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Influence without Confidence: Upper Chambers and Government Formation

In most parliamentary democracies, governments must maintain the confidence of a single legislative chamber only. But in bicameral parliaments, upper chambers can affect the fortunes of government policy proposals. Recent work shows that parliamentary governments that lack control over the upper house also tend to collapse sooner than those with upper-house majorities. In this article, we show that coalition builders anticipate the importance of upper-chamber status (majority or minority) in making their formation decisions. After controlling for a host of “usual suspect” variables concerning the institutional, ideological, and partisan context of coalition building, and examining 15,590 potential governments in 129 bargaining situations, we found that potential coalitions that control upper-house majorities are significantly more likely to form than are those with upper-house minorities. Our findings are important for students of bicameralism, government formation, institutions, and, perhaps most significantly, for those who study policymaking in parliamentary democracies.

Introduction

Legislatures are, by and large, majoritarian institutions. A majority is necessary to make law, and, in parliamentary systems, a majority of members must at least *tolerate* the formation and survival of a particular government (cabinet). But because most electoral systems are not majoritarian but proportional, and typically do not produce single parties that alone control a majority of legislative seats, both lawmaking and government formation require coalitions that cross party lines.

Over the last 40 years, political scientists have produced an impressive body of theoretical and empirical work designed to predict *which* coalitions (or at least *which sorts* of coalitions) will form and, relatedly, how long they will survive. The evolution of coalition-formation research is well known (for example, Laver and Schofield 1990)—starting with theories that portray parties as pure office-seekers (for example, Dodd 1976, Riker 1962, and von Neumann and Morgenstern 1953), continuing with approaches that recognize that parties also pursue policy (such as Axelrod 1970 and de Swaan 1973), and following up most recently with work that shows how institutions affect coalition formation (for instance, Bergman 1993; Laver and Schofield 1990, 195–215; Mershon 1994, 2002; Müller and Strøm 2000; and Strøm, Budge, and Laver 1994).

While this research on coalition formation has led to notable predictive success, it has suffered from two serious limitations: one methodological, the other conceptual. The methodological limitation, brought to light by Martin and Stevenson (2001), is that most empirical work on government formation has looked exclusively at governments that have actually formed, excluding governments that *might* have formed but did not. But any theory that purports to explain government-formation decisions must be able to explain which potential governments would not form as well. Otherwise, one runs the risk of introducing bias into the analysis by selecting on (presumably high) values of the dependent variable, that is, the probability that a particular coalition will form.

The second, and more fundamental, limitation of prior research is that it has abstracted away from the question of how coalition governments make policy decisions. Until very recently,¹ scholars have focused on government formation, portfolio distribution, and termination, paying almost no attention to how coalitions actually govern once in office. Of course, office-seeking models assume that parties are in the coalition game only to enjoy the spoils of office, and so ignore policymaking altogether (see Laver and Schofield 1990). But even supposedly “policy-aware” models fudge questions of policymaking by use of strong assumptions about how coalitions operate between birth and death, namely, that policy bargains are internalized in negotiations over government formation and then faithfully passed into law by the members of those same parties. In other words, these models assume that the same legislative majority responsible for the formation and survival of the government can be relied upon to support the government’s policy initiatives during its tenure.

In a recent article, Druckman and Thies (2002) have questioned this last assumption by focusing on the importance of bicameralism. With rare exception, governments need to retain the confidence of only a single parliamentary chamber. Yet, many parliamentary systems are bicameral, and even if the upper chamber cannot bring down a government by withholding its confidence, it can affect the success or failure of some or all government-drafted legislation (see, for example, Heller 2001). Thus, the simple link between the confidence of a lower-house majority and the smooth passage of government policy is broken, because a government that lacks control over the upper house might still see its aims frustrated. And, naturally, a government that is not able to pass its policy program runs the risk of early termination (see, for instance, Warwick 1994). Moreover, once one relaxes the full-information assumption shared by most models of formation or duration (no coalitional contract can be fully contingent), one might also reason that a government facing a hostile upper chamber would have more problems responding to unexpected policy challenges (such as economic downturn, natural disaster, war, and so on) than would a government with upper-chamber control.² Druckman and Thies have shown that, other things equal, governments that control the upper house do indeed survive longer than those that do not.

