

Party Size and Portfolio Payoffs

A Study of the Mechanism Underlying Gamson's Law of Proportionality*

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Abstract

Over thirty years ago, Browne and Franklin (1973) demonstrated that parties in a coalition tend to receive portfolio payoffs in almost perfect proportionality to their seat share in parliament. The proportionality hypothesis was originally derived from Gamson's (1961) idea that each actor in government expects a payoff proportional to the weight that it brings to the coalition. The proportionality relationship has been described as one of the strongest relationships in the social sciences and has been labeled "Gamson's Law of Proportionality". Even though this result has been confirmed in several studies, few researchers have asked what the underlying mechanism is that explains why parties receive a proportional payoff. The aim of this paper is to investigate the causal mechanism that explains the relationship between party size and portfolio payoffs. To fulfil this aim, we here perform an intensive analysis. By using the predictions in a statistical analysis, we select a predicted case; the three-party non-socialist government that formed after the 1976 Swedish election. This case study indicates that parties choose to stress the importance of a proportionality principle if they can gain from doing so.

Introduction

In the 1970s, Eric Browne and Mark Franklin (1973) demonstrated that parties in a coalition tend to receive portfolio payoffs in almost perfect proportionality to their seat share, thus with smaller parties receiving few portfolios and larger parties receiving many. The proportionality hypothesis was originally derived from William Gamson's (1961) idea that each actor in government expects a payoff proportional to the weight that it brings to the coalition. Paul Warwick and James Druckman (2001; 2004) introduce the idea that all portfolios are not valued equally, and they find that the proportionality rule is supported even when portfolio payoffs are weighted by salience. The proportionality relationship has been described as one of the strongest relationships in the social sciences and has been labeled "Gamson's Law of Proportionality" (Warwick & Druckman 2001).

Even though the proportionality relationship has been confirmed in several empirical studies, few researchers have asked what the underlying causal mechanism is that explains why parties receive a portfolio payoff proportionate to their size. Gamson's original idea says that parties *expect* a proportional payoff, but the question is why? Some researchers assume that there is a social norm that guides the behavior of parties in bargaining and that leads them to distribute the ministerial payoffs proportionately. Other researchers assume that parties receive a proportional payoff simply because bargaining strength is correlated with parliamentary size. This latter interpretation does however not square well with the large number of bargaining measures that have been created, which are based on the idea that it is not simple size that determines a party's bargaining strength (see Warwick and Druckman 2004). We concur with authors like Bennett (1999), who argues that "adequate causal explanations must include arguments about both causal effects and causal mechanisms". *The aim of this paper is thus to investigate the causal mechanism that explains why there is such a strong relationship between party size and portfolio payoffs in government formation in the Western European countries.*

To fulfil this aim, we here perform an intensive analysis. Many researchers have argued that intensive, or small-*n* research is well equipped for identifying causal mechanisms. The reason why intensive research is superior at giving an account of underlying mechanisms is that case studies allow us to look more closely at the processes through which a cause has led to an effect (see Bäck 2003; Bennett & George 1997). This type of intensive research is in fact at its best when case selection is based on the results found in statistical analyses. By using the predictions in a statistical analysis, we can select a case that is "on or close to the regression line", and by studying such a predicted case we should be able to trace the process between cause and effect (see Bäck & Dumont 2004). Our case selection is thus based on predictions in a statistical analysis of the proportionality relationship, using data on a large number of parties participating in the post-war Western European governments (Warwick & Druckman 2004).

One of the cases predicted in this analysis is the three-party non-socialist government that formed after the 1976 Swedish election. In this case the portfolio allocation is in line with Gamson's Law of Proportionality. This case is studied in-depth to investigate the mechanism underlying the proportionality relationship. In this case study we evaluate two hypothesized mechanisms, emphasizing either social norms or bargaining strength. The results in this analysis indicate that parties choose to emphasize the importance of a proportionality principle if they can gain from doing so. Thus, parties do not blindly follow a norm of proportionality, but rather use their bargaining strength to gain leverage and by proposing a divisor principle that is most favorable to their own party.

Previous research on portfolio allocation

The fact that, in most parliamentary democracies, no party typically gains a majority of the seats in the legislature means that no one party can take control of government. This implies that coalition formation is an important phenomenon that follows the elections in most European countries. It is thus no surprise that coalition formation has been a favorite subject for political scientists for over half a century. Studies of coalition formation have typically focused on predicting which parties form government (see e.g. von Neumann & Morgenstern 1953; Riker 1962; Axelrod 1970; De Swaan 1973). Fewer studies have focused on explaining the government outcome in terms of the payoffs that parties strive for, i.e. the allocation of ministerial portfolios. The few studies that do exist on portfolio allocation have mainly focused on predicting how many portfolios each party gets.¹

The proportionality prediction is the main hypothesis that has been presented and evaluated in the literature that focuses on predicting how many portfolios each party gets. This hypothesis was originally derived from William Gamson's (1961: 376) idea that,

Any participant will expect others to demand from a coalition a share of the payoff that is proportional to the amount of resources which they contribute to a coalition.

