

# Collective Decision Making and the Economic Vote

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## **Abstract**

Experimental evidence suggests that decision makers with proposal power are held responsible for collective decisions. In the case of coalition governments voter heuristics assign responsibility for economic outcomes to individual parties, directing the economic vote toward the Prime Minister party. Using extensive survey data from 1988 to 2010 in 28 democracies, we demonstrate that voters also identify the Finance Minister party as responsible depending on whether the coalition context exaggerates or mutes its perceived agenda power. When parties take ownership for particular policy areas and decision making is compartmentalized, voters perceive the finance minister as having proposal power and it receives a larger economic vote. Online survey experiments in Ireland and the Netherlands confirm that subjects employ compartmentalization signals to identify, and punish, coalition parties with proposal power.

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# 1 Introduction

The average member of the public, either as a voter, consumer, or investor, pays attention to how the government manages economic policy. As a result, we observe a correlation between economic evaluations and vote choice (Duch and Stevenson, 2008). Concerns about economic policy management also shape consumer and investment decisions and, for example, have contributed to some of the post-2008 volatility in macro-economic outcomes (Baker et al., 2016). Members of the public are observing government economic policy making and teasing out information about their performance. In forming their opinion about the economy, voters, who we focus on in this essay, will attribute responsibility for these economic policies. In countries with coalition governments, particularly when the Prime Minister and Finance Minister are from different political parties, attributing economic policy responsibility is challenging. Which party is responsible for economic policy management? We isolate one heuristic that signals policy making responsibility to the general public: agenda setting power. We demonstrate that under coalition governments agenda power conditions whether voters hold the Prime Ministerial or Finance party accountable for economic policy outcomes. Our point of departure is an extensive body of empirical findings suggesting that many voters identify the requisite information from coalition government decision making.

Recent scholarship suggests that voters exercise an informed coalition-directed vote. We have made advances on four fronts with respect to the relationship between voters and coalitions. First, we have gained a much richer understanding of how coalitions function. In particular, there is a recent literature, typically based on extensive data collection, suggesting that coalition policy choices reflect the outcome of an ongoing, and often complex, process of compromise amongst governing parties (Martin and Vanberg, 2014) and how this coalition governance varies cross-nationally (Martin and Vanberg, 2011; Falcó-Gimeno, 2014). Second, an emerging body of theoretically motivated empirical work suggests that voters incorporate these features of coalition governance in their vote utility functions (Duch and Stevenson, 2008; Duch et al., 2010; Kedar, 2005; Bargsted and Kedar, 2009; Fortunato, 2019). Third,

comparative scholars have assembled persuasive evidence that voters, in countries with a history of multiparty coalition governance, are informed about important features of the coalition “landscape” such as the parties that make up the governing coalition, their ideological proximity, and the party allocation of crucial portfolios (Fortunato and Stevenson, 2013; Fortunato et al., 2016, 2021). Finally, we are gaining an understanding of the mechanism for this coalition-directed vote: voters are not hyper-rational but rather they employ heuristics that are ecologically rational, i.e., these decision making shortcuts are useful given the institutional and political context in which voters find themselves (Duch et al., 2015).

These insights into coalition-directed voting are the foundation for our conjectures regarding coalition party responsibility attribution for economic policy outcomes. When ownership within a coalition for particular policy areas is clear (compartmentalization is high) responsible parties effectively have proposal power (Falcó-Gimeno, 2014). In these institutional contexts, experimental results suggest voters should rely on proposal power as a heuristic for assigning policy making responsibility (Duch et al., 2015). Evidence suggests this is the case: the PM party in a coalition government typically receives a disproportionately high economic vote (Debus et al., 2014; Duch and Stevenson, 2008, 2013; Williams et al., 2017). The conventional wisdom is that voters perceive the PM party as the main agenda setter among the parties that form a coalition, explaining why most of the economic vote is targeted toward this party.

Our results indicate that the Finance Minister party also shares some of the economic vote directed toward coalition governments when there are clear signals that this party is sharing agenda power. When the coalition government parties have clear ownership for particular policy areas voters perceive the party occupying the finance portfolio as having agenda power on issues concerning the economy. This increases the economic vote for the finance portfolio party and lowers it for the Prime Minister party. In other coalition contexts where no single party has ownership for policy jurisdictions, the portfolio agenda control heuristic is unlikely to be employed. We test this conjecture with data for 28 OECD countries over the period

1988 to 2010.

Our claim assumes that individuals interpret institutional compartmentalization as a signal of the agenda setting power of parties in coalition cabinets. We implement vignette survey experiments in Ireland and the Netherlands that randomly assign subjects to compartmentalized and collectivist coalition decision making scenarios. Subjects respond to this institutional cue as expected: they tend to reward, and in particular, punish Finance Minister parties more strongly when they observe a compartmentalized coalition decision making context.

The remainder of the paper is structured as follows: The next section briefly reviews the literature on the attribution of responsibility for collective decisions and presents our argument. In sections 3 and 4 we describe our data, discuss the methodology, and present the results. Section 5 hones in on the individual-level causal mechanism with results from two online survey experiments conducted in Ireland and the Netherlands. Finally, the last section summarizes the main contributions of the paper and concludes.<sup>1</sup>

## 2 Responsibility attribution for coalition decisions

Recent empirical studies indicate that significant numbers of voters in coalitional contexts engage in “coalition-directed voting”, i.e., tactical voting for particular parties in order to try to bring a preferred coalition to power. Kedar (2005) or Bargsted and Kedar (2009), for example, find that voters in contexts with coalition governments engage in compensational voting, meaning that certain voters vote for more extreme parties with the goal of shifting the policy position of governing coalitions closer to their ideal points. Based on data from 86 election surveys conducted in 22 countries, Duch et al. (2010) find that in 75% of these surveys more than 50% of voters make coalition-directed calculations. However, in order to exercise these coalition-directed votes, voters in coalitional contexts are faced with the challenge of mapping the observed distribution of responsibility (namely, seats won and cabinet

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<sup>1</sup>All of the replication material for this essay is available at: ...

positions held) into actual administrative responsibility within the cabinet. This presumes, first, that voters acquire information about the composition of a coalition government and, second, they translate observed characteristics of the governing coalition into shares of actual responsibility.

Voters are indeed informed about *important* or *useful* features of the coalition “landscape”. Fortunato et al. (2016) assess whether survey respondents correctly ordered their country’s various possible party dyads on a left-right continuum. They find that the historical importance of left-right in coalition formation in a country predicts the ability of respondents to order the dyads on a left-right continuum. Fortunato and Stevenson (2013) demonstrate that cabinet membership is a useful voter heuristic for inferring the policy position of cabinet parties – their analysis of 58 election surveys conducted in 18 countries finds that voters perceive cabinet parties to be more ideologically similar than parties that do not serve together in cabinet. More recently, Fortunato et al. (2021) show that voters infer parties’ policy-making responsibility using informational cues such as their roles in government or legislative seat shares. These authors convincingly argue that voters acquire “ecologically rational” heuristics that allow them to make “fast and frugal” inferences in situations in which doing so leads to correct predictions (on average, over populations).

An outstanding puzzle though is the precise decision making rule, or heuristic, that voters employ for allocating responsibility attribution to individual political parties in the governing coalition. What are these ecologically rational heuristics?

