

# POLICY, OFFICE, OR VOTES?

*How Political Parties in Western  
Europe Make Hard Decisions*

*Edited by*

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# POLITICAL PARTIES AND HARD CHOICES

*Kaare Strøm and Wolfgang C. Müller*

Political leaders routinely make momentous decisions, but they cannot always get what they want. Very often their important choices feel both difficult and painful. This is sometimes because these leaders have to act on the basis of incomplete information or because they realize that their options are risky. But it could also be because they have to abandon one goal to attain another. Politicians feel the tug between conflicting options as much as anyone else. Even when making decisions does not mean choosing the lesser of two evils, there may well be severe and uncomfortable trade-offs between different goals they have set themselves. Leadership frequently means making hard choices.

In modern democracies, the leaders who make these choices are highly likely to be party politicians or indeed party leaders. Political parties are the most important organizations in modern politics. In the contemporary world, only a few states do without them. The reason that political parties are well-nigh ubiquitous is that they perform functions that are valuable to many political actors. Political parties play a major role in the recruitment of top politicians, on whom the momentous and painful political decisions often fall. With very few exceptions, political chief executives are elected on the slate of some established political party, and very often the head of government continues to serve as the head of the political party that propelled him or her into office. Democracy may be conceived as a process by which voters delegate policy-making authority to a set of representatives, and political parties are the main organizational vehicle by which such delegation takes place.

Therefore, government decisions and party decisions are often intimately linked. And if government leadership is difficult, so are the decisions that parties have to make. This book explores the latter. How do party leaders make decisions on behalf of their organizations? What trade-offs do they face, and how do they resolve them? What are the constraints under which party leaders operate, both

within their parties and in their larger environments? These are the questions the contributors to this volume seek to address. Case studies of party leadership behavior in ten European democracies provide the evidence. To lay the foundations for our inquiry, however, we start by addressing the general role of political parties in modern democracies.

## POLITICAL PARTIES AND DEMOCRATIC GOVERNANCE

Students of political parties commonly associate them with democracy itself. David Robertson, for example, claims that “to talk, today, about democracy, is to talk about a system of competitive political parties. Unless one chooses to reject the representative model that has been the staple of the theory and practice of democracy since the French Revolution, one must come to terms with political parties” (Robertson 1976: 1). Or, in the words of G. Bingham Powell, “the competitive electoral context, with several political parties organizing the alternatives that face the voters, is the identifying property of the contemporary democratic process” (Powell 1982: 3). Thus, representative democracy has long been associated with, and indeed equated with, party government. The vast scholarly literature on political parties reflects their real-life importance and has developed along with them. The early twentieth century represented the breakthrough of political parties as the democratic organization par excellence. Parties attained this position both because they were unrivaled in their representational functions and, in particular, because they were the vehicles of previously unenfranchised groups. Parties have taken on such functions *despite* the neglect or active resistance they have met among the framers of most older constitutions. The perceived “evils of faction” were such that political parties were rarely recognized and occasionally actively discouraged (see, e.g., Sartori 1976).

### *PARTY GOVERNMENT?*

The significance of parties in modern democracies is such that observers in many countries have spoken of *partocracy*, or party government. In his studies of *The Future of Party Government*, Richard S. Katz (1986, 1987) defines party government as involving the following conditions:

- (1) Government decisions are made by elected party officials or by those under their control.
- (2) Government policy is decided within political parties.
- (3) These parties then act cohesively to enact and implement this policy.
- (4) Public officials are recruited through political parties.
- (5) Public officials are held accountable through political parties.

In other words, under party government, parties serve to organize policy making in government (points 1, 2, and 3), they function as devices through which voters can make their voices heard (point 5), and they control the recruitment of political personnel (point 4). These functions remind us of V. O. Key's (1964) celebrated distinction between the party in government, the party in the electorate, and the party organization.

Two major works of recent vintage have made major strides toward accounting for the purposes of parties and demonstrating their continuing importance in U.S. politics. In *Legislative Leviathan*, Gary W. Cox and Mathew D. McCubbins (1993) argue that parties constitute rational responses by self-interested legislators to such "collective dilemmas" as coordination problems and collective action problems involved in their quest for reelection. Approaching American parties somewhat more broadly and historically, John H. Aldrich (1995) demonstrates the regulative role of parties in three fundamental democratic processes: the selection of candidates, the mobilization of voters, and the achievement of relatively stable legislative majorities. Like Cox and McCubbins, Aldrich identifies the roots of political parties and the functions they serve within the rational choice tradition and specifically in the "new institutionalism" (Shepsle 1986). Both Aldrich and Cox and McCubbins focus on party leaders as political entrepreneurs, a perspective shared by the contributors to this volume.

In recent years, this understanding of the functions of democratic political parties has come under serious attack, most notably among students of American parties. Doom-and-gloom treatises on political parties became a growth industry in the 1970s and 1980s (e.g., Broder 1972; Wattenberg 1990). The theme of party "decline" or "decay," which first appeared in the literature on American politics, has since, in various guises, made its way across the Atlantic. Yet, parties have played major parts in the recent democratization, or redemocratization, of Eastern Europe, Latin America, and parts of Asia and Africa. The alleged demise of political parties in the United States and Western Europe has in no way dissuaded elites in nascent democracies from developing such vehicles of representative mass politics. Even among students of American parties, dissenting voices insist that "the party goes on" (Kayden and Mahe 1985) or even that "the party's just begun" (Sabato 1988). Though political parties may no longer command the loyalties they once did, they are still critical to democratic government.

