Social Choice and Welfare

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Book Review

Laver, Michael and Norman Schofield. Multiparty Government: The Politics of Coalition in Europe. Oxford University Press, Oxford 1991, 308 pages.

Multiparty Government contains a detailed empirical investigation and review of existing theory with respect to the three basic questions of coalition theory. Which coalitions can be expected to form? How are payoffs allocated? What are the factors which affect coalition durability? The aim of Laver and Schofield's book is to to bridge the gap between the institutionally detailed and fact specific studies of post-WW II European party cabinet coalition formation that have been the province of European political scientists, and the abstract game-theoretic formulations that have largely been the province of US and British specialists in social choice theory. In this the authors succeed, although, as they explicitly recognize, while great theoretical progress has been made, definitive models do not yet exist.

As I see it, the coalition literature has gone through three conceptually distinct stages in something reasonably close to a chronological sequence:

The first stage focused entirely on the payoffs of office-holding. Initiated by William Riker's seminal **The Theory of Political Coalitions** (1962), which offered a model of politics as a zero-sum contest over the division of the spoils, models in this first stage dealt with the benefits of winning as either either/or – i.e., a party was either in the winning coalition or it was not – or, in terms of the numerical division of the ministerial positions (possibly weighted by the relative importance of the cabinet post) across parties. The evidence for the minimal winning cabinet coalitions hypothesized by Riker is limited (with lots of cross-country variation); other models of this genre, e.g., the fewest actor model, also have not fared well.

The second generation of coalition research introduced policy considerations, such that, in virtually all instances, the prediction was that parties that were ideologically proximate were more likely to enter into coalition with one another than parties that were ideologically disparate. A variety of policy-space-based models have been produced to predict exactly which coalition will form and, in many cases, also to predict what policy positions will be taken by that coalition if it does become the governing coalition. Most of these models have had gametheoretic roots (such as the McKelvey-Ordeshook-Winer "competitive solution"); others have been based on cluster-theoretics ideas or graph theory, such as my own work on proto-coalition formation. The earliest and still the best known of these models is Robert Axelrod's "connected winning coalition" model, which posits a unidimensional policy space.

While evaluating the empirical validity of policy-driven models is hard, since there are so many of them and not all have been tested for all cases, and they require us to have a multi-dimensional policy map with party locations identified, it seems fair to say that they work quite well in some countries and not that well in others. However, there is little evidence that governmental policies are where various of these models say they ought to be, e.g., either at the weighted center of gravity of the governing coalition, or at the point where there is a core or near-core party (except where that party governs alone). For multidimensional issue politics, the existing policy-based models appear to fail to capture the bargaining aspects of coalition formation processes, and fail to reflect the intensities of preferences of different actors for different dimensions of choice.

Third generation models generally incorporate first and second generation ideas such as actor weight and policy proximity, but they have begun to introduce institutional richness of detail, such as recognizing that the cabinet formation process differs from country to country – with some countries, for example, having formateurs and others having informal norms that permit the largest party the first opportunity to form a winning coalition. Also third generation modelers are willing to consider modifying the assumption of unitary party actors and to allow for the possibility of "winning" with less than a majority of the votes.

Laver and Schofield's work reflects this third generation of coalition research. It is very well written and skillfully interweaves historical description and sophisticated modelling. It offers not only an excellent and up to date survey of the coalition literature, but makes major con-

266

tributions of its own, especially in its discussion of pivotal power in minority governments; in its empirically based classification of unipolar, bipolar and multipolar party systems; in its review of cross-national variations in coalition formation rules (see esp. Table 4.1); in its model of non-hierarchical coalition formation; in its linking of cabinet stability to the nature of the bargaining system (see esp. Table 6.5); and in its superb discussion of the varieties of payoffs possible in the legislative setting. I recommend it highly to anyone interested in the substantive questions it considers, or in applied social choice theory. It demonstrates how theoretical work can benefit from concern about real world phenomena to be explained, and it shows how empirical work can be immeasurably helped by theoretically guided data gathering and model testing.

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