results in an equilibrium where the share of portfolios is proportional to parties' seat share, as Gamson's Law predicts (Morelli, 1999). When the author relaxes this assumption and allows parties to extract different utilities from different cabinet posts, the resulting equilibria deviate from proportionality with some coalition partners being over-compensated.

I build on Morelli and Bassi's insight and offer a direct argument for why we observe portfolio over-compensation in some coalitions. I argue that the formateur will be willing to give up some portfolios as a rational utility maximization strategy due to concerns about coalition stability and the lower costs of these portfolios. The next section presents my argument.

# 3.4 Portfolio over-compensation

Similarly to the existing literature, I assume that during the portfolio distribution stage the formateur is the actor with the agenda-setting power. This means that the distribution of portfolios among coalition members is primarily driven by the formateur's utility calculations. I also assume that coalition members are rational actors who seek to maximize their payoffs. However, departing from the majority of the literature, I do not assume that portfolio allocation is a one-shot game and that the total utility from portfolio allocation is simply a sum of all the cabinet posts a party receives. Instead I argue that (1) portfolio allocation is an ongoing multistage process, which matters for parties' value of coalition stability and (2) the total utility from portfolio allocation is determined by the type of portfolios parties get in addition to the number of portfolios received.<sup>3</sup>

<sup>&</sup>lt;sup>3</sup>A simple formalized model, presented in the Appendix in Figure A.1, summarizes my argument.

### 3.4.1 Coalition stability considerations

I argue that considerations of coalition stability matter for the calculation of parties' final utility payoffs. In reality, the benefits of ministerial posts are realized over the life of the coalition. To obtain the benefits of office (whether they are derived from policy- or office-seeking motivations), the coalition must be maintained. In other words, parties' payoffs from portfolio distribution accrue over time rather than being realized at the moment portfolios are distributed. Each party in the coalition can enjoy the benefits of office only as long as everybody cooperates. Thus, when a governing coalition collapses, all coalition partners suffer: they can lose office or be relegated to minority government status. For the coalition partner, there are costs of losing allocated portfolios and having to find a new coalition partner. For the formateur, there is also a number of externalities when a coalition partner defects, such as the costs of bargaining over and forming a new coalition and the damage to the party's reputation resulting from voters' perception that the coalition failed due to the formateur's incompetence.

How much a party values coalition stability will largely depend on its bargaining power. If its bargaining power is high, then the party is more likely to have a number of (plausible) alternative coalition partners from which to choose and its probability of entering the next governing coalition is high. This in turn reduces the costs associated with a collapse of the current coalition. However, if a party finds itself in a more precarious situation in terms of bargaining power, whether due to modest electoral gains or ideological differences, the value of coalition stability increases significantly since the probability of losing the perks of the office is greater.

Scholars have shown that coalition stability matters to parties. For example, Tavits shows that parties do not only care about the spoils of office and policy outcomes during coalition bargaining, but also about the likelihood of their partners cooperating and, consequently, the coalition's likelihood of survival (Tavits, 2008). Golder and Thomas provide further

evidence that the shadow of the future affects portfolio allocation (Golder and Thomas, 2014). The authors find that when the threat of early government termination is eliminated, the allocation of portfolios departs further away from proportionality and that the formateur has a significant advantage. In formal theory, Penn offers a dynamic voting game where players face a trade-off between the immediate value of a policy proposal and the long-term stability of the emerging coalition (Penn, 2009). She shows that, in the long run, proposers are better off by allocating shares of benefits to their coalition partners that are large enough to deter them from deviating to alternative proposals.

Depending on the costs of dissolution, coalition members should value coalition stability. However, in parliamentary systems, governments can fall at any time. One of the main reasons for the fall of a cabinet is the defection of one or more of the coalition partners (Maoz and Somer-Topcu, 2010; Nyblade, 2004; Savage, 2013; Somer-Topcu and Williams, 2008; Warwick, 2006). A party unhappy with the original distribution of portfolios becomes a flight risk, contributing to increased likelihood that the coalition will fail prematurely, leading to reduced payoffs for all coalition members if that party decides to improve her payoffs by leaving. It is in formateur's best interest, then, to come up with a self-reinforcing coalition in the absence of an outside enforcement mechanism. Portfolio over-compensation becomes such mechanism.<sup>4</sup> The formateur may prefer to over-compensate another coalition member in order to maintain a stable coalition and make it costly for the opposition to "buy off" that coalition member with promises of a better portfolio allocation.

# 3.4.2 Minimizing the loss from portfolio over-compensation

Since portfolio allocation is a zero-sum game and the average number of portfolios is only 22, giving up even 1 portfolio to a coalition partner can significantly increase the loss of utility to the formateur. At the same time, the gain from giving additional portfolio(s) to a coalition

<sup>&</sup>lt;sup>4</sup>Tavits (2008) proposes another mechanism to incentivize coalition partners to stay put: punishing the defectors in future rounds of coalition negotiations. Groseclose and Snyder (1996) also show that supermajority coalitions can be used to preserve coalition stability.

partner must be large enough to deter it from defecting. Thus, the importance parties assign to different portfolios plays a crucial role in determining whether or not it would be beneficial for the formateur to over-compensate its coalition partner with additional portfolio(s). If the formateur assigns low importance to certain portfolios, than their loss will not significantly impact its utility calculations.

The idea that the importance of portfolios varies is not new. Some recent works in the portfolio allocation literature incorporate the importance or salience of different portfolios (Bäck, Debus and Dumont, 2011; Budge and Keman, 1990; Warwick and Druckman, 2001, 2006). However, these studies assume that the importance placed on ministries is uniform across all parties. For example, all parties think a Prime Ministership is worth more than run-of-the-mill Ministries of Sports or Culture. While this assumption is reasonable for traditional coalitions that contain only mainstream parties, I relax this assumption in my examination of coalitions that include radical right parties. In addition and in contrast to the existing literature, I do not assume that coalition partners have preferences over *specific* portfolios, but rather prefer certain *types* of portfolios that correspond to their most salient dimensions.

When coalition members value ministries differently, a coalition with the same parties may have a different total payoff depending on how the ministries are allocated to the parties. Hence, the proverbial pie of cabinet posts to be divided among parties is not uniform: some parties will value certain slices more than other parties do. In order to maximize the total value of the coalition membership, the ministries should be distributed to the parties that value them the most. Schofield and Demirkaya show that under some conditions niche parties that highly value a ministry that is not valued by the other parties become desirable coalition partners because they are cheaper to "buy off" in the coalition than other mainstream parties with similar portfolio preferences as the formateur (Demirkaya and Schofield, 2015). I argue that, in order to preserve coalition stability and minimize utility loss from the portfolios given up, the formateur is more likely to over-compensate parties that assign higher importance

to the portfolios the formateur values least. In the next section, I show that is the case in coalitions between a mainstream formateur and a radical right party.<sup>5</sup>

### 3.4.3 Radical right coalition partners

Several empirical studies confirm that, for different types of parties (mainstream vs niche), some issues matter more than others. On the one hand, the economic dimension is the most important or salient for mainstream parties because it is often considered to be a dominant dimension for the majority of their voters. Lewis-Beck and Stegmaier show that, among a range of issues on a typical voter's agenda, none is more consistently present or has a stronger impact on party choice than economic considerations (Lewis-Beck and Stegmaier, 2000). Given the primary nature of these considerations, the economic dimension allows mainstream parties to find the broadest base of appeal. On the other hand, the socio-cultural dimension is most important for radical right parties who mainly campaign on value-based issues such as nationalism, cultural protectionism, and immigration. In fact, the radical right's emphasis on these issues is by far the most pervasive explanation for the electoral success of these parties (Cole, 2005; Norris, 2005; Kitschelt and McGann, 1997; Taggart, 1995). Several scholars note the secondary role of the economic dimension in the radical right's programmatic appeals.<sup>6</sup>

A quick content analysis of parties manifestos' supports these conclusions. Figure 3.2 depicts the proportion of parties' manifestos dedicated to the economic and socio-cultural dimensions based on the scaled additive Comparative Manifesto Project (CMP) dimensions "State Involvement in the Economy" and "Social liberal-conservative" described in Benoit and Laver (2007) and Lowe et al. (2011). The results are telling. Mainstream parties spend

<sup>&</sup>lt;sup>5</sup>This argument can be also applied to other niche parties, such as the green, communist, or anti-EU parties. However, in these cases, it is not always clear that these niche parties do not value the same portfolios as highly as the mainstream parties. For example, while a green party might highly prize the ministry of the environment, so too can the mainstream party since a large number of environmental issues have implications for economic policy.

<sup>&</sup>lt;sup>6</sup>See review in Mudde (2007).

<sup>&</sup>lt;sup>7</sup>For the discussion on the Comparative Manifesto Project scores and the scaling of these scores by Lowe et al. (2011), see the Analysis section.

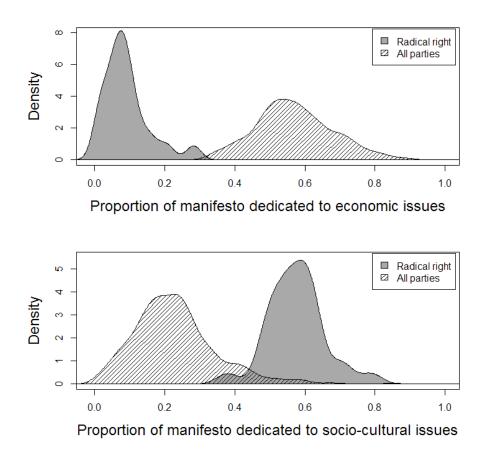


Figure 3.2: Proportion of parties' manifestos dedicated to the economic and socio-cultural dimensions, based on the scaled additive Comparative Manifesto Project (CMP) dimensions "State Involvement in the Economy" and "Social liberal-conservative" (Lowe et al., 2011). See Table A2.3 in the Appendix for all items included in these dimensions.

more than half of the manifestos on the economic dimension. In contrast, the majority of radical right parties spend 20% or less doing so. The picture is reversed for the socio-cultural dimension. While radical right parties spend on average nearly 60% of their manifestos on socio-cultural issues, the majority of mainstream parties seem to ignore these issues or spend less than 10%.

I assume that the difference in issue importance between mainstream and radical right parties translates directly into how much value these parties assign to different types of portfolios. Since mainstream parties prioritize the economy and the radical right cares more about socio-cultural issues, mainstream parties place higher values on ministries that deal directly with economic issues, such as the Ministry of Economic Affairs or Finance. In contrast, radical right parties' top cabinet posts include ministries that deal with socio-cultural issues, such as Ministry of Interior.<sup>8</sup> Thus, in coalitions that contain radical right parties, the formateur can secure a radical right coalition partner's allegiance and, consequently, coalition stability, at a relatively low cost by giving non-economic portfolios to the radical right party.

## 3.4.4 Hypotheses

My argument explains why, in some cases, we observe coalition partners being over-compensated with portfolios. I argue that the formateur over-compensates some coalition partners because it ensures coalition stability by preventing the coalition partner from defecting. Furthermore, the formateur party is more likely to over-compensate when it can minimize the costs from portfolios lost by giving up ministerial posts it values less. This argument produces several testable hypotheses.

First, when the formateur's bargaining power is weak, the costs of forming a new coalition are high. This significantly increases the value of the coalition stability. Thus, on one hand, it becomes more beneficial for the formateur to avoid cabinet dissolution and instead use portfolio over-compensation to incentivize the coalition partner to stay. On the other hand, when the formateur's bargaining power is strong, the formateur is more likely to accept a potential dissolution of the cabinet rather than give up valuable portfolios to the coalition partner. Based on this dynamic, I expect:

Hypothesis 1: The stronger the formateur's bargaining power is, the less likely another coalition party is to be over-compensated with portfolios.

If the formateur decides to over-compensate a coalition partner with cabinet posts, it has to balance the utility gained from coalition stability and the decrease in payoffs resulting

<sup>&</sup>lt;sup>8</sup>Ideally, radical right parties would like to claim the Ministry of Immigration. However, in most countries, several ministries handle issues related to the immigration with the bulk of them being directed by an equivalent of a Ministry of Interior.

from the loss of portfolios given up to the coalition partner. As I argued, the formateur can minimize this decrease in payoffs by offering less valuable portfolios to the coalition partner. Thus, when parties care about policy dimensions that are orthogonal to each other, it is more cost effective for the formateur to over-compensate a coalition partner. My second hypothesis follows from this logic.

Hypothesis 2: The farther the distance between the formateur and the coalition partner on the importance of the economic and socio-cultural dimensions, the more likely the coalition partner is to be over-compensated with portfolios.

Finally, I argued that radical right and mainstream parties routinely assign different weights to different types of portfolios. Specifically, I contend that radical right parties value the socio-cultural dimension while mainstream parties care the most about the economic dimension. Then, following from my argument about minimizing the costs of over-compensation, I develop my third hypothesis:

Hypothesis 3: Radical right parties are more likely to be over-compensated with portfolios than other mainstream coalition partners.

