The Presidential Logic of Government Formation in Latin American Democracies* 

La lógica presidencialista en la formación de gobierno en las democracias latinoamericanas

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ABSTRACT
Is there a relationship between a party’s capacity to influence legislative decision-making and its decision to be part of a government coalition? In this study, we argue that when formal legislative rules are more conducive to actors’ policy preferences, parties have fewer incentives to join the cabinet. To test our analytical model, we analyze 68 governments and 112 cabinets in 12 presidential systems, from 1979 to 2011. Our results indicate that the decision to integrate the cabinet in presidential systems is related to the level of influence parties have on legislative policy formation in Latin American democracies.

Keywords: democracies, presidential systems, multiparty governments, decentralization, Latin America.

RESUMEN
¿Existe relación entre la capacidad para influir en la toma de decisiones legislativas y la decisión del partido de integrar la coalición de gobierno? En este estudio, argumentamos que cuando las reglas del proceso legislativo son más receptivas a considerar las preferencias de las políticas públicas de los actores, los partidos tienen menos incentivos para unirse al gabinete. Para probar nuestro argumento, analizamos 68 gobiernos y 112 gabinetes en 12 sistemas presidenciales, de 1979 a 2011. Nuestros resultados indican que las decisiones de...
los partidos de integrarse en los sistemas presidenciales del gobierno están relacionadas con el nivel de influencia que tienen en el proceso decisorio en las democracias latinoamericanas.

**Palabras clave:** Democracias, sistemas presidenciales, gobiernos multipartidistas, descentralización, América Latina.

I. INTRODUCTION

Is there a relationship between a party’s capacity to influence legislative decision-making and its decision to be part of a government coalition? Many authors have shown the adoption of policy-seeking behavior by parties in parliamentary multiparty systems (Strøm 1990; Laver and Schofield 1998; Laver 2008; Martin and Vanberg 2011; Carrol and Cox 2012; Moury 2013; Russell et al. 2015; Martin 2016). However, the assumption of office-seeking parties dominates the current literature on presidential systems.

Following several recent empirical analyses (Alemán and Tsebelis 2011; Cheibub and Limongi, 2011; Magar and Moraes 2012; Zucco 2013; Freitas 2016; Toro-Maureira and Hurtado 2016), we argue that the adoption of a policy-seeking perspective can help us understand presidential systems, as well. We find evidence that parties’ decisions to integrate into coalitions in presidential systems is related to the level of influence parties have on the formation of legislative policies.

The perspective of the chief executive has been the dominant approach to understanding the formation of coalition governments in Latin American presidential systems. According to this perspective, the decision of forming a coalition government is based on the calculation of the formateur’s party,\(^1\) in an attempt to attract parties positioned closer to the formateur’s policy position (Alemán and Tsebelis 2011), and to build legislative support that assures governability (Figueiredo and Limongi 2000; Amorim Neto 2006).

Similar interpretations use this perspective to explain the formation of minority or majority governments (Figueiredo et al. 2012; Meireles 2016), the government parties’ preferences and the formulation of public policies (Alemán and Saiegh 2007; Altman and Castiglioni 2009), and the endurance of the cabinet (Deheza 1997; Altman 2000; Carlin et al. 2014; Martínez-Gallardo and Schleiter 2014). Recent analyses consider the survival of ministers (Camerlo and Pérez-Liñan 2015), the development of the institutional presidency\(^2\) (Inácio and Llanos 2016), and formal (Araújo et al. 2016) or informal (Siavelis 2016) rules that affect the decision-making process in multiparty cabinets in Latin American democracies.

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\(^1\) In presidentialism, the formateur party is always the president’s party (Cheibub et al. 2004).

\(^2\) Variation in the number of presidential agencies that operate under direct presidential authority.
However, there are few studies that examine the reasoning behind parties’ decisions to join coalitions.\(^3\) Although the chief executive’s party — whether comprising the minority or the majority in the parliament — can choose to govern with a single-party cabinet, the president can distribute cabinet portfolios to other parties. The invited parties, in turn, must also decide whether to accept the offer. This decision, similar to the decision in parliamentary multiparty systems, involves costs and benefits.

For parties that are part of the government, it is more important to control policy areas and to gain influence over the executive agenda than to receive ministerial portfolios. On the other hand, similar to the formateur’s party, political parties that decide to integrate into the cabinet take risks in their decision-making, and for being part of the government. Cabinet parties, for example, can be held responsible for an unsuccessful government and may be punished for adopting policy preferences that are distant from their constituency. Furthermore, there is a risk that these parties will not be able to differentiate themselves from their government partners in subsequent elections (Laver and Schofield 1998).

By taking these risks into consideration, the party’s decision to join the government is not restricted to the office itself, but includes the decision-making capacity they would have once in office. We argue that the decision over whether to join or reject the government’s coalition is related to the party leaders’ evaluations regarding how much political resources their party will gain from the policies. We suggest that parties’ electoral benefits result from voters’ assessment of policies executed, regardless of whether these parties are members of the executive or remain as members of the legislative branch.

Regarding the decision of whether to be part of the government, scholars tend to focus only on direct benefits, i.e., ministerial portfolios (Amorim Neto 2000; Raile et al. 2010; Melo and Pereira 2013). Nevertheless, while parties aim to have positions in the cabinet and control offices in the government, ministry and cabinet offices are the main instruments for parties to submit and execute demands from their voters (Fortunato and Stevenson 2013). Similar to what occurs in parliamentary governments, in presidential democracies parties aim to occupy ministries to achieve their preferred policies (Cheibub and Limongi 2002; Cheibub et al. 2004; Cheibub 2007).

