Overcoming Electoral Uncertainty: Strategic Incentives for Pre-Electoral Coalition Entry

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ABSTRACT

Why do some parties coordinate and form electoral coalitions *before* contesting elections while other parties compete independently and form government coalitions *after* elections? Under what conditions do parties form pre-electoral coalitions, and under what conditions do parties "go it alone" and contest elections independently? This study argues that parties are rational, utility-maximizing actors who simultaneously weigh vote-, office-, and policy-seeking interests. However, as parties considering coalitions in the pre-electoral arena, parties are first and foremost interested in maximizing seats. As parties weigh the costs and benefits of pre-electoral coalition (PEC) formation, they must also consider the effects of electoral institutions. This study argues that moderately disproportional, multiparty electoral systems increase the probability of PEC formation. Specifically, majoritarian and mixed electoral systems increase the probability of PEC formation. Utilizing time series, cross-sectional data, the empirical analysis finds that majoritarian and mixed electoral systems increase the likelihood that parties enter into PECs. The theoretical hypothesis is further illustrated using three case studies of Japan, Italy, and Belgium. The case studies illustrate how PECs are not some deterministic outcome or functional equilibrium of electoral systems. Rather, PECs can be the result of a process of adaptation and learning by political parties who, through iterative games, find PECs to be of strategic interest.

KEYWORDS

Pre-electoral coalitions, electoral systems, majoritarian systems, mixed systems

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TABLE OF CONTENTS

CHAPTER 1

Introduction

In the September 2013 German federal election, the Free Democrats (FDP) only secured 4.8 percent of the total votes, marking one of the worst showings for the party in its history. By not clearing the five percent electoral threshold, the FDP lost all of its seats and was unable to send any deputies to the German Bundestag. While the Christian Democratic Union of Germany and the Christian Social Union of Bavaria (CDU/CSU) "Union" was the clear winner of the election with 41.5 percent of the votes, the inability of the FDP to enter the Bundestag meant that the Union was forced to enter into a grand coalition with its main rival, the Social Democratic Party (SPD).

As the country's third largest party, the FDP was often the kingmaker of German postwar politics who swung government to either the CDU/CSU Union or the SPD. Just four years ago in 2009, the FDP had garnered 14.6 percent of the votes and played a key role in allowing Angela Merkel's CDU/CSU to remain in power. Yet, internal party struggles and the FDP's failure to deliver on a promise of lowering taxes alienated many of the FDP's core constituents.

One of the primary reasons the FDP failed to clear the threshold was the lack of support from the CDU/CSU. While the FDP called on CDU/CSU voters to strategically split their votes to guarantee that the Union can stay in power, the Union contradicted the requests being made by the FDP and called on its supporters to cast both the candidate and party list votes for the Union. If more Union supporters had cast a strategic vote for the FDP, the outcome would have been vastly different.

Why did the CDU/CSU Union contradict the FDP's request for greater pre-electoral coordination? Given the history between the two parties, many had assumed that the parties would have continued to coordinate in the pre-electoral arena. To understand the CDU/CSU's stance in the September 2013 German federal election, one must look back to the events that transpired during the January 2013 Lower Saxony state election.

A few days prior to the Lower Saxony election, the FDP was polling dangerously low at four to six percent. Given the risk of falling below the five percent threshold, CDU candidates encouraged supporters to cast "rental votes" to the FDP by splitting their ticket: voting for the CDU candidate in the single member districts (SMDs) while casting the party vote in the proportional presentation (PR) tier for the FDP. While this ultimately led to a tremendous victory for the FDP, which received over ten percent of the votes, an excessive share of CDU votes were transferred away from the party, and the CDU ultimately lost over six percent of its votes. This resulted in the CDU/FDP coalition giving up a one-seat majority to the SPD and Greens.

The CDU's defeat in the Lower Saxony election frustrated the CDU at both the local and national level. In particular, the result was a serious blow for the CDU/CSU Union at the national level because the loss gave the center-left parties a working majority in the Bundesrat, Germany's upper house.[1] Following the CDU's defeat in Lower Saxony, Merkel and the CDU ultimately distanced themselves from the FDP and signaled to their voters that they should not provide rental votes to the FDP in the September 2013 election.

Thus, a lack of strategic coordination in both the state and the national elections led to sub-optimal outcomes for both the CDU/CSU and FDP. By not coordinating efficiently with the

[1] Germany's Bundesrat represents the Länder, or federal states of Germany. Members are not elected, but are composed of delegates by the state governments. Thus, securing a majority in state elections directly influence the strength of the party in the Bundestag as well.

FDP, the CDU/CSU was forced to make costly compromises, including the introduction of a national minimum wage that the SPD had aggressively sought. Had the parties coordinated their electoral strategies through a pre-electoral coalition, the outcome could have been different for both parties.

In contrast to Germany's 2013 election, Japan's June 2000 general election represents a successful case of pre-electoral coordination. After failing to win a majority of seats in a series of elections during the nineties, the Liberal Democratic Party (LDP) was able to secure a majority in both chambers of the Diet through a coalition with the Clean Government Party (CGP). By entering into a PEC with the LDP, the CGP was also able to avoid losing a significant share of seats, which would have been likely if it had contested elections independently. Together, the parties were able to secure a comfortable majority and remain in power.

Why do some parties coordinate and form electoral coalitions *before* contesting elections while other parties compete independently and form government coalitions *after* elections? Under what conditions do parties form pre-electoral coalitions, and under what conditions do parties "go it alone" and contest elections independently? Despite the many variations in the formation of pre-electoral coalitions (PECs) both within and across countries, research on the causes of such coalitions has, to date, been limited. Many scholars simply assume that parties have the option to enter into PECs without considering both the causes and effects PECs have on both electoral and government outcomes. Yet, understanding the causes of pre-electoral coalitions is of both theoretical and empirical interest.

Pre-electoral coalitions are of theoretical interest because they have been surprisingly understudied. Despite the substantive effects PECs have on the outcome of elections and the formation of government, it is remarkable how little we know about pre-electoral coalitions.

While the coalition literature is one of the more well-theorized subfields of political science, the literature often emphasizes the interaction between political actors in the *post*-electoral, coalition bargaining stage and ignores the role of coalition formation in the *pre*-electoral arena. However, as shown in the examples above, PECs can greatly influence both the outcome of elections and the parties that ultimately enter government.

Golder (2006) found that parties that entered into pre-electoral coalitions were more likely to enter government more efficiently by minimizing the duration of government negotiations. Similarly, Carroll and Cox (2007) found that parties that entered government through PECs were more likely to allocate office seats proportionally. Thus, coalitions that are formed in the pre-electoral arena have clear effects on the post-electoral arena, and this necessitates a more robust understanding of these types of coalitions. Rather than neglecting the role of PECs, this study contends that PECs are an important aspect of the coalition bargaining game, and greater understanding of their causes and consequences will both broaden and deepen the coalition literature.

Pre-electoral coalitions are also of great empirical interest because they are quite common in parliamentary democracies. For example, nearly half of all elections in 23 advanced parliamentary democracies from 1946 to 2002 featured a pre-electoral pact (Golder 2006). Likewise, Müller and Strøm (2000) found that roughly a third of all government coalition agreements were based on agreements formed in the pre-electoral arena. These statistics exemplify how PECs are quite common both within and across parliamentary democracies.

Furthermore, interesting variations in the formation of PECs can be seen across countries. Some countries like Canada, Finland, and the United Kingdom rarely observe pre-electoral pacts while others like Australia and Germany frequently observe coalition formation in the pre-

electoral arena. In addition, in some countries like Italy and Japan, it was only after enacting electoral reform that PECs became more common. What explains such variations and shifts in the formation of electoral coalitions? Despite the relative frequency of observing electoral alliances in parliamentary democracies, research on PECs has surprisingly been limited.

Greater theoretical and empirical research on pre-electoral coalitions is necessary to develop a more comprehensive understanding of the causes and consequences of electoral and coalition politics. Building on recent works like Schofield and Sened (2006), which eloquently bridge the divide between the pre-electoral, electoral, and post-electoral bargaining stage, this study analyzes the causal determinants of PEC formation. To do so, this study takes an institutionalist approach to highlight the significant effect that the electoral structure and rules have in shaping electoral competition. Depending on the type of electoral system in place, parties can have greater incentives to reshape their electoral strategies and consider entry into PECs. By committing to coalitions in the pre-electoral arena, parties are able to overcome the constraints that are imposed by the institutions in the pre-electoral environment. Specifically, this study argues that moderately disproportional multiparty systems increase the probability of PEC formation. In particular, majoritarian or mixed systems increase the incidence of PECs.

Extant Literature on PECs

Existing works on coalition formation often focus on bargaining between political actors in the post-electoral arena at time *t*. By emphasizing bargaining in the post-electoral arena, the literature seeks to understand how political actors maximize vote-, office-, and policy-seeking interests through post-electoral negotiations (for example, see Laver and Schofield 1990; Strøm and Müller 1999). However, in recent years there has been a growing interest in understanding

how the pre-electoral arena at time *t-1* influences coalition bargaining at time *t*. By considering what takes place *before* parties contest elections, scholars have begun to delve into aspects of coalition making that have previously gone ignored or have often been assumed away in the post-electoral coalition literature. The recent rise in the number of works examining pre-electoral coalitions illustrates the growing interest in examining the effects of coalition making in the pre-electoral arena.

Extant works on PEC formation have often examined the consequences of PECs in relation to more conventional outcomes of interest. For instance, Reed (2001), Bartolini et al. (2004), and Bardi (2007) use the case of electoral reform in Italy to show how PECs changed and influenced the composition of the Italian party system. In contrast, Benoit et al (2006), Blais et al. (2006), and Gschwend and Hooghe (2008) find that PECs influence strategic voting. Furthermore, scholars have examined the effects that PECs can have on the government formation process. For instance, Di Virgilio (1998), Martin and Stevenson (2001), Golder (2006), and Debus (2009) studies how PECs influence government entry while Carroll and Cox (2007) studies how office resources are allocated more proportionally.

Such works highlight how PECs have clear implications and benefits regarding the composition of the party system, voting behavior, and the government formation process. However, their interest is not in explaining the fundamental *causes* of PEC formation. They simply assume parties have the option to enter into such coalitions without explaining what causes them to enter into such coalitions in the first place.

Some works have sought to bridge this divide. Bale et al. (2005), Lefebvre and Robin (2009), and Allern and Aylott (2009) examine the cases of New Zealand, India, and Norway and Sweden, respectively, to study PECs using in-depth, qualitative case studies. Each emphasizes

historical processes and temporal sequences to reveal why certain parties found coalition making in the pre-electoral arena to be of strategic interest. Historical approaches and case-study analyses are able to explain how specific historical events create incentives for parties to commit to PECs in specific cases, but the focus on individual countries limits the scope of the argument and makes it difficult to generalize across a more diverse range of cases. Thus, such works are rather weak and lack strong theoretical accounts to the study of PECs.

To generalize across a larger universe of cases, others have utilized large-n, quantitative analysis to provide an alternative approach to studying PEC formation. By using large-n data and incorporating a broader range of cases, the findings of such works provide greater confidence in their generalizability. Ferrara and Herron (2005) find that institutional heterogeneity of mixed systems produce variations in outcomes by creating different strategic environments for political actors. Mixed systems, which prioritize the PR tier, are less likely to observe parties entering into PECs because running in the SMD tier will boost their performance in the PR tier. In contrast, mixed systems prioritizing the majoritarian component are more likely to observe PECs being formed.

Similarly, Jones West and Spoon (2012) examine the effect of party size on the decision for parties to either enter into presidential races or form PECs with other parties and jointly contest elections. They find that effects of environmental factors, together with party size, influences a party's decision to either contest elections independently or form a PEC.

The problem with both Ferrara and Herron (2005) and Jones West and Spoon's (2012) analysis is the inability to explain variations in systems beyond the focus of the research at hand. Ferrara and Herron focus on variations within mixed electoral systems while Jones West and Spoon examine PECs in presidential systems. Thus, the limited scope of the argument makes it

difficult to generalize to other systems like plurality, majoritarian, or proportional representation systems. Whether or not one can transfer the logic of party strategies outlined in these works to other cases remains an open question.

A few works like Bandyopadhyay et al. (2010) seek to explain PECs through bargaining models. Bandyopadhyay et al. argue that parties enter into PECs to influence who enters government. In addition to preventing vote splitting by ideologically similar parties, PEC entry can influence the strength of parties to prevent certain opponents from entering government. Furthermore, PECs can be used to manipulate the bargaining power of parties once a certain set of parties enter government. However, the model requires rigid assumptions for the results to hold. For example, the authors must assume all seats are equally competitive, despite the fact that the degree of competition varies by district. Furthermore, PECs are coalitions formed between parties who seek to influence elections, and parties are free to split up once elections are completed. Thus, according to their definition of PECs, parties do not need to incur high costs because PECs are merely strategies to alter the outcome of elections.

Finally, Golder (2006) incorporates both a bargaining model and large-n empirical analysis to study why parties enter into PECs. However, while Golder argues that disproportional electoral systems with a "sufficiently" large number of parties increase PECs, it is unclear what constitutes a sufficient number of parties. For example, the author argues that the marginal effect of effective thresholds increase the number of parties that enter into PECs when the ENEP score is above 3.4. However, of the 364 elections examined in her study with ENEP scores of 3.4, less than half of her observations, or 174 observations, entered into a PEC. In addition, various empirical inconsistencies also threaten the generalizability of the argument. For instance, one of

her hypotheses is that parties equal in size are more likely to enter into PECs. Yet, there are many cases where parties of disproportionate sizes enter into PECs.

There are a growing number of works that have started to expound on both the causes and consequences of pre-electoral coalitions. This study seeks to build on and complement the findings of such extant works by emphasizing the role that political institutions play in bringing about PECs. This study seeks to make an institutional argument by systematically examining how differences in electoral structure create variations in party strategies for coalition making in the pre-electoral arena.

The Argument in Brief

This study builds on the concept of an "electoral sweet spot" that Carey and Hix (2011) coined in regards to whether there is some ideal range in district magnitude to achieve the political ideals of accurate representation of voter preferences and government accountability. I argue that given the range of disproportionality, electoral systems can fall between these two extremes. Plurality systems accentuating government accountability lies on one end and proportional representation systems that accentuates voter representation lies on another (Carey and Hix 2011).

Many often assume a linear relationship between accountability and representation: increasing levels of representation lowers the level of accountability. However, according to Carey and Hix, the tradeoffs between representation and accountability are in fact nonlinear, and the advantages of both majoritarian and proportional systems can be maintained through low-to-moderate district magnitudes. Low magnitude proportional systems are just as effective in reducing disproportionality as high magnitude proportional systems because they reduce

fragmentation and simplify coalition structures, thereby allowing voters to vote strategically and tactically.

This study argues this logic of an electoral "sweet spot" can also be extended to the question of why parties decide to enter into pre-electoral coalitions. Specifically, electoral systems came be placed along a similar range. Disproportional, plurality systems sit at one end of the range representing extreme cases of disproportionality and high accountability. At the other end sits proportional representation systems that represent extreme cases of proportionality and high representation. Majoritarian and mixed electoral systems, characterized by moderately disproportional multiparty systems, can be though to fall between these two extremes. Under such systems, parties have greater incentives to enter into pre-electoral pacts because there is greater uncertainty regarding electoral and government outcomes.

At one extreme, the disproportional rules of plurality systems constrain political candidates and rational voters because of what Duverger called the mechanical and psychological effects (Duverger 1954). Given the highly disproportional nature of electoral competition, where the translation of party vote share to parliamentary seat share privileges larger parties, the probability that smaller parties survive the electoral game and play a strategic role declines. Thus, the system disadvantages smaller parties and makes it difficult for them to compete in single-member districts. While smaller parties may win seats through geographic or ethnic advantages in certain districts, in most cases the number of seats they are able to win is limited.

Based on the logic outlined by Duverger's Law, we can assume that plurality systems weed out uncompetitive parties, and the result is more or less a two-party system by two catch-all parties vying for the median voter. Under such systems, coalition governments become rare

because smaller are unable to compete and survive outside of their localized strongholds. In this regard, the system provides advantages to large parties, and PECs become rare.

At the other extreme, proportional representation systems seek to highlight the diverse nature of the electorate and allow voter preferences to be represented. Based on the electoral rules, the party system seeks to incorporate the various opinions of society. Candidates often contest elections based on electoral rules that accurately and proportionally translates party votes into parliamentary seats. Proportional systems allow for a wide array of partisan views to be represented. Under such systems, many parties, regardless of size, are able to survival, leading to a multiparty system.

According to Schofield and Sened (2002), the incentive structure for parties contesting elections in multiparty parliamentary systems do not align with parties in majoritarian systems, where the priority for parties is to maximize votes by incorporating the median voter. Smaller parties do not necessarily seek to maximize votes or seats. Smaller parties may even "adopt radical positions, ensure enough votes to gain parliamentary representation, and bargain aggressively in an attempt to affect government policy from the sidelines" (Schofield and Sened 2006, 4). Thus, parties position themselves strategically to capture a share of votes that will allow them to engage in post-electoral, coalition bargaining.

In this regard, the incidence of PEC formation in proportional systems should be relatively low because the incentives for parties to enter into pre-electoral pacts are limited. Parties, regardless of size or ideology, are able to win a proportional share of seats based on the share of votes they receive from the electorate. Under such systems, parties are more likely to "go it alone" and contest elections independently.

Furthermore, PECs require parties to compromise on policy because they must come to a working agreement with other possible coalition partners. Given the high costs of negotiating pre-electoral agreements, parties do not have incentives to compromise on policy when the party's survival is not at stake. Parties in proportional systems should therefore have greater incentives to run independently and negotiate government coalitions in the post-electoral stage. However, PECs can still formed because of party-specific or system-level factors that may be unique to the electoral environment. In this regard, PEC formation should be more likely in PR systems, relative to plurality systems.

Other electoral systems fall between the extreme cases of plurality and proportional systems and seek to find a balance between representation and accountability. Specifically, majoritarian and mixed electoral systems try to find "the best of both worlds" and create electoral environments that represent the voices of the people and hold governments accountable (Shugart and Wattenberg 2001). Majoritarian and mixed systems are often characterized by moderately high levels of disproportionality. However, given their unique electoral rules, they also allow for multiparty survival. Many nations moved toward mixed electoral systems "to gain the benefits of both an equitable distribution of seats to votes and the individual representation of geographical units" (Krauss and Pekkanen 2011, 23).

For example, Australia's Alternative Vote (AV) system makes it difficult for smaller parties to win elections (Horowitz 1997; Reilly 1997).[2] From 1901 to 2004, only eight elections observed a combined non-majority Australian party vote that exceeded ten percent of the first preference votes, and minor parties have had little influence in shaping the party system (Farrell

[2] Voters are asked to make a preferential vote by rank ordering candidates in preference. Candidates are then asked to receive over fifty percent of all votes. If no candidate has a majority after the first round, the second-preference votes of the candidate with the fewest votes get re-sorted amongst the remaining candidates in the second round. The process continues until one candidate has an overall majority of votes.

and McAllister 2005, 81).[3] The system's rules, which necessitate attaining a majority of the votes, benefit mainstream parties while disadvantaging smaller parties.

However, the AV system allows both voters and non-mainstream parties to make their preferences heard. In contrast to plurality systems, where voters can only vote for one candidate, voters in Australia can strategically vote for their preferred candidate. In doing so, voters can make a sincere, first-preference vote while also making a strategic, second-preference vote. The ability for voters to rank order candidates in AV systems creates a moderately disproportional system that allows for the survival of a multiparty system. Under Australia's majoritarian system, entering into a PEC can allow participating parties to coordinate their electoral strategies and maximize their odds of electoral victory.

The PECs that are frequently formed between the Liberal and National parties are a prime example of this type of electoral and government coordination. Due to preferential voting, Farrell and McAllister (2005) argue the electoral rules of Australia's AV system institutionalize the Liberal and National coalition. Even when the Liberal party had outright majorities on their own in 1975 and 1977, Malcolm Fraser respected the PEC agreements and entered government together due to the shadow of the future (Ward 2014, 110).[4] By working together, both parties can field candidates in the same district while limiting the amount of vote splitting by their constituents. In doing so, the Liberal-National coalition maximizes their odds of having their candidates elected against the Labor candidate.

Majoritarian systems fall between the extremes of plurality and proportional systems in regards to disproportionality. This moderate level of disproportionality limits the ability of

[3] For example, the Democratic Labor Party and the One National Party. While the Australian Democrats survived the electoral game based on the proportional rules of the Senate, the party was never represented in the House of Representatives and eventually lost all its seats in the Senate as well.
[4] Alan J. Ward. *Parliamentary Government in Australia* (London: Anthem Press, 2014): 110.

smaller parties to grow, but it still allows them to maintain a presence in the legislative arena. Moreover, the system also allows them to play an important role in the outcome of both elections and government formation. As this study will argue, parties can magnify their role through strategic entry into PECs.

Similar to majoritarian systems, mixed electoral systems like those in Germany and post-reform Italy, Japan, and New Zealand are also characterized by moderate disproportionality. While the SMD tier increases the level of disproportionality vis-à-vis proportional representation systems, the PR tier allows smaller parties to survive elections, even if they are unable to win seats in the SMDs. In this regard, in addition to the disproportional rules, there are relatively high degrees of fragmentation in both majoritarian and mixed systems. This allows smaller parties to not only survive elections, but also influence electoral outcomes.

The combination of disproportional rules and fragmented party systems increase uncertainty for both voters and parties. Under such circumstances, a greater number of parties can play a critical role in determining the outcome of both elections and government formation. If parties can negotiate coalitions prior to contesting elections, parties can coordinate their electoral strategies and maximize their probability of efficiently translating a greater share of votes to seats.

This study presents an institutionalist approach to the formation of pre-electoral coalitions and argues the institutions under which political actors contest elections play a critical role on the decision for parties to enter into PECs. Specifically, moderately disproportional multiparty systems increase electoral and government uncertainty and create incentives for parties to coordinate in the pre-electoral arena. Unlike plurality and proportional systems, where

PECs can actually inhibit vote- and seat-maximizing interests, majoritarian and mixed systems are conducive to pre-electoral coordination.

However, this study also argues that while electoral system type affects the probability of observing PEC formation, it is not determinative of PEC formation across all cases. One must take into account the case-specific factors that influence PEC formation in some parties and countries, but not in others. As Strøm and Müller (1999) note, goal prioritization by political actors is not a simple function of any one variable, but is the outcome of the interaction of numerous factors, including systemic variables, party-organizational features, and situational factors (Strøm and Müller 1999: 24-27). In the same way, no one variable is sufficient to explaining the cause of PEC formation. Indeed, PECs can even be observed in "deviant" cases, whereby decisive parties are induced into PECs through environmental or intra-party stimuli (Allern and Aylott 2009).

Outline of the Dissertation

The rest of the project proceeds as follows. Chapter 2 outlines a theoretical model of pre-electoral coalition formation, beginning with defining what pre-electoral coalitions are and what the costs and benefits are for parties that enter into pre-electoral pacts. The chapter then provides an institutionalist account of PEC formation by emphasizing the effect of electoral institutions in constraining party strategies and increasing incentives for parties to commit to pre-electoral alliances. The institutional environment that structures the electoral game plays an important role in a party's decision to enter into a PEC. Specifically, disproportional, multiparty electoral systems constrain the strategic options available to political actors and increase uncertainty for both parties and voters, thereby creating incentives for parties to forge PECs.

Based on the institutional theory outlined in Chapter 2, this study takes a mixed-method approach utilizing time series, cross-sectional data and small-n, case study analysis. In doing so, I seek to get at both external and internal validity. Chapters 3 and 4 utilize electoral data from twenty postwar parliamentary democracies to empirically test the theory outlined in Chapter 2 while Chapters 5 through 8 uses the cases of Japan, Italy, and Belgium to trace the events and processes that lead parties to enter into PECs. Through an in-depth analysis of PECs in specific cases, this study seeks to draw out the causal mechanisms that are often difficult to parse out in large-n, quantitative analysis.

Chapter 3 provides descriptive statistics for data from twenty advanced, industrialized democracies in the postwar era. In addition to presenting some generalizable patterns of PEC formation across a wide range of cases, Chapter 3 also includes an omnibus review of various PECs that have been formed in plurality, majoritarian, mixed, and proportional systems. The examples of PECs both within and across different systems point to the significant effects electoral systems have on the formation of PECs. While no single factor can explain why parties decide to enter into PECs, we find that PECs are in fact more likely to be observed in majoritarian and mixed systems whose systems are characterized by moderately disproportional, multiparty systems.

Chapter 4 tests the empirically test the external validity of the theory by utilizing logistic regression analysis on time-series, cross-sectional data. By incorporating and controlling for both party-level and system-level variables, the chapter examines whether the argument holds across a wide range of cases. The empirical findings confirm that electoral systems are important determinants that create systematic variations in the probability of observing PECs:

disproportional, multiparty systems, specifically majoritarian and mixed electoral systems, increase uncertainty and create incentives for parties to enter into pre-electoral coalitions.

It is through detailed accounts of party strategies in the pre-electoral arena that we are able to understand why some parties enter into PECs while others do not. While large-n analysis provides us with broad trends and correlations of how certain variables and institutional structures lead to PECs, it is through in-depth case study analysis that the details and causal mechanisms of PEC formation are brought to light.

The remaining chapters examine the causes of PEC formation in three cases: Japan, Italy, and Belgium. As North argues, institutional change "shapes the way societies evolve through time and hence is key to understanding historical change" (North 1990, 3). Japan and Italy provide interesting analyses to the study of PEC formation because both countries enacted electoral reform in the mid-nineties and moved to a variant of the mixed system. The within-case variance observable in Japan and Italy provides us with an opportunity to examine how institutional change influences the incentive structures of parties contesting elections.

Chapters 5 and 6 provide an in-depth analysis of the 1999 pre-electoral coalition between the LDP and CGP. Japan's enactment of electoral reform in 1994 allows us to examine whether moving to a mixed-member system changed the incentive structures of the political actors and created a more conducive environment for pre-electoral coalitions to be formed. By tracing the effects of electoral reform and the changing dynamics of bicameral power following the LDP's decline, Chapter 5 finds that electoral reform in the mid-nineties changed the strategic choices available to the political actors and created incentives for parties to enter into pre-electoral coalitions. Through archival research and interviews, the chapter outlines the events leading up to the 1999 PEC and how electoral reform brought about the rise of PECs. Chapter 6 examines

the effect of the PEC between the LDP and CGP in the 2000 general election. By aggregating municipal-level data and utilizing both logistic analysis and data simulation, the chapter reveals how the PEC was in fact necessary for both parties to maximize their electoral victories and enter government.

Chapter 7 examines the case of Italy to determine how electoral reform in the nineties drastically altered party competition in Italy and forced parties to enter into pre-electoral coalitions. Italy provides an interesting analysis of how the enactment of electoral reform brought about PECs in a moderately disproportional electoral system that allowed multiple parties to survive.

Unlike the case of Japan where PEC formation was between specific parties, parties in Italy entered into two large cartels, which brought about bipolar electoral competition. To survive the electoral game, small parties like the Lega Nord and larger parties like Forza Italy required PECs to maximize electoral victory. Even smaller parties like the Communist Refoundation Party, who did not enter into a formal PEC, engaged in stand-down agreements to maximize victory.

The victory of the Pole of Freedoms and Pole of Government in 1994 was due to Berlusconi's unique coordination strategy. By coordinating and forming two different PECs under one banner, Berlusconi was able to maximize his victories not only in the north, but also in the center and south. However, the coalition's subsequent defeat in 1996 reflects both the inability of Berlusconi to secure a PEC with the Lega Nord and the efficiency of parties coordinating on the left under the Olive Tree coalition.

Chapter 8 turns to Belgium to understand why PEC formation can emerge in PR systems as well. The chapter seeks to explain the rather fickle nature of PECs in the postwar era. The

study shows how the combination and interaction of Belgium's unique electoral system and devolving bicameral structure influenced PEC formation for certain parties. The history of Belgian consociationalism, together with the institutional structure of Belgium's electoral system and weakening upper house, contributed to the rise of PECs in Belgium throughout the postwar era.

Chapter 9 concludes by revisiting the theory and summarizing the findings. The chapter will conclude with both the implications of PEC formation and future directions of research on pre-electoral coalitions.

CHAPTER 2

An Institutional Theory of PEC Formation

Pre-Electoral Coalitions (PECs) are coalitions where two or more independent political parties agree to publicly commit to their coalition by cooperating in upcoming, national elections. This commitment expresses a strong degree of *intent* for parties to cooperate and, when possible, enter government together. Parties that enter into PECs do not compete independently and they make their positions clear to voters.[1] This study adopts Golder's (2006) classification of pre-electoral coalitions, defined as "...a collection of parties that do not compete independently in an election, either because they publicly agree to coordinate their campaign, run joint candidates or joint lists, or enter government together following the election" (Golder 2006, 12). Examples of PECs include agreements on (1) nomination and joint lists, (2) where parties send specific instructions to voters in cases of dual ballots and vote transfers, and (3) public commitments to govern together.[2]

Electoral cooperation can vary widely, and most cases of electoral coordination can be classified as informal agreements entered into by parties that coordinate their electoral strategies at the district level to maximize electoral victories. For example, many opposition parties like the Clean Government Party (CGP) and the Democratic Socialist Party of Japan (DSPJ) coordinated their electoral campaigns in certain districts during the postwar era to maximize their chances of winning as many seats as possible without splitting the opposition vote (Christensen 2000). The CGP-DSPJ coordination can be defined as informal cooperation between two independent

[1] Informal agreements between parties that are not officially announced or are unclear to voters are excluded.
[2] For a more detailed discussion on the various types of coalition agreements, see Golder 2006.

parties who do not make their electoral strategies clear to voters and have less commitment to one another in both the pre-electoral and post-electoral arena. Likewise, during the recent 2014 general election in Japan, opposition parties like the Democratic Party of Japan and the Japan Restoration Party engaged in barter strategies and coordinated with one another in certain single-member districts to minimize wasting votes amongst the opposition and maximizing their probability of winning seats. However, the two parties made it clear that their cooperation was limited to electoral coordination.

Such informal cases of electoral coordination are excluded from this study because they are not formal coalitions between two parties. Such informal coalitions between parties do not bind identities or policies to another party or set of parties. Thus, parties informally coordinate their electoral strategies without incurring the costs of committing to a specific coalition.

The coalition formed between the Liberal Democratic Party (LDP) and the Clean Government Party (CGP) prior to the 2000 general election in Japan represents a case of a formal PEC. Following the declining electoral strength of the LDP, the party decided to enter into a coalition with the CGP in October 1999 and contested the June 2000 lower house elections under a PEC. The result was a victory for the LDP-CGP coalition, which won a majority of the seats together with the New Conservative Party. Furthermore, by contesting the House of Councillors elections together as a coalition in 2001, the two parties were able to secure a majority in both houses.

Pre-electoral coalitions are thus defined as public alliances between parties who have greater commitments to coordinate their electoral strategies and contest elections together. Parties that enter into PECs bind their identity to one another, and their commitments to the

coalition are much greater than parties that merely cooperate their electoral strategies without acknowledging a formal coalition to the public.

On the one hand, PECs can be formed by parties with an explicit intent to enter government in the post-electoral stage. On the other hand, parties can also enter into PECs with an intent to work together to maximize their probability of increasing seats. For example, by entering into a PEC, smaller parties can bind their identities to one another and compete more efficiently. Parties that enter into such PECs may have no chance of entering government, but their coalition creates a binding commitment that undoubtedly influences the perception of voters that the parties in the coalition are unified under a coalition.

It can be argued that parties may be concerned about their partners reneging on their pre-electoral commitments in the post-electoral stage, thereby making the bargaining of PECs difficult. However, this study assumes political actors are concerned about the shadow of the future and will not back down on commitments made in the pre-electoral stage. Parties are concerned about voter perceptions of the parties, and reneging on pre-electoral commitments can lead to reputation costs. Carroll and Cox (2007) make a similar argument when they argue parties do not renege on pre-electoral commitments because doing so would disrupt relationships between parties in the future due to the iterative nature of electoral bargaining (Carroll and Cox 2007, 302).

PECs entail greater commitment costs for participating parties, and when parties renege after a pre-electoral alliance, both parties and voters can punish them. If parties back down from their commitments, other parties will be wary and less likely to trust them. Likewise, voters who see their party reneging on its commitments can punish the party in future elections. We can assume that, ceteris paribus, when a party enters into a PEC, they are accountable to both parties

and voters. Thus, parties do not fear the collapse of a PEC in the post-electoral stage and will make due on their pre-electoral commitments.

Maximizing Votes, Office, and Policy Interests

To understand the causes of pre-electoral coalition formation, this study takes independent, political parties as the unit of analysis. Parties are rational, utility-maximizing actors who seek to maximize votes, office, and policy while minimizing the costs associated with electoral and government coalitions. Parties weigh their strategic options in the pre-electoral arena and either "go it alone" and contest elections independently or coordinate with other parties and run under a PEC.

While the coalition literature often simplifies the interests of political parties to vote-, office-, or policy-seeking interests, this study argues that parties are, in fact, actors with mixed motives who weigh all three interests simultaneously. As Müller and Strøm (2000) argue, there is no single factor that does all the explanatory work, and it is the unique combination of all three interests and how they are weighed by each party that drives variations in party behavior.

When studying why parties decide to enter into pre-electoral coalitions, we must take into consideration the party's characteristics and traits. For example, Jones West and Spoon (2012) argue parties have different motivations for competing in presidential races based on party size. Larger parties are more concerned with maximizing their votes and being competitive while smaller parties are more likely to be concerned with building their credibility and having their voices heard. Jones-West and Spoon contend that, conditional on party size, parties respond to institutional incentives differently.

The logic delineated by Jones West and Spoon regarding party size in presidential races can also be transferred to cases of PEC formation in parliamentary democracies. Based on a party's history, composition, and ideological colors, parties can value certain interests more than others. For example, large, catch-all parties who incorporate the median voter may be willing to compromise on policy if doing so garners a greater share of votes and strengthen their ability to win elections. In contrast, parties that have strong ideological colors can be assumed to be less open to policy compromises. Similarly, regardless of party size, centrist parties with high bargaining power may value policy over votes. In this regard, what parties value and weigh depends on each individual party, and there is no universal formula that can explain the political interests of all parties. While parties weigh all three interests simultaneously, they differ in how they prioritize their interests.

Note of Consideration: "Seat" Maximizing Interests in PEC Formation

It should be noted that while the literature emphasizes a party's desire to maximize *votes*, this study argues that this approach requires a subtle amendment: when trying to explain coalition formation in the pre-electoral arena, one must emphasize the role of maximizing *seats* (Downs 1957). As discussed above, parties that enter into PECs commit and bind their electoral identities to one another. Thus, entering into a coalition with another party *before* contesting elections means parties must shift their policy ideal point.

One obvious example is when parties make compromises in coalition agreements. By agreeing to certain policy positions, parties make clear what they are willing to concede to make the coalition work. Another example is the "image" voters form of a party that enters into a PEC

with another party. Bowler et al. (2010) find that expectations about government formation affect voting behavior when disliked parties are expected to form part of government.

Gscwhend and Hooghe (2008) argue politicians are faced with the uncertainty of how voters will actually respond to PECs. Voters may find the PEC reinforces their decision to vote for the party. However, the PEC that the party decides to enter into may also cause voters to desert the party as well. For example, if a centrist party enters into a PEC with a center-right party, voters who identify with the centrist party but are oriented more to the left may disagree with the PEC. This may create incentives for such voters to abandon their allegiance to the party and strategically vote for another party to increase the probability of bringing about a center-left government coalition.

In this regard, while PECs may increase *seats* through efficient coordination in electoral districts, they have the possibility of doing so at the expense of *votes*. Thus, parties must weigh the possible losses in *votes* and determine whether a PEC would increase *seats*. Seats are thus valued as an *instrumental* goal to achieve the *intrinsic* goals of office and policy. By maximizing expected seats in the pre-electoral arena, parties are able to increase their probability of locking in office and policy interests. In doing so, parties are able to avoid the risks of suboptimal bargaining and unnecessary compromises that can result from weak, post-electoral bargaining.

Actor Strategies: Costs and Benefits of PEC Formation

Based on their desire to maximize votes, office, and policy, parties must decide whether to contest elections independently or enter into a coalition in the pre-electoral arena. To do so, parties assess the costs and benefits of a PEC based on their desire to maximize seats and/or

increase their probability of entering government. When parties are confident that the benefits of a PEC outweigh the costs that they are likely to incur, parties will consider entry into a PEC.

This study argues that there are four substantive benefits for parties who enter into a PEC. First, entering into a coalition in the pre-electoral arena allows parties to coordinate their electoral strategies. Second, by coordinating their electoral strategies, parties can make use of their comparative advantages and maximize their probability of contesting each district more effectively. Third, parties who are concerned about losing votes can enter into a PEC and efficiently translate coalition votes into seats. Finally, a PEC allows parties to provide more information to voters, thereby securing votes that may be lost due to uncertainty in the pre-electoral arena. As parties weigh the benefits of PEC formation, they also consider three primary costs associated with PEC formation. First, PECs entail transaction costs such as the costs associated with assessing and negotiating PECs. Second, parties must consider bargaining costs, or the office and policy costs of entering into a coalition with other parties. Finally, while PECs can increase seats, they may do so at the expense of votes.

The Benefits of Entering into PECs

First, the most important benefit that parties receive by entering into a PEC is their ability to coordinate their electoral strategies with participating partners. If parties do not enter into PECs, they run independently and compete against one another. If two respective parties represent the interests of different voters, this would not be an issue. However, if parties are competing for the same voters, parties will inevitably split the vote and lower the probability of electoral victory. Some examples include entering into bartering strategies and avoiding conflict

within specific districts, contesting elections under a joint party list, or nominating a common candidate and jointly campaigning for that candidate.

For example, when the Northern League and Silvio Berlusconi's Forza Italia did not enter into a PEC in 1996, they competed against one another and split many of the northern and central districts. Their failure to enter into a PEC led to the victory of the Olive Tree coalition. Thus, parties that wish to avoid wasting votes will coordinate their electoral strategies.

Next, by entering into a PEC, parties are able to maximize their comparative advantages and increase the probability of contesting districts more efficiently. Some parties may not poll as well with certain demographics or may be weaker in certain regions. When faced with such disadvantages, parties may consider entering into a PEC with parties that appeal to certain demographics or regional voters.

For example, the Christian Social Union (CSU) in Germany operates solely in Bavaria while the Christian Democratic Union (CDU), its sister party, operates in all other states outside of Bavaria. Given that the CSU has a virtual monopoly of the conservative votes in the Bavarian state, the two parties have an agreement where the CDU does not run candidates within Bavaria to avoid splitting the conservative vote. While cooperating in the Bundestag, the two parties are still separate and distinct entities. Other than a brief conflict in the mid-seventies, when Helmut Kohl was CDU chairman, the two parties have worked closely not only in the Bundestag, but also in the European Parliament as well.[3] By running as a "Union," both parties are able to avoid splitting their votes and can compete more efficiently against other parties.

[3] Given that the CSU is more socially conservative than the CDU, Helmet Kohl's chairmanship of the CDU created tension between the two parties. In addition to having ideological disagreements, the CSU chairman's Franz Josef Strauss was known to be critical of Kohl. Following the October 3, 1976 federal election, Strauss and CSU representatives met on November 19, 1976 and voted to separate from the Union. Strauss sought to establish a party that would maintain a conservative platform and run as a *vierte partei*, or fourth party. The decision to split with the CDU was ultimately invalidated when the CDU threatened to run within Bavaria against the CSU.

The LDP-CGP coalition serves as another example of how parties maximize their comparative advantages with one another. The LDP is generally weaker in urban districts, and given the CGP's strength in urban areas, particularly in the southern-central Kansai area, the CGP ran six of its nine SMD candidates in Osaka and Hyogo during the 2014 elections. Wherever the CGP ran, the LDP avoided running its own candidate and backed the CGP candidate. Thus, given the comparative advantages that parties have, parties coordinate their electoral strategies accordingly.

Third, by entering into a PEC, parties can ensure coalition partners efficiently translate coalition votes into seats. This is particularly crucial for coalitions that incorporate a junior partner. When parties are mutually dependent on one another to reach the majority seat threshold in the legislature, it increases the level of cooperation and effort that participating parties make and leads to greater efficiency. The case of the Free Democrats (FDP) in Germany represents this type of strategic coalition. The FDP is often at risk of polling below the five percent electoral threshold, and it is through strategic rented votes by the SPD or CDU/CSU that the FDP is able to secure not only their survival, but also the coalition's entry in the Bundestag. By engaging in formal electoral coordination through a PEC, participating parties are much more committed to the coalition and aggressively work towards maximizing seats for the coalition.

Parties that merely cooperate in an informal capacity have little incentives to maximize the benefits of *coordination*, and the benefits of *cooperation* become much more limited. This was clear during Japan's 2014 general election. While some opposition parties did coordinate informally through barter strategies and avoided running candidates against one another, there was no commitment to mobilize votes for one another. In contrast, the LDP and CGP, who were committed to both an electoral and governing coalition, aggressively campaigned for each other

and sought to mobilize their constituents to maximize the probability of an LDP-CGP majority. During the campaigning period, many of the LDP's executives including Prime Minister Abe Shinzo and Secretary General Ishiba Shigeru campaigned on behalf of CGP candidates. Thus, parties that enter into PECs are committed to the coalition's overall victory and are more heavily invested in maximizing the efficiency of translating votes into seats. When parties enter into PECs, they make greater efforts to secure a coalitional victory.

Finally, by entering into a PEC, parties are able to increase information to voters so as to allow them to commit to the party and/or parties in the coalition. The pre-electoral stage is characterized by high levels of uncertainty and incomplete information. In systems where coalition formation is the norm, parties must often compromise on their policy positions to enter government. In this regard, post-electoral coalition bargaining and compromises are left unknown to the voters.

