

# **Breaking the Inertia: Government Formation under the shadow of a Core Party. The Italian case during the First Republic**

*Luigi Curini , Università degli Studi di Milano, luigi.curini@unimi.it  
Luca Pinto, Università degli Studi di Milano, luca.pinto@unimi.it*

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***Abstract:** Despite its theoretical relevance (Schofield 1995, 2006; Schofield and Sened 2006) the role played by the existence of a core party (as well of cycle sets) in explaining the partisan composition of governments, represents an understudied area in the empirical literature on coalition formations. The current paper aims to cover this lack in the literature by focusing on the Italian case between 1946 and 1993. We take advantage of a new dataset that takes between-election dynamics into due account, contrary to other well-known (and widely used) dataset (such as CMP or expert-surveys). The hypotheses derived from the spatial theory not only find a strong empirical corroboration in the data, but they also help to better understand the role played by other classical variables. Indeed, the nature of the cabinet-bargaining process appears to be qualitatively different when a core-party is present compared to when it is not. In the former situation, the probability to form a single party government considerably increases, while the role played by familiarity and political inertia, that appears so relevant when a core party is absent, simply ceases to be significant. Beyond better accounting for government formation, our results add a new insight on some important aspects of the Italian history, helping in identifying the necessary (spatial) conditions under which the (durable) cycle of a government formula can be expected to be broken.*

## 1 Introduction

Coalition formation is one of «the richest, most fascinating, and most important features of European politics» (Laver and Schofield 1990: v). The validity of this statement is easily understandable if we consider that in 13 West-European Countries between 1945 and 1999 more than 90% of all majority governments are based on a coalition of parties (Müller and Strøm 2000:564). Coalitions play also a central role in minority governments, where they represent one third of the cases (Woldendorp *et al.* 2000). Furthermore, according to a sample of 17 countries, governments based on coalitions of parties are also increasing over the total number of governments: from two-third in the years 1950-1979 to three-quarters in the following period (De Winter *et al.* 2002, 2006). In this regard, trying to predict the party-composition of actual cabinets represents one of the most discussed topic covered in the literature<sup>1</sup>. Quite interestingly, this area of studies has also allowed a fruitful combination (and a reciprocal strengthen) of theoretical insights with empirical analyses.(Laver and Schofield 1990; Laver and Shepsle 1996; Martin and Stevenson 2001; Golder 2006; Bäck and Dumont 2007; Debus 2009). There is however an important exception. Despite its theoretical relevance (see Schofield 1995, 2006; Schofield and Sened 2006) the role played by the existence of a core party (as well of cycle sets) in explaining the partisan composition of governments, represents an understudied area in the empirical coalition researches, as admitted by one of the most quoted article covering these issues (see Martin and Stevenson 2001)<sup>2</sup>.

The current paper aims to cover this lack in the literature. Moreover, in order to overcome the critics addressed to previous attempts to test comprehensive model of coalition formation, which in the words of De Winter *et al.* (2002), «lacks in parsimony and internal consistency», we abandon the comparative research design in favour of a single-country study. In our view, this research strategy represent an advantage for the study of coalition governments, since, as Laver (1989) noted, «key differences between national coalition systems are so significant that each theory must be analysed on a country-by-country basis». Furthermore, it is in line with recent developments in the area of coalition research, which

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<sup>1</sup> Other issues investigated by the literature refers to how portfolios are distributed within the coalition (Warwick and Druckman 2001, 2006; Bäck *et al.* 2009), how long the coalition formation process takes (Martin and Vanberg 2003) and how long the government will last (King *et al.* 1990; Warwick 1994; Diermeier and Stevenson 1999).

<sup>2</sup> «Unfortunately, we are not aware at present of any data available on the existence of core parties or cycle sets for any of the countries and time periods in our study. Clearly, this is a problem that future research on government formation should address [...]» (Martin and Stevenson 2001: 35).

recommend to invest more resources in thick descriptions (Bäck and Dumont 2007; Bäck *et al.* 2009). For these reasons we focus on government formation in the Italian case between 1946 and 1993.

Our choice has been driven by two considerations. First, as is well known, during its nearly fifty years of history, the so-called First Italian Republic has been characterized by the highest rate of cabinet turnover in Western Europe, at more than twice the regional average (Müller and Strøm 2000). This (large) turnover has showed a variety of patterns in terms of government formation: an exceptional high number of minority governments as well as of surplus coalitions. However, under the surface of this (highly) volatile environment, there was also a considerable political *inertia* in terms of “government formulas” (see Mershon 1996), that is, in terms of regularities in the outcomes of coalition formation processes, that normally lasted (much) longer than the life of a single cabinet. The results of this process have been an extreme high rate of incumbent government reformation. We argue that these patterns in government formation become more understandable precisely when we introduce in our analysis the presence or the absence of a core party. Secondly, given its particular institutional and political setting (see below), Italy represents a well-suited case in which testing the empirical relevance of the theory of the core party.

Following previous literature on coalition formation, we employ a conditional logistic model. We rely on a new database on Italian party policy preferences in a multi-dimensional political space (Curini and Martelli 2009; Curini 2010). As we will see, since the data are collected using confidence debates in the Lower Chamber rather than, for example, manifesto programmes, they vary from formation opportunity to formation opportunity, even within the same legislature. This allow us to introduce a relevant element of dynamism in our analysis in comparison with the data used until today. Our results shows that the presence of a core party (that always coincides with the Christian Democracy Party - DC) drastically change the coalition bargaining process. When DC is a core party the model predicts either a single-party government led by DC or an ideologically compact multi-party government that usually happen to coincide with the passage to a new coalition formula. On the contrary, when the DC does not enjoy the bargaining advantages derived from being a core party, the likelihood that it forms a single cabinet decreases considerably. In this case, familiarity and political inertia returns to play a central role, while being a party that bounds the cycle-set remains a strategic advantage for parties, at least for pro-system ones.

This work proceeds as follows. In the next two sections we give an overview of theoretical analyses of government formation in parliamentary democracies, with a particular

emphasis on the hypotheses that we can extract from the theory of the core party and on the role played by familiarity and political inertia. In the fourth section we present the peculiarities of the Italian case. The genesis of the policy space will be discussed in the fifth section. Data and methods will be presented in the sixth part, while results will be shown in the seventh one. The final part concludes and discuss the results in the light of the Italian experience.

## **2 Office- and Policy- Seeking Theories of Coalition Formation**

Rational choice theory, and cooperative game models in particular, inspired the first scholars in the study of government coalition formation (von Neumann and Morgenstern 1953). This school assumes that: 1) political parties and their leaders are rational actors that try to maximize their utility expressed in office terms; 2) parties are conceived as unitary actors that interact under conditions of perfect information about the moves (and the consequences of each move) of each player; 3) they play a constant-sum game, in the sense that the reward of controlling government is considered a fixed prize, whose value does not increase when members are added to the coalition (De Winter *et al.* 2002, 2006; Bäck and Dumont 2007). Starting from these premises, the “size school” elaborated a series of propositions about coalition formation in multiparty systems that are, by this time, considered as “classical” in the literature, such as the “minimal winning coalition” (MWC) proposition and its well-known extensions (for example, the “minimum seats” principle proposed by Gamson (1961) and Riker (1962), or the “bargaining proposition” suggested by Leiserson (1966, 1968).

However, a high number of real world coalitions appears to contradict these propositions. In the light of this, some scholars have started to explore the policy motivations of parties. Thus, the “policy school” prescribes that parties with similar ideological background should form coalitions regardless worries about the size of the alliance. Leiserson (1966, 1968) translated this intuition in theory, elaborating the “minimal range” proposition (see Axelrod 1970 and De Swaan 1973 for a variant of this hypothesis). Finally, Laver and Schofield (1990:88) argued that ideological divisions in the opposition controlling a majority of the seats could be relevant for the viability of minority cabinets. The idea behind this proposition is that policy divisions among opposition parties could be exploited by minority governments on an issue-by-issue basis (see also Strøm 1990).