Gamson did not clearly operationalize a party's resources as the party's seat contribution to government – this definition was made by Browne and Franklin (1973: 457), who operationalize Gamson's hypothesis as such:

The percentage share of ministries received by a party participating in a governing coalition and the percentage share of that party's coalition seats will be proportional on a one-to-one basis.

Browne and Franklin (1973) go on to evaluate this hypothesis on a data set consisting of information on parties included in cabinets in 13 European countries (1945–1969). They demonstrate that the correlation between party seat share and portfolio share is over 0.90, and conclude that, “the number of ministries received by partners in a governing coalition is indeed explained, almost on a one-to-one basis, by their contribution of parliamentary seats to that coalition” (Browne & Franklin 1973: 460). Thus, parties in a coalition tend to receive portfolio payoffs in almost perfect proportionality to their share of seats. The only deviation from this one-to-one proportionality relationship that Browne and Franklin (1973: 460) find is that small parties seem to be somewhat “overpaid”, receiving “‘bonus’ ministries to be distributed above their proportional shares”. These results have been confirmed in several tests (see e.g. Warwick & Druckman 2004). Due to the fact that the proportionality relationship is associated with an extremely high explained variance and due to its robustness in repeated tests, it has been described as one of the strongest relationships in the social sciences. Some authors have even labeled the relationship “Gamson's Law of Proportionality” (Warwick & Druckman 2001).

The most important contribution to the literature focusing on how many portfolios parties receive since Browne and Franklin, is the work carried out by Warwick and Druckman (2001; 2004; 2005). Warwick and Druckman's main contribution lies in their efforts to evaluate the idea that all portfolios are not valued equally. Browne and Franklin and others who have evaluated the proportionality relationship assume that all ministerial

¹ Some studies have focused on the question of *which* portfolios each party receives. Laver and Shepsle's (1996) portfolio allocation model is one of the few attempts to explain which parties gain control over particular portfolios. In short, their model predicts that a party that is located centrally on a policy dimension will attain the portfolio that controls this dimension. The reason for this is that this party is expected to implement a policy preferred by a majority.

portfolios are equally important, and thus that “the prime ministership is equal in worth to control of the sports ministry” (Warwick & Druckman 2005: 19). Warwick and Druckman (2004: 4) argue that this “is clearly a gross mischaracterization of reality in extant parliamentary systems”, and they thus try to take portfolio salience into account when retesting Gamson’s Law. Warwick and Druckman (2004; 2005) measure portfolio salience by performing an expert survey in 14 European countries, and find that the proportionality rule is supported even when portfolio payoffs are weighted by salience.

The issue of portfolio salience focuses on how we should measure the dependent variable of the proportionality relationship, that is, the parties’ portfolio payoffs. Warwick and Druckman (2004: 4) also identify a number of alternatives to the definition of the independent variable. The question is whether the parties’ seat share contribution to the government is the “appropriate way to conceptualize the resources for which these parties receive compensation”. A number of bargaining measures have been presented which are based on the idea that a party’s bargaining strength is not simply its legislative size. The idea is that parties with a lot of bargaining power, rather than of significant legislative size, should be able to obtain a large payoff. Two important bargaining measures are the Shapley-Shubik index and the Banzhaf index, which both focus on the extent to which a party is pivotal to winning coalitions (Warwick & Druckman 2004; Shapley & Shubik 1954; Banzhaf 1965). Warwick and Druckman (2004) find that the proportionality relationship holds even when taking various bargaining measures into account, and they find no evidence that these bargaining measures are better predictors of portfolio payoffs than a resource variable defined as parties’ seat contribution.

Warwick and Druckman (2005) also identify a theoretical puzzle, which lies in the fact that many bargaining models are based on the idea that the formateur should have a superior position in coalition bargaining. For example, David Baron (1991) models government formation as a sequential game in which formateur parties are selected either by a probabilistic rule, or in a fixed order. Under the assumption of complete information, Baron concludes that the party selected first to form a government is always successful in forming a government coalition, and that this party should have a considerable bargaining advantage in negotiations. A prediction that can be drawn from bargaining theory is that formateurs should be able to allocate a larger ministerial payoff to their own party than would be expected if a proportionality rule is followed. This prediction does not square well with the empirical result that portfolios seem to be distributed proportionally. Warwick and Druckman (2004: 20–21) show that the larger portfolio payoffs that formateur parties receive can be explained by their larger sizes, and argue that “there is no indication that formateur status itself has benefited these parties in any great measure”.

In sum, the literature on portfolio allocation has presented a strong and resilient relationship between party size and portfolio payoffs – Gamson’s Law – but the literature has so far, not come up with a convincing explanation as to why this relationship exists. This means that there is a lack of knowledge on the causal mechanisms at work in portfolio allocation. We argue that two alternative mechanisms can be identified in the portfolio allocation literature. First, some authors emphasize the importance of bargaining power, and since party size is correlated to bargaining power, this mechanism suggests that parties receive proportional payoffs simply because they play the game. Second, some authors argue that there is a parity norm at work, which implies that parties receive proportionate payoffs since all actors accept and follow a social norm of proportionality.²

² See e.g. Browne and Frensdreis 1980.

