

Let's Just Agree to Disagree: Dispute Resolution Mechanisms in Coalition Agreements

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Abstract

In studying coalition politics, scholars have increasingly begun focusing on conflict within coalitions. Here we examine the role of coalition agreements in managing intra-coalitional conflict. We argue that there is a trade-off between making policy agreements at the coalition's formation — and delegating implementation to the portfolio minister — and postponing the issue's resolution by creating procedures for settling policy disputes. The trade-off is increasingly resolved in favor of dispute resolution mechanism when coalitions are ideologically heterogeneous and the coalition parties differ in size. By testing our theory in the German Länder between 1990 and 2013 we are able to isolate the effects of ideology and the bargaining situation while holding the institutional environment constant. The empirical results support our main argument: When intra-coalition conflict is high, parties write shorter coalition contracts but are more likely to adopt procedures for conflict resolution.

Keywords: coalition government, coalition agreements, dispute settlement rules

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Coalition governance in modern democracies has been studied extensively. Most studies concentrate on the allocation of cabinet offices to coalition parties (Gamson, 1961; Browne and Franklin, 1973; Budge and Keman, 1990; Warwick and Druckman, 2001, 2006; Thies, 2001; Verzichelli, 2008; Bäck, Debus and Dumont, 2011) but only a handful of studies have focused on the structure and content of coalition agreements (e.g., Timmermans, 2003; Müller, Strøm and Bergman, 2008; Moury, 2013; Eichorst, 2014). Yet almost all coalition governments write formal coalition agreements today that contain not only the government's policy goals but also rules determining how offices are distributed and how potential disagreements within the coalition will be managed. Here we examine the conditions under which coalition parties opt to establish mechanisms for settling disputed issues in favor of deciding on coalition policy at the coalition's formation.

In recent years scholars have begun paying closer attention to policy making in multiparty parliamentary systems. Systems where coalitions are the norm frequently come under fire for lack of accountability — even when voters turn against a government party, there is no guarantee that the party will not find itself in government again if it plays the coalition game right. Voters also face significant challenges in attributing responsibility in coalition systems — thanks, in large part, to the lack of transparency in cabinet policy making that allows government parties the opportunity to pass the buck for unpopular policies to their coalition partners. A part of the effort to gain better understanding of policy making in parliamentary systems focuses on the role of coalition agreements.

Müller, Strøm and Bergman (2008) point out that coalition agreements offer a window into the bargain struck by the coalition parties but also suggest that the details of that bargain may depend on a variety of factors, which generally touch on the expected difficulty of maintaining cooperation through the legislative term. This view, of course, assumes that coalition agreements actually matter, i.e., that they do in some manner tie the hands of the parties and their ministers. Laver and Schofield (1990) voice skepticism of

this assumption, suggesting that coalition agreements may be “little more than window dressing.” The evidence against this view is mounting. Moury (2013), e.g., finds that government coalitions enact most of the policy proclamations made in their coalition agreements and that they help constrain ministerial drift.¹ Williams (2014) finds that those constraints extend beyond the cabinet — government MPs appear less likely to rebel when a legislation is a part of the coalition’s agenda as set out in the coalition agreement. Eichorst (2014) considers both the policy and the electoral motivations that are likely to underlie the writing of coalition agreements and the results suggest that both are relevant. Similarly, Indridason and Kristinsson (2013) examine the decisions to write a coalition agreement and, if written, how extensive it ought to be and find that those decisions are consistent with the assumption that they do constrain parties and ministers while it is harder to reconcile the findings with the view that they are merely window dressing or are solely related to electoral motives.

While both Timmermans (2003) and Müller, Strøm and Bergman (2008) note that sometimes coalition agreements also provide institutions or mechanisms for conflict resolution, this aspect of coalition agreements has received less attention. Mechanisms for managing conflict within coalitions may be quite important for effective coalition governance and coalition survival as well as for the enforcement of the coalition agreement and in this paper we turn our attention to that question.²

Coalition agreements represent a contract over government policy but, like many other contracts, they will contain clauses that address how disagreements between the contracting parties should be dealt with. While committee chairs, junior ministers, and

¹Indridason and Kristinsson (2013) provide a fairly extensive discussion of why coalition agreements do matter even if they are not enforceable, suggesting that there are both audience and reputational costs to failing to implement coalition agreements.

²It is worth noting here that this has some similarity to the problem of (dispute resolution) mechanism design in international relations which aims at inducing cooperation in situations where contracts or agreements cannot be enforced. See, e.g., Koremenos, Lipson and Snidal (2001) and Koremenos (2005). Where international institutions differ, however, is the lack of cabinet institutions and delegated power.

the like represent on-going ways of monitoring, there are times when those mechanisms are not sufficient. Coalition agreements may involve differences of principle and policy at a higher level than ones which can be bridged by a few amendments in committee. Moreover, even though monitoring may take place via junior ministers it may still be the case that a particular minister may persist in her “drifting” in which case there is a problem to address. In other words, while the mechanisms suggested so far — junior ministers and committee chairs — may be both adequate and appropriate for the management of many issues, they may be inadequate for more serious disagreements. One way in which coalitions can address serious disagreements ahead of time, and in particular develop ways to address disagreements that may not be easily managed, is through formal agreements.

Müller, Strøm and Bergman (2008) examine the intra-coalition rules on governing and dispute settlement in coalition agreement but the considerable institutional variation across the West European political systems in their study limits the inferences that can be drawn. It has been shown, e.g., that institutional and contextual features constrain and influence the behavior of parties in the coalition formation process (e.g., Strøm, Budge and Laver, 1994; Martin and Stevenson, 2001, 2010). It is, therefore, also reasonable to expect the patterns of coalition governance and the adoption of procedural rules in coalition agreements to be influenced by the institutional context. Control for different institutional constraints and incentives in cross-national analysis is challenging. For example, junior ministers, which are often used as ‘watchdogs’ to monitor minister from other coalition parties (Thies, 2001; Lipsmeyer and Pierce, 2011), do not exist in Denmark, while they are normal features of other modern parliamentary democracies (Damgaard, 2001). The inability to place watchdogs into ministries controlled by coalition partners may, therefore, result in greater emphasis on procedural rules in coalition agreements.

Müller, Strøm and Bergman’s (2008) insight that procedural rules have a function in maintaining government coalitions is, however, an important one. If procedural rules

matter, the incentive to adopt such conflict resolution mechanisms should vary across coalitions as the potential for drift is likely to vary depending on, e.g., the ideological composition of the coalition. Here we examine how the political context affects the content of coalition agreements. Building on Müller, Strøm and Bergman (2008), we seek to advance the study of coalition agreements and coalition governance in several ways. First, we propose a formal model to highlight the trade-offs coalition parties face, which allows us to derive several hypotheses about the conditions under which coalitions rely on procedural rules to a greater extent. In particular, we show that procedural rules play a greater role when government coalitions are ideologically heterogeneous and when the coalition parties differ in size. Second, we isolate the effect of the political context by focusing on coalition politics in political systems that share a very high degree of similarity — the German Länder represent a useful case for testing our theory for this reason. To test our theory we build a dataset that contains detailed information about coalition agreements made by parties in the German Länder.

Managing Cabinet Conflict

Research on coalition governance has considered various arrangements aimed at increasing the stability of coalition governments including the allocation of portfolios and the level of discretion given to cabinet ministers. In Laver and Shepsle's (1990; 1996) seminal portfolio allocation model, the assumptions that each policy dimension is governed by exactly one cabinet portfolio and that the portfolio minister has full discretion solves both the 'chaos problem' of infinite cycling in coalition building as well as the bargaining problem within the coalition. The only credible coalition policy is then the one corresponding to the preferred position of the party in control of that portfolio.