In sum, departing from the traditional literature's argument that proportional portfolio distribution depends primarily on a party's seat share, I argue that in certain scenarios other considerations play a role. Specifically, when the formateur party is weak, it might put a premium on coalition stability. Furthermore, when the coalition partner places varying importance on different type of issues, the formateur is better off over-compensating it with portfolios that the formateur places low value on to improve the chance of coalition survival. This argument can help explain the empirical puzzle of radical right parties being over-compensated with portfolios.

# 3.5 Empirical analysis

Standard practice in portfolio allocation empirical literature is to run an ordinary least squares (OLS) regression of parties' seat shares on the their share of portfolios, controlling for a number of covariates. However, there is a number of methodological issues associated with using OLS to evaluate portfolio allocation. I now turn to considering these methodological issues and, subsequently, testing the hypotheses derived from my argument using more appropriate statistical methods.

### 3.5.1 Methodological challenges

There are three major, but often overlooked, methodological factors to consider when estimating a party's share of portfolios. A party's share of portfolios is compositional data. While political scientists have been studying different types of compositional data for a while, only a handful of scholars openly discuss methodological challenges associated with modeling these data (Indridason, 2015; Katz and King, 1999; Philips, Rutherford and Whitten, 2016). All compositional data, including share of portfolios in this case, are bounded, which means that it consists of components that are a proportion or percentage of a whole and whose sum must equal one (Aitchison, 1982). In the case of portfolio allocation, it means that a coalition party can not be allocated less than 0% or more than 100% of portfolios (Katz and King, 1999). The first problem arises when scholars treat compositional data as a continuous variable and rely on OLS as their preferred choice of analysis, which results in biased and inefficient estimates that produce impossible predictions (Aitchison, 1982; Indridason, 2015; Philips, Rutherford and Whitten, 2016). The second problem originates in the fact that all changes among components must sum to zero. In other words, an increase in one component must be offset by an equivalent decrease in another component(s), which leads to correlated error terms for the components. Finally, including data for all components assumes that data contain more information than it does in reality because excluding one component still completely characterizes the data. In this case, estimating an OLS model is equivalent to "artificially shrinking standard errors of the estimates" (Indridason, 2015, : p.16).

Few studies that examine portfolio allocation have tried to indirectly address the compositional nature of portfolio data. The most common approach is to drop one coalition member from each cabinet (Frechette, Kagel and Morelli, 2005; Carroll and Cox, 2007). However, as Indridason (2015) points out, of the three problems mentioned above, this approach only solves the problematic degrees of freedom. To address correlated errors, Warwick and Druckman include clustered standard errors (Warwick and Druckman, 2006). However, by doing so, the authors return to the problem of excessive degrees of freedom resolved by the studies mentioned above. All three studies fail to address the bounded characteristic of the compositional data (Indridason, 2015).

Only three studies directly handle the challenges of the compositional data. First, Katz and King propose using an additive logratio transformation, which makes the data unbounded, and replacing the additive normal distribution in OLS with a multivariate t distribution (Katz and King, 1999). In addition, Tomz et al. employ seemingly unrelated regressions (SUR) to overcome the problem of having components of the compositional data sum up to one (Tomz, Tucker and Wittenberg, 2002). Most recently, Philips et al. improve on these two studies by introducing error correction models (ECM), an approach that models compositional data in over-time dynamic contexts and across multiple alternatives (Philips, Rutherford and Whitten, 2016). These efforts have greatly helped to shape the ways in which scholars deal with the estimation and interpretation of compositional models. However, these approaches are not appropriate for modeling the distribution of cabinet portfolios among coalition members for a number of reasons. SUR-type methods (including ECMs) require the same number of components across all observations. This is clearly violated in my sample, where the components (which is the number of coalition parties) ranges from two to seven. Another problem for the portfolio allocation data I am employing is that one component (a coalition party) must be used as a "reference" component: for example, FPÖ in the 1999 coalition (Tomz, Tucker and Wittenberg, 2002). However, when modeling portfolio allocation using a cross-national dataset, where the number of components varies across countries and occasionally time, the selection of a "reference" component becomes a subjective exercise (Indridason, 2015). Finally, ECMs require measures over a sufficient number of equally spaced time points. Since only major parties regularly enter governing coalitions and obtain portfolios, there are simply not enough observations of smaller coalition partners to reliably estimate an ECM.

To address the challenging compositional nature of portfolio allocation data, I follow Indridason (2015) and use a Dirichlet multinomial regression.<sup>10</sup> Guinmaraes and Lindrooth show that a Dirichlet-multinomial regression can be estimated using fixed effects count models with a Poisson or a negative binomial specification (Guimaraes and Lindrooth, 2007). When modeling the allocation of portfolios as a Poisson regression with fixed effects, the dependent variable is the *number* and not share as is traditional in the portfolio allocation literature of portfolios allocated to a given coalition member. This allows treating the number of portfolios allocated to a party as count data. When portfolio allocation is treated as count data rather than compositional data, the 'boundedness' problem is directly addressed. First, there is a clear lower bound. Second, while a specific upper bound is harder to define since the number of portfolios varies across countries and time, introducing fixed effects for cabinets accounts for this variation. Consequently, party-level independent variables are estimated from the differences in party characteristics within each cabinet (Indridason, 2015).

<sup>&</sup>lt;sup>9</sup>The literature disagrees on what the "appropriate" number is exactly. Philips, Rutherford and Whitten (2016) deem 30 observations across time to be reasonable. In general, the range in the literature appears to be anywhere from 15 to 50 (e.g. Beck (2001); McCleary et al. (1980)).

<sup>&</sup>lt;sup>10</sup>Most recently, Cutler et al. (2014) bring up methodological issues inherent to the study of portfolio allocation. The authors use a zero-inflated beta model to analyze the distribution of portfolios. However, their theoretical model includes predictions for both the likelihood that a party enters a governing coalition and its pay-offs in cabinet seats, which they test on a sample of *all* parties in a government formation situation. This results in a sample that contains large numbers of values that are at a single point, and a dependent variable that has a high number of zeros that arise whenever a given party is not included in the government. Thus, this modeling strategy is not appropriate for my sample that only contains parties that entered a governing coalition.

### 3.5.2 Modeling portfolio over-compensation

My unit of analysis is a party in a cabinet. Since my argument makes predictions about parties in coalitions, I exclude all single party governments. In addition, I exclude all formateur parties from my sample since I am interested in the effect of the formateur's bargaining power and the distance on importance of issues between the coalition partner and the formateur (it also allows me to avoid problems with the degrees of freedom and correlated errors as discussed in the previous section). In total I have observations for 175 coalition partners from 88 government formation opportunities. My sample includes 11 parliamentary democracies in Europe with contrasting democratic histories, patterns of industrial development, and political institutions. The years included are from 1987 to 2011. Countries in my sample are: Austria, Denmark, Finland, Italy, Latvia, the Netherlands, Norway, Poland, Portugal, Slovakia, and Slovenia.<sup>11</sup>

My dependent variable, *Portfolio over-compensation*, is the difference in the number of portfolios a coalition party receives and the number of portfolios the party should have received, rounded up to the whole number, based on the proportional allocation from its seat share based on Gamson's law.<sup>12</sup> If the coalition partner received a "fair" share of portfolios based on its seat share or if it is under-compensated (which is the case for ten parties in my sample), the variable is assigned 0.<sup>13</sup> In most cases coalition partners do not receive more than three portfolios above their proportional share (inter-quartile range: 0 to 3).

My argument suggests that it is not just the party's seat share that matters for over-compensation, but also the *Formateur's bargaining power*. I measure the formateur's bargaining power using the Banzhaf power index (Banzhaf, 1964). The Banzhaf index is a measure of a party's probability of changing the outcome of the coalition bargaining process.

<sup>&</sup>lt;sup>11</sup>Table A2.2 in the Appendix provides a full of the list of parties, countries, and years included in the analysis.

<sup>&</sup>lt;sup>12</sup>The data for election results, seat shares and party of the formateur are from the Parliament and Government Composition Database (Parlgov): htttp://www.parlgov.org. The data on cabinet seats are derived from the Party Government dataset by Seki and Williams (2014).

 $<sup>^{13}</sup>$ The results are robust to alternative measurements of over-compensation.

It is calculated using the following formula

$$b_i = \frac{b_i'}{\sum_{i=1}^n b_i'}$$

where  $\sum_{i=1}^{n} b_i = 1$  for i = 1, ..., n players. If the formateur has many choices in terms of alternative coalition partners, the costs of forming a new coalition will be low. Thus the formateur will not value coalition stability as much and might not be willing to share the spoils of office by over-compensating current coalition partners. However, if its bargaining power is weak, the formateur will have to weight the costs of forming a new coalition vs attempting to buy off its coalition partner(s) from defecting with extra portfolios.

Another independent variable of interest is the Difference in issue importance on different issue dimensions. I use Comparative Manifesto Project (CMP) data to capture the importance placed on ideological dimensions by coalition partners. CMP data are based on the "saliency approach" scheme, which allows the data to capture not only the ideological position of the parties but also the saliency of the issues (Budge et al., 2001; Klingemann et al., 2007). Specifically, I use the estimates of importance of economic (Welfare state scale) and socio-cultural (Social liberal-conservative scale) dimensions introduced by Lowe et al., which is based on scaled CMP data using log odds-ratios, to adjust for the bias introduced by the coding of proxy documents. Specifically, I have three versions of this measure. First, I take the absolute difference in issue importance on each dimension between the formateur and the coalition partner and consider them separately. Then I add up the differences in importance on each dimension to consider the impact of the overall differences. Specifically,

<sup>&</sup>lt;sup>14</sup>On the one hand, CMP data are considered to have a greater degree of impartiality. They objectively place parties in a common policy space without requiring further knowledge about their policy record. In addition, manifesto data facilitates cross-national time series comparisons by surpassing any other approach to studying parties' ideological locations in the number of years and countries available for analysis. On the other hand, CMP faces a number of criticism. Most important is the question of how to construct a left-right scale from the normalized sentence counts. This has led to a lively debate on the advantages and disadvantages of the various methods (see Laver and Garry (2000); Budge et al. (2001); Marks et al. (2007); Benoit and Laver (2007). To account for the scaling criticism, I use CMP data scaled and validated by Lowe et al. (2011).)

<sup>&</sup>lt;sup>15</sup>See Table A2.3 for the specific items included in each dimension and Lowe et al. (2011) for more specification on the scaling methods and validation checks.

Difference in importance<sub>eco</sub> = |F score on importance<sub>eco</sub> - CP score on importance<sub>eco</sub>|.

Difference in importance<sub>soc-cult</sub> = |F score on importance<sub>soc-cult</sub> - CP score on importance<sub>soc-cult</sub>|

Difference in importance<sub>both</sub> = difference in importance<sub>eco</sub> + difference in importance<sub>soc-cult</sub>

where F stands for formateur and CP for coalition partner.

I argue that the decrease in utility from the portfolios "lost" in over-compensation can be greatly decreased if the formateur and the coalition partner place different importance on different ideological dimensions. Thus, the larger the distance on the measure of importance of different portfolios, the more likely the coalition partner is to get over-compensated. Since the formateur is the one driving the bargaining process, I expect the difference in importance on the economic dimension to make the most impact since it is the most important ideological dimension for the formateur. In other words, when the formateur and the coalition partner value the economic dimension differently, the formateur is more likely to over-compensate the coalition partner.

Finally, given the discussion about varying degrees of importance placed on different types of issues by mainstream and radical right parties, I argue that radical right coalition partners are more likely to get over-compensated with portfolios. I create a *Radical right* variable that codes radical right parties as 1 and mainstream parties as 0. I use the standard definition accepted in the literature on radical right parties. I define radical right parties as a family of right-wing parties that share a fundamental core of ethno-nationalist xenophobia, anti-political populism, and emphasis on immigration (Kitschelt, 2007; Mudde, 2007; Norris, 2005; Rydgren, 2002). My sample includes 13 radical right parties with varying degrees of electoral success.<sup>16</sup>

In addition to the main independent variables of interest, I control for *Minority cabinet* status. A minority government occurs when a governing coalition does not have the majority of seats in the legislature. When parties in the governing coalition hold only a minority of

<sup>&</sup>lt;sup>16</sup>See Table A2.2 in the Appendix for the full list of parties designated as radical right.

seats, they should automatically be over-compensated with portfolios. There are 45 minority cabinets in my sample. Excluding these observations from my analysis does not change the results.

### 3.5.3 Results

The results of the Poisson regressions are shown in Table 3.1.<sup>17</sup> Model 1 uses a radical right dummy as a coarse proxy for the distance on importance between the formateur and the coalition partner. Model 2 includes the combined distance between the formateur and the coalition partner on the importance of the economic and socio-cultural dimensions. Model 3 considers the difference in importance of the two dimensions separately. All results are in line with theoretical expectations and provide empirical support for hypotheses 1,2, and 3. To interpret the coefficients for each model, I exponentiate and treat them as multiplicative effects.