A combination of methods

The goal of this study is to gain insight on causal inferences about portfolio allocation. We concur with authors who argue that making causal inferences requires us to gather more evidence than mere measures of causal effects. We here follow Jan Teorell (2001: 15–16) who argues that an ideal causal inference should adhere to four criteria. First we need an account of a counterfactual difference, that is, we need to gauge what would have happened if “the hypothesized cause had been absent”. We also need to determine the time order between our variables, that is, the cause should not be preceded by its effect. Third, we need to be sure that “the counterfactual difference holds ‘all else equal’”, that is we need to adhere to a criterion of isolation. Fourth, we should have an account of why the cause led to the effect, that is, we need to establish the causal mechanism at work.

Both extensive and intensive research possess advantages and limitations which have been noted by a number of researchers. Extensive research is in general superior to intensive research when it comes to giving us an account of a counterfactual difference, or a causal effect, since we can measure coefficients in statistical analyses when we are working with a large number of cases. One of the great advantages of using statistical methods is also that isolation may be achieved, commonly done so by including a number of control variables in a regression equation (Teorell 2001). Many researchers have argued that intensive research is better equipped at dissecting the time order between variables and at identifying the mechanism that explains why the cause led to the effect. The reason why intensive research is superior at giving these accounts is that case studies allow us to use process tracing (Bennett 2002; Teorell 2001). According to Bennett and George (1997), the method of process tracing involves analyzing data on the processes or other intervening variables that link putative causes to observed effects.

Extensive research is, in general, well equipped to perform the tasks that intensive research is rather poor at, and vice versa, which implies that these methods are preferably used as complements. Bennett (2002: 5) argues that “the advantages and limitations of case study methods are in many respects the converse of those of statistical methods, which is why combining the two methods has the potential to reduce limitations that afflict each one when used in isolation”. Teorell (2001: 21) similarly argues that good causal inference is only possible through a combination of intensive and extensive research designs, and “[s]ince they have complementary merits, they should be dovetailed in order to maximize the overall quality of our inferences”.

Extensive and intensive research can be combined in a number of different ways. Because one advantage with small-*n* analysis is in its relative strength in identifying causal mechanisms, we argue that it is fruitful to follow up a large-*n* study with case studies that use the method of process tracing. As argued by Bäck (2003) and Bäck and Dumont (2004), one advantage of using this type of research design is that cases can be selected on the basis of results found in the statistical study. In order to study the mechanisms underlying the effects found in a statistical study, we argue that cases that are “on or close to the regression line” should be selected. In short, this strategy implies that we should compare predicted scores obtained in for example a regression analysis with actual scores on the outcome variable, and then select cases that were predicted by the statistical model (see Bennett 2002; Bäck 2003; Bäck & Dumont 2004). As mentioned above, the aim of this study is to investigate the causal mechanism underlying the proportionality relationship, and we here perform a case study to investigate this mechanism. To select a case for intensive analysis we perform a statistical analysis based on data on parties in the post-war Western European cabinets (Warwick & Druckman 2004). This large-*n* analysis is further described below.

The statistical relationship between size and ministerial payoffs

In this section we perform statistical analyses of the relationship between party size and ministerial payoffs.³ Our analyses are based on data provided by Paul Warwick and James Druckman. This data set includes information on all coalition governments formed in the post-war era in 14 Western European countries. The countries are Austria, Belgium, Denmark, Finland, France, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Sweden and West Germany. The data contains information on the independent variable of interest, that is, the share of seats that a party contributes to the coalition and on the dependent variable, that is, a party's share of ministerial portfolios.

In table 1 we present the results from a regression performed on the entire data set. This analysis confirms the results found in previous studies that parties' portfolio payoffs are largely determined by their contribution of seats to the government coalition. When a party's seat contribution increases by 1 percent, their share of ministerial portfolios increases by 0.79 percent. The original hypothesis stated that we would in fact find a one-to-one relationship between party size and portfolio payoffs. Several authors have however, just as we do, found that this is not the case. There is instead a bias in favor of smaller parties, i.e. smaller parties are overcompensated, which induces "the intercept to exceed, and the slope to undershoot, its expectation" (Warwick & Druckman 2004: 15; Browne & Franklin 1973).⁴ Looking at the explained variance (the R^2), we also see that the seat share variable explains almost 90 percent of the variance in the ministerial payoffs variable, which is a result most social science researchers would be thrilled to obtain. In the last column in table 1 we also present the average residual, or the average unit's deviation from the regression line, which is 0.05 in the entire sample.

In order to evaluate whether the relationship is stronger in some countries, we also perform a regression analysis for each country.⁵ The results from these analyses are presented in table 1, which clearly illustrate that both intercepts and slopes vary across countries. In Iceland the intercept is 0.20 and the slope is 0.52, which means that small parties are highly overcompensated in terms of ministerial payoffs in Iceland, and that the effect of the seat share variable is much smaller than in other countries. In France, instead, the intercept is as 0.02 and the slope is 0.94. We also see a variation in the explained variance, with relatively low R^2 's in Iceland and Luxembourg (0.49 and 0.62)⁶, and very high R^2 's in Ireland, Italy, Sweden and Germany (0.95–0.97). The average residuals also vary across countries. The highest average residuals are found in France, Iceland and Luxembourg and the lowest are found in Sweden, Italy and West Germany.