It is widely-accepted that individuals, generally, employ a proportionality heuristic – the number of votes you command in a decision making body, for example. Anderson (2000) analyses aggregate election statistics and finds that voters assign responsibility to the largest parties within the coalition: the larger the party in terms of seats the more voters can assume it was responsible for policy making in general. On the other hand, Bowler et al. (2016) find little support for the notion that voters employ Gamson’s Law of proportionality when allocating responsibility to parties in the governing coalition. Angelova et al. (2016) come to

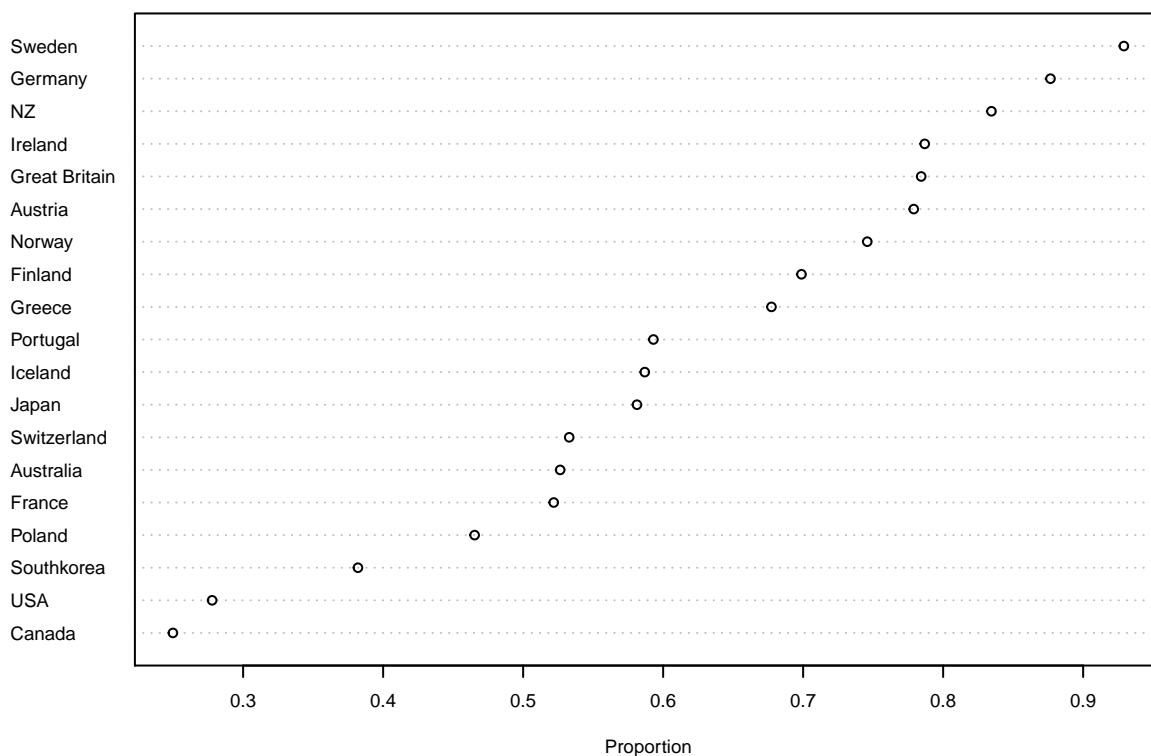
a similar conclusion that proportionality does not seem to shape the coalition-directed vote of Germans, with results coming from the analysis of the German Internet Panel (2012-2015).

Responsibility attribution for collective decision making, in fact, focuses on proposal power. Duch et al. (2015) find that individuals disproportionately focus responsibility attribution on the agenda setter — the individual with proposal power. They conduct lab experiments designed to isolate the heuristics individuals employ for holding decision makers accountable when decisions are made collectively (in their case employing majority voting rules). While surprising, the result accords well with evidence that agenda-setting power influences outcomes in voting bodies (e.g. Weingast and Marshall, 1988; Cox and Magar, 1999) as well as policy outcomes in coalition governments (e.g. Laver and Shepsle, 1996).

This has important implications for how voters assign responsibility for economic policy outcomes. Our conjecture is that responsibility for economic policy outcomes is attributed to the parties of the Prime Minister (PM) and Finance Minister (FM) that, depending on the context, share agenda setting power for economic policies in coalition cabinets (Jochimsen and Thomasius, 2014). What contextual features determine when the FM party is recognized as an agenda setter for economic policy? Although delegation of responsibilities to a strong FM is more common in single-party governments (Hallerberg and Von Hagen, 1999; Hallerberg et al., 2007, 2009), the FM party in a coalition often routinely drafts economic legislation and is the public spokesman for issues related to economic growth, trade balances, and budget balances.

Our working assumption is that voters are informed about the role played by the FM party in economic policy management. We have indirect data on the public’s knowledge about the FM party from the Comparative Study of Electoral Systems (CSES) survey (2011-2016) (The Comparative Study of Electoral Systems, 2017). Respondents to the 2011-2016 round of the CSES were asked “Which of these persons was the Finance Minister before the recent election?” (the list of choices contained the correct name in addition to three names of other cabinet ministers). Figure 1 summarizes the results for the nineteen countries in which the

Figure 1: Proportion of respondents who correctly identify the name of the Finance Minister: CSES 2011-17



question was asked. In most developed countries the voting public is quite knowledgeable about the Finance Minister.<sup>2</sup> The exception is Canada and the United States, where less than one-third of the public could identify the Minister of Finance. Also less than half of the South Korean and Polish publics made the correct choice. On the other hand, for the other fourteen countries, at least 50 percent of the public, and sometimes as much as 90 percent, could identify the Finance Minister. This suggests that the public, particularly in contexts with multi-party governing coalitions, is informed about the Finance Minister and likely knows the party to which it belongs.

We have assembled three insights into the coalition vote heuristic as it applies to economic policy: agenda power guides the voter's responsibility attribution; the FM party shares proposal power, sometimes, with the PM party; and voters are informed about the FM

<sup>2</sup>Another illustration of the public's knowledge of the FM party is Lin et al. (2017), who show that over seventy percent of a sample of the Danish population correctly identified the party of the Finance Minister.

party. But when is this sharing of proposal power likely to happen?

Institutional context signals to voters when the FM party shares proposal power for economic policies. FM parties are more likely to share agenda setting power with the PM party when cabinets operate in a compartmentalized fashion. In a compartmentalized context, coalition parties decide policy in the jurisdictions over which they have ministerial control without interfering in their partners' domains. At the other extreme, policies can be decided collectively by all coalition partners in all dimensions, regardless of the distribution of portfolios. Scholars disagree as to which of these styles prevail – some maintain that ministerial discretion is the rule and others consider it is the exception (see for instance the debate between Warwick (1999*b,a*) and Laver and Shepsle (1999*b,a*)). The internal governance of coalitions does not conform neatly into one or the other of these characterizations; rather, the extent to which decision making is ministerial or collective varies, with some coalitions tending towards the former and others the latter.

Falcó-Gimeno (2014) shows that for coalitions with members that have tangential preferences, a log-rolling of parties' ideal points is a simple way to resolve partners' differences in emphasis (Luebbert, 1986; De Winter, 2002). When each coalition member intensely cares about a particular set of issues that do not overlap with each other, compartmentalization is preferable and more likely. Specialization of preferences therefore leads to the compartmentalization of decisions. By contrast, in cases where there is greater preference overlap between partners, a collective decision making arrangement in all policy dimensions will lead to results that partners prefer over compartmentalization.

We believe that the compartmentalization of cabinet decision making constitutes one of the heuristics that the average voter acquires. Compartmentalization represents one of the “simple additive heuristics” that voters can use for inferring policy influence (Fortunato et al., 2021). The cues that matter here are those that i) are “cheaply” acquired by the average voter, ii) can be “simply” integrated into a voter's decision making calculus, and iii) can be used to “accurately” predict policy outcomes. In fact, as Goldstein and Gigerenzer



(2002) suggest, we can think of these as subconscious, effort-reducing cognitive strategies.

For the average voter, we do not assume she is perfectly informed about the internal cabinet decision making process and structure. Rather, we assume voters receive signals or cues regarding compartmentalization and they observe, or learn about, its relationship to policy-making influence in the political contexts in which they vote. Fortunato et al. (2021) find strong evidence that parties' role in government is one of the heuristics that voters acquire – this is consistent with our assumption that voters in many contexts are informed about the policy role of FM in the cabinet. The authors also find that perceived influence of, in their case, the PM party is correlated with perceived legislative seat share. Again, this evidence that voters do acquire information about the institutional context and include it as one of their “additive heuristics” is consistent with our claim that another feature of the coalition context, compartmentalization, can also be an acquired heuristic of this kind. The challenge, as Fortunato et al. (2021) quite rightly point out, is to demonstrate that in many contexts compartmentalization is a readily observable cue that has a long-term association with policy-making influence.

There is though evidence in the empirical literature suggesting that in many contexts the compartmentalization cue is readily observable by the average voter. In compartmentalized settings, the FM will take a more prominent role in public conversations about economic policy formation and implementation – the FM will be more vocal in explaining and assuming direct responsibility for economic outcomes. This would be the case for various situations such as appearances in the press, prominence in debate and question periods in the legislature, and visibility in international negotiations. In this compartmentalized setting, we assume that the FM has much greater opportunity to signal his or her agenda setting status. This is consistent with detailed insights into the cabinet decision making process provided by previous studies. Delegation to ministers (and hence to ministerial parties) is a fundamental feature of cabinet policy making and, as Martin and Vanberg (2011), point out, this of course creates the opportunity for ministers to engage in “policy signaling”. In highly compartment-

talized cabinet settings, there will be more opportunities for ministers to signal their agenda setting powers, to both the general public and of course to their electoral partisans.

