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COALITION FORMATION IN PRESIDENTIAL REGIMES:
EVIDENCE FROM LATIN AMERICA

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DECLARATION

I certify that the thesis I have presented for examination for the MPhil/PhD degree of the London School of Economics and Political Science is solely my own work. It was edited for conventions of language, spelling and grammar by Nicholas Thompson (contact details are available upon request). The copyright of this thesis rests with the author. Quotation from it is permitted, provided that full acknowledgment is made. This thesis may not be reproduced without my prior written consent. I warrant that this authorisation does not, to the best of my belief, infringe the rights of any third party. I declare that my thesis consists of 67,917 words.

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ABSTRACT

This thesis explains coalition formation in presidential regimes with evidence from Latin America. The conventional view has been that coalition formation is considerably difficult in presidentialism, and as a result, parties have only exceptionally been expected to form coalitions. However, since the 1990s, the frequency of coalition formation has increased across the region. Most democracies have at some point elected a presidential candidate backed by an electoral coalition, or have been ruled by a president backed by a government coalition.

This thesis presents three major findings that contribute to the development of a theory of coalition formation in presidential regimes. First, it shows that simple majority plurality for presidential elections, unicameralism, proportional representation, larger legislatures, smaller average district magnitudes, a higher effective number of electoral parties, and the government party's legislative majority are crucial predictors of electoral coalition formation. It also shows that when an outsider presidential candidate is present, the likelihood of electoral coalition formation decreases.

Second, this thesis shows that weak presidents elected with a low vote share are more likely to form government coalitions. It shows that simple majority plurality for presidential elections, longer presidential terms, unicameralism, smaller legislatures, and fewer legislative parties are crucial predictors of government coalition formation. It also shows that when the incumbent president was backed by an electoral coalition in the immediately previous election, or when the government is going through political turmoil, the probability of forming a government coalition increases.

Third, it shows that coalitions may or may not form even when variables related to presidential power, electoral institutions, electoral systems, and party systems are not perfectly aligned. It shows that while presidential power is relevant, electoral arrangements and the party system are what ultimately determine coalition formation. While the former variable is a sufficient condition, the latter variables are both sufficient and necessary conditions. Finally, this thesis shows that political culture and critical junctures play an important role in exacerbating or ameliorating these structural incentives.

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ACRONYMS

ABAE	Alianza Bolivariana Alfarista (ECU)
ADE	Alternativa Democrática (ECU)
ADN	Acción Democrática Nacionalista (BOL)
ADNE	Acción Democrática Nacional (ECU)
AJE	Amauta Jatari (ECU)
ANAPO	Alianza Nacional Popular (COL)
ANC	Acción Nacional Conservadora (NIC)
APC	Alianza Popular Conservadora (NIC)
C90	Cambio 90 (PER)
CD	Cambio Democrático (PAN)
CHI	Chile Primero (CHI)
CIDE	Coalición Institucionalista Demócrata (ECU)
DC	Democracia Cristiana (CHI)
DPE	Democracia Popular (ECU)
FA	Frente Amplio (URU)
FG	Frente Grande (ARG)
FNVE	Federación Nacional Velasquista (ECU)
FREPASO	Frente País Solidario (ARG)
FSLN	Frente Sandinista de Liberación Nacional (NIC)
ICE	Iniciativa Ciudadana (ECU)
ID	Izquierda Democrática (ECU)

Acronyms

MBL	Movimiento Bolivia Libre (BOL)
MCDNE	Movimiento Ciudadano por la Nueva Democracia (ECU)
MDN	Movimiento Democrático Nicaraguense (NIC)
MIR	Movimiento de Izquierda Revolucionaria (BOL)
MNR	Movimiento Nacionalista Revolucionario (BOL)
MOLIRENA	Movimiento Liberal Republicano Nacionalista (PAN)
MORENA	Movimiento de Renovación Nacional (PAN)
MR	Movimiento Reformador (GUA)
MRTKL	Movimiento Revolucionario Tupaq Katari de Liberación (BOL)
MUPP-NP	Movimiento de Unidad Plurinacional Pachakutik (ECU)
NFR	Nueva Fuerza Republicana (BOL)
NM	Nueva Mayoría (PER)
NPE	Nuevo País (ECU)
PAISE	Movimiento PAIS (ECU)
PALA	Partido Laborista Agrario (PAN)
PALI	Partido Neoliberal (NIC)
PAN	Partido de Acción Nacional (NIC)
PANM	Partido Acción Nacional (MEX)
PA	Partido Arnulfista (PAN)
PC de N	Partido Comunista de Nicaragua (NIC)
PCA	Partido Comunista (ARG)
PCB	Partido Comunista Brasileiro (BRA)
PCE	Poder Ciudadano (ECU)
PCEC	Partido Conservador Ecuatoriano (ECU)
PCML	Partido Comunista Marxista Leninista (BOL)
PC	Partido Colorado (URU)
PC	Partido Conservador (COL)

Acronyms

PCdoB	Partido Comunista do Brasil (BRA)
PDC	Partido Demócrata Cristiano (BOL)
PDC	Partido Demócrata Cristiano (PAR)
PDC	Partido Demócrata Cristiano de Panamá (PAN)
PDCN	Partido Demócrata de Confianza Nacional (NIC)
PDS	Partido Democrático Social (BRA)
PDT	Partido Democrático Trabalhista (BRA)
PDV	Partido de la Victoria (ARG)
PEN	Partido Encuentro Nacional (PAR)
PEV	Partido Ecologista Verde (MEX)
PFA	Partido Frente Amplio Paraguayo (PAR)
PFL	Partido da Frente Liberal (BRA)
PH	Partido Humanista (ARG)
PHCH	Partido Humanista de Chile (CHI)
PI	Partido Intransigente (ARG)
PIAC	Partido Integracionista de América Central (NIC)
PJ	Partido Justicialista (ARG)
PLC	Partido Liberal Constitucionalista (NIC)
PLIUN	Partido Liberal Independiente de Unidad Nacional (NIC)
PL	Partido Liberal (BRA)
PLN	Partido Conservador (CRI)
PLN	Partido Liberal Nacionalista (NIC)
PLRA	Partido Liberal Radical Auténtico (PAR)
PLRE	Partido Liberal Radical Ecuatoriano (ECU)
PLR	Partido Liberal Republicano (PAN)
PMDB	Partido do Movimento Democrático Brasileiro (BRA)
PMN	Partido da Mobilizaçao Nacional (BRA)

Acronyms

PN	Partido Nacional (URU)
PNC	Partido Nacional Conservador (NIC)
PNRE	Partido Nacionalista Revolucionario (ECU)
PP	Partido Panamenista (PAN)
PP	Partido Patriota (GUA)
PPB	Partido Progressista Brasileiro (BRA)
PPD	Partido por la Democracia (CHI)
PPSC	Partido Popular Social Cristiano (NIC)
PPS	Partido País Solidario (PAR)
PRB	Partido Republicano Progressista (BRA)
PRCH	Partido Radical de Chile (CHI)
PRDM	Partido de la Revolución Democrática (MEX)
PRD	Partido Revolucionario Democrático (PAN)
PRE	Partido Roldosista Ecuatoriano (ECU)
PRF	Partido Revolucionario Febrerista (PAR)
PRIAN	Partido Renovador Institucional Acción Nacional (ECU)
PRI	Partido Revolucionario Institucional (MEX)
PRN	Partido da Reconstruo Nacional (BRA)
PRSD	Partido Radical Socialista Democrático (CHI)
PR	Partido da República (BRA)
PSB	Partido Socialista Brasileiro (BRA)
PSCE	Partido Social Cristiano de Ecuador (ECU)
PSC	Partido Social Cristiano (BRA)
PSC	Partido Social Cristiano (NIC)
PSDB	Partido da Social Democracia Brasileira (BRA)
PSDCH	Partido Socialista Democrático (CHI)
PSD	Partido da Social Democracia Brasileira (BRA)

Acronyms

PSL	Partido Social Liberal (BRA)
PSN	Partido Socialista Nicaraguense (NIC)
PSN	Partido Solidaridad Nacional (GUA)
PSP	Partido Sociedad Patriótica 21 de Enero (ECU)
PST	Partido Social Trabalhista (BRA)
PS	Partido Socialista (CHI)
PTB	Partido Trabalhista Brasileiro (BRA)
PTC	Partido Trabalhista Cristo (BRA)
PTE	Partido de los Trabajadores del Ecuador (ECU)
PTN	Partido Trabalhista Nacional (BRA)
PTR	Partido Trabalhista Renovador (BRA)
PT	Partido dos Trabalhadores (BRA)
PURE	Partido Unidad Republicana (ECU)
PUSC	Partido de Unidad Socialcristiana (CRI)
PVCH	Partido Verde de Chile (CHI)
PVEM	Partido Verde Ecologista de México (MEX)
PV	Partido Verde (BRA)
R25	Ruptura de los 25 (ECU)
RN	Renovación Nacional (CHI)
UCR	Unión Cívica Radical (ARG)
UCS	Unión Cívica Solidaridad (BOL)
UDI	Unión Demócrata Independiente (CHI)
UP	Unión Patriótica (PAN)

INTRODUCTION: COALITION FORMATION IN LATIN AMERICA

This chapter presents the research puzzle, the research questions and the hypotheses that attempt to explain coalition formation in Latin America. The second section reviews the literature on coalition formation. It covers the three main approaches normally used to explain coalition formation in parliamentary regimes. It then differentiates between the traits of coalition formation under parliamentarism and presidentialism, showing that contrary to conventional wisdom, parties have several reasons to form coalitions in presidential regimes. The third section outlines three theories that may be able to explain coalition formation in the region. The fourth section presents the research questions and the hypotheses that guide the study. The final section outlines the methodological arrangement of the following chapters.

1.1 INTRODUCTION

This thesis explains coalition formation in the presidential regimes of Latin America. The conventional view has been that coalition formation is considerably difficult in presidentialism, and as a result, parties have only exceptionally been expected to form coalitions. However, since the 1990s, most of the democracies in the region have at some point elected a presidential candidate backed by an electoral coalition, or have been ruled by a president backed by a government coalition. Only in the 2000s did coalitions form in Argentina (2003, 2007), Bolivia (2002), Brazil (2002, 2006, 2010), Chile (2000, 2006, 2010), Ecuador (2006), Guatemala (2008), Panama (2004, 2009), Paraguay (2008), Uruguay (2000), and Venezuela (2007).

The discrepancy between the conventional view and the actual behaviour of coalitions has not been explained by the literature. The gap is in part a consequence of a comparative research programme set forward by Juan Linz in the early 1990s, in which he compared the “virtues of parliamentarism” to the “perils of presidentialism” (Linz, 1990*a,b*). In his landmark work, Linz looked at both regimes, comparing their essential characteristics, such as the division of powers and term lengths. Among other things, he found that parliamentary systems were more effective than presidential systems when it came to the survival of democracy. Linz’s findings would go on to spark two additional waves of literature comparing parliamentary democracies to presidential ones (Elgie, 2005).

The second wave of parliamentary/presidential studies was triggered by the critiques of David Horowitz (1990), whose main argument was that Linz had mistakenly based his inferences on a “highly selective sample of comparative experiences” (p. 74). Similarly, Matthew Shugart and John Carey (1992) criticised the conclusions in which they stressed the superiority of parliamentarism over presidentialism, because they were “considering only a dichotomous classification of regimes” (p. 283). Their view was complemented by Scott Mainwaring and Timothy Scully (1995), who suggested that the consequences of presidentialism inherently vary from one democracy to the next, and by Mainwaring and Shugart (1997*b*), who suggested that presidentialism functions relatively well when presidents “have weak legislative power, parties are at least moderately disciplined, and party systems are not highly fragmented” (p. 449).

In the third wave, Robert Elgie (2005) argued that the comparison should be guided by more general theories of political science. The research objective, according to Elgie, should be to study and compare the balance of power of political actors within both parliamentarism and presidentialism. In this vein, George Tsebelis and Kaare Strøm applied veto player theories and principal-agent theories to explore power sharing relations within each type of regime. Tsebelis (1995; 2002) argued that the multi-party setting in parliamentarism and the executive-legislative balance in presidentialism were what ultimately shaped partisan strategies. Similarly, Kaare Strøm (2000) applied the principal-agent theory to the study of parliamentary and presidential regimes, arguing that the chain of delegation is the decisive factor behind the motivation of political parties.

One common finding across the three waves of parliamentary/presidential studies was that parties that would normally form coalitions in parliamentarism would only exceptionally form coalitions in presidentialism (Linz and Valenzuela, 1994, p. 19). Indeed, academics across all three waves concurred that the institutions found in parliamentary regimes generated stronger incentives for

parties to cooperate with one another than those found in presidential regimes (see Linz and Stepan, 1996, p. 181; Mainwaring, 1990; Scully and Mainwaring, 1995, p. 33; Stepan and Skach, 1993, p. 20). As a backlash to this particular finding, coalition formation in presidential regimes was relegated to a secondary role in subsequent scholarship.

In a recent contribution, José Antonio Cheibub (2007) revived the debate that took place across the three waves of literature more than a decade earlier. In the process, he made a major breakthrough regarding the role of coalitions in presidential regimes. He showed that institutions found in presidential regimes did not, as initially suggested, hinder coalition formation. After controlling for the distribution of seats and policy preferences, he argued that parliamentary and presidential systems were equally likely to host government coalitions, and if these were less frequent in the latter it would only be in cases in which legislatures were relatively weak (or presidents were extraordinarily strong).

Cheibub's work is a landmark in the study of coalition formation in presidential regimes. It breaks with the notion that government coalitions are rare in presidential regimes. As a consequence, his work marks the starting point for a new scholarly agenda. It established a framework to answer additional research questions related to coalition formation in presidentialism. For example, do the trends that Cheibub observed hold over time? And what other independent variables – other than the ones used in his study – determine coalition formation? Furthermore, do the trends that Cheibub finds for government coalition formation also occur for electoral coalition formation? And if they do, do the same independent variables apply?

Latin American presidential regimes are ideal for exploring the reasons behind coalition formation. In contrast to the 1980s, the period Linz looked at, today almost half of the democracies in the region constantly undergo electoral and government coalition formation. The evolution in the frequency of coalitions provides a perfect backdrop to explore how, when and why parties decide to form coalitions.¹ Data stemming from almost three decades of democracy is bound to hold important hints that will almost certainly uncover the dynamics behind one of the most important forms of political organisation in the region today.

Figure 1.1 and Figure 1.2 show a fractional-polynomial prediction plot with confidence intervals for electoral and government coalition formation in Latin America in 1980-2010. They show that in

¹For example, the coalitions that won presidential elections in Argentina are substantially different from the coalitions that won presidential elections in Bolivia. Indeed, the former are commonly conceived as the result of a strategic elite negotiation (see Levitsky and Murillo, 2008), while the latter are usually understood as an effect of grassroots politics (see Dunkerley, 2007).

1980 around 20 per cent of the elections had at least one electoral coalition, and that around 20 per cent of the incumbent presidents formed a government coalition. They also show that the frequency of both electoral and government coalitions increased over time. Figure 1.1 and Figure 1.2 further show that in 2008 over 40 per cent of the elections had at least one electoral coalition, and that over 40 per cent of the presidents elected formed a government coalition. (Note that some of the countries in the sample only made the transition to democracy after 1980).

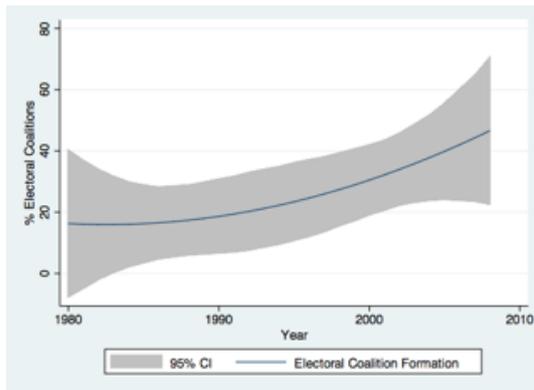


Figure 1.1.: Electoral Coalition Formation, 1980-2010

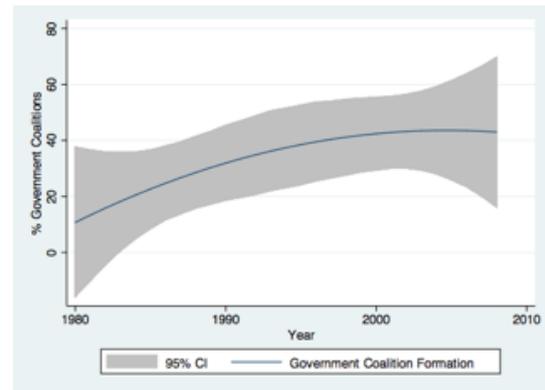


Figure 1.2.: Government Coalition Formation, 1980-2010

The tension between the conventional view and the actual behaviour of coalitions in the presidential regimes of Latin America requires a revision. Though the overall trend of coalition formation in the region has fostered a growing scholarly interest in the process of cabinet formation (Altman, 2000), legislative performance (Alemán and Saiegh, 2007), and executive-legislative crisis (Pérez-Liñán, 2005), fundamental questions on the determinants of coalition formation remain unanswered. Why do parties cooperate with one another in the form of coalitions, despite Linz's initial findings that the characteristics of presidentialism were shown to hinder coalition formation? And, specifically, why do parties form electoral and government coalitions?

This thesis examines coalition formation in the presidential regimes of Latin America. It attempts to explain why parties cooperate with one another in the form of coalitions, despite the institutional characteristics of presidentialism that have been found to hinder coalition formation. It also attempts to explain why some parties form electoral coalitions and others form government coalitions. Because this particular body of literature is burgeoning, this thesis borrows from theories of coalition formation in parliamentary regimes. This does not mean, however, that it simply uses evidence of partisan

behaviour pertaining to parliamentarism to presidentialism. Instead, it uses established concepts from proven power sharing theories to fill in the gaps.

This thesis also borrows from the work of Cheibub (2007). It uses his contribution as a point of departure to develop a more sophisticated theory of coalition formation in presidential regimes. It aims to advance his original research agenda by providing additional descriptive context and explanatory power related to the type of coalitions found in presidential regimes and the independent variables that explain their formation. In addition to looking at coalition formation at the government level (as Cheibub did), this thesis looks at coalition formation at the electoral level. It also builds on Cheibub's work by adding a significant number of independent variables – classified in three different theories – to provide a more comprehensive account.

The remainder of this chapter is organised as follows. The second section reviews literature that has been previously used to frame coalition formation. It covers the three main approaches normally used to explain the formation of coalitions in parliamentary regimes. It then differentiates between the traits of coalition formation under parliamentarism and presidentialism, showing that contrary to conventional wisdom, parties have several reasons to form coalitions in presidential regimes. The third section outlines three theories that aim to explain coalition formation in the region. The fourth section presents the research questions and hypotheses that guide this study. The final section outlines the methodological arrangement of the following chapters.

1.2 LITERATURE REVIEW

1.2.1 *Approaching Coalition Formation*

In most democracies rational parties compete for votes, both to control office and for the opportunity to influence policy (Strøm and Müller, 1999). In multi-party systems, however, a single party is often unable to garner a majority of support. Thus, parties that wish to win elections are typically forced to cooperate with other parties and form coalitions. This is normally the case in parliamentary democracies where parties cooperate to avoid minority governments, and sometimes the case in presidential democracies where parties cooperate to avoid minority presidents (Laver and Schofield, 1998; Strøm, 1990). William Riker (1962) argues that these coalitions attempt to form with the minimum number of parties possible to maximise office spoils. Sona Golder (2006c) distinguishes

between coalitions that form before elections, and coalitions that form after elections.

An important part of the literature focuses on those that form before. Royce Carroll and Gary Cox (2007), for instance, focus on pre-electoral coalitions. They argue that they can be weak or strong, depending on how member parties relate to each other. The weakest form of an electoral coalition is the pure announcement to work together, since parties can easily back out. The second-weakest form occurs when parties announce a joint platform, yet have not necessarily agreed on the conditions or degree of their cooperation. A stronger electoral coalition occurs when parties run joint district lists or a joint national list for legislative elections, and the strongest when the parties negotiate mutual withdrawals (i.e., a legislative candidate of one party competes in one district and a candidate of the other party competes in another so that the two do not compete against each other).

José Antonio Cheibub, Adam Przeworski and Sebastián Saiegh (2004) focus on post-electoral coalitions, distinguishing between legislative and government coalitions. They define the former as a set of legislators belonging to parties that vote in the same direction with the same intensity in the legislature, and the latter as a set of politicians belonging to parties that share cabinet posts in the executive. Depending on each of the parties' campaign strategies and the harmony between their political programmes, they may also attempt to maximise their chances of winning votes or passing legislation by forming a joint legislative and government coalition. Cheibub, Przeworski and Saiegh (2004) argue that if parties are disciplined, every legislative coalition is a government coalition. In line with Carroll and Cox's (2007) classification, a joint legislative and government coalition is the strongest form of a post-electoral coalition.

Both electoral and government coalitions form because of preconditions and precipitants. They form because of institutional rules, sociological cleavages or specific critical junctures. From a theoretical perspective, when forming coalitions, parties of different sizes and ideologies consider the strengths and limitations of bargaining with each other. The asymmetry of power and policy orientations distort the way, shape and form they negotiate with each other. Based on evidence stemming from parliamentary regimes, Daniel Nagashima (2011, pp. 3-4) argues that the literature on coalition formation can be broadly categorised around three core approaches: (1) office and interest-based models, which are framed from a rational choice and game theory perspective; (2) institutional-based models, which emphasise the incentives and constraints of structural variables; and (3) policy and ideology-based models, which are framed with spatial theory.

Office and Interest-based Model

Office and interest-based models follow the assumption that rational political actors seek to maximise their self-interest of gaining office. For example, Anthony Downs (1957) argues that voters evaluate a candidate based on that candidate's ideological proximity to their own ideal point. Based on an economic model of competition, Downs argues that political actors situate themselves along a multidimensional spectrum to maximise their odds of winning. The theory is partially based on formal models that show that the further away a candidate positions himself from the voters' ideal point, the less likely he is to be elected (see Black, 1948). Generally speaking, this approach argues that coalitions will form to control a small or the smallest possible winning majority (Von Neumann and Morgenstern, 2007, pp. 429-430). Coalitions will only form among parties that are close to each other's ideal points. As the main penman behind this line of literature, Riker (1962) argues that coalitions will only include parties whose support is essential to meet a minimal winning size.

Institutional-based Model

Institutional-based models hold that while political actors are important players of the game, the institutional framework is what ultimately constrains the strategies available to them. For example, David Austen-Smith and Jeffery Banks (1988) and David Baron (1991) highlight the role of the formateur party. Others emphasise the importance of incumbent cabinets and presidents (see Strøm and Swindle, 2002). Lieven De Winter (2002, pp. 186-187) argues that the combination of power, party strength, informal assumptions on policy distance and institutional constraints could very well determine coalition formation in terms of composition, portfolio allocation and policy formulation processes. The correlation between party strength and cabinet presence is known as "Gamson's law" (see Gamson, 1961). Indeed, many scholars have found that the share of cabinet portfolios that each government receives is almost perfectly proportional to the share of legislative seats it contributes to the government coalition (Browne and Franklin, 1973; Browne and Frensdreis, 1980; Laver and Schofield, 1998; Warwick and Druckman, 2001, 2006).

Policy and Ideology-based Model

Policy and ideology-based models follow the assumption that political actors form coalitions to influence policy and seek to maximise their policy interests once in office. For example, Robert Axelrod (1970) argues that coalitions are not only minimum winning, but also ideologically connected. This is based on the idea that coalitions normally form adjacent to one another across a uni-dimensional scale. Generally speaking, this approach argues that coalition formation is dependent on ideology thus political parties with similar programmatic points of view are more likely to form a coalition (De Swaan and Rapoport, 1973), regardless of the size of the alliance (Laver and Shepsle, 1990, 1996). Lanny Martin and Randolph Stevenson (2001) find that minimal winning and ideologically connected coalitions are more likely to form than others, while Eduardo Alemán and George Tsebelis (2012) show that cabinet ministers usually come from the parties with similar ideologies to the formateur's party.

1.2.2 *Coalition Formation in Parliamentary Regimes and Presidential Regimes*

Mainwaring and Shugart (1997c) note that while coalition formation normally takes place *after* elections in parliamentary regimes, it generally takes place *before* elections in presidential ones. In parliamentary regimes coalitions tend to form after elections to produce majority governments, and thus avoid constantly bargaining with other parties for support in order to prevent being ousted on a motion of no confidence. In presidential regimes they tend to form before elections to have a greater chance of defeating other parties. Although in both regimes parties have incentives to form coalitions before the election, in parliamentary regimes parties have stronger guarantees that they can join a government coalition, even when they are not successful in the election. And though in both regimes parties have incentives to form coalitions after the elections, in presidential regimes parties are less likely to have leverage to negotiate with the president after he is elected.

While there is substantive literature assessing the relationship between the executive and legislative branches in presidential regimes, there is little research on the determinants of electoral and government coalition formation (see exceptions Alemán and Tsebelis, 2012; Altman, 2000; Chasquetti, 2006; Deheza, 1997; Parra, 2010). This can be mainly explained as a backlash to the faulty conclusions derived from the three waves of literature comparing parliamentary and presidential regimes. Because coalition formation was considered a rare occurrence, little effort was made to design a research agenda

to explore its causes and consequences. As explained above, with the exception of Cheibub (2007), most scholars bypassed the topic completely. Even in the light of the growing trend of coalition formation in the region, the literature addressing it has only marginally increased over the years.

Contrary to the conventional belief that coalition formation is rare in presidentialism, parties have several reasons to cooperate and form coalitions.

One reason parties may be willing to join a coalition is if the president has weak as opposed to strong legislative power. In situations where the president has limited legislative faculties, he will often seek additional support from other parties to pass legislation. If the president is weak it will be difficult for him to pass policy with his party alone. At the same time, other parties may be willing to join the coalition if they have better chances of influencing the agenda from within. This is especially the case for small parties that find themselves in the middle of the road, distant from both the incumbent party and the opposition. Thus, while the president's party needs other parties to pass legislation, other parties need the president's party to gain leverage over the direction of policy. While parties may initially form coalitions because they have a higher chance of changing policy together, they often decide to uphold the coalition because they find that they have a higher degree of affinity than initially expected. Recent evidence from Uruguay demonstrates that legislators who form part of a government coalition tend to subscribe to a more pro-government agenda than what their ideology would otherwise predict (Zucco, 2013).

A second reason a party may be willing to join a coalition is that it may be the best strategy available if the electoral institutions and the electoral system are restrictive, as opposed to permissive.² Restrictive electoral provisions essentially aim to reduce the size of the party system, and force parties to adopt one of two strategies: to merge with other parties in the form of coalitions, or to take their chances alone and risk losing their legal standing. Indeed, David Samuels (2000) shows that when electoral institutions and electoral systems have restrictive effects, large and small parties alike often adopt the former strategy. Evidence from Chile shows that the electoral institutions and electoral systems established by the military government have had a restrictive effect on the party system, and

²This distinction originally appeared in Gary Cox's *Making Votes Count* (1997, p. 220). He argued that a restrictive electoral system generates incentives for a small party system, and a permissive electoral system generates incentives for a large party system. The distinction was stressed in José Antonio Cheibub's *Presidentialism, Parliamentarism, and Democracy* (2007, p. 168). He argued that there are two major types of electoral system, considering that they each represent different institutional paths to enhance governability. One type of electoral system limits the variety of views that can enter the political process (restrictive electoral system), and the other allows for a larger variety of views that can enter the political process (permissive electoral system).

as such have effectively generated incentives for like-minded parties to form coalitions in order to win elections and pass policy once in power (Magar, Rosenblum and Samuels, 1998).

A third reason a party may be willing to join a coalition is if the party system is highly fragmented. If this is the case, a coalition may attract more voters than any party alone. Santiago Basabe-Serrano and John Polga-Hecimovich (2013) advance the idea that coalition formation and maintenance in highly fragmented presidential regimes is crucial to overcoming policy deadlock. They suggest that a coalition can present itself as a platform with sufficient support to change policy, showing that institutions have an important influence, even over the judicial power, which can ultimately be used to change the direction of policy. Using evidence from Ecuador, Basabe-Serrano and Polga-Hecimovich show that under some circumstances legislators sought to remove judges further from their own ideal points, as the composition of the legislative coalition changed in order to pass pieces of legislation closer to the ideal point of the new coalition.

1.3 THEORIES OF COALITION FORMATION IN LATIN AMERICA

Taking into account the literature stemming from parliamentary regimes, and the evidence collected from case studies and descriptive method studies in presidential regimes, three major theories aim to explain coalition formation in Latin America. One theory concerns presidential power. It holds that weak presidents have more incentives to bargain with other parties than strong presidents. A second theory relates to electoral institutions and the electoral system. It holds that restrictive electoral provisions provide more incentives for parties to negotiate with other parties than permissive electoral provisions. A third theory relates to the party system. It holds that large multi-party systems are more inclined to produce strategic cooperation between parties than small party systems.

1.3.1 *Presidential Power Theory*

Cooperation among parties is a function of the utility they can receive in elections, and the policy leverage they can attain once in power. Octavio Amorim Neto (1998) argues that parties with presidential aspirations normally adopt one of two strategies. One is the legislative strategy, where the party decides to cooperate with other parties to obtain a majority in congress. The other is the administrative strategy, where the emphasis is placed on the faculties of the president to pass legislation through extraordinary measures. Initially, the strategy adopted depends on the legislative support of

the party. If the party has low support in congress it will choose to form a coalition with other parties. This decision is reinforced if the president does not have significant legislative power.

It has often been argued that the weaker the president's power, the higher the need for the incumbent party to join a coalition. In some cases incumbent parties chose to join coalitions with other parties to avoid constitutional crisis. In other cases they chose to join coalitions because it was the only means of passing legislation. In contrast, when power is highly concentrated in the executive there is little need for the incumbent party to join a coalition. These are both extreme examples, signalled as potential obstacles to democratic consolidation and governance. It is not surprising, then, that electoral reforms have tended to create incentives for the incumbent party to cooperate with other parties, yet still provide the president with extraordinary power to govern alone in the case of legislative stalemate.

Table 1.1 shows that constitutions in some countries grant the president more power than in others. This implies that presidents in these countries have more leverage to govern without relying on the legislature (see Jones, 1994; Zucco, 2013). As the power invested in the president decreases, the likelihood that he will seek cooperation from other parties is expected to increase. Countries that grant their presidents strong constitutional power include Chile, Costa Rica, and Uruguay. Countries that grant their presidents weak constitutional power include Guatemala, Honduras, and Paraguay. Some countries that grant their presidents moderate constitutional power are Colombia, El Salvador, and Panama.

1.3.2 *Electoral Institutions and Electoral Systems Theory*

Cooperation among parties is also determined by the rules of the game. Restrictive electoral institutions and electoral systems generate incentives for small party systems, while permissive electoral institutions and electoral systems generate incentives for large party systems (Cheibub, 2007; Cox, 1997; Remmer, 2008). Naturally, coalitions will be more likely to form in the former than in the latter. When electoral institutions and electoral systems are extremely restrictive, parties will have strong incentives to either join other parties in the form of coalitions or expire. In contrast, when electoral institutions and the electoral system are extremely permissive, there will be strong incentives for existing parties to maintain their independence and for new parties to emerge.

It thus seems natural that any given democracy that would like to move from a multi-party to a coalition system would aim to adopt restrictive electoral rules. However, while most countries in the

region have attempted to protect democracy through amendments to their constitutions (Mainwaring and Scully, 1995; Pérez-Liñán, 2005), they have not always been able to do so. Indeed, even though Latin American electoral rules are more notable for their fluidity than their stickiness (Remmer, 2008), it has not been easy to modify electoral institutions and electoral systems to obtain certain party systems. As Douglass North (1990) suggests, “[i]nstitutions are not necessarily or even usually created to be socially efficient; rather they, or at least the formal rules, are created to serve the interests of those with the bargaining power to devise new rules” (p. 16). Thus, it makes sense, as Remmer (2008) shows, that electoral alterations have tended “to reinforce rather than precipitate changes in patterns of political representation” (p. 6).

Table 1.1 shows that some democracies have more restrictive electoral institutions and electoral systems than others. Restrictive electoral rules (e.g., simple majority plurality for presidential elections, and proportional electoral systems with low district magnitudes for legislative elections), as explained above, can be defined as those that favour larger parties and create incentives for parties to coordinate, and thus shrink the size of the party system (see Cox, 1999; Duverger, 1954). For example, while Chile and Panama have restrictive electoral rules which favour a small party system, Ecuador and Paraguay have permissive electoral rules which favour a large party system. Some cases, like Honduras and Mexico, are in the middle of the road, with both restrictive and permissive electoral rules, and as such simultaneously offer incentives for both small and large party systems.

1.3.3 *Party System Theory*

Party systems naturally differ across Latin America. Manuel Alcántara (2008) argues that democracies can be classified into four types, according to the effective number of parties (ENP): two-party systems ($ENP=1.7-2.4$), moderate multi-party systems ($ENP=2.5-3.9$), extreme multi-party systems ($ENP>4$), and hegemonic party systems (such as the PRI in Mexico in 1929-2000). Since the 1980s there has been a significant increase in the average ENP; today, the region’s party spectrum is dominated by multi-party systems (Bunker and Navia, 2010). In a study of 71 Latin American governments between 1978 and 2000, Daniel Chasqueti (2001) reports that 29.5 per cent of democracies were ruled by two-party systems, and 70.5 per cent were ruled by multi-party systems (of which 30.9 per cent were moderate multi-party systems and 39.6 per cent were extreme multi-party systems).

As suggested above, it is more likely that coalitions will form in large multi-party systems. It

makes intuitive sense, then, that coalition formation would be more frequent in the 40 per cent of democracies ruled by multi-party systems. Yet, this association may not be as direct as expected. As Chasquetti (2001) notes, it was only during the 1990s that a chain of coalitions began to win elections. Although there is some evidence of party cooperation patterns in the 1980s, it was only a decade later that serious coalitions began to appear. It is not entirely clear why coalitions were not as predominant in the 1980s as they were in the 1990s, but it seems to be linked to the increase in the size of party systems in between those years.

Table 1.1 shows that some party systems are larger than others. The size of a party system, as explained at length below, can be categorised according to the number of parties that either compete in elections or the number of parties that have legislative representation (see Taagepera and Shugart, 1989, 1993). Some countries have large multi-party systems (e.g. Brazil, Ecuador, and Uruguay), other countries have moderate multi-party systems (e.g. Argentina, Costa Rica, and Peru), and yet other countries have small party systems (e.g. the Dominican Republic, Guatemala, and Honduras).

Table 1.1.: Characteristics of 18 Latin American Presidential Democracies

Country	Presidential Power	Electoral Institutions and Electoral Systems	Party System
Argentina	Strong	Restrictive	Moderate
Bolivia	Moderate	Permissive	Moderate
Brazil	Strong	Permissive	Large
Chile	Strong	Restrictive	Moderate
Colombia	Moderate	Restrictive	Small
Costa Rica	Strong	Restrictive	Moderate
Dominican Rep.	Weak	Restrictive	Small
Ecuador	Moderate	Permissive	Large
El Salvador	Moderate	Permissive	Moderate
Guatemala	Weak	Restrictive	Small
Honduras	Weak	Mixed	Small
Mexico	Weak	Mixed	Moderate
Nicaragua	Weak	Restrictive	Small
Panama	Moderate	Restrictive	Moderate
Paraguay	Weak	Permissive	Moderate
Peru	Moderate	Restrictive	Moderate
Uruguay	Strong	Mixed	Large
Venezuela	Strong	Restrictive	Moderate

References. Presidential Power is based on Negretto (2013), Electoral Institutions and Electoral Systems is based on Remmer (2008), and Party System is based on Gallagher and Mitchell (2005).

I.4 RESEARCH QUESTIONS AND HYPOTHESES

I.4.1 *Research Questions*

The research questions that guide this thesis are: (1) *why do parties form electoral coalitions in the presidential regimes of Latin America?* and (2) *why do parties form government coalitions in the presidential regimes of Latin America?* The remainder of this section outlines the hypotheses that can be derived from each of the three theories mentioned above. Most of the hypotheses are used to explain both electoral and government coalition formation. Some of the hypotheses correspond only to electoral coalition formation, and some correspond only to government coalition formation.

I.4.2 *Hypotheses: Presidential Power*

In general, coalition formation is expected to be less likely in democracies with strong presidents (in contrast to democracies with weak presidents). The objective of this subsection, then, is to define the causal relationship between coalition formation and some variables that indicate the level of power that constitutions grant their presidents.

One hypothesis that derives from presidential power is that democracies with presidents that have a high concentration of policy-making power (such as veto power, decree power, and budgetary power) are less likely to see government coalitions form. When the president has strong legislative powers, he will be less likely to seek the support of other parties to execute his campaign programme. If the president's party can pass legislation alone (without support from other parties), it will choose to do so. In contrast, if the president has weak legislative powers, he will have to rely on other parties to achieve his goals. In the latter scenario, the president will bargain with other parties in exchange for their support in congress.

A second hypothesis that derives from presidential power is that democracies with presidents that have a high concentration of power in areas different from policy making (such as appointment power, emergency power, and inter-branch conflict power) are less likely to see government coalitions form. Similar to the hypothesis above, when the president has strong powers to govern in areas other than the legislative realm, he will be less likely to seek the support of other parties.

A third hypothesis, also deriving from presidential power, is that presidential democracies with

incumbent presidents elected with a high percentage of votes are less likely to see government coalitions form. A popular president will attempt to use citizen support as leverage to both execute their campaign programmes and generate governability. When the president obtains a high share of votes in an election, his overall power will tend to be unmatched by opposition parties, making him relatively strong in the political system. In contrast, if his vote share is low, he will be considered a lame duck, and will have to reach out to other parties for support.

1.4.3 *Hypotheses: Electoral Institutions and Electoral Systems*

In contrast to the direction of the hypotheses outlined above, coalition formation is expected to be more likely in democracies with restrictive electoral institutions and electoral systems (as opposed to democracies with permissive electoral institutions and electoral systems). This subsection aims to define the causal relationship between coalition formation and some variables that indicate the level of restrictiveness of the respective electoral institutions and electoral systems.

One hypothesis, derived from restrictive electoral systems, is that presidential democracies with simple majority plurality (SMP) are more likely to see both electoral and government coalitions form. When a presidential candidate has only one shot at an election (as opposed to two shots, when a run-off is available), he will attempt to maximise his chances of winning by forming a broad enough coalition to surpass the required threshold. In most cases, parties that are asked to join a coalition will seek a reward in exchange for their endorsement, such as cabinet portfolios. Thus, while SMP offers strong incentives to join a coalition before an election, the president-elect will often decide to uphold the agreement for the duration of his administration.

A second hypothesis, derived from restrictive electoral institutions, is that democracies with incumbent presidential candidates are more likely to see electoral coalitions form. Because incumbent presidents that seek re-election are usually considered front-runners (with a high probability of winning), smaller parties that do not stand a chance will seek to back them in exchange for cabinet portfolios.³

Another hypothesis that can be derived from the above is that democracies with presidents in their

³Most incumbent presidents that bid for re-election in Latin America win. In 1980-2010, this was the case for Carlos Menem (1995) and Cristina Fernández (2011) in Argentina; Evo Morales (2009) in Bolivia; Fernando Henrique Cardoso (1994) and Lula da Silva (2006) in Brazil; Álvaro Uribe (2006) in Colombia; Joaquín Balaguer (1990, 1994) and Leonel Fernández (2008) in the Dominican Republic; Rafael Correa (2009) in Ecuador; Alberto Fujimori (1995, 2000) in Peru; and Hugo Chávez (2001, 2007) in Venezuela.

second term are more likely to see government coalitions form. Similar to the hypothesis above, and also derived from restrictive electoral institutions, is that once an incumbent president is elected he will tend to uphold any partisan agreement made prior to the election. This is reinforced, since popularity levels tend to drop in the second term, and presidents often need strategic alliances to pass legislation.

