

1. Introduction

The political process is, to a large extent, the process of making, maintaining, and breaking coalitions. Not surprisingly, therefore, coalitions have attracted considerable attention among students of politics, although most research on coalition behavior is focused on coalition formation, while only scant attention is given to coalition maintenance and coalition termination. I believe this is unfortunate, because the interdependence of these three aspects of coalition behavior makes a complete explanation of any one aspect impossible without reference to the other two. One objective of this study is to contribute to the construction of a complete theory of coalition behavior.

The second, equally important, objective is to present a systematic, rigorous test of the theory using a 'real world' political setting. By doing so, it is possible to evaluate the inadequacies of the theory, while also clarifying the pattern of coalition behavior in an important political system.

Too often these two objectives form the core of competing rather than concurrent approaches to the study of politics. This is unfortunate since neither empiricism nor theory can stand alone. Empiricism, without a guiding theory, offers no means of distinguishing true patterns from spurious relationships. As a result, empirical studies cannot explain behavior, although they may accurately describe and even predict political phenomena. Conversely, a theory without the support of rigorous empirical evidence may constitute an elegant structure, but it tells us nothing about the political behavior of real people. Only by applying rigorously derived theories to rigorously derived data can we begin to judge and understand the patterns of political behavior.

The coalition theory developed here takes as its point of departure the assumption that a participant's behavior in one coalition has a direct bearing on that participant's future influence and future access to new coalitions. As a consequence of this assumption, cooperation with one's coalition partners is not in the best interest of coalition participants who hope to increase their future influence. On the other hand, extreme competitiveness is not in their long-term interest either, although it is the best strategy for coalition members interested in short-term gains. The ideal strategy for those who seek long-term increases in their influence is shown to be a mixture of competition and cooperation.

From the assumptions of the theory it is not only possible to specify the ideal strategies actors should follow to achieve long-term or short-term increases in their political influence, but also to specify why some actors might rationally deviate from the apparently ideal strategy. This is accomplished by linking, in a rational choice model, the research on need for

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achievement and risk-taking preferences. By doing so, the theory explains both the consequences of particular strategies and the strategic inclinations of individual decision-makers.

In addition to exploring a new approach to coalition politics, this book suggests new interpretations of political behavior in the specific empirical setting that is investigated. That setting is the Indian political party system between 1967 and 1971 – a period of widespread and extremely diverse coalition politics. Because the theory on which this study is based is intended as a general explanation of coalition behavior, I have deviated from the focus of many earlier studies of Indian party politics. While previous studies of coalition politics in India examined either several parties in one state, or one party in several states, this study explores the coalition behavior of six All-India parties in seven states. To a lesser degree, it also investigates the role of regional parties and splinter groups in several coalitions that existed between 1967 and 1971. An exploration of so large a data base makes it possible to distinguish between general patterns of coalition politics and the idiosyncracies of politics in particular locales, or among particular parties and leaders.

More significantly, the theory suggests an explanation of the outcome of several elections in India without exploring the very complex patterns of caste, regional, and linguistic influences on voter preferences. Instead, the exchange of legislative seats is accounted for with considerable precision from knowledge of the strategic preferences of decision-makers, the organizational capabilities of their parties, and differences in the level of need for achievement possessed by the leaders of each party. That is, a very significant proportion of the variance in the success parties have had in Indian elections, at least since 1967, is explained by differences in the political ‘styles’ of their leaders. This is true even when virtually nothing is known about the characteristics of the constituencies they contest.

This book also attempts to reconcile the apparent inconsistencies that exist between the ideological declarations of such disparate parties as the Jana Sangh and the Communist Party of India with their joint membership in coalition governments. In doing so, evidence is offered to suggest that coalition benefits such as access to the machinery of government, patronage, and exposure in the media were sufficiently appealing to help these parties put aside their ideological differences. In fact, it will be shown that ideology played only a minor role even in the decision of the ‘opposition’ parties to exclude the Congress Party from their coalitions.

Finally, by linking a general theory of coalition behavior to Indian politics I hope to encourage additional research that applies systematic theories and methods to the study of Indian politics, while also encouraging further explorations of the implications of the specific theory presented here.

