Policing the Bargain: Coalition Government and Parliamentary Scrutiny

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Policymaking by coalition governments creates a classic principal-agent problem. Coalition government ordinarily requires delegation of important policymaking powers to the ministers who control different portfolios. In other words, a collection of actors (the coalition partners, as represented in the cabinet) with preferences that diverge on at least some issues must delegate power to individuals (the ministers) who are associated with a particular party. Such delegation raises the possibility that individual ministers will attempt to pursue policies favored by their own party at the expense of other coalition members. The risks inherent in delegation suggest that coalition partners have reason to monitor the actions of “hostile” ministers (i.e., ministers belonging to other parties) and to provide “counterweights” to their influence. In recent years, a literature that addresses these issues has begun to develop (e.g., Huber and Lupia 2001; Strom 2000), but so far there is only limited evidence that explores whether, and if so how, government parties attempt to manage the risks of delegation.

Most importantly, such policymaking creates a classic principal-agent problem. Coalition government ordinarily requires delegation of important policymaking powers to the ministers who control different portfolios. In other words, a collection of actors (the coalition partners, as represented in the cabinet) with preferences that diverge on at least some issues must delegate power to individuals (the ministers) who are associated with a particular party. Such delegation raises the possibility that individual ministers will attempt to pursue policies favored by their own party at the expense of other coalition members. The risks inherent in delegation suggest that coalition partners have reason to monitor the actions of “hostile” ministers (i.e., ministers belonging to other parties) and to provide “counterweights” to their influence. In recent years, a literature that addresses these issues has begun to develop (e.g., Huber and Lupia 2001; Strom 2000), but so far there is only limited evidence that explores whether, and if so how, government parties attempt to manage the risks of delegation.

Since the publication of William Riker’s seminal work, The Theory of Political Coalitions (1962), scholars have made enormous strides in understanding coalition government, especially as observed in Western Europe. Until very recently, however, most of these efforts have focused on cabinet formation and termination, more or less ignoring the policymaking process between these events (for a review, see Laver and Schofield 1998). Yet, a stronger focus on policymaking is warranted for a number of reasons. A fundamental normative claim in favor of democratic government is that it ensures some connection between citizen preferences and government policy (Dahl 1971, 1; Powell 2000, 3). At least in part, interest in coalition formation and termination has been driven by the recognition that both matter to this connection (e.g., Laver and Shepsle 1996, 3+). However, policymaking within coalition governments raises puzzles that go beyond the formation (or dissolution) of cabinets.

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1Notable exceptions in the past few years include the work of Huber (1996), Baron (1998), Thies (2001), Heller (2001), and Huber and McCarty (2001).

2In a recent piece, Thies (2001) considers the appointment of junior ministers as “watchdogs.” He finds some evidence consistent with the hypothesis that coalition partners in Italy, the Netherlands, and Japan systematically appoint junior ministers of different parties (or factions) to “shadow” the work of a hostile cabinet minister. Similarly, essays in a recent volume by Müller and Strom (2000) pay particular attention to intracoalition monitoring through the use of junior ministers.

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In this article, we focus on the central role that legislatures can play in allowing coalition partners to confront the principal-agent problem created by “joint policymaking.” Obviously, the legislative process is central to the collective interests of a multiparty government as it tries to pass and implement legislative proposals. But the process can also afford individual coalition members significant opportunities to manage the risks of delegation by “checking up” on their partners and, if necessary, to “correct” the actions of hostile ministers. If correct, this argument has implications not only for how coalition governments make policy but also for our understanding of the role of legislatures in West European parliamentary systems. A common view—reflected in most comparative politics textbooks—holds that the cabinet dominates the policymaking process in parliamentary systems and that legislatures in these systems are institutions of, at most, moderate importance. Our argument, which connects directly to recent research on institutional structures that enhance legislative influence (see, for example, the essays in Döring 1995 and Müller and Strøm 2000), challenges this assessment by suggesting that legislative institutions play a central, but often overlooked, role in enabling parties with divergent preferences to govern jointly. Importantly, we argue that legislatures may play this role even if few bills are initiated from within parliament and even if government bills are not changed extensively during the legislative process. That is, the mere anticipation of parliamentary scrutiny can exercise a powerful ex ante influence over the content of bills that are drafted by cabinet ministers.

The article is organized as follows. The next section outlines the problem of delegation and develops an argument about the circumstances under which monitoring of hostile ministers through parliamentary scrutiny should be particularly attractive. In the third section, we test our central claim using original data on the treatment of nearly 300 government bills in Germany and the Netherlands. This data set provides us with the opportunity to conduct one of the first systematic crossnational investigations of the lawmakers process in parliamentary systems. In the final section, we summarize our results and discuss their broader implications.

**Coalition Politics, Delegation, and Monitoring**

Perhaps one of the most distinctive features of contemporary parliamentary democracies is the significant extent of delegation in these systems. As the need for greater policy expertise has intensified in modern societies, members of the legislature have increasingly entrusted substantial authority to the prime minister and the cabinet. The vast majority of legislative proposals originate within the government, and most of these bills are eventually enacted. In other words, legislative activity in parliamentary systems is centered upon government bills (see Andeweg and Nijzink 1995, 171). While the introduction of a government bill normally requires the formal approval of the full cabinet, this does not imply that the cabinet has “collectively” drafted the text of the bill. Instead, a high workload, coupled with the relatively small size of the cabinet and policy specialization by ministers, means that the precise content and wording of a bill are usually decided by the cabinet minister under whose jurisdiction a bill falls (though the minister, of course, may work closely with civil servants in the ministry). In other words, further delegation within the cabinet provides considerable autonomy to ministers in drafting legislation. As Gallagher, Laver, and Mair put it (see also Laver and Shepsle 1994, 1996):