The Laver-Shepsle model does not, however, tell us much about coalition agreements and the process by which coalition governments reach such arrangements — it assumes that ministers are ‘policy dictators’ and discounts the power of the prime minister as the head of a cabinet and other — collective — actors such as coalition committees (King, 1994; O’Malley, 2007). To address these limitations, scholars have often adopted the principal-agent approach as a starting point. In this perspective, parliamentary democracy can be described as a ‘chain of delegation’, where citizens delegate power to representatives, who in turn delegate power to a cabinet and a Prime Minister, who delegates power to cabinet ministers (see, e.g., Müller, 2003; Strøm, 2000). The principal-agent approach highlights the problems of ‘adverse selection’ and ‘moral hazard’ as the main threats to the principal’s ability to control the agent. The problem of adverse selection arises when the principal does not have access to relevant information about potential agents. Moral hazard problems, on the other hand, arise when agents, once they have been selected, have motives to act in ways that are contrary to the principal’s interests (Strøm 2000, 270-271; see also Bäck, Debus and Müller 2013).

A number of mechanisms exist to mitigate the threat of agency loss (see, e.g., Carroll and Cox, 2012). Principal-agent theory differentiates between *ex ante* mechanisms, applied before power is delegated in order to identify and select good agents, and *ex post* mechanisms which represent ways to contain agency loss after decision making authority has been delegated. The latter mechanism describes the post-formation period of governing in multi-party cabinets. The *ex ante* control mechanisms of screening and selecting candidates play a central role in aligning the preferences of the candidates for political offices (Strøm, 2000).

There are several ways of enforcing the implementation of the policy agreed upon by the coalition parties in the government formation process. Two — straightforward — *ex post* mechanisms are to either dismiss ministers that do not follow the coalition line or to

restructure the cabinet during the legislative period (e.g., Huber and Martinez-Gallardo, 2008; Indridason and Kam, 2008). Two further mechanisms, which rely on appointments, to 'keep tabs' on coalition partners are the installation of 'watchdog' junior ministers in ministries controlled by other coalition parties (Thies, 2001) and the creation of committees whose membership includes some key cabinet ministers and members from the leadership of the coalition parties (e.g., Andeweg and Timmermans, 2008) whose task it is to observe the daily process of political decision-making across government departments.

Our focus here is on another mechanism, the coalition agreement, for structuring the decision-making process in coalition cabinets. Recently, scholars have also begun to focus on coalition agreements as the means to achieve a particular end (Timmermans, 1998, 2003; Debus, 2008). According to Timmermans (1998, 423; 2006, 265) coalition contracts have a symbolic function and a role in resolving conflict but are also intended to be a blueprint for the government's political agenda during its term in office, taking into consideration and balancing the positions of the parties (Timmermans, 1998, 419).

Adopting a comparative perspective, Müller and Strøm (2008) find that only 93 of 262 cabinets in Western Europe did not make a formal coalition agreement and that their use has become increasingly common over time (Müller and Strøm, 2008, 169-172) but that their use depends on both institutional and contextual factors. Müller and Strøm (2008, 173) also discuss the content of coalition agreements and consider how extensive the agreements are in terms of procedural rules, distribution of offices and competences, and policy. They find that there is great variance both within and across political systems: While Finish and Irish coalition agreements contain only policy goals, the average share of procedural rules is 8.6% in Germany, 12.6% in Denmark, and 51.8% in Austria.

We do, however, not know much about why some coalition negotiate agreements that contain detailed procedural rules while others do not. Indridason and Kristinsson (2013) suggest that the incentives to write extensive policy agreements is conditioned on the degree

of ministerial autonomy as well as other mechanisms to contain policy drift. In particular, their results suggest that the use of junior ministers as watchdogs and policy agreements are complements. Their analysis, therefore, goes some way towards explaining variation in the content of coalition agreements but is eventually beset by the same problem as other comparative studies of coalition agreements — that is, the reliability of the inferences drawn from such studies may be undermined by the degree of institutional variation across contexts. While Indridason and Kristinsson (2013) demonstrate a link between an emphasis of policy agreements and enforcement mechanisms, their work stops short of answering the question why some coalitions place more weight on procedural rules than others? Our starting point is to develop a theory that captures the logic underlying the decision to adopt a coalition agreement and the choice to rely on procedural rules rather than policy goals. As coalition agreements have been shown to vary across countries (Müller and Strøm, 2008), it is also helpful to have data that allows decoupling the effects of the various institutional factors, e.g., the prevalence of junior ministers or the type of a party system, from the political factors related to the coalition in order to evaluate whether the factors identified by our theory do affect the writing of coalition agreements. For that purpose, the German Länder provide an ideal testing ground as the main features of their political systems are very similar while their number is large enough to allow us some leverage on the question when considering all the coalitions formed over the past twenty odd years.

Theory: Policy or Procedures?

We focus on proto-coalition bargaining (Baron and Diermeier, 2001) — a situation where a set of parties have agreed to form a coalition and now bargain over the government's policy agenda; a set of policies they seek to put into law and implement in the coming legislative term — and consider a simple model to illustrate the incentives the coalition

parties face when writing a coalition agreement. The basic intuition is fairly simple. The parties face a choice on any given issue between including a policy commitment in the agreement or postponing its resolution until later in the term. Opting for including a policy in the coalition agreement carries certain risks. As an empirical matter, coalition agreements rarely contain much detail about what legislation ought to look like, thus, allowing a minister significant discretion in drafting the legislation. In addition, there may be considerable uncertainty surrounding a particular issue, making it difficult for the parties to determine what the appropriate legislative means are, which is why coalition agreements often focus goals rather than means. Thus, the parties risk agency loss when writing policy agreements. If, instead, the parties adopt institutional measures, such as a coalition committee, to settle the issue at a later date it offers the coalition partners access to information and, potentially, a role in drafting the legislation. In effect, it reduces a minister's informational advantage and discretion in writing legislation. Adopting such institutional measures would then appear to be the preferred option — at least for the parties that stand to lose more from agency loss. There are, however, some costs associated with the option. First, the existence of departmental structures suggests committees may not always be the best way to make decisions and that delegation does bring substantial efficiency gains. Second, not coming to a policy agreement today implies greater uncertainty about what policy outcome will be adopted in the future. This trade-off is at the heart of our argument — agreeing on policy today carries with it some predictable agency loss while postponing the decision involves uncertainty about what policy will result.

Assume there are two parties, a smaller party j and larger party k (in terms of seat shares) that bargain over a set of M issues. The two parties have standard quadratic utility functions with ideal points x_{ij} and x_{ik} on each issue i . The question then is whether the coalition parties can agree on a government policy in issue area i . If they can't, they may instead agree on rules or institutional devices to settle these issues in the future.

Consider first the case where the two parties can agree on fixing the cabinet's agenda for a specific issue at the coalition formation stage. If μ and $1 - \mu$ represent the bargaining power of parties k and j , the prospective cabinet's policy will be $p_i = \mu x_{ik} + (1 - \mu)x_{ij}$. As we are not really interested in the effect of asymmetric bargaining power, we assume throughout that $\mu = .5$. What is more important, however, is that any such policy agenda has to be implemented, and as implementation is delegated to ministers, some agency loss will occur. At the extreme, the portfolio minister has full discretion and, assuming that she is a perfect agent of her party, implements the party's most preferred policy rather than that of the coalition. While unlimited discretion may result in equilibrium cabinets (Laver and Shepsle, 1996), empirically, most coalition governments use one or more institutional devices to keep an eye on the portfolio minister and limit moral hazard, notably junior ministers (Thies, 2001), committees (Martin and Vanberg, 2011), and committee chairs (Kim and Loewenberg, 2005). To introduce agency loss in the model, we borrow from Carroll and Cox (2012); consider a minister from party $v \in \{j, k\}$ who has some but not unlimited discretion when implementing p_i . More specifically, she will implement policy $y_i(v) = \lambda x_{iv} + (1 - \lambda)p_i$, where $0 < \lambda < 1$ measures the minister's degree of discretion or ability to implement a policy more to her liking. The agency loss is then $\lambda|x_{iv} - p_i|$.