Further versions of policy-based theories suggest that when parties compete on a single ideological dimension, the party controlling the median legislator position will have increasing bargaining power, since there are no other points in the ideological space that are preferred by a majority to the median legislator's policy position. This derivation of the median voter theorem does not predict any coalitional outcome, but it contributes to solve one of the main problems of most of the office- and policy-seeking theories, namely the existence of minority governments<sup>3</sup>. Median voter theory has however a series of drawbacks that seriously undermine its validity. First, in a uni-dimensional political space there always exists a party that includes the median legislator. As a result, the only prediction that we can make is that the median party should be included in every minority or majority government that forms. Second, the median legislator could be either a large or a tiny party. Clearly, this latter situation seems not a very realistic one, and it is openly in contradiction with those works that have identified the largest party as a "dominant player" in coalition formation process (Van Roozendaal 1992; Warwick 1996). These critiques suggest the possibility that the issue space rather than being uni-dimensional, as assumed by most of the theories examined so far, can be better represented as a bi-dimensional one, just as assumed by the theory of the core party (or political heart model) (Schofield 1986, 1993, 1995, 1996).

A core party is a party that occupies a position in the policy space that cannot be defeated in a majority vote. In one dimension the party that includes the median voter will be the core party, and, as we have said, it will always exist. In a two issue space, on the contrary, a core party will exist only when all median lines (i.e., lines presenting a majority in both closed half spaces created by each line) intersect at one party's ideal point, which for that reason constitutes the core party. In general, only the largest party in the Parliament can aspire to become a core (contrary to what happens in a uni-dimensional policy space). However, being the largest party is only a necessary, but not a sufficient condition.

[figure 1 about here]

Figure 1 presents two different situations in this regard. Party positions are represented as points in this space, and the utility a party gets from a policy  $x$  is assumed to be a function of the Euclidean distance between  $x$  and  $x_i$ , where  $x_i$  denotes the most preferred policy position of party  $i$ . On the right panel, we can observe that all the median lines do intersect on

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<sup>3</sup> According to Müller and Strøm (2000: 561), two-thirds of the 128 minority governments formed throughout the period 1945-1999 in Western Europe include the median party.

the ideal point of the largest party in our hypothetical legislature (i.e., party A). This party, as a result, constitutes a core. This can also be seen by noting that A lies inside any Pareto set of all possible parliamentary majorities that exclude it. When such a situation is encountered, the distribution of bargaining power within the legislature is going to be largely unbalanced in favour of the core party itself (Laver and Schofield 1990; Schofield 1995). In such a way, the theory identifies the key player in coalition formation process (i.e., the core party), but it does not say anything about the partisan composition of the government, apart from the fact that it will include the core party, alone or in a combination with other parties. Still, if we assume that a party prefers to rule alone instead of sharing government privileges with other party (whenever it has the ability to do so), then we can derive our first hypothesis:

*Hypothesis 1: When the core exists, potential single-party minority governments are more likely to form if they contain only the core party.*

On the left panel of Figure 1, on the other hand, due to a leftward movement of party A, the core disappears (i.e., the median lines do not intersect in one point). Because there is no undominated policy point in the space, any majority coalition that forms around a given point can be upset by another majority coalition whose members all prefer another policy point. In particular, it can be shown that, assuming that no policy proposals will be made that will render all members of a majority coalition worse off, any points in the policy space that are Pareto optimal for every majority coalition can be solutions to the bargaining game among parties. This space locus, called the cycle set, is delimited in Figure 1 by party A, B and C. In this case, the prediction on the final results of the negotiations is less accurate than that in the presence of a core party, but even in this situation the bargaining power is not expected to be equally divided among all parties in the parliament. On the contrary, by confining the cycle set, only the previous three parties can realistically propose an alternative policy point that can appeal to a majority coalition. We can therefore consider them as ‘dominant’ parties (Debus 2008) in that policy space, while those parties located outside the cycle-set region can be treated as ‘peripheral’ actors. As a result, in this situation the theory predicts that one of the combinations between the parties delimiting the cycle-set will form a government (Schofield 1995, 1996).

*Hypothesis 2: Given the absence of a core party, a potential government is more likely to form as its membership in terms of cycle-set parties increases.*

### **3 The Role of Familiarity and Inertia in Coalition Formation**

Starting from the eighties, neo-institutionalism began to emerge as the major complement to office- and policy-seeking theories. Here the emphasis is on the role of different types of institutions in structuring the outcome of coalition formation process. Institutions can be defined as any constraint to coalition options that is beyond the control of political actors (Strøm *et al.* 1994; Martin and Stevenson 2001). Neo-institutional theories could be distinguished in two broad categories: on the one hand, propositions based on the rules and norms governing the process of government formation itself; on the other, theories that focus on the rules that structure post-formation government decision-making (Martin and Stevenson 2001:35-38). For the purposes of our research, in this review we will focus only on selected elements of the first category. We will analyse the role played by behavioural rules in shaping coalition formation, and, in particular, of those rules governing the reformation of incumbent administrations.

Two types of explanations are linked to the partisan composition of the incumbent government. First, Strøm *et al.* (1994:311) argue that, when there is no constitutional provision that prevents an incumbent administration to remain in office during the formation bargaining about its successor, incumbent cabinets enjoy an advantage in coalition negotiations, since they represent «the reversion point in the event the other parties fail to agree on an alternative». Thus, parties that correspond to the reversion outcome should benefit from a bargaining advantage, since they can wait for an alternative government to form and bias, in the meanwhile, any other coalition formation attempt in their own favour (Martin and Stevenson 2001; Bäck and Dumont 2007).

According to Strøm *et al.* (1994), this explanation is particularly plausible in countries shaped by Westminster tradition, where no formal investiture vote is required. Consequently, countries that apply positive investiture rules – like Italy – are unlikely to display such an advantage for the incumbent (Bäck and Dumont 2007:486). Martin and Stevenson (2001:36) noted that: «the logic connecting this particular lesson from the bargaining literature (i.e., that reversion outcomes matter) to the real world of coalition negotiations seems a bit strained». In particular, the two authors underline that the reversion outcome proposition «ignores the fact

that many cabinets end because one of the governing parties is unhappy with the current coalition», so, the reversion outcome for this party cannot coincide with the current administration, which, at the end, does not enjoy any advantage for its incumbent status. Moreover, Tavits (2008) have shown that former partners usually retaliate against defectors, excluding them from future coalitions. Both these observations imply that the reversion outcome explanation can hardly be applied to incumbent multi-party coalitions, even if, in our view, it remains valid for single party minority governments.

The latter critiques to the logic underlying the reversion point account, lead us to favour a second type of explanation linked to the concept of familiarity and inertia, which seems particularly fit to explain repeated cooperation in coalition governments. Familiarity means that some parties know how to collaborate together in coalition governments, while inertia represents a special case of familiarity applied to immediate past experience (Franklin and Mackie 1983). Together, familiarity and inertia, predict that incumbent parties are more likely to cooperate once more in a government coalition (Debus 2009). At the basis of the concept of familiarity and inertia there are psychological considerations about interpersonal trust, which is expected to emerge in long-lasting relationships. Government formation is not a one-shot game, so, both past experience and expectations about the future are evaluated by party leaders in coalition bargaining, awarding partners that have demonstrated each other a certain degree of loyalty in the past. While the future dimension is essential to establish the condition for cooperation, the past experience is important for the monitoring of actual behaviour. In this way, keeping the same partners, even if in the current interaction it seems to be irrational according to size and policy principles, is a way to inducing them to do the same in the future, establishing a relation of reciprocity which has proven to be robust in explaining the evolution of cooperation (Axelrod 1984; Tavits 2008). Saying differently, repeated interactions facilitate agreements among partners by reducing transaction costs, such as information searching, negotiation, monitoring and enforcing transactions (Strøm *et al.* 2008; Warwick 1996).

