CHALLENGING GOVERNMENT:

INSTITUTIONAL ARRANGEMENTS, POLICY SHOCKS, AND NO-CONFIDENCE

MOTIONS

A Dissertation

by

LARON KENNETH WILLIAMS

Submitted to the Office of Graduate Studies of
Texas A&M University
in partial fulfillment of the requirements for the degree of

DOCTOR OF PHILOSOPHY

December 2008

Major Subject: Political Science

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ABSTRACT

Challenging Government: Institutional Arrangements, Policy Shocks, and No-

Confidence Motions. (December 2008)

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Our understanding of parliamentary politics suggests that no-confidence motions

have a critical place in government continuation, reorganization and termination. More

specifically, we know that opposition parties use no-confidence motions as a way of

removing the government and potentially inducing early elections. Up until now, we

know little about either the causes or the consequences of no-confidence motions.

In this dissertation, I first develop a formal model of the conditions under which

an opposition party will threaten to propose (and eventually propose) a no-confidence

motion in the government. The model provides a number of intuitive observations about

the behavior of opposition parties and the reactions of governments to challenges. I

develop a competence-based theory where opposition parties signal their perception of

the government's competence with no-confidence motions. In the game, opposition

parties act both in terms of short-term gains as well as long-term electoral gains. This

model provides intuitive answers that help us understand the circumstances under which

the opposition will challenge the government. The model also provides empirical

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expectations regarding the probability that the motion is successful, in addition to its long-term electoral consequences.

Next, I test the theoretical propositions regarding the occurrence of no-confidence motions on a cross-sectional time-series data set of all no-confidence motions in a sample of parliamentary democracies in the post-World War II era. Even though successful no-confidence motions are relatively rare, they can have profound consequences on policy outcomes. The next section illustrates these consequences, as I find that having a no-confidence motion proposed against them makes governments more likely to be targeted by other states in international conflicts. In the conclusion I summarize the key findings, present the broad implications for the study of parliamentary decision making, and discuss avenues for future research.

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Thanks also to my friends, colleagues, and staff at Texas A&M for making my time here a tremendous experience.

Finally, thanks to my parents for making sure that I always had the opportunities needed to be successful. Thanks to my brother who taught me how to live. All my love goes to my wife, Amanda, for supporting me with her endless patience and unconditional love.

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CHAPTER I

INTRODUCTION

The principal distinction between presidential and parliamentary regimes is that

the executive in a parliament is elected by the parliament (not directly by popular vote)

and depends on the support of parliament to govern (e.g., Shugart and Carey 1992;

Lijphart 1999). Thus, parliamentary governments face the constant possibility of being

removed by parliament. While there has been some attention to the dynamic of

confidence measures in the literature on parliamentary governments, the overwhelming

focus has been on those occasions where governments have actually been removed.

Such cases are a small fraction of the total number of no-confidence motions. In this

dissertation I present a more thorough consideration of the role that confidence measures

play in parliamentary systems of government. I argue that we need to understand the

usage of confidence measures by opposition lawmakers when they are not successful in

bringing down governments. Understanding this dynamic enlightens our understanding

of a wide range of parliamentary behavior.

Laver and Schofield (1990) point toward the importance of parliamentary

support at two stages in the life cycle of a government. First, institutional rules often

require that prospective governments receive a vote of majority support before the

government can take office (i.e., investiture votes).[1] The second stage where confidence

is important is that the government must always be able to assemble majority support if

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This dissertation follows the style of *the American Political Science Review*.

[1] Some systems require a simple majority of support on an investiture vote rather than an absolute majority (Bergman et al. 2006).

it is challenged by the opposition (Laver and Schofield 1990). Since there are substantial

differences within parliamentary regimes concerning how the parliament chooses the

executive (see De Winter 1995 for a survey), Strom (2000) produces a minimalist

definition of parliamentary governments that relies only on the confidence of the

parliament for survival (not formation): "parliamentary government is a system of

government in which the Prime Minister and his or her cabinet are accountable to any

majority of the members of parliament and can be voted out of office by the latter"

(Muller, Bergman, and Strom 2006: 13). With the exclusion of the criterion concerning

parliamentary selection of the executive, the Strom (2000) definition excludes

Switzerland but includes France as a parliamentary democracy. Since this dissertation is

driven by the notion of executive responsibility to the parliament, I utilize this

conceptualization of parliamentary governments.

The traditional view of parliamentary democracies in which the parliament is

dominant over the government is partially a by-product of over-emphasis on majoritarian

Westminster-style of parliamentary democracy. Rather, this characterization has

evolved into one in which the parliament delegates a great deal of authority to the

cabinet (Strom 2000). Yet, the government is still indirectly accountable to the public

through the actions of the parliament. In this sense, accountability represents an

interaction between political principals (voters) and institutional agents chosen to act on

their behalf (government) (Laver and Shepsle 1999). If the principals delegate authority

to agents who do not have compatible interests to the principal, then delegation may

generate agency problems (Strom 2000: 270). Strom (2000) describes the possibility that

the agent either shirks (by not acting in the best interest of the principal), or sabotages (by acting contrary to the interest of the principal). When the principals do not know the preferences of the agents, the possibility of adverse selection arises. Alternatively, when the principals cannot fully observe the agent's actions, then a moral hazard problem occurs (see also Strom 2006).

Another principal-agent interaction is between the parliament (principal) and the cabinet/PM (agent). In this interaction, no-confidence motions play a pivotal role in monitoring the behavior of the principal. In parliamentary systems, the parliament has the ability to dismiss a government for political reasons via a no-confidence motion. The rules regarding the powers of "positive" and "negative" resignation[2] dictate how much *ex post* control the parliament has in ensuring the agent performs as desired (Saalfeld 2000). Laver and Shepsle (1999) describe this dynamic:

> The capacity of parliamentary principals to discern agent performance, to sanction it if necessary, and thus to condition, incentivize, and constrain agent behavior so that performance is accountable, depends on the institutional mechanisms available to the principals for making and breaking governments (285).

The mechanisms of accountability in parliamentary systems stem from the impacts of successful no-confidence motions. Figure 1 shows the institutional weapons available for the government and opposition that utilize parliamentary responsibility.

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[2] De Winter (1995) differentiates between "positive" and "negative" resignation based on the ease in which the government is dismissed. Under positive resignation powers, the motion requires either an absolute majority or an alternative motion (constructive vote of confidence).

Figure 1: Diagram of the Available Tools Regarding Parliamentary Confidence in Government
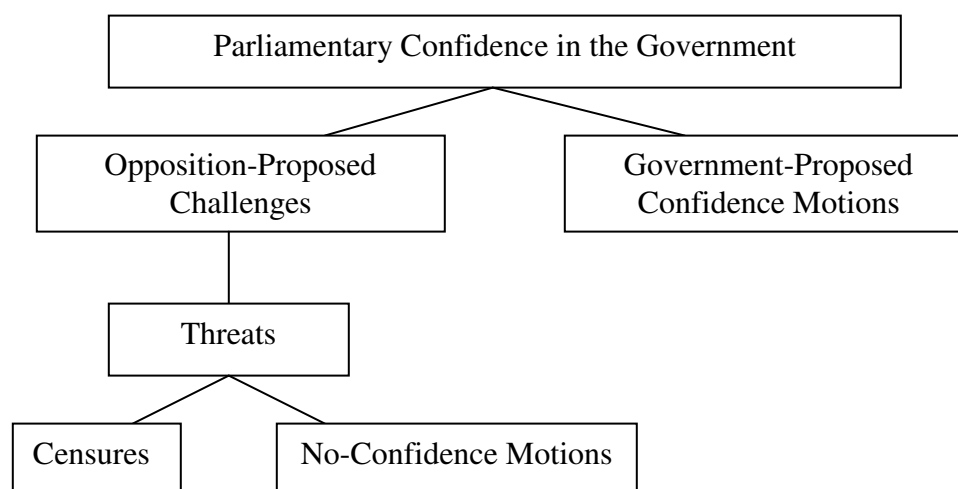
The opposition can challenge the government, which is a broad term encompassing both censure votes, threats of no-confidence, and actual no-confidence motions.[3] The first step in challenging the government is usually a threat, which invites a government response. If the government's response is unsatisfactory to the opposition, then it can either vote to censure the government or propose no-confidence motions.[4] Unlike defeats on other types of legislation, the government is required to resign following defeat on a no-confidence motion.[5] The head of state is then traditionally allowed to either choose a formateur to try to form another government, or simply

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[3] Thus, when I refer to opposition challenges, I mean the broad class of challenges to the government's rule. Other times, I will refer only to no-confidence motions.

[4] The difference between the two terms is more of a result from different preference of terms in certain states (i.e., France) rather than any sort of significant difference.

[5] See Laver and Schofield (1990:65; see also De Winter 2005) for exceptions to this requirement.

dissolve the parliament and call for early elections.[6] Yet, the government also can

benefit from the parliament's "dismissal power" (Lupia and Strom 1995). In some

parliamentary democracies, the government can tie a confidence motion to any sort of

legislation. This implies that defeat on the legislation would result in the defeat of the

government and presumably new elections. Threatening early elections (by losing a

confidence motion) may entice rogue members of governing parties to vote with the

government, as illustrated by the example of British Tories in 1993 threatening to vote

against the government position on the Maastricht Treaty (Huber 1996; see also Huber

and McCarty 2001). Government dependence on the parliament is the defining feature of

parliamentary democracies. As I will show in the next section, no-confidence motions

affect the study of parliamentary politics in all four areas. Unfortunately, we know very

little about when and why no-confidence motions occur. The little information we have

is gained through theoretical and empirical analysis that is focused on areas other

challenges.

No-Confidence Motions and Parliamentary Decision Making

In this section I examine how the literature has evaluated no-confidence motions

within each area of the study of parliamentary decision making. The majority of

theoretical and empirical analyses on multi-party governments fall into the following

four broad categories (Grofman and van Roozendaal 1994): government formation,

portfolio allocation, policy formation, and government termination. Opposition

challenges are theoretically linked to each of these emphases. Since government parties

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[6] For example, the Canadian Governor-General (head of state) has the ability to deny the Prime Minister
the ability to dissolve parliament following a successful no-confidence motion.

are elected to represent the interests of the voters, it is reasonable to first review the mechanisms that affect how parties are selected to form governments.

For example, Baron (1993) finds that the institutions dictating the government formation process affect how dispersed the political positions of parties are and how closely they represent their party's supporters. Differences in these mechanisms explain the empirical discrepancy between the dispersed policy positions that parties take and the centralized, median-voter positions that they are hypothesized to occupy. Moreover, Crombez (1996) finds that the type of government formed (minority, minimal winning, surplus majority) depends on the size of the largest party and the centrality of its location in the policy space. Warwick (1996) examines the factors influencing whether a party is chosen as the formateur and then which parties join the formateur in forming a government (see also Merlo 1997; Martin and Stevenson 2001; Laver 1998).

Parties are enticed into joining coalition governments by the prospect of controlling cabinet ministries. The allocation of these portfolios is both a source and consequence of intra-coalition bargaining (Budge and Keman 1990; Austen-Smith and Banks 1990; Laver and Shepsle 1996; Warwick and Druckman 2001). The best predictor of the number of cabinet portfolios allocated to each party is the percentage of government seats held by that party (Browne and Franklin 1973; Browne and Frendreis 1980), with a bias in favor of smaller parties (Budge and Keman 1990). Additionally, Mansergh (1999) finds that government policy is biased toward the position of the cabinet party that had the highest improvement in seat share in the most recent elections. The logic behind this is that this party's electoral upswing strengthens the party's

bargaining position. These empirical results are at odds with the theoretical proposition that the formateur party will have a disproportionate number of cabinet portfolios (Baron and Ferejohn 1989).

The formation of government and the distribution of portfolios are closely connected as cabinet ministries are often seen as bargaining chips in the formation process. Thus, no-confidence motions play profound roles in shaping governments. Governments are often formed with a goal of having the governing parties hold a majority of parliamentary seats.[7] Since minority governments do not control a parliamentary majority, they must rely on the support of parties outside of government. Without a parliamentary majority, the government is more vulnerable and faces a distinct possibility of not passing an investiture vote or withstanding a challenge from the opposition (whether as a no-confidence motion or a censure). This threat of dismissal has been identified as the reason why majoritarian governments survive in office longer than minority governments (Diermeier and Merlo 2000). When the threat of no-confidence motions is combined with weak internal party cohesion, formateurs have the incentive to form surplus majorities (Laver and Schofield 1990). These are governments where a political party could leave the governing coalition and not remove the parliamentary majority. Moreover, the variations in powers of no-confidence motions have profound impacts on the types of governments formed and their durations in office. With the use of counter-factual experiments, Diermeier, Eraslan and Merlo (2002)

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[7] Governing parties are defined as those parties that hold a cabinet.

theorize that removing the constructive vote of no confidence in Germany[8] would result in a reduction in government duration, as well as a shift away from minimum winning governments to minority governments.

Since party leaders are rational actors who act strategically, the threat of a no-confidence motion will often change the potential allocation of portfolios (and thus the coalition of government parties) in the hopes of gaining a majority (Diermeier, Eraslan and Merlo 2002). Once the government is formed and the portfolios have been allocated, the parties' policy preferences are translated into policy outcomes. In coalition governments, discretion over policy making is delegated to cabinet ministers (potentially from other coalition partners). Parliamentary policy-making demands substantial ministerial discretion, which means that the cabinet ministers have substantial autonomy over the policy agenda within their own jurisdiction (Laver and Shepsle 1996: 32). Since individual agents have the incentive to shape policy for the interests of their own party (rather than the entire coalition), this produces principal-agent problems (Martin and Vanberg 2004, 2005). Monitoring ministers from other parties thus leads to more "accommodative" policy agendas that focus on the issues that are salient for all governing parties (Martin 2004). Party leaders can also anticipate how their policy preferences are likely to be translated into votes in an election, and possible coalition scenarios. In anticipation of the possibility of forming a government that can withstand

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[8] In Germany, Spain and Belgium (after 1995), in order for a no-confidence motion to cause the resignation of government, the parliament must also provide majority support for an alternative government (Saalfeld 2000).

challenges from the opposition, parties change their policy positions before elections (Baron 1993).

Parliamentary governments can be terminated for a number of reasons at virtually any time, in addition to resulting from no-confidence motions (Woldendorp, Keman and Budge 2000). Scholars have gone to great lengths to model the situations that foster government termination, as well as those that lengthen government tenure (Taylor and Herman 1971; Dodd 1976; Warwick 1979; Strom 1985; Browne, Frendreis and Gleiber 1984, 1986; King et al. 1990; Warwick 1994; Diermeier and Stevenson 2000). An extension of this is predicting the timing of elections in those systems that allow the calling of early elections (Lupia and Strom 1995; Smith 1999; Palmer and Whitten 2000; Strom and Swindle 2002; Kayser 2005). Thus far the government has been the primary focus in studies of government termination, which is unfortunate given the opposition's large influence on the timing of government termination. In their study of the effects of exogenous shocks on government termination, Lupia and Strom (1995) allow the opposition to have an effect on timing by responding to failed coalition negotiations by proposing no-confidence motions. A particularly illustrative example of the opposition determining when governments end is the case of Norway in 1987 (Strom 1994). The case study highlights the inability for three non-socialist parties to agree on an arrangement where they would all support the no-confidence motion to terminate the minority Labor government (Strom 1994). Opposition challenges have also been considered in the literature on government termination, but only in examininations of the consequences of successful no-confidence motions. Confidence motions have only been

studied in so far as they lead to the withdrawal of coalition members or the resignation of governments (e.g. Warwick 1994).

While these studies represent the bulk of our rich knowledge of parliamentary decision-making, they fail to provide a solid understanding of no-confidence motions. As a result of only examining challenges tangentially within the context of other behavior, the literature has unduly focused on successful no-confidence motions. While these often have the most visible impact on governments, I argue that it is crucial to understand the determinants of all types of challenges in order to grasp their effects on parliamentary decision making in general. As an illustration, in the next section I present two examples of important periods of government-opposition interaction in the form of no-confidence motions. The current literature on parliamentary decision-making would ignore these cases because the no-confidence motions were not immediately successful in bringing down the government. Thus, this approach means that scholars fail to study a large component of government-opposition interaction in parliamentary democracies.

Two Cases

Canada 2006-2008

When the dust settled following the January 23, 2006 election, it was obvious that the incumbent Liberal government would be facing large losses. The Conservatives had won the most seats in the House of Commons (124 out of 308) but were 31 seats short of a majority. The incumbent Liberal Party, which had previously lost a no-confidence motion due to scandal, only won 103 seats. Two smaller parties, the Bloc

Quebecois and New Democrats, won 51 and 29 seats, respectively. The Conservative party formed a single-party minority government, marking an end to the Liberal 12-year hold on power (Keesing's 47032). However, the lack of any natural allies among the opposition parties meant that the Conservatives faced a precarious situation of requiring support from these parties to maintain office.

Though in a precarious situation, the Conservatives were surprisingly successful in their first year of office, passing legislation on four of their five major policy initiatives: government accountability, reduction in value added tax, universal child care payment, tougher crime legislation, but failing to implement a decrease in health care waiting lists (Carty 2007). The minority government survived in office because of its ability to head off potential threats as they materialized and its strong electoral position *vis-a-vis* the opposition. The threat of an early election was real in late-2006 when the Bloc Quebecois (BQ) threatened to propose a no-confidence motion in February 2007 over the deployment of Canadian troops in southern Afghanistan.[9] Though the Conservative government faced a majority in opposition, the major stumbling block to a successful no-confidence motion was the coordination of all opposition parties (e.g., Strom 1994).

The threat of a no-confidence motion caused all three opposition parties—Liberals, New Democrats and BQ—to consider their support for the motion based on policy preferences as well as electoral prospects. The threatening party, BQ, demanded that the combat mission be modified to a humanitarian mission. The New Democrats

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[9] In Canada, opposition parties can only table no-confidence motions on specific days, called opposition days.

supported the censure motion, as they stood in firm opposition of the mission from its beginning. The Liberals, therefore, represented the pivotal party in the motion's success. Liberal's leader, Stephane Dion, faced a difficult choice as about 2 dozen Liberals had voted to extend the mission in May, including Dion himself. If he tried to whip the Liberals into supporting the motion, he would risk punishing and potentially losing a number of party leaders (MacDonald 2006). Not only would supporting the motion run counter to the preferences of party leaders, but it would also be ill-advised given their electoral prospects. In response to BQ's threat, Dion said on December 19, "I don't understand the position of the Bloc. I don't want an election. I want to be ready for an election. I don't think Canadians want an election" (Dougherty 2006). Driven by these motivations, Dion announced that the bill would not have the support of the Liberals, and the BQ subsequently withdrew its threat.

The threat of an early election was always present, as government failure on a no-confidence motion or the budget would force a government resignation and trigger early elections. In the March debate regarding the 2007 budget, the threat of a government defeat was apparent, though not credible given the electoral positions of the three opposition parties. The Liberals were looking at their lowest polling numbers in history, with their leader (Dion) trailing PM Stephen Harper in leadership surveys (Coyne 2007). Even the BQ was experiencing its lowest polling numbers ever among Quebecers. The NDP, on the other hand, was "leaking support left and right, squeezed between the fast-rising Greens and the leftward-lurching Liberals" (Coyne 2007). While the threat of an opposition-triggered early election was not credible, the government had

the strategic opportunity to trigger early elections by dissolving parliament. The

National Post described the situation as follows:

> So there it sits. A satisfied Conservative government that promises not to call a
> vote faces three weakened opposition parties that would end up in worse shape
> by causing one[…]This is a Prime Minister who suspects he'll get another
> minority in the next election, but knows his opponents are spooked by the
> prospect of an election now. That means Mr. Harper can boldly move forward
> on any agenda within mainstream reason and get his way simply by daring
> Parliament to take him down (Martin 2007).

Consequently, even though the current benefit to holding office was not that high

given the minority government, Harper valued it much higher than the possibility of a

future minority government. This ultimately caused him to continue his goal of pushing

through his policy agenda with the current minority governing arrangement.

Accomplishing his policy program was not entirely smooth sailing, as Harper

eventually had to tie confidence motions to specific policies in order to get majority

support in the House of Commons. Though the policies of the government were not in

line with those of the opposition, the opposition feared an early election to such an

extent that the government could take advantage of the confidence vote procedure. Thus,

the Harper government tied confidence motions to an omnibus crime bill, a bill killing a

Liberal education plan, and a bill extending the military mission in Afghanistan to 2011

(Harris 2008). The motions were able to pass with the help of the Liberals abstaining in

all three cases.

Altogether, this case illustrates how the government's dependence on majority

support of the parliament dramatically affects parliamentary decision making. This case

also highlights the weaknesses of the current literature on no-confidence motions.

Formal models would suggest that the minority government would be short-lived, primarily because the opposition parties would try to pass a no-confidence motion at the first available opportunity in the hopes of triggering an election. This was not the case, as the opposition parties acted in a rational manner, weighing the benefits of terminating government against the costs of an early election. Moreover, the current literature underestimates the importance of threats of no-confidence motions, as well as how the government responds (or chooses not to respond) to them. This case also shows that the timing of elections is intimately tied to the preferences of both the government and the opposition parties. Though usually a power concentrated in the hands of the prime minister who can dissolve parliament (e.g., Strom and Swindle 2002; Smith 2003), the opposition parties had substantial influence in deciding the timing of elections in the case of minority governments.

Great Britain 1979-1981

After the British general election of May 3, 1979, the Conservatives were in a strong position. With the help of the Scottish National Party (SNP), they had just defeated the minority Labour government on a no-confidence motion concerning Scottish devolution on March 28. The election results confirmed a shift in the tide of public opinion toward the Conservatives. Margaret Thatcher and the Conservatives won 339 seats (out of 634), which gave them a majority of 71 seats over Labour (268 seats) and a majority of 44 over all other parties (Keesing's 29645). In contrast, Labour had lost 38 seats since the dissolution of parliament and their frustration mounted as they watched the Conservatives pass their policy program with few options to stop it. The

monetarist economic policies of Thatcher ran counter to Labour's five policy priorities,

as provided in their pre-election manifesto:

> (i) We must keep a curb on inflation and prices; (ii) we will carry forward the task of putting into practice the new framework to improve industrial relations that we have hammered out with the Trades Union Congress; (iii) we give a high priority to working for a return to full employment; (iv) we are deeply concerned to enlarge people's freedom; (v) and we will use Britain's influence to strengthen world peace and defeat world poverty (Keesing's 29629).

When faced with rising inflation, interest rates, and unemployment, Labour

leader (and former Prime Minister) James Callaghan did the only thing that he could do

in his position as leader of the opposition: challenge the government via a no-confidence

motion. In fact, Labour took this approach three times over the course of 18 months.[10]

The first no-confidence motion was tabled on July 29, 1980 and was worded

such that the "House had no confidence in Her Majesty's Government whose economic

and social policies are spreading mass unemployment, undermining British industry and

demoralising the country" (HANSARD July 29, 1980). It was soundly defeated 333-

274.

Similarly worded no-confidence motions were tabled on July 27, 1981 and

October 28, 1981, and both were soundly defeated by the majority government. The

Labour opposition was realistic in holding out little hope for the no-confidence motions

succeeding in terminating the government. First, the Conservatives held a majority of 44

seats over all other parties. The only way that the no-confidence motions would pass if

if there were multiple defections by Tory MPs and strong voting cohesion within the

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[10] On October 14, 1980, James Callaghan announced that he would not place himself as a candidate for Labour's leadership election at the start of the next parliamentary session. He was succeeded by Michael Foot (Morgan 1997).

Labour Party. This scenario was highly unlikely. Though voting cohesion has declined

slightly since the 1970s (e.g., Norton 1980), party discipline was still the primary

influence on MP roll call voting (Loewenberg and Jones 1986). The Conservative whips

went to great lengths to ensure cohesion; they even brought a Conservative MP to the

vote in an ambulance (Apple 1980).[11]

Why did Labour propose three no-confidence motions if they had little chance of

succeeding in taking down the Conservative government? These no-confidence motions

sought to emphasize the policies on which Labour ran their election: unemployment and

industrial relations. These are policy areas which directly affect the well-being of

Labour's constituents. In the October 1981 motion, Labour leader Michael Foot

explained how the government is the source of the economic problems:

> How have the Government done it? How have they worked this wonderful
> miracle in reverse? They have moved all the levers of economic policy in a
> perverse and destructive direction. They have made savage cuts in public
> expenditure. They have increased taxation. They have forced up inflation. They
> have destroyed the competitiveness of British industry[…]the combination of
> these events helps to produce the unparalleled catastrophe that has come to this
> country. It is unparalleled in the history of Britain—at any rate, since the end of
> the war—and is without compare in almost any other industrial country
> (HANSARD October 28, 1991).

Moreover, the no-confidence motions themselves attempted to portray the

Conservatives as incompetent in dealing with these salient problems. For example, in the

July 1980 no-confidence motion Labour leader Callaghan argued:

> The Government must not attempt to solve the nation's problems on the backs of
> 2 ½ million unemployed men and women. Any improvement that they get will
> be bought at too high a price. I have put forward a package of measures that will

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[11] Jack Aspinwall injured his back in a charity parachute jump, but was forced to attend the vote (Apple 1980).

stimulate demand. That is far better than the dreary hopelessness to which
Conservative Members will be confined during the forthcoming months
(HANSARD July 29, 1980).

These no-confidence motions are rife with statements that directly address the

competence of the government, as well as their ability to deal with the problems. Foot

stated, "It is because the Government so much fail to recognize that fact that they are

quite incapable of dealing with these problems" (HANSARD July 27, 1981).

Rather than being motivated by bringing down the government, these no-

confidence motions were aimed at shoring up public support for the long-term. This

example shows that whether by illustrating to the electorate that they best represent their

preferences, or by demonstrating the government's incompetence, opposition parties can

propose no-confidence motions to gain a long-term electoral benefit. Our understanding

of no-confidence motions is unable to explain two key components of this illustrative

case. First, why did the government ignore the threat of a no-confidence motion from the

opposition (which eventually led to the motion being tabled), and why did the opposition

back up its threat with a no-confidence motion? Second, while prior literature would

correctly suggest that these no-confidence motions will not succeed, they cannot explain

why Labour proposed the motions. By focusing only on the factors explaining success,

the literature has implicitly downplayed the importance of no-confidence motions---

successful or not---in everyday parliamentary politics.

Outline

In Chapter II I present a model of opposition parties interacting with the

government. It allows an opposition party to choose to threaten the government with a

no-confidence motion. The government can respond by either ignoring the threat (and possibly facing a challenge later on), resigning, or acquiescing by granting concessions to the opposition party. I then derive the conditions under which each type of government response occurs, and provide historical cases to demonstrate each type of behavior. This chapter helps explain why so few no-confidence motions occur. Simply put, opposition parties that are in a strong position *vis-a-vis* the government are more likely to cause either acquiescence or resignation than a no-confidence motion.

I then theorize about the factors influencing no-confidence motions and their success. I present a formal model that allows the opposition to signal their perceptions of the government's competence through no-confidence motions. The median legislator in parliament then decides whether or not to support the motion (and the government ends). The third actor in the game is a voter in the electorate who decides whether to support the government or opposition based on the quality of the competence signal. This model allows the opposition parties to be concerned both with gaining office and having a competent government in office. The empirical implications of the model are broad, as it generates empirically-testable hypotheses about the role of government attributes and policy shocks on both the number and timing of challenges, as well as their likelihood of success.

In this chapter I produce intuitive theoretical contributions because they are derived from a competence-based theory rather than one that relies on spatial modeling. I theorize that opposition parties and median legislators are driven by both being in office and by having a competent government, while the capturable voter is solely driven

by having a competent government. Rather than simply being motivated by ideological proximity (as in spatial models), political actors are motivated by the desire to have good government. This is a reasonable assumption, but is one that is not often made due to the prominence of spatial models. Moreover, the competence-based theory is able to produce dynamic explanations of the timing of no-confidence motions where spatial models would otherwise predict static behavior.

Chapter IV presents an empirical model that tests a number of the implications from the previous theoretical chapter. I identify the government arrangements that affect the likelihood of being challenged and which periods of the electoral cycle and government's tenure that they are most likely. Additionally, I provide support for the competence-based theory in an examination of how the types of policy shocks that most closely illustrate competence are also those that most likely trigger challenges.

In Chapter V I examine some of the consequences of challenges, paying particular attention to their effects on international policy. More specifically, I theorize that being challenged by the domestic opposition is a sign of political vulnerability that other states may exploit via international conflict. Being targeted in an international conflict, however, is more likely to also incur the wrath of the domestic political opposition, which is likely to criticize the government. Using a system of simultaneous equations, I find that being challenged domestically makes a state more likely to be targeted in conflict. However, being the target of a conflict does not affect the probability of facing a no-confidence motion at home. Government attributes affect the probability of being targeted both directly and indirectly, by influencing the probability

of being challenged. I conclude this chapter by providing the implications of this finding

for the study of international conflict.

In Chapter VI I conclude by summarizing the key findings from the four previous

chapters. I also extend upon the analysis by providing a number of empirical

implications from the theoretical analysis. These findings provide a preliminary analysis

of the role of no-confidence motions in a variety of areas of parliamentary decision

making.

CHAPTER II

A FORMAL MODEL OF NO-CONFIDENCE THREATS

The principal question that this chapter addresses is, why do some opposition parties threaten to propose no-confidence motions in some circumstances and not in others? In this chapter, I develop a formal model of the conditions under which an opposition party will threaten to propose (and eventually propose) a no-confidence motion in the government. The model provides a number of intuitive observations about the behavior of parties in the opposition and the reactions of governments to challenges.

Our understanding of no-confidence motions in parliamentary democracies is principally driven by three elements: anecdotal evidence, formal models, and empirical studies. For example, Crombez (1996) evaluates the role of no-confidence threats in the types of governments that form, while Warwick (1994) looks at no-confidence motions as an important catalyst for government termination. Unfortunately, empirical studies have not directly examined the causes of no-confidence motions in a cross-national, systematic manner (for exceptions, see Masuyama and Nyblade 2003; Bergman et al. 2006). Since the literature has failed to address challenges directly, a number of theoretical puzzles still exist:

- Why are *explicit* threats and challenges so rare?

- What makes opposition challenges much more prevalent in some countries rather than others?

- Moreover, if opposition parties are rational actors that are fully informed and there is limited uncertainty regarding the success of challenges, why does such a large percentage of opposition challenges fail?

- What determines the effects of opposition challenges on governments? Sometimes, merely the threat of proposing an opposition challenge leads to the government's resignation and an election. Other times, the opposition proposes no-confidence motions that are doomed to fail.

The defining feature of parliamentary governments is the government's reliance on majority support, and the opposition's ability to vote no-confidence. Their true power is often unseen, as successful no-confidence motions are quite rare. For such a powerful tool, one might expect that oppositions would be more successful in taking down governments. The formal model I present offers explanations for all of these questions. In particular, the model explains why NCMs occur in situations where they are highly likely to fail. Alternatively, the model provides an intuitive rationale for the rarity of *successful* NCMs.

Before continuing, it is important that I establish a working definition of *government* as meaning the party or parties that own portfolios in the cabinet. In the discussion section, I will explore challenges in a variety of different governing arrangements. Alternatively, I define opposition as *each* party that is not involved in government rather than the *collection* of parties. Moreover, the implications from this model pertain to all opposition parties actively pursuing both policy and office, with the exclusion of extremist, anti-establishment parties.

The next section gives a concise review of comparative studies of government-opposition interactions, with an emphasis on no-confidence motions. The second section introduces the game and provides the intuitive equilibria. After that, I provide a number of theoretical observations from the model and show their implications for different governing scenarios. In the following section, I develop an incomplete information game where the type of opposition party is unknown to the government. In the final section, I conclude.

Literature Review

When no-confidence motions are proposed, their effects can range from being a minor obstacle for the government to overcome to causing either a reorganization of government or the calling of new parliamentary elections. The differences between the former and latter consequences of no-confidence motions are primarily determined by governmental characteristics, policy shocks and proposal costs. Thus far, there have been no cross-national empirical studies of the causes and consequences of opposition challenges. Our limited knowledge of opposition challenges comes partly from the literature on government-proposed confidence motions (e.g., Huber 1996) or by examining the effects of successful no-confidence motions on government duration (e.g., Warwick 1994).

As much as we know about the causes and consequences of no-confidence motions, we can infer little without also understanding when the opposition threatens and how the government responds. Because much of these interactions are unobserved, we must rely heavily on formal modeling to provide the foundation of opposition

challenges. Baron (1998) produces a dynamic theory of parliamentary governments where governments respond to policy shocks with legislation (that is subject to censure or confidence), which may lead to government continuation, reorganization or dissolution. He theorizes that censure motions increase the risk of voluntary dissolution and approaching elections increase the probability of dissolution (Baron 1998).[12] However, simply having a strong position (via favorable electoral prospects) is neither a necessary nor a sufficient condition for cabinet dismissal or parliamentary dissolution.

Lupia and Strom (1995) develop a formal model of two coalition partners and an opposition party that respond to an exogenous shock. The parties can then either renegotiate the cabinet or propose no-confidence that can potentially trigger early elections. They provide a number of theoretical contributions about coalition termination. First, favorable electoral prospects can be used as bargaining chips that the government can exploit to either renegotiate the balance of power in the coalition, protect the existing cabinet, or form a new cabinet. This suggests that those times in which the opposition has the most bargaining leverage are not necessarily those times in which a challenge occurs, because the government is likely to preempt a challenge by negotiating. Moreover, exogenous shocks do not automatically trigger cabinet terminations, rather their effects depend on the stage of the electoral cycle. As I will illustrate later, the formal model that I develop in this chapter can explain the key

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[12] Voluntary dissolution can occur either because the government fears that the challenge will pass, or because the failed challenged showed that the government is cohesive enough to be successful in an upcoming election (Baron 1998).

findings of Lupia and Strom (1995) while also explaining previously unexplained empirical phenomena.

Formal models like those developed by Lupia and Strom (1995) and Baron (1998) give us insight into the process of policy formation under institutional constraints. What these formal models lack is the initial stage of negotiations between the government and the opposition. This is the stage in which the opposition either explicitly or implicitly threatens the government with a no-confidence motion and then the government responds. Failure to consider this step in the decision-making produces a form of selection bias, because the number of opportunities for challenges is a function of how governments respond to threats.