A third hypothesis, also derived from restrictive electoral institutions, is that presidential democracies with long presidential terms are more likely to see both electoral and government coalitions form. When term limits are short (say, four years), smaller parties will be willing to take their chances in competing against larger parties in elections, since they will have another chance to compete (or at least reassess their strategy) in just a few years. In contrast, when term limits are long (say, six years), smaller parties will not be as willing to take the same chances, since the distance to the next election is significantly longer. In this case, when the smaller parties opt out of competing on their own and join a coalition with a larger party, they maximise their chances of obtaining cabinet portfolios.

A fourth hypothesis, derived from restrictive electoral systems, is that presidential democracies with concurrent presidential and legislative elections are more likely to see both electoral and government coalitions form. Concurrent elections force parties to have a national strategy, in which larger parties will tend to negotiate with smaller parties for legislative support, and smaller parties will tend to negotiate with larger parties in exchange for cabinet portfolios. When elections are concurrent, coalitions are usually a win-win strategy for both large and small parties.

A fifth hypothesis, derived from restrictive electoral institutions, is that presidential democracies with unicameral congresses are more likely to see both electoral and government coalitions form. Unicameralism institutionally offers a faster legislative process, in which policy is normally approved or rejected faster than in bicameralism. In anticipation of this situation, presidential candidates will form coalitions before elections to boost the chances of passing their programme if they are eventually elected. Similarly, incumbent presidents will form government coalitions (either by upholding pre-electoral agreements, or by inviting rival parties) to effectively pass legislation once in power.

A sixth hypothesis, derived from restrictive electoral systems, is that presidential democracies in which most seats are distributed by proportional representation electoral rules for legislative elections are more likely to see electoral coalitions form. This is based on the premise that PR systems encourage multi-party systems, and thus boost the chance that at least some of the parties will find a common

platform to campaign on.

A seventh hypothesis, derived from restrictive electoral systems, is that presidential democracies with electoral thresholds to gain legislative representation are more likely to see electoral coalitions form, the logic being that the survival instinct of small parties will force them to find a way of remaining active in the political system. If a small party anticipates a low vote share in the upcoming election, the incentive to cooperate with a larger party increases.

An eighth hypothesis, derived from restrictive electoral institutions, is that presidential democracies with large legislatures are more likely to see both electoral and government coalitions form. When there are many seats in congress, larger parties may be willing to co-opt smaller parties to avoid potential veto-players. Likewise, smaller parties may seek to cooperate with larger parties, since their vote share will probably not give them a significant quota of power in congress anyway.

A final hypothesis, derived from restrictive electoral systems, is that presidential democracies with small average district magnitudes are more likely to see electoral coalitions form. The logic behind this hypothesis is that because small parties face elimination if they decide to compete against large parties in districts where few seats are available, they will tend to maximise their chances of survival and join a coalition. However, it is important to note that there is a district magnitude “sweet spot”, which tends to be large but not too large (see Carey and Hix, 2011). Parties have just as few incentives to join coalitions when district magnitudes are too small as they have when district magnitudes are too large.

1.4.4 *Hypotheses: Party System*

Finally, coalition formation is expected to be more likely in democracies with large multi-party systems (in contrast to democracies with small party systems). As above, the objective of this subsection is to define the causal relationship between coalition formation and some variables that indicate the size of the party system.

One hypothesis, derived from the size of the party system, is that presidential democracies with many parties are more likely to see both electoral and government coalitions form. This follows the same logic as the PR system hypothesis stated above, in which parties in large multi-party systems will be more likely to find a common platform with other parties. In contrast, in two-party systems there are no incentives for cooperation. As the party system becomes larger, the likelihood that at

least some of the parties will converge in ideologically akin policy platforms increases.

A second hypothesis, also derived from the size of the party system, is that presidential democracies in which the government party has a large legislative majority are more likely to see both electoral and government coalitions form. The logic behind this hypothesis is counterintuitive, since one would expect that a party with a large legislative majority should not have incentives to bargain with other parties. Yet, other parties are often intimidated by large legislative majorities, and find higher rewards when they join the government party in a coalition. This is more practical than forming a weak and inefficient opposition. The negotiations often start before elections – and endure beyond them – since massive electoral victories are often forecasted months in advance.

1.5 RESEARCH DESIGN

This thesis uses a mixed methodology to answer the research questions and hypotheses outlined above. One part relies on a large-N inferential analysis (using evidence from 18 Latin American countries), and another part relies on a medium-N case study (using evidence from Chile, Ecuador, and Mexico). The combination of methodological approaches allows the thesis to approach coalition formation from different angles. While the inferential analysis provides an initial exploration of the reasons parties form electoral and government coalitions, the medium-N case study deepens the inferential analysis by making sense of the findings in different contexts.

Chapter 2 describes the history of coalition formation in Latin America. It takes into account 18 democracies: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela. It first defines the concepts and definitions used throughout the thesis, before describing the differences and similarities between why, how and when coalitions form. It presents the data used in subsequent chapters, particularly focusing on some of the elements that may hinder comparability between countries. It also shows some of the main patterns of coalition formation in the region. Finally, it assesses the precipitants and preconditions of coalition formation, according to the three core approaches outlined above: the office-seeking approach, the policy-driven approach and the vote-seeking approach.

Chapter 3 analyses the causes of electoral coalition formation in the 18 countries mentioned above. It answers the research question *why do parties form electoral coalitions in the presidential regimes of*

Latin America? and the corresponding hypotheses presented above. It shows that simple majority plurality for presidential elections, unicameralism, proportional representation, larger legislatures, smaller district magnitudes, a higher effective number of electoral parties, and the government party's legislative majority are crucial predictors of electoral coalition formation. It also shows that when an outsider presidential candidate is present the likelihood of electoral coalition formation decreases.

Chapter 4 analyses the causes of government coalition formation in the same 18 countries. It answers the research question *why do parties form government coalitions in the presidential regimes of Latin America?* and the corresponding hypotheses presented above. It shows that as the incumbent president's power and vote share increase, the likelihood of forming a government coalition decreases. It also shows that simple majority plurality for presidential elections, longer presidential term lengths, smaller legislatures, fewer legislative parties, and the government party's legislative majority are crucial predictors of government coalition formation. Finally, it shows that when the incumbent president is backed by an electoral coalition or when the government is going through crisis, the probability of forming a government coalition increases.

Chapter 5 looks at electoral and government coalition formation in Chile, Ecuador, and Mexico. The three countries represent the complete range of possible outcomes. While Chile has both electoral and government coalitions, Ecuador occasionally has an electoral or a government coalition, and Mexico never has either. The countries in the sample also differ in their presidential power provisions, their electoral institutions and electoral systems, and their party systems. It shows that while presidential power is relevant, electoral arrangements and the party system are what ultimately shape determine coalition formation. While the former variable is a sufficient condition, the latter variables are both sufficient and necessary conditions. Finally, this thesis shows that political culture and critical junctures play an important role in exacerbating or ameliorating these structural incentives.

Chapter 6 summarises the empirical findings of Chapter 3 and Chapter 4, and the qualitative findings of Chapter 5. It explains how the findings are both original and relevant, and contribute to the development of a theory of coalition formation particular to presidential regimes. It also describes some of the limitations encountered during production, and suggests alternatives for future research.

THE HISTORY OF COALITION FORMATION IN LATIN AMERICA

This chapter describes the history of coalition formation in Latin America. The second section defines the concepts and definitions used throughout the thesis, and the third section outlines the differences and similarities between why, how and when coalitions form in 18 Latin American countries. It particularly focuses on the distinction between electoral and government coalitions. The fourth section presents the data, focusing on some of the elements that may hinder comparability among democracies, such as the number of elections, term and tenure limits, and interrupted presidencies. The fifth section describes patterns of coalitions occurring across the region between 1980 and 2010. The final section assesses the precipitants and preconditions of coalition formation, according to three core approaches: the office-seeking approach, the policy-driven approach and the vote-seeking approach.

2.1 INTRODUCTION

Coalitions are the predominant form of public administration in parliamentarism. In these regimes, negotiations between parties tend to occur after the election, once each party has received its share of votes. Parties that do not reach an absolute majority of support in a given election tend to negotiate with other parties, in order to avoid a hung parliament, and form government. In contrast, coalitions are less common in presidentialism. In these regimes, negotiations between parties tend to occur in anticipation of the election, before each party has received its share of votes. Parties often attempt to maximise their chance of winning a given election by forming coalitions large enough to meet the

often high electoral threshold (usually ranging from 40 per cent to absolute majority).

Most of the literature on coalition formation has focused on evidence stemming from parliamentary regimes. A long span of uninterrupted democracy has provided scholars with a large number of observations. In these regimes, institutions are purposely designed to favour stable government systems, in which parties with minority support are encouraged to form majorities that can share the premiership and steer away from instability. This is contrary to the constitutional rules in presidential systems, in which institutions do not encourage parties to cooperate *per se*. While stable governments are also an important objective, minority parties are not seen as a threat to democracy. As a result, little effort has been made to explain coalition formation in presidentialism.

Some advances have been made in recent years (see Cheibub, 2007). Yet, most research has focused on specific cases. An early example is David Altman's (2000) study of Uruguay, which used quantitative methods to focus on the likelihood of cooperation and stalemate among political actors. Another example is Carlos Huneeus's (2005) study of Chile, which looked at the prospects of party realignment following a change to the electoral system. Other studies have resorted to descriptive method studies. For example, Daniel Chasquetti (2001) looked at the combination of democracy, multi-party systems and coalition formation across 18 countries of Latin America in 1978-2000. Similarly, Adrián Albala (2009) used evidence from three countries to examine patterns of coalition formation in the southern cone.

Literature regarding coalition formation in the presidential regimes of Latin America can be divided into two broad lines of research: case studies and descriptive method studies. While the former draws specific conclusions of regional dynamics based on findings from specific countries, the latter draws generic conclusions of regional patterns based on findings from descriptive inquiries. Two important drawbacks arise from these approaches. On the one hand, while case studies are generally useful to understand local dynamics, they cannot be used to make valid cross-regional inferences. On the other hand, while descriptive method studies are useful to approach an overall notion on how coalition formation operates, they fall substantially short of identifying causal mechanisms.

Though the study of coalition formation in Latin America is burgeoning, there is no substantive evidence it is advancing towards an explanatory agenda. Case studies focused on uncovering local dynamics and descriptive method studies focused on identifying patterns have consolidated as the predominant manner of research. The possibility of testing theories generated with case studies or with

descriptive method studies is limited. While some quantitative research exists (see Freudenreich, 2010, 2012; Negretto, 2006), the lack of evidence gathered and processed with a cross-regional scope has significantly narrowed down the conclusions that can be discussed about party cooperation patterns in the region.

As the research questions become more specific (as they do with case studies), the findings become less generalisable. And as research attempts to lump together significantly different countries (as they do in descriptive method studies), the findings become more abstract. Yet, scholars have insisted on using these methods, for two reasons. First, case studies generally depart from the assumption that within a given country coalitions tend to form in different manners depending on the election. Thus, alternative scenarios are rarely considered. Second, since descriptive method studies have generally focused on democracies with electoral coalitions, they have mainly aimed for classifying coalitions, rather than testing hypotheses.

Explaining coalition formation is an essential process for understanding other dynamics that occur within democracy. Indeed, a theory of coalition formation specific to presidentialism can complement other fields of study within the discipline. In essence, understanding why, how, and when parties decide to cooperate with other parties can provide key insight for understanding how democracies operate. Thus far, parties' motives for forming coalitions in presidential regimes have only been partially assessed. Specific hypotheses remain untested. For example, parties may respond to the results of legislative elections, or they may behave strategically to maximise policy leverage once in power. They may have a predisposition to negotiate according to underlying social cleavages, or they may be willing to cooperate because of specific institutional incentives.

The four examples of untested hypotheses outlined above stem from research focusing on case studies and descriptive method studies. For example, Daniel Buquet (1999) argues that parties are likely to cooperate in Uruguay, suggesting that political cooperation may rely on legislative behaviour. Andrés Mejía Acosta (2009), meanwhile, argues that parties in Ecuador tend to form coalitions to optimise government policy leverage; this may be evidence that political cooperation is instrumental. Timothy Scully (1995) argues that parties in Chile organise according to cleavages, pointing to the possibility that social structures determine party systems. Finally, Barry Ames (2001) argues that the multi-party system in Brazil is the product of proportional representation electoral rules – possible evidence that certain electoral dispositions determine party structures.

The hypotheses above have not been answered. One possible reason is that the standard manner of framing coalition formation in presidential regimes has been to borrow theories from parliamentary regimes, and it has therefore been impossible to understand particular dynamics. Thus, while hypotheses are constantly generated, there is no framework to test them. This is a vicious circle, given that the lack of a specific theory constrains research to case studies or descriptive method studies. While both case studies and descriptive method studies have laid the foundations for understanding why, how and when coalitions form, their resulting theories are yet to be tested. Using a large-N approach to test these theories can significantly complement existing research. Furthermore, making this transition is crucial for breaking the vicious circle, and building a specific theory of coalition formation in presidential regimes.

The remainder of this chapter is organised as follows. The second section defines the concepts and definitions used throughout the thesis. The third section describes the differences and similarities between why, how and when coalitions form in 18 Latin American democracies. It particularly focuses on the distinction between electoral and government coalitions. The fourth section presents the data, focusing on some of the elements that may hinder comparability between countries, such as the number of elections, term and tenure limits, and interrupted presidencies. The fifth section describes patterns of coalitions that have risen across the region between 1980-2010. The final section assesses the precipitants and preconditions of coalition formation, according to three core approaches: the office-seeking approach, the policy-driven approach and the vote-seeking approach.

2.2 CONCEPTS AND DEFINITIONS

The type of regime matters. The incentives for coalition formation in parliamentary regimes differ from the incentives for coalition formation in presidential regimes. In each regime, parties tend to cooperate for different reasons, in different manners and at different times. For example, in parliamentary regimes parties tend to form coalitions in order to reach a higher probability of forming government. As mentioned above, this occurs mainly due to the specific laws that guide elections. Because the requirement to form government is to win more seats, the largest party's first objective is to maximise its vote share. If this is not possible, the party must negotiate with a second – and sometimes a third or fourth – party to form a government coalition. Thus, as the probability of hung parliament increases, so too does the probability of a government coalition.

Parties in presidential regimes do not face this institutional incentive. Instead, they operate under a *winner-takes-all* logic, where in most cases parties without a significant proportion of votes can form government if they simply have more votes than the other competing parties. Furthermore, because governments can form with minority support, parties do not need to use their electoral support as a means to obtain power. Large parties in simple majority systems are only required to obtain the majority of votes to form government. Even large parties in absolute majority systems may attempt to run alone. In contrast, smaller parties in simple majority systems often seek to bargain before elections, when they have more influence. But a small party may also decide to endorse a large party in absolute majority systems, between the first and second rounds, to help surpass the threshold.

Coalition formation may occur at any time. While it usually occurs after elections in parliamentary regimes, it sometimes occurs before. Likewise, while it generally occurs before elections in presidential regimes, it can also occur after. Coalition formation can thus be understood as the negotiation of parties to form common platforms to face an election (electoral coalition) or to share cabinet posts in government (government coalition). The strength of the resulting coalitions naturally varies. While parties may form strong coalitions, enduring electoral cycles and governments' terms, they may also dissolve before they end. For example, while parties may decide to form government coalitions, they may also decide to break-up shortly after inauguration. Alternatively, while they may decide to form electoral coalitions, they may decide to break-up immediately following the election.

It is important to distinguish the difference between joining a coalition before an election and joining one after. Sona Golder (2006b, pp. 12-14) defines an electoral coalition as a collection of parties that do not compete independently in an election; rather, they publicly agree to coordinate their campaigns by running joint candidates/lists or agreeing to enter government together following the election. Golder's definition holds under three criteria. First, the coalition must be publicly stated. If the coalition is not overtly disclosed, it is not strictly a coalition. Second, the parties cannot compete in elections as independent entities. If the parties face each other in the election, it is not strictly a coalition. Third, the coalition must form at the national level. A region-specific coalition is not representative of substantive partisan cooperation.

In contrast, a government coalition is one in which two or more parties cooperate to form government. A commonsense definition of a government coalition is one in which parties share cabinet posts. If a party in a coalition does not hold a cabinet post, it is difficult to conceive it as a member. While there is a higher correlation between government coalitions and parliamentary regimes (in which the

cabinet is appointed by the legislature) than between government coalitions and presidential regimes (in which the cabinet is appointed by the formateur), there are determinants other than regime type. The type of the electoral system (whether majoritarian or proportional) has also been suggested as an important independent variable. For example, PR systems tend to produce more parties than majoritarian systems, and thus increase the probability of coalition formation among like-minded parties.

2.3 WHY, HOW AND WHEN COALITIONS FORM

Why, how and when parties cooperate in parliamentary regimes is fairly well documented. But why, how and when they form coalitions in presidential regimes is not. Thus, answering these questions is crucial to developing a theory of coalition formation particular to presidentialism. The first step is to describe the range of reasons, manners and timings of coalition formation in Latin America. The remainder of this section provides examples from the party systems of Latin America, showing why coalitions form, the different ways they form, and the specific times of their formation.

Coalitions form for different reasons in presidentialism; while in some countries they form for sociological or institutional reasons, in others they form for strategic ones. In the former countries coalitions tend to be stable, while in the latter countries coalitions tend to be ad-hoc. One factor that may explain the difference between both types of countries is the number of parties. In multi-party systems parties have more incentives to cooperate than in two-party systems. Another factor that may explain the difference is the age of the democracy. Newer democracies tend to have complex party systems that respond to recent cleavages and constitutions, while older democracies tend to have simple party systems that are considered to operate under inertia. Coalition formation incentives are bound to be higher in multi-party democracies than old two-party democracies.

In Chile, for example, coalitions are the predominant manner of party organisation. Since the return of democracy in 1989, the multi-party system has been dominated by two large coalitions. The Democracia Cristiana (DC) and the Partido Socialista (PS) integrate the centre-left coalition (Concertación), and the Unión Demócrata Independiente (UDI) and Renovación Nacional (RN) integrate the centre-right coalition (Alianza). Some scholars have argued that these coalitions originally formed because of the democratic-authoritarian divide (Tironi and Agüero, 1999): while parties of the centre-left coalition built their constituency among those who opposed the authoritarian

regime, parties of the centre-right coalition built their constituency among those who supported it. Other scholars argue that these coalitions remained together because of the electoral rules (Siavelis, 2005*b*): the PR system with a low district magnitude for legislative elections, together with concurrent presidential and legislative elections, generate incentives for like-minded parties to group together to maximise their chances of winning.

In Costa Rica, in contrast, parties rarely form coalitions. The two major parties – the Partido de Liberación Nacional (PLN) and the Partido Unidad Social Cristiana (PUSC) – have dominated politics since the 1960s. Of the eight presidential elections held since 1980 (1982, 1986, 1990, 1994, 1998, 2002, 2006, and 2010), five were won by the PLN, and three by the PUSC. Likewise, exclusively party militants of the PLN or of the PUSC have taken cabinet posts in their respective governments (Schwindt-Bayer, 2010). Coalition formation only occurs among minor parties, which strategically form ad-hoc coalitions to attempt to maximise their likelihood of ousting the larger parties from power. Unlike Chile, Costa Rica does not have an authoritarian record. As one of the longest standing democracies in the region, its party system is both fluid and stable. This has helped political preferences disperse around two large parties, instead of into many small ones (Seligson, 2002).

Coalitions also form in different manners in presidentialism. The decision to join a coalition ultimately rests with party elites. For example, while large parties often groom their own presidential candidate to win an election, small parties may do the same, but for different reasons: either to win the election or to influence post-electoral bargaining (Samuels, 2002; Colomer and Negretto, 2005). The latter is more frequent than generally expected, since small parties usually stand a lower chance of winning seats or influencing the agenda on their own. And because the elites of small parties presumably understand this strategy, they tend to cooperate with parties that give them voice in the political arena. Yet, this is also dependent on the party system. If there are many parties, the larger parties will tend to bargain with parties that are ideologically more similar.

In Mexico, parties tend to compete alone. This is the norm, since large parties tend to have enough support to win elections and govern alone. Yet, in some special cases temporary alliances between one large party and one or many smaller parties form. However, this depends on the state of affairs. For example, in the 2006 presidential election the favourite, Felipe Calderón of the PAN competed alone, while Manuel López Obrador (PRD) and Roberto Madrazo (PRI) had coalitions backing them. While Calderón was the favourite, his party did not need to extend their programme to other parties

in order to bid for a higher vote share. The PRD, in contrast, looked to cooperate with the Worker's Party (PT) and the Convergence Party (PC) to attempt to broaden their vote base. Likewise, the PRI cooperated with the Ecological Green Party (PEV).

In Panama, coalitions tend to form with many parties. This has only been possible because of the fragmentation of the party system, which has over ten legally registered parties. Since the return of democracy in 1989, the two major parties, the Partido Panamenista (PP) and the Partido Revolucionario Democrático (PRD), have alternated in power. In each of their elections, both parties were elected with the support of many other parties, with which they subsequently formed large government coalitions (sharing cabinet posts). While the electoral rules have aimed to reduce the number of parties, they have instead only raised the barrier of entry for smaller parties to compete independently in national elections (Araúz, 2009). As a result, the smaller parties have systematically been forced to bargain with the larger ones.

Finally, coalitions form at different times in presidential systems; while in some countries they tend to form before elections, in others they tend to form after them. Although this difference is clear when comparing between regimes, it is less so when comparing within a regime. For example, it is implicit that in both electoral and government coalitions parties decide to bargain with ideologically similar parties. However, too similar ideologies may dilute the probability of cooperation, since the ultimate goal of an electoral coalition is to occupy a wider spectrum. It is also implicit that the parties have similar policy preferences, though this is only relevant for government coalitions (Golder, 2006*b*). Even though two parties may be ideologically akin, they may only decide to commit if they have similar policy priorities.

In Uruguay, for example, if coalitions form, they always do so after elections. This mainly occurs because most parties are divided into internal factions, and thus coordination procedures take place at an early tier within each party. In fact, the three largest parties, the Partido Colorado (PC), the Partido Nacional (PN), and the Frente Amplio (FA) have never formed an electoral coalition. In every election since the return of democracy in 1985, they have each nominated their own presidential candidate. Owing to Uruguay's two-round elections, they can independently take their chances in the first round. However, after elections it has been common to see them form government coalitions in which they negotiate cabinet posts but ultimately aim to control congress. This was the case of the governments of Sanguinetti (1990-1995), Lacalle (1995-2000), and Batlle (2000-2005).

In Brazil, coalitions always form before elections. Given the size of the country, the decentralisation of power has been a central element of democracy, and as such, has organised political competition in multi-tier levels. Large national parties come from urban areas and small regional parties come from rural regions. While the large parties have volatile national representation, the small parties have strong local support. Thus, since the return of democracy in 1985, all of the successful presidential candidates (that have been militants of the larger parties) have sought to form strategic electoral coalitions with the smaller parties to garner an important share of votes. While this has mainly benefited the larger party, the smaller parties have also been able to politically profit, since it has given them a route into the national arena.

2.4 DATA

The dataset in this thesis spans over three decades (1980 to 2010), and the countries included in the sample are exclusively democracies. In this vein, including data into the sample before 1980 would be futile, since most countries before that year were under authoritarian rule. To determine which countries should be included in the sample, this thesis follows Schumpeter's conception of democracy, which is simply a system in which rulers are selected in competitive elections (Schumpeter, 1942). More specifically, it follows Przeworski's *electoralist* definition of democracy, in which rulers are selected through free and contested elections, and incumbents lose elections – and leave office if they do (1999). Ergo, countries that do not have elections are automatically considered non-democracies and excluded from the sample.

Though this seems like a fairly straightforward method to select democratic cases in the given time frame, some authors have contested Przeworski's definition, on the grounds that democracies should meet higher criteria than just holding elections. To account for this issue, this thesis considers all countries that had free and contested elections, yet were also considered democracies according to two common indices. One index is the Mainwaring classification (2003), and the other is the Alvarez, Cheibub, Limongi and Przeworski classification (1996). The sample includes all cases coded as democracies or semi-democracies in Mainwaring's classification but excludes cases coded as authoritarian by Alvarez et al. Likewise, it includes all cases coded as democracies by Alvarez et al., but excludes cases coded as authoritarian by Mainwaring. These classifications have been constantly used as a guideline reference in scholarship since none of the countries in the region have reverted to

dictatorship in the past decade.

According to this method, 18 countries can be considered a democracy at different moments during the established time frame (see Table 2.1). Excluding the authoritarian years – in which no presidential elections took place, or if they did are not considered – the sample covers a total of 100 elections over 407 years combined. For example, Cuba and Haiti were not classified as democracies at any point during the 1980-2010 period, since they did not hold free and fair elections. Nicaragua is also not considered a democracy until 1990, the end of the Sandinista (FSLN) period. To control for bias, countries that had a presidential election before 1980, but had governments that ruled into the 1980s are excluded from the sample. Elections that occurred during 2009 or 2010 were also left out of the dataset to prevent bias that may arise from incomplete governments.

Table 2.1.: Latin American Countries and their Elections Included in the Study

Country	Elections	Years
Argentina	6	1983, 1989, 1995, 1999, 2003, 2007
Bolivia	6	1985, 1989, 1993, 1997, 2002, 2005
Brazil	6	1985, 1989, 1994, 1998, 2002, 2006
Chile	4	1989, 1993, 1999, 2005
Colombia	7	1982, 1986, 1990, 1994, 1998, 2002, 2006
Costa Rica	7	1982, 1986, 1990, 1994, 1998, 2002, 2006
Dominican Rep.	8	1982, 1986, 1990, 1994, 1996, 2000, 2004, 2008
Ecuador	9	1980, 1984, 1988, 1992, 1996, 1998, 2002, 2006, 2009
El Salvador	5	1984, 1989, 1994, 1999, 2004
Guatemala	6	1985, 1990, 1995, 1999, 2003, 2007
Honduras	7	1981, 1985, 1989, 1993, 1997, 2001, 2005
Mexico	2	2000, 2006
Nicaragua	4	1990, 1996, 2001, 2006
Panama	4	1989, 1994, 1999, 2004
Paraguay	4	1993, 1998, 2003, 2008
Peru	4	1980, 1985, 2001, 2006
Uruguay	5	1984, 1989, 1994, 1999, 2004
Venezuela	6	1983, 1988, 1993, 1998, 2000, 2006

References. Alvarez et al. (1996) and Mainwaring and Pérez-Liñán (2003).

The countries and number of elections taken into account in the sample are the following: Argentina (6), Bolivia (6), Brazil (6), Chile (4), Colombia (7), Costa Rica (7), Dominican Republic (8), Ecuador (9), El Salvador (5), Guatemala (6), Honduras (7), Mexico (2), Nicaragua (4), Panama (4), Paraguay (4), Peru (4), Uruguay (5), Venezuela (6). The average number of democratic elections per country is 5.5, and ranges from a minimum of 2 to a maximum of 9.

Since all of the countries – and their respective elections in the sample – are democratic, comparative analysis is straightforward. If all presidents face the same rules of the game, we can expect that they play it with similar strategies. However, two environmental features of the particular political systems may contribute to a distortion of this basic comparability: the term and tenure limits of each country and the cases that have interrupted presidencies. Because of these two environmental features parties may face a different set of incentives during elections. In countries with long-term and flexible tenure limits parties may decide to accordingly share long-term agreements. In countries with interrupted presidencies parties may strategically realign according to contingent events, changing their strategic approach.

2.4.1 *Electoral Years*

Taking into account countries with governments elected before 1980 or inaugurated after 2009 may introduce bias. Table 2.2 shows that of the 123 presidents that governed at some point between 1980 and 2010, seven were elected before 1980 (Colombia, Costa Rica, the Dominican Republic, Ecuador, Guatemala, Mexico, and Venezuela), and ten were inaugurated after 2009 (Argentina, Bolivia, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Panama, and Venezuela).

Table 2.2.: Number of Presidential Elections and Governments in Latin America, 1980-2010

Country	Elected Before 1980	1980-2010	Inaugurated After 2009
Argentina	0	6	1 (2010)
Bolivia	0	6	1 (2009)
Brazil	0	6	0
Chile	0	4	1 (2009)
Colombia	1 (1979)	7	1 (2010)
Costa Rica	1 (1978)	7	1 (2010)
Dominican Rep.	1 (1978)	8	0
Ecuador	1 (1979)	9	1 (2009)
El Salvador	0	5	1 (2009)
Guatemala	1 (1978)	6	0
Honduras	0	7	1 (2009)
Mexico	1 (1979)	2	0
Nicaragua	0	4	0
Panama	0	4	1 (2009)
Paraguay	0	4	0
Peru	0	4	0
Uruguay	0	5	1 (2009)
Venezuela	1 (1978)	6	0

Note. Presidents elected before 1980 or inaugurated after 2009 are excluded from the sample.

2.4.2 *Term and Tenure Limits*

Term and tenure limits vary. Table 2.3 shows four combinations. The first type of democracy allows consecutive re-election, but limits it. In these democracies presidents can be elected to office once and be consecutively re-elected a limited number of times during their lifetime. Most countries in the dataset subscribe to this group. The second type of democracy allows consecutive re-election, but does not limit it. In these cases presidents can be elected to office once and be consecutively elected to office an unlimited number of times. This is the least popular group. The third type of democracy allows non-consecutive re-election, but limits it. In these cases presidents can seek re-election every other term a limited number of times. The fourth type of democracy allows non-consecutive re-election, but does not limit it. This allows incumbent presidents to seek re-election every other term an unlimited number of times.

Table 2.3.: Term and Tenure Limits in Latin America, 1980-2010

Re-election	Consecutive	Non-Consecutive
Limited	Argentina, 1983-1994 (6)	
	Argentina, 1994-2010 (4)	
	Bolivia, 1982-2009 (4)	
	Bolivia, 2009-2010 (5)	
	Brazil, 1994-2010 (4)	Brazil, 1985-1994 (4)
	Colombia, 1991-2010 (4)	Chile, 1989-2004 (6)
	Costa Rica, 1980-2003 (4)	Colombia, 1980-1991 (4)
	Dominican Rep., 1980-1994 (4)	
	Dominican Rep., 2002-2010 (4)	
	Ecuador, 2008-2010 (4)	
Unlimited		Chile, 2004-2010 (4)
		Costa Rica, 2003-2010 (4)
	Nicaragua, 1985-1995 (6)	Dominican Rep., 1994-2002 (4)
	Nicaragua, 1995-2010 (5)	Ecuador, 1996-2008 (4)
	Paraguay, 1989-1992 (5)	El Salvador, 1982-2010 (5)
	Venezuela, 1998-2010 (6)	Panama, 1989-2010 (5)
		Peru, 1993-2010 (5)
		Uruguay, 1985-2010 (5)

Note. Only years in which the country had a democracy were included in the dataset. Term Limits are in parentheses. There were no re-election provisions in Ecuador in 1980-1996, in Guatemala in 1985-2010, in Honduras in 1981-2010, in Mexico in 1980-2010, in Paraguay in 1992-2010, or in Peru 1980-1993.

2.4.3 *Interrupted Presidencies*

Table 2.4 shows that of the 100 elections in the time frame, 87 presidents finished their term and 13 did not. Half of the 18 countries registered in the dataset had an unfinished presidency sometime between 1980 and 2010: Argentina, Bolivia, Brazil, Ecuador, Guatemala, Honduras, Paraguay, Peru, and Venezuela. Of these nine countries, the majority of the presidents that did not finish their term resigned because of internal political instability or upon the threat of being impeached (this was the case of Fernando Collor de Mello, Jorge Serrano, Raúl Cubas, Jamil Mahuad, Fernando de la Rúa, and Gonzalo Sánchez de Lozada). The second-largest group of presidents that did not finish their term comprised those dismissed by congress (Carlos Andrés Pérez, Abdalá Bucaram, Alberto Fujimori, Lucio Gutiérrez, and Manuel Zelaya). Only two of the presidents that did not finish their term died whilst in power (Jaime Roldos and Hugo Banzer).

Table 2.4.: Interrupted Presidencies in Latin America, 1980-2010

President	Country	Inauguration	Interruption	Cause
Jaime Roldos	Ecuador	1979	1981	Death
Fernando Collor de Mello	Brazil	1989	1992	Resignation
Carlos Andrés Pérez	Venezuela	1989	1993	Resignation
Jorge Serrano	Guatemala	1991	1993	Dismissal
Abdalá Bucaram	Ecuador	1996	1997	Dismissal
Hugo Banzer	Bolivia	1997	2001	Death
Raúl Cubas	Paraguay	1998	1999	Resignation
Jamil Mahuad	Ecuador	1998	2000	Resignation
Fernando de la Rúa	Argentina	1999	2001	Resignation
Alberto Fujimori	Peru	2000	2000	Dismissal
Gonzalo Sánchez de Lozada	Bolivia	2002	2003	Resignation
Lucio Gutiérrez	Ecuador	2003	2005	Dismissal
Manuel Zelaya	Honduras	2006	2009	Dismissal

Note. Annex A shows how the presidential line of succession for each country defined the successor upon death, resignation, or dismissal from office.

2.5 PATTERNS OF COALITION FORMATION

The following section reports descriptive statistics on the distribution of electoral and government coalitions in 18 Latin American countries between 1980 and 2010. Though parties may rally behind one or more candidates for any given election, they are only registered in the dataset as an electoral coalition when they rally behind the winning candidate. For example, in the 2002 Ecuador presidential

election, the coalition behind Lucio Gutiérrez (PSP/MUPP-NP) triumphed over the party behind Álvaro Noboa (PRIAN). For this election, the dataset only registers one electoral coalition given that Gutiérrez was elected. Had Noboa won the election, the data would have not registered the coalition behind Gutiérrez since he would have lost the election.

Not registering an electoral coalition that loses an election is a methodological judgment. On the one hand, it may introduce bias, because it does not distinguish between one democracy that holds a presidential election in which all major candidates are backed by long-standing coalitions, and another democracy that holds a presidential election in which only the winning candidate is backed by a circumstantial coalition. For example, in Chile's 2000 election all of the major candidates were backed by long-standing coalitions. In Peru's 2000 election, only the election-winner was backed by a coalition. In this example, the data would not distinguish between coalition formation in Chile and Peru.

On the other hand, not registering a losing electoral coalition helps rule out distortions that circumstantial short-lived coalitions may introduce. For example, in the 1999/2000 election in Chile, three of the six candidates were backed by circumstantial coalitions, which promptly dissolved after the election. If each country were to register every coalition that backed a candidate in each election, each country could potentially have numerous coalitions in which only a few were effective. In this sense the data only reflects coalitions that are able to win elections. And in the final analysis, what matters is measuring a country's potential for politically relevant coalitions. In fact, a country is more likely to have at least two coalitions than only one. In essence, this means that coalitions do not randomly form. Coalitions form for structural reasons.

Government coalitions are registered when two or more parties agree to share cabinet posts. The dataset reflects changes in the government coalition during its term in government. Any given government may have more than one government coalition. For example, the administration of Violeta Chamorro in Nicaragua 1990-1997 had two government coalitions. While the first (Unión Nacional Opositora, UNO) was a continuation of Chamorro's electoral coalition (1990), the second (Alianza Liberal, AL) was substantially different (1993). For her administration, the dataset registers two different government coalitions. While the former (UNO) is registered as an electoral coalition that evolved into a government one, the latter coalition (AL) is simply registered as an independent government coalition.

Table 2.5 shows the distribution of electoral and government coalitions in Latin America for the period 1980-2010. Of the 18 countries in the sample, 12 either had an electoral coalition, a government coalition, or both at some point during the time frame. Also noted in Table 2.5 are governments and coalitions that dissolved before the end of the constitutional term. Of the 12 interrupted presidencies registered in the series, only four had previously been elected with the support of a coalition (De la Rúa in 1999, Collor de Mello in 1989, Fujimori in 2000, and Gutiérrez in 2003). Of the four interrupted presidencies with an electoral coalition, all went on to form government coalitions, of which all dissolved before the end of the constitutional term.

2.5.1 *Electoral Coalitions*

Of the 18 countries in the dataset, 11 countries had at least one winning electoral coalition compete in at least one election. Of the 100 elections in the dataset, in 36 elections, the winning president was backed by an electoral coalition.

The distribution of winning electoral coalitions is as follows: Argentina (five electoral coalitions: 1989, 1995, 1999, 2003, 2007), Bolivia (four electoral coalitions: 1985, 1989, 1993, 1997), Brazil (six electoral coalitions: 1985, 1989, 1994, 1998, 2002, 2006), Chile (four electoral coalitions: 1989, 1993, 1999, 2005), Colombia (two electoral coalitions: 1982, 1998), Ecuador (six electoral coalitions: 1980, 1984, 1992, 1996, 2002, 2009), Guatemala (two electoral coalitions: 2003, 2008), Nicaragua (two electoral coalitions: 1990, 1996), Panama (four electoral coalitions: 1989, 1994, 1999, 2004), Paraguay (one electoral coalition: 2008), and Venezuela (three electoral coalitions: 1999, 2001, 2007).

The remaining six countries never had at least one electoral coalition (Costa Rica, Dominican Republic, El Salvador, Honduras, Mexico, Peru, and Uruguay).

2.5.2 *Government Coalitions*

Of the 18 countries in the dataset, 11 countries had at least one government coalition govern in at least one administration. Of the 100 elections in the dataset, in 37 elections, the president-elect governed with the support of a coalition.

The remaining seven countries never had at least one government coalition (Costa Rica, Dominican Republic, El Salvador, Honduras, Mexico, Peru and Venezuela).

Table 2.5.: Electoral and Government Coalitions in Latin America, 1980-2010

Country	Electoral Coalition	Government Coalition
Argentina	1989 (Menem)	1989-1995
	1995 (Menem)	1995-1999
	1999 (De la Rúa) *	1999-2001 **
	2003 (Kirchner)	2003-2007
	2007 (Fernández)	2007-2011
Bolivia	1985 (Paz Estenssoro)	1985-1989
	1989 (Paz Zamora)	1989-1993
	1993 (Sánchez de Lozada)	1993-1997 **
	1997 (Banzer)	1997-2001
	—	2002-2003 (Sánchez de Lozada) **
Brazil	1985 (Neves/Sarney)	1985-1989
	1989 (Collor de Mello) *	1989-1992 **
	1994 (Cardoso)	1994-1998
	1998 (Cardoso)	1998-2002
	2002 (Da Silva)	2002-2006
	2006 (Da Silva)	2006-2010
Chile	1989 (Aylwin)	1990-1994
	1993 (Frei)	1994-2000
	1999 (Lagos)	2000-2006
	2005 (Bachelet)	2006-2010
Colombia	1982 (Betancur)	1982-1986
	1998 (Pastrana)	1998-2000 **
Ecuador	1984 (Febres Cordero)	1984-1988
	1992 (Durán Ballén)	1992-1996
	2006 (Correa)	—
Guatemala	2003 (Berger)	2004-2008
	2008 (Colom)	2008-2012
Nicaragua	1990 (Chamorro)	1990-1993 **; 1993-1996
	1996 (Alemán)	1997-2002
Panama	1994 (Pérez Balladares)	1994-1999
	1999 (Moscoso)	1999-2004
	2004 (Torrijos)	2004-2009
	2009 (Martinelli)	2009-2014
Paraguay	2008 (Lugo) *	2008-2011
Uruguay	—	1990-1995 (Lacalle)
	—	1995-2000 (Sanguinetti)
	—	2000-2005 (Battle)
Venezuela	1999 (Chávez)	—
	2001 (Chávez)	—
	2006 (Chávez)	—

Note. The full list of electoral coalitions, and their member parties, can be found in Annex B; the full list of government coalitions, and their member parties, can be found in Annex C. *Legend.* * Government terminated before the end of the constitutional term, ** Coalition terminated before the end of the constitutional term.