In this article, we take the next logical step on this question. If bicameralism affects parliamentary policymaking and, hence, government survival, then, if politicians are paying attention, bicameralism ought to affect the initial choice of which government will form as well. But no work to date has directly examined the influence of bicameralism on coalition formation.³ This article fills that gap. Specifically, we examine whether or not *potential* governments are more likely to form (that is, to become *actual* governments) if they control the upper house, other things equal, despite the fact that upper houses typically have no direct say in the formation or dissolution of those governments.

One recent example sets the stage. In Japan, the Liberal Democratic Party (LDP) controlled bicameral majorities from 1955 through 1989, when it lost control of the upper house. For the next several years, the single-party government had trouble passing controversial legislation through the upper house (which has a veto over all nonfinancial bills) and was forced either to retreat or to cobble together compromise deals with small parties in order to get the votes necessary for passage.⁴ In October 1999, after the party split, fell into opposition, participated in several coalition and minority governments, and then finally recaptured its lower-house majority, the LDP decided to invite the Clean Government Party (*Komeito*) and the Liberals into an oversized coalition

government. With no need for any more lower-house votes, the formation of the coalition was intended explicitly to piece together a majority in the upper house, to avoid repetition of the lawmaking difficulties the LDP had faced after 1989. The Japanese upper house is formally powerless in the government-formation process, but its legislative powers were sufficient to cause the LDP to forge a coalition anyway. Was the desire for upper-house control in the formation of the 1999 Japanese coalition government exceptional, or do coalition architects generally take the upper house into consideration when deciding which government to form? We examine this question in this article.

We proceed as follows. First, we briefly review the literatures on coalition formation and bicameralism, in order to demonstrate that the pothole we have identified is both real and worth filling. Next, we detail our investigation of a set of eight bicameral parliamentary systems, covering 15,590 *potential* governments and 129 *actual* governments, to demonstrate that the differences in “upper-chamber status” (majority or minority) between the set of potential governments and the set of formed governments are significant. Clearly, coalition builders are paying attention to the question of upper-house control. We then describe a multivariate model of government formation that controls for a host of familiar covariates, which we used to determine if the upper-chamber status of a potential government affects its likelihood of actually forming. We also discuss the possibility that the impact of upper-chamber status varies according to the powers imparted to a given upper chamber.

Our research indicates that coalitions are, in general, more likely to form if they control an upper-house majority, regardless of specific upper-chamber powers. We interpret this result to mean that parties consider the future policymaking consequences of alternative coalitions and that the broader institutional context of bicameralism matters for the coalition-formation game.

Bicameralism and Government Formation

Coalition theorists have not ignored the importance of policy for government formation. Indeed, several prominent theories base their predictions on the policy implications of coalition building (for example, Axelrod 1970 and de Swaan 1973). These models represent clear improvements over their “policy-blind” predecessors, but they nonetheless assume away much of what goes on during the life of a government. For example, Axelrod (1970) was one of the first scholars to account for policy considerations in government formation. He assumed that all parliamentary parties can be placed on a single ideological

dimension (say, the familiar left-right continuum), and he predicted that minimal winning coalitions of parties ideologically adjacent to each other (“connected” coalitions) will form. A similar logic motivated de Swaan (1973), but he argued that the total ideological range of the coalition is more important than ideological connectedness within it. That is, the ideological divide between the left-most and right-most parties of the coalition should be made as small as possible, regardless of whether or not every intermediate party is included in the government.

Note that these predictions do not require that parties know each other’s preferences with any certainty or that they consciously seek out ideological soul mates. As Axelrod (1970, 167) puts it, “the reason is that negotiations for coalitions that have low conflict of interest will simply be easier to conclude successfully, and hence these coalitions can be expected to be more likely to form—even if the political leaders are not able to identify them beforehand.” So like-minded (or minimally conflicted) parties will have an easier time reaching agreement over policy. But what happens once the deal is struck, and the government begins to govern? Axelrod theorized that connected coalitions should also endure longer, because “once formed . . . disputes within such a coalition will be easier to resolve” (Axelrod 1970, 167). In other words, as events unfold, and policy issues not fully anticipated at the time of formation arise, coalitions-of-the-similar are more likely to patch together workable compromises on the fly. This logic is consistent with Warwick’s (1994) finding that more-ideologically compact coalitions do, in fact, last longer than ideologically divided ones.