³ This relationship has been extensively analyzed in previous studies, and this analysis is thus more of a replication of the analyses performed elsewhere (see e.g. Warwick & Druckman 2004).

⁴ Warwick and Druckman (2001) "demonstrate that this type of artifact can be eliminated by forcing the regression through the origin" (Warwick & Druckman 2004: 30). This renders the slope much closer to the hypothesized one-to-one relationship ($b=0.93$).

⁵ This of course means that we have a small number of units (parties) in some countries (the smallest N is found in Portugal with 14 units). An alternative to this type of analysis when the aim is to control for the variation between countries is to perform an analysis where we include dummies for each country (a fixed effects regression), or to perform a hierarchical regression analysis where countries are level 2-units and parties are level 1-units (see Raudenbuch & Bryk 2002). We have chosen to instead present separate regressions since they illustrate the differences between countries in a simple manner.

⁶ Warwick and Druckman (2004: 30) suggest that the low explanatory values in Iceland and Luxembourg can possibly be attributed to the fact that "these countries tend to have small cabinets, which makes proportionality more difficult to achieve".

Table 1. Regression analyses, all countries and separate country analyses

	Constant	Coefficient	R-square	# of parties	Aver. residual
Entire sample	0.07*** (0.00)	0.79*** (0.01)	0.89	807	0.05
Austria	0.17*** (0.04)	0.65*** (0.07)	0.76	35	0.06
Belgium	0.09*** (0.02)	0.69*** (0.07)	0.71	100	0.06
Denmark	0.10*** (0.01)	0.71*** (0.03)	0.92	49	0.05
Finland	0.02** (0.01)	0.94*** (0.03)	0.91	125	0.05
France	0.02 (0.02)	0.94*** (0.05)	0.87	58	0.09
Iceland	0.20*** (0.05)	0.52*** (0.10)	0.49	49	0.08
Ireland	0.08** (0.03)	0.80*** (0.05)	0.95	25	0.05
Italy	0.07*** (0.01)	0.74*** (0.02)	0.96	152	0.04
Luxembourg	0.17* (0.09)	0.65*** (0.17)	0.62	38	0.07
Netherlands	0.05*** (0.01)	0.82*** (0.05)	0.88	67	0.04
Norway	0.12*** (0.03)	0.58*** (0.08)	0.78	24	0.05
Portugal	0.04 (0.05)	0.90*** (0.12)	0.91	14	0.05
Sweden	0.08*** (0.02)	0.80*** (0.02)	0.96	18	0.03
West Germany	0.10*** (0.01)	0.77*** (0.02)	0.97	53	0.04

Note: Coefficients are unstandardized regression coefficients from an analysis where a party's seat share contribution to the government is the independent variable and the party's share of ministerial portfolios is the dependent variable. Entries in parentheses are standard errors (clustered by government). Effect is significant at *** the 0.01 level, ** the 0.05 level, * the 0.10 level. Average residuals are created by taking the absolute value of the residual for each party and then dividing by the number of parties in each country. Data from Warwick & Druckman (2004).

As several authors have argued, we should select cases that are on or close to the regression line when our aim is to investigate the causal mechanisms underlying a statistical relationship. How then should we proceed in selecting a case, which enables us to perform an in-depth analysis of the causal mechanism underlying Gamson's Law of Proportionality? We here suggest a two-step setup where we first select which country to study, and then select which case of government formation to focus on more in-depth. We have here chosen to focus our analyses on the Swedish case. The rationale for selecting Sweden is that this country displays the lowest average residual among the countries studied here. The average deviation from the regression line is 0.03 for the Swedish parties. The Swedish regression also produces a very high R^2 (0.96), which confirms that relationship between party size and portfolio payoffs is strong in Sweden.

Table 2. Predicted values and residuals in the Swedish cases

Case	Country	Year	Party	Seat share	Port. Share	Pred. value	Residual	Aver. residual
1	Sweden	1951	Soc.Dem	0.79	0.73	0.69	0.03	0.04
1	Sweden	1951	Centre	0.21	0.27	0.24	0.04	0.04
2	Sweden	1952	Soc.Dem	0.80	0.73	0.70	0.02	0.04
2	Sweden	1952	Centre	0.20	0.27	0.23	0.05	0.04
3	Sweden	1956	Soc.Dem	0.85	0.77	0.74	0.03	0.04
3	Sweden	1956	Centre	0.15	0.23	0.19	0.04	0.04
4	Sweden	1976	Centre	0.48	0.42	0.45	-0.03	0.02
4	Sweden	1976	Liberal	0.22	0.26	0.24	0.02	0.02
4	Sweden	1976	Conserv.	0.31	0.32	0.31	0.01	0.02
5	Sweden	1979	Centre	0.37	0.35	0.36	-0.01	0.01
5	Sweden	1979	Liberal	0.22	0.25	0.24	0.01	0.01
5	Sweden	1979	Conserv.	0.42	0.40	0.40	0.00	0.01
6	Sweden	1981	Centre	0.63	0.56	0.57	-0.01	0.05
6	Sweden	1981	Liberal	0.37	0.44	0.36	0.08	0.05
6	Sweden	1991	Centre	0.18	0.25	0.21	0.04	0.05
7	Sweden	1991	Liberal	0.19	0.25	0.22	0.03	0.05
7	Sweden	1991	Conserv.	0.47	0.40	0.44	-0.04	0.05
7	Sweden	1991	Chr.Dem	0.15	0.10	0.19	-0.09	0.05

Note: Unstandardized predicted values and residuals are obtained in an OLS regression. The average residual is the mean of the absolute values of the residuals among the parties included in a government. Data from Warwick & Druckman (2004), corrected by the authors (1976).