Origin of Government Coalitions

The origin of government coalitions differs. Table 2.6 shows that at least four different types of government coalitions can be identified in Latin America between 1980 and 2010. The first type is an electoral coalition of at least three parties that participated in the immediately previous presidential election, and after winning at least three member parties abandoned it or had at least three new parties join it. The second type of government coalition is an electoral coalition of at least three parties that participated in the immediately previous presidential election, and after winning between one and three member parties abandoned it or had between one and three new parties join it. The third type is a new coalition, where the party of the president did not contest the immediately previous presidential election in a coalition, but had at least three new parties join it. The fourth type of government coalition is an electoral coalition of only a few parties that contested the immediately previous presidential election, and remained exactly the same.

The first type of government coalition is one that went through a major evolution after winning the presidential election. These are coalitions that had a high number of parties in the electoral coalition, which once elected saw most of the parties exit while the remainder formed a government coalition. Of the 37 elections in which the president-elect was later supported by a government coalition, two represented a substantial evolution of the electoral coalition: the Bolivian administrations of Paz Estenssoro 1985-1989 and Paz Zamora 1989-1993. It is important to note that for both elections the president and the vice-president were elected by popular vote in the first round, and by congress in the second round.

The second type of government coalition is one that went through a minor evolution after winning the presidential election. These are coalitions that had a high number of parties in the electoral coalition, which once elected saw some of the parties exit while the remainder formed a government coalition. Of the 37 elections in which the president-elect was later supported by a government coalition, eight occasions represented a minor evolution of an electoral coalition. This occurred in the following administrations: Bolivia (Sánchez de Lozada 2002-2003); Brazil (Neves/Sarney 1985-1990, Collor de Mello/Franco 1990-1994, Cardoso 1995-1998, Cardoso 1999-2002, da Silva 2003-2006, da Silva 2007-2010); and Nicaragua (Chamorro 1993-1996).

The third type of government coalition is a new coalition. These are coalitions which either did not exist at the time of the presidential election or formed between the first and second round election

Table 2.6: Types of Government Coalitions in Latin America, 1980-2010

Government Coalition	
Significant change in the Number of Parties (>3)	Non-Significant change in the Number of Parties (1-3)
High Number of Parties (>3)	I. Major Evolution
Low Number of Parties (1-3)	II. Minor Evolution
Winner	IV. Transplant
	III. New Coalition

(in run-off systems). Either way, once elected the president's party formed a government coalition with parties that did not support him in the first (or only) round of the presidential election. Of the 37 elections in which the president-elect was later supported by a government coalition, on seven occasions a new coalition formed. This occurred in the following administrations: Bolivia (Banzer 1997-2001); Colombia (Pastrana 1998-2000); Ecuador (Febres-Cordero 1984-1988, Durán Ballén 1992-1996); and Uruguay (Lacalle 1990-1995, Sanguinetti 1995-2000, Battle 2000-2005).

The fourth type of government coalition is a transplant coalition. These are government coalitions that are identical to the electoral coalition that won the immediately previous presidential election. Of the 37 elections in which the president-elect was later supported by a government coalition, 20 were transplant coalitions. This occurred in the following administrations: Argentina (Menem, 1989-1995, Menem 1995-1999, De la Rúa 1999-2001, Kirchner 2003-2007, Fernández 2007-2010); Bolivia (Sánchez de Lozada 1993-1997, Banzer 1997-2001); Chile (Aylwin 1990-1994, Frei 1994-2000, Lagos 2000-2006, Bachelet 2006-2010); Colombia (Betancur 1982-1986); Guatemala (Berger 2004-2008); Nicaragua (Chamorro 1990-1993, Alemán 1997-2002); Panama (Balladares 1994-1999, Moscoso 1999-2004, Torrijos 2004-2009, Martinelli 2009-2014); and Paraguay (Lugo 2008-2011).

Dissolution of Government Coalitions

Of the 37 government coalitions that formed, 31 finished at the end of the constitutional term, and six dissolved before the end of them. This occurred for two reasons. First, the government dissolved prematurely. This was the case in Argentina (de la Rúa in 2001; Bolivia, Sánchez de Lozada in 2003; and Brazil, Collor de Mello in 1992). Second, the president willingly dissolved the coalition to either govern alone (Bolivia, Sánchez de Lozada in 1997; and Colombia, Pastrana in 2000) or to form a new coalition (Nicaragua, Chamorro in 1993).

2.6 PRECONDITIONS AND PRECIPITANTS OF COALITION FORMATION

The evidence above provides a better insight into which countries had incentives for single party systems and which countries had to groom preconditions and trigger precipitants for coalitions to form. While the former countries are uniform in the way they compete in elections and run governments, the latter countries have important differences among them. The preconditions and precipitants vary in these systems. From a theoretical perspective, when forming coalitions, parties

of different sizes and ideologies must consider the strengths and limitations of bargaining with each other. The asymmetry of power and policy orientations distorts the way, shape and form parties negotiate with each other to form coalitions. A deeper look into coalition formation in the countries discussed above may help clarify these incentives.

Based on evidence gathered mainly from parliamentary regimes, Daniel Nagashima (2011, pp. 3-4) argues that the literature on coalition formation can be broadly categorised around three core approaches. The first approach is the office and interest-based model, which follows the assumption that rational political actors seek to maximise their self-interests of gaining office. For example, Anthony Downs (1957) argues that voters evaluate candidates based on their ideological proximity to their ideal point. Based on an economic model of competition, Downs argues that political actors situate themselves along a multidimensional spectrum to maximise their odds of winning. Generally speaking, this approach argues that coalitions will form to control a small (Von Neumann and Morgenstern, 2007, pp. 429-430) or the smallest (Riker, 1962) winning majority inside the respective legislature.

According to this description, parties have more incentives to form electoral coalitions than government coalitions. Because this model holds that parties are more interested in gaining power than actually exercising it, it assumes that they will prioritise strategies to maximise their probability of winning cabinet posts, over what they actually intend to accomplish once in office. These are usually small parties that do not stand much chance of winning. In the presidential systems of Latin America, we should expect political parties that fit the office-seeking approach to form electoral coalitions over government coalitions. Moreover, we should expect that parties that form coalitions with the intention of winning office posts do not evolve into government coalitions. Since parties are more interested in strategic alliances than ideological ones they should choose to support candidates closer to the median voter.

In Latin America, the electoral coalitions that supported the candidacy of Fujimori in Peru in 1995 and 2000 are what most resemble parties behaving in an office-seeking rationale.¹ The parties that backed Fujimori were specifically designed to win the election and subsequently dismantle. On both occasions (1995 and 2000) Peru held concurrent presidential and legislative elections to elect the president and the entire unicameral chamber of deputies. Since Fujimori had been in office since

¹Peru is not considered a democracy in either of these elections. In the following inferential chapters, neither elections nor years between elections are used as observations.

1990, as the incumbent he had an incentive to expand his popularity to Congress in each election. To do so, his party, Cambio '90 (C90), looked to bargain with other parties to expand its campaign into certain issues where Fujimori was expected to garner less support. The coalition partner party, Nueva Mayoría (NM), was instrumental to this strategy.

The second approach is the vote-seeking model, which argues that while political actors are the essential players of the game, the institutional framework is what ultimately constrains the strategies available to them. For example, David Austen-Smith and Jeffery Banks (1988) and David Baron (1991) highlight the role of the formateur party. Others emphasise the importance of incumbent cabinets and presidents (Strøm and Swindle, 2002). De Winter (2002) argues that the combination of power, party strength, informal assumptions on policy distance and institutional constraints “could very well be determine coalition formation in terms of composition, portfolio allocation and policy formulation processes” (pp. 186-187).

According to this description, parties have incentives to form government coalitions rather than electoral coalitions. Because this model holds that parties are more interested in exercising power than actually gaining it, it assumes that they have already come to power. It also assumes that once they are in power they will attempt to bargain with other parties to maximise the leverage of their administration. In presidential systems, we should expect political parties that fit the institutional-based approach to tend to form government coalitions. If the incumbent party is small, it will not have enough leverage to pass legislation in congress. Thus it will attempt to form coalitions that will allow it to accomplish its policy programme.

In Latin America, this is the case for most government coalitions – they behave in a vote-seeking rationale. These strategic coalitions, which do not necessarily make sense on an ideological basis, are instrumental to gaining legislative leverage. Among the more representative ones are the Sánchez de Lozada administration (2002-2003) in Bolivia and the Pastrana administration (1998-2000) in Colombia. On the one hand, Sánchez de Lozada (MNR) formed a government coalition with the MBL, NFR, MIR and UCS (the last two parties were former members of the preceding coalition headed by the right-wing dictator General Hugo Banzer). On the other hand, Pastrana (PC) formed a government coalition with a faction of the traditional rival party (PLCo). In both cases incumbent parties were forced to negotiate and ultimately form coalitions with rival parties to pass legislation.

The third approach is the policy and ideology-based model, which follows the assumption that

political actors form coalitions to maximise their policy interests once in office. For example, Robert Axelrod (1970) holds that coalitions are not only minimum winning, but also ideologically connected. This is based on the idea that coalitions normally form adjacent to one another across a uni-dimensional scale. Generally speaking, this approach argues that coalition formation is dependent on ideology; thus, political parties with similar programmatic points of view are more likely to form a coalition (De Swaan and Rapoport, 1973). Regardless of the size of the alliance, parties that share common goals will unite to seek winning the election and if successful share cabinet posts (Laver and Shepsle, 1990, 1996).

According to this description, parties have incentives to form both electoral and government coalitions. Because this model holds that parties are interested in cooperating with other parties that share similar ideological values to gain power and exercise it together, it assumes that they will prioritise both strategies to maximise their probability of winning office, but also maintaining status quo once in power. In presidential systems, we should expect that political parties that fit the policy-driven approach tend to form electoral coalitions that transplant into government coalitions. Since the parties are interested in maintaining power, we should also expect that the coalitions be more than circumstantial, and their cooperation last for more than only one election and a subsequent government.

Naturally there are other means by which party leverage can be attained, which do not cleanly fit the models mentioned above, such as the decision of a party to join a coalition in order to enjoy the proceeds of corrupt arrangements, such as in the PRI-dominated Mexico. But these are cases in which two or three of the models are equally useful, since parties do not necessarily follow only one line of reasoning. However, the descriptive evidence explored in this chapter suggests that in Latin America most coalitions follow the policy-driven rationale.

As the following chapters explain, the majority of parties decide to enter this type of coalition because (1) when facing elections it is an easier way to come to power; and (2) once in government it is an easier way to remain in power. An example of how this works is in Chile, where parties formed long lasting multi-party joint electoral and government coalitions. In Chile's case, parties originally decided to form coalitions because it was an easier means to come to power – once in power, they decided to remain in coalitions because it made retaining power easier. Since 1989, the parties that grouped into the two major coalitions have faced every major election together, and in the case of victory, have subsequently governed as coalitions.

2.7 CONCLUSION

This chapter aimed to describe the history of coalition formation in Latin America. In this vein, it presented the data that will be analysed throughout the remainder of the thesis. While it focused mainly on the frequency and format of coalitions in 18 countries in the 1980-2010 period, it has also looked into some of the intervening variables. It has shown that term and tenure limits and interrupted presidencies may introduce bias in the forthcoming inferential analysis. Section 5 shines some light on the characteristics of coalition formation in the presidential regimes of Latin America, describing the difference between electoral and government coalitions in the region.

Section 6 speculates on why parties form coalitions. It suggests that the dynamics that occur in presidential regimes can be approached with theories that stem from findings made in parliamentary regimes. For example, the electoral coalitions of Fujimori in 1995 and 2000 can be neatly framed by the office and interest-based model, the government coalitions of Sánchez de Lozada in Bolivia and Pastrana in Colombia by the vote-seeking model, and the post-authoritarian Chilean political system that combines both electoral and government coalitions by the ideology-based model. However, because these theories were groomed with evidence stemming from parliamentary systems, no model on its own can accommodate all of these cases of coalitions, much less other instances of coalition formation in the region.

The following chapters attempt to build a theory that can neatly frame most if not all cases of coalition formation in the region. Because parliamentary regime parties have few incentives to form electoral coalitions but many to form government coalitions, theories that stem from that body of evidence can only partially explain why parties form electoral coalitions. A unique theory relative to presidential systems is thus necessary to explain both electoral and government coalitions. The scope of the theory is to identify the set of incentives that lead some countries, and not others, to form coalitions. And, furthermore, to explain why parties in some countries form one type of coalition (say, an electoral coalition) and not the other (say, a government coalition).

EXPLAINING ELECTORAL COALITION FORMATION IN LATIN AMERICA

This chapter explains electoral coalition formation in Latin America. The lack of a theory particularly pertaining to presidentialism, along with the absence of large-N studies, have significantly narrowed the range of approaches that could be used to explain electoral coalition formation in the region. The chapter emphasises the need for (1) a theory built on evidence stemming from presidential rather than parliamentary systems; and (2) an overarching statistical method to approach the reasons behind electoral coalition formation. The second section reviews two theories that frame electoral coalition formation: the electoral institutions and electoral systems theory and the party system theory. The third section elaborates the research questions and hypotheses, while the fourth section presents the data and methods. The final section shows that simple majority plurality for presidential elections, unicameralism, the use of proportional representation electoral rules for legislative elections, larger legislatures, smaller district magnitudes and a higher number of electoral parties are crucial predictors of electoral coalition formation. It also shows that when an outsider presidential candidate is present the likelihood of electoral coalition formation decreases.

3.1 INTRODUCTION

Case studies provide an in-depth understanding of coalition formation in Latin America (see Alemán and Saiegh, 2007; Basabe-Serrano and Polga-Hecimovich, 2013; Zucco, 2013). Findings show that the determinants behind the decision of one party to cooperate with another party in anticipation of

an election can be explained by (a) the specific circumstances surrounding the particular election; or (b) the specific features of the political system. In some cases, coalition formation will depend on issues such as the proximity of the election or presidential approval ratings (see Altman, 2000). In other cases, coalition formation will depend on issues such as the number of parties with a legal standing or the utility of forming a legislative majority after the election (see Huneeus, 2005). These studies concur that while parties in each country have their own reasons to form coalitions, they may vary from one election to the next.

The literature does not explain why parties decide to form electoral coalitions in Latin America. Even when the findings of each of the case studies are combined, they do not provide a coherent account of why parties decide to cooperate with each another. The ultimate problem with case studies is that while they reveal important information on how parties behave in one country, they are not useful proxies for how parties behave in other countries. Because most of the research on coalition formation has selected cases based on pre-existing traditions of coalition formation, the findings are only representative in their given contexts. Evidence stemming from these studies cannot be used as a regional reference, since it emerges from clusters of countries that share the same dependent variable. This has restricted the possibility of comparing countries that *do* have coalitions with countries that *do not*.

The dilemma with case studies is that while they appropriately answer questions of coalition formation on a *case-by-case* basis, they completely undermine existing theories of political cooperation. While parties in different democracies are likely to have specific manners of negotiating with one another, they also share generic incentives that are determined by power structures. And if parties have generic incentives, as the literature suggests, they can be compared. Yet, conducting case studies to extend inferences to other cases entails severe methodological issues. At their best, specific cases may be able to provide a comprehensive context in which parties negotiate, which is useful for understanding particular elections and governments in given countries. However, specific cases cannot provide an overarching explanation of why parties decide to negotiate in the first place, which is ultimately useful for comparing strategies across countries.

The purpose of this chapter is to provide a framework and an answer to why parties form electoral coalitions in the presidential systems of Latin America. It attempts to explain the causes of electoral coalition formation in the period 1980-2010. It uses evidence from 18 countries across the region: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El

Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela. This chapter only considers countries that meet minimum standards of democracy. One reason is that the selection, often made in other regional studies, provides more and better quality data to conduct comparisons. Less developed democracies provide fewer and lower quality data. This is especially true of Latin America in the early 1980s, when government institutions were significantly less trustworthy than they are today.

The remainder of this chapter is organised as follows. The following section reviews two theories that frame electoral coalition formation: the electoral institutions and electoral systems theory and the party system theory. The first theory holds that electoral institutions and the electoral system play a central role in electoral coalition formation. It argues that variables related to presidential and legislative elections are crucial to understand why parties form electoral coalitions. The second theory holds that the party system plays a central role in electoral coalition formation. It argues that variables related to the number of parties that compete in elections, and the relative weight of the government party in the legislature, are crucial to understand why parties form electoral coalitions. The third section elaborates the research questions and hypotheses, the fourth section presents the data and methods, and the fifth section discusses the findings. The final section draws the conclusions.

3.2 THEORY

This section presents two theories that have been suggested in previous literature as potential determinants of electoral coalition formation. The first theory holds that electoral institutions and the electoral system play a central role in electoral coalition formation. This theory suggests that simple majority plurality in presidential elections, immediate re-election provisions in presidential elections, presidential term length, concurrent presidential and legislative elections, unicameralism, proportional representation electoral rules in legislative elections, electoral thresholds to gain legislative representation, size of the legislature, and district magnitude in legislative elections are significant determinants of electoral coalitions. The second theory holds that large party systems play a central role in electoral coalition formation. This theory suggests that the number of electoral parties and the government party's legislative majority margin are significant determinants of electoral coalitions.

3.2.1 *Electoral Institutions and Electoral Systems*

Party elites cannot ignore electoral rules when it comes to designing campaign strategies. If the objective of a party is to maximise its return in an election, its elites must proceed strategically. The decision of party elites to compete alone or to bargain with other party elites and compete as a coalition can drastically determine electoral results. This subsection explores some of the variables related to presidential and legislative elections that have been linked to electoral coalition formation.

Presidential democracies that use simple majority plurality (SMP) in presidential elections should be more likely to see electoral coalitions form. SMP presidential elections create an incentive for large parties to seek the support of smaller ones. When the president is elected in the first and only round, parties must secure the majority of the vote as soon as possible (Golder, 2006a). In comparison, when run-off provisions are available, large parties will wait until after the first round to seek the support of smaller parties. Indeed, evidence from Latin America shows that majority run-off is associated with a larger effective number of political parties (Jones, 1995; Mainwaring and Shugart, 1997a; Shugart and Carey, 1992) and presidential candidates (Carey, 2003).

Presidential democracies with incumbent presidential candidates should be more likely to see electoral coalitions form. Immediate presidential re-election encourages opposition parties to seek the support of the incumbent party. When the president can seek re-election, opposition parties that have low chances of winning the election may decide to negotiate with the incumbent and join the winning side (Dix, 1984). In contrast, when the president cannot seek re-election, opposition parties will see a higher chance of winning the election. Evidence from Latin America shows that over 90 per cent of presidential candidates that seek re-election are re-elected, making it extremely hard for opposition parties (Zovatto, 2013).

Long presidential terms can also influence electoral coalition formation; they create incentives for medium and small parties to negotiate with large parties. When the presidential term is long, medium and small parties with a slight probability of winning an election may decide to bargain with a large party in order to avoid missing out on the entire term (Maltz, 2007). In comparison, when presidential terms are short, medium and small parties will attempt to build a powerful opposition and take their chances in the forthcoming election.

Concurrent presidential and legislative elections have also been mentioned as a potential determinant of electoral coalition formation. Concurrent elections encourage parties to cooperate with

each other. When presidential and legislative elections take place at the same time, the party of the presidential candidate may seek the support of like-minded parties to boost its legislative contingency (Samuels, 2000). In contrast, when presidential and legislative elections are not concurrent, parties will tend to independently design their strategies, reducing the likelihood of sharing common goals with other parties. Evidence from Brazil suggests that concurrent elections have encouraged national parties to cooperate with regional parties in an effort to pass legislation (Machado, 2009).

Presidential democracies with unicameral congresses should also be more likely to see electoral coalitions form. Unicameralism creates incentives for parties to cooperate with each other. When congress is designed in a single tier, the executive's party may decide to create alliances with smaller parties in order to eliminate possible veto-players (Ansolabehere, Snyder and Ting, 2003). In comparison, bicameralism produces twice the number of veto-players, and party elites will normally seek to share power to avoid stalemate. Formal evidence suggests that the executive will decide to negotiate in unicameralism especially when congress can override a package by simple majority and no policies can be further implemented unilaterally (Pérez-Liñán and Raga, 2003).

Proportional representation (PR) electoral rules for legislative elections are said to have an effect over electoral coalition formation. PR encourages multi-party systems, which in turn mechanically creates incentives for parties to cooperate with each other. When seats are allocated using PR, the number of parties in competition will increase, and in turn increase the likelihood that like-minded parties will bargain with each other (Ames, 1995). In contrast, when most seats are distributed by First-Past-The-Post (FPTP) electoral rules for legislative elections, the number of parties will tend to be smaller, and in turn accentuate cleavages among the fewer parties. Evidence comparing PR elections in Israel and the Netherlands to FPTP elections in the United States, Mexico, the United Kingdom, and Israel shows that because there tend to be more small parties in PR systems, tactical voting is actually more common under PR than under FPTP (Abramson et al., 2009).

Electoral thresholds to gain legislative representation have also been singled out as an important factor for electoral coalition formation. Thresholds create incentives for small parties to negotiate with large parties. When parties are required to surpass a minimum threshold to gain legislative representation, they may decide to bargain with a larger party rather than risk elimination (Rae, Hanby and Loosemore, 1971). In comparison, when parties can gain legislative representation irrelevant of their vote share, they will tend to take their chances. Evidence from Israel shows that after increasing the threshold for legislative representation in the Knesset, an increase in winning electoral coalitions

followed (Bueno de Mesquita, 2000).

Large legislatures can also boost the probability of electoral coalition formation. A large congress encourages parties to cooperate with each other. When there are many seats available in congress, the executive's party may seek the support of smaller parties to eliminate possible veto-players (McGrath, Rogowski and Ryan, 2013). In contrast, when the legislature is small, parties will tend to appeal to predetermined electoral niches and thus prefer competing alone to sharing power. Indeed, formal evidence suggests that an increase in the number of legislators reduces the “yolk” of the collective veto-player, increasing the cohesion of congress and thus reducing the effective majority required to alter the status-quo (Tsebelis, 2002).

Finally, presidential democracies with small district magnitudes should be more likely to see electoral coalitions form. Small district magnitudes create incentives for large parties to negotiate with small parties. When the mean district magnitude is small, national parties may decide to negotiate with local parties to obtain support they would otherwise not have access to (Rae, 1995). In comparison, large district magnitudes will tend to encourage small parties to bid for few seats. Evidence from Hungary shows that parties tend to coalesce more in PR districts with smaller magnitudes since they see greater potential for exclusion by coordinated large parties as the district magnitude rises (Benoit, 2001).

3.2.2 *Party System*

As above, party elites cannot ignore the party system when it comes to designing campaign strategies. If the objective of a party is to maximise its profit in an election, its elites must behave strategically. The decision of party elites to compete alone, or to bargain with other party elites and compete together as a coalition, can take the party down substantially different roads. In this subsection I explore some of the variables related to the partisan landscape that have been linked to electoral coalition formation.

Presidential democracies with large party systems should be more likely to see electoral coalitions form. A large party system sets the stage for like-minded parties to cooperate with each other. When the party system is large, the probability parties will find common policy platforms increases (Browne and Frensdreis, 1980; Schofield, 1993). In contrast, in a small party system with dominant traditional parties there will be no incentive for parties to cooperate. Evidence from Chile shows that the degree

of the party system fractionalisation increases the incentive for coalition formation and maintenance (Siavelis, 1997).

The government party's legislative majority has also been mentioned as an electoral coalition formation determinant. A high margin of support for the executive's party creates incentives for opposition parties to bargain. When the president's party is the favourite by a large margin, other parties may decide to negotiate rather than taking their chances in the election (Cheibub, Przeworski and Saiegh, 2004). In comparison, a low margin of support for the executive's party hinders the incentive for opposition parties to bargain. When the president's party is headed towards a small legislative majority, other parties will see higher rewards to remain in the opposition. Formal evidence suggests that in a multi-party setting electoral behaviour is a function of voters' beliefs about how parties will perform following the election, making it more likely that small parties will join a coalition with another party if they think they will win the election (Austen-Smith and Banks, 1988).

3.2.3 *Alternative Variables*

In addition to the two theories above, some alternative variables may also be involved. For example, presidential democracies with outsider candidates should be less likely to see electoral coalitions form. An outsider candidate can be considered an indicator of a fragmented party system in which parties are unwilling to cooperate with each other. When an outsider is present, traditional parties will most likely find reasons not to bargain with each other (Bunker and Navia, 2013). Evidence from the 2011 Peruvian presidential election suggests that even when parties can benefit from joining forces in a coalition, but an outsider is present in the race, they will choose not to do so (Lupu, 2012).

Young presidential democracies should also be more likely to see electoral coalitions form. New democracies can reflect a political environment in which parties are willing to negotiate with each other. When a democracy is young, parties will find larger rewards in sharing power, even when they are unlikely to win elections (Horowitz, 1993). Evidence from the new democracies of East Central Europe shows that coalition formation often takes place among new parties, since their first priority after the democratic transition is to develop a consistent identity and a reputation that will allow them to gain a steady electorate (Grzymala-Busse, 2001).

Other control variables include the size of the country and economic conditions. Specifically, presidential democracies with large populations should be more likely to see electoral coalitions form.

Large countries can be understood as environments with many different issues at stake. When the population is large, national parties may face difficulties reaching local voters and thus seek the support of local parties. It is also likely that presidential democracies going through economic turbulence will be more likely to see electoral coalitions form. Dire economic conditions can reflect an environment where parties are exceptionally willing to negotiate with each other. When growth is low and inflation and inequality are high, parties may decide to form alliances to produce stability.

3.3 RESEARCH QUESTION AND HYPOTHESES

This section presents the research question and hypotheses. Each of the theories mentioned above is divided into a set of hypotheses:

Research Question : Why do parties form electoral coalitions in the presidential regimes of Latin America?

Theory 1 : Electoral Institutions and Electoral Systems

(H1) Presidential democracies with simple majority plurality are more likely to see electoral coalitions form.

(H2) Presidential democracies with incumbent presidential candidates are more likely to see electoral coalitions form.

(H3) Presidential democracies with long presidential terms are more likely to see electoral coalitions form.

(H4) Presidential democracies with concurrent presidential and legislative elections are more likely to see electoral coalitions form.

(H5) Presidential democracies with unicameral congresses are more likely to see electoral coalitions form.

(H6) Presidential democracies in which most seats are distributed by proportional representation electoral rules for legislative elections are more likely to see electoral coalitions form.

(H7) Presidential democracies with electoral thresholds to gain legislative representation

are more likely to see electoral coalitions form.

(H8) Presidential democracies with large legislatures are more likely to see electoral coalitions form.

(H9) Presidential democracies with small district magnitudes are more likely to see electoral coalitions form.

Theory 2 : Party System

(H10) Presidential democracies with large party systems are more likely to see electoral coalitions form.

(H11) Presidential democracies in which the government party has a large legislative majority are more likely to see electoral coalitions form.

3.4 DATA AND METHODS

This section presents the data and the methods used to test the hypotheses.

3.4.1 *Data*

The dependent variable for the following hypotheses is electoral coalition formation (Electoral Coalition).¹ It is a dichotomous variable, coded 1 if the winner of the presidential election is backed by an electoral coalition, and coded 0 if the winner of the presidential election is not backed by an electoral coalition.²

In Hypothesis 1 the independent variable is simple majority plurality (SMP) for presidential elections.³ It is a dummy variable coded 1 if simple majority plurality is used to define presidential elections, and coded 0 if simple majority plurality is not used to define presidential elections.

¹The source of Electoral Coalition is the dataset compiled by the author for this thesis.

²Other formats of electoral coalitions were also coded, for testing purposes. These alternative measures included situations in which (1) the runner-up of the presidential election is backed by an electoral coalition; (2) the winner or the runner-up of the presidential election is backed by an electoral coalition; and (3) the winner and the runner-up of the presidential election are backed by an electoral coalition. The following indicators were also coded, for testing purposes: (4) the number of candidacies backed by an electoral coalition competing in the presidential election; and (6) the percentage of candidacies backed by an electoral coalition competing in the presidential election.

³The source of SMP is the dataset compiled by Payne et al. (2002) for the book *Democracies in Development: Politics and Reform in Latin America*.

In Hypothesis 2 the independent variable is Re-election Provisions (Reelection).⁴ It is a dummy variable coded 1 if the incumbent president can bid for re-election, and coded 0 if the incumbent president cannot bid for re-election.

In Hypothesis 3 the independent variable is Term Length (Term Length).⁵ This variable reflects the fixed number of years the president is elected to serve.

In Hypothesis 4 the independent variable is Concurrent Legislative Elections (Concurrent).⁶ It is a dummy variable coded 1 if presidential elections are concurrent to legislative elections, and coded 0 if presidential elections are not concurrent to legislative elections.

In Hypothesis 5 the independent variable is Unicameral Congress (Unicameral).⁷ It is a dummy variable coded 1 if congress is unicameral, and coded 0 if congress bicameral.

In Hypothesis 6 the independent variable is House System (PR system).⁸ It is a dummy variable coded 1 if the majority of votes are translated into seats by proportional representation electoral rules, and coded 0 if the majority of votes are not translated into seats by proportional representation electoral rules.

In Hypothesis 7 the independent variable is Legislative Threshold (Threshold).⁹ It is a dummy variable coded 1 if parties must meet a predetermined threshold of votes to gain legislative representation, and coded 0 if parties do not need to meet a predetermined threshold of votes to gain legislative representation.

In Hypothesis 8 the independent variable is Total Seats (Total Seats).¹⁰ This variable reflects the total number of seats in the legislature, or in the case of bicameral legislatures, the total number of seats in the lower house.

⁴The source of Re-election is the dataset compiled by Payne et al. (2002) for the book *Democracies in Development: Politics and Reform in Latin America*.

⁵The source of Term Length is the dataset compiled by Payne et al. (2002) for the book *Democracies in Development: Politics and Reform in Latin America*.

⁶The source of Concurrent is the dataset compiled by Payne et al. (2002) for the book *Democracies in Development: Politics and Reform in Latin America*.

⁷The source of Unicameral is the dataset compiled by Cheibub (2007) for the book *Parliamentarism, Presidentialism, and Democracy*.

⁸The source of PR system is the dataset compiled by Beck et al. (2001) for the article "New Tools in Comparative Political Economy: The Database of Political Institutions".

⁹The source of Threshold is the dataset compiled by Beck et al. (2001) for the article "New Tools in Comparative Political Economy: The Database of Political Institutions".

¹⁰The source of Total Seats is the dataset compiled by Beck et al. (2001) for the article "New Tools in Comparative Political Economy: The Database of Political Institution".

In Hypothesis 9 the independent variable is Mean District Magnitude (MDMH).¹¹ This variable reflects the mean district magnitude in the largest chamber, which is generally the lower chamber, or the only chamber.

In Hypothesis 10 the independent variable is the Effective Number of Electoral Parties (ENEP).¹² This variable reflects the number of parties that compete in legislative elections.

In Hypothesis 11 the independent variable is the Government Party's Legislative Majority (Legislative Majority).¹³ This variable reflects the number of government seats divided by the total number of seats.

Some additional variables are also added to the hypotheses to control for external factors. One of these variables is Outsider Presidential Candidate (Outsider).¹⁴ It is a dummy variable coded 1 if an outsider presidential candidate competed in the election, and coded 0 if an outsider did not compete in the election.

A second variable added to the hypotheses is Age of the Democracy (Age of the Democracy).¹⁵ This variable reflects the number of years since transition to democracy.

A third variable added to the hypotheses is Population (Population).¹⁶ This variable reflects the number of residents regardless of their legal status or citizenship – with the exception of refugees not permanently settled in the country of asylum, who are generally considered part of the population of their country of origin.

Finally, three variables related to the state of the economy are added to the hypotheses.¹⁷ The first is the Consumer Price Index (CPI). This variable reflects the yearly change in the cost to the average consumer of acquiring a basket of goods and services. The second variable is the Gross Domestic Product (GDP). This variable reflects the annual percentage growth rate of GDP at market prices

¹¹The source of the independent variable is the dataset compiled by Beck et al. (2001) for the article “New Tools in Comparative Political Economy: The Database of Political Institution”.

¹²The source of the independent variable is the dataset compiled by Gallagher and Mitchell (2005) for the book *The Politics of Electoral Systems*.

¹³The source of Government Party's Legislative Majority is the dataset compiled by Beck et al. (2001) for the article “New Tools in Comparative Political Economy: The Database of Political Institutions”.

¹⁴The source of Outsider is the dataset compiled by Bunker and Navia (2013) for the article “Latin American Political Outsiders, Revisited: The Case of Marco Enríquez-Ominami in Chile”.

¹⁵The source of Age of the Democracy is the dataset compiled by The World Bank (2014).

¹⁶The source of Population is the dataset compiled by The World Bank (2014).

¹⁷All of these variables are lagged one year. The source of these three independent variables is the dataset compiled by The World Bank (2014).

based on constant local currency. Aggregates are based on constant 2005 U.S. dollars. The third variable is the Gini Index (GINI). This variable reflects the extent to which the distribution of income or consumption expenditure among individuals or households within an economy deviates from a perfectly equal distribution.

3.4.2 *Methods*

Logistic regressions are used to test the hypotheses. This technique is normally used for predicting the outcome of a dichotomous dependent variable based on one or more predictor variables. The probabilities describing the possible outcome of a single trial are modelled using a logit function (`logit`). These probabilities are described in odds ratios (`or`), which is a measure of effect size, describing the strength of association or non-independence between binary data values for the dependent variable, and binary or continuous data values for the independent variables. It is calculated by dividing the odds in the treated or exposed group by the odds in the control group (Hosmer Jr and Lemeshow, 2004): if the odds of an event are greater than one the event is more likely to happen than not (the odds of an event that is certain to happen are infinite); if the odds are less than one the lower the chances it will happen (the odds of an impossible event are zero).

Data are organized and tested to account for individual heterogeneity. In these models, observations are treated as panel data to control for variables that could not be directly observed or measured. Thus, data were treated as cross-sectional time series with a logit function (`xtlogit`). This statistical technique has been regularly used in studies that use data with multiple observations in multiple countries (see an example from Latin America, Jones, 2008). Data are tested with both random effects (`re`) and fixed effects (`fe`) models (McCullagh and Nelder, 1989). The random effects models assume that the error term is not correlated with the respective independent variables, which allows for time-invariant variables to play a role as explanatory variables. The fixed effects models do not make an assumption between the error term and the respective independent variables, and thus ignore the effect of time-invariant characteristics.

A Hausman (`hausman`) is applied to choose between the random effects and the fixed effects models. In the Hausman test, the random effects model is compared to the fixed effects model to test whether the error terms are correlated with the independent variables. The null hypothesis is that the two estimation methods are equally appropriate, and the alternative hypothesis is that the

fixed effects estimation is more appropriate (Hausman and McFadden, 1984). In the former case there are no differences between the two sets of coefficients; in the latter case, there are significant differences. The Hausman test is used as a pre-test in all of the following models. In every case it shows a small and non-significant Hausman statistic, which indicates that null hypothesis cannot be rejected. This indicates that the random effects models are a more appropriate method. Only random effects models are shown below.

Robust variance estimates are used to eliminate influence from possible outliers. An observed information matrix (`oim`) was used as the variance controller. Also known as the Fisher information, it allows measuring the amount of data that an observable random variable χ carries about an unknown parameter θ upon which the probability of χ depends (Lehmann and Casella, 1998). The maximum likelihood estimators are standard errors based on variance estimates given by the inverse of the negative Hessian (second derivative) matrix. Formally, it is the variance of the score, or the expected value of the observed information. In what follows, standard errors are clustered between countries. Data is also tested with bootstrap (`boot`) and Jackknife (`jack`) variance estimators. All three variations show consistent results. Only OIM models are shown below.

The specification for all of the models is the following:

$$y_{it} = \beta_1\chi_{1it} + \beta_2\chi_{2it} + \beta_3\chi_{3it} + z_{it} + n_i + \varepsilon_{it} \quad (3.1)$$

where y_{it} is the value of the dependent variable for the i th case (country) in the sample at the t th time period (election); β_1 is the coefficient corresponding to each of the variables in the first vector (in this case, the electoral institutions and electoral systems theory variables), χ_{1it} is the value corresponding to each of the time-varying covariates in the first vector; β_2 is the coefficient corresponding to each of the variables in the second vector (in this case, the party system theory variables); χ_{2it} is the value corresponding to each of the time-varying covariates in the second vector; β_3 is the coefficient corresponding to each of the variables in the third vector (in this case, the control variables); χ_{3it} is the value corresponding to each of the time-varying covariates in the third vector; z_i is the unknown intercept for each entity; u_{it} is the between-entity error; and ε_{it} is the within-entity error.

3.5 FINDINGS

3.5.1 *Descriptive Findings*

This subsection shows descriptive findings for the variables discussed above. The data filtering process is as follows. First, data from 1980 to 2010 is collected to reflect every year a country appears (540 observations). Second, data is sorted in the short form to reflect every year a country has a presidential election (109 observations). Third, data is trimmed to reflect every year a country has a free and fair presidential election (100 observations).¹⁸

Table 3.1 reports the main descriptive statistics for each of the variables. Since some of the variables are dichotomous, the mean can be interpreted as the proportion of observations coded as 1 (in these cases the standard deviation can be ignored). Table 3.1 shows that in 39 per cent of the elections the winner was backed by an electoral coalition.

The first group of independent variables in Table 3.1 refers to the electoral institutions and electoral systems theory. It shows that 30 per cent of the presidential elections in the sample use simple majority plurality electoral rules. It shows that 11 per cent of the presidential elections in the sample have re-election provisions. It shows that the average presidential term length is 4.6 years, that the minimum term length is four years and that the maximum term length is six years. It shows that 91 per cent of the presidential elections in the sample have concurrent presidential and legislative elections. It shows that 47 per cent of the democracies in the sample have a unicameral congress. It shows that 82 per cent of the legislative elections in the sample use PR rules to translate votes into seats. It shows that 21 per cent of the legislative elections in the sample use an electoral threshold. It shows that the average number of seats in congress is 152.24, that the minimum number of seats is 57 and that the maximum number of seats is 513. It also shows that the average mean district magnitude is 9.69, that the minimum mean district magnitude is 1 and that the maximum mean district magnitude is 118.

The second group of independent variables in Table 3.1 refers to the party system theory. It shows that the average effective number of electoral parties is 4.44, that the minimum average effective number of electoral parties is 1.33 and that the maximum average effective number of electoral parties

¹⁸The nine elections that are excluded from the final sample are the following: Bolivia (1980), Mexico (1982, 1988, 1994), Nicaragua (1984), Panama (1984), Paraguay (1989), Peru (1995, 2000).

is 10.63. It also shows that the average legislative support for the government party is 51 per cent, that the minimum legislative support for the government party is nine per cent and that the maximum legislative support for the government party is 100 per cent.