First, as expected, the formateur's bargaining power and cabinet minority status exert strong influences on portfolio over-compensation. In all three models, the larger the formateur's bargaining power, the smaller the number of "extra" portfolios a coalition member will get. Based on coefficients in model 3, when the formateur's bargaining power increases by 0.1, 18 we expect a 6% decrease in the number of over-compensated portfolios the coalition partner gets. This coefficient remains quiet robust to changing the specification of the other independent variables. Similarly, going from majority to minority status yields an increase of 98% in portfolio over-compensation rate.

Second, all three models provide support for hypotheses 2 and 3 regarding the effect of distance on the importance of ideological dimensions between the coalition partner and the formateur. Using a radical right dummy variable as a coarse proxy for how different types of

 $<sup>^{17}</sup>$ Similar results, included in Tables A2.4 and A2.5 in the Appendix, are obtained when analogous models are estimated using OLS (with and without dependent variable transformation to approximate normal distribution). All variables are in the same direction but some fail to reach statistical significance. The fit of all the OLS models is relatively poor with  $R^2$  between 0.10 and 0.25.

 $<sup>^{18}</sup>$ The range of the variable is from 0 to 1. The mean and standard deviation are 0.31 and 0.15 respectively.

Table 3.1: Poisson regressions with fixed effects of the effects of party's ideological positions on portfolio allocation

	Model 1	Model 2	Model 3
Radical right dummy	0.24*	0.25	0.20
	(0.13)	(0.16)	(0.14)
Difference in importance: both dimensions		0.08*	
Dia.		(0.04)	0.01*
Difference in importance: economic dimension			$0.21^*$
Difference in importance: socio-cultural dimension			(0.06) $-0.14$
Difference in importance, socio cultural difficusion			(0.14)
Formateur's bargaining power	$-0.85^{*}$	$-0.92^*$	$-0.92^*$
	(0.34)	(0.35)	(0.35)
Minority cabinet	$0.66^{*}$	$0.65^{*}$	$0.68^{*}$
	(0.11)	(0.11)	(0.11)
Party's seat share			
N	175	175	175

Robust standard errors are in parentheses.

parties (mainstream vs niche) place importance on different dimensions indicates that radical right parties in governing coalitions experience an increase in over-compensated portfolios compared to mainstream parties. According to model 1, in a non-minority cabinet with a formateur who holds average bargaining power, mainstream coalition partners are predicted to receive not quite a full "extra" portfolio (0.71) while radical right parties are expected to receive three "extra" portfolios. This is a substantively significant difference, considering that, on average, coalition partners do not get more than one extra portfolio.

Model 2 includes a more refined measure of the different weights parties place on dimensions: the sum of differences on measures of importance between the formateur and the coalition partner on the economic and socio-cultural dimensions. Again the results are in the expected direction and reach statistical significance at conventional levels. Coalition

 $<sup>*</sup>p \le 0.05$ 

partners who are further away from the formateur on the combined importance of the two dimensions receive portfolios above and beyond the number of portfolios their seat share alone would predict.

However, separating the measures of importance of the two dimensions, as I do in model 3, indicates that it is the difference on the importance of the economic dimension that matters for over-compensation. When the difference on importance of the economic dimension increases by 1, there is a 23% increase in the expected number of extra portfolios granted to a coalition partner. Surprisingly, the coefficient for the importance on the socio-cultural dimension is in the opposite direction indicating that larger differences on the importance on this dimension actually lead to fewer rather than more portfolios. However, this coefficient fails to reach statistical significance. Finally, as expected, since model 2 and 3 include more robust measures of the distance on importance, the coefficient for the radical right dummy fails to reach statistical significance. This is because the variation in over-compensation is better captured by these measures.

# 3.6 Case study: Austria

Since the results of a Poisson model are not always straightforward to interpret, I use the case of Austria to illustrate the effects of the formateur's bargaining power and the differences on ideological dimensions on portfolio over-compensation. My model performs relatively well at explaining the puzzling portfolio distribution that took place after Austria's 2002 elections. After the 2002 elections, the radical right Freedom Party of Austria (FPÖ) received 4 out of 11 cabinet posts (Finance, Social Affairs, Justice, Transport and Technology) despite obtaining only 10% of the seats. The CMP data indicate that the distance on importance of the economic dimension between the coalition partners was large: 3.33 points (the range in my sample is from 0 to 4.51 with a mean of 1.64). The distance on importance of the socio-cultural dimension is somewhat smaller, 1.02, but the data are much more spread out,

Table 3.2: Results of the 2002 parliamentary elections in Austria

Party	Votes	Seats
	(%)	$(number)^*$
Social Democratic Party of Austria SPÖ	36.5	69
Austrian People's Party (ÖVP)	42.3	79
Freedom Party of Austria (FPÖ)	10.0	18
Greens	9.5	17
Liberal Forum (LF)	1.0	0
Communist Party of Austria (KPÖ)	0.6	0
The Democrats	0.1	0
Socialist Left Party (SLP)	0.1	0
1		

<sup>\*</sup> Total number of seats: 183

with the majority of the data concentrated between 0 and 0.43.<sup>19</sup> According to Gamson's law, the FPÖ should not have received more than one portfolio given the small number of seats the party held. Based on the actual values of the co-variates, model's 3 prediction of 3.86 portfolios are close to the FPÖ's actual allocation.

What explains why the FPÖ was able to secure 4 out of 11 cabinet posts despite its poor electoral performance? Put differently, why did the formateur, Austrian People's Party (ÖVP), sacrifice additional portfolio seats? First, several scholars note that the ÖVP was in a precarious position as a formateur (Luther, 2011; Müller, 2004). Table 3.2 presents the results of the 2002 parliamentary elections. There were four parties total that obtained seats in the parliament: ÖVP, SPÖ, FPÖ, and Greens. The Greens had excluded a coalition with the ÖVP from its range of options before the elections. Thus, in order to form a majority coalition, the ÖVP had to pick from SPÖ and FPÖ. While an SPÖ-FPÖ-Greens coalition seemed unlikely, there were rumors of SPÖ elites leading secret negotiations with FPÖ (Müller, 2004).

Luther presents a study of this particular instance of portfolio allocation based on interviews with party elites (Luther, 2011). He shows that the ÖVP originally entered coalition

<sup>&</sup>lt;sup>19</sup>With a mean of 0.34 and a maximum of 4.05.

negotiations with the mainstream SPÖ to form an over-sized cabinet of the two largest mainstream political parties, a combination known as a "grand coalition." Simultaneously, Jörg Haider, the controversial leader of the FPÖ, let it be known that his party would concede the chancellorship and a number of other "top" portfolios, such as the Ministry of Economics and Labor as well as Ministry of Defense and Ministry for Foreign Affairs, in exchange for the Ministry of Social Affairs and the Finance Ministry. Although reluctant at first, the ÖVP eventually ceded the Finance Ministry to FPÖ.

It appears that the OVP made a considerable concession in granting that Finance Ministry, which deals with economic issues, to the radical right FPÖ. At first glance, the ÖVP's choice seems to run counter to my argument. However, this is not necessarily the case in the Austrian context: the ÖVP retained the top economic portfolio, the Ministry of Economics and Labor. This choice had clear policy implication, as the Ministry of Economics and Labor handles most major economic decisions and is allocated over 50% of the federal budget compared to the 10% of the budget allocated by the Ministry of Finance.<sup>20</sup> Furthermore, Luther notes that after the FPÖ had publicly committed to market liberalization reforms and a universal child allowance, two key features of the ÖVP's electoral platform, giving up the Ministry of Finance was less costly for the ÖVP because it could still take credit in front of its voters for keeping its electoral promises (Luther, 2011). Moreover, giving up the Social Affairs Ministry was an "easy" part of the bargain for the ÖVP because it did not have clear campaign promises on these issues. In contrast, that portfolio was essential for the radical right FPÖ. The party had primarily campaigned on tightening immigration and asylum policies, both under the jurisdiction of the Social Affairs policy (Luther, 2011). Muller also notes that the FPÖ was "a much cheaper coalition partner than the SPÖ in terms of cabinet positions." (Müller, 2004, :p.352, emphasis added).

None of these studies explicitly address why the formateur went above and beyond in giv-

<sup>&</sup>lt;sup>20</sup>Source: https://www.bmf.gv.at/budget/das-budget/budget-2012.html. Numbers are based on the most recently available budget of 2009. However, given the "stickiness" of budget allocations, there is no reason to suspect that these numbers varied differently from those in 2002 when the elections took place.

Technology, to the radical right coalition partner. However, I contend that these ministries were of high value to the FPÖ because they dealt with issues prominent in their electoral program, specifically law and order and improvement in the nation's infrastructure. Looking at the original FPÖ manifesto from 2002 coded by the Comparative Manifesto Group,<sup>21</sup> these topics (out of 41 total mentioned) take up roughly 20% of the overall manifesto space, or 9.2% and 10.3% respectively. These topics are in the top five most mentioned categories next to the "national way of life (positive)," "traditional morality (positive)," and "multiculturalism (negative)" categories that take up 17.3%, 16.6%, and 10.8% of the FPÖ manifesto respectively. This list contrasts starkly to the formateur's top five most mentioned categories: "welfare state expansion" (19.2%), "education expansion" (16.9%), "environmental protection(positive)" (5.4%), "economic incentives" (5.1%), and "free market economy" (4.8%). Thus, while these portfolios had high value for FPÖ, it does not appear that the ÖVP placed a lot of importance on them.

In sum, the results of the empirical analysis and a brief case-study of Austria suggest that portfolio allocation is driven by more than just election results and party's seat shares. While seat shares determine parties' bargaining strength during coalition negotiations, other considerations, such as coalition stability and ideology, also play a role. I have shown that when a formateur and a coalition partner value different ideological dimensions, the formateur is more likely to over compensate the coalition partner with extra portfolios.

## 3.7 Conclusion

In this paper I show that the allocation of portfolios is not simply a matter of the legislative seat shares of the government parties themselves, except to the extent that they are a sufficient statistic for the bargaining power calculations, but that it also depends on considerations such as the value of coalition stability and the weight or importance par-

<sup>&</sup>lt;sup>21</sup>Available at: manifestoproject.wzb.eu.

ties place on certain portfolios. I have proposed an argument for why we observe portfolio over-compensation of radical right parties, an empirical regularity that is not predicted by the standard bargaining models of coalition formation. A common feature of these models is that portfolio allocation is treated as a one-shot game: once the deal between coalition partners is struck and a coalition is formed, the game ends and the parties realize their payoffs from assigned portfolios. My argument departs from these models in that it takes into account the fact that parties, particularly the formateur party, value coalition stability because the benefits of forming a coalition are not all reaped at the moment it is formed but rather throughout the life of the coalition. The implication of my argument is that the formateur will be willing to pay extra costs, in the form of additional portfolios to its coalition partner to ensure coalition stability. A coalition partner that receives a larger than "fair," according to the Gamson's law, share of portfolios is less likely to defect from the coalition, which would lead to the coalition's collapse. Furthermore, the formateur party can reduce the costs of losing the extra portfolios to the coalition partner if it gives up portfolios on an ideological dimension that it values less. In coalitions between a mainstream formateur and a radical right party, the radical right party's allegiance is often especially cheap for the formateur to secure since radical right parties highly value the socio-cultural dimension while mainstream parties typically value the economic dimension most. This can explain why mainstream parties are often willing to over-compensate radical right parties.

To be clear, my argument is not to dismiss the strong relationship between seats and portfolio allocation. Gamson's Law clearly indicates that there is. That said, my argument highlights a shortcoming of Gamson's Law and suggests that the focus on seat and portfolio proportionality is misplaced. Instead, there should be greater emphasis on the development of theories that offer insights into what other factors influence portfolio allocation. The need for such theories is especially apparent in cases where Gamson's Law fails to explain unexpected empirical trends such as consistent portfolio over-compensation of radical right parties.

Understanding what explains portfolio over-compensation of radical right parties is the first step in assessing the implications of having radical right parties participate in governing coalitions. This is a major concern routinely raised by scholars as well as the media. First, there is a concern about the potential policy implications. While there is disagreement over the degree to which cabinet ministers have autonomy over the policies that fall under the purview their portfolios,<sup>22</sup> most scholars agree that heading a portfolio allows non-trivial discretion within that policy domain. When ministers operate in systems with high party discipline, such as in parliamentary regimes, their respective parties hold the reins over the ideological direction of adopted policies. Radical right parties often campaign on policy appeals that have been deemed authoritarian and anti-democratic (Mudde, 2007; Norris, 2005). The concern of pundits and scholars alike is that these controversial campaign promises will become policy. It remains to be seen if this will be the case or if, instead, the incumbent parties and coalition building processes will have a moderating effect on the the radical right's policy proposals.