### **PARTY DEMOCRACY?**

To the extent that parties still perform important political functions, what is their role in representative democracy? What conditions do parties have to meet to serve as useful vehicles of representation? According to the anti-elitist theories of democracy, true representative democracy requires, at the very least, internally democratic political parties. According to Alan Ware:

There are two reasons why democrats who advocate the notion of popular choice might favour internally democratic parties. Such parties would extend the arena within the state in which citizens could be involved in making choices relating to the state's objectives; and, involving such people in the process of constructing policy programmes will make it less likely that unspecific and ambiguous statements will take the place of actual policies in the programmes presented to the voters. That is, democratic control of a party makes for both more democracy and acts as a mechanism to prevent distortions in the process of electoral choice. (Ware 1987: 25–6)

Party leaders must, in this view, be accountable to their rank and file and serve as their *delegates* rather than as *trustees*. That is to say, they should regard themselves as speaking for their constituents and voting as their constituents would have wanted. Democracy requires that citizens remain sovereign and capable of instructing their elected officials. In the view of some anti-elitists, true democracy may even require the absence of leadership and hierarchy. As Michels (1962: 364) puts it, “every system of leadership is incompatible with the most essential postulates of democracy.” Representative democracy, then, is attainable only if “the iron law of oligarchy” within parties can be counteracted or at least contained.

This emphasis on intraparty democracy contrasts with a tradition in which *interparty* competition is considered sufficient for representative democracy. The classical formulation here is that of Schumpeter, who defines democracy as the “competitive struggle for the people’s vote.” The role of the people is simply to “produce a government” (Schumpeter 1943: 269), and Schumpeter shows no concern with the internal democracy of the organizations that guarantee popular rule. In Sartori’s generally sympathetic interpretation, the Schumpeterian model implies that “large-scale democracy is not an enlargement or a sheer adding up of many ‘little democracies’ ” (Sartori 1987: 152). William Riker, who essentially stands in the same tradition, argues that “the function of voting is to control officials, *and no more*” (Riker 1982: 9; emphasis in the original). In this *liberal* or *Madisonian* model of democracy, “the liberal remedy is the next election. That is all that is needed to protect liberty; so election and limited tenure are sufficient” (Riker 1982: 9).

These two traditions thus differ in the representational role they ascribe to democratic political parties. In the first (“populist” in Riker’s terminology) tradition, parties should faithfully represent the policy preferences of their members and followers. In the second (“liberal”) tradition, parties should maximize their opportunities to gain office, whether or not the positions they take correspond to the policy preferences of their members. Under certain circumstances, that might mean maximizing their expected number of votes. That brings us to the crux of this book, which is how party leaders choose between different objectives and how such decisions are constrained. Before we can address those issues, however, we need a more precise analytical framework in

which to understand the functions of political parties and analyze the “goods” that they value.

## PARTY GOALS AND BEHAVIORS

Scholars typically lament the previous lack of attention to their research topics of choice. One could hardly, in good faith, make such a complaint regarding political parties. The scholarly literature that examines political parties is enormous, and yet our systematic knowledge of party objectives and behavior is still quite modest. We have no general theory of the preferences and behavior of party leaders. Indeed, there is hardly even a commonly accepted vocabulary, and most theoretical efforts that have been made do not recognize the trade-offs that are our focus here. In recent years, however, the study of party behavior has increasingly been influenced by the rational choice tradition in political science. This literature has furnished us with some fruitful and elegant models of competitive party behavior, which assume that parties have a small and well-defined set of objectives. In the simplest terms, we can distinguish between (1) office-seeking, (2) policy-seeking, and (3) vote-seeking models of party behavior.<sup>1</sup>

1. *The Office-Seeking Party*. Office-seeking parties maximize their control over political office benefits, that is, private goods bestowed on recipients of politically discretionary governmental or subgovernmental appointments. The office-seeking party derives mainly from the study of government coalitions in parliamentary democracy (Leiserson 1968; Riker 1962). Riker distinguishes his position from the competing Downsian model in this way:

Downs assumed that political parties (a kind of coalition) seek to maximize votes (membership). As against this, I shall attempt to show that they seek to maximize only up to the point of subjective certainty of winning (Riker 1962: 33)

In Riker’s view, what parties fundamentally seek is to win, and in parliamentary democracies, winning means controlling the executive branch, or as much of that branch as possible. Office-seeking behavior aims at such goods. As Laver and Schofield put it, “typically the yearning for office is seen, as it was seen by Riker, as the desire to control some sort of fixed prize, a prize captured by the winning coalition and divided among its members” (Laver and Schofield 1990: 40).

While the idea that party leaders strive for office is well established, there is less agreement on their underlying motivations. Budge and Laver point out an ambiguity in the office-seeking model of party behavior:

We can defend in two ways the assumption that those involved in coalition bargaining are motivated by the desire to get into government. In the first place, the rewards of office may be valued intrinsically, in and for themselves. In the second place, office may be valued only instrumentally for the ability that it gives to influence policy outputs. The intrinsic and instrumental value of office have [sic] not traditionally been distinguished. (Budge and Laver 1986: 490)

We might add that party leaders could value office instrumentally for electoral reasons, too. Incumbency may be a help in future elections, and party leaders may seek office for that reason. In other words, a party might strive to capture executive office because its leaders simply want the spoils (perquisites), because they would like to use these levers to affect public policy, or because they think they can gain favor with the voters by exploiting the advantages of incumbency. Office can have an intrinsic value, or it can have an instrumental, electoral, or policy value. Although political office frequently does enhance policy effectiveness or future electoral success, the former may be more generally true than the latter. That is to say, for politicians who wish to affect public policy, it is almost always better to be in office than not. But although being in office is sometimes a help in future elections, this is far from always the case (see Rose and Mackie 1983). Incumbents gain recognition, which may help them with the voters, but they also get saddled with responsibilities, which may be much less electorally advantageous.

In many situations, it is beyond our capacity as analysts to identify the ultimate purpose for which office is sought. Yet, to explain different leadership choices, we need first of all to be able to differentiate clearly between them. We need to keep our operational definition of office-seeking behavior simple. When we try to identify office-seeking behavior, therefore, we “bracket” the more complex instrumentalities and simply ask, “Is this behavior aimed at increasing the party’s control of executive office benefits, for whatever reason, even if it means sacrificing policy objectives or our prospects in the next election?”