Knowing that parties must compromise on policy to enter government, voters in the pre-electoral stage are faced with the daunting task of determining the possible combination of coalition outcomes, predicting each coalition's probability of government entry, and considering the policy compromises required for each coalition of parties (Blais et al. 2006, 692). Given such complex tasks, voters risk making inaccurate forecasts because they lack information on how elites will bargain with in the post-electoral, coalition bargaining stage (Bowler et al. 2010, 351). While some like Blaise et al. (2006) argue voters can rationally assess the plausible coalitions that can form, others argue voters are unable to do so given the complex and uncertain bargaining environments.

An example of this a center-right voter who is concerned a centrist party they support may move to the left rather than to their preferred right. If they are nervous enough, the voter

may try to act strategically and vote for a right-leaning party to increase the chances of getting a coalition. In such cases, parties can enter into PECs and get such voters to pre-commit to the party.

As discussed above, clarifying policy positions may push some voters away. The decision to enter into a PEC with a center-right party may alienate some voters on the left. Thus, given that some voters may not be content with the coalition's identity, parties inevitably lose some votes when entering into a PEC. Parties must assess the costs and benefits of PEC formation and enter into PECs when they believe the "identity" they signal to voters will ultimately increase seats, even at the expense of votes.

In this regard, PEC formation is a mechanism to increase information, create transparency, and make parties "identifiable" in the pre-electoral arena (Cox and McCubbins 1993; Strom 1990). Identifiability of parties is high when voters can

> "...make a straightforward logical connection between their preferred candidate or party and their optimal vote. Identifiability is low when voters cannot predict easily what the effect of their vote will be in terms of the composition of the executive, either because post- electoral negotiations will determine the nature of the executive or because a large field of contenders for a single office makes it difficult to discern where a vote may be wasted and whether voting for a lesser-of-evils might be an optimal strategy" (Mainwaring and Shugart 1997, 461-62).

By entering into a PEC, parties can clarify their programmatic stances through policy agreements or manifestos to specify how they intend to govern together ex-post. Parties may also avoid making explicit agreements, but indicate their intent to enter government with another party. In either case, parties present an "identity" that voters can use as information to update their decisionmaking calculus at the polls.

The Costs of Entering into PECs

As parties consider the four benefits outlined above, they also take into account the costs of PEC formation. First, parties must consider the transaction costs of considering and negotiating a PEC. Second, parties must consider the bargaining costs that parties incur when they negotiate a coalition with other parties in the pre-electoral arena. Finally, parties must also consider the possibility of losing votes through a PEC. The following section outlines the costs of PEC formation.

First, there are transaction costs to forming a coalition in the pre-electoral arena. Parties must collect information to assess whether the coalition will increase the probability of winning seats and entering government. In addition, forming a PEC requires parties to negotiate on a complicated set of arrangements. For example, rather than freely running candidates wherever they desire, parties must consider costs such as negotiating where to run and rank-ordering candidates on a joint list. Thus, parties must take into account the transactions costs that are necessary to both initiate and maintain the PEC.

Second, parties must consider the bargaining costs associated with forging a PEC. Parties may be required to negotiate future office and policy payoffs based on expectations regarding how each party will perform. When parties want to conclude a PEC, they may be forced to concede certain office and policy perks that the coalition partner may covet. Bargaining costs are often higher for larger parties, who may have the possibility of winning a majority on their own without entering into a PEC. By entering into a PEC, there is some probability that larger parties have cost themselves these office and policy benefits. However, the benefits of conceding certain office and policy interests may outweigh the risk of going it alone.

Thus, conditional on size and ideology, parties must calculate whether a PEC is of strategic interest. This logic also explains why PECs are rare in plurality, first-past-the-post systems like the United Kingdom, where large parties like Labor and the Conservatives do not want to commit to a PEC with the Liberal Democrats and lose the opportunity to secure all office and policy benefits.

Finally, entering into a pre-electoral coalition may cost the party votes. As discussed above, by pre-committing to certain parties, parties provide more information and clarify their "identity" to voters in the pre-electoral arena. While pre-electoral commitments can allow parties to coordinate their electoral strategies and efficiently translate votes into seats, it can also lead to a loss in votes because some voters may not agree with the position or colors of the coalition. In strict vote-maximizing terms, parties weigh the costs they expect to incur in votes, relative to the benefits they expect to receive in seats. Entry into a PEC is rational when parties believe a coalition in the pre-electoral arena will increase seats, even at the expense of votes.

When the Liberal Democratic Party (LDP) formed a PEC with the Clean Government Party (CGP) in 1999, Shinshuren, or the Federation of New Religious Organizations of Japan, refused to support LDP politicians who were in favor of the LDP-CGP coalition. In particular, Rissho Koseikai, a Buddhist organization in Shinshuren and one of the LDP's biggest support organizations, vehemently opposed the coalition. While Rissho Koseikai had previously supported 231 LDP candidates in the 1996 campaign, the organization decided to withdraw its support citing their opposition to the LDP-CGP pre-electoral coalition (*The Japan Times*, July 23, 1999). Despite the fact that the LDP knew that there was opposition and that the party would lose some votes by entering into a PEC, the LDP ultimately concluded that a PEC would greatly increase their odds of increasing seats, even at the expense of a loss in votes.

As rational utility-seeking actors, political parties seek to maximize seats in the pre-electoral arena. To do so, parties weigh the costs and benefits of PEC formation. By entering into a PEC, parties benefit by being able to coordinate their electoral strategies, maximize their comparative advantages, efficiently translate coalition votes into seats, and provide more information to voters. As they consider these benefits, they also consider the costs, namely the transaction costs and the possible loss of votes associated with forming a coalition in the pre-electoral arena.

To avoid sub-optimal outcomes, parties must accurately calculate the costs and benefits associated with committing to a PEC. The cost-benefit analysis is based on the expectation of whether or not a PEC will increase their odds of maximizing seats. When parties believe the benefits of a PEC will ultimately outweigh the costs associated with a PEC, they enter into a PEC. However, when parties believe the costs associated with a coalition in the pre-electoral arena outweighs the benefits of a PEC, parties will contest elections independently and avoid PEC entry.

An Institutional Approach to PEC Formation: Impact on Parties & Voters

The section above outlined how parties consider the costs and benefits of PEC formation in the pre-electoral arena based on their desire to maximize seats. Parties covet four benefits of committing to a PEC, namely, the ability to (1) coordinate electoral strategies, (2) maximize each party's comparative advantages, (3) efficiently translate coalition votes into seats, and (4) increase information and allow voters to engage in strategic voting. As parties consider the benefits of PEC formation, they also consider the costs they expect to incur, namely (1) the transaction costs associated with the implementation and maintenance of PECs, (2) the

bargaining costs associated with maximizing office and policy rewards, and (3) the loss of votes due to voter discontent.

The cost-benefit calculations that parties make is based on their desire to maximize seats in the pre-electoral arena. When parties believe the benefits of committing to a coalition in the pre-electoral arena outweigh the costs, parties enter into PECs. In contrast, when parties believe the costs of committing to a coalition in the pre-electoral arena outweighs the benefits, parties contest elections independently and do not commit to a pre-electoral coalition.

As parties weigh the costs and benefits of PEC formation on their probability of maximizing seats in future elections, parties must also take into consideration the political institutions that structure the pre-electoral environment. Whether or not a party enters into a pre-electoral pact is contingent on the political institutions that structure the electoral environment. Just as institutions and rules structure outcomes in the post-electoral stage, they have equally important effects on coalition making in the pre-electoral stage.

Institutions are "the rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction" (North 1990, 3). Many scholars have shifted attention to the role that institutions play in constraining actors, and institutional approaches have complemented the actor-centered approaches in the coalition literature.[4] Strom, Budge, and Laver (1994) argue that coalitions are not formed in an institution-free world, and institutions, rules, and structures of the electoral environment serve as important constraints that actors must account for when making strategic decisions. Tsebelis (2002) also argues outcomes are the result

[4] For example, Tsebelis (2002) emphasizes the impact of institutional veto points to highlight the effects of structural constraints. Druckman and Thies (2002) consider the role bicameral chambers have on partisan composition while Austen-Smith and Banks (1988) and Baron and Diermeier (2001) highlight the role of the formateur. Huber (1996) emphasizes the sequencing and procedures of no confidence votes while Diermeier and Stevenson (1999), Lupia and Strom (1995), and Strom and Swindle (2002) consider the role of incumbent prime ministers and their ability to time elections and influence future coalitions.

of both the prevailing institutions and the preferences of actors, and institutions are "like shells and the specific outcomes they produce depend upon the actors that occupy them" (Tsebelis 2002, 8).

While institutions provide a predictable structure to human exchanges, institutions also create uncertainty depending on how institutions make political interactions complex. In the context of PEC formation, certain institutions can increase incentives for parties to enter into PECs, and certain rules of electoral institutions can influence the cost-benefit calculations of PEC formation. For instance, proportional systems have relatively predictable outcomes because the expectations of how votes get translated are relatively transparent. In contrast, electoral rules in majoritarian and mixed electoral systems make electoral competition much more complex and difficult to predict. Thus, political institutions shape electoral competition and are critical to understanding why some parties decide to enter into PECs while others contest elections independently and enter into post-electoral government coalitions.

The incentive structures of political parties can vary based on the institutions that structure the pre-electoral environment, and parties must take into account the institutions structuring electoral competition. In particular, this study takes inspiration from Carey and Hix's (2011) study on electoral sweet spots, and this study argues moderately disproportional electoral systems that allow for multiparty survival increase the incidence of PEC formation.

Extending the Logic of the "Electoral Sweet Spot"

Carey and Hix highlight the tradeoffs between representation and accountability and argue that while plurality systems emphasize government accountability and result in stable, single-party governments, proportional systems emphasize the representation of voter

preferences and results in coalition government.[5] Given these two extremes, the authors argue that the literature assumes a linear relationship between representation and accountability. Specifically, a system that emphasizes representation lowers accountability, and vice versa.

However, Carey and Hix argue that the tradeoffs between representation and accountability are in fact a nonlinear, convex maximization problem. According to the authors, the advantages of both majoritarian and proportional systems can be maintained when district magnitude is in the low-to-moderate range. Systems with low-magnitude, multimember districts will minimize party system fragmentation and produce simpler government coalitions, all while reducing disproportionality between the share of votes and seats. This is because obstacles to strategic voting and voter coordination are low, and voters can sustain the viability of multiple parties. In contrast, as district magnitude increases above moderate levels, various coordination problems arise. Thus, the "electoral sweet" spot is found in systems with low-magnitude, multimember districts, and countries like Costa Rica, Hungary, Ireland, Portugal, and Spain "have discovered a 'sweet spot' in the design of electoral systems" (384).

Building on Carey and Hix's conception of electoral sweet spots, this study argues that we can conceptualize there being a PEC sweet spot as well. Specifically, moderately disproportional electoral systems characterized by multiparty competition increase the probability of observing pre-electoral coalitions. Furthermore, when conceptualizing the range of electoral systems that fall between the extremes of plurality and proportional representation systems, majoritarian and mixed electoral systems can be considered to fall between these two extremes. Such systems have rules that are moderately disproportional, relative to plurality and

[5] Note Carey and Hix (2011) use the term majoritarian systems for systems with single-member districts. Given my classification of electoral systems into four distinct categories, namely plurality, majoritarian, mixed, and proportional systems, I prefer to use the term plurality for systems characterized by single-member districts.

proportional systems. Yet, the systems allow an increasing number of political parties to play an important and strategic role in both electoral and government outcomes. In this regard, majoritarian and mixed system can be conceived as representing the "sweet spots" for observing an increasing number of PECs.

In both majoritarian and mixed systems, various parties can play a strategic role in both electoral and government outcomes because the rules of competition allow various parties to survive and influence the outcome of elections. For example, parties can form PECs with other parties, transfer their votes in the second round of two-round, majoritarian systems, or request that their constituents vote for another party in mixed electoral systems. Due to the role of such parties in majoritarian and mixed electoral systems, the outcome of both the election and ex-post government coalitions are difficult to predict for both parties and voters in the pre-electoral stage.

Given the high level of uncertainty that characterizes such electoral environments, parties can find PECs to be of strategic interest because entering into a coalition in the pre-electoral arena can increase information and make parties more identifiable. When parties clarify their post-electoral policy positions, voters are able to make more informed decisions and increase the probability that their party or coalition of parties will ultimately enter government. In this regard, parties calculate the costs and benefits of PECs and enter into such coalitions when the benefits outweigh the costs.

The next section outlines how PEC formation can vary based on the type of electoral system under which parties contest elections. Rather than simply dichotomizing electoral systems into majoritarian or proportional systems, this study categorizes electoral systems into

four distinct types: plurality systems, majoritarian systems, mixed systems, and proportional systems.

Survival of the Fittest: Multiparty Government & Disproportionality

Electoral systems are one of the most important political institutions that influence the strategic interactions of political actors. The literature has emphasized how electoral rules are, in part, responsible for voting behavior, party systems, and party competition.[6] Variations in electoral rules result in different levels of disproportionality. Parties calculate and assess their costs and benefits differently, conditional on the electoral system in which they contest elections.

Duverger (1954) pioneered the proposition that the rules of the game can shape political competition and influence electoral outcomes. Duverger's Law states that plurality systems result in two-party competition because of both mechanical and psychological effects. Plurality systems refer to electoral formulas where electoral competition occurs in single-member districts (SMDs) and the candidate with the most number of votes wins the district. Thus, the candidate who garners the highest number of votes and is "first-past-the-post" wins the constituency, regardless of whether or not the party received a majority of votes. The countries that utilize such systems are Canada, the United Kingdom, and the United States.

Mechanical factors refer to how votes are translated into seats based on electoral rules. In contrast, psychological factors refers to both the decision of voters to vote for a particular candidate or party and a candidate or party's decision to run given the constraints imposed by mechanical factors (Benoit 2006, 72). Given that a plurality of votes are necessary to win in each district, the mechanical factors force parties to be strategic in their decision to run, and the

[6] For example, see Duverger 1954; Rae 1971; Bogdanor and Butler 1983; Taagepera and Shugart 1989; Blais and Carty 1991; Lijphart 1994; Mair 1996; Cox 1997, 1999; Norris 2004.

psychological factors influences voter and elite decisionmaking. Ultimately, Duverger theorizes that competition under plurality rules at the district level eventually converges to two relevant candidates (Hicken and Stoll 2008).

This study contends that electoral system type influences PEC formation. A party's incentive to enter into a PEC will vary based on how votes are translated into seats. Plurality systems should rarely observe PECs because non-mainstream parties cannot survive the electoral game. While such parties may pursue coalitions during the formative years of its founding or the early stages of a party system, parties will eventually converge because only two parties can effectively compete against one another in first-past-the-post systems. Multiple candidates running with similar ideologies will only lead to splitting the vote. To compete more effectively, only two candidates can run concurrently. Under such cases, not only is coalition government rare, but the likelihood of observing PECs are also extremely low.

In contrast to plurality systems, proportional systems distribute seats proportionally and allow parties to survive the electoral game. Except for cases where an electoral threshold exists and parties are under the threat of not winning any seats, proportional systems allow multiple parties to survive the electoral game and compete for government entry. Given the increase in the number of seats being contested in each district, parties are not concerned about party survival, and they can compete in elections without compromising on policy. Following elections, parties are able to seek government entry through government coalitions (Lijphart 1999). Thus, rather than committing to compromises in the pre-electoral arena, parties have greater incentives to "go it alone" and compete in elections independently (Ferrara & Herron 2005).

What is of greater theoretical interest is how parties consider PEC formation in the systems that lie between these two extreme systems. In contrast to plurality systems where

candidates do not need a majority of votes to win, majoritarian systems require parties to garner a majority, or fifty-plus-one percent of the votes. To bring about electoral outcomes where a majority can be obtained, majoritarian systems have unique electoral rules, such as the Australian AV system or the French two-round system. Given the need to win a majority of votes, majoritarian systems inevitably benefit larger parties. However, they still allow for a greater number of parties to survive in the electoral marketplace. Thus, majoritarian systems encourage parties to not only contest elections at the center, but also to cooperate with other parties and form alliances (Farrell 2001, 64).

In contrast to majoritarian systems, mixed electoral systems incorporate both plurality rules and proportional rules into their electoral system. The aim of mixed systems is to incorporate "the best of both worlds" and allow for both the accountability of plurality systems and the representation of proportional systems (Shugart and Wattenberg 2001). Mixed systems can vary extensively. For example, the ratio of SMD to PR seats can vary or the two tiers can be linked to increase proportionality.[7] Mixed systems allow more parties to survive, relative to plurality systems. However, the SMD tier also forces parties to coordinate.

In this regard, both majoritarian and mixed electoral systems can be characterized as moderately disproportional systems that allow multiple parties to survive the electoral game. Furthermore, the fragmentation of the party system allows a greater number of parties to survive the electoral game and, at times, play critical roles in both electoral and governmental outcomes. In such cases, voters are faced with uncertainty regarding electoral and government outcomes. Electoral competition becomes increasingly competitive and unpredictable for both the voters casting their ballots and the political parties contesting elections. Voters must be wary of not

[7] For more information on the variations of mixed electoral systems, see Shugart and Wattenberg 2001.

wasting their vote for fear of another, less preferable party or coalition controlling government. When the institutions impose such constraints and create highly unpredictable competition, parties have increasing incentives to enter into PECs in order to survive the electoral game and enter government (Farrell 2001; Elgie 1997; Taagepera and Shugart 1989).

Putting it All Together: Strategic Choices and Decisionmaking by Party Leaders

To recap, political parties are rational, utility-maximizing actors who seek to simultaneously maximize their vote-, office-, and policy-seeking interests. Based on the traits and characteristics of individual parties, they weigh their interests differently. Some may prioritize their ability to maximize office while others may be interested in maximizing their ability to secure a greater share of policy interests. However, as parties consider their strategic options in the pre-electoral arena, their first and foremost priority is to maximize seats following elections. As parties are preparing for elections, they must weigh both the costs and benefits of entering into coalitions prior to contesting elections.

The benefits of entering into a PEC include the ability to (1) coordinate electoral strategies with participating parties, (2) maximize comparative advantages in elections, (3) efficiently translate coalition votes into seats, and (4) provide information to secure the commitment of wary voters. In contrast, the costs that parties must consider include (1) the transactions costs of negotiating a PEC, (2) the costs or bargaining a PEC with another party, and (3) the possible loss of votes that parties must incur given they enter into a coalition with a specific party or a set of parties. Parties will consider entering into a PEC when they weigh both the costs and benefits of PEC formation and conclude that a PEC would increase the probability

of maximizing seats and obtaining a greater share of their vote-, office-, and policy-seeking interests.

However, the probability of observing pre-electoral coalition formation will vary greatly based on the type of electoral institutions that structures the pre-electoral environment. Specifically, moderately disproportional electoral systems weed out competition, but still allow a greater number of parties to survive the electoral game, relative to plurality systems. Both parties and voters are faced with the complex task of determining the probability of parties and/or coalitions of parties entering government. Under such circumstances, parties are much more likely to find that the benefits of PEC formation outweigh the costs.

Pre-Electoral Choices: Plurality, First-Past-the-Post Systems

Consider a left-leaning party (L) that competes against another right-leaning party (R) in a plurality system. Given that plurality systems are extremely disproportional, smaller parties (S) are only able to secure seats in regional strongholds or specific districts where their support is heavily concentrated. Thus, while parties like S may be able to gain legislative representation, their presence is limited because they lack bargaining power and are irrelevant to the formation of government.

Based on the dominant position that both L and R find themselves in, they do not have incentives to enter into a PEC because doing so would risk them losing a greater share of office and policy perks. As rational, utility-maximizing actors, entering into PECs would entail high bargaining costs for L and R. Since such parties have a high probability of securing government entry on their own, they would much rather contest elections independently and maximize their probability of securing all office and policy perks without compromising with other parties.

Thus, given that the costs of PECs are much higher for dominant parties like L and R, they lack incentives to form PECs with other parties.

In rare cases, there may be a third centrist party (C) in a plurality system that may have the pivotal vote to sway the outcome of the election. One can assume that either L or R may have incentives to enter into a PEC with C because doing so may allow them to secure a majority. Yet, the costs for such a coalition are also high for both parties. Given the pivotal position that C finds itself in, C has bargaining power to demand a greater share of interests than its size. In this regard, the bargaining costs of forming a PEC with C are much higher than the benefits of forming a PEC with C for L and R.

Furthermore, given its pivotal position, C would much rather contest elections independently as well. Rather than incurring transactions costs associated with negotiating a PEC and constraining itself to specific office or policy agreements that may be suboptimal ex-post, C would rather contest elections independently and use its pivotal position to obtain a greater share of benefits if no single-party majority is secure in the post-electoral stage.

Thus, all parties would much rather go it alone in plurality, first-past-the-post systems. Plurality systems rarely observe PECs because of the extremely disproportional nature of the electoral system, which often leads to a two-party equilibrium. While some small ethnic or regional parties are capable of surviving elections, they are unable to play a defining role in influencing electoral or governmental outcomes. Larger parties assess the costs and benefits of PECs and often find that there are fewer benefits to entering into a PEC. In this regard, parties in plurality systems contest elections independently and seek to maximize their ability to control all office and policy interests in government.

While in most circumstances one of the two dominant parties will secure government entry, in rare cases like the United Kingdom's 2010 election, no party will secure a majority and lead to a "hung parliament." In such cases, parties will be forced to enter into post-electoral negotiations. However, because such electoral outcomes are so rare, parties do not have the incentive to enter into PECs in plurality systems. To parties contesting elections in plurality systems, there are greater costs to PEC formation than benefits.

Pre-Electoral Choices: Proportional Representation Systems

Now consider a case in a proportional representation system. Given the proportional electoral rules, parties are able to secure a share of seats that are roughly equivalent to their electoral strength. The allocation of votes into seats is distributed proportionally, and smaller parties are able to secure seats that are proportional to their size in the electorate. Under cases of proportional representation systems, there is little uncertainty regarding the share of seats a party is likely to receive. In this regard, one can assume that parties lack incentives to form PECs under proportional rules.

Given that parties are able to secure a share of seats proportional to their electoral strength, parties are not concerned about the number of seats they are able to secure. There is much greater certainty regarding the strengths of electoral parties. In this regard, there is greater representation of electoral parties, and proportional representation systems observe a high degree of party system fragmentation.

Under such systems, parties have fewer incentives to bind themselves to other parties in the pre-electoral arena. Given that the electoral system is proportional, both voters and parties are aware of the electoral strength of most parties. Thus, parties compete to maximize votes based on

their sincere ideological positions. If parties enter into a PEC, they would have to compromise on their ideological positions before facing the voters. This could lead to various costs. For example, parties may lose votes from voters who are unhappy with the decision of a party to enter into a PEC with another party.

Furthermore, the costs of bargaining are also high for parties that enter into coalitions in the pre-electoral stage. Since governments are often formed by a coalition of parties, mainstream, center-left or center-right parties would rather minimize the share of office seats and policy agreements they must compromise on with other parties to secure government entry. Rather than entering into PECs and risk forming a surplus government, such parties would be more interested in entering into coalitions with the least amount of parties necessary to secure minimal winning coalitions. To avoid such suboptimal outcomes, parties have low incentives to enter into PECs in proportional representation systems.

In contrast to plurality systems, proportional representation electoral systems allow most parties to survive the electoral game and compete efficiently. Given that all political parties are guaranteed to win a certain share of seats comparable to their electoral strength, parties do not have incentives to enter into PECs because doing so requires compromise with other parties. Thus, political parties compete independently and contest elections based on their party platforms. Once elections have taken place and parties are awarded their share of seats, parties can then compromise and work towards forming a coalition to enter government. By avoiding entering into PECs, parties are able to enter into an ideal coalition with the least number of parties to maximize their vote-, office-, and policy-seeking interests.

In contrast to plurality systems, there are greater opportunities for parties to enter into pre-electoral pacts in proportional systems. However, given the few benefits associated with

PECs in proportional systems, the incentives remain low, and the outcome of PEC formation will vary based on party- and system-level factors. In this regard, the outcome of PEC formation in proportional systems should be mixed.

Pre-Electoral Choices: Majoritarian and Mixed Electoral Systems

Finally, we consider the two electoral systems that frequently observe PECs: majoritarian and mixed electoral systems. Parties that contest elections in majoritarian and mixed systems are faced with high levels of uncertainty regarding electoral *and* government outcomes in the pre-electoral arena. The rules of the electoral game make discerning outcomes much more difficult for both parties and voters. Under such cases of electoral competition, parties may find PECs to be of strategic interest.

For example, depending on how parties coordinate their electoral strategies, the outcome of electoral competition in single-member districts vary greatly in mixed electoral systems. If a small, center-left party S coordinates its electoral strategy and efficiently transfers its votes to another mainstream party like a center-left party L, it has a high probability of influencing the outcome of electoral competition. Party L may have a similar-sized rival on the center-right, say party R. Both L and R know that they are unable to secure a governing majority on their own. To maximize their ability to secure a greater share of seats, both parties have incentives to take advantage of the benefits of PECs and coordinate their electoral strategies with other parties.

Likewise, party S also has incentives to enter into a PEC with another mainstream party or set of parties. Given that their seat share is largely determined by the proportional tier, party S wants to take advantage of a PEC with another party by engaging in electoral coordination. By transferring their constituent votes to L in the SMD tier, they can request that in return, party L

transfers some of their votes to party S in the proportional tier. Thus, the benefits of PEC formation become attractive to mainstream parties, who want to maximize their ability to win a majority against other rivals.

Majoritarian and mixed systems create different incentives for parties. Majoritarian and mixed electoral systems are moderately disproportional systems that allow for multiparty survival, and this combination increases electoral competition amongst parties while also generating greater uncertainty regarding political survival and government entry. For parties in majoritarian and mixed systems, the benefits of PEC formation greatly outweigh the costs of PEC formation, and they are much more likely to find PECs to be of strategic interest.

Conclusion

To summarize, the probability of observing PECs is high when systems allow multiple parties to survive under moderately disproportional electoral rules. In cases like the Australian AV system or the French majoritarian system, there are a relatively high number of parties contesting elections in a moderately disproportional system, and this combination makes it difficult for both the voters and for the candidates to win elections. In such cases, PECs can be a rational and strategic option for parties that seek to coordinate their electoral strategies, maximize comparative advantages, efficiently translate coalition votes into seats, and increase information. By entering into PECs, parties seek to maximize their probability of winning a greater share of seats and, ultimately, enter government.

There is much to be studied on what causes parties to enter into pre-electoral coalitions, and this study builds on the findings of past research by taking an institutionalist stance to explain the causes of PEC formation. Parties consider whether entering into a pre-electoral pact

will increase their expected utility, and parties who do enter into PECs are particularly interested in maximizing seats to secure government entry.

This study argues that pre-electoral coalitions must be delineated as a political process that is not mutually exclusive to the coalition formation process. Furthermore, the institutions that shape the electoral environment play an important role in influencing a party's decision to form coalitions in the pre-electoral arena. Specifically, electoral system type is a critical variable that must be accounted for when considering PEC formation. The next chapter presents descriptive statistics for the empirical analysis in Chapter 4, which tests the theory and hypotheses outlined using probit regression analysis.

CHAPTER 3

Descriptive Statistics: A General Overview of PEC Formation

Chapter 2 outlined an institutional theory for why political parties enter into coalitions in the pre-electoral arena, despite the associated costs. I argued that political parties weigh the costs and benefits of PECs and enter into PECs when doing so increases their probability of maximizing seats and entering government. I further argued that the most important causal determinant of PEC formation was the electoral structure shaping the pre-electoral environment. Specifically, the combination of a moderately disproportional electoral system that allows for multiparty competition increases the level of uncertainty, particularly for the electorate. Under such circumstances, parties have greater incentives to form PECs because doing so allows parties to coordinate their electoral strategies and increase information for voters, thereby making themselves identifiable. By committing to a coalition in the pre-electoral arena, parties can compete in elections more efficiently.

This chapter consists of two parts. First, I present some descriptive statistics before examining the empirical validity of the theory of PEC formation in Chapter 4. I then present a brief overview of PEC formation in several countries in plurality, majoritarian, mixed, and proportional systems to get a sense of how and why parties enter into PECs. Together, this chapter provides a brief overview of the data and some cases of PEC formation across the four electoral systems examined in this study.

The data contains electoral information from twenty advanced, industrialized democracies in the postwar era. As argued by Mainwaring and Torcal (2009), party systems in developing democracies exhibit greater variation in comparison to advanced democracies, particularly in the form of clientelism and party system institutionalization, including the degree

of electoral volatility, party roots, and voter-candidate linkages (Mainwaring and Torcal 2009). To avoid such possible cases of variance, this study limits the universe of cases to advanced, industrialized democracies. The outcomes of presidential democracies can be heavily influenced by the dominant role of the executive and the concurrence of presidential elections. Given the difficulty of discerning whether pre-electoral coalitions are the effect of the legislature or executive, this project focuses on understanding the causal determinants of PECs in parliamentary democracies. It should be noted that France is included in the dataset because it is a semi-presidential democracy, and the confidence of the government in power is still accountable to the legislature. According to Duverger (1980), a semi-presidential system is a political regime that combines three elements:

> "(1) The president of the republic is elected by universal suffrage; (2) he possesses quite considerable powers; (3) he has opposite him, however, a prime minister and ministers who possess executive and governmental power and can stay in office only if the parliament does not show its opposition to them" (Duverger 1980, 166).

The countries included in the dataset are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal Spain, Sweden, and the United Kingdom. Table 1 lists the countries based on electoral system type.

To begin, some countries like France have experimented with electoral reform relatively frequently while others like Italy, Japan, and New Zealand changed to mixed systems from either a plurality or proportional system.[1] The ability to observe institutional change is rare, and the

[1] Note that this study follows M. Golder's (2005) study and codes Japan's SNTV-MMD system as a proportional system. Given the relatively high number of multimember districts, the party system was relatively proportional, relative to plurality systems. While others like S. Golder (2006) code Japan's SNTV-MMD system as majoritarian, this study recodes Japan from 1960 to 1993 as a proportional system.

three countries provide us with an opportunity to observe how PEC formation varies when electoral systems change, holding other variables constant.[2]

Plurality	PR
Canada	Austria
New Zealand (1946–96)	Belgium
United Kingdom	Denmark
	Finland
	France (1946–56)
Majoritarian	France (1986)
	Iceland
Australia	Ireland
France (1958 –81)	Italy (1946–94)
France (1988–02)	Japan (–1996)
	Luxembourg
	Netherlands
Mixed	Norway
	Portugal
Germany	Spain
Italy (1994–01)	Sweden
Japan (1996–05)	
New Zealand (1996–02)	

Table 1: List of Countries and Electoral Systems

Table 2 provides us with data on countries, type of system, election years, number of elections, number of parties that formed PECs, and the percentage of parties entering into PECs. The number of PECs varies across countries. Across proportional representation systems, we find that the frequency of PEC formation is quite varied. While some countries like Austria and Portugal observe PECs more frequently, others like Denmark and Luxembourg rarely observe parties entering into pre-electoral pacts.

[2] Chapter 5 presents an in-depth case study on how electoral reform in Japan changed the decision-making calculi of political actors and drastically increased the incidence rate of PECs to the point that coalitions in the pre-electoral arena have become ubiquitous in Japanese electoral politics in the post-reform era. The case study will reveal how changes to the electoral system creates new incentive structures for the political actors involved and forces actors to consider new strategies to maximize seats and ultimately enter government.

Country	System	Years	Elections	# PECs	% PECs
Australia	Majoritarian	1946-2001	23	46/83	.55
Austria	Proportional	1949-2002	17	22/59	.37
Belgium	Proportional	1946-2007	20	33/159	.21
Canada	Plurality	1949-2008	20	0/80	N/A
Denmark	Proportional	1947-2001	22	3/193	.02
Finland	Proportional	1948-1999	15	9/115	.08
France	Proportional	1946-1956	3	0/19	.59
France	Majoritarian	1958-1981	7	32/40	N/A
France	Proportional	1986	1	2/6	.33
France	Majoritarian	1988-2002	4	19/25	.76
Germany	Mixed	1949-2002	15	21/66	.32
Iceland	Proportional	1946-1999	17	11/80	.14
Ireland	Proportional	1948-2002	17	22/79	.28
Italy	Proportional	1946-1993	14	8/91	.09
Italy	Mixed	1994-2001	3	29/36	.81
Japan	Proportional	1960-1993	12	6/69	.09
Japan	Mixed	1996-2005	4	6/24	.25
Luxembourg	Proportional	1954-1999	10	2/46	.04
Netherlands	Proportional	1946-2002	17	15/97	.15
New Zealand	Plurality	1946-1993	20	0/49	N/A
New Zealand	Mixed	1996-2002	3	2/17	.12
Norway	Proportional	1949-2001	14	26/93	.28
Portugal	Proportional	1976-2002	10	26/60	.43
Spain	Proportional	1977-2000	8	11/76	.14
Sweden	Proportional	1948-2002	18	18/101	.18
UK	Plurality	1950-2010	17	4/58	.07

Table 2: Frequency of PECs and Party Size Variation

Next, while the number of instances of PEC formation for plurality, majoritarian, and mixed systems are rather limited, relative to proportional systems, the trends that can be observed are quite consistent. In the plurality systems of Canada, New Zealand, and the United Kingdom, PEC formation is rare. In total, only two percent, or 4 out of 187 observations, of parties entered into PECs.

In contrast, PEC formation in majoritarian and mixed systems was consistently high. In both Australia and France, the number of parties forming PECs resulted in more than half of all observations. The same is true for mixed systems. Over 53 percent of all observations in majoritarian and mixed electoral systems were parties that entered into a PEC. The results were

much more mixed in PR systems, where only 16 percent of parties entered into a PEC. Thus, the table shows that there are systematic trends that can be observed when we categorize countries based on electoral system type.

One notable variation we observe is the increasing frequency of PECs when parties change their electoral systems. For example, there were only three PECs that formed in Italy between 1948 and 1993. Two PECs were formed between the Communist and Socialist parties in 1948 and 1953 while one PEC was formed by the centrist alliance led by the Christian Democrats.[3] Following the three PECs that were formed in the early years of the postwar era, no parties in Italy formed a PEC until it reformed its electoral system in 1994. Following electoral reform, Italy observed a PEC in every single election as parties formed competitive electoral alliances to survive the electoral game and maximize their odds of government entry. This was not the case prior to electoral reform when Italy contested elections under the proportional representation electoral system.[4]

Similarly, Japan contested postwar elections with no PECs until 1993 when the opposition formed a grand opposition coalition to remove the LDP from power. However, following electoral reform, the frequency of PECs increased dramatically. After a failed merger of opposition parties in the 1996 general election, the LDP and CGP has formed a PEC in every election beginning in 2000. Thus, as in Italy, moving to a mixed electoral system created new incentives for political parties to coordinate and form coalitions prior to elections.

[3] Prior to the 1953 election, the DC secured the passage of an electoral law that would have given two-thirds of the seats to any coalition that received a majority of the votes cast. The law was opposed by the left and called the "swindle law" by the PCI and PSI. Despite the government's attempts to secure a supermajority, their efforts were not successful because the DC coalition only secured 49.2 percent of the popular vote. The law was rescinded afterwards (Mershon 2002, 44-6).

[4] Chapter 7 uses the Italian case to examine how electoral reform created incentives for parties to enter into PECs.

Finally, the only PEC that formed in New Zealand prior to electoral reform was between the Mana Motuhake and New Labor Party in 1990. Furthermore, the two parties were so small that the PEC barely made it above five percent of the total votes.[5] However, after New Zealand reformed its electoral system to a mixed member proportional system, New Zealand saw the Alliance Party and Labor Party come together to form a PEC in 1999. The coalition ultimately went on to enter government with a little over 46 percent of the total votes. In all three cases, PECs became a viable strategy for parties, and this was not the case for parties in the electoral systems prior to reform. Thus, there are clear effects mixed electoral systems have on the likelihood of observing PECs.

Australia has a relatively large PEC formed consistently between the Liberal and National parties. The Liberal Party's mean party size is 0.37 while the minor National Party, whose support base is traditionally outside metropolitan areas in agricultural communities, is roughly 0.09 throughout the postwar era. Other than two PECs formed between the Democratic Labor Party and Queensland Labor Party in 1958 and 1961, all PECs in Australia are between the Liberals and Nationals.[6] Thus, we see that the norm of PEC formation in Australia is between two asymmetrical center-right parties entering into formal, cooperative alliances to compete against the center-left Labor Party.

Most PECs in Germany are between the Free Democrats (FDP) and the CDU/CSU Union or the Social Democrats. The mean size of parties entering into PECs is relatively high because the CDU/CSU is coded as one party contesting elections jointly under a PEC. Thus, for example, the largest size of the CDU/CSU PEC was 0.49 in 1987, and the CDU/CSU Union entered into a

[5] Given the size of the party, both parties are not included in the Manifesto Database and, thus, are not included as a PEC in the dataset.
[6] The two parties eventually merged into one party in 1962.

PEC with the FDP to garner over 53 percent of the votes that year. In general, the CDU/CSU mean is 0.42 while its minimum size was 0.31 in 1953 and its maximum size was 0.49 in 1987. In the six elections that the FDP formed a PEC with either the CDU/CSU or the SDP, the average party size of the FDP was 0.09.

In contrast to Australia and Germany, some countries have relatively smaller parties entering into PECs. For example, the largest party that entered into a PEC in Belgium was the Flemish Christian People's Party (CVP) in 1985 when it entered government through a PEC with the Walloon Christian People's Party (PSC) and the Flemish (VLD) and Walloon (PRL) Liberals.

Scholars differ in how they categorize electoral systems, and differences in how scholars code electoral systems inevitably influence their interpretation and findings. For example, Golder (2006) dichotomizes electoral systems based on majoritarian and plurality systems. Majoritarian systems including not only plurality systems, but also absolute majority systems like France's two-ballot system, the alternative vote system like Australia, and the single non-transferable vote systems of pre-reform Japan. In contrast, proportional systems include not only proportional systems, but also mixed electoral systems like Germany. Based on this classification, Golder (2006) finds that PECs are likely in both majoritarian and proportional formulas and are more likely in proportional systems (Golder 2006, 29-30).

However, this study believes subtle variations in the rules of electoral competition dramatically alter the electoral strategies of political actors and whether or not they find PECs to be of strategic interest. In this regard, capturing the finite differences between each system is necessary to come to a more comprehensive account of the determinants of PECs. While Golder

makes the first cut in understanding how disproportionality influences PEC formation, the broad dichotomization of electoral systems do not reveal the true effects of electoral rules.

Classifying electoral system type with greater specificity presents a more comprehensive picture of how electoral system type influences the formation of pre-electoral coalitions. This study distinguishes electoral systems into four distinct types: plurality, majoritarian, mixed, and proportional systems.

Table 3 below presents the frequency of observing PECs in twenty advanced, industrialized democracies in the postwar era. Countries are categorized based on four electoral systems: plurality, majoritarian, mixed, and proportional systems. Based on this classification, we find that there are in fact distinct effects electoral system type has on PEC formation. Plurality systems rarely observe PECs, with only four percent of elections observing PECs. The results in proportional systems are more mixed, with sixteen percent observing at least two parties entering into a PEC. However, it is in majoritarian and mixed systems that we frequently observe PECs.[7]

System	***ENEP***	***PEC***	***% PEC***
Plurality	2.89	4/187	0.02
Majoritarian	3.94	97/148	0.66
Mixed	4.61	58/143	0.41
Proportional	4.56	210/1,343	0.16
Majoritarian/Mixed	4.25	155/291	0.53
Plurality/Proportional	4.37	214/1,530	0.14

Table 3: Frequency of PEC Formation

[7] Note that while Golder classifies Japan's single non-transferable vote, multi-member district (SNTV-MMD) system as majoritarian, this study follows Carey and Hix's classification of Japan as a modified-PR system given the rather proportional nature of Japan's multi-member districts which ranged as high as five seats. For more information, see Carey and Hix 2011.

The probability of PEC formation will vary based on the type of electoral system employed. Pre-electoral coalitions can provide seat premiums for parties in moderately disproportional electoral systems and create incentives to cooperate in the electoral arena. This is particularly true in systems that distort electoral representation and make it difficult for voters to make an informed and strategic vote (Budge and Laver 1992, 11).

While electoral system type has clear, systematic effects on the probability of observing PECs, there are also wide variations in the systems where PECs are formed and the types of parties that enter into PECs. In this regard, the descriptive statistics reveal that no one factor can explain the cause of PEC formation, and one must take account of both systemic and party-level variables to have a more complete understanding of PEC formation, particularly in PR systems.

Table 4 presents the mean ENEP and polarization scores of each country in the postwar era together with the mean, minimum, and maximum party size of those that entered into PECs. Note that the effective number of electoral parties (ENEP) is used rather than the effective number of parliamentary parties (ENPP).[8] Given our outcome variable of interest is coalition formation in the pre-electoral arena, we consider the effective number of *electoral* parties rather than the effective number of *parliamentary* parties. ENEP scores were obtained through Gallagher's online index while data on ideological polarization was obtained by finding the absolute distance between the most extreme left and right parties in the Manifesto Project Database.

[8] The effective number of parties is a measurement which weighs the number of political parties in a country' party system based on their strength, measured in votes or seats. The Effective Number of Electoral Parties (ENEP) refers to the weight of a party given its vote share while the Effective Number of Parliamentary Parties (ENPP) refers to the weight of a party given its seat share. For more information, see Laakso and Taagepera (1979).