Second, there is a more general concern about implications of the radical right's government participation for the normative role of democratic institutions. One of the advantages of democracy is its potential to keep extremism at bay by taking into account the will of the majority. Thus, the radical right parties that often enjoy only modest electoral support should be the least likely parties to be over-compensated with portfolios. However, my argument implies that these parties are the *most likely* to get the "extra" portfolios. Thus, the argument that democratic institutions guard the political system from extremist tendencies comes into question.

There are good reasons to believe that the study of portfolio allocation has important implications. Understanding the complex factors that shape the outcome of this bargaining process is, therefore, crucial to our understanding of the functioning of parliamentary democracies.

<sup>&</sup>lt;sup>22</sup>E.g. Martin and Vanberg (2004).

# 4. Radical Right Saboteurs? Cabinet Duration and Radical Right Parties

- Paper 3 -

#### Abstract

Ideologically compact governments tend to survive longer than ideologically diverse cabinets. These findings are bad news for ideologically extreme coalition parties, such as radical right parties. In this paper, I argue that we need to look beyond the perception of these parties' overall radicalism by considering the importance of ideological dimensions in addition to parties' positions. I show that mainstream parties value the economic dimension while the radical right parties prioritize socio-cultural issues. Since radical right and mainstream parties have orthogonal dimension saliencies, the potential for policy conflict is reduced and cabinet duration lengthened. I employ a Cox proportional hazards model to estimate how differences on the economic and socio-cultural dimensions effect on government longevity. I find that the distance between a coalition party and the rest of the coalition on the economic dimension matters for mainstream parties' survival in a governing coalition, while for radical right parties the distances on the socio-cultural dimension are more important. I then find further support for my argument in a case study of government duration in Italy.

### 4.1 Introduction

The variation in cabinet duration in European multi-party democracies is the subject of a voluminous scholarly literature. Since 1945, some European cabinets barely lasted a couple of months while others stayed in power for over five year. Why should we be concerned with such variation in cabinet durations? Understanding factors that affect cabinet duration and, consequently, the stability of governments, has important implications for the functioning and accountability of parliamentary regimes. First, the length of cabinet duration influences the extent to which the executive branch is able to dominate the legislature (Lijphart, 1999). Second, short cabinet duration negatively affects ministerial efficiency vis-a-vis the bureaucracy (Huber and Lupia, 2001), as well as the overall policy performance of political system (Huber, 1998). Finally, longer government duration supports continued democratic consolidation in newly established democratic regimes by bolstering the legitimacy of the democratic regime (Linz, 1978; Somer-Topcu and Williams, 2008; Warwick, 1994).

One of the primary explanations for variation in cabinet duration focuses on party specific characteristics.<sup>1</sup> The logic in such accounts is that a greater ideological policy range of the governing coalition negatively impacts cabinet duration. The larger the ideological range within the governing coalition, the more costly policy compromises become, which in turn significantly increases coalition members' incentives to defect (e.g. Warwick, 1994). In addition, the transaction costs of "policing" coalition bargains increase due to opportunistic behavior by cabinet parties whose preferences are not well aligned within the coalition (Martin and Vanberg, 2004).

When radical right parties, located on the extreme right of the Left-Right ideological dimension, started entering governing coalitions in late 1990s, many assumed that the reali-

<sup>&</sup>lt;sup>1</sup>Other explanations include deterministic events explained by country-specific and temporal factors (Browne, Frendreis and Gleiber, 1984; King et al., 1990), institutional context and structural attributes of cabinets and parliaments themselves, such as the type of cabinet (minimum-winning vs over-sized vs minority), and party system fragmentation and polarization (e.g. Maoz and Somer-Topcu, 2010; Savage, 2013; Strøm and Swindle, 2002; Somer-Topcu and Williams, 2008).

ties of public office and increased ideological diversity of such cabinets would result in their quick demise. However, this turned out not to be the case: on average, cabinets that contain radical right parties last as long as the more traditional governing coalitions containing only mainstream parties (see Figure 4.1). This paper proposes a more nuanced argument for the role of ideological diversity for government survival. I argue that it is not only cabinet parties' positions on an ideological spectrum that matter for coalition duration, but also the importance or salience of different ideological dimensions. Since mainstream and radical right parties have orthogonal issue saliencies, it is only the ideological diversity on party's most salient dimension that will negatively impact government survival. This explains why cabinets that contain ideologically extreme parties, such as radical right parties, are not necessarily any more volatile than those with a more limited ideological range represented by the mainstream parties. I find support for my argument when I employ a Cox proportional hazards model to estimate the effect of differences along the economic and socio-cultural dimensions on government longevity across a sample of 15 countries. Then, I demonstrate my theory's applicability using the case of radical right parties' coalition participation history in Italy.

# 4.2 Radical right and coalition duration

While there are currently no studies that address radical right parties' coalition participation directly, there is a reason to expect governments containing a radical right party to not last as long as coalitions composed solely of mainstream parties. First, the inexperience of radical right parties at policy making and their aversion to conforming to the conventions of mainstream party politics can produce tensions among coalition partners and ultimately lead to the coalition's premature termination (Heinisch, 2003). Second, radical right parties typically lack strong party organization. These parties are often characterized by complete orientation towards the leader, internal rifts, a lack of institutional development, and a limited talent pool and qualified personnel (Norris, 2005). Given the importance of party

organization for success in government (Bergman, Ecker and Müller, 2013; Grzymala-Busse, 2002; Tavits, 2013), the radical right's weak party organization can seriously hamper its flexibility and efficiency in office, resulting in shortly lived coalitions. Third, some studies find that the share of anti-system parties in governing coalitions, which includes several radical right parties, negatively affects government stability (Sanders and Herman, 1977; Taylor and Herman, 1971). Most importantly, since radical right parties often place on the extremes of the ideological Left-Right spectrum due to their radical socio-cultural demands, they automatically introduce a much greater ideological diversity into cabinet composition. And, as I have presented earlier, a number of scholars agree that ideological diversity contributes to the coalition's early demise (Maoz and Somer-Topcu, 2010; Nyblade, 2004; Saalfeld, 2009; Savage, 2013; Somer-Topcu and Williams, 2008; Warwick, 1992, 1994, 2006). Specifically, ideologically compact governments tend to survive longer than governments with a high level of ideological diversity (Axelrod, 1970; De Swaan, 1973; Warwick, 1994).

In sum, there are a number of theoretical reasons to makes us expect shorter cabinet durations for coalitions containing a radical right party compared to the more traditional coalitions that contain mainstream parties only. However, empirical reality does not support these conclusions. Using a sample of 15 European countries,<sup>2</sup> I run the Mantel-Haenszel test with the null hypothesis that the survival functions for coalitions with mainstream parties and those containing a radical right party are identical. A p-value of less than 0.05 based on the log-rank test indicates that there is a difference between the survival curves of the two types of coalitions. Kaplan-Meier estimates of the survival function and 95% pointwise confidence intervals are plotted in Figure 4.1, where gray lines represent coalitions that contain a radical right party and black lines indicate coalitions with mainstream parties only. As we can see from Figure 4.1, survival functions for both types of coalitions overlap. Furthermore, the large p-value of 0.5 for the log-rank test for differences in baseline survival rates indicates that there are no statistically significant differences between the coalitions

<sup>&</sup>lt;sup>2</sup>It is described in detail in the Empirical Analysis section

#### **Survival Distributions of Coalitions**

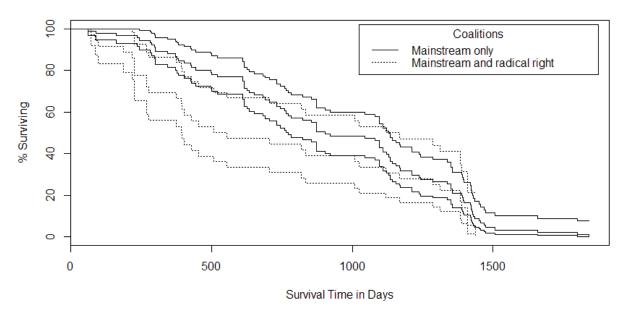


Figure 4.1: Kaplan-Meier estimates of the survival function and 95% point-wise confidence intervals for coalitions with a radical right party and for those with mainstream parties only. The p-value for the log-rank test for differences in baseline survival rates equals 0.5

that contain mainstream parties only and those that include a radical right party: on average, coalitions with radical right parties last as long as the ones without them.

From this simple analysis, it is then not clear what the role of ideological diversity is for coalition survival. The next section offers a theory that emphasizes the role of both the importance and distance between coalition partners' ideological positions in increasing or decreasing government duration. Specifically, I argue that we need to look beyond the general perception of ideological radicalism of some parties and consider their positions on the different dimensions separately. I show that mainstream parties value economic issues more than the socio-cultural issues. Consequently, it is the ideological distance on the economic dimension between mainstream coalition partners that should directly affect cabinet duration. Similarly, for a coalition that includes a radical right party, it should be the distance on the socio-cultural dimension that matters most since radical right parties highly prioritize socio-cultural issues. I also argue that parties are more willing to offer

policy compromises on the less salient dimension, which promotes building compromises, the cornerstone of the coalition politics. Since radical right and mainstream parties have orthogonal issue saliencies, when they form a coalition together they can be more flexible in finding policy compromises that satisfy all coalition members. This flexibility and radical right party's moderate position on the economic dimension, can compensate for potential ideological conflicts introduced by the radical right's extreme positions on the socio-cultural dimension, which, in turn, produces stable governing coalitions. The flexibility resulting from differences in issue saliencies allows radical right parties to overcome factors, such as the lack of governing experience or the status of an anti-system party, that make them a less desirable coalition partner and lead to less stable cabinets.

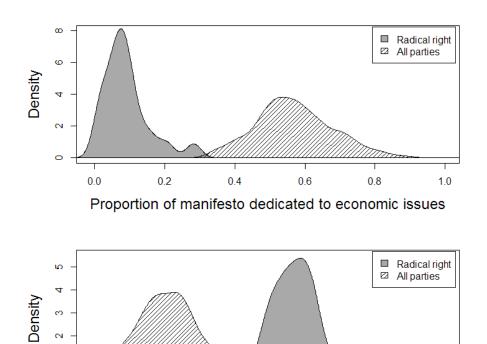
# 4.3 Ideological positions, dimension saliencies and coalition duration

Following the example of previous studies on the effect of ideology on government duration, I assume that parties strive to attain and remain in office in order to enact their policy goals. I further assume they do so regardless of whether they are doing it to please their electorates and increase their electoral share in future elections or out of pure ideological policy concerns. Parties know that they are more likely to be able to implement their most preferred policy goals with ideologically like-minded governing partners. Coalitions comprised of parties with similar ideological positions have less potential for conflict over policy, which in turn reduces the likelihood that one party will seek to leave the cabinet prematurely. Thus, the less likely coalition members are to defect, the longer the coalition will last. This is the same logic as proposed by other scholars who study the role of ideology in governments survival rates (Maoz and Somer-Topcu, 2010; Nyblade, 2004; Savage, 2013; Somer-Topcu and Williams, 2008; Warwick, 1992, 1994, 2006). However, unlike previous literature that considers the overall Left-Right ideological differences, I argue that the importance of issue dimensions

determines which ideological differences matter for coalition survival.

In general, I argue that the aggregate policy distance between coalition partners is a function of ideological policy distance between them, as suggested by the previous studies, and the salience or importance of each policy dimension for each party. Thus, when parties attach different weights or importance to different dimensions, the distance between their general Left-Right ideological positions does not matter as much as the distances on parties' most salient dimensions. Specifically, when coalition partners are close on their most salient dimension, there is a reduced potential for policy conflict on the issues most important to the parties. This in turn decreases the incentive for coalition partners to defect and bring the government down.

Previous theoretical and empirical studies in the coalition literature show that more than one policy dimension is present in the context of European coalition politics (Grofman, 1996; Krehbiel, 1988; Laver and Schofield, 1990; McKelvey, 1979). Several scholars show that economic and socio-cultural issues constitute the two primary dimensions of party competition (Benoit and Laver, 2006; Marks et al., 2006; Schofield and Sened, 2006). I build on this insight to show that different dimensions matter for different types of parties, specifically, mainstream and radical right parties. On the one hand, the economic dimension is the most salient for mainstream parties because it is often considered to be a dominant dimension for the majority of their voters. Lewis-Beck and Stegmaier show that, among a range of issues on a typical voter's agenda, none is more consistently present or has a stronger impact on party choice than economic considerations (Lewis-Beck and Stegmaier, 2000). Given the primary nature of these considerations, the economic dimension allows mainstream parties to find the broadest base of appeal. On the other hand, the socio-cultural dimension is most important for radical right parties that mainly campaign on value-based issues such as nationalism, cultural protectionism, and immigration. In fact, the radical right's emphasis on these issues is by far the most pervasive explanation for the electoral success of radical right parties (Cole, 2005; Norris, 2005; Kitschelt and McGann, 1997; Taggart, 1995). Several scholars note the



0.0 0.2 0.4 0.6 0.8 1.0 Proportion of manifesto dedicated to socio-cultural issues

Figure 4.2: Proportion of parties' manifestos dedicated to the economic and socio-cultural dimensions, based on the scaled additive Comparative Manifesto Project (CMP) dimensions "State Involvement in the Economy" and "Social liberal-conservative" (Lowe et al., 2011). See Table A3.1 in the Appendix for all items included in these dimensions.

secondary role of the economic dimension in the radical right's programmatic appeals (see review in Mudde (2007)).