Now consider a situation where the parties opt not to settle a specific issue at the coalition formation stage. Given sufficient time and resources, the parties could devise an agreement that vastly reduces the ministers' discretion — at the extreme, the parties could write the legislation to be adopted. However, the tight schedule of coalition bargaining is unlikely to allow for such efforts — especially when the issues in question are complex and demand further study. For such issues, the parties face a choice. To write an incomplete agreement on the issue, which is susceptible to agency loss at the hands of the portfolio minister, or to postpone the settlement of the issue in the hope of finding a policy compromise in the future. Looking ahead, p_i may be the best, unbiased expectation for a

future agreement given the current distribution of bargaining power. However, postponing the issue creates uncertainty about the eventual policy outcome, i.e., it could end up being either more or less favorable than p_i . As a result, risk-averse parties prefer settling the issue at the coalition's formation. If the parties opt to address the issue in the post-formation stage, institutional devices — a coalition committee or another form of dispute settlement procedure — are adopted to facilitate the bargaining over policies after the initial coalition formation stage and help ensure that what is agreed upon is actually implemented.

As larger parties typically control a larger share of cabinet portfolios, it is evident that the smaller party will stand to gain more from adopting dispute resolution mechanisms. Whether dispute resolution mechanisms are adopted is, however, a matter of agreement between the coalition parties and both parties can walk away from the bargaining table if they consider the terms unfavorable. We do not model the bargaining explicitly but as dispute resolution mechanisms are unlikely to be adopted unless someone is pressing for them, we focus on the party that has more to gain from their adoption. In addition, if the smaller party attaches great salience to some of these portfolios, it may be unwilling to compromise but, instead, it may be feasible for the party to postpone the decision, i.e., in some sense it may be easier to veto policies than the provision of mechanisms whose explicit aim is to figure out a compromise.

Formally, given a portfolio minister from party v , we consider party j 's incentives to push either for settling a disputed issue or to postpone it and instead provide for an institutional device for dispute resolution.³ The payoff from adopting a coalition policy p_i (and considering agency loss due to the imperfect monitoring of the portfolio minister) is:

$$u_{ij}^{policy} = -(x_{ij} - y_i(v))^2 = \begin{cases} -\frac{1}{4}(1 + \lambda)^2(x_{ik} - x_{ij})^2 & \text{if } v = k \\ -\frac{1}{4}(-1 + \lambda)^2(x_{ik} - x_{ij})^2 & \text{if } v = j \end{cases}$$

³Party k 's expected payoffs can be written in a similar manner.

On the other hand, if a settlement is postponed then the parties face uncertainty about the eventual policy outcome. In part the policy outcome is uncertain by the mere fact that it is yet to be decided but it also reflects uncertainty, e.g., about how salient the issue is to the bargaining partner and about possible changes in the bargaining positions of the coalition partners due to, for examples, popularity shocks. The expected payoff is the result of a lottery over the possible agreements that may emerge from future negotiations in the coalition committee. While our argument does not depend on the functional form of the distribution over possible agreements (such that p_i is the expected value), we assume a uniform distribution over $[p_i - e, p_i + e]$ where e parameterizes the uncertainty involved:

$$u_{ij}^{dispute} = \int_{p_i - e}^{p_i + e} -(x_{ij} - z)^2 \frac{1}{2e} dz = -\frac{e^2}{3} - \frac{(x_{ik} - x_{ij})^2}{4}.$$

The question is then under what conditions the second option is more attractive than the first one across the range of policy issues M . As k is the larger coalition party, assume that k controls a share $s > .5$ of the M portfolios while j is in charge of $1 - s$ of the M ministries. While both parties may prefer adopting of a dispute settlement mechanism, the potential agency loss of the smaller party j is larger so we consider j 's expected net incentive to provide for conflict settlement provisions:

$$\Delta u_j = \sum_{i=1}^M \left(u_{ij}^{dispute} - u_{ij}^{policy} \right) = -\frac{Me^2}{3} + \frac{M}{4}(d^2 + \sigma^2)\lambda(-2 + \lambda + 4s)$$

where we assume that the distances $|x_{ik} - x_{ij}|$ are independently drawn from a distribution with positive support, expected value or "average conflict" d and variance σ^2 .

The above equation implies that postponing settling an issue is preferred whenever $\frac{4e^2}{3(d^2 + \sigma^2)\lambda(\lambda + 4s - 2)} < 1$ but otherwise writing down an agreement is preferable. The inequality suggests that all four parameters of interest affect the incentive to adopt a coalition dispute

settlement mechanism. Postponing should be more likely when there is little uncertainty (e is small) about what future agreements will look like, when ministerial discretion is significant (λ is large), and when the potential for agency loss is large because of the ideological heterogeneity within the coalition (d is large). Finally, party j 's incentive to postpone gets larger, the larger the portfolio share of party k is.

Considering the comparative statics of the net incentive to make an agreement provides us with more specific conditions. First, as

$$\frac{\partial \Delta u_j}{\partial d} = \frac{M}{2} d \lambda (-2 + \lambda + 4s) > 0 \text{ if } s > \frac{1}{2} - \frac{\lambda}{4}$$

postponing becomes more likely as the range of policy positions becomes large. Also, j 's preference for postponing the issue becomes greater as ministerial discretion increases as

$$\frac{\partial \Delta u_j}{\partial \lambda} = \frac{M}{2} d^2 (-1 + \lambda + 2s) > 0 \text{ if } s > \frac{1}{2} - \frac{\lambda}{4}$$

and as

$$\frac{\partial \Delta u_j}{\partial s} = M d^2 \lambda > 0 \quad \text{and} \quad \frac{\partial \Delta u_j}{\partial e} = -\frac{2M}{3} < 0$$

postponing becomes more likely, the larger the portfolio share of the larger party k and the smaller the uncertainty about how the policy issue will be settled in the future. We finally note that there is an interaction effect between the size of the ideological conflict within the coalition and the imbalance of ministerial portfolio shares. As

$$\frac{\partial^2 \Delta u_j}{\partial d \partial s} = 2M d \lambda > 0$$

the smaller party j should have an even greater incentive to press for dispute resolution mechanisms when both the ideological conflict is large and the coalition partner k controls a large share of portfolios.

The results of the model can be summarized in five hypotheses that represent the empirical implications of our theoretical model.

Hypothesis 1 *The likelihood that the coalition contract provides for a dispute settlement mechanism increases as intra-coalition conflict increases.*

Hypothesis 2 *The likelihood that the coalition contract provides for a dispute settlement mechanism increases as the larger party controls a larger share of portfolios.*

Hypothesis 3 *The effect of intra-coalition conflict on the likelihood of dispute settlement mechanisms increases as the disparity in the coalition parties' portfolio allocation increases.*

Hypothesis 4 *The likelihood that the coalition contract provides for a dispute settlement mechanism increases as ministerial autonomy increases.*

Hypothesis 5 *The likelihood that the coalition contract provides for a dispute settlement mechanism decreases as uncertainty about how the policy issue will be settled in the future increases.*

Note, however, that the lack of variation in ministerial autonomy in the German Länder does not allow us to test the fourth hypothesis. Similarly, our data does not permit us to estimate the degree of uncertainty about future policy compromises needed to test the last hypothesis. However, we consider it important to spell out all the empirical implications of our theory as its application in different contexts may provide evidence to confirm or disconfirm the hypotheses. Not stating the hypotheses may, e.g., make it less likely that empirical findings regarding ministerial autonomy and dispute settlement mechanisms would be seen as speaking to the veracity of our theoretical argument.

Data and Methods

We evaluate our hypotheses using a qualitative and quantitative content analysis of coalition agreements and election manifestos. We focus on coalition agreements negotiated between government parties in the sixteen German Länder in the period between 1990 and 2013. Testing our expectations at the regional level has significant advantages (see also Snyder, 2001; Jeffery and Wincott, 2010). The institutional context and the basic structure of party competition and coalition formation are more or less the same across the Länder and have moreover remained relatively stable over time (see, e.g., Freitag and Vatter, 2008; Bräuninger and Debus, 2008, 2012; Däubler and Debus, 2009; Debus and Müller, 2013, 2014). The institutional structure is therefore held constant, thereby minimizing the potential confounding effects they may have. This is a distinct advantage over comparative analysis where the institutional context varies significantly across countries.