Theory

No-confidence threats are difficult to study empirically because the majority of threats of no-confidence motions are unobserved. First, threats are often unobserved because they do not have to be made explicit to be effective. When a minority government is faced with an opposition controlling a majority in parliament, the threat of a no-confidence motion always implicitly exists, regardless of whether it is vocalized. These types of implicit threats discourage the formation of minority governments (Crombez 1996). Second, even in those cases where an opposition party threatens the government, it is often done covertly so that the opposition party does not have to pay any sort of audience cost for backing down. These two dynamics imply that the situations in which we observe a threat, or even a challenge itself, are results of a particular series of interactions between the government and the opposition. This induces

a form of selection bias in empirical analysis of opposition challenges in that only a small sample of the possible universe of threats is actually observed. Because of this selection bias, formal modeling is a particularly useful method for understanding the dynamics of opposition challenges. Formal modeling also helps us to solidify the logical foundations of one of the most fundamental interactions between the government and the opposition.

The first series of interactions I examine involves an opposition party choosing to either pursue the status quo or to threaten to challenge the government. There are multiple government responses to these threats. The government can choose to ignore the threat, acquiesce and grant concessions, or resign. If the government chooses to ignore the threat, the opposition has the choice to either not challenge or back up its threat with a challenge. This is the most visible type of interaction, as it is often results in highly publicized no-confidence motions. In these cases, the opposition wants the government to resign or to provide some sort of concessions, but these are too costly for the government so it ignores the threat. This occurs when either the benefit to holding office is too large to resign, the concessions are too large, or the probability of the challenge succeeding is small. Most no-confidence motions go through a similar process, even if it is unobservable.

If minority governments face a constant risk of removal by the parliamentary majority, then why do minority governments still manage to last as long as they do? If these types of governments are more vulnerable, then why do not opposition parties challenge them more? I theorize that those times in which the opposition is in a strong

bargaining position *vis-a-vis* the government, it does not need to actually propose a challenge to accomplish its goals. If the government gets a large benefit from maintaining office, then it may be willing to grant concessions to the opposition party in exchange for a guarantee that they will not challenge them. Concessions can range from being added to the governing coalition with ownership of salient portfolios to minor policy changes, among others.

I will first provide an example of government concessions being granted to an opposition party. For example, in Spain in October 1995, the Catalonian Convergence and Union (CiU) party refused to join the opposition Popular Party (PP) in bringing a vote of no confidence against the minority Socialist Working Party (PSOE) government. The CiU, which would likely cast the median vote in a no-confidence motion, decided that it would not challenge the government as long as elections were held by March 1996 (Keesing's 40790). By holding elections in March 1996, the CiU would be able to have regional elections in Catalonia at a different time than national elections. This was seen as benefiting the CiU by avoiding "the attendant risk of a higher turnout among non-Catalans in Catalonia, most of whom opposed the CiU but rarely voted in regional elections" (Keesing's 40790). In this case, the opposition promised to not challenge the vulnerable government as long as the government held elections in March 1996.

Granting concessions such as these can be risky for the government without some sort of guarantee that the opposition will refrain from challenging for a certain time period. For example, in Japan in 1994, two opposition parties (Liberal Democratic Party and Social Democratic Party of Japan) agreed to refrain from challenging the

minority Japan Renewal Party government. This *time guarantee* involved a "guarantee [of PM] Hata's future only until the 1994 budget had been approved" (Keesing's 40052). This guarantee was followed, because as soon as the budget was approved by the upper house on June 23, the LDP filed a no-confidence motion and the government subsequently resigned. This example shows that opposition parties can guarantee the government that they will not challenge as long as the government grants certain concessions. Moreover, this is an example of the government choosing to avoid an embarrassing defeat by preemptively resigning in the face of a threat of a no-confidence motion. The propensity to preemptively resign varies across states and across time. Eight Belgian cabinets in the post-WWII period have resigned to pre-empt no-confidence motions (De Winter and Dumont 2006), and on five occasions Irish governments have chosen to dissolve parliament and have new elections rather than lose a confidence motion (Mitchell 2006). On the other hand, no Norwegian government has taken this route (Strom and Narud 2006).

While the proximate causes for the parties' behaviors change in each example, we seek a general theory that explains why opposition parties threaten the government at specific times and how the government responds to such threats. We know that each opposition party makes a choice each day whether to threaten the government with a no-confidence motion or to continue with the status quo. We also know that the government responds to these threats with a variety of actions. Unfortunately, most of these actions are unobservable to all but top party leaders, thus preventing a quantitative empirical approach. The following formal model sheds light on these interactions, and

allows us to glean general observations related to parliamentary decision-making under a variety of institutional constraints.

A Game of No-Confidence Threats

In order to understand the use of no-confidence motions in parliamentary democracies, we must first understand the interactions between the government and the opposition that occur prior to a challenge. I propose a formal model that begins with a single party in the opposition observing a policy outcome that is attributable to the current government. Both the government and the opposition party are principally motivated with winning office. The opposition party chooses whether or not to *threaten* the government with a no-confidence motion. If the opposition threatens the government, the government can choose whether to *ignore* the threat, make *concessions* to the opposition party or *resign* from government. As the examples from the previous section show, concessions can range from the expansion of government with additional cabinet seats to minor policy changes, etc. If the government grants concessions of some sort, there is usually an (often implicit) agreement for the opposition party to refrain from challenging the government for a certain amount of time. If the government ignores the opposition's threat, then the opposition must choose whether or not to follow through on the threat and propose a no-confidence motion. This game incorporates both the immediate gain from holding office and the potential gains from holding office after a future election. This avoids the myopic assumption that leaders only care about currently holding office at the expense of future considerations.

There are two types of costs that the opposition party incurs in this game. The first type of cost is a *proposal cost*. There are numerous possible costs associated with challenging the government including the challenging party preventing itself from being chosen as a potential partner in future coalitions, losing votes in the next election, or losing salient portfolios in a future government. Costs can also be thought of as transaction costs, as in the physical costs of tabling the confidence motion. In this context, an example of transaction costs would be the manpower needed to research, frame and propose the no-confidence motion. Alternatively, opposition parties face opportunity costs of spending time tabling the confidence motion that could be spent doing something else. The other type of cost is an *audience cost*, which is the cost incurred by the opposition party for threatening to challenge the government and then refusing to do so when its bluff is called. By backing down after its threat is ignored, the opposition party will appear weak or incompetent to its party supporters, other opposition parties and the government. These audience costs can produce obvious damage in potential electoral or policy gains, but they are often unobservable. The extensive form of the game is presented in Figure 2.[13]

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[13] This model assumes that all players are rational and that all the features of the game are common knowledge, which mirrors the assumptions made in Strom and Swindle (2002: 578). Later in the chapter, I relax this assumption to examine how behavior changes when the government faces uncertainty regarding the type of opposition party.

Figure 2: Extensive Form Game of No-Confidence Threats

Opposition Party

$\overline{T}$ T

Government

0   I A R

B Opposition Party

C $\overline{C}$ $0 + M$

                      $TgB \;\; - \; M$ r

                                        $1 - r$

$q - Ch$

                  $0 - A$

$B + 1 - q$ B
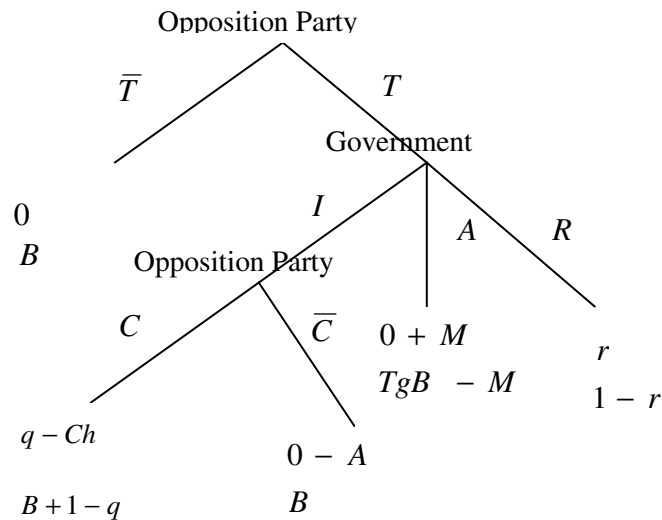
The game begins with a single party in the opposition deciding whether to not threaten to propose a no-confidence motion ($\overline{T}$) or threaten (T).[14] The action set for the opposition party (O) at the first stage (1) is thus $A_{O1} = (T, \overline{T})$. If the opposition party chooses not to threaten, the game ends with the status quo. The opposition party receives its status quo payoff of not holding office (0), and the government gets a payoff of B, which is its value of holding office[15]. If a threat occurs, then the government (G) has a choice of three actions, $A_{O1} = (I, A, R)$: ignore the threat (I), acquiesce and grant concessions to the opposition party (A), or resign from office (R). If the government

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[14] Since this game models the choices of *one* opposition party, it is important to note that this game occurs between each opposition party and the government.
[15] In that time period.

chooses to ignore the opposition's threat, then the opposition has a choice to either follow through on its threat and challenge (C), or not challenge ($\overline{C}$). The action set for the opposition party in the second stage is thus $A_{O1} = (C, \overline{C})$. If it proposes the no-confidence motion, then it receives the payoff of holding future office, 1, multiplied by the probability that the challenge is passed.[16] The opposition party has to pay a cost of challenging the government (where $C_C > 0$), which is composed of "proposal costs". If a no-confidence motion occurs, the government gets the current value of holding office (B), and the benefit of holding office in the future (1), multiplied by the probability the no-confidence motion is defeated, $(1 - q)$. If the opposition party's bluff is called and they back down (strategy profile $(T, I, \overline{C})$), the opposition party has to pay an audience cost, C_T (where $C_T > 0$). The government, since it remains in office, receives its current benefit to holding office, B.

If the government acquiesces and grants concessions, the opposition party does not propose a no-confidence motion and the game ends.[17] The opposition party receives a payoff of M, which is the value of the concession(s), while the government loses M

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[16] This makes the assumption that the opposition party is a part of the government following either the reorganization of government or new elections, due to passage of the no-confidence motion. This assumption limits the applicability of this model to the case of anti-establishment parties, as they are unlikely to be part of any future governing coalition.

[17] I make the simplifying assumption that, if the government receives more utility from acquiescing *vis-a-vis* resigning or ignoring, then it will accept the offer. Thus, the opposition party always demands a level of concessions with a time guarantee that the government is willing to provide. This assumption is generally consistent with the historical evidence, though there are examples of bargaining failures concerning the degree of concessions. For example, the discussions between the minority British Labour government, the Conservatives and the Scottish National Party (SNP) concerning Scottish devolution took the form of a bargaining situation (Keesing's 29609). The government had offered a level of concessions that was rejected by the opposition, which ultimately led to the Labour party losing the no-confidence motion. I leave the inclusion of this bargaining stage into the model to future research.

for a payoff of ($TgB - M$). By granting concessions, the government gets a guarantee

from the opposition party that no challenge will occur for Tg periods. If the government

preemptively resigns before the no-confidence motion is proposed, then the game ends.

The opposition gets the payoff from the current situation (0) and the payoffs from

holding office in the future (set to 1), multiplied by the probability the opposition party

is included in the next government, r (where $0 < r < 1$). The government receives its

benefit from not holding office (0), but it receives the future potential payoffs from

holding office (also set to 1), multiplied by the probability that it is included in the next

government, $(1 - r)$.[18]

Solving the game via backwards induction yields seven pure-strategy Nash

equilibria:

Equilibrium 1: (T, I, C)

Equilibrium 2: (T, A, C)

Equilibrium 3: $(T, A, \overline{C})$

Equilibrium 4: (T, R, C)

Equilibrium 5: $(T, R, \overline{C})$

Equilibrium 6: $(\overline{T}, I, C)$

Equilibrium 7: $(\overline{T}, I, \overline{C})$

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[18] This implicitly assumes that the government and opposition party value benefits from the future equal to current benefits. Since the probability that the opposition party is included in the next government is r, and the probability that the government is included is $1 - r$, these are mutually exclusive. This means that the government and opposition are assumed to never be in the same government after a challenge.

I will describe each strategy profile in turn and provide the conditions under which each equilibrium occurs.

Equilibrium 1: The opposition party threatens the government, but the threat is ignored. The opposition party backs up the threat by proposing a no-confidence motion. This strategy occurs under the following conditions:

- The opposition threatens when the probability of the no-confidence motion passing exceeds the costs of challenging ($q \geq C_C$).

- The threat is ignored when the benefit to holding office is less than the payoffs of acquiescing ($B \leq \frac{1+M-q}{Tg-1}$) and resigning ($B \geq q-r$).

- If the government calls the opposition's bluff, the opposition will challenge as long as the probability the no-confidence motion passes exceeds the difference between the costs of challenging and the audience costs of backing down ($q \geq C_C - C_T$).

Equilibrium 2: The opposition party threatens the government, which acquiesces and grants concessions. This strategy occurs the following conditions:

- The government grants any concessions ($M \geq 0$) after the opposition threatens, which is true for all M.

- The government acquiesces when the benefits to holding office are greater than the benefits of ignoring ($B \geq \frac{1+M-q}{Tg-1}$) and resigning

    ($B \geq \frac{1+M-r}{Tg}$).

Equilibrium 3: The opposition threatens the government, which acquiesces and grants

concessions. This is the same strategy profile as Equilibrium 2, except for changing the

off-equilibrium path action (from C to $\overline{C}$.

Equilibrium 4: The opposition party threatens the government, and the government

preemptively resigns before the no-confidence motion is proposed. This strategy occurs

the following conditions:

- Given an opposition strategy of resigning, the government will always

  choose to threaten to challenge ($r \geq 0$).

- The government will preemptively resign when the benefits to holding

  office are greater than ignoring the threat and potentially risking a

  challenge ($q - r$), but less than acquiescing ($\frac{1 + m - r}{Tg}$).

Equilibrium 5: The opposition threatens to propose a no confidence motion and the

government preemptively resigns. This is the same strategy profile as Equilibrium 4,

except for changing the off-equilibrium path action (from C to $\overline{C}$).

Equilibrium 6: The opposition party chooses not to threaten the government. If a

threat would have occurred, the opposition would have ignored it and a challenge would

have followed. This strategy occurs the following conditions:

- The costs associated with challenging exceed the likelihood and benefit

  of the no-confidence motion passing ($C_C \geq q$).

Equilibrium 7: The opposition chooses not to threaten the government. This is the same strategy profile as Equilibrium 6, except for changing the off-equilibrium path action.

Observations

We can derive a number of observations from the formal model that directly address key theoretical puzzles. First, a threat does not occur at every opportunity. In fact, the opposition chooses not to threaten the government when $C_C \geq q$, or when the costs of challenging are at least as much as the probability a challenge is passed. This occurs in either of two circumstances. The first state is one where no-confidence motions are relatively rare because opposition parties face extremely high challenge costs. In countries like Australia, Canada, and Greece there are greater institutional barriers to challenging the government, which increases proposal costs.[19] The other circumstance occurs when the opposition party has little chance that a challenge passes. This is the case in two-party systems with a majority government and high internal party cohesion. The classic example of this would be Britain throughout the post-World War II period.

The guarantee that the opposition party makes to the government of not challenging for Tg periods is very important for determining the government's action. Without a guarantee longer than just one period, the government has no incentive to acquiesce rather than either resigning or taking its chances by ignoring the threat. These

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[19] In Australia, the opposition can only vote no-confidence in a bill central to Government policy. In Canada, motions of no-confidence can only occur during debate on the opening Address on the Budget or during opposition days (Inter-Parliamentary Union 1986). In Greece, the opposition parties cannot propose another motion until 6 months have passed from the previous failed motion (Saalfeld 2000).

equilibria strategies are mapped in order to show how government responses to opposition threats change under varying conditions. Figure 3 shows these actions plotted onto a two-dimensional space.[20] The x-axis represents the time length of the opposition's guarantee to refrain from challenging (Tg), with higher values representing promises to refrain from challenging for longer periods of time. On the y-axis is the government's benefit to holding office in the current period (B), with higher values representing a government that gets more value for staying in office.

Figure 3: Government Responses to Opposition Threats
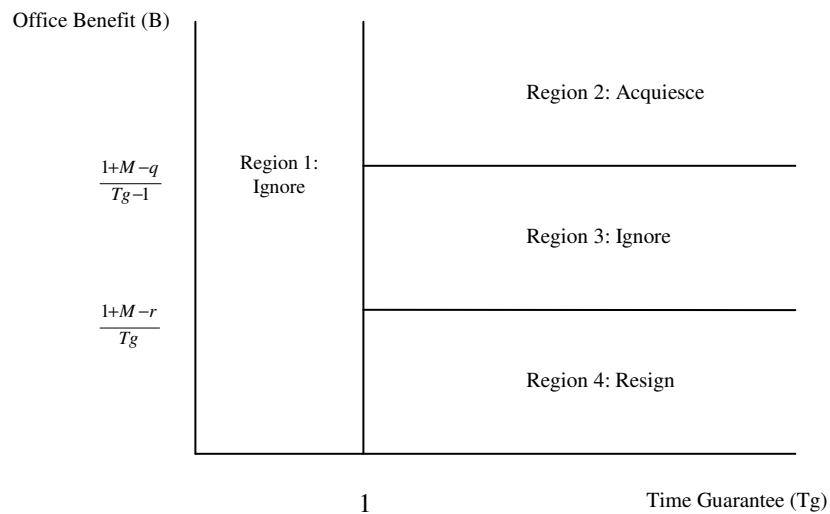
There are four regions presented in the figure. Regions 1 and 3 predict that the government ignores the opposition's threat, while in Region 2 the government

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[20] I use Equilibrium 2 to illustrate these actions.

acquiesces and in Region 4 the government resigns. In Region 1, the government chooses to ignore the opposition's threat rather than acquiesce or resign. When

$$B \geq \frac{1 + M - q}{Tg - 1}$$, the government chooses to acquiesce. Holding the amount of

concessions (M) and the probability of the no-confidence motion passing (q) constant, the key element is the time period of the opposition's guarantee (Tg). When the opposition only makes a 1-period guarantee of refraining from challenging, the government will no longer choose to acquiesce. This is because as the denominator ($Tg - 1$) approaches 0, the inequality becomes infinitely large (undefined), making it much more difficult for the benefits to exceed the costs. The government would rather take its chances by facing a no-confidence motion or resign, neither of which requires it to grant concessions. If the opposition makes a longer guarantee ($Tg > 1$), then the government is ensured of getting its benefit to holding office (B) for at least the next two periods. At this point, the government makes its choice based on the values of the other parameters.

When the opposition guarantee is for more than 1 time period, then the government can choose to either ignore, acquiesce or resign, depending on its benefits to holding office. The government chooses to acquiesce in Region 2, which occurs when the benefits to holding office exceed both the payoffs of ignoring the threat

($B \geq \frac{1 + M - r}{Tg}$) and resigning ($B \geq \frac{1 + M - q}{Tg - 1}$). In other words, as long as the

opposition makes a sufficient time guarantee and the challenge is likely to pass, then the

government will acquiesce. For example, in a minority government the probability of the challenge being defeated $(1-q)$ is lower, which means that it is easier for the benefits to holding office to exceed the payoff of ignoring $(\frac{1+M-q}{Tg-1})$.

In Region 3, the government once again ignores the opposition's threat. This occurs when the benefit to holding office in that period is less than the payoff to acquiescing and getting a guarantee, but greater than resigning. More formally, the government ignores when $\frac{1+M-r}{Tg} \leq B \leq \frac{1+M-q}{Tg-1}$. This region grows larger as the probability the challenge does not pass $(1-q)$ increases relative to the probability the government is retained in the next election $(1-r)$. This makes sense, as a more stable government is unlikely to see the challenge succeed, and thus less willing to pay the costs of acquiescing or risk losing office by resigning.

When the benefit to holding office is sufficiently low, then it is optimal for the government to resign rather than ignoring the threat or acquiescing to the opposition. This condition is met when either the probability the government will still be in power after the next election is large $(1-r)$, or the amount of concessions needed to get a large time guarantee from the opposition is too high (M). This observation suggests that parties will seek to maximize both longer-term and short-term benefits. This often occurs in minority governments when parties forgo governing today if it means that they lose horribly in the next election (Strom 1984). Alternatively, if the government receives little benefit from currently holding office, then a government has a larger incentive to risk current payoffs (holding office) for future payoffs (winning office).

The observations from this model shed light on a number of theoretical puzzles concerning government-opposition interaction. First, this model offers an explanation as to why opposition challenges are relatively rare. Threats are largely unobserved processes that allow the government to preempt the challenge by either resigning or acquiescing. The unobserved nature of challenges is compounded by the fact that the latter action, acquiescing, is also often unobservable. First, most threats are implicit, and second, it is difficult to show evidence of the government acquiescing. It is even more difficult to attribute government acquiescence to the no-confidence threat.

This also explains why a relatively large percentage of no-confidence motions is rejected. Only when the opposition has a strong bargaining position would a no-confidence motion pass. Ironically, this bargaining position relative to the government makes the no-confidence motion less likely because the stronger bargaining position makes the government more willing to either acquiesce or resign. The circumstances in which the opposition has a strong bargaining position are those times when the government has the incentive to either resign or acquiesce. Only when there is substantial uncertainty regarding the outcome of the no-confidence motion does the government ignore the threat. Because of the costs associated with challenging the government, the opposition would rather force a resignation or acquiescence than a NCM. This is especially the case if there are large concessions or when the probability of the challenge being accepted is high.

The next section provides key observations for specific governmental arrangements found in parliamentary democracies.

Government Scenario 1: Single-Party Majority Government

For single-party majority governments, the benefit to holding office is quite

large. With only one party controlling all the cabinet ministries, it possesses substantial

discretion over the formulation of policy (Laver and Shepsle 1996). Moreover, single

party governments can easily turn their policy preferences into policy because of the lack

of possible veto players in the parliament (Tsebelis 1995). Since B is sufficiently high

and the probability the no-confidence motion passes (q) is low, single-party majorities

are most likely to ignore the threat and risk having a no-confidence motion proposed

against them. With a parliamentary majority (and strong internal party cohesion), a no-

confidence motion is most likely easily defeated. When a single-party majority faces a

challenge with a high probability of passing, then its high value for holding office makes

it willing to grant concessions. Yet, the low probability of a challenge succeeding makes

single-party majorities more willing to ignore the threat than grant concessions. When

this is coupled with the unwillingness of the opposition to bluff, it means that majority

governments face a higher number of no-confidence motions than one would expect

given success-driven motivations. This is counter-intuitive, because these no-confidence

motions are least successful when facing a single-party majority.

Government Scenario 2: Minority Government

Minority governments are, by definition, governments where the parties holding

cabinet positions have to rely on non-governing parties to maintain a parliamentary

majority. These are quite common, as Strom (1984) finds that 35.3% of 15 advanced

parliamentary governments from 1945-1982 are minority governments, which constitute

a substantial proportion of governments in terms of share of time in office. The government's value of holding office is lower in these cases than when the party controls a majority of parliamentary seats. It is less capable of controlling the legislative agenda (Tsebelis 1995), and more vulnerable to removal via no-confidence motion. Strom and Swindle (2002) argue that minority governments have less to lose and a lot to gain from early dissolution, which may improve the party's bargaining power: "since under minority governments the continuation value of the current parliament is thus likely to be low, the net value of new elections should be correspondingly higher" (Strom and Swindle 2002: 584).

The benefit to holding office for the same government type can change across systems, according to how much legislative power is afforded to the opposition. Strom (1984) argues that a principal benefit of governing consists of the policy influence differential between government and opposition; "the greater the opportunities for the parliamentary opposition to influence legislative policymaking, the lower the benefits of governing" (Strom 1984:212). In systems where the opposition has a large legislative influence, governments are more willing to resign and seek new governing arrangements because the benefits to staying in office are smaller.

Government Scenario 3: Coalition Government

This model also provides some intuition regarding the behavior of coalition governments. Joining a coalition with other parties, regardless of their ideological proximity, necessarily entails a difference between policy preferences and the actual policies pursued. Participation in coalition governments is rewarded with ownership of

cabinet ministries. Ministry control is attractive because ministers exhibit paramount control over the issues in their ministry's jurisdiction (Laver and Shepsle 1996). Compared to single-party governments, political parties in coalition governments have much less control over the final policy outcome. Part of this is due to coalitions pursuing a policy agenda that addresses issues that are more attractive to all members of the coalition, rather than internally-divisive issues (Martin 2004). Since a great deal of policy formation is under the jurisdiction of coalition partners, governing parties have the incentive to keep tabs on the important ministries to ensure that the minister is not straying from the policy program (Thies 2001; Martin and Vanberg 2004).

Therefore, all else equal, compared to a single-party majority government, coalition governments will have less benefit to holding office (B). In these cases, the opportunity costs associated with resigning from government and calling for elections are lower. Thus, coalition governments that have a high probability of being returned to office $(1-r)$ should be more willing to resign, especially given the lower benefit to holding office. This is represented in Figure 3 by Region 4. Coalition governments should also be less likely to grant concessions (Region 2) than governments that have a larger benefit to holding office (e.g., single-party governments).

Government Scenario 4: Electoral Cycle

The stage in the electoral cycle has a large influence on government responses to opposition threats by changing the current benefits to holding office. Strom and Swindle (2002: 580) explain this dynamic:

> With each passing day, the time left in the existing parliament diminishes, and so do the opportunities to call early elections. On the very last day of the

parliamentary term, existing seats must be relinquished, and the opportunity to decide election timing disappears. Hence, all else equal, as the value of the existing parliament declines over the course of its term, the net value of holding new elections rises.

Early in the electoral cycle, the benefit to holding office is quite large, especially in states with large constitutional inter-election periods (CIEP) (Smith 1996). This makes the government more willing to either acquiesce or ignore the threat. As the next constitutionally-mandated election approaches, the benefit to holding office decreases. This makes the government increasingly indifferent between ignoring the threat and risking a no-confidence motion, and resigning and attempting to win office again.

Government Scenario 5: Popular or Unpopular Government

The robust connection between successful policy outcomes and incumbent party electoral success is well-documented (e.g., Lewis-Beck 1988; Powell and Whitten 1993). Thus, it is reasonable for popular governments to make different decisions based on different circumstances than unpopular governments. The level of government support is incorporated into the model via the r parameter. As $1-r$ gets larger, it becomes more likely that the government will remain in power following a post-resignation election. If the government has a small benefit to holding office (due to veto players or the end of the CIEP), then a popular government may have the incentive to resign in the face of an opposition threat. However, this scenario is not as likely because if it faces few veto players, it will probably ignore the threat and take its chances with a possible no-confidence motion. Unpopular governments (those that have a large r), are unlikely to resign because they will not be a part of the next government. The more

reasonable options for unpopular governments is to either ignore the threat (if M is large) or acquiesce (if q is large while M is small).

Extensions: Incomplete Information

While there is often little uncertainty about whether a no-confidence motion will pass (e.g., Laver and Shepsle 1999), there is a substantial amount of uncertainty about whether the opposition party will threaten the government, its electoral prospects, and the government's response to the threat. We can extend the formal model presented earlier to better represent one of the complexities of parliamentary governance: the willingness of opposition parties to back up threats with no-confidence motions. This is partly done to remedy the finding from the previous model that bluffing never occurs in equilibrium. I develop a natural extension of the model to incorporate incomplete information. The incomplete information game is presented in Figure 4.

When threatened, the government does not know if it is facing a Resolute (R) or Irresolute (I) opposition party. The game involves the same actions with the same sequence of moves as the game presented in Figure 2. The difference is that nature chooses a resolute opposition party with probability p and an irresolute opposition party with probability $1-p$. This is represented with a dashed line, indicating an information set. The government updates its prior belief regarding the opposition party's type (p) with its posterior belief (p') after observing whether a threat occurs. A resolute opposition party has audience costs that exceed the costs of challenging ($A_R \geq Ch_R$). This means that, given a government that ignores the threat, a resolute opposition party prefers to propose a no-confidence motion rather than back down. An irresolute

opposition party, on the other hand, has audience costs that are less than the difference between the costs of challenging and the probability the opposition wins the no-confidence motion ($A_I \leq Ch_I - q$). Thus, an irresolute opposition party will respond to the government ignoring its threat by backing down, rather than carrying through with the no-confidence motion.

Including this complexity in the model produces a number of benefits. First, threats are treated as signals of the opposition party's types. Threats, therefore, are informative signals that the government can use to ascertain the opposition's type and the probability of facing a challenge. This helps us predict the behavior of different types of opposition parties as well as the government when facing these types. The second primary benefit is that we can generate predictions about the credibility of threats and how that credibility induces the desired behavior by the government. I solve the game via the perfect Bayesian equilibrium (PBE) concept, which yields three intuitive pure-strategy equilibrium.[21] In the next section, I will provide the conditions under which each equilibrium holds, comparative statics that provide insight into the propositions, and an empirical case that illustrates each equilibrium.

Challenging Equilibrium

The *Challenge Equilibrium* is as follows: the resolute type threatens the government and the irresolute type does not. The government ignores the threat, and the opposition party backs up its threat with a no-confidence motion. Since only the resolute

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[21] There are also semi-separating equilibrium where the government and opposition parties mix their strategies. In the quest for simplicity, I exclude the analysis of these equilibria.

Figure 4: Extensive Form Game of No-Confidence Threats: Incomplete Information

Nature

Resolute (p) — Irresolute (1-p)

Opposition Party   Opposition Party

$\overline{T}$ / T $\overline{T}$ \ T

Government (p')   Government (1-p')

$0, B$ I / A \ R $0, B$ I / A \ R

Opposition Party   Opposition Party

$0 + M,$ $r, 1-r$ $0 + M,$ $r, 1-r$

$Tg\underline{B} - M$ $TgB - M$

C / $\overline{C}$ C / $\overline{C}$

$q - Ch_R, B + 1 - q$ $0 - A_R, B$ $q - Ch_I, B + 1 - q$ $0 - A_I, B$
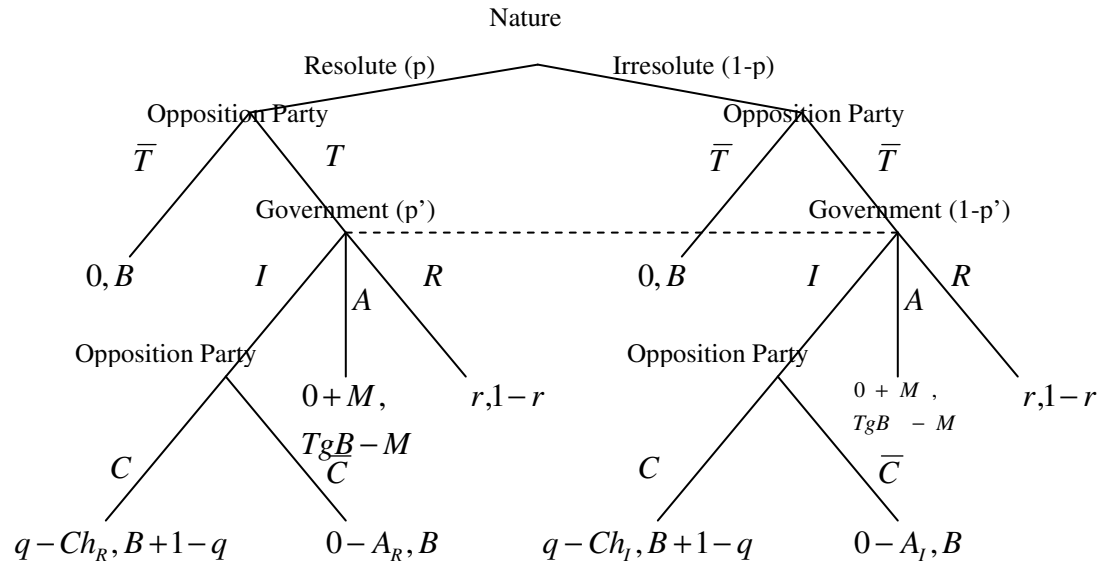
type threatens, the government updates its prior so that $p' = 1$. Even though the

government knows that ignoring the threat will generate a challenge, ignoring yields a

higher utility than either acquiescing or resigning. The government chooses to ignore

the threat, based on the length of the time guarantee,[22] under these conditions:

- Case 1 ($Tg = 1$): $B \geq \max\left\{ q - r, \dfrac{q - 1 - M}{1 - Tg} \right\}$

- Case 2 ($Tg > 1$): $B \geq q - r$, and $B \leq \dfrac{q - 1 - M}{1 - Tg}$

The resolute type backs up its threat with a no-confidence motion if Condition 1

holds:

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[22] I make the simplifying assumption that $Tg \neq 1$ so that the conditions are defined.

$$q \geq Ch_R \tag{1}$$

To illustrate these conditions more clearly, I provide comparative statics on the

equilibrium as a function of the probability of the opposition winning the challenge (q)

and the government's benefit to holding office (B). Figure 5 provides two scenarios

with the opposition offering no time guarantee in exchange for concessions.

In the first scenario (depicted on the left half of the figure), the government faces

a coin flip between winning the post-resignation election ($r = 0.5$), and the opposition is

demanding mid-range concessions ($M = 0.5$) with no time guarantee ($Tg = 0$). The

costs of challenging are quite high. The dotted line indicates where the costs of

challenging for the resolute type (Ch_R), and any value of q beyond the dotted line

results in a threat against the government (Condition 1 holds). The gray area indicates

the conditions under which a challenge occurs. When the government is faced with a

high chance of winning the challenge (low values of q) and high benefit to holding

office (B), it will most likely acquiesce rather than ignore or resign. As the risk of

losing the challenge increases ($q \rightarrow 1$), the government is more likely to ignore the

threat *vis-a-vis* acquiescing. With no time guarantee, if the government has large benefit

to holding office and is faced with a probable no-confidence vote, the government would

rather take its chances with ignoring the threat (and risking a challenge) than granting

concessions. In this scenario, a no-confidence motion only occurs when the opposition

party threatens (because the probability of the opposition winning the challenge exceeds

the costs of challenging) and the government ignores the threat. Moreover, no-

Figure 5: No-Confidence Motions without a Time Guarantee ($Tg = 0$). A=Acquiesce, R=Resign, I=Ignore and Gray=No-Confidence Motion
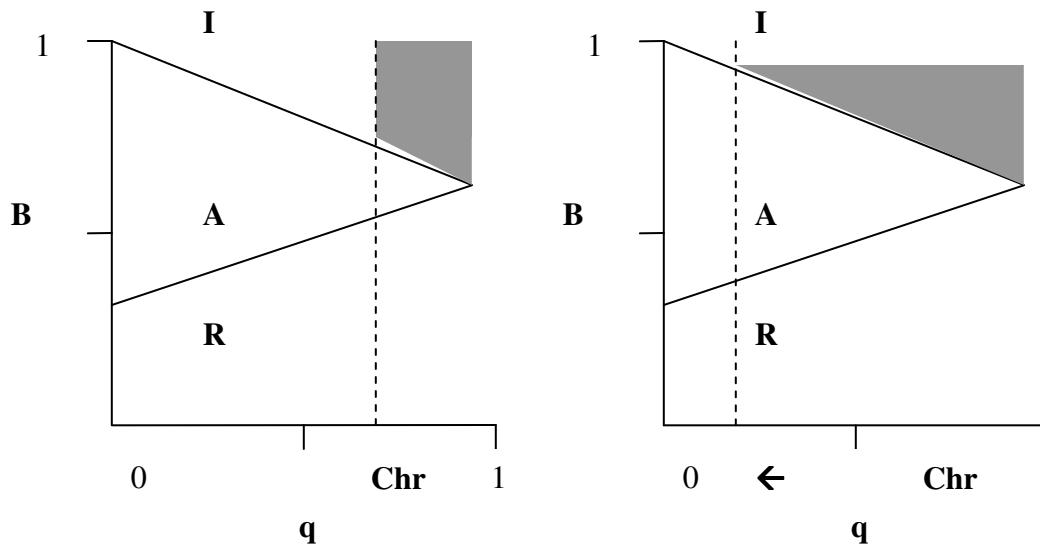
confidence motions only occur when the government's large benefit from holding office means that acquiescence or resignation yields a lower utility.