The role played by political inertia and familiarity in coalitional bargaining, however, can be expected to be different when a core party is present. Indeed, when this happens, one party in the Legislature enjoys an absolute strategic advantage. As a result of this, it is also in the position to “break” the inertia, if this brings him or her (some) political advantages,

without the need to pay large costs in terms of transaction costs<sup>4</sup>. We can advance therefore our third hypothesis:

*Hypothesis 3: When the core is absent, potential governments are more likely to form if they are the incumbent administration. On the contrary, the role of familiarity and inertia should be less important given the presence of a core party.*

#### **4 Italy: Some Evidences**

The political history of the First Italian Republic presents some well known peculiarities (see Mershon 1996) First, with its 54 governments in about 40 years (4.5 cabinets per legislature on average), it is the country with the highest number of formation opportunities in Europe<sup>5</sup>. This number reflects a scarce government duration, which is, on average, less than eight months (Curini 2010). As far as coalition governments types are concerned, 35 out of 54 are majorities cabinets. Left panel of figure 2 shows how these coalitions are divided in different types of majorities. In particular, 31 coalitions out of 35 are surplus majorities<sup>6</sup>, while, only 4 coalitions fulfil the criteria to be minimal winning (2) or minimum winning (2). The residual cabinets (19) are minority governments. Right panel of figure 2 shows how 15 out of these 19 minority cabinets are formed by a single party (DC), while the remaining are multi-party coalitions. In conclusion, the predictions made according to the size principle are more often than not contradicted by empirical evidence.

[Figure 2 about here]

A further peculiarity of the Italian case is that from 1946 till 1993, DC has always been the largest party and it has never been excluded from being a member of cabinets,

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<sup>4</sup> Using the words of Strøm *et. al* (2008:63), being a core changes the «walk-away value», that is what the party can secure by «walking away from the bargaining table». The strategic power given by the status of the core modifies the condition under which the party would have accepted a multi-party government, pushing it to abandon the bargaining

<sup>5</sup> As a counting rule we follow Woldendorp *et al.* (2000), who define a government any administration that is formed after an election and continues in the absence of: a change of Prime Minister, a change in the party composition of the Cabinet, a resignation in an inter-election period followed by re-formation of the government with the same Prime Minister and party composition. We will present results both including and excluding caretaker cabinets and cabinets that failed investiture votes.

<sup>6</sup> Of the 31 surplus coalitions, 5 coalitions are formed in a majority situation, i.e., they are formed although a single party holds an absolute majority (the DC during the First Legislature).

irrespective of their party-composition. An element of political continuity that goes beyond the mere DC party. Indeed, Strøm (1990) shows that Italy, throughout the period considered here, exhibits the lowest turnover rate of any parliamentary democracy<sup>7</sup>. In the same vein, both Mershon (1996) and Verzichelli and Cotta (2000) have underlined how in the Italian case the repeated inclusion of certain parties in coalitions (in particular surplus ones) have led to the formation of patterns in cabinet composition that also coincided, not incidentally, with the perennial exclusion from government of other parties (i.e., the “anti-system” ones: see Sartori 2005 and below).

In particular, it is possible to identify five “coalition formulas”: national unity (from 1944 to 1947, in which the DC governed with the PSI and the PCI), centrist coalition (from 1947 till 1960, in which the DC allied with the PSDI, PRI and PLI), the centre-left coalition (from 1960 till 1976, in which the PSI replaced the PLI in the government coalition), the national solidarity (from 1976 till 1979, in which also the PCI externally supported the government), and finally the five-party coalition (“*Pentapartito*”) since 1979 till the collapse of the First Republic after the 1992 elections (in which the DC allied with the PSDI, PLI, PSI and, at least till 1989, PRI) (see Verzichelli and Cotta 2000: 434).

The role of familiarity and inertia seem therefore to have played a strong role in the Italian case, albeit the transition from a coalition formula to the following one remains an important issue that needs to be explained (see Mershon 1996 on this point; more on this later).

But the Italian case fits particularly well our theoretical hypotheses also in relation with the assumptions that stand behind the theory of the core party. Indeed this theory does not assign any particular role to the government in the bargaining that brings to its formation. Contrary to its main multidimensional alternatives (Laver and Shepsle 1996)<sup>8</sup>, it does not assume that governments (or ministries) have a full control of the agenda, but it focuses explicitly on the role of parliamentary dynamics during the process of government formation. As Curini (2010) points out, this starting statement is particularly suited for the Italian case. Indeed, for a long period Italian governments have enjoyed far less institutional agenda setting power than their counterparts in Europe (see also Döring 1995; Tsebelis 2002). As a

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<sup>7</sup> Turnover is defined as «the proportion of legislative seats held by parties changing status between government and opposition» (Strøm 1990:125).

<sup>8</sup> The portfolio allocation approach of Laver and Shepsle (1996) assumes that the principal institutions affecting government formation are those pertaining to decision making within the government rather than those structuring the process of coalition formation itself.

result, Italian cabinets have been particularly weak in their relationship with the parliament, exactly as assumed by the theory of the core party

### **5 A (More) Dynamic Way of Estimating the Italian Issue-Space**

In order to test our hypotheses we preliminary need to estimate the Italian party policy positions in a multidimensional policy space since 1946 till 1993. Data on party policy preferences can be obtained mainly from three sources: first, from what parties and their representatives do; second, from what others think and know about them; third, from what they affirm in their manifestos or in other relevant political speeches (Mair 2001). In the first case, policy positions are derived from roll-call data (Poole 2005). In the second case, we rely on mass surveys or use experts' opinion (Laver and Hunt 1992; Benoit and Laver 2006). Finally, in the third case, policy positions are derived from content analysis of party manifestos. The Comparative Manifesto Project (CMP) represents the main example in this latter case.

Unfortunately, all the three methods present relevant drawbacks in their application to our case-study. The first technique assumes the existence of roll-call vote procedures, which were introduced in the Italian parliament only in 1988. On the other hand, expert and mass surveys do not allow us to rely on a long time-series dataset (the first available mass-survey in the Italian case goes back to the 1968 election, while the first expert survey refers to early 80s: see Barnes 1977, Castles and Mair 1984). CMP data would allow us to overcome these temporal limits, given that CMP has regularly coded the content of a huge amount of party electoral programs in a vast number of countries (including Italy) since post-War period (Budge *et al.* 2001; Klingemann *et al.* 2006). Unfortunately, also this method presents its own limits, in particular when Italy is involved. On one side, CMP data do not cover all the Italian parties<sup>9</sup>. Second, and more important, the scores generated by CMP on party policy preferences presents in the Italian case some problems of face validity, as acknowledged in Budge *et al.* (2001:19-50).

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<sup>9</sup> In some cases parties manifestos have simply been estimated by duplicating data of the same party from a previous election or subsequent election. For example, this is the case of the Radical Party (PR), for which only the entry of 1976 was effectively coded, while all the others (until 1992) were simply estimated starting from this unique observation. In other cases, parties were not coded at all, although they are represented in the national assembly and overcome abundantly the value of 1% of popular vote, which is usually taken as a threshold to be coded (like Monarchic Parties).

In order to overcome these problems, we will take advantage of an original dataset based upon a textual analysis of all the investiture debates preceding the vote of confidence in the Italian Chamber of Deputies from 1946 to 1993 (see Curini and Martelli 2009, 2010; Curini 2010)<sup>10</sup>. According to the Italian Constitution, the investiture of newly formed governments needs a vote of confidence in Parliament. In this occasion, the premier expounds in detail the government's future policy proposals. After each speech, parliamentary debate is opened and various party representatives are allowed to speak, discussing the wide range of issues mentioned by the Prime Minister and concluding with a vote of confidence. We can therefore treat the investiture debates as a set of comprehensive speeches addressing a wide range of policy issues that disclose the policy proposals and expectations of both government and opposition parties as well as of the cabinet itself<sup>11</sup>. For every vote of investitures it has been coded one speech for each party, for a total of more 420 texts. Whenever possible the speech of party leaders has been chosen<sup>12</sup>.