> The cabinet does not and cannot simply sit around in a meeting and make policy in a vacuum. Real-world policymaking on complex issues involves the cabinet’s accepting, rejecting, or amending specific and detailed policy proposals that are presented to it, based on extensive and often very technical documentation. Only the government department with responsibility for the policy area in question has the resources and expertise to generate such a proposal. Thus, only the minister in charge of the relevant department is in a position to present the policy proposal at cabinet, giving him or her a privileged position in the policy area in question. (2001, 56)

While delegation has many virtues, it also has significant drawbacks. Inherently, delegation creates the risk that agents (in the current context, cabinet ministers and their civil servants) may not truly work in the best interests of the principal (in a legislative majority or the cabinet as a whole). While such principal-agent problems can be present even when a single party controls a majority of seats, they are especially troublesome in the more common situation where several parties jointly form a coalition government and portfolios are distributed to ministers of different parties. A central feature of coalition...
government is that it requires partners with preferences that may diverge to bargain over a common policy position (we are not directly concerned with this bargaining process here). In other words, coalition government requires compromise.\(^4\) To the extent that an agreed-upon compromise deviates from the ideal policies envisioned by the ministers called upon to draft and propose the relevant legislation, ministers may be tempted to use their discretion in drafting bills to undermine this agreement and to move government policy toward outcomes they prefer.

Figure 1 illustrates with a heuristic example using the familiar two-dimensional spatial model. Assume (for simplicity) a coalition made up of two political parties negotiating over two relevant policy dimensions. Furthermore, assume that parties have straightforward Euclidean preferences. The ideal policy of party A is given by the point AA, while the most preferred policy of party B is located at BB. The indifference curves indicate how far each party is willing to deviate from its ideal point as it bargains over a policy to pursue.\(^5\) The vertically hatched petal indicates the potential “compromises” that the coalition partners could agree on.

Suppose the bargaining process has concluded successfully, and the coalition partners have agreed on a common compromise policy to be pursued, located at point X. Without loss of generality, assume that party A holds the portfolio that controls dimension 1 while party B controls dimension 2.\(^6\) It is at this point that the principal-agent problem emerges. The divergence in preferences between the parties raises the possibility that despite the agreement to pursue policy X, the ministers associated with each party will be tempted to undermine this compromise. Specifically, given the distribution of portfolios, Minister A would like to move policy in dimension 1 further to the right than envisioned under the compromise, while Minister B would prefer to reduce policy in dimension 2 to a point below X.

Naturally, the mere desire to move policy away from the compromise position may not pose a significant problem if other cabinet ministers can easily detect or correct “ministerial drift.” However, two substantial obstacles confront such monitoring of cabinet colleagues. A central reason for delegating to cabinet ministers in the first place is that drafting legislation often requires considerable technical expertise, including information about

- what is feasible in a given issue area, and
- which political outcomes will result from adopting particular policies.

An important aspect of a minister’s “job” in preparing a draft bill is to become informed about these questions and to draft a bill that is feasible and achieves the government’s goals (i.e., approximates the agreed-upon compromise). To accomplish this, ministers have at their disposal a bureaucracy staffed by civil servants with technical expertise, as well as direct and ongoing relations with interest groups, lobbyists, and outside experts that can provide relevant information. Other cabinet members largely lack these resources and are therefore less informed. In other words, ministers enjoy an “informational advantage” in their jurisdiction.

\(^4\)We use the word “compromise” in a very general fashion to denote common agreement on a joint position on which the various actors have divergent preferences. It has no substantive connotations for the content of this common position. For coalition governments, such compromises are embodied in the government policy declarations that are negotiated during the coalition formation process and which outline the general legislative agenda of the new government. However, coalition agreements cannot cover all contingencies (they are incomplete contracts). Thus, additional bargaining occurs as new issues emerge over the course of the government’s life (Huber and McCarty 2001, 345).

\(^5\)One can conceive of these indifference curves as being induced by a number of factors, including the best “outside” option of the parties, their eagerness to remain in the coalition, or the degree to which they must fear “punishment” by their constituents for deviating from their stated position. The issue is not central for our purposes.

\(^6\)That is, in Figure 1, Minister A can propose bills that move policy to the “left” or “right,” but not “up” or “down.” Minister B can move policy “up” or “down,” but not “left” or “right.”
This informational advantage largely precludes other cabinet ministers from effectively monitoring or changing proposals drafted by their cabinet colleagues. To the extent that an issue area is characterized by “political uncertainty,” which makes it difficult for less-informed cabinet members to ascertain the precise relationship between a draft bill and its policy consequences, ministers can draft proposals that bias political outcomes in directions they prefer. Similarly, even if the consequences of adopting a particular bill are clear, most policy arenas are confronted by feasibility constraints. A minister can exploit the existence of such constraints to propose a policy that falls short of an agreed-upon compromise, arguing that the bill that has been presented is “the best” that is feasible. Given their lack of information, this claim is hard to evaluate for other cabinet members. Is the minister honestly reporting the best bill that can be expected from the perspective of other coalition partners? Or are bills that are more congenial to the other parties (or at least come closer to implementing the original compromise) available?

In other words, informational asymmetry between cabinet ministers raises a significant problem for multi-party governments: How can coalition members deal with the possibility that individual ministers will (ab)use their autonomy to undermine compromise positions that the partners have agreed upon? Laver and Shepsle’s influential “portfolio allocation” approach (1996) takes off from this problem and assumes that party leaders will choose to ignore it. That is, coalition partners may simply accept (or at least assume as a worst case scenario) that each party will have predominant authority in the policy areas within the jurisdiction of ministries it controls. In the context of traditional spatial models, this implies that only the “lattice points” created by the dimension-by-dimension intersections of party ideal points are feasible policy outcomes. Thus, in the example provided in Figure 1, the portfolio allocation approach predicts that if Minister A controls dimension 1 and Minister B controls dimension 2, policy AB will emerge. If Minister A controls dimension 2 and Minister B controls dimension 1, policy BA will emerge. “Ministerial government” is attractive because the demands it makes on individual ministers are incentive-compatible. Since each minister pursues her ideal policy within her jurisdiction, the principal-agent problem disappears. The drawback is that the aggregate policies that emerge from ministerial government are typically Pareto-inferior. Under many circumstances, all members of a coalition will prefer a “policy package” created by “trading” compromises across policy areas instead of simply allowing each party to pursue its own ideal policy in the issue areas it controls (see Thies 2001).