The second scenario is depicted in the right half of Figure 5. It is the same as scenario 1, but the costs of challenging are much smaller. With lower costs of challenging, the opposition party threatens at much lower levels of probable success. This, coupled with the decision by the government to ignore the threat, implies that no-confidence motions are much more probable when the costs of challenging are lower. This leads me to Lemma 1:

Lemma 1: As the costs of challenging (Ch) decrease **vis-a-vis** *the probability that the opposition party wins the no-confidence motion (q), opposition parties become more*

likely to threaten the government. This increases the probability of a no-confidence motion.

Yet it is likely that an opposition party that is serious about triggering acquiescence by the government will offer a time guarantee in exchange for the concessions.

The next set of comparative statics explores the government's behavior when the opposition provides a time guarantee of at least two periods ($Tg > 1$). Figure 6 shows the importance of a time guarantee and the size of the concessions on the government's response to threats. The first scenario (shown on the left half of Figure 6) shows a government that faces a coin flip between winning the post-resignation election ($r = 0.5$), and the opposition is demanding no concessions ($M \to 0$) with a time guarantee of two time periods ($Tg = 2$). The costs of challenging are rather low, and the dotted line indicates when Condition 1 holds. When the opposition is almost certain of winning a no-confidence motion ($q \to 1$), then ignoring the threat is the least likely of the government's three choices. If the government benefits from the current arrangement (large B), then it will choose to grant concessions (A) in order to buy more time in office. If the government does not benefit from the current arrangement (small B), then it will choose to resign (R) and attempt to gain office after the next election. In other words, with the opposition in a weak bargaining position (demanding little and offering much), no-confidence motions only occur when the probability of the opposition winning the challenge is rather low. This leads me to another Lemma:

Figure 6: Importance of Size of Concessions (M) with a Time Guarantee ($Tg > 1$).
A=Acquiesce, R=Resign, I=Ignore and Gray=No-Confidence Motion

M=0   **M=1**
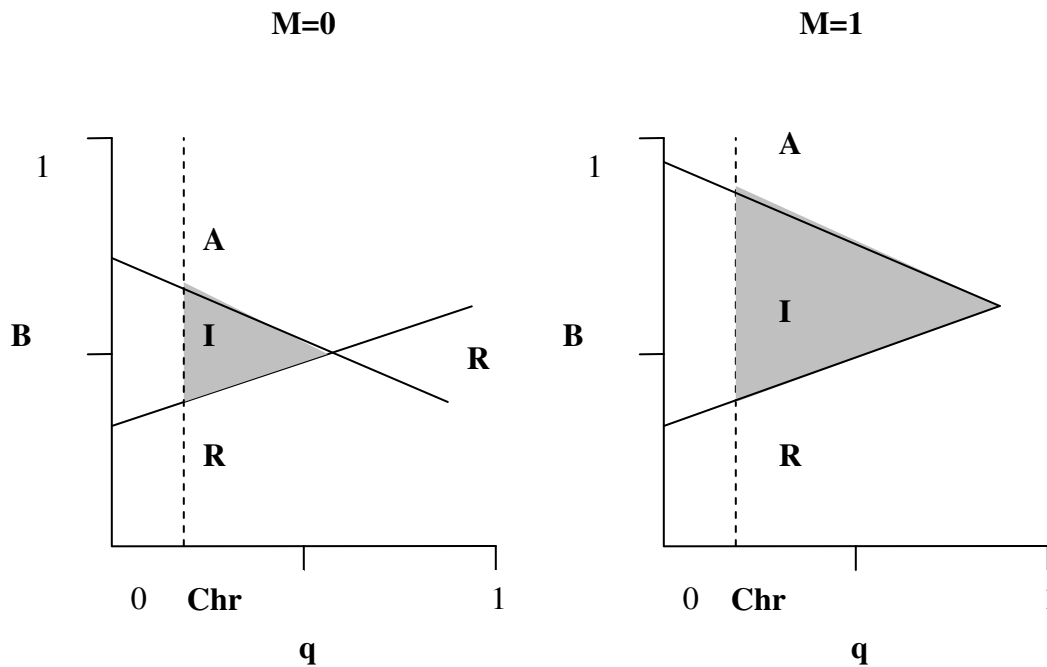
Lemma 2: With a time guarantee of at least two time periods, at high levels of benefit to holding office, governments will be more likely to acquiesce than ignore the threat or resign. Given a time guarantee of at least two time periods and Condition 1, no-confidence motions occur when the government's benefit to holding office is in the mid-range.

In the second scenario (shown on the right half of Figure 6, the parameters are the same, with one exception: the opposition demands more concessions ($M \rightarrow 1$). If the opposition party demands large concessions, the government becomes more likely to ignore the threat and risk losing office due to a challenge than acquiesce. The

probability of resigning does not change as the size of concessions increases. I therefore present Lemma 3:

Lemma 3: When the opposition demands larger concessions, it makes the government more willing to ignore the threat (and possibly face a no-confidence motion) at all levels of possible success.

When the results of Figures 5 and 6 are taken together, we understand how the government's benefit to holding office interacts with the time guarantee to generate challenges. When the opposition is in a strong position ($Tg = 0$), no-confidence motions occur when the government highly values staying in office. When the opposition is in a weak position ($Tg > 1$), no-confidence motions occur when the government values being in office, but not to the extent that it would grant the concessions demanded.

The Case of No-Confidence Motion

As described in the Introduction, over the course of 15 months from 1980-1981, the British Labour Party tabled three no-confidence motions against the majority Conservative government. Prior to each no-confidence motion, Labour made public demands about the necessity for the Tories to address the high unemployment rate. The Conservatives used this signal to determine that they were facing a resolute opposition type. Yet each time, the Tories ignored the threat and continued to pursue their

monetarist policies. Labour backed up each one of its threats by tabling a no-confidence motion, which were easily defeated.[23]

This example illustrates Lemmas 1-3 nicely. Lemma 1 states that as the costs of challenging decrease, opposition challenges will be more likely. Labour paid few costs in challenging the Conservatives. They were unlikely to lose independent voters and would not face the possibility of being excluded from a future Conservative government. These factors, when combined with the preference that Labour placed on full employment, encouraged the proliferation of no-confidence motions. Lemma 2 emphasizes the importance of a time guarantee. Though this offer is largely unobservable, its importance is mitigated by the extremely small probability of the opposition winning the challenge. This is more likely to cause the government to ignore the challenge rather than acquiesce or resign. Finally, Lemma 3 suggests that as the demanded concessions increase, no-confidence motions become more likely. Labour was demanding policy concessions that would represent a large shift in economic policy, which the Conservatives were unwilling to provide. This caused the Tories to ignore the threat, ultimately provoking no-confidence motions that were destined to fail.

Acquiescence Equilibrium

In this *Acquiescence Equilibrium*, both types of opposition parties, resolute and irresolute, challenge the government. The government acquiesces to the threat. Since both types threaten the government, the signal provides no information and the

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[23] There are minimal costs to challenging in Britain, as the rules regarding no-confidence motions are rather lenient. A single MP can propose the motion, only a simple majority is required for it to pass, a debate on a no-confidence motion takes priority over the normal business of the day, and there are no formal constraints on the number of challenges per legislative session (Saalfeld 2006: 630).

government cannot update its prior belief regarding type ($p = p'$). Let B' represent the

cutpoint for resigning

$$B' \equiv \frac{1 + M - r}{Tg}$$

and B'' represent the cutpoint for ignoring the threat

$$B'' \equiv \frac{p' + p'q + M}{Tg - 1}$$

The government chooses to acquiesce, based on the length of the time guarantee, under

these conditions:

- Case 1 ($Tg = 0$): $B \geq B'$ and $B \leq B''$

- Case 2 ($Tg > 1$): $B \geq \max\{B', B''\}$

Both types of opposition parties threaten when $M \geq 0$, which is true for all M. To

illustrate these equilibrium strategies, I provide Figure 7, which shows government

responses as a function of the time guarantee offered by the opposition. The light gray

colors represent the values of Tg when the opposition threatens the government while

the dark gray color represents the scenarios where no-confidence motions occur. The

following lemma describes government acquiescence:

Lemma 4: When the opposition offers no time guarantees, government grants

concessions when the government values staying in office ($B \geq B'$) but not so highly

that it would ignore the threat ($B \leq B''$). When there is a time guarantee, a government

satisfied with the current governing arrangement ($B \geq B''$) will choose to buy more time

in office by granting concessions.

Figure 7: Government Responses to Threats as a Function of Time Guarantee (Tg)

Another empirical example will help illustrate this behavior.

The Case of Government Acquiescence

In late 1998, the Liberal Democratic Party (LDP) government of PM Keizo Obuchi brought the Liberal Party (LP) into its governing coalition. There were two proximate catalysts for this expansion. First, while the LDP had a majority in the lower house (House of Representatives, 265 seats out of 500), it lacked a majority in the upper house (House of Councillors, 104 seats out of 252). Lacking a majority in the upper house meant that it was vulnerable to no-confidence motions, whether made explicit or not. Second, the Obuchi Government hoped that incorporating the LP's seats (39 in the

House of Representatives and 12 in the House of Councillors) would "give the LDP

more flexibility in passing legislation through the Diet (the bicameral legislature)"

(Keesing's 42756). The LDP wanted more stability in office and more flexibility for

policy formation, but including the LP entailed costs. By including LP in the coalition,

the government gave them the cabinet position of Home Affairs Minister. LP party

leader Ichiro Ozawa also "attached to the coalition agreement with the LDP a set of

sweeping policy changes, which were initially thought to be unacceptable to the LDP

leadership. These included more active participation in UN peacekeeping operations, a

reduction in Cabinet seats, and the cutting of 50 of the lower house seats which were

elected by proportional representation" (Keesing's 42756).

These were policy concessions that had been previously unacceptable to the

government, but were granted to ward off future no-confidence threats. Though

potentially costly, this move helped mitigate the threat from a no-confidence motion and

ultimately was credited with lengthening the LDP's time in office. This example

effectively illustrates the choices of a government in response to a threat. We know that

the LDP had a medium-high benefit to staying in office, given their strong position as a

single-party majority government.[24] We also know that the LP was demanding a large

level of concessions. While the time guarantee is unknown, we can safely assume that it

was substantial, given the high level of concessions demanded by the LP. According to

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[24] By granting concessions, the LDP not only increased their future benefit (by solidifying their tenure) but also the benefit they derived from the current arrangement. Thus, this case shows the possibility of concessions increasing the benefit from office. In the pursuit of a parimonious theory, I leave this extension to future research.

Figure 7, we would expect that the LDP, having a high benefit to staying in office and a large time guarantee from the opposition, would acquiesce and grant concessions.

Resignation Equilibrium

The final pure-strategy equilibrium is the *Resignation Equilibrium* where both types of opposition party threatens the government. The government responds by resigning from office. The opposition chooses to resign when

$B \leq \min\{p'(q-1)+1-r, \dfrac{1+M-r}{Tg}\}$. The opposition threatens when $r \geq 0$, which is

true because, by assumption, the opposition party has a nonzero probability of being in the next post-resignation government. Thus, when the government's benefit to holding office is low, regardless of the time guarantee, the government will choose to resign from office and test its support in an early election. In the following lemma, I describe the key influence in the government's decision to resign from office.

Lemma 5: The government will resign in the face of a threat if the benefit to holding office is sufficiently low.

An empirical case helps identify the details of this proposition.

The Case of Government Resignation

On March 19, 1980, Signor Francesco Cossiga, the Christian Democratic (DC) Prime Minister resigned from office, officially terminating his Italian minority government composed of the DC, the Liberals (PLI) and the Social Democrats (PSDI) and supported in parliament by the Socialist Party (PSI) (Keesing's 30341). As an opposition party, the Socialists had originally supported the government, but they had

grown weary of its economic policies and voiced their demands that the coalition include the Communists. This was an unacceptable arrangement, as the DC had "flatly ruled out an form of cooperation with the Communists" at their congress in February 1980 (Economist April 12, 1980). The Socialists then withdrew its tacit parliamentary support, which left the government vulnerable to a challenge. The PSI then threatened to table a motion of no-confidence in the government.[25] Once it became clear that the government did not have a majority of votes to defeat the motion, Cossiga resigned from government (Keesing's 30341). In the coalition negotiations following the resignation, the DC was once again chosen to form a coalition. They chose the Republicans and the Socialists—but, without the Communists. The change of heart for the Socialists occurred at a meeting of the party's central committee. Bettino Craxi, leader of the Socialists, reminded the party of the DC's refusal to incorporate the Communists: "he gave warning that the reward for Socialist stubbornness [in demanding Communist inclusion] would be an early general election at which the party would probably lose votes" (Economist April 12, 1980). Thus, with future electoral calculations in mind, the Socialists joined the coalition with the DC and Republicans, creating a majority government.

With the use of this formal model, we can clearly understand Cossiga's decision making. Cossiga was benefiting little from office with a multi-party minority government ($B \rightarrow 0$) that was increasingly vulnerable to no-confidence motions

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[25] No-confidence motions can be directed at either the entire cabinet, the PM, or individual ministers, and only a simple majority is required for a motion to pass (Verzichelli 2006). The only institutional barrier (cost) for the Socialists was ensuring that it had the signature of 1/10 of the members to table the motion, which the Socialists were able to easily gather.

($q \rightarrow 1$), with an opposition demanding substantial concessions ($M \rightarrow 1$). On the bright side, the DC faced a large probability of being in the next government formed ($r \rightarrow 1$). Lemma 5 would suggest that, given these parameters, it made more sense to resign and try to form the next government than to either acquiesce and make significant concessions, or ignore the PSI's threat and face removal.

Conclusion

This project sheds light on a key interaction between governments and opposition parties—no-confidence motions. Little is known about no-confidence motions outside of their impact on government tenure. The key contribution of this chapter is the introduction of a theory regarding when and why opposition parties will choose to threaten the government with a no-confidence motion. I theorize that opposition parties perform a simple cost-benefit calculation by weighing the potential benefits of threatening to challenge with the costs of doing so. Governments make a similar calculation when deciding whether to respond to threats by ignoring the threat, acquiescing or resigning.

I develop a formal model that examines the interactions of the government and an opposition party. The formal model produces a number of intuitive observations that are applicable to other areas of parliamentary decision making. Opposition parties are unlikely to bluff, as bluffing would impose some audience costs that are often greater than the benefit of threatening the government. Just as this model predicts situations in which the opposition threatens the government, it also highlights those times where the opposition prefers the status quo over threatening the government. Moreover, one of the

implications of this model is that no-confidence motions are relatively rare because they are the result of a selection process. Before a no-confidence motion is proposed, the opposition party has already threatened the government and the government has chosen to ignore the threat rather than either acquiesce or resign. Thus, no-confidence motions occur because either the probability of them succeeding is low, the concessions required to appease the opposition party are large, or the chance of gaining office in the next election is low. The model also suggests that governments have the ability to ensure their own stability for a specific period of time by granting concessions to an opposition party. That opposition party, in turn, provides a guarantee to refrain from challenging the government for a certain length of time.

The model of incomplete information helps our understanding of threats and government responses. By allowing opposition parties to have different types based on their risk-aversion to audience costs, we can generate predictions on the behaviors of a variety of opposition parties. Moreover, the model shows that the government can ascertain the credibility of the threat as an informative signal from the opposition, and modify its behavior accordingly.

By using Lupia and Strom (1995) as a theoretical foundation for studies of cabinet termination, we can understand how electoral prospects, exogenous shocks, and structural attributes can affect the durability of coalitions. However, this study focuses on explaining when opposition parties threaten the government, how the government responds and whether threats are credible. This exercise can explain the primary findings of Lupia and Strom (1995) in addition to a number of other empirical

regularities. First, the formal model developed herein occurs constantly in parliamentary regimes. Certainly, exogenous shocks empower the opposition parties more than status quo behavior. My formal model is more general, considering a great deal of parliamentary interaction takes place in everyday events rather than exogenous shocks. Second, by varying the parameter measuring the benefit to holding office, B, I can accurately portray the behavior of both single-party and multi-party governments, minority and majority governments. Thus, I can explain when no-confidence threats and motions occur against single-party governments as well as coalition governments. Third, in this model, I hypothesize that there are two different types of opposition parties based on their willingness to back up a threat. Opposition parties of both types can choose whether to threaten the government, and the government can decide how it wants to respond, partially on its updated beliefs concerning the opposition party's type. This initial stage of government-opposition interaction is unfortunately unobserved in Lupia and Strom's (1995) model. Finally, the ability of the government to respond to threats includes a wide range of behavior, including acquiescing. Acquiescence can take a variety of shapes, including the renegotiation of the coalition, policy concessions, promises of election timing, etc. Additionally, I incorporate the promise that opposition parties make in exchange for concessions of a time guarantee. By including the notion of concessions and time guarantees into a model of no-confidence motions, I present a more realistic portrayal of dynamics in parliamentary systems.

These observations are broadly applicable to a variety of governing arrangements, and provide intuitive explanations for some common behavior. More

specifically, it offers an explanation as to how politically vulnerable government types, like minority and coalition governments, are able to survive in office for as long as they do. The explanation gained from this project is that those times where an opposition party has a strong bargaining position are likely to induce concessions from the government. This entails a time guarantee and possibly lengthens the minority or coalition government's tenure. The type of government that is most likely to grant concessions is a single-party majority government. When these governments face an increased risk of the challenge succeeding, they are most likely to grant concessions in order to reap the benefits of staying in office. Another observation is that government responses to threats depends partly on the benefit gained from remaining in office. For an unpopular government, or a government at the end of the CIEP, there is an increased incentive to resign rather than either ignore the challenge or grant concessions to the opposition. Thus, these observations are helpful in providing a more accurate picture of the interactions between opposition parties and governments. The model also uncovers a potentially substantial role for the opposition in determining the timing of elections. Rather than challenging the government any time it thinks it will be successful, it rationally weighs its electoral prospects along with the potential for the government to either acquiesce or resign. This is only one piece of the overall puzzle of opposition challenges, however. The remainder of the dissertation addresses the use and timing of opposition challenges, and their electoral and policy consequences.

CHAPTER III

A FORMAL MODEL OF NO-CONFIDENCE MOTIONS

Our understanding of parliamentary politics suggests that no-confidence motions have a critical place in government continuation, reorganization and termination (Baron 1998). More specifically, we know that opposition parties use no-confidence motions as a way of removing the government and potentially inducing early elections (e.g., Warwick 1994; Grofman and van Roozendaal 1994). Yet this power is not limited to the opposition (e.g., Huber 1996). Governments use confidence vote procedures to reduce uncertainty regarding the policy positions of coalition partners (Huber and McCarty 2001), and to force cohesion within the coalition (Diermeier and Feddersen 1998).

In Chapter II, I theorized that challenges occur as a result of an initial stage of interaction between the government and the opposition. Only when the opposition threatens the government and they choose to ignore the threat (rather than acquiesce or resign) does a no-confidence motion occur. The findings of previous studies, as well as our common sense understanding of parliamentary politics have led us to some insightful findings, but multiple questions arise. For example, why do opposition parties propose no-confidence motions if they are likely to fail? Moreover, if extremist parties are unlikely to be included in any post-challenge government, then why do they propose no-confidence motions? Why do opposition parties in some systems use challenges so often while opposition parties in other systems do not? Finally, what causes median legislators to accept no-confidence motions if it means an end to the current government?

To gain leverage on these questions, I develop a formal model between an opposition party who decides whether to challenge, a median legislator who decides whether to support the challenge, and a capturable voter who either votes with or against the government in the next election. The formal model helps us match conventional wisdom with theoretical propositions that can be tested empirically. These propositions will guide us toward answers to the questions that have arisen out of the literature. This knowledge provides a better understanding of the delicate balance between governments and oppositions, their tools for electoral gain, and the motivations of opposition parties for challenging government.

The primary contribution of this chapter is the development of a theory based on the opposition signaling its perception of the government's competence via challenges. In the game, opposition parties act both in terms of short-term gains as well as long-term gains. This provides intuitive answers that help us understand the circumstances under which the opposition will challenge the government for immediate gain as well as long-term gain. The signal could be targeted as illustrating a general failure of government, or a more specific salient issue. The theory also suggests a rationale for when the median legislator will accept or reject challenges by the opposition for policy- and office-driven motivations. Finally, I provide observations concerning when the capturable voter votes with the government in the next election. These findings have a number of implications for the study of policy formation, vote choice, election timing and government duration.

In the sections that follow I describe the game—and its underlying intuition—used to develop the theory. In the second section I describe, in detail, the conditions under which each of the 8 pure-strategy equilibria occur. Next, I describe interesting propositions for all three actors. In the final section, I investigate some general observations from the model and apply them to puzzles within the literature on parliamentary politics.

A Game of Opposition Challenges

In this game I model the interactions between an opposition party, the median legislator in the parliament, and a key voter. The opposition party decides whether to challenge the government, and the median legislator decides to accept or reject the challenge. In the next election, the voter either votes with or against the government. An *opposition party* is defined as any political party that is not included in the government, or any party that does not possess cabinet portfolios. The median legislator is the legislator that occupies the median position on a policy space. The policy space can be either a general left-right policy space or a unidimensional policy space regarding a specific salient issue. In systems with strong party cohesion the median legislator is the equivalent of the median party. While the median legislator is most likely part of the government, as in the case of a majority government, there are two circumstances when the median legislator may occasionally support the opposition. First, the governing parties might not control a majority of the parliamentary seats. Second, even in the case of a majority government the party system may be one in which the parties do not exercise strong party cohesion. Consequently, while the median legislator may be a

member of a governing party, weak internal party cohesion means that the legislator may be willing to support the opposition under certain conditions in this game. The final actor is called a "capturable voter". In a majoritarian system, this voter is most likely the median voter whose support would provide the government with a majority in the parliament. In a system with proportional representation, the capturable voter is a voter outside of the party's "winning coalition", but within ideological proximity to the party. Thus, the capturable voter in a proportional representation system is simply a voter that would expand the party's support base, and ultimately widen its control of parliamentary seats.

I present the formal model of these interactions in Figure 8. The sequence of the game is as follows. Nature (N) independently chooses the government's type, either competent (C) or incompetent (I), with common prior p and $1-p$, respectively. After Nature chooses the government's unobserved competence level, an opposition party chooses to either challenge the government (Ch) or not challenge the government ($\sim Ch$). The action set for the opposition party (OP) is $A_{OP} = (Ch, \sim Ch)$. The strategy set for the opposition party contains four elements, two actions for each state of the world. For example, the first strategy is to challenge given a competent government ($Ch \mid C$) and challenge given an incompetent government ($Ch \mid I$). The four strategy sets are as follows:

- $(Ch \mid C, Ch \mid I)$

- $(Ch \mid C, \sim Ch \mid I)$

Figure 8: Formal Model of No-Confidence Motions

B, p+B, B   Vg

Vg

CV   **CV**   ~Ch   **OP**   Ch   **ML**

B_3

Ac

B_1

B- C_{Ch} - C_e , 1+B- C_e , B

1+2qB-B- C_{Ch} - C_e ,

p + 2qB-B- C_e , 2qB-B

~Vg

δ +2qB-B, p-(1-q)B, 2qB-B

~Vg

C   p

Rc

Vg

B- C_{Ch} , δ (1+B), B

δ +2qB-B- C_{Ch} ,

δ (1+2qB-B), 2qB-B

~Vg

N

Vg

-B- C_{Ch} - C_e , p-B- C_e , -B

I   1-p

Ai

B_2

-B, p, -B   Vg

~Vg

1+2qB-B- C_{Ch} - C_e ,

p+2qB-B- C_e , 2qB-B

δ +2qB-B, p+qB, 2qB-B

CV   ~Ch   **OP**   Ch   **ML**

Vg

-B- C_{Ch} , δ (1-B), -B

Ri

~Vg

CV

δ +2qB-B- C_{Ch} ,

δ (1+2qB-B), 2qB-B

~Vg
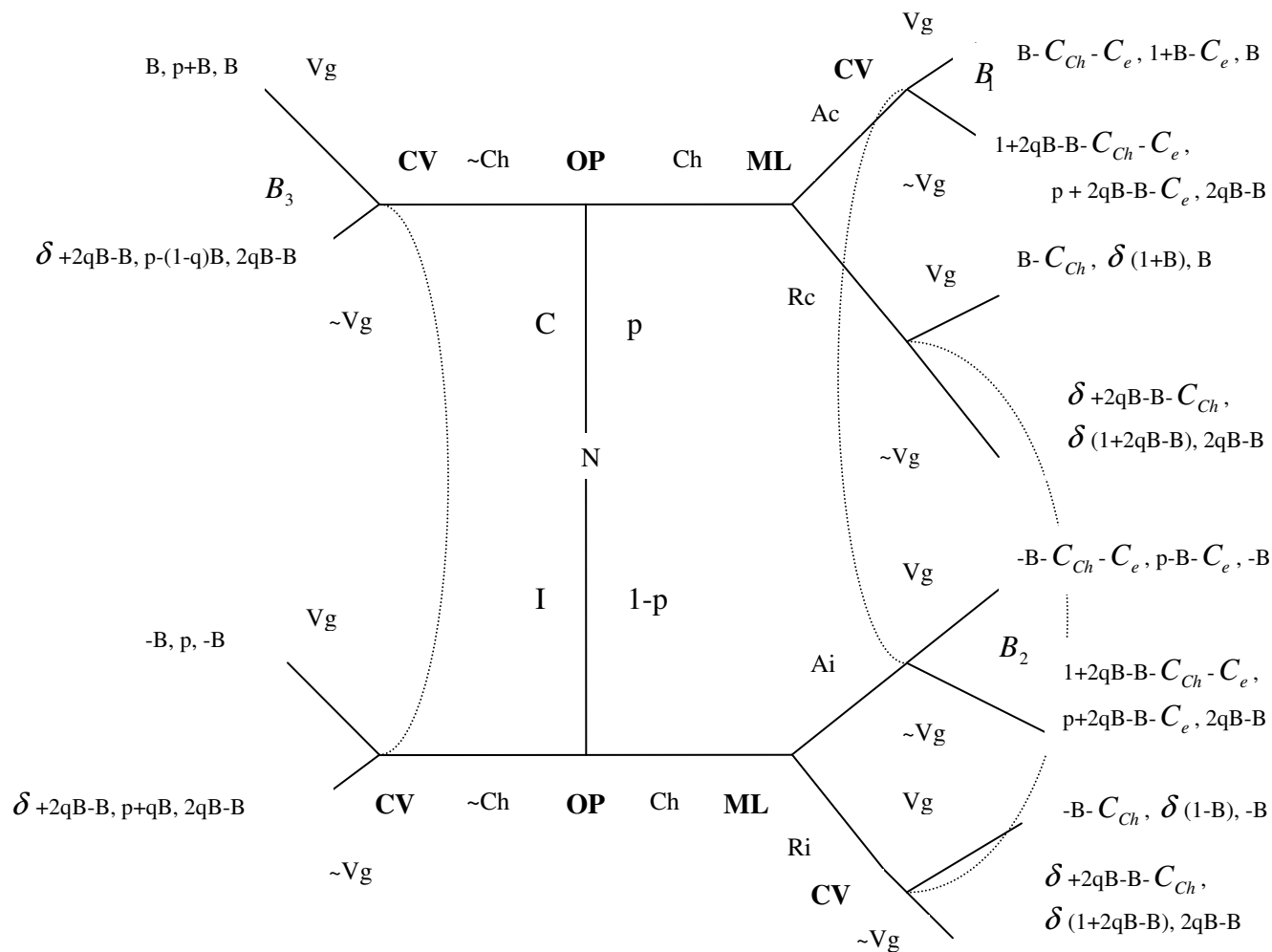
- $(\sim Ch \mid C, \sim Ch \mid I)$

- $(\sim Ch \mid C, Ch \mid I)$

The opposition party is aware of the government's true competence level when it makes its decision whether or not to challenge. If the opposition party chooses not to challenge $(\sim Ch)$, then an election occurs later in the electoral cycle. During the election later on, the capturable voter chooses to vote either for the government (Vg), or against the government $(\sim Vg)$. A vote against the government is an outcome which improves the proposing opposition party's electoral fortunes, even if the vote does not go to the proposing party. The capturable voter (CV) is unaware of the government's competence level, so she does not know whether she is at the top or bottom of the formal model (denoted with the dashed lines, or information sets). The action set for the capturable voter is $A_{CV} = (Vg, \sim Vg)$. A strategy set implies the action that each player takes at each information set at which the player makes a choice. While the strategy sets for the opposition party and median legislator are simple, the strategy set for the capturable voter must specify the action at each of the three information sets given in Figure 8. In the following eight actions, I specify the capturable voter's actions after either observing an accepted challenge, a rejected challenge or no challenge at all. For example, the strategy is for the capturable voter to vote for the government under all three cases: if it observes a challenge that is accepted $(Vg \mid Ch_A)$, a rejected challenge $(Vg \mid Ch_R)$, or no challenge at all $(Vg \mid \sim Ch)$.

- $(Vg \mid Ch_A, Vg \mid Ch_R, Vg \mid \sim Ch)$

- $(Vg \mid Ch_A, \sim Vg \mid Ch_R, Vg \mid \sim Ch)$

- $(Vg \mid Ch_A, Vg \mid Ch_R, \sim Vg \mid \sim Ch)$

- $(Vg \mid Ch_A, \sim Vg \mid Ch_R, \sim Vg \mid \sim Ch)$

- $(\sim Vg \mid Ch_A, Vg \mid Ch_R, Vg \mid \sim Ch)$

- $(\sim Vg \mid Ch_A, \sim Vg \mid Ch_R, Vg \mid \sim Ch)$

- $(\sim Vg \mid Ch_A, Vg \mid Ch_R, \sim Vg \mid \sim Ch)$

- $(\sim Vg \mid Ch_A, \sim Vg \mid Ch_R, \sim Vg \mid \sim Ch)$

If the opposition party chooses to challenge the government (Ch), then the median legislator chooses whether to accept the challenge and pass the no-confidence motion (A), or reject the challenge and the no-confidence motion fails (R). The median legislator chooses its action having observed the action of the opposition party and knowing the government's type (C or I). An election occurs after either action taken by the median legislator. If the median legislator accepts the no-confidence motion, an immediate election is held, at which point the capturable voter votes either for the government (Vg) or against the government $(\sim Vg)$.[26] If the median legislator rejects the no-confidence motion, an election occurs later in the electoral cycle and the capturable voter either votes for or against the government. The action set for the median legislator is:

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[26] I assume that a no-confidence motion is followed immediately by elections, rather than a reorganization of government possibly delaying an election. While this is a possibility in some systems (e.g., Australia and Canada), the empirical record has shown that parliamentary dissolution is more common practice than government reorganization.

$$A_{ML} = \{\frac{(A,R) if a_O = Ch}{\otimes \, otherwise}$$

Similarly, the strategy set for the median legislator specifies the action taken when faced with both a competent and an incompetent government. For example, in the first action, the median legislator accepts a challenge against both a competent government ($A \mid C$) as well as an incompetent government ($A \mid I$).

- $(A \mid C, A \mid I)$

- $(A \mid C, R \mid I)$

- $(R \mid C, A \mid I)$

- $(R \mid C, R \mid I)$

The decision by the opposition party acts as a signal of the government's competence. This decision provides information for the capturable voter, in that it changes the payoffs associated with the capturable voter's decision to vote for or against the government. This is because the government has an informational advantage over the electorate in assessing the government's own level of competence. Even if the public is knowledgeable of the government's policies, it is likely that they cannot determine to what extent the government is actually responsible for policy outcomes. This is especially the case in contexts with multiple non-electorally accountable actors making decisions that affect the policy outcomes (Duch and Stevenson 2008). Thus, it is assumed that the government has an informational advantage over the capturable voter. This is not the case with the median legislator. While the opposition party will be more informed than the voter, it is unlikely that there will be a large informational asymmetry

between parties in parliament in terms of their knowledge of government competency. There may be differences in the quality of information based on the size and strength of political parties (and their research departments), though I argue that it is not vast enough to allow the opposition party to credibly signal to the median legislator.

I will now consider the actors' payoffs in greater detail. I assume that the opposition party and the median legislator are both office-and policy-seeking. They are office-seeking in the sense that both actors receive a benefit of 1 if they are in office and 0 otherwise.[27] Since they are also assumed to be motivated by concerns about policy effectiveness, they want to place a competent government in office and remove an incompetent government from office. Government competence can be considered generally, or it can be tied to a particularly salient issue to the opposition. Moreover, this signal is directed at assessing the current government's competence, rather than the political parties (as a whole) that make up the governing coalition. If they correctly match the type to the office, then the opposition party gets a benefit of B (where $B > 0$). Either removing a competent government or electing an incompetent government incorporates a cost of $-B$ for both parties. If the capturable voter chooses to vote against the government, a new government must be formed. Neither the opposition party nor the median legislator knows the probability that the new government will be competent (q) or incompetent ($1-q$). To incorporate this uncertainty into the model, when the capturable voter votes against the government, the opposition party and median legislator get a payoff of $2qB - B$ (or,

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[27] This is normalized to 0 and 1 to ease in interpretation.

$q(B) + 1(1-q)(-B)$). Alternatively, the expected payoff is the benefit the opposition

party receives by keeping a competent government in office (B), multiplied by the

probability that the new government is competent (q). Yet, removing a competent

government incorporates a cost ($-B$), which is multiplied by the probability of an

incompetent government coming into office ($1-q$).