Country	System	ENEP	Polarization	Mean Size	Min Size	Max Size
Australia	Majoritarian	2.89	47.19	.23	.05	.42
Austria	Proportional	2.86	39.94	.38	.06	.48
Belgium	Proportional	7.13	42.53	.07	.11	.19
Canada	Plurality	3.20	45.93	-	-	-
Denmark	Proportional	4.89	74.89	.15	.07	.19
Finland	Proportional	5.65	77.95	.14	.05	.28
France (1946–56)	Proportional	5.41	59.16	.17	.02	.29
France (1958–81)	Majoritarian	4.99	61.92	.16	.02	.38
France (1986)	Proportional	4.66	66.66	.19	.03	.37
France (1988–02)	Majoritarian	5.75	67.28	.16	.02	.37
Germany	Mixed	3.60	42.93	.27	.03	.49
Iceland	Proportional	4.00	60.56	.16	.13	.19
Ireland	Proportional	3.32	50.17	.18	.02	.39
Italy (1946–92)	Proportional	4.33	52.88	.19	.01	.53
Italy (1994–01)	Mixed	6.96	68.65	.11	.01	.30
Japan (1960–93)	Proportional	3.47	37.98	.10	.05	.24
Japan (1996–05)	Mixed	3.82	55.25	.23	.08	.35
Luxembourg	Proportional	2.98	41.49	.23	.10	.36
Netherlands	Proportional	4.23	63.22	.20	.02	.35
New Zealand (1946–93)	Plurality	2.58	31.53	-	-	-
New Zealand (1996–02)	Mixed	4.11	70.19	.19	.10	.27
Norway	Proportional	3.69	79.37	.13	.04	.32
Portugal	Proportional	2.78	39.07	.09	.01	.28
Spain	Proportional	3.66	37.81	.13	.01	.38
Sweden	Proportional	3.69	79.37	.17	.09	.46
UK	Plurality	2.78	39.07	.13	.12	.14
	Plurality	2.89	40.03	.13	.12	.14
	Majoritarian	3.94	54.57	.20	.02	.42
	Mixed	4.61	54.71	.16	.01	.49
	Proportional	4.56	56.36	.16	.01	.48

Table 4: Party System Fragmentation and Ideological Polarization

The table reveals that ENEP scores were significantly lower in plurality systems like Canada and the United Kingdom, where the ENEP values were 3.20 and 2.78, respectively. Majoritarian systems also created a party system that was moderately large: the mean ENEP score of all majoritarian systems in the postwar era was 3.94, which was higher than the 2.89 mean of plurality systems, but lower than the 4.56 score of proportional systems. This reflects how majoritarian systems are not as disproportional as plurality systems, and the party system is characterized by a greater number of effective parties.

Proportional systems like Austria had a low ENEP score of 2.86 while countries like Belgium were significantly fragmented with an ENEP score of 7.13. Thus, even within proportional systems, there is wide variation in ENEP and ENPP scores due to factors like cleavage structures, which interact with electoral laws (Ordeshook and Shvetsova 1994). In this regard, it is difficult to assess what factors explained the incidence rates of PECs in PR systems. Interestingly, mixed systems had a slightly higher ENEP score than plurality systems with a 4.61 score. Furthermore, in Italy, Japan, and New Zealand, the effective number of electoral parties increased following electoral reform. The consistent results show how parties not only survived the electoral game through the multi-tiered electoral system, but a greater number of parties played an influential role in the coalitional bargaining game.

Ideological polarization between the two most extreme parties shows that there is little variation. This is particularly true among majoritarian, mixed, and proportional systems. We find that in plurality systems, the level of party system polarization is rather limited. The two most extreme parties on the left and right are only separated by a score of 40.03. In contrast, the polarization score in majoritarian, mixed, and proportional systems are 54.57, 54.71, and 56.36, respectively.

While variations cannot be observed in regards to how polarization varies across electoral system type, we find that moving to mixed systems dramatically increases the level of polarization in the electoral system. Italy and Japan's polarization score increased by 16.44 and 17.27, respectively, while New Zealand's polarization score increased by a whopping 38.66 points. This dramatic shift in New Zealand reflects how moving from a plurality, first-past-the-post system to a mixed system allows parties to appeal to a wider range of voters. This is particularly true given the relatively high number of seats that are allocated for the proportional

tier. Unlike Italy and Japan, where the majoritarian tiers held a greater share of seats, New Zealand's allocation between SMD and PR seats were relatively balance at 65 and 50 seats, respectively.[9] This gives many smaller, minority parties the opportunity to survive elections and play a more dynamic role in both the electoral and governmental process. Combined with the proportional nature in which seats to the PR tier was allocated, New Zealand's mixed system allowed a greater number of parties to survive the electoral game.

Figure 1 below shows the frequency with which PECs are formed based on the fragmentation of the party system. Each observation on the figure represents an election year based on electoral system type. As the legend shows, green circles reflect plurality systems, blue triangles denote majoritarian systems, red plus signs denote mixed electoral systems, and yellow diamonds denote proportional representation systems. The figure shows the frequency with which PECs are formed based on electoral system type. The value for the y-axis is either 0 or 1, but given there are only two values, the results are jittered.

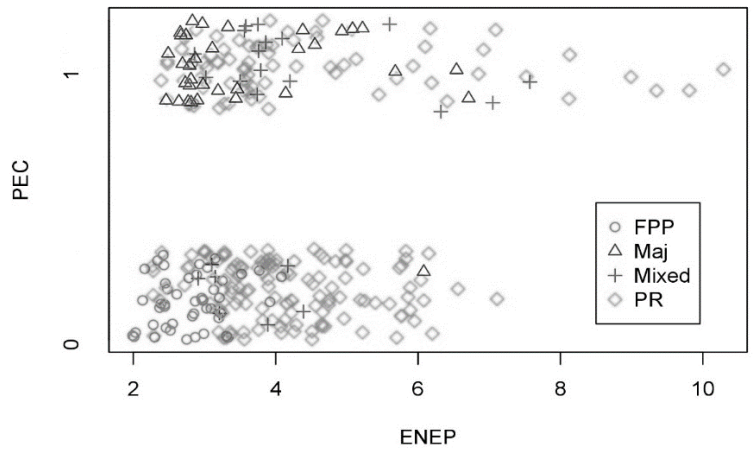

Figure 1: Visualizing PECs Based on Party Fragmentation

[9] New Zealand also allocates five seats for Maori electorates.

The results reveal how the majority of elections in plurality systems (denoted by the circles) are clustered around the bottom-left corner, revealing how plurality systems are extremely disproportional with only a few effective number of electoral parties. Furthermore, PECs are almost universally non-existent in plurality systems. In contrast, the results of proportional systems (denoted by the diamonds) are extremely variegated and mixed. While most elections in PR systems do not observe PECs, the cases where PECs are observed are rather scattered. When dissecting the cases, however, we find that the majority of the extreme observations on the top-right corner are from the Belgian case, which offers a more unique case given the fragmented electoral system. Thus, we can argue that most PECs occur in the moderately disproportional electoral systems between two and four parties. This is also true for majoritarian systems (denoted by triangles) and mixed systems (denoted by plus signs). In addition to the majority of elections filling the upper area of the figure, there are relatively few cases of elections where PECs do not occur in majoritarian and mixed systems.

PEC Formation in Plurality Systems

Next, I examine a few cases to see how PEC formation varies both within and across countries. First, PEC formation is rarely observed in the plurality systems presented within the dataset. Of the three countries included, namely Canada, New Zealand, and the United Kingdom, parties rarely entered into a pre-electoral pact. In Canada, no parties entered into a PEC in the postwar era while New Zealand saw one PEC prior to electoral reform. In the United Kingdom, the only instance of PEC formation was between the Liberal and Social Democratic parties in the mid-eighties.

New Zealand's plurality system only saw one PEC between Mana Motuhake and New Labor in 1990. Mana Motuhake was a Maori political party in New Zealand that sought an independent voice for Maori self-rule and self-determination. After Matiu Rata formed the Mana Motuhake in 1979, the Maori party ran four unsuccessful candidates in 1981, 1984, and 1987. In 1990, Mana Motuhake formed a pre-electoral pact with Jim Anderton's New Labor Party, which had just formed in 1989. Given the similarities in policies advocated by the two parties, New Labor agreed to not field any candidates in Maori seats while Mana Motuhake pledged not to stand any candidates in non-Maori, general constituency seats. Following another unsuccessful bid, Mana Motuhake merged with the New Labor Party under the Alliance banner with other center-left parties in 1991. It was only after merging to form the Alliance that a Mana Motuhake candidate was finally elected into Parliament in 1993. Furthermore, the seat that was won by Sandra Lee-Vercoe, the former Mana Motuhake candidate, was not a Maori district, but the Auckland Central district.

Thus, New Zealand's Mana Motuhake party epitomizes the inability of smaller parties to win seats in plurality systems. While their only option was to work with the New Labor Party, the party was still unable to win any seats. It was only after merging with the New Labor Party that they were able to win a seat in New Zealand's general election. Thus, Mana Motuhake's case exemplifies the lack of incentives for parties to form PECs in plurality systems, and most parties that are not dominant parties ultimately merge or cease to play a relevant role in the party system.

In the United Kingdom, coalitions let alone PECs have been "an esoteric subject" given the unlikelihood of multiparty governments (Hazell and Yong 2012, 4).[10] The only two PECs

that formed in the United Kingdom during the postwar era were in 1983 and 1987 by the Liberal Party and Social Democratic Party. In June 1981, the two parties formed the SDP-Liberal Alliance, which formalized an agreement to cooperate in elections and govern as a center-left coalition if given the opportunity to do so. While the SDP-Liberal Alliance polled well with roughly a quarter of all votes, the plurality system did not effectively translate votes into seats.[11] Despite the fact that they polled relatively well, the Alliance could not translate enough votes into seats due to the plurality system. When the Alliance failed to gain momentum during the 1987 election, the two parties decided to re-establish itself by merging into the Liberal Democratic Party.

The case of the Liberal and Social Democratic parties also reveal how the United Kingdom's plurality electoral system with two established catch-all parties make it difficult for smaller parties like the Liberal and Social Democratic parties to win seats. Prior to the 2010 coalition, the only coalitions that had formed in Britain's Westminster system were four coalitions in the prewar era due to national emergencies. Given the strength of the two main parties, majority governments were the norm, and the need for coalitions was always non-existent. It was only in 2010 following the decline in votes for the two catch-all parties, the Conservatives and Labor, that the House of Commons saw its first hung parliament since 1974. The result was a government coalition between the Conservatives and Liberal Democrats.

The brief overview of plurality systems reveals how pre-electoral coalitions are virtually non-existent. Smaller parties are unable to win elections, and parties will ultimately merge with other parties, as the Mana Motuhake of New Zealand in 1991, or cease to exist. Furthermore, the alliance between the Liberals and Social Democrats in the United Kingdom reveal how despite

[11] Note that Labor polled over 27 percent in the same election in 1983.

the parties' ability to garner nearly the same amount of votes aggregately as one of the main catch-all parties like Labor, the system ultimately disadvantaged the parties and did not proportionally translate votes into seats. After two attempts to compete through a PEC, the Liberals and Social Democrats merged into one party to compete more efficiently. The Liberal Democrats' merger reflects how PECs will be rare in plurality systems, and parties are forced to take greater measures such as party mergers to survive the electoral game.

PECs in Majoritarian and Mixed Systems

Next, I examine majoritarian systems.[12] There are two cases of majoritarian systems in the dataset: Australia and France. Australia holds elections under the Alternative Vote (AV) system while political parties in France contest elections under the two-round system. Unlike plurality systems, where a candidate only needs a *plurality* of the votes, candidates need a *majority* of the votes to win in a majoritarian electoral system. In both Australia and France, the prevalence of PECs is high.

In Australia's AV system, voters rank-order candidates rather than vote for a single candidate. The first preference votes are initially counted, and if no candidate can secure fifty plus one percent of the votes, the candidate with the lowest number of votes is eliminated, and the second preference votes are redistributed. The procedure goes on until one candidate reaches a majority.

The AV system was introduced in 1918 following the disproportional outcome of the 1918 district of Swan by-election. At the time, Australia was using the plurality, first-past-the-post system. However, in the election, a Labor candidate was elected with only 34.35% percent

[12] Given that Chapters 5 through 7 examine two mixed system case studies, this section focuses on Australia and France's majoritarian systems.

of the total votes because three non-Labor candidates split their votes. Following the loss, a Nationalist government introduced preferential voting and the AV system was introduced for the 1918 House of Representatives election.[13]

One of the primary benefits of the AV system is the ability to elect candidates based on a strong majority. Preferential voting forces voters to cast strategic votes, particularly their second preference vote. By strategically rank-ordering candidates, voters are able to maximize the probability that their party or coalition of parties ultimately enter government.

While preferential voting allows more than two parties to field candidates, the system creates disproportionate advantages for large parties. In the case of Australia, the mean value of the ENEP score was 2.89, exemplifying how difficult it was for non-mainstream parties to compete efficiently. However, given the electoral dynamics of Australia, two parties often form a PEC.

To begin, the Democratic Labor Party and Queensland Labor Party formed a PEC twice in 1958 and 1961. The PEC was the result of a split of the Victorian branch within the Australian Labor Party (ALP). The seven federal representatives and eighteen state representatives in Victoria who were expelled from the party created the Australian Labor Party (Anti-Communist). The party eventually changed its name to the Democratic Labor Party (DLP) and maintained a nationwide organization that covered all States except for Queensland. Following the formation of the Queensland Labor Party (QLP), which split from the Australian Labor Party in 1957, the two parties contested elections in 1958 and 1961 through a PEC. Given the geographical scope of the QLP, the party eventually merged with the DLP in 1962.

[13] For more information, see Wright (1986) and Farrell (2001).

As the first minor party that emerged in Australia, the DLP played a pivotal role in keeping the ALP out of office. The DLP recommended that its constituents vote for the anti-communist, center-right Coalition against the ALP, and DLP preference votes helped Coalition candidates win seats at the expense of Labor. According to Duffy (1969), DLP preference votes allowed the Liberals to hold 16, 24, and 17 seats during the 1958, 1961, and 1963 elections, respectively (Duffy 1969, 406-7). For example, in 1958 and 1961, when the DLP and QLP formed a PEC against the ALP, the two parties averaged roughly 9.06 percent of the total votes. Thus, by appealing to an anti-communist base, the DLP was able to play a key role in influencing not only electoral outcomes, but government outcomes as well.

The main PEC, however, that continues to be formed in the postwar era is the Coalition between the Liberal Party and National Party.[14] Due to preferential voting, Farrell and McAllister (2005) argue that the electoral rules of Australia's AV system systematically institutionalize the Liberal and National coalition, particularly due to the strength of the Labor Party. The Liberal Party represents urban voters while the National Party represents rural interests, and the two parties worked together throughout most of the twentieth century except in 1973-74 and 1987.

With the Liberal and National parties catering to different voters based on an anti-Labor platform, the party system resembles "a trio in form and a duet in function" (Lipson 1959). Cooperation varies across state and territorial elections, but the Coalition alliance at the federal level has remained relatively stable. While the formal alliance has had schisms throughout its history, the center-right Coalition has helped the two parties cooperate and compete against the center-left Australian Labor Party.

[14] Note that while the main members of the Coalition are the Liberals and Nationals, formal partners in the Coalition also include the Country Liberal Party of the Northern Territory and the Liberal National Party of Queensland.

Given Australia's preferential voting system, the Coalition allows the participating parties to simultaneously compete and cooperate at the same time. Party supporters stand outside polling stations handing out instructions on how to vote. Candidates from both parties direct their constituents to rank their partner's candidates high in their preferential votes. For example, supporters of the Liberal Party will write down the Liberal candidate's name at the top of the list, but will also write down the National candidate's name as his or her second preference. By ranking each other's candidates high on the ballot, parties can efficiently convert first and second preference votes into seats. Furthermore, both parties are able to field candidates and continue working together in the same district. In doing so, the PEC allows voters to cast their preferences for their candidate, but also provides an opportunity to maximize the probability of a Coalition candidate ultimately winning the seat.

In contrast to Australia's AV system, where only the Liberal and National parties are often seen forming PECs, France's majoritarian system frequently observes multiple PECs election after election. Since 1962, France's National Assembly is elected based on a majoritarian variant called the two-round, runoff system. Like the AV system, the two-round system requires winners to receive an absolute majority in the first round. If there is no winner following the first round, the two candidates who finished first and second automatically move on to the second round, runoff election. In addition, candidates that garner over 12.5 percent of the total registered votes qualify for the runoff election.[15] In the second round, candidates only need to win a plurality of votes, and an absolute majority is not required.

Unlike Australia's AV system, France's electoral system provides opportunities for smaller parties to survive the first round and play a strategic role in influencing the outcomes of

[15] Note that the 12.5 percent minimum threshold was set in 1978. From 1958 to 1962, the threshold was five percent, and from 1962 to 1978, the threshold was set at ten percent. For more information, see Farrell (2001).

the second round. In the first round of the election, parties have the option to either work together and form a PEC or compete independently and form a PEC in the second round. The norm under France's majoritarian system has been to form programmatic leftist or rightist coalitions. However, even if parties contest elections independently in the first round, they often have agreements (*désistements*) to stand down and maximize the probability of a leftist or rightist victory (Knapp 2002, 109).

For example, the Radical Party of the left has maintained a close alliance with the Socialists since it was formed in 1972. Since the Radical Party only garners a little over two percent of the votes electorally, it is dependent on the Socialist Party for parliamentary representation. Thus, since the 1973 elections, the two parties have consistently entered into a formal alliance in both the first and second rounds.

Similarly, the French Communist Party (PCF) has worked together with the Socialists. The PCF has a history of contesting elections independently in the first round and maximizing their voice being heard by the general populous. However, dating back to the PCF's tripartite coalition government with the Socialists and Radicals in the mid-thirties, the PCF has either backed down or worked together with the mainstream left in the second round to maximize their electoral victory. This trend has been consistent throughout the postwar era, except for the year 1986, when the electoral system was temporarily reformed into a party-list proportional representation system.

Finally, since the mid-seventies, France's Union for French Democracy (UDF) and the Gaullist Rally for the Republic (RPR) also worked together to contest elections and enter government. In addition, the two parties worked together to present a joint list in European elections. The UDF was founded as a centrist political party in 1978 through an electoral alliance

by the Republican Party, the Center of Social Democrats, the Radical Party, the Social Democratic Party, and the Perspectives and Realities Club. The UDF was formed in response to Chirac's establishment of the RPR, which sought to uphold the Gaullist banner. While the party had initial confrontations, they worked together during elections to compete against the strength of the Socialists, who, along with the Communist and Left Radical parties, garnered over two-fifths of the seats in the second round. When Mitterrand and the center-left coalition won a resounding victory in 1981, the UDF and RPR reconciled their differences and continued their cooperation.

One factor influencing the close cooperation between both the leftist and rightist parties was the rise of the Front National (FN). The FN was established based on the merger of several right-wing sects and clubs in 1972 as an anti-system party that appealed to disaffected voters of dominant mainstream parties. While the party struggled at the outset of its foundation, the FN gradually increased its role in the French political system, particularly due to the "Dreux effect" in 1983.

During the Dreux municipal by-election in 1983, the UDF and RPR formed an alliance with the FN to defeat the left (Declair 1999, 60).[16] Dreux was a small town on the outskirts of Paris that saw its immigrant population rise to thirty percent by the eighties. Based on anti-immigration appeals, the FN achieved a resounding victory in the Dreux municipal by-election when Jean-Pierre Stirbois, the FN candidate in Dreux, received 16.7 percent of the votes in the first round. Despite criticism by the national leaders, the local UDF and RPR coordinated with the FN in the second round to defeat the left under the candidacy of Stirbois (Kitschelt 1997, 100).

In the 1984 European parliamentary election, which was contested under proportional representation rules, the FN list received ten seats (over eleven percent), thereby solidifying the unprecedented strength and staying power of the far right party. In 1981, the FN only received a little over 90,000 votes, or 0.36 percent of the votes. However, given that the 1986 election was contested under PR rules, the FN received over 2.7 million votes in the next election in 1986, a total of 9.65 percent that translated into 35 seats.[17] Despite the UDF and RPR constructing a joint list to squeeze the FN out of the National Assembly, the FN was able to secure the same number of votes and seats as the declining Communist Party. The FN continued to solidify its presence, despite the fact that a reversion to the two-round majoritarian system dramatically reduced its seat share from the 1988 election. The party, however, was able to secure nearly 2.4 million votes in the first round, making up nearly 10 percent of the total votes in France.

In the 1997 National Assembly elections, there were 76 three-way run-off contests with the National Front which split the vote on the right and helped secure 47 seats for the left (Chabal 2014, 47). Thus, the FN has become a legitimate party in France, and this was highlighted in the 2002 French presidential election when Jean-Marie Le Pen of the FN moved on to the second round of the presidential election following the left's inability to coordinate in the first round. With Le Pen advancing into the second round, the RPR's Chirac achieved a landslide victory in the runoff election.

France reflects how the electoral system forces parties to coordinate with one another to maximize not only their ability to increase seats in the National Assembly, but also prevent other dominant parties from moving on. The majoritarian electoral system in France allows smaller,

[17] The 1986 French legislative elections was contested under the party-list proportional representation system, which was enacted by Mitterrand to cut the expected losses of the Socialist party and preserve the left's control of the legislature. Following the victory of the RPR/UDF coalition, Mitterand named Chirac as prime minister, thereby starting a period of cohabitation between the left and right.

minor parties to appeal to its constituencies and survive the first round to play an influential role in the second. Thus, we find that electoral coalitions are not only prominent in the second round of French legislative elections, but in the first round as well between parties that seek to maximize their electoral victories.

PEC Formation in Proportional Representation Systems

Finally, this study argues that PEC formation in proportional representation systems is less impacted by the electoral system. Since PR systems are often much more proportional in converting votes into seats, parties are less likely to find incentives to form PECs. Instead of bearing the costs of a PEC, parties should have greater incentives to contest elections independently and secure a share of seats commensurate with their vote share. Afterwards, parties will negotiate post-electoral coalitions with other parties and seek to enter government.

The figure below plots election years based on the level of party system fragmentation using the ENEP score. Increasing numbers reflect a rise in the number of "effective" parties. The high ENPP values reflect Belgium as an outlier case. The figure shows how the formation of PECs throughout PR systems is relatively balanced, and there is no specific pattern that is observable. Thus, while the probability of observing PECs in PR systems is higher, relative to plurality systems, PR systems do not create the same incentives to form PECs as majoritarian and mixed systems do.

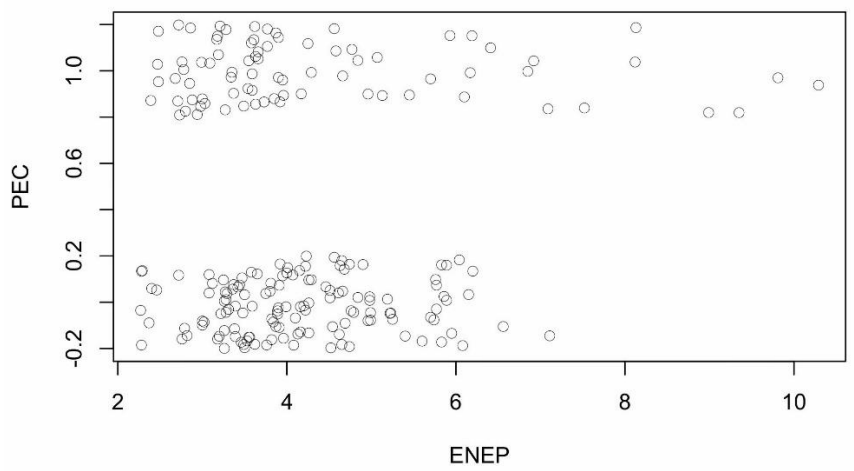

Figure 2: Impact of the Number of Parties on PECs in PR Systems

This study argues PR systems do not create incentives for parties to form PECs. Since votes are proportionally allocated into seats, the rules of PR systems do not constrain and force parties to consider coalition formation in the pre-electoral arena. In contrast, more case-specific factors influence whether or not parties in PR systems find PECs to be of strategic interest.

Austria's party system is characterized by relative stability due to the concentration of power into two mainstream parties: the Austrian People's Party (ÖVP) and the Socialist Party of Austria (SPÖ). It was only after the eventual emergence of the Greens and the Liberal Forum, and the rise of the Freedom Party (FPÖ) that the party system began to experience fragmentation. Despite the proportional nature of the electoral system, the ÖVP and SPÖ held over 87 percent of the parliamentary seats until the mid-eighties. During the period of 1949 to 2002, the ÖVP and SPÖ formed 10 PECs over the course of seventeen elections.

Historically, both parties worked together and governed based on a grand coalition. At the onset of the Second Austrian Republic, the ÖVP and SPÖ parties formed an ad hoc committee with the Communists and entered into a grand cabinet government. The three parties

were licensed by the Allied authorities, and the aim was to share power equally during the transitional period. While the Communists eventually left the coalition in 1946, the ÖVP and SPÖ continued to work together (Secher 1958, 794).

As Müller (2003) contends, while the proportional nature of Austria's PR system does not create incentives for parties to form pre-electoral coalitions, parties frequently clarified their coalition preferences before elections (Müller 2003, 91). From 1945 to 1966, the ÖVP and SPÖ indicated their willingness to cooperation in grand "black-red" coalitions before contesting elections. This was because both parties were unable to win absolute majorities on their own. Rather than relying on minor extremist groups, the two parties formed a united front to advance Austrian interests (Cook 2014, 57). During this period, the mean ENEP score of Austria's electoral system was 2.56, illustrating how the two parties dominated the electoral arena.

Following a couple decades of grand coalitions, the composition of governments changed beginning in 1966. Both the ÖVP and SPÖ "fought the 1966 election with the pledge that the grand coalition should subsequently be renewed, though in a modified form" (Müller 1999, 174). However, the ÖVP increased its seat share by four seats from the previous election to secure an absolute majority with 85 out of 165 contested seats. While the two parties engaged in intense talks to continue the grand coalition, negotiations eventually failed after six weeks and the ÖVP entered government on its own (Müller 1999).

Following ÖVP's electoral success in 1966, the SPÖ controlled government either through absolute majorities in 1971, 1975, and 1979 or through minority governments supported by the FPÖ in 1970 and 1983. The FPÖ supported the 1970 SPÖ minority government after the SPÖ guaranteed electoral reform to make the system more proportional for smaller parties.[18]

[18] Prior to electoral reform, the National Council was composed of 165 seats filled in 25 multi-member constituencies, and seats were allocated using the Hagenbach-Bischoff method. Following electoral reform, the

Through electoral reform, the National Council elections became much more proportional and benefited smaller parties like the FPÖ. For example, Stelzer (2011) argues that while the FPÖ needed over 40,000 votes to gain a seat in parliament in 1970, it only needed to secure 20,000 seats in the 1983 elections (Stelzer 2011, 67).

During this period of single-party minority and majority governments, pre-electoral cues were non-existent. It was beginning in 1986 that parties other than the ÖVP and SPÖ gained momentum and brought the ÖVP and SPÖ PEC back into the spotlight. Müller argues two factors influenced Austria's oversized coalitions: the effect of historical legacies and the unfit nature of third parties. First, the conflict between the Christian Socials and Social Democrats during the interwar period war was a burden for the parties, and the successors of the two parties in the ÖVP and SPÖ "learned their lessons from history" and cooperated with one another in the postwar era by sharing office (Müller 2003, 94).

Moreover, the League of Independents (VdU) and its successor, the Freedom Party (FPO), was not seen as an acceptable alternative partner given their extremist views. While the communists initially entered government together with the ÖVP and SPÖ, they also lacked strength and legitimacy to be a viable partner for the ÖVP and SPÖ. Thus, the postwar era has been dominated by grand coalitions between the left and right.

In contrast to Austria, where two parties dominated the electoral system, Ireland saw the Fianna Fáil party dominate the electoral arena in the earlier part of the postwar era. From 1932 to until 1948, Fianna Fáil ruled Ireland under the leadership of Eamon de Valera. The opposition briefly came into power from 1948 to 1951 based on an "inter-party government" headed by Fine Gael's John A. Costello. Though Fianna Fáil was able to regain power again in 1951,

National Council expanded its size to 183 seats filled in nine constituencies, and the Hagenbach-Bischoff method was replaced by the Hare method.

Costello formed a second inter-party government in 1954 following Fianna Fáil's declining support. Both inter-party governments were PECs formed by parties that sought to distinguish themselves in opposition to Fianna Fáil.

However, the inter-party governments were based on broad coalitions that were united based on a desire to overthrow Fianna Fáil. The diverse nature of the inter-party governments resulted in electoral setbacks for participating parties. For example, while Fine Gael and Labour held 50 and 19 seats following the 1954 elections, their share of seats fell to 40 and 12 in the 1957 election. Following the second inter-party government, both Fine Gael and Labour pursued independent strategies and avoided working with one another in the hopes that "it might one day acquire sufficient support to challenge for government on its own" (Mair 1993, 97). However, this only solidified the power of Fianna Fáil, who continued to rule until 1973.

Following sixteen years of uninterrupted rule by Fianna Fáil, Fine Gael and Labour formed a two-party PEC in 1973 and formed the National Coalition to regain control of the Dáil Éireann, Ireland's lower house. When the two parties were able to come to a PEC, both Fine Gael and Labour supporters were asked to list their preferred party's candidate first and then their coalition partner's candidate second (Golder 2006, 20). By doing so, the parties could maximize the probability that their candidates could secure seats. Like Australia, this was due to Ireland's single-transferable vote (STV) electoral system.

The STV system was a type of PR system that allowed voters to rank-order candidates who were up for election in multi-member constituencies. Each electoral had a single, transferable vote that was initially allocated to their most preferred candidate. If the candidate was either elected or eliminated from competition, his or her second preferences votes would be transferred. By allowing for the transfer of preference votes, Ireland's STV system is

proportional and lowers the possibility of voters casting wasted votes. Thus, Fine Gael and Labour formed a PEC to maximize their second preference votes. In doing so, they were able to compete much more effectively.

Conclusion

Despite the fact that both Austria and Ireland's cases reflect proportional systems where the number of votes is translated equally into seats, parties in PR systems may still form PECs to satisfy various constraints they face in the pre-electoral arena. In Austria, both historical legacies and the lack of alternative partners led the two mainstream parties to form a grand coalition election after election. In the case of Ireland, forming PECs was a way for opposition parties to present voters with an alternative to the dominance of Fianna Fáil. Furthermore, due to the unique STV electoral system, forming PECs allowed parties to coordinate more effectively and transfer votes to one another. These brief case studies reveal that more case-specific factors are at work in PR systems, and the effect of moderately disproportional, multiparty systems on PEC formation in PR systems is much more mixed and inconclusive.

The next chapter tests the theory presented in Chapter 2 using multivariate regression analysis. The probability of PEC formation is tested utilizing electoral data from twenty advanced, industrialized democracies in the postwar era. The results paint an overwhelmingly clear picture that moderately disproportional, multiparty systems create incentives for PEC formation. Upon controlling for both party-specific and system-level variables, the decision for parties to consider forming PECs are influenced by the type of electoral systems in which they contest elections.

CHAPTER 4

Empirical Analysis: Testing the Causal Determinants of PEC Formation

A brief overview of the pre-electoral coalition literature showed that while PECs have received greater interest in the coalition literature, the causal determinants of PEC formation have been understudied. Based on the premise that parties seek to maximize their expected utility by simultaneously pursuing votes, office, and policy, this study argues that parties in the pre-electoral arena weigh the costs and benefits of PEC formation based on their desire to maximize seats.

Parties must take into account the role of institutions when assessing the benefits of a PEC because they shape and influence the incentive structures of political parties. Chapter 2 revealed how moderately disproportional multiparty systems, specifically majoritarian and mixed systems, heighten electoral competition and increase electoral uncertainty for both voters and parties. Under such circumstances, parties will enter into PECs when doing so allows them to survive the electoral game, maximize their probability of securing a greater number of seats, and ultimately enter government.

This section takes the theoretical conclusions delineated in Chapter 2 and tests them empirically utilizing probit regression analysis. The focus of the empirical analysis will be on the electoral systems that structure electoral competition and how moderately disproportional systems create incentives for parties to form PECs. In addition to electoral system type, this study also takes into account both party-specific variables and system-level variables that can influence whether or not parties ultimately decide to form PECs.

Hypothesis

Extant works argue that conditional disproportionality can influence PEC formation (Golder 2006). This study builds on such works with greater sophistication. Moderately disproportional systems lead to multiparty systems that encourage strategic voting. Under such systems, both parties contesting elections and voters casting votes face high electoral uncertainty. The combination of disproportional electoral rules and multiparty competition create uncertainty regarding seat distribution and the outcome of post-electoral coalition negotiations.

As outlined in Chapter 2, the institutional rules of electoral systems constrain political actors and influence whether parties form PECs. The electoral rules of plurality, first-past-the-post systems are extremely disproportional in the way votes are translated into seats, and this naturally leads to two-party competition. While small parties may survive at the district level, they are rarely able to win enough seats at the national level to play an influential role. Given that constituents are often limited geographically to specific regions, such parties have less incentives to enter into PECs with other mainstream parties, and vice versa. In contrast, proportional systems result in more mixed results given the proportional nature of the electoral formulas. Since parties are able to win a fair share of seats in every election, electoral survival is not a threat for parties in proportional systems. Thus, there are no incentives for parties to compromise in the pre-electoral stage and incur the costs associated with PECs. Parties often contest elections independently and enter into post-electoral, government coalitions.

Electoral System Hypothesis: *Moderately disproportional electoral systems, specifically majoritarian and mixed systems, allow for multiparty survival and encourage voters to make strategic votes. Given the high levels of electoral uncertainty, parties have greater incentives to form PECs. Plurality systems rarely observe PECs while proportional systems result in more mixed outcomes.*

To fully account for the formation of PECs, one must also control for both party-specific and system-level variables that are important determinants of the coalitional game in the pre-electoral arena. Both the institutions that govern electoral competition and the characteristics of individual parties are important factors that influence PEC formation.

Control Variables: System-Level Variables

First, this study takes into account the role of strong, upper house chambers, particularly in majoritarian and mixed systems. While legislation is often the result of negotiations between two houses in a bicameral system, the coalition literature has often ignored the role of the upper chamber by focusing solely on the lower house. Druckman, Martin, and Thies (2005) argue that coalition theories often assume away second chambers and treat them as rubber stamps for government initiatives. Numerous studies have sought to analyze the effects of second chambers on various outcomes, including coalition formation, cabinet duration, and legislative processes and outcomes.[1]

In particular, Money and Tsebelis (1992) argue upper chambers serve as additional veto players that political actors must account for when considering government formation. Increasing the number of veto players increases policy stability because governments have greater difficulty enacting policies (Tsebelis 1995, 2000; Heller 2007). Divided chambers increase the probability of unstable governance by constraining party options in bicameral institutions. In this regard, the upper house chamber can serve as an institutional veto point that political actors must overcome,

[1] Tsebelis makes a normative argument that the presence of an upper house minimizes the "tyranny of the majority" and serves as delaying mechanisms because of its ability to delay and even veto legislation (1992a, 1992b). On the types of coalitions that form, see Druckman and Thies 2002; Druckman et al. 2005. On legislative processes and outputs, see Riker 1992; Alt and Lowry 1994; Binder 1999; Lupia and McCubbins 1994; Heller 1997, 2001; Tsebelis and Money 1995, 1997; Tsebelis and Rasch 1995; Rogers 1998; Diermeier and Myerson 1999; McCarty and Cutrone 2007. On cabinet duration, see Druckman and Thies 2002.

particularly when considering how to compete efficiently in lower house elections. When parties lack control of the upper chamber, it increases the probability of both delayed legislation and government instability.

Parties that hope to win a majority have incentives to form PECs that lead to majorities in both houses. In doing so, parties are able to signal their plan to enter into enduring PECs that maximize both the ability to manage legislative affairs and their chances of government entry. This should be most evident in majoritarian and mixed systems, where the incentives to enter into pre-electoral pacts are particularly high. The interactive effects of electoral system type and bicameralism should increase the probability of observing PECs.

As Katz argues in the case of Italy's bicameral parliament, the government is equally responsible for both chambers, and it is "essential to government stability and effectiveness that the partisan complexion of the two chambers be compatible, if not identical" (Katz 2001, 98-9). While some have argued upper houses lack veto power and are not critical to the study of coalition formation and legislation, others have asserted that even weak upper houses influence legislative outcomes. Tsebelis and Money (1997) argue the United Kingdom's House of Lords can wield its power by delaying bills in the year prior to an election, which has the effect of killing the bill. Despite its relative weakness, the House of Lords was able to abort Conservative and Labor legislations (Tsebelis and Money 1997, 2). Delaying power is a fundamental mechanism through which second chambers exert influence, even without veto power.[2]

The example of the German case in Chapter 1 also highlights this logic. After the CDU lost the 2013 Lower Saxony election to the SPD and Alliance '90/The Greens, the CDU also gave up control of the upper house, or Bundesrat. Despite holding a majority in the Bundestag,

[2] Examples include Heller (1997), Tsebelis and Money (1997), and Rogers (2003).

the loss of the Bundesrat meant it would be difficult for the CDU/CSU and FDP coalition to enact and pass legislation smoothly. A similar case can be observed in Japan, where a divided government has limited the ability of governments to pass legislation without the support of other parties. As will be analyzed in Chapters 5 and 6, this was one of the most important reasons why the LDP sought the CGP as a coalition partner. Not only was the CGP an ideologically compatible party, but forming a PEC would allow them to secure majorities in both chambers and bring about stability in legislation.

Of the twenty countries examined in this study, twelve have bicameral chambers. Second chambers are particularly common in majoritarian and mixed systems, where they enhance the incentives for parties to enter into pre-electoral pacts. A simple two-way, multivariate analysis between bicameralism and PECs reveal that there is a 24 percent likelihood that parties in bicameral systems will form a PEC. In contrast, the likelihood of observing PECs is just eight percent in unicameral chambers. Put another way, 87% of all PECs occur in bicameral chambers.[3]

Bicameralism: *Majoritarian and mixed electoral systems with bicameral chambers constrain parties and increase veto players that increase incentives for parties to form PECs.*

In addition to bicameralism, this study also controls for party system fragmentation. The coalition literature has emphasized the importance of party system fragmentation and how the level of fragmentation can shape and influence the party system (Laakso and Taagepera 1979; Taagepera and Shugart 1989). Increasing fragmentation in the pre-electoral arena, measured by the effective number of electoral parties (ENEP), can be a sign of the electoral system being

[3] Of the 1,611 observations, 310 observations in the dataset formed PECs. Of the 310 cases, only 41 were from unicameral chambers, and 269 were in bicameral chambers.

proportional. This means more parties are able to survive and compete efficiently in the electoral arena. In this regard, coalition governments should be the norm in countries with high party system fragmentation.

If we assume that high ENEP scores reflect the proportional nature in which votes are translated into seats, we can also assume that the frequency of PECs should decline with increasing fragmentation. Similar to the logic of proportional systems, parties are able to survive the electoral game without the need for compromise in the pre-electoral arena. In this regard, we can expect there to be a much lower probability of parties forming PECs. Parties in fragmented party systems would compete independently by running on their own policy platforms. Only after they are able to secure their share of seats will they engage in post-electoral coalition bargaining. Thus, increasing fragmentation of the party system should lower the probability that parties form PECs.

Fragmentation: *Increasing fragmentation of the party system signals greater proportionality of the electoral system and results in a lower probability of observing PECs.*

Next, this study argues that a polarized ideological environment can play an important role in creating incentives for parties to form pre-electoral pacts. In Chapter 2, we assumed that an important condition for parties to consider PECs with another partner is their ideological compatibility. Similarly, parties may consider entering into PECs to maximize their ability to secure seats in ideologically polarized environments. Scholars like Sartori (1976), Powell (2000), and Geys et al. (2006) contend that parties have the option to enter into coalitions to prevent anti-system parties from winning enough seats to enter government. For example, the threat of the Communists in both France and Italy led to the formation of coalitions that prevented the rise of

extremist governments (Mershon 2002).[4] For the Socialists, this was also a way to reassure voters that that they would not form a coalition with the Communists. Furthermore, if an extremist party is expected to poll strongly, opposing parties may have incentives to coordinate their electoral strategies and present a united front to the voters against an extremist party.

Increasing polarization may contribute to higher levels of uncertainty in the pre-electoral arena. When political parties find themselves in a highly polarized party system with influential extremist parties, mainstream parties may be more likely to engage in pre-electoral bargaining. In doing so, a set of parties can signal their post-electoral identity and provide a united front to combat extremist parties. To minimize the impact of extremist parties and maximize the likelihood of a mainstream government entering office, parties may consider entry into a PEC.[5]

Polarization: *Increasing ideological polarization increases electoral uncertainty, and to minimize the impact of extremist parties, there is a higher probability of observing PECs.*

Finally, institutional rules such as investiture votes may play a role in creating incentives for parties to form PECs. Investiture votes require incoming governments to secure a majority in a formal vote to take office. If parties are unable to secure enough votes in the post-electoral arena, parties are unable to secure entry into government. Given the threat of uncertainty in post-electoral bargaining, parties may find PECs to be of strategic interest. By entering into a PEC, parties can avoid lengthy negotiations with other parties in the post-electoral coalition bargaining stage. Thus, a PEC can increase how efficiently parties negotiate post-electoral negotiations.

[4] For more on anti-system parties, see Sartori (1976), Powell (2000), Budge and Keman (1990), Warwick (2006), Mershon (2002), Golder (2006), Erk (2005), and Müller-Rommel (2002).

[5] Electoral system type and party system fragmentation are tested for multicollinearity. Chaterjee and Hidi (2006) note that a Variance Inflation Factor (VIF) above 10 signals the data may have collinearity problems and can result in estimation problems. When testing for multicollinearity, the mean Variance Inflation Factor (VIF) between electoral system type and fragmentation is 1.78. Thus, while electoral system type and fragmentation may not be entirely independent, the threat of collinearity is not enough to warrant dropping fragmentation from the models.

Investiture Vote: *Governments that require investiture votes to enter office increase the probability of observing PECs.*

Control Variables: Party-Specific Variables

In addition to system-level variables, I also control for party-specific variables. Institutions are necessary, but insufficient in explaining PEC formation. It is when we also account for variations in party-specific variables that we can determine the probability of observing PECs with greater accuracy. Just as party-specific variations influence the outcome of post-electoral government coalitions, this study argues that they should also have a systematic effect on PEC formation. In this study, we control for party size, party ideology, and whether or not a party was a median party.

Previous studies have highlighted the importance of ideological compatibility and how parties that are ideologically compatible are more likely to form PECs. Golder (2006) and Gschwend and Hooghe (2008) reveal how ideological compatibility between parties is crucial for both party elites and voters to accept a PEC. Such a framework requires a dyadic approach and focuses on the absolute distance between two independent parties. This study tests specific characteristics or traits that may be consistent across parties that decide to form PECs.