By analyzing 12 Latin American presidential democracies, in this study we test whether, ceteris paribus, the presence of institutional incentives that allow political parties to influence policies in the legislative arena is related to parties’ decision to join government coalitions. Our results indicate that as the legislative process becomes more decentralized — that is, as the capacity of parties to change the content of policies through the legislative process increases — the proportion of parties joining coalitions in Latin American governments decreases. In other

\(^3\) A recent study by Freudenreich (2016) is an exception.
words, the greater the opportunities outside the government by which parties can express their preferences within the legislative process, the fewer the incentives for these parties to join the cabinet.

This study is organized as follows: In the next section, we discuss the formation of cabinets in 12 Latin American presidential democracies, based on data about the composition of cabinets; in the third section, we briefly revise the literature and present our model; in the fourth section, we present our data and run empirical tests; in the fifth and final section, we discuss our results and summarize our main findings.

II. PATTERNS OF CABINET FORMATION IN LATIN AMERICAN PRESIDENTIAL DEMOCRACIES

In presidential democracies, constitutions empower the head of the executive branch as the main actor responsible for the composition of ministerial portfolios. Once elected, the president has the prerogative to directly appoint the high-level members of the government. Although many of the ministers with a technical profile are nominated by political parties (Inácio 2013), ministers can be recruited either from within party ranks — with or without legislative representation (Altman and Castiglioni 2009) — or from outside party structures (Camerlo and Pérez-Liñan 2015).

Ministerial recruitment yields different types of cabinets. Cabinets can either be monopolized by the president’s party (single-party cabinet) or be shared by the president’s party and one or more political parties (multiparty cabinet). As can be seen in Figure 1 below, similar to multiparty parliamentary regimes, Latin American presidents often form both types of cabinets. Yet, multiparty cabinets are predominant. Of the 12 presidential systems analyzed in this study from 1979 to 2011, 73% of the cabinets were composed of at least two parties.
Cabinets can also be distinguished with regard to their legislative status. Whether single-party or multiparty, a cabinet can be formed under a legislative majority or a legislative minority. In Figure 1, by analyzing cabinets formed from 1979 to 2011, we can see the variation of the majority and minority governments formed in Latin America. While multiparty cabinets with a majority status prevail in Latin American governments, it is not uncommon to see minority coalitions
being formed. According to Figueiredo et al. (2012), for example, in spite of a highly fragmented and volatile party context, the institutional resources available to Latin American presidents make near-majority contexts possible, and help to explain a persistent and significant number of minority coalition governments in the region. Similarly to Strom (1990), Figueiredo et al. (2012) show that the formation of minority governments in Latin America democracies are not a synonym for political disasters.

Therefore, in this study we examine the dynamics of coalition formation in Latin America, focusing on parties’ influence on the government’s decision-making process. Multiparty contexts enable an electoral market competition, meaning that being outside of the government does not necessarily mean an absent or powerless role in the decision-making process, nor does it necessarily mean being part of the opposition. However, given the different opportunities afforded by each institutional arrangement, being part of the government or being part of the opposition can mean greater or lesser policy influence.

By considering the electoral calculation that goes into a party’s decision regarding whether to join the government, we can explain under what circumstances parties prefer to integrate the cabinet in presidential systems.

III. PARTIES AND COALITIONS IN LATIN AMERICA: A POLICY-SEEKING MODEL OF PARTY CALCULUS

The third wave of re-democratization not only spurred the worldwide development of democratic institutions, it also increased the number of studies that evaluated the consequences of the different institutional arrangements adopted by these new democracies. In the case of Latin America, by considering the results of the current consolidated political systems, different comparative studies have explored the negative effects of adopting some specific institutions.

These effects raised different arguments that were derived from the comparison of the characteristics of parliamentary and presidential systems. The main argument, seminally developed by Linz (1978), was responsible for the idea that the adoption of the presidential system would be the cause of the great political instability in Latin American democracies. Moreover, the combination of an independent legislative branch and an independent executive power (Shugart and Carey 1992) with high party fragmentation (Mainwaring 1993) and with a great concentration of legislative powers in the hands of presidents (O’Donnell

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4 As argued by Sáez and Freidenberg (2001) and Roberts (2013).
5 It is important to point out that in some countries the bargaining process for cabinet formation does not occur only between the formateur party and the other individual parties, but between the formateur party and each multiparty pre-electoral blocs. This is the case of Chile (Concétacion pre-eletoral bloc) and Uruguay (Frente Amplio pre-electoral bloc).
1994) would not produce incentives for cooperation between these powers, consequently making the formation of coalitions unfeasible.

Nevertheless, the development of the literature has shown that despite the different institutional structures of both systems (Lijphart 1992; Sartori 1997), coalitions are formed in both parliamentary systems and presidential systems. In other words, the formation of coalition governments is not atypical in presidential systems (Cheibub and Limongi 2002; Cheibub et al. 2004; Cheibub 2007). The high fragmentation of party systems, combined with a non-legislative predominance by the president’s party, creates a context in which the formation of legislative majorities depends, in most of the cases, on the formation of multiparty cabinets.

Therefore, by assuming that there are institutional incentives to form coalitions in presidential systems, it is important to ask what parties’ incentives might be for joining government coalitions.

Downs (1957) is the starting point to understand coalitions using models based on party competition and party behavior. According to Downs’ (1957: 28) theory, parties seek to maximize votes in order to control offices: “[...] parties formulate policies in order to win elections, rather than win elections in order to formulate policies.” The searching for a general theory on the formation of coalitions led to further implications and issues with Downs’s argument. Critique and development of Downs’ argument has led to a more comprehensive understanding of what is at stake regarding the bargain dynamics in coalition formation.

Considering the shortcomings of the explanations regarding minority or oversized coalition formation (Laver and Schofield 1998), coalition theories that are exclusively based on office-seeking models have not produced convincing results. As shown by Strøm (1990), to understand why minority coalitions are formed we should consider politicians as also being motivated by policies.

