

Institutional Determinants of Party Policy Change in Advanced Democracies: A Preliminary Test of Party Behavioral Theory

Byungjin Han

This article examines the institutional determinants of party policy change in advanced democracies. Party behavior is understood in terms of vote-seeking, office-seeking, and policy-seeking. Party behavioral theory proposes diverse institutional factors that determine what the party seeks under certain circumstances. This article evaluates empirical validity of the theoretical arguments by examining the factors affecting party policy change dependent on the Comparative Manifestos Project data set. This study confirms that the frequent formation of minority or coalition government, legislative structure, and party discipline affect party policy change because these institutions affect the degree of uncertainty in the conversion of votes into policy and office benefits.

Keywords: *party behavior, vote conversion, coalition/minority government, post-electoral uncertainty in policy making*

1. INTRODUCTION AND HYPOTHESES

This study examines diverse hypotheses of institutional determinants of party policy change in advanced democracies. A party is assumed to seek vote, office, or policy (Budge and Laver 1986; Strom 1990). "Vote-seeking" theories of party behavior assume that party policy formation is not ideologically bound and it is easily amended whenever it is necessary to earn more votes. This assumption is completely different from the "policy-seeking assumption" of party behavior that a party pursues cohesive and rigid party policy goals in a consistent manner in spite of electoral losses, which is not rare in real politics. Downs' (1957) "moving toward center" proposition clearly demonstrates the theoretical fruitfulness of the vote-seeking assumption. On the other hand, Riker's (1962) "minimum winning coalition" and Katz and Mair's (1995) "cartel party" thesis shed light on the office-seeking behavior of a party. Each of the assumptions partly explains party behavior.

On the other hand, each perspective is vulnerable to empirical criticism. In multiparty system, a number of parties maintain a persistent position to refuse to be a "catch-all" party that would help to maximize votes (Kirchheimer 1966). The frequent appearance of minority governments and the dissolution of coalition governments in the middle of a parliamentary term defy the office-seeking party model (Strom 1984).

Here, Strom (1990) makes an important theoretical contribution to bridge the gap of the usefulness of the three party behavior models and their empirical vulnerability. He revisits a theory of competitive parties in view of neo-institutionalism and specifies institutional conditions that form competitive party behavior. His comprehensive theoretical discussion of party behavior allows us to generate several hypotheses of party behavior associated with political institutions surrounding parties. Institutions responsible for reaching the party's goals include the feature of party organization, the number of parties, electoral rules, and the characteristics of government decision-making institutions that affect a degree of uncertainty in policy making after election.

Policy-seeking behavior is encouraged and vote-seeking behavior is discouraged when the conversion of votes into policy and office benefits is not clear. When this is the case, there is no strong incentive for parties to change party policy for short-term vote maximization at the cost of ideological consistency. This article tests whether political institutions that make the translation of votes into policy and office benefits uncertain discourage party policy change.

Testing hypotheses of institutional determinants of party policy change becomes feasible thanks to the data set developed by the Manifest Research Group (MRG). It has developed a comprehensive content analysis of party election manifestos. This data set along with other data sets available recently makes it possible to do a multivariate cross-national statistical analysis in order to examine institutional determinants of party behavior.¹

Parties seek votes to obtain policy and office benefits. To the extent of the uncertainty of the conversion of votes into government policy and office, parties adjust their vote-seeking efforts. The first hypothesis is related to the uncertain conversion of votes into office spoils, and the issue of the translation of votes into policy benefits is dealt with in the second hypothesis.