Both parties pay the cost of an election, C_e , (where $C_e > 0$) if an election is held

immediately following an accepted challenge. If the election occurs later, the C_e is

assumed to be 0. In addition to the costs of the election, the opposition party also incurs

some cost of proposing the challenge, denoted C_{Ch} (where $C_{Ch} > 0$). These costs can

include the transaction costs of challenging in addition to the unobservable costs

associated with upsetting future possible coalition partners. These costs differ across

states as the institutional obstacles to proposing challenges vary in magnitude. The

probability that the median legislator is included in the new government (following an

accepted no-confidence motion) is denoted with probability p (where $0 > p > 1$). If an

election occurs later in the electoral cycle (either because of $\sim Ch$ or $R \mid Ch$), then the

benefits to holding office are multiplied by a decay parameter, δ , (where $0 \geq \delta \geq 1$). If

δ is close to 1, then the actor values the benefits from a deferred election equally to the

benefits from an immediate election. As δ approaches 0, then the actor derives little

value from a deferred election relative to an immediate election. The capturable voter

prefers to correctly place a competent government in office (B) to an incompetent one

$(-B)$. When there is uncertainty regarding whether a new government (following the action $\sim Vg$), the capturable voter gets a payoff of $2qB - B$.

Equilibria

I solve the model by finding the sequential equilibria of the game with the incentive compatibility restriction.[28] The sequence provides the moves of the opposition party, median legislator and capturable voter, in addition to the capturable voter's updated beliefs regarding the government's competence type. There are eight pure-strategy perfect Bayesian equilibria (PBE) to the game described above. For example, in the first equilibria, the opposition party does not challenge a competent government ($\sim Ch \mid C$) but challenges an incompetent government ($Ch \mid I$), the median legislator rejects a challenge against a competent government ($R \mid C$) but accepts the challenge otherwise ($A \mid I$), and the voter votes against the government if a challenge is accepted ($\sim Vg \mid Ch_A$) or rejected ($\sim Vg \mid Ch_R$), and votes with the government if no challenge occurs ($Vg \mid \sim Ch$).

Equilibrium 1: $(\sim Ch \mid C, Ch \mid I), (R \mid C, A \mid I), (\sim Vg \mid Ch_A, Vg \mid Ch_R, Vg \mid \sim Ch)$

Equilibrium 2: $(\sim Ch \mid C, Ch \mid I), (A \mid C, R \mid I), (Vg \mid Ch_A, \sim Vg \mid Ch_R, Vg \mid \sim Ch)$

Equilibrium 3: $(\sim Ch \mid C, Ch \mid I), (R \mid C, A \mid I), (\sim Vg \mid Ch_A, \sim Vg \mid Ch_R, Vg \mid \sim Ch)$

Equilibrium 4: $(\sim Ch \mid C, Ch \mid I), (R \mid C, R \mid I), (Vg \mid Ch_A, \sim Vg \mid Ch_R, Vg \mid \sim Ch)$

Equilibrium 5: $(\sim Ch \mid C, Ch \mid I), (A \mid C, A \mid I), (\sim Vg \mid Ch_A, \sim Vg \mid Ch_R, Vg \mid \sim Ch)$

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28 The principle of incentive compatibility means that "no type of sender can benefit in equilibrium by acting like a different type[...]the actions of different types must be compatible with their incentives" (Morrow 1994: 226). This means that opposition parties will not challenge a competent government, but not challenge an incompetent government.

Equilibrium 6: $(\sim Ch\,|\,C, Ch\,|\,I), (A\,|\,C, A\,|\,I), (\sim Vg\,|\,Ch_A, Vg\,|\,Ch_R, Vg\,|\sim Ch)$

Equilibrium 7: $(\sim Ch\,|\,C, Ch\,|\,I), (R\,|\,C, R\,|\,I), (\sim Vg\,|\,Ch_A, \sim Vg\,|\,Ch_R, Vg\,|\sim Ch)$

Equilibrium 8: $(\sim Ch\,|\,C, Ch\,|\,I), (A\,|\,C, R\,|\,I), (\sim Vg\,|\,Ch_A, \sim Vg\,|\,Ch_R, Vg\,|\sim Ch)$

All equilibria are separating equilibria, meaning that the opposition party chooses separate actions according to the government's type. The opposition party challenges an incompetent government, but does not challenge a competent government. In all cases, the opposition party's signal of the government's competence is informationally productive, in that it correctly identifies the government's competence to the capturable voter. Each of these equilibria will be examined in turn. An illustrative proof of Equilibrium 1 is provided in Appendix B.

Equilibrium 1: The opposition party does not challenge a competent government, but challenges an incompetent government. The median legislator accepts the challenge, at which point the capturable voter votes against the government. If the capturable voter observes no challenge, then it votes with the government. The equilibrium strategy profile is $(\sim Ch\,|\,C, Ch\,|\,I), (R\,|\,C, A\,|\,I), (\sim Vg\,|\,Ch_A, Vg\,|\,Ch_R, Vg\,|\sim Ch)$.

The beliefs that support this equilibrium are:

$B_1 = 0, B_2 \geq q, B_3 = 1$.

This occurs when

- As long as the opposition party incurs some cost for challenging, they will choose not to challenge a competent government.

- Facing an incompetent government, the opposition party's benefit to holding office must be *greater than* the difference between the costs of challenging and of the election minus the benefit to holding office (set to 1), relative to the two times the probability of a competent government being placed in office.

- Facing an incompetent government, the decay parameter for the median legislator is sufficiently large (or small), depending on whether the benefits to placing a competent government in office are greater than 1. More formally,

  o $\delta \leq \dfrac{p + 2qB - B - C_e}{1 - B}$ if $B < 1$

  o $\delta \geq \dfrac{p + 2qB - B - C_e}{1 - B}$ if $B > 1$

Equilibrium 2: This is the same strategy profile as Equilibrium 1, but in this case the decisions on the off-equilibrium path change. If the opposition challenges a competent government, the median legislator accepts the challenge, and the capturable voter votes with the government. The equilibrium strategy profile is

$(\sim Ch \mid C, Ch \mid I), (A \mid C, R \mid I), (Vg \mid Ch_A, \sim Vg \mid Ch_R, Vg \mid \sim Ch)$.

The beliefs that support this equilibrium are:

$B_1 \geq q, B_2 = 0, B_3 = 1$.

This occurs when

- Facing an incompetent government, the opposition party's benefits to holding office must be less than the difference between the decay

parameter and the costs of challenging, relative to the probability of a

competent government being placed in office.

- Facing an incompetent government, the median legislator will choose to

  reject a challenge as long as the decay parameter is at least as much as the

  probability the median legislator is retained is small compared to the

  benefit from maintaining office and the costs of an election. As the

  probability of a competent government winning office increases (along

  with the benefits associated with a competent government), the median

  legislator can value future gains less and still want to reject the challenge.

Equilibrium 3: The opposition party challenges an incompetent government, which the

median legislator accepts, and the capturable voter votes against the government in the

election held immediately. The opposition party does not challenge a competent

government, and the capturable voter votes with the government in the future election.

This equilibrium strategy profile is

$(\sim Ch \mid C, Ch \mid I), (R \mid C, A \mid I), (\sim Vg \mid Ch_A, \sim Vg \mid Ch_R, Vg \mid \sim Ch)$.

The beliefs that support this equilibrium are:

$B_1 = 0, B_2 \leq q, B_3 = 1$.

This occurs when

- Facing a competent government, the opposition party will choose not to

  challenge if the benefits of having a competent government in office

  exceed the benefits of holding office (having paid the costs of challenging

  and of the election). When the probability of a competent government

winning office in a future election approaches 1, the incentive to challenge will be much higher.

- Facing an incompetent government, the opposition party will choose to challenge as long as the benefits of having a competent government in office exceed the sum of the costs associated with an election and challenging. As the costs of challenging (and an election) increase greater than the future benefit to holding office, the opposition party will choose to not challenge. Additionally, as the probability of a competent government winning office becomes less likely (approaches 0), then the opposition party has a greater incentive to not challenge.

- Facing an incompetent government, the median legislator will choose to accept the challenge and cause an immediate election when:
  - As the probability of a competent government winning office approaches 0, the probability the median legislator gets retained in an election must exceed the costs of an election.
  - As the probability of a competent government winning office approaches 1, the opposition party will accept the challenge as long as the costs of the election are small and the probability the median legislator gets retained is large.
  - As the decay parameter approaches 1, the probability of being retained must exceed the costs of an election.

o   As the decay parameter approaches 0, the median legislator is less

likely to accept the challenge if the costs of the election are high,

or if the probability of retaining office is low.

Equilibrium 4: In this strategy profile, the opposition party challenges an incompetent

government, the median legislator rejects the challenge (delaying the election), yet the

capturable voter votes against the government (and with the opposition). The opposition

does not challenge a competent government, and the capturable voter votes with the

government. This equilibrium strategy profile is

$(\sim Ch \mid C, Ch \mid I), (R \mid C, R \mid I), (Vg \mid Ch_A, \sim Vg \mid Ch_R, Vg \mid \sim Ch)$.

The beliefs that support this equilibrium are:

$B_1 = q, B_2 = 0, B_3 = 1$.

This occurs when

- Facing a competent government, the opposition will choose not to

  challenge the government if the benefit to having a competent

  government in office is high. Alternatively, they will choose not to

  challenge if the decay parameter is low, the costs of election are high, or

  if the probability of a competent government winning office is low.

- Facing an incompetent government, the opposition will choose to

  challenge if the benefit to having a competent government in office is

  high. This occurs when the costs of challenging are less than the decay

  parameter, or when the probability of a competent government winning

  office is high.

- Facing an incompetent government, the median legislator will reject a challenge when the benefits to placing a competent government in office are sufficiently high. This occurs when the probability of being retained in an election is low, the decay parameter is large, the costs of an election are large, or when the probability of placing a competent government in office is low.

Equilibrium 5: In this strategy profile, the opposition party challenges an incompetent government, the median legislator accepts the challenge and the capturable voter votes against the government. If there is no challenge, then the capturable voter votes with the government: $(\sim Ch \mid C, Ch \mid I), (A \mid C, A \mid I), (\sim Vg \mid Ch_A, \sim Vg \mid Ch_R, Vg \mid \sim Ch)$.

The beliefs that support this equilibrium are:

$B_1 = 0, B_2 \leq q, B_3 = 0$.

This occurs when

- When the benefits of placing a competent government in office (when faced with a competent government) are sufficiently high, the opposition party will refrain from challenging. This occurs as the election and challenge costs increase, and as the probability of a competent government winning office is small.
- The opposition party will challenge an incompetent government as the challenge and election costs decrease and as the probability of placing a competent government in office increases.

Equilibrium 6: This strategy profile is similar to Equilibrium 5, with the exception of changing the capturable voter's strategy on the off-equilibrium path ($Vg \mid Ch_R$). This equilibrium profile is as follows:

$(\sim Ch \mid C, Ch \mid I), (A \mid C, A \mid I), (\sim Vg \mid Ch_A, Vg \mid Ch_R, Vg \mid \sim Ch)$.

The beliefs that support this equilibrium are:

$B_1 = 0, B_2 \geq q, B_3 = 1$.

Equilibrium 7: In this strategy profile, the opposition party challenges an incompetent government, but the challenge is rejected by the median legislator. The capturable voter correctly interprets the competence signal and votes against the government in the future election. Since the opposition party does not challenge a competent government, the capturable voter votes with the government. This equilibrium profile is as follows:

$(\sim Ch \mid C, Ch \mid I), (R \mid C, R \mid I), (\sim Vg \mid Ch_A, \sim Vg \mid Ch_R, Vg \mid \sim Ch)$.

The beliefs that support this equilibrium are:

$B_1 \leq q, B_2 = 0, B_3 = 1$.

This occurs when

- When faced with a competent government, the opposition party will not challenge as long as the benefit to maintaining a competent government is sufficiently large. The opposition party will choose not to challenge as the value of holding office in the future relative to the present decreases, the costs of challenging increase, and the probability a competent government wins office approaches 0.

- When faced with an incompetent government, the opposition party will

  challenge if the benefit to replacing an incompetent government is

  sufficiently high. This occurs as the challenge costs shrink, the decay

  parameter increases, and the probability of a competent government

  winning office increases.

Equilibrium 8: This is essentially the same substantive strategy profile as that

presented in Equilibrium 7, with the exception of changing the capturable voter's off-

equilibrium path action ($\sim Vg \mid Ch_A$). The following strategy profile shows Equilibrium

8: $(\sim Ch \mid C, Ch \mid I), (A \mid C, R \mid I), (\sim Vg \mid Ch_A, \sim Vg \mid Ch_R, Vg \mid \sim Ch)$.

The beliefs that support this equilibrium are:

$B_1 = 1, 0 < B_2 < 1, B_3 = 0$.

Propositions

This section takes the equilibria from the formal model and produces general

propositions regarding the likely effects of the parameters on the behaviors of political

parties and voters. I first examine which characteristics increase the probability of a

challenge occurring. I then propose how the formal model suggests that those same

characteristics determine whether the challenge is passed in the parliament. Finally, I

state the conditions under which the capturable voter votes both *for* and *against* the

government.

The formal model suggests that opposition challenges occur primarily because of

two reasons. First, the challenge may be accepted by the median legislator, the

government is removed and new elections are immediately held. This provides the

opportunity for an immediate change in government. Second, and more theoretically interesting, is the notion that the challenge sends a signal to the capturable voter in the electorate about the government's true competence level. Even though the majority of challenges fail in that they do not immediately bring down the government, they serve a purpose. The capturable voter uses the signal to either vote for or against the government. The formal model suggests that four parameters are all crucial in determining whether the opposition party challenges an incompetent government.[29]

Opposition Party Proposition 1: The opposition party will challenge an incompetent government when:

- The costs of challenging are less than the benefits to challenging. The benefit to challenging is the sum of the decay parameter multiplied times the value of holding office after the next election (set to 1) and two times the probability of a competent government coming into office multiplied by the policy-driven benefits of a competent government. More formally, $C_{Ch} \leq \delta + 2qB$.

As δ, q, or B get larger, the opposition party has less incentive to deviate from the equilibrium and not challenge an incompetent government.

Opposition Party Proposition 2: The opposition party will not challenge a competent government when:

- The costs of challenging exceed the expected benefits, both policy- and office-driven. The policy-driven benefits are created by multiplying the

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[29] To calculate the following proposition, I use Equilibrium 4.

benefit derived from having a competent government in office by the probability that a competent government is placed in office. The office-driven portion of the payoffs is calculated as the benefit that would have been gained if it would have challenged (set to 1), multiplied by the value placed on future benefits relative to current benefits. More formally,

$$C_{Ch} \leq 2qB - 2B - \delta.$$

Moreover, as δ, q, B or grow smaller, the opposition party has less incentive to deviate from the equilibrium and challenge a competent government.

Once the opposition party has decided to challenge the government, the median legislator can choose to reject the no-confidence motion, further delaying the election. The formal model highlights two theoretical reasons for this.[30] First, a policy-driven median legislator will want to reject a challenge against a competent government in order to keep the government in office. Second, even when facing an incompetent government, the median legislator may reject the challenge if there is a large chance that the party is not in the next government. For similar reasons, the median legislator will choose which challenges to accept based on the probability she is retained and the benefit she gets from a competent government.

Median Legislator Proposition 1: The opposition party will reject a challenge against a competent government when:

- The benefit of having a competent government in office exceeds the payoff related to accepting a challenge.

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[30] To calculate these conditions, I use Equilibrium 7.

This payoff is equal to the sum of the decay parameter, the costs of the election, with the probability of being retained in the next government subtracted. This sum is relative to two times the probability of a competent government being placed in office minus the future benefit to holding office and the decay parameter. More formally,

$$B \geq \frac{\delta + C_e - p}{2q - 1 - \delta}.$$

Moreover, as B, δ, or C_e increase, the median legislator will be more likely to reject a challenge against a competent government.

Median Legislator Proposition 2: Likewise, the median legislator will still reject a challenge against an incompetent government if the probability of being retained in the next government is sufficiently low. The formal description of this principle (using Equilibrium 4) is as follows: $p \leq \delta(2qB - B + 1) + B + C_e$.

Median Legislator Proposition 3: The median legislator will accept a challenge against an incompetent government, for a combination of both policy- and office-driven considerations. In Equilibrium 3, the opposition party "correctly" signals, the median legislator accepts a challenge against the incompetent government, and the capturable voter votes against the government. If there is no challenge, the capturable voter correctly interprets the government as being competent, and votes with the government.

The policy-driven conditions are as follows:

$$B \geq \frac{C_e - p}{2q - 2q\delta - 1} \text{ if } 2q(1 - \delta) > 1$$

$$B \leq \frac{C_e - p}{2q - 2q\delta - 1} \text{ if } 2q(1 - \delta) < 1$$

The median legislator accepts a challenge against an incompetent government for office-driven considerations when: $p \geq \delta(2qB - B + 1) + B(1 - 2q) + C_e$.

Capturable Voter Proposition 1: The capturable voter will always vote for the government when the opposition party does not challenge. Since the capturable voter's payoffs are solely determined by correctly matching the government's type to whether they are in office, the capturable voter uses the signal of the opposition party's challenge to determine the government's competence. In other words, since it is informed of the opposition party's strategy, it updates its prior belief to be 100% certain whether the government is competent or incompetent. This occurs regardless of the probability of placing a competent government in power or the benefit to doing so (when faced with an incompetent government). With a competent government, as long as the probability of placing a competent government in office is less than 1 (which, by assumption, it is), the capturable voter will choose to vote for the government (when $1 \geq q$). When faced with an incompetent government, any probability of placing a competent government in office and any benefit causes the capturable voter to vote against the government (when $2qB \geq 0$).

Discussion

This section discusses in depth a number of the observations derived from the formal model. These observations are used later on to derive empirically testable hypotheses regarding the causes and consequences of opposition challenges.

Observation 1

The opposition party's signal—whether to challenge or not to challenge—has no effect on the decision by the median legislator to accept or reject the challenge. They will accept or reject a challenge based on their benefit to holding office, the probability of being in the next government, and the government's competence. The opposition party has no informational advantage over the median legislator (most likely a governing party), so it is unable to use a challenge to persuade the median legislator to pass the challenge. Since the opposition and median actors are both office- and policy-driven, this model suggests that the median legislator weighs the value of maintaining office against the costs of an election, a decay parameter and future benefits (multiplied times the probability of being in government).

Observation 2

Under no circumstances does the model predict that a median legislator will accept a challenge against a competent government, partly because it also values having a competent government in office. Anticipating a rejection by the median legislator prevents opposition parties from challenging a competent government. On the other hand, there are conditions under which the median legislator will accept as well as reject a challenge against an incompetent government. This explains why an incompetent government may not be immediately removed via a no-confidence motion. Since the median legislator is motivated both by office- and policy-driven concerns, there exist equilibria that show her acting in both interests. For example, Equilibrium 2 suggests that the median legislator will reject a challenge against an incompetent government if the probability that it will be in the next government is sufficiently small. Policy-driven

priorities also dictate parliamentary behavior, as in Equilibrium 3. In this case, the median legislator will choose to accept a challenge against an incompetent government because the benefit to removing an incompetent government from office is sufficiently high.

Observation 3

Since the actors know the strategies of the other actors, the capturable voter can correctly interpret the government's type based on the signal of the opposition party. The model predicts the way in which the opposition party can signal the government's competence by challenging an incompetent government. In this case, the opposition party "correctly" matches the government's type to the signal. In the eight equilibria, the capturable voter always votes *for* the government if it does not observe the challenge. This is because the capturable voter knows that the opposition party only refrains from challenging a competent government. If the capturable voter does not observe a challenge, then it votes for the government since it prefers to keep a competent government in office. In this model, the only way to influence the capturable voter is to challenge the government, which, in equilibrium, never occurs against a competent government. In equilibrium, the capturable voter always votes against the government if it observes a challenge.[31] This does not necessarily mean that the party that proposes the no-confidence motion is always returned to office following the election. In fact, this is the prediction only in the two-party system, where the capturable voter represents the

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[31] My expectation is that as the opposition party and median legislator mix between their actions, the capturable voter will begin to vote in ways that do not match the signal. I leave this to future research to explore.

median voter. In multi-party systems, the capturable voter is simply an additional voter

outside of the opposition party's winning coalition. It does, however, mean that the

electoral and/or governing prospects for the proposing party are improved by

challenging.

Theoretical Contribution

The competence-based theory of no-confidence motions provides a unique

contribution to the study of parliamentary decision making. Competence explains the

occurrence of no-confidence motions partially due to their potential to change the

capturable voter's perception of the government's competence, and ultimately influence

her vote choice. The competence-based approach is distinct from the spatial modeling

approach that is typically used to explain the interactions between government parties

and actors in the parliamentary opposition. Spatial models have been extremely helpful

in illustrating a variety of behaviors, including the dynamics of coalition formation (e.g.,

Laver and Shepsle 1996), policy making (e.g., Tsebelis 1995), and parties' policy

positions (e.g., Downs 1957). While the competence-based theory may not be utilized as

much as spatial models, it is useful because it produces intuitive expectations about

empirical behavior. The competence based theory produces intuitive theoretical

observations about the office- and competence-based concerns of both the government

and parliamentary opposition, as well as the desire by the capturable voter to have a

competent government in office. It allows me to gain valuable traction on a number of

the questions addressed in this chapter's introduction. These questions are what is left

unanswered in spatial models of parliamentary decision making. In this section, I first

justify a number of the model's assumptions and then I isolate the contributions of the competence-based model of no-confidence motions.

Various empirical studies have shown increasing empirical support for the theoretical assumptions that buttress the competence-based model. First, opposition parties can send signals that the electorate uses. In Gordon, Huber and Landa's (2007) formal model of strategic entry, entry by challengers into a Congressional campaign reveals critical information to the electorate about either the challenger's chance of success or private knowledge of the government's attributes. This in turn motivates voters to gain additional information, which has the potential to also benefit quality challengers. This model suggests that actors in the political opposition can influence voter behavior by sending signals that reveal information about the government. Second, though voters' perceptions of competence are stable, they can be influenced by government performance. Canadian voters have been shown to distinguish between political parties based on their perceived level of competence in handling certain issues (Nadeau and Blais 1990). While the perceived differences in competence are quite stable, "perceptions are not unalterable and are reassessed when new information becomes available" (Nadeau and Blais 1990: 325). For example, while the Conservatives were perceived as less competent than the Liberals in dealing with unemployment, low unemployment rates eventually erased the gap in perceived competence. This shows that government performance can cause voters to reassess their perceptions of competence. Moreover, perceptions of competence are not merely reflections of the shifts in popularity.

Leader competence is often described as a valence issue, or "an advantage accruing to a candidate due to voters' comparative evaluations of the competing candidates' perceived competence, integrity, leadership ability, and so forth" (Adams, Merrill, and Grofman 2005: 30). These are characteristics on which the candidates do not take identifiable positions (Stokes 1963). Adams et al. (2008) differentiate between two types of valence: strategic valence, which includes qualities that help a candidate run an effective campaign, and character-based valence, which includes integrity and competence, among other things.

Rather than being driven by policy concerns, opposition parties in the competence-based model are concerned principally by maintaining office and having a competent government. The proposition that politicians desire competent governments is not a recent one. Adams et al. (2008) present the first spatial model of strategic entry that allows challengers to be driven by policy considerations as well as having an incumbent with high value character-based attributes. They find that "a challenger who values good government is willing to make more policy compromises to defeat a scoundrel than to defeat a saint" (Adams et al. 2008: 4). Thus, actors in the political opposition are willing to modify their policy-driven behavior in order to place a competent government in office.

The empirical implications of my model rely on voters being influenced by competence signals enough to change their vote intentions. In political economy models, voters prefer to reelect competent leaders because they are able to provide higher rates of economic output given a certain level of inputs (Rogoff and Sibert 1988; Rogoff 1990).

McCurley and Mondak (1995) find that voters evaluate congressional candidates with respect to their levels of competence and integrity, which influences their individual-level candidate perceptions and their subsequent vote choice. Mondak (1995: 1043) observes that voters have a desire to elect competent leaders:

> Given that voters' political interests conflict, maximization of institutional quality may be the single objective shared by all congressional voters. He may prefer Republicans and she may prefer Democrats, but they should both favor the able over the incompetent, and the trustworthy over the ethically dubious" (quoted in Adams et al. 2008: 5).

Various studies suggest that voters choose their candidates based on character-based valence such as competence (Funk 1996, 1999; Miller, Wattenberg, and Malanchuk 1986), though there is some question as to how closely voters can monitor the characteristics of the candidate and incumbent (Stone and Simas 2008). Political actors in the opposition have substantial incentives to monitor the government's qualities in the government, and can use the temporary informational asymmetry to send signals to the electorate about these qualities.

There is also evidence that suggests that parties anticipate voters' concerns about competence, and modify their behavior in order to signal their competence immediately prior to an election. Leaders have been theorized to distort both economic outcomes (e.g., Rogoff and Sibert 1988; Rogoff 1990) and foreign policy behavior (e.g., Richards et al. 1993) as well as the timing of elections (Smith 2003, 2004) in the hopes of improving perceptions of their competence and ultimately influencing election outcomes. The explanatory power of spatial models was substantially increased by including non-policy related characteristics of specific candidates into models of

ideological proximity (e.g., Enelow and Hinich 1982; Macdonald and Rabinowitz 1998; Groseclose 2001). For the most part, the central insight from these models is that "valence-advantaged, vote-maximizing candidates can typically assure themselves of an electoral majority by presenting centrist positions along the positional dimensions included in the model" (Adams, Merrill and Grofman 2005: 255). Altogether, a number of the crucial assumptions of this model have found enough empirical support to justify their inclusion.

The competence-based theory, however, does not contradict more traditional spatial models. The primary difference between this theory and those derived from spatial models is that actors are motivated by the desire to have a competent government in office—in addition to parties' motivations for being in office—rather than a policy-driven approach that is used in spatial proximity models (e.g., Downs 1957). While the notion of competence is traditionally a non-policy related characteristic of leaders/governments (Adams, Merrill, and Grofman 2005), competence has a substantial influence on policy outcomes. In political economy models, more competent governments are able to use less revenue to produce a certain level of government services (Rogoff and Sibert 1988). While this definition of competence is tailored toward its use in political economy models, it highlights the influence of competence on policy outcomes in general. Policy-seeking candidates should value having competent governments in office because the policy outputs are public goods (Adams et al. 2008). I argue that, in addition to policy proximity (Downs 1957; Black 1958), parties and voters also prefer to have competent governments in office rather than incompetent ones.

This theoretical proposition has seen empirical support in recent studies, as scholars have found that Congressional incumbents who are viewed as having low integrity or incompetent are more likely to attract strong challengers (Mondak 1995; Stone, Maisel, and Maestas 2004). Even after controlling for how the candidate's perceptions of the incumbent's character affects the potential election results, these findings would suggest that political actors favor competent governments.

In the competence-based formal model, I introduce a key actor in the electorate that I call the "capturable voter". This is a voter that will expand the size of the parties' winning coalition, and as a result will improve the parties' electoral position. "Capturable", in this model, implies that the opposition party has an opportunity to shift the voter's electoral support from the party that it currently supports to the opposition party that proposed the motion. The prototypical version of the capturable voter would be a voter with weak party identification that is within spatial proximity to a number of different parties, including the proposing opposition party. In a sense, this model molds the findings from both the spatial modeling tradition that policy-oriented voters vote based on ideological proximity and the behavioral tradition of strong partisan loyalties driving vote choice (see Adams, Merrill, and Grofman 2005 for a review). Thus, this project helps illuminate the political behavior of the government, opposition and electorate in ways that the behavioral and spatial modeling traditions cannot.

Yet this model's contributions to the study of parliamentary decision making go above and beyond simply extending key propositions from spatial models. In fact, the predictions of opposition behavior that come from the competence-based model are

vastly different from those of spatial models. The predictions of spatial models may be rather static considering that ideal points are unlikely to change. In other words, spatial models would predict that either opposition parties challenge the government all the time or none of the time, depending on their proximity to the status quo policy position. The empirical record suggests that this is not the case, so there has to be a better explanation of the dynamics of no-confidence motions. The predictions of spatial models, then, are not wrong but are certainly incomplete. The competence-based theory allows exogenous shocks to encourage the opposition to reevaluate its position and determine whether it is rational to send a competence signal. By emphasizing the role of exogenous shocks in driving competence signals, the competence-based theory can explain *when* opposition parties will propose no-confidence motions. This theory provides dynamic expectations of behavior that are certainly more consistent with the empirical record than those derived from spatial models. Moreover, the competence-based theory provides intuitive explanations for the occurrence of no-confidence motions, their timing, as well as their potential for legislative success. Since the explanations for these phenomena rely on characteristics other than ideological proximity, spatial models are unable to provide such intuitive answers.

CHAPTER IV

EMPIRICAL MODEL OF NO-CONFIDENCE MOTIONS

The principal difference between presidential and parliamentary systems is the dependence of the executive on the parliament for both the formation and the continuation of government (Shugart and Carey 1992). The fates of the government and the opposition are intertwined, and this dynamic affects almost all areas of legislative behavior. It is troubling then, that the one of the most effective weapons in the parliamentary opposition's arsenal—the no-confidence motion—is only examined in the context of other legislative behavior. In the previous chapters, I have generated theoretical expectations about the motivations, timing, and consequences of no-confidence motions. These models provide empirically testable predictions about the behavior of opposition parties. This chapter tests a number of empirical predictions from the competence-based theory of no-confidence motions.

The competence-based theory argues that opposition parties can signal to key members in the electorate their perceptions of the government's competence by proposing no-confidence motions at strategically important times. To test this theory, I assemble an original data set on opposition challenges in 16 OECD democracies in the post-World War II era. The empirical evidence supports this theory, as governments are more likely to be challenged by the opposition following policy shocks such as unexpected economic decline and being targeted in an international dispute. These findings are substantively significant even after controlling for governmental arrangements and the costs associated with proposing no-confidence motions.

I first illustrate the importance of NCMs in parliamentary decision making. In the second section I briefly review the limited literature on opposition challenges and highlights this project's contribution. Next, I describe the competence-based theory and introduce the empirical model. In the fourth section I provide the empirical results of the tests. In the final section I conclude by offering the substantive implications for the study of parliaments.

Why Study Opposition Challenges?

No-confidence motions are powerful weapons for the opposition when used at the appropriate time, as they can have the short-term effect of bringing down the government. This is a regular occurrence as over 13% of all parliamentary governments from 1950-1983 were terminated because of parliamentary dissension, or a loss of confidence in the government (Budge and Keman 1990). Moreover, a substantial percentage of governments fail due to dissension *within* government (about 25%), which may be in anticipation of a no-confidence motion or due to parliamentary dissension (lack of voting cohesion among the governing parties).

When parties are chosen to form a government, they are faced with a multitude of choices, including policy concessions, the distribution of cabinet portfolios, and perhaps most importantly, the formation of a parliamentary majority. Certainly, party leaders would prefer to form a majority government so that the opposition cannot remove it with a no-confidence motion. The threat of a successful NCM affects not only government formation, but also government continuance and termination. As this section shows, the amount of scholarly attention paid to the determinants of NCMs is not

commensurate with their significant influence on all areas of parliamentary decision making.

Opposition challenges are a particularly important part of parliamentary decision-making for a number of reasons. First, NCMs influence the types of governments that form. The institutional necessity for the government to have the support of a parliamentary majority is what differentiates a parliamentary from a presidential system. Crombez (1996) argues that surplus coalitions form specifically to counteract the threat of no-confidence motions. In a surplus government, one party can possibly leave the coalition without risking the parliamentary majority and thus making the government vulnerable to removal from a confidence motion.

Next, the decision to dissolve parliament and hold early elections is a strategic decision made by rational actors operating under uncertainty with either the implicit or explicit threat of removal via no-confidence motion. This can be a result of either the Prime Minister dissolving parliament or due to the passage of a no-confidence motion. Understandably, both government and opposition parties choose to terminate governments when they expect to receive electoral, policy or portfolio payoffs (Grofman and van Roozendaal 1994). NCMs play pivotal roles in formal models of flexible election timing. For example, Baron (1998) argues that governments respond to detrimental exogenous shocks with remedial policy measures that are subject to NCM from the opposition. With the threat of a NCM looming, the government chooses to continue in office, reorganize the governing coalition, or terminate the government. The

no-confidence motion has been shown that, even if unsuccessful, it has a direct impact on government survival through the decisions of the PM to dissolve parliament.[32]

NCMs influence the timing of elections in three scenarios (Baron 1998). The first scenario occurs when the government preemptively resigns in anticipation of a successful NCM. The stronger the opposition's bargaining position *vis-a-vis* the government, the more likely the governing coalition will dissolve parliament and call for new elections. As the probability of involuntarily elections increases due to a NCM, the government's ability to call an election at an opportune time decreases (Balke 1990). The second scenario is when the government lacks the votes needed to reject the motion, either due to minority government or a lack of voting cohesion within the coalition. In these cases, opposition parties can determine the timing of elections by challenging politically vulnerable governments. Finally, unsuccessful NCMs may ironically increase the government's incentive to terminate government. In these cases, rejecting a NCM may show that the governing coalition is unified, and would potentially be in a favorable position in the next election (Budge and Keman 1990; Baron 1998: 596). Thus, no-confidence motions play critical roles in government formation, continuation and termination in parliamentary democracies. In order to truly understand these phenomena, I suggest that we must first understand the circumstances under which oppositions challenge governments.

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[32] There are multiple differences in parliamentary dissolution power, as the cabinet and/or parliament may have proposal power, and the head of state may have varying degrees of impact (Strom and Swindle 2002).

Theory

The study of comparative politics lacks a rigorous theoretical framework that explains how the government and opposition interact to determine the prevalence and success of confidence motions. It is curious that the most identifiable characteristic of parliamentary democracies—the constant dependence of the government on the parliament's majority support—has primarily been studied only as a source of government termination (e.g., Warwick 1999). Thus, the study of comparative politics has ignored the vast majority of no-confidence motions, those that do not end in government termination. Our understanding of NCMs does not match our strong theory explaining the use of confidence vote procedures, which are a special category of a government-introduced confidence motion (Huber 1996; Diermeier and Feddersen 1998; Huber and McCarty 2001).[33] Opposition-introduced no-confidence motions are important specifically because their passage effectively terminates the government (e.g., Warwick 1994).