2. A theory of coalition behavior

Under what circumstances do political parties join coalitions? Why are coalitions with some parties preferred to coalitions with other parties? What benefits can a political party derive from membership in a coalition?

The answers to these questions are far from clear. They vary from party to party and from time to time, but they do not vary solely in response to the idiosyncracies of each particular political party, or each particular political situation. Instead, systematic relationships among the goals, the strategies, the skills, and the personalities of the leaders of political parties influence their response to these questions. The identification and exploration of those relationships is the principal objective pursued in this chapter.

The search for theoretically meaningful relationships requires that certain restrictive assumptions be made. One such assumption is that all political parties want to maximize their long-term influence over the decision-making process.¹ This is not to say that there are not other goals which political party leaders might prefer, but even if they prefer other goals, political party leaders act as if this is their preferred goal. There are several reasons for them to act thus. No political party can hope to accomplish its goals unless it has sufficient influence over the decision-making process to manipulate the outcome of conflictual issues, especially with respect to the identification of governmental priorities and the allocation of resources. No political party can hope to exert a continuous impact on the decision-making process if it expends all of its influence in the short-term pursuit of some objective. Consequently, the preservation of a political party's long-term ability to exert influence is a prerequisite for the continued pursuit of other goals. The maximization of its influence in the long run is instrumental in increasing the probability that its pursuits end successfully. Thus, this goal must be pursued if parties are to have any hope of fulfilling their other political objectives.² Before undertaking an examination of the relevant theoretical, empirical, and experimental research which has already been done, it is necessary to define some basic terms.

The most essential concept used in this study is the notion of a coalition, which I define as a group of individuals (or group of groups) who share at least one goal and who agree to pool at least some of their resources in pursuit of that shared goal.³ If the members of a coalition pool a sufficient quantity of resources to insure the attainment of their shared objective, then they belong to a winning coalition. If they are unable to achieve their shared goal, then they belong to a losing coalition.⁴ A losing coalition can exist even if there is no winner, and of course, a winning coalition can exist even if there is no loser. Both winners and losers must exist only when the shared goal involves the distribution of private goods.⁵ If the shared

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goal only involves the provision of collective goods, then winners and losers need not both exist.⁶

The provision of collective goods comprises an important set of goals sought by political coalitions. It is not a concern of the theory presented here, however, except to the extent that private goods are distributed in such coalitions as side payments stemming from the pursuit of the shared objective.⁷ The theory is concerned with coalition behavior in competitive situations where the existence of a winner necessitates the existence of a loser.

Conditions encouraging coalition formation

In competitive situations, such as political contests, groups vie for control of scarce resources. In all such situations there are rules which specify, at the absolute minimum, the conditions which a contestant must satisfy in order to control those resources.⁸ No participant can win without satisfying the demands established by the rules. In parliamentary democracies, for example, the rules often stipulate that a group must control a majority of seats in parliament before it can form a government. Whatever the specific rule may be in a particular contest, the important point is that competitive systems always define winning in terms of control of some specified resource, such as a particular number of supporters, a particular set of supporters, a particular skill, and so on.

When a single actor in the political arena satisfies the conditions required of a winner, then it has no incentive to join a coalition. That is, when an actor's relevant resource pool, or size, is large enough to give it monopoly control over decision-making, I assume that it does not share that control with anyone else.⁹ If no solitary group is large enough to satisfy the requirements for winning, then a coalition is likely to form. When a coalition satisfying the rules for winning forms, the members control the allocation of the scarce resources. When a group of political actors form a winning coalition, all political groups outside their coalition can be deprived of any influence over the allocation or utilization of the scarce resources. Consequently, political contestants are better off in a winning coalition, even though they are required to share control over the benefits they secure, than in a losing coalition in which they gain nothing and in which they may be deprived of valued resources. Of course, actors are assumed to be better off outside a coalition if their individual size is sufficient to render them in control of the resources they desire.

If the conditions in a political system require that a coalition form, then each participant in that system must consider its utility in not joining any coalition, or joining one coalition in preference to another. In order for coalition members to maximize the probability that their preferences will

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be accomplished, the political actors must determine what the optimal strategic choices are.