The incentives for forming a PEC can vary based on party size. For instance, as party size increases toward a majority of seats, parties are much more likely to "go it alone" and contest elections independently. Such parties are much more likely to view PECs as a costly constraint. As discussed in Chapter 2, parties are interested in maximizing votes, office, and policy interests. If parties are able to command a seat share close to a majority, forming a PEC would lower their ability to maximize various interests. For instance, they would have to back down in some

districts or give up on certain office posts or policy positions to accommodate coalition partners. By locking in commitments, parties become bound to agreements that they may regret ex-post.

In this regard, parties that are close to reaching a majority threshold have much greater bargaining power in the post-electoral bargaining stage, relative to other parties. Such parties would rather engage in post-electoral coalition bargaining to maximize their interests. All else equal, PEC formation should be a quadratic function of party size, increasing as party size increases, but decreasing as party size approaches some threshold.

Whether or not party size impacts PEC formation should be contingent upon party ideology. Many extremist parties often garner votes based on ideological purity. For example, in the case of presidential elections, Kellam (2014) argues parties only selectively form PECs because there are costs to compromise, and extreme parties are less inclined to enter into PECs because doing so entail costs and a high risk of losing voters. In this regard, PECs convey information regarding the party's willingness to compromise.

This study argues that relative to extreme parties, those that are closer to the ideological center are more likely to compromise with other parties. Centrist parties who seek to compromise and enter government should be more likely to form PECs. In contrast, extremist parties should be less inclined to commit in the pre-electoral arena. Furthermore, whether or not one's ideology influences PEC entry should be contingent on party size. Thus, there should be an interactive effect between party size and ideology on PEC formation.

Size & Ideology: *All else equal, PEC formation is a quadratic function of party size, increasing in the first term and decreasing in the second. However, the effect of party size is conditional on party ideology, where ideologically centrist parties are more inclined to enter into PECs, relative to extremist parties.*

Finally, in addition to party size and ideology, whether or not a party is the median party should also be taken into consideration. Median parties have high bargaining power and play an influential role in the formation of governments. By using their strategic position, median parties can serve as kingmaker and utilize their bargaining power. Thus, median parties with high bargaining power should be less likely to form PECs. The list of hypotheses is presented below.

Median Party: *Given their strategic position and high bargaining power, median parties are less likely to enter into PECs*

Electoral System Hypothesis	Moderately disproportional electoral systems, specifically majoritarian and mixed systems, allow for multiparty survival and encourage voters to make strategic votes. Given the high levels of electoral uncertainty, parties have greater incentives to form PECs. Plurality systems rarely observe PECs while proportional systems result in more mixed outcomes.
Bicameralism	Majoritarian and mixed electoral systems with bicameral chambers constrain parties and increase veto players that increase incentives for parties to form PECs.
Fragmentation	Increasing fragmentation of the party system signals greater proportionality of the electoral system and results in a lower probability of observing PECs.
Polarization	Increasing ideological polarization increases electoral uncertainty, and to minimize the impact of extremist parties, there is a higher probability of observing PECs.
Investiture Vote	Governments that require investiture votes to enter office increase the probability of observing PECs.
Size & Ideology	All else equal, PEC formation is a quadratic function of party size, increasing in the first term and decreasing in the second. However, the effect of party size is conditional on party ideology, where ideologically centrist parties are more inclined to enter into PECs, relative extremist parties.
Median Party	Given their strategic position and high bargaining power, median parties are less likely to enter into PECs.

Table 1: Hypothesis & Control Variables

Data & Methods

Electoral data was collected from twenty developed democracies from 1946 to 2010.[6] The list of countries is presented in Table 2. Each observation represents a party in a particular election, and the outcome variable is a dichotomous variable coded 1 when a party enters into a PEC, and 0 otherwise. Since the dependent variable is a dichotomous variable, probit regression analysis will be used to test the effects of electoral system type on PEC formation.

This study follows Sartori (1976), Budge et al. (2001), and Golder's (2006) coding scheme and limits the inclusion of parties to those that attain over one percent of the total votes. Doing so avoids skewing the overall fit of the models by dropping uncompetitive parties that do not play a significant role in the electoral game. Data on PECs was obtained and updated from Golder (2006). Given that parties are repeated across elections in each country and observations may not be entirely independent, this study employs robust standard errors clustered by country.

To test the Electoral System Hypothesis, countries are coded as dichotomous variables based on electoral system type: plurality, majoritarian, mixed, and proportional systems. Relative to plurality and proportional systems, majoritarian and mixed systems should increase the probability of observing PECs. The Bicameralism Hypothesis is tested with a dichotomous variable where observations are coded 1 if the country has a strong bicameral chamber and 0 otherwise. The strength of bicameral chambers is determined using Lijphart's (1999) coding scheme, where bicameralism ranges from 1.0 to 4.0. Countries that score greater than 2.5 are coded 1, and 0 otherwise.[7] Strong, upper house chambers should increase the probability of observing PECs. To test the interactive effect of electoral system type and bicameralism,

[6] The years included in the dataset vary. For more information, see the descriptive statistics presented in Chapter 3.
[7] Lijphart's coding scheme is a much better way of testing the effects of bicameralism compared to a simple distinction between unicameral and bicameral chambers. For example, the mean of a simple dichotomization of unicameral and bicameral chambers is 0.701 while Lijphart's index is 0.504. The number of observations is also

bicameralism is interacted with another dichotomous variable where a country is coded 1 when the country competes under a majoritarian or mixed system, and 0 otherwise. The interaction variable should have a positive coefficient, meaning majoritarian or mixed electoral systems with strong upper house chambers increase the probability of observing PECs.

Country	System	Bicameralism	Threshold	Investiture
Australia	Majoritarian	Y	N	Y
Austria[1]	Proportional	Y	Y	Y
Belgium[2]	Proportional	Y	Y	Y
Canada	Plurality	Y	N	Y
Denmark[a]	Proportional	N	Y	Y
Finland	Proportional	N	N	N
France	Majoritarian	Y	N	Y
Germany	Mixed	Y	Y	Y
Iceland[3]	Proportional	N	N	Y
Ireland	Proportional	Y	N	Y
Italy[b]	Mixed	Y	Y	Y
Japan[b]	Mixed	Y	N	Y
Luxembourg	Proportional	N	N	Y
Netherlands	Proportional	Y	N	Y
New Zealand[4ab]	Mixed	N	Y	N
Norway[3]	Proportional	N	N	Y
Portugal	Proportional	N	N	Y
Spain	Proportional	Y	Y	Y
Sweden[a]	Proportional	N	Y	Y
United Kingdom	Plurality	Y	N	Y

[1] Austria adopted a 4% threshold following a 1992 reform of the electoral law.
[2] Belgium adopted a 5% threshold in 2003. In 1995, Belgium eliminated investiture vote rules.
[3] Ireland and Norway yes but only for compensatory seats.
[4] In New Zealand, the threshold is 5% but does not apply if a party wins a directly elected seat.
[5] Sweden adopted a 4% threshold in 1970 following a 1969 reform of the electoral law.
[a] Denmark, New Zealand, and Sweden's bicameral chambers became unicameral in 1953, 1954, and 1973, respectively.
[b] Italy, Japan, and New Zealand became mixed in 1993, 1994, and 1996, respectively.

Table 2: List of Countries

much more balanced and conducive to comparative analysis. For example, a simple dichotomization of unicameral and bicameral chambers results in over seventy percent of observations being bicameral. In contrast, Lijphart's index results in a more balanced 50.51%.

Party system fragmentation is calculated using the ENEP score. Increasing ENEP scores should decrease the probability of observing PECs. Data is obtained from (Carey and Hix 2011) and Golder (2005). Ideological polarization is measured by taking the absolute distance between the two most extreme parties in the dataset.[8] Data on ideology scores utilize the aggregate left-right *rile* score from the Manifesto Project Database.[9] Increasing polarization should increase the probability of observing PECs. The Investiture Vote Hypothesis is tested using a dichotomous variable where the observation is coded 1 when the country has investiture rules and 0 otherwise. Data on investiture votes was obtained from Woldendorp et al. (2000). The presence of investiture votes should increase the probability that a party considers entry into a PEC.

The Size and Ideology Hypothesis is tested using data from the Manifesto Project Database. Party size is coded using a lagged measure of a party's vote share from the previous election. Vote share is used because parties are concerned with maximizing seats, and in disproportional systems, the number of seats a party secures does not necessarily translate into their electoral strength, nor the party's vote-getting strength. When parties are considering partners for PECs, they are considering a party's electoral strength over a party's legislative strength. Thus, this study uses the number of votes a party received in the previous election as a measure for party size. To take into account the quadratic nature of party size, a square term is included in the models. The first term should return a positive coefficient while the second term should return a negative coefficient.

[8] Note that only those parties that attain over one percent of the total votes are included in the dataset.
[9] Using content analysis, the left-right scale is created by adding percentage preferences to 54 category groups as left or right and subtracting the sum of the left percentages from the sum of the right percentages. On a scale from -100 to 100, negative scores represent positions on the left while positive scores represent positions on the right. The fit of the data was investigated based on factor analysis with existing data (Budge et al., 2001).

Party ideology is calculated by determining a party's ideological distance from the ideological center of the particular election. The ideological center is calculated based on the sum of the weighted ideology score of each party based on their size. The absolute difference of each party's ideology score is taken from the ideological center to determine a party's distance to the center. Data on party ideology scores utilizes the aggregate left-right *rile* score from the Manifesto Project Database. Increasing distance to the ideological center should decrease the probability of observing PECs. An interaction term between party size and ideology is included, and the coefficient should be positive.

Finally, the Median Party Hypothesis is tested through a dichotomous variable coded 1 when a party is the median party, and 0 otherwise. The median party of a particular election is determined based on the weighted left-right ideology score from the Manifesto Research Database. Median parties should be less likely to form PECs. Descriptive statistics are presented in Table 3.

Variable	N	Mean	Std. Dev.	Min	Max
PEC	1,826	0.204	0.403	0	1
Plurality	1,826	0.102	0.303	0	1
Majoritarian	1,826	0.081	0.273	0	1
Mixed	1,826	0.078	0.269	0	1
Proportional	1,826	0.738	0.440	0	1
Maj/Mixed	1,826	0.160	0.367	0	1
Bicameralism	1,826	0.699	0.459	0	1
ENEP	1,796	4.409	1.607	1.99	10.29
Polarization	1,826	54.426	22.646	6.866	131.076
Investiture Vote	1,826	0.358	0.479	0	1
Party Size	1,616	0.181	0.146	0	0.576
Party Ideology	1,826	16.656	13.015	0.003	94.140
Median Party	1,826	0.177	0.382	0	1

Table 3: Descriptive Statistics

Findings

The results of the probit regression analyses are presented in Table 4. Models 1 through 4 examine the effect of our main variables of interest on PEC formation together with other system-level variables. Model 5 examines the effect of party-level variables. Model 6 aggregates both system-and party-level variables.

Model 1 examines the direct effect of electoral system type on the probability of observing pre-electoral coalitions. While majoritarian, mixed, and proportional systems all have a positive coefficient and increase the probability of observing PECs, we can observe how the effect of electoral system type is clearly systematic and more prevalent in majoritarian and mixed systems. Thus, there is a systematic effect that electoral system type has on PEC formation. Moderately disproportional electoral systems that allow for multiparty survival increase the probability of observing pre-electoral coalitions. Furthermore, they rarely occur in plurality systems and are less frequently observed in proportional systems.

Model 2 includes a set of variables that control for system-level variables: party system fragmentation, ideological polarization, and the presence of an investiture vote. We can observe how our main response variables continue to return significant results and are in the expected direction. In regards to system-level variables, only investiture votes influence the probability of observing PECs: Investiture votes increase the probability of PEC formation as expected. Thus, when the incoming government must secure a parliamentary majority through a formal vote of investiture, there is a great incidence rate of parties forming PECs.

	(1)	(2)	(3)	(4)	(5)	(6)
Majoritarian	2.426***	2.366***		2.515***	2.509***	
	(0.428)	(0.435)		(0.380)	(0.395)	
Mixed	1.787***	1.435***		1.994***	1.696***	
	(0.457)	(0.501)		(0.414)	(0.469)	
Proportional	1.026***	0.775*		1.077***	0.893**	
	(0.365)	(0.435)		(0.390)	(0.441)	
ENEP		0.029	0.066		-0.040	0.002
		(0.043)	(0.041)		(0.044)	(0.040)
Polarization		-0.001	-0.002		-0.001	-0.002
		(0.002)	(0.003)		(0.003)	(0.003)
Investiture		0.381**	0.329		0.472**	0.479**
		(0.205)	(0.210)		(0.228)	(0.206)
Maj/Mixed			-0.063			-0.050
			(0.206)			(0.213)
Bicameralism			-0.332			-0.412*
			(0.205)			(0.218)
Maj/Mixed * Bicameralism			1.525***			1.704***
			(0.338)			(0.317)
Party Size				0.833	1.044	0.939
				(0.746)	(0.733)	(0.711)
Party Size^2				-10.300*	-13.138**	-13.402**
				(6.109)	(6.619)	(6.071)
Party Ideology				-0.002	-0.001	0.001
				(0.005)	(0.006)	(0.005)
Party Size * Ideology				0.067**	0.071***	0.087***
				(0.028)	(0.027)	(0.027)
Median Party				0.015	0.061	0.032
				(0.146)	(0.136)	(0.122)
Constant	-2.026***	-2.006***	-1.254***	-1.888***	-1.621***	-0.740**
	(0.365)	(0.409)	(0.315)	(0.381)	(0.441)	(0.328)
Observations	1826	1796	1796	1616	1590	1590
Pseudo R^2	0.133	0.146	0.130	0.161	0.178	0.171
Log Likelihood	-801.091	-780.602	-794.886	-681.617	-659.475	-665.169

Standard Error in parentheses
* p < 0.10, ** p < 0.05, *** p < 0.01

Table 4: Probit Regression Analysis

Model 3 continues to examine the effects of systemic variables, but also drops the dichotomous variables for electoral system type and includes two dichotomous variables: one for bicameralism and another for majoritarian and mixed systems.[10] An interactive term is included to test whether majoritarian and mixed systems are more likely to observe PECs when the system is also characterized by a strong, upper house chamber. The interactive term between majoritarian and mixed systems and strong, upper house chambers reveals that there is indeed a clear and systematic effect that that bicameralism has on PEC formation in majoritarian and mixed systems. The coefficient is statistically significant and in the expected direction: moderately disproportional electoral systems like majoritarian and mixed systems are more likely to observe PEC formation when they also have strong, upper house chambers. The systemic variables return similar findings from Model 2: while party system fragmentation and ideological polarization do not have any substantive effect, investiture votes continue to increase the formation of PECs.

Model 4 tests electoral system type by including party-level variables in the model, specifically party size, party ideology, and status as a median party. We find that when accounting for party-level variables, there continues to be a systematic effect that electoral system type has on PEC formation. While party size does not independently have a significant effect on PEC formation, when it interacts with party ideology, the effect becomes significant: as party size increases and parties move away from the center, the probability of observing PECs also increase. However, the value of the coefficient (0.067) is small. Status as a median party has no influence on whether or not a party decides to form a PEC.

[10] Systems that are either plurality or proportional are coded 0 to examine whether majoritarian and mixed electoral systems with strong, bicameral chambers have a systematic effect on PEC formation.

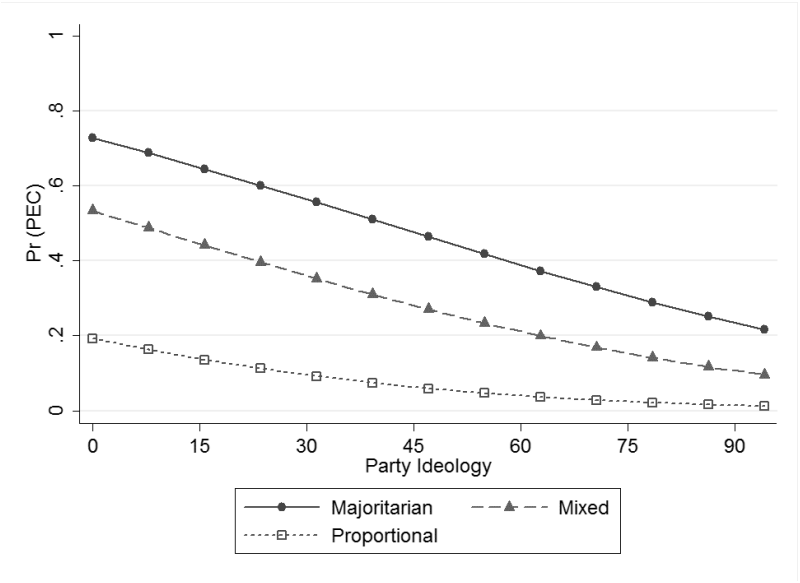

Figure 1: Effect of Party Ideology

Figure 1 graphs the probability that parties in majoritarian, mixed, or proportional systems enter into a PEC given party ideology. Recall that party ideology is determined based on the distance of a party from the ideological center. We find that the probability of parties entering into PECs is much more likely by moderate parties in majoritarian and mixed systems. As parties move farther away from the ideological center, they are less likely to enter into pre-electoral pacts. The figure reveals that the probability of observing pre-electoral pacts is systematically higher in majoritarian and mixed systems, particularly between parties that are more willing to compromise with others.

To determine the role of party size on PECs, we graph its effect using the *probpred* command in STATA 13. The result is presented as Figure 2 below.[11] The graph illustrates how

[11] Model 4 is used with the *probpred* command in STATA 13. The *probpred* command estimates a probit regression on a dichotomous dependent variable on a set of independent variables to compute and graph the estimated relationship by holding other dichotomous variables at either 0 or 1 and continuous variables at their mean values. The advantage of the *probpred* command is the ability to specify a variable, in this case party size, as a polynomial.

PEC formation is indeed a quadratic function of party size. As party size increases, the probability of PEC formation increases as well. However, following a turning point of between roughly 15 and 20 percent, the probability of a party entering into a PEC declines at a consistent rate.[12] This reflects how the cost of PEC formation increases as party size increases. Parties whose size falls below a turning point of roughly fifteen to twenty percent find that the benefits of PEC formation outweigh the costs.

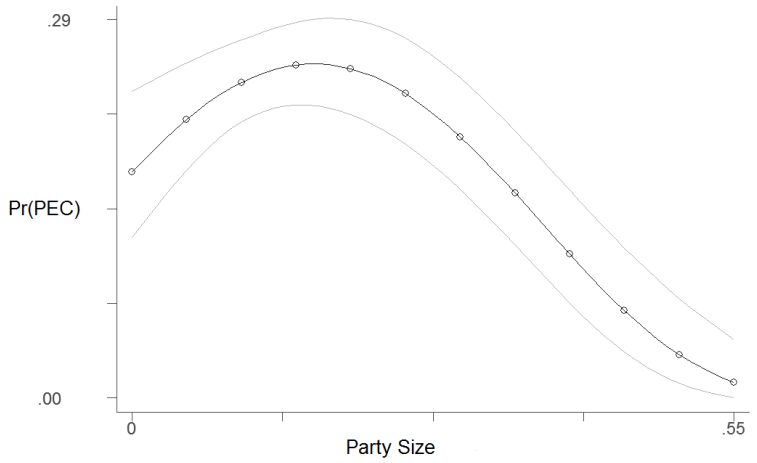

Figure 2: Effect of Party Size

Model 5 combines all system and party level variables together with our main variable of interest. We find that the combined model continues to return similar findings: majoritarian and mixed electoral systems, investiture votes, and the multiplicative effect of party size and ideology increase the probability of observing PECs.

While the coefficients of probit models provide us with a general sense of the direction and weight of our predictor variables, more substantive analyses are difficult to make given the

[12] However, it should be noted that the relatively low value of the coefficient in Model 4 also reveals that the effect, in contrast to electoral system type, is minimal.

dichotomous nature of the response variable. Predicted probabilities and figures are used to conceptualize the findings. When calculating the predicted probabilities in majoritarian, mixed, and proportional systems from Model 2, we find that there is a clear and systematic effect that electoral system type has on the probability of PEC formation.[13]

As can be observed from Table 5, we find that there is a 64% probability that a party enters into a PEC in majoritarian systems. There is a similarly high probability of observing PEC formation in mixed electoral systems, with a probability that 32% of parties form a PEC with another party. In contrast to the high probability of PECs in majoritarian and mixed systems, there is only a 10% probability of observing PECs in proportional representation systems, and the number drops significantly for plurality systems with less than a two percent probability that a party forms a PEC.

	Pr(PEC) [w/95%CI]
Electoral Formula	
Plurality	0.016 [-0.013 , 0.044]
Majoritarian	0.638 [0.513 , 0.763]
Mixed	0.323 [0.082 , 0.564]
Proportional	0.103 [0.027 , 0.180]

Table 5: Effect of Electoral System on PECs

The findings illustrate how PECs are most common in majoritarian and mixed electoral systems, or moderately disproportional electoral systems that allow for multiparty survival.

[13] All continuous variables are held at their mean. When a variable is dichotomous (e.g. investiture vote), the variable will be coded 1 if the mean is above 0.5, and 0 if the mean is below 0.5. In this case, the mean value of investiture vote is 0.356 so the value will be coded 0.

Given the rather high number of parties contesting elections in a system that is relatively disproportional, the complex rules of the game, together with the number of political actors contesting elections, increase the uncertainty of future coalitional outcomes and create incentives for parties to enter into PECs.

Table 6 calculates the differences in predicted probabilities and the 95% confidence intervals when moving from one electoral system to another. For example, moving from a plurality, first-past-the-post system to a majoritarian system increases the probability of parties entering into PECs by 58 percent while moving to a mixed system increases PEC formation by 42 percent. Likewise, moving from a proportional representation system to a majoritarian or mixed system increases PEC formation by 50 percent and 34 percent, respectively. Based on the differences in predicted probabilities, we can observe how majoritarian and mixed systems are much more likely to observe PECs.

The table reveals how the results for PR systems are extremely mixed. When moving to a PR system from a plurality system, the magnitude of change is very small as there is only a nine percent increase. Furthermore, a majoritarian or mixed system that switches to a PR system will see a drastic decline in the probability of parties entering into PECs. Thus, the results of Table 6 reveal how PECs are the result of strategic entry by political parties contesting elections in majoritarian and mixed systems. The moderately disproportional nature of the party system, combined with the relatively high degree of fragmentation, create incentives for parties to coordinate and form coalitions in the pre-electoral arena. The same cannot be said about plurality and proportional representation systems.

	Majoritarian	*Mixed*	*Proportional*
Plurality	0.623 [0.497 , 0.748]	0.307 [0.068 , 0.546]	0.088 [0.005 , 0.171]
Majoritarian		-0.315 [-0.578 , 0.053]	-0.535 [-0.683 , -0.386]
Mixed			-0.219 [-0.440 , -0.001]

Table 6: Difference in Probability of PEC Formation

Model 6 replaces the dichotomous variables for electoral system type and includes the two dichotomous variables, namely strong, bicameral chambers and majoritarian and mixed systems, and their interaction term. All coefficients continue to return consistent findings from the previous models.

Table 7 calculates predicted probabilities of observing PECs in various configurations of majoritarian and mixed electoral systems with strong, upper house chambers. We find that while strong, upper house chambers have a significant effect on majoritarian and mixed electoral systems with roughly 53% of elections observing pre-electoral pacts, their effect on plurality and proportional systems is minimal. Indeed, the probability of PECs actually decreases from a 12% probability in non-majoritarian/mixed, unicameral systems to 6% in non-majoritarian/mixed, bicameral systems.[14]

[14] When the dichotomous variable for strong, upper house chambers equals 0, the variable is labeled unicameral. However, the variable for unicameral systems also include systems with weak, upper house chambers that score below 2.0 in Lijphart's coding scheme for bicameralism.

	Pr(PEC) [w/95%CI]
Electoral Formula	
Non-Maj/Mixed, Unicameral	0.124 [0.037 , 0.211]
Non-Maj/Mixed, Bicameral	0.058 [0.012 , 0.105]
Maj/Mixed, Unicameral	0.114 [0.084 , 0.145]
Maj/Mixed, Bicameral	0.534 [0.357 , 0.712]

Table 7: Effect of Electoral Formula & Bicameralism

Using Model 6, data is simulated to plot the probability of PEC formation given variations between party size and ideology. To observe the interaction between party size and ideology, parties are categorized into three distinct groups based on size: (1) a mean party whose size is 0.18, (2) a small party whose size is 0.034, or one standard deviation below the mean, and (3) a large party whose size is 0.33, or one standard deviation above the mean. The results are presented in Figure 3a and 3b below.

Figure 3a graphs the results of how PEC formation varies based on changes in the interaction between party size and ideology in plurality and proportional electoral systems with strong, upper house chambers. Figure 3b shows how the interaction between party size and ideology influences PEC formation in majoritarian and mixed systems with strong, upper house chambers.[15]

[15] Dichotomous variables that score below the mean value are coded 0, and 1 otherwise. All continuous variables other than party size and party ideology are held at their mean values.

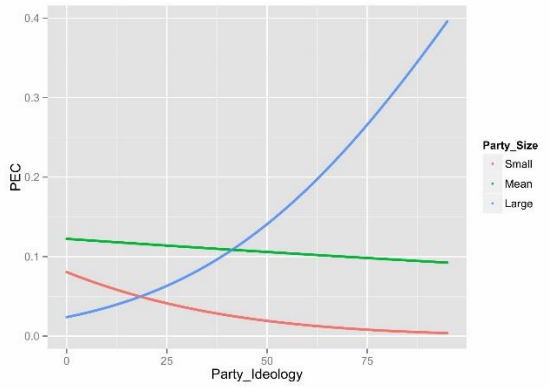

Figure 3a

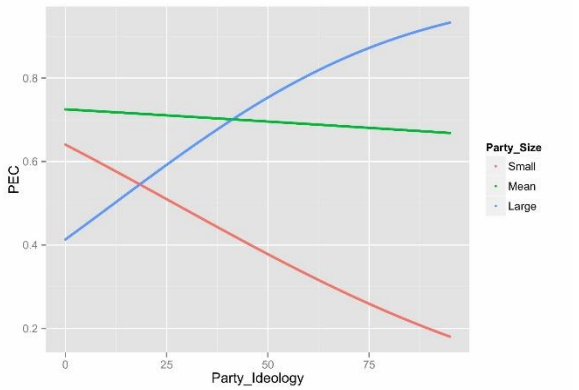

Figure 3b

Figure 3: Simulated Effect of Party Size and Ideology

Based on the simulated results, we find that the occurrence rate of PECs are much more common in majoritarian and mixed electoral systems with strong, upper house chambers vis-à-vis plurality and proportional systems. Furthermore, both small and mean parties are much more likely to form PECs when they are closer to the ideological center. As parties move away from the ideological center, they are less likely to consider forming PECs. The results are inverse for large parties, who have a higher probability of forming PECs as they move away from the ideological center.[16] This may reflect how large parties that do form PECs are not centrist parties, but dominant, center-left or center-right parties. Some common examples include the CDU/CSU and SDP in Germany or the LDP in Japan.

[16] Note the steep rise in the observance of PEC formation by larger parties as they move away from the ideological center may be exaggerated and skewed given simulated data. The likelihood of observing a large, extreme party can be considered unlikely. Thus, the steep rise in PEC formation for large parties must be interpreted carefully.

Conclusion

This chapter tested the theoretical argument that moderately disproportional, multiparty systems increase the probability that parties find PEC formation to be a strategically viable and rational option. Despite the various costs associated with PEC entry, parties enter into PECs when they believe the benefits outweigh the costs. This strategic calculation is most prominent in majoritarian and mixed electoral systems, which are categorized as being between the extremes of plurality and proportional systems. Under such systems, a multiparty system is able to remain intact, and numerous parties can play a strategic role in the coalition formation process.

Given the combination of disproportional rules and party system fragmentation, both parties and voters have difficulty assessing electoral and government outcomes. Parties enter into PECs when the benefits outweigh the costs. Benefits include the ability to (1) coordinate electoral strategies, (2) maximize comparative advantages, (3) efficiently translate coalition votes into seats, and (4) increase information to secure voter support. Benefits of PEC formation are considered alongside the costs, which include (1) transaction costs associated with the implementation and maintenance of PECs, (2) costs of bargaining office and policy commitments in the pre-electoral arena, and (3) a possible loss of votes due to voter dissatisfaction with the PEC.

When the benefits of PEC formation outweigh the costs of PEC formation, parties are much more likely to form PECs. This is particularly true in cases of majoritarian and mixed electoral systems. The complex rules of such systems make electoral and government outcomes more complex and PECs become a rational and strategic option for parties seeking to maximizing votes in the pre-electoral stage.

Next, Part II examines PEC formation through in-depth, case study analysis. While the empirical results have shown the effect electoral system type has on the formation of PECs, electoral institutions are necessary, but insufficient in explaining why some parties form PECs while others do not. The three cases, specifically Japan, Italy, and Belgium, highlight both the successes and failures of PEC formation and illustrate how electoral institutions motivate political actors to consider coalition formation in the pre-electoral arena. Moreover, the cases highlight how PECs are not some pre-determined equilibria, but an outcome that is forged and learned across time.

CHAPTER 5

Japan 1955-2000: Bringing to Fruition the LDP-CGP Pre-Electoral Coalition

Utilizing an empirical model that incorporated data from twenty advanced, industrialized democracies, Chapter 4 found that upon controlling for both party-specific and system-level variables, electoral system type played an important role in incentivizing political parties to form pre-electoral coalitions. In particular, the model found that in comparison to plurality and proportional representation systems, majoritarian and mixed electoral systems observed PEC formation at higher and more consistent levels. Moderately disproportional, multiparty systems increased uncertainty in both electoral and government outcomes, and given the highly competitive nature of elections in such electoral systems, parties formed PECs to increase information and make themselves more identifiable to voters.

The empirical chapter found that certain variables such as electoral system type, party size, and ideology influence PEC formation, and the findings strengthened the theoretical model's external validity. However, while large-n analysis provides us with a generalizable account for what variables influence certain outcomes of interest, one can argue that such approaches highlight certain correlations between different variables, but they do not necessarily demonstrate causality. In particular, large-n, quantitative approaches do not allow us to trace the process through which events in history shape and reshape the incentive structures of political elites. While there may be some correlation and link between electoral system type and PEC formation, it may be difficult to determine whether there is in fact a strong causal relationship.

Thus, the use of case study analysis is more effective in increasing the internal validity of the theoretical model. By applying the theoretical argument to specific cases, case studies examine the processes through which the predictor variables lead to the outcome variables of

interest. In the case of understanding the determinants of PEC formation, we can highlight the causal relationship between moderately disproportional, multiparty systems and PECs. To determine the strength of the causal relationship, it is important to show temporal precedence: how changes to the predictor variable, namely electoral system type, bring about changes to PEC formation. To do so, it would be ideal to hold other values constant and observe how changes to the institutional structure, namely electoral system type, lead to the alteration of incentive structures by political elites.

This chapter applies the theoretical model and tests the findings of the large-n empirical analysis on the case of Japan. The chapter examines the PEC between the Liberal Democratic Party (LDP) and the Clean Government Party (hereafter CGP) prior to the 2000 general election. Before the LDP-CGP PEC, both parties had historically been in opposition to one another. While there were cases of policy collaboration, the LDP had dominated elections throughout the postwar era and remained in power until its fall in 1993. The CGP ran on a non-LDP, anti-establishment stance (*hi-jimin, han-seifu*) since it emerged onto the political scene in 1964.

Indeed, prior to electoral reform Japan only saw two PECs in 1993. One PEC led by the JSP and another PEC led by LDP defectors ultimately formed a post-electoral government coalition and ousted the LDP from power.[1] While parties had informally coordinated their electoral strategies in the past, there were no cases of formal alliances. It was only after electoral reform that PECs became frequent and influential to the outcome of both electoral and government outcomes. Why did the LDP form a PEC with the CGP? Moreover, as an opposition party that consistently ran against the LDP, what caused the CGP to join forces with the LDP?

[1] Excluding the Japanese Communist Party (JCP), Japan's opposition formed a grand coalition following the July 1993 general election. For a detailed timeline, see the Appendix at the end of this chapter.

Japan is an ideal case to test the institutional theory of PEC formation outlined in Chapter 2 because of Japan's within-country variance, namely the change in electoral system type. Institutional change is rarely observed in advanced democracies because the political actors in power are heavily invested in the status quo and seek to maintain incumbent advantages. Boix (1999) argues that electoral systems rarely change and are endogenously derived from the desire of the ruling parties to maximize their dominance in the political arena. Electoral systems are only modified when ruling parties no longer enjoy dominance in the electoral arena and new parties that enter the electoral arena are competitive. Thus, when institutional change can be observed, it provides a rare opportunity to observe how actors react to and adjust their political strategies.

The chapter reveals how electoral reform led to a systematic change in the probability of observing PECs. The adoption of a mixed member majoritarian system created a new political environment that challenged the pre-existing strategies of political parties. However, the strategy of entering into pre-electoral coalitions was the result of a period of adaptation and learning, where parties engaged in various strategies to adapt to the new electoral environment. With each election, parties adjusted their electoral strategies to reach their goals. Over time and after multiple iterations, parties were able to find the most effective means to contest elections, and parties that did not adjust to the new electoral environment became weaker and were eventually willowed out.

Strategies included the formation of unlikely coalitions, grand opposition coalitions, multiparty mergers, and the creation of new parties. However, both the failure of conventional strategies to bring about greater stability in electoral politics and the increasing fragmentation that Japan observed throughout the nineties led parties to engage in the unconventional strategy

of entering into a coalition in the pre-electoral arena. The history and progression of events leading up to the 2000 election made PEC formation an attractive strategic option for the LDP and CGP.

To understand how changes to the electoral system brought about PEC formation in Japan, one must also account for the situational factors that were unique and conditional to the Japanese case. While Japan's shift to a mixed member system is a necessary condition, electoral system type alone is insufficient to explain the formation of PECs. One must account for confounding variables that made PEC formation more likely. In addition to the gradual decline of the LDP vote, the upper house became a major obstacle for the LDP, which sought to bring about stable governance. It was in the context of the LDP's inability to maintain legislative majorities, together with the opposition's failure in becoming a robust opposition force, that the LDP and CGP attempted the more unconventional strategy of forming a pre-electoral alliance to bring about legislative stability and secure electoral victory.

Thus, the PEC between the LDP and CGP was not some automatic equilibrium that emerged because of electoral reform. Rather, it was the result of nearly a decade of adaptation and learning. Both parties sought to bring about stable governance in Japan following the chaos that brought about electoral reform. Combined with the new realities of divided government, the failed attempts at more conventional electoral strategies led the LDP and CGP to form a PEC in the 2000 election, and the benefits that were accrued allowed the coalition to last. In this regard, the PEC that was formed between the LDP and CGP is worth examining because of the tremendous stability that resulted from the cooperation between the two parties. The somewhat fickle coalition at the early onset of the PEC has now become a stable one. The two parties have continued to form PECs election after election, and both have become so dependent on one

another that some scholars have argued the LDP can no longer win elections without the CGP's support.[2]

The chapter begins by providing a brief overview of LDP dominance in the postwar era. In addition to analyzing the causes of LDP one-party rule, the study examines how Japan's electoral system created disincentives for parties to form PECs. The proportional nature of the single nontransferable vote, multimember district (SNTV-MMD) system made PEC formation costly, and no PECs were formed in the postwar era. Next, the chapter examines how opposition parties came together to overthrow the LDP and enact electoral reform in 1994. I examine the changing dynamics of the party system and how parties began adapting to and engaging in new strategies to compete more efficiently under the new electoral rules. Furthermore, three other factors served as constraints that created incentives for the LDP and CGP to form a PEC in 1999: the gradual decline of the LDP vote, the realities of divided government, and the threat of electoral reform that threatened party survival. Following various failed attempts by both the LDP and opposition parties to establish a new and stable equilibrium, the chapter shows how the LDP and CGP sought a new approach and found entry into a PEC to be of strategic interest.

The SNTV-MMD System and LDP Rule Under the 1955 System

Following the merger of the Liberal and Democratic parties in November 1955, the LDP dominated Japan's political arena in the postwar era. Dubbed the 1955 system (*goju-gonen seido*), Japanese politics was defined by LDP single-party rule. Under the single nontransferable vote, multimember district (SNTV-MMD) system, the LDP dominated electoral politics through

[2] For example, see Kabashima (2000, 2004).

their unique political machine and prevented the opposition from becoming an effective alternative.[3]

The SNTV-MMD system was Japan's unique postwar electoral system that required voters to cast a non-transferable vote for a single candidate in multimember districts. Candidates who received more than 1/(N+1) votes were able to win a seat in the district. The emphasis on electing individual candidates in multimember districts meant parties needed to run more than one candidate to secure a majority in the Diet. Thus, the electoral system bred candidates who sought personal votes through local support groups and networks called *koenkai* (Rosenbluth and Thies 2010, 54-7).

Japan's SNTV-MMD system allowed the LDP to win election after election. Given the dominance of the LDP, the opposition failed to compete effectively. As the largest opposition party in Japan, even the JSP was only able to secure roughly half the seats of the LDP. Smaller parties like the Democratic Socialist Party of Japan (DSPJ) and the CGP emerged in the electoral marketplace during the sixties, but their emergence only fragmented the opposition. During the postwar era, non-LDP parties were in a state of perpetual opposition.

Figure 1 charts the dominance of the LDP in lower house elections. Throughout the postwar era, the LDP secured over forty percent of the votes. Under such a state of one-party dominance, the LDP had neither a need nor a desire to enter into coalitions, let alone pre-electoral pacts. Even when the LDP fell short of a majority in the upper house, they were often able to entice a few independents to join with them. Furthermore, given the size advantage of the LDP, it was difficult for the opposition to create or maintain a competitive coalition that would be both ideologically coherent and electorally competitive (Christensen 2000, 41).

[3] For more information on the LDP's political machine, see Krauss and Pekkanen (2011).

Scheiner (2005) argues clientelism, together with Japan's centralized government and the ability to institutionalize protection for the clientelist beneficiaries, helped the LDP remain in power. According to Scheiner, Japan's opposition is characterized by a lack of quality candidates with experience at the local level, and this is perpetuated by the LDP's control of the clientelist system and the LDP's ability to deliver benefits through fiscal centralization. Based on a clientelistic system that perpetuated incumbency advantages, the LDP was able to minimize electoral competition despite its gradually growing unpopularity.

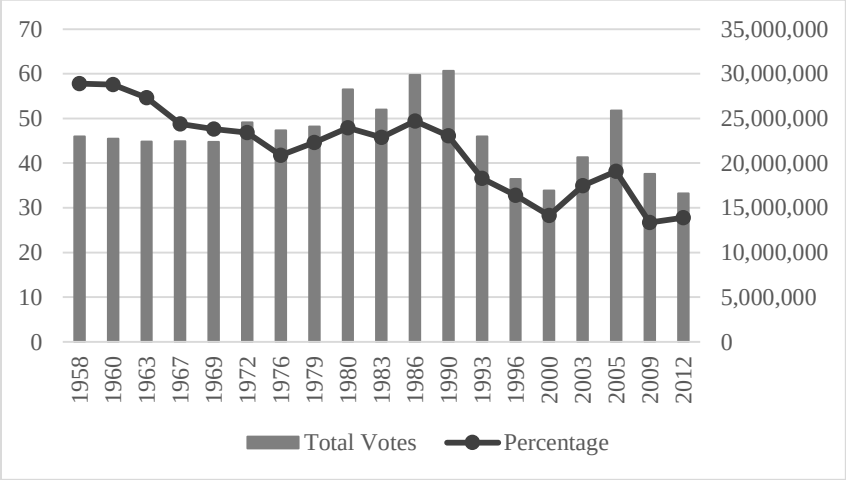

Figure 1: LDP's Vote and Percentage Share (House of Representatives)

In addition to the LDP's dominance, Japan's SNTV-MMD system also explains the lack of both coalition governments and PEC formation in postwar Japan. Since three to five candidates were being elected in each constituency, the relatively high number of seats being contested in some electoral districts allowed parties to win seats with as little as ten to fifteen percent of the votes. In this way, the electoral system did not force the opposition to compromise and enter into pre-electoral arrangements. Similar to the logic of proportional representation

systems, parties could run candidates independently and secure a reasonable number of seats. As Krauss and Pekkanen (2011) argue, the opposition

> "could elect a candidate of their own with only 15-20 percent of the vote in districts in which they had sufficient support. Thus, they had no incentive to combine to elect candidates, splitting the opposition into four major parties and thus also making LDP hegemony possible" (Krauss and Pekkanen 2011, 21).

Thus, the electoral systems created a stable environment for parties to both contest and survive elections without forming PECs.

Table 1 provides a summary of party system fragmentation in Japan using scores for both the Effective Number of Electoral Parties (ENEP) and Effective Number of Parliamentary Parties (ENPP).[4] We can observe that the average ENEP score throughout postwar Japan was 3.83 while the average ENPP score was 3.22. Despite the fact that the rules of the SNTV-MMD system required parties to win a plurality of seats in order to win the district, the multimember districts allowed multiple opposition parties to survive and compete in the electoral arena.

Thus, the moderately high number of parties contesting elections in Japan illustrates the degree of proportionality the SNTV-MMD system created. Despite the fact that the LDP dominated Japan's electoral arena, opposition parties were still able to secure seats in Japan's SNTV-MMD system. However, given that parties were able to secure seats without the need to compromise on policy, the system did not create incentives for parties to work together, and PEC formation was virtually nonexistent under the 1955 system.

While the opposition never entered into a formal coalition, there were cases of informal coordination, particularly in the seventies. The opposition was often successful in their

[4] ENEP and ENPP are adjust values for the number of political parties in a party system based on votes and seats, respectively. Parties are not counted equally and are weighted based on their relative strength, determined by their size. Parties are weighted by squaring the vote share or seat share of each party and summing those values for all parties. The figure is then inverted to produce the ENEP and ENPP scores.

coordination, and Christensen argues that the opposition in fact divided their votes more evenly in comparison to LDP candidates (Christensen 2000, 166). For example, the Socialists and CGP entered into their first informal electoral agreement at the national level in 1974, and the initial success led the Socialists to pursue further cooperation with the CGP in the 1976 general election.[5] By 1980, the CGP developed close ties with the Sohyo and Domei unions, who became increasingly dependent on the CGP.[6] This relationship persisted into the nineties, and even after the CGP formed a PEC with the LDP, former-DSPJ candidates and unions often sought the electoral support of CGP members during the early stages of the LDP-CGP PEC.