The lure of office begins with the spoils that constitute cabinet portfolios. Students of executive coalitions commonly operationalize office benefits as shares of government portfolios. Empirical studies often treat these offices as if they were equally valued and interchangeable. Yet, there is no need to constrain our conception of office benefits to this extent (see Laver and Schofield 1990). Office benefits may include a huge number of subcabinet appointments, as in Belgium or in the Italian *sottogoverno*, and these lower-level benefits may indeed swamp the value of cabinet appointments. Occasionally, parties may share in subgovernmental spoils without participating in the cabinet coalition, as with the Italian Communist party (PCI) in the 1970s and 1980s. Office benefits also include government contracts, preferential treatment, and whatever other rents accrue to political parties because of their legislative bargaining power.

2. *The Policy-Seeking Party.* The second model of party behavior is that of the policy-seeking party, which seeks to maximize its impact on public policy. De Swaan, a leading proponent, puts the assumption this way: “considerations of policy are foremost in the minds of the actors . . . the parliamentary game is, in fact, about the determination of major government policy” (De Swaan 1973: 88). Like its office-seeking counterpart, the policy-seeking model of party behavior derives mainly from coalition theory. The policy-seeking model was developed in response to the “policy-blind” assumptions of the first generation of game theoretic studies of government formation. It specifically challenges the assumption that all parties are equally feasible coalition partners, that is to say, that parties are indiscriminate with respect to their coalition partners. Policy-based coalition theory instead assumes that coalitions are made by parties that are congenial in policy terms. If we represent policy positions along a single dimension on which we rank-order the parties, then policy-based theory suggests that successful coalitions should consist of parties that are spatially “connected” (or adjacent) (Axelrod 1970). Under more discriminating cardinal-level policy measures in one or several dimensions, the theory proposes that parties seek to minimize the *policy range* between themselves and their partners.<sup>2</sup>

Policy pursuit consists in taking positions on any number of issues or, more broadly, policy dimensions, related to public policy. A party’s success in pursuing its policies depends on its ability to change public policy toward its most preferred positions or to prevent undesirable changes. However, parties may also experience policy sacrifices when they are asked to endorse policies that substantially deviate from the commitments they have previously made or from their most preferred policies. The latter type of policy sacrifice is one that often comes up in bargaining between political parties over cabinet or legislative coalitions.

The two meanings of policy pursuit may conflict, as when a party may secure an improvement over the status quo (e.g., a lower tax rate) through participation in a coalition, but where accepting this deal would mean compromising the party’s ideal point or previous policy commitments (e.g., a major tax overhaul). Such an agreement may be construed as either a policy gain or a concession. The crucial question for our purposes concerns the view held by the party leaders themselves. Do they see such agreements as successes or failures in policy terms? Of course, the view of party leaders is, in turn, likely to be conditioned by the preferences of their supporters, or at least by the perceptions that the party leaders themselves have of these preferences. Most party leaders probably view their parties as allowing them discretion to make policy agreements within a certain range of options, which define their opportunities for policy gains or losses. Regardless of what these windows of opportunity are, or precisely how party leaders calculate their gains or losses, models of policy-seeking parties assume that party leaders can identify and differentiate between them.

At the heart of the policy-seeking model lies a belief in the reality and significance of the contest over public policy decisions that characterizes democracy. Citizens of democracies become politically engaged because these choices matter, and they support certain political parties over others because these parties make a difference. Politicians trade in promises of public policy, and the policy-seeking literature implicitly assumes that the ultimate outcomes that flow from such policies matter to them. But, like office, policy can have intrinsic or instrumental value. Party leaders may seek certain policy goals because they think they can benefit in other ways or because they sincerely believe in them.

Policy pursuit is typically presented as a supplement to, rather than a substitute for, office seeking. That is to say, policy-oriented coalition theory typically assumes, at least implicitly, that parties seek office, at least in part, for instrumental reasons, as a means toward policy influence. Thus, the literature portrays the policy-seeking party as one that seeks government portfolios as well as ideologically compatible coalition partners.<sup>3</sup> Since the possible trade-off between these objectives typically is not resolved, the policy-seeking party remains the least adequately developed model of competitive party behavior.

3. *The Vote-Seeking Party.* The third model is that of the vote-seeking party. In Downs's (1957) seminal work on electoral competition, parties are "teams of men" seeking to maximize their electoral support to control government. In Downs's famous formulation, "parties formulate policies in order to win elections, rather than win elections in order to formulate policies" (Downs 1957: 28). From this insight, Downs developed the argument that

politicians . . . are motivated by the desire for power, prestige, and income . . . their primary objective is to be elected [to public office]. This in turn implies that each party seeks to receive more votes than any other. (Downs 1957: 30–1)

The attentive reader might observe that this assumption seems particularly applicable to two-party systems. Despite some recognition of the complexities of multiparty competition, however, Downs maintained the assumption of vote maximization even in the multiparty context:

Yet the more votes a party wins, the more chance it has to enter a coalition, the more power it receives if it does enter one, and the more individuals in it hold office in the government coalition. Hence vote-maximizing is still the basic motive underlying the behavior of parties. . . . (Downs 1957: 159)

Thus, in Downs's own formulation, parties are not only vote seekers but also *vote maximizers*. The most preferred outcome for a party leader is one in which his or her party gets the greatest possible number of votes. Subsequent work in the Downsian tradition has amended the vote-maximizing assumption. If turnout is variable and vote-seeking ultimately serves office ambitions, then in a single district the rational candidate maximizes pluralities rather than votes

(Hinich and Ordeshook 1970). And in multidistrict contests, the rational party leader may maximize his or her probability of winning a majority of the contested seats (Robertson 1976). Yet these alternative models still belong to the family of *vote-seeking* parties. Their implications have been explored extensively in spatial models of electoral competition (Enelow and Hinich 1984; Ordeshook 1986).