The political institution that hinders the smooth conversion of votes into office benefits is the frequent appearance of a coalition/minority government. The frequent formation of coalition and minority government dampens the incentive to change party policy to maximize votes. Frequent coalition governments are clearly associated with the nature of the party system. Unlike strong two-party system, multiparty system creates an opportunity for small parties that do not enjoy a considerable amount of the vote to enter the government by forming coalition. This means that a very limited amount of votes would be enough to participate in a coalition government. It discourages a rational party leader from pursuing the vote to a maximum level at the expense of ideological consistency which is a relatively cheap and effective resource for the mobilization of voters. In countries where coalition governments are frequently formed, a marginal gain in votes does not play such a significant role in post-election government formation, therefore party leaders have a weak incentive to maximize votes even though they desire to run the government. The frequent formation of coalition government shows that there is no fierce political competition in terms of winner-takes-all and zero-sum game. To make matters complicated, bargaining power in government formation is not proportionally associated with the number of seats that each party occupies (Strom 1990: 583). Instead of maximizing votes, the rational move would be to gain enough votes in order to garner sufficient bargaining power for the party. Under these political circumstances, the marginal utility of votes diminishes dramatically.

The more serious distortion in the conversion of votes into government office benefits is found in the appearance of minority governments. It is not rare to find minority governments in parliamentary systems in Western Europe that have no majority on the floor. Serious policy distances hinder the formation of winning coalitions among parties on the left and right (Budge and Laver 1986). Not only party ideology, but also government decision-making institutions are ascribed to the formation of minority governments. Strom (1990)

¹ Various studies have utilized the data set to test party-related hypotheses. The relationship between party program and government policy outcome receives a significant scholarly attention (Kligemann, Hofferbert, and Budge 1994). Another growing research related with the party program data set is party coalition formation (Budge and Laver 1993). A comprehensive examination of the data set confirms its validity and reliability (Gabel and Huber 2000).

argues that a minority government is more likely to be formed when non-governmental parties may enjoy other institutional bases to affect government policy. According to Strom, the degree of “policy influence differential” that is defined as “the relative policy influence advantage of governing over nongoverning” plays a part in the political calculation of rational party decision makers (Strom 1990: 42). A well developed committee system, one of the indicators to measure the policy influence differential, makes it hard for governing parties to ignore the voice of opposition parties. This diminishes the incentive for parties to participate in the government where they find parties unfit with their party goals at the cost of their reputation and future elections. Governmental institutions that reduce the policy disadvantages of non-governing parties over governing parties, along with ideologically polarized party systems, contribute to the emergence of a government that enjoys less than half of the vote. Here, the vote does not decide a winning coalition. The vote on the choice of who governs becomes much less instrumental in a minority government formation than in any other form of government in democracies. In a word, the frequent presence of minority governments means that the vote is not directly or reliably translated into the formation of a government.

Hypothesis 1: In countries governed by coalition or minority governments there is less incentive for a party to change its policy as an attempt to make a marginal gain in votes.

Conversion of votes into policy benefits after electoral victory depends on control of legislative process. Of course, parties that control the executive branch exert greater policy influence than opposition parties. But the degree to which incumbents are advantaged depends on regime types. Ideally there are two types: the Westminster model and the Consensus model (Lijphart 1984). In the Westminster model, “winner-takes-all” politics is prevalent, and opposition parties have little policy influence. On the other hand, in the consociational democracies, opposition parties and government, more often than not, equally share policy making power. Therefore, in Westminster democracies, parties are more motivated to govern than in Consensus systems in order to realize their policy goal, and parties in the Westminster systems have greater incentives to maximize votes in electoral competition and increase their legislative seats.

The logic of veto player leads us to the same conclusion. As the number of veto players as well as policy distance between them increases, the status quo becomes more likely to prevail. Any policy proposal should satisfy preferences of veto players to be passed, so a feasible set for policy adoption shrinks as the number of veto players increases (Tsebellis 2002). If the system has a large number of veto players, policy benefits of the incumbent are negligible. Consequently, parties have weak incentives to change their party policy to maximize their votes and to control the executive branch.

Bicameralism creates a powerful veto player. The strong bicameralism that we can observe in the United States, Australia, and Germany obscures the center of power and creates a strong opposition party (Lijphart 1984). Legislative gridlock in the U.S is often ascribed to the Senate, whose ideal policy point is different from the one in the Congress and presidency (Brady and Volden 1998).