This suggests that the nature, or content, of ministerial communications with the public will differ in compartmentalized versus compromise cabinet settings. We believe this is one avenue through which the public acquires this agenda setting heuristic. And although we do not directly measure this particular mechanism, there is evidence in the literature suggesting that this is a likely source. Sagarzazu and Klüver (2017), for instance, identify distinct variations in coalition party messaging through press releases that varies over the tenure of the coalition; coalition partners distinguish themselves from each other at the beginning and end of the coalition tenure period, but signal compromise with their partners in the middle. Martin and Vanberg (2008) also provide similar evidence from their analysis of legislative speeches. As the coalition tenure runs out and elections approach, governing coalition parties focus more on divisive issues that will appeal to their electoral constituencies and less on issues that the coalition parties agree on and share. Clearly there is an electoral cycle in the messaging of governing coalition parties. Our conjecture is that this messaging will also reflect the degree of cabinet compartmentalization. The messages of ministerial parties in compartmentalized contexts will signal the agenda setting power of their minister.

Therefore, when the overall compartmentalization of the coalition is high, we expect control over particular portfolios to send a strong signal as to who is responsible for particular policy areas. In these contexts, voters will have a crisper signal of agenda setting powers for economic policy attached to the party that occupies the finance portfolio. In other coalitions where ownership for specific policy remits is more blurred, the conventional view that the PM party will be identified as the sole responsible for the state of the economy is more likely to apply.

This essay demonstrates how the agenda setting power of cabinet contexts affects the party economic vote. Using surveys from multiple countries and over an extensive time period we identify how these agenda setting heuristics are employed by voters. We argue

that when the cabinet is compartmentalized, the FM party should also be identified as the proposal maker on issues concerning the economy (and hence the party to be rewarded or punished for the state of the economy).

### 3 Data and variables

Responsibility attribution, our dependent variable, is measured by the economic vote for specific parties in governing coalitions. The party Economic Vote (EV) is based on Duch and Stevenson (2008). They generate a measure of economic voting for each governing coalition party that reflects the effect of perceptions of economic performance on vote preference for these political parties. The estimates of EV in this study update their original estimates using 297 voter preference surveys conducted in twenty-eight western democracies from 1988-2010. The estimates are based on carefully specified statistical models of individual ( $i$ ) voting behavior for each  $k$  election survey. These models include a measure of subjective retrospective evaluations of the economy ( $X_{ik}$ ) along with a set of  $j$  appropriate control variables ( $Z_{jik}$ ). The probability of voting for a particular  $m$  party for an election study  $k$ , given a particular economic evaluation  $X_{ik}$  and covariate values  $Z_{jik}$ . We use the estimated coefficients (and variance-covariance matrix) from the model to produce predicted changes in party support for each survey respondent  $i$  when economic perceptions become more negative by one unit.

The magnitude of a party's economic vote then is the difference between the probability of voting for party  $m$  given an economic evaluation  $X$  and covariates  $Z$  and the probability of voting for the same party  $m$  given a changed economic evaluation,  $X'$ , and the same set of covariate values:

$$EV_{ikm} = Pr(y_{ik} = m_k | X_{ik}, Z_{jik}) - Pr(y_{ik} = m_k | X'_{ik}, Z_{jik}) \quad (1)$$

where  $m$  indexes party,  $i$  indexes individual,  $j$  indexes control variables ( $Z$ ) and  $k$  indexes

election surveys.  $X$  here represents economic perceptions and the change in economic perceptions is represented by the difference between  $X_{ik}$  and  $X'_{ik}$ . The  $m$  party economic vote for individual  $i$  in election study  $k$  is then the difference between these two multinomial logit estimated predicted probabilities:

$$EV_{ikm} = \frac{e^{\beta_{1km_k}(X_{ik}) + \sum_{j=1}^{J_k} \phi_{jkm_k} Z_{jik}}}{1 + \sum_{m=1}^{M_k} e^{\beta_{1km_k}(X_{ik}) + \sum_{j=1}^{J_k} \phi_{jkm_k} Z_{jik}}} - \frac{e^{\beta_{1km_k}(X'_{ik}) + \sum_{j=1}^{J_k} \phi_{jkm_k} Z_{jik}}}{1 + \sum_{m=1}^{M_k} e^{\beta_{1km_k}(X'_{ik}) + \sum_{j=1}^{J_k} \phi_{jkm_k} Z_{jik}}} \quad (2)$$

We defined a typical change in economic perceptions as a negative (worsening) move of one category in the perception of the economy. To obtain an estimate of the average magnitude of the economic vote in the sample, we calculated Equation 2 for all individuals in the sample (i.e., using the measured values of  $Z_{jik}$  and  $X_{ik}$ , and setting  $X'_{ik}$  to be one category worse than  $X_{ik}$ ). If the voter's economic perceptions were already at the worst category, we did not change them. The party  $m$  economic vote for each individual was then averaged to produce an estimate of the average  $EV_{mk}$  along with measures of uncertainty around these predicted change using the procedures outlined in King et al. (2000).<sup>3</sup>

The values of the 1,577  $EV_{mk}$  estimates we obtain should be interpreted as follows: the more negative the values, the larger the economic vote for a particular party. For the sake of readability, the EV variable has been multiplied by 100. After the rescaling, our explanatory variable ranges from -16 to +15, approximately.

Of particular interest in our analysis will be the EV for the parties in the governing coalition that are likely to have proposal power over economic issues. Accordingly, the measure for our independent variables is simply whether or not the coalition party holds the PM portfolio and the Finance portfolio through two binary indicators: *PM Party* and *FM Party*, respectively. The original data comes from Seki and Williams's (2014) detailed Minister Summary dataset for the period 1991-2012, which contains information on ministers whose tenure started as early as 1987 and links ministers to portfolios.

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<sup>3</sup>The R code and original data for estimating these EV is available from the authors. A more detailed description for the estimation is available in Duch and Stevenson (2008).

Our expectation is that the effect of economic agenda power on the economic vote will depend on the coalition context, whether or not it makes it easier for voters to relate government policy to the programmatic commitment of individual parties. We therefore measure the extent to which the policy preference profiles of the parties sharing office are tangential – when the primary policy concerns of coalition members do not coincide – or overlapping – when the parties making up the coalition intensely care about the same policies. Given that coalition parties tend to take over those portfolios for which they have an intense policy preference (Bäck et al., 2011), tangential preferences will lead to a compartmentalized cabinet where responsibility attribution to individual coalition parties for specific policy performances will be clearer. This is our main moderating variable.

The measure makes use of the Manifesto Project data (Volkens et al., 2014) and maps each MARPOR category, namely, the share of the party election manifesto that refers to each issue, into the 13-policy categories scheme built by Bäck et al. (2011), that approximately correspond to ministerial jurisdictions commonly found in most countries.<sup>4</sup> For each jurisdiction, we first calculate the standard deviation of the salience scores of the parties in the coalition and we average across all jurisdictions. Then, for government  $g$ , compartmentalization is measured as:

$$Compartmentalization_g = \frac{\sum_{h=1}^H \sqrt{\frac{\sum_{m=1}^{M_g} (s_{mgh} - \bar{s}_{gh})^2}{M_g - 1}}}{H}, \quad (3)$$

where  $H$  is the set of policy jurisdictions,  $M_g$  refers to the number of parties in the coalition  $g$ ,  $s_{mgh}$  indexes party  $m$ 's salience on jurisdiction  $h$ , and  $\bar{s}_{gh}$  refers to the average salience of the parties in government  $g$  on jurisdiction  $h$ .  $Compartmentalization_g$ , therefore, takes a large (low) value when the parties put different (similar) emphasis on the different policy jurisdictions. We assume that a higher average standard deviation represents a more

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<sup>4</sup>These categories are: foreign affairs, interior, justice, finance, economy, defense, labor, education, health, agriculture, industry, environment, and social affairs.

compartmentalized coalition.<sup>5</sup>

To give a stylized example, suppose that only two policies exist: X and Y. In a coalition cabinet formed by parties A and B, party A devotes 100% of its election program to policy X (and 0% to policy Y) while the stated preferences of party B only focus on policy Y (0% to policy X and 100% to policy Y). The average policy standard deviation, i.e., the compartmentalization measure, will be 70.7. In another cabinet formed by parties C and D who both care only about policy X (100% to policy X and 0% to policy Y), the coalition would score 0 in the compartmentalization measure. In a third cabinet, party E preference profile is the same as party A and party C, but party F cares equally about both policies (50%-50% for X and Y). In such a case, the cabinet would score 35.4 in the compartmentalization scale, lower than the A-B cabinet but higher than the C-D coalition.<sup>6</sup>

Finally, we control for two other measures related to the potential agenda setting capacity of the party on economic issues. First, the variable *Party Size (% Seats)* refers to the party's seat share (Anderson, 2000).<sup>7</sup> This variable can also be interpreted as a proxy for the proportion of ministries controlled by each party in the coalition – hence controlling for a possible “Gamson’s Law” effect. We also control for parties’ public pronouncements and campaign rhetoric related to the economy. The variable *Economic Profile* measures the share of parties’ manifestos that refer to economic issues following Bäck et al.’s (2011) procedure (MARPOR data (Volkens et al., 2014)).