To capture these benefits, parties must confront the principal-agent problem posed by ministerial autonomy, which requires monitoring of hostile ministers. Given the difficulty of internal monitoring, coalition partners have strong reasons to develop external monitoring mechanisms that can serve as a substitute. Naturally, a wide range of potential mechanisms exist.

The legislative process can afford one of the most prominent, and most powerful, settings for engaging in such monitoring. Many parliamentary systems, especially in “consensus democracies” (Lijphart 1999) provide strong standing committee systems that correspond to ministerial jurisdictions and provide opportunities for committee members to acquire policy expertise. These committees typically have broad investigative powers, which makes it difficult for less-informed cabinet ministers to effectively monitor or change proposals drafted by their cabinet colleagues. To the extent that an issue area is characterized by “political uncertainty,” which makes it difficult for less-informed cabinet members to ascertain the precise relationship between a draft bill and its policy consequences, ministers can draft proposals that bias political outcomes in directions they prefer. Similarly, even if the consequences of adopting a particular bill are clear, most policy arenas are confronted by feasibility constraints. A minister can exploit the existence of such constraints to propose a policy that falls short of an agreed-upon compromise, arguing that the bill that has been presented is “the best” that is feasible. Given their lack of information, this claim is hard to evaluate for other cabinet members. Is the minister honestly reporting the best bill that can be expected from the perspective of other coalition partners? Or are bills that are more congenial to the other parties (or at least come closer to implementing the original compromise) available?

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In a seminal article, Gilligan and Krehbiel (1990) investigate the implications of “political uncertainty” in this sense for the committee structure of the U.S. Congress; for an extension of this “informational theory,” see also Krishna and Morgan (2001).

Such constraints may be technical (e.g., what energy policies are feasible, given alternative energy sources, their associated costs, and the country's demand for energy?) or humanly devised (e.g., what alternative tax reform plans would be approved by a constitutional court given the constitutional text, accumulated jurisprudence, and the court's interpretation of each?).

Naturally, the relations between coalition partners that we focus on here do not raise the only principal-agent problem in the policy-making process in parliamentary systems. Similar difficulties can emerge in the relationship between ministers and their civil servants (see Huber 1998), within individual parties, provided there is preference divergence between ministers and party backbenchers (Saalfeld 2000), or between a floor majority and committees (Alter 2002). Over the last decade, an extensive political science literature has developed that deals with principal-agent problems induced by delegation, in particular with application to the relationship between administrative agencies and Congress in the United States (e.g., see Bawn 1993; Epstein and O'Halloran 1999; Huber and Shiplan 2002; and Kiewiet and McCubbins 1991).
including the right to schedule hearings, call witnesses, subpoena relevant documents, and ability to propose amendments. As Powell and Strøm have stressed (Powell 2000, 32; Strøm 1990, 71), these institutional provisions provide one important avenue for opposition influence on policymaking. However, another—much less emphasized—aspect of these institutional structures is that they provide a tool that parties in a governing coalition can employ to “keep tabs on their partners.” While party leaders that sit at the cabinet table may not be in a position to monitor other ministers adequately, they can rely on members of their legislative faction to investigate the anticipated consequences of a bill, the justifications offered by the drafting minister, and available alternative policies. In other words, parliamentary scrutiny can play a central role in allowing conflict parties to counteract the principal-agent problem posed by ministerial autonomy. Anecdotal evidence suggests that this may indeed be the case. For example, Patterson and Southern have observed with respect to Germany that “parliamentary groups of the coalition parties do not accept uncritically government proposals, particularly when such proposals derive from ministries held by another party to the coalition” (1991, 120). Significantly, the fact that effective scrutiny is taking place does not necessarily imply that government bills are changed extensively during the legislative process. The mere anticipation of legislative monitoring may be sufficient to induce ministers to “stick to” agreed-upon compromise policies.

Our view of parliamentary scrutiny as an intracoalition monitoring device is significant because it suggests a new perspective on the role of legislatures in parliamentary systems. Parliaments are traditionally viewed as institutions intended to serve as a “check” on government. Directly elected parliaments are supposed to provide democratic accountability through their role in the legislative process and, more dramatically, the confidence procedures that allow them to replace the cabinet. Thus, the standard view, reflected in textbook treatments and much of the scholarly literature, focuses on “legislative-executive” relations that conceive of the cabinet and the legislature as separate bodies (e.g., Lijphart 1999, ch. 7; Meny and Knapp 1998, ch. 5; but see Gallagher, Laver, and Mair 2001, 69). Viewed from this angle, it appears that parliaments play only a marginal role in the policy-making process and are dominated by the cabinet. Recent work has begun to question this consensus by exploring institutional features of the legislative process that can enhance legislative influence over policy, such as a strong committee system with proportional assignment of seats (see the essays in Döring 1995; Müller and Strøm 2000; Powell 2000; Strøm 1990). However, this research has largely concentrated on highlighting the impact that these features have on opposition influence. Like these studies, our argument challenges the contention that legislatures are unimportant. However, our argument emphasizes that in addition to affording opportunities for opposition influence, these legislative institutions provide crucial opportunities for government parties in coalition situations to monitor their partners. Put differently, parliaments and the legislative process play a crucial, but underestimated, role in the internal politics of coalition government.