Another factor that gives a significant legislative power to parties that do not control the executive branch is well-developed committee systems in the legislative. They bring about multiple veto gates where government policy proposals must pass, and they offer opposition

parties, opportunities to kill government initiatives or power to set their own agenda. To put it differently, a well-developed committee system in the legislature reduces the “policy influence differential,” so opposition parties can affect government policy to partially achieve their political goals (Strom 1984; 1990).

The third factor that makes it uncertain to convert electoral victory into legislative power is weak party discipline. Backbenchers, who do not fear the retaliation of their leadership for their betrayal, often build a legislative coalition with opposition parties out of self-interest to frustrate the legislative victory of the incumbent party.

In addition to these three factors, minority/coalition government improves the policy influence of opposition parties, which weakens the necessity to attain the incumbency in order to realize their policy. In terms of veto player, minority/coalition government creates the so called “partisan veto players” (Tsebellis 2002: 2). Participants in coalition governments and opposition parties in minority governments have the power to dissolve the government, and enjoy de facto veto power. In examining the institutional causes of independent central banks, Bernhard (1998) reasons and demonstrates that the political vulnerability of the leadership in coalition or minority governments along with information asymmetry that hinders a proper evaluation of the relationship between government policies and economic outcomes, leads to an independent central bank. The leadership in these governments cannot easily disregard the interests of their backbenchers, coalition partners, and even opposition parties, because they are unlikely to survive a serious opposition coalition. In other words, leaders in coalition and minority governments will take incremental and consensus-based approaches in making policies on controversial issues. This decision-making practice is likely to bring about a situation in which every party experiences a partial realization of its party policy goals regardless of the incumbency status. It weakens the incentive of parties, and in particular, of policy-seeking parties,² to pursue vote in order to enter the government and realize their policies.³

In sum, a combination of party discipline, legislative institutions, and minority/coalition government affects the degree of uncertainty in the conversion of votes into policy. The degree of uncertainty in the conversion process influences the decision of parties as to how

² The difference between office-seeking and policy-seeking parties is found in the degree of party centralization reflecting the power relationship between the party leadership and activists. Party leaders who live off politics could be regarded as “electoral entrepreneurs.” We can assume that party leaders have a strong desire to retain or to come to office as their selective incentive. In contrast with party leaders, party activists as principled believers rather than careerists identify themselves with party ideology and weltanschauung (Panbianco 1988). Party activists tend to participate in a party to realize party causes and policies, which might be called collective incentive (Seyd and Whiteley 1992). If party leaders in “labor intensive parties” seriously rely on party activists to run the party, they cannot propose policies that disappoint the loyalists. Under these circumstances, we can expect that a party seeks policy goals rather than votes. Even though the degree of leadership autonomy could be expected to affect party behavior, the insufficient data does not allow me to do an empirical test in this article. In fact some data for party centralization are available from Kenneth Janda (1980), *Political Parties: A Cross-national Survey*. But the time period that he covers is from 1958-62, and only half of the countries in my study are surveyed. So I do not test the leadership autonomy hypothesis here.

³ Powell and Whitten (1993) measure the index value composed of these factors (party discipline, bicameralism, committee system, minority/coalition government). I will use their data to test the second hypothesis.

far they will deviate from their ideological lines. I call a composite index for party discipline, legislative institutions, and minority/coalition government post-electoral uncertainty in policy-making.

Hypothesis 2: The more uncertain the conversion of votes into policy benefits, the more likely a party is to maintain its policy.

It has been a conventional wisdom that electoral rules are a determinant of the types of party system. While proportional representation (PR) is likely to lead to the proliferation of parties, majority or plurality rule with single member districts often creates a strong two party system (Duverger 1954: 245-254; Stepan and Skach 1993: 17). Under plurality rule, parties are expected to adopt their policies to reflect median voters' ideal points in order to win elections (Downs 1957: 123-125). Cox (1990) argues in his theoretical discussion on party position and electoral rules that a two-party system associated with plurality rule has a strong centripetal tendency in electoral competition.

PR might also compel all parties to adopt the position of the median voter if there are few parties in electoral competition. But this is very rare in the real world (Cox 1990: 921). This means that party policy locations in PR tend to be dispersed rather than clustered around the center.