The bulk of formal models and empirical tests examine no-confidence motions only tangentially. Thus, we have to use anecdotal evidence to identify four primary reasons for challenging the government. Unfortunately, each of these individual explanations fails to explain the underlying logic of opposition challenges. First, no-

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[33] Confidence vote procedures give the government significant control over the policy agenda by providing the government with the power to attach its continuation on the success of a single policy. Huber (1996) argues that this capability is not counter-balanced by either the cabinet or the opposition. The confidence vote procedure forces all those who are better off with the current government (relative to a post-election government) to side with the government on the legislation in question. The vote of confidence allows the ruling coalition to gain more distributive benefits than what they would otherwise receive (Diermeier and Feddersen 1998). Moreover, the variation in institutional mechanisms for the confidence vote procedure also affects the bargaining outcomes between governing parties (Huber and McCarty 2001).

confidence motions represent another way in which the opposition can stall legislative behavior by the government. In a sense, no-confidence motions can become another way of filibustering legislation. Though it makes sense that opposition parties may use this technique, empirical analysis of opposition behavior in the Japanese Diet does not support this strategy (Masuyama and Nyblade 2003). Moreover, if the government has majority support of the parliament (which is also when the opposition would have the most desire to slow legislative efforts), then the government can circumvent challenges by tying a confidence motion to the legislation (e.g., Huber 1996; Huber and McCarty 2001). For example, the Italian government used this approach in August 1980 in order to get an economic recovery program passed by a deadline. Between them, the opposition Italian Social Movement and Radical Party had proposed 1,400 amendments in an effort to prevent the bill from passing by the deadline. The government avoided the amendments by making the bill a question of confidence, which then easily passed (Keesing's 30520). In any case, this strategy is a weak one for the opposition and thus unlikely to adequately explain the majority of opposition challenges.

The second motivation for challenging is illustrated in the case of the Japanese Diet. Opposition parties propose no-confidence motions to receive some sort of electoral benefit. This is the case in Japan, as no-confidence motions occur more often when public approval is low (Masuyama and Nyblade 2003). An explanation for this is that no-confidence motions act as signals to rational voters, which is supported with evidence that no-confidence motions occur more as elections draw closer, as government popularity decreases and as legislative behavior is high (Lazarus, Masuyama, and

Nyblade 2005). The principal weakness in these studies is that they fail to fully develop the micro-foundation concerning why opposition parties would challenge the government for electoral gain. Perhaps more importantly, they fail to explain why rational voters would be willing to support the opposition party. While the empirical results from these studies are certainly informative, without a cross-national examination we cannot be certain if this behavior is limited to the Japanese context. In the previous chapter I developed a competence-based theory that provides a micro-foundation for this type of motivation. This theory explains why opposition parties challenge, when median legislators support a motion, and when voters will vote against the government.

The third motivation for challenging that has been identified in the literature is the opportunity to benefit from a public policy pronouncement (Maravall 1999: 162). No-confidence motions represent publicized opportunities for opposition parties to state their positions on salient policies. These are especially favorable opportunities to state a party's position because of the transaction and opportunity costs associated with challenging the government. Therefore, no-confidence motions can represent costly signals that credibly commit to party positions in front of an attentive public. Strom (1994) provides an illustrative example of opposition parties using a no-confidence motion to make a public policy pronouncement. In Norway in 1987 three non-socialist parties tried to take down the minority Labor government with two no-confidence motions. While the first was against a reduction in farm subsidies, the second accused the government of general failure. The pivotal party was the Progress Party, which doomed the vote to failure when the leader, Carl I. Hagen, stated that his party would not

support the motion because of the "budget-busting farm subsidies" (Strom 1994: 114).
It was an immensely popular move with the party's base, as "in chastising the other
bourgeois parties for their irresponsibility and opportunism, Hagen managed to project
fiscal and ethical integrity" (Strom 1994: 114).

Opposition parties can also use no-confidence motions as a way of estimating the
largely unobservable policy positions of the other parties in opposition. In this manner,
opposition parties can determine which other opposition parties will support them in
their efforts to bring down the government. An example of this is in late-2006 the
Canadian party Bloc Quebecois (BQ) threatened to propose a no-confidence motion
against the minority Conservative government regarding troop deployment to
Afghanistan. Though initially aimed at bringing down the government, this threat had
the favorable consequence of forcing the Liberals and New Democrats to solidify their
positions on the foreign policy (MacDonald 2006). Just as government-proposed
confidence motions can bring cohesion to the governing parties, no-confidence motions
can bring diverse opposition parties together.

The final, and most visible, motivation for proposing no-confidence motion is to
bring down the government. Successful no-confidence motions terminate governments
and cause either the formation of a new government or early elections. These motions
have profound effects, whether it causes a shift to Conservatism in Britain in the late-
1970s, or the end of 48 years of rule for the Liberal Democratic Party (LDP) in 1993 in
Japan. Perhaps this explains why formal models spend a great deal of attention
theorizing the consequences of *successful* no-confidence motions (e.g., Laver and

Schofield 1990; Diermeier and Fedderssen 1998; Baron 1998). Previous formal models fail, however, in predicting when no-confidence motions occur, and why some are successful (Laver and Shepsle 1999). First, in a game of complete information where the only motivation is to terminate government, opposition parties know whether they have enough votes for the motion to pass. Anticipating the failure of the motion, and not wanting to pay the costs of challenging should cause the opposition to rescind the motion before they can fail. Yet we know that a significant majority of no-confidence motions fail. Moreover, perfect information formal models would never predict that no-confidence motions pass. If the government knows it does not have majority support to defeat the motion, then it has the incentive to preemptively resign in order to prevent the embarrassment of losing a motion. Yet, we also know that this is not the case either, as there are prominent examples of successful no-confidence motions. The formal models developed thus far are unsatisfactory in shedding light on why the opposition challenges the government.

Empirical analyses of NCMs are quite rare. An exception is the edited volume, *Delegation and Accountability in Parliamentary Democracies*, by Kaare Strom, Wolfgang C. Muller, and Torbjorn Bergman. The editors, in addition to a range of country experts, analyze the variety of mechanisms by which principles hold agents accountable in parliamentary democracies. To illustrate how the parliament holds the cabinet accountable, they collect data on no-confidence motions for a sample of Western European states. While they are able to utilize area expertise in analyzing accountability as a whole, they fail to treat no-confidence motions in the systematic manner that they

deserve. With the wide breadth of their study, it is understandable that they focus on the frequency and the success of no-confidence motions.

These are all satisfactory explanations, and at one time or another have been the principal catalysts motivating challenges. However, the problem is that they cannot be viewed in isolation, but rather must be examined in a model that simultaneously accounts for all these motivations. In some cases, no-confidence motions can have huge benefits for opposition parties, leading to the resignation of government. In other cases they are merely minor stumbling blocks that the governing parties have to overcome on their way to continuing their policy program. What is lacking is a deeper understanding of the conditions likely to increase the number of opposition challenges against the government.

I therefore introduce this puzzle: if challenges are defeated in the majority of cases, then what do opposition parties gain from proposing them? In this research project I empirically test an informational theory based on the signals of government competence that opposition parties send by proposing no-confidence motions. I assume that the decision by opposition parties to table a no-confidence motion is one that rational actors make as they weigh the potential costs against the uncertain benefits. Challenging the government is not a costless endeavor, so parties must be rational and only challenge when the expected benefits outweigh the expected costs. Opposition parties can use the no-confidence motions to signal their assessments of the government's competence in response to policy shocks. These shocks represent the rational expectations of voters and speak directly toward the government's role in

producing these outcomes. Therefore, the credibility of signals expressed by the opposition in times of shocks is substantially greater and produces future electoral benefits for the opposition party. Opposition parties propose NCMs because of the possibility of bringing down the government as well as a long-term electoral benefit.

I propose a simple model of opposition challenges based on governmental attributes, policy shocks and proposal costs. This model can be expressed as follows:

$$Challenge = f(attributes, shocks, \cos ts)$$

Opposition parties will choose to challenge the government via a no-confidence motion if the expected benefits of the challenge outweigh the costs. This research represents the first empirical test of the foundations of opposition challenges. From these results, I can identify the impacts of attributes, shocks and costs for opposition challenges. I examine each of these three components of the model in turn, and present the hypotheses after their theoretical justifications.

A central contribution of my research is that it merges two approaches traditionally used to examine government termination and applies them to the study of opposition challenges.[34] First, the attributes approach creates a model of government termination based largely on a set of institutional and governmental characteristics that are invariant over the government's tenure. The second approach is the events approach, which argues that we should "shift attention from the inherent qualities of cabinets that supposedly determine longevity in office to the inherent randomness of events that actually bring down cabinets" (Warwick and Easton 1992: 123). This approach suggests

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[34] The first research project to combine these two approaches was King et al. (1990).

that while it makes sense to argue that governmental characteristics matter, it is also necessary to incorporate some of the "random" events that occur during the government's tenure that might affect termination. My model does so by incorporating both the "attributes" approach as well as some of the key features of the "events" approach into a model of opposition challenges against the government. This research represents the first empirical test of the foundations of opposition challenges. From these results, I can identify the impacts of attributes, shocks and costs for opposition challenges. Each of these three components of the model will be examined in turn, with the hypotheses presented after the theoretical justification.

Government Attributes

Many of the governmental attributes that influence NCMs are established immediately upon formation or investiture.[35] Governmental attributes that determine the likelihood of success depend on the *number of government parties* and their *ideological complexity*, *the number of parliamentary parties*, and whether the government controls a *majority*.[36] The potential impacts of each governmental attribute are examined in turn. I hypothesize that the number of government parties affects the likelihood of being challenged in a few different ways. Larger coalitions tend to be less stable than single-party governments, whether they have a legislative majority or not. A reason for this is

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[35] Even if some systems do not require a formal investiture vote, traditionally, the government's policy program has to be passed by a majority of parliament. For example, Italy requires that the policy programs of each new government be subject to a motion of confidence. See De Winter (1995) for "negative" and "positive" formation rules.

[36] While a tie (50%) between the opposition and government on a no-confidence vote is usually a procedural victory for the majority, failing to pass a proposal (requiring 50% plus one) can lead to the termination of government as well (Warwick 1994). I use the majority in the traditional sense, 50% plus one.

that multi-party governments increase the risk of policy deadlock due to the increase in potential veto players. These governments are more vulnerable, because with each additional party the difficulty of "reaching agreement among government parties increases and, with it, the chances of government breakdown" (Warwick 1994: 25). Likewise, the more ideologically complex a coalition government is, the more difficult it is to pass legislation. Increasing ideological complexity means that while the possibility of a successful challenge may increase, the government's benefit associated with maintaining the current arrangement may decrease relative to the potential gains from a new governing arrangement.

The ideological dispersion of the parliament should also affect the likelihood of opposition challenges. The larger the number of parties, the more opportunities for opposition parties to table motions of no confidence. Each of these parties can send the electorate their perceptions of the government's competence with these motions. Moreover, the more ideologically complex the opposition parties are, the greater the opportunities for policy conflicts with the government. While a divided opposition may reduce the chance of success (e.g., Strom 1994), it will increase the probability of challenging for non-success driven motivations.

I hypothesize that minority governments will attract NCMs. By definition, minority governments have to rely on the support of non-government parties to maintain their governing status (see Herman and Pope 1973 for a review). The difficulty is that without either granting policy concessions or distributing portfolios to these non-government parties, there is no strong mechanism for ensuring voting cohesion.

Evidence shows that they have shorter tenures than other governments (Warwick 1994).

Therefore, the support of non-governing parties is much more tenuous because these

coalitions lack voting cohesion. For example, in 1966, the Canadian Liberal minority

government of Lester Pearson was able to defeat a no-confidence motion tabled by the

Progressive Conservative Party on failing to increase old-age security payments. The

government was able to defeat the motion because of the support of five ministers from

the non-governing Social Credit party. The Liberal party had 131 out of 265 total seats,

so it needed the 5 votes from the Social Credit to get a majority. I expect that opposition

challenges should be more likely in the case of minority governments for the primary

reason that they are more successful in these situations.

In the previous chapter I present a formal model that specifies the interactions

between government parties, median legislators and a "capturable" voter. I noted a

number of observations and predictions of behavior from the formal model, which I use

to derive theoretical expectations. I present the following four hypotheses based on my

theoretical expectations regarding the influence of government attributes on opposition

challenges.

Hypothesis 1: Majority governments have a lower probability of being challenged than

minority governments.

Hypothesis 2: Coalition governments have a higher probability of being challenged than

single party governments.

Hypothesis 3: The greater the governing coalition's ideological diversity, the more likely

it is to be challenged.

Hypothesis 4: The more parliamentary parties, the higher the probability of being challenged.

Policy Shocks

Policy shocks directly affect the likelihood of an opposition challenge by influencing the signaling process between the opposition party and voters. The rationale for the importance of policy shocks can be found in the literature on leader[37] competence and political business cycles. There is a temporary informational asymmetry between the executive and the public regarding the leader's competence (Rogoff and Sibert 1988).[38]

The public has exact knowledge of the leader's competence in the prior period but the current competence level is directly unobservable. Policy outcomes, whether successes or failures, act as signals to the public of the leader's competence.[39] While leaders immediately know their own competence, the public learns about the leader's competence with a time lag. Administrative performance is correlated over time, so the incumbent has the incentive to "signal" his performance. Since voters are rational, they use the learned competence as an indicator of future performance in office.

The same rationale can be extended to an analysis of opposition challenges. First, the government's true level of responsibility for the policy outcome is unobserved, but the opposition can signal to the electorate their perceptions of the necessary degree

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[37] While the literature from which I derive my theory focuses on *leader* competence (e.g., Rogoff and Sibert 1988; Smith 2004), I focus on *government* competence. By doing so, I am assuming that opposition parties and members of the electorate assess the competence of the government as a whole.

[38] Competency is defined as "the extent to which the government has appropriate policies for its nation's problems, can enact these policies efficiently, and can appoint competent ministers and gain the confidence of other governments and businesses" (Smith 2003: 403).

[39] This theoretical framework has been utilized in studies ranging from the timing of British elections (Smith 2004) to studies of international conflict (Richards et al. 1993).

of government responsibility. I assume that parliamentary opposition parties have a more accurate assessment of the government's true competence level than the electorate as a whole. This is because the informational advantage is not as substantial between the government and the opposition. Both parties are likely to be fully informed of government policies, and the research departments within parliamentary parties are not going to be noticeably different. The opposition can effectively use their informational advantage over the electorate and use a no-confidence motion to send a signal about the competence of the government and the level of accountability that should be demanded for the policy outcome.

I choose two policy shocks that accurately reflect governments' competencies: international conflict and economic growth. These issues are important in determining electoral success (Lewis-Beck 1988; Mueller 1973; Norpoth 1987), and are likely to divide the preferences of the government and opposition based on policy positions (Klingemann, Hofferbert and Budge 1994). While this list is definitely not exhaustive, they present examples of both domestic and international policy and their effects. Policy shocks represent signals to the opposition and to the electorate that provide hints as to the competence of the leader. These two policy shocks are chosen partly because they are salient enough for the public to be knowledgeable about the current situation and be willing to take a position on the issue.

International conflict is a substantial policy shock, both in terms of financing the increase in defense spending (Williams and Whitten 2006) and in terms of the possible detrimental electoral effects of casualties (Gartner and Segura 1998). When a state is

attacked, a signal of leader vulnerability is sent to the domestic opposition in the targeted

state, which may signal weakness to the domestic opposition. Moreover, the escalation

of a dispute to a militarized conflict can be interpreted as a failure to show a credible

threat, which may signal incompetence in the foreign policy arena by the leader

(Richards et. al. 1993). Experimental evidence supports this notion, as the electorate

evaluates a conflict negatively because it is seen as a foreign policy failure (Mintz and

Geva 1993).

On the other hand, I argue that a leader cannot improve his position *vis-a-vis* the

opposition by initiating conflict abroad (with either a use of force or war).[40] Initiating

conflict has no deterrent effect on the opposition's willingness to challenge the leader

because it does not credibly signal the leader's competence. Studies have shown strong

support for the notion that since actors are strategic, other nations change their behavior

thus reducing the opportunities for the state to initiate a conflict (Smith 1996, 1998;

Leeds and Davis 1997; Clark 2003). Any potential "diversionary" conflict might thus

appear to be manufactured. Moreover, a leader seeking a diversion is most likely to

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[40] This notion is vastly different from the "rally 'round the flag phenomenon". For the most part, the empirical evidence in support of a simple rally effect is quite limited. Baum (2002) argues that the propensity for different groups to rally behind US uses of force varies with individual and environmental circumstances. US uses of force are only met with approval boosts if the president enjoys bipartisan support, his initial popularity is low, and if the country is not at war (Lian and Oneal 1993), or if there is extensive media coverage of the event (Oneal and Bryan 1995; Baker and Oneal 2001). The extent of the rally not only depends on the institutional factors, but also on the type of international event. Oneal, Lian and Joyner (1996) found that the public is "pretty prudent" in that they reward military efforts to restrain aggression more than acts for the purpose of military change (see also Jentlesen 1992), or reward leaders for participating in serious events that have high hostility levels (Baker and Oneal 2001; Bronski and Way 2003). The support for a rally effect outside of the US depends on the hostility level of the dispute and a wide range of variables (Lai and Reiter 2005). Moreover, empirical results have shown that an increase in the risk of international crises actually increases the probability of losing office for the leader (Chiozza and Goemans 2003). Furthermore, in Israel there is some evidence of a "reverse rally", where "Israeli force seems to lead to greater unrest that could conceivably shorten the duration of the government" (Sprecher and DeRouen 2002:254).

initiate against a weaker state where victory is assured, but one in which his competence is not going to be demonstrated (Tarar 2006). Initiating conflict does not serve as a credible signal of competence, as risk-acceptant, incompetent leaders have the ability to feign competence, but this depends on the success of the operation (Richards et al. 1993). Therefore, I argue that being the target of an international conflict will send a signal of leader incompetence, thus increasing the potential for domestic challenges. Initiating a conflict, on the other hand, fails to credibly signal leader competence and will have no effect on the likelihood of domestic challenges.

The second type of policy shock is an economic shock, either high or low growth relative to rational expectations. Research has shown that the fate of incumbent governments is directly tied to the economic performance of the government (Lewis-Beck 1988; Powell and Whitten 1993). Moreover, higher than expected economic growth can induce prime ministers to dissolve parliament and call for new elections to take advantage of the improved electoral opportunities (Ito 1990; Chowdhury 1993; Palmer and Whitten 2000). Unfortunately, the traditional operationalization of economic growth as GDP change is ineffective. Variation in the GDP growth rate across countries and over time means that economic evaluations across countries are not comparable. A solution to this problem is proposed in Palmer and Whitten (1999). By separating the growth rate into expected and unexpected components, they create a better indicator of economic satisfaction and assessment of leader competence. They theorize that higher than expected economic growth can lead to greater voter satisfaction, and more support for the incumbent government. Moreover, "voters might use unexpected economic

growth as an indicator of government competence. Unexpectedly high (low) rates of growth represent improvements (declines) over recent trends that voters could logically attribute to effective (detrimental) government macroeconomic policies" (Palmer and Whitten 1999: 627). There are empirical as well as theoretical reasons for using unexpected growth, as it empirically out-performs traditional rates of growth in predicting government party support (Palmer and Whitten 1999).

To create the unexpected growth variable, I estimate separate regressions on a monthly time series for each country:

$$Y_{i,t} = \gamma_1 + \gamma_2 Y_{i,t-1} + \gamma_3 (Y_{i,t-1} - Y_{i,t-13}) + \gamma_4 P_{i,t-1} + \gamma_5 U_{i,t-1} + \delta_1 Q2_{i,t} + \delta_2 Q3_{i,t} + \delta_3 Q4_{i,t} + \varepsilon$$

where $Y_{i,t}$ is the GDP growth rate for country i at time t, P and U represent inflation and unemployment, $Q2$, $Q2$, and $Q2$ are dummy variables for the second, third, and fourth quarters, the γ and δ are unknown parameters to be estimated and is a white noise error process. The quarterly dummy variables represent seasonal trends while the second regressor represents business cycle trends (Palmer and Whitten 1999; Palmer and Whitten 2000: 420). I expect that higher than expected growth rates will decrease the likelihood of challenging the government, as the growth represents a sign of the government's competence. Alternatively, lower than expected growth implies an incompetent government likely to be challenged by the opposition. From this discussion of policy shocks, I derive two additional hypotheses.

Hypothesis 5: Being targeted in an international dispute increases the probability of being challenged.

Hypothesis 6: Experiencing higher unexpected economic growth decreases the probability of a challenge.

Proposal Costs

The final component of my theoretical model is the costs associated with challenging the government. If there were no costs to tabling a motion, there would be no escape from the constant onslaught of no-confidence motions. Costs can also be thought of as transaction costs, as in the physical costs of tabling the confidence motion. In this context, an example of transaction costs would be the manpower needed to research, frame and propose the no-confidence motion proposal. Alternatively, opposition parties face opportunity costs of spending time tabling the confidence motion that could be spent doing something else. While it would be ideal to have data that capture these important costs I am confident that I have chosen five variables that effectively capture the degree of proposal costs.

The first proposal cost variable measures the *time (in months) since the last NCM* by the opposition, while the second variable counts the *number of previous NCMs* for that state.[41] With the use of these variables, we can paint a picture of the general propensity for opposition parties to challenge governments. I argue that when the number of previous challenges is large, the lower the proposal costs are for the opposition party. Likewise, when the time since the previous challenge is short, the costs of proposing are smaller. Moreover, these variables also represent the costs of

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[41] This variable necessarily has higher values for later years in the sample, indicating that there should be more opposition variables as a function of time. This is not ideal, yet it does not make theoretical sense that the probability of challenging depends on the previous history of challenges. Additional empirical analysis with the time since the last challenge and the number of previous challenges in that government confirm the results.

challenging the government due to each country's institutional variations affecting the ease of tabling a confidence motion. The easier it is to table a motion, the lower the costs associated with doing so.

I incorporate three additional institutional variables into the empirical model to capture cross-national variations in proposal power. First, I include a binary variable (named *government proposal power*) indicating whether the government has the power to attach a confidence motion to either a specific policy or the policy program in general.[42] This is the institutional arrangement that allows governments to propose "confidence vote procedures" (Huber 1996; Diermeier and Feddersen 1998; Huber and McCarty 2001). Opposition challenges should be more likely in these systems, because confidence motions are seen as acceptable institutional tools for producing policy change for both the opposition and the government. The other two institutional variants are whether there are restrictions on the timing of proposals and then whether there is a threshold of support needed before a vote can take place. As an example of a *proposal restriction*, Canadian no-confidence motions can only be proposed on "opposition days". Finland and Netherlands limit opposition challenges until after the parliament has formally submitted questions to the government. If a motion fails in Greece, another motion cannot be submitted for six months, unless it is supported by a majority of MPs (Trantas et al. 2006).[43] Four countries in the sample have *support restrictions*; in France, Italy, Greece, and Spain, a motion has to be signed by at least 1/10 of the parliament

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[42] States with explicit and formal confidence motion power include Australia, Belgium (after 1995), France, Greece, Germany, Italy, Portugal, and Spain (Bergman et al. 2006: 158-162.
[43] Australia, Canada, Greece, Finland, and the Netherlands are coded as having proposal restrictions.

before it can be voted on (1/6 in Greece). France has the added restriction that, "if the

vote fails, the MPs who have supported the introduction of the motion are not allowed to

sign another motion of no confidence for the remainder of the parliamentary session"

(Thiebault 2006: 335). I expect that those countries with restrictions specifying the

conditions that the opposition can challenge the government will have fewer challenges

because these restrictions impose greater challenge costs.

Hypothesis 5: The larger the number of previous challenges, the higher the probability

of a challenge.

Hypothesis 6: The more time that has elapsed since the previous challenge, the lower the

probability of a challenge.

Challenging Government

The opposition can challenge the government in a number of ways in order to

signal its perception of the government's competence. I code three activities as

opposition challenges.[44] The first and most popular activity is to propose a no-

confidence motion in either the government or in a member of the cabinet. The latter

case of no-confidence motions is included in this analysis because the vast majority of

these types of challenges are aimed at criticizing the policy performance of the

government in that particular cabinet ministry. Of the types of challenges, no-confidence

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[44] These are confidence motions proposed by members of the opposition. This is distinct from activities
like "constructive votes of confidence" in Germany, investiture votes, or government-proposed confidence
motions tied to the government's policy program or specific legislation (see Huber 1996 for a review).

motions have seen the most research, especially in those cases where the no-confidence

motion passes and leads to the termination of government.[45]

Unfortunately, this means that the vast majority of challenges are ignored by

scholars, primarily because they fail in the immediate goal of terminating the

government. History is full of these challenges, so it is helpful to examine one in more

detail as an illustration of a challenge against a majority government. Even majority

governments may be threatened by opposition challenges, particularly in cases where

internal party cohesion is not strong. For example, on June 1, 1992, French PM Pierre

Beregovoy's ruling Socialist Party government barely defeated a no-confidence motion

over the government's plan for reform of the European Communities' common

agricultural policy. The motion was much closer than anticipated (with three votes of

passage) because 25 deputies of the French Communist Party (PCF) abandoned their

passive support of the government to join the opposition parties (Keesing's 38942).

Obviously, the type of activity that produces the greatest change is when a no-

confidence motion passes, causing the termination of government and either the

subsequent reorganization of government or early elections. A recent example of this is

the Canadian Prime Minister Paul Martin's minority Liberal Party government, which

lost a vote of confidence on Nov. 28, 2005. Opposition legislators had proposed the vote

of no-confidence after a scandal surrounding accusations of government corruption, and

the motion was supported by the Conservative Party of Canada, the New Democratic

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[45] Majority support of a no-confidence motion does not necessarily mean the government has to be
terminated or new elections must be called. In some instances, like the Barak government of Israel, there
have been times when a majority has been in support of a no-confidence motion but it failed since it did
not receive an absolute majority. For a survey of the states with absolute versus relative majorities, see
Bergman et al. (2006).

Party and the Bloc Quebecois by a margin of 171 votes to 133 (Keesing's 46925). I also

consider a challenge to be when an opposition party makes a credible threat of tabling a

no-confidence motions. As Chapter II illustrates, threats are more important to the

dynamics of a parliament than one would expect, as these are likely to bring about

government reorganization or preemptive resignation. For example, the threat of a no-

confidence motion against Signor Aldo Moro's minority Christian Democratic (DC)

government caused the dissolution of Parliament and early elections:

> No vote of confidence was taken at the end of the debate on April 30, [1976],
> but—in view of the clear lack of majority support in Parliament and following a
> brief cabinet meeting---Signor Moro the same evening formally presented his
> Government's resignation to President Leone, who, after discussions with the
> other party leaders, announced on May 1 the dissolution of Parliament
> (Keesing's 27925).

Finally, in some states, censure votes fulfill the same objectives as confidence

votes, but face fewer institutional hurdles. In states like France and Portugal, censure

votes are thus much more common than no-confidence motions, yet still represent

challenges from the opposition that could bring down the government. For example, in

the case of the Portuguese minority centrist government of Anibal Antonio Cavaco Silva

of the Social Democratic Party, passage of the censure motion eventually led to the

government's downfall in mid-1986. The Democratic Renewal Party tabled the motion

of censure, which was focused on anticipated economic problems in advance of

Portugal's entrance into the European Communities. Due to the lack of an obvious

coalition government replacement, the President of the Republic, Dr. Mario Soares was

forced to dissolve Parliament and call for new elections (Keesing's 35388). Censure

votes are an important component of legislative-executive relations and are thus included

in the measure of opposition challenges. The next section describes the empirical model

and the estimation procedure used to test the hypotheses.

Empirical Model

My theoretical model of opposition challenges toward the government is

expanded from the original model to include the operationalized concepts:

$$Challenge_{it} = f(G_i, GP_i, P_i, M_i, C_i, TC_{it}, NC_{it}, GPP_i, TR_i, PR_i, U_{it}, I_{it}, T_{it}, TG_{it})$$

where the subscripts i and t denote government i at time t and

- $Challenge_{it}$ is a binary variable with a value of 1 if an opposition party

  either threatened or tabled a no-confidence motion or a censure against

  the government. These motions can be aimed at policy differences,

  specific cabinet ministers, or the government as a whole. Confidence

  threats are coded as opposition challenges because they can materialize

  into no-confidence motions if the government chooses to ignore them

  rather than acquiesce or resign (see Chapter II). These data are taken

  from *Keesing's Record of World Events (1960-2006)*, and cross-checked

  with a variety of major newspapers and wire services.

- G_i denotes a coalition government, either as a minority coalition, minimal

  winning coalition or a surplus government. Government composition and

  seat shares are taken from Woldendorp, Keman and Budge (2000) and

  updated through 2007 by Smith, Williams and Koch (2008).

- GP_i is the degree of ideological complexity among the members of the

  governing coalition (Warwick 1994). This is measured as the standard

deviation of the coalition on the one-dimensional right-left indicator in the Comparative Manifesto Project (CMP) (Budge et al. 2001).

- P_i denotes the effective number of parliamentary parties. The composition of parliaments and seat shares are found in Mackie and Rose (1991) and various other sources.

- M_i is a binary variable representing a majority government (either single-party, minimal-winning coalition or surplus coalition) while C_i is a binary variable representing a caretaker government. These data are from Woldendorp, Keman and Budge (2000) and updated through 2007 by Smith, Williams and Koch (2008).

- TC_{it} counts the number of months that have passed since the previous challenge by the opposition in that country.

- NC_{it} contains the number of previous challenges to the government in that country. Together with TC_{it}, these represent proposal costs in each country.

- GPP_i is a binary variable indicating whether the government has the power to propose a confidence motion.

- TR_i is a binary variable indicating whether there are any restrictions on the timing of challenges from the opposition.

- PR_i is a binary variable indicating whether there are any restrictions on who can propose or whether there is a threshold of support needed before

a no-confidence motion can be voted on. These restriction variables are taken from Kurian (1997) and Bergman et al. (2007).

- U_{it} is the level of unexpected GDP growth rate (Palmer and Whitten 1999). These data are taken from the International Labour Office and OECD (various years).

- I_{it} is a binary variable indicating whether government i initiated a use of force or war in that month, and T_{it} is a binary variable indicating whether government i was targeted with a use of force or war in that month (coded as SideB in the MIDs with a dyadic hostility level of at least 4). These data are Militarized Interstate Disputes from the Correlates of War project (Ghosn, Palmer and Bremer 2004).

- TG_{it} indicates the tenure (in months) of the current government (Woldendorp, Keman and Budge 2000).

Data and Findings

I create a time-series cross-section monthly data set of 16 OECD parliamentary democracies from 1967-1994 (shown in Table 1). The availability of economic data from the ILO determines the sample size.

Table 1: Frequency of Challenges within the Sample

Countries	Censure	Threat	Conf.	No Conf.	Total	Years
Australia			1		1	1967-1993m1
Austria	1		4		5	1967-1994
Belgium			3		3	1967-1994
Canada			1	2	3	1967-1994
Denmark		1	4		5	1967-1994
Finland			6		6	1967-1994
France	7	1	8		16	1967-1994
Germany					0	1967-1994
Great Britain					1	1967-1994
Italy		4	5	1	10	1967-1994
Ireland			4	2	6	1967-1994
Japan		2	5	2	9	1967-1994
Netherlands					0	1967-1993m9
New Zealand					0	1967-1993m1
Norway		3	2		5	1967-1993
Spain	1				1	1977m7-1994
Total	**9**	**11**	**42**	**8**	**70**	

Since the dependent variable is a binary outcome, a logit is estimated.[46] I have

reason to believe that the data are temporally dependent, or that the error processes are

correlated across time. The methodological solution is to include the time since the last

challenge as well as the number of previous challenges as additional variables in the

model. The advantage of this approach is that these variables have theoretically

justifications as well. If there is reason to be concerned about temporally-correlated

data, it may be beneficial to operate from an event history analysis framework. Beck,

Katz and Tucker (1998) show that with the inclusion of a time counter (in this case,

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[46] The results are also reasonably robust to changes in estimation procedures, as both population-averaged (General Estimating Equations) and random effects models (Hausman test produces a χ^2 test statistic of 8.22 with 10 degrees of freedom and a p-value of 0.6074) produce generally consistent results. All variables maintain their original level of statistical significance except for the unexpected growth variable, which is now only significant at the 0.10 level (one-tailed).

TG_{it}), a logit estimation is equivalent to grouped duration data. The underlying hazard

rate for the event can then be estimated with that variable. I also present the estimate the

full model with a rare events logit as a robustness check (King and Zeng 2001).[47]

The first set of hypotheses (Hypothesis 1-4) addresses how government attributes

affect the likelihood of a government being challenged in that month.[48] Altogether, there

are 5134 observations and 70 challenges within the sample. Government attributes

change both the likelihood of the no-confidence motion passing, and the benefits of

maintaining office relative to the costs of being in the opposition. The first hypothesis

was that minority governments are much more likely to be challenged. This is

reasonable, as history is rife with examples of minority governments being terminated

because they could not muster a parliamentary majority to defeat a no-confidence

motion. The results of the tests of Hypothesis 1-4 are presented in Table 2.

Hypothesis 1 is supported, as the majority variable is statistically significant and

negative, implying that majority governments are much less likely to be challenged than

minority governments. I generate predicted probabilities to gain a better idea of the

substantive effects of these variables on the probability of a challenge. These predicted

probabilities are presented in Table 3.[49]

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[47] As shown in Table 2, the results from the rare events logit and logit are nearly identical. Therefore, I
present the models estimated with the logit, but I use the estimates from the rare events logit to calculate
substantive quantities of interest.

[48] As a robustness check, lagging the three shock variables one month produced the same substantive
results.

[49] For the baseline scenario, the predicted probability is calculated holding the continuous variables at their
means and the categorical variables at their modes. More substantively, the baseline scenario represents
the probability of a challenge for a single-party minority government at the beginning of its tenure, having
faced no previous challenges, and not involved in a conflict, with the institutional rules not allowing a

Table 2: Logit and Rare Events Models of Opposition Challenges

Variable	Logit (Std. Err.)	RELogit (Std. Err.)
Attributes		
Government Ideological Complexity	-0.012	-0.008
	(0.061)	(0.069)
Effective No. of Parliamentary Parties	0.040	0.046
	(0.107)	(0.112)
Coalition	-0.148	-0.159
	(0.437)	(0.493)
Majority	-1.36***	-1.342***
	(0.324)	(0.353)
Shocks		
Unexpected Growth	-0.157**	-0.161**
	(0.080)	(0.069)
Initiating a Conflict	0.791	1.216
	(1.062)	(1.112)
Being Targeted in a Conflict	1.518**	1.640**
	(0.634)	(0.679)
Costs		
Time Since Previous Challenge	-0.006**	-0.005*
	(0.003)	(0.003)
No. of Previous Challenges	0.038**	0.037**
	(0.017)	(0.018)
Government Proposal Power	0.717**	0.704**
	(0.345)	(0.317)
Support Restriction	0.071	0.096
	(0.388)	(0.412)
Proposal Restriction	-0.198	-0.179
	(0.425)	(0.413)
Current Government Tenure	0.001	0.002
	(0.011)	(0.011)
Intercept	-3.738***	-3.721***
	(0.504)	(0.532)
N	5134	5134
Number of Challenges	70	70
Log-likelihood	-335.198	
Chi-Squared	69.966***	

Significance levels (one-tailed) *: 10%, **: 5%, ***: 1%

government confidence vote, but no restrictions on who can propose in the opposition. The other variables are held at their means.