While the theoretical argument for the use of legislative oversight as an intracoalition monitoring device in multiparty governments is plausible, an obvious question is whether there is any empirical support that suggests that parties do indeed monitor their partners in this fashion. An explicit empirical investigation of this question would require extensive data on the legislative process. For example, such a study might involve an analysis of the number of committees to which a bill is referred (and their ideological composition), the number of hearings scheduled, the number of expert witnesses invited to testify (and their ideological affiliation), as well as amendment activity by parliament. At the moment, such data are not available in systematic fashion for the legislative process in West European democracies, although several efforts to begin collecting these data are already underway. In the meantime, we focus on a corollary implication for which data are more readily available.

This corollary hypothesis makes use of two separate observations. First, the various activities that signify that parliamentary scrutiny of legislation is taking place (e.g., committee hearings, contact with outside experts and interest groups, etc.) require time. As a result, bills that are scrutinized more carefully will tend to require more time in the legislative process than bills that are not subjected to close scrutiny. Second, as is the case in principal-agent problems more generally, the problem raised by delegation to ministers tends to become more severe as the ideological difference between coalition partners increases. On an issue that does not divide parties significantly, little is to be gained by the “inside” party (i.e., the party controlling the relevant ministry) from deviating from...
Hypothesis: The greater the ideological divergence between coalition partners on the issues addressed by a bill, the more likely the bill is to encounter delay in the legislative process.

In the next section, we turn to an empirical test of this expectation. Before doing so, several remarks are useful. First, it is worth noting explicitly that this hypothesis is inconsistent with predictions derived from the “portfolio allocation approach” developed by Laver and Shepsle. As pointed out above, if ministers are free to implement their most preferred policy in the jurisdiction they control, no principal-agent problem emerges, and consequently, there is no need to monitor hostile ministers. Legislative delay may still emerge due to factors such as the legislative calendar or the priority a bill receives, but delay should not be related in a systematic fashion to ideological differences between coalition partners. In other words, the hypothesis discriminates between the “ministerial government” model and the monitoring theory proposed here. Second, given our theoretical interest in parliamentary scrutiny, our hypothesis focuses on delay in the legislative process; that is, delay after a bill has been introduced in parliament. Naturally, concern over ministerial deviations from coalition compromises may also hold up introduction of a bill into the parliament as members of the cabinet attempt to scrutinize proposals directly. (As we argued above, however, doing so effectively is difficult, given the resource constraints confronting ministers.) Importantly, any such “presubmission” delays should bias against finding support for our hypothesis and thus do not undermine confidence in any results.

The Data

To test this hypothesis, we use original parliamentary data we collected from the Netherlands (1982–1994) and Germany (1983–1994). In this section, we discuss our choice of countries and time frame as well as our procedure for collecting the sample of government bills. We also describe the ideological measures we have constructed, which are based upon a recent expert survey of party ideological positions conducted by Laver and Hunt (1992).

Country Selection and the Sample of Legislation

The chief advantage in examining Germany and the Netherlands is that they are “most similar” in terms of several institutional features and coalition attributes that, in addition to ideological differences between coalition partners, may be relevant factors in legislative delay. Specifically, the Netherlands and Germany are both nonmajoritarian systems, with multiple parties and proportional representation electoral rules, and they share a variety of legislative structures and procedures that enhance the role of the opposition in the policymaking process (Döring 1995; Strom 1990). Moreover, in both countries, the governments during this period were two-party coalitions controlling a majority of legislative seats, with no unnecessary (or surplus) members. Finally, both the Bundestag and the Tweede Kamer have four-year terms, and because all governments in the sample formed almost immediately after elections (with no government forming without a

We thank an anonymous referee for bringing this to our attention. Martin (2002) investigates the timing of bill introduction by cabinets. Consistent with the expectation that there may be “presubmission effects,” he shows that ideological division within the cabinet does induce delay in bill introduction to the legislature.

For example, in both countries, there is a relatively large number of specialized committees, seats on the committees are distributed proportionally to legislative party groups, and the jurisdictions of these committees largely correspond to those of ministerial departments (Döring 1995).

The three governments in the Netherlands were composed of the CDA and VVD (1982–86 and 1986–89) and the CDA and PvdA (1989–94). The three governments in Germany were all coalitions of the CDU/CSU and FDP (1983–87, 1987–90, and 1990–94).
preceding election), each had approximately four years to enact legislation.

Of course, one drawback to this design is that we cannot assess the impact of alternative institutional arrangements or certain coalition attributes on legislative delay (and, by extension, on monitoring of coalition partners). For example, we cannot draw conclusions regarding the effect of strong committee systems (such as those in the Netherlands and Germany) versus weak committee systems (such as in Ireland and the French Fifth Republic). Nor can we say anything about legislative delay in situations where a single party controls a majority of legislative seats, where a minority administration is in place, or where parties whose support is unnecessary to the government’s majority are part of the cabinet. Clearly, future work should attempt to account for such institutional variation and for differential coalition attributes. The resource-intensive demands of archival data collection, however, put this task beyond the scope of the current study.

Fortunately, our sample exhibits substantial variation in terms of the main factor we wish to isolate: the degree of ideological divergence between coalition members. There are three sources of variation in ideological divergence across bills. First, for any given government, ideological differences can vary across the issue areas addressed by different bills. Second, ideological differences can vary with a change in the party composition of the government (such as in the Netherlands in 1989) or a change in partisan control of particular ministries. Thus, even though Germany for this entire period was ruled by a coalition of the CDU/CSU and FDP, these parties did exchange a few ministries with each new government. Third, as we explain below, our measures of ideological divergence are “weighted” by the proportion of seats controlled by each party in the legislature, which almost always changed across elections.