Vote-seeking models of party behavior have had tremendous appeal to students of party and legislative behavior, particularly in the United States. Yet they are not totally persuasive as primitive assumptions. It makes little sense to assume that parties value votes for their own sake. Contrary to office or policy, votes can only plausibly be *instrumental* goals. Parties only seek votes to obtain either policy influence, the spoils of office, or both. Nevertheless, vote-seeking models can have great heuristic value. Note that Downs implicitly recognized the instrumentality of vote-seeking behavior (in the pursuit of office) but still insisted on the analytical simplicity of vote maximization.

## TRADE-OFFS AND COMPROMISES

Party leaders rarely have the opportunity to realize all of their goals simultaneously. The same behavior that maximizes one of their objectives may not lead to the best possible outcome with respect to the others. In some cases, policy pursuit may conflict with a party's ability to capture office. When parties bargain over participation in a new government coalition, for example, they may often be asked to sacrifice some of their policy preferences in order to gain seats at the cabinet table. In order to find coalition partners, party leaders may need to dilute their policy commitments and thus potentially antagonize their own activists. During the lifetime of a coalition in which parties have had to make such compromises, policy conflicts may emerge time and again – for example, at the time of national party conferences, when delegates may seek to pressure party leaders into a renegotiation of coalition policies. As Marsh and Mitchell show in their chapter, the history of the Irish Labour Party is rife with such conflicts.

In other cases, the gains of participating in a cabinet coalition may be likely to carry a price in future elections, so that the trade-off is between office and future electoral performance. This trade-off between office and votes may be less frequently documented through vociferous intraparty exchanges, but it nevertheless exists. Examples may be seen where party leaders conclude that the electoral losses they have suffered are too heavy to justify continued government participation. The Austrian Social Democrats (in 1966) are an example explicitly cited in Müller's chapter, and Elklit makes the same point concerning their Danish "comrades." Similar cases would seem to include the Luxembourg Christian Democrats in 1974 and several of the smaller Italian parties, such as the Republicans (Strøm 1990: 168–74).

Finally, party leaders may find that insisting on particular policy preferences implies an electoral liability. This is often a trade-off party leaders face when they are drafting their electoral platform or manifesto. If this platform contains everything that the hard-core activists want, then it will probably cause the party to fare poorly among the regular voters. On the other hand, an electorally optimal platform may imply policy sacrifices that are hard for the party faithful to swallow. This dilemma is amply illustrated in the British Labour Party's long journey toward the eventual deletion of "Clause IV" (which demanded large-scale nationalization of British enterprise). Both Neil Kinnock and John Smith fought in vain to abolish this policy commitment before Tony Blair eventually succeeded. But even if party leaders manage to contain the claims of activists during the critical phase of the election campaign, such conflicts may reemerge once the party has made its way into government.

Occasionally, party leaders may find themselves in the fortunate situation that the strategies that maximize one of their objectives are also the best means to the others. Much more commonly, however, there are likely to be trade-offs between their different policy goals, and party leaders find that they have to compromise on some goals in order to reach others. Our interest in this volume lies precisely in such compromises: what forms do they take, and under what conditions are they made?

In order to discuss trade-offs and compromises between different party objectives, we have to consider the time horizons of party leaders. Electoral costs and benefits, for example, typically are not realized immediately. Typically, party leaders concern themselves with elections that lie a few months to a few years ahead. They seldom actively look beyond the next election in which they will be involved. Nevertheless, the time horizons of politicians may differ, as some take a more long-term perspective than others. Leaders of millenarian parties may be concerned with elections that lie far in the future and may, like Gramsci, anticipate a "long march through political institutions." Parties with younger supporters and leaders may have lower discount rates than parties populated by more senior citizens and leaders. Parties formed around a specific short-term issue may have little patience and their leader little flexibility to postpone the realization of their policy goals. Such differences in time horizons may, in turn, affect the trade-offs and compromises they are willing to make. Party leaders with a very short time horizon, for example, may be willing to incur more substantial electoral liabilities, particularly if the elections are likely to lie a few years down the road.

Finally, as noted earlier, politicians may be more or less instrumental in their pursuit of "goods" such as policy, office, or votes. As Budge and Laver (1986) have pointed out, party leaders may pursue policy goals either *intrinsically*, because they sincerely care about the policies in question, or *instrumentally*, as a means to the realization of some other goal, for example electoral support. The same distinction could be drawn, as Budge and Laver indeed do, with respect to office pursuits. Yet, electoral goals are different. It makes less sense to

think of intrinsic electoral pursuit (“the pure thrill of winning”) and more reasonable to assume that vote-seeking is normally instrumental. Votes are not valuable in themselves; they are simply a means by which other objectives, such as policy or power, may be realized.

If vote-seeking behavior is instrumental, then party leaders necessarily look forward to future benefits when they throw themselves into electoral contests, or when they “take positions” or “claim credit” for electoral purposes (Mayhew 1974). Since elections happen only at regular or irregular intervals, electoral pursuits typically mean forward-looking behavior. The degree to which party leaders are consumed with such anticipation and calculation is the best measure of their time horizons. This is particularly true when electoral pursuits conflict with more immediate policy or office gratification. The more party leaders value the future, the more willingly they defer other benefits in the hope of electoral success.

## PARTY BEHAVIOR: A UNIFIED FRAMEWORK OF ANALYSIS

Let us then use these simple reflections as a basis for a unified framework in which to analyze the behavior of party leaders in situations of goal conflict. It is easy to fault each of the three simple models of party behavior, and each has often been found wanting empirically. Yet their simplicity and parsimony are virtues rather than reasons for summary dismissal. Their principal value lies in the powerful deductive results they generate in their respective applications. The challenge is to extend and integrate these models into a unified framework of analysis without losing all analytical traction. There have been only a few efforts to build formal models that recognize that party leaders pursue multiple payoffs (Austen-Smith and Banks 1988; Huber 1996; Sened 1995). This is not because rational choice theorists do not realize that such actors have complex objective functions, but rather because it is very difficult to incorporate such complexities in a tractable model.