Table 1 provides summary information of our sample, which contains a total of 700 party-government-survey observations.<sup>8</sup> Our full sample draws on information from 175 voter

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<sup>5</sup>This measure, also called tangentiality, has already been widely applied in the study of coalition governance: Falcó-Gimeno (2014) finds that highly compartmentalized coalitions tend to need less cross-partisan junior ministers to prevent ministerial drift; Klüver and Bäck (2019) show that compartmentalization neutralizes the effect of ideological conflict on the comprehensiveness of coalition contract; and Ecker and Meyer (2020) demonstrate that compartmentalization reduces the length of government formation attempts and increase the likelihood of a successful formation, as the distribution of policy responsibilities is anticipated to be less problematic and more clear-cut.

<sup>6</sup>Specifically,  $\frac{SD(PolicyX)+SD(PolicyY)}{2}$ : for the first coalition,  $\frac{70.7+70.7}{2}$ ; for the second coalition,  $\frac{0+0}{2}$ ; and for the third,  $\frac{35.4+35.4}{2}$ .

<sup>7</sup>These data are from Döring and Manow’s (2011) ParlGov database, which we also employ to identify the composition of the government.

<sup>8</sup>Note that the EVs were merged with the rest of databases on the basis of the government being evaluated

Table 1: Descriptive statistics of the key variables

		Mean/Prop.	S.D.	Median	N
<b>Full Sample</b>	Party Economic Vote	-0.113	3.462	0.070	700
	Incumbent Party	0.446	0.497	0	700
	Coalition Government	0.709	0.455	1	700
	Party Size (% of seats)	0.215	0.172	0.166	700
	Economic Profile	0.101	0.059	0.091	628
<b>Coalition Parties</b>	Party Economic Vote	-1.110	2.610	-0.531	238
	No PM & No FM	0.525	0.500	1	238
	No PM & FM	0.118	0.323	0	238
	PM & No FM	0.164	0.371	0	238
	PM & FM	0.193	0.396	0	238
	Compartmentalization	3.023	1.368	3.087	201
	Party Size (% of seats)	0.227	0.142	0.188	238
	Economic Profile	0.104	0.050	0.106	204

preference surveys conducted from 1988 to 2010 in 28 democracies, for 96 governments.<sup>9</sup>

Government parties represent about 45% of the cases and opposition parties account for approximately 55%. More than two-thirds of our cases belong to contexts where a coalition government is in office. Because both incumbent and opposition parties are included, the average party economic vote in the full sample is near zero (-0.11), but it is one unit larger for coalition incumbent parties (a unit worsening of perceived economic performance, on average, reduces the likelihood of voting for a coalition incumbent party by 1.11%).

About one-fifth of our coalition parties control both the PM and the FM. Nevertheless, 20% of the coalition parties in our sample occupy the PM without controlling the Ministry of Finance. On the other hand, around 12% of these parties control the FM but not the PM. Overall, more than a third of our FM parties did not simultaneously occupy the Prime

in vote intention and vote recall questions of the preelection and postelection source surveys, respectively. In the appendix we replicate our baseline models in a restricted sample of those observations for which we have data for all the variables included in our most complete model (N=592) to show that the comparison of the different models is not compromised by changes in the sample.

<sup>9</sup>The sample includes governments from Australia, Austria, Belgium, Canada, Czech Republic, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Latvia, Lithuania, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and UK.

Ministership. This allows us to single out the FM and PM agenda power heuristics and empirically evaluate the hypothesized FM effect on the economic vote.

Table 1 also shows that the average party in our sample belongs to a cabinet that is not too compartmentalized (score of 3 in a range from 0 to 8.2), although there is substantial variation. Finally, our coalition parties command an average of 23% of the seats in parliament and devote around 10% of their election programs to economic issues.

## 4 Results

In this section we report estimates from random effects OLS linear regression models. To correct for the dependency between the units from the same survey, standard errors are clustered at the survey level. We also use different model specifications that control for country and time effects to check the robustness of our findings.

### Baseline model

We begin by demonstrating that the electoral fortunes of government parties are associated with the state of the economy, i.e., there is in fact an economic vote. Table 2 presents the marginal effects of being a member of a single-party and a coalition government as compared to remaining in opposition and the effect of controlling the PM and the FM in a coalition government as compared to the rest of coalition partners. These estimates are based on the following OLS regressions, for party  $m$  in government  $g$ :  $EV_{mg} = \alpha + \beta_1 Incumbent\ Party_{mg} + \beta_2 Coalition_g + \beta_3 PM_{mg} + \beta_4 FM_{mg} + \beta_5 Incumbent\ Party_{mg} * Coalition_g + \beta_6 PM_{mg} * Coalition_g + \beta_7 FM_{mg} * Coalition_g + \beta_8 PM_{mg} * FM_{mg} + \beta_9 Party\ Size_{mg} + \beta_{10} Economic\ Profile_{mg} + \epsilon$ .

Variation in our dependent variable could be the result of temporal, geographic, or institutional variation that may undermine the robustness of the main findings. The economy could be of increasing or decreasing importance over time in the vote utility function and



this trend could be confounded with changes in the coalition context. This could be either a general tendency or a country-specific one. Trends in the distribution of ministries and/or compartmentalization may also be confounded with other changes in the coalition that result when the salience of the economy in elections shifts in response to economic shocks in specific years. Another concern here is unaccounted for country-level heterogeneity as, according to the ‘clarity of responsibility hypothesis’ (Powell and Whitten, 1993), some institutional contexts affect the capacity of voters to cast an economic vote (e.g. bicameralism, system of committees, etc.). Table 2 address these issues in models 3 to 5, where we add a common time trend  $T$ , a country-specific time trend  $T_c$ , and two vectors  $\gamma_c$  and  $\lambda_t$  of country and time fixed effects, respectively, in a stepwise fashion. A comparison of these models indicates only small changes in the results.<sup>10</sup>

The marginal effects reflect the change in the vote probability for a party as a result of a one unit decline in subjective economic evaluations. Hence, a negative estimate for a given party characteristic indicates the variable increases the EV. Unsurprisingly, being in government, as opposed to staying in opposition, increases a party’s economic vote. Consistent with previous literature, we also find that incumbent parties in single-party governments receive a significantly larger economic vote than those that share office in a multiparty cabinet (Duch and Stevenson, 2008).

Albeit weaker than for single-party governments, the significant negative marginal effects for participating in a coalition government confirm our expectation that coalition parties are indeed held responsible for economic outcomes – as the economy worsens, incumbent coalition parties are punished. Voters moderate their responsibility attribution for economic outcomes when there is a multiparty government in office, but the economic vote clearly persists.

As part of our effort to “unpack” this average collective responsibility attribution, we hypothesized that the economic vote in coalitions will be stronger for certain parties, those

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<sup>10</sup>Therefore, estimates presented in subsequent tables and figures take our most complete specification with year and country fixed effects as the baseline model to study the effect of compartmentalization.