A quick content analysis of parties' manifestos supports these conclusions. Figure 4.2 depicts the proportion of parties' manifestos dedicated to the economic and socio-cultural dimensions based on the scaled additive Comparative Manifesto Project (CMP) dimensions "State Involvement in the Economy" and "Social liberal-conservative" described in Benoit and Laver (2007) and Lowe et al. (2011). The results are telling. Mainstream parties spend more than half of the manifestos on the economic dimension. In contrast, the majority of

<sup>&</sup>lt;sup>3</sup>For a discussion on the Comparative Manifesto Project scores and the scaling of these scores by Lowe et al. (2011), see the Analysis section.

radical right parties spend 20% or less of their manifestos doing so. The picture is reversed for the socio-cultural dimension. While radical right parties spend on average nearly 60% of their manifestos on socio-cultural issues, the majority of mainstream parties seem to ignore these issues or spend less than 10%.

Given different issue dimension saliencies, I argue that the duration of a coalition will not depend on the overall Left-Right ideological differences among coalition partners, but rather on the differences on the economic dimension for mainstream parties and on the socio-cultural dimension for radical right parties. The closer a mainstream coalition partner is to the rest of the coalition on the economic dimension, the less policy conflict should arise, which allows that coalition partner to achieve its policy goals and reduce the chances of cabinet termination. Since the socio-cultural dimension is a secondary dimension for mainstream parties, the differences on this dimension in a traditional coalition that only contains mainstream parties should not matter for coalition duration. The opposite is true for radical right coalition members. Radical right parties care most about socio-cultural issues. Hence, smaller ideological distances on the socio-cultural dimension between the radical right coalition member and the rest of the coalition will allow them to co-exist in peace during the policy making process and satisfy more of its preferences, decreasing its incentives to defect. However, differences on the economic dimension will not increase a radical right coalition member's probability of defecting since the economy is a secondary dimension for radical right parties. Therefore, I expect

Hypothesis 1a: The closer a mainstream coalition partner's position on the economic dimension is to the rest of the coalition's position, the longer the coalition will last.

Hypothesis 1b: The closer a radical right coalition partner's position on the socio-cultural dimension is to the coalition's position, the longer the coalition will last.

Hypothesis 2a: The distance between mainstream coalition partner's and the rest of the coalition's positions on the socio-cultural dimension does not affect coalition survival.

Hypothesis 2b: The distance between radical right coalition partner's and the rest of the coalition's positions on the economic dimension does not affect coalition survival.

In sum, since a mainstream coalition partner will highly value economic issues, it will be less willing to move away from its preferred position on the economic dimension when negotiating policy compromises with the rest of the coalition. At the same time, a mainstream coalition partner will be more flexible in accommodating other parties' preferences on the socio-cultural dimension since it is a secondary dimension for mainstream parties. Similarly, a radical right coalition member might be reluctant to give up any of its most preferred socio-cultural policies because of the importance of the socio-cultural dimension and instead be willing to find common ground with the rest of the coalition by compromising on the economic dimension, which is less important to the radical right. Being more flexible while seeking a policy compromise reduces the potential for conflict among coalition members and, consequently, increases the likelihood of cabinet survival.

# 4.4 Empirical analysis

The hypotheses presented above rest on the following policy-seeking assumptions: parties strive to attain office in order to enact their policy goals and their ability to implement such policies is enhanced by governing with ideologically like-minded parties. The reduced potential for conflict over policy in turn decreases the likelihood that one party will seek to leave the cabinet prematurely. This is a standard argument in the existing coalition literature. However, instead of focusing on the overall left-right ideological dimension, I argue

that we need to distinguish parties' positions on different dimensions and the importance they place on these dimensions. On one hand, since mainstream parties value economic issues more than the socio-cultural issues, it is the distance on the economic dimension between mainstream coalition partners that matter for cabinet duration. On the other hand, when a coalition contains a radical right party, its survival will partially depend on the distance on the socio-cultural dimension between the radical right coalition partner and the rest of the coalition. In addition, I argue that parties are more willing to offer policy compromises on the dimensions they care less about, as doing so decreases the potential for conflict and likelihood of premature coalition dissolution. Since radical right and mainstream parties have orthogonal issue saliencies, coalition partners should be more flexible in finding policy prescriptions that satisfy all coalition members. In this section, I test my argument using a Cox proportional hazards model.

#### 4.4.1 Data and modeling strategy

To test my hypotheses, I use a sample of European parliamentary democracies. I include all coalitions formed after elections in which radical right parties participated. My unit of analysis is party-election. The dataset covers 235 parties over a 21 year period (1980 – 2011). Table 4.1 presents descriptive statistics on cabinet duration in my sample. In total, the 15 countries in my dataset experienced 77 governing coalitions, of which 18 are between mainstream and radical right parties.<sup>4</sup>

My dependent variable is the number of days the party stayed in government. I use Lijphart's criteria to determine when a government ends and a new formation opportunity arises. These include: (1) if there is a change in the party composition of the government, (2) a parliamentary election is held, (3) the prime minister resigns, or (4) the cabinet resigns (Lijphart, 1984).<sup>5</sup> Caretaker governments are excluded because they are considered to be

<sup>&</sup>lt;sup>4</sup>For a full list of countries, time periods and parties coded as radical right parties, see Table A3.2 in the Appendix.

<sup>&</sup>lt;sup>5</sup>Some scholars distinguish between two types of government terminations: dissolution terminations (when parliament is dissolved and early elections are called) and replacement terminations (when governments end

Table 4.1: Government duration in Europe

		Length of tenure (days)			
Type of the coalition	No. of coalitions	Min	Max	Mean	SD
Mainstream parties only	59	69	1872	922	483
Mainstream and radical right parties	18	87	1464	815	521

apolitical formations that are not intended to govern for extended periods. Lijphart's criteria for government termination has become widely accepted in the literature (Alt and King, 1994; King et al., 1990; Laver, 2003; Mershon, 1996, 2001; Ström, 1985; Warwick, 1994; Savage, 2013).

Measuring the independent variables requires party-level information on the positions of parties on different ideological dimensions. To capture ideological variables I rely on data collected by the Comparative Manifesto Project (CMP) scholars. CMP data is based on the "saliency approach" scheme (Budge et al., 2001; Klingemann et al., 2007), which allows the data to capture both the ideological position of the parties and the saliency of the issues.<sup>6</sup> While the inclusion of saliency has been criticized by some scholars, this measure is a good fit with my theory that includes the role for both ideological position and saliency in determining cabinet duration. To account for the scaling criticism, I use CMP data scaled and validated by Lowe et al. (2011).<sup>7</sup>

To capture the *Economic Dimension*, I use the State Involvement in Economy additive scaled dimension that aggregates the following items: 401 (free enterprise: positive), 402

due to their being directly replaced, with no intervening election, by an alternative administration) (Chiba, Martin and Stevenson, 2014; Diermeier and Stevenson, 1999). As Diermeier and Stevenson argue, the effects of bargaining environment and government characteristics on survival (as well as the underlying stochastic process) may differ across the two modes of termination. As I find no dramatic differences in the effects of the covariates and the shape of the baseline hazard for the two types of termination in my sample, I do not adopt this approach in my study.

<sup>&</sup>lt;sup>6</sup>On the one hand, CMP data is considered to have a greater degree of impartiality. The data objectively place parties in a common policy space without requiring further knowledge about their policy record. In addition, manifesto data surpasses any other approach to studying parties' ideological locations in the number of years and countries available for analysis, facilitating cross-country time-series comparisons. On the other hand, CMP faces a number of criticism. Most important is the question of how to construct a left-right scale from the normalized sentence counts. This has led to a lively debate on the pros and cons of the various methods (see Laver and Garry (2000); Budge et al. (2001); Marks et al. (2007); Benoit and Laver (2007)).

<sup>&</sup>lt;sup>7</sup>See Lowe et al. (2011) for details on the scaling methods and validation checks.

(incentives for enterprise), 403 (market regulation: positive), 404 (economic planning: positive), 406 (protectionism: positive), 407 (protectionism: negative), 412 (controlled economy: positive), 414 (economic orthodoxy: positive), 413 (nationalisation: positive), 504 (welfare state expansion: positive), 505 (welfare state limitation: positive), 506 (education expansion: positive), and 701 (labour groups: positive). The choice of these variables follows the extant literature (Benoit and Laver, 2007; Budge et al., 2001; Laver and Garry, 2000; Tavits, 2007). I take the absolute value of the difference between the party's position and the mean of the other coalition partners on the economic dimension. Based on my argument, I expect that smaller differences on economic dimension will matter for survival of coalitions that contain only mainstream parties but not for coalitions that contain radical right parties.

In addition to parties' positions on the socio-economic dimension, I examine their positions on the socio-cultural dimension (Difference on Socio-cultural Dimension). To capture this variable, I use Lowe et al.'s (2011) Social liberal-conservative additive scaled dimension that includes the following items: 103 (anti-imperialism: anti-colonialism), 104 (military: positive), 105 (military: negative), 106 (peace: positive), 107 (internationalism: positive), 201 (freedom and human rights: positive), 202 (democracy: positive), 203 (constitutionalism: positive), 305 (political authority: positive), 601 (national way of life: positive), 603 (traditional morality: positive), 605 (law and order: positive), and 606 (social harmony: positive). Similarly to measuring the position on the economic dimension, I take the absolute value of the difference between the party's position and the mean of the other coalition partners on the socio-cultural dimension. I expect that larger differences on the socio-cultural dimension will negatively affect a coalition's survival if it contains radical right parties.

I also specify a number of control variables that have been shown to affect government duration. The goal here is not to test all of the other arguments but rather to provide a fully specified model. First, Warwick (1994) has found that the *fragmentation* of the government can influence cabinet duration, accordingly, I include a control for the number of parties in the

<sup>&</sup>lt;sup>8</sup>For more on the items included under the *Economic* dimension, see Table A3.1 in the Appendix.

<sup>&</sup>lt;sup>9</sup>For more on the items included under the *Socio-cultural* dimension, see Table A3.1 in the Appendix.

cabinet. Second, as an indicator of the difficulty of the coalition bargaining process, I control for the number of days taken to form a government. A long bargaining process could indicate a difficult negotiation that produces a sub-optimal coalition that is inherently unstable (King et al., 1990). On the other hand, a protracted period of negotiation could suggest that the parties involved have produced a detailed working arrangement that is likely to lead to a more durable government (Saalfeld, 2009; Warwick, 1994). Third, as mentioned in the beginning of this article, inexperience in policy making and unwillingness to conform to the conventions of mainstream party politics, both characteristics of radical right parties, may produce tensions among the coalition partners and lead to a coalition's premature termination (Heinisch, 2003). While measuring one party's willingness to compromise is not empirically feasible, I am able control for *qoverning experience* by including the number of times the party has participated in cabinets since 1956. Fourth, both Somer-Topcu and Williams (2008) and Tzelgov (2011) have found that poor economic performance of a government can negatively influence its duration. I therefore specify a control variable for inflation. <sup>10</sup> Finally, I include a dummy variable to denote a radical right party to check whether having a radical right party serves as a coarse proxy for ideological diversity in a cabinet and affects coalition duration.

Since the dependent variable in my analysis is the time (in days) each cabinet spends at risk before experiencing removal from office, duration modeling, provides a more appropriate statistical test of the hypotheses than ordinarily used least squares (OLS) for two reasons. First, the OLS estimation technique does not effectively deal with those observations that have yet to experience the event. OLS either excludes the cases that are not completed or treats those observations as having occurred. Both of these approaches are incorrect. Duration analysis addresses the shortcomings of OLS by treating the observations at the end of the sample as still containing valuable information about the underlying hazard rate. Second, OLS is unable to deal with the naturally occurring time dependence of a process like government termination (Zorn, 2000). It is assumed that the probability of removal from

<sup>&</sup>lt;sup>10</sup>The results are robust to substituting unemployment and GDP as economic indicators.

office at time t is a function of a list of covariates and of whether that government was in office at time t-1. This assumption leads to the natural conclusion that any omitted variables will lead to autocorrelation, which OLS can not deal with satisfactorily. Alternatively, logit analyses fail because an indicator variable cannot capture the variability in duration times prior to the event, which is precisely what we are trying to understand (Box-Steffensmeier and Jones, 1997). This approach causes inefficient estimates with large variances.

