Pieces of the Puzzle: Coalition Formation & Preference Compatibility

Patrick Dumont
University of Luxembourg

Albert Falcó-Gimeno
University of Barcelona

Indridi H. Indridason*
University of California, Riverside

Daniel Bischof
University of Zurich

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Abstract
Theories of coalition formation have typically emphasized how the preferences of politicians for office or policy influence which coalitions form. The implications of office seeking theories of coalition formation primarily involve the size of the coalition; minimum winning coalitions are, e.g., expected to be more likely to form than surplus coalitions. Policy seeking theories, on the other hand, tend to suggest which parties are likely to form a coalition together. In general terms, parties that are in close ideological proximity are expected to form coalitions together.

Empirical examination of these theories, and in particular the policy-seeking theories, has generally proceeded by considering the ideological distance of the parties in a uni-dimensional space. While a reasonable approach — as socio-economic cleavages tend to be the most salient issue in most countries — focusing on a single issue dimension leaves a lot unsaid. Parties seek to differentiate themselves on issue areas beyond the socio-economic dimensions and a significant component of any electoral campaigns involves competition about pushing particular issues to the fore.

Our goal here is to examine in greater detail how policy preferences shape coalition formation, taking into account that parties differ in their assessment of the salience of different policy issues. In particular, we consider two theoretical perspectives about how issue preferences, and their intensity, affect coalition formation. The question of which coalition forms is in some ways analogous to a jigsaw puzzle, i.e., it is easier to form coalitions whose constituent parties ‘fit together’. Importantly, however, parties can ‘fit together’ in different ways. For example, parties that care about different issues may be a great fit for one another — this is the log-rolling theory of issue salience and coalition formation. If the importance the parties assign to the different issues are diametrically opposed then a simple solution exists to the coalition formation problem — the parties simply grant each other policy making autonomy in the issue areas they, and they alone, care about. Another way that parties may ‘fit together’ corresponds more closely with the traditional view of how policy preferences influence coalition formation, i.e., that ‘fitting together’ implies agreement about policy. Here, however, we go beyond examining proximity in terms of the basic socio-economic dimension. Instead, we hypothesize that the salience assigned to the different policy issues reflects spending priorities. Thus, parties that consider, e.g., health policy important are, at minimum, motivated by concerns about the same issue and, therefore would like to divert resources towards health spending. This is not to say that the parties necessarily agree on the means but, in general terms, they are likely to agree on the general goals.

We consider how the level of divergence in the policy priorities of potential partners affects the likelihood that they form a coalition. We also relate to the more classical spatial coalition theories and hypothesize a conditional effect.
between the two measures tapping differences in preferences among potential cabinet parties. More specifically, we show that coalitions made of strange bedfellows (distant in terms of policy positions) only form when partners have tangential portfolio policy saliences.

**Issue Salience & Coalition Formation**

Political competition is often framed in terms of competition between different ideas or policy positions. Voters are assumed to have a greater propensity to vote for parties or candidates that offer policies similar to their own while political parties are seen as being more likely to cooperate with — or form coalitions with — ideologically proximate parties. It has, however, long been recognized that there is more to political competition than simply adopting ideological positions. Over half a century ago, Stokes (1963), noted, e.g., that skillful political leadership involved manipulating the salience of particular issues. There are good reasons to think that seeking to influence the salience of issues constitutes an important part of political campaigns. Ideology is often seen as a matter of convicting and ‘flip-flopping’ is, therefore, often frowned upon and may raise question among voters whether the party or candidate will actually seek to implement its platform once in office. Thus, a party’s ability to choose their policy positions may be more limited than that assumed, e.g., in the literature on spatial competition. Party activists are also likely to have engaged in politics because of positions on issues that define the identity of a party and therefore also keen on preserving the latter. In the short-run, then, parties and candidates may have greater flexibility when it comes to efforts to influence the salience of issues (Petrocik, 1996; Wagner, 2012).  

There is substantial literature demonstrating how voters are influenced by issue salience (Rabinowitz & Macdonald, 1989; Bélanger & Meguid, 2008), which is closely linked with the idea of ‘issue ownership’. The idea is that parties can claim ownership over particular issue areas through, e.g, long-standing emphasis on the issue or demonstrated competence in dealing with this issue. As issue ownership is valuable — as it renders a party’s efforts at manipulating issue salient more effective in electoral terms — parties can be expect to guard or maintain their issue ownership. One way of doing so is, of course, to give the issue a pride of place in the parties’ campaigns and rhetoric but, lest the party lose credible, it also requires the party to take steps to fulfill its promises when an opportunity presents itself.

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1See, e.g., Dragu & Fan (2016) for a formal treatment of electoral competition where parties can influence the salience of different issue dimensions.  
2There are, of course, other dimensions to political campaigns as well. Parties may, e.g., seek to influence perceptions of their own competence as well as that of other parties.