Beyond these considerations, our design has the advantage of extending over a relatively small number of years, making our investigation less prone to unmeasured temporal effects. Moreover, this choice allows us to use a recent expert survey, conducted by Laver and Hunt (1992), that provides extensive information on both the policy positions and issue weights for a large number of parties on a variety of dimensions.18 More specifically, each country expert contributing to the study located parties in his or her respective country on a twenty-point scale on eight theoretically distinct policy dimensions. They also assessed the saliency that parties assign to each dimension, also on a twenty-point scale. These dimensions include tax policy (cutting taxes versus increasing public services), foreign policy (relations with the Soviet Union),19 industrial policy (government control of business interests), social policy (moral permissiveness), clerical policy (the role of religious institutions in society), agricultural policy (urban interests versus rural interests), regional policy (centralization versus decentralization of decision making), and environmental policy (growth over environment versus environment over growth).

Given our choice of countries and time frame, we selected our sample of bills by starting with the full set of government bills and then eliminating certain types of bills from consideration. Specifically, we excluded budget bills and budgetary adjustment bills because many of the rules of procedure associated with such bills are different from those associated with ordinary legislation (Inter-Parliamentary Union 1986). Moreover, budget bills are normally omnibus proposals that do not neatly fall along a single issue-dimension. For similar reasons, we excluded any bills proposing changes to the constitution. Of the remaining ordinary bills, we excluded any that we could not reasonably classify into the eight policy areas from the Laver and Hunt study. Thus, we consider no bills in which primary subject matter concerns issues such as law and order, immigration, or the European Union.20 For each remaining bill, we collected information on the date the bill was introduced, the ministry responsible for drawing it up, its primary subject matter, and the date the bill was passed (or defeated) by each legislative chamber.21 After these exclusions, our data set consists of 276 government bills. Table 1 presents the percentage of the bills that fall along the eight Laver-Hunt policy dimensions. The classification of individual bills into these issue categories was usually straightforward. In the appendix, we provide some

18Because policy positions are subject to change over time, we were hesitant to extend this survey data too far into the past, although some recent studies of government formation and termination have applied these data as far back as the 1940s for several countries (Laver and Shepsle 1996; Warwick 1996).
19Naturally, the end of the Cold War undermines the relevance of this dimension. Thus, no bills on this dimension were collected after 1989.
20The country experts from the Laver and Hunt study exclude these dimensions because they do not believe that such issues are important in party competition. Thus, by excluding bills that deal with these issues, we are presumably excluding only noncontroversial and noncontroversial legislation; that is, we are selecting on the salience and divisions variables. Although this may have some negative consequences in terms of model efficiency, it should not lead to substantial bias.
21In the Netherlands, there were a handful of bills introduced by caretaker governments. Since such governments are typically believed to be severely constrained in their ability to introduce and pass legislation, we exclude these bills from the sample.
examples of the types of bills that were coded on each of the Laver and Hunt dimensions.

**Measurement of Dependent and Independent Variables**

The dependent variable in our study is the length of the legislative process, which we code as the number of days between bill introduction and the final vote on the bill. In theory, this variable can take any value ranging from zero (if the bill is passed or defeated on the same day it is introduced) to the total number of days in the legislative term (if the bill is introduced on the first day of the legislative term and is passed or defeated, or expires, on the last day of the term). In practice, the length of the legislative process takes on a much more limited range of values. As we show in Table 2, on average, bills spend approximately six months in the legislature, with some difference in the length of delay (of about two months) between the Netherlands and Germany.

Our main independent variable of interest is the degree of ideological divergence within a coalition (government issue divisiveness). However, to isolate the effect of internal ideological divisions in the cabinet as much as possible, we also control for three other ideological variables that may affect legislative delay. First, we consider the issue saliency of the bill for coalition members (government issue saliency). The most obvious reason for taking account of issue saliency is that legislative delay is costly. Each day a bill is delayed in the legislature is one day of foregone policy benefits for coalition members. In general, the effect of issue saliency should depend upon the level of divisiveness. For bills on which government members are not divided, the more salient the issues involved, the higher these policy benefits will be for all coalition partners, and thus the more likely that they will wish to move quickly to get these bills enacted. For bills on which government members are extremely divided, we might expect saliency to have a smaller, or even negative, effect. This suggests a possible interactive effect between issue saliency and ideological divergence, which we discuss in more detail below. Second, we control for the impact of the opposition. As discussed above, recent research on legislative influence has highlighted the opportunities for opposition impact on policy created by strong committee systems (Strøm 1990; Powell 2000; Müller and Strøm 2000; Döring 1995). In particular, the committee structure in Germany and the
Netherlands is often believed to afford opposition parties influence in the legislative process. Given this, we include variables that take account of the saliency of the issues under consideration from the point of view of the opposition (opposition issue saliency) as well as the ideological differences between the parties in the opposition and the minister responsible for initiating the bill (opposition issue divisiveness).

We draw our measures of these four variables from the Laver-Hunt expert survey discussed above. To create the two saliency variables, we first scaled the twenty-point Laver-Hunt saliency scores so that an issue of average saliency for any party received a score of “1.” A scaled saliency score greater than one indicates a relatively more salient dimension, while a scaled score less than one indicates a relatively less salient dimension. For each bill, we then weighted each party-specific scaled saliency score by the proportion of legislative seats controlled by that party and calculated a weighted average saliency for the bill for the government and the opposition.

To create the main variable of interest, government issue divisiveness, we first used the twenty-point Laver-Hunt position scores to calculate the absolute distance of each party in the coalition from the position of the minister drafting the bill (along the relevant issue dimension). This approach captures the potential risk of delegation that parties may try to “manage” through legislative monitoring. To account for the possibility that larger parties may be in a better position to exercise oversight, we weighted the distances between a party and the minister by the proportion of legislative seats controlled by the party, thus giving us the weighted average distance of coalition parties from the bill. To obtain the final measure of government issue divisiveness, this weighted average ideological distance was weighted by the coalition-specific relative saliency score of the bill. The purpose of this final weighting is to capture the fact that ideological divisions are more likely to lead to attempts at monitoring the more important the issue under consideration is to the coalition partners. We created an analogous opposition issue divisiveness measure.