Given the disadvantages of the OLS and logistic approaches, I employ a Cox proportional hazards model to estimate the effect of differences along the economic and socio-cultural dimensions on government longevity. This is a form of survival analysis that is used to estimate the effect of covariates on the "time to" a specified termination event, in this case a government's removal from office. Such methods have become the standard form of analysis for government duration studies in recent decades (King et al., 1990; Lupia and Strom, 1995; Savage, 2013; Somer-Topcu and Williams, 2008; Warwick, 1994). Unlike other forms of survival analysis, the proportional hazards model does not specify a particular distribution of the underlying hazard function which means that it is less demanding of the data (Martinez-Gallardo, 2012; Savage, 2013; Warwick, 1994).

#### 4.4.2 Results

Next I test Hypotheses 1 and 2, which address whether the ideological distances between the party and the rest of the coalition on the economic and the socio-cultural dimensions matter for cabinet survival. I run a Cox proportional hazards model on 3 samples: all coalitions included in the sample, coalitions that contain a radical right party and coalitions that only contain mainstream parties. Entries in Table 4.2 report hazard ratios for the effects of the independent variables on government durability in each sample. A hazard ratio greater than 1 represents a covariate increasing the hazard rate of government failure, while a hazard ratio less than 1 indicates a factor positively affecting survival. The results provide confirmation for both hypotheses: it is the ideological distance on the economic dimension that influences

cabinet survival for coalitions containing only mainstream parties. In contrast, the differences on the socio-cultural dimension matter for coalitions with radical right parties.

In all three models the hazard ratios for the differences on the economic and socio-cultural dimensions are in the expected direction and statistically significant at conventional levels. The first model includes all parties without distinguishing between mainstream and radical right parties. The results indicate that ideological differences between the coalition party and the rest of the coalition on both the economic dimension and the socio-cultural dimensions matter for coalition duration. The hazard ratio shows that for every extra point difference on the economic and socio-cultural dimensions, the risk of government termination is increased by 15 and 22 percent respectively. Furthermore, the coefficient on the radical right dummy fails to reach statistically significant results, which supports the results of the log-rank test: overall having a radical right party in a coalition does not affect that coalition's chances of survival.

However, when we split the sample between radical right and mainstream parties, the results change. Model 2 estimates the hypothesized relationship for radical right coalition partners. The differences on the economy do not matter for coalition duration, while the differences on the socio-cultural dimension do. For every extra point difference on the socio-cultural dimension between the radical right party and the rest of the coalition, the risk of government termination is increased by 39 percent. If we consider only mainstream parties, the coefficient for the differences on the socio-cultural dimension is not distinguishable from 0. Rather, the differences on the economic dimension contribute to the early demise of the coalitions. For every extra point difference on the economic dimension between the mainstream party and the rest of the coalition, the risk of government termination is increased by 45 percent.

In addition to the impact of ideological distance on cabinet survival, the number of days to reach coalition agreement and governing experience also matter for government duration. Similar to previous findings, the results indicate that longer coalition bargaining processes

Table 4.2: Cox proportional hazards models of differences on ideological positions on government duration in Europe.

Variables	Model 1	Model 2	Model 3
	All parties	Radical right only	$egin{aligned}  ext{Mainstream} \  ext{only} \end{aligned}$
Difference on economic dimension	1.15*	6.76*	1.45*
	(0.07)	(1.53)	(0.06)
Difference on socio-cultural dimension	$1.22^{*}$	1.39*	0.06
	(0.10)	(0.18)	(0.14)
Num. of cabinet parties	0.10	2.21	1.11
	(0.07)	(0.41)	(0.07)
Num. of days to reach coalition agreement	1.00*	1.02*	1.00*
	(0.00)	(0.01)	(0.00)
Government experience	$1.12^{*}$	$0.87^{'}$	1.13*
	(0.04)	(0.38)	(0.04)
Inflation	$1.02^{'}$	1.00	1.02
	(0.06)	(0.25)	(0.06)
Radical right party	1.33	,	,
	(0.35)		
Observations	235	18	217
Likelihood ratio test	34.72	8.74	31.07
Wald test	21.32	100.40	18.57
Score (logrank) test	36.10	10.75	32.56

Note: Table entries are hazard ratios for a Cox proportional model with robust standard errors in parentheses.

correspond to an increased risk of government termination. Albeit the hazard ratio for this coefficient for coalitions with radical right parties barely fails to reach conventional significance levels. It appears that governments that emerge from long bargaining processes have a greater incentive to maintain the arrangement due to the difficulty in producing a governing coalition in the first place. Surprisingly, my results indicate that coalitions with parties experienced in governing have a higher likelihood of ending early. Further theoretical work in this area is needed to determine the nature of the relationship between governing experience and coalition survival.

<sup>\*</sup> p < 0.1 or less

#### 4.4.3 Model adequacy

The likelihood-ratio, Wald, and score (logrank) statistics at the bottom of the table are asymptotically equivalent tests of the omnibus null hypothesis that all coefficients equal 0. For all three models, the test statistics are in close agreement, and the omnibus null hypothesis is soundly rejected. Furthermore, my analysis is robust to a number of alternative specifications. First, I rerun my analysis excluding support parties from my sample to check whether my results are influenced by how broadly I define governments. Table ?? in the Appendix reports and compares the results of the re-estimated and original models. The most striking feature of the re-estimated model is how little it differs from the original model. Both the differences on the economic and socio-cultural dimensions continue to remain statistically significant.

An important assumption of this analysis is that data from different countries can be grouped together as if the same causal mechanism underlies them all. King et al. (1990) finds that adding a series of dummy variables representing different countries did not significantly improve the overall log-likelihood of their model, and the same holds true in my analysis. This indicates that the covariates included in my analysis account for the significant differences among rates of termination in different countries, but it does not tell us whether the underlying hazard function is similar in all systems. As I note earlier, I do not specify a particular distribution of the underlying hazard function in my analysis, which is predicated on the assumption that the hazard rates of any two cases are proportional over time. Country differences are the most probable sources of nonproportionality. Thus, I test the nonproportionality between any given country and the rest of the sample by adding to the model a dummy variable for that country, which is scaled by a function of time. A significant coefficient for this variable would indicate that the gap between hazard rates of the country and the rest of the sample is increasing or decreasing over time. I I perform this

$$x^* = x(\ln t - c),$$

<sup>&</sup>lt;sup>11</sup>To perform the transformation, I follow the test described in Blossfeld and Rohwer (2013):

test for each of the countries in the sample, but in no case did a time-scaled variable enter the model significantly. It appears that the underlying hazard function is approximately the same in all of the countries.

# 4.5 Case study: Italy

The results of my statistical analysis indicate that ideological distances between coalition partners have important effects on the duration of governments. This section presents a case study that puts these findings into a national context in order to improve our understanding of cabinet politics in Europe. The universe of cabinets that contain a radical right party is relatively limited. Only five countries, Austria, Denmark, Italy, Netherlands, and Switzerland, have experienced radical right parties participating in governments. For several reasons, I chose Italy and its radical right right party, Lega Nord (LN), for my case study to demonstrate the effects of distances between coalition partners on different ideological dimensions on duration of governments. First, the LN has been a part of government on several occasions (1994 - 1995, 2001 - 2006, and 2008 - 2011). This provides interesting variation on the dependent variable. These governments lasted from a short one year stint to a five year long cabinet that was the longest surviving cabinet in history of Italian politics. I focus on what helps explain this variation. Second, the case of Italy is more representative of broader coalition dynamics in Europe than the other five countries. Switzerland has a unique set of institutions that guarantee a number of seats to each one of the four major political parties in a governing coalition, which distinguishes Swiss cabinets from its Western counterparts and causes some problems in generalizing from this example to other coalition governments in Europe. The radical right parties in Austria and Netherlands had strong charismatic but controversial leaders, making it harder to disentangle the motivations of individual politicians from the actions taken by the party as a unitary actor, an assumption I make in my theory. Finally, in Denmark, the radical right People's Party was technically where x is the country dummy variable,  $\ln t$  is the logarithm of duration time, and c is its mean.

Table 4.3: Government duration in Europe and Italy (1945 – 2010).

	Length of tenure (days)			
	Min	Max	Mean	SD
All coalitions in Europe	69	1872	918	371
All coalitions in Italy	225	1761	600	392
– mainstream parties only	298	874	590	270
<ul> <li>radical right included</li> </ul>	225	1761	621	585

only a support party to the minority mainstream cabinet, which makes some scholars doubt whether it was truly part of cabinet. If we take the more pessimistic view that it was not a major policy player, then we lose the ideological diversity that is key to my theoretical story. Thus, I chose Italy to use as my case study and will illustrate the key features of the Italian case in terms which facilitate broader comparative inquiry.

In terms of coalition duration, Italy looks similar to the rest of Europe (see Table 4.3). While the mean duration of cabinets in Europe is almost a year longer than it is in Italy, the standard deviations for both are similar, indicating comparable levels of volatility across both contexts. On average, Italian governments last about two years. It appears that cabinets that contain radical right party(s) are slightly more volatile: despite a higher mean duration, the standard deviation for these cabinets is almost twice as large as the standard deviation for cabinets comprised only of mainstream parties.

Unlike most radical right parties, the LN was born as an ethno-regionalist movement in the 1980s with specific demands regarding regional autonomy from the central government in Rome. However, since the mid-1990s, the party has become a classic radical right party by adopting electoral appeals similar to those of other radical right parties in Europe. This was especially true on issues related to the cultural dimension and immigration (Betz, 2009; Carvalho, 2014; Gold, 2003; Hopkin, 2004; Meret, 2010). Scholars often compare the LN's programmatic appeals to those of the Danish People's Party and the Austrian Freedom Party (Meret, 2010; Mudde, 2007; Norris, 2005). Most noticeably, the LN has become the staunchest anti-immigration party in Italian politics.

In terms of the economic dimension, the radical right LN maintains a centrist neo-liberal orientation. This position is exemplified by the party's main economic slogan of: "more market and less State." Other policies in its platform include the privatization of state owned enterprises and agencies, general simplification of the bureaucracy, lower income taxes, and economic and legislative measures aimed at helping the small and medium-scale enterprises. While its economic policies do not distinguish the LN from a large number of smaller Italian centrist parties, its stances on the socio-cultural dimension make it stand out (Hopkin, 2004; Meret, 2010). In recent years, similarly to the other radical right parties, the LN has increasingly focused on cultural and value questions in relation to immigration. Immigration is not only considered in terms of the economic and social costs and problems of increased crime and prostitution, but has also acquired a cultural and value perspective that often emphasizes the difficulties of combining Muslim principles with Christian and Western values. Specifically, the party demands a harder course against illegal immigration, effective repatriation policies, and stripping immigrants of their right to vote.

The electoral fortunes of the LN have ebbed and flowed, ranging from 4 to 11% in the general elections. The party has succeeded in entering cabinet on three separate occasions (see Table 4.4 for a full list of Italian cabinets; in bold are the cabinets that included the LN). The lifespans of these coalitions varied significantly. The first governing coalition was one of the shortest lived coalitions in Italy's most recent history (225 days), while the other two coalitions were some of the longest (1283 and 1761 days). The first two cabinets contained almost an identical set of coalition partners. So what explains this variation in cabinet duration in Italy?

LN's first government experience did not last long. During the few months (May 1994 to January 1995) the party was in government, it participated in a broad center-right coalition headed by Berlusconi's Forza Italia (FI). Several scholars note that the LN disagreed with the policy proposals chosen by the other coalition partners from the outset (Carvalho, 2014; Gold, 2003; Hopkin, 2004; Meret, 2010). While the coalition partners had broad agreements

Table 4.4: Cabinet composition and duration in Italy (1991 – 2011).

Years	Cabinet Composition	Prime Minister	Length of tenure (days)
1991 – 1992	DC-PSI-PSDI-PLI	Andreotti	358
1992 - 1993	DC-PSI-PLI-PSDI	Amato	298
1993 - 1994	DC-PSI-PDS-PLI-PSDI-FdV	Ciampi	259
1994 - 1995	FI-LN-AN-CCD-UdC	Berlusconi	225
1995 - 1996	Independents	Dini	355
1996 - 1998	PDS-PPI-RI-FdV-UD	Prodi	874
1998 - 2000	DS-PPI-RI-SDI-FdV-PdCI-UDR	D'Alema	542
2000 - 2001	DS-PPI-Dem-FdV-PdCI-UDEUR-RI-SDI	Amato	383
2001 - 2006	FI-AN-LN-UDC-NPSI-PRI	Berlusconi	1761
2006 - 2008	DS-DL-PRC-RnP-PdCI-IdV-FdV-UDEUR	Prodi	617
2008 - 2011	$\operatorname{PdL-LN-MpA}$	Berlusconi	1283
2011 - 2013	Independents	Monti	530
2013 - 2014	${\rm PD\text{-}PdL/NCD\text{-}SC\text{-}PI\text{-}Independents}$	Letta	301

on the populist (although considered unrealistic by several experts) economic program that promised deregulation and low taxes, the conflict between the LN and other parties on some of the socio-cultural policies ultimately led to the coalition's collapse (Hopkin, 2004; Meret, 2010). From the beginning, the LN strongly opposed some of the socio-cultural policies promoted by one of the coalition partners, the *Alleanza Nazionale*, another radical right party with roots in post-war fascism (Ignazi, 1992, 2003). Furthermore, the LN refused to sign a seemingly minor bill presented by the FI's Minister of Justice to limit preventive detention of suspects of terrorism and mafia activity (Hopkin, 2004). By December 1994, only seven months after its formation, a vote of no-confidence and the LN's withdrawal from government put an end to its first government experience. The brief existence of this cabinet fits with hypothesis 1b, insofar that it highlights how the differences between the radical right party and the rest of the coalition contributed to the cabinet's early dissolution.