It might be conceivable that PR allows the dispersed party locations to be relatively autonomous from the fluctuation of voters' preference distribution because a small number of loyal voters, far less than a majority, might be enough for a party to wield political influence on government activity. In contrast to that, it might be the case that a marginal gain of vote changes everything in plurality. This speculation leads us to the hypothesis that a party is more likely to change its policy to mirror voters' preferences under majority or plurality rule than under PR.

Hypothesis 3: A party is more likely to attempt a marginal gain in votes by changing its policy under majority or plurality rule rather than under PR.

In the following, I attempt to examine alternative hypotheses that might compete with the institutional hypotheses. The alternative ones include socio-economic factors that are often considered to affect political party behavior by experts. By its nature, a party as an intermediate political institution between the government and citizens, should aggregate and articulate social demands to be reflected in government policy. A party takes into account not only political institutions but also socio-economic parameters when they decide their electoral strategy. Therefore, it is important to look at the preference distribution of the electorate and its changes to understand parties' strategic choices. This article looks at three socio-economic variables that are believed to mold voters' preferences: social volatility, cleavage structure, and domestic economy.

As society becomes volatile, it becomes more and more uncertain for a party to be able to depend on traditional partisan loyalists for electoral victory. A low rate of class voting, as a symptom of a volatile society, indicates that class-structural cleavages become weaker and weaker. In this situation it is expected that party ideology, which simplifies social conflicts and provides a clear outlook of the world, loses its electoral utility, and policy distances among parties get smaller and smaller. As a result of such a forceful social change, a mass party based on party activists is likely to be transformed into a catch-all party in order to

broaden its support (Kirchheimer 1966). Therefore, one can expect that in a country with a low class voting rate, party policies will become more flexible to attract voters who are free from class roots.

Hypothesis 4: The lower the class voting rate, the more likely a party is to change its policy.

Parties are in a sense the by-product of the birth or demise of social cleavage. According to Lipset and Rokkan (1967), party development goes along with the sequential eruption of new structural cleavages such as religion, region, and class. Cleavage structure in a country in a large part was determined by the timing of religious reform, nationalization, and industrialization. Owing to different sequential combinations among these important cleavages, in some countries, social cleavages are cumulative and lack a cross-cut structure, but other countries inherit blurred cleavage lines.

The division between supporters and opponents on an issue is less clear in countries with cross-cut cleavages than cumulative ones. Cumulative cleavages, which deny multiple identities of individuals, create strong loyal supporters for a party that represents a cleavage line. Under horizontally isolated cleavages, parties have neither the incentive nor the ability to mobilize voters outside of their political territories. A party is unlikely to spend its resources on persuading voters that are beholden to opponents. Thus, party competition in a divisive society is likely to be “defensive” rather than “expansive” (Sani and Sartori 1983: 331).

Hypothesis 5: The more divisive social cleavages are, the more likely a party is to maintain its conventional programs.

Keynesian economic prescription, that is, macroeconomic intervention in private economic affairs through fiscal and monetary policies, was aimed at the guarantee of economic stability and security, and earned a wide consensus in western democracies in the 1950s and 1960s. After the global prosperity of the 1960s, not a few advanced Western democracies experienced the so called stagflation, and made serious efforts to find new alternatives. The recession in the world economy in the 1970s set off a vigorous economic policy debate in all the Western democracies, and in particular, in countries that were hit hard by economic downturns and severe global competition. Coleman (1997), examining the trends of congressional party conflict in the United States after 1945, demonstrates that the consensus of Keynesian economic management and its dissolution, together with political and structural contexts should be added to a political model in order to explain American party conflict.

Each country responded to this global economic challenge differently, because of its different political and economic institutions and macroeconomic conditions. The small countries of Northern Europe for example, were less willing to resort to a pure market mechanism. In contrast, the United Kingdom and America chose to deregulate their economies. This difference led to quite contrasting macroeconomic outcomes. Ironically, countries that controlled the rate of inflation relatively well maintained a low degree of unemployment at the same time. As a result, the consensus on economic management was not much eroded in these countries. In the light of party policy, it might mean that parties in

those countries are relatively less likely to search for new alternatives in economic management.