Table 2: Baseline Models: Marginal Effects of Government Participation on the Economic Vote

	(1)	(2)	(3)	(4)	(5)
In a Single-Party Gov.	-6.11*** (0.66)	-5.93*** (0.69)	-5.95*** (0.69)	-5.16*** (0.67)	-5.34*** (0.70)
In a Coalition Gov.	-1.23*** (0.21)	-1.29*** (0.24)	-1.29*** (0.24)	-1.34*** (0.26)	-1.38*** (0.27)
PM in a Coalition Gov.	-2.54*** (0.49)	-2.52*** (0.51)	-2.52*** (0.51)	-2.27*** (0.53)	-2.25*** (0.54)
FM in a Coalition Gov.	-1.21*** (0.43)	-1.23*** (0.46)	-1.23*** (0.46)	-1.05** (0.48)	-1.02** (0.49)
Party Size (% of seats)	Yes	Yes	Yes	Yes	Yes
Economic Profile	No	Yes	Yes	Yes	Yes
Common Time Trend	No	No	Yes	No	No
Country Time Trend	No	No	No	Yes	No
Year FE	No	No	No	No	Yes
Country FE	No	No	No	No	Yes
N	700	628	628	628	628

Standard errors clustered at the survey level in parentheses

\*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

heuristically perceived as having proposal power. The third and forth rows of Table 2 present the marginal effects of PM and FM when the values of incumbent party and coalition government are set to 1. Controlling for party size and the extent to which the discourse of the party is attached to the economy, the party that controls the PM receives the largest economic vote and is disproportionately punished for bad economic outcomes. The evidence suggests that voters are inclined to treat the PM party as the economic policy agenda setter, which is consistent with our theoretical expectations.

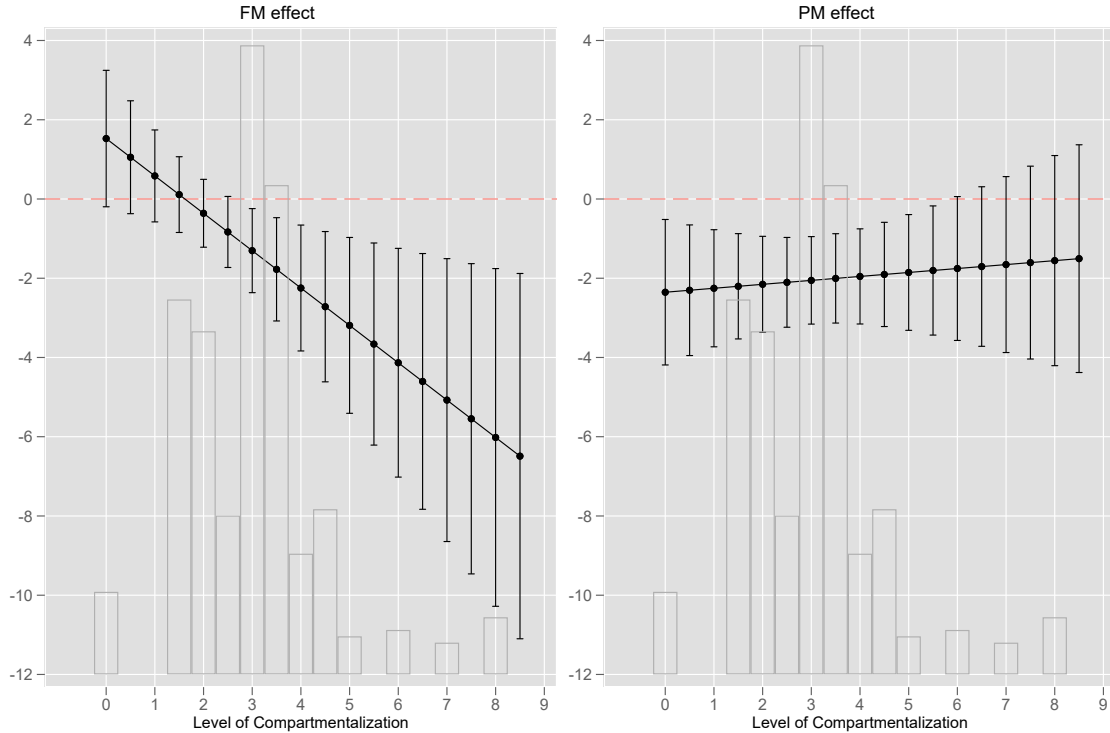
It is the case, though, that the party holding the Finance portfolio is also singled out as responsible for economic outcomes. On average, controlling the FM significantly increases the economic vote on top of what a party receives as a result of occupying the Prime ministership. Although clearly smaller than for the PM (about half the magnitude), the estimate is negative and reaches conventional levels of statistical significance. Holding the PM provides voters with a strong signal as to who sets the agenda for economic policy decisions, but occupying the FM sends a similar, although possibly weaker, signal.

## The effect of compartmentalization

The results presented in Table 2 do not take into account the coalition context. Our earlier conjecture is that features of the collective decision making in coalitions can affect responsibility attribution and that the FM party effect varies by these coalition features.

Our claim is that compartmentalization *conditions* the effect of agenda setting heuristics on who is held responsible for economic outcomes. Accordingly, we explore whether the effects of controlling the PM and the FM are conditioned on the variable *Compartmentalization*, which we include to our baseline model above along with its interaction with incumbent status, PM, FM, and the three-way interaction with PM\*FM. Figure 2 shows the marginal effect of PM and FM roles in incumbent coalitions at different values of compartmentalization. As the left-hand side plot confirms, the FM party is seen as having proposal power over the economy in most coalitions, as long as compartmentalization is not below

Figure 2: Marginal effect of holding the FM and PM in coalitions on the Party Economic Vote at different values of compartmentalization for coalition incumbent parties (95% confidence intervals)



Note: Estimates from model 5 in Table 2.

the bottom quartile. The additional economic vote received by FM parties is essentially zero in a coalition in which agenda setting power is shared across coalition parties, i.e., low compartmentalization. But as the agenda setting power in the cabinet becomes more compartmentalized, the economic vote for the FM party increases (becomes more negative).

Conversely, holding the PM leads to a larger economic vote irrespective of how agenda power is shared by coalition partners. However, as compartmentalization rises to high values – above 6 –, their economic vote falls to the point of being indistinguishable from zero. At this high level of compartmentalization the perception of agenda power over the economy for the FM is in fact larger than for the PM. That is, in compartmentalized coalitions voters cease to see the PM party as solely responsible for poor economic outcomes and focus more

attention on the FM party.

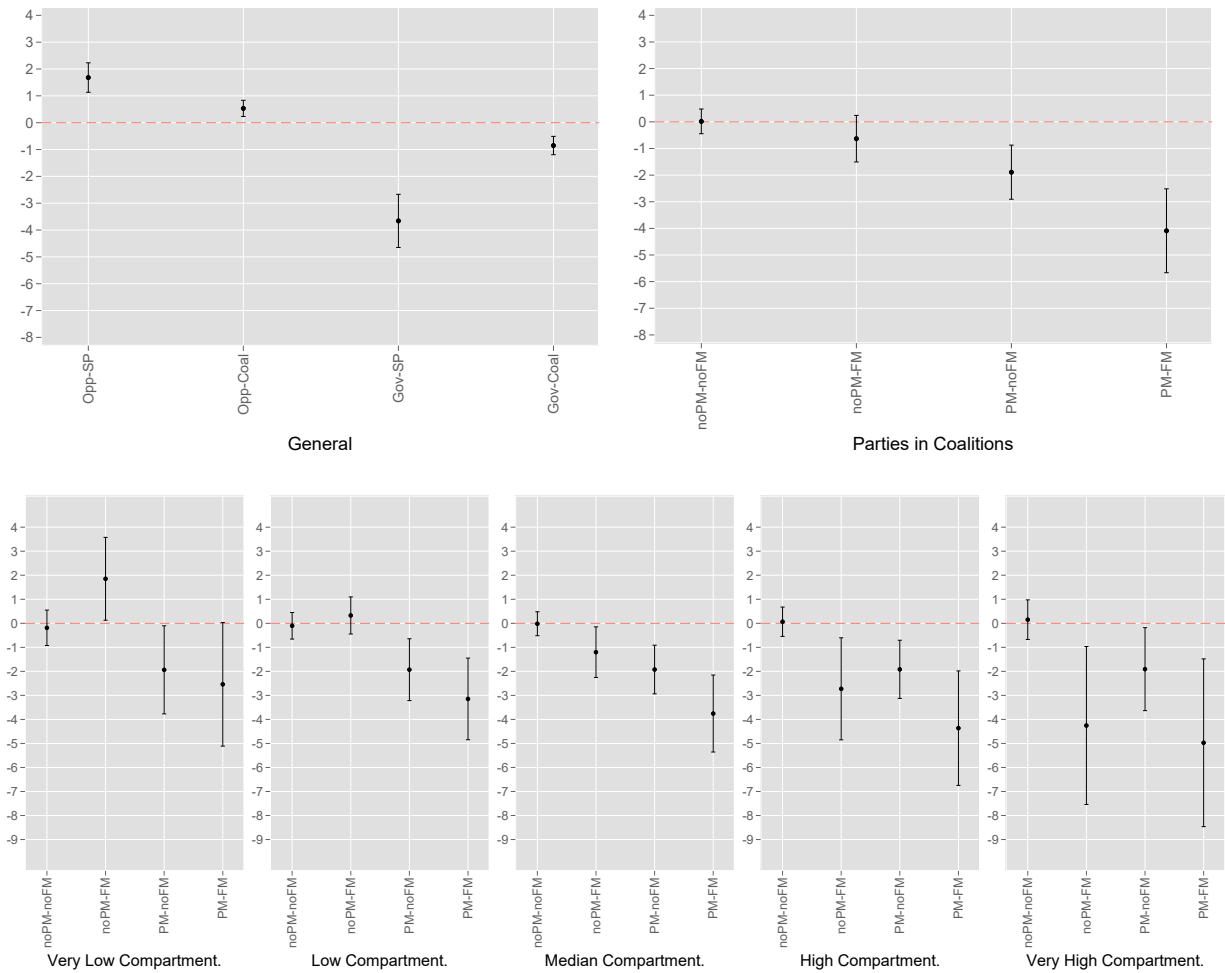
Figure 3 further illustrates the importance of agenda power heuristics. This essay proposes a novel view of voter reasoning in contexts where parties share responsibility for policy making. We focus on one policy concern that shapes vote choice: the economic vote. Does this novel agenda setting argument provide much added value? If we ignore the agenda setting context then we have the conventional assessment of the economic vote magnitude that is summarized in the first graph of Figure 3. Here we simply estimate the predicted economic vote for incumbent and opposition parties in single-party versus coalition government contexts. Clearly parties that govern alone receive a very large economic vote compared to those who share power in a coalition government (over four times larger).