Laver and Shepsle (1996) offered a very different policy-based model of the “making and breaking” of governments, one based on the distribution of ministerial portfolios. They assumed that ministers (and, by extension, their parties) act as “policy czars” for the policy dimensions they control, while abdicating policy dictatorship on all other portfolios to their partner parties. Thus, the agreement to form a particular government (with a particular distribution of portfolios) is, *de facto*, an agreement over the stream of policies that the government will produce during its lifetime.⁵ What about unexpected policy decisions? The basic ministerial government model is one of full information, the logical extension of which would be that any unexpected issues would be handled by the relevant minister, who would simply impose his or her own ideal point.⁶

More recently, scholars have looked to institutions for further insight into government-formation decisions. Both the formal rules of the formation game (for example, procedures for votes of no confidence, the choice of formateur, the presence or absence of an investiture

vote) and the broader institutional context (such as committee powers and electoral rules) emerge as partial determinants of government formation (see, for instance, Bergman 1993; De Winter 1995; Grofman and Van Roozendaal 1997, 437; Huber 1996; Laver and Schofield 1990, 195–215; Martin and Stevenson 2001, 35–38; Mershon 1994, 1996, 2002; Strøm 1990; Strøm and Swindle 2002; and Strøm, Budge, and Laver 1994). Although this work makes an important contribution regarding the impact of institutions, it also largely ignores the policymaking process that unfolds during a government's life (see Müller and Strøm 2000, 16–19).

The key point is that these and other coalition-formation theories treat parliaments as little more than loyal rubber stamps of government initiatives. And whatever one's views on the principal-agent relationship between parties and their leaders in the cabinet, the fact is that party discipline is high enough in most parliamentary systems to make this assumption relatively unproblematic.⁷ In short, assuming away the parliamentary policymaking process may be reasonable in many contexts. There are, however, two common circumstances in which the assumption raises serious questions. The first is minority government, in which the party or parties in the government do not control a majority of lower-house seats by themselves and must rely on outside help, possibly on a bill-by-bill basis, to convert their initiatives into law.⁸ The second is bicameralism, wherein a second legislative chamber, not the one whose confidence sustains the government in office, might nonetheless influence government proposals before they can become law.

We focus here on bicameralism. A burgeoning literature shows that upper chambers—even constitutionally weak upper chambers—can influence legislation (see, for example, Bradbury and Crain 2002; Heller 1997, 2001; Rogers 2003; and Tsebelis and Money 1997). Other work has explored the legislative workings and organizational importance of bicameralism (for instance, Alter 2002; Diermeier and Myerson 1999; Hammond and Miller 1987; and Riker 1992). An upper chamber's ability to affect government proposals makes control over that chamber crucial, even though its formal confidence is rarely required for government survival. Remarkably, this is true even for upper houses with few formal legislative powers. Apparently, the ability to delay and publicly repudiate government proposals (even if only in a nonbinding way) is enough to shorten government duration, when combined with the majority will to do so (Druckman and Thies 2002; also see, for example, Coakley and Manning 1999).

It follows that bicameralism, in part because it affects government duration, ought to affect government formation as well. In the

remainder of this article, we develop this hypothesis. We suggest that, of all the potential governments that might arise in a given formation episode, those with upper-house majorities are more likely to form, other things equal. We argue for this effect because upper chambers, although they lack the privilege of confidence, may still influence a government's success in policymaking. Because we agree with the now-conventional wisdom that coalition builders care about policy and recognize the importance of policymaking institutions in the making of future policy, we hypothesize that they will understand the desirability of an upper-chamber majority in their initial choices over government formation.

Testing the Impact of Bicameralism on Government Formation

Testing hypotheses about how coalition attributes affect the probability of formation requires not only information about the coalition that was eventually chosen but also information about all the coalitions that were *not* chosen. This information range properly reflects the structure of the choice problem facing party leaders, who must decide which single coalition to form out of the many possible alternatives.

The dataset used by Martin and Stevenson (2001) consists of bargaining situations (or formation opportunities) in 14 countries covering most of the postwar period.⁹ It includes all of the governments that formed as well as all of the potential coalitions that *could have formed* in these democracies during the periods indicated. In total, their sample comprises 220 bargaining situations and 33,256 potential coalitions.

Our interest in the role of upper-chamber majorities naturally requires us to restrict our focus to the systems that have upper chambers. This restriction leaves us with data from the following eight countries and time periods: Austria (1949–82), Belgium (1946–85), Denmark (1945–53), Germany (1949–87), Ireland (1973–86), Italy (1949–87), the Netherlands (1948–86), and Sweden (1945–70).¹⁰ This dataset entails 129 formation opportunities (which represent the units of analysis) and 15,590 potential governments.¹¹

Analysis and Findings

Using the upper-chamber seat information, we constructed our main variable of interest, a dichotomous indicator for whether or not a potential coalition in the lower house controlled a majority of seats in the upper house.¹² We then tested our hypothesis—that governments

with upper-chamber majorities will be more likely to form, all else constant—by introducing upper-chamber status into the Martin and Stevenson (2001) multivariate model of government formation, which allowed us to control for a host of other variables.