The consideration of parties as potentially policy-seeking actors leads us to revise the behavioral premise that actors are exclusively office-seeking. Even if the legislative process were centered in the executive branch, parties that are motivated by policies would prefer to be on the opposition side rather than join the coalition and be committed to policies far from their preferences (Laver and Schofield 1998).

Still, as claimed by Müller and Strøm (1999), it is not reasonable to think that such models — office-seeking and policy-seeking perspectives — are completely dissociated. Moreover, it is erroneous to consider such models as mutually-

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6 Several scholars state that the vote-seeking assumption is nonsensical (Laver and Schofield 1998; Strøm and Müller 1999). These authors argue that, unlike offices or policies, a vote is valuable only as a mean to either influence policies or to gain cabinet offices. Thus, votes are not an end in and of themselves. By sharing this assumption, we do not discuss the vote-seeking approach in this study.
exclusive perspectives. Nevertheless, an intersectional operation of these models is not feasible, and would not allow us to test our main hypothesis regarding the calculus of parties regarding whether to join government coalitions.

The arguments so far presented in this study were developed by the literature on parliamentary systems. Would these arguments also be adequate to understand presidential systems? Cheibub and Limongi (2011) answer this question affirmatively. According to Cheibub and Limongi, the formation of coalitions in presidential systems must lead to a reconsideration of the argument according to which these systems would not produce cooperation between the executive branch and the legislative branch.

Although coalitions have been formed and stable governments have endured in presidential systems, the explanations of this phenomenon tend to focus restrictively on the perspective of the chief executive. The president controls the cabinet positions and distributes these positions to legislative parties to form a legislative majority capable of approving the presidential agenda. Therefore, these explanations are exclusively oriented toward office-seeking. In other words, the patronage distribution is assumed to be sufficient to reducing the conflict between executive and legislative powers.

Nevertheless, if parties are only interested in occupying offices, how successful can minority governments be in presidential systems? As stated by Cheibub and Limongi (2011), similar to what occurs in parliamentary governments, the existence of successful one-party and minority coalition governments in presidential systems (Cheibub et al. 2004) must lead to a revision of the literature on presidential systems and the premise of exclusively office-seeking behavior.

Several studies on presidential systems have systematically shown that parties joining government coalitions have advantages from the point of view of policy influence and policy approval rates. Alemán and Saiegh (2007), for example, argue that Chilean government coalitions are not merely based on convenience, but they constitute policy-based agreements. Toro-Maureira and Hurtado (2016) present evidence that the coordination between government parties and the executive branch is important for understanding the success rates of presidential bill initiatives. That said, bill changes depend on the construction of inter-coalition alliances. Magar and Moraes (2012), for example, show that members of coalition parties in Uruguay approve more bills in the legislature than the parties in the opposition. In the Brazilian case, Freitas (2016) reveals that coalition parties — not restricted to only the president’s party — have an important role in the coordination of the bill amendment process within the legislature, and that coalition parties are more able to have policies closer to their preferences considered in the legislature than opposition parties.

In a similar manner, Batista (2014), Rennó and Wojcik (2015), and Gaylord and Rennó (2015) show evidence that in multiparty cabinets, such as the cabinets formed in Brazil, the composition of the executive agenda is an output of a
cooperative relationship between parties that are members of the government. Araújo (2017), in turn, demonstrates that public policies formulated in Brazil are outputs of the preference aggregation process of different members of the government’s cabinet in different arenas of the decision-making process.

Therefore, by accepting the policy-seeking premise, we assume that parties wish to maximize their influence over policies. This does not mean that we assume the unrealistic premise that all parties pursue programmatic goals. Our assumption means that, even if a specific party has clientelistic and patronage aspirations, political and monetary resources are crucial elements to accomplish their objectives, and that the only way to access such resources is through control over policies.

Theoretically, we assume that decentralization of the legislative decision-making process creates institutional mechanisms for sharing the policy formulation competence among different actors (Polsby 1968), strengthening the system of legislative commissions and allowing those parties to use this decision arena to change the policies that interest them (Martin and Vanberg 2011; Carrol and Cox 2012). Thus, decentralized parliaments tend to empower opposition parties (Morgenstern et al. 2008) and increase the probability of minority governments (Strøm 1990).

In contexts where political decisions are concentrated in the executive branch, parties’ incentives to join the government coalition would be higher. By contrast, in institutional arrangements in which the minorities have a greater influence over the decision-making process, the incentives to participate in the government would be less. According to Strøm (1990), in order to understand parties’ decisions to join the government, it would be necessary to analyze the electoral expectations of each party. Regardless of the institutional context on policy influence, non-governing parties seeking to be an electoral option for voters tend to remain in a non-governing position.

On the other hand, the extreme case of centralization can be seen in the study developed by Cox (2005). The origin of the British efficient secret (Cox 2005) would be in the development of a centralized decision-making system. Given that the control of the legislative process is in the hands of the cabinet, the access to the formulation of policies was always restricted to governing actors. Following the perspective developed by Cox and considering the loyal behavior of members of parliament in contexts in which the electoral system produces a two-party legislative dynamic, the losing party can only oppose the government’s decisions from a restrictive minority. In multiparty systems, there is a spectrum of possible positions between joining the government and being part of the opposition. Therefore, except by ideological preferences cleavages, parties that do not control the executive and do not have ambition to control it in the short run have the opportunity to choose on which side of the government-opposition spectrum they want to be.
Assuming that parties are rational actors, and thus are capable of calculating the costs and benefits of being out of the government’s cabinet, parties have an additional incentive to join the government’s coalition whenever the opportunities to influence the decision-making process are restricted to being a member of the government’s coalition. Thus, in contexts where non-governing parties are excluded from the decision-making process, the probability that a party with no presidential aspirations will join the government’s coalition tend to be higher. In other words, the proportion of parties represented in the legislature that decides to join the coalition varies according to the opportunities they have to influence the policy decision-making process.