But our argument is that the relatively small coalition party economic vote masks considerable contextual variation in responsibility attribution. Our contention is that voters employ information and decision-making short-cuts in order to determine how to allocate responsibility amongst parties in a governing coalition. Once we incorporate the agenda setting heuristic into the vote utility function, we obtain a much richer characterization of the economic vote. The remaining frames of Figure 3 illustrate the extent to which the economic vote is conditioned on the agenda setting heuristic. A party’s agenda setting power is determined by the portfolios it controls and the coalition context.

In the second frame we see that the largest economic vote is accorded to coalition “super-parties” that control both the PM and the FM. Voters consider these coalition parties responsible for the economy to an extent equivalent to the incumbent party in a single-party government. At the other extreme are coalition parties that neither control the PM nor the FM. For these parties the economic vote is effectively zero. On the other hand, controlling the finance portfolio, by itself, attracts a certain level of economic voting. Although weaker than for the PM, it is certainly present. In short, there is ample variation in the economic vote for parties in coalitions that is obscured if the coalition context is ignored.

The second row of frames in Figure 3 illustrates the importance of cabinet compartmen-

Figure 3: Predicted Party Economic Vote by type of government and role in coalition (95% confidence intervals)



Note: Opp-Sp – opposition party facing a single-party government; Opp-Coal – opposition party facing a coalition government; Gov-Sp – party in a single-party government; Gov-Coal – party in a coalition government; noPM-noFM – coalition party that does not control the PM or the FM; noPM-FM – coalition party that does not control the PM but controls the FM; PM-noFM – coalition party that controls the PM but not the FM; PM-FM – coalition party that controls both the PM and the FM. Compartmentalization values: very low = 0.14 (two SD below the median); low = 1.59 (one SD below the median); median = 3.04; high = 4.49 (one SD above the median); very high compartmentalization = 5.94 (two SD above the median). Estimates from model 5 in Table 2.

talization. Specifically, the five frames refer to different compartmentalization levels: two and one standard deviations below the median (very low and low, respectively), the median, and one and two standard deviations above the median (high and very high, respectively). When policy decision making in a cabinet is such that no single party has ownership for particular policy areas, responsibility attribution is focused on the PM party. The PM party has a large economic vote while the FM is completely relieved from responsibility over the economy by voters.

The third, fourth, and fifth frames in the bottom row illustrate how an increasing compartmentalization increases the economic vote of parties controlling the Finance portfolio. In the third frame where compartmentalization assumes moderate values, parties controlling the FM but not the PM see quite a dramatic rise in their economic vote. Finally, in the fourth and fifth graphs, where compartmentalization is high, controlling the FM or the PM appears to have similar implications for a party's economic vote. In fact, for very high values of compartmentalization – two standard deviations above the median – occupying the FM alone leads to a substantially larger economic vote than for a coalition party that controls the PM but not the FM.

This finding is further bolstered by Table 3, where we compare the marginal effects of controlling the PM and the FM in low and highly compartmentalized coalitions. The effect for the PM party is near -2 in both cases, but the FM effect is highly conditional on compartmentalization; it is effectively zero in coalitions where it is difficult to single out who owns specific policy areas but it is even larger than the PM effect in coalitions where compartmentalization is high.

Clearly the agenda setting heuristic matters for vote choice and compartmentalization affects how voters deploy these heuristics to hold incumbent parties responsible. When coalition parties equally share responsibility for policy areas voters tend to attribute responsibility for the state of the economy to the PM party. By contrast, in compartmentalized coalitions, where ownership for policy jurisdictions among parties can be singled out more easily, voters

Table 3: Marginal Effects of holding the PM and FM at different compartmentalization values

	Compartmentalization	
	Low	High
PM	-2.19*** (0.66)	-1.91*** (0.66)
FM	0.03 (0.47)	-2.71*** (0.96)
N	592	

Compartmentalization values: low = 1.59 (one SD below the median); high = 4.49 (one SD above the median)

Estimates from model 5 in Table 2

Standard errors clustered at the survey level in parentheses

\*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

appear to see the coalition as more minister-led and perceive the FM party as equally, if not more, responsible for the economy than the PM party.

## Robustness checks

In the appendix to this article we also control for a series of characteristics that have been found to condition responsibility attribution for economic outcomes and that might not be accounted for with temporal trends or year and country fixed effects (e.g Hobolt et al., 2013). Factors such as the minority/majority status of the government, the difference in the size between coalition members, ideological cohesion within government, the presence of a separate ministry for economic affairs, or the independence of the central bank may limit the finance minister capacity to influence the economy and correlate with compartmentalization. In Table C1 we show that the comparison between low and high compartmentalization contexts with respect to the effect of occupying the PM or FM yields remarkably similar results. The PM party tends to receive a large economic vote irrespective of the coalition context, while the attribution of responsibility to the party that holds the Finance portfolio



largely depends on compartmentalization..

Our main findings are therefore robust to a variety of alternative model specifications; the effects are not dependent on other differences between governments or countries driving the results nor are confounded with temporal trends or specific shocks.

## 5 Experimental evidence

Our analysis of the economic vote based on survey data confirms that the economic vote for the FM party is conditional on signals regarding the FM party’s agenda setting power. And this is very much consistent with the experimental evidence that the agenda setter is held responsible for collective decisions (Duch et al., 2015). A missing link at the micro-level is the identification of the causal effect of a signal regarding compartmentalization on responsibility attribution. Does compartmentalization signal the strength of a party’s agenda setting power?

The goal is to isolate the effect of a compartmentalization signal on a subject’s decision to hold FM parties responsible for economic outcomes. We implement a simple vignette experiment in order to assess the plausibility that individuals respond, as conjectured, to the agenda setting signals. Random assignment to treatments should provide insights into whether signals regarding compartmentalization condition responsibility attribution in coalitions. Vignette experiments have been used extensively to try to tease out causal factors shaping vote choice (e.g., Kayser and Grafstrom, 2019; Healy and Lenz, 2014). There is evidence that these vignettes accurately reflect public attitudes (Hainmueller et al., 2015). But there is also considerable evidence suggesting that, while vignette experiments may accurately capture individual opinions and norms, they do a poor job of actually accounting for vote choice (Boas et al., 2019; Banerjee et al., 2014; Incerti, 2019). Hence our claims here are modest – we believe the treatments in our vignette experiment can lend credence to our claim that individuals respond to a compartmentalization signal when they engage in

attribution responsibility. We isolate this treatment effect with hypothetical decisions. In the actual vote decision, of course, a variety of competing signals come into play and could very well moderate the treatment effects we observe here.