### Analysis and Findings

We use event history, or survival, analysis to test our hypothesis. Over the past few years, the use of survival models has become the norm in political science applications where the question of interest concerns the timing of a specific event, such as the final vote on a bill (e.g., King et al. 1990; Warwick 1994; Box-Steffensmeier, Arnold, and Zorn 1997). A fundamental concept in survival analysis is the hazard function or hazard rate, which is defined as the probability that an event will occur at a particular point in time, given that it has not yet occurred. The hazard rate has two components. The first is a set of covariates, or independent variables, that are believed to have some systematic impact on the timing of an event. Parameter estimates for these covariates denote the degree to which they increase or decrease the risk of event occurrence. The second component is an underlying baseline function that represents the rate of event occurrence if the effects of all the covariates are zero. In other words, the baseline hazard rate reflects how the rate of event occurrence changes only with respect to time.

One of the major issues involved in choosing among survival models concerns how to parameterize the baseline hazard rate (that is, how to characterize possible duration dependence). Duration dependence is present if the occurrence of an event for an individual (conditional on the covariates in the model) is related to how long the unit has been at risk. Deciding on how to model possible duration dependence is important because the interpretation of the independent variables is contingent on the shape of the specified hazard function and because an

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23To determine seat weights, we relied on the information in Mackie and Rose (1991), the corrections to these results from Appendix B of Lijphart (1994), and for later elections, the results reported in special issues of the European Journal of Political Research.

24The results reported below are robust to using the unweighted ideological distance scores as well.

25One important feature of survival models is that they provide a straightforward means of addressing the problem of “right-censored” data. Observations of duration data are right-censored if they leave the sample before they experience the event under investigation. For example, sixteen of the bills in our sample were never “concluded” (i.e., passed or rejected by the legislature) because they were still in the legislative process when the parliamentary term expired. Thus, we only know that scrutiny of these bills lasted at least until the end of the parliamentary term. We do not know how long the bills would have spent in the legislative process had the term not expired. Survival models adjust estimates of the covariates and standard errors taking into consideration the limited information we have on these data.
The incorrect parameterization of the baseline hazard rate can lead to biased coefficients and incorrect standard errors (Box-Steffensmeier and Jones 1997).

Of the parametric models available, probably the most common in political science applications is the Weibull, which makes flexible distributional assumptions about the shape of the baseline hazard rate. Specifically, the Weibull model assumes that time dependence in the duration variable may be monotonically increasing or decreasing. Thus, for an individual bill with a vector of characteristics, \( X \), the hazard rate in the Weibull model is estimated simply as:

\[
h(t) = \exp[\beta'X + \alpha \ln(t)],
\]

where \( \alpha \) is a scaling parameter that denotes the direction and magnitude of duration dependence.⁲⁶

Because of its flexibility and ease of use, we employ the Weibull model in our examination of legislative delay, the results of which we report in Table 3.⁷⁷ For each model, the parameter estimates are expressed in terms of their relationship to the baseline hazard rate. Thus, a positive coefficient implies that an increase in the level of the corresponding independent variable for a particular bill will increase the odds that the bill will be put to a vote.

In Table 3, we can reject the null of a constant hazard rate at the \( p < .05 \) level of significance.⁷⁷

An increasing number of political science studies that use duration data have opted for an even more flexible approach known as the Cox “proportional hazard” model. Unlike the Weibull model, the semiparametric Cox approach makes no assumptions about the shape of the hazard rate, though it does assume that the covariates have a proportional effect on the baseline hazard rate over time (which is also an assumption of the Weibull). Along with its greater flexibility, however, the Cox model has a few notable downsides. First, because the baseline hazard estimated by the Cox model is a “noisy” step function that is often very sensitive to individual failures, it can be very difficult to interpret (Royston 2001). Second, the Cox model does not enable us to predict durations beyond the time frame of the observation period in the study (Box-Steffensmeier and Jones 1997). Furthermore, if the assumption we are willing to make about the hazard rate in our parametric model is in fact a good one, then the Cox model (because it does not incorporate this information) will be inefficient relative to the parametric alternative. Nonetheless, given the widespread use of the proportional hazard approach, we have estimated both the Weibull and Cox specifications for all of our models. Fortunately, our findings across the two specifications are virtually identical, though we do note that the standard errors are smaller for the Weibull, which implies that the Weibull may be preferable in terms of efficiency (Collett 1994).

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**Table 3: Weibull Analysis of Factors Influencing the Delay of Government Bills**

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Model 1</th>
<th>Model 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Issue Divisiveness</td>
<td>−0.13**</td>
<td>−0.13**</td>
</tr>
<tr>
<td>(0.04)</td>
<td>(0.06)</td>
<td></td>
</tr>
<tr>
<td>Government Issue Salience</td>
<td>2.99**</td>
<td>1.24</td>
</tr>
<tr>
<td>(0.67)</td>
<td>(1.30)</td>
<td></td>
</tr>
<tr>
<td>Opposition Issue Divisiveness</td>
<td>0.00</td>
<td>−0.01</td>
</tr>
<tr>
<td>(0.03)</td>
<td>(0.03)</td>
<td></td>
</tr>
<tr>
<td>Opposition Issue Salience</td>
<td>−1.85**</td>
<td>−0.08</td>
</tr>
<tr>
<td>(0.56)</td>
<td>(1.13)</td>
<td></td>
</tr>
<tr>
<td>Foreign Policy</td>
<td>0.82</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.62)</td>
<td></td>
</tr>
<tr>
<td>Industrial Policy</td>
<td>−0.32</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.32)</td>
<td></td>
</tr>
<tr>
<td>Social Policy</td>
<td>−0.90**</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.36)</td>
<td></td>
</tr>
<tr>
<td>Agricultural Policy</td>
<td>−0.11</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.43)</td>
<td></td>
</tr>
<tr>
<td>Regional Policy</td>
<td>−0.46</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.64)</td>
<td></td>
</tr>
<tr>
<td>Environmental Policy</td>
<td>−0.84**</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.43)</td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>−7.34**</td>
<td>−7.16**</td>
</tr>
<tr>
<td></td>
<td>(0.56)</td>
<td>(1.33)</td>
</tr>
<tr>
<td>( \alpha )</td>
<td>1.21**</td>
<td>1.24**</td>
</tr>
<tr>
<td></td>
<td>(0.06)</td>
<td>(0.06)</td>
</tr>
</tbody>
</table>