Considering that state resources are finite and political actors prefer policies closer to their ideal points, parties need to set strategies on how to access resources from the public machine. Therefore, the question that emerges is: In which arenas can parties act to have their preferences considered in policies to be implemented by the government? In democratic contexts, parties have three options:

1. To systematize, vocalize and organize their preferences in deliberative instances of the decision-making process within the legislative branch;

2. To use mechanisms of preference alignment during the formulation process of public policies or;

3. To occupy ministry offices and positions in the structure of the executive power, attempting to aggregate their preferences to the executive’s policy agenda.

If, in contexts such as 1 and 2, a parties’ chances of influencing the policy-making process are reduced, then its incentives pursue option 3 increase. In other words, if a party does not expect to be the formateur party, it is more advantageous to join the government and have the chance to actively participate in the public policy formulation process. In Figure 2, we depict the ideal types of contexts, according to our suggested analytical model. Those contexts vary according to the set of political institutions in two dimensions based on the centralization or decentralization score of the legislative power and the executive power. These two dimensions regulate the capacity of each branch to influence the political agenda. That is, to aggregate their preferences into the decision-making process.

In the first context (I), the area to aggregate preferences according to the two arenas (executive and legislative) is equivalent (L<=E). In this case, the institutional arrangement gives equal capacity to the executive and legislative branches to influence the decision-making process. In other words, the possibility that parties influence public policies through the process of formulation and control of the implementation of public policies, which occurs both in the legislative arena and in the executive arena, is open. Consequently, the party that expects to be the formateur party of the cabinet in the short and medium run - and also other parties that choose to not integrate cabinet - , will have an equivalent
executive capacity to influence the agenda. In this context, formed coalitions will be either minimum winning or even minority coalitions, depending on the political/ideological parties that form the legislature.

Figure 2. Policy aggregation preference arenas and incentives to integrate into government coalitions.

In the second context (II), there is a non-equivalence relationship in the aggregation of preferences between both arenas of power (E>L). Therefore, the capacity of the legislative branch to aggregate its preferences is reduced by an excessive centralization of decision-making power in the hands of the executive branch and president. In other words, not being a member of the government cabinet means having restricted access to the formulation process of public policies, due to the legislative branch’s reduced capacity to aggregate parties’ preferences. In this context, all parties invited by the president that do not aim, in the short term, to assume the presidency, tend to accept the president’s coalition offer.
The third context (III) describes a situation in which the president has fewer agenda-setting powers and a reduced autonomy to manage resources — positions and budget — as well as a decentralized legislature (L>E). In this context, the capacity of the executive branch to influence the decision-making process is reduced, making it less attractive to legislative parties. In such a context, coalitions will seldom be formed. Considering the fact that parties can aggregate their preferences in the legislative branch, they will not risk the potential costs of being associated with the government.

The Latin American countries analyzed in this article represent each of the three contexts described above. Chile and Panama are examples of the first context (L<=E). In those cases, although the executive power has considerable influence over the legislative process, processes in the legislature are decentralized and there is an open space for aggregating preferences in this arena. Colombia and Ecuador can be included in the second context (E>L). In those democracies, the executive has considerable capacity to aggregate preferences in the formation of policy, while there is also a relatively low degree of decentralization of the legislative process. Finally, Costa Rica and Paraguay are included in the third context (L>E). In both countries, the presidency has a reduced prerogative that limits the executive’s ability to dominate legislative agenda. There is also a high degree of decentralization of legislative activity in these cases.7

IV. DATA AND METHODS

Our objective in this section is to test the relationship between the capacity of parties to influence policies — that is, to aggregate their preferences — and the incentives to join a government’s coalition in presidential systems. We do not aim to explain why coalitions are formed or why the presidents decide to govern through multiparty cabinets. We argue that institutional arrangements that promote the decentralization of the legislative process reduce parties’ incentives to join a government’s coalitions. Our purpose is to analyze the parties’ calculus on joining (or not joining) the government. Therefore, according to the analytical model suggested in the previous section, our hypothesis can be expressed as:

H1: The greater the capacity of parties to influence the formulation of policies through the legislative branch, the smaller the proportion of parties joining government’s coalitions.

To test our hypothesis, we use information from 12 Latin American countries, comprising 68 governments and 112 cabinets, formed between 1979 and 2011. We conducted a panel data analysis in which we considered the variation among government cabinets both between democracies and within democracies. The

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7 These classifications of cases were based on the values of the Legislative Institutional Power Index (IPIL) and the legislative decentralization score, presented in more detail in the next section “Data and Methods.”
list of countries, the period, the number of governments, and cabinets analyzed in our study can be viewed in Table 1.

Table 1. Description of cases

<table>
<thead>
<tr>
<th>Country</th>
<th>Period</th>
<th>N. Governments</th>
<th>N. Cabinets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>1984-2011</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>Bolivia</td>
<td>1994-2011</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Brazil</td>
<td>1989-2011</td>
<td>8</td>
<td>16</td>
</tr>
<tr>
<td>Chile</td>
<td>1990-2011</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Colombia</td>
<td>1992-2011</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>D. Republic</td>
<td>2004-2011</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Ecuador</td>
<td>1979-2011</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>Panama</td>
<td>1990-2002</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Paraguay</td>
<td>1993-2011</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Peru</td>
<td>2001-2011</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>1986-2011</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Uruguay</td>
<td>1985-2010</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>N</td>
<td>68</td>
<td>112</td>
<td></td>
</tr>
</tbody>
</table>

Source: Elaborated by the authors.

First, we tested the impact of the decentralization score of the legislative activity on the probability of parties joining a government’s coalitions in presidential systems. In this test, our dependent variable is the total number of parties that join the government cabinet, i.e., the total number of parties in a government’s coalition. We considered the following variables as explanatory variables:

**Decentralization**: We use the index *Oppositional Influence*, developed by Strøm (1990), as our measurement for the decentralization of the legislative decision-making process. In its original operationalization, Strøm’s index was used to measure the influence capacity of oppositions in European democracies. However, by focusing on the analysis of committee systems, this index neglects some important dimensions of the legislative process.