These vignettes are introduced with subjects being informed that they can earn money by reading a short scenario and then responding to a few questions. Each scenario begins with the following information: “There are three political parties in this short scenario. The three parties share power equally in a coalition government – each party has an equal number of cabinet portfolios. Party Alpha is the party of the Prime Minister. Party Beta is the party of the Finance Minister. And Party Gamma is the party of the Minister of Foreign Affairs.”

Subjects are then randomly assigned to one of four scenarios described in Table 4, which vary on two dimensions. Most importantly for our conjecture, they differ in terms of compartmentalization. Our expectation is that FM party accountability for the economy will be higher overall in a compartmentalized scenario than in a collective scenario.

There are then two versions of both the compartmentalized and collective treatments; each has a version in which the PM party announces the policy priorities and one in which the Finance Party does so. Random assignment to these two versions tests whether subjects simply respond to the messenger prime or whether in fact compartmentalization is driving their responsibility attribution, increasing our confidence in the robustness of any observed compartmentalization treatment effect (Dafoe et al., 2018).

After each scenario, subjects are asked to evaluate each of the three parties given that the economy performs either above or below expectation.<sup>11</sup> The expectation is that subjects will hold the FM party most responsible for economic outcomes in the compartmentalized treatment, regardless of who announces the economic policy.

Subjects make decisions in two rounds of this vignette experiment – one in which the economy improves and one in which it deteriorates.<sup>12</sup> In each round, subjects are randomly

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<sup>11</sup>The question was: “As a voter how would you evaluate Party Alpha [Beta/Gamma], the Prime Minister’s [Finance Minister’s/Minister of Foreign Affairs’] party, for an economy that performs above [below] expectations?”

<sup>12</sup>In the positive [negative] version subjects are told: “We are interested in how voters would react to this

Table 4: Treatment conditions

	PM Announcer	FM Announcer
Collective	<b>The Government, consisting of Party Alpha, Beta, and Gamma,</b> commits to one overarching goal that is promoting growth and creating jobs. They jointly draft government tax and spending policies that they collectively agree to implement. These government priorities of promoting growth and creating jobs are then announced to the public by the <b>Prime Minister from Party Alpha.</b>	<b>The Government, consisting of Party Alpha, Beta, and Gamma,</b> commits to one overarching goal that is promoting growth and creating jobs. They jointly draft government tax and spending policies that they collectively agree to implement. These government priorities of promoting growth and creating jobs are then announced to the public by the <b>Finance Minister from Party Beta.</b>
Compartmentalized	<b>The Finance Minister from Party Beta</b> commits to one overarching goal that is promoting growth and creating jobs. The Finance Minister drafts government tax and spending policies to be implemented. These government priorities of promoting growth and creating jobs are then announced to the public by the <b>Prime Minister from Party Alpha.</b>	<b>The Finance Minister from Party Beta</b> commits to one overarching goal that is promoting growth and creating jobs. The Finance Minister drafts government tax and spending policies to be implemented. These government priorities of promoting growth and creating jobs are then announced to the public by the <b>Finance Minister from Party Beta.</b>

assigned to one of the four vignettes treatments described above. Of interest here is whether the compartmentalization effect exhibits any asymmetry since there is some evidence in the literature that economic voting is stronger in response to a deteriorating economy (Park, 2019).

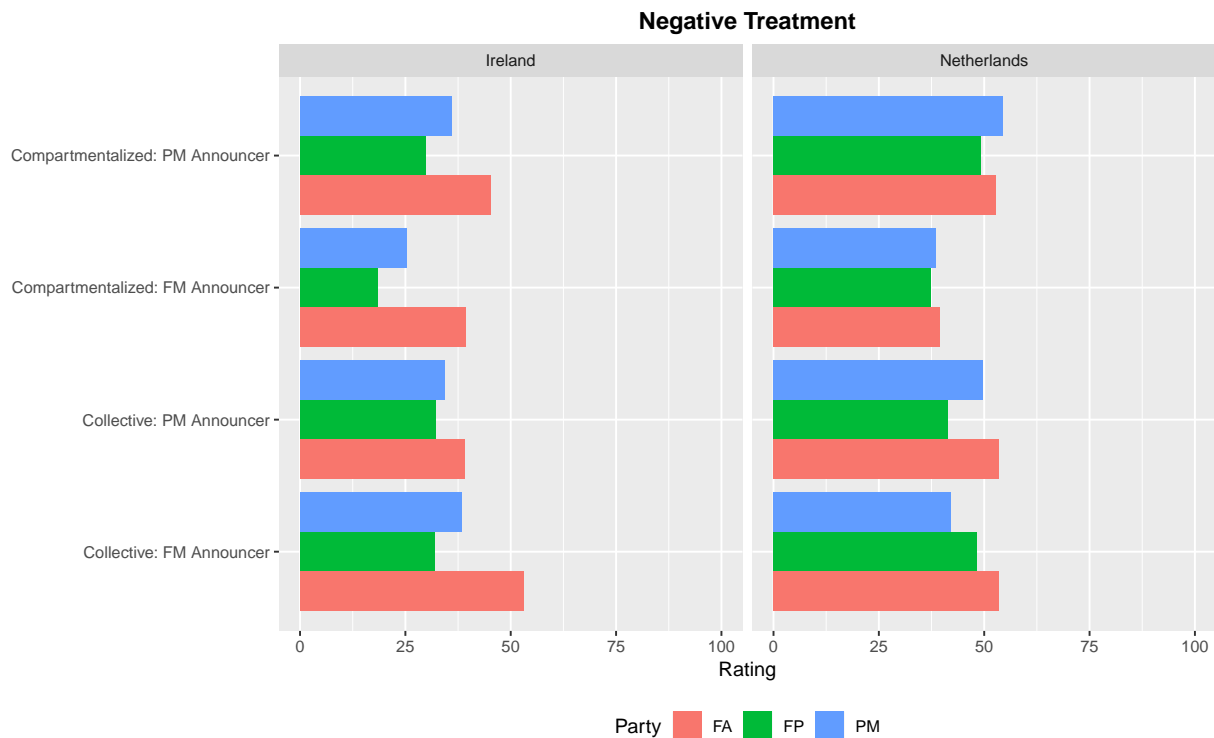
We conduct these online experiments in Ireland and the Netherlands, different national contexts where subjects are likely to have some familiarity with government coalitions. The incentivized experiment is conducted with two subject pools: the Nuffield CESS Online subject pool in Ireland (N=97); and the ResponDi subject pool in The Netherlands (N=80).<sup>13</sup> Randomization worked properly; in each country we have roughly equal numbers in each – in the appendix we present balance statistics for the treatment groups.

The results are mixed although there is clear evidence supporting our conjecture regarding the compartmentalization signal. One striking results is the difference between the economic performance conditions (subjects made decisions for both an improving and deteriorating economy). For the improving economy condition we find very little treatment effects in both government when the economy performs above [below] expectations — so when GDP growth is much higher [lower] than normal and unemployment rates drop [rise] to very low [high] levels.”

<sup>13</sup>Details of the implementation of the survey experiment are provided in the online supporting information.

countries.<sup>14</sup> There is however evidence supporting our conjecture for the negative economy condition, as summarized in Figure 4. The party responsible for Foreign Affairs is always attributed the least responsibility for economic outcomes, the FM party is consistently held most accountable, and the PM party is consistently accorded levels of responsibility that fall between the FM party and the Foreign Affairs party.

Figure 4: Compartmentalization Treatment Effects: Ireland and The Netherlands 2019



Note: Reported here are the results for the Irish (left graph) and Dutch (right graph) Treatment Effects. These are the results of the negative economic scenario. N=97 for Ireland and N=80 for The Netherlands.

Irish results for the negative economic condition are all consistent with our expectations. The FM party receives the most negative evaluations in the first two rows of graphs with the compartmentalized treatments. And amongst these two compartmentalized treatments, the scenario in which the Finance Party announces the policy, generates the most negative evaluation of all four scenarios. The Irish results on balance confirm that when voters observe

<sup>14</sup>See Figure E1 and Table E1 in the appendix.

signals that coalition cabinet decision making is compartmentalized, they are more likely to hold the FM party accountable for economic outcomes.

For the Dutch negative condition, the magnitudes of the evaluations across the three parties are as expected – the Finance Party tends to get most of the blame; Foreign Affairs gets the least blame; and the PM party falls in between these two. The one treatment in which we expect the Finance party to receive the most blame – the compartmentalization-FM announcer treatment – in fact does receive the lowest evaluation across all parties and treatments. On the other hand, overall, the punishment for the FM Party in the compartmentalization treatment is not as significantly different than the collective one as we would have expected, and as we observed in the Irish case.