Table 3: Change in Predicted Probabilities of Opposition Challenges (Rare Events Logit)

	Change in Prob.	95% Conf. Interval
Attributes		
Majority (0→1)	-0.015***	[-0.033, -0.006]
Shocks		
Unexpected Growth (-0.018→1.608)	-0.004**	[-0.011, -0.001]
Being Targeted (0→1)	0.075**	[0.009, 0.305]
Costs		
Time Since Challenge (84→172)	-0.007*	[-0.016, 0.003]
No. of Previous Challenges (4→11)	0.006**	[0.0002, 0.023]
Government Proposal Power (0→1)	0.021**	[0.002, 0.061]

Note: Significance levels (one-tailed) *: 10%, **: 5%, ***: 1%. Baseline scenario: variables held at their means (continuous) and modes (binary).

The change in predicted probability of a challenge under a majority government compared to a minority government is -0.015, which is statistically significant decrease at the 99% confidence level.[50] The probability of a challenge for the baseline scenario is quite small (about 0.034), so this is a substantively large decrease in predicted probability. This is the only government attribute that has a statistically significant effect on the probability of a challenge, once policy shocks and proposal costs are taken into account. While this contradicts my expectations, it is reasonable to expect that majority governments will be the most important government attributes that affect challenges. Theoretically, this is the primary attribute in determining when a challenge will be successful, more than the ideological complexity of the government, coalition government or effective number of parliamentary parties.

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[50] In this case, since the confidence interval does not overlap 0, we can reject the null that the predicted probability for conflict is the same for both majority and minority governments.

The next component in the theoretical model is the role of policy shocks. The coefficient for unexpected economic growth is negative and statistically significant, indicating that *higher* than expected growth reduces the likelihood of a challenge, while *lower* than expected growth increases the likelihood of a challenge. This is hypothesized to be because parsing economic growth into unexpected and expected components allows a better understanding of the "shocks" for which the government is directly accountable. To give a better understanding of the substantive effects of unexpected economic growth, I plot the probability of a challenge (with 90% confidence intervals) across the sample range of values for the unexpected economic growth variable. This is presented in Figure 9.

Figure 9 shows that the predicted probability of a challenge decreases as the economy performs better relative to expectations. At the sample maximum of unexpected economic growth, about 5%, the probability of a challenge is statistically lower than at the sample minimum (around -3%). As shown in Table 3, the change in predicted probability for a 1-standard deviation increase at its sample mean (going from -0.018 to 1.608) of unexpected growth is statistically significant and negative. This shows that policy shocks can have a significant impact on the probability of a challenge, even once the attributes of the government and proposal costs are taken into account. The other policy shock was in the form of being involved in an international conflict. The major difference between being targeted and initiating was that being targeted was a clear signal of government competence, while initiating a conflict does not. The results for these international policy shocks are consistent with my theoretical expectations.

While the coefficient for initiated conflict is not statistically different from zero, being

targeted makes the government much more likely to be challenged (p-value <0.01, one-

Figure 9: The Effects of Unexpected Growth on the Probability of a Challenge
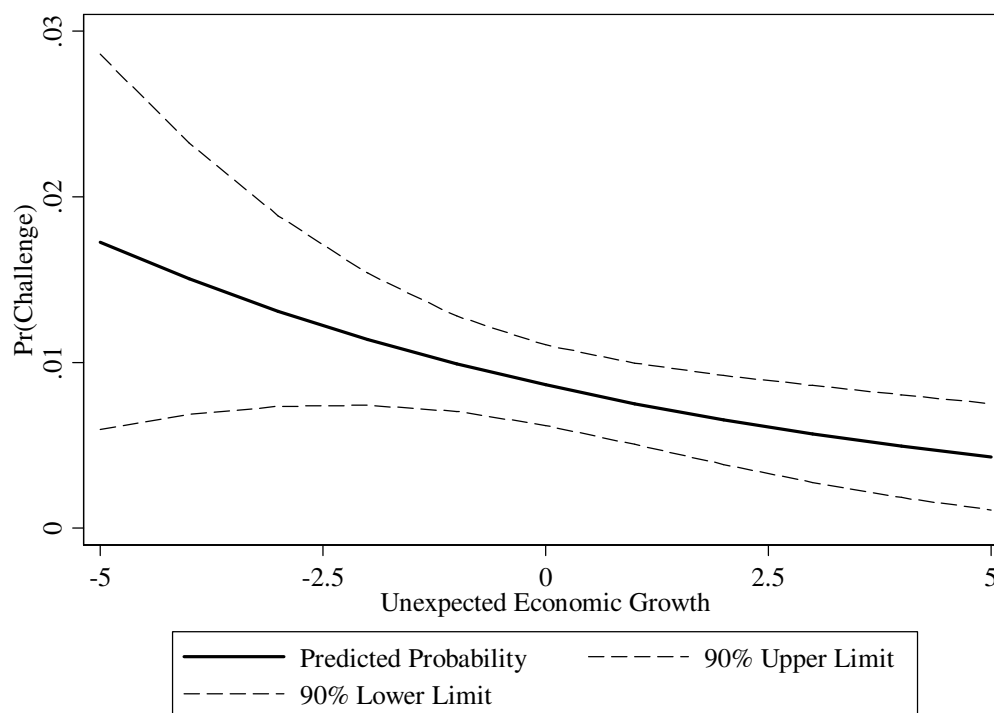
tailed). Not only is this shock statistically significant, but its effects are substantively

important as well. Being targeted in a conflict increases the predicted probability of a

challenge by 0.075, which is statistically significant at the 95% confidence level.

The final component of the theoretical model incorporates the variations in the

proposal costs over time and across countries. Out of the five variables used to measure

costs, three are statistically significant. As the time since the previous challenge (in months) increases, the probability of a challenge in the current period decreases substantially. Since this is a continuous variable, it is helpful to view a graphical illustration of its substantive effects.

Figure 10: The Effects of Time Since Previous Challenge on the Probability of a Challenge
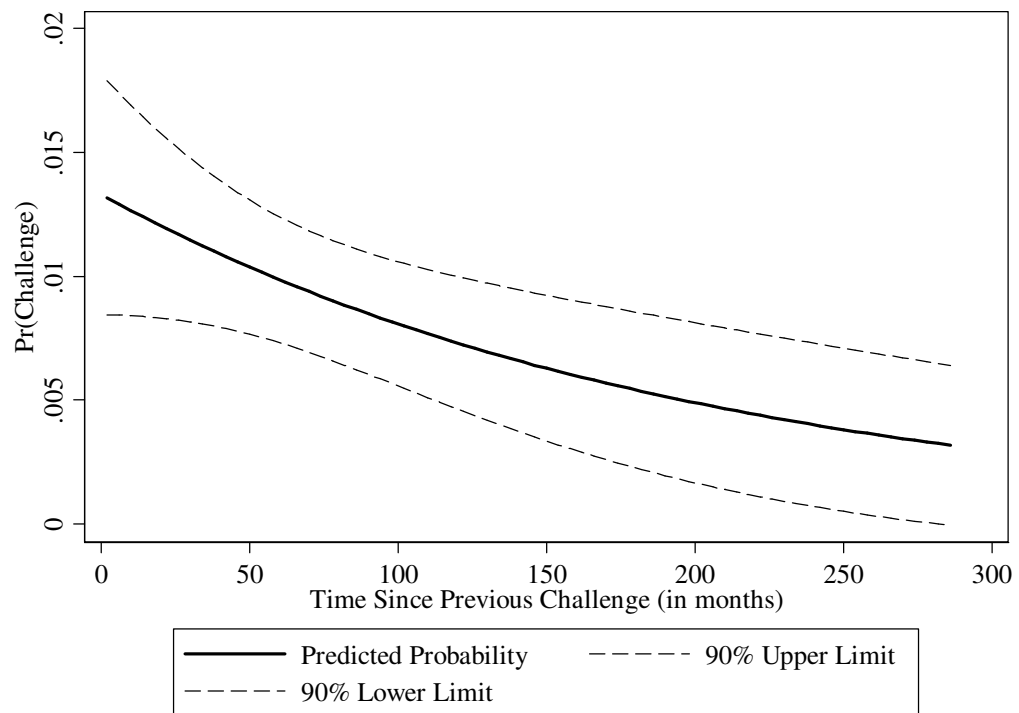

Figure 10 shows that the probability of a challenge is highest immediately following a challenge in the previous month (when 0 months have elapsed since the previous challenge), and is about 1.4%. As the time since the previous challenge elapses, the probability decreases, until it reaches the sample maximum, at which point it is about

0.5%. Moreover, increasing the time since the previous challenge by 1-standard deviation at its sample mean produces a statistically significant decrease in the predicted probability of a challenge (-0.007). Another variable that captures the role of proposal costs is the number of previous challenges in that state. The results show a positive relationship, which supports my theoretical expectations. This relationship is shown in Figure 11.

The predicted probability of a challenge increases as the number of previous challenges approaches its sample maximum. At no point along the range of values, however, are the predicted probabilities statistically different from each other.[51] The final variable measuring costs is whether the government has the power to propose a confidence motion. The expectation is that this is positive, indicating a state where confidence motions (proposed by either the government or the opposition) are seen as an acceptable tool to induce policy change. This is the case, as this variable is statistically significant and positive. It has a substantively large effect on the probability of challenge, as it increases the probability to 0.021, which is a statistically significant increase over the baseline scenario. The other two variables measuring costs, whether there are support restrictions or timing restrictions, are not statistically significant.

The last variable included in the analysis is a variable measuring the tenure of the current government (in months). This variable provides a methodological benefit, as it represents the underlying hazard rate for an opposition challenge throughout the

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[51] The change in predicted probabilities as number of previous challenges increases by 1-standard deviation at its mean is statistically significant and positive (0.006).

Figure 11: The Effects of Previous Challenges on the Probability of a Challenge
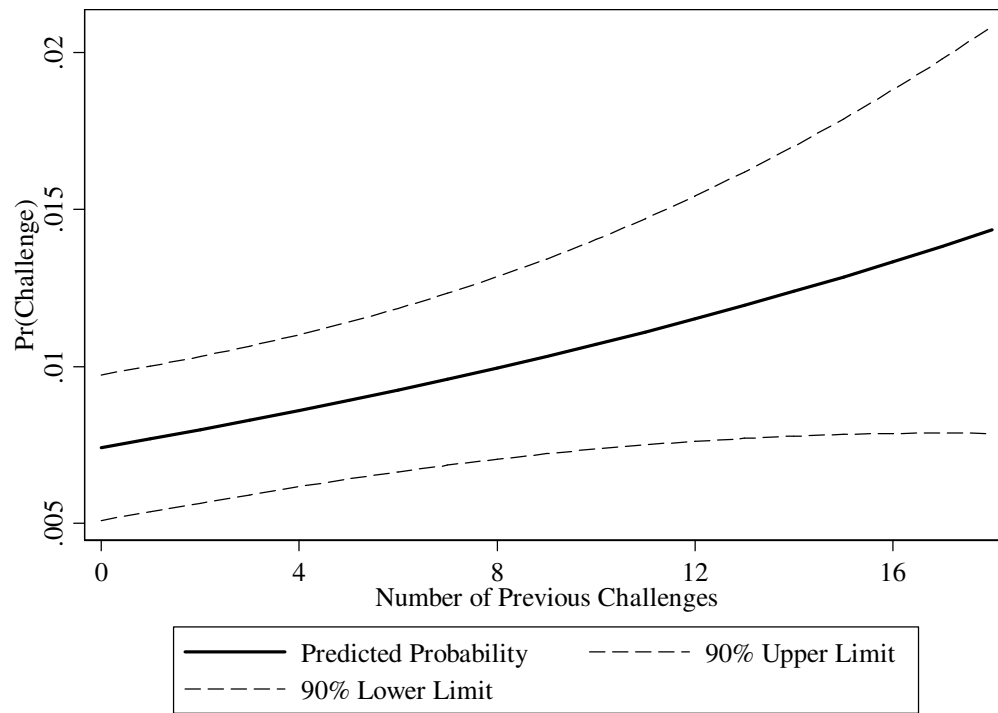
government's tenure. It also is theoretically justified as there may be stages in the

government's tenure that are more likely to experience challenges, like immediately

following formation. If there is an underlying hazard rate for challenges, this variable

will be statistically significant. Moreover, if challenges are more likely early in the

government's tenure, then this coefficient should be negative. As the results in Table 2

show, there is no underlying hazard rate for challenges throughout the government's

tenure.

The previous estimation tests all of the non-interactive hypotheses. There may

be some reason to expect that the effects of government attributes are conditional on the

stage in the government tenure. While the previous estimation showed that challenges were not more likely at specific stages in the government's tenure, there is some reason to believe that the effects of government attributes will have their strongest impacts on opposition challenges early in the government's tenure. Alternatively, coalition governments are much less likely to survive long into the government's tenure, precisely because coalition members are more likely to leave the coalition. As the government ages, disagreements between coalition members arise and the benefits of maintaining the coalition decrease relative to the costs. As coalition parties leave, opposition parties stand to gain much more as a result of challenges. To test these hypotheses, I estimate the same empirical model, with the addition of four interaction variables: government tenure interacted with majority government, coalition government, government ideological complexity and effective number of parliamentary parties (i.e.,

$$TG_{it} \times M_i, TG_{it} \times G_i, TG_{it} \times GP_i, TG_{it} \times P_i.$$ Therefore, in the case of coalition governments and ideological complexity, I expect to find negative coefficients for the interaction variables.

Table 4 shows the results of the logit estimation with the interactive variables. Two of the lower-order coefficients are statistically significant (coalition and majority), yet government tenure is not. Moreover, only one of the interactive variables is statistically significant, government tenure interacted with coalition government. However, as Brambor, Clark and Golder (2006) suggest, it is most helpful to view interactive relationships graphically. Figure 12 provides the predicted probability of a challenge (with 90% confidence intervals) across the sample range of government tenure

(in months) for two different scenarios. The two scenarios have the same values of all the independent variables, except that the top scenario represents minority governments and the bottom represents majority governments.[52]

Immediately following a change in government (when government tenure is 0), minority governments have a statistically higher probability of being challenged than majority governments. After about a year in office, there is no statistical difference between majority and minority governments. The confidence intervals for the two scenarios overlap, meaning that there is no difference in their predicted probabilities. The confidence intervals overlap because the predicted probability of a challenge against a minority government decreases across the entire government cycle, while the probability for a majority government is largely time-invariant. This makes sense, as a minority government is most likely to be challenged early in the term, as the opposition attempts to determine whether it has a solid parliamentary majority. If a minority government has stayed in office a significant length of time, it is has probably already established the support of non-governing parties to maintain a majority. Thus, the probability of a challenge decreases as the cycle continues. Majority governments, on the other hand, do not face a larger probability of a challenge at any time in the cycle. If a government controls a majority of seats, the payoffs to an opposition party of challenging do not change at any time in the cycle.

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[52] The other independent variables are held at either their modes (categorical variables) or means (continuous variables).

Table 4: Interactive Effects of Government Tenure and Attributes on Opposition Challenges

Variable	Logit (Std. Err.)	RELogit (Std. Err.)
Attributes		
Government Ideological Complexity	0.031	0.041
	(0.089)	(0.080)
Effective No. of Parliamentary Parties	0.077	0.082
	(0.156)	(0.176)
Coalition	-1.297**	-1.306**
	(0.621)	(0.582)
Majority	-1.414***	-1.400***
	(0.476)	(0.516)
Current Government Tenure	-0.033	-0.32
	(0.036)	(0.037)
Gov't Tenure*Coalition	0.103***	0.100***
	(0.037)	(0.037)
Gov't Tenure*Ideological Complexity	-0.004	-0.004
	(0.004)	(0.004)
Gov't Tenure*Parliamentary Parties	-0.006	-0.006
	(0.008)	(0.008)
Gov't Tenure*Majority	0.013	0.013
	(0.028)	(0.032)
Shocks		
Unexpected Growth	-0.173**	-0.178**
	(0.080)	(0.070)
Initiating a Conflict	0.784	1.211
	(1.068)	(1.129)
Being Targeted in a Conflict	1.519**	1.633**
	(0.642)	(0.684)
Costs		
Time Since Previous Challenge	-0.006**	-0.006**
	(0.003)	(0.003)
No. of Previous Challenges	0.040**	0.041**
	(0.018)	(0.018)
Government Proposal Power	0.536	0.523
	(0.349)	(0.318)
Support Restriction	0.127	0.144
	(0.390)	(0.403)
Proposal Restriction	-0.089	-0.083
	(0.429)	(0.422)
Intercept	-3.293***	-3.276***
	(0.670)	(0.753)
N	5134	5134
Number of Challenges	70	70
Chi-Squared	83.314***	

Note: Significance levels (one-tailed) *: 10%, **: 5%, ***: 1%

Figure 12: The Effects of Government Tenure and Majority Governments on the
Probability of a Challenge
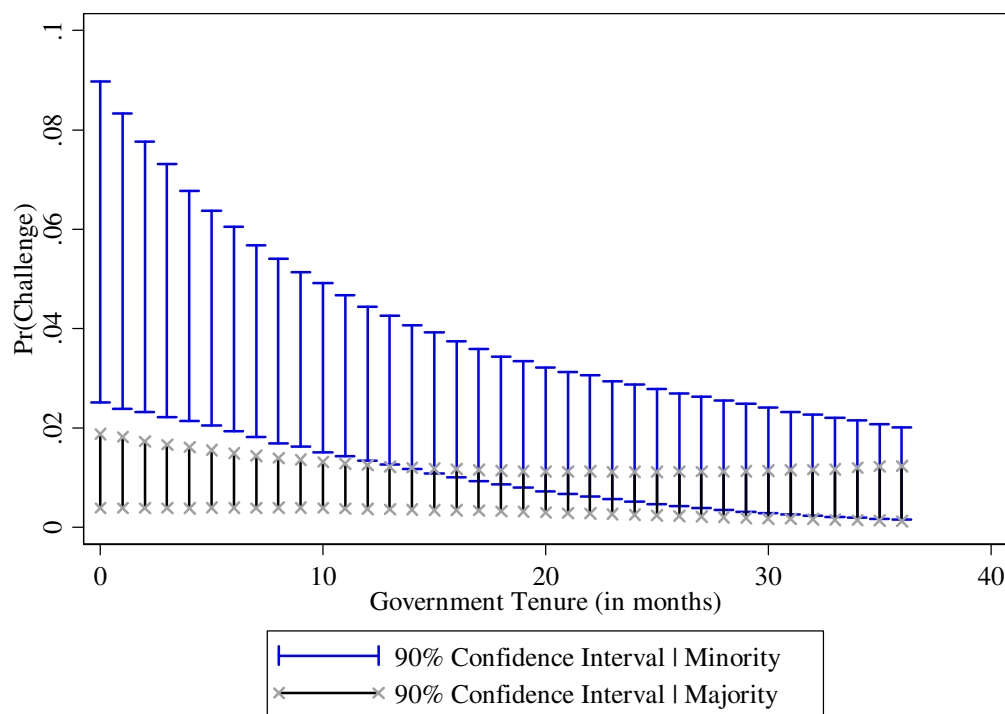
The other attribute that has a conditional relationship on challenge is whether the

government is a coalition. Figure 13 shows the difference between single-party

governments and coalition governments. In Figure 13 I present the predicted probability

of a challenge (with 90% confidence intervals) for a single-party and a coalition

government. Early in the government cycle, single-party governments have a higher

probability of being challenged, but the difference in probabilities is not statistically

significant. Later on in the government's tenure (after about two years), coalition

governments are threatened more often than single-party governments. My theory

suggests that this is the case because coalition governments become more unstable the

Figure 13: The Effects of Government Tenure and Coalition Governments on the Probability of a Challenge
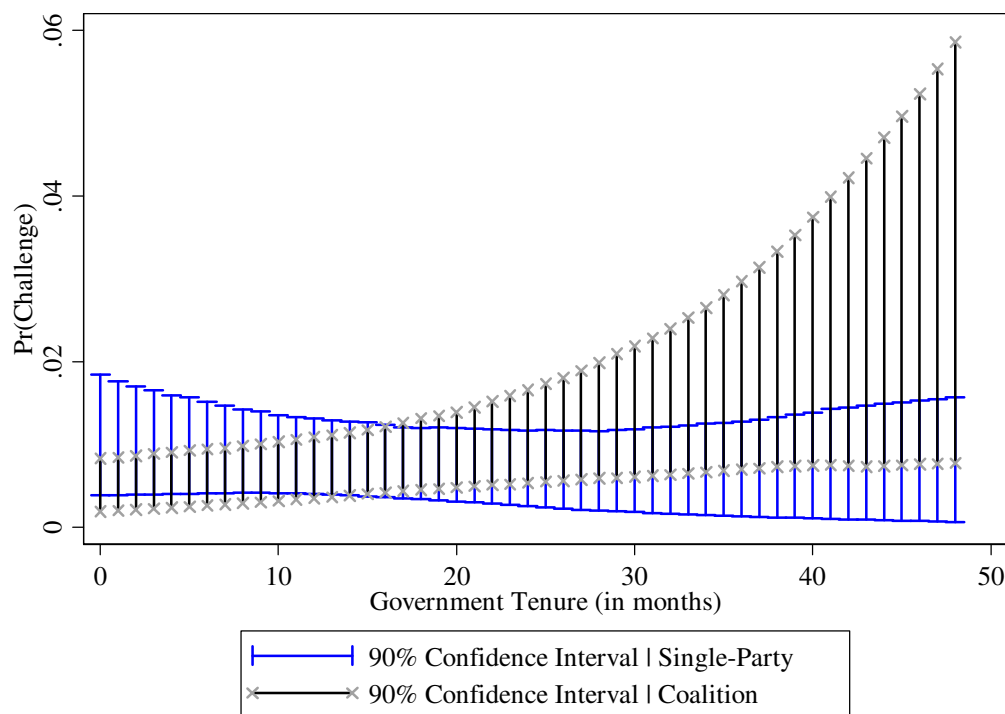
longer they are in office, and thus more vulnerable to an opposition challenge. The longer a coalition government is in office, partners may begin to leave, potentially increasing the benefits to the opposition of challenging. These findings suggest that the effects of various attributes—including majority and coalition governments—depend on the government's tenure.

Implications

Challenging as Signaling

One possible concern is that the higher probabilities of challenges in the face of policy shocks are not due to the opposition parties sending confidence signals. Rather,

opposition parties may be simply responding to poor policy, with the hopes of causing an immediate termination of government. My choice of domestic and international policy shocks was deliberate, as these shocks are hypothesized to be credible signals of the government's competence. In fact, the alternative explanation that opposition parties are simply responding to policy concerns produces vastly different theoretical expectations when it comes to responding to economic shocks. If opposition parties were testing the stability of the government (or the cohesion within the coalition) with the use of challenges, then these challenges would be likely in the face of poor economic conditions, whether they were unexpected or not. In other words, if opposition parties were only trying to satisfy their constituents they would challenge the government any time the economy was performing poorly, regardless of rational expectations.

My theory produces different expectations, because I argue that challenges are signals to key actors in the electorate regarding the opposition's perception of the government's competence. Unexpected economic growth is a direct measure of the "controllable" aspect of the domestic economy, and thus represents the component that is directly attributable to the performance of the government. Thus the two contrasting theories produce different testable expectations. My expectation that higher unexpected economic growth would reduce the probability of a challenge was supported by the empirical analysis. In order for the alternative explanation to be correct, we would also have to find that economic growth affects the probability of a challenge: in good times, opposition parties are less likely to challenge and vice versa. Table 5 shows the results of

a logit model that is identical to Table 2 except for the replacement of *unexpected* economic growth with the traditional economic growth (GDP change) variable.

The coefficient for economic growth is negative, but fails to reach statistical significance at conventional levels. Moreover, increasing GDP growth rate by 1-standard deviation at its sample mean does not produce statistically different predicted probabilities.[53] While the coefficient for *unexpected* economic growth was statistically significant and negative in each model, the coefficient for economic growth was not statistically different from zero. In other words, opposition parties *only* challenge the government when economic conditions are poor *relative* to expectations. Only when the component of economic growth directly attributable to the government's competence is large does the opposition challenge the government. This provides support for the idea that opposition challenges are signals of the government's competence sent to the electorate rather than simply responses to policy outcomes.

A Closer Look at Attributes

In the original empirical analysis, the only government attribute that was statistically significant was whether the government has a majority or not. Minority governments were found to be much more likely to be challenged than majority governments. About half of challenges occur against minority governments (34 out of 70 challenges), with three-fourths of successful no-confidence motions also against minority governments (6 out of 8). Including the minority governments in the empirical

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[53] The first differences for all three confidence levels (90%, 95% and 99%) are negative and the confidence intervals all overlap zero: 90%: -0.0032 [-0.0084, 0.0009], 95%: -0.0032 [-0.010, 0.0016], 99%: -0.0029 [-0.014, 0.0038].

Table 5: Estimation Results of the Effects of GDP Growth on Opposition Challenges

Variable	Logit (Std. Err.)	RELogit (Std. Err.)
Attributes		
Government Ideological Complexity	-0.010	-0.006
	(0.062)	(0.070)
Effective No. of Parliamentary Parties	0.079	0.085
	(0.108)	(0.107)
Coalition	-0.222	-0.224
	(0.459)	(0.519)
Majority	-1.407***	-1.380***
	(0.317)	(0.344)
Shocks		
GDP Growth	-0.049	-0.049
	(0.041)	(0.037)
Initiating a Conflict	0.726	1.154
	(1.058)	(1.103)
Being Targeted in a Conflict	1.409**	1.532**
	(0.631)	(0.672)
Costs		
Time Since Previous Challenge	-0.006**	-0.005**
	(0.003)	(0.003)
No. of Previous Challenges	0.035**	0.035**
	(0.017)	(0.018)
Government Proposal Power	0.663*	0.645**
	(0.340)	(0.303)
Support Restriction	0.127	0.150
	(0.371)	(0.394)
Proposal Restriction	-0.131	-0.111
	(0.409)	(0.404)
Current Government Tenure	0.003	0.003
	(0.011)	(0.011)
Intercept	-3.627***	-3.609***
	(0.501)	(0.528)
N	5326	5326
Number of Challenges	73	73
Log-likelihood	-350.189	
Chi-Squared	70.942***	

Note: Significance levels (one-tailed) *: 10%, **: 5%, ***: 1%

analysis introduces the possibility of the majority variable explaining all of the variance

possible from the attributes. Thus, we learned that minority governments are highly

vulnerable to opposition challenges, but we do not know much about those times when

majority governments are challenged. This section explores these possibilities.

The examples of the passage of a no-confidence motion against a majority

government are certainly anomalous cases. In Ireland in 1986, the coalition majority

government of Fine Gael (holding 70 seats out of 116 in the Dail) and the Labour Party

(holding 16 seats) faced a number of no-confidence motions. Before the vote was held

on a no-confidence motion, one backbencher from both parties threatened to vote against

the government unless "assurances were given regarding their respective proposals for a

development plan for Dublin and for social welfare spending" (Keesing's 34757). Two

ideologically distinct parties[54] such as these two coalition partners had a difficult time

crafting policy on divisive issues (such as welfare spending) without sacrificing the

interests of the core constituents. This sent a signal of potential vulnerability to the

opposition, which encouraged an opposition challenge. While the no-confidence motion

was barely defeated in the end (with the eventual support of the two ministers, who were

demanding policy concessions), this shows the importance of ideological diversity---

even in majority governments—on opposition challenges.

There are alternative explanations for their usage outside of simply seeking the

termination of government. For example, in Italy in May 1989 the surplus coalition

government headed by Ciriaco de Mita of the Socialist Party (PSI) faced increasing

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[54] In the 1982 election, the Comparative Manifesto Project coded the Labour Party as having a left-right
score of -40 and the Fine Gael a score of 16.15. This is a difference of almost 3 standard deviations.

criticism by the Communists and other left-wing opposition groups over the government's health policy. The criticism increased as the June European elections approached and resulted in the tabling of a no-confidence motion on May 9 (Keesing's 36667). Though the motion was defeated, the no-confidence motion served the purpose to either appeal to the party's constituency or to send a signal of government incompetence to a "capturable" voter. To determine whether government attributes affect majority governments in a manner consistent with minority governments, I test my additive hypotheses on a sample of only majority governments.

Table 6 provides the results of a logit estimation predicting the effects of attributes and costs[55] on opposition challenges for only majority governments. Once the sample has excluded the particularly vulnerable minority governments, the relationship between attributes and challenges becomes more clear. For majority governments, the more ideological complexity (measured as the weighted standard deviation), the *less* likely to be challenged. This is contrary to Hypothesis 2, as I expected that ideologically diverse governments would have more issues that could potentially be contentious. The other attribute that becomes statistically significant is having a coalition government, which increases the probability of a challenge by 0.007, which is a statistically significant increase.[56] Since these are relatively rare events, this increase is substantively large. This also implies that adding more parties to the governing coalition increases the probability of a challenge, even while controlling for the ideological diversity of the

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[55] Including the shock variables drastically reduces the sample size.
[56] The probability of a challenge for the baseline scenario is 0.71%, which is calculated with all of the independent variables held at either their means (continuous variables) or their modes (categorical variables). The 95% confidence interval for this first difference is 0.001 to 0.018.

Table 6: Estimation Results of the Effects of Attributes on Opposition Challenges against Minority Governments

| Variable	Logit (Std. Err.)	RELogit (Std. Err.)
Attributes		
Government Ideological Complexity	-0.100**	-0.094**
	(0.050)	(0.048)
Effective No. of Parliamentary Parties	-0.047	-0.036
	(0.115)	(0.108)
Coalition	1.175**	1.130**
	(0.463)	(0.466)
Costs		
Time Since Previous Challenge	-0.013***	-0.012**
	(0.004)	(0.005)
No. of Previous Challenges	0.038***	0.038***
	(0.008)	(0.008)
Government Proposal Power	-0.534**	-0.512**
	(0.332)	(0.311)
Support Restriction	-0.211	-0.172
	(0.403)	(0.361)
Proposal Restriction	-0.226	-0.223
	(0.393)	(0.402)
Current Government Tenure	0.020**	0.020**
	(0.009)	(0.009)
Intercept	-4.460***	-4.453***
	(0.424)	(0.407)
N	6367	6367
Number of Challenges	89	89
Log-likelihood	-408.046	
Chi-Squared	120.763***	

Note: Significance levels (one-tailed) *: 10%, **: 5%, ***: 1%

coalition. In this case, more veto players represent a greater chance for policy deadlock and increased opportunities for defections from the governing coalition.

Three of the five variables capturing proposal costs are statistically significant and in the expected direction, as in the previous models. In contrast to the previous

models, the variable measuring government tenure is statistically significant and positive, implying that there is an increasing hazard of challenges as the majority government remains in office. In Figure 14, we show the predicted probability of a challenge for a majority government across the sample range of government tenure. The underlying probability of a challenge against a majority government increases across the government's tenure. Immediately after the investiture vote, majority governments have the lowest probability of being challenged, presumably because all potential veto players are aware that the government has majority support in the parliament. As the government remains in office, the probability of a challenge increases, until it has been in office four years, at which point it has the highest probability of being challenged. These results show that government attributes affect minority and majority governments differently. Government complexity (as the number of governing parties and their ideological dispersion) does not affect minority governments, because their hold on power is quite tenuous regardless of government complexity. In situations with a coalition versus a single-party government, minority governments have to depend on the support of non-governing parties in the legislature for support. Minority governments are unable to maintain the voting cohesion of these non-governing parties, as they lack any sort of cabinet position. Thus, in times of minority governments, the specific attributes of the government do not matter inasmuch as the lack of parliamentary support.

Figure 14: The Underlying Hazard Rate of a Challenge against a Majority Government
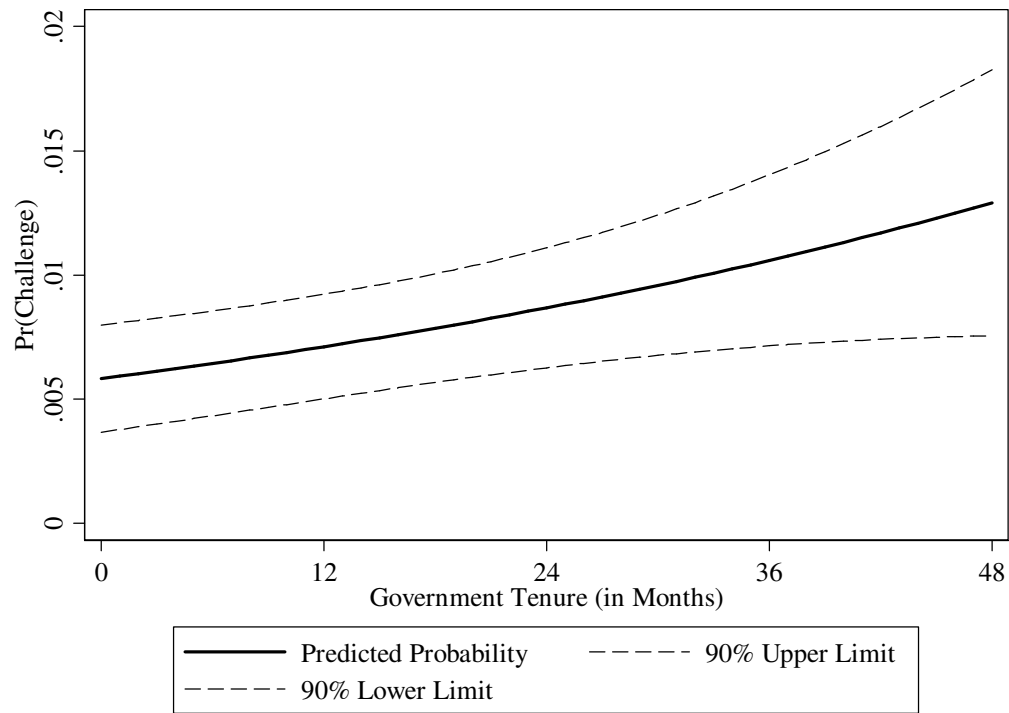
Majority governments, on the other hand, are made more vulnerable to challenges with larger governing coalitions (and lesser ideological complexity). Majority governments already have the support of a parliamentary majority; their main concern is maintaining that support, which is made difficult when there are multiple parties in the coalition. Moreover, for majority governments, there is an increasing tendency to be challenged as the government's tenure ends.