Coalition agreements have been common since the early 1960s in Germany — the last coalitions at the federal level that did not have written agreements were the Grand Coalition in 1966 and the coalitions between Social Democrats (SPD) and the liberal Free Democrats (FDP) in the 1970s (see also Sturm and Kropp, 1998; Kropp, 2001). In the time period under study, all coalition governments made use of written coalition agreements. Most of the agreements were made by coalitions that have more or less been the ‘norm’ in Germany since 1990 — i.e., coalitions between the Christian Democrats (CDU/CSU) and the FDP, between SPD and the Green Party, between CDU/CSU and SPD, and between SPD and the former communist PDS/Linke. Our data also includes coalitions that are unusual for the period under study. These include the coalitions formed by: SPD and FDP; CDU and the Greens; SPD, FDP and Greens; CDU, FDP and the Greens; and SPD, the Greens and the party of the Danish minority in Schleswig-Holstein. Our analysis also includes one coalition agreement written by representatives of SPD and the ‘Statt Partei’,

a populist protest party that was in government in the city state of Hamburg for two and a half years.

The theoretical framework offers an explanation for why coalitions choose different strategies in dealing with intra-coalitional policy differences. We have characterized these strategies in terms of their timing — the parties can either include a compromise on a particular policy in a formal coalition agreement at the time of the coalition's formation or they can create procedures for handling the disagreement over the policy at a later day. The theoretical framework suggests that the latter approach is more likely to be adopted when there is a greater degree of ideological heterogeneity within the coalition and when the difference in the coalition parties' legislative strength is greater. Moreover, ideological heterogeneity ought to matter more when the disparity in the coalition parties' strength is large. To evaluate whether the coalition parties behave in the manner hypothesized, we consider three characteristics of the coalition agreements: Whether the coalition agreement specifies a mechanism for dispute resolution, the number of words devoted to coalition management in the agreement, and the number of words devoted to the coalition's policy.

We use the full text of all coalition agreements drafted in the German Länder since 1990 to create the dependent variables (Bräuninger and Debus, 2008, 2012). The first dependent variable, inclusion of a dispute resolution mechanism, is a dichotomous variable. Ten of the 65 coalition agreements under study include a dispute resolution mechanism.⁴ For instance, CSU and FDP, who formed the state government in Bavaria from 2008 until 2013, mention in their coalition agreement that they will form a coalition committee. The coalition committee was scheduled to hold regular meetings and was charged with deciding on divisive issues that emerged during the legislative period. The second two

⁴Eight of the coalition agreements specify that disputes between coalition partners will be settled in the coalition committee. Five coalition agreements specify other ways of handling disputes. Thus, some of the agreements specify multiple ways of dealing with conflict. Robustness checks that consider alternative measures of dispute settlement mechanisms are presented in the appendix.

dependent variables capture the attention devoted to, respectively, policy and coalition management. Each section of the agreements was identified as dealing with either policy goals or procedural rules and we measure attention as the number of words devoted to each.

According to the theoretical model, the length of the policy and governance sections, as well as the existence of a dispute resolution mechanism, of a coalition agreement depend on the relative sizes of the coalition parties and the degree of ideological conflict between them. Information on the government composition in the German Länder and the parties' seat shares in the respective legislatures is readily available but information on the ideological position of state parties is more difficult to measure. As the policy position of the same party may vary both across time and space, as existing research has shown (see Bräuninger, 2009; Müller, 2009, 2013), measures of ideology that capture this variation are needed. The ideological positions of the parties in the German Länder are estimated using the 'Wordscores' technique, a computerized method that uses text to estimate positions of political actors (Laver, Benoit and Garry, 2003). The application of the method allows for the estimation of the ideological position of the Länder parties — using the full text of more than 400 election manifestos — on a general left-right axis (Bräuninger and Debus, 2012; Müller, 2013). The parties' ideological positions are used to calculate the ideological heterogeneity of the government coalitions. Ideological heterogeneity is measured as the *Ideological Range*, i.e., the difference between the left- and right-most parties in the coalition. Only three of the 65 coalitions consist of more than two parties. *Ideological Range* does, however, capture the theoretically relevant aspect of the coalition's ideological composition as each coalition partner is a veto player when it comes to forming the coalition and writing a coalition agreement. To capture the effect of the disparity in the size of the

coalition parties we calculate the standard deviation of the coalition parties' seat shares.⁵ An interaction between these two variables then allows us to test hypothesis 3.

Several control variables are considered. First, in considering the adoption of dispute resolution mechanisms, we control for how extensively the coalition agreement deals with policy. The reason for including the variable is not to suggest that the space devoted to policy in the agreement *causes* the adoption of dispute resolution mechanism but rather, as suggested by our theory, that coalition parties view these two methods of managing conflict as substitutes. Including the variable allows us to consider an alternative theoretical explanation; that some coalition face greater levels of conflict and that they, therefore, work harder in general to overcome conflict. If that were the case, one would expect coalitions to take all possible measures to contain conflict — thus writing more specific policy agreements *and* including mechanisms for dealing with conflict — and, hence, a positive relationship between the variables. Our theory, however, implies negative correlation between the dispute resolution mechanisms and the attention paid to policy in the coalition agreement.

Second, as the use of coalition agreements may have evolved as parties have learned to use them as a tool of managing coalition politics, we control for the year the coalition agreement was written. We also control for incumbent coalitions — coalitions that survive elections to stay in office for another term probably continue governing together for a reason. That is, they have managed to contain conflict within the coalition to the degree that they have survived until the end of the electoral term with the willingness to govern together intact. On average, they, therefore, either face less intra-coalition conflict or have been successful in developing procedures for dealing with conflict that they may choose to retain. Controls for the parties in the coalition are included to account for

⁵As shown by Linhart, Pappi and Schmitt (2008, see also Raabe and Linhart forthcoming), seat share is a good proxy for portfolio share as Gamson's Law describes portfolio allocation in the German Länder very well.

the possibility that they may differ in their propensity for writing coalition agreements that is unrelated to their ideological orientation or size.⁶ Such factors could be related to party organizations, e.g., a need to satisfy party activists or rules governing participation in government. Finally, an indicator variable for East Germany Länder to account for potential differences in political culture across the East and West.⁷

We use probit models to study the determinants of the inclusion of a dispute resolution mechanism, whereas we rely on negative binomial regression models to analyze the determinants of the length of the governance and policy sections of the coalition agreements.

Results and Discussion

The probit models for the inclusion of a dispute resolution mechanism are presented in Table 1. The first two columns suggest that both *Ideological Range* and *Seat Share S.D.* have the predicted effect, although *Ideological Range* fails to reach conventional levels of statistical significance in the second model where controls for the coalition parties are included. This is not altogether surprising since including the party dummies captures some of the variation in ideology. Models 3 and 4, which include the interaction between *Ideological Range* and *Seat Share S.D.*, are of greater interest. The coefficient for the interaction term is positive as hypothesized. The probability of a dispute resolution mechanism being adopted at different values of *Ideological Range* and *Seat Share S.D.* is shown in Figure 1 to facilitate interpretation of the results (model 4). The graph shows

⁶*STATT* and *Südschleswigscher Wählerverband* participated in one government each and, therefore, including separate variables for these parties amounts to dropping these observations. Governments that included either of these parties serve as the reference category.

⁷We also considered the importance of the state in terms of its representation in the Bundesrat and whether the coalition in the Land mirrored the federal coalition. Neither variable has a significant effect and the substantive results remain the same. A cursory look at the data suggests, however, that there are not clear differences across Länder, i.e., it does not appear to be the case that dispute resolution mechanisms have become a ‘convention’ in some state and not others — only in a single Land have coalitions adopted a dispute resolution mechanism more than once. Even so, we cluster standard errors by state to take account of the possible heterogeneity at the level of the Länder.

that the probability increases with *Ideological Range* provided the coalition parties' share of the portfolios are not too similar. The positive effect of *Seat Share S.D.* is clearly increasing in *Ideological Range*. Overall, these findings are consistent with our hypotheses.

In line with our expectations there is negative correlation between the emphasis on policy in the coalition agreement and the probability that a dispute resolution mechanism is adopted. Again, this suggests that including policy compromises and procedures for dispute resolutions are substitutes rather than complements. The estimated effects for the other control variables are consistent with expectations but are generally not statistically significant at the conventional levels. Thus, governments that renew their partnership appear to be slightly less likely to adopt a dispute resolution mechanism while there is little evidence of difference between the East and the West.⁸ Governments that include the CDU or the SPD, in particular, appear to be more likely to include a dispute resolution mechanism. Pre-electoral agreements make the use of dispute resolution mechanisms less likely as is expected — the existence of pre-electoral agreement suggest that the parties are not far apart ideologically and that they have had more time to settle their policy differences. There is a slight suggestion that dispute resolution mechanisms have become more common and that they are less likely to be needed when there has not been a change in the partisan composition of the coalition.