Each political participant must know the extent to which it is willing to sacrifice its ideological or programmatic objectives when it is part of a government in exchange for increased success in acquiring the resources that bring it closer to monopoly control over future governments. Conversely, each participant must know the extent to which it will sacrifice its future size for the gratification that follows from immediate fulfillment of a specific policy objective. Without this knowledge, political actors cannot estimate the costs involved in choosing among options. This information alone is not sufficient to select a course of action.

Political contestants must estimate the impact each of their options would have on the probability that their goals will be fulfilled. They must be able to estimate the advantages and the disadvantages of each of their coalition options, including the merits of not joining any coalition at all. These estimates must not be based solely on the degree to which potential allies' goals are the same as one's own. If this were done, other variables which are crucial in selecting coalition partners would be ignored. The political skill and resources of one's potential partners is, for instance, of paramount importance in choosing among alternatives. All other things being equal, the probability of succeeding is directly related to the skills which can be brought to bear in pursuing particular goals. If the most skillful actors have opposing preferences, however, then selecting skillful partners may prove a hindrance rather than an aid in fulfilling one's own goals. Conversely, incompetent partners cannot be of much use even if they are willing to commit themselves to one's own goals. In fact, if they are sufficiently incompetent, or if skillful partners are sufficiently antagonistic to one's own preferences, then it may be more reasonable to join no coalition than to join a coalition whose net costs are greater than the costs of losing alone. In fact, I assume that the worst any political actor can ever be expected to do is to suffer the losses it would experience if it were in a coalition by itself.¹⁰

Coalitions that combine sufficient skills and resources to win, with complete agreement on priorities and principles, are rare, if not completely nonexistent. Consequently, coalition theories focus on rational decision-making in the face of incompatibilities among the participants. The resolution of these incompatibilities must be confronted during three stages of coalition politics: the coalition formation stage; the maintenance stage; and the termination stage. Each stage requires an assessment of the strategies to be employed, the benefits that can be acquired, and the liabilities attached to coalitions.

The questions one is likely to investigate during these stages are related to the effects that particular actions have on the characteristics or attributes

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of coalitions. In studying coalition formation, for example, one is likely to inquire as to the size of a coalition, the differences in the resources of its members, the characteristics of the actors excluded from the coalition, and so on. Most of the coalition literature is concerned with coalitions as dependent variables, and especially in terms of coalition formation.¹¹

When one studies coalitions as on-going entities during the coalition maintenance stage, coalitions are treated as independent variables. They, along with many other variables, help account for such things as changes in the relative size of political parties, and in assessing shifts in attitudes and perceptions among political parties.

Coalitions in the maintenance stage also serve as intervening variables. For example, one might investigate the impact a party's leaders' general outlook has on the party's prospects for future growth, given that the party belongs to a winning coalition. If it is a very competitive party and it is in a winning coalition, is it likely to increase its size more rapidly than a very cooperative party in the same coalition or than a very competitive party in a losing coalition?

When coalitions are viewed as independent or intervening variables, they become entities which can contribute to an explanation of a wide variety of political processes. This aspect of coalitions cannot be understood until we understand the conditions which prompt political parties and other participants in the political arena to join coalitions in the first place. As a result, it is necessary to examine the literature on coalition formation for any insights it may suggest about coalition maintenance.

The episodic condition

In broad terms, the behavior of decision-makers is constrained by the resources at their disposal, the goals they pursue, and the political environment in which they function. When decision-makers cannot achieve their goals without forming a coalition, they naturally attempt to identify and join the coalition that is best for them. Within this context, most theories of coalition formation focus on the identification of each actor's best coalition: that coalition which maximizes their share of the payoffs and thereby increases the probability of achieving their goals.¹²

Which particular coalition, or set of coalitions, can maximize an actor's payoffs depends upon the particular environmental constraints that exist in the system and the particular distribution of resources that exists among the actors. Variations in these two conditions provide the basis for different coalition formation theories. Some theories, for example, are concerned with coalition formation in political environments that approximate the competitiveness of a zero-sum game.¹³ Others focus on whether the total

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payoff available to any winning coalition is equal to the total payoff available to any other winning coalition, or whether they vary as a function of which actors are excluded from the winning coalition.¹⁴ Still others are concerned with the effects that ideological differences have on the preferences actors express for different coalition options.¹⁵

One set of assumptions found in virtually all theories of coalition formation is that members of winning coalitions cooperate with each other in pursuit of whatever payoffs can be won, and compete against the losers to prevent them from securing any benefits or from withholding any losses.¹⁶ All political actors are assumed to compete for membership in their best winning coalition during the coalition formation stage, but during the coalition maintenance stage, the members of the winning coalition are assumed to cooperate with each other in pursuit of their shared objective.