The coding scheme and the coding procedures of these data follow the same method employed by CMP (see Budge *et al.* 2001). Specifically, for each legislative speech, a number of quasi-sentences, treated as coding units, are identified and are assigned to a number of pre-established categories that form the classification scheme. In particular, the original 56 categories of the CMP dataset have been extended to 68, to take into account the Italian political context (such as positive or negative references made by parties to the Catholic Church and the Soviet Union). Finally, eight a-priori policy dimensions or domains have been identified and 49 of the 68 categories of the coding scheme have been used to discriminate among opposite polarities in each dimension, as Table 1 shows. This allows to estimate for each particular investiture vote the two most salient dimensions that define the policy space, as well as the policy scores of parties along each policy dimension.

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<sup>10</sup> For a systematic test concerning the face and convergent validity of the estimated party positions as they result from the database we employ, see Curini (2010).

<sup>11</sup> The estimation of parties' policy positions according to their legislative speeches would generate biased results whenever the linkage between government and the parliamentary majority influences what parties say during a vote of investiture. The weak cohesion of Italian coalitions (see earlier discussion), together with the fact that verbal expressions rather than concrete behavior are codified, makes the aforementioned risk less relevant in our case. Notice, moreover, that government parties are usually dispersed in our estimated policy spaces (data available upon requests). This clearly contradicts the idea that parties conceal their true policy preferences during investiture debates to avoid exacerbating intra-coalition conflicts.

<sup>12</sup> The coding of party leader speeches is a procedure followed also by CMP coders for those parties for which there are not other available sources of policy declarations. In particular, the coding of political speeches is frequent for Australian, Canadian and Greek parties (see Appendix V, Klingemann *et al.* 2006). As Italy is concerned, the coding of government investiture speeches has been used in an application of Computerized Content Analysis (CCA) (de Vries *et al.* 2001).

[table 1 about here]

Similarly to Curini (2010), let  $F_{iy|x}$  be the proportion of references party  $i$  makes during the investiture vote  $y$  held in legislature  $l$  to the categories associated with the policy dimension  $x$ . By default,  $F_{iy|x} = F_{iy|x}^+ + F_{iy|x}^-$ , where  $F_{iy|x}^+$  shows the percentage of references to the categories associated with the positive polarity of policy dimension  $x$ . Conversely,  $F_{iy|x}^-$  is the sum of the frequency of the negative polarity. To define the nature of the policy space in each investiture vote, we take the average of the saliency scores assigned to each dimension

by each party (that is,  $S_{y|x} = \frac{\sum_{i=1}^n F_{iy|x}}{n}$ , where  $n$  is the total number of parties) weighted by the share of legislative seats controlled by each party (see Laver and Hunt 1992, Benoit and Laver 2006, for a similar approach). We then select for each investiture debate the two dimensions with the highest saliency scores according to this formula <sup>13</sup>.

On the other hand, the policy scores of parties (and of cabinets) along the dimension  $x$  is estimated, in analogy to how the CMP group estimates the left-right positions of parties, as the difference between  $F_{iy|x}^+$  and  $F_{iy|x}^-$  <sup>14</sup>.

Table 2 gives a comprehensive overview of all the data concerning Italian governments in the first republic. Column A provides an identification number for each formation opportunity. Each of them represents a different bargaining situation for forming a government. Given the high number of governments that alternate, each legislature (column B) contains numerous formation opportunities. From column C to E we find data on the real government that formed in each bargaining situation (name of the prime minister, formation date, and party composition). Columns F and G define the policy space, indicating the two most salient issues for each formation opportunity, while Column H shows when a core party

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<sup>13</sup> We observe that the two most salient dimensions cover on average the 62 per cent of all the codified quasi-sentences associated with the 8 policy dimensions, and their variance across votes of investiture is relatively small (s.d. .07). Therefore, using a two-dimensional space to model party competition within the Italian legislative arena seems appropriate. On this same solution, see Mastropalo and Slater (1987); Laver and Schofield (1990); Laver and Hunt (1992).

<sup>14</sup> We normalized this score by the salience of each policy dimension to allow a direct comparison of party positions *within* the same policy space and *across* time.

exists<sup>15</sup>. By default, when a core is present, it is always constituted by DC, being always the largest party in the legislature. On the other hand column I provides data on the identity of the parties that bound the cycle-set.

[table 2 about here]

When confronted with CMP data, our dataset introduces in the analysis more dynamism given that it allows us to take into consideration what happens in the inter-election dynamics. In other words, ignoring this possibility can introduce a serious source of bias in the Italian case for a series of reasons. First, a number of policy shocks can happen during a legislature (see Laver and Shepsle 1998). For example, party policy positions can change due to intra-party dynamics. This can happen either when a new leader imposes a new policy agenda or when a new equilibrium is reached between different factions within a party. In the same vein, sudden political events can change the relative salience of key policy issues. In this case, what is modified is the structure of the relevant policy space in which parties interact strategically rather than party ideal points. Returning to the Italian case, the Soviet invasion of Hungary in 1956 greatly increased the salience of foreign affairs in the following years for all parties, and the same happened with social issues just before and after the referendum on divorce in 1974 and on abortion in 1981 (data available upon request). With an average of more than four votes of investiture for the legislature, examining the First Italian Republic is valuable since it allows us to track on an almost annual basis the evolution of parties' preferences in a dynamic policy space.

Second, by using CMP data, the policy position of parties and the relevant policy space can be registered only at the beginning of the legislature, and they remain the same until the next election. This has some relevant implications. Let us suppose that there are two identical (in party composition) consecutive governments in the same legislature. We can have two situations here. On one side, it can happen that only the first government is correctly predicted by policy-based models. However, in this case, since data concerning the policy preferences and the policy space do not vary between governments, the effect of policy

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<sup>15</sup> Contrary to Curini (2010) we do not distinguish in Table 2 between structurally stable and unstable core positions (i.e., a structurally stable core is one whose existence is not affected by small changes in party locations). The only structurally unstable core in our dataset is the one related to Amato cabinet in 1992. We preferred to keep this core position so to avoid a considerably long period of time (between 1978 till 1993) without a core. Our results do not change by considering just structurally stable core positions.

features will be automatically transmitted to the second formation opportunity. Conversely, it can result that both cases are correctly predicted by ideological motivations, but the fact that the policy preferences remain the same across cabinets will induce to the emergence of a spurious positive incumbency effect. In other words, using CMP data to model inter-election dynamics could bring to either overestimate the role of policy or to overestimate the effect of incumbency, if parties (or the relevant policy space in which they interact) do indeed change during the inter-election period (Franklin and Mackie 1983)<sup>16</sup>.

Third, the static nature of CMP data does not allow to take into account the numerous instances of mergers and splits verified after an election was held and that still modifies the legislative party systems between elections (Laver and Benoit 2003). This problem is highly relevant in the Italian context. Indeed, in 5 of the 12 legislatures analyzed, the party system actually changed following an election as a result of party splits and/or mergers. For example, the PSU (Unified Socialist Party) was born as the union of PSI and PSDI before the 1968 election, and collapsed after two years of Legislature<sup>17</sup>. The Italian Social Democratic Party (PSDI) was founded in 1947 (being therefore active in more than one year within the Constituent Assembly) with the name of the Italian Socialist Workers' Party by a splinter group of the Italian Socialist Party, due to the decision of the latter to form a joint list with the Italian Communist Party for the 1948 general election. In 1964 the PSIUP was born as a radical splint of, once again, the socialist party, due to the entrance of the PSI in the government with the DC. Moreover, the Italian monarchist party by its own has a long history of splits and fusions throughout the 50s. Since what we are trying to model the choice of a particular government among a set of all the possible coalitions, ignoring one political formation (due to a split among parties) could artificially reduces the set of possible alternatives. The opposite happens in case of a merger<sup>18</sup>. In this sense, provided that an investiture debate occurs after a split or a merger, which is likely given the high rate of cabinet turnover in Italy, we are able to produce party policy scores for the new entities using legislative speeches.