Dispute resolution mechanisms are the coalition management strategies that most clearly match our theoretical focus, i.e., the trade-off between settling on a compromise at the formation of the coalition versus putting the resolution of the issue of until later. Coalition agreements, however, generally discuss a variety of issues related to coalition governance, many of which appear geared towards monitoring coalition partners and

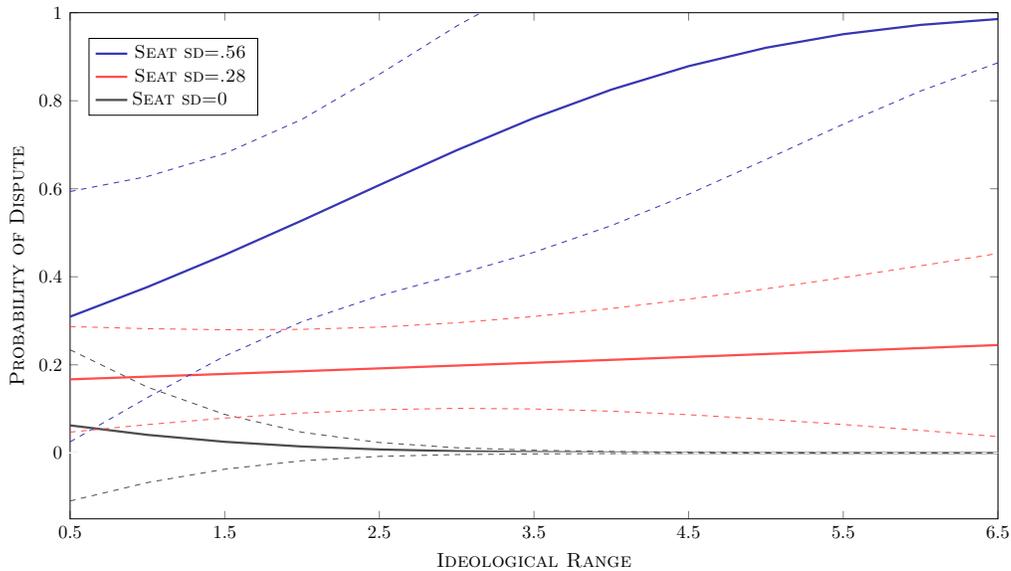
⁸Alternatively, one might argue that not just renewed partnership but any previous partnering in a coalition at the state level has helped developing procedures for dealing with conflict so that formal dispute settlement mechanisms are less needed. An additional control variable for previous partnerships has no discernible effect.

TABLE 1: INCLUSION OF DISPUTE RESOLUTION MECHANISM
—PROBIT MODELS—

	(1)	(2)	(3)	(4)
IDEOLOGICAL RANGE	0.24** (0.046)	0.11 (0.40)	-0.46 (0.21)	-0.62 (0.13)
SEAT SHARE S.D.	2.43 (0.15)	7.67*** (0.001)	-2.41 (0.44)	2.17 (0.60)
RANGE*SEAT SHARE S.D.			2.28* (0.061)	2.53** (0.040)
AGREEMENT LENGTH: POLICY	-0.037 (0.11)	-0.100*** (0.004)	-0.048* (0.075)	-0.11*** (<0.001)
PRE-ELECTORAL AGREEMENT	-0.61 (0.32)	-0.56 (0.44)	-0.79 (0.17)	-0.66 (0.37)
SPD		3.80** (0.026)		3.57** (0.048)
GREENS		0.97 (0.32)		1.60* (0.067)
FDP		0.57 (0.47)		0.33 (0.69)
PDS		2.06 (0.15)		2.63* (0.051)
CDU/CSU		2.10 (0.13)		2.79** (0.043)
YEAR	0.060* (0.072)	0.12*** (0.009)	0.056 (0.11)	0.098* (0.054)
INCUMBENT _{t-1}	-0.39 (0.44)	-1.01 (0.21)	-0.40 (0.45)	-0.84 (0.31)
EAST GERMANY	0.29 (0.53)	-0.20 (0.79)	0.14 (0.80)	-0.53 (0.52)
CONSTANT	-121.2* (0.068)	-242.6*** (0.007)	-111.2 (0.11)	-200.2** (0.050)
OBSERVATIONS	65	65	65	65
LOG LIKELIHOOD	-22.64	-18.82	-20.93	-17.64
χ^2	19.90	62.80	47.27	263.1

p-values in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

FIGURE 1: PROBABILITY OF DISPUTE RESOLUTION MECHANISM



providing venues for consultation and information exchange. In contrast with dispute resolution mechanism, the importance of the procedures or rules is unclear in some cases. In addition, the effectiveness of a particular procedures, e.g., those related to monitoring, is not obvious if they are not complemented with other institutions, e.g., how to deal with ministerial drift if discovered. We, thus, proceed on the assumption that there is some rhyme and reason to the decision to include particular coalition management mechanisms in the coalition agreement and that more space is devoted to coalition management in those circumstances where *ex post* mechanisms are expected to be more effective. The emphasis on coalition management in coalition agreements is measured by the number of words devoted to coalition governance issues. Similarly we measure the attention to policy by the number of words (in thousands) devoted to policy issues.

The results of the negative binomial regression for the emphasis on coalition management are reported in Table 2. Individually, *Ideological Range* and *Seat Share S.D.* don't have much effect on how extensively the coalition agreement discusses coalition management (see

TABLE 2: LENGTH OF COALITION AGREEMENT (GOVERNANCE):
—NEGATIVE BINOMIAL REGRESSION—

	(1)	(2)	(3)	(4)
IDEOLOGICAL RANGE	-0.031 (0.64)	-0.22** (0.044)	-0.008 (0.91)	-0.27** (0.015)
SEAT SHARE S.D.	-0.63 (0.19)	-1.81*** (0.005)	-0.35 (0.51)	-2.05** (0.012)
RANGE*SEAT SHARE S.D.		0.60 (0.11)		0.91*** (<0.001)
PRE-ELECTORAL AGREEMENT	-0.090 (0.51)	-0.12 (0.37)	-0.052 (0.72)	-0.077 (0.59)
SPD			-0.057 (0.91)	-0.21 (0.70)
GREENS			0.085 (0.79)	0.27 (0.38)
FDP			-0.27 (0.32)	-0.40 (0.19)
PDS			-0.097 (0.84)	0.084 (0.85)
CDU/CSU			0.15 (0.72)	0.36 (0.30)
YEAR	0.016 (0.16)	0.013 (0.22)	0.018 (0.17)	0.010 (0.42)
INCUMBENT _{t-1}	0.024 (0.86)	0.022 (0.86)	0.034 (0.81)	0.051 (0.69)
AGREEMENT LENGTH: POLICY	-0.006 (0.38)	-0.006 (0.29)	-0.008 (0.39)	-0.008 (0.39)
EAST GERMANY	0.37* (0.068)	0.31 (0.14)	0.38* (0.077)	0.28 (0.20)
CONSTANT	-26.8 (0.26)	-19.2 (0.36)	-30.6 (0.26)	-14.0 (0.59)
ln(α)	-0.21 (0.63)	-0.23 (0.62)	-0.22 (0.62)	-0.25 (0.59)
OBSERVATIONS	65	65	65	65
LOG LIKELIHOOD	-443.5	-443.0	-443.1	-442.3
χ^2	10.35	17.95	1247.0	462.6