Now that we have chosen a country, we can move on to selecting a particular case of government formation. Again, we follow the rationale of selecting a predicted case. A complication in this case selection is that the unit of analysis is the party rather than the government, and a case study would typically be an analysis of a particular government formation. We thus cannot select one or some parties with a low residual – instead we have chosen to select a government with a low *average* residual, a government that consists of parties that on average are placed close to the regression line. All of the seven Swedish cases are presented in table 2. In this table we display information on the independent variable (seat share), the dependent variable (portfolio share), the predicted value in the regression analysis based on the entire data set of European countries, the residuals obtained in this analysis and the average absolute residual in a government.

Most of the Swedish cases display a relatively low average residual, but there are two cases that are much closer to the regression line than the others; the government that formed in 1976 and the government that formed in 1979, with average residuals of 0.02 and 0.01 respectively. Both of these cases are in fact the same three-party non-socialist government consisting of the Centre party, the Liberals and the Conservatives. The first government formed after the election in 1976 and then continued to govern after the 1979 election (after a brief interlude of a Liberal minority government in 1978). We have here chosen to focus on the formation of the 1976 government, since we believe that considerations about which payoffs should be attributed to which parties are more visible during this first process of negotiations between the three non-socialist parties.⁷

⁷ There are also a large number of sources available that describe this case. We thus follow the advice of Van Evera (1997), who argues that, we should select “data-rich” cases.

An in-depth analysis of the Swedish 1976 government formation

The question to answer in this in-depth study of the 1976 government formation in Sweden is why the three parties decided to allocate portfolios proportionally. The case study will test two hypotheses: (1) that payoffs correspond with bargaining power that mirror seat contributions in parliament, (2) that payoffs correspond with a social norm that prescribe a proportional relationship between portfolios and seats in parliament. Being one of the strongest empirical findings in political science, it is unsatisfying that the causal mechanism behind ‘Gamson’s Law’ is yet undetected. Gamson’s original work states only that participants will *expect* a proportional share of the payoff that is proportional to their contribution, without considering why they expect such a payoff (Gamson 1961). Many researchers have argued that parties receive a proportional payoff simply because bargaining strength is correlated with parliamentary size (Schofield & Laver 1985). Browne & Frendreis (1980), on the other hand, argue that a conventional norm help parties allocate portfolios in proportional relation to their strength in the legislature. Yet, data is inconclusive on this matter. For that reason, we consider it necessary to investigate whether Gamson’s Law is best explained by a causal mechanism based on social norms, or a mechanism that emphasize the parties’ bargaining strength.

The case study draws upon a number of sources. Several books have been written by people with privileged information on the negotiations preceding the government formation. Among them, we in particular want to mention a doctoral thesis on *Governmental Transitions* by Hans Bergström (1987) and *The Coalition of Compromise* by Kai Hammerich (1977) that covers the 1976 government formation. Both books are based on a number of interviews with actors involved in the negotiations. Moreover, memoirs by the former Prime Minister, Thorbjörn Fälldin, and the party chairman of the Conservative Party, Gösta Bohman, serve as first-hand sources. These sources are used to carefully map the process of negotiations that followed the 1976 election.

Government formation in Sweden

Sweden has enjoyed exceptionally stable political circumstances. Aside from the summertime cabinet of 1936, the Social Democrats have governed uninterruptedly from 1932 to 1976. Hence, the Social Democratic loss of government power after the general election in 1976 has been described as a historic defeat. The three non-socialist parties won a majority in parliament and for the first time in 44 years a non-socialist government formed. It consisted of a coalition between the Centre party, the Conservatives and the Liberals. On October 7, 1976 the Swedish Riksdag elected the party chairman of the Centre Party, Thorbjörn Fälldin, as new Prime Minister (Hadenius 1999).⁸

Having a parliamentary system, the process of forming and dissolving governments in Sweden is determined by the political circumstances after an election. If the government performs well in an election, it remains in office. In order to form or to stay in power a government must at least be tolerated by the majority in the Riksdag (Bergman 1995). When a new government is to be formed, the Speaker of the Riksdag holds consultations with the party leaders. The Speaker then proposes a candidate for the post of Prime Minister and the Riksdag votes on the proposal. Thus, the Speaker’s role in government formation is important. If more than half of the total number of members of the Riksdag

⁸ The division of the political parties in Sweden into two blocs – one socialist and one non-socialist – has been a dominant feature of Swedish politics. In general, the Social Democrats have been able to form single-party governments, with a few exceptions, while the non-socialist parties have formed coalition governments on their few occasions in power.

vote against the proposal (175 of the 349 MPs), it is rejected. If the Riksdag approves the Speaker's proposal, the Prime Minister designate forms government (Larsson 1995). The Prime Minister who has been elected by the Riksdag chooses which and how many members are to be included in his government. He also allocates portfolios to them and decides which ministers are to be Heads of Ministries.⁹ The Prime Minister has very few rules to consider when appointing and dismissing ministers (Persson 2003). In the event of a coalition government it is common practice for the parties to initially negotiate how the cabinet minister posts should be distributed among them. After that, the leaders of the coalition parties allocate ministerial posts among their party colleagues (Larsson 1995).