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<sup>16</sup> Martin and Stevenson (2001) used data from CMP, which by default do not vary within legislatures. Bäck and Dumont (2007), instead, relied on a more problematic measure of party policy preferences, namely expert surveys estimations. This kind of data do not vary within and between legislatures, making the strong assumption that party policy preferences are totally static. Debus (2009) used its own measures of party policy preferences, which, as CMP data, do not vary within legislatures.

<sup>17</sup> Martin and Stevenson (2001) consider, for example, PSI and PSDI as united for the whole fifth legislature. This is clearly a grossly simplification that however is inescapable given the data they are employing.

<sup>18</sup> Moreover, mergers and splits affect at least other two key variables in government formation: the distribution of seats among parties and the party position on key issue dimensions.

Theoretical models about coalition formation consider a government as an outcome of a bargaining situation carried on by party leaders, whose actions result in an equilibrium government. The end of one government and the beginning of another, «must therefore be the result of a change in the political incentives for one or more pivotal actors, leading them to change strategies in such a way as to create a new government equilibrium» (Laver and Shepsle 1998:32)<sup>19</sup>. Employing a (more) dynamic dataset as the one adopted here seems to us in this regard more appealing.

## 6 Data and Model

In this work, we use a dataset covering 48 formation opportunities in Italy between 1946 and 2008. From the list presented in table 2 we exclude the five formation opportunities included in the first legislature, which all constitute majority situations (DC holds a majority of the seats). This is a common practice in the literature<sup>20</sup>. Moreover, we exclude the first formation opportunity (government De Gasperi II), in order to start to compute the incumbency variable. This leads to a dataset consisting in 33,488 potential coalitions. The vast number of potential governments is due to the fact that there is a large number of parties represented in most of the Italian legislatures (from a minimum of 6 to a maximum of 12). In fact, the number of potential coalitions in each bargaining situation is equal to  $2^p - 1$ , where  $p$  is the number of parties.

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<sup>19</sup> The only scholar who argued that treating inter-election formation opportunity as identical may be a problem is Golder (2006:112).

<sup>20</sup> Majority situations represent an extreme case in which the power is entirely concentrated in the hand of only one party. As a result, by definition, the only minimal winning coalition is the one formed by the majority party, which is also a minimum seat winning coalition. Furthermore, the majority party is always the median party in a one-issue space and it constitutes always a strong core according to the political heart model. This is the reason why the empirical literature focuses only on non-majority situations. Interestingly, however, in the first Italian legislature, we have five multi-party cabinets, despite the DC controlling a majority by its own. Between 1945 and 1987, this is just one of the three situations among Western European countries in which this happened (being Austria and Germany the other two cases: see Laver and Schofield 1990: 71). All are governments of national unity following the end of WWII. The main reason for this outcome has to be reconnected to the strategy firmly followed by the DC's leader Alcide De Gasperi aimed to create a large coalition among pro-party systems directed to isolate on one side the anti-system parties (*in primis*, the Communist party) and on the other one to avoid the creation of any possible viable political alternative (in the medium run) to the DC's centrality in the Italian system (see Curini and Martelli 2009). As a consequence, under these extreme circumstances, we can assume that the reasons driving parties' (and in particular the DC's) behaviour were partly different from merely office- and/or policy-seeking ones. Note that our results are not qualitatively affected by the inclusion (or exclusion) of the first Italian legislature. Data available upon requests.

In the literature, the statistical technique usually used to deal with government formation is a regression model based on conditional probabilities (Martin and Stevenson 2001). Conditional (fixed-effect) logistic regression is a maximum-likelihood technique specifically designed to deal with the multichotomous nature of the problem. In particular, government formation is modelled as an unordered discrete choice problem where each formation opportunity is a case, while the set of alternatives are all the potential coalitions of parties that might form the government<sup>21</sup>. Contrary to logit and probit models, conditional logistic regression assumes that a multinomial distribution characterizes the probability that an individual (in this case a formation opportunity) chooses a particular alternative (a government) from a set of all possible alternatives (all the potential coalitions)<sup>22</sup>. Of course, among all these potential coalitions, only one will correspond to the real government. This alternative is coded as 1 in our dataset, while all the others receive the value of 0.

To control for our first two hypotheses, we will use two different set of models. In the first one will focus solely on formation opportunities that occur when a core party is present; in the second one we will concentrate on those bargaining situations that take place when a core is absent. To test, in particular, if the largest party (that coincides always, as stressed, with DC party) is more likely to form a minority cabinet when it constitutes a core (i.e., our Hyp. 1), we include in our model a dichotomous variable coded 1 if the potential coalition is formed exclusively by the largest party (*LARGEST PARTY ALONE*), 0 otherwise. We expect, in this sense, that this variable becomes much more relevant in explaining the final outcome when the core is present, compared to the opposite.

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<sup>21</sup> The conditional (fixed-effect) logit model allows us to estimate how nominal outcomes (potential coalitions) are affected by characteristics of the outcomes that vary across individual (formation opportunities). The predicted probability of observing outcome  $m$  is given by:  $\Pr(y_i = m | x_i) = \frac{\exp(x_{im}\beta)}{\sum_{j=1}^J \exp(x_{ij}\beta)}$  for  $m = 1$  to  $J$ , where  $x_{im}$  contains values of the independent

variables for outcome  $m$  for individual  $i$ . Then,  $\beta$  is a parameter indicating the effect of independent variables on the probability of choosing an outcome  $m$  (Long and Freese 2006).

<sup>22</sup> Conditional logit assumes the independence of irrelevant alternatives (IIA), meaning that the relative odds of selecting between two alternatives is independent of the addition or subtraction of other alternatives from the choice set. In order to check if the assumption is violated, we employ in the following analysis the test developed by Martin and Stevenson (2001). The test involves a comparison between the estimated parameters produced by a model in which all the potential coalitions are included, with the parameters from a model where some alternatives have been dropped. If IIA holds, the estimates from the two models should be the same. This means that the dropped alternatives are irrelevant. Martin and Stevenson (2001) conducted their test dropping 20% of the choices. Following the suggestions of Golder (2006), we used a more stringent test, dropping randomly 50% of the alternatives, where the number of potential coalitions allow this. Then, this procedure was repeated 50 times. It results that IIA assumption is not problematic in our analysis.

To test for Hyp.2, we include a variable named *CYCLE SET*, which is computed as the share of parties belonging to the cycle-set (see Table 2) in each potential coalition. However, in this way we risk to underestimate one well-known property of the Italian party system already noted earlier, that is the presence of anti-system parties, defined as those parties that undermine the legitimacy of the regime they oppose (Sartori 1976:133)<sup>23</sup>. We refer in particular to the presence of the Italian communist party (PCI) and to the neo-fascist MSI. The anti-system status is relevant in our framework because, by default, it implies being rejected ex-ante as a plausible coalition partner by the other political actors. This should therefore affect in a negative way the bargaining power of that party, despite its belonging to the cycle-set. Therefore we have estimated a further variable (named *CYCLE SET PRO-SYSTEM*) by considering just the pro-system parties included in the cycle-set<sup>24</sup>. Finally, to test Hyp. 3, we focus on the role of incumbent administration as a way to capture the role of political inertia and familiarity. This is a dichotomous variable which describes if a potential coalition constituted the previous cabinet or not (*INCUMBENT*).

We have also controlled for a number of variables found relevant in the literature. In particular, every potential coalition in each formation opportunity has attached a set of size-related and ideological variables. All the variables connected with office-seeking assumptions are derived from legislative seat shares. In this way, we are able to construct dichotomous variables that indicate if a potential coalition is, respectively, a minority one (*MINORITY*), a minimal winning (*MWC*) or a minimum seat winning coalition (*MinWC*). These variables are coded with 1 if the potential coalition fulfils the criteria prescribed by the theories, otherwise it receives a value of 0. On the other hand, following Martin and Stevenson (2001), the bargaining proposition is tested by simply including in the model the number of parties in each potential coalition (*NUMPARTY*).