Year	ENEP : ENPP (SMD / PR)
1946-1993	3.83 : 3.22
1990	3.48 : 2.71
1993	5.29 : 4.20
1996	4.12 (3.89 / 4.28) : 2.94 (2.36 / 3.84)
2000	4.56 (3.77 / 5.15) : 3.17 (2.36 / 4.72)
2003	3.26 (2.99 / 3.42) : 2.59 (2.29 / 3.03)
2005	3.22 (2.73 / 3.72) : 2.27 (1.77 / 3.15)
2009	3.15 (2.65 / 3.66) : 2.10 (1.70 / 2.91)
2012	4.88 (3.82 / 5.79) : 2.45 (1.57 / 4.95)
2014	4.12 (3.26 / 4.97) : 2.42 (1.69 / 4.14)

Table 1: Party System Fragmentation in Japan (1990-2014)

Beginning in the nineties the LDP began to experience consistent decline in both vote and percentage share. Given the dominance of the LDP, the lack of government turnover, and the

[5] In exchange for the JSP supporting a CGP candidate in Wakayama prefecture for the 1974 House of Councillors election, the CGP supported JSP candidates in three prefectures. While the JSP saw tangible benefits to its coalition with the CGP in the three prefectures, the CGP did not. Thus, the CGP was much more aggressive with the JSP in trying to secure more concrete commitments from unions that backed the JSP.

[6] While the JSP, DSPJ, and CGP coordinated their electoral strategies, opposition disunity between the JSP and DSPJ, together with a high voter turnout that helped the LDP, led to opposition defeat (Christensen 2000, 103).

LDP's use of pork barrel politics, Japanese politics became rampant with clientelism and corruption (Scheiner 2005). Following a string of political scandals, including the Lockheed and Recruit scandals, there were increasing calls from both voters and politicians for change in the Japanese political system.

With an increasingly unpopular LDP, Japan saw party splitting and creations occurring that ultimately led to the collapse of the Miyazawa administration. A group of LDP rebels helped the opposition pass a no confidence motion on June 18, 1993. Three days later on June 21, 1993, the New Party Sakigake was formed by eleven LDP defectors led by Takemura Masayoshi. The following day, 44 LDP members including Hata Tsutomu and Ozawa Ichiro defected from the LDP and formed the Japan Renewal Party (JRP).

The dynamic changes that that took place in the pre-electoral period, including the creation of several brand new parties, created incentives for parties to engage in electoral coordination and jointly enter government. Two PECs formed at the time. On June 24, 1993, the JSP, JRP, CGP, the Social Democratic Federation (SDF) met and agreed on a PEC while on July 3, 1993 Japan New Party (JNP) and New Party Sakigake also met and agreed to coordinate their electoral strategies through a PEC (Christensen 2000, 117). The two PECs ultimately removed the LDP from office in the July 18, 1993 election. Both the JSP-led opposition PEC and the LDP fell short of a majority, and the JNP-Sakigake PEC became the pivotal coalition with the deciding vote. On July 29, 1993, the seven opposition parties agreed on a coalition government led by the JNP's Hosokawa Morihiro as prime minister, and the Hosokawa administration was formed on August 9, 1993.

Given the high number of parties contesting elections, electoral coordination was critical in order for the opposition to achieve victory in the 1993 election. Table 2 lists the extent of

electoral cooperation by opposition parties during the 1993 general election.[7] Other than the JCP, all opposition parties entered into some type of electoral agreement and coordinated their electoral strategies. In many cases, parties engaged in barter strategies and did not run candidates so that the opposition could maximize their probability of winning seats against the LDP. Table 2 shows that most parties ran strategically and did not run candidates in every district.

Party	Candidates	Uncontested Districts	Cooperative Districts
Japanese Socialist Party	142	7	12
Japanese Communist Party	129	0	0
Japan Renewal Party	69	60	15
Japan New Party	55	74	36
Clean Government Party	54	75	7
Democratic Socialist Party	28	101	31
New Party Harbinger	15	114	46

Table 2: Opposition Coordination in 1993

The opposition's decision to come together and coordinate allowed them to win a total of 243 seats in the House of Representatives. While the LDP had been able to maintain the support of nearly half of all voters in previous elections, it experienced its worst loss since 1955 when it received a mere 36.62% of the votes in 1993 and lost its majority. For the first time since the LDP's founding, the opposition removed the LDP from power.

Fragmentation and Opposition Disunity: Unexpected Consequences of Reform

After the opposition coalition entered government, electoral reform was passed in early 1994. Reed argues that in addition to public support, there was increasingly widespread support

[7] Information was retrieved from Christensen (2000). According to Christensen, the level of informal cooperation relative to formal electoral coordination was much higher (119).

for reform by incumbent Diet members (Reed 2005, 280). Moreover, electoral reform was one of the few things that the grand opposition coalition could ultimately agree on.[8] In the new mixed electoral system, voters cast two votes: one vote for a candidate in the 300 single-member districts and another vote for a party in the 200-seat proportional tier, where seats were distributed using the d'Hondt method.[9] Fragmentation of competition varied depending on each tier of the mixed electoral system. While fragmentation was radically reduced in the SMD tier, the PR tier actually experienced increasing fragmentation.

In the first election following electoral reform in 1996, the ENPP in the SMD tier was reduced to 2.36. The decline in ENPP was primarily due to the merger of several opposition parties into the New Frontier Party (NFP). Over time, the ENPP score in Japan's SMD tier has not only dropped, but has dropped below two-party competition. Ever since 2005, elections have swung between either the LDP-CGP coalition or the DPJ. Thus, the mixed electoral system forced parties to adapt to the changing electoral environment, but they often did so in an extreme fashion.

This extremity is also evident when we examine how party system fragmentation changed in the PR tier. The average ENPP score following electoral reform actually increased from 2.71 in the postwar era to 3.84 in 1996 and up to 4.95 in the 2012 election. Unlike systems like South Korea, where only a quarter of all elected representatives in the National Assembly are elected under proportional rules, Japan elects roughly two-fifths of its Diet members in the

[8] For more information on the causes and consequences of electoral reform, see Reed and Thies' chapters in Shugart and Wattenberg (2001).
[9] Candidates could run in both tiers and be ranked equally in the PR tier. Based on *sekihairitsu*, or the "narrow loss ratio" system, competitive losers of the SMD could still win seats in the PR tier based on how competitive their SMD loss was and what their ranking was in the PR tier.

proportional tier.[10] Furthermore, while candidates can be cross-listed in both the SMD and PR tiers, the two tiers are not directly linked, and the results of the SMD tier do not influence the composition of the PR tier. Shugart and Wattenberg (2001) categorize such mixed systems as mixed member majoritarian (MMM) systems because there is no linkage between tiers and the majoritarian nature of the electoral system is prioritized.[11] Thus, given the high number of members elected in the PR tier and the unlinked nature of the two tiers, Japan's MMM system still allows smaller parties to survive in elections.

For example, in 2014, the CGP only contested nine seats in the SMD tier, winning less than 1.5 percent of the total votes cast. Given their inability to appeal to a wider audience, the CGP strategically runs candidates only in districts where they believe they can win with high certainty. This often means that the few seats the CGP runs in are in urban settings, primarily in the southern-central Kansai region, where they ran six of nine candidates in 2014. Despite only winning nine seats in the SMD tier, the CGP won a total of 35 seats in the 2014 election by securing 26 seats in the PR tier with 7.3 million votes, or fourteen percent of the total PR votes.

Thus, the electoral rules of Japan's new mixed electoral system provide smaller parties like the CGP with opportunities to survive the electoral arena and influence electoral and government outcomes. While the original aim of the electoral system was to bring about a two-party system, the reforms led to not only increasing disproportionality and a structural advantage for larger parties like the LDP, but also to high party system fragmentation.

[10] Note that beginning in 2000, the PR tier was reduced from 200 to 180 seats. The decision to lower the PR tier by twenty seats was heavily influenced by pre-electoral negotiations between the LDP, CGP, and Liberal Party. For more information, see below.

[11] In contrast to MMM, countries like Germany and New Zealand are categorized as mixed member proportional (MMP) because there is a seat linkage between the two tiers and the PR tier compensates for disproportionality in the SMD tier. While Italy also had an MMP system, only a quarter of the seats were allocated to the PR tier, thereby reflecting the emphasis the Italian political system put on the SMD tier. For more information, see Shugart and Wattenberg (2005).

Playing the Numbers Game: Adaptation to the New Electoral Environment

As the increase in fragmentation during the nineties reveals, changes to the political environment, particularly institutional change in the form of electoral reform, forced parties to reconsider party strategies and adapt to the changing political environment. For example, the LDP enticed its formal rivals, the JSP, to defect from the opposition coalition with New Party Sakigake and formed an unlikely coalition in June of 1994. By handing the prime ministership to the Socialists' Murayama Tomiichi, the LDP was able to regain control of the government.

One of the more radical attempts came with another "realignment" of the party system with the formation of the NFP, or New Frontier Party (Schoppa 2011, 33). Following the passage of electoral reform in November 1994, opposition parties negotiated with one another to establish a new political party under Kaifu Toshiki. The parties included members of the JRP, CGP, DSPJ, JNP, and the Liberal Reform League (LRL), a federation of former LDP Diet members. Rather than contesting elections independently as they had in 1993, a subset of opposition parties merged into one party to compete against the LDP. However, like the grand opposition coalition, the NFP was composed of a diverse mix of individuals and ideological parties ranging from moderate social democrats to neoliberal conservatives.

The party took on a reformist agenda and sought to attract dissatisfied LDP voters. In addition to being hawkish on foreign policy, the NFP took up a pro-reform stance on deregulation. According to Schoppa (2011), the NFP supported the LDP's hawkish stance on defense. In contrast, the Democratic Party of Japan (DPJ), which had emerged onto the political scene in late 1996, located itself in a strategically advantageous position by promoting deregulation while taking a middle-of-the-road stance on foreign policy (Schoppa 2011, 34-5).

The NFP merger was largely a product of the new electoral system. The 300 SMDs made it difficult for smaller parties to compete against the LDP, so smaller parties turned to the merger as a way to survive. Initially, the new party did well in the 1995 upper house election when it gained 40 out of 56 contested seats. However, the rise of the DPJ split the anti-LDP opposition vote, and the NFP won only 156 seats in the 1996 general election. In addition, many were dissatisfied with the inner factionalism of the NFP and the "dogmatic style" of Ozawa (*New York Times*, September 6, 1997). Following the 1996 elections, 11 NFP members defected and joined the LDP. The NFP eventually broke apart and dissolved in late December 1997.

In the aftermath of the NFP breakup, former NFP members were forced to (1) create new parties like the Liberal Party, (2) merge with other parties like the DPJ, or (3) re-establish old parties like the New Komeito. Figure 2 illustrates how parties adapted to and shifted their party ideology following the 1996 election and dissolution of the NFP.[12]

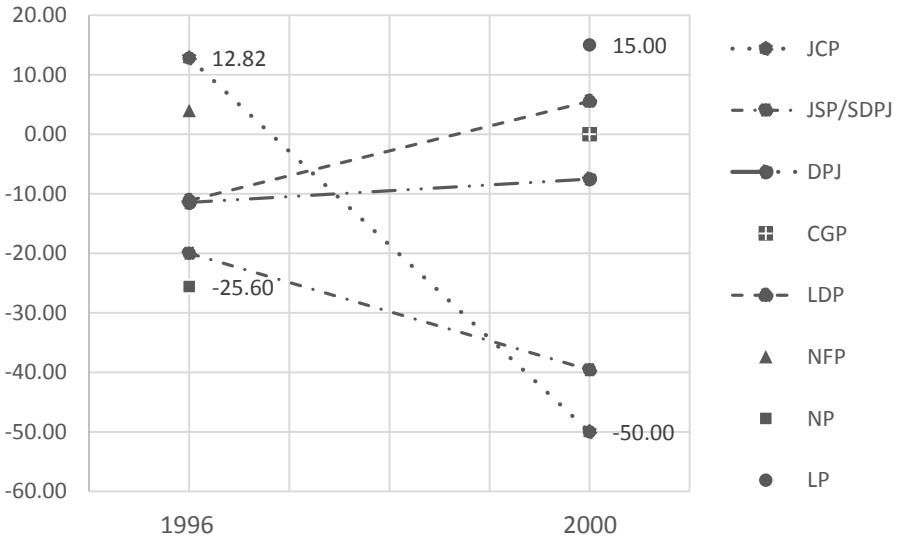

Figure 2: Shifts in Party Ideology Following NFP Dissolution

[12] Data on party ideology taken from the Manifesto Project Database.

In contrast to 1996, when variance in party ideology was minimal, the splintering of the NFP resulted in a clear shift between parties on the left and right. After the failure of the NFP to coordinate under an anti-LDP banner, party ideology varied amongst competing parties who sought to distinguish themselves during the 2000 election. As depicted in Figure 2, the absolute difference between the most extreme parties on the left and right in 1996 was 38.42.[13] That difference increased to 69.57 in 2000. The biggest shifts came from the traditional leftist parties, namely the JCP and the SDP. Both parties clearly shifted to the left to distinguish themselves from the LDP and other centrist or center-right parties.

After splitting with the NFP, Ozawa Ichiro created the conservative Liberal Party and moved 11 points to the right of the NFP, thereby occupying the most conservative position. The LDP also shifted 16.67 points to the right. As evinced above, despite the LDP's gradual decline since the late eighties, the opposition continued to be ineffective in the political marketplace.

With the dissolution of the NFP and the fragmentation of the party system, the CGP re-entered the political scene in October 1998 as the New Komeito. The party found itself in a radically different political environment with an electoral system that heavily disadvantaged smaller parties. With the collapse of the 1955 system, parties were forced to take on new strategies, including entering into coalitions in order to enact electoral reform and merging with other parties to form a competitive opposition. However, failures by the opposition led to increasing fragmentation, and parties were forced to consider new strategies to cope with the evolving political environment. While electoral reform was enacted with the hopes of establishing a two-party system, the reality was increasing fragmentation that resulted in a more splintered and ideologically diverse party system.

[13] Note that the higher the number, the more conservative a party and the lower the number, the more liberal a party.

Under such circumstances, parties like the LDP, who continued to experience electoral decline, and the CGP, who had failed to work with the opposition to establish a cohesive two-party system, began to consider new strategies, including PEC formation, to both compete and survive in the political arena. Ultimately, PECs became crucial for both the LDP and CGP to win elections, pass legislation, and stabilize governance.

The Achilles' Heel of the LDP: Unstable Governance in the Post-1989 Era

Prior to electoral reform, PEC formation was virtually non-existent in Japan. Other than the two PECs that were formed in 1993, which ultimately overthrew the LDP under Prime Minister Hosokawa, no parties formed pre-electoral coalitions in the 1955 system. While there were many cases of informal cooperative agreements at the local level, no formal pacts were formed between parties. Furthermore, after the two PECs in 1993, no parties formed PECs in 1996. Given the theory articulated in this dissertation, the absence of PECs may appear contrary to what we would expect, particularly because the election was the first held under mixed-member majoritarian rules.[14]

This study argues that the absence is explained by the notion that PEC formation was the result of a process of adaptation and learning through which parties adapted to new electoral rules. While opposition parties attempted to coordinate in 1993, they entered into a fractious coalition that ultimately failed in only nine months. Despite the fact that the parties were united under a banner of electoral reform, it was not enough to keep the coalition in power. This made opposition parties leery of pinning their electoral strategy on a PEC in 1996. Thus, many of the

[14] The LDP contested elections independently and formed a single party government under Prime Minister Hashimoto Ryutaro on November 7, 1996, three weeks after the general election. However, the Hashimoto government was a minority government that depended on the support of its former coalition partners, the Social Democratic Party and Sakigake (Tabusa 1997, 22).

parties opted instead to try their luck through a merger under the New Frontier banner. The learning process continued when the NFP failed to win that election and then fell apart amidst bickering.

Electoral reform changed the institutional structure under which parties contested elections, and while PEC formation did not come about immediately, the changes in the rules by which parties contested elections ultimately served as the catalyst for parties to adapt and experiment with the formation of PECs. However, in addition to electoral reform, there were also confounding variables that contributed to the emergence of PECs. In addition to the declining support base of the LDP, Japan's bicameral legislative structure was also an important catalyst.

Following the 1998 House of Councillors election, the LDP was faced with a "twisted Diet," or divided government. Despite securing a majority in the lower house election in 1996, the failure to secure a majority in the upper house became a threat to LDP rule and increased incentives for parties to form PECs in the post-electoral reform era. As Money and Tsebelis argue, "…the interaction between the two houses is crucial to understand the outcome of legislation. Examination of the legislative processes in only one house ignores strategic aspects of legislation generated by the existence of the second house" (Money and Tsebelis 1992, 26).

Figure 2 shows how the LDP's strength in the upper house declined over time. Mirroring its decline in the lower house, the LDP's vote and seat share in the upper house has been in decline since 1989 when it lost 34 seats and only controlled 109 of 252 total seats. Despite Prime Minister Kaifu Toshiki securing 275 seats in the 1990 lower house election and maintaining a majority in the more important lower house, the results of the 1989 upper house election constrained the LDP's ability to govern. For example, while the Kaifu administration submitted the Political Reform Bill on July 10, 1991, the bill was rejected by the opposition in the upper

house on October 4, 1991. The LDP's defeat in the upper house election of 1989 was the beginning of political gridlock that continued throughout the nineties.

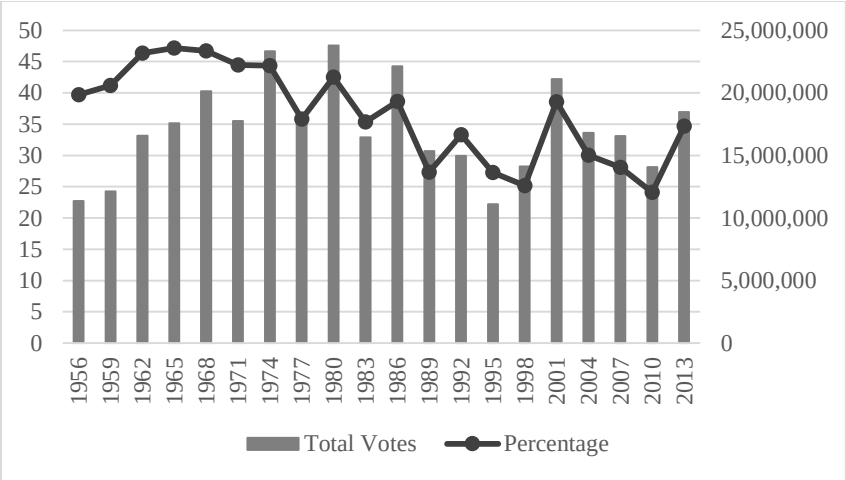

Figure 3: LDP's Vote and Percentage Share (House of Councillors)

Table 2 presents data on the LDP's strength and control of the upper house since its founding in 1955. One year after the party's founding in 1956, the LDP was unable to garner enough votes to win a majority in the upper house. Similarly, the LDP lacked a majority for a six-year period beginning in 1974. However, by enticing independents to join and inducting three candidates into the LDP who ran without the LDP label in the 1977 election, the LDP was able to maintain a majority. Other than these outlier cases, the LDP always maintained a majority in the upper house until 1989. This was crucial given the strength of the House of Councillors, which can block non-budget legislation.

Throughout the postwar era, the LDP was able to dominate and maintain control of both the lower house and upper house. Since 1989, the LDP's fortunes were reversed. In 1989, the LDP only won 36 of 126 contested seats and lost its majority status in the upper house.[15] Ever

[15] Note that at each upper house election, half of the chamber's seats are up for election.

since its loss in the 1989 election, the LDP has never won a majority on its own. In 1995, it was through its coalition with the JSP and Sakigake that the LDP maintained a majority in the upper house.

Year	LDP Seats	Coalition Partner Seats	Total Seats	LDP Majority?	Party in Power	Twisted Diet?
1956	122	--	250	×	LDP	×
1959	132	--	250	◯	LDP	×
1962	142	--	250	◯	LDP	×
1965	140	--	250	◯	LDP	×
1968	137	--	250	◯	LDP	×
1971	131	--	251	◯	LDP	×
1974	126	--	252	×	LDP	×
1977	124	--	252	×	LDP	×
1980	135	--	252	◯	LDP	×
1983	137	--	252	◯	LDP	×
1986	143	--	252	◯	LDP	×
1989	109	--	252	×	LDP	◯
1992	107	--	252	×	LDP	◯
1995	111	40	252	×	LDP Coalition	×
1998	103	--	252	×	LDP	◯
2001	111	28	247	×	LDP Coalition	×
2004	115	24	242	×	LDP Coalition	×
2007	83	20	242	×	LDP Coalition	◯
2010	84	19	242	×	DPJ Coalition	◯
2013	115	20	242	×	LDP Coalition	×

Table 2: Data on LDP Control of House of Councillors

When the LDP contested the 1998 upper house election, it was not in a coalition with any other party, and the LDP was only able to win a total of 44 seats. Combined with the 59 seats it held before the election, the LDP held 103 of 252 seats, resulting in a divided government. The result was particularly damning for the LDP because it only secured a quarter of the total votes. In contrast, the DPJ that formed in 1998 and was becoming an increasingly popular alternative to the LDP and secured nearly 22 percent of the votes.

The Minority Problem: Komeito as a Viable Coalition Partner

Following the disastrous results of the 1998 elections, Prime Minister Hashimoto Ryutaro resigned and was replaced by Obuchi Keizo on July 30, 1998. In the early stages of the Obuchi administration, the LDP faced various setbacks and difficulty in passing legislation. At the time, Cabinet Secretary Nonaka Hiromu realized that in order to bring about stable governance, the LDP would have to work with other parties to pass legislation. In his memoir, Nonaka goes into detail about dealing with the difficulties of a minority government and the frustration of negotiating with a defiant opposition (Nonaka 2005, 6-7).

Leaders within the LDP had already begun to realize the impossibility of maintaining LDP single-party rule. In June 1997, the CGP's former chairman of the policy bureau Masaki Yoshiaki passed away, and a funeral was held in Osaka. When a high-level CGP executive was returning to Tokyo from the funeral, he had a conversation with former Prime Minister Takeshita Noboru, who had also come to the funeral, in the VIP room of the bullet train. At the time, Takeshita anticipated that the JSP and JCP would become irrelevant and that Japanese politics would move towards conservatism. Under such a situation, the CGP would be a pivotal party who held the "casting vote," and Takeshita believed the CGP would have to choose between the LDP or a new conservative party. At the time, Takeshita expressed his desire for the CGP to form a coalition with the LDP.[16]

In August 1998, Nonaka Hiromu, Kato Koichi, and Koga Makoto met to discuss how the LDP would overcome its loss in the 1998 upper house election. The three came to a consensus that the LDP needed to enter into a coalition with the CGP. If the LDP was able to secure CGP

[16] Based on the author's interview with high-level CGP executive (January 28, 2014). He noted how this was at a time when there were increasing rumors that Ozawa and his group would defect from the NFP and form a coalition with the LDP.

support, the LDP would be able to secure a minimum winning coalition, which would allow the LDP to maximize their office and policy payoffs. Thus, the three believed that the CGP was the only stable party that did not blur on policy and was capable of negotiating and coming to the bargaining table.

According to a former high-level CGP executive, one reason why the CGP was a viable coalition partner was because of the cooperative stance the CGP and LDP forged during the eighties in the Tokyo Metropolitan Assembly. Prior to the 1979 gubernatorial election, the CGP had been working against the conservatives together with the JSP and JCP under the Communist governor Minobe Ryokichi. However, beginning in April of 1979, the two parties worked with the DSPJ and New Liberal Club based on a conservative-centrist alliance (*hoshi chudo rosen*). This shift, led by CGP and DSPJ secretary-generals Fujii Tomio and Hayashi Eiji, worked to elect the LDP's Suzuki Shunichi as governor of Tokyo. Suzuki eventually served four terms, and the CGP's shift toward the LDP laid the groundwork and foundation toward cooperation at the national level.[17] Fujii Tomio, who was close to Nonaka Hiromu, played a key role in negotiating between the CGP and LDP in the late nineties.[18] The decision for the LDP to seek out the CGP reflects how the expectations of party leaders are shaped by past experiences, and given the CGP's cooperative stance in the past, the CGP was an ideal coalition partner at the time.

In addition to the close relationship that the two parties forged in Tokyo during the postwar era, the LDP often engaged in informal legislative cooperation with the CGP at the national level. For example, when the Diet was split in the seventies, the LDP worked with the

[17] It should be noted that during Suzuki's fourth bid for the gubernatorial position, the CGP pushed the LDP to run a new candidate given Suzuki's age. Ozawa Ichiro, who was the secretary general of the LDP at the time, eventually put up former newscaster Isomura Hisanori as their gubernatorial candidate, and the CGP also recommended him. Suzuki ran as an independent and ultimately won.
[18] Based on the author's interview with CGP policy secretary (September 26, 2013).

CGP and DSPJ to pass certain legislation.[19] At a time when the opposition was pushing for defense constraints, the CGP and DSPJ believed some sort of defense force was necessary. This ultimately led the parties to compromise with the LDP over applying the Three Non-Nuclear Principles to the reversion of Okinawa. The CGP further backed the LDP when they supported the role of the SDF, conditional on the LDP guaranteeing quantitative constraints on defense capabilities.[20] Thus, while the CGP was an anti-establishment opposition party, the history of the *jikomin rosen*, or the LDP-CGP-DSPJ route, convinced the LDP that the CGP was a viable coalition partner.

Talks began between Nonaka and CGP executives, including Fuyushiba Tetsuzo and Kusakawa Shozo. Initially, the CGP told Nonaka and the LDP that it would be impossible for the CGP to convince its constituents to form a coalition with the LDP given their long history of being an anti-establishment party.[21] It was then that Nonaka decided to reach out to Ozawa Ichiro and the Liberal Party to serve as a *zabuton*, or cushion, between the LDP and CGP.

Since many of the Liberal Party members were former LDP defectors, Nonaka believed it would be easier to entice the Liberal Party into a coalition government (Makihara and Mikuriya 2012, 285). While the Liberal Party would become a surplus party if the LDP successfully brought in the CGP, incorporating the Liberal Party would allow both the LDP and CGP to minimize both intraparty dissent and opposition from voters. At the time, Nonaka did not bring up the LDP's goal of bringing the CGP into the coalition because he feared doing so would weaken the LDP's bargaining power against the Liberal party. According to a former high-level

[19] Based on the author's interview with CGP public relations chairperson (October 30, 2013). The CGP's cooperative stance in the past led the LDP to consider the CGP as a viable coalition partner.
[20] The LDP set constraints through the National Defense Program Outline and the 1% GNP ceiling on defense expenditures (Keddell 1993: 188).
[21] Based on the author's interview with CGP public relations chairperson (October 30, 2013).

CGP executive, Ozawa even told the LDP that he could bring the CGP into the coalition without knowing negotiations had already been taking place between the two parties.[22] To create the appearance of amicable ties, the Liberal Party and CGP even hosted dinner parties in an effort to show society the close ties the two parties had.

As the LDP negotiated with the Liberal Party, it tried to continue to court the CGP by working together to enact CGP legislation. For example, one of the biggest commitments the LDP made was to support and pass a CGP-sponsored regional voucher system worth 700 billion yen in November 1998.[23] By passing CGP initiatives into legislation, the LDP was also able to pass legislation that it would not have been possible to pass otherwise. Some examples include the Measures for Early Strengthening of Financial Functions (*kinyu kino soki kenzenkaho*), the Act on National Flag and Anthem (*kokki kokka ho*), revisions to the US-Japan Defense Guidelines, and passage of the supplementary budget during the Extraordinary Diet session.

Negotiations between the LDP and CGP continued, and CGP Party President Kanzaki Takenori met Prime Minister Obuchi on numerous occasions to negotiate and work towards expediting an agreement. During this period of behind-the-scenes maneuvering, the DPJ and the opposition-controlled upper house adopted a censure motion against Defense Agency Director Nukaga Fukushiro over a multi-billion yen defense procurement scandal.[24] While fifty reprimand resolutions had been submitted to the upper house since the promulgation of Japan's constitution in 1947, Nukaga's censure motion was the first to pass the upper house.[25] The timing of the

[22] Based on the author's interview with a high-level CGP executive (January 28, 2014).
[23] Vouchers were issued to families with children younger than fifteen and to elderly people over 65 with the hope of stimulating individual consumption and boosting the stagnant economy.
[24] Prosecutors found that despite the NEC overcharging the government for equipment during the late eighties, repayments were reduced by the Defense Agency when the NEC accepted the Defense Agency's request to hire retired officials as executives. While NEC owed the government 4.75 billion yen, the Defense Agency arranged for the refund to amount to just 1.2 billion yen, or a loss of roughly 3.8 billion yen for the agency.
[25] In contrast to a no-confidence vote in the lower house, where resolutions would be binding and required dissolving the Diet, a censure motion in the upper house is non-binding.

censure motion was particularly damaging for Prime Minister Obuchi, who was scheduled to welcome President Clinton to Japan the following month.

The LDP feared the opposition-led upper house would continue passing censure motions against other cabinet ministers and bring about political gridlock and instability (*The Economist* October 24, 1998: 95). The censure motion against Nukaga bluntly highlighted the threat of a divided government and the LDP's inability to maintain power in both houses. In his memoir, Nonaka describes Nukaga's censure motion as a shock to the LDP (Mikuriya and Makihara 2012, 27).

The discussion above highlights how the lack of majority in the upper house played an important role in the LDP's decision to seek a coalitional partner. Moreover, their desire to seek a coalition with the CGP highlights one interesting finding regarding PEC formation: in addition to the electoral benefits of PEC formation, parties also form PECs to satisfy legislative motivations. Given the LDP's minority status in the upper house, the LDP was desperate to find a coalition partner that would allow them to bring about government stability. With the LDP's continued electoral decline, the party sought the CGP to pass certain legislation. While there were many unknowns as to how the coalition would evolve, past experiences gave the LDP leadership confidence that the CGP would be a viable legislative coalition partner. In this regard, electoral benefits emerged later, and the coalition originated from an interest in securing a legislative coalition.

Komeito's Unexpected Opportunity: Strategic Decisions for Political Survival

While the LDP sought the CGP as a coalition partner, forming a coalition with the LDP was also a matter of political necessity for the CGP. After the CGP returned to the political arena

as the New Komeito following the dissolution of the NFP, party members believed reverting back to the old electoral system was critical for the party's survival (*Nikkei Shinbun*, February 22, 1999). The mixed electoral system that the CGP had helped enact made it extremely difficult for smaller parties like the CGP to compete in elections. Nonaka's request presented the CGP with an unexpected opportunity to not only increase their influence in policymaking decisions, but also to compete in elections more efficiently. However, one of the most urgent needs for the CGP was to limit further electoral reform, a threat that emerged following negotiations between the LDP and the Liberal Party.

When the LDP and Liberal Party entered into coalition agreements in January 1999, the decision by the LDP to include an agreement to reduce the PR tier by fifty seats brought a sense of urgency to the CGP. The Liberal Party's Ozawa had sought to bring about a two-party system ever since he brought down the LDP, and the LDP's desire to seek a coalition with the Liberal Party gave him an opportunity to move closer towards a two-party system.

This agreement came as a surprise to CGP leaders because they were not expecting the LDP to move forward with such an agreement given the LDP's desire to bring the CGP into the coalition.[26] Some within the LDP even argued that the decision to move forward with Ozawa's request was a bargaining chip to force the CGP into the coalition (*Asahi Shinbun*, August 14, 1999: 3). Kanzaki slammed the plan and argued that if seats were to be reduced in the name of electoral reform, it should be in both the SMD and PR tier (*Nikkei Shinbun*, January 8, 1999).

In response to the CGP's rejection of the LDP-Liberal Party proposal, the LDP leadership began to change their position and express greater flexibility regarding electoral reform. As a staunch advocate of the SNTV-MMD system, Nonaka stated there needed to be serious

[26] Based on the author's interview with CGP policy secretary (September 26, 2013).

considerations to reform the mixed electoral system (*Nikkei Shinbun*, February 19, 1999). In a February 21 speech in Ibaragi prefecture, Mori also expressed his belief that a discussion of electoral reform was necessary (*Nikkei Shinbun*, February 22, 1999). Finally, in a budget committee meeting for the House of Councillors, Prime Minister Obuchi stated that electoral reform was not necessarily limited to the LDP-Liberal coalition agreement to reduce 50 PR seats.

While the LDP leadership began to show a willingness to compromise, there was not much support to revert back to the old system. The CGP knew it was highly unlikely that they could bring back the old electoral system given the unwavering commitment of Ozawa to move towards a plurality system. Furthermore, electoral reform was the result of years of debate and negotiation between numerous parties. For many Diet members, changing the electoral system was not a realistic option.

Given the near impossibility of reverting to the SNTV-MMD system, the CGP gradually loosened their stance on electoral reform. In August, the CGP held a standing committee meeting and dropped the issue of electoral reform as a prerequisite for a coalition agreement. In turn, Kanzaki proposed a plan to reduce thirty seats from the SMD tier and twenty seats from the PR tier (*Nikkei Shinbun*, August 20, 1999). Ultimately, the LDP and Liberal Party decided to reduce twenty seats from the PR tier and consider further reduction in either the SMD or PR tier following the 2000 census.

During the CGP's party convention on July 24, 1999, Kanzaki emphasized the role of the CGP in playing a more active role in the political arena. Given both the CGP's belief that the parties in power needed to demonstrate leadership to the citizens and its ability to be a pivotal party with the casting vote to make or break government, Kanzaki and CGP executives enthusiastically promoted CGP's entry into a coalition government with the LDP.

The CGP's Akita prefecture representative Kudo Tadakuni argued that following its revival in 1998, the party shifted its strategy from the opposition party of "no" to a consensus-forming party. According to Kudo, the CGP had historically taken an anti-LDP, oppositional stance because of the LDP's dominance. However, with the new electoral system and the evolving dynamics of the party system, the party could no longer compete based on such positions. Kudo believed the CGP needed to enter government as a consensus-building party and serve as to temper LDP conservatism (*Asahi Shinbun Akita*, August 25, 1999: 29).

The CGP ultimately decided at its party convention that it would form a pre-electoral coalition with the LDP government. Following its decision to enter into the LDP-Liberal coalition, the CGP decided to prioritize the government coalition and leave controversial interests off the negotiating table, including electoral reform, corporate and organizational financial contributions, and voting rights for permanent residents (*Asahi Shinbun*, September 11, 1999: 7). Obuchi officially reshuffled his cabinet on October 5, 1999, and formally brought the CGP into the LDP-Liberal coalition.

Conclusion

This chapter examined the process by which electoral reform brought about increasing incentives for parties like the LDP and CGP to enter into a coalition prior to the 2000 election. With the collapse of the 1955 system and the decline of the once-dominant LDP, political parties sought to compete in the electoral arena through various electoral strategies, including grand opposition coalitions under the Hosokawa administration, unlikely coalitions between the LDP and JSP, opposition mergers in the form of the New Frontier Party, and the establishment of parties like the DPJ.

Following the enactment of electoral reform, the new mixed electoral system was disproportional, but still allowed parties to survive in the electoral arena. It was under this unique system and a learning process by the parties involved that the LDP-CGP coalition became a reality in 1999. Following the collapse of its unlikely coalition with the JSP, the inability to secure a majority in the 1998 upper house elections led the LDP to seek a coalition partner that would be willing to compromise and stabilize the political arena. It was under such circumstances that the LDP began courting the CGP. By working with and passing CGP legislation, the LDP was able to entice the CGP leadership to join the LDP in a governing coalition.

As an anti-establishment party, the CGP tried to work with the opposition on various occasions throughout the nineties, but each attempt to become a viable alternative to the LDP ended in failure. When it reemerged onto the political scene as the New Komeito in 1998, it found itself as a small party in an electoral system that made it extremely difficult to win seats. It was under such circumstances of post-electoral reform and divided government that the CGP decided to shift strategies and enter into a deal with the LDP to influence legislation and, in future elections, compete more efficiently under a pre-electoral alliance. The CGP's entry into a coalition with the LDP was further hastened when the LDP signed an agreement with the Liberal Party to lower the PR tier by fifty seats.

This chapter used the case of Japan to show how changes to the electoral system create new incentives for political actors to engage in new strategies. The moderately disproportional mixed system that was brought about in 1994 allowed for the survival of a multiparty system, and this combination created incentives for parties to adopt new strategies to compete and survive in the political marketplace.

After various attempts by both the LDP and opposition parties, including the CGP, to find a stable equilibrium, it was the PEC between the LDP and CGP that ultimately stabilized both electoral and government outcomes. In this regard, the coalition between the LDP and CGP was a strategic outcome that emerged through adaptation and learning. After nearly a decade of political maneuvering by both the LDP and CGP, the PEC finally "stuck" for both parties.

In this regard, Japan's case serves as a useful corrective to the belief that all PECs are the result of instant equilibriums that emerge from incentives created by the constraints of political institutions. The PEC between the LDP and CGP was not a deterministic outcome. Rather, the events that followed electoral reform and the sequencing of events leading up to the coalition were important processes for the LDP-CGP pre-electoral coalition to emerge.

Initially, the PEC was based on short-term, legislative interests. For the LDP, sustaining a legislative majority in both houses was essential to stabilizing government. For the CGP, the threat of further electoral reform threatened the CGP's political survival. Despite the way events unfolded, several outcomes were possible. If Ozawa and his followers did not leave the NFP, Japan may have gradually moved towards a two-party system. In such a hypothetical scenario, PECs may not have emerged in Japan's party system. Likewise, if the LDP did not form a coalition with the Liberal Party, electoral reform may not have emerged and the CGP may not have been able to convince its voters to enter into a coalition with the LDP. This could have resulted in the CGP forming a coalition with the DPJ.

While the coalition began based on the need to enact legislation, it was through experiencing the electoral benefits of the PEC that the parties became mutually dependent on one another. In this regard, history and the timing of events play an important role in the formation of PECs. The sequencing of events leading up to the 1999 coalition led both the LDP and CGP to

find PECs to be of strategic interests. It was through repeated iteration of elections and engaging in various strategies that the LDP and CGP arrived at an efficient strategy to contest elections. However, to understand why the parties continued to work together in the post-2000 election era requires an analysis of how the two parties benefited from the PEC. The next section analyzes the 2000 general election and seeks to uncover why the two parties ultimately became dependent on one another in future elections.