Table 5: Compartmentalization Treatment Effects for Negative Economic Outcomes: Ireland and The Netherlands

	Rating of Finance Minister Party		
	Ireland	Netherlands	Pooled
Collective: PM Announcer	0.125 (7.38)	-6.796 (8.65)	-2.806 (5.59)
Compartmentalized: PM Announcer	-2.098 (7.54)	1.099 (8.10)	-0.397 (5.48)
Collective: FM Announcer	(ref.)	(ref.)	(ref.)
Compartmentalized: FM Announcer	-13.65* (7.67)	-10.71 (9.77)	-12.67** (6.00)
Fixed Effects (Netherlands)			15.87*** (3.86)
Constant	31.94*** (5.80)	48.18*** (6.43)	32.12*** (4.68)
R <sup>2</sup>	0.052	0.031	0.131
N	97	80	177

Standard errors in parentheses

\*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$

Table 5 reports the OLS regression results with the evaluation of the FM party as the

dependent variable and treatments as the independent variables. Again, the Irish results are most consistent with our expectations: the FM party is more strongly punished for a deteriorating economy under the compartmentalization condition, even in the case when the messenger is the PM Party. Note that, given the reference category, the negative effect of the treatment compartmentalized-FM announcer is attributable to compartmentalization alone. In the Dutch case, we see a similar negative treatment effect in magnitude, although not statistically significant. When we increase power by pooling both the Irish and Dutch samples, we see that, holding the announcement by the FM constant, compartmentalization significantly reduces the rating of the FM party by 13 points in a 100-point scale ( $p < .05$ ).

The magnitude of the treatment effects differs for these two countries — one might speculate that institutional context matters here in that, for example, the Finance Minister in the Netherlands is more constrained by a strong legislature. And as Fortunato et al. (2021) point out, strength of legislatures seems to be a easily acquired voter heuristic. But these are convenience samples with relatively small numbers of participants and hence a variety of factors could be in play here. Future experimental efforts based on much larger and representative samples would help us better understand how context might be conditioning similarly designed treatment effects.

The vignette experiment has explored whether signals regarding the compartmentalization of a coalition trigger higher levels of blame or approval for coalition parties responsible for economic outcomes. The results from these vignette experiments confirm that subjects, particularly in Ireland, but also, to a lesser extent, The Netherlands, respond to these signals in a way consistent with our overall argument. A caveat that possibly speaks to the ongoing debate regarding asymmetric economic voting (Park, 2019) is that we only find large treatment effects for the vignette scenarios in which the economy is doing poorly.

## 6 Conclusions

In their path-breaking article on clarity of responsibility, Powell and Whitten (1993) identified the challenge that coalition governance posed for modeling vote choice in countries with multi-party governing coalitions. Since then, comparative politics has made significant advances in our understanding of how coalition governance functions but also with respect to how voters hold coalition parties accountable for outcomes. This essay builds on these rich insights. We focus specifically on the coalition-directed economic vote: how voters hold coalition parties accountable for economic policy outcomes. Our contribution to this growing literature is to demonstrate how voters deploy an agenda setting heuristic in order to attribute responsibility in coalition contexts.

A challenge in the literature on coalition-directed voting is identifying those ecologically rational heuristics deployed by the average voter (Fortunato et al., 2016). Duch et al. (2015) provide experimental evidence suggesting that agenda power is an important heuristic for responsibility attribution. The decision maker in a collective decision making entity with proposal power tends to attract a disproportionate amount of the blame or reward from those who are materially affected by these decisions.

The interesting puzzle is determining whether this agenda setting heuristic is useful for, and hence deployed by, the average voter. First, we provide empirical support for the conjecture that voters accord agenda setting power to specific coalition parties. The Duch et al.’s (2015) experimental results suggest that a party’s economic vote should be shaped by its ability to control the agenda for economic outcomes. Our results suggest that the PM party is perceived as having agenda power; but they also suggest that voters perceive the party in charge of the Finance Ministry as an economic policy agenda setter.

Our second contribution is novel in that it explores how the coalition context can condition responsibility attribution. We argue that there are features of coalitions’ decision making that can either exaggerate or mute responsibility attribution accorded to the agenda setters. Building on Falcó-Gimeno (2014) we argue that cabinet decision making can be structured

in a compartmentalized fashion where coalition parties take ownership for particular policy areas. In this case we conjecture that the proposal power that accrues to individual ministers is enhanced and we expect to see the FM party receiving a relatively large economic vote. By contrast, in the case where coalition decision making is collective and parties have an overlapping association with policy areas, the agenda setting power heuristic attached to the FM role is reduced which results in a smaller economic vote for this party.

Our empirical results confirm the initial conjecture. In all coalitions, irrespective of the particular context, the Prime Ministerial party receives the largest economic vote, especially when it simultaneously occupies the Finance ministry. Controlling the finance portfolio by itself, though, does also increase the economic vote, which endorses the idea that agenda setting power over economic issues is shared between different parties in coalition governments. Moreover, cabinet contexts in which responsibility is compartmentalized, provide voters with an even clearer signal regarding the agenda power of the party controlling the Finance Ministry. Accordingly, we find that in compartmentalized coalitions Finance Minister parties that do not control the PM have a high economic vote. In fact, it appears that as compartmentalization rises, voters' perception of the Finance Minister party's economic responsibility increases at the expense of the Prime Minister party's responsibility.

Our analysis of extensive survey data indicated that voters employ cabinet compartmentalization as a signal to determine whether a party has agenda setting power. A missing element here is the causal effect of the compartmentalization signal at the individual level. We implement online survey vignette experiments in Ireland and the Netherlands that isolate the causal effect on coalition party evaluations of this compartmentalization signal. While hardly definitive, the results from these online experiments, particularly in the Irish case, support our conjecture and hint at how the FM role and compartmentalization signal to voters the agenda setting power of governing coalition parties. More generally, though, they suggest a direction for efforts to vary, experimentally, institutional and process contexts in such a way that they reflect the cues average voters receive regarding coalition governance,



and causally identify how institutional factors condition the economic vote.

This evidence that agenda setting signals condition responsibility attribution — as opposed to other heuristics that voters might deploy — has important implications for understanding coalition politics. It suggests that coalition parties can anticipate different electoral consequences from economic shocks depending on the compartmentalization of coalition policy making. When the Finance Minister and Prime Minister are from different parties, one might expect a certain electoral damage control on the part of the PM. In fact, as we show, the likelihood that the FM Party bears the brunt of responsibility for an economic shock is very much conditional on whether it is perceived as the agenda setter. We know that during recent economic shocks many incumbent governments were relatively unscathed in post-recession elections (Kayser and Peress, 2012). Speculating here, the proposal power of Finance Ministers may help explain when coalition government parties are, or are not, punished electorally for serious economic shocks.

A strong agenda setting signal should bring fiscal policy into closer alignment with voter preferences. More so than other parties in the governing coalition, the Finance Minister Party, when the agenda setting signal is strong, has an interest in positive macro-economic outcomes. This can lead to more sound fiscal policies. As many have pointed out, the increased diversity of groups represented in coalition governments tends to inflate budget spending (Bawn and Rosenbluth, 2006; Persson et al., 2007). The agenda setting signal may constitute one of the institutional features of cabinet governance that moderates these inherent pressures in coalition government (Martin and Vanberg, 2013). On the other hand, a Finance Minister (subject to a strong agenda setting signal) can benefit from electorally opportunistic fiscal policies. Again, speculating, variations in this agenda setting signal may contribute to the unique Political Business Cycles that characterize cabinet governments (Fortunato and Loftis, 2018).

We have portrayed the agenda setter context as being relatively static. It might not be, particularly during an economic crisis. As Herzog and Jankin Mikhaylov (2020) demonstrate

in the Irish case, financial crises that seriously constrain government budgets can shift proposal power from the Finance Minister to the Prime Minister. Hence, we may in fact observe opportunistic public spending occurring as a result of economic shocks that undermine the agenda setting power of the Finance Minister.

All of this is to suggest that, being perceived as an agenda setter, can be advantageous for Finance Minister parties, although this depends on the economic and political circumstances. Also a strong agenda setting context with the Finance Minister and Prime Minister from different parties can be incentive compatible with responsible fiscal policies. But again this will likely be contingent on political and economic circumstances. Our contribution is to make a strong case for including the agenda setting context as an important contributing factor to these outcomes. Clearly further research is required to better understand how perceived proposal power shapes the Finance Minister's management of economic policy.

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