Entries are unstandardized maximum-likelihood coefficients with standard errors in parentheses. Number of cases = 276 (16 cases right-censored). The shape parameter, \( \alpha \), is tested against the null \( \alpha = 1 \). In Model 2, dimension indicators are expressed relative to the modal dimension in the sample, Tax Policy. *p < .10, **p < .05 (two-tailed).”

On any day (relative to the baseline probability that it will be put to a vote), while a negative coefficient implies a decrease in these odds.⁷⁸

It is important to keep in mind that the government (opposition) divisiveness measure is interacted with the government (opposition) saliency weight. Given this, the interpretation of the government (opposition) divisiveness coefficient shown in Table 3 must be made conditional on some value of government (opposition) saliency. Similarly, the interpretation of the government (opposition) saliency coefficient must be made conditional on some value of government (opposition) divisiveness. The standard errors (as well as test statistics) must also be interpreted conditionally (Friedrich 1982). In view of this, we examine the conditional effects of each ideological variable across the full range of values in its companion variable. In no cases are our conclusions regarding the magnitude or statistical significance of the ideological variables dramatically altered.
The first message we draw from Model 1 is that ideological divisions between coalition partners have the expected impact on the length of legislative delay. That is, consistent with our argument that legislation on conflictual issue dimensions are subjected to greater parliamentary scrutiny as coalition partners monitor “hostile” ministers, our analysis shows that bills on which cabinet members are divided take longer to enact. Moreover, we find that bills dealing with highly salient issues are likely to move more quickly through the legislative process. Taken together, these results imply that, of the set of policy initiatives that have been introduced by the cabinet, the ones most likely to be put to a vote on any day, given that they have not yet been put to a vote, are those that deal with relatively important, but noncontroversial, issues. Conversely, the types of bills least likely to be put to a legislative vote on a given day are those dealing with less salient issues or with issues that divide the members of the coalition.

In contrast, we find no evidence that bills that divide the government from the opposition are likely to face legislative delay. Moreover, it appears that bills dealing with more salient issues from the opposition’s perspective are actually less likely to move quickly through the legislature. These findings are particularly interesting since the Netherlands and Germany are usually portrayed by parliamentary researchers as systems in which opposition parties have considerable influence in policymaking (Strom 1990; Döring 1995). While we are naturally encouraged by the results so far, we must also be concerned about the possible effects of other unmeasured factors. For example, it may be the case that bills on certain dimensions always face longer delays, regardless of the ideological preferences of government members. This could occur for a variety of reasons, though one could easily imagine that some types of bills are just inherently more complex than others (e.g., environmental legislation dealing with the clean-up of industrial pollutants), thereby requiring more extensive consultation between government and legislative actors and outside interested parties (e.g., environmental lobbyists, corporations, scientists, and possibly governments from neighboring countries). In Model 2, we find that taking account of the dimensions dealt with by each of the bills in our sample does not alter our conclusion that ideological differences within the government have an impact on legislative delay.29 As a comparison with Model 1 makes clear, the coefficients on the ideology variable are virtually unchanged. We should note, however, that government and opposition issue saliency are reduced substantially in magnitude and are no longer statistically significant, suggesting we cannot at this point make unambiguous conclusions about their effects on legislative timing.30

Though we have found that the effect of government ideological divisions is statistically significant and in the expected direction, we have not yet explored whether its impact is substantively important. We address this through the use of statistical simulations. First, we simulate the model parameters based on the point estimates and variance-covariance matrix from Model 2. We repeat this procedure one thousand times. Then, we use these sets of simulated parameters to generate a set of predicted values of the length of the legislative process for a low level of government issue divisiveness (one standard deviation below the mean level of divisiveness), holding all other variables at their means. This allows us to approximate the entire distribution of predicted values for this level of divisiveness. Then, using the same set of simulated parameters, we generate a set of predicted values of the length of bills in the model (Box-Steffensmeier and Zorn 1999). To test for this, we estimate two frailty models which provide for direct estimation of omitted group-specific or individual-specific effects in the form of a single random-effect variable. One of our frailty models imposes a gamma distribution on the omitted effects, while the other imposes an inverse-Gaussian distribution. In neither case do we find evidence of heterogeneity. We also investigate the possibility of nonproportionality in the hazard rate, which refers to temporal dependence in the effects of the covariates, but find no evidence that temporal dependence exists (Box-Steffensmeier and Zorn 2001).