APPENDIX

Timeline of Significant Events

DATE	EVENT
11.1955	Formation of Liberal Democratic Party (LDP)
1.1960	Formation of Democratic Socialist Party of Japan (DSPJ)
11.1964	Formation of Clean Government Party (Komeito or CGP)
11.1991	Start of Miyazawa government
11.10.1991	Kaifu electoral reform plan submitted
5.1992	Formation of Japan New Party (JNP)
3.31.1993	Miyazawa cabinet submits 500-seat pure plurality electoral reform bill to Diet
4.8.1993	JSP and CGP submit bill to replace SNTV-MMD system with MMP system
5.28.1993	JSP, CGP, DSPJ, SDF, JNP, and LRL meet to discuss reform based on MMM system
6.16.1993	JSP, CGP, DSPJ, SDF, JNP, and LRL meet and agree on passage of no confidence motion
6.17.1993	JSP, CGP, and DSPJ submit no confidence motion against Miyazawa Hata faction decides to support no confidence motion against Miyazawa
6.18.1993	No confidence motion passes lower house (255-250) with 39 LDP members voting for motion and 18 abstaining Takemura and 10 others leave LDP
6.21.1993	Takemura forms New Party Sakigake with ten other former LDP members
6.22.1993	44 LDP members including Hata and Ozawa leave LDP
6.23.1993	Hata forms Japan Renewal Party (JRP)
6.24.1993	JRP's Hata meets with JSP, CGP, DSPJ, and SDF leaders and agree to work towards coalition government
6.27.1993	JSP, JRP, CGP, DSPJ, and SDF leaders meet and agree on anti-LDP, anti JCP (*hi-jimin, hi-kyosan*) force
6.30.1993	JNP agrees to work towards forming new party with Sakigake following elections
7.3.1993	JNP and Sakigake agree to PEC
7.10.1993	JNP and Sakigake agree to form unified parliamentary group following elections
7.18.1993	40th House of Representatives General Election
7.19.1993	JNP and Sakigake form "Sakigake Japan New Party" (*Sakigake Shinto Nippon*)
7.20.1993	Sakigake members agree on MMM electoral reform plan (250SMD/250PR)
7.24.1993	JSP, JRP, CGP, DSPJ, SDF meet and agree to JNP/Sakigake MMM electoral reform plan
7.29.1993	JSP, JRP, CGP, DSPJ, SDF, JNP, and Sakigake agree on coalition government
8.9.1993	Formation of Hosokawa government
9.17.1993	Hosokawa government submits MMM electoral reform bill
11.18.1993	Electoral reform bill passes lower house
12.25.1993	Electoral reform bill fails to pass upper house due to 17 defections by JSP
1.1994	Passage of Electoral Reform
4.1994	Collapse of Hosokawa government, Formation of Hata Government
6.1994	LDP passes no confidence, JSP leaves coalition
6.1994	LDP-JSP-Sakigake coalition and formation of Murayama Government
12.1994	Formation of New Frontier Party (NFP) (CGP + DSPJ + Shinseito + Sakigake + JNP)
1.1996	Formation of Social Democratic Party of Japan (SDPJ)
1.1996	LDP-SDPJ-Sakigake coalition form Hashimoto government
9.1996	Hashimoto dissolves Lower House
10.1996	41st House of Representatives election

11.1996	Formation of 2nd Hashimoto government w/SDPJ & Sakigake
12.1997	Dissolution of NFP
1.1997	Formation of Liberal Party and Shinto Heiwa
6.1998	SDPJ and Sakigake leave government
7.1998	18th House of Councillors election
7.1998	CGP votes for DPJ's Kan Naoto in Upper House PM vote
7.1998	Formation of Obuchi Government
10.1998	LDP, Liberal Party, and CGP pass Financial Function Early Strengthening Law (*kinkyu kiki soki kenzenka ho*)
11.1998	New Komeito formed
11.7.1998	Kanzaki asserts to "pivot with opposition" (*yato ni kijuku wo oku*) at CGP Convention LDP and CGP agree on Regional Voucher Program (*chiiki fukkoken*)
12.11.1998	Komeito agrees to 3rd 1998 Supplementary Budget
1.13.1999	LDP and Liberal Party agree to coalition talks; Nonaka meets with Kanzaki
1.14.1999	Formation of LDP-Liberal Party Government
2.21.1999	Kanzaki calls for a 450-seat MMD system with three-seat constituencies
2.24.1999	CGP pivots to center as Kanzaki states "How citizens yearn for DPJ or LDP government is an important element to consider for future decisionmaking" and pivots between government and opposition. ("*Kokumin wa minshuto to jiminto no dochira wo chushintoshita seiken wo nozomuka. Kongo no handan no juyo na yosoda."*)
4.13.1999	Nonaka meets with CGP's Kusakawa Shozo on possibility of electoral cooperation
4.27.1999	LDP, Liberal Party, and CGP pass Defense Cooperation Guideline in lower house
4.1999	Nonaka meets with Kanzaki and calls for LDP-Liberal-CGP coalition
5.2.1999	Obuchi states "It would be ideal if the LDP, Liberal Party, and CGP could cooperate and respond to the responsibilities owed to our citizens." ("*Jijiko santoga kyoryokushite kokumin ni taisuru kyukyoku no sekimu wo hataserebayoi."*)
5.3.1999	Kanzaki meets with Soka Gakkai President Akiya Einosuke and acknowledges CGP will seek non-Cabinet government cooperation
5.7.1999	Kanzaki states CGP will make decision regarding coalition by July's Party Convention
5.20.1999	CGP expresses caution on passage of Act on National Flag and Anthem in current session
6.1.1999	LDP, Liberal Party, and CGP modify and pass the Wiretapping Bill in lower house (*tsushin boju hoan*)
6.8.1999	In Seikyo Newspaper, Soka Gakkai President Akiya expresses understanding that a coalition with the LDP would be one strategic option for the CGP
6.15.1999	Amendment to the Basic Resident Registry Law passes lower house with modifications by LDP-Liberal-CGP coalition (*jumin kihon daicho kaiseian*)
6.19.1999	Kanzaki meets with Soka Gakkai's Akiya to exchange views on policy proposals to be decided at CGP Party Convention
6.28.1999	Obuchi formally declares his intent to call on CGP to join coalition at Party Board Meeting
6.29.1999	CGP decides to pass Act on National Flag and Anthem at its Central Executive Committee
7.7.1999	Obuchi meets with Kanzaki and formally requests CGP to enter cabinet government
7.10.1999	In regards to future dissolution of lower house, Obuchi states he will make decision after discussions with the Liberal Party and the CGP.
7.12.1999	Nonaka praises CGP and Soka Gakkai highly at press conference
7.13.1999	Soka Gakkai acknowledges the LDP-Liberal-CGP coalition at Liaison Council Meeting
7.21.1999	Supplementary Budget passed by LDP, Liberal Party, and CGP
7.24.1999	CGP decides to joint LDP-Liberal Party coalition government at CGP Party Convention

7.25.1999	Kaikaku Club's Ozawa Tatsuo decides to join coalition with CGP[27]
7.26.1999	Liberal Party President Ozawa Ichiro affirms its entry is not related to decisions previously made by LDP-Liberal coalition. Affirms desire to see policies that were agreed to in LDP-Liberal coalition at inception.
8.1999	Act on National Flag and Anthem, Wiretapping Bill, and Partial Revision of the Residential Basic Book Act passed
8.13.1999	Obuchi, Kato, and Yamazaki announce bid for LDP Presidency scheduled for September.
8.19.1999	LDP and Liberal Party meet to discuss policy points for tripartite coalition with CGP.
8.20.1999	LDP Policy Affairs Chairman Ikeda Yukihiko and CGP Sakaguchi Chikara meet to discuss policy consultations for tripartite coalition
8.21.1999	Nonaka announces plan to have two-tiered change in electoral system, beginning with reduction in PR and then the reduction of SMD seats to satisfy CGP requests
10.4.1999	LDP, Liberal Party, and CGP come to terms on policy agreement
10.5.1999	Formation of LDP-Liberal-CGP government
10.10.1999	Asahi poll finds Obuchi cabinet support drop by 5% to 46%
10.17.1999	LDP candidate loses in upper house Nagano by-election despite recommendation by CGP
12.1999	Government agrees to expansion of child benefits and incorporates CGP requests
1.27.2000	Law to reduce lower house PR tier by 20 seats passes lower house
2.2000	CGP begins electoral negotiations with LDP
2.2.2000	Law to reduce lower house PR tier passes upper house and becomes law
4.2000	Obuchi rushed to hospital, dissolution of Cabinet and start of Mori government
4.3.2000	Liberal party leaves LDP coalition and fractures
4.5.2000	Formation of Mori government with Komeito and Conservative Party
6.2.2000	Mori dissolves lower house

[27] Kaikaku Club has 9 lower house candidates and two upper house candidates. They already received request from LDP to join coalition government (see *Asahi Shinbun*, July 26, 1999: 2).

CHAPTER 6:

Japan in 2000: Strategic Coordination and Maximizing the Benefits of PECs

In Chapter 6, we saw how electoral reform, together with the decline of the LDP and the rise of divided government, increased the incentives for the LDP and the CGP to form a pre-electoral alliance. While the alliance was originally based on a legislative coalition that brought about government stability, the coalition forged at the pre-electoral stage was critical for the coalition's victory in the 2000 general election. This chapter analyzes the 2000 election in greater detail and discusses how both parties contested elections and coordinated their electoral strategies. The coordination was not a national directive, but the result of local relationships that had been forged at the time.

Furthermore, this chapter will show how the pre-electoral coalition between the LDP and CGP allowed both parties to secure enough seats to hold a majority in both the lower and upper house. Utilizing probit regression analysis on data aggregated at the municipal level, I show that LDP candidates who received the CGP vote had a higher probability of winning their seats, relative to those who did not receive CGP votes. While the coalition may have originated in a legislative coalition, the formation of PECs is not automatic equilibriums that emerge from changes in the electoral institutions, but can also be the outcome of learned processes. As political actors adapt to new institutions, they make difficult choices. As parties opt into and gradually adjust their strategies over time, the choices they make serve as important determinants that bring about new equilibriums after the implementation of new electoral rules.

PECs in Action: Determining the Effects of the 2000 LDP-CGP PEC

How then did the LDP-CGP PEC influence their electoral fortunes in the 2000 election? Both the LDP and CGP sought to maximize their comparative advantages and coordinate their electoral strategies to win as many seats as possible. As discussed in Chapter 2, a PEC could in fact result in a loss of votes because a PEC may push some voters away if they are not satisfied with the pre-electoral decisionmaking of their political parties. Furthermore, by entering into a PEC, participating parties must compromise and back down from running in some districts to make way for coalition partners. In this regard, both the LDP and CGP incurred pre-electoral costs by forming a PEC.

Ultimately, both parties found it in their interest to form a PEC. For the LDP, this was based on their belief that the benefits of securing the CGP's loyal constituency and voting base would outweigh the costs associated with a PEC with the CGP. The LDP believed that forming a coalition with the CGP in the pre-electoral arena and tapping into their loyal base of supporters would be beneficial for the LDP in future elections. Given that the CGP garnered 7.75 million votes in the 1998 upper house election, under optimal circumstances, the LDP could expect to increase their SMD vote share by upwards of 25,000 votes per district.

Moreover, a former LDP secretary general noted that the LDP was also concerned about where the CGP votes would flow in the SMD tier had they not formed a PEC.[1] Given the CGP's close ties with the opposition and labor unions in the past, the LDP felt threatened by the centrist party's ability to sway elections. Given the LDP's decreasing organizational vote, the LDP sought to make up for their weakening support base by incorporating the CGP.

[1] Based on the author's interview with former LDP secretary general (October 30, 2013).

In contrast to the LDP, the CGP saw itself heavily disadvantaged by the electoral system. Winning seats in the new electoral landscape was difficult because their support base was spread thinly across Japan. Given that a majority of seats was being contested in single-member districts, the CGP would have extreme difficulty competing and winning seats. Forming a PEC would allow the CGP to secure seats in strongholds while also increasing their share of PR votes.

Thus, the decision for both parties to form a PEC was based on the belief that doing so would allow them to secure more votes relative to running against one another. Given the institutional constraints the LDP and CGP experienced from electoral reform, together with the LDP's lack of majorities, both parties sought to avoid political contestation, minimize wasted votes, and utilize their comparative advantages to engage in electoral competition and maximize seats, even at the risk of losing votes.

Strategic Negotiations Between the LDP & CGP: Bartering for Votes

In his memoir, Nonaka Hiromu stated that once he became interim secretary general for the Mori cabinet, discussions on electoral cooperation commenced. Given the CGP's reliable vote-garnering machine, the LDP and CGP entered into a bartering and ticket-splitting strategy. The two parties coordinated their electoral strategies and minimized competition against one another. Since the CGP only ran in a few SMD seats, the LDP backed down or tried to coordinate their electoral strategies to avoid unnecessary competition. In return, the CGP would recommend coalition candidates to its constituents. Ideally, both the LDP and CGP hoped that there would be a high level of strategic voting where voters split their votes.

Nonaka knew it would be difficult to persuade both his LDP candidates and their constituents to vote for the CGP. However, Nonaka also knew that if the LDP did not reciprocate

support, the coalition would fall apart after the 2000 election. Fukuoka 11th district's Takeda Ryota explained how unlike the CGP, which had a strong organizational base, the LDP vote was much more fluid and made up of non-party, conservative voters. Because of this, a former LDP secretary general noted how difficult it was for the LDP to get its constituents to vote for the CGP in the PR tier.[2]

In some cases, LDP candidates in tightly contested districts campaigned heavily for the CGP vote and called on voters to split their vote: "LDP for the SMD, CGP for the PR" (*shosenkyoku wa jimin, hirei wa komei*). However, a former CGP vice president affirmed in an interview that such requests were never a national directive requested by the CGP.[3] While such outspoken campaigning by "smooth talking" (*kuchi ga umai*) LDP politicians did occur, such acts were in fact counter-productive and did not translate into tangible votes. In fact, the former CGP vice president noted that the CGP actually requested that the LDP avoid such campaigning.

It was only when relationships between candidates and supporting constituencies were strong that votes actually moved. He noted, "simply yelling for votes from a loud speaker won't bring in a single vote." Electoral cooperation and the exchange of votes were the outcome of relationships forged at the local level. It is when the koenkai, or local support groups, are activated that votes are transferred. True cooperation emerged when koenkai members join their coalitional candidates and personally request votes during a campaign.

In reality, the exchange of votes varied from district to district, depending on previous ties and relationships that the two parties forged at the local level.[4] To transfer votes to the CGP, LDP candidates relied on their closest supporters in their koenkai. Nonaka also confirmed that he

[2] Based on the author's interview with former LDP secretary general (October 30, 2013).
[3] Based on the author's interview with former CGP upper house member and vice president (November 15, 2013)
[4] This was repeated in numerous interviews with the author by both CGP and LDP Diet members.

asked LDP candidates to request their closest constituents and supporters to vote for the CGP in the PR tier (Makihara and Mikuriya 2012, 292-93). In some cases, the LDP and CGP had very strong ties, and electoral cooperation proceeded smoothly. In other cases, an LDP candidate's hostility towards the CGP resulted in less cooperation.

In an interview with the author, a CGP prefectural representative discussed how the reciprocation of support depended on past experiences between the LDP and CGP.[5] The degree of support that the CGP provided to the LDP depended on how they had cooperated in the past. The greater the level of cooperation, the greater the enthusiasm with which prefectural representatives and their constituents supported the LDP. However, in cases where the LDP candidate was hostile towards the CGP, there was neither support for the LDP candidate nor an official recommendation by the prefectural association.

Takeda Ryota, vice-minister of Defense and an LDP lower house member from Fukuoka 11th district, noted in an interview with the author that in order to secure cooperation, what is most important is the relationship at the local level.[6] When local constituents and supporters develop a close, working relationship based on trust, electoral cooperation becomes much smoother. After losing his seat in both the 1993 and 1996 elections, Takeda contested the 2000 election as the LDP candidate with the CGP's support. Given that the 2000 election was the first PEC between the two parties, Takeda lost the seat to the incumbent Yamamoto Kozo, who won as an independent. However, after Takeda received the CGP's support in 2000, the number of votes he lost by dropped significantly. In 1996, Takeda lost to Yamamoto by nearly 24,000 votes, but after receiving the CGP's support in 2000, Yamamoto barely won by 2,600 votes.

[5] In an interview with a CGP prefectural representative (February 2014).
[6] Based on the author's interview (February 27, 2014)

Following his defeat in the 2000 election, Takeda worked harder to court the CGP votes in his district and established the Meiryokai for the 2003 election, an informal group created by constituents of both Takeda and CGP supporters.[7] The Meiryokai firmly grounded Takeda's support based in his district, despite him running in 2003 as an independent since Yamamoto had taken on the LDP mantle. This time, Takeda beat Yamamoto by an unprecedented 13,000 votes. At the same time, the CGP's PR vote share increased by 9,500 votes. Takeda takes pride in the close ties his constituencies developed with the CGP, and in an interview with the author, Takeda shared how his district was one of the model districts of LDP-CGP cooperation in Japan.

Of the 271 districts in which the LDP ran SMD candidates in 2000, the CGP ultimately supported 161 LDP candidates, or nearly three-fifths of all candidates. Since the election was the first coalition between the two parties, cooperation was not entirely smooth. Furthermore, since the PEC was formed after the LDP had already prepared candidacies for the 2000 election, conflicts emerged within the party, and some candidates who were asked to back down rebelled against the party by running as independents.

Table 1 tabulates where CGP ran its candidates based on CGP vote share. Japan's SMDs are divided into five categories based on CGP vote share. As the table shows, there were 171 districts with the CGP vote share falling between 10 to 15% of the total votes. In those 171 districts, the CGP ran in only five percent of the districts, or a total of eight districts. In 48 districts, the CGP vote share was between 15 and 20%, and the CGP ran in three districts, or just six percent of the districts. Finally, when the CGP vote share was above 20%, the CGP ran in

[7] Meiryokai was named based on Komeito's "mei" and Takeda Ryota's "ryo." "Kai" refers to an association or group in Japanese. Meriyokai was forged based on the Meichokai which was formed by Fukuoka 9th district's Mihara Asahiko, who was also able to win his district only after courting the CGP vote. In both cases, Takeda and Mihara noted that the establishment was an organic process that emerged between constituents and supporters of the CGP and the LDP candidates.

seven of ten districts, or 70% of the total districts. Thus, the CGP ran strategically in districts where it was particularly strong.

The two columns at the end of the table reflect the CGP-to-LDP ratio in districts when either the CGP or LDP ran candidates. For example, the CGP ran eight candidates in districts where its vote share ranged between 10 and 15% of the votes, and the CGP-to-LDP ratio was 0.68. In the remaining districts where the LDP ran, the seat share was 0.47. The table shows that when the CGP fielded a candidate, its vote share was always higher than that of the LDP.

CGP Vote Share	CGP Ran	# Districts	% CGP Ran	CGP:LDP Votes (CGP Ran)	CGP: LDP Votes (LDP Ran)
0-5%	0	2	0	0	0.36
5-10%	0	69	0	0	0.30
10-15%	8	171	0.05	0.68	0.47
15-20%	3	48	0.06	0.79	0.69
20-25%	7	10	0.70	1.18	0.97

Table 1: Strategic Entry by CGP Candidates

At the time when the coalition was announced, the two parties were running candidates against each other in nineteen districts. That number later increased to 21 districts (*Asahi Shinbun*, May 27, 2000: 4). The two parties were eventually able to come to terms on thirteen districts and avoid unnecessary competition against one another. Some candidates retired while others withdrew, and some even moved districts or switched tiers from the SMD and became PR candidates.[8] Table 2 lists the conflicting districts between the two parties. The table also includes the results of the pre-electoral negotiations between the LDP and CGP.

[8] It should be noted that the LDP withdrew candidates from another eight districts to allow Conservative candidates to run. However, the two parties were in conflict in 10 other districts (*Asahi Shinbun* May 10, 2000, 4). Despite the LDP-CGP coalition being a minimum winning coalition, however, the inclusion of the Conservative Party was necessary to weaken the strength of the LDP-CGP coalition (*Asahi Shinbun* May 10, 2000, 4).

Conflicting SMDs	Result of PEC Negotiations	Electoral Outcome
Saitama 3	CGP retires	LDP Defeated
Saitama 6	LDP backs down	CGP Defeated
Chiba 2	Conflict	Both Defeated
Tokyo 4	Rebel	LDP Rebel Wins
Tokyo 17	Conflict	LDP Wins
Tokyo 20	Rebel	Both Defeated
Tokyo 24	CGP to PR	LDP Defeated
Kanagawa 6	Rebel	Both Defeated
Shizuoka 1	Conflict + Rebel	LDP Rebel Wins
Aichi 1	LDP to PR	CGP Defeated
Aichi 6	LDP to Aichi 8	CGP Loses
Osaka 3	LDP to PR	CGP Wins
Osaka 5	LDP backs down	CGP Wins
Osaka 6	LDP to PR	CGP Wins
Osaka 10	CGP backs down	LDP Wins
Osaka 16	LDP to PR	CGP Wins
Hyogo 2	LDP to PR	CGP Wins
Hyogo 8	Rebel	CGP Wins
Tokushima 1	CGP to PR	LDP Defeated
Kochi 1	Conflict	LDP Wins
Okinawa 1	LDP to PR	CGP Wins

Table 2: Electoral Coordination and Outcome

As can be observed from Table 2, the parties were unable to negotiate agreements in Chiba 2, Tokyo 17, Shizuoka 1, and Kochi 1. Ultimately, the LDP won two of the conflicting districts in Tokyo 17 and Kochi 1 while the CGP did not win any.[9] Furthermore, LDP nominees rebelled against the party in five districts and ran as independents.[10] Of the four districts with rebel candidates, the LDP won Shizuoka 1 and the CGP won Hyogo 8.[11]

[9] In Shizuoka 1, both the LDP and CGP candidate lost to Kamikawa Yoko, who ran as an independent candidate and rebelled against the LDP. After winning the seat, Kamikawa rejoined the LDP.
[10] In total, there were nine districts where former-LDP candidates rebelled against the party's decision to withdraw their nomination to make way for their coalition partners (*Yomiuri Shinbun*, June 27, 2000). For more information on the role of independents in the LDP, see Reed (2009).
[11] While the CGP's Ueda lost in Kanagawa 6, he was revived in the PR tier.

In total, there were three districts where the two parties were in conflict, competed against each other, and lost. Assuming rational voter behavior, if the parties were able to come to an agreement, all three seats could have resulted in a coalition victory. In Chiba 2, the two parties received a total of 120,519 votes (50.2%) in comparison to the DPJ's 82,074 votes (34.2%). In Tokyo 20, an LDP rebel candidate resulted in a loss for the coalition, who garnered 107,226 (45.4%) to the DPJ's 93,236 votes (39.5%). In Kanagawa 6, a rebel candidate resulted in a loss for the coalition, who garnered 97,999 votes (43.3%) to the DPJ's 77,169 votes (34.2%).

Shizuoka 1 exemplifies not only the difficulty of coordinating candidates in the pre-electoral arena, but also uniting one's constituency to vote for a particular candidate or party. In the 1996 election, the NFP candidate Oguchi Yoshinori defeated the LDP incumbent Tozuka Shinya because the LDP's vote split between Tozuka and the independent Kamikawa Yoko, who had sought the LDP nomination. Combined, the two LDP candidates received nearly 64,000 votes in comparison to Oguchi's 48,650. Had the LDP been able to coordinate and run a single candidate, the LDP could have won the Shizuoka 1 district in 1996. In the 2000 election, both candidates ran for the LDP seat again, regardless of the fact that Oguchi was the incumbent and had the official nomination (*Asahi Shinbun* January 1, 2000). Since the LDP vote split, the independent Kamikawa was able win Shizuoka 1 with 58,383 votes while CGP's Oguchi came in third with 55,976 votes.

Another example is Kanagawa 6, where the LDP and CGP decided on a barter strategy. In exchange for allowing the CGP's Ueda Isamu to run in Kanagawa 6, the CGP provided support for the LDP in Kanagawa 8, where the LDP's Eda Kenji was running. However, Sato Shigeru, who received the LDP nomination before the LDP-CGP alliance, rebelled against the LDP's decision to withdraw his nomination and ran as an independent. Sato's decision to run

against the CGP's Ueda split the LDP-CGP vote. Ueda received 52,175 votes and Sato received 45,624 votes. Since the DPJ's Ikeda Motohisa received 77,169 votes, both Ueda and Sato lost the SMD seat. Had Sato backed down and united under Ueda, the CGP's Ueda should have won the 2000 election.

Yomiuri found that if one adds up the votes the CGP candidate received from the total PR votes of the LDP and CGP in SMD districts where the CGP candidate lost, specifically Tokyo 4, Tokyo 20, and Kanagawa 6, there is a huge disparity in vote share. For example, the CGP received 55%, 54% and 37% less votes in Kanagawa 6, Tokyo 4, and Tokyo 20, respectively. In contrast, in the districts where the CGP candidate was able to hold a majority of the LDP votes, as in Osaka 16 and Hyogo 8, the CGP candidate was able to win (*Yomiuri Shinbun* June 27, 2000). Had the parties been able to coordinate better, the two parties could have extended their total seat share.

Veiled Victory or Devastating Defeat: Analyzing the Results of the 2000 Election

Given the electorate's frustration with the LDP, "Komeito allergy," the unpopularity of Prime Minister Mori Yoshiro, and the newly resized 180-seat PR tier, many interpreted the 2000 election as a defeat for the governing coalition. The LDP won 177 of the 271 contested SMD seats and 56 seats in the PR tier, a total of 233 seats. The LDP lost 38 seats and was eight seats below the 241 seats necessary to have a single-party majority in the lower house. The CGP lost eleven seats and received 31 seats by winning only seven of 18 SMD seats and 24 seats in the PR tier. Finally, the New Conservative Party (NCP) only won seven of 19 SMDs and lost 11 seats

without winning a single seat in the PR tier.[12] Without the CGP, the LDP did not have a majority in the upper house.[13] Thus, looking solely at the results, the coalition suffered a defeat in the 2000 general election.

When we dig deeper into the results of the LDP-CGP pre-electoral coalition, however, a different picture emerges. In absolute terms, the governing coalition did in fact lose seats by *only* winning 271 seats. However, those 271 seats were enough for the LDP to maintain a decisive majority, or *zettai anteisu* (Kato and Yamamoto 2009).[14] Thus, the coalition still controlled a comfortable majority that would allow for stable governance, and the PEC between the LDP and CGP played an important role in bringing about this outcome in the 2000 elections.

Despite losing seats in the 2000 election, the LDP actually increased its efficiency in translating votes to seats. In 1996, the LDP won 169 SMD with 39% of the votes, making up 56% of the 300 total seats. In contrast, the LDP in 2000 won 177 seats with 41% of the votes, making 59% of the total seats, or a three percent increase. Thus, despite the harsh political environment for the LDP, the party not only maintained its seats, but also increased its efficiency.

[12] The NCP were former members of the Liberal Party who decided to remain with the LDP following Ozawa's departure from the coalition. The members who remained with the LDP coalition formed a conservative party called the New Conservative Party and competed in the 2000 election together with the LDP and CGP.
[13] The NCP only had seven seats in the upper house, and together with the LDP's 107 seats, lacked the seats necessary to hold a majority in the 252 seat upper house. Together with the CGP, however, the tripartite coalition held 137 seats. Thus, the LDP-CGP coalition was a minimum winning coalition and the LDP-CGP-NCP coalition was a surplus coalition.
[14] Holding 241 seats in the Japanese House of Representatives allows a party to pass legislation in the house (*kahansū*). Furthermore, controlling 252 of the 480-seat lower house allows a party or ruling coalition to have a stable majority (*anteisū*), where the party ruling coalition controls half of all seats in the seventeen standing committees and also controls the chairman's position. When a party or ruling coalition controls an decisive majority (*zettai anteisū*), they are able to control a majority of all standing committees and pass bills without the decision of the committee chairs.

Furthermore, the decline in LDP seat share is, in part, attributable to the reduction of PR seats in the electoral system. Prior to the 2000 election, there were 200 seats in the PR tier. Following Japan's second electoral reform, the total number of PR seats was reduced to 180 seats. Based on the results of the 2000 election, Kabashima (2000) simulated what the share of LDP seats would have been had there been 200 seats. He found that the LDP would have won six seats more, or 62 total seats in the PR tier. In this regard, the reduction of seats in the PR tier partially skews the image of the LDP's electoral fortunes in the 2000 election.

In fact, the share of losses of the LDP coalition came primarily from its junior partners. Given the disproportionality of the electoral system, the CGP and NCP lost 11 and 7 seats, respectively. However, this was expected by both parties, and a CGP executive was quoted as saying that holding thirty seats would be a realistic goal for the party given that the 2000 election was the first election that the New Komeito contested following the dissolution of the NFP (*Yomiuri Shinbun* June 25, 2000).

The drastic decline in seats by parties like the CGP and NCP reveal how the disproportionate weight placed on the plurality tier of the mixed system made it difficult for parties to survive the electoral arena. Had the parties not formed a PEC, the results could have been more devastating for both parties. By allying with the LDP, the CGP and NCP could coordinate their electoral strategies with the LDP and increase their probability of winning seats by minimizing competition. Thus, for both parties, working with the LDP was partly based on party survival. By forging a coalition with the LDP, coalition partners avoided unnecessary competition and maximized their seat share in the electoral arena.

Empirical Analysis: Simulating the Effects of the LDP-CGP PEC

I determine the effects of the LDP-CGP PEC on the outcome of the 2000 election using probit regression analysis. Electoral data from the 2000 election was retrieved from the Summary of the 42nd House of Representatives Election (*Dai 42 Kai Shugiin Giin Senkyo Ichiran*) published by the House of Representatives Secretariat. Steven Reed's 2013 dataset was used to determine a party's electoral strength, measured by a party's PR vote in each SMD. Unlike the Summary of the 42nd House of Representatives Election dataset, which only provides PR data at the prefectural level, Reed's data provides party PR share in each SMD by aggregating municipal-level data.

The outcome variable is a dichotomous variable coded 1 when the LDP candidate won his or her SMD seat, and 0 otherwise. Two explanatory variables are used to measure whether the CGP had an effect on the LDP's probability of winning SMD seats: a dichotomous variable coded 1 when the CGP recommended the LDP candidate, and an ordinal variable capturing the strength of the CGP vote based on the ratio of CGP votes to total votes in a given SMD.

Factors commonly associated with a candidate's electoral strength, namely candidate incumbency, factional affiliation, and electoral experience, are included as control measures. Incumbency and factional affiliation are dichotomous variables coded 1 when the candidate is an incumbent or has factional affiliation. LDP incumbents and candidates with factional affiliation should be more likely to win their seat. An ordinal variable is created for the number of times a candidate was previously elected. Those with more experience are expected to have a higher probability of winning their seat.

Three additional measures are included to control for common factors associated with electoral competition: urbanity, district fragmentation, and the degree of candidate

competitiveness. First, the level of urbanity is calculated based on a district's population. Districts are organized in ascending order, with the least populated districts coded 1 and the most populated districts coded 5. Given the LDP's historic strength in rural districts, the more populous or urban a district, the less likely we should observe LDP victory.

The "Effective Number of Political Candidates," or ENPC score, is similar to Laakso and Taagepera's (1979) ENPP index, calculated as 1 over the sum of the squared value of each candidate's vote share. Given that larger parties have an electoral advantage in disproportional systems, the coefficient is expected to be negative.

Finally, district competitiveness is calculated with the FW-Ratio, or First Loser-Winner Ratio, which is calculated as the first loser's vote share over the winner's vote share. The higher the ratio, the more competitive the district and the less likely it should be for the LDP to win the seat. While Cox's SF-Ratio takes the ratio of the second loser's vote share to the first loser's vote share, this study takes the share of the first loser's vote share to the winner's vote share because the party of interest is the LDP who is often either the winner or the first loser of all SMDs (Cox 1997). Descriptive statistics are provided below.

Variable	Observations	Mean	Std. Dev.	Min	Max
CGP Recommendation	300	0.62	0.49	0	1
CGP Vote Share	279	0.13	0.04	0	0.26
Incumbent	300	0.77	0.42	0	1
Factional Affiliation	272	0.90	0.29	0	1
Times Elected	300	4.14	3.02	1	14
Level of Urbanity	300	3.00	1.42	1	5
ENPC	300	2.76	0.68	1.37	5.22
FW Ratio	300	0.69	0.22	0.14	1

Table 3: Descriptive Statistics

Results are presented in Table 4 below. To begin, we ran a simple model using common variables associated with a candidate's electoral strength: incumbency, factional affiliation, and

the number of times a candidate was elected in the past. Incumbent LDP candidates were more likely to win their seat. In contrast, factional affiliation had no significant effect on an LDP candidate's victory, and the number of times a candidate won elections in the past was only weakly significant.

Model 2 incorporates a set of control variables associated with a district's competitiveness: urbanity, fragmentation, and candidate competitiveness. Other than the incumbency and the FW-Ratio, all variables are insignificant. Incumbents continue to have electoral advantages while the negative coefficient of the FW-Ratio can be understood as LDP candidates being less likely to win in districts that are more competitive.

Finally, Models 3 incorporates our main variable of interest, namely the CGP's effect on the likelihood of an LDP victory. A candidate recommended by the CGP was more likely to win their seat. Furthermore, while only weakly significant, the high coefficient of CGP Vote Share illustrates how the LDP candidate was much more likely to win as the CGP's presence in the district also increased. The weakly significant coefficient can be explained by the fact that when the CGP is strong in a particular district, they are more likely to field a candidate in the district.

	(1)	(2)	(3)
Incumbent	0.717***	0.579***	0.617***
	(0.224)	(0.229)	(0.235)
Factional Affiliation	0.252	0.386	0.331
	(0.304)	(0.332)	(0.323)
Times Elected	0.086	0.029	0.048
	(0.035)	(0.037)	(0.039)
Level of Urbanity		-0.048	-0.069
		(0.068)	(0.069)
ENPC		-0.029	-0.009
		(0.162)	(0.168)
FW-Ratio		-2.990***	-2.962***
		(0.529)	(0.541)
CGP Recommendation			0.408**
			(0.191)
CGP Vote Share			5.967*
			(3.203)
Constant	-0.699**	1.899***	0.869
	(0.331)	(0.557)	(0.707)
Observations	264	264	263
Pseudo R2	0.103	0.235	0.260
Log Likelihood	-151.902	-129.646	-124.599

Standard errors in parentheses
* p < 0.10 , ** p < 0.05 , *** p < 0.01

Table 4: Probit Regressions on PEC Formation

To provide more substantive findings, predicted probabilities are presented below in Table 5 below. The probability was calculated for a hypothetical incumbent with factional affiliation. All other variables were held at their mean. As can be observed from the data, LDP candidates that received CGP recommendations were more likely to win their seats in contrast to those who did not. A candidate who received the CGP recommendation had a 79% probability of winning their seat while a candidate who did not receive the CGP's recommendation only had a 68% probability of winning their seat.

	Pr (LDP Victory) [w/95% CI]
No CGP Recommendation	0.68 [0.57 , 0.77]
CGP Recommendation	0.79 [0.72 , 0.87]

Table 5: Effects of CGP Recommendation

In addition, we examine the effect of the CGP's recommendation of an LDP candidate based on the competitiveness of an electoral district measured by the FW-Ratio. The figures below show the variance in the probability of LDP victory based on whether or not the CGP recommended an incumbent LDP candidate with factional affiliation, and all other variables are held at their mean value. We find that in competitive districts with high values on the FW-Ratio, the probability of LDP victory is higher when the CGP recommends an LDP candidate. Furthermore, even though the FW-Ratio decreases, the LDP's probability of victory is more stable when the CGP recommends the LDP candidate to its constituents.

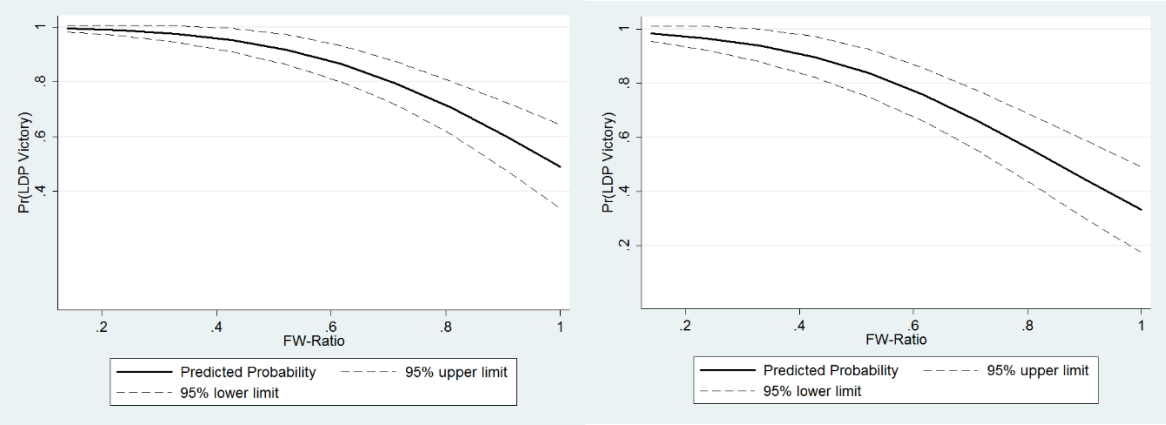

Figure 1: Effect of CGP Recommendation Based on District Competitiveness

Efficient Strategies in the Pre-Electoral Arena: Outcomes of the LDP-CGP PEC

To make more substantive interpretations of our multivariate analysis, this section simulates the 2000 election by assuming strategic voting. Japan's mixed system allowed voters to strategically split their vote. If LDP and CGP constituents voted strategically and followed the barter strategy, we should expect the LDP to have a higher share of votes in the SMD tier while the CGP should have a higher share of votes in the PR tier. When analyzing the results of the 2000 general election, we found that this was exactly the case.

With changes to the electoral environment, voters had the option to split their vote and engage in strategic voting. If voters of the LDP and NCP voted strategically in the SMD tier and sincerely in the PR tier, we should expect the LDP to have a higher share of votes in the SMD tier because the LDP would receive CGP votes. In contrast, the CGP should observe an increase in PR votes, given the barter strategies between the two parties and the agreement for the LDP to transfer PR votes to the CGP (Thies 2002).

The LDP received just under 25 million votes in the SMD tier while receiving fewer than 17 million votes in the PR tier. This is in contrast to the nearly 22 million votes the LDP received in the SMD tier and 18 million votes in the PR tier in 1996. The increase in the number of SMD votes reflect how CGP voters voted for the LDP in the SMD tier. According to *Yomiuri* exit polls, 61% of CGP constituents voted for the LDP in districts where the LDP was fielding a candidate in the SMD tier (*Yomiuri Shinbun* November 10, 2003). Thus, the LDP was able to increase their share of votes, despite the toxic political environment at the time.

As discussed earlier, LDP executives were concerned about where the CGP votes would be transferred to if the LDP did not enter into a PEC with the CGP. To determine the effects of the LDP-CGP PEC, we must first determine the total number of votes cast by CGP constituents

to the LDP in each SMD. By doing so, we can make predictions as to how each district would have swung without the CGP vote. First, we know through Yomiuri exit polls that only 4% of LDP constituents voted for the CGP in the PR tier. Given the total votes the LDP received in PR, say (A), the actual number of LDP constituents in each district, including those who voted for the CGP in PR, (B) can be determined by (A)/0.96.[15]

Once we determine the total number of LDP votes, we multiply that number (B) by 0.04 to determine the number of LDP voters who voted for the CGP in the PR tier, or (C). We then subtract (C) from the votes collected by the CGP in the PR tier, (D) to determine the number of CGP constituents (E) that excludes the 4% of LDP constituents who voted for the CGP. Given 61% of CGP constituents voted for the LDP in the SMD tier, we multiply (E) by 0.61 in each district to get *X*, or the total number of CGP votes that went to the LDP candidate in a given district. Thus, the total CGP votes that went to the LDP candidate in each SMD can be calculated by

$$X = D - (A * 0.04/0.96) * 0.61$$

The mean number of CGP votes in each SMD is 22,694 votes. Of the roughly 92,550 votes that the LDP received in each district, an average of 13,843 votes was from CGP constituents. Thus, roughly 15% of votes that the LDP received came from the PEC with CGP. The number of CGP votes that went to the LDP ranged from 4,464 votes in Toyama 2 to 30,951 votes in Tokyo 17.

[15] For example, say there are a total of 100 LDP constituents, but we only get to see 94 LDP votes, or 94% of the total LDP votes, in the PR tier because 6% voted for the CGP. In other words, if we see 94 LDP votes in PR, we know it was just 94% of the total number of LDP constituents. Thus, to get the total number of LDP constituents, we must divide the LDP votes in the PR tier by 0.94 to get the actual total number of LDP constituents, which is 100.

We first determine how many seats the LDP would have lost if the CGP had not voted for the LDP in SMDs. By simply subtracting the 61% of CGP votes from the total number of LDP votes in each electoral district, we find that the LDP would have lost a total of 36 seats. However, the reality is that had the LDP and CGP not formed a PEC, the vast majority of the CGP would have voted for another party. Deciphering how CGP constituents would have voted is difficult given that the 2000 election was the first election the CGP contested as an independent party under the new electoral system.[16]

Assuming voter rationality and the effectiveness with which the CGP is able to mobilize their votes, we can expect that the vast majority of CGP voters would have voted for the runner-up candidate based on their past, anti-establishment platform. A good measure of the sincerity of CGP constituents can be observed in the 1998 upper house election. Based on Yomiuri exit polls, 93% of voters who identified with the CGP voted for the CGP in the proportional tier. This is in contrast to other parties like the LDP, who was only able to solidify 69% of their voters (*Yomiuri Shinbun* July 13, 1998, p. 6). Thus, it can be assumed that if the CGP did not form a PEC with the LDP, a high number of CGP voters would have voted for the runner-up DPJ candidate, This can also be assumed based on the close ties the CGP had with the DSPJ and other unions and interest groups affiliated with the DPJ.

We make conservative estimates by assuming 70% of CGP constituents vote for the runner-up candidate and 30% still vote for the LDP. Under such scenarios, the LDP would have lost a total of 56 seats in the 2000 election. Given that the LDP won a total of 177 seats in the 2000 election through the LDP-CGP coalition, we find that the PEC between the two parties influenced 32% of the seats the LDP won in the 2000 election. Assuming 56 LDP candidates

[16] Note that in the 1996 general election, the CGP was part of the New Frontier Party, which disbanded in 1997.

would have lost those seats to the DPJ, the LDP would have only won 121 seats and the DPJ would have won 136 seats in the SMD tier.

If we increase our conservative estimate and assume that 85% of CGP voters voted for the runner-up, we find that the LDP would have lost 81 seats in the SMD tier, or 46% of their seats. Thus, we can assume that the LDP would have lost roughly 32 to 46% of their seats had they not entered into a coalition prior to the 2000 election. The effects were particularly strong in urban locales. To get a sense of the rural-urban divide, we categorize each of the 47 subnational jurisdictions into three categories based on the total number of voters in each jurisdiction: rural, rural-urban, and urban.[17] Results are presented in Table 6 below.

	Seats	Total Population	Avg. Per Jurisdiction	NO CGP	70%	80%	85%
Urban	179	65,447,632	365,629	5 (14%)	7 (12%)	15 (20%)	15 (19%)
Mid-Urban	72	22,238,969	308,875	7 (19%)	10 (18%)	12 (16%)	12 (15%)
Rural	49	12,805,518	261,337	24 (67%)	40 (70%)	49 (64%)	54 (64%)

Urban: Tokyo, Osaka, Kanagawa, Saitama, Aichi, Chiba, Hokkaido, Hyogo, Fukuoka, Shizuoka, Ibaragi, Hiroshima, Kyoto, Niigata, Miyagi
Mid-Urban: Nagano, Gifu, Fukushima, Gunma, Tochigi, Okayama, Mie, Kumamoto, Kagoshima, Yamaguchi, Ehime, Nagasaki, Aomori, Nara, Iwate, Shiga
Rural: Yamagata, Oita, Akita, Okinawa, Ishikawa, Miyazaki, Toyama, Wakayama, Kagawa, Yamanashi, Saga, Tokushima, Kochi, Fukui, Shimane, Tottori

Table 6: Effects of PEC Based on Population Density

We find that in Japan's most populous jurisdictions, including Tokyo and Osaka, the effects of the PEC were greatest. The table reflects the number of seats that flipped assuming 70%, 80%, and 85% of the CGP vote went to the runner-up candidate. We find that in each

[17] Japan is divided into 47 subnational jurisdictions, including 43 prefectures (*ken*), Osaka and Kyoto urban prefectures (*fu*), Hokkaido district (*do*), and the metropolitan district of Tokyo (*to*).

situation, roughly two-thirds of the total number of seats that flipped was from urban jurisdictions. This reflects the competitiveness of urban districts relative to rural districts and the strength of the CGP constituency in more urban, metropolitan areas.

While the CGP was effective in mobilizing their vote for LDP candidates, the LDP had a more difficult time garnering votes for the CGP. For example, in the same Yomiuri exit poll, only 38% of LDP constituents voted for CGP candidates in districts where the CGP ran a candidate (*Yomiuri Shinbun*, November 10, 2003). However, the difficulty of garnering votes for the CGP was most apparent in the PR tier, where only 4% of LDP constituents voted for the CGP. What is striking is that 13% of LDP constituents actually voted for the DPJ, the number one opposition party (*Yomiuri Shinbun*, June 26, 2000). Based on public opinion surveys conducted a week prior to the June 25th election, Yomiuri found that in districts where the LDP backed down for CGP candidates, there was a high likelihood that many LDP constituents and voters were planning on voting for candidates other than the CGP candidate (*Yomiuri Shinbun*, June 25, 2000). Thus, in addition to the hesitation to vote for the LDP's coalition partner, the polls reflect the *jimin banare* that was strikingly evident in the 2000 election.