Among the set of hypotheses derived from policy-seeking theories, we use a modified version of the minimal range proposition in a multi-dimensional issue space. Using the data on party policy preferences introduced in the previous section, we compute the *IDEOLOGICAL RANGE* of each potential coalition in each salient dimension, calculating afterwards their average (Tsebelis and Chang 2004). Analogously, we compute the range of the majority opposition to the potential minority coalition (*OPPOSITION RANGE*), to test

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<sup>23</sup> A careful discussion on the role of anti-system parties can be found in Capoccia (2002). See also Geys *et al.* (2006) and Debus (2009) for works that analyze how the exclusion of a party from the coalition formation process (due to the existence of anti-pact rules) affects the final outcome of this process.

<sup>24</sup> For the codification of anti-system parties, we followed Powell (1982).

Laver and Schofield's proposition (1990:88) that ideological division in the opposition controlling a majority of the seats could be relevant for the viability of cabinets

## 7 Results

The results of our analysis are reported in Table 3. In Models 1-3 we evaluate how our indicators affect coalition formation in the absence of a core party. Conversely, Models 4-6 report results when a core party is present. For all the models we present unstandardised conditional logit coefficients, which inform us if a variable increases or decreases the likelihood that a potential government will form. We also report standard errors, their significance, the percentage of correct predictions and the results from IIA test.

[table 3 about here]

In order to control for our First Hypothesis, we should interpret the role of the *LARGEST PARTY ALONE* variable. In almost all the models, potential governments are more likely to form if they include exclusively the largest party. But, according to the magnitude of the coefficients, this probability change drastically if the largest party constitutes or not the core. A clearer picture is given analyzing odd ratios and their confidence intervals. When the core is absent, according to the specification of Model 1, potential government are 27 times more likely to form if they include only the largest party than if they do not. Conversely, when the largest party constitutes a core, it is 66 times more likely to form the government than if it does not, according to the specification of Model 4. Furthermore, it should be noted that, according to the codification of Strøm (1990), we can count numerous instances of cabinets with caretaker status (which mainly corresponds either to DC single-party governments or governments that failed the investiture vote)<sup>25</sup>. According to Laver and Schofield (1990), minority government are more likely to arise when the administration has a caretaker status. Thus, the inclusion of these formation opportunities (together with those that failed investiture votes, see table 2) could overestimate the importance of *LARGEST PARTY ALONE* variable. In this sense, when we exclude from our analysis the caretaker governments, the *LARGEST PARTY ALONE* variable ceases to be significant when DC does not control the core (Model 3). On the contrary, when DC constitutes a core, the variable is still significant and it increases by 62 times to the odds to form the government.

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<sup>25</sup> We have only one instance of caretaker government when DC controls the core.

According to our Second Hypothesis, the political heart model predicts that, when the core is empty, there are reasons to expect coalition politics to focus on the parties that bound the cycle-set. This prediction receives an empirical support, but only when we focus on the cycle-set variable estimated considering the pro-system parties only. This can be noted by contrasting the *CYCLE SET PRO-SYSTEM* variable in Models 2-3 with *CYCLE SET* in Model 1. Moreover, the *CYCLE SET* variable, besides being not significant, presents also a sign opposed to our expectations. In this sense, it is worth noting that the anti-system status for a party can be treated as a type of informal institution, given that it consists basically of a common assessment by pro-system parties to treat some other party(ies) as anti-system one(s). This assessment is nonetheless able to produce and perpetuate, exactly as it happens with formal institutions, a set of expectations about which choices are likely and which are legitimate in the political arena, as well as the cost and the benefits of the different alternatives (see Mershon 1996). Consequently, our estimation of the *CYCLE SET PRO-SYSTEM* variable allows to incorporate (at least indirectly) the role of informal institutions into the theory of the core party, increasing its explanatory ability (see Debus 2008, De Winter 2002 on the same point)<sup>26</sup>.

If we move to our Third Hypothesis, we can see that when the largest party does not constitute the core, the effect of the incumbent administration variable (i.e., *INCUMBENT*) is always positive and significant. This means that potential governments are more likely to form if they represent the incumbent administration, empirically highlighting the importance of familiarity and political inertia in the Italian case. Considering the specification in Model 1, potential governments are indeed 40 times more likely to form if they are incumbent administrations. This figure increases to 57 when we drop formation opportunities with caretakers status (Model 3). On the other hand, once we take into consideration bargaining situations in which DC is the core party, *INCUMBENT* ceases to be significant, as we were expecting

Regarding the control variables, as far as the office-seeking tradition is concerned, potential governments are less likely to form the more parties they include. These results are confirmed by Models 1-3, but are no more significant when a core party is present (at least in Models 4-5). The minimal winning proposition is never significant, while, interestingly, potential governments are more likely to form if they are minimum winning coalitions when a

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<sup>26</sup> This does not imply that bounding the cycle-set did not bring any kind of advantages to anti-system parties. For example, Curini et al. (2010) show that by delimiting the cycle-set, a party, irrespective of being pro or anti-system, was able to positively influence the policy-program of the cabinet.

core is present. For what regards the policy variables, the effect of *IDEOLOGICAL RANGE* is always significant and it presents the expected sign, especially when the core is present. Curini (2010) shows that the presence of a core party in the policy space increases the government survival in the Italian case, but only when the ideological heterogeneity within the cabinet is relatively low. The fact that the coefficient of *IDEOLOGICAL RANGE* increases in Models 3-6, that is when DC enjoys more freedom in leading the cabinet formation process, compared to a situation in which DC's freedom must give up more to other parties' prerogatives, is coherent with this finding. On the contrary, we do not find any evidence for the majority opposition proposition stated by Laver and Schofield (1990) and Strøm (1990).

Summing up, and exactly as it happens for the *INCUMBENT* variable, also our other independent variables seems to work in a different way when the core is absent (compared to when it is present). That is, and coherently with the political heart model, when a core party is present the nature of the cabinet-bargaining process appears to be qualitatively different. In this setting, the bargaining power enjoyed by the core party is such to make all the other possible explanations less relevant (or at least more in line with the wishes of the core party itself). But not only this. Going back to Table 2, we can note that in basically all the crucial moments that coincide with the passage from a government formula to the next one, the DC has been always a core party. This happens during the moment that certified the death of the national unity formula and the beginning of the centrist coalition (i.e., cabinets De Gasperi IV and V), at the dawn of the centre-left formula (Fanfani III and IV) and at the beginning of the national solidarity period (Andreotti IV). Only the birth of the five-party coalition seems to stand as an exception to this trend, albeit it is useful to recognize how this last government formula clearly witnessed a decreasing role of DC compared to the previous situations and a growing activism of other parties (in particular the socialist one: see Curini and Martelli 2009). In other words, being a core party appears to have been (almost always) a necessary (even if not a sufficient) condition to break the cycles of familiarity and political inertia that has characterized Italian politics, and in particular, cabinet formation bargaining, over half of the past century<sup>27</sup>. We suspect that this happened precisely because only in those situations the DC was able to effectively alter the political status quo of cabinet membership through its

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<sup>27</sup> A necessary but not sufficient condition given that only a DC's leadership particularly unsatisfied with an existing government formula could have an interest to fully exploit the advantages of being a core party to change the political situation.

(spatial) strategic power, irrespective of all other (possible) factors. In this sense the empirical results of Table 3 nicely support this intuition.