The composition of government has changed somewhat over the years. Governments have become larger (more cabinet minister posts). At the end of the Second World War the average government consisted of 12 to 15 persons, today the normal size is 20 to 22 persons. The government formed in 1976 consisted of 20 ministers. After negotiations, the Centre party was given 8 cabinet minister posts (including the Prime Minister), the Conservative party was assigned 6 cabinet minister posts and the Liberals 5 posts. There was also an independent cabinet minister appointed, i.e. not being a member of any party, to be Head of the Justice Department. The distribution of posts is described in table 3. Even when we consider the weights of different ministerial posts (Warwick & Druckman 2005), the proportional distribution still holds. When taken together, the Centre party was assigned ministerial posts with the weight of 8.67, the Conservative party 5.89, and the Liberal party 5.35. Thus, the share of ministerial posts of the Centre party is 0.435 (predicted 0.45), the Conservative party 0.296 (predicted 0.31), and the Liberal party 0.269 (predicted 0.24), with an average residual of 0.02.

Table 3. Ministers in the 1976 Swedish government and portfolio salience

	Weight	Party	Name
Prime Minister	2.19	Centre	Fälldin
Finance (economy)	1.68	Conservative	Bohman
Finance (budget)	1.68	Liberal	Mundebo
Foreign Affairs	1.27	Centre	Söder
Labor/Employment	1.26	Liberal	Ahlmark
Health & Social Affairs	1.22	Centre	Gustafsson
Education	1.07	Liberal	Wikström
Industry	1.06	Centre	Åsling
Defense	0.99	Conservative	Krönmark
Justice	0.99	Nonpolitical	Romanus
Communications	0.87	Conservative	Turesson
Commerce	0.86	Conservative	Burenstam
Agriculture	0.83	Centre	Dahlgren
Housing	0.78	Centre	Olsson
Public Administration/Civil Service	0.78	Centre	Antonsson
Subordinate Minister (Housing)	0.51	Liberal	Friggebo
Subordinate Minister (Environment)	0.54	Centre	Johansson
Subordinate Minister (Education)	0.70	Conservative	Mogård
Subordinate Minister (Social Affairs)	0.79	Conservative	Troedsson
Subordinate Minister (Foreign Aid)	0.83	Liberal	Ullsten

Note: Weights according to Warwick and Druckman 2005. Other data from Hammerich 1977.

⁹ However, when the government has formed, all ministers have equal voting power in the cabinet and decision-making is based on collective responsibility for all governmental decisions.

How did the parties reach this distribution of seats in cabinet? The following in-depth study will delineate the negotiations taking place during the 19 days between Election Day on September 19, and the presentation of the new government on October 7, 1976. Focus will be almost exclusively on the distribution of seats in cabinet. In order to find evidence that either refutes or support any of our hypotheses we will look into the way actors deliberated during the bargaining process. Hence, the study will use process tracing to illuminate the underlying causal mechanism. What evidence can be found that points to an underlying mechanism that explain why parties receive a share of ministerial portfolios proportional to their seats in the parliament?

The 1976 Swedish government formation – intra-party and bilateral talks

When the election result turned out in favor of the non-socialist parties it became evident that the chairman of the Centre party, Thorbjörn Fälldin, would be asked to form a new government. He was leading the largest non-socialist party and appeared to be the only candidate that all three parties could agree on (Bergström 1987). However, the task to form a coalition between the non-socialist parties was difficult. The main issue during the deliberations was the future of nuclear power. During the election campaign, Fälldin declared that no new nuclear power reactors would be loaded if he became Prime Minister. Although a second reactor had recently been completed at the power plant of Barsebäck on the southwest coast of Sweden, he declared that all reactors would be dismantled by 1985. In the end, Fälldin was forced to back away from his promise and agree to give the Barsebäck reactor permission to be loaded. The desire to form a non-socialist government proved more important than his disbelief in nuclear power, and he later suffered a personal treachery debate. The dissention between the three parties on energy policy would finally bring down the Fälldin government and force him to resign in October 1978. But this study will only deal with the formation of the 1976 government.

Immediately after the election result had been officially announced, Thorbjörn Fälldin could see two possible government solutions: either a majority coalition, composed by the three non-socialist parties, or a minority coalition excluding the Conservative party. Although he would have preferred not to let the right-wing Conservative party be part of the government, he feared having them running around like "loose horses" in the Riksdag. A minority coalition between the Centre party and the Liberal party would be highly dependent on support from the Conservative party when proposing new legislation. Hence, his conclusion was that it would be easier to put higher political demands on the Conservative party if they were part of the government. Accordingly, the Prime Minister to be, although he knew it would meet resistance in his own party as well as in the Liberal party, preferred a three-party coalition with a majority support in Parliament. Fälldin planned instead to emphasize in the Declaration of Government that his government would favor "middle" policies, although the right-wing Conservative party was part of the coalition (Fälldin 1998: 137).