30In addition, it may be the case that differences in legislative rules or norms across the two countries in our sample have an effect on legislative delay and that the exclusion of these factors from our model, and our choice to pool bills from these countries, are giving us spurious results (though, again, we chose the Netherlands and Germany because we believe they are broadly similar in their legislative arrangements). To check the robustness of our findings to the decision to pool legislation, we use the fractional pooling techniques suggested by Bartels (1996). In using fractional pooling, one “weights” each observation in a subsample by a pooling fraction, λ, which reflects the degree to which one believes the observation should be discounted. For example, when observations are fully pooled, as in Models 1 and 2, we are implicitly assuming that λ = 1 and that bills in country A provide just as much theoretically relevant information about monitoring in country B as the bills in country B do. When we do separate estimations on each country subsample, we are assuming that λ = 0. When we use values of λ between 0 and 1, we are assuming that observations in one subsample are contributing at least some relevant information to our understanding of relationships in the other subsample. Using multiple values of λ, we perform tests of parameter equality where the null hypothesis is that the fractionally pooled coefficient estimates are equal to the fully pooled estimates from Model 2. In no case are we able to reject the null hypothesis, even when λ = 0 (i.e., when we run separate country-by-country regressions). In short, our findings are robust to our choice to pool bills across the two countries in our sample.
the legislative process for a high level of government issue divisiveness (one standard deviation above the mean level of divisiveness), again holding all other variables at their means. This gives us a second distribution of predicted values.31

In Figure 2, we present the results of these simulations. The arrows in the graph indicate the median outcome for each level of divisiveness. As a comparison of the two curves shows, bills that divide coalition partners normally spend a substantially longer period of time in the legislative process than bills that do not divide them. The median length of time consumed by a relatively divisive bill is approximately two months greater than that of a relatively nondivisive bill. Moreover, predicted delay times for less divisive bills are densely clustered around the median value of the distribution, while the distribution for more divisive bills is extremely skewed. Thus, while almost 75% of nondivisive bills have predicted delay times of less than seven months, only slightly more than 50% of highly divisive bills are expected to be disposed of by this time. Similarly, about one out of twenty nondivisive bills are expected to spend a year or more in the legislative process, as compared to about one out of six divisive bills. In short, ideological divisions between coalition partners do appear to exhibit a considerable substantive impact on legislative delay.

Conclusion

Most West European polities combine a parliamentary system with proportional representation electoral rules. As a result, multiparty government has become the norm. One particularly interesting aspect of coalition government is that this form of “power sharing” raises a significant problem for parties that participate in a cabinet. Given the high degree of delegation to cabinet ministers in the legislative process, coalitions that try to implement “compromise policies” that take account of the preferences of all coalition members face a potential principal-agent problem. What is going to keep ministers from attempting to move policy in directions they favor rather than sticking to the “coalition deal?”

31These procedures were performed using the software program CLARIFY (Tomz, Wittenberg, and King 2003).
This principal-agent problem provides a strong incentive for coalition partners to monitor the behavior of “hostile” ministers (Thies 2001). Moreover, since the temptation to undermine compromise policy positions is likely to increase with ideological divergence, the incentive to monitor becomes stronger on issues that divide a coalition internally. In this article, we have focused on one particular mechanism that parties can use to monitor their coalition partners: parliamentary scrutiny. Our empirical investigation, which focused on delay in the legislative process as a proxy for parliamentary scrutiny, is consistent with the expectation that coalition partners take advantage of the possibilities for “keeping tabs on their partners.”

These findings are significant because they suggest a perspective on legislatures in parliamentary systems that has received little attention to date. Broadly speaking, the scholarly literature has emphasized two phenomena. Noting the predominance of government-introduced legislation and the high passage rates of government bills, some scholars have diagnosed a “decline of parliaments.” They have concluded that cabinets dominate legislatures in the policymaking process and that popular assemblies have become marginalized institutions. Other scholars, while not denying the central role of cabinets in the legislative process, have called attention to the impact that legislators can have on the precise shape in which governmentsponsored legislation is passed. These studies have identified institutional features of the legislative process that can enhance such influence (such as a strong committee system) and have emphasized the important impact such institutions can have on the power of opposition parties. Our argument stresses an aspect that has largely been absent from this literature. The same institutions that enhance opposition influence can also play a central role within coalition governments by enabling parties with divergent preferences to successfully pursue compromise policies. In other words, parliaments are important not only as fora in which government and opposition parties interact. The legislative process also provides an institutional mechanism that may be central to the ability of coalition governments to solve intra-coalition conflicts. Naturally, our results represent only a beginning, and much work remains to be done to explore more fully how coalition cabinets manage to “govern jointly.”

### Appendix

**Coding of Government Bills**

This appendix contains some examples of the types of bills that were classified along each of the eight Laver and Hunt dimensions.

<table>
<thead>
<tr>
<th>Policy Dimension</th>
<th>Types of Bills Classified</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Policy</td>
<td>Income taxes, the value-added tax, tax allowances, welfare or health services benefits,</td>
</tr>
<tr>
<td></td>
<td>disabled workers’ benefits, family allowances</td>
</tr>
<tr>
<td>Foreign policy</td>
<td>Relations with the Soviet Union or Warsaw Pact, cooperation with NATO initiatives relevant to East-West relations (Note: no bills after 1989 were collected on this dimension)</td>
</tr>
<tr>
<td>Industrial policy</td>
<td>Industrial production levels, industrial relations, state-owned corporations, market (de) regulation, unions and employer associations, wage policy, job training, economic competitiveness</td>
</tr>
<tr>
<td>Social policy</td>
<td>Abortion, homosexuality, alternative lifestyles, domestic cohabitation, pornography, “moral” issues</td>
</tr>
<tr>
<td>Clerical policy</td>
<td>State intervention into religious affairs (Note: in the current sample, no legislation falls into this category)</td>
</tr>
<tr>
<td>Agricultural policy</td>
<td>Price regulation of agricultural goods, agricultural subsidies, quotas on agricultural products</td>
</tr>
<tr>
<td>Regional policy</td>
<td>Centralization or decentralization, alterations to municipal or regional laws, redistricting of communal boundaries, regional institutional reforms</td>
</tr>
<tr>
<td>Environmental policy</td>
<td>Air, soil, or water pollution, regulation of emissions standards, chlorofluorocarbons, ecological preservation</td>
</tr>
</tbody>
</table>
References