A consequence of these shared assumptions is that coalitions are viewed as short-term agreements intended to facilitate the fulfillment of some limited objective. Of course, the members of a coalition have additional goals with which their coalition is not concerned, and which are frequently the source of serious incompatibilities among partners in a winning coalition and provide the basis for the instability manifested by most coalitions. The presence of incompatible goals threatens the existence of any coalition and in many cases, proves to be the undoing of winning coalitions, sometimes prompting their termination even before the shared goal is accomplished.¹⁷ Since all political groups necessarily have at least some incompatibilities, it is necessary for coalition theorists to introduce assumptions which make winning coalitions a viable means of fulfilling shared goals.¹⁸ This viability is established by assuming that coalition partners set aside, albeit temporarily, the quest for their unshared goals.

‘The stability of a coalition requires *tacit neutrality* of the coalition on matters that go beyond the immediate prerogatives. This makes the pursuit of power itself, i.e., control over future decisions, an ideal basis for coalition formation since it is an instrument for the achievement of widely ranging and even incompatible goals. Two members may realize their mutual goal antagonisms but such decisions lie in the future and the present alliance may make both better able to achieve a wide range of goals not all of which will be incompatible.’¹⁹

Implicit in the assumption of tacit neutrality is the condition that the pursuit of the shared objectives cannot, in the long run, detract from any coalition member’s pursuit of its other, unshared, objectives. That is, the coalition’s effects are restricted to the short-term distribution of benefits to all the winners, usually at the expense of the losers. In subsequent discussions this condition is called the *episodic condition*.

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The episodic condition is useful conceptually because it provides a basis for coalition formation among groups with at least partially incompatible goals. Since the very existence of more than one political group implies the presence of some incompatible goals, it is imperative that each theory of coalition formation has a mechanism – such as the episodic condition – that provides a basis for coalition formation in the face of incompatibilities.²⁰ Unfortunately, the utility of the episodic condition is limited to political situations in which short-term victories cannot harm any winner's long-term prospects for success.²¹ This means that the episodic condition can be satisfied only when the distribution of a winning coalition's benefits cannot alter the relative probabilities among coalition partners that their unshared goals will be accomplished. If the relative probabilities of future success were altered in a winning coalition, then the future prospects of some members of the winning coalition would be enhanced at the expense of their putative partners, at least with respect to their incompatible goals, and that would violate the episodic condition.

In order to avoid this, at least one of two constraints must be imposed on the distribution of payoffs in winning coalitions. Either the benefits derived from victory must be ephemeral and incapable of application to future political contests, or else the payoffs must be distributed among the winners in exact proportion to their relative contribution to the resource pool which makes their coalition a winning coalition.

The first constraint allows some winners to get a disproportionately large share of the coalition's benefits provided those benefits do not become an integral part of the resource base, or size, of those winners. If the coalition's benefits are capable of conversion into the currency of influence in the political system, then the episodic condition would not allow them to be distributed disproportionately. That is, disproportionalities in the relative importance that the coalition's benefits hold for different winners can have no cumulative impact on the relative amount of influence the actors have in subsequent coalition formation situations.

The second constraint prevents potential losers from using side payments to purchase the support of pivotal actors, and thereby convert their status from losing to winning. If side payments were permitted (and if the first constraint did not obtain), the pivotal actor might enjoy a disproportionately large benefit in the winning coalition. Thus, the pivotal actor's benefits would be derived from two sources. First, it would receive its expected share of the coalition's benefits. Second, it would receive some portion of any remaining benefits that would otherwise go to its partner. The pivotal actor receives this portion as a side payment, or as an inducement to accept membership in a coalition in which its fair share is less than its fair share in another coalition. The inducement is offered, of course, because its partner prefers little or no payoff in the winning coalition to the

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loss it would suffer if it were in a losing coalition (including a coalition by itself). The first source of benefits for the pivotal actor appears to be consistent with the episodic condition, but the second source means that the system's resources are redistributed so as to give the pivotal actor a disproportionately large advantage over its partner in future coalition formation situations.²² This violates the episodic condition.