Our objective here is less ambitious and more empirical. We are not in the business of constructing a deductive model of party behavior. Rather, we aim more modestly for a conceptual framework. This framework should serve three purposes. First, it should allow us analytically to describe different party objectives and relationships between them. Second, it should contain operationalizable terms that we can apply to concrete situations in which party leaders make their critical choices. Third, it should lend itself to more formal theoretical efforts by scholars who set themselves such goals.

In order to move toward such a framework, let us first examine each of the basic models we have just described. In its basic form, each model is *static*, which is to say that the simple models of party behavior seldom consider the instrumentalities we have just mentioned or the longer-term ramifications of

different party choices. Second, each model treats parties as *unitary* actors, as if each party were a person (but see Laver and Schofield 1990: ch. 2; Robertson 1976). In reality, of course, most parties are complex organizations. We may get a much more adequate understanding of their behavior by disaggregating them analytically and looking inside these “black boxes.” To understand their leaders’ behavior, we need to look outside, as well as inside, political parties. Third, each model tends to view parties as *unconstrained* and ignores how the *institutional environment* may limit their options and bias their behavior (Laver and Schofield 1990; Strøm, Budge, and Laver 1994). Finally and relatedly, the simple models tend to imply that party behavior is entirely driven by demand, that is to say, by the preferences of politicians, rather than by the supply of political goods such as office benefits and policy-making opportunities. To understand these “supply-side” factors, we must examine the effects of political institutions, the “rules and roles” by which parties play their games.

To develop a more general behavioral account of competitive political parties, we retain the premise that party leaders may value all three goods discussed earlier: votes, office, and policy. They typically pursue all these goods. We can think of vote-seeking, office-seeking, and policy-seeking as three independent forms of behavior in which party leaders engage. The question is what sorts of trade-offs they make between these goods and under what circumstances.

Pure vote seekers, office seekers, or policy seekers are unlikely to exist, though each of the three basic assumptions can serve as an extreme case. In many situations (though not necessarily all), these pursuits conflict with one another. Our interest in this volume lies precisely in such situations. Figure 1.1 illustrates trade-offs between these different pursuits in a three-dimensional space in which each dimension represents one political good. This representation further assumes that there is some constraint on the total quantity of goods party leaders can obtain, so that they have to choose among their pursuits. The triangle allows us to represent the trade-offs party leaders are willing to make. For simplicity, this illustration assumes that we can think of these trade-offs in the form of weights that party leaders give to each pursuit, and that the sum of these weights is constant (for example, 1). We can thus locate any trade-off function in this three-dimensional space. Reality is obviously more complex, as we discuss throughout this volume, but our objective here is to come up with a simple and intuitive analytical tool.

Under these assumptions, all feasible trade-offs fall in the triangle ABC in Figure 1.1. A purely vote-seeking party, which is unwilling to sacrifice any votes for office or policy, would be at point A. A pure office seeker would be at B and a pure policy seeker at C. Parties that attach no value to any one of the three goods fall on one of the sides of the triangle. Thus, for example, parties that disregard votes fall somewhere on the line BC. Parties that value all three objectives fall somewhere in the triangle’s interior. If, for example, a party places some value on votes and more on office than on policy, it falls inside the area ABD.

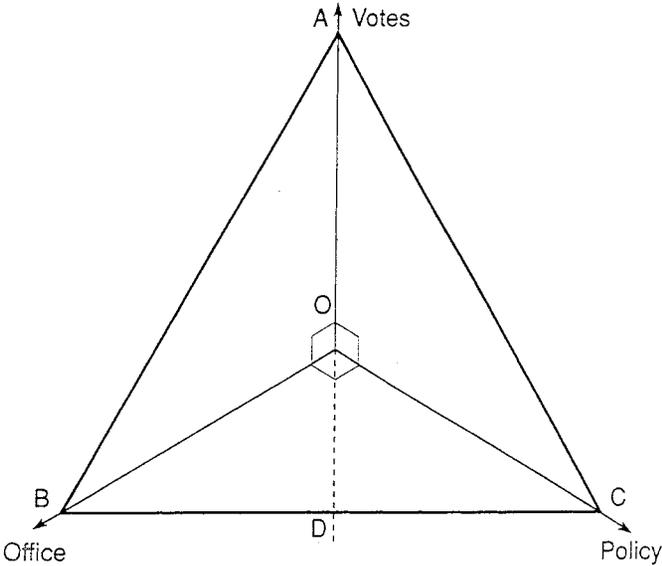


Figure 1.1 Range of feasible party behaviors.

This chapter examines the trade-offs party leaders make among votes, office, and policy. These are often difficult, painful, and consequential choices. They are made by small numbers of individuals in party leadership positions, but they are affected by many more political actors. We therefore focus on party leaders as entrepreneurs and propose some factors that systematically affect and constrain their goal priorities. These factors are organizational properties of political parties, particularly the constraints on their leaders, and the institutional environment and specific situations in which they operate. We use the spatial representation in Figure 1.1 as an illustrative device, but our object here is to develop a set of plausible and testable propositions rather than a formal deductive model.

## LEADERSHIP AND PARTY ORGANIZATION

Since the time of Michels (1962), political scientists have been well aware of the oligarchical tendencies in political parties and of the critical role of party leaders. We may think of such leaders as *entrepreneurs*, who get into their business out of self-interest rather than altruism. That is to say, they become party leaders because they expect to benefit (Frohlich, Oppenheimer, and Young 1971). They are able to do so in large part because they help certain groups of citizens solve their collective action problems. They supply various types of political services, some of which may be public goods. Michael Laver (1997: 69)

humorously likens them to the hired gun in Western movies: the “tough, fair, and ruggedly handsome stranger” that the townsfolk bring in “to run the villains out of town,” that is, to solve their local collective action problem. In more prosaic and contemporary terms, party leaders organize political parties that structure legislative activity and supply public policies demanded by the electorate (Cox and McCubbins 1993). New entrepreneurs emerge through replacement of existing party leaders or through the creation of new parties.