Therefore, we believe that Strøm’s index is better used as a proxy for the degree of decentralization of the legislative decision-making process, indicating the capacity of parties to change the content of policies through the legislative process. The decentralization index ranges from 0 to 5, and it is produced by the summation of the following dimensions:

1. The total number of committees in the parliament: The assumption is that the total number of committees informs the degree of specialization within
the legislature. The threshold used by the authors is the value of 10. Thus, whenever the number of legislative committees is equal to or superior to 10, this dimension is assigned a value of 1.

2. Fixed areas of specialization: Committees responsible for debating fixed topics have an uninterrupted deliberation process on important topics, increasing the opposition’s opportunity to express their preferences in the legislature. If the committee system has fixed topics regulated by the constitution or by the parliamentary process, this dimension is assigned a value of 1.

3. The correspondence between committees and ministries: If there is any correspondence between the topics of committees and the policy area of ministries, there is a greater probability of debate and control over executive policies and activities. Despite using a dichotomy categorization, Strøm (1990) does not explain the criteria used to define a correspondence between committees and ministries. By keeping the same categorization scheme developed by Strøm, we define correspondence according to the following criteria: i) First, we calculated the proportion of committees from each category that had a corresponding ministry; ii) We observed the distribution of our data and defined the average value of 0.68 as our threshold; iii) Then, cases with a value equal to or greater than the average value were assigned a value of 1, and cases with a value smaller than the average were assigned a value of 0.

4. Restriction to participate in committees: By considering that a legislator can remain focused on single topic for a considerable amount of time, the limitation on the number of committees in which each legislator can participate contributes to the increase in specialization within the legislative decision-making process. By following the informational argument (Krehbiel 1992), we expect that the lower the number of committees in which each legislator can participate, the greater the chance of developing expertise in a specific topic.

5. Proportional distribution criteria: The existence of some proportionality in the distribution of committees guarantees the opposition’s opportunity to express their preferences through the decision-making process.

Following the structure adopted by Strøm (1990), we assume that more decentralized legislatures with stronger commissions increase the parties’ capacity to influence policies. In these cases, rejecting the president’s invitation to join the government will be less costly for the parties. Consequently, it is expected that in centralized legislatures, a greater number of parties will decide to join the government’s coalition because the parties have less capacity to influence policies.

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8 The information takes into consideration the committees of the lower house in bicameral arrangements.
Legislative Institutional Power Index (IPIL): Developed by García Montero (2009), this indicator measures the capacity of the executive and legislative branches to influence the legislative agenda. According to its original use, the IPIL index ranges from 0 to 1. Values close to 1 indicate a predominance of the president in the legislative process. Values close to 0 indicate a predominance of the legislative branch. To ensure a more intuitive interpretation of our results, we use an inverse form of this measurement. Therefore, values close to 0 indicate a predominance of the executive branch in the legislative process, and values close to 1 indicate a predominance of the legislative branch.

The IPIL index comprises five dimensions of the legislative process: 1) the initiative stage, which relates to the capacity to influence the composition of the legislative agenda and other characteristics regarding the control of this agenda; 2) the constitutive stage, which relates to mechanisms of committee composition and regimental powers within committees and on the legislative floor; 3) the degree of symmetry between upper and lower houses in bicameral systems (where applicable), and the mechanisms for achieving resolutions and agreements in both houses (where applicable); 4) the efficiency dimension measures the degree of veto power of both executive and legislative branches in the legislative process stage, and; 5) the extraordinary procedure dimension relates to the decree presidential power and extraordinary legislative prerogatives.

Effective Number of Candidates (ENC): Developed by Jones (1999) in his study on American presidential elections, this measurement is a modified version of the effective number of parties’ measurement created by Laakso and Taagepera (1979). In the operationalization of the ENC, the proportion of legislative seats is replaced with the proportion of votes that each candidate receives. Therefore, we have an indicator of how competitive the candidates are in each election. By following Strøm’s argument (1990), according to which parties with electoral intentions have fewer incentives to join government coalitions, we assume that the proportion of parties that join the government coalitions is influenced by the competitiveness of the party system.

Effective Number of Legislative Parties (ENLP): Using the popular equation developed by Laakso and Taagepera (1979), this measurement depicts the degree of party fractionalization within parliaments. There are two main reasons to include fractionalization as a control in our models: First, party fractionalization relates to the number of parties located on a government/opposition continuum (increasing or reducing the total number of potential parties joining the government’s coalition). Second, party fractionalization is also related to the number of electorally viable parties (which includes parties with fewer incentives to join coalitions).

9 Originally, Índice de Potencia Institucional Legislativa (IPIL).
10 \[ ENLP = \frac{1}{\sum P_i} \]
Legislative Preference Variance (LPV): The decision of the parties to integrate into the government is also a function of the electoral costs involved in this choice. Therefore, policy preferences in the legislative arena matter. Parties closer to the president’s ideology will incur lower costs by joining the government, and can decide to join the cabinet without fearing electoral punishment. By using the data collected from the Observatorio de Elites Parlamentarias de América Latina,\(^{11}\) we measure the preference variance (based on the ideological position) between the legislative parties\(^{12}\) and the president’s party in the 12 presidential systems analyzed in this work.

Electoral Cycle:\(^{13}\) This measures the period between the formation of the cabinet and the date of the next presidential election. The decision of whether to join a coalition depends on electoral risks and gains. Considering that these electoral risks vary over time, we believe the electoral cycle is an important control to include in our models.

In Table 2, we present some descriptive statistics for the aforementioned variables.