Hypothesis 6: The harder the macroeconomic difficulties, the more likely are the parties in these countries to change their party policy.

Lastly, I add the variable of vote difference between two consecutive elections to the statistical model. Intuitively, we could suspect that if a party loses votes in the previous election, it will change its policy in the following election. In electoral markets, a party should and will estimate its successes or failures in terms of the votes that it receives. In other words, as producers adjust prices of their products according to demand, so parties follow the outcome of voting. If a party's policy is successful in electoral competition, that party will maintain it. If not, there is no reason to keep an unsuccessful policy.

Hypothesis 7: A party is more likely to change its policy after it loses, rather than gains, votes.

2. DATA AND MEASUREMENT

2.1. Unit of Analysis

The unit of analysis in this article is political parties in Australia, Austria, Belgium, Canada, Denmark, France, Germany, Ireland, Italy, Japan, The Netherlands, New Zealand, Norway, Sweden, United Kingdom, and the United States. The time period under the study is from 1960-90. I exclude parties that have never surpassed 10% of the total vote.⁴ But I do include parties that have participated in coalition government even though they do not pass the threshold because government participation means that the party has 'coalition potential' and can play a pivotal role in coalition formation (Sartori 1976: 122-123).

2.2. Dependent Variables

2.2.1. Party Policy Difference

The Manifest Research Group (MRG) has developed a comprehensive content analysis of party election manifestos. In classifying party policy agendas into fifty-four categories of policy themes, it measures "percentages of the total number of sentences in the whole election program devoted to each of the fifty four thematic topics." These data make it possible for us to estimate a party's left-right positions over a considerable time period in industrialized democracies. I use the following method that Klingemann, Hofferbert, and Budge (1994: 37-40) design to calculate left-right scores:⁵

⁴ The parties excluded are green parties that were formed in the early 1980s and other extreme left and right parties.

⁵ There are several alternative ways to locate parties on the left-right scale that help us to get cross-national comparability, and for this purpose there are more reliable methods than the one that I use here, according to Gabel and Huber (2000). But it should be emphasized that what I measure here is not the left-right ideological positions of political parties but party policy changes from one point to

Left Orientation: Sum of percentages for
(Decolonization + Anti-Military, Peace + Internationalism + Democracy + Regulate
Capitalism + Economic Planing + Pro-Protectionism, Controlled Economy + Nationalization +
Pro-Social Services + Pro-Education + Pro-Labor)

minus

Right Orientation: Sum of percentages for
(Pro-Military + Freedom, Human Rights + Constitutionalism + Effective Authority + Free
Enterprise + Economic Incentives + Anti-protectionism + Economic Orthodoxy + Anti-Social
Services + National Way of Life + Tradition and Morality + Law and Order + Social
Harmony)

The dependent variables in this article are the absolute difference of left-right scores between two consecutive election periods (time Pt and Pt+1).

Table 1: Average Party Policy Change in Industrialized Democracies 1960-1990

Country	N	Average party policy change	Standard Deviation
Australia	24	13.22	11.13
Austria	23	18.93	12.40
Belgium	40	11.77	7.87
Canada	34	10.12	11.14
Denmark	49	11.15	9.10
France	18	8.27	5.71
Germany	24	11.21	8.32
Ireland	21	18.24	10.41
Italy	41	11.69	9.10
Japan	16	15.3	8.23
Netherlands	33	11.83	7.91
New Zealand	28	10.29	9.90
Norway	34	7.78	6.27
Sweden	40	14.79	12.13
UK	24	15.24	8.99
USA	16	8.51	8.60
Total	492	12.61	9.66

Table 1 shows the extent of how party policies fluctuate at every election in each country. According to this table, the countries that record a low mean value of *party policy change* are France, Norway, and the United States. These three countries share few common characteristics as far as this article is concerned. An “electoral-professional” party that allows the party leadership to set up catch-all slogans to win an election, and two-party competition under plurality rule in the U.S. provide very favorable conditions for the realization of the median voter theorem. Contrary to these characteristics, Norway has a multiparty system, PR,

another. Therefore the method that I adopt in this article is suitable for my research goal.

and frequent coalition government formation. Austria, Sweden, Ireland, Japan, and United Kingdom score a high mean value. But here we also cannot find any significantly common aspect to combine them all into a category.