Discussion and Conclusion

This project represents the first empirical test of the determinants of opposition challenges in parliamentary democracies, and as such, presents a number of key contributions to the literature on parliamentary decision making. First, by examining censure votes and threats of no-confidence motions, I can accurately portray three of the primary ways in which the government's power is held in check by the parliamentary opposition. Next, the empirical results suggest that having majority support in parliament, above all else, is the most critical factor in determining whether a government is challenged or not. The effects of governmental attributes on the probability of a challenge are not static, however. The effects of the number of coalition parties and majority governments change as a function of the tenure of government. Early on in the government's tenure, having a minority government produces a much higher risk of being challenged. Alternatively, later on in the government's tenure, having a coalition government increases the risk of a challenge. This project also shows the impact of policy shocks on government-parliament interaction. By examining unexpected economic growth and the shock of being targeted in an international conflict,

I am able to show that opposition parties take advantage of these outcomes by challenging the government. No-confidence motions are much more likely to occur following times of worse-than-expected economic growth and times when the state is targeted in an international conflict. These findings provide insight on the timing of parliamentary elections. While much has been said about the timing of elections that are held for *political* purposes (Strom and Swindle 2002; Kayser 2005; Palmer and Whitten

2000), we know very little about when the parliamentary opposition prefers to seek an early election. While there are many potential justifications for opposition parties challenging governments, the one with the largest impact is the challenge with the hope of bringing down governments. These findings show that opposition parties favor an election early on in the government's tenure, shown by the increased effects of minority government early on in the tenure. Finally, this project suggests an explanation for the prevalence of challenges, yet their relative failure in terms of immediately terminating the government. I theorize that opposition parties take the opportunity to signal to key members in the electorate their perceptions of the government's competence via proposing no-confidence motions. The empirical results support this theory, as policy shocks that illustrate the government's competence are more likely to be followed by opposition challenges.

A central contribution of my research is that it merges two approaches traditionally used to examine government termination and applies them to the study of opposition challenges.[57] First, the attributes approach creates a model of government termination based largely on a set of institutional and governmental characteristics that are invariant over the government's tenure. The second approach is the events approach, which argues that we should "shift attention from the inherent qualities of cabinets that supposedly determine longevity in office to the inherent randomness of events that actually bring down cabinets" (Warwick and Easton 1992: 123). This approach suggests that while it makes sense that governmental characteristics matter, it is also necessary to

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[57] The first research project to combine these two approaches was King et al. (1990).

incorporate some of the "random" events that occur during the government's tenure that might affect termination. My model does so by incorporating both the "attributes" approach as well as some of the key features of the "events" approach into a model of opposition challenges against the government.

While this project sheds light on which governments are challenged and when, there are a number of other important questions about opposition challenges that have yet to be addressed. This is just one empirical chapter of the dissertation. The remainder of the dissertation addresses a number of other questions. What types of opposition parties use no-confidence motions opportunistically? How are international and domestic policies affected by opposition challenges? Finally, how do voters respond in elections to opposition parties that propose challenges, and governments that are the target of challenges?

CHAPTER V

FOREIGN POLICY CONSEQUENCES OF NO-CONFIDENCE MOTIONS

In the past three chapters, I have developed theories regarding the motivations, timing and success of no-confidence motions. Theory, combined with anecdotal evidence, suggests that no-confidence motions can have profound electoral consequences, but there may be significant influence in other areas as well. This chapter examines the foreign policy consequences of no-confidence motions. States select their targets partially on the ability for the targeted state to effectively reciprocate the aggression. The ability and willingness for democracies to reciprocate violence is affected by the government's sensitivity to the costs of conflict and the degree of *ex post* accountability. Domestically strong leaders are able to more effectively signal their resolve to fight to potential attackers, which reduces the likelihood that they are targeted. Domestically weak leaders, on the other hand, have much greater sensitivity to the costs of conflict and are much less likely to reciprocate. Together, these pieces point toward domestically vulnerable leaders being more attractive targets. Scholars have thus far ignored the other important half of this relationship, which includes the effects of conflict on domestic political vulnerability. Weak leaders often face a precarious situation at home, as the domestic opposition can use the international dispute as evidence of the government's incompetence and a catalyst for no-confidence motions. In a sense, members of the opposition are like sharks who smell blood in the water and choose to challenge the government in order to benefit their own position. While I find

evidence that being challenged domestically increases the risk of being targeted, the opposite is not evident.

Our understanding of parliamentary politics is one of an ever-changing bargaining relationship between the opposition and government (Laver 2005). Yet, the literature on the domestic causes of targeting treats all democracies as equally likely to be targeted (e.g., Filson and Werner 2004). A static approach forces scholars to make the implicit assumption that all democracies face the same level of sensitivity to costs based on the domestic political situation. Thus, the probability of being able to reciprocate conflict—a key component in being targeted—does not vary across government tenure. A principal benefit of this piece is a more realistic conceptualization of domestic political vulnerability that is not static, but one that is fluid and changes with exogenous shocks and the strength of the opposition. Central to this conceptualization is the role of opposition challenges in determining the stability of government, and therefore the degree of *ex post* accountability for costly foreign policy choices. Increasingly constrained governments are less likely to reciprocate militarized action, and are thus more attractive targets for domestic and international challenges. Additionally, this research shows the importance of simultaneously estimating the reciprocal relationship between challenges at home as well as abroad.

In the first section, I lay the theoretical foundation of the effects of institutional arrangements on conflict. In the two following sections, I describe the reciprocal relationship between being targeted internationally in a dispute and being challenged domestically by the opposition. I then derive two hypotheses from this discussion. The

fourth section tests these hypotheses on a sample of 16 parliamentary democracies from the late-1970s-1992 with a model that simultaneously estimates both events. In the final section, I conclude and provide implications for the study of conflict.

Theoretical Foundation

Various institutional arrangements in advanced democracies have been theorized to affect the foreign policy choices of executives. The literature can be divided into two (often complementary) threads. The first perspective argues that as the number of potential veto players increases, the likelihood of conflict decreases. The veto players approach is intimately tied to the notion that democrats face higher sensitivity to costs than autocrats so they face higher *ex ante* constraints. Auerswald (1999) finds that domestically-strong executives, or those that have full agenda control over foreign policy, are much more likely to initiate conflict than domestically-weak executives. This is because strong executives face fewer possible veto players that could potentially block the initiation of the conflict. Ireland and Gartner (2001) provide further evidence that veto players, in the form of majority versus coalition governments, reduce the likelihood of initiation. They also argue that as the salience of the issue at hand increases, veto players will become more adamant in their opposition (Ireland and Gartner 2001). Various institutional arrangements increase the number of potential veto players. For example, proportional representation systems, by allowing greater polarization and fractionalization, demand consensus building among multiple veto players, thus inducing pacifism (Leblang and Chan 2003).

The second perspective explains the role of domestic institutions in international conflict through their impacts on leaders' vulnerability to removal from office.[58] Leaders who are likely to be removed from office following a poorly-executed conflict are constrained from participating in conflict (Morgan and Campbell 1991; Morgan and Schwebach 1992). The empirical evidence supports this assertion, as the domestic contexts in which there is a high risk of removal are also those where leaders are less prone to initiate conflict. Overall, as the probability of losing office increases, leaders are less likely to initiate conflict (Chiozza and Goemans 2003; see also Wolford 2007). More specifically, democratic leaders are more constrained than autocratic leaders because they face a higher probability of removal after a conflict with moderate to high costs (Goemans 2000). Since leaders are concerned with remaining in office (Downs 1957; Mayhew 1974), they choose policies that are supported by their constituents. For example, right-wing governments are found to be more conflictive because their constituents prefer hawkish foreign policies, and are thus more secure in their tenure following a conflict (Palmer, London and Regan 2004). For the most part, these studies emphasize governmental arrangements (Auerswald 1999; Palmer, London and Regan 2004), though the strength of the opposition can also discourage international aggression by threatening government stability (Koch and Williams 2006).

Institutional arrangements can also discourage conflict by empowering the public as well as actors in the government and opposition. Any type of governing arrangement

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[58] Though governments are often coalitions of distinct political parties with varying preferences, the relative autonomy that executives face when formulating foreign policy means that the most appropriate approach is a leader-centric approach.

that increases the level of public constraint over the executive also increases the degree of *ex post* accountability. The level of public constraint over the executive plays a key role in this calculation of leader domestic vulnerability, because those times and situations where the public has the most control over the executive are expected to be the most peaceful times. This proposition is described by Reiter and Tillman (2002):

> This dependence helps guide their foreign policy choices to be in line with public opinion, which in turn constrains in particular the decision to initiate international conflicts. This proposition assumes that the public is generally conflict-averse, or is at least more conflict-averse than state leaders, as the public must bear a disproportionate share of the costs of any war effort (mainly through conscription and higher taxes) (812).

Since the public is assumed to be risk-averse, the consequences of going against the electorate's preferences are more dire when the public has more control over the executive. For example, Gaubatz (1991) finds that war is most likely immediately following an election, which is the time when the public has the least amount of control over the executive. Moreover, public constraint in the form of high political participation decreases the likelihood of conflict (Reiter and Tillman 2002). In fact, *public* constraint is found to be much more important than either intra-legislative constraints or executive-legislative relations in limiting conflict. Alternatively, executives that are less vulnerable to removal have a higher risk of initiating conflict. Enjoying broad public support creates a higher chance of winning the conflict, but also of remaining in office following a costly conflict (Bueno de Mesquita and Siverson 1995). Together, domestic characteristics limit the initiation of conflict through both *ex ante* constraints and *ex post* accountability.

In addition to affecting whether states initiate conflict, domestic institutions also influence the selection of targets. Targets are selected based in part on which states will offer the least resistance to the challenge (Gartner and Siverson 1996). The literature on the targeting of states during conflicts has identified democracies as much more attractive targets than autocracies. Democratic leaders exhibit greater sensitivity to the costs of conflict than autocratic leaders because democratic publics are able to hold the executive accountable either directly through elections or indirectly through parliamentary opposition.[59] The empirical evidence supports this assertion, as not only are democracies targeted at a higher rate than autocracies, but they are also more likely to face repetitive military challenges (Filson and Werner 2004; Grieco 2001). Scholars theorize that this is the case because greater cost sensitivity makes democracies view offering concessions during the negotiation stage favorably (Filson and Werner 2004). These studies point toward institutional arrangements playing an important role in the study of conflict. Democratic institutions determine the amount of *ex ante* constraint the public and parliament have over the executive, the government's level of accountability for the public and the prospects for post-conflict tenure. Yet, this logic would incorrectly assert that all democracies face the same level of sensitivity to costs based on the domestic political situation.

This conceptualization lets us avoid getting too focused on the actual institutions, which implies a static notion of political vulnerability. Previous formulations have failed to examine how a fundamental tool of the opposition in parliamentary

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[59] In democracies, the public can withdraw its support for the government if the conflict lasts too long or if it produces too many casualties (Gartner and Segura 1998).

democracies—the no-confidence motion—affects the government's stability. Evaluating no-confidence motions lets us indirectly capture the effects of policy outcomes, which are often ignored because they are too difficult to measure in a systematic way. Yet, the effects of these outcomes, which partially depend on the institutional arrangements, affect the relative balance of power between governments and oppositions. Evidence of the domestic political opposition challenging the government can be interpreted as a sign that the government is further constrained, and possibly a more attractive target. Additionally, facing strong domestic opposition domestically can be a credible signal of the government's true competence level, and thus can display the likelihood of success in a conflict. The next section explains the reciprocal relationship between domestic and international challenges.

Domestic Political Vulnerability and Targeting

While scholars have examined the effects of domestic political vulnerability on being targeted, this has only been one side of the story. I argue that there is a reciprocal relationship between being targeted in a conflict internationally and being challenged by opposition parties domestically. Being targeted internationally in a dispute sends a signal to the domestic opposition of the government's incompetence. Opposition parties can take advantage of this policy shock to challenge the government in the hopes of either bringing the government down, or producing some long-term electoral payoff due to the perception of the government's competence. Likewise, when opposition parties challenge the government domestically, it sends a signal to potential aggressors of the domestic political vulnerability of the government. This section examines this reciprocal

relationship between opposition parties challenging the government and other states targeting the democracy in a conflict. I will first address how no-confidence motions make the government vulnerable to being targeted.

A wealth of scholarly findings indicates that leaders who are in precarious situations domestically are more constrained in their range of acceptable foreign policy options (Auerswald 1999; Ireland and Gartner 2001; Reiter and Tillman 2002; Chiozza and Goemans 2003; Palmer, London and Regan 2004). Moreover, domestically-vulnerable leaders may be less likely to reciprocate hostile action because of the greater risk of removal (Huth and Allee 2002). Foster (2006) finds empirical support for this connection within the US. He finds that when the executive is faced with an overt legislative opposition, US presidents are more likely to be targeted. In this case, Congressional opposition to the foreign policy acts as a signal of diminished resolve. In these times, the president cannot credibly signal his resolve, which increases the risk of being targeted. A strong domestic opposition limits the president in his pursuit of his agenda, and sends a signal that those oppositional actors are likely to oppose the president in the future (Foster 2006: 427-8). While this finding is limited to a presidential system where the executive does not depend on the parliament's support for the formation and continuation of government (Shugart and Carey 1992), I suggest that this logic is generally more applicable to parliamentary regimes. The timing of elections in parliamentary regimes is, for the most part, flexible and is based on both the parliament's ability to vote no-confidence in the government and the Prime Minister's

ability to dissolve the parliament.[60]   When elections are possible at any time, the

strength of the opposition is much greater, thus increasing the executive's vulnerability

to removal. In situations with a strong opposition, it is reasonable to expect that prime

ministers will be even less able to credibly signal their resolve to other states, thus

encouraging challengers.

Domestic political vulnerability is also a function of the electoral cycle. There

are two competing explanations for the relationship between being targeted and the

electoral cycle. The first perspective is that being targeted is related to the electoral cycle

inasmuch as it changes the strength of the target's resolve or credibility. This

perspective suggests that leaders are more likely to be targeted early in the electoral

cycle because inexperienced leaders view the utility of resisting a challenge as low

relative to the utility of providing concessions. The net utility of resisting increases over

time, and is the highest when the end to leaders' tenure approaches. Thus, inexperienced

leaders are more likely to be targeted (Gelpi and Grieco 2001).[61] Furthermore,

democratic leaders are targeted early in their tenure in order to test their resolve

(Wolford 2007). The second explanation suggests that the connection between being

targeted and the electoral cycle depends on the level of constraint imposed on the

executive (e.g., Gaubatz 1991). Huth and Allee (2002) find support for this notion, as the

presence of a strong political opposition produces more conservative foreign policy

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[60] See Strom and Swindle (2002) for the wide range of variations in the ability of the PM to dissolve parliament. In the majority of cases, either the PM can dissolve or the Head of State (at the advice of the PM) can dissolve.

[61] The shorter tenures of democratic leaders provide a possible explanation as to why democracies are targeted more often than autocracies (Gelpi and Grieco 2001).

behavior in the leader because of the higher level of constraint.[62] The more constrained the leader, the more likely they will be to offer concessions in the negotiation stage instead of escalating the conflict (Huth and Allee 2002). This perspective suggests that the probability of being targeted is a function of the amount of public control over the executive. Those times when the executive is most constrained (close to the next election) are the times in which the executive is least likely to escalate, and therefore more likely to be targeted.

This project improves upon previous research by providing a more nuanced conceptualization of political vulnerability. Past research has focused on the important role of political institutions in structuring the degree of *ex post* accountability for the leader. As the degree of *ex post* accountability increases, the public is able to constrain the leader's foreign policy choices. What is unfortunate, is that this subfield ignores the variations *within* minority and coalition governments and treats them all as equally constraining. This can lead to the incorrect inference that democratic leaders are equally vulnerable throughout the government's tenure, and therefore equally likely to be targeted. For example, the comparative literature on domestic political institutions suggests that some minority governments are quite stable. Even though the governments rely on the support of non-governing parties, they can be as stable as other types of governments (Herman and Pope 1971; Strom 1984). Additionally, publics are not able to constrain all coalition governments similarly because they have varying degrees of *ex*

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[62] Prins and Sprecher (1999) suggest that coalition governments, who are more constrained than single-party governments have a higher probability of escalating. Their explanation centers on coalition governments being less clearly accountable to the public for the policy after the conflict, rather than being more constrained in the sense that they are vulnerable.

post accountability. For example, surplus coalitions and minimum winning coalitions both rely on more than one party for majority support. However, minimum winning coalitions are likely to be less threatened with public constraint than surplus coalitions because the former are more stable coalitions (Dodd 1974). Moreover, even coalitions of parties can be relatively ideologically cohesive (Warwick 1992). The major flaw of this literature is that the domestic causes of conflict put forth an explanation for dynamic behavior (being targeted), with explanatory variables that largely do not change within governments (governmental characteristics). What is needed is a *dynamic* measure of domestic political vulnerability that can explain both domestic and international targeting.

This project paints a dynamic picture of domestic political vulnerability by simultaneously modeling the determinants of opposition challenges as well as the factors that lead to being targeted in a conflict. Opposition challenges accurately portray the balance of power between the opposition and the government. The reasons that opposition parties propose no-confidence motions all capture key elements of political vulnerability (Williams 2008). First, the opposition party may threaten the government in order to force the government to resign or grant some sort of concessions. Either type of response would show that the government is constrained in its policy choices by the parliament. The second possible reason to challenge the government is that the opposition party predicts that the no-confidence motion will pass, the government will be terminated, and the opposition party will benefit somehow. In this case, opposition challenges illustrate that any poor policy outcome can lead to the government's removal.

The final reason for challenging the government is when the opposition party is trying to send a signal of the government's incompetence to key actors in the electorate. This justification is particularly damaging, as it sends a signal to potential attackers that the government is incompetent in its handling of domestic or international affairs. With these justifications for challenging in mind, it is effective to incorporate opposition challenges into any analysis on the role of domestic institutions in affecting conflict targeting. Though important, opposition challenges are not the only signs of domestic vulnerability. Political institutions such as majority status, government support, and coalition size also affect the likelihood of a challenge succeeding, and therefore affect its usage. Therefore, I also model the effects of these government arrangements as well as opposition challenges.

Target Selection and Opposition Challenges

This section looks at the reciprocal action in this relationship---the role of being targeted in a conflict in encouraging challenges from the domestic opposition. Notions of government competence drive the theoretical expectation that salient policy shocks (i.e., being targeted) increase the probability of being challenged. First, the more frequent the domestic challenges against the government, the more vulnerable the government is to possible removal. These challenges are represented by either a threat to propose or the actual proposal of a no-confidence motion, and a censure vote.[63] A no-confidence motion that receives a majority of support in the parliament leads to a new

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[63] Censure votes are included because in some states (like France and Portugal), motions of censure face fewer institutional obstacles to produce, yet still are potentially damaging for the government. Threats to propose no-confidence motions are also included in the challenge variable because they often are threats solely because they influence the government to preemptively resign. Had it not been for the resignation, the no-confidence motion would have been proposed.

government, either through reorganization or early elections. Yet, the empirical record shows that the majority of challenges are not successful in the sense of immediately bringing down the government. I suggest that the prevalence of challenges in the face of likely failure is due to the long-term payoffs the opposition party receives from the challenge. Opposition parties can use a challenge to signal their perception of the government's competence level (or level of accountability for a specific policy outcome) to key members in the electorate (see Chapter III). The more salient the policy shock, the more benefit the opposition party receives by challenging.

More specifically, I argue that being targeted in an international conflict will increase the probability of being challenged domestically. Being targeted in an international conflict represents a substantial policy shock both in terms of financing the conflict and bearing the casualties generated by conflict. Democracies are more likely to be targeted in conflicts than authoritarian regimes, primarily because their increased sensitivity to costs implies that governments have more to lose in terms of removal from office. This restrains them from escalating the conflict, and encourages offering concessions during negotiations in order to avoid conflict (Filson and Werner 2004). Moreover, since the decision to use force in a democracy takes place in front of the audience of the electorate, all actors in the opposition (both domestically and abroad) are aware of democratic leaders' intentions and their willingness to engage in conflict (Fearon 1994; Shultz 2001). Since democratic leaders' decisions take place before an audience, they have fewer incentives to misrepresent their intentions by bluffing. This discourages conflicts, particularly with other democracies (Fearon 1994). Consequently,

the domestic opposition can take advantage of being targeted in a dispute to show that the failure of the government to produce a credible threat led to an avoidable conflict. In these times, no-confidence motions will have a higher probability of leading to the removal of the government. The domestic opposition is thus more likely to challenge the government during times of being targeted, because of the increased costs and the failure to mount a credible threat.[64] Based on this discussion, I derive the following two hypotheses:

Hypothesis 1: Being challenged by the domestic opposition increases the probability of being targeted in an international dispute.

Hypothesis 2: Being targeted in an international dispute increases the probability of being challenged by the domestic opposition.

Data and Methods

My theoretical expectation is that there is a reciprocal relationship between a government being challenged domestically and internationally. Both of these variables measure the occurrence of the event, so they are dichotomous variables. To test these

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[64] This notion is vastly different from the "rally 'round the flag phenomenon". For the most part, the empirical evidence in support of a simple rally effect is quite limited. Baum (2002) argues that the propensity for different groups to rally behind US uses of force varies with individual and environmental circumstances. US uses of force are only met with approval boosts if the president enjoys bipartisan support, his initial popularity is low, and if the country is not at war (Lian and Oneal 1993), or if there is extensive media coverage of the event (Oneal and Bryan 1995; Baker and Oneal 2001). The extent of the rally not only depends on the institutional factors, but also on the type of international event. Oneal, Lian and Joyner (1996) found that the public is "pretty prudent" in that they reward military efforts to restrain aggression more than acts for the purpose of military change (see also Jentlesen 1992), or reward leaders for participating in serious events that have high hostility levels (Baker and Oneal 2001; Bronski and Way 2003). The support for a rally effect outside of the US depends on the hostility level of the dispute and a wide range of variables (Lai and Reiter 2005). Moreover, empirical results have shown that an increase in the risk of international crises actually increases the probability of losing office for the leader (Chiozza and Goemans 2003). In fact, in Israel there is some evidence of a "reverse rally", where "Israeli force seems to lead to greater unrest that could conceivably shorten the duration of the government" (Sprecher and DeRouen 2002: 254).

hypotheses, I estimate system of simultaneous logit models. This technique simultaneously estimates two logit equations endogenously: one equation predicts being targeted and the other equation predicts being challenged by the domestic opposition. I use this method because it allows for the possibility of non-recursive causality between opposition challenges and targeted disputes. Moreover, it presents a number of advantages over other alternatives (Walker 2008). In the remainder of this section, I first describe the operationalization of the key variables. I then address possible concerns of strategic interaction within the context of simultaneous equation.

I create a monthly data set from the late 1970s-1992 for 16 OECD parliamentary democracies. I choose this sample because citizens in advanced democracies have strong electoral connections to executives, and are able to hold them accountable for policy outcomes. Moreover, the parliamentary democracies under investigation all allow the opposition to remove the government with majority support of no-confidence motions. The unit of analysis is country-month, which captures government characteristics and policy outcomes that change in the middle of a year. A tighter temporal sequence will also ensure that the independent variables occur temporally prior to the dependent variables.

I use a monadic data set with two binary dependent variables listing whether the government is challenged domestically with a no-confidence motion and/or targeted internationally in a militarized dispute. This approach limits the applicability of a dyadic analysis in which the attributes of both actors in the dispute are examined. The dyadic approach is helpful in examining the initiation of disputes, as it is possible that potential

targets change their behavior when they sense that other states have the most incentive to initiate conflict (e.g., Smith 1998).[65] First, the determinants of opposition challenges are measured solely within the parliamentary democracy (except for the policy shock of conflict). Thus, in a dyadic analysis, one would have to include unnecessary information concerning the attributes of all the potential targets.[66] While the targeting equation definitely depends on the strategic environment, it is only predicting *whether* a democracy gets challenged, not by *whom*. Since the strategic interaction argument depends on the attributes of the state that is being targeted, this model incorporates this part of the decision to be conflictive.

The second reason why this analysis is monadic has to do with the inefficiency of dyadic analysis. A dyadic research design incorporates hundreds of thousands of observations, the vast majority of which are zeroes. This poses potential problems concerning model fit (Ward, Siverson and Cao 2007), which would be exacerbated considering the simultaneous estimation of two relative rare events. The alternative of limiting the analysis to "politically relevant dyads" is intuitive, but eliminates a substantial number of disputes that occur between non-politically relevant dyads (Lemke and Reed 2001). My potential solution is to include a number of variables that address the strategic environment of the advanced democracy. My intention is to capture the likelihood of becoming involved in a dispute due to the strategic environment without sacrificing efficiency. These variables include capability score, the number of

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[65] Thus, the times in which states have the most incentive to be aggressive for diversionary reasons, they have the fewest opportunities to do so.
[66] This would demand opposition challenge data for all countries, parliamentary democracy or not, which are not available.

contiguous democracies, the number of contiguous autocracies, the total number of allies and the number of contiguous allies.[67] The expectation is that being challenged domestically will increase the probability of being targeted in a dispute, even after controlling for the strategic environment.

The first dependent variable in this analysis is whether the parliamentary democracy gets targeted with either a use of force or a war in that month, according to the SideB distinction in the Correlates of War project (Ghosn, Palmer and Bremer 2004). My theoretical expectation is that being targeted in a conflict (but not initiating a conflict) will increase the likelihood of the opposition challenging the government. The second dependent variable is whether a government is challenged by the opposition in that month. I collect these data from *Keesing's Record of World Events* (various years) and cross-check it with various wire reports and newspaper articles.[68]

To eliminate the possibility of a spurious relationship, I include a number of control variables based on the attributes of the current government that might also affect government challenges. First, the more structurally complex the governing coalition is, the more likely they are to be challenged. I include a dummy variable indicating whether the government is a *coalition* of parties rather than a single-party government.[69] The more members of the governing coalition, the more potential veto players that have the ability to block the passage of policy (Tsebelis 1995), which can lead to a higher

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[67] Contiguity is determined according to whether the states are within 150 miles of each other. The other variables, including capability score and alliances are taken from the Correlates of War Project. Regime type data are taken from Polity IV.
[68] For more information on the methodology used to collect these data, see Chapter IV.
[69] This category includes minority coalition governments, minimal winning coalitions and surplus coalitions (Woldendorp, Keman and Budge 2000). Single-party governments are the reference category.

probability of opposition challenges. Additionally, as the governing coalition becomes more *ideologically complex* (measured as the standard deviation of weighted left-right ideological scores from the Comparative Manifesto Project), the more likely they are to be challenged. The polarization of the parliament also matters, as the more *parliamentary parties*, the more opportunities for them to propose challenges (Mackie and Rose 1991; various sources). A dummy variable for *caretaker governments* is included because these are special types of governments with little policymaking abilities and are only expected to remain in office until a long-term government takes its place (Woldendorp, Keman and Budge 2000).

I also include a dummy variable indicating whether the governing parties control a *majority* of seats in parliament.[70] Without majority support, the government has to rely on non-governing parties to maintain a majority. This is notoriously difficult because their voting cohesion is weak compared to the governing coalition. This means that opposition challenges are much more likely to lead to the immediate termination of government in these cases. I therefore expect that majority governments will be much less likely to be challenged than minority governments. The final institutional variable included is the government's *parliamentary support*, which is the percentage of the total parliamentary seats controlled by the governing parties. I expect that the larger the value, the more domestically stable the government is. This will discourage both opposition challenges and being targeted in a dispute.

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[70] Governing parties is assumed to mean those parties that control a cabinet ministry.

In both models I include two variables to incorporate the timing of the challenges in the context of the overall electoral and governing cycle. These variables are the current *government's tenure* (in months) and the *time left in the constitutional inter-election period* (in months).[71] These variables capture whether being targeted or being challenged is more likely in the early stages of the electoral cycle or in the early stages of the government's tenure.

I also expect that the observations may exhibit some temporal dependence in each equation. For example, there is reason to believe that the more a government has been targeted in a conflict in the past, the more likely it is to be targeted in the future (Grieco 2001; Thompson 2001). I therefore include two different variables, *time since the state was targeted* and *the number of previous conflicts in which the state was targeted*, to prevent any possible ill effects from temporal dependence (Beck, Katz and Tucker 1998). This also provides the benefit of treating the data as grouped duration data, by which I can estimate an underlying hazard rate for the probability of being targeted. I also expect that the probability of being challenged domestically depends on the number of previous challenges and the time since the previous challenge. A high number of previous challenges in the government may be a sign of domestic vulnerability, which means that the potential to remove the government is much higher. These two variables also serve as a proxy to the costs for proposing a no-confidence motion and as the level of institutional obstacles to doing so. The more challenges in the past, the fewer institutional obstacles to proposing them in the future. I expect to find

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[71] These variables are highly correlated in those situations where government stability is high or when multiple governments do not occur in the span of one electoral cycle.

that the coefficients for both the time since the previous targeted conflict and the time since the previous challenge to be statistically significant and negative. This implies that the probability of each event declines as a function of time.

Findings

I expect that there is a reciprocal relationship between domestic challenges against the government and being targeted in a militarized use of force. The theoretical expectation is that being challenged domestically will increase the probability of being targeted internationally. Likewise, being targeted in a dispute will encourage opposition parties to propose no-confidence motions against the government. As a preliminary step, I estimate a bivariate χ^2 test to determine if there is a relationship between the two binary variables. Table 7 presents these results.

Of the 125 opposition challenges, 30 take place when a targeted dispute is either initiated or ongoing. The χ^2 statistic exceeds the critical value, indicating that there is a statistically significant bivariate relationship, and thus lends support to the further examination of these phenomena in the context of control variables. The appropriate

Table 7: Bivariate Hypothesis Test of International Disputes and Domestic Challenges

	No Conflict	Conflict	Total
No Challenge	7,505	567	8,072
Challenge	95	30	125
Total	7,600	597	8,197

$\chi^2 = 52.531$, p-value<0.001

multivariate test of the reciprocal nature of these two events is a system of simultaneous

logits (Walker 2008). These results are presented in Table 8.

The two endogenously-determined dependent variables effectively test the hypotheses

that the presence of one will increase the probability of the other occurring. Hypothesis

1 is supported, in that being challenged domestically sends a signal of vulnerability to

potential aggressors in the international community. However, in the model estimating

the probability of being challenged by the domestic opposition, the instrument for being

targeted is not statistically significant. Thus, we find no support for Hypothesis 2. This

finding allows us to reexamine a crucial finding from the previous chapter predicting

which governments get challenged. In that chapter, I find that being targeted in a dispute

produces a substantial increase in the probability of being challenged. The results of the

simultaneous equation presented in Table 8 allow us to determine whether being targeted

and challenged are complementary or substitutes. These findings show that being

challenged domestically increases the probability of being targeted, but not vice versa.

The empirical model used in the previous chapter is unable to disentangle this reciprocal

relationship, so it pointed toward the inference that being targeted increases the

probability of being targeted, when in actuality the causal arrow points the other way.

The first equation estimates a logit model predicting when advanced democracies

are targeted by a use of force or war. Since these coefficients are estimated via a logit,

the coefficients are not directly interpretable. In order to illustrate the substantive

significance of these variables, I present the change in predicted probabilities in Table 9.

Table 8: Simultaneous Logit Results of International Targeting and Domestic Challenges

Variable	Coefficient	Bootstrap S.E.
Equation 1: Targeted Conflict		
Opposition Challenge	3.742***	(0.396)
Government-Proposed Confidence	0.860**	(0.559)
Government Parties	-0.470***	(0.061)
Government Parliamentary Support	4.649***	(0.832)
Government Ideological Complexity	0.043***	(0.012)
Minority	-2.419***	(0.271)
Capability Score	11.395***	(4.484)
Contiguous Democracies	0.181	(0.126)
Contiguous Autocracies	0.164**	(0.095)
Total Allies	0.029**	(0.019)
Contiguous Allies	-0.484***	(0.104)
No. of Previous Targeted Conflicts	-0.031***	(0.004)
Time Since Previous Targeted Conflict	-0.037***	(0.011)
Current Government Tenure	0.037***	(0.005)
Time Left in CIEP	-0.009***	(0.005)
Intercept	12.177***	(1.521)
Equation 2: Opposition Challenge		
Initiated Conflict	-0.054	(0.385)
Targeted Conflict	-0.001	(0.017)
Government Parties	0.178**	(0.090)
Effective No. of Government Parties	-0.135	(0.113)
Government Parliamentary Support	-2.549***	(1.079)
Government Ideological Complexity	0.009	(0.017)
Minority	0.431**	(0.266)
Caretaker	0.779	(0.549)
No. of Previous Challenges	0.049***	(0.009)
Time Since Previous Challenge	-0.009***	(0.003)
Current Government Tenure	0.015*	(0.010)
Time Left in CIEP	0.008	(0.008)
Intercept	-3.171***	(0.837)
N	8197	

Note: Significance levels (one-tailed) *: 10%, **: 5%, ***: 1%

Table 9 provides the change in predicted probabilities as the independent variables (that are statistically significant) change in substantive values.[72]   The probability of being targeted in the baseline scenario is quite small (.0001), but that is to be expected since conflict is relatively rare. Opposition challenges are also extremely rare, as evidenced by the probability of a challenge for the baseline scenario, .005. Due to the reciprocal relationship between being challenged and being targeted, it is important to interpret the direct, indirect, and total effects of the independent variables.

In Figure 15 I show the theoretical expectation of the control variables and their effects on the dependent variables. In the lower half, I show the revised figure that is updated according to the empirical results. From this figure, we can easily tell that some of the government attributes have direct effects and indirect effects of being targeted, through their effects on the probability of being challenged. The first column of Table 9 describes the statistically significant variables and the magnitude of one-standard deviation increases. For the variables that are included in each equation, I calculate predicted probabilities for each type of event (unless they are not statistically significant). Though they may appear small, these are statistically significant and substantively important changes in the predicted probabilities of being targeted and being challenged. In the second column, I provide the direct effects of a one-standard deviation increase in the probability of being targeted and challenged, respectively. The next column provides the indirect effects, which are only provided for the equation

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[72] The change in predicted probabilities is calculated as each categorical variable increases by one and the continuous variables increase by one standard deviation from their means. The baseline scenario holds all the continuous variables at their means and the binary variables at zero.