The third group of variables in Table 3.1 refers to the control variables. It shows that 17 per cent of presidential elections in the sample had an outsider. It shows that the average age of a democracy at the time of an election in the sample is 19.38 years, that the minimum age of a democracy at the time of an election is one year and that the maximum age of a democracy at the time of an election is 59 years. It shows that the average population is 24 million people, that the minimum population at the time of an election is 2.5 million people and that the maximum population at the time of an election is 190 million people.

Table 3.1 also shows that the average inflation in the year prior to the year of an election in the sample is 116.30 per cent, that the minimum inflation in the year prior to the year of an election is -1.17 per cent and that the maximum inflation in the year prior to the year of an election is 3079.81 per cent. It shows that the average growth in the year prior to the year of an election in the sample is 3.08 per cent, that the minimum growth in the year prior to the year of an election is -8.56 per cent and that the maximum growth in the year prior to the year of an election is 10.11 per cent. It also shows that the average Gini coefficient in the year prior to the year of an election in the sample is 51.75, that the minimum Gini coefficient in the year prior to the year of an election is 34.42 and that the maximum Gini coefficient in the year prior to the year of an election is 61.04.

3.5.2 *Inferential Findings*

Univariate Findings

This subsection shows some of the inferential findings for the variables discussed above. The following models test univariate hypotheses for each of the two theories. Table 3.2 refers to the first theory, that individual variables related to electoral institutions and the electoral system play a central role in electoral coalition formation. Table 3.3 refers to the second theory, that individual variables related to the party system play a central role in electoral coalition formation.

Model 1 (M1) suggests that presidential democracies with SMP rules for presidential elections (rather than those with run-off elections) are less likely to see electoral coalitions form. Table 3.2

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Table 3.1.: Descriptive Statistics

	Obs.	Mean	Std. Dev.	Min.	Max.
Coalition Formation					
Electoral Coalition	100	0.39	0.49	0	1
Electoral Institutions and Electoral System					
SMP	100	0.30	0.46	0	1
Re-election	100	0.11	0.31	0	1
Term Length	100	4.56	0.67	4	6
Concurrent	100	0.91	0.28	0	1
Unicameral	100	0.47	0.50	0	1
PR system	100	0.82	0.38	0	1
Threshold	100	0.21	0.21	0	1
Total Seats	100	152.24	113.95	57	513
MDMH	100	9.69	17.66	1	118
Party System					
ENEP	100	4.44	2.22	1.33	10.63
Legislative Majority	100	0.51	0.17	0.09	1
Control					
Outsider	100	0.17	0.37	0	1
Age of Democracy	100	19.38	14.61	1	59
Population (in millions)	100	24	40	2.5	190
CPI	100	116.30	510	-1.17	3079.81
GDP	100	3.08	3.58	-8.56	10.11
GINI	100	51.71	.55	34.42	61.04

Note. Obs. is Observations; Std. Dev. is Standard Deviation; Min. is the minimum range observation; Max. is the maximum range observation.

shows that the presence of SMP in presidential elections decreases the likelihood of electoral coalition formation. The odds of forming an electoral coalition in systems with SMP elections are 0.80 times higher than the odds of forming an electoral coalition in a system without SMP. This finding is not consistent with the theory and hypothesis presented above. Yet, the relationship between the variables is not significant.

Model 2 (M2) suggests that presidential democracies with incumbent presidential candidates (rather than those without incumbent presidential candidates) are more likely to see electoral coalitions form. Table 3.2 shows that the presence of an incumbent presidential candidate increases the likelihood of electoral coalition formation. The odds of forming an electoral coalition in systems with an incumbent presidential candidate are 1.15 times higher than the odds of forming an electoral coalition in a

system without an incumbent presidential candidate. This finding is consistent with the theory and hypothesis presented above. Yet, the relationship between the variables is not significant.

Model 3 (M3) suggests that presidential democracies with short term lengths (rather than those with long term lengths) are less likely to see electoral coalitions form. Table 3.2 shows that as the term length increases, the likelihood of electoral coalition formation decreases. For a one-unit increase in term length (one year), the odds of forming an electoral coalition (versus not forming an electoral coalition) increase by a factor of 0.86. This finding is not consistent with the theory and hypothesis presented above. Yet, the relationship between the variables is not significant.

Model 4 (M4) suggests that presidential democracies with concurrent presidential and legislative elections (rather than those without concurrent elections) are more likely to see electoral coalitions form. Table 3.2 shows that concurrent elections increase the likelihood of electoral coalition formation. The odds of forming an electoral coalition in systems with concurrent presidential and legislative elections are 1.24 times higher than the odds of forming an electoral coalition in a system without concurrent presidential and legislative elections. This finding is consistent with the theory and hypothesis presented above. Yet, the relationship between the variables is not significant.

Model 5 (M5) suggests that presidential democracies with a unicameral congress (rather than those with a bicameral congress) are more likely to see electoral coalitions form. Table 3.2 shows that unicameral congresses increase the likelihood of electoral coalition formation. The odds of forming an electoral coalition in systems with a unicameral congress are 1.24 times higher than the odds of forming an electoral coalition in system with a bicameral congress. This finding is consistent with the theory and hypothesis presented above. Yet, the relationship between the variables is not significant.

Model 6 (M6) suggests that presidential democracies in which most seats are distributed by PR electoral rules for legislative elections (rather than those in which most seats are not distributed by PR) are more likely to see electoral coalitions form. Table 3.2 shows that when most seats are distributed by PR, the likelihood of electoral coalition formation increases. The odds of forming an electoral coalition in PR systems are 13.02 times higher than the odds of forming an electoral coalition in non-PR systems. This finding is consistent with the theory and hypothesis presented above. Yet, the relationship between the variables is not significant.

Model 7 (M7) suggests that presidential democracies with electoral thresholds to gain legislative representation (rather than those without electoral thresholds) are more likely to see electoral coalitions

form. Table 3.2 shows that legislative thresholds increase the likelihood of electoral coalition formation. The odds of forming an electoral coalition in systems with electoral thresholds to gain legislative representation are 3.07 times higher than the odds of forming an electoral coalition in a system without electoral thresholds to gain legislative representation. This finding is consistent with the theory and hypothesis presented above. Yet, the relationship between the variables is not significant.

Model 8 (M8) suggests that presidential democracies with small legislatures (rather than those with large legislatures) are more likely to see electoral coalitions form. Table 3.2 shows that as the total number of seats in congress increases, the likelihood of electoral coalition formation decreases. For a one-unit increase in the total number of seats, the odds of forming an electoral coalition (versus not forming an electoral coalition) increase by a factor of 0.99. This finding is not consistent with the theory and hypothesis presented above. Yet, the relationship between the variables is not significant.

Model 9 (M9) suggests that presidential democracies with small district magnitudes (rather than those with large district magnitudes) are more likely to see electoral coalitions form. Table 3.2 shows that as the average district magnitude increases, the likelihood of electoral coalition formation decreases. For a one-unit increase in average district magnitude, the odds of forming an electoral coalition (versus not forming an electoral coalition) significantly increase by a factor of 0.86. This finding is consistent with the theory and hypothesis presented above.

Model 10 (M10) suggests that presidential democracies with large party systems (rather than those with small party systems) are more likely to see electoral coalitions form. Table 3.3 shows that as more parties compete in elections, the likelihood of electoral coalition formation increases. For a one-unit increase in the effective number of electoral parties, the odds of forming an electoral coalition (versus not forming an electoral coalition) significantly increase by a factor of 1.64. This finding is consistent with the theory and hypothesis presented above.

Model 11 (M11) suggests that presidential democracies in which the government party has a large legislative majority (rather than those in which the government party does not have a large legislative majority) are more likely to see electoral coalitions form. Table 3.3 shows that as the executive's party's legislative majority increases, the likelihood of electoral coalition formation increases. For a one-unit increase in the government party's legislative majority, the odds of forming an electoral coalition (versus not forming an electoral coalition) increase by a factor of 2.31. This finding is consistent with the theory and hypothesis presented above. Yet, the relationship between the variables is not

Table 3.2.: Univariate Determinants of Electoral Coalition Formation: Electoral Institutions and Electoral Systems

	(M1)	(M2)	(M3)	(M4)	(M5)	(M6)	(M7)	(M8)	(M9)
Electoral Institutions and Electoral System									
SMP	0.80 (0.93)								
Re-election		1.15 (1.36)							
Term Length			0.86 (0.57)						
Concurrent				1.24 (2.02)					
Unicameral					4.74 (6.75)				
PR system						13.02 (23.36)			
Threshold							3.07 (3.59)		
Total Seats								0.99 (0.01)	
MDMH									0.86** (0.07)
Control									
Outsider	0.75 (0.60)	0.76 (0.62)	0.70 (0.61)	0.75 (0.61)	0.73 (0.61)	0.47 (0.43)	0.84 (0.69)	0.75 (0.60)	0.75 (0.58)
Age of Democracy	0.97 (0.03)	0.97 (0.03)	0.97 (0.03)	0.97 (0.03)	0.97 (0.03)	0.97 (0.03)	0.98 (0.03)	0.97 (0.03)	0.96 (0.03)
Population	1.00** (1.96)	1.00** (1.97)	1.00** (2.05)	1.00** (1.93)	1.00** (2.48)	1.00 (3.02)	1.00 (1.82)	1.00 (4.27)	1.00** (4.56)
CPI	1.00 (0.00)	1.00 (0.00)	1.00 (0.00)	1.00 (0.00)	1.00 (0.00)	1.00 (0.00)	1.00 (0.00)	1.00 (0.00)	1.00 (0.00)
GDP	1.10 (0.10)	1.10 (0.10)	1.10 (0.10)	1.10 (0.10)	1.08 (0.10)	1.11 (0.11)	1.11 (0.10)	1.10 (0.10)	1.10 (0.10)
GINI	1.03 (0.07)	1.03 (0.07)	1.02 (0.07)	1.03 (0.07)	1.03 (0.08)	1.05 (0.08)	1.02 (0.07)	1.02 (0.07)	0.56 (2.15)
N	100	100	100	100	100	100	100	100	100
likelihood	-48.795	-48.805	-48.787	-48.804	-48.007	-47.186	-48.380	-48.786	-45.928
lnsig2u	1.32	1.32	1.39	1.31	1.70	1.97	1.11	1.35	1.03
sigma_u	1.94	1.93	2.01	1.92	2.34	2.68	1.74	1.96	1.67
rho	0.53	0.53	0.55	0.53	0.62	0.68	0.48	0.54	0.45

Note. The dependent variable is: Electoral Coalition. The results are expressed as maximum likelihood estimates of logistic regression coefficients (odds ratios). Robust Standard Errors are reported in parentheses. *Legend.* * significant at the 5% (0.05) level, ** significant at the 1% (0.01) level, *** significant at the 0.01% level (0.001).

significant.

Table 3.3.: Univariate Determinants of Electoral Coalition Formation: Party System

	(M10)	(M11)
Party System		
ENEP	1.64*** (0.32)	
Legislative Majority		2.31 (4.05)
Control		
Outsider	0.52 (0.44)	0.76 (0.61)
Age of Democracy	0.97 (0.02)	0.97 (0.03)
Population	1.00 (1.81)	1.00** (1.95)
CPI	1.00 (0.00)	1.00 (0.00)
GDP	1.11 (0.10)	1.09 (0.10)
GINI	0.99 (0.07)	1.03 (0.07)
N	100	100
likelihood	-45.279	-48.697
lnsig2u	0.89	1.32
sigma_u	1.56	1.93
rho	0.42	0.53

Note. The dependent variable is: Electoral Coalition. The results are expressed as maximum likelihood estimates of logistic regression coefficients (odds ratios). Robust Standard Errors are reported in parentheses. *Legend.* * significant at the 5% (0.05) level, ** significant at the 1% (0.01) level, *** significant at the 0.01% level (0.001).

Multivariate Findings

This subsection shows more of the inferential findings for the variables discussed above. Since only a few of the variables individually tested above had a consistent and significant effect, it is worth testing if they have a combined effect. The following models test multivariate hypotheses for each of the two theories. Table 3.4 refers to the first theory, that individual variables related to electoral institutions and the electoral system play a central role in electoral coalition formation, and to the second theory, that individual variables related to the party system play a central role in electoral coalition formation.

Model 12 (M12) combines the variables of the electoral institutions and electoral systems theory. It

suggests that presidential democracies with a unicameral congress (rather than those with a bicameral congress) are more likely to see electoral coalitions form. Table 3.4 shows that unicameral congresses increase the likelihood of electoral coalition formation. The odds of forming an electoral coalition in systems with a unicameral congress are approximately 3,879 times higher than the odds of forming an electoral coalition in a system with a bicameral congress. This finding is consistent with the theory and hypothesis presented above.

M12 further suggests that presidential democracies in which most seats are distributed by PR electoral rules for legislative elections (rather than those in which most seats are not distributed by PR) are more likely to see electoral coalitions form. Table 3.4 shows that when most seats are distributed by PR, the likelihood of electoral coalition formation significantly increases. The odds of forming an electoral coalition in PR systems are approximately 407 times higher than the odds of forming an electoral coalition in non-PR systems. This finding is consistent with the theory and hypothesis presented above.

It also suggests that presidential democracies with large legislatures (rather than those with small legislatures) are more likely to see electoral coalitions form. Table 3.4 shows that as the total number of seats in congress increases, the likelihood of electoral coalition formation significantly increases. For a one-unit increase in the total seats, the odds of forming an electoral coalition (versus not forming an electoral coalition) increase by a factor of 1.04. This finding is consistent with the theory and hypothesis presented above.

Finally, M12 suggests that presidential democracies with small district magnitudes (rather than those with large district magnitudes) are more likely to see electoral coalitions form. Table 3.4 shows that as the average district magnitude increases, the likelihood of electoral coalition formation decreases. For a one-unit increase in average district magnitude, the odds of forming an electoral coalition (versus not forming an electoral coalition) significantly increase by a factor of 0.59. This finding is consistent with the theory and hypothesis presented above.

Model 13 (M13) combines the variables of the electoral institutions and electoral systems theory, but excludes control variables related to the state of the economy. It suggests that presidential democracies with unicameral congresses (rather than those with bicameral congresses) are more likely to see electoral coalitions form. Table 3.4 shows that unicameral congresses significantly increase the likelihood of electoral coalition formation. The odds of forming an electoral coalition in systems with a unicameral

congress are approximately 2,227 times higher than the odds of forming an electoral coalition in a system with a bicameral congress. This finding is consistent with the theory and hypothesis presented above.

Moreover, M13 suggests that presidential democracies in which most seats are distributed by PR electoral rules for legislative elections (rather than those in which most seats are not distributed by PR) are more likely to see electoral coalitions form. Table 3.4 shows that when most seats are distributed by PR, the likelihood of electoral coalition formation significantly increases. The odds of forming an electoral coalition in PR systems are approximately 768 times higher than the odds of forming an electoral coalition in non-PR systems. This finding is consistent with the theory and hypothesis presented above.

M13 also suggests that presidential democracies with large legislatures (rather than those with small legislatures) are more likely to see electoral coalitions form. Table 3.4 shows that as the total number of seats in congress increases, the likelihood of electoral coalition formation significantly increases. For a one-unit increase in the total seats, the odds of forming an electoral coalition (versus not forming an electoral coalition) significantly increase by a factor of 1.04. This finding is consistent with the theory and hypothesis presented above.

Finally, it suggests that presidential democracies with small district magnitudes (rather than those with large district magnitudes) are more likely to see electoral coalitions form. Table 3.4 shows that as the average district magnitude increases, the likelihood of electoral coalition formation decreases. For a one-unit increase in average district magnitude, the odds of forming an electoral coalition (versus not forming an electoral coalition) significantly increase by a factor of 0.54. This finding is consistent with the theory and hypothesis presented above.

Model 14 (M14) combines the variables of the party system theory. It suggests that presidential democracies with large party systems (rather than those with small party systems) are more likely to see electoral coalitions form. Table 3.4 shows that as more parties compete in elections, the likelihood of electoral coalition formation increases. For a one-unit increase in the effective number of electoral parties, the odds of forming an electoral coalition (versus not forming an electoral coalition) significantly increase by a factor of 1.81. This finding is consistent with the theory and hypothesis presented above.

Model 15 (M15) combines the variables of the party system theory, but excludes control variables

related to the state of the economy. It suggests that presidential democracies with large party systems (rather than those with small party systems) are more likely to see electoral coalitions form. Table 3.4 shows that as more parties compete in elections, the likelihood of electoral coalition formation increases. For a one-unit increase in the effective number of electoral parties, the odds of forming an electoral coalition (versus not forming an electoral coalition) significantly increase by a factor of 1.82. This finding is consistent with the theory and hypothesis presented above.

It also suggests that presidential democracies in which the government party has a large legislative majority (rather than those in which the government party does not have a large legislative majority) are more likely to see electoral coalitions form. Table 3.4 shows that as the government party's legislative majority increases, the likelihood of electoral coalition formation increases. For a one-unit increase in the government party's legislative majority, the odds of forming an electoral coalition (versus not forming an electoral coalition) significantly increase by a factor of 25.38. This finding is consistent with the theory and hypothesis presented above.

Combinations of Multivariate Determinants

This subsection shows the final inferential findings for the variables discussed above. In an attempt to test the relevance of each of the individual variables, it combines the two different theories. The following models test combinations of multivariate hypotheses for each of the two theories. Table 3.5 refers to both the first theory, that individual variables related to the electoral institutions and electoral systems play a central role in electoral coalition formation, and to the second theory, that individual variables related to the party systems play a central role in electoral coalition formation.

Model 16 (M16) combines the variables of the electoral institutions and electoral systems theory with those of the party system theory. It suggests that presidential democracies with large legislatures (rather than those with small legislatures) are more likely to see electoral coalitions form. Table 3.5 shows that as the total number of seats in congress increases, the likelihood of electoral coalition formation increases. For a one-unit increase in the total seats, the odds of forming an electoral coalition (versus not forming an electoral coalition) significantly increase by a factor of 1.02. This finding is consistent with the theory and hypothesis presented above.

It also suggests that presidential democracies with large party systems (rather than those with small party systems) are more likely to see electoral coalitions form. Table 3.5 shows that as more parties

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Table 3.4.: Multivariate Determinants of Electoral Coalition Formation

	(M12)	(M13)	(M14)	(M15)
Electoral Institutions and Electoral System				
SMP	2.86 (9.67)	21.28* (47.80)		
Re-election	0.61 (1.23)	0.36 (0.76)		
Term Length	0.28 (0.37)	0.24 (0.25)		
Concurrent	1.27 (4.00)	1.38 (5.42)		
Unicameral	3879.72** (12358.13)	2227.68*** (5664.42)		
PR system	407.51** (1248.05)	768.32** (2227.89)		
Threshold	0.02 (0.08)	0.01 (0.04)		
Total Seats	1.04* (0.02)	1.04** (0.02)		
MDMH	0.59* (0.18)	0.54*** (0.13)		
Party System				
ENEP			1.81*** (0.37)	1.82*** (0.37)
Legislative Majority			16.78 (32.81)	25.38* (49.62)
Control				
Outsider	1.15 (0.19)	0.11* (0.13)	0.53 (0.46)	0.37 (0.31)
Age of Democracy	0.90 (0.07)	0.90 (0.06)	0.97 (0.02)	0.96 (0.02)
Population	1.00 (1.87)	1.00** (1.31)	1.00 (1.81)	1.00 (1.82)
CPI	1.00 (0.01)		1.00 (0.00)	
GDP	1.00 (0.05)		1.09 (0.10)	
GINI	1.09 (0.14)		1.00 (0.07)	
N	100	100	100	100
likelihood	-41.12	-41.79	-44.18	-46.15
lnsig2u	3.92	4.22	0.76	0.97
sigma_u	7.11	8.27	1.46	1.63
rho	0.93	0.95	0.39	0.44

Note. The dependent variable is: Electoral Coalition. The results are expressed as maximum likelihood estimates of logistic regression coefficients (odds ratios). Robust standard Errors are reported in parentheses. *Legend.* * significant at the 5% (0.05) level, ** significant at the 1% (0.01) level, *** significant at the 0.01% level (0.001).

compete in elections, the likelihood of electoral coalition formation increases. For a one-unit increase in the effective number of electoral parties, the odds of forming an electoral coalition (versus not forming an electoral coalition) significantly increase by a factor of 2.03. This finding is consistent with the theory and hypothesis presented above.

Model 17 (M17) combines the variables of the electoral institutions and electoral systems theory and the party system theory, but excludes control variables related to the state of the economy. It suggests that presidential democracies with large legislatures (rather than those with small legislatures) are more likely to see electoral coalitions form. Table 3.5 shows that as the total number of seats in congress increases, the likelihood of electoral coalition formation increases. For a one-unit increase in the total seats, the odds of forming an electoral coalition (versus not forming an electoral coalition) significantly increase by a factor of 1.04. This finding is consistent with the theory and hypothesis presented above.

M17 also suggests that presidential democracies with large party systems (rather than those with small party systems) are more likely to see electoral coalitions form. Table 3.5 shows that as more parties compete in elections, the likelihood of electoral coalition formation increases. For a one-unit increase in the effective number of electoral parties, the odds of forming an electoral coalition (versus not forming an electoral coalition) significantly increase by a factor of 1.87.

3.6 POST-ESTIMATION

The previous section identified the major determinants behind electoral coalition formation. This section shows some post-estimation methods to aid the interpretation. It shows adjusted predictions (`predict`) and marginal effects (`margins`), assuming that the random effect is zero. The adjusted predictions show the probability of electoral coalition formation, taking into account one independent variable at a time, while holding the other independent variables constant at their mean; the marginal effects show the probability of electoral coalition formation, taking into account the interaction between specific independent variables while holding the other independent variables constant at their mean (Williams, 2012).

The following tables show the predicted probabilities of electoral coalition formation. They use M16 as the point of departure – given that it is the most complete model. As such, they use logistic regressions with RE models to generate individual predictions. Dichotomous variables remain the

Table 3.5.: Combinations of Multivariate Determinants of Electoral Coalition Formation

	(M16)	(M17)
Electoral Institutions and Electoral System		
SMP	1.20 (1.10)	15.79 (35.38)
Re-election	0.78 (0.93)	0.36 (0.64)
Term Length	1.53 (0.81)	0.43 (0.43)
Concurrent	1.07 (1.53)	0.19 (0.54)
Unicameral	1.32 (1.10)	0.00 (0.02)
PR system	3.19 (3.11)	29.33 (74.65)
Threshold	2.05 (1.87)	0.19 (0.49)
Total Seats	1.02** (0.87)	1.04* (0.02)
MDMH	0.87 (0.12)	0.70 (0.17)
Party System		
ENEP	2.03*** (0.42)	1.87** (0.59)
Legislative Majority	9.55 (16.54)	5.00 (14.97)
Control		
Outsider	0.72* (0.55)	0.14 (0.17)
Age of Democracy	0.97 (0.03)	0.92 (0.06)
Population	1.00 (4.61)	1.00 (1.30)
CPI	1.00 (0.00)	
GDP	1.12 (1.10)	
GINI	1.00 (0.07)	
N	100	100
likelihood	-38.820	-40.138
lnsig2u	-12.84	2.94
sigma_u	0.00	4.35
rho	8.01	0.85

Note. The dependent variable is: Electoral Coalition. The results are expressed as maximum likelihood estimates of logistic regression coefficients (odds ratios). Robust standard Errors are reported in parentheses. *Legend.* * significant at the 5% (0.05) level, ** significant at the 1% (0.01) level, *** significant at the 0.01% level (0.001).

same, and continuous variables are split into four groups with an equal number of observations.

Table 3.6 shows that the probability an electoral coalition will form is 40.7 per cent if presidential elections use SMP, and 38.3 per cent if they use run-off provisions. It shows that the probability an electoral coalition will form is 36.3 per cent if the incumbent president can bid for re-election, and 39.3 per cent if he cannot bid for re-election. It shows that the probability an electoral coalition will form is 39.3 per cent if presidents are elected to four-year terms, 28.3 per cent if presidents are elected to five-year terms, and 76 per cent if presidents are elected to six-year terms. It shows that the probability an electoral coalition will form is 39 per cent if presidential and legislative elections are concurrent, and 38.1 per cent if they are not concurrent. It shows that the probability an electoral coalition will form is 41.7 per cent if legislative elections use PR rules, and 28.4 per cent if they do not use PR rules. It shows that the probability an electoral coalition will form is 46.6 per cent if legislative elections have a minimum threshold to obtain seats, and 37 per cent if they do not have a minimum threshold to obtain seats.

Table 3.6 also shows the predicted probabilities of electoral coalition formation, according to the size of the legislature. It shows that the probability of electoral coalition formation is 40.3 per cent in democracies with small legislatures (57 to 83 seats), 20.8 per cent in democracies with medium-small legislatures (84 to 120 seats), 36.7 per cent in democracies with medium-large legislatures (121 to 166 seats), and 58 per cent in democracies with large legislatures (166 to 513 seats). It also shows that the probability of electoral coalition formation is 74.4 per cent in democracies with small district magnitudes (1.4 to 4.4), 23.1 per cent in democracies with small-medium district magnitudes (4.5 to 5.6), 39 per cent in democracies with medium-large district magnitudes (5.7 to 8.8), and 36.6 per cent in democracies with large district magnitudes (8.9 to 118).

Table 3.7 shows the predicted probabilities of electoral coalition formation according to variables related to the party system. It shows that the probability of electoral coalition formation is 11.7 per cent in democracies with small party systems (1.33 to 2.70 parties), 18.4 per cent in democracies with small-medium party systems (2.71 to 3.49 parties), 62.8 per cent in democracies with medium-large party systems (3.50 to 6.15 parties), and 71.8 per cent in democracies with large party systems (6.15 to 10.63 parties). It also shows that the probability of electoral coalition formation is 48.9 per cent in democracies with small majorities in congress (9 to 44 per cent), 29.8 per cent in democracies with small-medium majorities in congress (45 to 50 per cent), 28.2 per cent in democracies with medium-large majorities in congress (51 to 57 per cent), and 44 per cent in democracies with large

Table 3.6.: Predicted Probability of Electoral Coalition Formation: Electoral Institutions and Electoral Systems

	Pred. Prob.	Std. Err.	P> z
SMP			
0	0.383	0.047	0.000
1	0.407	0.089	0.000
Re-election			
0	0.393	0.039	0.000
1	0.363	0.134	0.007
Term Length			
4 years	0.393	0.057	0.000
5 years	0.283	0.070	0.000
6 years	0.760	0.159	0.000
Concurrent			
0	0.381	0.169	0.024
1	0.390	0.037	0.000
Unicameral			
0	0.373	0.059	0.000
1	0.408	0.065	0.000
PR system			
0	0.284	0.082	0.001
1	0.417	0.042	0.000
Threshold			
0	0.370	0.044	0.000
1	0.466	0.109	0.000
Total Seats			
57-83	0.403	0.094	0.000
84-120	0.208	0.085	0.015
121-166	0.367	0.073	0.000
166-513	0.580	0.125	0.000
MDMH			
1.0-4.4	0.744	0.126	0.000
4.5-5.6	0.231	0.069	0.001
5.7-8.8	0.390	0.086	0.000
8.9-118	0.366	0.103	0.000

Note. Pred. Prob. is the Predicted Probability; Std. Err. is the Delta-Method Standard Error; P>|z| is the Significance Level.

majorities in congress (58 to 100 per cent).

Table 3.7.: Predicted Probability of Electoral Coalition Formation: Party System

	Pred. Prob.	Std. Err.	P> z
ENEP			
1.33-2.70	0.117	0.094	0.014
2.71-3.49	0.184	0.085	0.013
3.50-6.15	0.628	0.073	0.000
6.15-10.63	0.718	0.125	0.000
Legislative Majority			
9-44%	0.489	0.054	0.000
45-50%	0.298	0.046	0.000
51-57%	0.282	0.041	0.000
58-100%	0.440	0.060	0.000

Note. Pred. Prob. is the Predicted Probability; Std. Err. is the Delta-Method Standard Error; P>|z| is the Significance Level.

Figure 3.1 and Figure 3.2 show the marginal effect of electoral coalition formation, after considering the interaction between the electoral system and the party system. They also use M16 as the point of departure. Yet, in contrast to the predicted probabilities shown above, they use logistic regressions models to generate non-linear predictions.

Figure 3.1 shows the probability an electoral coalition will form, given the interaction between the major variable related to presidential elections (SMP) and the effective number of electoral parties. It shows that electoral coalition formation is significantly more likely in democracies that use SMP. This is especially likely when the effective number of electoral parties is greater than three, and it is almost certain when the ENEP is greater than seven.

Figure 3.2 shows the probability an electoral coalition will form, given the interaction between the major variable related to legislative elections (PR) and the number of electoral parties. It shows that electoral coalition formation is generally more likely in democracies that use PR. Yet, the slope for democracies that do not use PR, and have more than seven effective electoral parties, is steeper (note that it is rarely the case that democracies with majoritarian systems have more than seven parties).

3.7 DISCUSSION

The univariate analysis shows a partial picture. When variables are individually added into the models, only a few are both consistent with theory and have a significant effect. As expected, the results

DISCUSSION

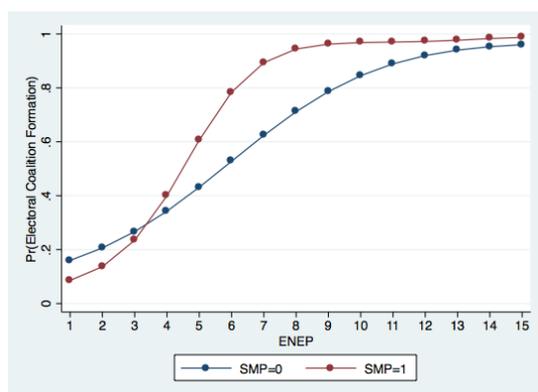


Figure 3.1.: SMP and ENEP

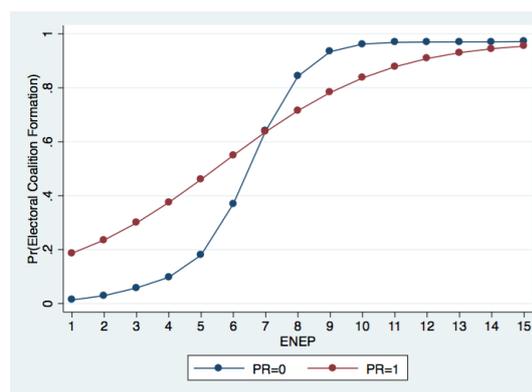


Figure 3.2.: PR and ENEP

show that smaller district magnitudes and larger party systems favour electoral coalitions. The former association makes theoretical sense, since lower district magnitudes are expected to reduce the number of parties in competition. Evidence presented above shows that instead of parties losing their legal status, they decide to join coalitions. The latter association makes theoretical sense, since larger party systems are expected to produce more like-minded parties. Evidence presented above shows that as the party system grows the likelihood that two or more parties will find common campaign platforms also grows.

The multivariate analysis shows a more complete picture. When variables are collectively added into the models, many more of them are both consistent with theory and have a significant effect. Among these variables are simple majority plurality, unicameralism, proportional representation, size of the legislature, district magnitude, effective number of electoral parties and government party's legislative majority. The results show that simple majority plurality for presidential elections, single-tier congresses, PR rules for legislative elections, larger legislatures, smaller average district magnitudes, larger party systems, and large legislative majorities for the government party favour electoral coalitions.

In terms of the electoral institutions and electoral systems theory, most of the variables tested were found to have a consistent and significant effect on electoral coalition formation. Their consistency and significance were boosted when the variables were collectively entered into the models. Some variables that were expected to have a large and significant effect on electoral coalition formation included: when the incumbent president can bid for re-election; when there are concurrent presidential and legislative elections; and when there is a minimum threshold to gain legislative representation. Instead, models

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show that none of these variables have an effect on the decision of party elites to form coalitions.

In terms of the party system theory, both of the variables tested were found to have a consistent and significant effect on electoral coalition formation. Their consistency and significance increased when they were collectively entered into the models. While the number of parties has a robust effect on electoral coalitions, the margin of legislative support for the government party was found to be significantly more sensitive. In essence, while the number of parties is an important predictor, the legislative power of the party that finally wins the election is the determinant factor.

In addition to these findings, results show that population does not have an effect on electoral coalitions, and that when outsider presidential candidates are present the likelihood of electoral coalition formation will decrease. Results also show that the age of the democracy does not have an effect on electoral coalition formation. Parties decide to form electoral coalitions regardless of the distance between the election and the transition to democracy. Furthermore, results show that variables related to the economy are not relevant predictors. All of the models show that inflation, growth and inequality do not influence the decision of parties to form electoral coalitions.

3.8 CONCLUSION

The contribution of this chapter is twofold. First, it organised the literature around two core theories that have recurrently been mentioned as determinants of electoral coalition formation in individual case studies, but have hitherto not been empirically proven. While most case studies have accepted that electoral institutions, the electoral system and the party system have some sort of effect on the willingness of parties to form coalitions before elections, they have not used empirical evidence to illustrate the direction and magnitude of the relationship. By discussing each of the theories in detail, this chapter may prove a cornerstone for future literature; it provides a reference point to further explore electoral coalition formation in the region.

The second contribution of this chapter has been to test hypotheses with a cross-national quantitative method. Of the 11 variables tested, seven were found to be significant. Findings showed that simple majority plurality for presidential elections, unicameralism, proportional representation, size of the legislature, district magnitude, effective number of electoral parties and government party's legislative majority are crucial predictors of electoral coalition formation. Another finding was that the presence of outsiders hinders electoral coalition formation. Findings also suggest that population does not

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have an effect on electoral coalitions and that when an outsider presidential candidate is present the likelihood of electoral coalition formation will decrease. Finally, findings showed that variables related to the economy do not have an effect on electoral coalition formation.

EXPLAINING GOVERNMENT COALITION FORMATION IN LATIN AMERICA

This chapter explains government coalition formation in Latin America. The lack of a theory particularly pertaining to presidentialism and the absence of large-N studies have significantly narrowed the range of approaches that could be used to explain government coalition formation in the region. It emphasises the need for (1) a theory built on evidence stemming from presidential systems rather than from parliamentary systems; and (2) an overarching statistical method to approach the reasons for coalition formation. The second section reviews three theories that frame government coalition formation: the presidential power theory, the electoral institutions and electoral systems theory, and the party system theory. The third section elaborates the research questions and hypotheses, while the fourth section presents the data and methods. The final section shows that as the incumbent president's power and vote share increase, the likelihood of forming a government coalition decreases. It also shows that simple majority plurality for presidential elections, longer term lengths, unicameralism, smaller legislatures, fewer legislative parties, and the government party's legislative majority are crucial predictors of government coalition formation. Finally, it shows that when the incumbent president is backed by an electoral coalition or when the government is going through a crisis, the probability of forming a government coalition increases.

4.1 INTRODUCTION

Case studies provide an in-depth understanding of coalition formation in the presidential regimes of Latin America (see Alemán and Saiegh, 2007; Basabe-Serrano and Polga-Hecimovich, 2013; Zucco, 2013). Findings show that the determinants behind the decision of one party to cooperate with another can be explained by (a) the specific circumstances surrounding the particular government; or (b) the specific features of the political system. In some cases, coalition formation depends on issues such as the proximity of the coming election or presidential approval ratings (see Altman, 2000). In other cases, government coalition formation depends on issues such as the number of parties with legislative representation or the utility of forming a legislative majority (see Huneeus, 2005). Research concurs that while each country has different reasons for forming coalitions, these may vary from one election to the next.

As mentioned in the previous chapter, the literature does not provide an explanation as to why parties decide to form government coalitions across the region. Even when combining the findings of each of the case studies into one theory, they cannot provide a satisfactory account of why parties decide to cooperate with each other. The previous chapter also mentioned that the ultimate problem with case studies is that while they reveal important information on how parties behave in one country, they are only representative of their own countries, in their given contexts. As such, evidence stemming from these studies cannot be used as a regional reference, since it emerges from clusters of countries that share the same dependent variable. This has restricted the possibility of comparing countries that *do* have coalitions with countries that *do not*.

The ultimate dilemma with case studies is that while they are able to answer questions of coalition formation on a *case-by-case* basis, they completely undermine existing theories of political cooperation. While parties in different democracies are likely to have specific manners of negotiating with one another, they also share generic incentives that are determined by power structures. And if parties have generic incentives, as the literature suggests, they can be compared. However, a comparison is not methodologically correct. At best, specific cases can provide a comprehensive context in which parties negotiate, which is useful for understanding particular elections and governments in given countries. However, specific cases cannot provide an overarching explanation of why parties decide to negotiate in the first place, which is useful for comparing elections and governments across countries.

This chapter complements the previous chapter in bridging this gap, insofar as answering why

parties form government coalitions in the presidential systems of Latin America. It attempts to identify the causes of government coalitions in 1980-2010 in 18 countries across the region: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela. In line with Chapter 3, it only considers the most developed democracies. One reason is that the selection, often made in other regional studies, provides more and better quality data to conduct comparisons. Less developed countries provide fewer and lower quality data, given that in the chosen time-frame their democracies were often irregular and thus their government institutions were less trustworthy.

The remainder of this chapter is organised as follows. The following section reviews three theories that frame government coalition formation: the presidential power theory, the electoral institutions and electoral systems theory and the party system theory. The first theory holds that presidential power plays a central role in government coalition formation. It argues that variables related to the president's power and electoral performance are crucial to understanding why parties form government coalitions. The second theory holds that electoral institutions and the electoral system play a central role in electoral government formation. It argues that variables related to presidential and legislative elections are crucial to understanding why parties form government coalitions. The third theory holds that the party system plays a central role in government coalition formation. It argues that variables related to the number of parties that compete in elections, and the relative weight of the government party in congress, are crucial to understanding why parties form government coalitions. The third section elaborates the research questions and hypotheses. The fourth section presents the data and methods, and the fifth section discusses the findings. The final section draws the conclusions.

4.2 THEORY

This section presents three theories that have been suggested in previous literature as potential determinants of government coalition formation. The first holds that presidential power plays a central role in government coalition formation. This theory suggests that the president's policy-making power, the president's power in areas other than policy-making, and the president's vote share in the first round are significant predictors of government coalitions. The second theory holds that the electoral institutions and electoral systems play a central role in government coalition formation. This theory suggests that simple majority plurality in presidential elections, presidential incumbency status,

presidential term length, concurrent presidential and legislative elections, unicameralism and the size of the legislature are significant determinants of government coalitions. The third theory holds that the party system plays a central role in government coalition formation. This theory suggests that the number of legislative parties and the government party's legislative majority margin are significant predictors of government coalitions.

4.2.1 *Presidential Power*

It is normally understood that cooperation among parties is a function of the utility they can receive in elections, and the policy leverage they can attain once in power. Octavio Amorim Neto (1998) argues that governing parties normally adopt one of two strategies. One is the legislative strategy, where the party decides to cooperate with other parties to maintain a majority in congress. The other is the administrative strategy, where the emphasis is placed on the faculties of the president to pass legislation through extraordinary measures. Initially, the strategy adopted depends on the legislative support of the party. If the party has low support in congress it will choose to form a coalition with other parties. This decision is reinforced if the electoral laws do not favour the incumbent.

It has often been argued that the weaker the president's power, the higher the probability he will pursue coalition formation. In some cases incumbent parties choose to join coalitions with other parties to avoid constitutional crisis (Valenzuela, 1993). In other cases they choose to join coalitions because it was the only means to pass legislation (Thorson, 1998). In contrast, when power is highly concentrated in the executive there is little need for the incumbent party to join a coalition. These are both extreme examples, which have been signalled as potential obstacles to democratic consolidation and governance. It is not surprising, then, that electoral reforms have tended to create incentives for the incumbent party to seek cooperation with other parties, yet still be provided with extraordinary powers to govern alone in the case of legislative stalemate.