### *THE OBJECTIVES OF PARTY LEADERS*

What do party leaders want, and what are the consequences for their parties? Entrepreneurial party leaders primarily value office benefits, which they can convert into private goods. Votes have no intrinsic value to them, and the value they place on public policy outcomes is unlikely to suffice as a reward for their efforts in organizing political parties. Therefore, office benefits must figure prominently in the calculations of the individuals who become party leaders. Left to their own devices, then, party leaders should pursue office benefits rather than votes or policy (Laver 1997). The pure case of a party led by a dictatorial, unconstrained leader with no electoral competitors should be at B in Figure 1.1.

However, even hardened party leaders do not live by office benefits alone. After all, voters value policy, and there is no reason to believe that party leaders are *less* concerned with policy than ordinary voters. On the contrary, party leaders are typically more policy motivated than the average voter, since only policy-oriented individuals are likely to become leaders in the first place (Laver 1997: 84–5). This is in part because leaders are typically recruited from the ranks of officers and activists, who have self-selected themselves largely because they value policy.

Party leaders, moreover, are neither dictatorial nor unconstrained. Whatever their own preferences, leaders are bound by the organizational properties of their parties. That is to say, they have to consider the preferences of other individuals in their organizations. As Gregory Luebbert (1986: 46) argued, party leaders “are motivated above all by a desire to remain party leaders.” To the extent that it is within the power of party members to dislodge their leaders, the latter must make a credible effort to act as a faithful agent of their supporters (see Laver 1997: ch. 4). This constrains the leaders’ behavior to a greater or lesser extent. Their hands may also, to varying degrees, be tied by the institutional environment in which their parties operate.

### *THE ORGANIZATIONAL IMPERATIVE*

Entrepreneurial politicians need extraparliamentary party organizations, since successful parties depend on extensive organizational capabilities and resources. Extraparliamentary party organizations commonly address four needs in particular: (1) informational needs about the electorate and its preferences, (2) cam-

campaign mobilization of supporters, (3) party and campaign finance, and (4) development and implementation of party policy in various institutions to which it gains access. Party leaders therefore build and maintain organizations to help them compete electorally by acquiring information, mobilizing voters, raising funds, and implementing policy.

There are different ways of building such organizations. We can think of *capital* (e.g., survey and advertising technology) and *labor* (e.g., activists willing to go from door to door, make telephone calls, stuff envelopes, etc.) as the inputs that define the production function of political parties. To some extent, these inputs are mutually substitutable. Parties vary in their labor or capital intensiveness, and the relative efficiency of labor-intensive ("contagion from the left") versus capital-intensive ("contagion from the right") organizations is a matter of scholarly controversy (Duverger 1954; Epstein 1967). To the extent that party leaders are rational entrepreneurs, they build organizations up to the point where the expected marginal returns equal the marginal costs. They choose the ratio of labor to capital according to similar calculations.

### ACTIVISTS

The costs of extraparliamentary party organization are very tangible. Competitive parties need considerable resources to compensate activists and professionals such as pollsters and advertising agencies. Campaign professionals generally require direct monetary compensation. Activists, on the other hand, are often happy with nonmonetary compensation such as public policy or spoils. In monetary terms, therefore, activists are cheap labor. However, activists may vary in their preferences for policy and office benefits. Party leaders are often financially strapped and prefer followers whose support is inexpensive. For most party leaders, therefore, the ideal activist is one who highly values promises of future public policy. In other words, party leaders prefer to offer activists *purposive incentives* (Wilson 1973).

However, policy compensation is not enough for activists performing demanding organizational tasks and professional services. Therefore, activists who provide such services, or a lot of services, are at least partly compensated by private benefits. Typically, public office generates most private benefits as well. The mix of office and policy influence benefits offered to party activists affects the balance between *amateur* and *professional* politicians recruited (Clark and Wilson 1961; Wilson 1962). The greater the proportion of office to policy influence benefits, the larger the ratio of professionals to amateurs.

### INCENTIVE PROBLEMS

Party leaders commonly face the problem of motivating their activists to exert their best efforts on the party's behalf. A simple application of the "new economics of organization" can illuminate this problem (see Moe 1984). Because

party resources typically depend so heavily on elective office, compensation tends to be *prospective*. Activists perform needed services in exchange for promises of future benefits to be delivered if and when the party wins office. At the time they are recruited, activists can have no assurance as to when (or if) they may be compensated. Their payoff, of course, depends on the choices of the voters and, perhaps, on the bargaining success of the party leaders.

Party organizations therefore face the problems of *nonsimultaneous exchange* (see Weingast and Marshall 1988). If activists provide their services before they are compensated, leaders have an incentive to renege on their promises. Recognizing this problem, activists may doubt that they will be appropriately rewarded. Hence, they may work less hard than they would if they knew they would get rewarded. This problem is particularly likely to arise in labor-intensive parties that are not frequently in office. Parties that rely on professional (capital-intensive) services are generally required to pay up front or enter into binding contracts. Therefore, they are less likely to be faced with this problem. Governing parties control larger resources and therefore have greater capacities for immediate compensation.

In many circumstances, the concern party leaders show for their reputations may mitigate this incentive problem (Kreps 1990). Party leaders anticipate future campaigns in which they will again need activists. Hence, they cannot afford to get a reputation for renegeing on their promises. However, situations in which activists' performance is not *observable* or *verifiable* exacerbate the incentive problem (see Holmstrom and Tirole 1989). If leaders cannot truly know how well the activists perform, and if the activists have no way of demonstrating this, both groups have a problem, and the organization may suffer. Party leaders might then, without loss of reputation, renege and blame the activists for not delivering on their part of the deal. And the mere anticipation of such leadership behavior, in turn, might cause activists not to exert themselves as much as they otherwise would.