Despite the difficulty of garnering LDP votes to the CGP, the benefits of this bartering strategy can still be observed. Figure 3 shows the total vote and percentage share of CGP since their formation in 1967. We see the CGP increased their vote share following entry into a PEC and received a total of 7,762,032 votes in the PR tier in the 2000 election. While results varied, all three parties actively engaged in coordinating their electoral strategies and maximizing their probability of winning seats and entering government.

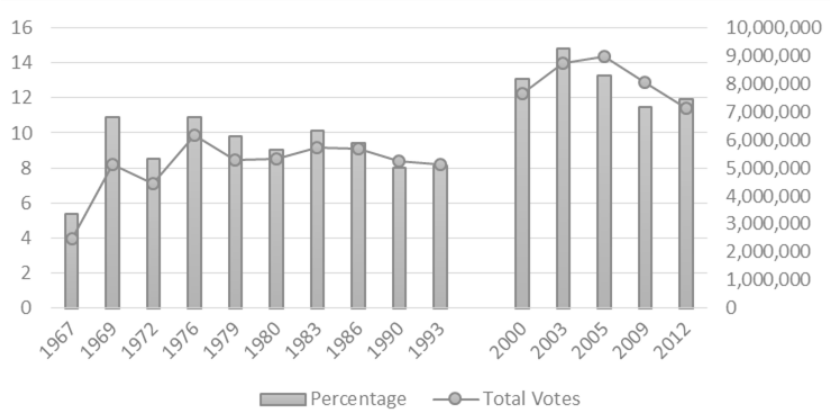

Figure 3: CGP's Historic Vote and Percentage Share

Conclusion

This chapter uses Japan as a case study to trace the process by which the LDP and CGP formed a PEC prior to the 2000 election. Prior to electoral reform, the LDP's dominance in the electoral arena under the 1955 system did not create incentives for the LDP to form any type of coalition. When it needed to overcome some majority threshold, it was always able to entice independents to join the LDP. Furthermore, the SNTV-MMD system also did not create incentives for the opposition to form a PEC. Given the moderately proportional nature of the electoral system, mainstream opposition parties were able to compete without a threat of survival, and it was much more rational for parties to "go it alone" and contest elections independently. While there were cases of electoral coordination amongst political parties and interest groups organizations like labor unions, there was no official coalition that formed under the 1955 system.

With the decline of the LDP during the late eighties and early nineties came an opportunity for the opposition to overthrow the LDP. The opposition, led by Hosokawa Morihiro, was able to form a PEC in 1993 and come into power. The grand opposition coalition was the first case of a PEC in Japan, and the goal of enacting electoral reform allowed parties to

overcome their personal interests and enter government. Following the enactment of a mixed member majoritarian system in 1994, however, the opposition government fell apart, and when the LDP enticed the JSP and Sakigake to form a government together, the opposition imploded and led to the rise of the unlikely coalition between the LDP and JSP.

Following the grand coalition's failure, opposition parties worked towards establishing a two-party system and merged under the New Frontier Party banner. However, ideological differences and conflicts within the party also resulted in the collapse of the NFP coalition. Despite the LDP and opposition parties cycling through various conventional strategies to bring about political stability, the result was increasing fragmentation of the party system. Together with the LDP's 1998 defeat in the upper house elections, the LDP sought to form a PEC with the CGP as a means of establishing legislative stability and electoral victory.

For the CGP, the coalition was also crucial to not only preventing the LDP and Liberal Party from enacting electoral reform to reduce fifty PR seats, but also to secure their survival in an electoral system that heavily disadvantaged smaller parties. By entering into a coalition with the LDP, the CGP was able to enter government and become a key casting vote in the legislative arena. In addition to having influence over the passage of legislation, the LDP-CGP PEC allowed both parties to coordinate their electoral strategies and come out victorious in the 2000 election. Utilizing probit regression analysis, this study also found that CGP recommendations greatly influenced the probability of LDP candidate victories throughout Japan, and the brief case studies that were presented in this study highlight the significant impact the CGP vote had on the LDP.

However, this study also revealed that PECs are not merely coalitions that are formed immediately prior to an election, but can be a learned process that are forged over time. For the

LDP-CGP PEC, legislative initiatives translated into a coalition that, over time, became necessary for the survival of both parties. It was only after experiencing the benefits of PECs that the coalition "stuck" for both parties. While some assume that PECs are predictable bargaining outcomes that are based on strategic adjustments by political actors, the formation of PECs can be the strategic coalitions that are forged over time.

Today, the LDP-CGP coalition has become necessary for the LDP to remain in power. While the LDP lost the 2009 elections, the huge swings in government majorities highlight the disproportional nature of the electoral system. Combined with the increasing fragmentation that has occurred in recent years, the PEC continues to be critical for the LDP to win elections and remain in power. In the 2014 elections, the LDP was only able to secure a little over 33% of the PR votes, highlighting how the LDP has continued to see a decline in their share of votes. Thus, as the system continues to remain fragmented, the PEC remains a critical aspect of the LDP's ability to continue dominating the electoral arena. Through their barter strategies with the CGP, the alliance between the LDP and CGP has become more robust with each election.

CHAPTER 7

Post-Electoral Reform Italy: Adaptation and Learning in PEC Politics

This chapter examines the formation of pre-electoral coalitions in Italy. Similar to Japan, Italy's case provides us with an opportunity to examine how changes to electoral institutions influence actor strategies and their decisions to form PECs. Prior to 1994, Italy observed only three PECs in the early years of the First Republic (1948-1992). However, after Italy changed its electoral system to a mixed-member majoritarian (MMM) system in the early nineties, parties began forming PECs on a regular basis. Following the *Mani Pulite* trials, the new system forced parties to alter their electoral strategies and adapt to the new political environment. As D'Alimonte notes, PECs were the outcome of both the evolution of the Italian party system and the introduction of the MMM system (D'Alimonte 2001, 341).

By examining how Italian parties responded to electoral reform, we are able to observe the effect electoral system type has on political actors. Changes to the electoral system altered party incentives and increased the prevalence of PEC formation. However, while electoral system type is necessary to understand PEC formation in Italy, it is insufficient to explain both the sudden occurrence and frequency of PECs. For a more comprehensive understanding of Italian PEC formation, one must also consider the highly fragmented nature of the party system and the presence of its strong, upper house chamber, the Italian Senate. Combined with the changes that were brought about by electoral reform, pre-electoral cartels became both a strategic and rational option for political parties contesting elections.

The chapter begins by providing a brief overview of the political system during Italy's First Republic. This section will illustrate how the combination of Italy's proportional

representation system and the dominance of the Christian Democrats (DC) created disincentives for parties to bind themselves to pre-electoral agreements. Next, the chapter explores the collapse of the Italian *partitocrazia*, which subsequently led to electoral reform in the early nineties. The new MMM system created a new political environment which led parties to remain independent, yet compete in elections via pre-electoral cartels. To determine how parties adapted to and changed their electoral strategies, this chapter examines both the 1994 and 1996 elections. Comparing the two elections highlights how PEC formation in Italy influenced both electoral and government outcomes. Finally, the chapter concludes by tying the 1994 and 1996 elections to the outcome of the 2001 election.

Christian Democratic Dominance & Demise of Partitocrazia in the First Republic

Throughout the First Republic, Italy only observed three PECs during the early years of the postwar era in 1948 and 1953. In both cases, the Italian Communist Party (PCI) and the Italian Socialist Party (PSI) formed the Popular Democratic Front, a left-wing coalition formed in 1946 to compete against the Christian Democrats (DC). After the Popular Democratic Front fell apart, the proportional representation system with preferential voting created disincentives for parties to enter into pre-electoral alliances. Smaller parties were able to secure seats in the Chamber of Deputies, and there was neither a threat of party survival nor a need for parties to compromise on policy prior to electoral contestation.

Furthermore, the dominance of the catch-all DC party and its ability to entice smaller parties into post-electoral coalitions further minimized the need for pre-electoral pacts. Mershon (1996) argues that the DC's ability to dominate elections was the result of it lowering the costs of coalition formation under certain spatial and institutional conditions. Some examples include the

DC's ability to manage portfolio allocation, contain information about compromises they make on policy, and delegitimize opponents to avoid being held accountable by voters (Mershon 1996, 538). By managing and setting the prices of coalition bargaining, the DC was able to secure their dominance in the Italian political system.

Table 1 shows how the DC garnered an average of 38 percent of the seats in the First Republic prior to its dissolution in 1994. In contrast, the second largest opposition party, the PCI, only garnered 26 percent of the seats. Given the electoral dominance of the DC, the party was able to exercise great bargaining power in the post-electoral arena, forming either minority governments or coalitions with smaller centrist parties.

	1946	**1948**	**1953**	**1958**	**1963**	**1968**	**1972**	**1976**	**1979**	**1983**	**1987**	**1992**	**TOTAL**
DC	35.2	48.5	40.1	42.4	38.3	39.1	38.7	38.7	38.3	32.9	34.3	29.7	38.02
PCI	18.9	31.0	22.6	22.7	25.3	26.9	27.2	34.4	30.4	29.9	26.6	21.7	26.47
PSI	20.7		12.7	14.2	13.8	14.5	9.6	9.6	9.8	11.4	14.3	13.6	13.12
PRI	4.4	2.5	1.6	1.4	1.4	2.0	2.9	3.1	3.0	5.1	3.7	4.4	2.96
MSI		2.0	5.8	4.8	5.1	4.4	8.7	6.1	5.3	6.8	5.9	5.4	5.48
PSDI			4.5	4.6	6.1		5.1	3.4	3.8	4.1	3.0	2.7	4.14
PLI			3.0	3.5	7.0	5.8	3.9	1.3	1.9	2.9	2.1	2.9	3.43
Other	20.8	16.0	9.7	6.2	3.0	7.3	4.0	4.1	7.5	6.9	10.1	19.6	9.6

Table 1: Electoral Results of Italy's First Republic (1946-1992)[1]

Until 1992, the DC was in every single one of the 54 governments that formed after the second De Gasperi government in 1946 (Mershon 2002, 45). While the DC was never able to secure a single-party majority on their own, they entered government through either minority governments or surplus or minimal winning coalitions. Together with the dominance of the DC, the proportional nature in which votes were translated into seats resulted in high party system fragmentation, and Sartori (1976) classified Italy's party system as polarized pluralism.

[1] Results obtained from Chiapponi, Cremonesi, and Legnante (2012).

The coalition that the DC depended on from 1979 to 1992 was called the *pentapartito* coalition, and the coalition included the DC, Italian Socialist Party (PSI), Italian Democratic Socialist Party (PSDI), Italian Republican Party (PRI), and Italian Liberal Party (PLI). The coalition was an anti-extremist coalition that sought to minimize the strength of anti-system parties like the Italian Communist Party (PCI) and the Italian Socialist Movement (MSI).

However, the Italian party system and dominance of the DC led to a host of political problems. The proportional nature of Italy's electoral rules was blamed for the dominance of the DC and the long tradition of *partitocrazia*, where parties dominated government and were not accountable to the masses. Beginning in the eighties, Italy's electoral system became synonymous with party system failure. According to Donovan (1995), the electoral system was blamed for

> "…political fragmentation and consequently short-lived governments; governmental immobility and corruption, exacerbated by the absence of alternation in a center-dominated systems; and, last but not least, electoral fraud, clientelism, and the political influence of organized crime" (Donovan 1995, 48).

In the early nineties, the *Mani Pulite* (Clean Hands) trials began after the PSI's Mario Chiesa was accused of extracting a bribe from a businessman seeking a cleaning contract at a Milan nursing home. The event burgeoned into a national crisis as thousands of politicians and businessmen were implicated. The *Mani Pulite* trials served to destroy the foundations of the traditional party system and brought about the demise of the *pentapartito* coalition (Gold 2003, 92).[2]

[2] In addition to the dissolution of the PSI, all parties that had once entered government with the DC, namely the PRI, PLI, and PSDI, ceased to exist.

In addition to destroying the old party system, the *Mani Pulite* trials also served to bring about the emergence of new parties like Silvio Berlusconi's Forza Italia and the rise to power of regional parties like Umberto Bossi's Northern League. The Northern League distinguished itself as a clean political party that was free from the corrupt practices of old, traditional parties. While the Northern League only secured one seat in both the Chamber of Deputies and the Senate in 1987, they received almost nine percent of the votes in the 1992 election and secured 55 seats in the national parliament. The rise of the Northern League symbolized the fragmentation of the party system, and the party would come to symbolize the significant impact individual parties had on the creation and destruction of electoral and government coalitions.

Many blamed the electoral system for the Italian polity's "fragmentation, factionalism, incapacity, instability, and irresponsibility, and the hope was the new mixed electoral system would bring about moderate bipolarity and government alternation" (Katz 2001, 96). After two referendums led by Mario Segni in 1991 and 1993, Italy passed electoral reform in 1993 and implemented a mixed-member majoritarian (MMM) electoral system.[3]

In Italy's new electoral system, three-fourths of the Chamber was selected in single member districts while the remaining seats were distributed based on proportional representation using party lists with no preferential voting. Thus, of the 630 seats in the Chamber of Deputies, 475 seats were elected in SMDs while 155 seats were allocated in the PR tier. The two tiers were linked through a mechanism called *scorporo*, or negative vote transfers. To minimize the fragmentation that characterized Italy's First Republic, a four percent threshold was also implemented in the PR tier (D'Alimonte 2001).

[3] For more on how Italy's electoral reform came about and the details of the electoral system, see Katz (2001).

Electoral Reform and the Rise of Pre-Electoral Cartels

With electoral reform in the early nineties, Italy experienced a massive realignment and complete restructuring of "the supply side of the Italian electoral market" (Bardi 2002, 52-3). It was hoped that with the disappearance of the DC and the *pentapartito* coalition, the new electoral system would reduce Italy's fragmented party system. During the postwar era, Italy's proportional representation system resulted in an ENEP score of 4.33, and the DC dominated the electoral arena.

Since three-quarters of the Chamber of Deputies would be elected under plurality rules, many expected electoral reform to bring about bipolar competition. However, given the presence of a proportional system, smaller parties were also able to survive and persist. Based on the relatively high number of political parties, government entry required catch-all coalitions that forced parties to work together in the pre-electoral arena, particularly in the SMD tier. In fact, beginning in 1994, electoral competition was based on two electoral cartels.

On the left was the Progressive Alliance led by the Democratic Party of the Left (PDS), heirs to the former PCI. The Progressive Alliance incorporated the Communist Refoundation Party (PRC), the Greens (Verdi), the Italian Socialist Party (PS), the Democratic Alliance (AD), and the Network, a fragment of the DC. To compete against the left and attract former *pentapartito* voters, Silvio Berlusconi established Forza Italia and formed two separate PECs: one cartel in the north and one in central and southern Italy. In the north, Berlusconi established the Pole of Freedoms with the neoliberal and free market Northern League while the Pole of Good Government was formed with the National Alliance (AN) in central and southern Italy.[4]

[4] The coalition also included the Christian Democratic Center (CCD).

As the heir to the neo-fascist Italian Socialist Movement, the AN emphasized a larger welfare state (Gold 2003, 101).

In addition to the center-left and center-right cartels, the 1994 election also saw a third PEC, the Pact of Italy, formed by the Italian People's Party (PPI), the successor to DC, and the Segni Pact. The Pact of Italy located itself in the center between the Alliance of Progressives and the Pole of Freedoms and Good Government. While the Pact of Italy PEC was able to win sixteen percent of the seats in the plurality tier, they were only able to secure four seats. Due to the inability of the Pact to efficiently translate votes into seats, the pact eventually disappeared following the 1994 elections. As in Japan, where the LDP and CGP PEC was the result of adaptation and learning, the creation and dissolution of the Pact of Italy exemplifies how new equilibria do not instantly and automatically materialize, but are the fruit of strategic choices made by political actors over time. As parties engage in electoral competition, they update their strategies and engage in a learning process from past experiences, bringing forth new and stable equilibriums.

Despite the rise of bipolar electoral competition, the new mixed system led to increasing fragmentation. The mean ENEP score across three elections under the mixed electoral rules from 1994 to 2001 was 6.96. According to Bardi (2007), Italy's fragmentation was the result of the post-reform phenomenon of two different party systems. On the one hand, parties entered into one of two large PECs to compete more efficiently in the SMDs, and these PECs brought about centripetal forces in the electoral arena. On the other hand, since a quarter of the Chamber was elected under rules of proportional representation, smaller parties were able to maintain their party identities. Had the system been a purely plurality system, smaller parties would not have been able to survive. Thus, despite only making up a quarter of the seats, the Chamber's

inclusion of PR seats allowed smaller parties to survive the electoral game and compete even within the SMDs.

The survival of smaller parties was also buttressed in the SMD tier through rules within each electoral cartel. Deals were struck within each PEC to allocate and carefully select SMD candidates from participating parties based on the expected contribution of the party to the PEC. Symbols on the ballots would identify parties as alliance members on both the SMD and PR ballots. Thus, the ability to win seats in the PR tier, together with the norm of proportionality, allowed smaller parties to survive and bring about centrifugal tendencies. As a result, the new electoral system both fragmented the party system and provided "powerful institutional incentives for parties to enter into pre-electoral coalitions" (D'Alimonte 2001, 323).

The fragmentation of the party system, combined with the bipolar electoral competition that emerged in the post-reform era, meant that both cartels were dependent on their coalition partners. Larger parties like the PDS and Forza Italia needed their coalition partners, and a defection by one could threaten the stability of the entire coalition. In this regard, smaller parties had disproportionate bargaining power and had a robust presence in the Italian party system.

Furthermore, the "blackmail power" of smaller parties was further reinforced by the ways in which the cartels allocated SMD seats to its partners. Within each cartel, a norm was established to allocate SMD seats proportionally (D'Alimonte 2001, 326-27).[5] Parties within each coalition allocated districts based on how safely the seats could be won. The cartels allowed each coalition partner to field a certain number of SMD candidates that would be proportional to

[5] The analysis of Bartolini et al. (2004) contradicts Narud (1996), who argues parties engage in different strategies based on where they stand and what they seek to maximize. According to Narud, parties engage in centrifugal tendencies and offer extreme positions in the electoral arena to maximize votes. In contrast, parties engage in centripetal tendencies in the parliamentary arena by watering down and conceding policy. Thus, the optimal strategy of vote-seeking in the pre-electoral arena is suboptimal in the post-electoral arena, where parties are office- and policy-seeking.

the party's electoral performance in the PR tier (Di Virgilio 1998). This was in contrast to the case of the LDP and CGP PEC, where the CGP only ran in a few districts and focused on maximizing seats in the PR tier. In this regard, even smaller parties in the Italian party system were able to secure seats in the SMD tier, and this "proportionalization of the plurality tier" allowed parties to survive the electoral game, thereby perpetuating the fragmentation of the party system (D'Alimonte 2005, 267).[6]

The 1994 election shows that in addition to the changing party system, the electoral institutions under which elections take place provide incentives for coalitional cohesion. Since the majority of the Chamber was elected through plurality rules and the system was highly fragmented, parties who sought to compete efficiently had incentives to form pre-electoral cartels (Bartolini & D'Alimonte 1998, 155). This was further reinforced by the bargaining power smaller parties had over the mainstream parties because of their ability to defect and bring down a pre-electoral cartel at any time. This was made evident in December 1994, when Berlusconi's government fell apart in just nine months following Umberto Bossi and the Northern League's defection from the center-right coalition.

Adaptation to Successes and Failures: Parties' Strategies in the 1996 Election

Following the defection of the Northern League in December 1994, the center-right coalition fell apart and the Italian voters faced another election in 1996. The failure of both the left to put together a winning PEC in 1994 and the right to consolidate a viable coalition that would endure past the electoral stage meant that both sides were forced to assess their electoral

[6] It should be noted that Bartolini et al. (2004) also argue that small parties have "electoral blackmail power" because of their ability to affect elections in other arenas, including European, regional, and local elections, where seats are often allocated based on a PR system.

strategies for the 1996 election. The center-left Progressive Alliance knew that if they were to defeat Berlusconi and the center-right coalition, they would need to put together a broader coalition. In contrast, the center-right coalition was left short-handed following the defection of the Northern League. To secure government entry, the coalition needed to secure a winning majority in both the north and the south.

Italian parties continued to engage in bipolar competition by forming two large pre-electoral cartels. Italy was divided into the Olive Tree coalition on the left and the Freedom Pole coalition on the right. While the right was much more selective regarding their coalition partners, the Olive Tree coalition sought to garner as many votes as possible. Given the failure of the left to defeat Berlusconi's PEC in 1994, smaller parties accepted the invitation to contest the 1996 election under a new PEC led by Romano Prodi. As Hellmann summarizes, the Olive Tree coalition

> "had to be cobbled together from extremely heterogeneous forces that ranged from Greens to ex-Christian Democrats, and included fragments or remnants of nearly every political persuasion imaginable, not to mention high-profile former ranking officers of the Bank of Italy" (Hellmann 1997, 85).

Six months prior to the 1996 election, Romano Prodi and seven men from the Olive Tree coalition came together in November 1995 to formulate a common electoral program called *Tesi dell'Ulivo*, or the Theses of the Olive Tree. The 40,000 word manifesto was presented to and ratified by the congresses of the coalition parties (Moury 2013, 99).

To maximize the probability of bringing about a center-left government, the Olive Tree coalition also worked with the PRC to neutralize competition and maximize seats. While the Olive Tree coalition and PRC did not present a common program, they agreed to informal electoral cooperation (Koff 2013, 75). PRC candidates would be free to run in safe, leftist

constituencies without competition from the Olive Tree coalition. In exchange, the PRC would support Olive Tree candidates in the remaining districts. To distinguish themselves as separate from the Olive Tree, the PRC ran with the old symbol of the Progressives. In addition, the PRC's leader Fausto Bertinotti made it clear that while the PRC would support Prodi if the Olive Tree was unable to secure a majority, the PRC would not share governmental responsibilities (D'Alimonte 2001). Results of the 1994 and 1996 elections were obtained by D'Alimonte (2001) and are presented in Table 2.

Chamber of Deputies				
	1994 Votes	**1996 Seats**	**1994 Seat Share**	**1996 Seat Share**
Progressives/Olive Tree	32.9	44.9	33.8	50.8
Poles/Pole of Freedom	37.7	40.5	58.1	39.5
Northern League		10.8		9.4
Senate				
	1994 Votes	**1996 Seats**	**1994 Seat Share**	**1996 Seat Share**
Progressives/Olive Tree	32.9	44.1	38.7	53
Poles/Pole of Freedom	42.9	38.9	49.5	37.1
Northern League		10.4		8.6

Table 2: Votes and Seats Won by Electoral Coalition

The 1996 Italian general election reveals the importance of forming a PEC when parties are contesting elections in a moderately disproportional, multiparty system like the mixed-member majoritarian system. On the one hand, when parties were able to work with other parties in the pre-electoral arena, elections were contested much more efficiently. For example, the Olive Tree coalition was much more efficient, allowing the center-left coalition to enter

government in 1996. The center-right coalition polled over 248,000 votes more votes than the Olive Tree and PRC combined, but they finished with 78 fewer seats in the lower house.

On the other hand, when parties were not able to work out agreements, coalitions suffered. Berlusconi's inability to court the Northern League cost the Freedom Pole greatly during the 1996 election. The Northern League and Freedom Pole ran 176 and 180 candidates in the north and 53 and 80 candidates in central Italy, respectively (Chiaramonte 1997, 37). Had the two parties worked out a compromise and formed a PEC, the Freedom Pole could have won an estimated 272 seats in the Chamber and 123 seats in the Senate (46-7).[7] Thus, the Olive Tree coalition was able to win more seats in the north because of the split between the Northern League and the Freedom Pole. According to D'Alimonte (2005), the split was the single most important factor in Berlusconi's 1996 defeat (265).

The 1996 election also reveals how parties like the PRC and the Northern League can have a significant impact on the outcome of electoral competition in mixed systems. Based on their decision to either support or withdraw support for one of the two bipolar coalitions, parties in the fragmented mixed system can make or break governments and influence both electoral and government outcomes. Despite the success of the system in bringing about bipolar electoral competition, the PR tier of Italy's mixed system allowed various parties, conditional on their size and ideology, to have significant influence on electoral and government outcomes.

Furthermore, the inability of Berlusconi's center-right coalition to secure a stable, governing coalition led many voters to engage in retrospective voting during the 1996 election. While the failure to court the Northern League and MSFT was also important, a lack of faith in

[7] The MSF was unable to come to a stand-down agreement with the Freedom Pole, and thus had the Freedom Pole formed a coalition with the MSFT, the center-right coalition could have gained an extra 36 seats in the Chamber and 26 seats in the Senate.

the coalition's governability resulted in voters swinging to the Olive Tree coalition (Chiaramonte 1997, 46). This becomes clear when one examines the average vote difference between the SMD and PR segment in 1996. The Olive Tree coalition secured 2.2 percent more votes in 1996 while the difference for the Freedom Pole coalition was a loss of 3.7 percent (Chiaramonte 1997, 43-4).

As can be observed from the discussion above, the outcome of the 1996 election was determined by how parties learned from and adapted to their experiences in the 1994 election. For example, Reed (2001) finds that across time, the SMD tier began to follow the predictions of Duverger's Law with a slight reinterpretation. Rather than arguing for an equilibrium of two distinct parties, Reed argued that there would be *no more than* two parties contesting elections within each district. D'Alimonte (2005) called this the "dualism of coalitions" rather than the dualism of parties (266). Given the fragmentation of Italy's electoral system, Reed emphasizes the need to focus on the number of parties fielding candidates within each district. By constructing Nagayama diagrams and comparing electoral data from the 1994 and 1996 elections, Reed finds that parties in 1996 were competing much more efficiently in eighty percent of all SMDs.[8]

Similarly, D'Alimonte (2001) determines district competitiveness by calculating the increase in the number of marginal districts where the difference between the winner and runner-up candidate was less than eight percent of the total votes. D'Alimonte found that electoral competition became much more efficient and competitive: the percentage of marginal districts in the Chamber and Senate increased from 31.4 percent in 1994 to 51.8 percent in 1996 (333-34).[9]

[8] For an explanation of Nagayama diagrams, see Nagayama 1997; Reed 2001; Grofman et al. 2004

[9] D'Alimonte (2001) notes that there were no national patterns of competition, and the number of marginal districts varied based on the northern, central, and southern regions. In particular, competition increased precipitously in the northern region. In 1994, the Berlusconi and the Freedom Pole dominated the election due to its PEC with the Northern League. After the Northern League left the coalition, competition increased into a tripolar pattern, thereby increasing the number of marginal districts.

Table 3 shows the average number of candidates that ran in the SMD tier in 1994 and 1996. The table reveals how parties competed more efficiently as the number of candidates competing against one another declined from 4.5 in 1994 to 3.3 in 1996.[10] Thus, while fragmentation continued to be high, the choices that voters had to make were much simpler. In this regard, PECs were critical to bringing about greater efficiency in electoral competition, and parties continued to adapt to the new electoral environment.

	1994 Chamber	**1996 Chamber**	**1994 Senate**	**1996 Senate**
North	4.4	3.5	7.8	6.7
Central	4.3	3.1	5.4	5.2
South	4.7	3.2	5.5	5.4
Italy	4.5	3.3	6.3	5.8

Table 3: Average Candidates per SMD in post-reform Italy

The Olive Tree's Unsecure Victory: Dependence on the PRC

While Prodi and the Olive Tree coalition were able to secure a majority in the Senate, they ultimately fell short in the Chamber and needed the support of the PRC. The center-left coalition, together with the PRC, secured 50.8 percent of the seats in the Chamber and 53 percent of the seats in the Senate (D'Alimonte and Nelken 1997, 20). Lijphart codes Italy as a medium-strength bicameralism that has symmetrical and congruent chambers. The score of 3.0 is comparable to the strong, upper house chambers in Belgium, Japan, and the Netherlands. The Italian Senate is not only able to initiate law, but laws require the approval of both chambers. Furthermore, governments that are formed in Italy require consent by both chambers. In a system like Italy, where the Senate has historically had equal and congruent powers as the Chamber, securing a winning coalition in both chambers is crucial to the stability of government. If

[10] Results were obtained from Chiaramonte 1997, 38.

governments are unable to produce majorities in both chambers, a divided Parliament would mean instability and gridlock.

Bartolini and D'Alimonte (1998) note that for Italy's electoral reform to be considered a success, the system must produce a winning coalition in both the Chamber and the Senate (153). Given that a majority in both chambers is needed for stable government, securing pre-electoral cartels became much more critical. Had parties not secured a PEC, post-electoral outcomes would have been more uncertain, particularly for voters. Since elections for the Senate are held concurrently with the Chamber of Deputies, PECs allowed parties to clarify how a strategic vote for the PEC in both chambers was equivalent to voting for a government that secured a majority in both the Chamber and the Senate. In this regard, entering into a PEC would allow both the coalition and its constituents to know that victory in the election would result in a majority in both chambers, thereby securing stable government.

Given the Olive Tree's inability to secure a winning majority in both the Chamber and Senate, the survival and stability of the center-left coalition would be dependent on the PRC. Indeed, Moury (2013) finds that fifteen percent of new decisions during the Prodi government resulted from the Olive Tree coalition's need to respond to PRC interests and requests. For example, PRC requests included "…the 114,700 billion lire in the 1996 budget reserved for the poorest families, an increase in the lowest pensions, and the very controversial bill which, from 2001, would have imposed a 35-hour working week" (Moury 2013, 105). Ultimately, the Olive Tree coalition collapsed when the PRC withdrew support for the Prodi government in 1998, leading to the formation of the D'Alema government. The precarious nature of the Prodi government reveals the necessity of securing a winning majority in both chambers of the Italian parliament.

Conclusion

Since Italy moved to a mixed electoral system, parties were forced to be strategic in how they contested elections. Pre-electoral coalitions became necessary for parties to maximize electoral victories in the disproportional, yet multiparty mixed electoral system (D'Alimonte 2001, 334). Following the defeat of the Progressive Alliance in 1994, the Olive Tree coalition broadened their electoral coalition, and this allowed the coalition to coordinate their electoral strategies much more efficiently in 1996. PECs were crucial to the success of the center-right in 1994 and the center-left in 1996. It was only when the coalitional blocs were able to effectively coordinate their electoral strategies that the cartels were able to secure victory.

Just like in the case of Japan, however, Italy shows that electoral system type is necessary, but insufficient in explaining PEC formation. There were other factors at work, beginning with the decline of the DC. Following the evolution of the Italian party system, parties adapted to the new electoral environment and contested elections through pre-electoral cartels. While the LDP was able to survive the electoral game in Japan, the widespread reach of the *Mani Pulite* trials led to a complete evolution of the Italian party system. Since parties were able to survive elections through the PR tier, the Italian party system became increasingly fragmented.

Fragmentation was also exacerbated by the unique rules within each cartel to distribute SMD seats proportionally to its members, thereby giving individual parties substantive powers that were often incommensurate with their size. Finally, Italy's strong Senate further forced parties to put together cartels that would withstand a majority in both the Chamber of Deputies and the Senate. The failure of the Berlusconi government in 1994 and the Prodi government in 1998 reveals how the fragmented nature of Italy's party system influenced the making and breaking of governments.

In 2001, the center-right came back into power under the House of Freedom coalition.[11] After its failure to negotiate an agreement with the Northern League in 1996, Berlusconi was able to entice Bossi and the Northern League to return to the center-right coalition by incorporating their demands for tax reduction and federalization (Moury 2013, 100).

The three elections since electoral reform in 1993 highlight the tremendous influence the Northern League had in the Italian political system. The party emerged in the early nineties as an anti-party alternative to the traditional parties following the *Mani Pulite* trials. In 1994, the Northern League's decision to enter into the Pole of Freedom coalition helped Berlusconi's center-right coalition enter government. However, its decision to leave the coalition ultimately led to the demise of the Berlusconi government in December 1994. In 1996, it was the Northern League's decision to contest elections independently that led to the weakened state of the center-right coalition and the ability of the center-left to win. While it was unable to be the pivotal party with the casting vote that determined whether a center-left or center-right coalition would emerge, its decision to run independently in 1996 led to the Olive Tree coalition's victory. Ultimately, the Northern League's decision to form a coalition with Berlusconi in 2001 allowed the center-right coalition to come back into power.

The 2001 election highlights the electoral dominance of parties that formed PECs. The two major coalitions garnered over 89 percent of the votes and 98 percent of the seats in the Chamber and 82 percent of the votes and 97 percent of the seats in the Senate. In 1994, those numbers were 80 percent and 92 percent in the Chamber and 67 percent and 85 percent in the Senate. Furthermore, by 2001 there were only six Chamber seats and three Senate seats where winner and runner-up were not members of the two major coalitions in 2001 (D'Alimonte 2005,

[11] The House of Freedom coalition was ultimately composed of Forza Italia, the Northern League, the NA, the Christian Democratic Centre, the United Christian Democrats, and the New Italian Socialist Party.

266). Thus, parties were able to adapt to the new electoral environment and compete more efficiently with each successive election.

Italy's case highlights the important role electoral system type has on PEC formation. In particular, Italy's mixed-member majoritarian system led to a highly fragmented PR tier and a relatively disproportional SMD tier, where parties were often forced to compete with multiple parties. Combined with the strength of the Italian Senate, securing a majority in the Italian parliament became extremely complex. Given the high number of parties contesting elections, it was through electoral cartels that parties adapted to the new environment and learned to compete more efficiently over time. However, the ability for parties to maintain their independent identities through the PR tier also meant that smaller parties had greater bargaining power. This complex system of bipolar electoral competition and multiparty government highlights the significant effect PECs had on the Italian party system.

CHAPTER 8

Belgium's Unlikely Case: PECS in the Model for Consociational Democracies

The empirical chapter found that while PEC formation was virtually non-existent in plurality systems, parties frequently formed PECs in majoritarian and mixed systems. Both Japan and Italy observed electoral reform in the early nineties, and this made both countries an ideal case to test how electoral reform created incentives for parties to consider PECs. Chapter 5 and 6 found that the LDP-CGP PEC was the result of nearly a decade of adaptation and learning where both parties sought to adapt to the new political environment. Together with divided government, the mixed electoral system ultimately created incentives for both parties to enter into a PEC.

The most interesting finding that was gleaned from Japan's case was that PECs are not some programmatic, pre-determined outcome that transpires after political bargaining. Rather, PECs can emerge as a strategic option that becomes available after the passage of time and experience. The PEC between the LDP and CGP was initially formed as a legislative coalition prior to the 2000 election, but the electoral benefits of coordinating in the pre-electoral arena created a relationship of interdependence between both parties. With each consecutive election, coordination between the two parties improved and increased the incentives for both parties to continue their PEC. In this regard, the PEC between the LDP and CGP illustrates how engaging in coalition making in the pre-electoral arena can be an ever-evolving strategy that is solidified over time.

Chapter 7 studied the formation of PECs in Italy, where PECs were virtually non-existent except for three PECs formed during the early Republic. Following the *Manu Pulite* trials and the fall of the Christian Democrats, the Italian party system went through a complete overhaul,

leading to the disappearance of traditional parties and the rise of new parties. With electoral reform, a new mixed system was enacted that designated three-fourths of the Chamber to SMDs. Combined with the evolution of the party system, pre-electoral cartels became the norm.

Parties entered into large, catch-all cartels based on bipolar competition. Together with the proportionality norm of allocating district seats to coalition members, the proportional tier allowed smaller parties to play a key role in both electoral and government outcomes. In fact, Berlusconi's 1994 coalition came to an abrupt end when the Northern League defected from the PEC. Furthermore, the failure of the center-left Progressive Alliance to compete more efficiently in 1994 led the leftist parties to engage in greater coordination in 1996 under the Olive Tree coalition.

The Italian case also showed how Italy's relatively strong Senate also played an important role in both the formation of PECs and the survival of governments. Like Japan, parties were forced to consider coalitions that secured a majority not only in the Chamber of Deputies, but also in the Senate as well. Given that the Olive Tree coalition lacked a majority in the Chamber of Deputies, they were dependent on the PRC to maintain legislative stability.

In contrast to majoritarian and mixed systems, Chapter 4 revealed how parties have a greater frequency of forming PECs in proportional systems, relative to plurality systems. However, while the coefficients for PR systems were significant and in the expected direction, when converted into predicted probabilities, the magnitudes were rather small. Thus, the argument that moderately disproportional, multiparty systems lead to PECs cannot be determined in PR systems because of the simple fact that the rules in PR systems proportionally translate votes into seats. Thus, in order to understand PEC formation in PR systems, greater attention

must be paid to case-specific variations that may be doing more of the work in explaining why certain parties form PECs.

This chapter uses the case of Belgium to understand why PECs can be formed in PR systems. Prior to the late nineties, PEC formation in Belgium was relatively scarce, except for PECs formed by specific ethno-regionalist parties. Yet beginning in the late nineties, parties began forming PECs. Moreover, despite having a relatively strong upper chamber, the Senate, Belgium still did not observe parties forming PECs.

In this regard, Belgium offers puzzling patterns on PEC formation. Despite its complex social and institutional structure, Belgium has been able to maintain party system stability throughout the postwar era (De Winter et al. 2000, 351). In fact, many have called Belgium a model for consociational democracies, and Lijphart went so far as to argue Belgium epitomized the "most perfect, most convincing, and most impressive example of a consociation" (Lijphart 1981, 8). Given the complex nature of Belgium's institutions, including the two "quasi-autonomous party systems," the bicameral nature of Belgium's legislature and the relative power symmetry of the Belgian Senate, one would assume pre-electoral coalitions would be ideal strategies for parties to coordinate and contest elections (De Winter et al. 2000, 301). However, until recently the frequency of observing pre-electoral coalitions, or cartels as they are called in Belgium, was relatively low. What explains the scarcity of PECs despite the complex institutional structures present in Belgium?

This chapter argues that three factors influenced the rise of PECs in Belgium: (1) the decline of traditional parties together with the rise of protest parties following the activation of the linguistic cleavage, (2) the changing electoral dynamics and political roles of the Senate, and (3) institutional engineering with electoral thresholds and its effects on party financing. The

combination of these three factors explains the previous dearth of PECs and the rise of PECs as a strategy for parties in the Belgian political marketplace.

This chapter begins with a brief introduction to the unique social structure and linguistic divide that brought about increasing fragmentation in Belgium and how the institutional rules and electoral structure, together with the responses of political parties to fragmentation, minimized the need for parties to consider pre-electoral cartels. I also discuss how the decision by regionalists to work towards the establishment of a federal state with the traditionalist parties ultimately led to their own demise. Next, the role of the Senate is analyzed by examining the concurrence of elections in both the Senate and the Chamber of Representatives, which limited uncertainty and lowered incentives for parties to form PECs. In addition, the changing dynamics of Belgium's Senate is analyzed to show how the weakening of the Senate influenced PEC formation. Finally, this chapter argues that the rise of PEC formation can be explained based on the changing party system and institutional engineering that created incentives for parties to form PECs.

Patterns of PEC Formation in Belgium

Pre-electoral cartels were fairly rare in Belgium's PR system prior to the late nineties. When parties formed PECs, the most common type were parties that entered into joint lists. While parties coordinated their electoral strategies, they continued to maintain distinct programs and electoral identities. This was particularly beneficial for smaller parties because PECs allowed parties to survive and remain relevant in the political arena.

Table 1 lists the PECs that formed in postwar Belgium. Most PECs were not majority-garnering cartels, but rather small cartels between minor, ethno-regionalist parties. Prior to the

late nineties, the majority of PECs were between two small francophone parties: the Francophones' Democratic Front (FDF) in the Brussels region and the Walloon Rally (RW) in Wallonia.

Year	PEC	Vote %
1946-1965	-	
1968	FDF + RW	.06
1971	FDF + RW	.11
1974	FDF + RW + PLDP	.11
1977	FDF + RW	.05
1978	FDF + RW	.07
	VVP + VNP	.01
1981	FDF + RW	.04
	Eco + Agalev	.05
1985	CVP + PSC + VLD + PRL	.50
1987	PSC + PRL	.17
1991	FDF + PPW	.02
1995	PRL + FDF	.10
1999	PRL + FDF	.10
	VU + ID21	.06
2003	MR	.11
	Sp.a + SPIRIT	.15
2007	MR	.13
	Sp.a + SPIRIT	.10
	CD&V + N-VA	.19
2010	MR	.09

Table 1: PEC Formation in Belgium

It was only after the late nineties that pre-electoral cartels became more frequent. What explains this rise of PECs, despite Belgian parties contesting elections under a PR system? To explain the change in the frequency of PEC formation in Belgium, we must take into account the unique composition of Belgium's social and institutional structures that shaped electoral competition. The interaction between Belgium's social and institutional structures explains not only the high fragmentation of the Belgian party system, but also its relative stability.

Pre-1960s: A Model for Consociational Democracies

Belgium first introduced its proportional representation system in 1899, and the system utilized the D'Hondt method of apportionment (Pilet 2007). District magnitude ranged between 2 to 18 in 30 multimember constituencies, and the 212 total seats were allocated based on a semi-open list system where voters had the choice of casting a list vote or a preference vote for one candidate within the list.

Since the state of Belgium was established in 1830, three traditional parties, namely the Christian Democrats, Socialists, and Liberals, dominated the political arena in the northern Flemish Flanders region and the southern French Wallonia region. During the 19th and 20th century, Belgian party politics centered around two dimensions: the secular-ideological and socioeconomic dimensions. Until the early sixties, the two dimensions defined voter alignment with governments forming amongst the three parties.[1] Table 2 plots the effective number of electoral and parliamentary parties, and the percentage of parties forming PECs across three periods: (1) pre-1968, (2) post-1968 to 1999, and (3) 1999 to 2007.