According to this theory, hyper-presidential democracies – systems in which powers (both *de jure* and *de facto*) are heavily concentrated in the executive branch, even though three branches exist – are less likely to form government coalitions. On the one hand, *de jure* powers include most of the common faculties discussed above, such as the ability to pass decree laws, veto legislative projects and have budgetary initiative, among others. On the other hand, *de facto* powers refer to the leadership style or behaviour of presidents that frequently speak of the need to amend or rewrite the constitution,

commonly attempt to control the media, and normally place themselves above political parties. The combination of both these powers provides the president's party with enough independence to dispense of other parties.

While the *de jure* and *de facto* powers are important to understanding coalition formation, the president's electoral performance also figures largely. As the president's vote share increases, his relative influence increases. This logic is counterintuitive, since one would expect that a popular president would not reach out to other parties. Yet the crux of the matter is that a president elected with a high vote share is more attractive than one elected with a low vote share. Smaller parties will seek to form government coalitions with presidents that have more power rather than those that have less power, since they have higher chances of passing their own policy if they are rewarded with cabinet portfolios in government.

4.2.2 *Electoral Institutions and Electoral Systems*

The incumbent president's party's decision to form a government coalition with other parties depends on the characteristics of the political system. While the incumbent president's ability to pass legislation hinges on his constitutional and non-constitutional power as explained above, it also depends on how he is elected and how much legislative support he has in congress. Electoral rules may favour the president, in which case he will not need to seek support from other parties, or electoral rules may hinder the president, in which case he will need to seek additional support from other parties. This subsection explores how some of the variables related to presidential and legislative elections may favour or hinder the president, and how they are linked to government coalition formation.

Simple majority plurality (SMP) in presidential elections can persuade parties to form government coalitions. SMP presidential elections create an incentive for large parties to seek the support of smaller parties in elections. When a presidential candidate can be elected in the first round, his party will tend to secure the majority of the vote as early in the campaign as possible (Golder, 2006a). In comparison, when run-off provisions are available, the front-running party will wait until after the first round to seek the support of other parties. Evidence from Latin America suggests that presidential run-off elections contribute to the proliferation of presidential candidates (Carey, 2003).

Incumbent presidents are also more likely to seek a government coalition. Incumbency encourages presidents to seek partisan alliances to increase the chance of passing legislation. When the president

is in his second term, opposition parties may attempt to associate themselves with the government's popularity (Dix, 1984). In contrast, when the president is in his first term, parties will see a higher reward in positioning themselves as a future electoral alternative. Evidence from Brazil shows that the number of parties that supported Fernando Henrique Cardoso increased in the beginning of his second government, after they saw the opportunity to share the benefits of his successful first administration (Power, 1998).

Democracies with long presidential terms should be more likely to see government coalitions form. Long terms create incentives for medium and small parties to negotiate with large ones. When the presidential term is long, medium and small parties with a slight probability of winning an election may decide to bargain with a large party in order to avoid missing out on the entire term (Maltz, 2007). In comparison, when presidential terms are short, medium and small parties will attempt to build a powerful opposition and simply take their chances in the next election.

Presidential democracies with concurrent presidential and legislative elections should be more likely to see government coalitions form. Concurrent elections encourage parties to cooperate with each other. When presidential and legislative elections are concurrent, the party of the presidential candidate may seek the support of like-minded parties to obtain a significant legislative alliance (Samuels, 2000). In contrast, when presidential and legislative elections are not concurrent, parties will tend to design their strategies independently, reducing the likelihood of sharing common goals with other parties. Evidence from Brazil suggests that concurrent elections have encouraged national parties to cooperate with regional parties in an effort to pass legislation (Machado, 2009).

Democracies with unicameral congresses should be more likely to see government coalitions form. Unicameralism creates incentives for parties to cooperate with each other. When congress has a single tier, the government party may decide to create alliances with smaller parties to eliminate possible veto-players (Ansolabehere, Snyder and Ting, 2003). In comparison, bicameralism produces twice the number of veto-players, and party elites will abandon negotiating power sharing when it is more difficult. Formal evidence suggests that the executive will decide to negotiate because in many cases unicameral congresses can override a package by simple majority and no policies can be further implemented unilaterally (Pérez-Liñán and Raga, 2003).

Large legislatures should also be more likely to see government coalitions form. A large congress encourages parties to cooperate with each other. When there are many seats available in congress, the

government party may seek the support of smaller parties to eliminate possible veto-players (McGrath, Rogowski and Ryan, 2013). In contrast, when the legislature is small, parties will tend to appeal to predetermined electoral niches and thus stand alone rather than share power. Formal evidence suggests that an increase in the number of legislators reduces the “yolk” of the collective veto-player, increasing its cohesion and thus constraining policy change as well as reducing the effective majority required to alter the status-quo (Tsebelis, 2002).

4.2.3 *Party System*

As above, the incumbent president’s party cannot ignore the configuration of the party system when it comes to ruling. If the objective of a president is to pass legislation, his elites must behave strategically. The decision of the president’s party to rule alone or to rule in cooperation with other parties as a government coalition can take the government down substantially different roads. This subsection explores some of the variables related to the partisan landscape that have been linked to government coalition formation.

Presidential democracies with large party systems should be more likely to see government coalitions form. A large party system sets the stage for like-minded parties to cooperate with each other. When the party system is large, the probability parties will find common policy platforms increases (Schofield, 1993; Browne and Frenreis, 1980). In contrast, in a small party system with dominant parties there will be no incentive for parties to cooperate. Evidence from Chile shows that the degree of party system fractionalisation increases the incentives for coalition formation and maintenance (Siavelis, 1997).

The government party’s legislative majority should also have an effect on government coalition formation. A high margin of support for the government party creates incentives for opposition parties to join government. When the executive’s party is the favourite by a large margin, opposition parties may decide to negotiate rather than risk losing power (Cheibub, Przeworski and Saiegh, 2004). In comparison, when the executive’s party has a small legislative majority, other parties will see higher rewards to remain in the opposition. Formal evidence suggests that in a multi-party setting, electoral behaviour is a function of voters’ beliefs about how parties will perform following an election, making it more likely that small parties will form a coalition with another party if they think that party will win the election (Austen-Smith and Banks, 1988).

4.2.4 *Alternative Variables*

In addition to the three theories above, some alternative variables may also be involved. For example, presidential democracies with electoral coalitions should be more likely to see government coalitions form. Descriptive evidence from Chapter 2 shows that most presidential candidates that face an election backed by an electoral coalition, and win the election, uphold the coalition in their government. Bargaining before elections often occurs since parties design a strategy to win and subsequently govern.

Presidential democracies that go through constitutional crisis should also be more likely to see government coalitions form. When a president resigns, is impeached or is removed from power the political system often risks producing instability. In these cases parties may decide to form a government coalition in order to prevent the country from spiralling out of control.

Left-wing governments may also be more likely to see government coalitions form. Since the multi-party systems of Latin America are more fractionalised to the left of centre, there is a larger chance that like-minded left-wing parties will negotiate. This is also true for party systems in which there are more right-wing than left-wing parties. Outsider candidates present in the immediately previous presidential election can also force parties to form government coalitions. An outsider candidate can be understood as a symptom of a fragmented party system in which parties are unwilling to cooperate with each other. When an outsider is present, traditional parties are reluctant to bargain with each other (Bunker and Navia, 2013).

Young presidential democracies should be more likely to see government coalitions form. New democracies can reflect a political environment where parties are willing to negotiate with each other. When a democracy is young, parties will find larger rewards in sharing power, even when they are unlikely to win elections (Horowitz, 1993). Evidence from the new democracies of East Central Europe shows that coalition formation often takes place among new parties, since their first priority after the democratic transition is to develop a consistent identity and a reputation that will allow them to gain a steady electorate (Grzymala-Busse, 2001).

Other control variables include the size of the country and economic issues. Specifically, presidential democracies with large populations should be more likely to see government coalitions form. Large countries can be understood as environments where there are many different issues at stake. When the population is large, national parties may face difficulties reaching local voters and thus seek the support

of local parties. It is also likely that presidential democracies going through economic turbulence should be more likely to see government coalitions form. Dire economic conditions can reflect an environment where parties are exceptionally willing to negotiate with each other. When growth is low and inflation and inequality are high, parties may decide to form alliances to show unity.

4.3 RESEARCH QUESTION AND HYPOTHESES

This section presents the research question and hypotheses. Each of the theories mentioned above is divided into a set of hypotheses:

Research Question : Why do parties form government coalitions in the presidential regimes of Latin America?

Theory 1: Presidential Power

(H1) Presidential democracies with presidents that have a high concentration of policy-making power (such as veto power, decree power, and budgetary power) are less likely to see government coalitions form.

(H2) Presidential democracies with presidents that have a high concentration of power in areas different from policy-making (such as appointment power, emergency power, and inter-branch conflict power) are less likely to see government coalitions form.

(H3) Presidential democracies with incumbent presidents elected with a high percentage of votes are less likely to see government coalitions form.

Theory 2 : Electoral Institutions and Electoral Systems

(H4) Presidential democracies with simple majority plurality are more likely to see government coalitions form.

(H5) Presidential democracies with incumbent presidents are more likely to see government coalitions form.

(H6) Presidential democracies with long presidential terms are more likely to see government coalitions form.

(H7) Presidential democracies with concurrent presidential and legislative elections are more likely to see government coalitions form.

(H8) Presidential democracies with unicameral congresses are more likely to see government coalitions form.

(H9) Presidential democracies with large legislatures are more likely to see government coalitions form.

Theory 3 : Party System

(H10) Presidential democracies with large party systems are more likely to see government coalitions form.

(H11) Presidential democracies in which the government party has a large legislative majority are more likely to see government coalitions form.

4.4 DATA AND METHODS

This section presents the data and methods used to test the hypotheses.

4.4.1 *Data*

The dependent variable for all the forthcoming hypotheses is government coalition formation (Government Coalition).¹ It is a dichotomous variable, coded 1 if two or more parties formed a government coalition in the given year, and coded 0 if two or more parties did not form a government coalition in the given year.

In Hypothesis 1 the independent variable is Concentration of Policy-making Power in the Executive (Formal Powers).² It is an index derived from a categorical component analysis in which the values continuously range from 1 (lowest possible level of power) to 100 (highest possible level of power). It includes variables such as the president's veto powers, the president's urgency powers, and the president's budget spending powers.³

¹The source of the dependent variable is the dataset compiled by the author for this thesis.

²The source of Formal Powers is the dataset compiled by Negretto (2013) for the book *Making Constitutions: Presidents, Parties and Institutional Choice in Latin America*.

³The full list of variables related to the president's formal powers can be found in Annex C.

In Hypothesis 2 the independent variable is Concentration of Power in areas different from Policy-Making (Non-Formal Powers).⁴ It is an index derived from a categorical component analysis in which the values continuously range from 1 (lowest possible level of power) to 100 (highest possible level of power). It includes variables such as the president's government and appointment powers, the president's emergency powers, and the president's inter-branch conflict powers.⁵

In Hypothesis 3 the independent variable is Percentage of Votes for the Incumbent President (Vote Percent).⁶ This variable reflects the valid percentage of votes cast for the incumbent president in the immediately previous first (or only) round of voting.

In Hypothesis 4 the independent variable is simple majority plurality (SMP) for presidential elections.⁷ It is a dummy variable coded 1 if simple majority plurality is used to define presidential elections, and coded 0 if simple majority plurality is not used to define presidential elections.

In Hypothesis 5 the independent variable is Effective Re-election (Re-elected).⁸ It is a dummy variable coded 1 if the president is serving in his second consecutive term, and coded 0 if the incumbent president is serving in his first term.

In Hypothesis 6 the independent variable is Term Length (Term Length).⁹ This variable reflects the fixed number of years the president is elected to serve.

In Hypothesis 7 the independent variable is Concurrent Legislative Elections (Concurrent).¹⁰ It is a dummy variable coded 1 if presidential elections are concurrent to legislative elections, and coded 0 if presidential elections are not concurrent to legislative elections.

In Hypothesis 8 the independent variable is Unicameral Congress (Unicameral).¹¹ It is a dummy variable coded 1 if congress is unicameral, and coded 0 if congress is bicameral.

⁴The source of Non-Formal Powers is the dataset compiled by Negretto (2013) for the book *Making Constitutions: Presidents, Parties and Institutional Choice in Latin America*.

⁵The full list of variables related to the president's non-formal powers can be found in Annex C.

⁶The source of Vote Percent is the dataset compiled by Beck et al. (2001) for the article "New Tools in Comparative Political Economy: The Database of Political Institutions".

⁷The source of SMP is the dataset compiled by Payne et al. (2002) for the book *Democracies in Development: Politics and Reform in Latin America*.

⁸The source of Re-elected is the dataset compiled by Payne et al. (2002) for the book *Democracies in Development: Politics and Reform in Latin America*.

⁹The source of Term Length is the dataset compiled by Payne et al. (2002) for the book *Democracies in Development: Politics and Reform in Latin America*.

¹⁰The source of Concurrent is the dataset compiled by Payne et al. (2002) for the book *Democracies in Development: Politics and Reform in Latin America*.

¹¹The source of Unicameral is the dataset compiled by Cheibub (2007) for the book *Parliamentarism, Presidentialism, and Democracy*.

In Hypothesis 9 the independent variable is Total Seats (Total Seats).¹² This variable reflects the total number of seats in the legislature, or in the case of bicameral legislatures, the total number of seats in the lower house.

In Hypothesis 10 the independent variable is the Effective Number of Legislative Parties (ENLP).¹³ This variable reflects the number of parties that have legislative representation.

In Hypothesis 11 the independent variable is the Government Party's Legislative Majority (Legislative Majority).¹⁴ This variable reflects the number of government seats divided by the total number of seats.

Some additional variables are also added to the hypotheses to control for external factors. One is Electoral Coalition (Electoral Coalition): this is a dichotomous variable, coded 1 if the winner of the presidential election is backed by an electoral coalition, and coded 0 if the winner of the presidential election is not backed by an electoral coalition.

A second variable added to the hypotheses is Presidential Crisis (Crisis). This is a dummy variable coded 1 if the democracy was going through a presidential crisis, and coded 0 if not. A third variable added to the hypotheses is Left-Wing Government (Left). This variable is a dummy variable coded 1 if the president was elected on a left-wing platform, and coded 0 if it was not.

A fourth variable added to the hypotheses is Outsider Presidential Candidate (Outsider).¹⁵ It is a dummy variable coded 1 if an outsider presidential candidate competed in the immediately previous election, and coded 0 if an outsider did not compete in the immediately previous election.

A fifth variable added to the hypotheses is Age of the Democracy (Age of the Democracy).¹⁶ This variable reflects the number of years since the transition to democracy.

A sixth variable added to the hypotheses is Population (Population).¹⁷ This variable reflects the number of residents regardless of their legal status or citizenship – with the exception of refugees not

¹²The source of Total Seats is the dataset compiled by Beck et al. (2001) for the article “New Tools in Comparative Political Economy: The Database of Political Institutions”.

¹³The source of ENLP is the dataset compiled by Gallagher and Mitchell (2005) for the book *The Politics of Electoral Systems*.

¹⁴The source of Legislative Majority is the dataset compiled by Beck et al. (2001) for the article “New Tools in Comparative Political Economy: The Database of Political Institutions”.

¹⁵The source of Outsider is the dataset compiled by Bunker and Navia (2013) for the article “Latin American Political Outsiders, Revisited: The Case of Marco Enríquez-Ominami in Chile”.

¹⁶The source of Age of the Democracy is the dataset compiled by The World Bank (2014).

¹⁷The source of Population is the dataset compiled by The World Bank (2014).

permanently settled in the country of asylum, who are generally considered part of the population of their country of origin.

Finally, three variables related to the state of the economy are added to the hypotheses.¹⁸ The first is the Consumer Price Index (CPI). This variable reflects the yearly change in the cost to the average consumer of acquiring a basket of goods and services. The second variable is the Gross Domestic Product (GDP). This variable reflects the annual percentage growth rate of GDP at market prices based on constant local currency. Aggregates are based on constant 2005 U.S. dollars. The third variable is the Gini Index (GINI). This variable reflects the extent to which the distribution of income or consumption expenditure among individuals or households within an economy deviates from a perfectly equal distribution.

4.4.2 *Methods*

Logistic regressions are used to test the hypotheses. This technique is normally used for predicting the outcome of a dichotomous dependent variable based on one or more predictor variables. The probabilities describing the possible outcome of a single trial are modelled using a logit function (`logit`). These probabilities are described in odds ratios (`or`), which are a measure of effect size, describing the strength of association or non-independence between binary data values for the dependent variable, and binary or continuous data values for the independent variables. They are calculated by dividing the odds in the treated or exposed group by the odds in the control group (Hosmer Jr and Lemeshow, 2004): if the odds of an event are greater than one the event is more likely to happen than not (the odds of an event that is certain to happen are infinite); if the odds are less than one the lower the chances it will happen (the odds of an impossible event are zero).

Data are organized and tested to account for individual heterogeneity. In these models, observations are treated as panel data to control for variables that could not be directly observed or measured. Thus, data are treated as cross-sectional time series with a logit function (`xtlogit`). This statistical technique has been regularly used in studies that use data with multiple observations in multiple countries (see an example from Latin America, Jones, 2008). Data is tested with both random effects (`re`) and fixed effects (`fe`) models (McCullagh and Nelder, 1989). The random effects models assume that the error term is not correlated with the respective independent variables, which allows for

¹⁸All of these variables are lagged one year. The source of these three independent variable is the dataset compiled by The World Bank (2014).

time-invariant variables to play a role as explanatory variables. The fixed effects models do not make an assumption between the error term and the respective independent variables, and thus ignore the effect of time-invariant characteristics.

A Hausman (`hausman`) test is applied to choose between the random effects and the fixed effects models. In the Hausman test, the random effects model is compared to the fixed effects model to test whether the error terms are correlated with the independent variables. The null hypothesis is that the two estimation methods are equally appropriate, and the alternative hypothesis is that the fixed effects estimation is more appropriate (Hausman and McFadden, 1984). In the former case there are no differences between the two sets of coefficients; in the latter case, there are significant differences. The Hausman test is used as a pre-test in all of the following models. In every case it shows a small and non-significant Hausman statistic, which indicates that the null hypothesis cannot be rejected. This indicates that the random effects models are a more appropriate method. Only random effects models are shown below.

Robust variance estimates are used to eliminate influence from possible outliers. An observed information matrix (`oim`) is used as the variance controller. Also known as the Fisher information, it allows measuring the amount of data that an observable random variable χ carries about an unknown parameter θ upon which the probability of χ depends (Lehmann and Casella, 1998). The maximum likelihood estimators are standard errors based on variance estimates given by the inverse of the negative Hessian (second derivative) matrix. Formally, it is the variance of the score, or the expected value of the observed information. In what follows, standard errors are clustered between countries. Data is also tested with bootstrap (`boot`) and Jackknife (`jack`) variance estimators. All three variations show consistent results. Only OIM models are shown below.

The specification for all of the models is the following:

$$y_{it} = \beta_1\chi_{1it} + \beta_2\chi_{2it} + \beta_3\chi_{3it} + \beta_4\chi_{4it} + z_{it} + n_i + \varepsilon_{it} \quad (4.1)$$

where y_{it} is the value of the dependent variable for the i th case (country) in the sample at the t th time period (year); β_1 is the coefficient corresponding to each of the variables in the first vector (in this case, the presidential power theory variables); χ_{1it} is the value corresponding to each of the

time-varying covariates in the first vector; β_2 is the coefficient corresponding to each of the variables in the second vector (in this case, the electoral institutions and electoral systems theory variables); χ_{2it} is the value corresponding to each of the time-varying covariates in the second vector; β_3 is the coefficient corresponding to each of the variables in the third vector (in this case, the party system theory variables); χ_{3it} is the value corresponding to each of the time-varying covariates in the third vector; β_4 is the coefficient corresponding to each of the variables in the fourth vector (in this case, the control variables); χ_{4it} is the value corresponding to each of the time-varying covariates in the fourth vector; z_i is the unknown intercept for each entity; u_{it} is the between-entity error; and ϵ_{it} is the within-entity error.

4.5 FINDINGS

4.5.1 *Descriptive Findings*

This subsection shows descriptive findings for the variables discussed above. The data filtering process is as follows. First, data from the period 1980 to 2010 is collected to reflect every year a country appears (540 observations). Second, data is sorted in the long form to reflect every year a country has a free and fair presidential election (407 observations).

Table 4.1 reports the main descriptive statistics for each of the variables. Since some of the variables are dichotomous, the mean can be interpreted as the proportion of observations coded as 1 (in these cases the standard deviation can be ignored). For example, Table 4.1 shows that in 43 per cent of the years analysed, the incumbent president was backed by a government coalition.

The first group of independent variables in Table 4.1 refers to the presidential power theory (Negretto, 2013). It shows that the average formal power in the executive is 49.17 per cent, the minimum is 22.45 per cent and the maximum is 95 per cent. It shows that the average non-formal power is 18.01 per cent, the minimum is 1 per cent and the maximum is 56.15 per cent. It also shows that the average percentage of votes casted for the incumbent president in the immediately previous first round presidential election is 45.23 per cent, that the minimum percentage of votes is 19.6 per cent and that the maximum percentage of votes is 72.4 per cent.

The second group of independent variables in Table 4.1 refers to the electoral institutions and electoral systems theory. It shows that 31 per cent of the presidential elections in the sample have

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simple majority plurality. It shows that seven per cent of the incumbent presidents in the sample are serving in their second term. It shows that the average presidential term length is 4.65 years, that the minimum term length is four years and that the maximum term length is six years. It shows that 28 per cent of the presidential elections in the sample have concurrent presidential and legislative elections. It shows that 44 per cent of the democracies in the sample have a unicameral congress. It also shows that the average number of seats in congress is 156.97, that the minimum number of seats is 57 and that the maximum number of seats is 513.

The third group of independent variables in Table 4.1 refers to the party system theory. It shows that: the average effective number of legislative parties is 3.56, the minimum effective number of legislative parties is 1.93 and the maximum effective number of legislative parties is 9.29. It also shows that the average legislative support for the government party is 52 per cent, that the minimum legislative support for the government party is nine per cent and that the maximum legislative support for the government party is 100 per cent.

The final group of variables in Table 4.1 refers to control variables. It shows that in 39 per cent of the years analysed in the sample the incumbent president was backed by an electoral coalition. It shows that three per cent of the years presented a constitutional crisis. It shows that in 28 per cent of the years government was ruled by a left of centre president. It shows that 14 per cent of presidential elections in the sample had an outsider. It shows that the average age of a democracy at the time of an election in the sample is 19.39 years, the minimum age is one year and the maximum age is 61 years. It shows that the average population at the time of an election is 25 million people, that the minimum population is 2.5 million people and that the maximum population is 193 million people.

Table 4.1 also shows that the average inflation in the year prior to the year of an election in the sample is 120.32 per cent, the minimum is -1.17 per cent and the maximum inflation is 11749.64 per cent. It shows that the average growth in the year prior to the year of an election in the sample is 1.12 per cent, the minimum is -11.8 per cent and the maximum growth is 18.28 per cent. It also shows that the average Gini coefficient in the year prior to the year of an election in the sample is 51.61, the minimum is 34.42 and the maximum Gini coefficient is 63.3 per cent.

Table 4.1.: Descriptive Statistics

	Obs.	Mean	Std. Dev.	Min.	Max.
Coalition Formation					
Government Coalition	407	0.43	0.49	0	1
Presidential Power					
Formal	407	49.17	0.46	22.45	95
Non-Formal	407	18.01	22.59	1	56.15
Vote Percent (1st round)	407	45.23	18.09	19.6	72.4
Electoral Institutions and Electoral System					
SMP	407	0.31	0.46	0	1
Re-elected	407	0.07	0.26	0	1
Term Length	407	4.65	0.69	4	6
Concurrent	407	0.28	0.45	0	1
Unicameral	407	0.44	0.49	0	1
Total Seats	407	156.97	116.35	57	513
Party System					
ENLP	407	3.56	1.70	1.93	9.29
Legislative Majority	407	0.52	0.16	0.09	1
Control					
Electoral Coalition	407	0.39	0.48	0	1
Crisis	407	0.03	0.18	0	1
Left	407	0.28	0.44	0	1
Outsider	407	0.14	0.35	0	1
Age of Democracy	407	19.39	14.32	1	61
Population (in millions)	407	25	4.09	2.5	193
CPI	407	120.32	759.33	-1.17	11749.64
GDP	407	1.12	49.83	-11.8	18.28
GINI	407	51.61	5.65	34.42	63.3

Note. Obs. is Observations; Std. Dev. is Standard Deviation; Min. is the minimum range observation; Max. is the maximum range observation.

4.5.2 *Inferential Findings*

Univariate Determinants

This subsection shows some of the inferential findings for the variables discussed above. The following models test univariate hypotheses for each of the three theories. Table 4.2 refers to the first theory, that individual variables related to the presidential power theory play a central role in government coalition formation. Table 4.3 refers to the second theory, that individual variables related to electoral

institutions and the electoral system play a central role in government coalition formation. Table 4.4 refers to the third theory, that individual variables related to the party system play a central role in government coalition formation. Yet, the relationship between the variables is not significant.

Model 1 (M1) suggests that presidential democracies with a high concentration of formal power in the executive (rather than those with a low concentration of formal power in the executive) are less likely to see government coalitions form. Table 4.2 shows that as the president's policy-making power increases, the likelihood of government coalition formation decreases. For a one-unit increase in the president's policy-making power, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.97. This finding is consistent with the theory and hypothesis presented above.

Model 2 (M2) suggests that presidential democracies with a high concentration of non-formal power (rather than those with a low concentration of non-formal power) are less likely to see government coalitions form. Table 4.2 shows that as the president's non-policy-making power increases, the likelihood of government coalition formation decreases. For a one-unit increase in the president's non-policy-making power, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.94. This finding is consistent with the theory and hypothesis presented above.

Model 3 (M3) suggests that presidential democracies with incumbent presidents elected with a high percentage of votes (rather than incumbent presidents elected with a low percentage of votes) are less likely to see government coalitions form. Table 4.2 shows that as the percentage of votes for the president increases, the likelihood of government coalition formation decreases. For a one-unit increase in the president's share of votes, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.94. This finding is consistent with the theory and hypothesis presented above.

Model 4 (M4) suggests that presidential democracies with SMP rules for presidential elections (rather than those with run-off elections) are more likely to see government coalitions form. Table 4.3 shows that the presence of SMP in presidential elections significantly increases the likelihood of government coalition formation. The odds of forming a government coalition in systems with SMP elections are approximately 209 times higher than the odds of forming a government coalition in a system without SMP. This finding is consistent with the theory and hypotheses presented above.

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Table 4.2.: Univariate Determinants of Government Coalition Formation: Presidential Power

	(M1)	(M2)	(M3)
Party System			
Formal	0.97 (0.03)		
Non-Formal		0.94*** (0.02)	
Vote Percent (1st round)			0.94** (0.02)
Control			
Electoral Coalition	194.39*** (194.39)	192.95*** (192.29)	129.69*** (100.94)
Crisis	8.66** (9.99)	6.80* (7.53)	6.57* (7.24)
Left	0.49 (0.22)	0.44* (0.21)	0.55 (0.26)
Outsider	1.11 (0.64)	0.68 (0.42)	0.48 (0.33)
Age of Democracy	0.91*** (0.02)	0.88*** (0.02)	0.91* (0.02)
Population	1.00 (1.78)	1.00** (1.82)	1.00 (1.66)
CPI	1.02 (0.04)	0.99 (0.00)	0.99 (0.00)
GDP	1.02 (0.05)	1.02 (0.04)	1.02 (0.04)
GINI	1.02 (0.05)	1.00 (0.04)	1.01 (0.04)
N	407	407	407
likelihood	-165.934	-162.780	-164.208
lnsig2u	2.23	2.30	1.99
sigma_u	3.05	3.17	2.71
rho	0.73	0.75	0.69

Note. The dependent variable is Government Coalition. The results are expressed as maximum likelihood estimates of logistic regression coefficients (odds ratios). Robust standard Errors are reported in parentheses. *Legend.* * significant at the 5% (0.05) level, ** significant at the 1% (0.01) level, *** significant at the 0.01% level (0.001).

Model 5 (M5) suggests that presidential democracies with an incumbent president (rather than those without an incumbent president) are more likely to see government coalitions form. Table 4.3 shows that the presence of an incumbent president significantly increases the likelihood of government coalition formation. The odds of forming a government coalition in systems with an incumbent president are approximately five times higher than the odds of forming a government coalition in a

system without an incumbent president. This finding is consistent with the theory and hypothesis presented above.

Model 6 (M6) suggests that presidential democracies with longer term lengths (rather than those with shorter term lengths) are more likely to see government coalitions form. Table 4.3 shows that as the term length increases, the likelihood of government coalition formation increases. For a one-unit increase in term length, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 3.00. This finding is consistent with the theory and hypothesis presented above.

Model 7 (M7) suggests that presidential democracies with concurrent presidential and legislative elections (rather than those without concurrent elections) are more likely to see government coalitions form. Table 4.3 shows that democracies with concurrent presidential and legislative elections increase the likelihood of government coalition formation. The odds of forming a government coalition in systems with concurrent presidential and legislative elections are 1.08 times higher than the odds of forming a government coalition in a system without concurrent presidential and legislative elections. This finding is consistent with the theory and hypothesis presented above. Yet, the relationship between the variables is not significant.

Model 8 (M8) suggests that presidential democracies with a unicameral congress (rather than those with a bicameral congress) are less likely to see government coalitions form. Table 4.3 shows that democracies with unicameral congresses decrease the likelihood of government coalition formation. The odds of forming a government coalition in systems with a unicameral congress are 0.32 times lower than the odds of forming a government coalition in a system with a bicameral congress. This finding is not consistent with the theory and hypothesis presented above. Yet, the relationship between the variables is not significant.

Model 9 (M9) suggests that presidential democracies with small legislatures (rather than those with large legislatures) are more likely to see government coalitions form. Table 4.3 shows that as the total number of seats in congress increases, the likelihood of government coalition formation decreases. For a one-unit increase in the total seats, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.97. This finding is not consistent with the theory and hypothesis presented above.

Model 10 (M10) suggests that presidential democracies with small party systems (rather than those

Table 4.3.: Univariate Determinants of Government Coalition Formation: Electoral Institutions and Electoral Systems Theory

	(M4)	(M5)	(M6)	(M7)	(M8)	(M9)
Electoral Institutions and Electoral System						
SMP	209.93*** (353.03)					
Re-elected		4.83** (3.45)				
Term length			3.00** (1.65)			
Concurrent				1.08 (0.37)		
Unicameral					0.32 (0.24)	
Total Seats						0.97*** (0.00)
Control						
Electoral Coalition	181.41*** (143.37)	101.89*** (76.50)	263.92*** (259.62)	130.13*** (100.04)	179.28*** (151.98)	128.09*** (96.93)
Crisis	9.80** (11.26)	6.58* (6.87)	7.27* (8.34)	7.06 (7.61)	7.17* (7.87)	5.88* (6.05)
Left	0.56 (0.28)	0.50 (0.30)	0.62 (0.29)	0.51 (0.23)	0.45* (0.21)	0.49 (0.23)
Outsider	1.23 (0.74)	1.11 (0.62)	1.19 (0.68)	1.03 (0.57)	1.03 (0.58)	1.05 (0.58)
Age of Democracy	0.91*** (0.02)	0.90*** (0.02)	0.91*** (0.02)	0.91*** (0.02)	0.91*** (0.02)	0.91*** (0.02)
Population	1.00 (2.09)	1.00 (1.50)	0.91** (0.02)	1.00*** (1.54)	1.00 (1.52)	1.00** (2.56)
CPI	0.99 (0.00)	0.99 (0.00)	0.99 (0.00)	0.99 (0.00)	0.99 (0.00)	0.99 (0.00)
GDP	1.06 (0.04)	1.01 (0.04)	1.02 (0.04)	1.01 (0.04)	1.02 (0.04)	1.01 (0.04)
GINI	1.01 (0.05)	1.01 (0.04)	1.01 (0.05)	1.01 (0.04)	1.02 (0.04)	0.96 (0.04)
N	407	407	407	407	407	407
likelihood	-152.430	-163.647	-163.734	-166.140	-165.073	-161.332
lnsig2u	2.95	1.68	2.29	1.81	1.75	1.66
sigma_u	4.38	2.32	3.15	2.47	2.39	2.29
rho	0.85	0.62	0.75	0.65	0.63	0.61

Note. The dependent variable is Government Coalition. The results are expressed as maximum likelihood estimates of logistic regression coefficients (odds ratios). Robust standard Errors are reported in parentheses. *Legend.* * significant at the 5% (0.05) level, ** significant at the 1% (0.01) level, *** significant at the 0.01% level (0.001).

with large party systems) are more likely to see government coalitions form. Table 4.4 shows that as fewer parties are represented in congress, the likelihood of government coalition formation increases. For a one-unit increase in the effective number of legislative parties, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.41.

Model 11 (M11) suggests that presidential democracies in which the government party has a large legislative majority (rather than those in which the government party does not have a large legislative majority) are more likely to see government coalitions form. Table 4.4 shows that as the government party's legislative majority increases, the likelihood of government coalition formation increases. For a one-unit increase in the government party's legislative majority, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of approximately 166.

Multivariate Determinants

This subsection shows more of the inferential findings for the variables discussed above. The following models test multivariate hypotheses for each of the three theories. Table 4.5 refers to the first theory, that individual variables related to the president's power play a central role in government coalition formation, to the second theory, that individual variables related to electoral institutions and the electoral system play a central role in government coalition formation, and to the third theory, that individual variables related to the party system play a central role in government coalition formation.

Model 12 (M12) combines the variables of the presidential power system theory. It suggests that presidential democracies with a high concentration of formal power in the executive (rather than those with a low concentration of formal power in the executive) are less likely to see government coalitions form. Table 4.5 shows that as the president's policy-making power increases, the likelihood of government coalition formation decreases. For a one-unit increase in the president's policy-making power, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.88. This finding is consistent with the theory and hypothesis presented above.

It also suggests that presidential democracies with a high concentration of non-formal power (rather than those with a low concentration of non-formal power) are less likely to see government coalitions form. Table 4.5 shows that as the president's power in areas other than policy-making increases, the

Table 4.4.: Univariate Determinants of Government Coalition Formation: Party System

	(M10)	(M11)
Party System		
ENLP	0.41*** (1.22)	
Legislative Majority		166.16*** (204.59)
Control		
Electoral Coalition	641.31*** (704.68)	169.79*** (135.15)
Crisis	7.57** (8.83)	5.27 (5.84)
Left	0.32** (0.16)	0.59 (0.27)
Outsider	1.32 (0.83)	0.82 (0.50)
Age of Democracy	0.92*** (0.02)	0.90*** (0.02)
Population	1.00 (1.98)	1.00 (1.53)
CPI	0.99 (0.00)	0.99* (0.00)
GDP	1.01 (0.04)	1.03 (0.04)
GINI	1.06 (0.05)	1.05 (0.05)
N	407	407
likelihood	-159.250	-156.326
lnsig2u	2.45	1.73
sigma_u	3.41	2.38
rho	0.77	0.63

Note. The dependent variable is Government Coalition. The results are expressed as maximum likelihood estimates of logistic regression coefficients (odds ratios). Robust standard Errors are reported in parentheses. *Legend.* * significant at the 5% (0.05) level, ** significant at the 1% (0.01) level, *** significant at the 0.01% level (0.001).

likelihood of government coalition formation decreases. For a one-unit increase in the president's power in areas other than policy-making, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.93. This finding is consistent with the theory and hypothesis presented above.

Finally, M12 suggests that presidential democracies with incumbent presidents elected with a high percentage of votes (rather than incumbent presidents elected with a low percentage of votes) are

less likely to see government coalitions form. Table 4.5 shows that as the percentage of votes for the president increases, the likelihood of government coalition formation decreases. For a one-unit increase in the president's share of votes, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.91. This finding is consistent with the theory and hypothesis presented above.

Model 13 (M13) combines the variables of the presidential power system theory, but excludes the control variables related to the state of the economy. It suggests that presidential democracies with a high concentration of policy-making power in the executive (rather than those with a low concentration of policy-making power in the executive) are less likely to see government coalitions form. Table 4.5 shows that as the president's policy-making power increases, the likelihood of government coalition formation decreases. For a one-unit increase in the president's policy-making power, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.90. This finding is consistent with the theory and hypothesis presented above.

M13 also suggests that presidential democracies with a high concentration of power in areas other than policy-making (rather than those with a low concentration of power in areas other than policy-making) are less likely to see government coalitions form. Table 4.5 shows that as the president's non-policy-making power increases, the likelihood of government coalition formation decreases. For a one-unit increase in the president's non-policy-making power, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.93. This finding is consistent with the theory and hypothesis presented above.

Finally, it suggests that presidential democracies with incumbent presidents elected with a high percentage of votes (rather than incumbent presidents elected with a low percentage of votes) are less likely to see government coalitions form. Table 4.5 shows that as the percentage of votes for the president increase, the likelihood of government coalition formation decreases. For a one-unit increase in the president's share of votes, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.92. This finding is consistent with the theory and hypothesis presented above.

Model 14 (M14) combines the variables of the electoral institutions and electoral systems theory. It suggests that presidential democracies with simple majority plurality rules for presidential elections

(rather than those without simple majority plurality rules for presidential elections) are more likely to see government coalitions form. Table 4.5 shows that the presence of SMP in presidential elections significantly increases the likelihood of government coalition formation. The odds of forming a government coalition in systems with SMP elections are 419.37 times higher than the odds of forming a government coalition in a system without SMP. This finding is consistent with the theory and hypothesis presented above.

It suggests that presidential democracies with longer term lengths (rather than those with shorter term lengths) are more likely to see government coalitions form. Table 4.5 shows that as the term length increases, the likelihood of government coalition formation increases. For a one-unit increase in term length, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 5.73. This finding is consistent with the theory and hypothesis presented above.

M14 further suggests that presidential democracies with concurrent presidential and legislative elections (rather than those without concurrent presidential and legislative elections) are more likely to see government coalitions form. Table 4.5 shows that concurrent presidential and legislative elections significantly increase the likelihood of government coalition formation. The odds of forming a government coalition in systems with concurrent presidential and legislative elections are 1.25 times higher than the odds of forming a government coalition in a system without concurrent presidential and legislative elections. This finding is consistent with the theory and hypothesis presented above.

It also suggests that presidential democracies with a unicameral congress (rather than those with a bicameral congress) are less likely to see government coalitions form. Table 4.5 shows that unicameral congresses significantly decrease the likelihood of government coalition formation. The odds of forming a government coalition in systems with a unicameral congress are 0.01 times lower than the odds of forming a government coalition in a system with a bicameral congress. This finding is not consistent with the theory and hypothesis presented above.

Finally, M14 suggests that presidential democracies with small legislatures (rather than those with large legislatures) are more likely to see government coalitions form. Table 4.5 shows that as the total number of seats in congress increases, the likelihood of government coalition formation decreases. For a one-unit increase in the total seats, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.93. This finding is not consistent with

the theory and hypothesis presented above.

Model 15 (M15) combines the variables of the electoral institutions and electoral systems theory, but excludes control variables related to the state of the economy. It suggests that presidential democracies with SMP rules for presidential elections (rather than those with run-off elections) are more likely to see government coalitions form. Table 4.5 shows that the presence of SMP in presidential elections significantly increases the likelihood of government coalition formation. The odds of forming a government coalition in systems with SMP elections are approximately 162 times higher than the odds of forming a government coalition in a system without SMP. This finding is consistent with the theory and hypothesis presented above.