The undesirability of the second constraint stems from the observation that the elimination of side payments is tantamount to removing politics from politics. That is, in the absence of side payments, there is little need for bargaining among potential members of a winning coalition since none of the actors are expected to accept less than their fair share of a coalition's benefits. Instead, each actor computes its percentage contribution to the strength of each coalition, and then determines the amount that each potential winning coalition will win. Once these computations are made, each actor knows what its just payoff is in each winning coalition. Since it cannot use any inducements to persuade other actors to form its most preferred coalition, each actor must hope that enough other actors will share its preference for the particular winning combination it favors. If they do, then the particular coalition forms and the benefits are distributed in accordance with the parity norm. The parity norm, of course, dictates that each actor receives a percentage of the total payoff equal to its percentage contribution to the resource pool of the winning coalition.²³ It is the most frequently observed sociological definition of a fair share.

Under the burden of these two constraints, the episodic condition eliminates the possibility that coalition participants use their short-term victories as a springboard to future successes. Instead, it restricts the motives of coalition participants to short-term considerations, such as the fulfillment of their shared objectives. Within the confines of the episodic condition, especially as it relates to tacit neutrality, participants in coalitions can not pursue power or any other benefits that might increase their control over future decisions. If they did, then some members of a winning coalition might move closer to monopoly control over future decisions than their partners do. This would, of course, violate the restriction that no member of a winning coalition can improve its long-term prospects at the expense of any other member of the winning coalition. That power cannot be pursued under the limitations of the episodic condition is easily demonstrated.

If the benefits derived from a winning coalition are distributed so as to preserve the initial relative distribution of resources among the winners, then the largest member of the coalition must get the largest share of the benefits. Of course, the ratio of this actor's size to that of each of its partners remains constant when such a distribution rule is applied (in accordance with the second constraint discussed above), but its absolute

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size moves closer to the system's definition of the size required to win. In fact, if the largest actor in the winning coalition was sufficiently close to that threshold at the outset, its proportionate share of the coalition's benefits could prove enough to guarantee it future control over the decision-making process. Whether it achieves such control or not, the apparently equitable distribution of the coalition's benefits places it closer to monopoly control than it was before. This is true even though the ratio of its size to the size of each of its partners remains constant. Thus, the future prospects of the largest member of a winning coalition are improved more than the future prospects of any of its partners provided that the parity norm is applied. Consequently, if the benefits derived from membership in a winning coalition can be converted into an integral part of the resource-base of the winners, then even the parity norm cannot assure all the winners that their future prospects are not being harmed by their present coalition. That is, the episodic condition can be violated even when the parity norm is observed, provided the participants are permitted to pursue power or other benefits that can yield control over future decisions.

If the parity norm is relaxed, then the actor who is most successful at acquiring a disproportionately large share of the winning coalition's benefits must necessarily do so at the expense of one or more of its partners (provided the first constraint is not imposed). This follows from the fact that the distribution of the payoff pie must be like a zero-sum game. If one participant gets a disproportionately large slice of the benefits, then some other participant or participants must receive a disproportionately small slice. Of course, if the benefits include the reallocation of power, or some other resource that redistributes the relative ability of each actor to influence future decisions, then those getting a disproportionately large slice of the pie benefit at the expense of their allies, thereby violating the episodic condition.

So long as the benefits derived from a coalition can contribute to an actor's prospects of controlling future decisions, one can expect that the distribution of benefits will, as noted above, manifest the characteristics of a zero-sum game.²⁴ Zero-sum games are at least partially, if not wholly, competitive. The episodic condition ignores this source of competition within coalition politics. Instead, it assumes that in winning coalitions where power can be redistributed, actors elect to remain neutral with respect to their unshared goals, even though that neutrality dictates that the distribution of benefits will aid some participants at the expense of others. This means that the episodic condition requires some winners to accept an erosion of their long-term influence in the interest of fulfilling the shared objective around which the coalition was formed. This is equivalent to requiring some winners to suboptimize their long-term prospects for fulfilling all their goals in exchange for the short-term gratification