Table 9: Change in Predicted Probabilities of International Targeting and Opposition
Challenges over Baseline Scenario

	Direct Effects	Indirect Effects	Total Effects
Being Targeted			
Opposition Challenge	+.00014		
(no challenge → challenge)			
Government Confidence	+.00016		
(no motion → motion)			
Government Parties	-.00003	+.00003	0
(2.2→3.7)			
Government Parliamentary Support	+.00003	-.00001	+.00002
(0.58→0.71)			
Government Ideological Complexity	+.00004		
(6.4→14.6)			
Minority	-.00009	-.00007	-.00016
(majority→majority)			
Capability Score	+.00004		
(0.009→0.022)			
Contiguous Autocracies	+.0001		
(1.086→2.437)			
Total Allies	+.00004		
(9.163→18.04)			
Contiguous Allies	-.00001		
(1.449→3.311)			
Current Government Tenure	+.00005	+.00004	+.00009
(15.152→27.46)			
Time Left in CIEP	-.00002	-.00001	-.00003
(28.362→42.614)			
Number of Previous Targets	+.00001		
(18→58)			
Time Since Previous Target	-.0002		
(110→222)			
Number of Previous Challenges		+.00001	+.00001
(3.407→10.329)			
Time Since Previous Challenge		-.000002	-.00002
(91.869→193.25)			
Being Challenged			
Government Parties	+.0011		
(2.2→3.7)			
Government Parliamentary Support	-.0017		
(0.58→0.71)			
Minority	+.0046		
(majority→minority)			
Current Government Tenure	+.0013		
(15.152→27.460)			
Number of Previous Challenges	+.0031		
(3.407→10.329)			
Time Since Previous Challenge	-.003		
(91.869→193.25)			

Note: These changes are relative to a baseline probability of .0001 for being targeted and 0.005 for being challenged.
In the baseline scenario, the variables are held at the sample means (continuous) or modes (binary).

Figure 15: Causal Diagram of Theoretical Expectations and Empirical Results

Theoretical Expectations

Empirical Results
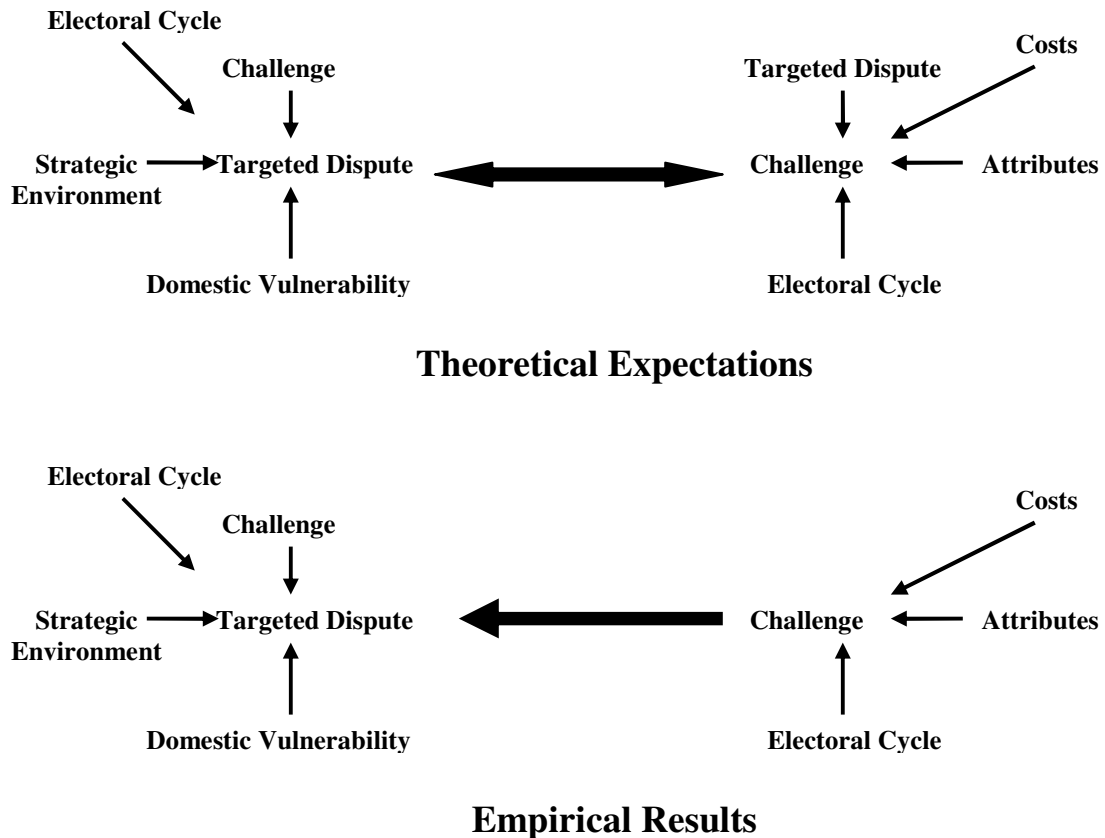
predicting being targeted. This is because, since being targeted has no statistical impact

on being challenged, the variables affecting being targeted have no opportunity to

indirectly affect being challenged through their effects on being targeted. Since some

control variables are statistically significant in both equations, they have direct and

indirect effects. The final column provides the total effects, which is the sum of the

direct and indirect effects.

I will first examine the substantive effects of the explanatory variables on the targeting equation. My main theoretical variable is whether a government is challenged by the domestic opposition in that month. I expect that this variable is statistically significant and positive, which it is. Governments that are challenged by the domestic opposition are more likely to be targeted by another state in a use of force or war. Being challenged produces an increase of .0013% in the probability of being targeted in a dispute. This is a substantively important change in predicted probabilities of any of the independent variables. While being challenged is quite rare, when it occurs it drastically increases the risk of also being targeted. Moreover, having the government tie a confidence motion to a piece of legislation increases the risk of being targeted by .00016.

Four other control variables relating to the domestic governing situation are included: number of governing parties, government parliamentary support, government ideological complexity, and minority government. Moreover, all these variables (except complexity), have significant influences on being targeted and being challenged, which means that they have both indirect and direct effects. For example, increasing the number of governments by one standard deviation (from 2.2 to 3.7) directly decreases the probability of being targeted by .00003. However, increasing the number of government parties *increases* the probability of being targeted by .00003 by increasing the risk that the government is challenged by the domestic opposition (by .0011). Altogether, the direct and indirect effects cancel each other out, producing zero impact of increasing the number of government parties on the risk of being targeted.

Increasing parliamentary support also produces conflicting effects, by directly increasing the risk of being targeted by .00003, but producing a slight indirect reduction (.0001) through discouraging domestic challenges (.0017). Minority governments both directly and indirectly reduce the risk of being targeted, producing a total reduction of .00015. As expected, minority governments have a large impact on the decision to challenge government, as the probability is reduced by .0046. All of these variables are statistically significant, yet they do not support the constraints approach. The only variable that supports the constraints approach is ideological complexity, which indicates that more complex governments are targeted more than ideologically cohere governments. This is in stark contrast to the other three government attributes variables, which indicate that domestic strength encourages conflict.

I also include a control variable indicating the time left in the constitutional inter-election period (CIEP), which tests whether targeted conflicts are a result of the time until the next constitutionally-mandated election. This variable is statistically significant and negative, meaning that when the time left in the CIEP is large (early on in the cycle), the probability of being targeted is lower. This provides support for the constraints approach, which suggests that leaders will be targeted when there is the highest degree of constraints imposed on them. In this case, the probability of being targeted is highest as the next election approaches. Increasing the amount of time left in the electoral cycle from 26 months to 43 months reduces the probability of being targeted by .00003, both through its direct and indirect effects. Government tenure, on the other hand, is significant and positive, indicating that older governments are more likely to be targeted

as well as challenged domestically. Increasing government tenure by one standard deviation directly increases no-confidence motions and being targeted. Moreover, government tenure indirectly affects the probability of being targeted by increasing the risk of being challenged.

This result helps shed some light on the theoretical disagreement between two subfields. On one side, scholars suggest that inexperienced leaders (likely in the early part of the government's tenure) are more likely to be targeted because they are unable to credibly signal their resolve (Gelpi and Grieco 2001; Wolford 2007). Other scholars suggest that governments are more constrained the closer an election gets because of the higher degree of *ex post* accountability (Gaubatz 1991). This theory would predict a positive relationship between government tenure and being targeted. The results suggest that this latter approach is more consistent, as older governments are more likely to be targeted. This would suggest that the theoretical connection is not the ability to credibly signal resolve, but the increasing constraints placed on the government as an election approaches. The control variables representing the strategic environment are statistically significant, for the most part. The number of total allies and contiguous autocracies increase the probability of being targeted, in addition to the contiguous balance of power.

The two variables that account for the temporally dependent observations, number of previous times of being targeted and the time since the previous targeted conflict, are statistically significant and in the expected direction. This shows that a large determinant of being targeted is the vulnerability of the state in the past to being

targeted. The number of challenges, and the time since the previous challenge, both

indirectly affect the probability of being targeted. Increasing the number of challenges

by one standard deviation increases the probability of being targeted by .0001. Having a

long spell without challenges indirectly decreases the probability of being targeted by

.00002.

Robustness Checks

The goal of this chapter is to provide the foreign policy consequences of

opposition challenges in a large sample of advanced parliamentary democracies. There

is a great deal of heterogeneity in the sample, with respect to both economic prowess,

strength of domestic opposition, and military might. As shown in Table 10, there are

substantial differences within the sample regarding the number of months that the states

had targeted or ongoing disputes occur.

Of the 16 democracies, the case of Israel stands out as an obvious outlier. Of the

597 conflict months in the sample, Israel has 235 months. Three other countries are

potentially troubling, as they have higher rates of targeted conflict than the other

countries: Britain (89), Greece (71), and Japan (79). To guard against potential bias

introduced by the complex sample, I estimate the same simultaneous model presented in

Table 8, but with one of the four troublesome countries excluded at a time. The results

of these models are presented in Table 11.

Table 10: Targeted Disputes and Sample Heterogeneity

	Frequency	Percentage
Australia	1	0.17
Belgium	1	0.17
Britain	89	14.91
Canada	3	0.50
Denmark	16	2.68
Finland	1	0.17
France	9	1.51
Greece	72	12.06
Israel	235	39.36
Japan	71	11.89
Netherlands	38	6.37
New Zealand	1	0.17
Norway	19	3.18
Spain	17	2.85
Sweden	23	3.85
Portugal	1	0.17
Total	**597**	**100**

Though some of the control variables change in statistical significance with the exclusion of a country, the key finding does not change. In each of the models, the coefficient for being challenged has a significant and positive effect on the probability of being targeted. This result is particularly robust, considering the exclusion of the four most conflict-prone states in the sample.

Discussion and Conclusions

I theorized that a non-recursive relationship exists between domestic and international challenges. My results suggest that the causality is one-sided. However, examining one without taking the other into account could possibly lead to incorrect

Table 11: Robustness Checks: Excluding Britain, Greece, Israel and Japan

Variable	Britain	Greece	Israel	Japan
Equation 1: Targeted Conflict				
Opposition Challenge	4.426***	3.343***	3.713***	3.438***
Government-Proposed Conf.	0.729**	0.837*	0.085	1.009**
Government Parties	-0.470***	-0.411***	-0.216***	-0.452***
Government Parl. Support	5.259***	4.318***	1.937**	3.900***
Government Ideol. Complexity	0.030**	0.046***	0.029**	0.047***
Minority	-2.698***	-2.105***	-2.426***	-2.514***
Capability Score	-1.968	14.581***	-27.112***	62.115***
Contiguous Democracies	0.366***	0.110	-0.126	0.402***
Contiguous Autocracies	0.494**	0.201**	0.083	0.401***
Total Allies	-0.063**	0.026*	-0.005	-0.001
Contiguous Allies	-0.368***	-0.375***	-0.322***	-0.506***
No. of Previous Targ. Conflicts	-0.046***	-0.028***	0.011***	-0.030***
T.S. Previous Targeted Conflict	-0.027***	-0.035***	-0.023***	-0.039***
Current Government Tenure	0.037***	0.033***	0.023***	0.033***
Time Left in CIEP	-0.023**	-0.010**	-0.006	-0.015***
Intercept	15.460***	10.364***	13.228***	11.372***
Equation 2: Opposition Challenge				
Initiated Conflict	-0.054	-0.273	-0.211	0.061
Targeted Conflict	0.001	-0.002	-0.031	-0.009
Government Parties	0.175**	0.163**	0.062	0.250**
Effective No. of Gov't Parties	-0.145	-0.128	0.012	-0.164
Government Parl. Support	-2.556***	-2.379***	-4.542***	-2.898***
Government Ideol. Complexity	0.008	0.012	-0.033	0.010
Minority	0.401*	0.467**	0.113	0.466**
Caretaker	0.773	0.784	1.560***	0.911**
No. of Previous Challenges	0.049***	0.051***	0.169***	0.046***
Time Since Previous Challenge	-0.008***	-0.009***	-0.006***	-0.009***
Current Government Tenure	0.015*	0.011	0.009	0.021**
Time Left in CIEP	0.010	0.008	0.001	0.014**
Intercept	-3.180***	-3.264***	-2.767***	-3.458***
N	7753	7935	7753	7765

Note: Significance levels (one-tailed) *: 10%, **: 5%, ***: 1%

inferences. For example, government attributes have both direct and indirect effects on

being targeted. They directly affect the attractiveness of the state as a target to a

potential aggressor. They also indirectly affect being targeted by determining whether

the state is challenged by the domestic opposition. Thus ignoring these direct and indirect effects has the potential to understate the effects of attributes on the risk of being targeted (in the case of minority government), and bias the effects in others (e.g., government parties). A domestic challenge demonstrates the government's domestic vulnerability, which may determine its sensitivity to costs and desire to reciprocate military action. Thus, domestic challenges act as signals to international actors of the attractiveness of the state to a targeted dispute.

The results point toward the importance of *ex post* accountability and *ex ante* constraints in determining whether a state is targeted in a conflict. I suggest that the principal signal of domestic political vulnerability in parliamentary democracies is the presence of no-confidence motions. While minority and coalition governments partially determine the level of *ex post* accountability, a more direct measure of domestic political vulnerability looks at opposition challenges. Simply examining vulnerability as the presence of either minority or coalition governments ignores the possibility that some of these types of governments can be quite stable in some countries (Warwick 1994). Moreover, this conceptualization indirectly captures the consequences for governments of policy failures, which are traditionally ignored by international relations scholars. No-confidence motions are the direct result of the interaction of governing characteristics as well as policy failures. For example, while the governing arrangement may create a favorable environment for challenging the government, the catalyst for challenges is traditionally found in policy failures (see Chapter IV). Other conceptualizations of domestic political vulnerability use institutional characteristics,

which implicitly assume static levels of *ex post* accountability regardless of policy

failures.

CHAPTER VI

CONCLUSIONS

No-confidence motions represent important weapons in the parliamentary opposition's arsenal. Unfortunately, its extreme import in parliamentary politics has not been matched with an appropriate level of scholarly attention. While we know that no-confidence motions are critical aspects of government formation and termination, we lack a strong theoretical consideration for their timing, motivations, and chance of success. This chapter is motivated by describing how this dissertation fills these theoretical gaps. In this dissertation, I develop theories and the present the first set of empirical results for the presence and success of no-confidence motions.

In Chapter I, I model the initial stage of government-opposition interaction that determines which threats develop into no-confidence motions. In the model, an opposition party can threaten to propose a no-confidence motion and the government can respond by either ignoring the threat (and possibly triggering a motion), acquiescing, or resigning from government. With the use of the formal model, we can gain insight from political behavior that is notoriously difficult (if not impossible) to quantify with empirical evidence. First, the model provides an explanation for the relative rarity of challenges. When an opposition party is in a strong bargaining position (and thus demanding a high level of concessions), no-confidence motions are the least likely government response. With an opposition party in a weak bargaining outcome, no-confidence motions only occur when the probability of the opposition winning the motion is low. Thus, when opposition parties are in the strongest position to remove the

government, no-confidence motions are least likely to occur. With this intuition, the model provides an explanation for why single-party majority governments are challenged when there is no reasonable chance of success. The strong political situation means that motions have a lower probability of success, which means that the government will choose to ignore the threat rather than granting concessions or resigning from office. Since previous formal models concentrate only on the success of motions, they are unable to explain why strong governments are challenged.

The formal model is also extremely helpful in identifying the conditions under which the government acquiesces to the opposition and provides concessions or resigns from government. These are important choices, as they can change the makeup of the governing coalition and its policies, as well as determine the tenure of governments and the timing of early elections. The other major contribution is an explanation why so many no-confidence motions are rejected. When the opposition is in its strongest position (against either minority or coalition governments), the threat of a confidence motion is often enough to trigger acquiescence or resignation in the government, thereby preempting a no-confidence motion. Those threats that eventually lead to motions occur because of uncertainty surrounding the government.

Chapter III builds on the previous chapter by examining the consequences of no-confidence motions once the initial threat stage has ended. I develop a formal model that allows an opposition party to propose a no-confidence motion in the government. The median legislator (who may or may not be a part of the government) either supports the motion (and it passes), or rejects the motion (and it fails). After the median legislator

makes her choice, an election occurs where a "capturable voter" votes either for or against the government. The primary theoretical contribution of the model is the capability of the opposition party to signal its perception of the government's competence to the capturable voter by challenging the government. I find multiple equilibria where the opposition challenges an incompetent government, but not a competent government. The game allows opposition parties to be motivated by having a competent government in office, as well as the possibility that the opposition party is in the next government. The fastest way to replace the government is through a successful no-confidence motion. The competence theory of no-confidence motions introduces an additional motivation for challenging the government beyond success. Even though the motion may not be initially successful, the competence signal has the potential of influencing the voter to vote against the government, and with the opposition party that tabled the motion. This provides an electoral incentive to challenge the government.

We can also identify the conditions that support the various equilibria, and make broad statements about the effects of various parameters. For instance, the model suggests that challenges occur when δ, the probability that the new government is competent, and the benefit from having a competent government in office are large. No-confidence motions will *not* be successful (i.e., the median legislator rejects the motion) when either the legislator gets a large benefit from keeping the current competent government in office, it receives a large benefit from currently holding office, or if there is a large chance that it is not in the next government. This is an accurate, yet simple, depiction of the concerns that median legislators face. While they are principally

concerned with staying in office and ensuring their place in government in the future, they are secondarily concerned with placing a competent government in office. A competent government in this sense can mean a government that is competent overall, or competent in a policy area that is particularly salient for the median legislator. We can also use the model to make predictions about the electoral impact of no-confidence motions. In each equilibria, the signal of a challenge is informationally productive in that it correctly identifies the government's competence type to the voter. The empirical prediction is perhaps an overly simplistic one: the voter will vote against the government if a challenge occurs, and with the government if no challenge occurs. Yet we know that is not the case, as challenged governments are often returned to office. In future research, I will solve the mixed-strategy equilibria, which may hold the key to unlocking this finding.

The next chapter tests a variety of the theoretical expectations from Chapter III. I first identify a wide variety of motivations that may drive opposition parties to challenge the government at different times. Then, I describe the original data collection on opposition challenges in 16 advanced democracies from 1960-present. With the use of the data set, I analyze the determinants of opposition challenges. I uncover the importance of government attributes, proposal costs, and policy shocks in making governments vulnerable to challenges. Moreover, the effects of some government attributes on the probability of a challenge depend on the stage in the government's tenure. For example, while minority governments are more vulnerable to challenges early in the government's tenure, coalition governments are vulnerable later in the

tenure. Also, the role of policy shocks is particularly interesting, especially given specific shocks like unexpected growth and being targeted in a conflict. These types of shocks, I argue, effectively demonstrate the government's competence, which makes the opposition's use of challenges as signals that much more credible.

In Chapter V, I develop a theory regarding the role of no-confidence motions in affecting a government's domestic political vulnerability. By affecting vulnerability, a state becomes a more attractive target to potential aggressors. I find that this is the case, as governments that are challenged by the domestic opposition are also more likely to be targeted in an international dispute. This effect is robust, even after controlling for other factors causing political vulnerability, as well as after excluding the four particularly conflict-prone states from the sample. Yet foreign policy is but one of the many different policy consequences that may be affected by no-confidence motions. Future research will help uncover some of these other policy consequences.

Empirical Implications

The theoretical expectations and empirical results of this dissertation present a variety of implications for various research areas in parliamentary politics. These areas include the motivations for challenging, the likelihood of success, flexible election timing, government duration, and vote choice. Each of these will be examined in turn.

Opposition Parties and No-Confidence Motions

If parties are rational actors who choose the strategy that yields the highest utility, then the choices of when and who to challenge should match the motivations for challenging. In Chapter IV I described four primary motivations for challenging the

government: legislative, success, policy, and electoral. One way to ascertain the underlying motivations for proposing no-confidence motions is through an examination of the transcripts from the no-confidence motion debates from the parliaments. This shows a principal method of communication between the opposition and government, and voters in general. The development of a coding scheme that distinguishes between these types of motivations would be extremely helpful in contributing to our knowledge of when no-confidence motions occur. Fortunately, transcripts of parliamentary debates are publicly available for a limited time period for Australia, Canada, Ireland, Great Britain, and New Zealand. Though these countries have strong majoritarian features, we should still be able to use these cases as examples of success- and electoral-driven challenges. For example, these systems are dominated by two major parties and a variety of smaller, often regionally-based parties. When the major opposition party proposes a no-confidence motion, it can be seen as either success-driven (by trying to remove the government), policy-driven (by emphasizing the government's failure on salient policies), or electorally-driven. This last type of motivation occurs in all types of governing situations, but is a primary motivation when facing a single-party majority government. Since challenges against strong governments are unlikely to pass, opposition parties may be motivated by long-term electoral goals (see Chapter III). Therefore, analyzing parliamentary transcripts offers an in-depth portrayal of government-opposition interaction and may potentially uncover the underlying motivations for challenging government.

Another method of finding clues regarding motivations is an empirical analysis determining *which* opposition parties challenge the government. In the empirical analysis in Chapter IV I centered the focus on which governments were vulnerable to challenges. The other piece of this puzzle is to identify which opposition parties challenge the government and when. This sort of party-centered empirical analysis is a natural extension to the previous analysis, and is possible due to the original data set collected for this dissertation. By determining the influences for challenges at the party level, we can gain clues about their motivations. We know that no-confidence motions are often policy driven. For example, in Greece, "motions of censure have only been used to force the government to defend its policies before the Chamber, thus giving opposition parties the opportunity to publicly present their own positions" (Trantas et al. 2006: 388). A way of testing this proposition is to determine if the distance from the opposition party to the government on a left-right ideological scale has a direct influence on the probability that the opposition party challenges the government. An affirmative answer would suggest that the further an opposition party is from the government, the more likely it will find policy disagreements that it can highlight with no-confidence motions.

On the other hand, if opposition parties use no-confidence motions to influence the makeup of future governments, then different characteristics of parties will influence whether they challenge or not. For example, a party that is likely to be in the next government, either because it occupies the median position or simply because it is a large party, would be more likely to challenge given that it would improve its chance of

governing in the future. Institutional rules should also play an important role in determining which political parties will challenge the government. For example, some states have threshold restrictions that require 1/6 or 1/10 of the MPs to sign a no-confidence motion before it can be tabled (see Bergman et al. 153-156), which has been identified as a reason why small opposition parties do not table no-confidence motions in states with these rules, like Greece (Trantas et al. 2006). Thus, while smaller opposition parties may be motivated by either policy or electoral concerns, the institutional arrangements constrain their ability to influence the governing arrangement with a challenge. These empirical results will be especially helpful in determining which parties attempt to influence either policy or the governing arrangement with no-confidence motions.

Success of No-Confidence Motions

While the formal model in Chapter III provided a rationale for the high failure rate of no-confidence motions, it is important to see if these expectations are consistent with the empirical record. Needless to say, no-confidence motions, when successful, have substantial impacts on policy direction in advanced democracies. For instance, the successful no-confidence motion against James Callaghan's minority Labour government shepherded in an era of Conservatism under Margaret Thatcher. Also, the opposition used a no-confidence motion in 1993 in Japan to remove the Liberal Democratic Party from power for the first time since 1955.

The literature has suggested a number of reasons why no-confidence motions fail the large majority of the time. These are primarily drawn from anecdotal evidence.

Bergman et al. (2006) identifies two reasons why no-confidence motions are highly unsuccessful. First, it usually entails support from members of government, which is unlikely because individual MPs do not want to "rock the boat" (Bergman et al 2006: 157). Second, the cabinet is seen as a package deal in terms of policy proposals: "removing the PM and cabinet from power also means removing those (if any) parts of the policy package that are favorably viewed by the MPs and substituting those of an alternative cabinet" (Bergman et al. 2006: 157). The importance of notion of the alternative cabinet is stressed by Laver and Shepsle (1999) in their formal model of parliamentary accountability. Laver and Shepsle would presumably say that Germany's confidence vote procedure (also Spain and Belgium after 1995) is a much more credible threat, because the majority of parliament has to agree to remove the government and must agree on a potential replacement. While they offer an explanation for the rarity of no-confidence motions, their reliance on possibility of success as the primary motivation for proposing motions is inadequate. Institutional rules regarding no-confidence motions, like constructive votes of confidence and requiring an absolute majority, may also discourage no-confidence motions by making them less likely to pass (Bergman et al. 2006).

Another factor determining success is the degree of parliamentary polarization. The difficulty in enticing cooperation between the Communists and the neo-fascists in the opposition has been identified as the reason for the lack of success in no-confidence motions in Italy (Verzichelli 2006). These theoretical expectations are helpful, yet without a cross-national, systematic empirical analysis, we will be unable to draw broad

conclusions about the determinants of success. A possible reason is that, until now, we have lacked a comprehensive data set that describes the timing, proposers, catalysts, and success of no-confidence motions. The data set described in Chapter IV is therefore the perfect source for the information needed to examine this important phenomenon of parliamentary democracies.

Flexible Election Timing

Though we have a large literature on government duration and a strong understanding of the causes of politically-motivated election timing, we lack a solid micro-foundation for situations in which the opposition seeks an early election. While the literature on endogenous election timing (e.g., Strom and Swindle 2002; Smith 2003) theorizes about the determinants of prime ministers dissolving parliament, we know little about when median legislators (who are potentially members of government) vote with the opposition on no-confidence motions. This is a strategy used by governments that directly affects the timing of elections. The formal model presented in Chapter III suggests that δ is a critical component for both the opposition party and the median legislator.[73] One determinant of δ is the time until the next constitutionally-mandated election, which affects how much actors value the current arrangement relative to future arrangements (Balke 1990). Opposition parties are likely to value a future election much more than a possible election in the current period early on in the electoral cycle. Since the government can remain in power for a few years without calling for new elections, the value of the current arrangement is quite small for the opposition party. As the next

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[73] Values of δ that are close to 1 represent a government that values a deferred election as much as an election in the current period.

constitutionally-mandated election approaches, however, this decay parameter approaches 1. Later in the cycle, the opposition party values a deferred election almost as much as the current arrangement.

This is in stark contrast with the effects of the electoral cycle on the median legislator, when she is a member of the government. Immediately following an election, the δ parameter is close to 0, because the median legislator can enjoy years of governing before the government has to call for new elections. This parameter approaches 1 as the next election approaches and the benefit from holding office decreases. With these assumptions in mind, we can explain politically-motivated election timing from the perspective of the opposition party as well as the median legislator. As δ approaches 1, the opposition party is more likely to challenge either type of government. This is early in the election cycle, where the opposition party anticipates years of being in the opposition. Alternatively, the median legislator is more likely to accept a challenge against an incompetent government when δ is large. This is the case as the next constitutionally-mandated elections draws closer. Together, these two propositions provide an explanation for the relative rarity of successful no-confidence motions. The phase in the electoral cycle when the opposition is most likely to challenge the government—immediately following an election—is also the time in which the median legislator has the least incentive to accept the challenge. Later in the cycle, when the median legislator is most likely to accept a challenge, the opposition party would rather wait it out than pay the costs of challenging the government. This is

an empirically testable proposition that should shed light on the political-motivations of election timing in endogenous electoral systems.

Government Duration

It may be an understatement to suggest that institutions affect government duration. In fact, the "attributes" approach has identified a number of institutional characteristics of governments that significantly affect their tenure (e.g., Dodd 1976; Taylor and Herman 1971). Though this has largely been supplanted by a "unified" approach (e.g., King et al. 1990), the influence of government attributes is substantial. When considered in addition to attributes, policy consequences can also have considerable effects. Thus far, scholars have mostly focused their efforts on economic policy (Robertson 1984; Warwick 1992). Though economic policy is consistently salient, it is but one of the many salient issues that affect government stability.

Unfortunately, the literature has relied on relatively static institutions, combined with an under-specified conceptualization of policy shocks, to explain government durability. Including the number of challenges in models of government duration not only indirectly captures salient policy outcomes, but also how those policies are filtered through governmental arrangements to affect durability. Moreover, opposition challenges capture the ever-changing bargaining relationship between governments and oppositions that would otherwise be treated as static within an "attributes" approach.

This dissertation suggests that opposition parties are rational actors who choose to bring down the government when it produces the most utility. A central component in the conceptualization of utility is the possible electoral prospects for the opposition

parties given a successful no-confidence motion and a subsequent election. Opposition parties that face vulnerable governments, whether minority or coalition governments, have substantial influence in determining when governments end via no-confidence motions. As Strom (1994) illustrates with the case of the minority Labour government in Norway, passing a no-confidence motion is often difficult. It entails bringing diverse opposition parties into agreement concerning the details of the no-confidence motion. Opposition parties are often unable to be cohesive in opposing the government because of varying electoral prospects. An opposition party that is key to the no-confidence motion passing is unlikely to support the motion during a time in which its electoral prospects are weak.

For example, the Canadian case from the Introduction shows this dynamic nicely. Stephen Harper's minority Conservative government was surprisingly stable, given that the opposition easily possessed the necessary majority to remove it from power. The opposition faced a major obstacle in that passing a no-confidence motion required the agreement of three opposition parties: Liberals, Bloc Quebecois, and New Democrats. Ultimately, the opposition parties were discouraged from agreeing to the motion because they could not find a time when their electoral fortunes were favorable compared to the Conservatives. Thus, future research must view the duration of vulnerable governments as a function of the choice by opposition parties to collectively support no-confidence motions.

Vote Choice

Voters have long been theorized to vote for the most competent party (Rogoff and Sibert 1988; Rogoff 1990). Empirical evidence supports this theory, as voters hold the government responsible when its competency signal is clear (Powell and Whitten 1993; Duch and Stevenson forthcoming), and the parties that are uniquely competent in salient policy issues (e.g., Anderson 1995; Narud 1996). Inasmuch as challenging the government sends a signal to the capturable voter that the government is incompetent, challenges are likely to affect which parties are held accountable and which parties voters choose to support. An incompetent government, or one that has possibly experienced multiple challenges, is likely to be punished in the election as voters shift to more competent parties. This is one of the predictions from the equilibria generated in the formal model described in Chapter III. Even though the no-confidence motion is initially rejected by the median legislator, the signal sent by the opposition party of the government's competence influences the capturable voter into voting *against* the government and *for* the opposition. This would suggest that the opposition parties experience an electoral gain from tabling the motion, while the government experiences a decline in votes following a challenge (whether it passes or fails).

The literature on vote choice and economic voting has focused on predicting the mean of vote share for governing parties. While this certainly is a worthy endeavor, such research has been conducted without theoretical consideration of the stochastic element of vote choice. The stochastic component of vote choice can provide clues as to the electoral volatility of elections. Ignoring this component makes the implicit

assumption of constant error variance, the violation of which can bias standard errors, and thus lead to faulty inferences about statistical significance (Gujarati 2002). The solution to this problem has been primarily to treat error variance as a nuisance parameter in models of vote choice (e.g., Pacek and Radcliff 1995; Palmer and Whitten 1999; Anderson 2006). A notable exception to these studies is Palmer and Whitten (2000), who estimate the error variance as a function of the time left in the electoral cycle when the election was called.

Yet, this study suggests that additional steps should be taken to model the error variance (via a heteroskedastic regression) from vote choice models. The number of opposition challenges—and whether they were successful—provides critical information characterizing both the government and opposition, which may be useful in predicting error variance. For example, numerous challenges may indicate that the government is incompetent, as this model suggests. On the other hand, the ability for the government to survive multiple challenges may indicate strength. A successful challenge may illustrate the opposition party as a suitable alternative to the governing coalition, or it could indicate an extremist party that cares little about controlling office. If the challenge provides an informative signal to the electorate about the government's competence, no-confidence motions may have the by-product of *reducing* uncertainty regarding vote choice. Finally, vote choice models should include opposition challenges because of their ability to serve as an indirect proxy of policy outcomes. Cross-national studies of vote choice traditionally examine the effects of economic outcomes on vote shares, though various other policies are critically important to individual elections. For

example, scholars have examined the importance of policy shocks in individual

elections, as is the case of conflict (Norpoth 1987), or terrorism (Chari 2004). Treating

them systematically, however, is quite difficult as the salient issues are likely to change

across elections. I argue that an effective alternative is to include the presence of

challenges, as these are likely to be responses by the opposition to poor policy outcomes.

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APPENDIX A

As an illustrative example, I will prove the equilibrium where the opposition party threatens, the government ignores the threat, and the opposition challenges (Equilibrium 1). This strategy is an equilibrium if the following conditions are met:

- The opposition party will threaten only if $q \geq C_C$;

- The government will ignore the threat if these two conditions are met:

$$B \leq \frac{1 + M - q}{Tg - 1} \text{ and } B \geq q - r;$$

- The opposition party will challenge the government when $q \geq C_C - C_T$.

All other proofs follow the same pattern.

APPENDIX B

The following represents a proof of Equilibrium 1, described as the following

strategy profile: $(\sim Ch \mid C, Ch \mid I), (R \mid C, A \mid I), (\sim Vg \mid Ch_A, Vg \mid Ch_R, Vg \mid \sim Ch)$.

The capturable voter's beliefs are given by $B_1 = 0, B_2 \geq q, B_3 = 1$.

A) Consider the opposition party's action after Nature's move:

Type C) The opposition chooses to not challenge a competent government if $C_{Ch} \geq 0$.

Since $C_{Ch} \geq 0$ by assumption, this is the case $\forall C_{Ch}$.

Type I) The opposition chooses to challenge an incompetent government if

$$B \geq \frac{C_{Ch} + C_e - 1}{2q}.$$

B) Consider the median legislator's decision after observing whether the opposition

party challenged or not:

Type C) The median legislator rejects a challenge against a competent government

when $p + B \geq p + B$.

Type I) The median legislator will accept a challenge against an incompetent

government when:

- the benefits of having a competent government in office are less than the benefits

  of holding office after the election ($B < 1$), this condition holds when

  $$\delta \geq \frac{p + 2qB - B - C_e}{1 - B}.$$

- the benefits of having a competent government in office are greater than the benefits of holding office after the election ($B < 1$), this condition holds when

$$\delta \leq \frac{p + 2qB - B - C_e}{1 - B}.$$

C) Consider the actions of the capturable voter:

Type C) Facing a strategy where the opposition "correctly" matches and having not observed a challenge, the capturable voter will vote with the government when $q \leq 1$.

Type I) Facing a strategy where the opposition "correctly" matches and having observed a challenge, the capturable voter will vote against the government when $q \leq 1$.

All other proofs follow the same pattern.

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