It suggests that presidential democracies with longer term lengths (rather than those with shorter term lengths) are more likely to see government coalitions form. Table 4.5 shows that as the term length increases, the likelihood of government coalition formation increases. For a one-unit increase in term length, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 4.80. This finding is consistent with the theory and hypothesis presented above.

M15 further suggests that presidential democracies with concurrent presidential and legislative elections (rather than those without concurrent presidential and legislative elections) are more likely to see government coalitions form. Table 4.5 shows that democracies with concurrent presidential and legislative elections significantly increase the likelihood of government coalition formation. The odds of forming a government coalition in systems with concurrent presidential and legislative elections are 1.25 times higher than the odds of forming a government coalition in a system without concurrent presidential and legislative elections. This finding is consistent with the theory and hypothesis presented above.

M15 also suggests that presidential democracies with a unicameral congress (rather than those with a bicameral congress) are less likely to see government coalitions form. Table 4.5 shows that unicameral congresses significantly decrease the likelihood of government coalition formation. The odds of forming a government coalition in systems with a unicameral congress are 0.01 times lower than the odds of forming a government coalition in a system with a bicameral congress. This finding is not consistent with the theory and hypothesis presented above.

Finally, it suggests that presidential democracies with small legislatures (rather than those with

large legislatures) are more likely to see government coalitions form. Table 4.5 shows that as the total number of seats in congress increases, the likelihood of government coalition formation decreases. For a one-unit increase in the total seats, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.94. This finding is not consistent with the theory and hypothesis presented above.

Model 16 (M16) combines the variables of the party system theory. It suggests that presidential democracies with small party systems (rather than those with large party systems) are more likely to see government coalitions form. Table 4.5 shows that as fewer parties are represented in congress, the likelihood of government coalition formation increases. For a one-unit increase in the effective number of legislative parties, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.49.

It also suggests that presidential democracies in which the government party has a large legislative majority (rather than those in which the government party does not have a large legislative majority) are more likely to see government coalitions form. Table 4.5 shows that as the government party's legislative majority increases, the likelihood of government coalition formation increases. For a one-unit increase in the government party's legislative majority, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of approximately 100.

Model 17 (M17) combines the variables of the party system theory, but excludes control variables related to the state of the economy. It suggests that presidential democracies with small party systems (rather than those with large party systems) are more likely to see government coalitions form. Table 4.5 shows that as fewer parties are represented in congress, the likelihood of government coalition formation increases. For a one-unit increase in the effective number of legislative parties, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.54.

It also suggests that presidential democracies in which the government party has a large legislative majority (rather than those in which the government party does not have a large legislative majority) are more likely to see government coalitions form. Table 4.5 shows that as the government party's legislative majority increases, the likelihood of government coalition formation increases. For a one-unit increase in the government party's legislative majority, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of approximately 48.

FINDINGS

Table 4.5.: Multivariate Determinants of Government Coalition Formation

	(M12)	(M13)	(M14)	(M15)	(M16)	(M17)
Presidential Power						
Formal	0.88** (0.04)	0.90*** (0.03)				
Non-Formal	0.93*** (0.02)	0.93*** (0.02)				
Vote Percent (1st round)	0.91*** (0.03)	0.92*** (0.03)				
Electoral Institutions and Electoral System						
SMP			419.37*** (859.79)	162.43*** (296.10)		
Re-elected			0.62 (0.52)	0.75 (0.62)		
Term Length			5.73*** (4.06)	4.80** (3.35)		
Concurrent			1.25* (0.49)	1.14 (0.44)		
Unicameral			0.01*** (0.02)	0.01*** (0.02)		
Total Seats			0.93*** (0.01)	0.94*** (0.01)		
Party System						
ENLP					0.49** (0.15)	0.54** (0.16)
Legislative Majority					100.63*** (133.67)	48.48*** (60.31)
Control						
Electoral Coalition	846.31*** (948.27)	606.69*** (589.71)	2243.66*** (2793.34)	1391.91*** (1648.44)	599.15*** (689.56)	373.25*** (384.78)
Crisis	18.77** (25.86)	16.81** (21.61)	8.82** (10.48)	6.71* (7.71)	6.15 (7.29)	7.21* (8.24)
Left	0.39* (0.22)	0.41* (0.21)	0.53 (0.32)	0.70 (0.39)	0.40* (0.20)	0.40* (0.20)
Outsider	0.23* (0.18)	0.31 (0.23)	2.06 (1.40)	2.03 (1.32)	1.08 (0.73)	1.54 (0.76)
Age of Democracy	0.87*** (0.02)	0.90*** (0.88)	0.91*** (0.03)	0.92 (0.02)	0.90*** (0.02)	0.92*** (0.02)
Population	1.00 (2.57)	1.00 (1.73)	1.00*** (4.39)	1.00*** (3.60)	1.00 (1.90)	1.00 (1.80)
CPI	0.99 (0.00)		0.99 (0.00)		0.99 (0.00)	
GDP	1.04 (0.04)		1.09 (0.05)		1.03 (0.04)	
GINI	1.03 (0.05)		0.90 (0.06)		1.08 (0.05)	
N	407	407	407	407	407	407
likelihood	-157.27	-158.682	-135.76	-139.37	-152.82	-155.71
lnsig2u	3.68	3.48	3.12	2.89	2.28	2.12
sigma_u	6.31	5.70	4.76	4.24	3.12	2.89
rho	0.92	0.90	0.87	0.84	0.74	0.71

Note. The dependent variable is Government Coalition. The results are expressed as maximum likelihood estimates of logistic regression coefficients (odds ratios). Robust standard Errors are reported in parentheses. *Legend.* * significant at the 5% (0.05) level, ** significant at the 1% (0.01) level, *** significant at the 0.01% level (0.001).

Combinations of Multivariate Determinants

This subsection shows the final inferential findings for the variables discussed above. The following models test combinations of multivariate hypotheses for each of the three theories. Table 4.6 refers to the first theory, that individual variables related to the president's power play a central role in government coalition formation, to the second theory, that electoral institutions and the electoral system play a central role in government coalition formation, and to the third theory, that individual variables related to the party system play a central role in government coalition formation.

Model 18 (M18) combines variables of the presidential power theory, of the electoral institutions and electoral systems theory and of the party system theory. It suggests that presidential democracies with a high concentration of policy-making power in the executive (rather than those with a low concentration of policy-making power in the executive) are less likely to see government coalitions form. Table 4.6 shows that as the president's formal power increases, the likelihood of government coalition formation decreases. For a one-unit increase in the president's formal power, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.84. This finding is consistent with the theory and hypothesis presented above.

It suggests that presidential democracies with a high concentration of non-formal power (rather than those with a low concentration of non-formal power) are less likely to see government coalitions form. Table 4.6 shows that as the president's power in areas other than policy-making increases, the likelihood of government coalition formation decreases. For a one-unit increase in the president's power in areas other than policy-making, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.76. This finding is consistent with the theory and hypothesis presented above.

M18 further suggests that presidential democracies with incumbent presidents elected with a high percentage of votes (rather than incumbent presidents elected with a low percentage of votes) are less likely to see government coalitions form. Table 4.6 shows that as the percentage of votes for the president increases, the likelihood of government coalition formation decreases. For a one-unit increase in the president's share of votes, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.74. This finding is consistent with the theory and hypothesis presented above.

Moreover, M18 suggests that presidential democracies with simple majority plurality rules for

presidential elections (rather than those with run-off elections) are more likely to see government coalitions form. Table 4.6 shows that the presence of SMP in presidential elections significantly increases the likelihood of government coalition formation. The odds of forming a government coalition in systems with SMP elections are approximately 96,342 times higher than the odds of forming a government coalition in a system without SMP. This finding is consistent with the theory and hypothesis presented above.

M18 suggests that presidential democracies with longer term lengths (rather than those with shorter term lengths) are more likely to see government coalitions form. Table 4.6 shows that as the term length increases, the likelihood of government coalition formation increases. For a one-unit increase in term length, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of approximately 4,951. This finding is consistent with the theory and hypothesis presented above.

It further suggests that presidential democracies with unicameral congresses (rather than those with bicameral congresses) are less likely to see government coalitions form. Table 4.6 shows that unicameral congresses significantly decrease the likelihood of government coalition formation. The odds of forming a government coalition in systems with a unicameral congress are 0.00 times lower than the odds of forming a government coalition in a system with a bicameral congress (symbolising the unlikely occurrence of the event). This finding is not consistent with the theory and hypothesis presented above.

M18 also suggests that presidential democracies with small legislatures (rather than those with large legislatures) are more likely to see government coalitions form. Table 4.6 shows that as the total number of seats in congress increases, the likelihood of government coalition formation decreases. For a one-unit increase in the total seats, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.91. This finding is not consistent with the theory and hypothesis presented above.

Finally, it suggests that presidential democracies with small party systems (rather than those with large party systems) are more likely to see government coalitions form. Table 4.6 shows that as fewer parties are represented in congress, the likelihood of government coalition formation increases. For a one-unit increase in the effective number of legislative parties, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.06. This

finding is not consistent with the theory and hypothesis presented above.

Model 19 (M19) combines the variables of the presidential power theory, of the electoral institutions and electoral systems theory and the party system theory, but excludes control variables related to the state of the economy. It suggests that presidential democracies with a high concentration of formal power in the executive (rather than those with a low concentration of formal power in the executive) are less likely to see government coalitions form. Table 4.6 shows that as the president's policy-making power increases, the likelihood of government coalition formation decreases. For a one-unit increase in the president's policy-making power, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.85. This finding is consistent with the theory and hypothesis presented above.

It suggests that presidential democracies with a high concentration of non-formal power (rather than those with a low concentration of non-formal power) are less likely to see government coalitions form. Table 4.6 shows that as the president's non-policy-making power increases, the likelihood of government coalition formation decreases. For a one-unit increase in the president's non-policy-making power, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.79. This finding is consistent with the theory and hypothesis presented above.

M19 suggests that presidential democracies with incumbent presidents elected with a high percentage of votes (rather than incumbent presidents elected with a low percentage of votes) are less likely to see government coalitions form. Table 4.6 shows that as the percentage of votes for the president increases, the likelihood of government coalition formation decreases. For a one-unit increase in the president's share of votes, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.77. This finding is consistent with the theory and hypothesis presented above.

It suggests that presidential democracies with simple majority plurality rules for presidential elections (rather than those without simple majority plurality rules for presidential elections) are more likely to see government coalitions form. Table 4.6 shows that the presence of SMP in presidential elections significantly increases the likelihood of government coalition formation. The odds of forming a government coalition in systems with SMP elections are approximately 4,795 times higher than the odds of forming a government coalition in a system with run-off elections. This finding is consistent

with the theory and hypothesis presented above.

Furthermore, M19 suggests that presidential democracies with longer term lengths (rather than those with shorter term lengths) are more likely to see government coalitions form. Table 4.6 shows that as the term length increases, the likelihood of government coalition formation increases. For a one-unit increase in term length, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of approximately 415. This finding is consistent with the theory and hypothesis presented above.

It also suggests that presidential democracies with small legislatures (rather than those with large legislatures) are more likely to see government coalitions form. Table 4.6 shows that as the total number of seats in congress increases, the likelihood of government coalition formation decreases. For a one-unit increase in the total seats, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.92. This finding is not consistent with the theory and hypothesis presented above.

Finally, M19 suggests that presidential democracies with small party systems (rather than those with large party systems) are more likely to see government coalitions form. Table 4.6 shows that as fewer parties are represented in congress, the likelihood of government coalition formation increases. For a one-unit increase in the effective number of legislative parties, the odds of forming a government coalition (versus not forming a government coalition) significantly increase by a factor of 0.08.

4.6 POST-ESTIMATION

The previous section identified the major determinants behind government coalition formation. This section shows some post-estimation methods to aid the interpretation. It shows adjusted predictions (`predict`) and marginal effects (`margins`), assuming that the random effect is zero. The adjusted predictions show the probability of government coalition formation, taking into account one independent variable at a time, while holding the other independent variables constant at their mean; the marginal effects show the probability of government coalition formation taking into account the interaction between specific independent variables, while holding the other independent variables constant at their mean (Williams, 2012).

The following tables show the predicted probabilities of government coalition formation. They

Table 4.6.: Combinations of Multivariate Determinants of Government Coalition Formation

	(M18)	(M19)
Presidential Power		
Formal	0.84*** (0.04)	0.85*** (0.04)
Non-Formal	0.76*** (0.03)	0.79*** (0.03)
Vote Percent (1st round)	0.74*** (0.04)	0.77*** (0.04)
Electoral Institutions and Electoral System		
SMP	96342.12*** (307047.2)	4794.52*** (11209.38)
Re-elected	0.22 (0.34)	0.18 (0.26)
Term Length	4950.68*** (5392.64)	415.29*** (589.87)
Concurrent	1.79 (0.96)	1.53 (0.76)
Unicameral	0.00*** (0.01)	0.02 (0.08)
Total Seats	0.91*** (0.02)	0.92*** (0.01)
Party System		
ENLP	0.06*** (0.03)	0.08*** (0.04)
Legislative Majority	11.54 (23.07)	3.36 (6.31)
Control		
Electoral Coalition	7707221*** (1.24)	448162.9*** (828321.7)
Crisis	5.52 (8.92)	6.85 (10.57)
Left	0.24 (0.26)	0.33 (0.30)
Outsider	0.08** (0.10)	0.11** (0.12)
Age of Democracy	0.96 (0.04)	0.98 (0.04)
Population	1.00 (7.60)	1.00*** (6.06)
CPI	0.99 (0.00)	
GDP	1.25*** (0.09)	
GINI	0.88 (0.10)	
N	407	407
likelihood	-100.02 ¹²³	-107.46
lnsig2u	5.65	5.28
sigma_u	16.93	14.04
rho	0.98	0.98

Note. The dependent variable is Government Coalition. The results are expressed as maximum likelihood estimates of logistic regression coefficients (odds ratios). Robust standard Errors are reported in parentheses. *Legend.* ** significant at the 1% (0.01) level, *** significant at the 0.01% level (0.001).

use M18 as the point of departure – given that it is the most complete model. As such, they use logistic regressions with random effects models to generate individual predictions. Dichotomous variables remain the same, and continuous variables are divided into four groups with equal numbers of observations.

Table 4.7 shows the probability of government coalition formation according to the president's formal powers. It shows that the probability is 20.4 per cent in democracies with weak presidents, 13.9 per cent in democracies with average-weak presidents, 91.2 per cent in democracies with average-strong presidents, and 46.7 per cent in democracies with strong presidents. The logic behind this distribution is that parties are more likely to form coalitions as they approach significant legislative thresholds. Parties seek to form coalitions when the president is close to having at least half of all possible powers.

It also shows the probability of government coalition formation according to the president's non-formal powers. It shows that the probability is 39.2 per cent in democracies with weak presidents, 43.4 per cent in democracies with average-weak presidents, 38.8 per cent in democracies with average-strong presidents, and 16.5 per cent in democracies with strong presidents. As above, the probability increases as the president approaches significant levels of strength. Parties see more benefits when the president can do something useful (like pass legislation) with his power.

Finally, Table 4.7 shows the probability of government coalition formation according to the president's vote per cent in the first (or only) round of voting in the immediately previous presidential election. It shows that the probability is 30.9 per cent when he has a low vote share, 35.1 per cent when he has an average-low vote share, 33.3 per cent when he has an average-high vote share, and 24.8 per cent when he has a high vote share. This corroborates the trend shown with presidential power. The president's party is more likely to form a coalition when it is short of obtaining significant majorities, and will bargain with other parties, especially when the president is just short of the 50 per cent threshold.

Table 4.8 shows that the probability a government coalition will form is 75 per cent in democracies that use SMP for presidential elections, and 28.2 per cent in democracies that use run-off provisions. It shows that the probability a government coalition will form is 31.5 per cent if the president is in his second term, and 35.9 per cent if he is in his first term. It further shows that the probability a government coalition will form is 14 per cent if the president is elected to a four-year term, 40.6

Table 4.7.: Predicted Probability of Government Coalition Formation: Presidential Power

	Pred. Prob.	Std. Err.	P> z
Formal			
22.45-28.50%	0.204	0.076	0.007
28.51-42.28%	0.139	0.020	0.000
42.29-68.96%	0.912	0.019	0.000
68.97-100%	0.467	0.090	0.000
Non-Formal			
1.00-3.74%	0.392	0.046	0.000
3.75-9.36%	0.434	0.040	0.000
9.37-38.85%	0.388	0.049	0.000
38.86-100%	0.165	0.013	0.000
Vote Percent			
19.60-38.29%	0.309	0.026	0.000
38.30-47.99%	0.351	0.030	0.000
48.00-52.99%	0.333	0.030	0.000
53.00-100%	0.248	0.023	0.000

Note. Pred. Prob. is the Predicted Probability; Std. Err. is the Delta-Method Standard Error; P>|z|. is the Significance Level.

per cent if he is elected to a five-year term, and 61.6 per cent if he is elected to a six-year term. It shows that the probability a government coalition will form is 36.8 per cent in democracies in which presidential and legislative elections are concurrent, and 34.8 per cent if they are not. It shows that the probability a government coalition will form is 25.1 per cent in unicameral democracies, and 43.6 per cent in bicameral democracies.

Table 4.8 also shows the predicted probabilities of government coalition formation, according to the size of the legislature. It shows that the probability of government coalition formation is 24.2 per cent in democracies with small legislatures (57 to 83 seats), 26 per cent in democracies with small-medium legislatures (84 to 120 seats), 18.3 per cent in democracies with medium-large legislatures (121 to 177 seats), and 33.4 per cent in democracies with large legislatures (178 to 513 seats).

Table 4.9 shows the predicted probabilities of government coalition formation according to variables related to the party system. It shows that the probability of government coalition formation is 43.1 per cent in democracies with small party systems (1.93 to 2.35 parties), 42.2 per cent in democracies with small-medium party systems (2.36 to 2.97 parties), 42.7 per cent in democracies with medium-large party systems (2.98 to 4.30 parties), and 28.1 per cent in democracies with large party systems (4.31 to 9.29 parties). It also shows that the probability of government coalition formation is 26.2 per cent

Table 4.8.: Predicted Probability of Government Coalition Formation: Electoral Institutions and Electoral Systems

	Pred. Probab.	Std. Err.	P> z
SMP			
0	0.282	0.043	0.000
1	0.750	0.038	0.000
Re-elected			
0	0.359	0.328	0.000
1	0.315	0.044	0.000
Term Length			
4 years	0.140	0.020	0.000
5 years	0.406	0.074	0.000
6 years	0.616	0.086	0.000
Concurrent			
0	0.348	0.033	0.000
1	0.368	0.037	0.000
Unicameral			
0	0.436	0.060	0.000
1	0.251	0.044	0.000
Total Seats			
57-83	0.242	0.047	0.000
84-120	0.260	0.055	0.000
121-177	0.183	0.025	0.000
178-513	0.334	0.083	0.000

Note. Pred. Prob. is the Predicted Probability; Std. Err. is the Delta-Method Standard Error; P>|z| is the Significance Level.

in democracies with small majorities in congress (9 to 44 per cent), 44.5 per cent in democracies with medium-small majorities in congress (45 to 50 per cent), 42.3 per cent in democracies with medium-large majorities in congress (51 to 57 per cent), and 44.6 per cent in democracies with large majorities in congress (58 to 100 per cent).

Figure 4.1 and Figure 4.2 show the marginal effect of government coalition formation, after considering the interaction between the electoral system and the party system. As above, they also use M18 as the point of departure. Yet, in contrast to the predicted probabilities shown above, marginal effects use logistic regressions models to generate non-linear predictions.

Figure 4.1 shows the probability a government coalition will form, given the interaction between

Table 4.9.: Predicted Probability of Government Coalition Formation: Party System

	Pred. Prob.	Std. Err.	P> z
ENLP			
1.93-2.35	0.431	0.041	0.000
2.36-2.97	0.422	0.031	0.000
2.98-4.30	0.427	0.029	0.000
4.31-9.29	0.281	0.023	0.000
Legislative Majority			
9-44%	0.262	0.040	0.000
45-50%	0.445	0.043	0.000
51-57%	0.423	0.049	0.000
58-100%	0.446	0.045	0.000

Note. Pred. Prob. is the Predicted Probability; Std. Err. is the Delta-Method Standard Error; P>|z| is the Significance Level.

the major variable related to presidential elections (SMP) and the effective number of legislative parties. It shows that government coalition formation is significantly more likely in democracies that use SMP. Yet, in both SMP and non-SMP systems, the probability of government coalition formation decreases as the number of legislative parties increases.

Figure 4.2 shows the probability a government coalition will form, given the interaction between presidential term length and the effective number of legislative parties. It shows a negative slope for countries in which the president is elected to four-year terms, and a positive slope for countries in which the president is elected to five and six-year terms. This is consistent with the findings above, since small parties will see more benefits in joining coalitions when they risk being left out of government for longer periods of time.

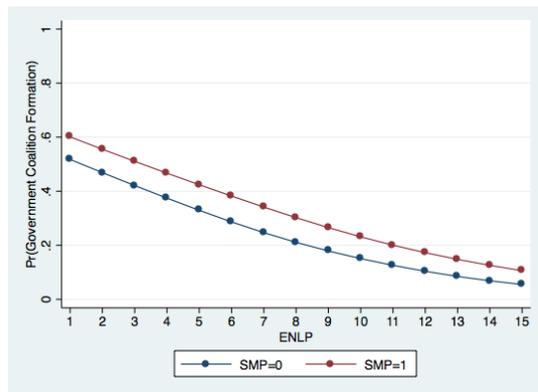


Figure 4.1.: SMP and ENLP

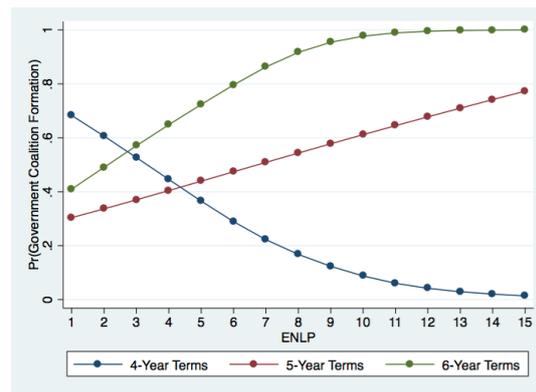


Figure 4.2.: Term Length and ENLP

4.7 DISCUSSION

The univariate analysis shows a partial picture. When variables are individually added into the models, most of them are both consistent with theory and have a significant effect. As expected, the results show that presidential policy-making power, presidential power in areas other than policy-making, percentage of votes for the incumbent president in the first round of the immediately previous presidential election, simple majority plurality for presidential elections, second term presidents, smaller legislatures, a lower effective number of legislative parties, and the government party's legislative majority favour government coalitions.

The multivariate analysis reaffirms these findings. When variables are collectively added into the models, they retain their consistency with theory and their significant effect. This is the case when the variables of the presidential power theory are simultaneously tested: presidential policy-making power, presidential power in areas other than policy-making, and percentage of votes for the incumbent president remain as significant predictors. This is also the case when the variables of the electoral institutions and electoral systems theory are simultaneously tested: simple majority plurality, concurrent elections, unicameralism, and size of the legislature have a positive effect on government coalition formation. And this is the case when the variables of the party system theory are simultaneously tested: the effective number of legislative parties and the government party's legislative majority have a direct and significant effect on government coalition formation.

When the variables of the presidential power theory, electoral institutions and electoral systems theory, and party system theory are all added into a model together (presidential policy-making power, presidential power in areas other than policy-making, percentage of votes, simple majority plurality, concurrent elections, unicameralism, size of the legislature, and effective number of legislative parties) they also have a large and significant effect. This is the most complete of the models, and that with the largest impact on government coalition formation.

In addition to these findings, results show that when the incumbent president is backed by an electoral coalition the likelihood of government coalition formation increases. They further show that when a democracy is going through a constitutional crisis the likelihood of government coalitions also increases. An additional finding is that parties are more likely to form government coalitions when the age of democracy is smaller. Finally, results show that variables related to the economy are not relevant predictors. All of the models suggest that the state of inflation, growth and inequality do

not influence the decision of parties to form government coalitions.

4.8 CONCLUSION

The contribution of this chapter is twofold. First, it organised the literature around three core theories that have often been mentioned as determinants of government coalition formation in individual case studies, but have not yet been empirically proven. While most case studies have accepted that presidential power, electoral institutions, the electoral system, and the party system have some sort of effect on the willingness of parties to form coalitions during government, they have not used empirical evidence to illustrate the direction and magnitude of the relationship. By discussing each of the theories in detail, this chapter may prove a cornerstone for future literature; it provides a reference point to further explore government coalition formation in the region.

The second contribution of this chapter has been to test hypotheses with a cross-national quantitative method. Of the 11 variables tested, eight were found to be significant. Findings showed that presidential policy-making power, presidential power in areas other than policy-making, percentage of votes for the incumbent president in the first round, simple majority plurality for presidential elections, term length, unicameralism, size of the legislature, effective number of legislative parties, and the government party's legislative majority are crucial predictors of government coalition formation. Findings also suggest that electoral coalitions, constitutional crises, and the age of the democracy are important variables. Finally, findings showed that variables related to the economy do not have an effect on government coalition formation.

COALITION FORMATION IN CHILE, ECUADOR, AND MEXICO

This chapter identifies the causal mechanisms behind coalition formation. The second section describes the political context in which coalitions form in Chile and Ecuador, and the political context in which they do not form in Ecuador and Mexico. The third section describes how presidential power, electoral institutions and the electoral system, and the party system have evolved over the past three decades in each of the three countries. The fourth section suggests some inconsistencies between the findings in the previous chapters and the descriptive evidence presented in this chapter, given that parties form coalitions even when the independent variables suggest that they should not form, and vice versa. The fifth section explains that two of the three sets of variables are sufficient to explain why parties form coalitions, and that political culture and critical junctures play an important role in exacerbating or ameliorating the structural incentives of coalition formation.

5.1 INTRODUCTION

Coalitions are on the rise in Latin America. Chapter 2 shows that since the return of democracy to the region, the probability of coalition formation has increased twofold. Countries that have traditionally seen coalitions form are being joined by countries that have never seen coalitions form. In 1980, around 20 per cent of the elections had at least one electoral coalition, and around 20 per cent of the elected presidents formed a government coalition. In 2009, over 40 per cent of the elections had at least one electoral coalition, and over 40 per cent of the elected presidents formed a government

coalition.

Chapter 3 and Chapter 4 show that some of the major determinants behind this upward trend are variables related to the president's legislative and non-legislative powers, the president's vote share in the first round of elections, variables related to electoral institutions and the electoral system (also referred to as electoral arrangements), and variables related to the party system. Evidence in both of these chapters shows that as the president's power decreases, as electoral institutions and the electoral system become more restrictive, and as the party system becomes more fragmented, the likelihood of coalition formation increases.

For example, Chapter 3 shows that simple majority plurality for presidential elections (SMP), unicameral legislatures (Unicameral), the use of proportional representation electoral rules for legislative elections (PR system), larger legislatures (Total Seats), small average district magnitudes (MDMH), a higher number of electoral parties (ENEP), and a higher government party's legislative majority (Legislative Majority) are crucial predictors of electoral coalition formation. Chapter 3 also shows that when an outsider presidential candidate is present in an election, the likelihood of forming an electoral coalition decreases.

Similarly, Chapter 4 shows that as the president's constitutional power and his vote share in the first round increase, the likelihood of forming a government coalition decreases. It also shows that SMP, longer terms (Term Length), unicameralism, smaller legislatures, a lower number of legislative parties (ENLP), and a higher government party's legislative majority are crucial predictors of government coalition formation. It also shows that when a winning presidential candidate is backed by an electoral coalition, and when the country is going through political turmoil, the likelihood of forming a government coalition increases.

While presidential power, electoral institutions and the electoral system, and the party system are crucial determinants of coalition formation, they do not always parsimoniously explain why coalitions form in some countries and not in others. A quick glance at some countries in the region shows that in some cases the combination of the three independent variables predicts coalition formation, but coalitions do not form, while in other cases the combination of the three independent variables does not predict coalition formation, but coalitions form anyway.

This inconsistency is problematic. One way to understand if it is troublesome for establishing a particular theory of coalition formation in the presidential regimes of Latin America is to take a

deeper look at the independent variables that seek to explain why parties form coalitions in the first place. In this vein, it is particularly important to explore the evolution of these independent variables over the years. This comprehensive perspective can help clarify the difference between how coalitions form in theory and how coalitions form in practice.

This chapter uses an in-depth qualitative method to approach this inconsistency and identify causal mechanisms. It attempts to explain why parties decide to form coalitions – or not to – when the combination of independent variables suggests that the contrary should occur. It looks at three democracies that represent the full range of possible outcomes: a country that permanently undergoes coalition formation (Chile); a country that intermittently sees coalition formation (Ecuador); and a country that never experiences coalition formation (Mexico).

In each of these three democracies, coalition formation – or the lack thereof – cannot be perfectly explained by the combination of the independent variables (see Table 5.1). For example, Chile and Ecuador’s constitutions grant their respective presidents significant power, which suggests that coalitions should never form – but in practice coalitions always form in Chile and intermittently form in Ecuador. Similarly, Mexico’s constitution grants its presidents little power; this suggests that coalitions should always form, but in practice they never do.

Table 5.1.: Incentives for Coalition Formation in Chile, Ecuador, and Mexico

Country	Presidential Power	Electoral Institutions and Electoral System	Party System	Electoral Coalition?	Government Coalition?
Chile	∅	★	★	Permanently	Permanently
Ecuador	∅	∅	★	Intermittently	Intermittently
Mexico	★	∅	∅	Never	Never

Legend. ★=strong incentives for coalition formation; ∅=weak incentives for coalition formation.

By looking at each of these three countries, the variables can be held constant and toggled to explore the nature of the relationship between the outcome and its determinants. If coalition formation occurs only when all of the variables are aligned, then they are all essential variables. Instead, if it coalition formation occurs only when some of the variables are aligned, then only these are the essential determinants. The different outcomes of the dependent variables is what allows us to make this inference, but the range and combinations of the independent variables is ultimately what will lead us to male valid conclusions.

The remainder of this chapter is organised as follows. The second section describes the political

context in which coalitions form in Chile and Ecuador, and in which they do not form in Ecuador and Mexico. The third section reviews three independent variables that were found to explain coalition formation in previous chapters: presidential power, electoral institutions and the electoral system, and the party system. The fourth section suggests explanations as to why parties form coalitions when the independent variables suggest that they should not form, and why parties do not form coalitions when the independent variables suggest that they should form. The final section draws the conclusions.

5.2 COALITION FORMATION IN CHILE, ECUADOR, AND MEXICO

Since the return of democracy, Chile has permanently seen coalitions form (see Table 5.2). In 1989 – the first presidential election since 1970 – parties joined forces to support centre-left wing presidential candidate Patricio Aylwin. Known as the *Concertación*, the coalition was composed of six parties: Partido Demócrata Cristiano (DC), Partido por la Democracia (PPD), Partido Radical de Chile (PRCH), Partido Social Demócrata Chileno (PSDCH), Partido Humanista (PHCH), and Partido Los Verdes (PVCH).

In addition to the *Concertación*, four other coalitions supported a presidential candidate that year. Among them was a centre-right wing coalition composed of two parties: Unión Demócrata Independiente (UDI) and Renovación Nacional (RN). The *Concertación* and the *Alianza* were the two largest coalitions in the 1989 election. While the *Concertación* campaigned on a pro-democracy agenda, the *Alianza* campaigned on a pro-military government one. The *Concertación* won the election and went on to form a government coalition for the duration of the Aylwin administration (1990-1994).

In the 1993 presidential election the *Concertación* supported DC presidential candidate Eduardo Frei. The centre-left wing coalition won its second consecutive presidential election, following a minor change in the member parties. The number of parties in the *Concertación* dropped to five from six. Four parties remained in the coalition: DC, PPD, PRCH, and the PSDCH; two parties left: the PHCH and the PVCH; and one party joined: the Partido Socialista (PS).

In addition to the *Concertación*, three other coalitions supported a presidential candidate that year. This included the *Alianza*, which was again represented by the same two parties – UDI and RN. Once again the *Concertación* won the election, consolidating as a joint electoral and government coalition – the strongest form of coalition possible, since all member parties were represented in the

cabinet and voted in the same direction in the legislature for the duration of the Frei administration (1994-2000).

In the 1999 presidential election the Concertación supported PS presidential candidate Ricardo Lagos. The incumbent coalition faced the election with a new line-up. The number of parties in the coalition dropped to four, after two of the parties (the PRCH and the PSDCH) merged into one (the Partido Radical Social Demócrata (PRSD)). In addition to the Concertación, five other coalitions supported a presidential candidate that year, including the Alianza. Lagos won the election, maintaining the parties in the coalition for the duration of his administration (2000-2006).

In the 2005 presidential election the Concertación supported PS presidential candidate Michelle Bachelet, without changes to the parties that formed part of the coalition in the previous election. In addition to the Concertación, three other coalitions supported a presidential candidate that year, including the Alianza as the main contender. Bachelet eventually won the election, and the four Concertación parties once again shared posts in the government and voted as a coalition in Congress for the duration of the Bachelet administration (2006-2010).

In 2009 the Concertación lost its first presidential election. Having been the major opposition to the Concertación since transition, the Alianza was finally able to turn the tables. Its presidential candidate Sebastián Piñera was supported by three parties: UDI, RN, and Chile Primero (CH1). In addition to the Alianza, four other coalitions supported a presidential candidate that year, including the Concertación. Once in power, the Alianza member parties shared posts in the cabinet as well as seats in the legislature for the duration of the Piñera administration (2010-2014).

Table 5.2.: Electoral and Government Coalition Formation in Chile, 1989-2009

Election	Electoral Coalition?	Government Coalition?
1989	Yes	Yes
1993	Yes	Yes
1999	Yes	Yes
2005	Yes	Yes
2009	Yes	Yes

In contrast to Chile, Ecuador only intermittently sees coalitions form (see Table 5.3). In the 1984 presidential election, an electoral coalition formed for the first time since the 1979 transition to democracy. Known as the Frente de Reconstrucción Nacional, the coalition was composed of six parties that joined forces to support centre-right wing presidential candidate León Febres-Cordero.

The coalition included the Partido Social Cristiano (PSCE), the Partido Conservador Ecuatoriano (PCEC), the Partido Liberal Radical Ecuatoriano (PLRE), the Partido Nacionalista Revolucionario (PNRE), the Coalición Institucionalista Demócrata (CIDE), and the Federación Nacional Velasquista (FNVE). After winning the election, the six parties went on to form a government coalition for the duration of the Febres-Cordero administration (1984-1988).

In the 1988 presidential election, ten candidates competed for the presidency, of which only three were supported by coalitions. The two front-runners were backed by their own parties. Rodrigo Borja was backed by the Izquierda Democrática (ID), and Abdalá Bucaram was backed by the Partido Roldista Ecuatoriano (PRE). Both candidates – considered mass leaders at the time – were founders of their political parties, and over their careers competed for the presidency several times. Borja competed in 1978, 1984, 1988, and 1998; Bucaram competed in 1988, 1992, and 1996. Borja won the 1988 election, and governed with the sole support of his party.

In the 1992 presidential election an electoral coalition formed for the second time since the transition to democracy. The coalition was composed of two parties, which joined forces to support centre-right wing presidential candidate Sixto Durán-Ballén: the PSCE and the Partido Unidad Republicana (PURE). After winning the election, the two parties went on to form a government coalition for the duration of the Durán-Ballén administration (1992-1996). It was the second time an electoral coalition transmuted into a government coalition.

In the following three presidential elections (1996, 1998, and 2002) the main contenders were all supported by single parties. In 1996 Bucaram won the election with the support of his party (PRE). His government was composed almost exclusively of PRE members and independents, and lasted for two years until he was impeached. In 1998 Jamil Mahuad won the election supported by Democracia Popular (DPE). Like his predecessor, his government was also composed almost exclusively of members of his party and independents. And like Bucaram, Mahuad was forced to resign two years into his term. In 2002, Lucio Gutiérrez won the presidential election supported by the Partido Sociedad Patriótica 21 de Enero (PSP). Like the two previous administrations, Gutiérrez's cabinet was composed almost exclusively of members of his party and independents.

In the 2006 presidential election an electoral coalition formed for the third time. The Alianza PAIS coalition was composed of over 30 parties and social movements that joined forces to support independent presidential candidate Rafael Correa. Among the most prominent parties were: Movimiento

PAIS (PAISE), Nuevo País (NPE), Acción Democrática Nacional (ADNE), Iniciativa Ciudadana (ICE), Movimiento Ciudadano por la Nueva Democracia (MCDNE), Amauta Jatari (AJE), Alianza Bolivariana Alfarista (ABAE), Poder Ciudadano (PCE), Partido de los Trabajadores del Ecuador (PTE), Alternativa Democrática (ADE), and Ruptura de los 25 (R25). Just days after the election the coalition dissolved when only some of the parties secured cabinet posts for their members.

Correa's government only lasted three years. Following the approval of a new constitution in a referendum held in 2008, early elections were called for. The elections were held in 2009, and Correa was elected to the presidency for the second time. However, according to the new constitution, this would be his first formal term in power. By this time Alianza PAIS had evolved from a coalition with multiple parties into a party with multiple factions. As such, Correa was elected to power with the support of his party alone, and formed his cabinet exclusively with members of his party.

Table 5.3.: Electoral and Government Coalition Formation in Ecuador, 1984-2009

Election	Electoral Coalition?	Government Coalition?
1984	Yes	Yes
1988	No	No
1992	Yes	Yes
1996	No	No
1998	No	No
2002	No	No
2006	Yes	No
2009	No	No

In contrast to both Chile and Ecuador, Mexico never sees coalitions form among electorally relevant parties (see Table 5.4). In the 2000 election Vicente Fox was elected with the support of the large Partido de Acción Nacional (PANM) and the small Partido Verde Ecologista de Mexico (PVEM). While he was formally supported by a coalition, the PVEM did not have a significant role in the campaign. In the concurrent legislative election the PVEM garnered less than 3 per cent of the total seats. Furthermore, the coalition dissolved soon after Fox's inauguration. This is looser than the weakest form of coalition defined in Chapter 1.

In the 2006 election Felipe Calderón was elected to the presidency with the support of the PAN. This time, the party stood alone in the election, and Calderón nominated only party members and independents to his cabinet once he took power.

One factor that may explain this pattern is the electoral domination of the Partido Revolucionario

Institucional (PRI). From 1929 until 1994 the PRI was declared the winner in every single election it competed in (Philip, 2002). As a result of this hegemonic system, it has been argued that Mexico can only be considered a democracy from the 2000 presidential election onwards, after the PRI relinquished power (Eisenstadt, 2004). The electoral dominance of the PRI not only served as a deterrent for democracy, but also as an indirect mechanism to distort electoral strategies – such as coalition formation – that probably would have been used otherwise.

A secondary factor that may explain the absence of coalition formation in Mexico is that in the time since transition only three parties dominated presidential, legislative and local elections. The PRI along with the PANM and the Partido Revolucionario Democrático (PRDM) took over 90 per cent of the votes combined in each of these elections. This pattern implies that the small party system serves as a deterrent to coalition formation, since it does not provide incentives for two of the largest parties to form an alliance against the third. In practice, parties would rather take their chances alone than share power with another similar-sized party. This was the case in 2000, when then PANM candidate, Vicente Fox, offered the rival party PRDM a formal coalition but was promptly rejected.