### Table 2. Summary Statistics

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decentralization</td>
<td>245</td>
<td>3,938</td>
<td>0.683</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Electoral Cycle</td>
<td>245</td>
<td>0.479</td>
<td>0.366</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>ENC</td>
<td>245</td>
<td>3,203</td>
<td>1,168</td>
<td>2</td>
<td>6.79</td>
</tr>
<tr>
<td>ENLP</td>
<td>245</td>
<td>4,377</td>
<td>1,940</td>
<td>1.84</td>
<td>10.37</td>
</tr>
<tr>
<td>IPIL</td>
<td>245</td>
<td>0.528</td>
<td>0.117</td>
<td>0.29</td>
<td>0.68</td>
</tr>
<tr>
<td>LPV</td>
<td>245</td>
<td>1.77</td>
<td>0.696</td>
<td>0.59</td>
<td>3.29</td>
</tr>
<tr>
<td>Number of Parties in Coalition</td>
<td>245</td>
<td>2,775</td>
<td>1,677</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Share of Legislatives Parties in Coalition</td>
<td>245</td>
<td>52.30</td>
<td>17.26</td>
<td>0</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Elaborated by the authors.

Table 3, shows the results for two negative binomial models. Since our dependent variable — number of parties within the coalition — has a count data structure ranging from 1 to 9, the estimation of the ordinary least square method would be inadequate and lead us to incorrect results. An alternative

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\(^{11}\) [http://americo.usal.es/oir/elites/](http://americo.usal.es/oir/elites/).

\(^{12}\) We consider the four largest parties represented in the lower house of each country. On average, they represent 80% of the seats in the parliaments analyzed.

\(^{13}\) Following the procedure adopted by Amorim Neto (2006) and later replicated by Figueiredo et al. (2012), the measure is assigned a value of 0 in the first year of the presidential term, and it assumes a maximum value of 1 in the last year of the presidential term.
would be the estimation of a Poisson model. However, the distribution of our data violates the fundamental presupposition of the Poisson distribution, according to which the average ($\mu$) is equal to the variance ($\sigma$). Moreover, the negative binomial regression is adequate in the presence of over-dispersion, i.e., where the variance and mean have different values, and allows the calculus of a conditional probability of the effects of a vector of independent variables on the dependent variable based on the gamma distribution (Wooldridge 2010).

To understand the probability of joining the government cabinet, we use a random intercept model that accounts for the intra-country correlation in the data. The model contains a count variable $Y_{ij}$ indicating the number of parties $i$ belonging to country $i$ and $j$ joining cabinet $j$. Also, we follow Allison and Waterman (2002) including fixed effects that accounts for unobserved idiosyncrasies in the country level. Finally, we run all our models using robust standard errors to account for cross-sectional dependence (Hoechle 2007).

In our first model (Model I), in addition to the legislative decentralization variable, we considered what effects the party fractionalization (ENLP), the effective number of candidates (ENC), the legislative preference variance (LPV), and the electoral cycle (Cycle) have on the probability of parties joining a government coalition. The results indicate that the degree of decentralization of the legislative process is directly related to the parties’ decision to participate in cabinet. As the decentralization of the legislative process increases, the probability of a party joining the government’s coalition declines. In substantive terms, when formal rules grant more opportunities to aggregate preferences in the legislative arena, parties have fewer incentives to join government.

The effect of fractionalization on parties’ choice yields some interesting findings. The fractionalization of the party system has a positive effect on the total number of parties joining government. In other words, the more fragmented the parliament, the higher the likelihood of bigger coalitions. Nevertheless, this effect is conditional on the degree of decentralization of the legislative process. The null result of the interactive term between the fragmentation of the parliament and the degree of decentralization (Decentralization*ENLP) indicates the conditional nature of the effect.

Regarding the effect of the effective number of candidates, ENC has a positive effect on the total number of parties within the government coalition. Nevertheless, when we consider the interactive term between ENC and the fragmentation of parliaments (ENC*ENLP), the results indicate that the existence of competitive candidates within decentralized parliaments reduces the number of parties within the cabinet. This result is strong and statistically significant (at the 0.01 level).

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14 In order to check for the presence of over-dispersion, we ran an alpha test. The results can be seen in Table 3.
The IPIL index was added in Model II. As IPIL increases one point in the scale, the size of the government coalition declines, on average, by 0.931 (7%). In substantive terms, it means that stronger legislatures create incentives for parties to seek the aggregation of their policy preferences outside the government coalition. Nevertheless, this result is not statistically significant, reinforcing the results found in both models I and II. We also found no statistical significance for the variable electoral cycle, suggesting that the proximity of upcoming presidential elections does not affect the size of the government coalitions.

From the point of view of the president, the policy distance among parties in the legislative arena means a heterogeneous composition of the cabinet (Cheibub et al. 2004). By contrast, the greater ideological variance between parties and the president may imply electoral costs for the legislative members. Thus, as the legislative preference variance (LPV) increases one point in the scale, the probability of a party joining the government coalition reduces, on average, by a value of 0.85 (15%). This result was statistically significant in both models I and II.

Table 3. Determinants of the decision to be part of the government’s coalition (negative binomial models).