Numerical Status of Potential and Formed Governments

Two noteworthy statistics appear in Table 1. First, of the 15,590 *potential* governments, 97% have the same status in the two chambers—that is, they either hold minorities in both chambers (51%) or they hold majorities in both chambers (46%). This finding reveals an incredible amount of concurrence in potential governments. Second, of the 129 *formed* governments, 82% display concurrence—19% with bicameral minorities and 63% with bicameral majorities. Comparing the 97% and 82% figures is instructive: If parties ignored numerical status in forming governments, then the formed government percentage would not significantly differ from the potential government percentage, since the latter figure represents the distribution of government types that would be expected to occur by chance. That there is a significantly different rate of bicameral concurrence among actual governments than among potential governments—in other words, that 82% differs significantly from 97% ($z = 9.75, p < .01$ for a two-tailed difference of proportions test)—is thus our first bit of evidence that numerical status affects government formation. Some types of governments are more or less likely to form than they would be by chance, presumably because parties pay attention to numerical status when choosing which government to form.

To determine if parties systematically choose coalitions with upper-chamber majorities, we compared the *expected* percentage of formed governments with upper-chamber majorities that would occur by chance (that is, if upper-chamber status were irrelevant) with the *actual* number of each type of government that formed. If upper-chamber majority status did *not* matter, then we would expect 48% of governments (7,444/15,590) to have upper-chamber majorities by chance. What we found, however, is that 75% of actual governments (97/129) control upper-house majorities. This finding represents a significant deviation from the expected concurrence ($z = 6.11, p < .01$ for a two-tailed difference of proportions test), and it strongly suggests that *parties systematically choose coalitions that ensure an upper-chamber majority*.¹³

We now turn to a multivariate examination of coalition formation to see if this preliminary evidence favoring the impact of upper-chamber majority status survives in the face of additional controls.

TABLE 1
 Cross-Tabulation of Upper- and Lower-House
 Minority or Majority Status

Type of Coalition	Potential Governments	Actual Governments
Bicameral Minority	51% (7,916)	19% (24)
LH Majority – UH Minority	1% (230)	6% (8)
LH Minority – UH Majority	2% (317)	12% (16)
Bicameral Majority	46% (7,127)	63% (81)
Total	100% (15,590)	100% (129)

*The Effect of Upper-Chamber Status in a
 Multivariate Model of Government Formation*

To perform the multivariate analysis, we used the conditional logit techniques suggested by Martin and Stevenson (2001). In this framework, government formation is modeled as an unordered discrete-choice problem in which each bargaining situation, or “formation opportunity,” represents one case and where the set of discrete alternatives is the set of all potential combinations of parties that might form a government.¹⁴ The dependent variable is a dichotomous indicator coded as 1 for the potential coalition in a bargaining situation that actually forms, and coded as 0 otherwise. Each potential coalition in a bargaining situation also has attached to it a set of institutional, ideological, and size-related characteristics that constitute the independent variables in our analysis. Hence, we included in our models the full set of coalition attributes included in the final Martin and Stevenson model (2001). These attributes come from a broad array of coalition-formation theories and include: whether or not a potential coalition controls only a minority of lower-house seats, whether the coalition is oversized, the number of parties it contains, whether or not the largest legislative party is a member, whether the median legislative party is a member, the ideological divisions within the coalition, the ideological divisions within the opposition (relevant for potential minority governments), whether the party of the previous prime minister is a member, whether the potential coalition is the incumbent government, whether an investiture rule is required (relevant for potential minority governments), the degree of anti-system

extremism within the coalition, whether the coalition is bound by an electoral pact, whether the coalition contains a party that is “very strong” or “merely strong” (Laver and Shepsle 1996), and whether a potential government containing such parties is a coalition or contains only a single party.¹⁵

We present the results of this analysis in Table 2. First, in Models 1 and 2, respectively, we replicated the Martin-Stevenson analysis for all the countries in that study and then for our sample of bicameral systems.¹⁶ As a comparison of these models shows, little of substance changes as a result of the reduction in the sample. Most important, the parameter estimates across the two samples appear very stable.¹⁷

To test our hypothesis that coalitions controlling a legislative majority in the upper chamber are more likely to form, we introduced a dichotomous indicator variable denoting the upper-chamber majority status of potential coalitions. In the Model 3 column, we present the results from this analysis. Potential coalitions that control a majority of seats in the upper chamber are discernibly more likely to form than coalitions that do not. This result is clearly consistent with our theoretical expectation that parties attach importance to bicameral control when crafting a government coalition.