Occasionally, one or more of the three largest parties have been joined by a smaller party in the wake of an election. Yet, in every one of these events the larger party substantially dominated campaign strategies – from designating presidential candidates to nominating legislative candidates. This was the case in the 2000 election, when the Partido Verde Ecologista de México (PVEM) joined the PANM, and in the 2006 election when it joined the PRI. In the former case, the government’s cabinet was almost exclusively filled with members of the PANM – and the PVEM abandoned the coalition after only one year. In the latter case, the PRI was unable to win the election, promptly sending the coalition into turmoil. These pseudo-alliances do not technically count as proper coalitions, according to the definition used in this thesis.

Table 5.4.: Electoral and Government Coalitions in Mexico, 2000-2009

Election	Electoral Coalition?	Government Coalition?
2000	No	No
2006	No	No

5.3 PRESIDENTIAL POWER, ELECTORAL INSTITUTIONS AND ELECTORAL SYSTEMS, AND PARTY SYSTEM

Chapter 3 and Chapter 4 show that presidential power, electoral institutions and the electoral system, and party systems frame the decision of party elites to form electoral and government coalitions. This section takes a deeper look at the body of literature that supports those findings, and applies it to each of the cases – Chile, Ecuador, and Mexico. The evolution of each of these variables is bound to provide crucial insight into how and why parties adopt their strategies. Initially, one would expect that when the rules of the game and the partisan landscape are stable, party strategies will also hold stable. Similarly, one would expect that when the rules and the landscape change, party strategies will also change.

The first subsection looks at presidential power. It assesses the origin of constitutions and how their evolution has an effect on how power is distributed between the executive and legislative branches. The second subsection looks at electoral institutions and electoral systems. It focuses on the origin of the rules, differentiating between electoral systems that were designed with a specific objective and those that evolved naturally. The third subsection looks at party systems. It reviews the practical tension between sociological cleavages and institutional incentives, concentrating on how they determine the number of parties that compete in elections and the number of parties that obtain seats in the legislature.

5.3.1 *Presidential Power*

Some of the first comparative presidentialist studies in Latin America focused on the balance of power between the executive and legislative branches. Matthew Shugart and John Carey (1992), and Scott Mainwaring and Matthew Shugart (1997c), were among the first to show that constitutions in the region historically favour the executive over the legislative in the distribution of power. In their respective contributions, both Shugart and Carey and Mainwaring and Shugart argue that presidents tend to have significant leverage over the entire legislative process, while congresses are practically secondary institutions (also referred to as *rubber stamp legislatures*).

This initial line of literature significantly biased forthcoming research towards studying constitutional presidential power. Shugart and Carey (1992) and Mainwaring and Shugart (1997c) disaggregate

presidential power into proactive and reactive powers. They define proactive powers as the set of faculties that allows a president to unilaterally change status-quo regardless of the legislature's will. These faculties include the power to rule by decree, to set the agenda, and to dominate the budgetary process. Similarly, they define reactive power as the set of faculties that allows a president to unilaterally maintain status-quo regardless of the legislature's will. Among these faculties: the power to initiate legislation, to veto bills passed in congress, and to summon plebiscites.

Scott Morgenstern (2002) argues that while this binomial classification (proactive/reactive) significantly contributed to classifying presidentialism in the region, it incorrectly situated both types of power on the same level. According to Morgenstern, the classification falls short of explaining the complex interaction between the president and the legislature. For example, the binomial classification suggests that a president with agenda setting powers can unilaterally change the status-quo. However, it overlooks the fact that legislatures often require high quorums to pass policy. The binomial classification also suggests that a president with decree power can easily use congress as a rubber stamp. Yet, it does not take into account that a president also needs a disciplined partisan alignment to do so.

In a recent contribution, Gabriel Negretto (2013) builds on Morgenstern's critique, constructing a new classification of presidential power – de-segregating it into formal and informal powers. He argues that this classification is more applicable in the regional setting. Negretto defines formal powers as the concentration of policy-making power in the executive, comprehending both proactive and reactive powers. In contrast, he defines informal powers as the concentration of power in areas other than policy-making. Among these faculties are the powers to appoint the court, the attorney general and the comptroller, as well as to declare emergencies, to be impeachable, and to have censorship vote.

In practice, it is constitutions that grant presidents formal and informal powers. As constitutions evolve, presidential power evolves. When new constitutions are inaugurated, or old constitutions are reformed, the power granted to presidents is often modified (Negretto, 2009). Table 5.5 shows the evolution of presidential power in the constitutions of Chile, Ecuador, and Mexico, using major breaking points in their democracies as the point of departure. For Chile it is the transition from parliamentary to presidential democracy in 1925, for Ecuador the transition from authoritarianism to democracy in 1946, and for Mexico the Mexican Revolution in 1910.

In Chile, constitutions have normally granted their presidents strong formal and informal powers,

in Ecuador constitutions have normally granted their presidents strong formal powers but weak informal powers, and in Mexico constitutions have granted their presidents weak formal and informal powers. Table 5.5 shows that constitutions in Chile have gradually tended to strengthen presidents in formal power but weaken them in informal power. It shows the same tendency in Ecuador, and it shows that constitutions in Mexico have been stable over time – they have hardly modified presidential power.

Table 5.5 shows the evolution of presidential power in Chile. As mentioned above, it suggests that it has its roots in the mid-1920s, when the 1925 Constitution came into effect (Faúndez, 1997). The new constitution put a presidential regime in place, replacing the parliamentary regime that had endured for nearly 34 years (1891-1925). It was drafted with the objective of putting an end to the political instability that had shaken the country in the past decades (Stanton, 1997). In comparison to the previous constitution (1833), the new constitution (1925) provided the president with significant formal and informal powers.

Among other things, the 1925 Constitution granted the president with a series of unprecedented faculties that allowed him to control the agenda and have more power than Congress for the first time in the history of the republic (Guerra, 1929). The 1925 Constitution provided that the president be elected by popular vote for a single six-year term by a majority of the popular vote. The new constitution also gave the president the exclusive faculty to appoint secretaries of state (which could also be removed at his discretion), and the power to appoint judges in the Courts of Justice, including the Court of Appeals and the Supreme Court.

Between 1925 and 1969 there were numerous reforms to this Constitution, yet none significantly modified the power invested in the president (Faúndez, 1997). The first major reform to the president's power occurred in 1970, the year Salvador Allende was elected to the presidency. The constitutional reform of 1970 gave the president decree power (*Decreto con Fuerza de Ley*), further strengthening the executive and weakening the legislative. The newly amended constitution was short-lived, however, since democracy broke down just a few years later, in 1973.

A new constitution was inaugurated under dictatorship in 1980. However, it would not be recognised until the transition to democracy in 1990 (Angell and Pollack, 1990). In comparison to the 1970 Constitution, the 1980 Constitution increased the president's formal powers and reduced his informal ones (Aninat, 2006). It gave the president exclusive power to initiate legislation in issues

regarding the budget, the administrative division, taxation, social security, and the contracting of public debt. The legislature could only approve or reject these bills (except in the case of the budget, which it could suggest increasing).

In addition to the above, the 1980 Constitution gave the president power to request an urgency motion for any legislative bill, and force Congress to legislate over any matter in 30, ten or three days, depending on the government's strategy. This constitution preserved the president's ability to govern by decree in specific constitutional matters, yet he would now need to have approval from the majority of Congress.

The 1980 Constitution also gave the president power to absolutely or partially veto a legislative bill. However, as an element of balance it gave Congress the power to accept the veto or override it. Should congress accept the veto, status-quo would prevail; but if Congress were to override the veto, it would have to do so with at least two thirds of the members of each house. In the case of deadlock, the constitution gave the president the ability to convene a referendum.

Since the transition to democracy, the 1980 Constitution has been amended twice to modify presidential power: once in 1997 and once in 2005. While neither amendment modified the president's formal powers, both amendments reduced the president's informal powers. In 1997 the president received further faculties to appoint the members of the courts, and in 2005 the president received unprecedented power to remove members of the armed forces.

According to Negretto (2013), the current Constitution of Chile (last reformed in 2005) grants the president with approximately 75 per cent of all formal powers possible and approximately 41 per cent of all informal powers possible.

Table 5.5 also shows the evolution of presidential power in Ecuador. It suggests that the current distribution of power has its roots in the mid-1940s, when the 1946 Constitution was inaugurated. It became the 16th constitution since independence, and marks the turn of Ecuador towards democracy (Verdesoto, 2007). Between 1906 and 1945, the political system was held together mainly by informal institutions. The 1946 Constitution was inaugurated with the objective to pave the road towards a stable democracy. It strengthened the president's formal powers and diminished his informal powers.

In 1966 and 1978 two new constitutions were inaugurated – yet neither of them modified the power invested in the president. The first major reform to the president's power occurred in 1983, under the government of Osvaldo Hurtado. The 1983 reforms weakened the president – significantly

stripping him of formal power while marginally increasing his informal power.

According to the 1978 Constitution the president could absolutely or partially veto a legislative bill passed by Congress, and the legislature would have to wait one year to reconsider it. The 1983 constitutional reforms eliminated this phase, allowing congress to swiftly reinstate vetoed bills.

In 1998 a new constitution was inaugurated. It included a considerable increase in the president's formal powers. The 1998 Constitution significantly enhanced the president's power over the economic and political agenda. It restricted the power of congress over the national budget and gave the president the power to appoint secretaries of state. It also decreased the power of the legislature by regulating informal institutions that fostered corruption.

The latest constitution was inaugurated in 2008. This constitution followed in the footsteps of its predecessor, and further increased the president's formal and informal powers. Among other things, the 2008 Constitution strengthened the president's veto power. Like the 1946 Constitution, it reinstated the one year phase to reassess the bill if the president used an absolute veto, and 30 days if the president used a partial veto. While Congress can override the veto, it needs the support of two thirds of its members.

The 2008 Constitution granted the president with further legislative powers, allowing him to initiate legislation in matters beyond budgetary laws and trade policies. It also provided that bills initiated by the president be automatically approved if Congress does not legislate before the given urgency deadline. This constitution also gave the president the power to rule by decree. Until this reform, the President of Ecuador could not rule by decree, only declare some bills urgent.

According to Negretto (2013), the current Constitution (2008) grants the President of Ecuador with approximately 86 per cent of all formal powers possible and approximately one per cent of all informal powers possible.

Finally, Table 5.5 shows the evolution of presidential powers in Mexico. It suggests that the current constitution has its roots in the early twentieth century, following the 1910 Mexican revolution. As a result of the revolt, a new constitution was drafted and inaugurated in 1917 (Aguirre, 1999). It established free and fair elections and a clear separation among the three branches of government. However, neither of these two features were to be enacted for years to come (Levy, Bruhn and Zebadúa, 2001). The following seven decades were dominated by a single party, which relied heavily on corruption to preserve power.

This 1917 Constitution granted the president power to absolutely or partially veto laws and decrees that originate in Congress. However, it gave him no power to veto laws, which are considered the exclusive province of Congress. Were the president to use his veto power, he could be overridden with two thirds of the legislature. The president was also granted the ability to initiate legislation in Congress. However, he shares this competence with the legislature (except for budgetary issues, in which Congress takes precedence).

The constitution also gave the president the power to rule by decree in emergency situations (Article 29), in health-related issues (Article 73), and in some special cases specified by the constitution, such as international taxation (Article 76) and trade issues (Article 131). In comparison, informal powers were stronger. The president was granted power to appoint the Attorney General, Supreme Court justices, the Chief of Police of the Federal District, as well as supreme power over the army, navy, and air force, and exclusive power to negotiate foreign treaties.

Since its enactment, the 1917 Constitution has not been amended to increase or reduce the formal powers of the president. However, in 1994 and 1996 constitutional reforms reduced the president's informal powers. Both amendments aimed at a gradual shift from a federal to a local government. Among other things, the reform package resulted in the president formally relinquishing his power to appoint the mayor of Mexico City (Aguirre, 1999).

According to Negretto (2013), the current constitution (last reformed in 1996) grants the President of Mexico with approximately 22 per cent of all formal powers possible and approximately 43 per cent of all informal powers possible.

5.3.2 *Electoral Institutions and Electoral Systems*

Like presidential power, electoral institutions and electoral systems differ across countries; they vary according to the combination of features they use. José Antonio Cheibub (2007) outlines two major types of electoral system, considering that they each represent different institutional paths to enhance “governability”. One type of electoral system limits the variety of views that can enter the political process (restrictive electoral systems), and the other allows for a larger variety (permissive electoral systems).

Cheibub (2007) argues that restrictive electoral systems adopt, for instance, single-member districts (which tend to induce fewer parties than a PR system); relatively high thresholds for partisan

Table 5.5.: Presidential Power in Chile, Ecuador, and Mexico

Country/Constitution	Formal Powers (%)	Informal Powers (%)
Chile		
1925	56.53	56.15
1970	66.53	56.15
1980	75.14	54.48
1997	75.14	45.34
2005	75.14	40.77
Ecuador		
1946	61.34	5.61
1983	45.36	6.62
1998	86.29	2.18
2008	86.29	1.44
Mexico		
1917	22.45	49.09
1994	22.45	46.32
1996	22.45	43.15

Reference. Negretto (2013).

representation (e.g., by establishing that no party with, say, less than five per cent of the national vote will obtain representation in the assembly); legal hurdles for the establishment of political parties; or a combination of these features. The result, it is believed, is a party system with relatively few political parties and a more stable government (i.e., a government supported by one or a few parties capable of passing its legislation in the assembly).

In contrast, permissive electoral systems adopt, for instance, multi-member districts (which tend to induce more parties than a FPTP system); relatively low thresholds for partisan representation (e.g., allowing parties that obtain, say, less than five per cent of the national vote to obtain representation in the assembly); flexible legal hurdles for the establishment of political parties; or a combination of these features. The result, it is believed, is a party system with relatively many political parties and a less stable government (i.e., a government supported by many parties incapable of passing its legislation in the assembly).

Karen Remmer (2008) argues that Latin American democracies with fragmented party systems tend to foster permissive electoral rules, while those with fewer parties tend to foster restrictive electoral rules. She shows that increments in party system fragmentation lead to the adoption of permissive electoral rules, indicating that as the effective number of parties increases, there is a higher probability that

smaller parties will push for more inclusive pieces of legislation. Similarly, she shows that reductions in party system fragmentation lead to the adoption of restrictive electoral rules, indicating that as the effective number of parties declines, winners attempt to consolidate their gains with status-quo.

Table 5.6 shows some of the most prominent features of the electoral institutions and electoral systems in Chile, Ecuador, and Mexico. It shows the differences in the major indicators for each of the three countries. According to the indicators, Cheibub and Remmer's definitions classify Chile as a democracy with restrictive electoral institutions and electoral rules, Ecuador as a democracy with permissive electoral institutions and electoral rules, and Mexico as a democracy with mid-range electoral institutions and electoral rules.

In Chile, electoral institutions and the electoral system rules were first drafted in the 1980 Constitution. In an attempt to prevent the instability of the multi-party system that led to the 1973 breakdown of democracy, the electoral designer (commissioned by the military government) purposely aimed to create electoral institutions and an electoral system that would restrict smaller parties from competing in elections and hopefully prevent them from gaining power (Pastor, 2004).

In the new electoral system, the president was set to serve four years with no immediate re-election provisions. Presidents were to be elected with an absolute majority threshold and run-off provisions. If no candidate were to receive more than 50 per cent of the vote, a second round would be held to decide the winner. The purpose behind these rules was to generate incentives for smaller parties to either forfeit their electoral ambitions (and expire as political parties) or negotiate with one of the larger parties (and join a coalition) (Siavelis, 2005a).

Congress was founded as a bicameral legislature comprised of the Chamber of Deputies (lower house), formed by 120 deputies, and the Senate (upper house), formed by 38 senators. Legislators were to be elected with a PR system with an across-the-board district magnitude of two. Like presidential elections, the combination of the PR system with the small district magnitude in legislative elections generated an incentive for small parties to either dissolve or negotiate with other parties (Magar, Rosenblum and Samuels, 1998).

In addition to the above, presidential and legislative elections were set to be held concurrently every four years. However, because of the electoral reforms described below, only the 1989, 1993, 2005 and 2009 elections were held concurrently – the 1997 and 2001 legislative elections, and the 1999 presidential election, were held independently.

As mentioned above, the electoral institutions and electoral system of Chile have only been modified twice since their enactment (Remmer, 2008). In 1993, the presidential term was augmented from four to six years, and in 2005 the presidential term was shortened back to four years.

In comparison to Chile, Ecuador has seen its electoral institutions and electoral system evolve naturally. A series of political crises set in motion an extraordinary amount of constitutional assemblies, each ending in the enactment of a new constitution. In the process, electoral institutions and electoral systems were modified (Marsteintredet and Berntzen, 2008). The current electoral institutions and electoral system of Ecuador can be traced back to the 1966 Constitution. While major reforms have occurred, the fundamental aspects remain the same.

Originally, presidents were set to serve five years with no immediate re-election provisions. They were to be elected with an absolute majority of the popular vote. If no candidate were to receive more than 50 per cent of the vote, a second round would be held to decide the winner. These rules were in part enacted to foster stability, since parties would see larger rewards in cooperating (Isaacs, 1991).

Congress was founded as a unicameral legislature comprising 12 national deputies and 65 provincial deputies. The former legislators were to be elected from one large national district through PR, and the latter legislators were to be elected in many small provincial districts, also through PR. The combination of these rules aimed to boost representation throughout the country, since the party system was highly fragmented in different ethnic, cultural and political factions. In addition, presidential elections and legislative elections were set to be held concurrently every four years.

These electoral institutions and electoral rules have been modified four times since their enactment (Remmer, 2008). The first major reform occurred in 1983, with the introduction of interim elections for provincial deputies, transforming the system to semi-concurrent elections.

The second major reform occurred in 1998, when absolute majority run-off rules for presidential elections were replaced with run-off rules with a reduced threshold (50 per cent plus one, or 45 per cent with a margin of ten per cent). That year, there were also significant changes to legislative elections, when the total number of national deputies increased to 20 and the total number of provincial deputies increased to 100. Legislative elections for provincial deputies evolved from PR elections in small national districts to plurality elections in multi-member districts, and fully concurrent elections were reinstated.

The third major reform occurred in 2000, when national deputies were eliminated (lowering the

total number of Deputies to 100), and the distribution of seats for legislative elections using the D'Hondt method was introduced. The fourth and final reform occurred in 2008, following the enactment of the new constitution, when the total number of deputies was increased to 137.

In comparison to Chile and Ecuador, the Constitution of Mexico is much older and has been amended far fewer times. In practice, the continuity of the political system has resulted in the status-quo of electoral institutions and the electoral system.

In the 1917 Constitution presidents were set to serve four years, but in 1933 tenure was expanded to six years. There were no re-election provisions. According to the electoral rules, presidents were to be elected through simple majority plurality. While these rules naturally encouraged a large number of candidates to compete, the size and scope of the party system (described in detail in the following subsection) only favoured candidates from the three largest parties.

Meanwhile, the Mexican Congress was founded as a bicameral legislature. The upper chamber was represented by the Senate, in which the majority of the members were to be elected through first-past-the-post for six-year terms, while the rest of the seats were to be allocated through proportional representation. The lower chamber was represented by the Chamber of Deputies, in which the majority of the seats were to be elected through FPTP for three-year terms, with the rest of the seats to be allocated through PR. Like presidential elections, most parties have incentives to compete, yet only candidates from the three largest parties actually stand chances of winning. Presidential and legislative elections were set to be held concurrently every six years. Yet, lower chamber elections were set to be held, once in between on their own, every three years.

These rules have been amended four times since their enactment (Remmer, 2008). The first constitutional amendment occurred following the 1986 reforms, when the number of members elected to the lower chamber was increased. In elections between 1979 and 1988, the lower chamber was comprised of 400 deputies. After the 1986 reforms, the number increased to 500 (300 of which were set to be elected by FPTP to three-year terms, and 200 of which were set to be elected by PR to three-year terms).

The second amendment occurred in 1993, when the number of members elected to the Senate increased. In elections between 1979 and 1994, the Senate was comprised of 64 senators. After the 1993 reforms, the number of senators doubled, to 128 (96 of which were set to be elected by FPTP to six-year terms, and 32 of which were set to be elected by PR to six-year terms).

The final two amendments occurred in 1996. The first of them increased the threshold for legislative representation in the Chamber of Deputies from 1.2 to two per cent. The second amendment modified the total number of seats allocated through the PR system so it could not exceed eight per cent of the total national vote.

Table 5.6.: Electoral Institutions and Electoral Systems in Chile, Ecuador, and Mexico

Feature	Chile	Ecuador	Mexico
Simple Majority Plurality	No	No	Yes
Presidential Re-election	No	Yes	No
Presidential Term Length	4	4	6
Unicameral Congress	No	Yes	No
Total Seats in Congress	158	137	628
PR System	Yes	Yes	Semi
District Magnitude	2	4.3	<20
Concurrent Elections	Yes	Semi	Yes
Overall	Restrictive	Permissive	Mixed

References. Carey and Hix (2011); Gallagher and Mitchell (2005); Payne et al. (2002).

5.3.3 Party System

Electoral institutions and electoral systems are directly linked to party systems. In fact, the association between electoral rules and political parties is one of the most studied topics in comparative politics. One of the first scholars to suggest such a relationship was Maurice Duverger (1954), who argued that single member districts naturally lead to two-party systems. In response to Duverger, Seymour Martin Lipset and Stein Rokkan (1967) suggested that it was not the electoral system that defined the party system, but instead social cleavages. In a more recent contribution, Gary W. Cox (1997) suggested that rather than being two mutually exclusive theories, electoral systems and social cleavages simultaneously determine the dynamics that take place within the party system.

The conventional wisdom today is that both institutions and social cleavages determine the size and scope of the party system. Markku Laakso and Rein Taagepera (1979) suggest that party systems should be typified according to the number of parties with a legal standing, taking into account their relative strength. Taagepera and Shugart (1989) suggest making a distinction between the effective number of electoral parties (ENEP) and the effective number of legislative parties (ENLP) – where the former is a measure of the number of parties that compete in elections, and the latter is a measure

of the number of parties that obtain legislative representation.

It is often the case that many parties receive votes in elections but only some obtain seats in the legislature. Kenneth Benoit (2001) attributes this difference to the mechanical and psychological effects of electoral systems. Since parties can be excluded from parliament even if they obtain a significant number of votes (mechanical effect), they will frequently decide not to compete at all (psychological effect). The mechanical and psychological effects are often intentional; the electoral system designer purposely seeks to create distortions in the translation of votes to seats. For example, a designer may seek to create a restrictive electoral system with the objective of reducing the number of parties, or a permissive electoral system with the objective of increasing the number of parties.

Table 5.7 shows the size of the party systems in Chile, Ecuador, and Mexico. It shows the maximum and the minimum ENEP and ENLP in each of the three countries. It shows that Chile has a moderate party system; although the number of parties that compete in elections and gain legislative representation is higher than six, every one of those parties is part of one of the two major coalitions. It shows that Ecuador has a large party system; despite having one of the smallest populations in the region, it has a party system similar to the party system of Brazil, the country with the largest population in the region. And it shows that Mexico has a small party system; paradoxically, it is the second largest country in Latin America but the one with the smallest party system.

In Chile the electoral system designer purposely sought to create distortions in the translation of votes to seats – he intentionally sought to reduce the size of the party system (Pastor, 2004). As explained above, facing the threat of retreating to the unstable multi-party system that led to the breakdown of democracy in 1973, the designer sought to reduce the number of parties. He designed the restrictive electoral system described above. As a consequence, the large multi-party system dropped to an ENEP of seven and to an ENLP of six. While these numbers seem high, Peter Siavelis (1997) suggests that Chile has a *de facto* two-party system, since all of the relevant parties group together in two large coalitions which combined take more than 95 per cent of the votes and seats.

Ecuador's electoral institutions and electoral system can also be considered successful, yet in a different manner – since there is no identifiable electoral system designer, instead just a natural evolution. At any rate, the rules were in fact capable of producing a diverse cultural and geographical representation of the population in the Assembly – precisely their purpose according to the constitution. In line with what Arend Lijphart (1995) describes as a consociative democracy, the electoral system of

Ecuador allows many different parties to compete in elections without the threat of losing, and in most cases gain legislative representation. Often cited as an effect of the electoral system, the party system in Ecuador is one of the largest in the region (Mainwaring and Torcal, 2006). Between 1980 and 2010 the lowest ENEP was six, and the highest was 11. Similarly, the lowest ENLP was five and the highest was eight.

In comparison to Chile and Ecuador, Mexico is in the middle of the road. The absence of electoral reforms makes it difficult to identify the purpose of the electoral system designer. In contrast to Chile and Ecuador, which recently made changes to their electoral systems with specific objectives in mind, Mexico has practically had the same electoral system since 1917 (Gibson, 1997). In fact, the only change to the party system did not occur following a change to the electoral system. Instead, it was fueled by a social cleavage, after the emergence of two parallel two-party systems, in which the PANM and the PRI competed in the north and the PRD and the PRI competed in the south (Klesner, 2005). The current electoral system perpetuates the three-party arrangement. Indeed, both the ENEP and the ENLP average three.

Table 5.7.: Party Systems in Chile, Ecuador, and Mexico

Effective Number of Parties	Chile	Ecuador	Mexico
Electoral Parties			
Min.	6.56	5.79	3.00
Max.	7.79	11.38	3.77
Legislative Parties			
Min.	4.97	4.92	2.54
Max.	5.94	7.58	3.03

References. Carey and Hix (2011); Gallagher and Mitchell (2005); Payne et al. (2002).

5.4 INCONSISTENCIES

The previous section suggests that the effect of some of the independent variables is contradictory in theory and in practice. Chapter 3 and Chapter 4 argued that when the combination of independent variables line up, coalitions will form. Yet the description above suggests that this is not always the case. Even when the combination of independent variables does not line up, parties still form coalitions. While the theory is robust for electoral coalition formation, it encounters some inconsistencies for government coalition formation. For example, the high concentration of presidential power in Chile

suggests that coalitions should not form, yet they do. In contrast, the low concentration of presidential power in Mexico suggests that coalitions should form, yet they do not.

The revision of the three sets of variables above aimed to prove that the causal mechanism behind coalition formation suggested in previous chapters could hold up well in different types of presidential democracies. However, as mentioned above, this was not the case across the board. The causal mechanism was particularly problematic when it came down to the association between presidential power and government coalition formation. Indeed, shifts in both formal and informal powers of the president were not always accompanied by a shift in parties' strategies to form government coalitions. Overall tendencies to increase the president's power in Chile and Ecuador through constitutional reform should have shown a decrease in government coalitions, and the overall tendency to reduce the president's power in Mexico should have shown an increase. Neither was the case.

This stands in contrast with findings in the previous chapter, which showed that as presidential power increases, the probability of coalition formation decreases, and vice-versa. The logic behind this finding was that when the president has enough legislative power he can govern alone without the support of additional parties. In essence, the president does not need to form alliances with other parties to pass legislation, since he could legislate with the support of his party alone. But if Chile and Ecuador have some of the most powerful presidents in Latin America, why do political parties permanently form coalitions in Chile, and intermittently in Ecuador? Similarly, if Mexico has some of the least powerful presidents in Latin America, why do parties not permanently form coalitions?

Before going deeper into each of these questions, it is important to mention that the findings in the previous chapters correctly predict electoral and government coalition formation in the grand majority of the countries included in the study. The three variables used to predict coalition formation in the previous chapters (presidential power, electoral institutions and electoral systems, and party system) explain, to a large and significant extent, the reasons why parties form electoral and government coalitions. Indeed, they make sense both in theory and in practice, as well as being consistent with findings that stem from parliamentary regimes. Thus, the two questions raised above only refer to a small non-explained portion.

The non-explained portion of any research question is normally considered the sum of two factors: standard error (SE) and omitted variable bias (OVB). In line with this, the inconsistencies suggested by the two questions raised above can be considered a product of either the margin of error (the

portion of error due to random variance) or a product of omitted variables (the portion of error due to omitting an essential independent variable). Since the former is intrinsic to the statistical method, it is more important to focus on the latter. Accordingly, the following section focuses on identifying the omitted variable, which in the case of the three countries reviewed in this study seems to be related to political culture and critical junctures.

5.5 EXPLAINING INCONSISTENCIES

The first part of this chapter showed that in all three countries presidential power varied significantly, while electoral arrangements and the party systems did not. If presidential power were a necessary condition, we would have seen coalitions appear or dissolve as the president's power varied. However, this did not occur. Instead, coalition only formed or dissolved as a reaction to variations in electoral arrangements or the party system. This is evidence that the former variable is not as important as the latter two. In addition to the interaction of these variables, circumstantial situations in each country were also found to play an important role.

In the case of Chile, two of the three variables suggest that coalition formation should occur (electoral institutions and the electoral system, and the party system), while the third variable suggests that coalition formation should not occur (presidential power). In the tension between these conflicting incentives, a fourth, unmeasurable variable takes relevance, exacerbating the effects of electoral institutions and the electoral system, and the party system, and ameliorating the effect of presidential power. This omitted variable, as explained below, is the cultural divide between the supporters of democracy and the supporters of the military government.

It is important to note that it is the interaction between the electoral system and the party system, and not each variable individually, that provides the main incentives for parties to form coalitions. This goes back to the restrictive electoral system that was specifically designed to reduce the size of the party system. Indeed, the electoral designer was aware that the two-round system for presidential elections together with the particular PR system for legislative elections would force parties to bargain with each other; the electoral designer also knew that the magnitude of the incentives of these two variables would almost certainly render any other intervening variable futile.

The above explains why presidential power is not relevant in deterring coalition formation. The electoral system designer sought to provide more incentives for coalition formation than against it.

Presidential power is a secondary determinant when it comes to explaining partisan patterns. In the counter-factual scenario in which the electoral institutions and the electoral system were designed with a more permissive slant, it is likely that parties would not have had the same incentives to form coalitions. In this latter case, it is also likely that the president's constitutional attributions would have played a more important role in deterring coalition formation.

While this reasoning is implicit in the findings of the previous chapters, the evolution of the three sets of variables suggests the presence of a fourth unmeasurable variable, related to the recent history of the country. Indeed, partisan alignments cannot be fully understood without considering the non-institutional legacy of the military government. While the authoritarian government left its mark on partisan alignment through the authoritarian constitution, it also left a cultural legacy. The divide between supporters of democracy (centre-left) and supporters of the dictatorship (centre-right) is what ultimately explains why only two coalitions dominate the entire political spectrum.

In Ecuador, a similar situation occurs. Two of the three variables suggest that coalition formation should not occur (presidential power and electoral institutions and the electoral system), while the third variable suggests that coalition formation should occur (the party system). In the tension between these conflicting incentives, a fourth, unmeasurable variable emerges, forcing parties to have clashing incentives when deciding whether to form coalitions with other parties. This omitted variable, as argued below, is the instability that has frequently led the country into political turmoil and crisis.

Since the electoral system and the party system provide conflicting incentives, coalition formation hinges on the political context at the time of the election. While smaller parties normally attempt to use electoral rules to their advantage and form coalitions, if they receive an attractive offer from a larger party they are often willing to join a coalition. This is especially common in the legislature. Similarly, while larger parties tend to have enough support to compete on their own, their size varies from one election to the next, making them unable or unwilling to make attractive offers (usually long-term agreements) to other parties.

In line with the above, the constant evolution of the constitution provides a perfect political context for parties to change their strategies. Under some constitutions they have more incentives to form coalitions than under other constitutions. Under constitutions in which presidents have been granted relatively more power, larger parties have decided to stand alone, and under constitutions in which

presidents have been granted relatively less power, they have been more open to share power with other parties. Similarly, changes towards more restrictive electoral rules have also generated an increase in the total number of coalitions.

Evidently the unstable political system has contributed to unpredictable partisan strategies. In any case, the three sets of variables seem to line up to predict the situations in which parties decide to cooperate. This seems to suggest that a fourth variable is necessary to complete the reasons why parties form coalitions. Indeed, coalition formation in Ecuador could not be fully explained without taking into account the constant political turmoil and crises that frequently hit the country. Understanding the chain of events that take place after a crisis is crucial to explaining coalition formation. Almost every time a new constitution is inaugurated, a critical juncture surfaces and a new partisan alignment occurs.

In Mexico, while one of the three variables provides reason to believe that coalition formation should occur (presidential power), the other two variables suggest that coalition formation should not occur (electoral institutions and the electoral system, and the party system). In the tension between these conflicting incentives, a fourth, unmeasurable variable seems to take relevance, ameliorating the effect of presidential power and exacerbating the effect of the electoral and party systems. This omitted variable, as shown below, is the partisan discipline and patronage patterns that slowly emerged and settled in the country as a consequence of the PRI's ruling style.

Since two of the three variables provide strong incentives for parties to compete alone, coalitions do not normally form. Indeed, the effect of the electoral and party systems is already strong. Since the electoral system favours large parties, and the large parties are significantly more powerful than the smaller ones, there are no strong incentives for negotiation. In every election since the transition to democracy the three larger parties have taken more than 90 per cent of the votes in presidential and legislative elections, and as such have seen no reasons to share power with smaller parties that they do not see as a threat.

In line with the above, presidential power is not relevant for encouraging coalition formation. Given that large parties are the only ones that win elections, they usually have enough support in Congress to pass legislation. They do not need to depend on other parties. Plus, small parties that are able to win seats in the legislature usually do not have enough support to pass their own policy, and simply vote in-line with one of the larger parties. Thus, while presidential power is weak, and

supports the notion that the president should seek support from other parties to enact his campaign programme, he will normally choose between negotiating with other parties on a bill-to-bill basis and simply facing legislative gridlock.

This suggests that it all comes down to the support of the president in Congress. In a scenario in which the president has a majority, he will do without the support of other large parties. Indeed, he will prefer to govern with his party alone, or with the confidence and support of smaller parties. In a scenario in which the president does not have a majority, he will tend to prefer legislative gridlock rather than seek the support of other large parties. Both of these scenarios suggest that large parties will rarely form coalitions. The long-standing partisan discipline, enforced via patronage, assures the ruling party that smaller parties will vote in-line with them. Yet, if this does not occur, they will default into stalemate.

5.6 CONCLUSION

The contribution of this chapter is twofold. The first has been to account for apparent inconsistencies between the findings made in previous chapters (using a large-N approach) and the findings made in this chapter (using a case study approach). While Chapter 4 suggested that it was both necessary and sufficient for all three variables to line up perfectly in order to explain coalition formation, the first part of this chapter referred to historical patterns of institutions and the partisan landscape from Chile, Ecuador, and Mexico to show that the three variables do not necessarily have to line up to predict the outcome.

The second part of this chapter provides an explanation for this inconsistency. It suggests that only two out of the three variables are necessary and sufficient to explain coalition formation. In the three cases studied here, these variables were related to the electoral system and the party system. The interaction between the electoral and party systems provides enough incentives for parties to form coalitions. In comparison, presidential power is not as important. In all three cases, presidential power theoretically pointed at a certain outcome, yet in practice, that outcome did not occur. The electoral system and the party system took precedence over presidential power.

In Chile, the interaction between the electoral and party systems explains coalition formation. This is because the electoral system designer purposely created a formula which would almost certainly transform the multi-party system into a two/bloc system. In Ecuador, the constant tension between

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the electoral system and the party system explains intermittent coalition formation. While the party system provides a perfect setting for coalition formation, the electoral system does not. In Mexico, the electoral system and the party system individually explain why coalitions do not form. The combination of restrictive electoral and few parties serve to consolidate a system where no large party is willing to share power.

The second contribution of this chapter has been to unpack the reason why only two of the independent variables take such precedence over the whole set of independent variables. The answer suggested above is that a fourth omitted variable becomes relevant in consolidating the influence of the electoral system and the party system. This variable, not included in the study because of its unmeasurable nature, is related to the political culture and critical junctures of each country. It exacerbates the effect of the electoral system and the party system and ameliorates the incentives of presidential power.

In Chile, the cultural divide between those who support the military government and those who oppose it shape the manner in which coalitions form. While the electoral system and the party system set the backdrop for a coalition system, it is ultimately the dictatorship/democracy cleavage that makes only two of the many coalitions relevant when it comes to winning elections. It would be impossible to explain the intricacies of the coalition system without taking into account that parties and voters are significantly divided for historical reasons. It is likely that power would be distributed across more than two coalitions in the absence of the authoritarian cleavage.

In Ecuador, frequent political crises determine coalition formation. With the constant tension between the incentives of the permissive electoral system and the large multi-party system, political crises are what ultimately tilt the balance for parties in the process of designing electoral strategies. While parties sometimes decide to stand alone, it is often the case that a political crisis will create more incentives for parties to extraordinarily form coalitions. It would be difficult to understand why parties decide to form coalitions without the democracy's frequent critical junctures.

In Mexico, the partisan discipline of the large parties serves to reinforce their incentives to stand alone in elections and govern by themselves if they are elected to the presidency. While two of the three variables point at this arrangement, it is ultimately the top-down political culture that sways the decisions of party elites to steer clear from a coalition system. In a way, parties already function as coalitions, since they are divided into multiple internal factions. In this sense, partisan discipline

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enforced with patronage is the causal mechanism responsible for keeping parties aligned from within.

CONCLUSION: COALITION FORMATION IN LATIN AMERICA

This chapter brings together the findings made in previous chapters and discusses their implications. The first section restates the research questions, while the second section summarises the major empirical and qualitative findings. The third section discusses the implications of these findings, particularly focusing on how they are original and relevant. The fourth section includes recommendations for future research, and the fifth section identifies some of the limitations encountered during production. The final section contains the concluding remarks.

6.1 INTRODUCTION

This thesis explains coalition formation in the presidential regimes of Latin America. It has shown that between 1980 and 2010 the number of elections and governments in which parties formed coalitions significantly increased both within and across countries. The reason behind this upward trend has not been explained in previous literature.

In an attempt to provide an explanation, two research questions were advanced. First, *why do parties form electoral coalitions in the presidential regimes of Latin America?*, and second, *why do parties form government coalitions in the presidential regimes of Latin America?*

Both research questions took into account all democratic elections and governments between 1980 and 2010. In this time frame, 100 presidential elections and 407 years of government were observed. Logistic regressions with random effects, robust standard errors and an observed information matrix as the variance controller were used to test different hypotheses.

An additional research question, aimed to settle any inconsistencies left behind by the first two research questions, was also advanced: *why do parties form coalitions in the presidential regimes of Latin America when crucial variables suggest that they should not, and why do parties not form coalitions when crucial variables suggest that they should?*

This final research question took into account all democratic elections and governments in Chile, Ecuador and Mexico between 1980 and 2010. In this time frame, a total of 15 elections and 46 years of government were observed. Major constitutional reforms, as well as electoral and partisan landscape variations, were traced to identify any underlying patterns behind coalition formation.

All three research questions are original, since there are no studies that have previously attempted to provide comprehensive answers. With the exception of the work of José Antonio Cheibub (see 2007), no scholars have ventured into explaining why parties form coalitions in presidential regimes. As such, the answers to the research questions yield critical insight into partisan strategies in elections and governments, and offer crucial context to how political parties behave as democracy evolves.

All three research questions are also relevant, since they contribute to the development of a theory particular to coalition formation in presidential regimes. With little research on the topic, it has been extremely hard for scholars to frame coalition formation in presidentialism. As such, the answers to the research questions provide them with a framework and evidence to develop further research on this topic, and with a baseline to test the same hypotheses in other presidential regimes beyond the region.