<table>
<thead>
<tr>
<th>Variables</th>
<th>(I)</th>
<th>(II)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Coefficient</td>
<td>IRR</td>
</tr>
<tr>
<td>Decentralization</td>
<td>-0.344***</td>
<td>0.708***</td>
</tr>
<tr>
<td></td>
<td>(0.113)</td>
<td>(0.080)</td>
</tr>
<tr>
<td>IPIL</td>
<td>-0.071</td>
<td>0.931</td>
</tr>
<tr>
<td></td>
<td>(0.332)</td>
<td>(0.309)</td>
</tr>
<tr>
<td>ENLP</td>
<td>0.088***</td>
<td>1.092***</td>
</tr>
<tr>
<td></td>
<td>(0.023)</td>
<td>(0.025)</td>
</tr>
<tr>
<td>ENC</td>
<td>0.213***</td>
<td>1.238***</td>
</tr>
<tr>
<td></td>
<td>(0.078)</td>
<td>(0.097)</td>
</tr>
<tr>
<td>LPV</td>
<td>-0.167***</td>
<td>0.845***</td>
</tr>
<tr>
<td></td>
<td>(0.056)</td>
<td>(0.047)</td>
</tr>
<tr>
<td>Electoral Cycle</td>
<td>-0.014</td>
<td>0.985</td>
</tr>
<tr>
<td></td>
<td>(0.076)</td>
<td>(0.075)</td>
</tr>
<tr>
<td>Decentralization*ENLP</td>
<td>-0.056</td>
<td>0.945</td>
</tr>
<tr>
<td></td>
<td>(0.102)</td>
<td>(0.096)</td>
</tr>
<tr>
<td>ENC*ENLP</td>
<td>-0.650**</td>
<td>0.521***</td>
</tr>
<tr>
<td></td>
<td>(0.262)</td>
<td>(0.137)</td>
</tr>
<tr>
<td>Constant</td>
<td>2.340***</td>
<td>10.391***</td>
</tr>
<tr>
<td></td>
<td>(0.397)</td>
<td>(4.134)</td>
</tr>
</tbody>
</table>
Dependent Variable = Number of Parties in the Coalition

<table>
<thead>
<tr>
<th>Variables</th>
<th>(I)</th>
<th>(II)</th>
</tr>
</thead>
<tbody>
<tr>
<td>lnalpha</td>
<td>-17.42***</td>
<td>-22.50***</td>
</tr>
<tr>
<td></td>
<td>(0.177)</td>
<td>(0.184)</td>
</tr>
<tr>
<td>Log Likelihood</td>
<td>-233.48</td>
<td>-233.47</td>
</tr>
<tr>
<td>N</td>
<td>245</td>
<td>245</td>
</tr>
<tr>
<td>Groups (Countries)</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Wald Chi²</td>
<td>376.37</td>
<td>386.89</td>
</tr>
</tbody>
</table>

Robust Standard Errors

*** p<0.01, ** p<0.05

Source: Elaborated by the authors.

V. ROBUSTNESS OF MODELS’ RESULTS

To test the consistency of results presented in the previous section, we also tested the effects of our independent variables on a different outcome variable: the proportion of legislative parties that comprise the government coalition. We are interested to see if our results remain the same with an alternative measurement of the same phenomena. The results for the models with this alternative dependent variable can be viewed in Table 4.

The results presented in Table 4 are similar to our findings from the estimation of negative binomial models. First, the effect of the variable decentralization on the proportion of parties that join the government’s coalitions must be highlighted. As the decentralization of the legislative process increases, we observe a decrease (Models III and IV) in the proportion of parties represented in legislature that integrate into the government’s cabinet.

Moreover, although legislative fragmentation leads the head of the executive branch to form bigger coalitions, the same effect is not found regarding the willingness of parties to join the government. Their calculus of whether to join the government varies according to their opportunities to express their preferences. The combination of high fragmentation and greater decentralization in the legislative process is associated with fewer incentives to join the cabinet (Decentralization*ENLP).

The legislative fragmentation also helps us understand the effect the number of effective candidates has on the proportion of parties that join the government coalitions. The more fractionalized the parliaments are, the higher the number of competitive candidates, and also the higher the incentives for these candidates to remain outside the cabinet. The interactive and positive variation of these two variables (ENC*ENLP) is associated with a reduction in the proportion of legislative parties that decide to join government.
The substantive and statistically significant effects of the variable IPIL in our alternative models are also interesting. As we can see in Table 4, the existence of parliaments with greater influence on the legislative process consistently reduces the incentives of parties to join the government. As the value of the IPIL index increases one point in the scale, the proportion of legislative parties within the coalition reduces, on average, by 36%. In addition, we highlight the effect of the LPV variable in OLS models. The increase in preference variance in the legislative arena is associated with a reduction of, respectively, 6% (model III) and 5% (model IV) in the proportion of parties that integrate into the government cabinet.

### Table 4. Determinants of the decision to be part of the government’s coalition (ordinary least square models).

<table>
<thead>
<tr>
<th>Variables</th>
<th>(III)</th>
<th>(IV)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decentralization</td>
<td>-11.79***</td>
<td>-11.70***</td>
</tr>
<tr>
<td></td>
<td>(4.703)</td>
<td>(5.151)</td>
</tr>
<tr>
<td>IPIL</td>
<td></td>
<td>-28.86***</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(12.28)</td>
</tr>
<tr>
<td>ENLP</td>
<td>2.877***</td>
<td>3.095***</td>
</tr>
<tr>
<td></td>
<td>(1.123)</td>
<td>(1.088)</td>
</tr>
<tr>
<td>ENC</td>
<td>8.634**</td>
<td>7.471*</td>
</tr>
<tr>
<td></td>
<td>(4.158)</td>
<td>(4.217)</td>
</tr>
<tr>
<td>LPV</td>
<td>-5.917***</td>
<td>-4.973***</td>
</tr>
<tr>
<td></td>
<td>(1.684)</td>
<td>(1.567)</td>
</tr>
<tr>
<td>Electoral Cycle</td>
<td>0.091</td>
<td>0.252</td>
</tr>
<tr>
<td></td>
<td>(3.452)</td>
<td>(3.433)</td>
</tr>
<tr>
<td>Decentralization*ENLP</td>
<td>-1.328</td>
<td>-2.068</td>
</tr>
<tr>
<td></td>
<td>(5.252)</td>
<td>(5.263)</td>
</tr>
<tr>
<td>ENC*ENLP</td>
<td>-46.62***</td>
<td>-42.76***</td>
</tr>
<tr>
<td></td>
<td>(12.13)</td>
<td>(12.39)</td>
</tr>
<tr>
<td>Constant</td>
<td>155.2***</td>
<td>159.9***</td>
</tr>
<tr>
<td></td>
<td>(21.70)</td>
<td>(21.07)</td>
</tr>
<tr>
<td>N</td>
<td>245</td>
<td>245</td>
</tr>
<tr>
<td>Groups (Countries)</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>R²</td>
<td>0.321</td>
<td>0.3486</td>
</tr>
</tbody>
</table>