Between 1995 and 2001, the LN shifted some of its ideological appeals on the sociocultural dimension by making anti-immigration and anti-Islamic discussions central themes in their electoral rhetoric (Betz, 2009). Furthermore, the LN adopted a much more conformist position on the family, homosexuality and abortion that fit well with a traditionalist center right ideological profile, but seemed to be in conflict with some of the party's past positions (Carvalho, 2014). Most importantly, the party platform no longer contained any secessionist demands instead favoring proposals for a devolution system that would give the regions more decisional autonomy in fields such as the school and the healthcare system. All of these ideological shifts brought the LN closer on the socio-cultural dimension to mainstream parties located in the center of Italian ideological spectrum. During this time, the LN maintained direct continuity with its past by retaining its neo-liberal orientation on the economic dimension. The demands for lower taxes, less government involvement in the economy, a more efficient public administration and better conditions for small and medium entrepreneurs remained on the agenda (Meret, 2010). In 2000, the LN entered a centerright electoral coalition that was nearly identical to the governing coalition of 1994 headed by Berlusconi's FI. During the 2001 elections, the LN came to parliament with a weaker electoral mandate and fewer deputies than in 1994. However, the 2001 elections gave the party relevant political influence due to the electoral law rewarding the parties in the winning coalition. The LN received three important ministerial posts: the Ministry of Justice, the Ministry of Social Services and the newly established Ministry for Institutional Reforms and Devolution.

Despite the short-lived cabinet experience of 1994, this center-right coalition managed to stay in power for almost five years, becoming the longest serving government in the history of the Italian Republic. Scholars contribute the success of this governing coalition to the harmonization of coalition members' policy preferences on several dimensions (Carvalho, 2014; Gold, 2003; Hopkin, 2004; Meret, 2010). First, the events of 9/11 made the anti-immigration issue even more pertinent in terms of national security and anti-Islamic positions. These events allowed the LN to emphasize the dangers that immigration, particularly from Muslim countries, represented for the national identity and the survival of the West (Carvalho, 2014). It propelled the more moderate coalition members toward the extreme of the ideological spectrum on the socio-cultural dimension, bringing them closer

to the LN's position. This ideological convergence on the socio-cultural dimension allowed the LN to push through the legislature a controversial immigration law (Law 189/2002), which significantly tightened the rules and terms of immigration and stay in the country. In exchange for a tougher immigration law and some federalist reforms, the LN became "the most faithful partner in the coalition" (Albertazzi and McDonnell, 2005, p. 953). It provided parliamentary support for a number of economic liberalization reforms in addition to Berlusconi's many controversial attempts to reform the Italian Constitution. Overall, scholars note a surprising lack of ideological diversity in terms of economic programs among the coalition members that allowed the cabinet to debate and quickly pass a "surprising" number of economic policy proposals (Carvalho, 2014; Meret, 2010). The ideological convergence of these coalition partners on both the economic and socio-cultural dimensions and improved cabinet duration provide support for hypotheses 1a and 1b.

#### 4.6 Conclusion

In this paper, I have argued that it is the differences on the economic dimension that matter for mainstream parties survival in cabinets while for radical right parties the differences on the socio-cultural dimension are more important. My argument is based on the assumption that, parties in office, including the more extremist radical right parties, seek to implement their most preferred policy proposals. This goal is easiest to achieve when the rest of the governing coalition has similar ideological preferences. This, in turn, decreases potential conflict and the probability that one party will leave the cabinet prematurely and lead the cabinet to dissolve before the end of its constitutional term. While this is a standard argument in the existing coalition literature, my contribution is to distinguish between the ideological differences on, and importance of, two of the primary dimensions in politics. I emphasize the importance of separating the dimensions because mainstream and niche parties have distinct preferences and varying degrees of willingness to compromise over certain issues based on how important a policy issue is for them. On one hand, mainstream parties

value economic issues more than socio-cultural issues. Thus, it should be the distance on the economic dimension between mainstream coalition partners that matters for cabinet duration. On the other hand, radical right parties prioritize socio-cultural issues, such as traditional values, law and order, and immigration, over the economic issues. And it is the differences on these issues between the radical right coalition partner and the rest of the coalition that increase or decrease the chances for policy conflict. In addition, I argue that parties are more willing to offer policy compromises on the dimensions they care less about, which improves a coalition's chances for survival. Since radical right and mainstream parties have orthogonal issue saliencies, coalition partners should be more flexible in finding policy prescriptions that satisfy all coalition members. This allows coalition partners to overcome the potential ideological conflicts due to radical right's extreme positions on the socio-cultural dimension.

The results of the empirical analysis and observations from the Italian case study support my hypotheses: in general, larger ideological distances negatively affect cabinet longetivity. However, which ideological differences matter differs by the type of parties in government. For mainstream parties, it is the difference on the economic dimension, while for radical right parties it is the difference on the socio-cultural dimension that increases the chances of early cabinet dissolution. Despite conventional wisdom, having a radical right party in the coalition does not spell its doom. In fact, coalitions that contain radical right parties do not seem to be much different in terms of duration from the more traditional coalitions that only contain mainstream parties.

Radical right parties are here to stay. They have been gaining more electoral strength and in the last ten years these parties have appeared in governing coalitions in national parliaments across a number of European institutional contexts from Hungary's Jobbik and Slovak National Party in more volatile democracies of Eastern Europe to the Progress Party in the more established Norway. Much theorizing exists on the reasons behind the rise of the radical right (Betz and Immerfall, 1998; Carter, 2002; Givens, 2005; Golder, 2003; Ivarsflaten,

2005; Jackman and Volpert, 1996; Mudde, 2007; Norris, 2005; Van der Brug, Fennema and Tillie, 2005). However, what happens *after* radical right parties get into government is most often left for debate among political pundits in the mainstream media and has not been addressed by scholars. This article contributes to filling this lacunae.

There is a number of possible extensions of this framework. First, while I examine radical right parties in this paper, the argument could be applied to coalitions that contain other niche parties, such as the green parties. Much like radical right parties, the green parties have been in and out of government across European parliaments. They also have a clear salient dimension: the environment. More theoretical work is needed to understand how this dimension relates to the mainstream parties' most salient dimension, the economy, and whether or not it influences cabinet survival. Second, my argument assumes that dimension saliencies are stable throughout government tenure. However, Laver and Shepsle (1998) suggest that there exist political events that may affect the relative saliency of different dimensions. Incorporating fluidity of dimension saliency should be the next step in exploring how ideological differences affect coalition duration.

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### 5. Appendix

# A1 Additional tables for chapter 2: Pariahs or Policy Makers? The Radical Right in Governing Coalitions

Table A1.1: Items in the Left-Right score (rile) based on Lowe et al. (2011) adjusted Comparative Manifesto Project data.

"Left" items	"Right" items
103 Anti-Imperialism: Anti-Colonialism	104 Military: Positive
105 Military: Negative	201 Freedom and Human Rights: Positive
106 Peace: Positive	203 Constitutionalism: Positive
107 Internationalism: Positive	305 Political Authority: Positive
202 Democracy: Positive	401 Free Enterprise: Positive
403 Market Regulation: Positive	402 Incentives: Positive
404 Economic Planning: Positive	414 Economic Orthodoxy: Positive
406 Protectionism: Positive	505 Welfare State Limitation: Positive
412 Controlled Economy: Positive	601 National Way of Life: Positive
413 Nationalisation: Positive	603 Traditional Morality: Positive
504 Welfare State Expansion: Positive	605 Law and Order: Positive
506 Education Expansion: Positive	606 Social Harmony: Positive
701 Labour Groups: Positive	

Table A1.2: Items in the economic dimension and socio-cultural dimension scores (*State Involvement in Economy* and *Social liberal-conservative* additive scales) based on Lowe et al. (2011) adjusted Comparative Manifesto Project data.

	Economic dimension	Socio-cultural dimension
	403 Market Regulation: Positive	103 Anti-Imperialism: Anti-
		Colonialism
	404 Economic Planning: Positive	105 Military: Negative
"Left" items	406 Protectionism: Positive	106 Peace: Positive
Leit itellis	412 Controlled Economy: Positive	107 Internationalism: Positive
	413 Nationalisation: Positive	202 Democracy: Positive
	504 Welfare State Expansion: Posi-	
	tive	
	506 Education Expansion: Positive	
	701 Labour Groups: Positive	
	401 Free Enterprise: Positive	104 Military: Positive
	402 Incentives: Positive	201 Freedom and Human Rights:
		Positive
"Dight" itams	407 Protectionism: Negative	203 Constitutionalism: Positive
"Right" items	414 Economic Orthodoxy: Positive	305 Political Authority: Positive
	505 Welfare State Limitation: Posi-	601 National Way of Life: Positive
	tive	
		603 Traditional Morality: Positive
		605 Law and Order: Positive
		606 Social Harmony: Positive

Table A1.3: Logit models of the effects of party's ideological position on the economic dimension on the probability of entering a governing coalition with and without controls.

Explanatory variables	Main model	Model with controls
Difference on economic dimension	$-4.40^{*}$	$-4.62^*$
	(1.35)	(1.35)
Difference on socio-cultural dimension	0.10	0.16
	(0.32)	(0.34)
Party's bargaining power	5.63*	$6.64^{*}$
	(0.92)	(1.24)
Radical right dummy	$0.31^{*}$	$0.20^{*}$
	(0.06)	(0.06)
Economic dimension $\times RR$	$3.81^*$	$4.03^{*}$
	(1.36)	(1.36)
Socio-cultural dimension $\times$ RR	-0.51	-0.58
	(0.34)	(0.35)
Party's seat share		0.00
		(0.00)
Effective number of parties in parliament		-0.21
		(0.17)
Number of cabinet parties		$0.48^{*}$
		(0.12)
Minority cabinet		0.24
		(0.73)
Bargaining power fragmentation		0.18
		(0.16)
N	614	614
AIC	628	610

Robust standard errors are shown in parentheses. Models include country dummies.

<sup>\*</sup> p < 0.05 or lower, two-tailed test.

Table A1.4: Multinomial choice models (conditional logit = CL, mixed effects logit = MXL) of the effects of radical right's ideological position on the economic dimension on the probability of entering a governing coalition.

	Model 1:	Model 2:	Model 3: MXL	
Explanatory variables	$\mathbf{CL}$	$\mathbf{CL}$		
			Fixed coeffs.	σ
Difference on Left-Right score	-0.02			
	(0.01)			
Difference on economic dimension		-1.14***	-1.13***	0.03
		(0.37)	(0.38)	(0.71)
Difference on socio-cultural dimension		-0.06	-0.06	0.00
		(0.13)	(0.13)	(0.13)
Party's bargaining power	1.90	3.52**	3.52**	0.02
	(1.52)	(1.68)	(1.68)	(1.74)
N	80	80	80	
Potential governments	3,300	3,300	3,300	
Log-likelihood	-58.24	-47.10	-47.10	

Note: The last two columns present the fixed coefficients/means of the random coefficients and the standard deviations of the random coefficients for a mixed logit model with government formation opportunities as the unit of analysis. All random coefficients in the mixed logit are normally distributed. Standard errors are shown in parentheses.

<sup>\*</sup> p < 0.1; \*\* p < 0.05; \*\*\* p < 0.01, two-tailed test.

### A2 Additional Tables and Figures for chapter 3: Getting a Bigger Piece of the Pie: Portfolio Allocation, Gamson's Law and the Radical Right

#### A2.1 Formalized Model

To clarify the logic of my argument, consider the simple, highly stylized model of distributive bargaining dynamics during the portfolio allocation process depicted in Figure A.1. There are two actors: the formateur, F, and another coalition partner, CP.<sup>1</sup> There is total utility from portfolio payoffs,  $\mu$ , to be shared between the formateur and the radical right party, which equals 1 and consists of the sum of the portfolios obtained by each party and weighted by parties' saliency of each portfolio,  $w_{CP}$  and  $w_F$ . There are a number of possible costs each actor can incur. There are costs to each party for defecting from the coalition:  $\varepsilon$  are costs for the coalition partner when it defects from the coalition and  $\varphi$  represents the costs incurred by the formateur when the coalition partner defects and a new coalition must be formed. In addition, both parties experience a stability discount factor, v, when the portfolio negotiations stretch throughout several stages and the government risks dissolution. Finally,  $\pi$  represents the coalition partner's bargaining power (i.e. its likelihood of entering a new governing coalition if the current coalition dissolves).