Naturally, we are encouraged by this result, but we also believe it necessary to explore the possibility that the relationship between government formation and upper-chamber status is simply an artifact of the high degree of seat concurrence across chambers, as discussed in the previous section. Because the share of seats that a coalition controls in the upper chamber is highly correlated with the share of seats it controls in the lower chamber, our results for Model 3—which, like the Martin-Stevenson model, does not control for lower-chamber seat share—might be overstating the impact of upper-chamber majority status. To some extent, we have already accounted for this possibility by including an indicator for whether or not the coalition controls only a minority of seats in the lower chamber, but this technique does not completely solve the problem since it is probably the case that (a) minority coalitions that fall just short of a lower-chamber majority are more likely to form than minority coalitions that are extremely small and (b) the former type of minority coalition is probably much more likely to have an upper-chamber majority because of the concurrence between lower-chamber and upper-chamber seat share.

In Model 4, we address this issue more directly than in Model 3 by introducing the lower-chamber seat share of potential coalitions into the analysis and further differentiating between the seat share of potential minority and majority coalitions. Not surprisingly, the results show

TABLE 2
Conditional Logit Analysis of Government Formation

Independent Variables	(All Systems)		(Bicameral Systems)	
	Model 1	Model 2	Model 3	Model 4
Coalition with Upper-Chamber Majority	—	—	1.85 (3.39)	1.11 (2.14)
Lower-Chamber Seat Share of Coalition	—	—	—	0.02 (0.02)
Lower-Chamber Seat Share of Minority Coalition	—	—	—	11.80 (3.57)
Minority Coalition	-0.87 (-1.83)	-0.31 (-0.40)	1.19 (1.34)	-4.31 (-2.41)
Oversized Coalition	-0.92 (-2.89)	-0.50 (-1.28)	-0.60 (-1.53)	-0.19 (-0.46)
Number of Parties in the Coalition	-0.26 (-1.55)	-0.21 (-1.06)	-0.18 (-0.89)	-0.48 (-2.14)
Largest Party in the Coalition	0.99 (3.28)	1.22 (2.77)	1.80 (2.18)	-0.01 (-0.03)
Median Party in the Coalition	0.10 (0.43)	0.06 (0.18)	-0.02 (-0.05)	-0.21 (-0.17)
Ideological Divisions in the Coalition	-4.72 (-4.14)	-3.27 (-2.26)	-3.90 (-2.64)	-4.90 (-3.17)
Ideological Divisions within Majority Opposition	1.04 (0.93)	-0.52 (-0.33)	-2.45 (-1.41)	-3.52 (-2.06)
Previous Prime Minister in the Coalition	0.00 (0.02)	0.25 (0.63)	0.30 (0.77)	-0.01 (-0.02)
Incumbent Coalition	1.69 (7.15)	1.63 (5.44)	1.62 (5.37)	1.56 (5.19)
Minority Coalition where Investiture Vote Required	-1.12 (-2.97)	-0.95 (-1.61)	-0.62 (-1.02)	-0.86 (-1.36)
Anti-System Presence in the Coalition	-17.05 (-4.59)	-16.68 (-4.46)	-17.27 (-4.50)	-17.45 (-4.32)
Pre-Electoral Pact Associated with the Coalition	3.51 (4.47)	3.41 (2.69)	4.69 (3.20)	4.03 (3.32)
Very Strong Party in the Coalition	1.12 (2.32)	0.70 (0.99)	0.85 (1.17)	0.51 (0.66)
Very Strong Party <i>Alone</i> in the Coalition	0.93 (2.36)	1.45 (2.65)	1.31 (2.34)	1.25 (2.12)
Merely Strong Party in the Coalition	0.34 (1.02)	0.37 (0.86)	0.25 (0.56)	0.63 (1.45)
Merely Strong Party <i>Alone</i> in the Coalition	-1.91 (-1.75)	-1.53 (-1.35)	-2.00 (-1.70)	-2.43 (-2.12)
Log-likelihood	-410	-264	-258	-248
Number of Bargaining Situations (Number of Coalitions)	170 (24,932)	110 (13,852)	110 (13,852)	110 (13,852)