Robust Standard Errors

*** p<0.01, ** p<0.05, * p<0.1

Source: Elaborated by the authors.
Finally, using the results from model IV, we estimate the predicted effect of the degree of decentralization on the size of cabinet. By varying the degree of decentralization and keeping all other variables constant (at their means), we are interested in assessing the expected size of the government’s coalition when we assign different values for the variable decentralization. This exercise can be visualized in Figure 3.

The horizontal axis in Figure 3, is related to the observed values of decentralization in our sample. The vertical axis shows the predicted value of our dependent variable (the proportion of legislative parties within the coalition). A basic interpretation of the figure indicates a linear and negative relationship between both decentralization and the proportion of legislative parties within the coalition. As the variable decentralization increases, the proportion of legislative parties that join the coalition decreases.

Figure 3. Predicting the size of the government coalition according to the decentralization of the legislative process.

Source: Elaborated by the authors.

Interestingly, close to the average value of decentralization (the dashed vertical line), it is possible to observe a threshold region for the composition of the coalition.

According to our sample, the smallest value for decentralization is 2 and the maximum value is 5.
cabinet having a majority or a minority status. In other words, this indicates that the composition of majority cabinets is not solely a function of the president’s choice, but also the effects of the calculus made by parties. With a decentralization value of 3.9, a government coalition has an average majority of 54.16% in the legislature. When decentralization has a value of 4.2, in turn, the average size of coalitions is 49.4%.

There are many Latin American examples that illustrate the results described above. In 2000, the minority cabinet formed in Panama — a country with a high decentralization index for legislative processes (5) — by President Mireya Moscoso represented only 32.3% (23 out of 71) of the seats in the Panamanian parliament. On the other extreme, in 1996, the government formed in Bolivia — a democracy that at the time had a legislative process with a low degree of decentralization (2) — by President Gonzalo Lozada commanded a majority of 60.7% (79 out of 130) of the seats in the Bolivian parliament.

There are different cases located at intermediate points between high decentralization and low decentralization. The government formed in 2003 in Paraguay — a country with a medium degree of decentralization of the legislative process (4) — by President Nicanor Duarte Frutos represented 46.2% (37 out of 80) of seats in the Paraguayan congress. The Dominican case is slightly below the average value — i.e., less decentralized — with a decentralization value of 3. The majority cabinet of Dominican President Leonel Fernandez formed in 2010 controlled 58.4% (111 out of 190) of seats in the Dominican parliament.

Our results suggest that parties adopt a policy-seeking orientation in presidential systems. The decision to join the government cabinet results from the expectation that parties will have an influence on the decision-making process. Therefore, the incentives to join the government will be reduced whenever the legislative arena offers fewer opportunities for parties to aggregate their preferences into the formulation of public policies; the greater parties’ opportunities to influence the agenda in the legislative arena, the lower their incentives to join the government.

VI. CONCLUSION

When deciding whether to join the government, do parties consider if their opportunities to formulate policies close to their preferences will be greater? Although the subject of coalition formation is of increasing importance among contemporary political scientists, few analyses have explored the perspective of political parties’ calculus for joining the government.

16 Asamblea Nacional de Panamá.
17 Cámara de Diputados de Bolivia.
18 Cámara de Diputados del Paraguay.
19 Cámara de Diputados de la República Dominicana.
By analyzing 12 Latin-American presidential democracies, our results indicate that, on average, the greater the influence of the legislative branch on the policy agenda, and the greater the decentralization of the decision-making process, the smaller the incentives for parties to join coalitions. *Ceteris paribus*: the greater the opportunity in the legislative branch for parties to express their preferences on policies, the smaller the size of government coalitions.

These results are in accordance with the policy-seeking model assumed in this study, and support our main research hypotheses. Therefore, our findings reinforce the idea that offices in the structure of the executive branch are only one path, among others, used by parties to influence the policy decision-making process. The evidence presented in this study contributes to the understanding that positions in the executive cabinet are one way for parties to implement their preferences over policies, but are not the only option. In many cases, being part of government is not necessarily the best strategy for parties to aggregate their preferences into policy decisions. Being outside the government can be a better strategy for parties, particularly if they are electorally competitive.

As we show in this study, there are at least three clear advantages in assuming the premise of policy-seeking behavior of parties: 1) it considers all dimensions where parties can express their preferences; 2) it takes into consideration the role and preferences expressed by the voters, and; 3) it enables analyses of different aspects of the decision-making process, avoiding simplistic conceptions based on, for example, the idea of patronage.

As stated by Cheibub and Limongi (2011), the idea developed by Linz (1978) that presidential systems are inherently unstable is directly connected to the premise that politicians act strictly on an office-seeking perspective. According to Cheibub and Limongi, the analysis conducted by Strøm (1990) and Huber (1996) was seminal to creating a different perspective on the relationship between the executive and legislative branches. These new analyses reveal that the processes of government formation and decision-making are much more complex than they initially appeared.

As we demonstrate, rather than assuming the office-seeking perspective of party behavior, parties’ decisions to participate in government relate to their capacity to aggregate their preferences into the decision-making process. In contexts in which the opportunity to aggregate preferences into policies is restricted to cabinet participation, there are more incentives for the parties to join the government. However, where the legislative branch serves as the most important path for parties to influence the policy agenda, we expect that the proportion of parties that decide to join the government coalition will be smaller.
REFERENCES


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