In the first stage, F proposes a proportional distribution of portfolios based on seat share in an attempt to receive the maximum number of available portfolios without alienating CP. After the proposal, CP can accept or reject F's proposal. If CP accepts, the game ends and all players realize the payoffs described in  $U_1$ . Otherwise, CP can reject F's original proposal of portfolio distribution if it believes it can credibly defect and gain higher utility in an alternative coalition with an opposition party. Then F can propose a new deal that

<sup>&</sup>lt;sup>1</sup>The model can be extended to include additional coalition partners.

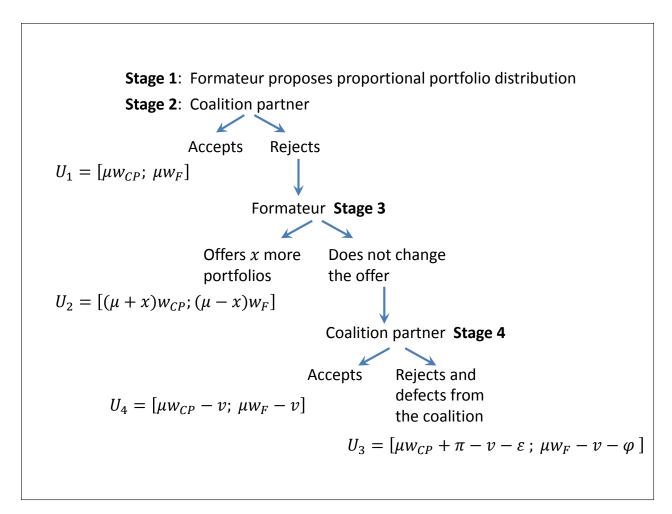


Figure A.1: Portfolio distribution model. Notes:  $\mu = \text{utility}$  form portfolio payoffs,  $w_{CP}$  and  $w_F$  weights by party assigned to portfolios, v = stability discount factor,  $\varepsilon = \text{defection}$  costs for the coalition partner,  $\varphi = \text{costs}$  incurred by the formateur when the coalition party defects and a new coalition must be formed, and  $\pi$  is coalition partner's bargaining power. Actors' payoffs are indicated in square brackets and kept separated by a semicolon. Coalition partner's payoffs are indicated first, followed by the formateur's payoffs.

attempts to buy off CP with x more portfolios or refuse to change the original proportional portfolio allocation based on seat share. If F makes a better proposal, CP accepts it, the game ends and all players realize payoffs  $U_2$ , where CP is over-compensated with portfolios. If F leaves the proposal unchanged, CP has a chance to once again accept or reject the original proposal. If CP thinks that it can do better in a different coalition than the payoffs realized from the original proposal ( $\pi$  is large) and the defection costs,  $\varepsilon$ , are small, it will reject that proposal and defect from the coalition. In this case both parties realize utility

Table A2.1: Summary of model equilibria.

		Formateur		
		$  v - \varphi > xw_F$	$v - \varphi < xw_F$	
Coalition	$\varepsilon > \pi$	Gamson's law $U_1$	Gamson's law $U_1$	
partner	$\varepsilon < \pi$	Over-compensation $U_2$	Cabinet dissolution $U_3$	

payoffs described by  $U_3$ , where both parties are penalized by the costs incurred from the dissolution of the cabinet and stability discount factor.<sup>2</sup> If CP finally accepts the original proposal, both parties realize payoffs similar to  $U_1$  but discounted by v given the time it took to negotiate and reach the agreement.

Using backward induction, we can draw some observations about when we should expect to see coalition partners over-compensated with portfolios (for summary see Table A2.1). In stage 4, CP can either defect or accept F's original proposal discounted by the stability factor v. As long as his defection costs  $\varepsilon$  are higher than his bargaining power,  $\pi$ , CP will prefer to accept F's original proposal, resulting in the utility payoffs described in  $U_4$ . However, this is a suboptimal outcome both for F and CP, who would be better off with  $U_1$  payoffs. Thus, the CP will accept F's original proportional distribution of portfolios. This theoretical expectation follows the empirical regularity of Gamson's law.

However, in stage 4, if CP's bargaining power is large, i.e. it can credibly commit to defecting from a coalition and realizing bigger payoffs than the original offer from the formateur  $(\pi > \varepsilon)$ , then CP will choose to defect from the coalition. In this scenario, F's utility calculations are important. If it is expensive for F to form a new coalition and she highly values the stability of the coalition ( $\varphi$  and v are large), then  $U_3$  is the worst outcome for F as her payoffs are penalized the most when CP defects. Thus, F would prefer to avoid this outcome. If the value of coalition stability and the costs of forming a new coalition are

<sup>&</sup>lt;sup>2</sup>Note that stages 3 and 4 can occur at any time during the coalition's life. Thus CP can accept the original proposal, but re-enter bargaining at any point he perceives that he can get higher utility from defecting.

high compared to the value of portfolios lost  $(v + \varphi > -xw_F)$ , then F prefers giving up some portfolios to maximize her utility, which results in the equilibrium  $U_2$ . In other words, F would rather prevent CP from defecting from the coalition and incur the cost of building a new cabinet (assuming  $\varphi$  and v are large), and maintain a durable coalition in exchange for some extra portfolios given up to CP. However, if F has a number of potential coalition partners to pick from, bringing down his costs of forming a new coalition, the loss of utility from the portfolios she gives up might not be worth it and, consequently, F is better off insisting on the original proposal and facing the dissolution of the coalition. This outcome results in equilibrium  $U_4$ .

Table A2.2: Countries, parties, and years included in the analysis of portfolio allocation

Country	Party	Years
Austria	Austrian Freedom Party	1990 – 2008
Denmark	Danish People's Party	1990 - 2011
Finland	True Finns Party	1991 - 2011
Italy	Forza Italia	1992 - 2008
	National Alliance (previously Italian Social Movement)	1992 - 2008
	Northern League	1992 - 2008
Latvia	For Fatherland and Freedom and National Alliance	1998 - 2002
Netherlands	List Pim Fortuyn	2001 - 2010
	Party for Freedom	2005 - 2010
Norway	Progress Party	1997 - 2009
Poland	United Poland and League of Polish Families	1991 - 2007
Portugal	People's Party	1987 - 2011
Slovakia	Slovak National Party	1992 - 2010
Slovenia	Slovenian Democratic Party	2000 - 2011

Table A2.3: Items in the economic dimension and socio-cultural dimension scores (*State Involvement in Economy* and *Social liberal-conservative* additive scales) based on Lowe et al. (2011) adjusted Comparative Manifesto Project data.

	Economic dimension	Socio-cultural dimension
	403 Market Regulation: Positive	103 Anti-Imperialism: Anti-
		Colonialism
	404 Economic Planning: Positive	105 Military: Negative
"Left" items	406 Protectionism: Positive	106 Peace: Positive
Left Rems	412 Controlled Economy: Positive	107 Internationalism: Positive
	413 Nationalisation: Positive	202 Democracy: Positive
	504 Welfare State Expansion: Posi-	
	tive	
	506 Education Expansion: Positive	
	701 Labour Groups: Positive	
	401 Free Enterprise: Positive	104 Military: Positive
	402 Incentives: Positive	201 Freedom and Human Rights:
		Positive
"Right" items	407 Protectionism: Negative	203 Constitutionalism: Positive
rugiit items	414 Economic Orthodoxy: Positive	305 Political Authority: Positive
	505 Welfare State Limitation: Posi-	601 National Way of Life: Positive
	tive	
		603 Traditional Morality: Positive
		605 Law and Order: Positive
		606 Social Harmony: Positive

Table A2.4: Ordinary least squares regressions of the effects of party's ideological positions on portfolio allocation

	Model 1	Model 2	Model 3	Model 4
(Intercept)	2.72*	2.51*	2.53*	1.35*
	(0.45)	(0.48)	(0.48)	(0.56)
Formateur bargaining power	-2.13	$-2.30^{*}$	$-2.26^{*}$	$-1.37^{*}$
	(1.33)	(1.33)	(1.32)	(1.29)
Minority cabinet	2.03*	2.02*	2.10*	2.18*
	(0.51)	(0.51)	(0.51)	(0.50)
Radical right dummy	0.57	0.63	0.48	0.41
	(0.55)	(0.55)	(0.55)	(0.53)
Distance on importance on both dimensions		0.22		
		(0.18)		
Distance on importance on economic dimension			$0.58^{*}$	0.44
			(0.27)	(0.27)
Distance on importance on socio-cultural dimensions			-0.35	-0.42
			(0.37)	(0.36)
Party's seat share				8.61
				(2.12)
N	175	175	175	175
$R^2$	0.10	0.11	0.12	0.25

Robust standard errors are in parentheses.

<sup>\*</sup> indicates statistical significance at p=0.01 or higher.

Table A2.5: Ordinary least squares regressions of the effects of party's ideological positions on portfolio allocation using squared dependent variable.

	Model 1	Model 2	Model 3	Model 4
	Wiodel 1	Wiodel 2	Wiodel 9	
(Intercept)	1.53*	1.53*	1.54*	1.05*
	(0.15)	(0.16)	(0.16)	(0.18)
Formateur bargaining power	-1.05	-1.04*	-1.04*	-0.67
	(0.44)	(0.44)	(0.44)	(0.42)
Minority cabinet	0.61*	0.61*	0.62*	$0.66^{*}$
	(0.17)	(0.17)	(0.17)	(0.16)
Radical right dummy	0.12	0.12	0.09	0.06
	(0.18)	(0.18)	(0.18)	(0.17)
Distance on importance on both dimensions		-0.01		
		(0.06)		
Distance on importance on economic dimension			0.06	0.01
			(0.09)	(0.08)
Distance on importance on socio-cultural dimensions			-0.12	-0.14
			(0.12)	(0.11)
Party's seat share				3.55
				(0.68)
N	175	175	175	175
$R^2$	0.11	0.11	0.11	0.23

Robust standard errors are in parentheses.

<sup>\*</sup> indicates statistical significance at p = 0.01 or higher.

# A3 Additional tables for chapter 4: Radical Right Saboteurs? Cabinet Duration and Radical Right Parties

Table A3.1: Items in the economic dimension and socio-cultural dimension scores (*State Involvement in Economy* and *Social liberal-conservative* additive scales) based on Lowe et al. (2011) adjusted Comparative Manifesto Project data.

	Economic dimension	Socio-cultural dimension
	403 Market Regulation: Positive	103 Anti-Imperialism: Anti-Colonialism
"Left" items	404 Economic Planning: Positive 406 Protectionism: Positive	105 Military: Negative 106 Peace: Positive
	412 Controlled Economy: Positive 413 Nationalisation: Positive 504 Welfare State Expansion: Posi-	107 Internationalism: Positive 202 Democracy: Positive
	tive 506 Education Expansion: Positive 701 Labour Groups: Positive	
	401 Free Enterprise: Positive	104 Military: Positive
	402 Incentives: Positive	201 Freedom and Human Rights: Positive
"Right" items	407 Protectionism: Negative	203 Constitutionalism: Positive
reight rechis	414 Economic Orthodoxy: Positive	305 Political Authority: Positive
	505 Welfare State Limitation: Posi-	601 National Way of Life: Positive
	tive	
		603 Traditional Morality: Positive
		605 Law and Order: Positive
		606 Social Harmony: Positive

Table A3.2: Countries, parties, and years included in the cabinet duration analysis

Country	Parties coded as radical right	Years
Austria	Austrian Freedom Party	1980 - 2008
Belgium	Vlaams Belang	1979 - 2009
Denmark	Danish People's Party	1984 - 2011
	Progress Party	
Finland	True Finns Party	1991 - 2011
France	National Front	1986 - 2007
Italy	National Alliance (previously Italian Social Movement)	1992 - 2008
	Northern League	
Latvia	For Fatherland and Freedom and National Alliance	1998 - 2006
Lithuania	Order and Justice	2004 - 2008
Netherlands	List Pim Fortuyn	2001 - 2010
	Party for Freedom	
Norway	Progress Party	1997 - 2009
Poland	United Poland and League of Polish Families	1991 - 2007
Portugal	People's Party	1987 - 2011
Slovakia	Slovak National Party	1992 - 2010
Slovenia	Slovenian Democratic Party	2000 - 2011
Sweden	Sweden Democrats	1980 - 2010
	New Democracy	