p-values in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

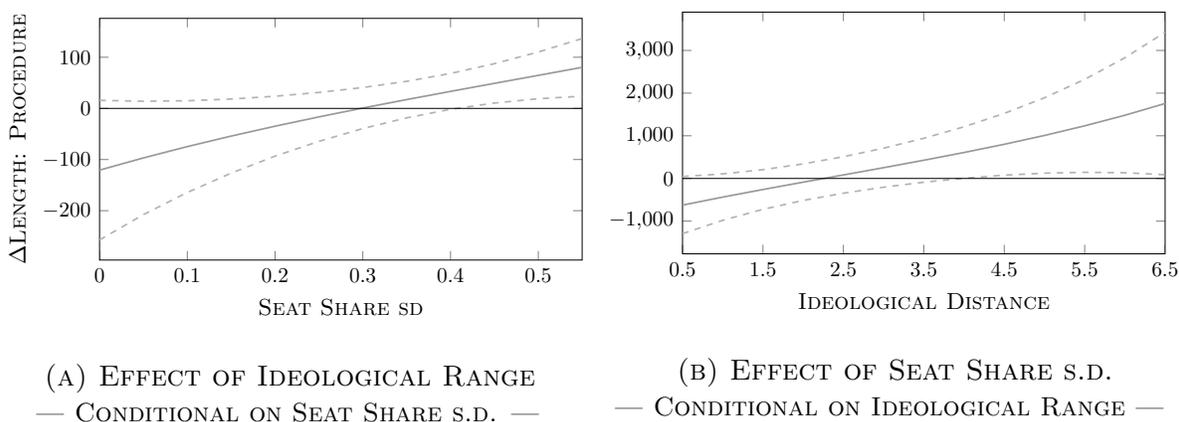


FIGURE 2: NUMBER OF WORDS ABOUT COALITION MANAGEMENT

columns 1 & 3). However, when the interaction of the variables is considered the relationship becomes quite clear. The coefficient for the interaction term is positive, indicating that coalition management is addressed at greater length when a large ideological range and disparity in the parties' seat share go together. To illustrate this argument more clearly, Figure 2 graphs the marginal effects of each of the two variables conditional on the values of the other variable. Both figures show that the marginal effect is increasing in the conditioning variable. The estimated marginal effects of the variables are negative for low values of the conditioning variables but not with a high degree of statistical certainty.⁹ For high values of the conditioning variables the marginal effects are statistically significant at the conventional levels.

While our theoretical model was motivated by the question of when coalition management mechanisms are adopted, it is nevertheless interesting to consider whether *Ideological Range* and *Seat Share S.D.* affect the amount of attention coalition parties devote to policy statement in their coalition agreements. In justifying our choice of control variables we mentioned one reason why this question is interesting; it is quite reasonable to simply

⁹For *Ideological Range*, the negative effect is only just statistically significant at the 95% level and for *Seat Share S.D.* it fails to reach that level of statistical significance.

expect fractious coalitions to tie more policies down in the coalition agreement while simultaneously creating mechanisms for solving conflict over issues that remain or are likely to come up. If that were true, we would expect to see the same patterns with respect to the length of the coalition agreement as when we analyzed the dispute resolution mechanisms and the space devoted to coalition management in the agreements.

We estimate negative binomial models similar to those estimated for the amount of attention devoted to coalition management mechanisms except that we consider two additional independent variables. First, included is a measure of the presence of dispute resolution mechanism in the coalition agreement to test the argument that parties consider the different coalition management mechanisms as substitutes. Second, we control for the total number of words in the coalition parties' election manifestos. There are several reasons why one might want to control for the length of the coalition manifestos. Parties that have public stated policies on numerous issues may be more aware of each other's policy differences, may need to signal action on more issues to their constituents, or the parties may choose to include items from their manifestos that no disagreement is about in the coalition agreement for the simple reason that it is easy to do so.¹⁰

The results, in Table 3, are intriguing. Contrary to what one might have expected, *Ideological Range* actually has a slight negative effect on the number of words devoted to policy in the coalition agreement while the effect of *Seat Share S.D.* is positive but not statistically significant. Moreover, the interaction between the two variables is not statistically significant. Figure 3 graphs the conditional marginal effects of the variables to confirm those conclusions graphically. The total number of words in the coalition parties manifestos has positive effect although the effect is not statistically significant when controlling for coalition membership, suggesting that some parties tend to write

¹⁰If no disagreement exists, the policy has a high likelihood of being implemented allowing the parties to claim credit for the action ahead of the next election.

TABLE 3: LENGTH OF COALITION AGREEMENT (POLICY):
—NEGATIVE BINOMIAL REGRESSION—

	(1)	(2)	(3)	(4)
IDEOLOGICAL RANGE	-0.093** (0.025)	-0.25*** (<0.001)	-0.11*** (0.006)	-0.23*** (<0.001)
SEAT SHARE S.D.	-0.57 (0.14)	-1.45*** (0.006)	0.84** (0.012)	0.21 (0.67)
RANGE*SEAT SHARE S.D.		0.50* (0.077)		0.41** (0.018)
PRE-ELECTORAL AGREEMENT	-0.17 (0.20)	-0.20 (0.14)	0.025 (0.82)	0.013 (0.91)
SPD			1.45*** (<0.001)	1.41*** (<0.001)
GREENS			0.74*** (<0.001)	0.81*** (<0.001)
FDP			0.41 (0.18)	0.33 (0.32)
PDS			1.01*** (<0.001)	1.06*** (<0.001)
CDU/CSU			0.89*** (<0.001)	1.01*** (<0.001)
YEAR	0.010 (0.23)	0.008 (0.32)	0.021*** (<0.001)	0.019*** (0.002)
INCUMBENT _{t-1}	0.23*** (0.006)	0.25*** (0.003)	0.027 (0.74)	0.035 (0.67)
WORDS IN MANIFESTOS (GOV'T)	0.008 (0.11)	0.008* (0.091)	0.003 (0.53)	0.003 (0.55)
DISPUTE RESOLUTION MECH.	-0.19 (0.17)	-0.24* (0.096)	-0.34*** (<0.001)	-0.38*** (<0.001)
EAST GERMANY	-0.48*** (0.003)	-0.50*** (0.001)	-0.51*** (<0.001)	-0.54*** (<0.001)
CONSTANT	-17.7 (0.31)	-13.3 (0.43)	-41.8*** (<0.001)	-36.6*** (0.003)
ln(α)	-1.97*** (<0.001)	-2.03*** (<0.001)	-2.90*** (<0.001)	-2.98*** (<0.001)
OBSERVATIONS	65	65	65	65
LOG LIKELIHOOD	-229.8	-228.3	-210.7	-209.3
χ^2	125.4	289.0	2648.0	.

p-values in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

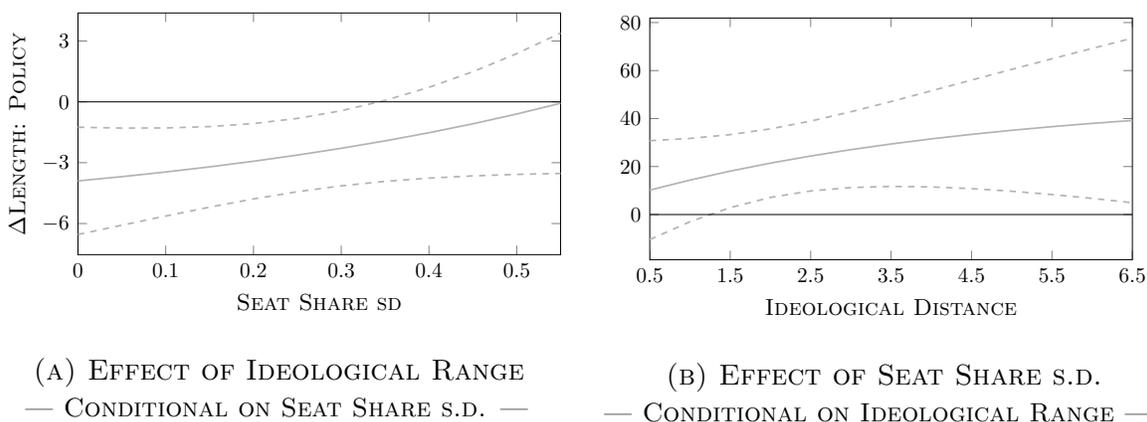


FIGURE 3: NUMBER OF WORDS ABOUT POLICY

both long manifestos and long coalition agreements. The idea that policy agreements and dispute resolution mechanisms are substitutes finds support as before (see Table 1) with the presence of dispute resolution mechanisms reducing the numbers of words devoted to policy. Overall then, the results show that the emphasis on policy in coalition agreements is quite different from the dynamic that governs the inclusion of coalition management procedures. That is, the results are consistent with our theoretical model in that the results are unlikely to be the function of some coalitions anticipating more conflict and, as a result, resorting to any tool available for managing intra-coalitional conflict.