## **8 Conclusions**

The aim of this paper has been to explore the determinants of government formation in the Italian case during the period that goes from 1946 till 1993. What distinguishes our analysis from the ones proposed up to now is the fact that for the first time, at least to our knowledge, the main hypotheses that can be derived from a well known spatial theory, i.e., the theory of the core party, are directly tested. As we have illustrated, these hypotheses, besides finding a strong empirical corroboration in the data, help us also to better understand the role played by other classical variables employed in the literature to explain government formation. Indeed, with the help of a new dataset that takes between-election dynamics into due account, contrary to other well-known (and widely used) dataset (such as CMP or expert-surveys), we have shown that the nature of the cabinet-bargaining process appears to be qualitatively different when the DC enjoys a core position compared to when it does not. In the former situation, in particular, the probability to form a single party government considerably increases, while the role played by familiarity and political inertia, that appears so relevant when a core party is absent, simply ceases to be significant. In this sense, beyond better accounting for government formation, our results add a new insight on some important aspects of the Italian history, helping in identifying the necessary (spatial) conditions under which the (durable) cycle of a government formula can be expected to be broken. The spatial properties of political competition and their (relative) change appears therefore, and once again, as the main reason underneath relevant break in the political status quo, a point already stressed by a number of other studies (see Riker 1982, McLean 2001, Schofield 2006) . Given the importance of these results, it should be interesting to extend the findings of the present study to other countries as well.

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Tables

**Table 1 – Association Between Domains and Categories.**

<b>Domains</b>	<b>Categories</b>	
<i>Foreign Policy</i>	<i>Pro-Western Polarity (+):</i> Foreign Special Relationship (USA and NATO): Positive Military: Positive European Community: Positive Foreign Special Relationship (USSR and others socialist countries): Negative	<i>Anti-Western Polarity(-):</i> Foreign Special Relationship (USA and NATO): Negative Anti-Imperialism Military: Negative Peace European Community: Negative Foreign Special Relationship (USSR and others socialist countries): Positive
<i>Economic Policy</i>	<i>Pro-Market Polarity (+):</i> Free Enterprise Incentives pro-market Protectionism: Negative Economic Orthodoxy Welfare State Limitation Trade Unions: Negative	<i>Pro-State Polarity (-):</i> Market Regulation Economic Planning Controlled Economy Keynesian Demand Management Protectionism: Positive Nationalisation Marxist Analysis Social Justice Welfare State Expansion Trade Unions: Positive Entrepreneurs: Negative
<i>Social Policy</i>	<i>Traditional Polarity (+):</i> National Way of Life: Positive Traditional morality: Positive Catholic Church: Positive Multiculturalism: Negative Law and Order: Positive	<i>Progressive Polarity (-):</i> National Way of Life: Negative Traditional morality: Negative Catholic Church: Negative Multiculturalism: Positive Law and Order: Negative Involvement of citizens and movements in decision-making
<i>Environmental Policy</i>	<i>Materialist Polarity (+):</i> Productivity	<i>Post-Materialist Polarity (-):</i> Anti-Growth Economy Environmental Protection
<i>Centralization of decision making</i>	<i>Centralization Polarity (+):</i> Centralization	<i>Decentralization Polarity (-):</i> Decentralization
<i>Democracy</i>	<i>Majoritarian Polarity (+):</i> Political Authority	<i>Consensual Polarity (-):</i> Parliament and Representative Institutions
<i>Institutions</i>	<i>Pro-Institutions Polarity (+):</i> Constitutionalism: Positive	<i>Anti-Institutions Polarity (-):</i> Constitutionalism: Negative
<i>Justice</i>	<i>Independence Polarity (+):</i> Judges: independence	<i>Responsability Polarity (-):</i> Judges: political control

**Table 2 – Italian Governments in the First Republic, 1946-1993.**

Formation Opportunity (A)	Legislature (B)	Government (C)	Date (D)	Parties in Cabinet (E)	Policy 1 (F)	Policy 2 (G)	Core (H)	Cycle-Set (I)
1	Costituent	De Gasperi II	Jul-46	DC, PCI, PSIUP, PRI	economic	social	-	DC, FUQ, PCI, PSI
2	Costituent	De Gasperi III	Feb-47	DC, PCI, PSI	economic	social	-	DC, FUQ, PCI, PLI, PRI, PSI
3	Costituent	De Gasperi IV	May-47	DC, PLI	economic	foreign	yes	(DC)
4	Costituent	De Gasperi V	Dec-47	DC, PLI, PS LI, PRI	economic	foreign	yes	(DC)
5	I	De Gasperi VI <sup>a</sup>	May-48	DC, PLI, PS LI, PRI	social	foreign	yes	(DC)
6	I	De Gasperi VII <sup>a</sup>	Nov-49	DC, PLI, PRI	social	foreign	yes	(DC)
7	I	De Gasperi VIII <sup>a</sup>	Jan-50	DC, PSDI, PRI	economic	foreign	yes	(DC)
8	I	De Gasperi IX <sup>a</sup>	Apr-51	DC, PRI	economic	foreign	yes	(DC)
9	I	De Gasperi X <sup>a</sup>	Jul-51	DC, PRI	foreign	economic	yes	(DC)
10	II	De Gasperi XI <sup>c</sup>	Jul-53	DC	economic	foreign	-	DC, PCI, MSI, PNM
11	II	Pella <sup>b</sup>	Aug-53	DC	economic	social	-	DC, PCI, MSI, PNM
12	II	Fanfani I <sup>c</sup>	Jan-54	DC	economic	foreign	-	DC, PSI, PNM
13	II	Scelba	Feb-54	DC, PSDI, PLI	foreign	economic	yes	(DC)
14	II	Segni I	Jul-55	DC, PSDI, PLI	economic	foreign	-	DC, PCI, MSI, PNM, PMP
15	II	Zoli	May-57	DC	foreign	economic	yes	(DC)
16	III	Fanfani II	Jul-58	DC, PSDI	foreign	economic	yes	(DC)
17	III	Segni II	Feb-59	DC	economic	foreign	yes	(DC)
18	III	Tambroni	Mar-60	DC	economic	foreign	-	DC, MSI, PDIUM
19	III	Fanfani III	Jul-60	DC	social	economic	yes	(DC)
20	III	Fanfani IV	Feb-62	DC, PSDI, PRI	economic	foreign	yes	(DC)
21	IV	Leone I <sup>b</sup>	Jun-63	DC	economic	foreign	-	DC, PCI, PSI, PLI
22	IV	Moro I	Dec-63	DC, PSI, PSDI, PRI	economic	social	-	DC, PSI, PLI
23	IV	Moro II	Jul-64	DC, PSI, PSDI, PRI	economic	foreign	-	DC, PLI, PSIUP
24	IV	Moro III	Feb-66	DC, PSI, PSDI, PRI	economic	foreign	-	DC, PCI, PLI
25	V	Leone II <sup>b</sup>	Jun-68	DC	economic	social	yes	(DC)
26	V	Rumor I	Dec-68	DC, PSU, PRI	economic	foreign	yes	(DC)
27	V	Rumor II	Aug-69	DC	economic	democracy	-	DC, PSI, MSI, PLI
28	V	Rumor III	Feb-70	DC, PSI, PSDI, PRI	economic	social	-	DC, PSI, PLI
29	V	Colombo I	Aug-70	DC, PSI, PSDI, PRI	economic	democracy	-	DC, PSI, PLI
30	V	Colombo II	Mar-71	DC, PSI, PSDI	economic	democracy	-	DC, PSI, PLI
31	V	Andreotti I <sup>b,c</sup>	Feb-72	DC	economic	social	-	DC, PCI, PSI, MSI, PLI, PRI, PSIUP
32	VI	Andreotti II	Jun-72	DC, PSDI, PLI	economic	democracy	-	DC, MSI, PSDI
33	VI	Rumor IV	Jul-73	DC, PSI, PSDI, PRI	economic	social	yes	(DC)
34	VI	Rumor V	Mar-74	DC, PSI, PSDI	economic	social	yes	(DC)
35	VI	Moro IV	Nov-74	DC, PRI	economic	social	-	DC, PCI, MSI
36	VI	Moro V	Feb-76	DC	economic	social	-	DC, PCI, MSI
37	VII	Andreotti III	Jul-76	DC	economic	democracy	-	DC, PCI, MSI
38	VII	Andreotti IV	Mar-78	DC	social	democracy	yes	(DC)
39	VII	Andreotti V <sup>b,c</sup>	Mar-79	DC, PSDI, PRI	economic	social	-	DC, PCI, PSI, PSDI
40	VIII	Cossiga I	Aug-79	DC, PSDI, PLI	democracy	social	-	DC, PSI, MSI
41	VIII	Cossiga II	Apr-80	DC, PSI, PRI	social	economic	-	DC, PSI, PLI, MSI
42	VIII	Forlani	Oct-80	DC, PSI, PSDI, PRI	social policy	economic	-	DC, PSI, PSDI
43	VIII	Spadolini I	Jun-81	DC, PSI, PSDI, PRI, PLI	economic	social	-	DC, PCI, PSI
44	VIII	Spadolini II	Aug-82	DC, PSI, PSDI, PRI, PLI	economic	social	-	DC, PCI, PSI, MSI, PSDI
45	VIII	Fanfani V	Dec-82	DC, PSI, PSDI, PLI	economic	social	-	DC, PCI, MSI, PSDI, PRI, DP
46	IX	Craxi I	Aug-83	DC, PSI, PSDI, PRI, PLI	economic	social	-	DC, PCI, PSI, MSI, PRI
47	IX	Craxi II	Aug-86	DC, PSI, PSDI, PRI, PLI	economic	democracy	-	DC, PCI, PSI, MSI, PLI
48	IX	Fanfani VI <sup>b,c</sup>	Apr-87	DC	economic	social	-	DC, PSI, MSI, PRI, PLI, DP
49	X	Goria	Jul-87	DC, PSI, PSDI, PRI, PLI	economic	social	-	DC, PCI, PSI, PRI, PR, GR
50	X	De Mita	Apr-88	DC, PSI, PSDI, PRI, PLI	social	economic	-	DC, PCI, PSI, MSI
51	X	Andreotti VI	Jul-89	DC, PSI, PSDI, PRI, PLI	social	economic	-	DC, MSI, PSI
52	X	Andreotti VII	Apr-91	DC, PSI, PSDI, PLI	economic	social	-	DC, PCI, PRI
53	XI	Amato I	Jun-92	DC, PSI, PSDI, PLI	economic	social	yes	(DC)
54	XI	Ciampi	Apr-93	DC, PSI, PSDI, PLI	social	economic	-	DC, PDS, PSI, MSI, RETE