Note: Entries are unstandardized maximum likelihood coefficients with t-ratios in parentheses.

that large minority coalitions are more likely to form than are small minority coalitions. Potential coalitions with a lower-chamber majority do not gain any extra advantage in the likelihood of forming by having additional seats, however. More important for our purposes, the results show that, even after we take lower-chamber seat share into account, potential coalitions with a majority in the upper chamber are more likely to form than those without. It does appear, however, that this effect is now smaller (although still statistically significant) than the effect in Model 3.

The effect is also significant in substantive terms. We can assess the substantive effect of upper-chamber majority status in two ways. First, because the conditional logit is a log-linear model, we can interpret the coefficients in terms of the odds ratio, e^{β} . For the upper-chamber majority status coefficient of 1.11, the odds ratio is 3.03, which means that potential coalitions controlling a majority of seats in the upper chamber, all else equal, are about *three times* as likely to form as potential coalitions that do not control an upper-chamber majority.

Second, we can interpret the impact of upper-chamber majority status in terms of how it changes the level in probability that certain coalitions will form. Because the probability of formation is nonlinear, the effect of upper-chamber status on the change in probability depends upon the values of all the other covariates in the model. Fortunately, our earlier findings regarding chamber concurrence suggest a natural set of values we can use to assess this effect. Recall from the cross-tabulations in Table 1 that 97% of potential coalitions have the same numerical status in both parliamentary chambers; only 3% of coalitions control a majority in one chamber and a minority in the other. To illustrate the importance of bicameral control, we compared this real-world scenario (the baseline scenario) to a hypothetical scenario in which the seat distribution between the two chambers is perfectly concurrent. In the hypothetical scenario, all potential coalitions controlling a majority of seats in the lower chamber (and only those coalitions) control a majority of seats in the upper chamber. The values of all other factors influencing coalition formation remain the same in both scenarios. The central question is, To what extent, in the average bargaining situation, does the probability of formation for the set of coalitions with an upper-chamber majority in the baseline scenario change when this majority is removed in the hypothetical scenario?

The findings from this exercise reveal an average decrease of approximately 5.5% in the probability of formation for the set of potential coalitions losing their upper-chamber majorities, with 3.4% of this lost probability being redistributed to potential coalitions already having

concurrent majorities in the baseline scenario and the remaining 2.1% being redistributed to coalitions obtaining upper-chamber majority status in the hypothetical scenario. We consider a 5.5% change to be a sizable effect in probability terms, especially given that (a) the number of coalitions constituting the set of potential governments with a new upper-chamber status in the hypothetical scenario is quite small and (b) in addition to upper-chamber majority status, there are 18 other variables in the model exerting an effect on the probability of government formation.

In sum, our study indicates that control of the upper house matters for government formation. This striking result suggests that upper chambers, even though they rarely play a formal role in government formation, substantially affect formation decisions nonetheless. Policy matters, and institutions that affect policy, in turn, shape both coalition duration (Druckman and Thies 2002) and, we now know, formation.

A Note on Upper-Chamber Powers

We have argued that upper chambers have influence without confidence—that is, the ability of an upper chamber to affect the policy proposals of governments obliges coalition builders to aim for majority control, even though they need not obtain the formal confidence of the upper chamber in order to assume and retain office. Our story, therefore, relies on the ability of upper chambers to affect policy. But not all upper chambers are created equal, endowed by their constitutions with equivalent powers. It is thus reasonable to ask if the importance to coalition builders of upper-house control varies directly with the formal constitutional authority of those chambers. Perhaps coalition builders can ignore an upper house whose role is only advisory, but their counterparts in countries with stronger bicameralism must scramble for upper-house majorities.

Interestingly, the most recent work on bicameralism (for example, Bradbury and Crain 2002; Heller 1997, 2001; and Tsebelis and Money 1997) asserts that even very weak upper chambers can affect policy, by using (or threatening to use) their power to delay bills passed by the lower chamber as a bully pulpit from which to embarrass the government.¹⁸ Moreover, Druckman and Thies (2002) have found that the effect of upper-chamber control on government duration is unaffected by the formal strength of the upper chamber.