To summarize our findings, coalitions that are ideologically heterogeneous and are composed of parties that differ in size are more likely to adopt mechanisms to deal with conflict — and are especially likely to do so when the coalition is characterized by both of these factors. Our research design takes advantage of the fact that there is great deal of similarity across the German Länder in terms of political institutions and the structure of party competition, which allows us to attribute the variance in coalition agreements to the coalition characteristics with greater certainty than is possible in analyzing coalition agreements in cross national context. Thus, our research design helps develop a general understanding of how political parties navigate the uncertainty and policy disagreements

when it comes to coalition governance. That is, of course, not to say that the trade-off between formulating compromises at the formation of the coalition versus postponing the resolution of conflict is not affected by other political institutions and coalition management mechanisms.

The literature has identified several ways in which coalitions seek to manage policy drift or agency loss, e.g., by means of ‘watch-dog’ junior ministers (Thies, 2001), scrutiny in legislative committees (Martin and Vanberg, 2011), and oversight by committee chairs (Kim and Loewenberg, 2005). One thing to note about these strategies for dealing with agency loss is that they, to a degree, aim at catching errant coalition parties or ministers and, thus, appear to presuppose that there exists a compromise position against which proposed legislation can be measured.¹¹ Thus, in one view, these strategies resemble ‘police patrols’ (McCubbins and Schwartz, 1984) in that they serve to alert coalition parties to transgressions on behalf of their partners. In some cases, e.g., where the parties have previously reached an agreement, that may be enough and a corrective action can be taken with reference to the coalition’s collective understanding of what was agreed upon. In other cases, however, the coalition may not have such an understanding and may not agree on what the appropriate solution is. In the case of less important issues, it may be possible to work out a solution, e.g., within a coalition committee. Other issues may be regarded by the coalition parties as reflecting more fundamental differences that cannot easily be settled by a simple amendment or a quick consultation between ministers and/or party leaders. While there is convincing evidence suggesting that the appointments of junior ministers and committee chairs are dictated by concerns about agency loss, relatively little is known about how coalitions respond when policy drift is discovered — with the notable exception

¹¹These mechanisms may, of course, also have a function in identify issues that are new or no conflict was initially assumed to exist.

of Fortunato, Martin and Vanberg (2014) who show that more legislative amendments are offered when the committee chair is not the portfolio minister's co-partisan.

Although dispute resolution mechanisms and the mechanisms for monitoring agency loss can be seen as being directed at targeting different aspects of the same underlying problem it is still reasonable to expect that the choice to adopt different mechanisms are not independent. As discussed above, Indridason and Kristinsson (2013), for example, argue that decisions to write coalition agreements, how extensive to make them, and the adoption of 'watch dog' junior ministers are interdependent. Similar logic applies to the decision to adopt dispute resolution mechanisms — the presence of alternative institutional measures for managing policy drift should affect the trade-off between negotiating policy compromises at the coalition's formation or postponing the resolution of policy differences until later. Where coalitions adopt 'fire alarms', policy drift and contentious issues are more likely to be brought to light and, thereby, increasing the need for procedures for managing the divergent interests of the parties. However, if, as we have argued, policy compromises in coalition agreements and dispute resolution mechanisms are substitutes, then the use of 'fire alarms' implies that coalitions should either write more comprehensive coalition agreements or adopt stronger dispute resolution procedures (or both). The question then is whether 'watch dog' junior ministers and committee chairs affect the trade-off between negotiating a compromise on an issue now or postponing its resolution. That question is beyond the scope of our analysis here but we offer two conjectures. First, more detailed coalition agreements make monitoring, in some sense, easier — more detailed agreements provide clearer benchmark against which the actions of the coalition partners or individual ministers can be judged. Second, a greater degree of monitoring makes it more likely that policy drift, or policy disagreements, is uncovered, which increases the value of institutional mechanisms for settling the issue.

It bears noting that the two conjectures are potentially contradictory, that is, if our findings here are correct. More theoretical and empirical work is needed to provide a more complete picture of how coalitions choose from the arsenal of coalition management mechanisms. Most of the literature has focused on a single tool, among the many available, for managing coalitions. That strategy has provided important insights but the challenge ahead is to figure out how the different mechanisms interact with one another and how those interactions influence the choices coalitions make. The complex nature of the problem also highlights the value of our research design — it in effect limits the scope of mechanisms available to the coalitions under study and, therefore, allows us to evaluate our theoretical model of how coalition parties choose between two of these mechanisms — written policy agreements and dispute resolution mechanisms. With an understanding of this relationship, we hope to extend our theoretical framework to offer further insights into coalition management strategies in future work.

Conclusion

A considerable body of work on coalition agreements sees them as contracts between partners. Policy outputs are the main focus of the contracts either as part of pre-election joint manifestoes on which parties collectively campaign or — post-election — as a blueprint for government. However, making agreements is quite different from keeping them and the literature has identified a number of mechanisms that will help monitor — but not necessarily resolve — violations of the agreement. Here our emphasis has been on how the coalition agreement itself is a means by which partners can resolve conflict.

We have shown that coalitions develop agreements that have both *ex-ante* provisions (by having specific provisions) and *ex-post* provisions (by having a dispute resolution mechanism). We developed a model that predicts the conditions under which coalitions

choose ex-post provisions rather than ex-ante ones in addressing a particular policy issue. The content of the coalition agreements is conditioned on both the ideological range of the coalitions as well as on the variation in the size of the coalition partners. Importantly, our focus on coalition agreements on the German Länder implies that the observed differences can not be attributed to variation in institutional contexts, which has been one of the challenges in cross-national work on coalition agreements

Monitoring (junior ministers and committee chairs) as well as legislative redress (floor or committee amendments) have received — quite rightly — a great deal of attention in the study of the management of intra-coalition conflict. While these are important mechanisms, they do rush past the question of the degree to which the contracting parties are aware of likely problems in their relationship. Moreover, they often do not consider what happens when issues cannot be resolved by offering amendments or simple monitoring. Our study highlights these broader issues of coalition government by placing problems within a framework of contracts. In circumstances in which only incomplete contracts are possible, it is important for the partners to the contract to specify mechanisms to address conflicts that cannot currently be resolved or may arise in the future.

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Appendix

Summary Statistics

TABLE 4: SUMMARY STATISTICS

Variable	Mean	Std. Dev.	Min.	Max.
IDEOLOGICAL RANGE	1.781	1.36	0.166	6.639
SEAT SHARE S.D.	0.311	0.175	0	0.564
AGREEMENT LENGTH: POLICY	21.392	12.493	4.039	61.885
AGREEMENT LENGTH: GOVERNANCE	0.355	0.243	0	1.12
INCUMBENT _{t-1}	0.308	0.465	0	1
EAST GERMANY	0.308	0.465	0	1
N	65			

Other Specifications of Dispute Resolution Mechanism

Here we present a couple of robustness checks for the models of the inclusion of a dispute resolution mechanism. In coding the inclusion of a dispute resolution mechanism we distinguished between the use of coalition committees for dispute resolution and other mechanisms for dispute resolution. Coalition committees were the most common form of dispute resolution but in a couple of instances the coalition agreement only specified other mechanisms and in a few cases other mechanisms were included in the agreement in addition to coalition committees. Below we present the results of probit models where the dependent variables is the inclusion of coalition committee charged with resolution mechanisms (thus excluding other dispute resolution procedures in the agreements and negative binomial models where the dependent variable can take the values 0 (no dispute resolution mechanism), 1 (either a coalition committee or some other form of dispute resolution), or 2 (both a coalition committee and some other dispute resolution mechanism).

The results in Tables 5 and 6 show that our findings are robust to the different codings of the dependent variable.