*Notes:* Party Acronyms. DC: Christian Democracy Party; DP: Proletarian Democracy; FUQ: Front of the Ordinary Man; GR: Green Party; MSI: Italian Social Movement; PCI: Italian Communist Party; PDIUM: Democratic Party of Monarchist Unity; PDS: Democratic Party of the Left (former PCI); PLI: Italian Liberal Party; PMP: Popular Monarchist Party; PNM: National Monarchist Party; PR: Radical Party; PRI: Italian Republican Party; PSDI: Italian Social-Democratic Party; PSI: Italian Socialist Party; PSU: Unified Socialist Party; PSI: Italian Socialist Party; PSIUP: Italian Socialist Party of Proletarian Unity; RETE: Network Movement.

<sup>a</sup>Majority situations.

<sup>b</sup>Caretaker Governments.

<sup>c</sup>Governments that failed investiture vote.

**Table 3 – Conditional Logit Analysis of the Effect of Important Coalition Variables on Government Formation.**

Dependent Variable: Did the Potential Government Coalition form the Government? 1=Yes; 0=No						
Independent Variables:	Core is Absent			Core is Present		
	All Formation Opportunities	All Formation Opportunities & Modified Cycle-Set	No Caretaker & No Confidence	Using MWC	Using MinWC	No Caretaker
MINORITY	-3.22** (1.54)	-2.37 ( )	-1.56 (1.90)	-2.43 (2.53)	-1.25 (2.41)	-1.46 (2.44)
MWC	-.71 (.81)	-.62 ( )	-.68 (.86)	-.92 (1.02)	-	-
MinWC	-	-	-	-	2.37*** (.90)	2.32*** (.90)
NUMPARTY	-.50* (.26)	-.73*** ( )	-.85*** (.28)	-.94* (.53)	-.53 (.46)	-.54 (.46)
IDEOLOGICAL RANGE	-1.18** (.52)	-1.12** ( )	-.81 (.52)	-1.66** (.82)	-1.66** (.85)	-1.61* (.84)
OPPOSITION RANGE	-.19 (.59)	-.11 ( )	-.62 (.81)	-.93 (.91)	-.92 (.90)	-.82 (.90)
INCUMBENT	3.68*** (.50)	3.50*** ( )	4.23*** (.52)	.06 (1.14)	.03 (1.07)	.25 (1.08)
LARGEST PARTY ALONE	3.28*** (.83)	2.71*** ( )	1.05 (1.23)	4.19*** (1.21)	4.47*** (1.21)	4.13*** (1.25)
CYCLE-SET	-.67 (1.32)	-	-	-	-	-
CYCLE SET PRO-SYSTEM	-	2.85*** ( )	2.80** (1.15)	-	-	-
Log Likelihood	-127.98	-124.28	-103.95	-46.55	-44.52	-43.73
Pseudo R <sup>2</sup>	.40	.41	.39	.42	.45	.42
Formation Opportunities	34	34	27	14	14	13
Potential Coalitions	25566	25566	22501	7922	7922	7667
Correct Predictions <sup>a</sup>	42%	42%	33%	36%	43%	38%
Average p-value IIA <sup>b</sup>	.80	.66	.77	.88	.87	.90

Notes: Models 1-3 analyze government formation in the absence of a core party. Model 1 includes all the parties belonging to the cycle-set. Model 2 excludes anti-system parties. Model 3 replicates model 2 excluding caretaker governments and governments that failed investiture vote. Models 4-6 analyze government formation in the presence of a core party. Model 4 uses the variable MWC. Model 5 substitutes it with MinWC. MinWC is not used in other models since the only governments based on minimum winning coalitions may be found only when a core is present. Model 6 replicates model 5 excluding caretaker governments.

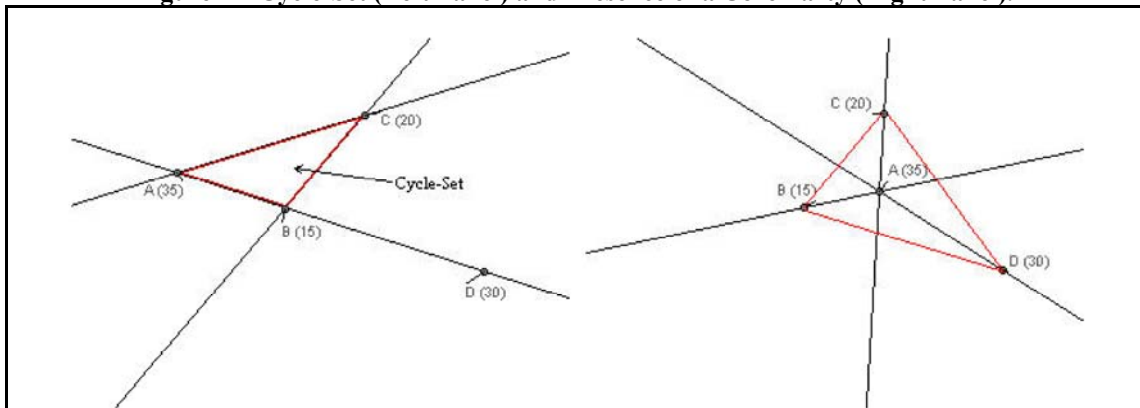
<sup>a</sup> Indicates the percentage of the time that the coalition with the highest predicted probability actually formed.

<sup>b</sup> A *p*-value <.05 indicates that we can reject IIA assumption.

\* *p*<.10; \*\**p*<.05; \*\*\**p*<.01. Entries in parenthesis are standard errors.

Figures

**Figure 1 – Cycle-Set (Left Panel) and Presence of a Core Party (Right Panel).**



**Figure 2 – Cabinet Types in Italy, 1946-1993.**