### **CREDIBLE COMPENSATION MECHANISMS**

Leaders and activists therefore have a mutual interest in mechanisms that allow the former to make credible compensation commitments to the latter. Labor-intensive parties especially must seek to integrate their activists into the party. Party leaders thus seek to keep activists from shirking by giving them a stake (*equity*) in the party. One way for leaders to make their commitments more credible is by relinquishing their own control over *policy* or *office* decisions within the party. Three prominent strategies are (1) to decentralize intraparty policy decisions, (2) to restrict recruitment to party and government offices to existing activists and officers, and (3) to make leaders accountable to activists and members. Strategy 1 offers activists policy influence, whereas strategies 2 and 3 involve office concessions. Indirectly, the last two strategies may entail policy

concessions as well. Each strategy imposes behavioral constraints on party leaders.

1. *Decentralization of policy decisions (intraparty democracy)* has particular appeal to policy-motivated activists (amateurs), who are more easily recruited if they are given a direct voice in policy decisions. Decentralization may consist in transferring decision-making authority from the party leadership or the parliamentary caucus to its annual conference or other broad extraparliamentary bodies. This strategy clearly has costs to party leaders. It may saddle the party with electorally undesirable policy platforms (as with the British Labour Party in 1983) or constrain its leaders in coalition bargaining (as with the Irish Labour Party, discussed by Marsh and Mitchell in this volume). The more leaders decentralize policy decision making, the more policy oriented the party is likely to become at the expense of office- and vote-seeking.
2. Party leaders may instead, or in addition, focus on internal office-related strategies, such as enhancing the prospects of upward organizational mobility for activists and officers or giving such members monopoly rights to higher ranks of the organization. They can accomplish both goals by creating *impermeable recruitment channels* (Putnam 1976). Such incentives are particularly likely to appeal to party professionals. Yet the main long-term effect of impermeability is to increase the policy orientation of party leaders. This may seem paradoxical since impermeable recruitment channels heighten the incentives for office seekers within the organization by enhancing their upward mobility. However, this rigidity in recruitment restricts the entrance of pure office seekers. Many such individuals will find a party career attractive only if they can enter at a high organizational level. If the organization bars such entry, only individuals who put a high value on policy rise to prominence in the party, since only such leaders come up through the activists' ranks. However, narrowly constrained promotion practices may leave a party with unattractive candidates for office, and the promotion of amateurs over professionals easily brings electoral costs (see Schlesinger 1965; Steel and Tsurutani 1986). Thus, impermeable recruitment channels will, in the long run, likely drive parties away from A and B and toward C in Figure 1.1.
3. *Leadership accountability* is a third factor that party leaders can manipulate to attract followers. *Accountability* refers to the ease with which activists and members can replace party officers on the grounds of performance in office. Amateurs are "vitally interested in mechanisms to ensure the intraparty accountability of officeholders and party leaders" (Wilson 1973: 107). An organization with a high degree of leadership accountability therefore attracts amateur activists at lower cost than an organization with less accountability. Party leaders, on the other hand, presumably offer accountability concessions only as a last resort. To the extent that party members have the authority to replace their superiors, they render party leaders vulnerable and threaten their

expected long-term surplus. Under these circumstances, leaders discount future benefits more heavily and show less concern about future elections. Where elites are vulnerable and expected turnover rates within the party high, such as in the Mexican Partido Revolucionario Institucional (PRI) and other Latin American legislatures under term limits (Carey 1996), leaders tend to “grab the money and run” (Putnam 1976: 67). Secondarily, leadership accountability may promote policy orientation at the expense of office benefits, since leaders must show greater concern for the policy preferences of their followers.

The preceding argument generates a number of testable propositions about the relationship between party organization and behavior. Subsequent chapters will examine the effects of some of these organizational features on party behavior in various national settings.

Does organizational decentralization in policy making affect the hard choices made by party leaders? For example, does organizational decentralization enhance the degree of policy pursuit at the expense of votes and office? To the extent that leaders in decentralized parties must share decision-making power with policy-oriented activists, we would expect to see a heightened emphasis on policy pursuits. Several chapters in this volume examine the effects of decentralized party policy making. Michael Marsh and Paul Mitchell study some pronounced effects of policy decentralization in the Irish Labour Party. Kaare Strøm compares the effects of policy-making rules in different Norwegian parties on coalition bargaining strategies. And Donald Share shows how policy centralization in the Spanish Socialist Party has contributed to the development of its strategies over time.

Leadership accountability could affect party behavior in several ways. Accountability may affect both the choices that party leaders make between different objectives and their time horizons. First, if Luebbert (1986) is correct in identifying retention of office as the overriding goal of party leaders, then the more accountable leaders are, the more likely they should be to accommodate the policy demands of their activists. Second, the vulnerability that leaders experience may affect how far they look ahead. If a high degree of accountability to the party organization makes a leader feel vulnerable, then he or she may tend to concentrate on short-term benefits and discount the longer term. To the extent that the vote-seeking propensity of political parties reflects their leaders' time horizons, accountable leaders may thus make for less vote-seeking parties. Are these expectations true? Do organizational features actually affect the trade-offs that party leaders are willing to make? Two of the chapters in this volume examine these questions in particular. Kaare Strøm examines the effects of Rolf Presthus's accountability to the Norwegian Conservative Party and finds in it the key to Presthus's otherwise puzzling behavior. Wolfgang Müller provides evidence of a striking correspondence between the personal career incentives of Austrian Social Democratic leaders and their positions on the grand coalition.