The day after the election, all the winning parties arranged intra-party meetings to establish their position before the three-party negotiations would begin. However, the Centre party and the Liberal party also met in secret for bilateral negotiations without involving the Conservatives. By doing so, they established an informal coalition based in the "middle" before real negotiations started with the Conservatives. This was something that upset the party chairman of the Conservatives, Gösta Bohman, when he became aware of the secret meeting between the other two non-socialist party leaders. He stressed that all parties had to be "of equal standing" during the negotiations (Hammerich 1977).

The Conservatives established its position at a pre-negotiation meeting where five of the most influential actors in the party leadership discussed the government formation.

Those present were the party chairman Gösta Bohman, the first and second deputy chairmen Staffan Burenstam Linder and Eric Krönmark, party secretary Lars Tobisson, and political secretary Carl Bildt. They agreed that the Conservatives would favor a *proportional* distribution of cabinet posts in relation to the election result. The party secretary Tobisson, calculated that it would imply 9 cabinet minister posts for the Centre party, 6 for the Conservative party and 4 for the Liberals. The Conservative leadership agreed that the government had to be based on this distribution (Hammerich 1977).

Accordingly, the Conservatives, from the very beginning, advocated a proportionality principle. This was a top priority for the leadership of the Conservative party. Gösta Bohman declared his position in public when speaking to the press on September 21. Bohman said that he "assumed that cabinet minister posts would be distributed according to the proportionality principle" (Hammerich 1977: 51). He even expressed the number of posts that his party secretary had calculated, i.e. 9 cabinet ministers from the Center party, 6 from the Conservative party and 4 from the Liberal party.

The leadership of the Liberal party also met on the first day after the election to discuss its position before three-party negotiations would start. Those present were the party chairman Per Ahlmark, the first and second deputy chairmen Jan-Erik Wikström and Kerstin Anér, chairman of the executive committee Ingemar Mundebo, party secretary Carl Tham, chairman of the parliamentary group Ingemar Eliasson, deputy chairman of the parliamentary group Ola Ullsten, and two political secretaries Hans Bergström and Lars Leijonborg. The liberal leadership agreed that the new government had to present "middle" policies with a liberal image and exclude all "right-wing policies". They were reluctant to include the Conservative party and planned to bind them to the "middle" profile by a detailed Declaration of Government. In consequence, the Liberals wanted to demonstrate the "middle character" of the non-socialist government by an over-representation of cabinet minister posts for their own party. Thus, they aimed at having one more minister post than the Conservative party, although the Liberals gained less electoral support and parliamentary seats than the Conservatives (Hammerich 1977).

The leadership of the Centre party consisted of party chairman Thorbjörn Fälldin, the first and second deputy chairmen Johannes Antonsson and Karin Söder, chairman of the parliamentary group Gösta Gunnarsson, party secretary Gustaf Jonnergård and the chairman of the national organization Allan Petersson. Like the Liberals, the leadership of the Centre party aimed at a coalition with its base in the "middle". But Fälldin realized that he had to go easy with the Conservatives. He was aware of the strong antagonism between the Liberals and the Conservatives, and his Centre party had to bridge over this gap. Thus, unlike the other two parties, the Centre party made no official declaration of its position on the distribution of cabinet minister seats. They argued instead that all political issues have to be solved before the cabinet can be composed and ministers appointed.

During the evening of September 20, the day after Election Day, delegations from the Centre party and the Liberal party met for secret bilateral negotiations. The Liberals wanted to agree on a Declaration of Government and force the Conservative party to either take it or leave it. The Centre party, on the other hand, wanted to agree on issues in such a way that it did not provoke the Conservatives. It would be unwise to bring forward a document that the Conservative party had to agree to without being able to influence its appearance, argued Fälldin. The two "middle" parties thus agreed to simply make an inventory on issues of common interest before initiating negotiations with the Conservative party. This would be done in joint working groups during the coming days.

After Bohman's public move, when he was speaking to the press and stressed that the proportionality principle had to be followed, the Liberals tried to tie the Centre party to the same position as they had. That is, they claimed that proportionality would not be the rule for distributing cabinet minister posts. During bilateral negotiations between the

Centre party and the Liberal party, Ahlmark claimed that government formation "is about politics, not mathematics" (Hammerich 1977:52). Part of his argument was that the electoral progress of the Liberal party paved the way for the Social Democratic loss and the formation of a non-socialist government. But the PM designate Fälldin, did not want to give any straight answers regarding the composition of government at this early stage. Yet, during the deliberations, Fälldin and Ahlmark agreed that there were three symbolic cabinet minister posts that had higher weight in government: the Prime Minister, the Minister of Finance and the Minister of Foreign Affairs. This would be considered when portfolios were allocated to the parties.

The chairman of the Conservative party, Gösta Bohman, also had a bilateral meeting with Fälldin on September 21, and tried to downplay his public move on the proportionality principle. Bohman argued that "proportionality is self-evident unless negotiations end up with other more preferable solutions" (Hammerich 1977: 54). Fälldin's reply was that it would be better if none of them made statements to the press during the forthcoming negotiations. Fälldin also mentioned that he was considering the appointment of an independent Minister of Justice in order to guarantee someone with judicial experience on that post. This was considered as a challenge for the Conservative party since they had a strong candidate in the chairman of the Committee on Justice, Astrid Kristensson. However, Bohman did not dismiss this proposal.