2.3. Independent Variables

2.3.1. *Vote Difference*

I calculate the vote difference between time V_{t-1} and V_t , which is regressed on the dependent variables (the policy difference between time P_t and P_{t+1}). Electoral outcomes are taken from the third edition of *The International Almanac of Electoral History* (Mckie and Rose 1991).

2.3.2. *Coalition and Minority Government*

I adopt the scores that Bernhard (1998) presents. Using data from Woldendrop, Keman, and Budge (1993), he calculates the proportion of time a country was governed by a coalition or minority government from 1960 to 1990. In the case of the United States, he regards “divided government” as minority government.

2.3.3. *Post-electoral uncertainty in policy making*

I adopt the scores that Powell and Whitten (1993) present to measure the clarity index of government responsibility, consisting of party cohesion, committee system in the legislature, bicameralism, and minority/coalition government. High scores in the index mean that the central power is relatively dispersed. I use their scores to measure post-election uncertainty in policy making.

2.3.4. *Electoral Formula*

I use a dummy variable for PR to evaluate its effects on party behavior. PR is coded as 1, all others 0. Crepaz (1996: 93) argues that Japan and Ireland do not fit well into the dichotomy between PR and plurality. In spite of its formal features, the Japanese electoral system is often regarded as semi-proportional because of its proportional electoral outcomes. In the Irish PR system, limiting proportionality is attributed to a small district magnitude. But in this paper only formal features of electoral formula are considered. Therefore, Japan belongs to plurality and Ireland to PR.

2.3.5. *Social Volatility: Alford Index*

The Alford Index is calculated by subtracting the percentage of non-working class voters who cast a vote for a left party from the percentage of blue-collar workers who vote for a left party. The lower the Index value, the lower the rate of class voting. Bernhard (1998) reports that *The World Values Survey* provides the data for respondents’ occupation and their choice of parties in a hypothetical general election. He regresses Alford Index values calculated from *The World Values Survey* on Powell’s (1982) ones in *Contemporary Democracies* to check the reliability of his measure, and finds a significant correlation between the two data sets. I use the Alford Index data that Bernhard creates.

2.3.6. *Cleavage*

Combining several sources, Lijphart (1984: 43) classifies the countries under his study in

terms of the extent of pluralism and religious-linguistic homogeneity. Depending on his classification, I do ordinal scale measure on *Cleavage*. I give 4 to countries that have serious heterogeneity and pluralism: Belgium and Netherlands; 3 to Austria; 2.5 to Canada, Germany, and United States; 2 to Finland, France, and Italy; 0.5 to Australia; 0 to Denmark, Ireland, Japan, and New Zealand, Norway, Sweden, and the United Kingdom.

2.4. Economic Misery

Crepaz (1996: 95) measures unemployment in 1965-1988, and inflation (1961-1988) in industrialized democracies. Cameron (1984: 144-149) also measures these economic indicators to appraise economic turbulence in western countries. The time period of Cameron's data, however, does not fully cover the period that concerns this study. I will use Crepaz's misery index that combines unemployment and inflation rates to measure macroeconomic difficulties.

Table 2: Independent Variables

Country	Alford Index	Coalition/ Minority Government	Post-electoral Uncertainty in Policy Making	Electoral Formula	Misery Index	Social Cleavage
Australia	0.25	0.00	0.4	Non-PR	11.8	0.5
Austria	0.14	0.55	1.2	PR	7.1	3
Belgium	0.20	1.00	2.6	PR	11.7	4
Canada	0.01	0.32	0.3	PR	12.7	2.5
Denmark	0.34	1.00	2.8	PR	14.0	0
France	0.16	0.93	0.1	Non-PR	12.3	2
Germany	0.17	1.00	2.6	PR	6.9	2.5
Ireland	0.13	0.61	0.7	PR	19	0
Italy	0.15	1.00	3.2	PR	16.7	2
Japan	0.15	0.20	1.0	Non-PR	7.8	0
Netherlands	0.15	1.00	3.2	PR	11.4	4
New Zealand	0.32	0.00	0.0	Non-PR	10.2	0
Norway	0.28	1.00	2.8	PR	9.0	0
Sweden	0.33	1.00	1.4	PR	9.1	0
UK	0.33	0.02	0.2	Non-PR	14.4	0
USA	0.13	0.60	1.0	Non-PR	11.2	2.5