To investigate this possibility, we reestimated Model 4 from Table 2 (in ancillary analysis, available from the authors), interacting the upper-chamber majority status variable first with an indicator for whether or

not the upper chamber has constitutionally granted veto powers (the ability to stop bills passed by the lower chamber) and then with an indicator for whether or not the upper chamber has both veto power and the power to propose or amend legislation.¹⁹ In neither of these specifications did we find any evidence that upper-chamber strength has an interactive effect on government formation (specifically, at conventional levels of significance, we could not reject the null hypothesis that the coefficient estimates are equal across “strong” and “weak” chambers, using either definition of strength). Thus, consistent with other bicameralism research, our work finds that upper chambers matter to government coalition builders, even if they are possessed of few formal powers.

Conclusion

We interpret our finding that bicameralism is important for government formation as evidence that politicians believe that upper houses matter for policymaking. This finding represents an important contribution to the literatures on government formation, bicameralism, and parliamentary policymaking, which have only rarely intersected in past work. Bicameralism is one institution that has been overlooked in studies of government formation, and government formation is one event that has been neglected in the literature on bicameralism. Moreover, if we are correct about *why* bicameralism matters for government-formation decisions, the strong assumptions inherent in most previous models about the trouble-free implementation of coalitional contracts—and indeed, about cabinet domination of parliaments in policymaking—must be reassessed. Especially in bicameral systems, parliaments are more than mere “electoral colleges” (Bagehot 1867). Even leaving aside any worries about party (in)discipline, we may assume that governments would prefer not to face hostile majorities in *either* chamber of the legislature.

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NOTES

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1. See, for example, Bawn and Rosenbluth 2002, Huber 1998, and Martin and Vanberg 2004.

2. Among the numerous theories concerning cabinet duration and termination are several so-called "events" theories that conclude that governments collapse, in part, because of exogenous events—in other words, when their member parties cannot agree on how to respond to the unexpected (see, e.g., Browne, Frendreis, and Gleiber 1984; Laver and Shepsle 1998; and Lupia and Strøm 1995; also see Leblang and Bernhard 2000). If one accepts this argument, then one strains credulity to assume that considerations of the *process* of policymaking do not enter into decisions about coalition formation, especially if parties know enough to expect the difficulties of the unexpected.

3. Druckman and Thies (2002) explore the possibility that governments with lower-house majorities add "surplus" parties to their coalition in order to cobble together upper-house majorities; they do not, however, directly examine the impact of upper-chamber numerical status on formation decisions.

4. A 1992 bill authorizing the participation of Japanese troops in UN-sponsored peacekeeping operations is probably the best-known example of the LDP's need for extragovernmental coalition partners. In order to secure the upper-house votes of the Democratic Socialist and Clean Government parties, the LDP had to agree to stringent limitations on the duties and weaponry of Japanese troops in a public debate that was unprecedented and painstaking. Late the next year, when the upper house rejected a bill to reform the lower-house electoral system, the costs of upper-house minority status became all too clear.

5. Note the tradeoffs between these two approaches. The ministerial government model imposes rather stringent assumptions about the (perfectly predicted) policy life of governments, but it contains a mechanism for policymaking (namely, issue-by-issue ministerial dictatorships). By contrast, Axelrod and de Swaan (also see Leiserson 1966) are more agnostic about the quality of preformation expectations and merely assert that unexpected bumps in the road are less likely to upend ideologically compact coalitions and cause their collapse, but these models offer no insights as to *how* policy decisions are reached, other than "collectively."

6. To be fair, Laver and Shepsle recognize that such open-ended delegation to ministers amid uncertainty is too heroic an assumption, but, in this instance, they too retreat to the traditional, vague idea of collective decision making on the fly: "In a sense, every unexpected situation with which a government is confronted creates a new political world, and there is no guarantee that a cabinet that was in equilibrium in the world before the event in question will remain in equilibrium after it. On an extreme view, every unexpected event requires the renegotiation of the government, something that will inevitably involve the government as a whole, and thereby require collective

decisions to be taken” (Laver and Shepsle 1996, 39). See also Laver and Shepsle 1998 for their discussion of the influence of unexpected events on government termination.