The answers to these questions are useful for both academics, and policy-makers. They function in chain reaction, since electoral coalitions have an impact on government coalitions, and government coalitions have an impact on general welfare and democracy. Naturally, electoral coalitions have an impact on government composition and policies, as well as an impact on the government program. It follows that government coalitions have an impact on the functioning of government, and the quality of democracy.

The remainder of this chapter is organised as follows. The second section summarises the empirical and qualitative findings. The third section discusses the implications of these findings, particularly focusing on how they are original and relevant. The fourth section includes recommendations for future research, while the fifth section identifies some of the limitations encountered during production. The final section contains the concluding remarks.

6.2 EMPIRICAL AND QUALITATIVE FINDINGS

The main empirical and qualitative findings are chapter specific and were summarised within the respective empirical chapters. The empirical findings can be found in *Chapter 3: Explaining Electoral Coalition Formation in Latin America* and *Chapter 4: Explaining Government Coalition Formation in Latin America*, and the qualitative findings can be found in *Chapter 5: Coalition Formation in Chile, Ecuador, and Mexico*. This section will synthesise all major findings related to the three research questions.

The first research question was *why do parties form electoral coalitions in the presidential regimes of Latin America?*

The answer is that democracies with both restrictive electoral arrangements and large multi-party systems favour electoral coalition formation. While restrictive electoral arrangements provide natural incentives for parties to group together, large party systems provide the perfect setting for parties to find common platforms. The interaction between the two variables provides the highest incentive for parties to form coalitions. In democracies with highly restrictive electoral rules and an extremely fragmented party system, it is natural for front-running presidential candidates to be supported by one or more of the largest parties in the system.

Democracies with simple majority plurality for presidential elections provided more incentives for parties to form electoral coalitions than democracies with run-off provisions for presidential elections. The logic behind this finding is that when parties faced only one shot at winning an election (rather than two) they attempted to maximise their chances of winning by grouping together to meet the threshold. Panama is a good example – the largest parties group into coalitions to boost their chances of winning. While the PRD and the PLRN are by far the largest parties in the system, they still choose to form coalitions with smaller parties to avoid any chance of losing.

Something similar occurs in democracies with unicameralism. Legislative systems with one chamber provide more incentives for parties to form electoral coalitions than legislative systems with two chambers. The logic behind this finding is that when parties only see one shot at passing legislation (instead of two), the front running candidate's party decides to create alliances with smaller parties in order to boost the chances of passing legislation if elected. This is the case in Ecuador. In the single tier system, presidential candidates often see the need to form coalitions (especially when going

through political turmoil) before elections to avoid stalemate in the assembly.

Democracies that use proportional representation for legislative elections also provide high incentives for electoral coalition formation. In comparison to legislative elections with first-past-the-post rules, proportional representation generates mechanical and psychological incentives for large party systems. And since parties in large party systems are more likely to find like-minded parties to bargain with, proportional representation indirectly creates incentives for electoral coalition formation. This is the case in Brazil. The proportional representation rules to elect deputies and senators serve as an incentive for parties to seek strategic alliances in order to win elections.

Similarly, smaller district magnitudes increase the likelihood of electoral coalition formation. Evidence shows that small district magnitudes have a direct effect on the party system. As the number of seats available in a given district increases, the number of parties interested in contesting in that district also increases. And since it is natural for parties to find common platforms in crowded party systems, it is normally the case that some parties will strategically cooperate. This is how it works in Brazil; the extremely large districts increase the chance parties will find strategic partners.

Large legislatures also boost the probability of electoral coalition formation. Findings showed that large congresses encourage parties to cooperate with each other. When there were many seats available in Congress, the front-running candidate's party sought the support of smaller parties to eliminate possible veto-players. In contrast, when the legislature was small, parties preferred to compete alone rather than share power. In Argentina, one of the largest legislatures in the region, parties cooperate before elections to boost their national vote share. Large urban parties see more benefits when they cooperate with small rural parties.

From the findings above, it can also be inferred that large party systems also create incentives for coalition formation. Indeed, evidence shows that as the number of parties increases, so too does the number of coalitions. The logic is plain and simple. In two party systems, large parties do not have incentives to cooperate with each other, since they usually win elections anyway. As more parties enter the system, the chance that at least two parties will negotiate increases. For example, the two-party system in Colombia during the 1980s and 1990s provided no incentives for the major parties to negotiate with other parties. In contrast, the large multi-party system in Chile did.

The second research question was *why do parties form government coalitions in the presidential regimes of Latin America?*

The answer is that democracies with weak presidents, restrictive electoral arrangements and large multi-party systems favour government coalition formation. Weak presidents attempt to maximise their chances of passing legislation by forming coalitions. And like the determinants for electoral coalitions, restrictive electoral arrangements provide natural incentives for parties to group together, while large multi-party systems provide the perfect setting. The interaction between the three variables provides the highest incentive for parties to form government coalitions. In democracies with weak presidents, restrictive electoral rules and highly fragmented party systems, it is normally the case that the president will seek the support of some of the largest parties in the system.

The most important finding on this front was that when the incumbent president's power and vote share increase, the likelihood of forming a government coalition decreases. While this has been insinuated in previous literature, and as such taken as a given, these empirical findings prove the magnitude of the correlation. The logic behind this finding is that when presidents did not have a large enough coalition to pass legislation in the legislature they sought support from other parties. This is the case in Uruguay. While parties do not normally form electoral coalitions, they do form government coalitions to maximise their probability of executing their campaign programmes.

The findings also showed that some of the variables that explain electoral coalitions also explain government coalitions. This is the case when it comes to simple majority plurality for presidential elections, and large multi-party systems. When both are present, parties have higher chances of forming government coalitions. This can be illustrated with Nicaragua. In 1990, Chamorro was elected president with the support of a coalition. She upheld that coalition until political turmoil struck in 1993, when she dissolved the coalition to form a new one. The large multi-party system allowed her to cherry-pick the parties that would continue to support her.

The length of the president's term in power also has an effect on government coalition formation. Longer term lengths increase the probability a government coalition will form. After elections, when parties are forced to choose between supporting the government and joining the opposition, they look at their prospects. When the term length is long, they have higher chances of supporting the government (provided there is ideological affinity with the president's party), since they will have a higher chance of influencing the direction of policy. In contrast, when term lengths are short, they will tend to wait the term out in the opposition.

The size of the legislature is also an important predictor for government coalition formation. In

contrast to what happens before elections, small legislatures favour coalition formation. This hinges on the fact that small legislatures are normally more divided than large ones. In small legislatures, parties are more entrenched, and thus there tends to be less leeway for negotiation. In anticipation of facing legislative deadlock, the president's party will often choose to form coalitions beforehand. If the executive does not form a coalition, it is likely the opposition will overcome him on the floor.

While these findings constitute a major development for existing literature, they also suggest some inconsistencies. When comparing the empirical evidence to the actual behaviour of parties, it was noted that all of the variables do not necessarily have to line up to predict the correct outcome. For example, some democracies provided presidents with strong legislative power, yet coalitions formed anyway. Similarly, some democracies provided presidents with weak legislative power, yet coalitions did not form. This observation led to a third research question.

The third research question was *why do parties form coalitions in the presidential regimes of Latin America when crucial variables suggest that they should not, and why do parties not form coalitions when crucial variables suggest that they should?*

The answer is that electoral institutions, electoral systems and the party system take precedence over presidential power. Even though evidence suggests that weak presidents should form coalitions, this is not always the case. For example, presidents may choose to not make use of their limited power, and only pass legislation that requires lower quorums. Or, presidents may choose to not make use of their power, and not pass any legislation at all. Weak presidents do not necessarily have to form coalitions to rule – even though it is the most favourable setting in which coalitions can form.

The above suggests that, because coalitions form anyway, there must be additional variables at play. In the three cases (Chile, Ecuador, and Mexico) selected to look deeper into the inconsistency, the interaction between electoral systems and party systems was indeed the major driving point behind coalition formation. The interaction between the two sets of variables was always consistent with the empirical findings. In other words, in the face of restrictive electoral systems and large party systems, coalitions always formed. Likewise, in permissive electoral systems and small party systems, coalitions never formed.

Presidential power is a sufficient variable to explain coalition formation. Indeed, the president may be weak or strong and coalitions will form. In contrast, the electoral system and the party system are both sufficient and necessary variables to explain coalition formation. It is rarely the case that

when the electoral system is permissive or when the party system is small – and especially when both are true – that coalitions will form. Constitutional changes across the years observed showed that coalitions are even more likely to form when electoral rules become more restrictive or when the number of parties increases.

A third finding linked to this third research question was that the interaction between the electoral system and the party system is moderated by cultural factors inherent to each country. While coalition formation is conceptually generic, it is also different in each country. When and how coalitions form is defined by the political history of each country; critical junctures play an important role. For example, in Chile two coalitions are dominant because of its authoritarian legacy, while in Ecuador, coalitions only appear in the face of dire political turmoil. And in Mexico, parties do not form coalitions because of the party discipline forged after many years of a single party's electoral domination.

One final note, referring to all three questions, is worth making here. This is related to the similar nature of electoral and government coalitions. In general, with the exception of some minor variations, the same variables explain the origin of both types of coalition. This is no surprise, since literature has taught us that constitutional framework, as well as both electoral and party institutions explain electoral strategies. The important contribution here has been to identify the direction and the intensity of these relationships.

6.3 THEORETICAL IMPLICATIONS

The answers to the research questions are both original and relevant. While some work has been advanced for government coalitions in presidentialism, there is virtually none for electoral coalitions. This is important insofar as yielding critical insight into partisan strategies in both elections and governments, and bestowing scholars with both a framework and evidence to further advance research on this topic. The findings in this thesis offer crucial context as to how political parties behave as democracy evolves, and provide a baseline to test the same hypotheses in other presidential regimes outside the region.

Since the work of José Antonio Cheibub (2007), no scholars have further ventured into explaining why parties form coalitions in presidential regimes. Initially, it was thought that coalitions did not form in presidentialism. Later, they were only considered a rare occurrence. Today, at least one third of Latin American countries see coalitions form. In the light of this trend, it is especially imperative

to explain why partisan strategies have shifted in recent years. This thesis provides evidence stemming from 30 years of democratic elections and governments in the region.

The findings made in this thesis suggest how presidential power, electoral institutions and electoral systems, and party systems determine coalition formation. The findings bridge the gap that has existed in the literature since the first debates of presidentialism. They serve as evidence for democracies looking to build more cooperative political systems. At the very root, they suggest that presidential power is not as important as electoral systems and party systems. These findings can be used in political science as a reference for the development of future theories, as well as policy-making as a guide for the development of democracy.

With virtually no research on the topic, it has been extremely hard for scholars to frame coalition formation in presidentialism. Normally, theories from parliamentary systems were used to frame particular occurrences in presidential systems. This obviously had severe methodological shortcomings, since the rules of the game are essentially different. Transposing theories from one system to another inevitably induces bias, since parties have different objectives and face different challenges. This thesis provides a baseline reference to develop a theory sensitive to the rules of the game in presidentialism.

The methods in this thesis suggest that presidential power is not as important as originally expected. This is a major breakthrough, since governments that set out to create more cooperative political systems would instinctively think that taking power away from the president would naturally create incentives for a coalition system. Yet, as shown in this study, this is not necessarily true. This finding alone paves the way for a body of literature that can explain coalition formation without the need to refer to evidence stemming from parliamentary systems. Along with the other findings, this finding provides an essential reference to any study focused on studying coalitions in presidential systems.

6.4 RECOMMENDATIONS FOR FUTURE RESEARCH

Future research should explore the role of other variables. In this study, only variables from presidential power, electoral institutions and the electoral system, and the party system were considered as major variables. As such, it is likely that some important indicators were omitted. For example, legislative quorums for important pieces of legislation, the percentage of votes for legislative lists, and the years of parties' legal standings were not tested here but may also influence coalition formation. Though some control variables relative to local politics and the economy were also tested, it may be important

to add additional controls. The same goes for ideology, which should take a centre role in forthcoming studies.

Future research should look at a wider time frame. In this study, the years observed had a lower bound given by the transition to democracy; this will be difficult to bypass in forthcoming research. However, data should be included as years go by. New elections and governments will provide more evidence to test. New evidence can corroborate the findings made in this thesis, or provide evidence against them. In any case, adding more observations can show variations in coalition formation trends as countries become more democratic. In this vein, an important question to answer is whether coalition formation becomes more likely as democracy consolidates.

Future research should also incorporate the role of political culture. In this study, culture was defined as the small non-explained portion of coalition formation. While it is difficult to operationalise, it is well worth attempting. The findings in this thesis suggest that political junctures are crucial to explain how and when coalitions form. In this sense, future work should further explore how particular junctures have ameliorated or strengthened the incentives that parties already have to form coalitions. As in this study, qualitative case studies focused on cultural factors can complement large-N studies that naturally omit such variables.

Another interesting addition to this work could be done by expanding the statistical methods used in Chapter 3 and Chapter 4. For example, future literature could explore the nature of the relationship between electoral and government coalitions and presidential power. It would be particularly interesting to explore non-linear relationships between both variables, in which coalitions could be more or less likely depending on the degree of presidential power.

Finally, future studies should also focus on other regions. The blooming presidential democracies of sub-Saharan Africa may provide crucial insight into how parties form coalitions. On the one hand, they resemble the first years of democratic transition in Latin America, and as such may present some of the same patterns. On the other hand, the findings made here can serve as a reference to predict future partisan arrangements in the years to come. A large sample of all presidential democracies in the world could also provide more evidence in favour of the findings made in this thesis.

6.5 LIMITATIONS

One limitation of this study refers to the multiple sources of data. Naturally, there was no readily available machine-readable data set to test the hypotheses set forward in this thesis. Thus, multiple sources were used as input. Yet, when large portions of data were available they were used entirely to avoid referring to multiple sources. In some cases, particular years were missing in the sources used and had to be calculated independently. While this may have introduced bias, it was done carefully, respecting the compilation methods used by the original source.

A second limitation of this study refers to the different political and cultural contexts in the countries included in the sample. For example, presidential power and electoral rules vary from one democracy to the next. Veto power is not used equally in all democracies, much as simple majority plurality does not have the same minimum threshold. There is no way around this, which is problematic for any large-N study. To avoid introducing bias, fixed and random effects were introduced to account for individual heterogeneity. While this may not be the optimum scenario, it is the best known method to deal with differences across datasets with such heterogeneity.

6.6 CONCLUSION

This thesis has shown that contrary to conventional wisdom, electoral and government coalitions normally form in Latin America. It has shown that presidential power, electoral institutions, electoral systems, and party systems all play a key role in coalition formation. It has also shown that presidential power is not as important as the interaction between electoral systems and party systems. These findings are original, and as such set a precedent in the existing body of literature. These findings are also relevant, and may serve as a framework for future studies related to coalitions in presidentialism.

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LINE OF SUCCESSION IN LATIN AMERICA

The line of succession in the cases in which the president did not finish his term is described below:

1. León Roldos (Ecuador) was inaugurated in 1979 and died in 1981; he was succeeded by his vice-President Osvaldo Hurtado who served until the end of the term in 1984.
2. Fernando Collor de Mello (Brazil) was inaugurated in 1990 and resigned in 1992; he was succeeded by his vice-President Itamar Franco who served until the end of the term in 1994.
3. Carlos Andrés Pérez (Venezuela) was inaugurated in 1989 and was dismissed by Congress in 1993; he was succeeded by the President of Congress Octavio Lepage (1993), who in turn was succeeded by independent Senator Ramón José Velásquez who served until the end of the term in 1994.
4. Jorge Serrano (Guatemala) was inaugurated in 1991 and resigned in 1993; he was succeeded by his vice-President Gustavo Espina (1993), who in turn was succeeded by Human Rights Ombudsman Ramiro de León who served until the end of the term in 1996.
5. Abdalá Bucaram (Ecuador) was inaugurated in 1996 and was dismissed by Congress in 1997; he was succeeded by vice-President Rosalía Arteaga (1997), who in turn was succeeded by Congressman Fabián Alarcón who served until the end of the term in 1998.
6. Raúl Cubas (Paraguay) was inaugurated in 1998 and resigned in 1999; he was succeeded by vice-President Luis Ángel González Macchi who served until the end of the term in 2003.
7. Alberto Fujimori (Peru) was inaugurated in 2000 and was dismissed by Congress in 2000; he was succeeded by Congressman Valentín Paniagua who served until the end of his temporary term in 2001.
8. Jamil Mahuad (Ecuador) was inaugurated in 1998 and resigned in 2000; he was succeeded by vice-President Gustavo Noboa who served until the end of the term in 2003.
9. Fernando de la Rúa (Argentina) was inaugurated in 1999 and resigned in 2001; he was succeeded by Senator Ramón Puerta (2001), Governor Adolfo Rodríguez Saá (2001), Senator Eduardo Caamaño (2001–2002), and finally Senator Eduardo Duhalde who served until the end of the term in 2003.

LINE OF SUCCESSION IN LATIN AMERICA

10. Hugo Banzer (Bolivia) was inaugurated in 1997 and died in 2001; he was succeeded by vice-President Jorge Quiroga who served until the end of the term in 2002.
11. Gonzalo Sánchez de Lozada (Bolivia) was inaugurated in 2002 and resigned in 2003; he was succeeded by vice-President Carlos Mesa (2003–2005), who in turn was succeeded by the President of the Supreme Court Eduardo Rodríguez (2005–2006), Senator Hormando Vaca (2006), and then Congressman Mario Cossío who served until the end of the term in 2006.
12. Lucio Gutiérrez (Ecuador) was inaugurated in 2003 and was dismissed by Congress in 2005; he was succeeded by vice-President Alfredo Palacio who served until the end of the term in 2007.
13. Manuel Zelaya (Honduras) was inaugurated in 2006 and was dismissed by Congress in 2009; he was succeeded by Congressman Roberto Micheletti who served until the end of the term in 2009.

FULL LIST OF ELECTORAL COALITIONS

The full list of electoral coalitions that supported a winning presidential candidate, and their member parties, is listed below:

1. Argentina had an electoral coalition in the 1989 election of Carlos Menem (Frente Justicialista Popular: PJ, PI, PCR, PDC, MPL, PSA); in the 1995 election of Carlos Menem (Frente Justicialista Popular: PJ, UCeDé), in the 1999 election of Fernando de la Rúa (Alianza por el Trabajo, la Justicia y la Educación: UCR, FREPASO); in the 2003 election of Néstor Kirchner (Frente para la Victoria: PJ, FG, PI, PCA, PH, PDV); in the 2007 election of Cristina Fernández (Frente para la Victoria: PJ, FG, PI, PCA, PH, PDV); and in the 2011 election of Cristina Fernández (Frente para la Victoria: PJ, FG, PI, PCA, PH, PDV).
2. Bolivia had an electoral coalition in the 1985 election of Víctor Paz Estenssoro (Pacto por la Democracia: MNR, PCML, MNRI-Siglo XX, UDC); in the 1989 election of Jaime Paz Zamora (Acuerdo Patriótico: MIR, PCML); in the 1993 election of Gonzalo Sánchez de Lozada (Pacto por la Gobernabilidad/Pacto por el Cambio: MNR, UCS, MBL, MRTKL); and in the 1997 election of Hugo Banzer (Mega Coalición: ADN, NFR, PDC).
3. Brazil had an electoral coalition in the 1985 election of Tancredo Neves (Alianza Democrática: PMDB, PFL, PTB, PDS); in the 1989 election of Fernando Collor de Mello (PRN, PSC, PTR, PST); in the 1994 election of Fernando Henrique Cardoso (PSDB, PFL, PTB), in the 1998 election of Fernando Henrique Cardoso (Unión, Trabajo y Progreso: PSDB, PFL, PPB, PTB, PSD, PSL); in the 2002 election of Lula da Silva (PT, PL, PCdoB, PMN, PCB, PV); in the 2006 election of Lula da Silva (Brasil, Um País de Todos: PT, PRB, PCdoB, PL, PSB); and in the 2010 election of Dilma Rousseff (Para o Brasil Seguir Mudando: PT, PRB, PDT, PMDB, PTN, PSC, PR, PTC, PSB, PCdoB).
4. Chile had an electoral coalition in the 1989 election of Patricio Aylwin (Concertación: DC, PS, PPD, PRSD); in the 1993 election of Eduardo Frei (Concertación: DC, PS, PPD, PRSD); in the 1999 election of Ricardo Lagos (Concertación: DC, PS, PPD, PRSD); in the 2005 election of Michelle Bachelet (Concertación: DC, PS, PPD, PRSD); and in the 2009 election of Sebastián Piñera (Alianza: RN, UDI).
5. Colombia had an electoral coalition in the 1982 election of Belisario Betancur (Movimiento Nacional: PC and ANAPO); and in the 1988 election of Andrés Pastrana (Gran Alianza por el Cambio: PC, NFD).

FULL LIST OF ELECTORAL COALITIONS

6. Ecuador had an electoral coalition in the 1984 election of León Febres-Cordero (Frente de Reconstrucción Nacional: PSC, PLR, PCE, FRA); in the 1992 election of Sixto Durán Ballén (PSCE and PURE); and in the 2006 election of Rafael Correa (PAISE, NPE, ADNE, ICE, MCDNE, AJE, ABAE, PCE, PTE, ADE, Ruptura de los 25).
7. Guatemala had an electoral coalition in the 2003 election of Oscar Berger (Gran Alianza Nacional: PP, MR, PSN); and in the 2007 election of Alvaro Colom (Unidad Nacional de la Esperanza: UNRG, DIA).
8. Nicaragua had an electoral coalition in the 1990 election of Violeta Chamorro (Unión Nacional Opositora: PLC, PALI, APC, ANC, PNC, MDN, PIAC, PAN, PDCN, PPSC, PSC, PSN, PC de N); and in the 1996 election of Arnoldo Alemán (Alianza Liberal: PLC, PLIUN, PLN, PALI).
9. Panama had an electoral coalition in the 1994 election of Ernesto Pérez Balladares (Alianza Pueblo Unido: PRD, PALA, PLR); in the 1999 election of Mireya Moscoso (Unión por Panama: PA, MOLIRENA, CD, MORENA); in the 2004 election of Martín Torrijos (Patria Nueva: PRD, PP); and in the 2009 election of Ricardo Martinelli (Alianza por el Cambio: CD, PA, UP, MOLIRENA).
10. Paraguay had an electoral coalition in the 2008 election of Fernando Lugo (Alianza Patriótica para el Cambio: PRF, PPS, PDC, PFA, PEN, BSyP, PLRA).
11. Venezuela had an electoral coalition in the 1999 election of Hugo Chávez (Polo Patriótico: MVR, MAS, MEP, PPT, PCV); in the 2001 election of Hugo Chávez (Bloque del Cambio: MVR, MP, Solidaridad); and in the 2006 election of Hugo Chávez (Revolución Bolivariana: PODEMOS, PPT, PCV, MEP, UPV, Liga Socialista, Tupamaro, Gente Emergente, MIGATO, Unión, MDD, CMR, CRV, IPCN, MCM, MCGN, Poder Laboral, ONDA, MNI, UPC, FACOBA, PROVEN, and REDES).

FULL LIST OF GOVERNMENT COALITIONS

The full list of government coalitions that supported an incumbent president, and their member parties, is listed below:

1. Argentina had a government coalition in the administration of Menem 1989–1995 (Frente Justicialista Popular: PJ, PI, PCR, PDC, MPL, PSA); Menem 1995–1999 (Frente Justicialista Popular: PJ, UCeDé); De la Rúa 1999–2001 (Alianza por el Trabajo, la Justicia y la Educación: UCR, FREPASO); Kirchner 2003–2007 (Frente para la Victoria: PJ, FG, PI, PCA, PH, PDV); Fernández 2007–2010 (Frente para la Victoria: PJ, FG, PI, PCA, PH, PDV); and Fernández 2011–2015 (Frente para la Victoria: PJ, FG, PI, PCA, PH, PDV).
2. Bolivia had a government coalition in the administration of Paz Estenssoro 1985–1989 (Pacto por la Democracia: MNR, PCML, MNRI-Siglo XX, UDC); Paz Zamora 1989–1993 (Acuerdo Patriótico: MIR, PCML); Sánchez de Lozada 1993–1997 (Pacto por la Gobernabilidad/Pacto por el Cambio: MNR, UCS, MBL, MRTKL); Banzer/Quiroga 1997–2002 (Mega Coalición: ADN, NFR, PDC); and Sánchez de Lozada 2002–2003 (no name).
3. Brazil had a government coalition in the administration of Sarney 1985–1990 (Alianza Democrática: PMDB, PFL, PTB, PDS), Collor de Mello/Franco 1990–1994 (PRN, PSC, PTR, PST); Cardoso 1995–1998 (PSDB, PFL, PTB), Cardoso 1999–2002 (Unión, Trabajo y Progreso: PSDB, PFL, PPB, PTB, PSD, PSL); da Silva 2003–2006 (PT, PL, PCdoB, PMN, PCB, PV); da Silva 2007–2010 (Brasil, Um País de Todos: PT, PRB, PCdoB, PL, PSB); and Rousseff 2010 (Para o Brasil Seguir Mudando: PT, PRB, PDT, PMDB, PTN, PSC, PR, PTC, PSB, PCdoB).
4. Chile had a government coalition in the administration of Aylwin 1990–1994 (Concertación: DC, PS, PPD, PRSD); Frei 1994–2000 (Concertación: DC, PS, PPD, PRSD); Lagos 2000–2006 (Concertación: DC, PS, PPD, PRSD); Bachelet 2006–2010 (Concertación: DC, PS, PPD, PRSD); and Piñera 2010–2014 (Alianza: RN, UDI).
5. Colombia had a government coalition in the administration of Betancur 1982–1986 (Movimiento Nacional: PC and ANAPO); and Pastrana 1998–2000 (Gran Alianza por el Cambio: PC, NFD).
6. Ecuador had a government coalition in the administration of Febres-Cordero 1984–1988 (Frente de Reconstrucción Nacional: PSC, PLR, PCE, FRA); and Durán Ballén 1992–1996

FULL LIST OF GOVERNMENT COALITIONS

- (PSCE and PURE).
7. Guatemala had a government coalition in the administration of Berger 2004–2008 (Gran Alianza Nacional: PP, MR, PSN); and Álvaro Colom 2008–2012 (Unidad Nacional de la Esperanza: UNRG, DIA).
 8. Nicaragua had a government coalition in the administration of Chamorro 1990–1993 (Unión Nacional Opositora: PLC, PALI, APC, ANC, PNC, MDN, PIAC, PAN, PDCN, PPSC, PSC, PSN, PC de N); Chamorro 1993–1997 (Alianza Liberal: PLC, PALI); and Alemán 1997–2002 (Alianza Liberal: PLC, PLIUN, PLN, PALI).
 9. Panama had a government coalition in the administration of Balladares 1994–1999 (Alianza Pueblo Unido: PRD, PALA, PLR); Moscoso 1999–2004 (Unión por Panama: PA, MOLIRENA, CD, MORENA); Torrijos 2004–2009 (Patria Nueva: PRD, PP); and Martinelli 2009–2014 (Alianza por el Cambio: CD, PA, UP, MOLIRENA).
 10. Paraguay had a government coalition in the administration of Lugo 2008–2010 (Alianza Patriótica para el Cambio: PRF, PPS, PDC, PFA, PEN, BSyP, PLRA).
 11. Uruguay had a government coalition in the administration of Lacalle 1990–1995 (PC, PB); Sanguinetti 1995–2000 (PC, PB); and Battle 2000–2005 (PC, PB).

CODEBOOK: CHAPTER 3

ELECTORAL COALITION

is a dichotomous variable, coded 1 if the winner of the presidential election is backed by an electoral coalition, and coded 0 if the winner of the presidential election is not backed by an electoral coalition.

SMP

is a dummy variable coded 1 if simple majority plurality is used to define presidential elections, and coded 0 if simple majority plurality is not used to define presidential elections.

REELECTION

is a dummy variable coded 1 if the incumbent president can bid for re-election, and coded 0 if the incumbent president cannot bid for re-election.

TERM LENGTH

reflects the fixed number of years the president is elected to serve.

CONCURRENT

is a dummy variable coded 1 if presidential elections are concurrent to legislative elections, and coded 0 if presidential elections are not concurrent to legislative elections.

UNICAMERAL

is a dummy variable coded 1 if congress is unicameral, and coded 0 if congress is not unicameral.

PR SYSTEM

is a dummy variable coded 1 if the majority of votes are translated into seats by proportional representation electoral rules, and coded 0 if the majority of votes are not translated into seats by proportional representation electoral rules.

THRESHOLD

is a dummy variable coded 1 if parties must meet a threshold of votes to gain legislative representation, and coded 0 if parties do not need to meet a threshold of votes to gain legislative representation.

TOTAL SEATS

reflects the total number of seats in the legislature, or in the case of bicameral legislatures, the total seats in the lower house.

MDMH

reflects the mean district magnitude in the largest chamber, which is generally the lower chamber, or the only chamber.

ENEP

reflects the number of parties that compete in legislative elections.

LEGISLATIVE MAJORITY

reflects the number of government seats divided by the total seats.

OUTSIDER

is a dummy variable coded 1 if and outsider presidential candidate competed in the election.

AGE OF DEMOCRACY

reflects the number of years since transition to democracy.

POPULATION

the de facto definition of population, which counts all residents regardless of legal status or citizenship – except for refugees not permanently settled in the country of asylum, who are generally considered part of the population of their country of origin.

CPI

reflects changes in the cost to the average consumer of acquiring a basket of goods and services that may be fixed or changed at specified intervals, such as yearly.

GDP

reflects the annual percentage growth rate of GDP at market prices based on constant local currency. Aggregates are based on constant 2005 U.S. dollars.

GINI

reflects the extent to which the distribution of income or consumption expenditure among individuals or households within an economy deviates from a perfectly equal distribution.

CODEBOOK: CHAPTER 4

GOVERNMENT COALITION

is a dichotomous variable, coded 1 if two or more parties formed a government coalition in the given year, and coded 0 if two or more parties did not form a government coalition in the given year.

FORMAL

is an index derived from a categorical component analysis in which the values continuously range from 1 (lowest possible level of power) to 100 (highest possible level of power). The following policymaking powers are included in the analysis:

1. Veto override: ordinal variable measuring the veto override threshold. It takes values from 0 to 3, where 0 means no veto; 1, veto subject to majority override; 2, veto subject to qualified majority override; and 3, no override.
2. Veto chambers: ordinal variable measuring the number of chambers intervening and the voting procedure in a veto override. It ranges from 0 to 3. Its codification is: 0 = No veto; 1 = Veto, one chamber; 2 = Veto, two chambers voting together; 3 = Veto, two chambers voting separately.
3. Partial observations: ordinal variable reflecting the existence of partial observations and the override threshold. It is coded as follows: No partial observations=0; Partial observations subject to simple majority override = 1; Partial observations subject to qualified majority override =2; No override =3.
4. Line item: dummy variable measuring whether the president can promulgate the non-observed parts of a bill. It is coded as 1 if the president can promulgate the non-observed parts of a bill, and 0 otherwise.
5. Budget veto: dummy variable identifying whether the president can veto the budget bill. It is coded as 1 if there is budget veto and 0 if there is not.

6. Sessions: dummy variable measuring whether the president can convene Congress for extraordinary sessions. It is coded as 1 when the power exists, and 0 otherwise.
7. Reserved areas: dummy variable measuring whether the president has exclusive initiative on important financial or economic legislation. It is coded as 1 when the president has the power, and 0 when he has not.
8. Urgency bills: ordinal variable measuring the existence of urgency bills and the reversionary outcome in case of congressional inaction. Its values range from 0 to 2, where 0 means no urgency bills; 1, power to submit urgency bills; and 2, when in addition to the power to submit urgency bills, the executive proposal becomes law if Congress does not act on it in a constitutionally-defined period.
9. Residual decree: dummy variable identifying whether the president has a residual authority to issue decrees of legislative content in emergency situations. It is coded as 1 when the president has the power, and as 0 when he has not.
10. CDA content: ordinal variable intended to capture the existence of explicit constitutional decree authority and restrictions on its content. It ranges from 0 to 2, where 0 means no explicit decree authority; 1, decree authority restricted to certain areas; and 2, decree authority without substantive restrictions on content.
11. CDA outcome: ordinal variable identifying the existence of explicit constitutional decree authority and the reversionary outcome in case of congressional inaction. It is coded as follows: no explicit decree authority = 0; decree lapses in the absence of congressional approval = 1; decree stands in the absence of congressional approval = 2.
12. Referendum: ordinal variable reflecting the existence and degree of presidential authority to submit a bill to approval by popular vote. It takes values from 0 to 2, where 0 means no presidential authority to submit a bill to referendum or authority subject to congressional authorization; 1, unilateral authority to call a referendum but outcome non binding; and 2, unilateral authority and outcome binding.
13. Budget spending: dummy variable identifying whether Congress can increase spending. It is coded as 1 if Congress cannot increase spending and 0, otherwise.
14. Budget outcome: dummy variable measuring whether the presidential proposal is the reversionary outcome in the absence of congressional approval. It is coded as 1 if the executive's proposal becomes the reversionary outcome, and 0 otherwise.

NON-FORMAL

is an index derived from a categorical component analysis in which the values continuously range from

1 (lowest possible level of power) to 100 (highest possible level of power). The following presidential power's in areas different from policymaking are included in the analysis:

1. Political decentralization: ordinal variable measuring the sub-national executive authorities appointed by the president. It is coded as follows: 0= city mayors and regional executives popularly elected; 1 = city mayors popularly elected but regional executives appointed by president; 2 = no sub-national elections.
2. Appointment court: ordinal variable measuring the influence of president on the appointment of constitutional court magistrates. Its values range from 0 to 4, where 0 means no participation; 1, president nominates with other institutions; 2, president nominates and Congress ratifies by qualified majority; 3, president nominates and Congress ratifies by simple majority; and 4, president appoints or constitution does not establish procedure.
3. Appointment attorney general's office: ordinal variable measuring the influence of the president on the appointment of the attorney general. It is coded as follows: No participation = 0; president nominates with other institutions = 1; president nominates and Congress ratifies by qualified majority = 2; president nominates and Congress ratifies by simple majority = 3; president appoints or constitution does not establish procedure = 4.
4. Appointment comptroller: ordinal variable measuring the influence of the president on the appointment of the comptroller general. It is based on a scale with values ranging from 0 to 4, where 0 represents no participation; 1, that president nominates with other institutions; 2, that president nominates and Congress ratifies by qualified majority; 3, that president nominates and Congress ratifies by simple majority; and, 4, that President appoints or constitution does not establish procedure.
5. Interpellate: ordinal variable identifying whether Congress has the authority to interpellate cabinet ministers. It acquires values from 0 to 2, where 0 means that Congress has the authority to interpellate cabinet ministers; 1, that Executive decides whether the minister attends personally; and 2, that there is no interpellation.
6. Censure: ordinal variable measuring the authority of Congress to censure cabinet ministers. It is based on a scale from 0 to 2 and is coded as follows: 0 = binding censure; 1 = non-binding censure; 2 = no censure.
7. Censure dissolution: ordinal variable measuring whether censure is restricted by threat of dissolution of Congress. It is coded as 0, when censure is unrestricted by dissolution; 1, when censure is restricted by dissolution; and 2, when there is no censure.
8. Censure initiation: ordinal variable measuring whether censure initiation requires less or more than a majority of votes in Congress. Its values are: 0, initiation by less than a majority; 1,

- initiation by simple majority; 2, initiation by qualified majority; and 3, no censure.
9. Censure vote: ordinal variable measuring whether censure vote requires simple or qualified majority. It is based on a scale ranging from 0 to 2, where 0 means censure by simple majority; 1, censure by qualified majority; and 2, no censure.
 10. Censure chambers: ordinal variable indicating whether one or two chambers intervene in the censure. Its values are: 0, when only one chamber intervenes, 1, when two chambers intervene, and, 2, when there is no censure.
 11. Impeachment bodies: ordinal variable determining whether impeachment requires the involvement of one or two bodies and is coded as follows: 0 = impeachment, one body; 1 = impeachment, two bodies; 2 = no impeachment.
 12. Qualified majority accusation: ordinal variable indicating whether accusation for impeachment requires qualified majority vote. It ranges from 0 to 2, where 0 is accusation by simple majority; 1, accusation by qualified majority; and 2, no impeachment.
 13. Qualified majority punishment: ordinal variable determining whether final vote for impeachment requires qualified majority. Its values range from 0 to 2, where 0 means decision by simple majority; 1, decision by qualified majority; and 2, no impeachment.
 14. Impeachment reasons: ordinal variable indicating whether impeachment can proceed for political reasons. It is coded as follows: 0 = impeachment for political reasons; 1 = impeachment for legal crimes only; 2 = no impeachment.
 15. President's incapacity: dummy variable determining whether Congress can dismiss the president for mental or physical incapacity. It is coded as 1 if Congress cannot dismiss the president for incapacity and as 0 if it can.
 16. Emergency declaration: dummy variable indicating whether Congress must declare or ratify the declaration of emergency. In this variable, 1 indicates that President declares and notifies Congress about the emergency, and 0 that Congress must declare or ratify it.
 17. Emergency content: dummy variable indicating whether there are explicit limits on the rights that can be suspended in emergencies. A value of 1 means that there are no limits or generic limits, and a value of 0 that there are only a limited number of rights that can be suspended during an emergency.
 18. Emergency temporal: ordinal variable indicating whether the termination of the emergency is subject to an explicit temporal limit. It is coded as follows: 0 = absolute temporal limit;

1 = Congress can postpone the emergency; 2 = no temporal limit or president can extend it unilaterally.

VOTE PERCENT

reflects the valid percentage of votes casted for the incumbent president in the immediately previous first round presidential election.

REELECTED

is a dummy variable coded 1 if the president is serving in his second consecutive term, and coded 0 if the incumbent president is serving in his first term.

TERM LENGTH

reflects the fixed number of years the president is elected to serve.

CONCURRENT

is a dummy variable coded 1 if presidential elections are concurrent to legislative elections, and coded 0 if presidential elections are not concurrent to legislative elections.

UNICAMERAL

is a dummy variable coded 1 if congress is unicameral, and coded 0 if congress is not unicameral.

TOTAL SEATS

reflects the total number of seats in the legislature, or in the case of bicameral legislatures, the total seats in the lower house.

ENLP

reflects the number of parties that have legislative representation.

LEGISLATIVE MAJORITY

reflects the number of government seats divided by the total seats.

ELECTORAL COALITION

is a dichotomous variable, coded 1 if the winner of the presidential election is backed by an electoral coalition, and coded 0 if the winner of the presidential election is not backed by an electoral coalition.

CRISIS

is a dummy variable coded 1 if the democracies was in political turmoil, and coded 0 if not.

LEFT

is a dummy variable coded 1 if the president was elected on a left-wing platform, and coded 0 if it was not.

OUTSIDER

is a dummy variable coded 1 if and outsider presidential candidate competed in the election, and coded 0 if there was not.

AGE OF DEMOCRACY

reflects the number of years since transition to democracy.

POPULATION

the de facto definition of population, which counts all residents regardless of legal status or citizenship—except for refugees not permanently settled in the country of asylum, who are generally considered part of the population of their country of origin.

CPI

reflects changes in the cost to the average consumer of acquiring a basket of goods and services that may be fixed or changed at specified intervals, such as yearly.

GDP

reflects the annual percentage growth rate of GDP at market prices based on constant local currency. Aggregates are based on constant 2005 U.S. dollars.

GINI

reflects the extent to which the distribution of income or consumption expenditure among individuals or households within an economy deviates from a perfectly equal distribution.