## POLITICAL INSTITUTIONS

Political institutions also affect the behavior of party leaders. When we discuss these institutions, we have in mind broadly what Schlesinger (1991) calls the “structure of political opportunities,” that is to say, the offices parties seek, the rules for attaining them, and the general patterns of behavior surrounding their attainment. Political institutions affect party behavior in two different ways. One influence is *direct* in that party leaders, regardless of the characteristics of their organizations, face different incentives in different institutional settings. For example, the same party leaders might make different trade-offs between policy, office, and votes after an electoral reform (as in France in the 1980s or in Italy in the 1990s) than they would have made before it. A second consequence is the *indirect* effect of institutions through different types of party organization. Again, electoral rules may affect party leadership decisions through their impact on party organization or candidate selection. We can identify indirect effects by examining the causes of such important organizational features as intraparty democracy, recruitment patterns, and leadership accountability. In this section, we focus on direct effects, but first, we briefly dwell on one especially important indirect link between institutions and party behavior. This factor is public financing of political parties.<sup>4</sup>

Since their inception in the 1950s, public subsidies have dramatically changed the environments of most democratic parties in Western Europe. Of course, public party finance comes in various forms, with differing consequences for party behavior: subsidies to parliamentary versus extraparliamentary parties, national versus local grants, free advertising or television time, support for auxiliary groups (e.g., youth organizations), and so on. Subsidies to legislative representatives and caucuses presumably have modest effects on extraparliamentary party behavior. Per capita voter or membership grants to local associations (as in Scandinavia) may even enhance labor intensiveness. But the most significant subsidies tend to support electoral campaigns. Free or easy access to media coverage, and financial aid to partisan media and publications, which are among the most important forms of subsidies, lessen constraints on party leaders.

Generous public subsidies thus should enhance the autonomy of party leaders, especially if these funds flow to central party organizations. Their primary effect is to reduce the cost to party leaders of different inputs. Specifically, public financing tends to subsidize *capital* inputs, for example, by facilitating media-focused campaigns. Also, direct financial subsidies are more fungible in capital-intensive campaigns. Consequently, party leaders may substitute capital for labor inputs. Consider the fact that over the last thirty years, public financing of political parties has become increasingly prevalent in the Western world (Alexander 1989; Katz and Mair 1992; Paltiel 1981; von Beyme 1985). This trend has coincided with a growing capitalization and professionalization of electoral campaigns. As parties become more capital intensive, the incentives

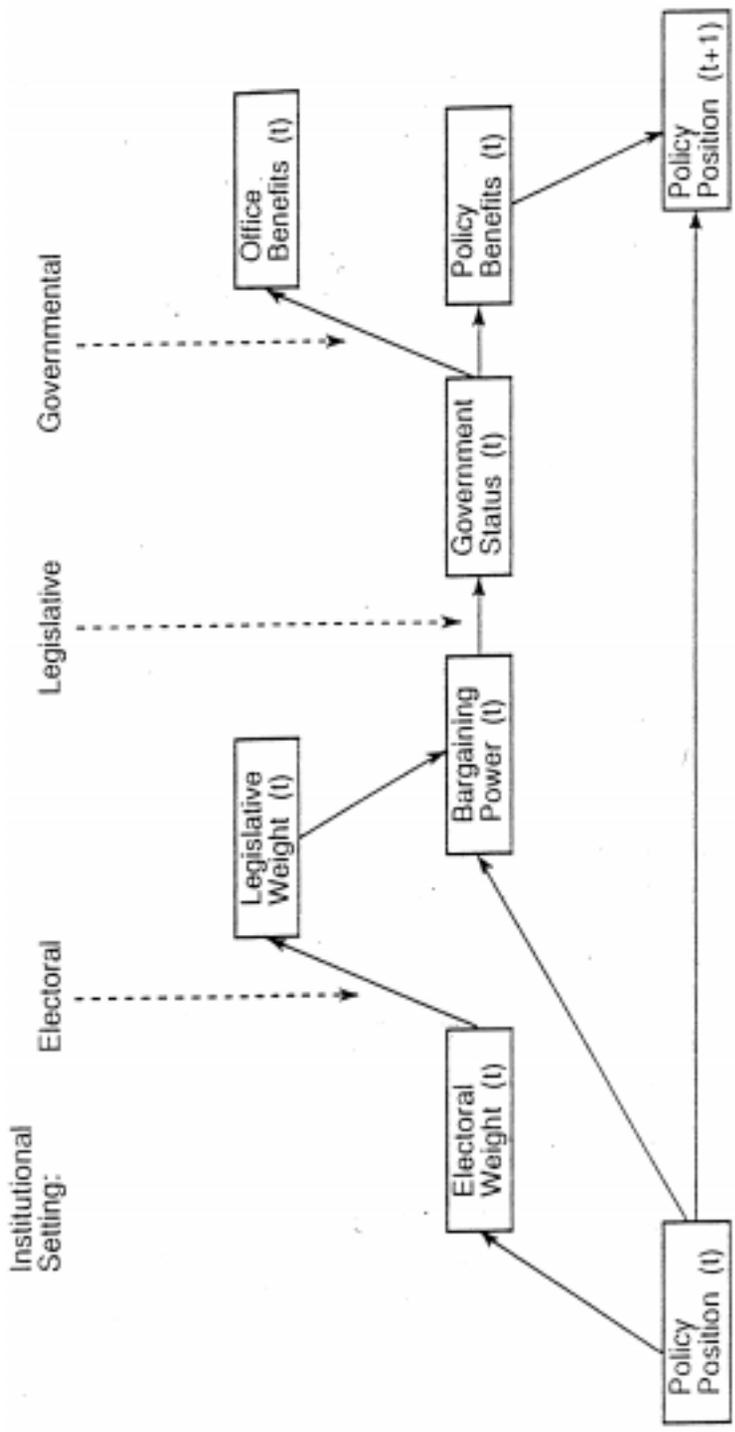


Figure 1.2 The institutional framework of interparty competition in parliamentary democracies. Note:  $t$  and  $t + 1$  denote successive electoral terms.