7. But see Martin and Vanberg 2004 and Thies 2001 on delegation problems *within* coalition governments.

8. Minority government was once deemed anomalous, but, since Strøm 1990, it has been recognized as a common outcome of the government-formation process. Recent work has focused on the bargaining position of formateur parties (Crombez 1996; Laver and Shepsle 1996) or the formal rules of the formation process (e.g., Bergman 1993), but Strøm’s focus on the policy influence from government membership, relative to the influence enjoyed by nongovernmental parties (e.g., through the parliamentary committee structure), is most relevant here. To simplify somewhat, Strøm argues that a minority government is more likely, the smaller the gain in policy influence that a party would receive from joining the government. Since our focus here is on the potential problems that governments might have in converting their programs into law, this suggestion is worth noting.

9. Martin and Stevenson (2001) excluded all bargaining situations in which a single party won a majority of legislative seats, since none of the coalition theories they were testing were meant to apply to such a context. We follow this convention as well.

10. Denmark disbanded its upper chamber in 1953, and Sweden did the same in 1970. The years included for the other countries reflect data availability in the Martin and Stevenson (2001) data. We use the distribution of upper-chamber seats at the time of coalition formation (from Druckman and Thies 2002). Other details on how our dataset was constructed are available from us upon request.

11. The breakdown by country is as follows: Austria (11 formed governments; 74 potential governments), Belgium (26; 8,180), Denmark (5; 374), Germany (18; 1,308), Ireland (4; 56), Italy (39; 4,658), the Netherlands (18; 700), and Sweden (8; 240).

12. In focusing on a dichotomous indicator of numerical status, we follow the logic laid out in Druckman and Thies 2002 (767–68).

13. It is interesting to note that most of the action occurs in the cases of governments that would control only a minority of lower-house seats. Specifically, although we should expect only 4% of *potential* minority governments (317/8,233) to control upper-house majorities by chance, we find that 40% of *formed* minority governments (16/29) control an upper-chamber majority ($z = 11.36$, $p < .01$ for a two-tailed difference of proportions test).

14. In this model, developed by McFadden (1973), the probability that in bargaining situation i coalition j will form is given by

$$P_{ij} = \frac{\exp(\beta x_{ij})}{\sum_j \exp(\beta x_{ij})}$$

where x_{ij} is a matrix of coalition attributes and \hat{a} is a vector of coefficient estimates associated with these attributes. The number of potential coalitions in any bargaining situation is equal to $2p - 1$, where p is the number of legislative parties. As Martin and Stevenson (2001) point out, one potential limitation of the conditional logit model is that it assumes the independence of irrelevant alternatives (IIA), which implies that

the relative odds of choosing one coalition alternative over another do not depend on the presence or absence of any other coalition alternatives in the bargaining situation or on the values of the covariates associated with those alternatives. To determine if our application violates the IIA assumption, we employed Martin and Stevenson's variation on the test originally proposed by Hausman and McFadden (1984; see also McFadden 1974). Like Martin and Stevenson (2001), who drop at random 10% of the coalition alternatives in their sample of bargaining situations (over multiple repetitions), we were unable to reject the null hypothesis that IIA holds ($p = .89$), even when we dropped over half the coalition alternatives in our sample of bargaining situations. This result strongly indicates that the IIA assumption of the conditional logit model is not problematic for our data.

15. These models can easily be modified to incorporate additional assumptions about the structure of coalition bargaining. For example, Martin and Stevenson (2001) performed additional analyses of coalition formation with the assumption that an identifiable formateur party had been chosen to lead negotiations. Other extensions could also be pursued, but this development would be beyond the scope of the current article.

16. Because of missing data for the Laver and Shepsle "strong party" variables in certain cases, the Martin-Stevenson dataset reduces to 170 bargaining situations and 24,932 potential coalitions; for the same reason, our sample reduces to 110 bargaining situations and 13,852 potential coalitions. Our results are robust across the set of models in Martin and Stevenson 2001, so we present only their final specification (plus our new variables of interest) here.

17. The most-notable exceptions (among the statistically significant variables) are the coefficients for minority and oversized coalitions (as evaluated against minimal winning coalitions), which drop in magnitude. We also note that the standard errors for Model 2 are generally larger than those in Model 1 (the natural consequence of having a smaller sample), although not to such an extent that we come to very different conclusions about the importance of the coalition attributes in the model.

18. A good case in point is the recent (and very contentious) decision of the British House of Lords—the archetypical weak upper chamber—to shelve important institutional reforms introduced by the Blair administration that, among other things, would have abolished the Lord Chancellor's office and established a separate Supreme Court.

19. For a discussion of these measures of strength, see Druckman and Thies 2002, 768–69. For a more general discussion of the relative importance of veto power and agenda-setting authority, see Tsebelis 2002.

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