	ENEP [min , max]	**ENPP** [min , max]	**% PECs**
1949 – 1968	3.21 [2.76 , 3.96]	2.83 [2.45 , 3.59]	N/A 0/26
1968 – 1999	7.83 [5.70 , 9.81]	6.94 [5.26 , 8.41]	0.23 23/100
1999 – 2007	9.36 [8.84 , 10.29]	7.99 [7.03 , 9.05]	0.30 10/33

Table 2: Party Fragmentation in Belgium

[1] The Communists were briefly in government with the Socialists and Liberals between 1946 and 1947.

Prior to 1968, there were approximately 3.21 effective electoral parties and 2.83 effective parliamentary parties in Belgium. Following the rise of ethno-regionalist parties beginning with the 1968 election, the effective number of electoral parties jumped to 7.83 while the effective parliamentary parties increased to 6.94. Beginning with the June 1999 election, when the ENEP score jumped to 10.29, there were roughly 9.36 parties effectively contesting elections with roughly eight effective parties in parliament. Thus, we see how changes to Belgium's social structure and political institutions influenced party incentives to form PECs.

The Flemish Flanders region in the north was a strong base for Christian Democratic votes, and the Christian Democrats controlled over half of the Flemish vote until the early sixties. The Christian Democrats had the additional advantage of often controlling the median voter, and they were always included in government coalitions because their distance from the Socialists and Liberals were roughly similar on the socioeconomic dimension (Hearl, 1992, 252). In contrast to the dominance of Flemish-speaking Christian Democrats in the north, the Socialists dominated the French-speaking Wallonia region in the south. Given Wallonia's history of industrial development, the southern Socialists had strong ties with Belgian trade unions. Until the 2010 election, the largest party was always one of the three traditional parties, and at least two of the traditional parties and party families always formed a coalition.

Post-1960s: Party System Fragmentation: The Effect of Ethno-Regionalist Parties

It was in the late-fifties following increasing secularization and the decline of the ideological dimension that Belgium began to observe the rise of what De Winter (2005) calls the center-periphery dimension (417). Regionalist parties like the People's Union (VU) in Flanders, the Walloon Rally (RW) in Wallonia, and the Francophone Democratic Front (FDF) in the

Brussels region began emerging as alternatives to traditional parties by advocating linguistic and regional demands. Van Haute and Pilet (2006) argue that regionalist parties served as protest parties who pursued two major goals: (1) opposing the three traditional parties that ignored regional demands and (2) reforming the Belgian state towards a federal system.

One of two parties that consistently coordinated with one another in the pre-electoral arena was the FDF and RW. The FDF was a Brussels-based francophone political party, and the goal of the party was to expand the linguistic rights of French-speaking citizens around Brussels. The RW was an ethno-regionalist party active in Wallonia since 1968, and the party's primary goal was the construction of a federalist state. As can be observed in Table 1, the two French-speaking parties formed an electoral cartel in 1968 and continued to cooperate in national elections.[2]

Initially, there was consensus among the three traditional party families that they were the legitimate parties that had the right to govern (Hearl 1992, 244). However, the linguistic dimension became an increasingly prominent dimension of partisan conflict following the success of regionalist parties. For example, while the VU in Flanders started with a meager 2.2% vote share in 1954 and only held one seat, by 1971 the VU increased its vote share to 11.1% and held 21 seats, making it the third largest party in Belgium. The increasing presence of ethno-regionalist parties pressured the traditional parties to compete against them.

[2] Following a split in the early 1980s, the Walloon Popular Rally was formed and later merged with the Socialist Party. In 1993, the FDF joined forces with the Liberal Reform Party (PRL) to create the PRL-FDF federation. In 1998, the federation added the Citizens' Movement for Change (MCC), a splinter group from the Social Christian Party (PSC), to become the PRL-FDF-MCC federation. Eventually, the federation formed the MR, or Reform Movement, in 2002. In 2011, the FDF decided to leave the MR when they could not agree on President Michel's decision regarding the defense of French rights in an agreement regarding the splitting of the Brussels-Halle-Vilvoorde district during the 2010 government formation process. For more information, see De Winter et al. (2013).

In response to the rising strength of the regionalist parties in the late sixties, traditional parties began splitting across linguistic lines while retaining similar organizations. The Christian Democrats split into the Christian Democratic and Flemish Party (CD&V) and the Humanistic Democratic Centre (CDh) in 1968, the Liberals split into the PVV and PLP in 1972, and the Socialists split into the SP.a and the PS in 1978. While the effective number of parties prior to the rise of ethno-regionalist parties in the fifties was 2.6, that number jumped to 3.59 in 1965 and 5.45 in 1971. By 1981, the ENPP score in Belgium had risen to 7.62.[3]

Despite splintering, the Christian Democrats, Socialists, and Liberals continued to negotiate as undivided units and coordinated their party strategies across linguistic lines. Based on an unwritten rule of entering government with their ideological counterparts, party families came together to govern or join forces as the opposition.[4] In this regard, coalition governments were congruently composed (Swenden 2002, 80). Party families were like proto-coalitions who entered coalitions with other ideological families (Grofman 1982). This also meant that coalitions that formed along ideological lines often resulted in oversized, surplus coalitions that provided greater stability.

While Belgium's party system fragmented following the activation of the linguistic cleavage and the rise of regionalist parties, the legacy of traditional parties lowered uncertainty and did not create incentives for parties to coordinate in the pre-electoral arena (Deschouwer 2009, 160-61). This was particularly true given traditional parties dominated the electoral arena. Electoral strengths remained relatively consistent, and parties coordinated with similar

[3] Obtained from Gallagher's Election Indices (2014).
[4] This was upheld until 2007 when the Francophone PS joined the coalition while the Flemish Sp.a remained in opposition.

ideological family parties and partners. Such agreements between natural coalition partners minimized the need for parties to coordinate electoral strategies in the pre-electoral arena.

Decline of Ethno-Regionalist Parties: Contributing to Their Own Demise

As traditional parties split along linguistic lines, they began giving in to the demands of regionalist parties, which sought to bring about a federal state. The 1963 language laws were precursors to the creation of Belgium's federal state and solidified formal linguistic borders and laws that protected minorities in more diverse border areas like Brussels.

After accommodating linguistic groups through language laws, the constitution was amended in 1970 to create three distinct communities (Flemish, French, and German) in three regions (Flanders, Wallonia, and Brussels). In addition, the 1970 reforms introduced three protective measures for the francophone minority: (1) the rule of parity requiring governments to include an equal number of Flemish and francophone ministers; (2) the alarm-bell procedure to protect the rights of language groups; and (3) new legislative techniques in the form of special majority laws. According to Swenden (2002), the measures were consociational mechanisms that were aimed at protecting the French-speaking minorities (Swenden 2002, 76).

The 1970 reforms institutionalized a power-sharing logic to manage linguistic tensions and forced parties to accept the need to work towards a consociational democracy (Deschouwer 2009, 53-55). Belgium's political institutions structured the composition of governments across linguistic lines. Given that parties knew that cooperation across linguistic lines was required ex-post, this minimized uncertainty and lowered incentives for parties to cooperate in the pre-electoral arena.

In 1980, formal institutions were established for the communities and regions. The new communities and regions would have non-elected, parliamentary assemblies that were based on existing language groups in the national parliament. The Flemish and Francophone members of both the House and Senate made up the parliament for the Flemish and French communities. The Walloon regional assembly was composed of national members of the House and Senate elected in Walloon districts. Only one Flemish assembly was responsible for both the Region and Community.

It was not until 1993 and the enactment of the Saint Michael's Agreement that Belgium officially became a federal state and its regional parliament was directly elected. Federalism served as an institutional device to accommodate growing ethnic tensions between Flemish- and French-speaking communities and bring together different linguistic groups (Swenden and Jans 2006, 877-78).

Ironically, it was the success of regionalist parties that ultimately led to their electoral demise. Van Haute and Pilet (2006) argue that regionalist parties ultimately fell victim to their own success. During the sixties and seventies, such parties carved a new dimension in the political system based on demands that had previously gone ignored by the traditional parties. However, the fracturing of the party system across linguistic lines, the gradual progress towards federalism by the traditional parties, and the regionalist collaboration with traditional parties in government coalitions ultimately weakened their ideological appeal and brought about their decline.

For example, after the VU participated in the 1977 coalition government, their share of votes fell roughly thirty percent. While the party garnered ten percent of the votes in 1977, that number fell to seven percent in 1978. The party's right-wing, purist elements rejected the

decision by the more moderate elements within the VU to enter into a five-party government coalition and deserted the party to form the Flemish National Party (VNP) and the Flemish People's Party (VVP), which emerged from the VU to contest elections on a more purist agenda. The two parties contested the 1978 elections through a PEC under the name Vlaams Blok. Thus, VU's decision to enter government was seen as unnecessary compromise, and the party's decision to compromise cost the party at the polls in 1978. When the regional parties lost their appeal as protest parties in the electoral arena, the parties eventually dug their own grave as parties like the Greens and Vlaams Blok began to emerge in the Belgian political system.

Thus, under Belgium's open-list PR system, the rise of regionalist parties brought about increasing competition through party system fragmentation. However, despite the increasing fragmentation that was observed, the division of the party system along linguistic lines, together with the preset coalitions by family parties across linguistic borders, helped minimize uncertainty in the pre-electoral arena and lowered the need for parties to forge pre-electoral cartels. Traditional parties competed along linguistic lines and maintained similar electoral environments that minimized reliance on PECs.

The Strong, Yet Weak Senate: Belgium's Unique Institutionalism

In addition to the fact that Belgium's social structures lowered incentives for parties to form PECs, another factor was the role, or rather the limited role, of the Senate throughout the postwar era. Belgium's second chamber was originally installed in 1830 to serve as a moderating power against the Chamber of Representatives. Initially, only the aristocracy and major landowners were able to sit on the Senate. Over time, the Senate became a body that was directly elected. Elections to the Senate and the Chamber of Representatives were controlled by the

political parties who divided their candidates between the lists for both chambers, and vacant seats were filled by "successor" candidates.[5]

One would expect that a country like Belgium with a strong upper house chamber that was directly elected would create uncertainty and bring about PECs. In the case of Japan, whose House of Councillors had a particularly strong role in the Diet, the inability of the LDP to secure a majority in the upper house created incentives to form a PEC with the CGP. Despite the fact that this logic led to PEC formation in Japan, in the case of Belgium, two factors lowered incentives for parties to form PECs: the concurrent nature of Belgium's Senate elections with the Chamber of Representatives and the relatively weak role of the Senate, which was curtailed over time.[6]

By holding elections for both the Chamber of Representatives and the Senate on the same day, parties were able to lower the threat of divided government and control the composition of both chambers. If a voter had voted for one's party or party list in both ballots, the result would lead to nearly identical compositions of both chambers. This was further reinforced by the proportional rules of Belgium's electoral system. Unlike the case of Japan, where elections to the House of Councillors were not only staggered and held on different dates from the House of Representative elections, but also held under different electoral rules, voters in Belgium could make similar choices at the ballot box and minimize uncertainty regarding the composition of both chambers.

[5] Successor candidates are included in party lists for elections, and parties are allowed to add up to half the number of seats available as successor candidates. Successor candidates are placed at the bottom of the ballot paper below the list of effective candidates. When one of the elected candidates is replaced, the list of successor candidates is used (Deschouwer 2009, 115).

[6] In fact, regional elections were also held at the same time as national elections.

For instance, while Italy also has a strong Senate and holds elections concurrently, electoral reform in the nineties created a Senate that was elected under mixed electoral rules. This made the Senate much more disproportional, and the Senate was also a factor that Italian electoral cartels needed to consider. This became evident in 1996, when the Olive Tree coalition needed the support of the Communists to maintain a majority not only in the House of Chambers, but also in the Senate. In contrast, Belgium's proportional system mirrored that of pre-reform Italy, where candidates were elected under proportional rules.

Thus, despite the Senate having nearly equal powers, there was rarely any need to consider a divided government in the postwar era. A coalition agreement that secured a majority in one chamber often secured a majority in the other, and bills accepted by the Chamber of Representatives were often passed in the Senate. Thus, the institutional rules for concurrent elections minimized the threat of divided government and lowered the need for parties to forge pre-electoral cartels. Given both the proportional nature of the electoral system and the ways in which parties dealt with the complexities of Belgium's social structures, the concurrent nature of elections lowered the uncertainty of electoral and government outcomes. In this regard, concurrent elections blurred the differences between the two chambers (Swenden 2002, 82).

In addition to the concurrence of elections, the devolution of responsibility and political power decreased the role of the Senate over time and lowered incentives for parties to consider PECs as a means of avoiding divided government. In particular, the Saint Michael's Agreement in 1993 drastically reformed the Senate and weakened its powers. Beginning in 1995, the composition of the Belgian Senate was changed from 106 directly elected members to 40. Beginning in 2014, the Senate would no longer be directly elected, and the Senate would be composed of members indirectly elected by the community and regional parliaments.

	pre-1995	1995	post-2014
Total Senators	184	71	60
Directly Elected	106	40 (25 FL + 15FR)	
Electoral Districts	Arrondissements	FL & FR Electoral Colleges	-
Co-opted	26	10 (6FL + 4 FR)	
Community	-	10FL + 10FR + 1GE	29NL + 20FR + 1GE
Provincial	52	-	

Table 3: Composition of the Belgium Senate

Furthermore, the Senate's powers were curtailed following reforms on government investitures, delaying powers, legislative veto power, and budgetary control (De Winter 2005, 418). Control over the government and public finances fell into the hands of the Chamber of Representatives, and while the Senate was still needed for "a revision of the constitution, for the ratification of international treaties, and for laws organizing the structure of judicial power," the Senate could only suggest amendments which did not have to be accepted by the lower chamber (Deschouwer 2009, 185). Revisions to the legislative body weakened the Senate's influence, and some argued "the current role of the Senate remains one that can be, and indeed often is, questioned" (Deschouwer 2009, 186).

Unlike the cases of Japan and Italy discussed in Chapters 5 through 7, the nature of Belgium's concurrent elections, together with the gradual decline and devolution of Senate powers, lowered the effect that the Senate had on a party's decision to form a pre-electoral cartel. Similar to the case of postwar Italy when seats were contested under proportional representation rules, concurrently holding elections for both chambers lowered party fears of divided government. Unlike Japan, where staggered elections meant divided government could continue for an extended period of time, Belgian parties were not threatened by the uncertainty of not securing a majority in both chambers. Incentives to form a PEC in order to secure a governing majority in the Senate were further lowered by the devolution of Senate powers. Over time, the

powers of the Senate have weakened, and the powers have become more centralized in the Chamber of Representatives. Thus, while the Belgian Senate was relatively strong, it did not create enough costs or uncertainty to necessitate PEC formation in the postwar era.

Then and Now: Effects of Institutional Engineering on the Rise of PECs

While PECs have been relatively rare in postwar Belgium, recent trends show that parties have begun entering into electoral cartels. While most PECs were formed by the FDF and RW in the postwar era, starting in the late nineties, parties have often chosen to compete in PECs. What explains the sudden rise of electoral cartels in Belgium? In addition to the social and institutional factors discussed above, this section argues that the rise in pre-electoral cartel formation in Belgium originates from institutional engineering, specifically the introduction of a five percent electoral threshold and its effect on party financing. The incorporation of a threshold and its effect on party financing has created greater costs for smaller parties who run independently and run the risk of not surviving electorally and financially.

In 2002, Belgium enacted electoral reform and introduced a five percent legal electoral threshold for parties contesting elections at the district level. The five percent threshold was implemented as a means of curtailing the increasingly fragmented party system, which became evident in 1999 when six parties were required to form a governing coalition. In 1999, the ENEP score was 10.29, the highest in postwar Belgium's history. In contrast, Belgium's ENEP score was 6.88 prior to the 1999 election.

The fear of fragmentation was further sparked when Volksunie, or People's Union, split up into two protest parties: SPIRIT and the New Flemish Alliance (N-VA) (De Winter et al. 2006, 939). While traditional parties in Belgium have continued to decline in strength, this has

also led to rise and success of parties like Vlaams Belang and the N-VA. Such parties have captured the attention of frustrated voters and increased the fragmentation of the Belgian party system.

Belgium's legal threshold required parties to receive five percent of the votes at the district level rather than the national level. This made it increasingly difficult for smaller parties to win enough seats to both survive elections and influence the government coalition making process. While larger parties would not be harmed because their support was spread evenly, it made it exponentially more difficult for smaller parties to do well in elections. For instance, the Green parties were severely hampered by the new threshold. While the Ecolo and Agalev held a total of 20 seats in 1999, their share of seats fell to four seats in 2003, and the Flemish Green party Agalev lost all their seats.[7]

However, as Hooghe, Maddens, and Noppe (2006) argue, it was not only the legal threshold, but also the effect it had on party financing that increased incentives for parties to form pre-electoral cartels. Parties in Belgium are only allowed to receive a limited amount of donations from individuals while organizations and corporations are prohibited from donating campaign money. Given the stringent restrictions on fundraising and the gradual decline in party membership, parties in Belgium are heavily dependent on state financing.[8] According to Hooghe et al. (2006), 76% of party budgets during the years 1999 to 2003 came from state financing. In contrast, only five percent came from membership fees and 0.3% from personal donations (Hooghe et al. 2006, 360).

[7] It should be noted, however, that this is also due in part to their decision to enter into coalition government in 1999 and voter disappointment with the Green parties.

[8] Party membership has gradually declined in the postwar era. While nine percent of the electorate were party members in the eighties, that number has declined to 6.55 percent in 1999. For example, while the CVP/PSC had a 213,751 party membership in 1960, that number declined to 92,000 for the CVP and 28,942 for the PSC in 1999 (Deschouwer 2002, 163).

Under Belgian law, parties that elected representatives in both the Chamber and the Senate receive an annual subsidy from the state. A party who had a directly elected representative in both the Chamber and Senate received a fixed annual sum of 125,000 Euros plus an additional 1.25 Euros per vote obtained in both chambers. According to Hooghe, Maddens, and Noppe (2006) this sum has risen over time. In addition, parties also receive funds to support parliamentary party groups (Hooghe et al. 2006, 359).

Thus, the number of seats a party obtains is directly correlated to the subsidies the party receives for political operations. Parties are not only concerned about passing the threshold for electoral survival, but they are also concerned about their financial survival once in office. The greater share of seats a party can garner, the greater the amount of federal subsidies the party receives. When parties weigh the costs and benefits of PEC formation, they must ultimately take party financing into consideration. By forming PECs that allow parties to increase seats, parties are able to also increase their share of funds for political operations. In this regard, smaller parties are much more likely to consider entry into PECs.

After the implementation of the legal threshold, parties began forming electoral cartels. The progressive nationalist SPIRIT formed an electoral cartel with the Flemish Socialist Party for the 2003 elections and secured 23 seats in the Chamber of Representatives and seven seats in the Senate. After the Flemish social-liberal, anti-tax party Vivant failed to win any seats in the 1999 and 2003 elections, Vivant entered into a cartel with VLD for the 2007 federal elections.[9] The coalition was particularly important for Vivant because it was unable to win any seats in the 1999 and 2003 federal elections. Eventually, the party merged with the VLD and fought the June

[9] Vivant first formed a PEC with VLD in the 2004 regional elections.

2007 elections as Open VLD, which won a total of 18 seats in the House of Representatives and five seats in the Senate.

The N-VA initially contested elections independently, but only won one seat in the Chamber of Representatives and no seats in the Senate. Following these failures, the N-VA contested the 2004 regional elections through a PEC with the Christian Democratic CD&V and eventually formed a PEC with the CD&V during the 2007 national elections. Similar to Japan where the LDP's decline brought about the need to adapt to the strategic environment, traditional parties like the CD&V also saw pre-electoral cartels as necessary to maximize their votes and survive elections. The PEC was a success for the CD&V and N-VA cartel because the N-VA was able to claim five seats in the Chamber of Representatives and two seats in the Senate.

However, the cartel ultimately fell apart in 2008 following post-electoral negotiations. Following a lengthy 196 days of negotiations, Prime Minister Leterme ultimately decided to proceed with forming government without an agreement on state reforms, which was one of the N-VA's core demands. Ultimately, the departure of the N-VA in 2008 led to their rise in 2010, when the CD&V collapsed at the polls while the N-VA garnered an impressive 28% of the total votes and became the largest Belgian party.

Election engineering has greatly increased the uncertainty of elections in Belgium, particularly with the decline of traditional parties and the rise of protest parties. The inception of the five percent electoral threshold and its effect on party financing has created incentives for parties to form pre-electoral cartels in order to survive the electoral game.[10] Changes in

[10] In addition to the implementation of the five percent electoral threshold, De Winter (2005) discusses the end of the second-tier allocation in 2003 as a factor of increasing disproportionality (421).

Belgium's institutions have greatly influenced PEC formation, and the recent rise in PECs attests to the uncertainty parties face in Belgium today.

Conclusion

This chapter argues that the proportional nature of Belgium's party system limits the effect of the moderately disproportional, multiparty system argument. Based on the descriptive statistics outlined in Chapters 3 and the empirical results of Chapter 4, this study has argued that the causes of PEC formation in proportional representation systems are often dependent on the variations that exist in the individual cases. Based on this, this chapter has argued that three factors were critical to the formation of PECs in Belgium.

First, following the rise of regionalist parties and fragmentation of the party system, traditional parties responded to the threat of electoral uncertainty and adapted to the new environment by splintering across linguistic lines and working towards the establishment of a federal state. Doing so allowed the traditional parties to maintain their dominance and bring about the demise of protest parties. While Belgium's party system fragmentation increased after the sixties, the separation of the Flemish and francophone party systems, combined with the norm of entering into coalitions with similar family parties, minimized electoral uncertainty and lowered the probability of observing pre-electoral cartels in Belgium, even at the expense of oversized coalitions.

Next, PECs were not as necessary during the early postwar era because of both the concurrence of elections and the devolving powers of the Senate. The concurrence of elections minimized incongruence between the two chambers, and Belgium did not have to face the threat of a divided government like Japan. This led to greater predictability and lowered the need for parties to form PECs. Thus, threats of instability that comes from upper house chambers were

naturally suppressed through Belgium's unique institutional rules, and incentives to form pre-electoral cartels were limited in the postwar era.

Belgium has recently experienced a rise in PECs, and recent attempts at electoral engineering has changed the dynamics of pre-electoral cartels, particularly given the effect of party financing. The reduction of the total Chamber representatives and electoral constituencies, together with the implementation of a five percent electoral threshold, has increased uncertainty in the political marketplace. Combined with the decline in traditional parties and the rise of new protest parties, Belgian parties have begun to find pre-electoral cartels to be strategic alternatives to compete as blocs that are more cohesive in an ever-fragmented political system.

It should be noted that all three of Belgium's federal, regional, and European elections were held concurrently in 2014, and future elections for all three levels will also be held concurrently. This was in response to the crisis Belgium faced following the staggering of regional and federal elections since 1999. While regional and federal elections were held concurrently in the past, federal elections were held in 2003, 2007, and 2010, while regional elections were held in 2004 and 2009. This staggering of elections greatly increased incongruence and asymmetry in Belgium and led to unstable governance.[11] To bring about greater stability, it was decided that all three levels of government would be run under a five-year cycle, and the 2014 elections were dubbed the "Mother of All Elections."

While this should bring about greater stability in Belgium, the risks of falling out of office becomes even greater since the term for national elections has been extended from four to five years. While the Senate has lost much of its legislative powers, the effects of the five percent

[11] An example is the duration of the coalition formation process. Following the 2007 elections, it took 196 days for parties to form government. The situation worsened in 2010, when it took a historic 541 days for the parties to negotiate a government in Belgium.

threshold, combined with the new norm of concurrent regional, federal, and European elections, will continue to influence strategic decisionmaking for political parties. Pre-electoral cartels will provide a means for electoral parties to compete as cohesive blocs while also maximizing their chances of electoral victory.

Chapter 9

Conclusion: Implications and Future Avenues of Research

This study sought to explain why some parties decide to negotiate and form coalitions in the pre-electoral arena while others contest elections independently and form post-electoral, government coalitions. Despite the variations that can be observed both within and across countries, research on pre-electoral coalitions (PECs) has been rather limited. Many simply assume that parties are able to form such coalitions without considering the determinants of PECs. However, PECs have a substantial effect on both electoral and government outcomes. PECs are an important component of the coalition bargaining game that can help broaden and deepen the literature on coalition formation.

Pre-Electoral Coalitions are formal commitments that are formed by two or more independent political parties in the pre-electoral arena. Parties who form PECs do not just informally coordinate their electoral strategies, but make their positions clear to voters. Thus, parties publicly agree to coordinate their electoral campaigns, run joint candidates or lists, or enter government following the election. Forming PEC entails greater commitments that are otherwise unnecessary in informal electoral coalitions.

Parties are independent, political actors who are rational, utility-maximizing actors. In the pre-electoral arena, parties seek to maximize their vote, office, and policy-seeking interests while minimizing the costs associated with electoral and government coalitions. Parties weigh all three interests simultaneously and weigh their interests differently depending on party-specific differences. When explaining why parties form PECs, it is important to account for the costs and benefits of PEC formation. The reason parties form PECs is to maximize their number of seats in

government. If parties believe that PECs will adversely influence their ability to secure seats, they have no incentive to form PECs. However, if parties believe PECs can increase seats, they calculate the costs and benefits of PEC formation and form PECs when doing so will lead to a greater share of seats.

The benefits of a coalition forged in the pre-electoral arena include the ability to coordinate electoral strategies across participating actors, making effective use of their comparative advantages in electoral contestation, efficiently translate coalition votes into seats, and provide more information to voters to secure party loyalty. Parties weigh the benefits together with the costs of entering into a coalition with another party in the pre-electoral arena. Specifically, PECs entail transaction costs, which include assessing and negotiating PECs together with the bargaining costs that parties incur. In addition, PECs can lead to a loss in votes, which can be detrimental to a party's ability to maximize seats. Thus, parties form PECs when the benefits of PEC entry outweigh the costs.

However, when considering how political parties calculate and assess PEC as a strategic option, one must take into account the political institutions that structure electoral competition and shape electoral strategies. In this regard, this study has built on the idea of an "electoral sweet spot" outlined by Carey and Hix (2011) and has argued that PECs are much more likely in moderately disproportional electoral systems that allow for multiparty competition. The increasing fragmentation that results from the electoral system, combined with the disproportional nature of the party system, increases the benefits of PECs and incentivize parties to consider forming PECs.

To summarize, this study argued that electoral system type had a significant effect on whether or not parties had the incentive to form pre-electoral coalitions. By building on the work

of Carey and Hix (2011), this study argued that moderately disproportional electoral systems that resulted in multiparty competition increased the probability of parties forming PECs. The combination of disproportional rules and party system fragmentation increases uncertainty for both voters and parties. Under such circumstances, a greater number of parties are able to influence both the outcome of both elections and government.

Based on this logic, this study has emphasized the role of electoral system type. Specifically, plurality systems lead to extreme disproportionality, and this should lead to such systems rarely observing PECs. In contrast, the proportional nature of PR systems mean parties are less concerned with party survival. In such cases, the result should be more mixed. Finally, majoritarian and mixed systems fall between plurality systems and proportional systems and bring about cases of moderately disproportional, multiparty systems. Under such systems, parties are more likely to consider PEC entry.

Chapter 4 tested the external validity of the theory empirically by utilizing logistic regression analysis on time series, cross-sectional data. By incorporating and controlling for both party-specific and system-level variables, the chapter examined whether majoritarian and mixed systems were more likely to result in the formation of PECs. The results showed that when controlling for party-specific variables like party size and ideology and other system-level variables like bicameralism, investiture votes, and ideological polarization, PECs were much more frequently observed in majoritarian and mixed systems. PECs were virtually non-existent in plurality systems, and despite increasing the probability of PECs and being statistically significant relative to plurality systems, the magnitude of PEC formation in proportional systems were small. Thus, the models strengthened the external validity of the theory that moderately

disproportional, multiparty systems, specifically majoritarian and mixed systems, increase PEC formation.

While large-n analysis is an important methodological tool to test a theory's external validity, this study has also argued that PECs are also very much contingent on local-level factors. While electoral system type is necessary to explain why some parties form PECs in some systems but not in others, it is insufficient to argue that electoral institutions alone determine PEC formation. Thus, Chapters 5 through 8 used in-depth, case study analysis to get at the theory's internal validity and hash out the causal mechanisms that brought about PEC formation in some systems and countries, but not in others.

Chapters 5 through 7 used Japan and Italy as case studies to show how moderately disproportional, multiparty systems create incentives for parties to form PECs. In addition to intervening variables such as dominant party decline, party system evolution, and the threat of divided government, electoral reform constrained party strategies and forced parties to adapt to a new electoral environment. In both cases, the adaptation and learning process with which parties engaged in various strategies was critical for parties such as the LDP and CGP in Japan and the electoral cartels in Italy to reach a stable equilibrium.

Chapter 5 and 6 examined Japan to explain why PECs became a strategic option for parties like the LDP and CGP. Throughout history, Japan was dominated by one-party rule under the LDP. Despite the fact that the opposition was greatly fragmented, the opposition rarely formed PECs. This can be explained by Japan's unique SNTV-MMD system, which allowed multiple parties to contest elections and win a certain share of seats without fearing for their electoral survival. It was only when the LDP began to lose popularity that the opposition was able to formally coordinate and form PECs to remove the LDP from power.

In order to understand the formation of the PEC between the LDP and CGP, one must understand the effects of electoral reform. Following the implementation of a mixed electoral system, parties were forced to adapt to the new electoral environment. Initially, parties were engaged in more conventional strategies of forming coalitions with other parties, creating new parties, or merging with other parties. However, Japanese political parties continued to fail in bringing about a stable political environment. Despite the fact that the hope of electoral reform was to bring about a more stable system, Japan's party system experienced increasing fragmentation. It was under such circumstances that the LDP and CGP formed a PEC.

However, the incentives to form a PEC were also contingent on LDP decline, the rise of divided government, and the threat of party survival for the CGP. As the LDP continued to experience voter decline in the nineties, it became increasingly difficult for the LDP to secure a majority in both the lower house *and* the upper house. This was manifested in 1998 when the LDP was unable to secure a majority in the upper house. It was under such circumstances that the LDP sought to form a coalition with the CGP.

The LDP knew that entering into a coalition with the CGP would lead to the party incurring some costs. Some examples include not being able to secure a monopoly on office and policy and losing some votes from LDP voters who did not agree with the party's coalition with the CGP. However, the LDP also considered the costs of not forming a PEC, which included the inability to pass legislation, the threat of losing more seats in future elections, and the possibility of falling into the opposition depending on how the CGP moved in future elections. Given the precarious and unpredictable nature of Japan's party system, the LDP ultimately believed that working with the CGP would not only allow them to secure a majority in both houses, but it

would also allow them to contest elections much more efficiently, meaning votes would be translated into seats more effectively.

Throughout the nineties, the CGP had played a leading role in breaking down the dominance of the LDP and trying to bring about a new party system. However, working with the opposition had only led to increasing failure, and the party found itself in a new electoral environment that heavily disadvantaged smaller parties. It was under such circumstances that the LDP requested a coalition with the CGP. Not only was it an opportunity for the party to enter government and become relevant in government legislation, but coordinating with the LDP in future elections would increase their probability of party survival.

However, forming a coalition with the LDP also became urgent when the LDP entered into coalition talks with the Liberal Party and agreed to pursue further electoral reform and slash the PR tier by fifty seats. This threatened the political survival of the CGP and increased the incentives for the CGP to form a coalition with the LDP. The benefits of compromise were much greater than the costs of remaining independent and working with the opposition. Thus, both the LDP and CGP weighed the costs and benefits and formed a coalition.

This coalition ultimately led the two parties to form a PEC for the 2000 election, and Chapter 6 showed how the ability of both parties to coordinate with one another was key for both parties to secure a majority in both the lower and upper houses. By coordinating their electoral strategies, both parties were able to get voters to vote strategically and increase efficiency in translating votes into seats.

Moreover, the case of Japan highlights the important role that timing and the sequencing of events have on PEC formation. Pre-electoral coalitions are not some automatic, deterministic outcome that results from electoral change. Rather, like the case of the LDP and CGP's coalition

in 1999, they can arise through a process of adaptation and learning that becomes strategically rational through adaptation in electoral strategies and experience over time.

Chapter 7 examines the causes of PEC formation using Italy as a case study. Like Japan, Italy provides an ideal case to test the institutional theory outlined in Chapter 2 because of Italy's within-case variance. Thus, Italy is another ideal case study to test the theory's internal validity and whether electoral system type played a role in the rise of PEC formation.

In 1993, Italy enacted electoral reform and changed its proportional representation system to a mixed electoral system. This was also during a period of a drastic evolution in Italy's party system. Following an era of Christian Democratic (DC) dominance, the system had unraveled with the *Mani Pulite* trials. Traditional parties that participated in the *pentapartito* coalition fell apart, and the system saw both the rise of new parties like Berlusconi's Forza Italia and the rise of regionalist parties like Bossi's Northern League.

Like Japan, this was through a process of adaptation and learning. Italy's new electoral system allocated three-fourths of all seats to the SMD tier. This meant that for parties to survive the electoral game, they needed to coordinate and strategically run in the SMD tier. Parties considered their pre-electoral strategies and ultimately concluded that the costs of running independently far outweighed the costs of running as a cartel. This was further reinforced by the informal proportionality rules amongst parties in cartels whereby parties were guaranteed a certain share of seats based on their party size.

During the 1994 election, this resulted in three PECs that were formed between the left, right, and center. The victory of the Pole of Freedoms was the result of a strategic alliance that Berlusconi engineered with the Lega Nord in the north and the National Alliance in the south. By forming two different PECs under one center-right banner led by Forza Italia, Berlusconi was

able to defeat the Progressive Alliance on the left. However, their inability to satisfy the policy interests of Lega Nord led to the coalition's collapse later that year.

While the Italian People's Party and the Segni Pact did form a PEC under the Pact for Italy, the coalition finished third behind the Progressive Alliance and the Pole of Freedoms & Pole of Good Government. Their decision to run separately from the center-left and center-right PECs split the vote, and they were ultimately unable to succeed. Given the disproportionately high share of seats that were allocated to SMDs, competition was heavily geared towards competition between two cartels. The coalition eventually disbanded and splintered into other parties and cartels. Thus, the Pact for Italy exemplifies how parties engage in strategic coordination and adapt to electoral reform.

Unlike the 1994 general election, the Berlusconi coalition on the right was unable to coordinate with Lega Nord and ultimately split the votes. While Lega Nord did surprisingly well, its success ultimately took away votes from the right and allowed the Olive Tree coalition to succeed in winning a majority, albeit with the support of the PRC. In addition to the poor coordination of the right, the Olive Tree coalition also learned from its failures in the 1993 election and put together a broader coalition that incorporated more parties on the left. The coordination of parties on the left allowed the Olive Tree coalition to secure a majority in the Senate, but fell shy of a majority in the Chamber of Deputies. However, through an informal commitment it made with the PRC, the Olive Tree coalition was able to enter government following the 1996 election.

When we examine the 2001 elections, we continue to find the significant role PECs had on the strategies of political actors and the outcome of the election. Following the Lega Nord's decision to contest the 1996 election independently, it formed a PEC with the House of

Freedoms PEC, and this allowed the center-right government to return to power. Italy's case reveals how the enactment of a mixed electoral system, combined with the changing dynamics of the Italian party system, created incentives for parties to engage in the formation of cartels in the pre-electoral arena.

Finally, Chapter 8 examined the unlikely case of Belgium. The chapter examined why PECs can still form under systems with rules that proportionally allocates votes into seats. Furthermore, the chapter also seeks to explain why PEC formation was virtually non-existent prior to the late sixties and gradually became more common over time. This study argued that to understand the varied results of PEC formation in proportional systems, greater attention to detail within the systems were necessary. Given the proportional nature of electoral systems, parties did not have incentives to incur the costs of coalitions in the pre-electoral arena. However, social, political, and institutional variations can still bring about the rise of PECs.

In the case of Belgium, the chapter attributes the gradual rise in the frequency of observing PECs to three factors: the decline of traditional parties together with the rise of protest parties following the activation of the linguistic cleavage, the changing electoral dynamics and political roles of the Senate, and institutional engineering and its effects on party financing.

The chapter found that Belgium's fragmentation was brought about by the rise of regionalist parties in the postwar era. However, despite fragmentation, the historical legacies of cooperation between traditional parties lowered incentives for parties to form PECs. Furthermore, while Belgium's Senate had strong legislative powers like Japan's House of Representatives, parties were not threatened by divided government given the concurrent nature of elections and the gradual devolution of the Senate's powers. Finally, PECs became more

common beginning in the late nineties following the enactment of an electoral threshold, which together with the rules of party financing increased incentives for parties to form PECs.

Implications

This study has argued that greater attention should be paid to the formation of PECs, and while there are some costs to the formation of PECs, there are clear benefits that can be achieved when parties in the coalition are committed to the alliance and are willing to invest in the coalition. For instance, scholars have often argued that voters vote retrospectively and hold governments accountable for their performance in office (Listhaug 2005; Fiorina 1981, 1997). In this regard, when parties enter government based on a PEC, it can be assumed that they are held to greater levels of accountability, relative to those who contest elections independently and engage in post-electoral coalition bargaining.

When government coalitions are formed through post-electoral negotiations, parties are vindicated from the concessions they make. They can argue ex-post that they were forced to compromise on certain policy areas to enter government. By giving in on some issues, parties can argue that they were able to receive other concessions from the coalition. Thus, we can assume voters have lower expectations and forgive parties that make concessions following post-electoral coalition bargains.

However, parties that enter office through PECs are held to higher standards. Parties that make their policy positions clear in the pre-electoral arena are also receiving votes from voters who seek to see those policies implemented once in office. Thus, parties are assumed to be held to higher standards and expectations once in office. Given that the participating parties clarify their ideological position and voters elect them into office based on these positions, parties

should have greater pressure to fulfill their commitments. If parties renege on their commitments, voters can be expected to punish the parties and throw them out of office.

Thus, PECs can serve as reference points for voters that increase information regarding their expectations of the government. Furthermore, parties are held to higher degrees of accountability. If parties are unable to fulfill their commitments, voters will abandon the coalition and cast protest vote in future elections.

Increasing accountability should also increase the stability of governments. Based on the logic that PECs increase government accountability, parties that enter government through PECs should be concerned of being punished. Fearing being thrown out of office, governments are expected to make due on their commitments, thereby satisfying their voters and constituents and increasing government stability.

Countries considering electoral reform should consider whether the political institutions that structure political interaction should be engineered to bring about PECs. When electoral engineers weigh the benefits of government accountability and stability and conclude that PECs are a meaningful phenomenon that are worth investing in, majoritarian and mixed systems provide the greatest assurances that parties will coordinate, compromise, and fulfill their commitments. Indeed, while majoritarian and mixed systems are relatively rare in the world of electoral systems, this study has shown that they provide various incentives to politicians that are rare in plurality and proportional systems. In this regard, adoption of moderately disproportional, multiparty systems may be a worthwhile investment.

Finally, establishing systems that encourage PECs provide voices to a more diverse range of parties and voters. Increasing diversification of government outcomes can be a benefit for both parties and voters. The inclusion of Japan's Clean Government Party in coalition

governments has given the party opportunities to push forward with legislation that may not have been adopted if it was only the Liberal Democratic Party in power. Thus, systems that bring about PECs can also lead to more voices of the electorate being reflected in government.

However, there are also costs in adopting such systems. One of the most concerning outcome is the threat of increasing fragmentation and how parties can adapt. When parties have a tradition of cooperating and working with other parties, increasing fragmentation may not be as much of a threat to the party system. However, a lack of experience in working with other parties may also weaken the party system. While Belgium has historically been a relatively stable democracy, recent attempts to form government have failed. For example, it took a record 19 months or 541 days for Elio Di Rupo and his six-party coalition government to come into power following the June 2010 elections.

Similarly, if a mixed electoral system is adopted, coalition governments become the norm. In some cases, the complex rules of mixed systems make electoral and government outcomes unpredictable. While PECs do help alleviate such threats, states that are considering electoral reform must weigh the threats posed by such uncertainty.

Future Research

This study has built on the frameworks of past research and has argued that PECs are more frequently observed in moderately disproportional, multiparty systems. The use of both large-n quantitative analysis and in-depth qualitative case studies strengthens the robustness of the findings, and the use of such mixed-method approaches have been limited to date. Nonetheless, research on PEC formation is still relatively new, and there are more avenues to be pursued.

For example, this study has focused primarily on advanced, industrialized democracies in Western Europe, but whether the conclusion still holds in industrializing democratizing systems is of theoretical interest. This study has not included cases in Latin America or Eastern Europe, and inclusion of such countries into the analysis would strengthen the institutionalist argument outlined in this study. Future research should expand the dataset to parliamentary democracies in developing countries to confirm whether the argument on electoral system type can also be applied to a wider range of cases.

Moreover, whether or not the argument still holds in presidential democracies is also of theoretical interest. While this study has limited the cases to parliamentary and semi-presidential systems, future research should consider how PEC formation would vary in presidential systems. The inclusion of presidential systems would expand the dataset, and this would provide greater clarity as to how parties engage with the option of coalition making in the pre-electoral arena.

Based on these new avenues of research, one can consider whether the role of federalism has any impact on PEC formation. For example, incorporating Latin American countries will expand the scope of research to not only presidential democracies, but also federal countries like Brazil, Colombia, and Venezuela. While this study has emphasized the role of electoral systems in bringing about PECs, federalism may also play an important role in a party's decision to enter into PECs. This was evident in the case of Germany's Lower Saxony election in 2013. The CDU's loss in the Lower Saxony election meant that opposition led by the SPD also held a majority in the German Bundesrat.

While most federal states may not have such a direct link with the upper house, the decentralized nature of federalism can have a profound impact on whether parties decide to enter into PECs. Federal states require greater flexibility in terms of governing coalitions, and many

countries observe divergent coalitions being formed at the national and subnational levels. Thus, parties that contest elections under federal systems may have different incentives, and such variations must be accounted for in future research.

Finally, a new strand of research should examine how PECs influence legislation once parties enter government. Upon government entry, to what degree are promises kept? Given that voters cast their votes with the hopes of seeing the pre-electoral promises being implemented, examining the effect of PECs on legislation will strengthen the argument that PECs are of normative interest.

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