TABLE 5: INCLUSION OF COALITION COMMITTEE
—PROBIT MODELS—

	(1)	(2)	(3)	(4)
IDEOLOGICAL RANGE	0.056 (0.72)	-0.21 (0.32)	-0.83** (0.042)	-1.63*** (0.006)
SEAT SHARE S.D.	1.49 (0.35)	4.54** (0.030)	-4.92 (0.16)	-5.39 (0.13)
RANGE*SEAT SHARE S.D.			3.03** (0.017)	4.70*** (0.001)
AGREEMENT LENGTH: POLICY	-0.067*** (0.004)	-0.14*** (0.002)	-0.090*** (0.002)	-0.18*** (0.002)
PRE-ELECTORAL AGREEMENT	-0.93 (0.21)	-0.90 (0.24)	-1.19 (0.11)	-1.23 (0.10)
SPD		3.52* (0.065)		3.38* (0.064)
GREENS		0.26 (0.80)		1.38 (0.15)
FDP		1.15 (0.23)		1.10 (0.14)
CDU/CSU		0.95 (0.53)		2.29 (0.16)
YEAR	0.081*** (0.002)	0.15*** (0.003)	0.082*** (0.004)	0.14** (0.021)
INCUMBENT _{t-1}	-0.59 (0.27)	-1.27 (0.14)	-0.64 (0.34)	-1.31 (0.25)
EAST GERMANY	0.021 (0.95)	-0.25 (0.72)	-0.24 (0.58)	-0.73 (0.42)
CONSTANT	-162.9*** (0.002)	-303.3*** (0.003)	-162.8*** (0.004)	-278.0** (0.021)
OBSERVATIONS	65	60	65	60
LOG LIKELIHOOD	-18.61	-14.51	-16.36	-12.93
χ^2	23.87	62.92	67.98	635.3

p-values in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

TABLE 6: NUMBER OF DISPUTE RESOLUTION MECHANISM (0,1,2)
— NEGATIVE BINOMIAL REGRESSION —

	(1)	(2)	(3)	(4)
IDEOLOGICAL RANGE	0.28 (0.23)	0.14 (0.46)	-0.68 (0.17)	-0.61 (0.24)
SEAT SHARE S.D.	3.94* (0.094)	6.02** (0.015)	-2.73 (0.50)	0.39 (0.94)
RANGE*SEAT SHARE S.D.			2.93** (0.015)	2.51* (0.090)
AGREEMENT LENGTH: POLICY	-0.073** (0.023)	-0.13*** (0.006)	-0.081** (0.033)	-0.13** (0.010)
SPD		1.62 (0.47)		1.49 (0.55)
GREENS		0.65 (0.40)		1.24 (0.10)
FDP		-0.16 (0.85)		-0.18 (0.84)
PDS		0.35 (0.82)		0.97 (0.55)
CDU/CSU		-0.011 (0.99)		0.74 (0.67)
YEAR	0.068* (0.062)	0.13 (0.10)	0.071* (0.074)	0.11 (0.23)
INCUMBENT _{t-1}	-0.35 (0.73)	-0.69 (0.63)	-0.47 (0.61)	-0.54 (0.71)
PRE-ELECTORAL AGREEMENT	-1.41 (0.11)	-1.18 (0.34)	-1.36 (0.12)	-1.13 (0.38)
EAST GERMANY	0.15 (0.83)	0.25 (0.84)	0.12 (0.88)	0.013 (0.99)
CONSTANT	-138.2* (0.056)	-263.2 (0.10)	-141.6* (0.072)	-216.5 (0.23)
ln(α)	-221.5 (.)	-15.3*** (<0.001)	-15.6*** (<0.001)	-15.2*** (<0.001)
OBSERVATIONS	65	65	65	65
LOG LIKELIHOOD	-28.83	-25.96	-27.12	-25.25
χ^2	17.74	2364.3	51.75	2711.3

p-values in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

The analysis of the emphasis on policy and coalition management mechanisms in the paper used the number of words dedicated to each as the dependent variables. Alternatively, one could consider what proportion of the coalition agreement is devoted to policy or coalition management. While proportions do make certain sense in this context it bears noting that proportions effectively contain less information than the number of words — two coalition agreements that devote 50% of the space to policy are very different if their length differs a great deal. Nevertheless, it is interesting to consider whether similar results obtain when considering proportions instead of number of words. Tables 7 and 8 replicate the analysis of emphasis on coalition management and policy (Tables 2 and 3 in the paper) where the number of words are replaced by the share of words in the agreement and the estimated models are ordinary least square regressions.

TABLE 7: SHARE OF COALITION AGREEMENT (POLICY)

	(1)	(2)	(3)	(4)
IDEOLOGICAL RANGE	-2.41**	-5.19**	-2.63**	-4.25*
	(0.015)	(0.015)	(0.013)	(0.059)
SEAT SHARE S.D.	-11.5	-28.4**	9.09	-0.56
	(0.15)	(0.048)	(0.30)	(0.97)
RANGE*SEAT SHARE S.D.		9.20		5.80
		(0.18)		(0.36)
PRE-ELECTORAL AGREEMENT	-4.02	-4.50	-0.31	-0.47
	(0.17)	(0.14)	(0.90)	(0.86)
SPD			19.7**	19.1*
			(0.042)	(0.065)
GREENS			12.7***	13.9***
			(0.0098)	(0.0049)
FDP			4.80	3.90
			(0.47)	(0.58)
PDS			14.4*	15.5*
			(0.077)	(0.062)
CDU/CSU			9.50	11.3*
			(0.11)	(0.063)
YEAR	0.15	0.11	0.35*	0.31
	(0.46)	(0.60)	(0.070)	(0.16)
INCUMBENT _{t-1}	5.06**	5.05**	1.67	1.78
	(0.029)	(0.027)	(0.36)	(0.35)
WORDS IN MANIFESTOS (GOV'T)	0.13	0.13	-0.018	-0.016
	(0.33)	(0.33)	(0.89)	(0.91)
DISPUTE RESOLUTION MECH.	-2.52	-3.63	-5.70*	-6.28**
	(0.40)	(0.27)	(0.076)	(0.046)
EAST GERMANY	-9.54**	-10.1**	-9.11**	-9.56**
	(0.023)	(0.016)	(0.017)	(0.010)
CONSTANT	-281.7	-191.3	-706.2*	-611.5
	(0.50)	(0.65)	(0.072)	(0.17)
OBSERVATIONS	65	65	65	65
R ²	0.402	0.423	0.639	0.645

p-values in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

TABLE 8: SHARE OF COALITION AGREEMENT (GOVERNANCE)

	(1)	(2)	(3)	(4)
IDEOLOGICAL RANGE	-0.0024 (0.29)	-0.0083** (0.049)	-0.0011 (0.74)	-0.0077 (0.13)
SEAT SHARE S.D.	0.0082 (0.74)	-0.028 (0.35)	-0.023 (0.26)	-0.064** (0.024)
RANGE*SEAT SHARE S.D.		0.019 (0.20)		0.023* (0.089)
PRE-ELECTORAL AGREEMENT	-0.0045 (0.31)	-0.0055 (0.25)	-0.0070 (0.27)	-0.0075 (0.26)
SPD			-0.030 (0.38)	-0.033 (0.34)
GREENS			-0.010 (0.60)	-0.0048 (0.80)
FDP			-0.011 (0.56)	-0.014 (0.41)
PDS			-0.017 (0.53)	-0.011 (0.62)
CDU/CSU			-0.024 (0.32)	-0.017 (0.45)
YEAR	-0.00028 (0.53)	-0.00037 (0.40)	-0.00046 (0.44)	-0.00065 (0.30)
INCUMBENT _{t-1}	-0.00054 (0.90)	-0.000095 (0.98)	0.0027 (0.61)	0.0036 (0.48)
AGREEMENT LENGTH: POLICY	-0.00095*** (0.0046)	-0.0010*** (0.0036)	-0.00085* (0.068)	-0.00089* (0.061)
EAST GERMANY	0.016 (0.11)	0.014 (0.16)	0.020* (0.095)	0.017 (0.13)
CONSTANT	0.60 (0.50)	0.80 (0.37)	1.01 (0.41)	1.40 (0.28)
OBSERVATIONS	65	65	65	65
R ²	0.375	0.392	0.395	0.414

p-values in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$