3. DATA ANALYSIS

Vote difference is statistically significant at 0.1 p value. The outcome shows that a party is more likely to change its policy after it loses votes than after it wins votes, thus confirming vote-seeking party behavior.

According to Table 3, the frequent formation of a minority or coalition government also affects party behavior. The coefficient of the variable is significant at the p value 0.01, and the direction is negative as expected. The negative sign of the coefficient means that the frequent formation of a coalition/minority government discourages parties from gambling for

Table 3: OLS Regression of political institutions and socio-economic conditions on party policy difference 1960-1990

Variables	Coefficient(SD)
Vote difference	-0.155 (0.091)*
Plurality/PR	8.271 (1.902)***
Coalition/Minority	-6.087 (2.198)***
Uncertainty Index	-1.478 (0.707)**
Alford Index	1.902 (6.902)
Cleavage	9.864E-02(0.422)
Misery Index	0.179 (0.152)
R Square	0.057
Adjusted R Square	0.043
F	4.176***

*p < 0.1
 ** p < 0.05
 ***p < 0.01

more votes by designing a new policy. The uncertainty index of policy-making, including coalition government, bicameralism, party cohesion, and legislative committee system, is also significantly associated with the choice of party strategy. The indefinite role of elections in the decision of who governs reduces the incentive for parties to change electoral platforms which might bring about a marginal gain of votes. These findings confirm that party behavior should be understood in the context of political institutions (Strom 1990).

An unexpected finding here is that a party is more likely to change its policy under PR rather than under plurality rule. Before I discuss some reasons for this puzzling finding, given the fact that PR is significantly associated with multiparty systems, I look at whether the statistical significance between electoral formula and party policy difference still holds after party systems are considered. Party systems are measured in the way that Laakso and Taagepera (1979) propose.⁶ Then, I separate countries with party systems that have three or more parties from the rest.

Table 5 shows that multiparty systems that consist of three or more parties in terms of Laakso and Taagepera’s index of “the effective number of parties” are also a factor that discourages frequent party policy change. One of the reasons that multiparty systems are important factors for party behavior is found from the fact that they are significantly associated with the other two political institutional variables such as coalition/minority

⁶ Laakso and Taagepera measure how many parties are in the party system by squaring each party’s share of seats, summing up all of these squares, and dividing 1 by this number.

$$N_s = 1/\sum p_i$$

Ns = the number of effective parties

Pi = the fractional share of seats of the *i*th party

The scores of the fractional share of seats are available from *The International Almanac of Electoral History* (Mackie and Rose 1991).

governments and post-election policy-making uncertainty.

Table 4: Party Fragmentation 1960-90

Country	Minimum Fragmentation	Maximum Fragmentation	Mean Fragmentation
Australia	2.86	3.7	3.30
Austria	2.22	2.63	2.49
Belgium	2.7	7.69	5.86
Canada	1.69	2.86	2.45
Denmark	3.45	6.67	4.81
France	2.5	4.55	3.50
Germany	2.7	3.57	3.05
Ireland	2.38	2.94	2.63
Italy	3.13	4.17	3.66
Japan	2.13	3.33	2.76
Netherlands	3.45	6.25	4.82
Norway	3.13	4.17	3.44
New Zealand	1.89	2.08	1.97
Sweden	2.86	3.70	3.30
UK	2.00	2.27	1.97
USA	1.79	1.96	2.13

Table 5: Regression of electoral formula and party system on party policy change

Variables	Coefficients
Vote-seeking	-0.154 (0.092)*
Plurality/PR	3.828 (1.150)***
Multiparty system	-3.686 (1.146)***
R square	0.033

*p < 0.1

** p < 0.05

***p < 0.01

The unexpected outcome of electoral formula still holds in spite of controlling for multiparty systems. To explain this puzzling finding, I suggest that we consider that plurality usually goes hand in hand with a small district magnitude and a large number of districts. This makes representatives vulnerable to local interests in their own constituencies, and results in widely divergent or even contradictory political preferences within a party. Therefore, unambiguously well-articulated party platforms might be disadvantageous for a party whose representatives cope with specific demographic and social issues, and might cause intra-party conflicts. Rather than causing oppositions by forming a clearly positioned national party platform, party leaders provide strategic room for their candidates who fight in districts by deliberately making a more or less ambiguous national party policy.

In contrast, a large district magnitude and a small number of districts usually characterize PR countries. Because of their large constituencies, representatives are more autonomous from local interests (Rogowski 1987: 204). The larger the size of the constituency, the less is the electoral outcomes likely to be swayed by small interest groups. PR, and in particular list-system PR, also has a significant implication for party organization. The list-system PR that every PR country in this study except Ireland enjoys gives the party leadership an important institutional instrument to control party affairs. The centralized appointment system of representatives helps strengthen party leadership autonomy. Given these reasons, it might be true that parties in PR are more willing and able to change party policy than parties in plurality.

The social variables such as Cleavage, the Misery Index and the Alford Index turn out to be not significantly associated with party policy changes in these analyses. In fact, the measure of cleavage is significantly correlated with that of coalition/minority government. To check the possibility that cleavage is insignificant because of multicollinearity, I run a regression without the latter variable. But the outcome is still the same.

A further point is worth mentioning with respect to social cleavages. Suppose that divisive social cleavages are not significantly connected with parties appealing to particularistic demands such as ethnic, religious, linguistic, territorial issues. In this case, social cleavages would be unlikely to deter mass parties or catch-all parties from making an aggressive mobilization effort. Otherwise, parties might avoid an asymmetric vote trade-off for fear that their more embracing policies would disappoint their traditional supporters and fail to catch new ones (Prezworski and Sprague 1986: 74). A proper estimate of the impact of social cleavages on party policy change might be made by considering the structure of party competition.

Some points also should be taken into account with respect to macroeconomic difficulties. The welfare state formula is proposed and supported mainly by social democratic parties. Therefore, it might be conceivable that a turbulent economy has a significant impact only on left parties and not on right parties.

4. SUMMARY AND CONCLUSION

This cross-national study attempts to run a preliminary statistical test of hypotheses of institutional determinants for party policy change in electoral competition. The first two hypotheses examine whether uncertainty in the conversion of votes into policy and office benefits affects party policy change. The third one concerns the relationship between electoral rule and party policy change.

My analysis confirms the first two hypotheses. When minority and coalition governments appear frequently, parties have little tendency to change their party policy. In other words, party policy change has an inverse relationship with uncertainty in the conversion of votes into office benefits. The expected inverse relationship between party policy change and uncertainty in the conversion of votes into policy benefits is also confirmed. The combination of party indiscipline, bicameralism, legislative committee system, and minority and coalition government that make the policy advantage of incumbent parties insecure encourages parties to maintain their party platform in electoral competition. When votes do not play a decisive role in government formation and policy output after election, parties tend to maintain their ideological lines. My analysis also implies that the greater the certainty that

votes will be accurately converted into policy and office benefits, the more value parties will place on the pursuit of votes.

This study of the determinants of party policy change demonstrates that an institutional explanation for party behavior is empirically supported. Political institutions that distort the transformation of the vote into government formation and policy output significantly diminish the marginal utility of the vote. Examples here are minority/coalition governments, party discipline, committee system in the legislative, bicameralism, and multi-party systems. Since marginal vote gains have a very limited political utility for ambitious party leaders under these institutional circumstances, a party is not willing to undertake a policy experiment that might result in a few more votes.

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