The 1976 Swedish government formation – trilateral talks commence

On September 22 the three parties met for the first time in trilateral talks. When deliberations started it became evident that there were strong divisions between the parties. The Conservative party wanted to rush into negotiations and appoint working committees to dwell on different issues. The Centre party and the Liberal party, on the other hand, declared that they would start with a common "inventory" before negotiations with the Conservative party could start. Fälldin tried to soften the scope of this "inventory", but it was soon leaked to the press that the Centre party and the Liberals met secretly to negotiate on all issues. This made Bohman furious since he from the very beginning, argued that all parties must negotiate as equals. On September 23, he threatened to leave negotiations before they had even started. But, Fälldin reassured that all parties would negotiate as equals and made a statement to the press on the mutual respect between the three parties (Hammerich 1977).

Fälldin made clear to the other parties that political issues had to be resolved before any cabinet ministers could be appointed. However, he soon realized that it was impossible to discuss issues without involving persons. For Fälldin two symbolic posts had to be appointed: Minister of Finance and Minister of Foreign Affairs. Since the Center party would hold the post of Prime Minister it would have been an easy solution to let the other two parties have one of the other two prestigious posts. However, Fälldin was convinced that Ahlmark was not a suitable person and Bohman was considered as a political risk if he would become Minister of Finance or Minister of Foreign Affairs. Hence, Fälldin proposed a solution on September 23 to appoint Ahlmark as Deputy Prime Minister, not being a common cabinet minister post in Sweden, and at the same time be responsible for a Ministry. He also proposed to appoint Bohman as Minister of Finance, in combination with a Deputy Minister of Finance from the Centre party or the Liberal party. This would devalue the post of Minister of Finance and make it more suitable for Bohman, according to Fälldin (Bergström 1987; Hammerich 1977).

On September 24, five days after the historic non-socialist victory, real negotiations between the three parties started. Only their chairman and party secretary were represented. By then, the Centre party and the Liberals had presented the "inventory" of

common policies to the Conservative party and the Conservatives had made their own “inventory”. Consequently, when the six negotiators met they soon became aware of the stumbling blocks, and in particular the issue of nuclear power. The Centre party, and in particular Thorbjörn Fälldin, had an intensive preference in not allowing any new nuclear power plants in Sweden. This was a personal commitment that the chairman of the Centre party was not prepared to reconsider. He would not negotiate on this matter!

If, however, that matter could be solved, they had high hopes to solve also the distribution of portfolios. Hence, negotiations officially followed Fälldin’s idea to start with policies and then talk about the composition of government. But in parallel to deliberations on political issues, Fälldin was considering the composition of government. For instance, during the weekend September 25–26, Fälldin met with Ahlmark. Ahlmark suggested that he could be assigned responsibility for the Labor Market Ministry, besides his position as Deputy Prime Minister. Fälldin accepted this and would agree to the Liberal nominee Ingemar Mundebo as Deputy Minister of Finance, only if Bohman would accept the position as Minister of Finance (Bergström 1987; Hammerich 1977).

At this stage, Fälldin already had a rough list of cabinet ministers. Yet, negotiations on this matter started officially on September 27. When the three leaders of the non-socialist parties met for the first time to discuss the list of cabinet ministers, Fälldin announced his plans to the other party leaders. The third symbolic post, Minister of Foreign Affairs, would according to Fälldin’s arrangement be given to his own party. Bohman announced that he would prefer himself and Ahlmark be appointed as subordinate ministers in the Prime Minister’s Office, but Fälldin rejected this idea. Fälldin did not want a collective leadership; the quest for co-ordination could be solved by other means.

On September 28, it became evident that negotiations were stuck regarding energy policy. The parties seemed to be able to agree on a Declaration on Government on all issue areas except regarding nuclear power policy. Fälldin was not prepared to compromise on this matter and did not even want to negotiate it. At this stage the three-party coalition was threatened. Due to this opposition, planned negotiations on September 29 was postponed until further notice. At the same time, the deadline for negotiations was approaching. The parties had to reach an agreement before the coming weekend if a non-socialist majority coalition was to be created.

On September 30, although the issue on nuclear power had not been resolved, Fälldin announced to Ahlmark and Bohman a preliminary list for the entire government. This list included 9 cabinet ministers representing the Centre party, 5 from the Liberal party, 5 from the Conservative party and one independent Minister of Justice. This did not please Ahlmark and Bohman since they both aimed at more cabinet ministers than the other party. On a morning meeting the next day, both Ahlmark and Bohman raised complaints on this distribution, from two different point of views. Bohman claimed that the Conservative party was a larger party than the Liberals were and that this had to be mirrored in the distribution of cabinet minister posts. He could not accept to be discriminated on this matter. If the Centre party was given more posts than the Conservative party, the Conservative party had to be given more posts than the Liberal party, according to Bohman. The conservative leader issued an ultimatum: There will be no government with the Conservative party included unless they were given more cabinet minister posts than the Liberal party (Hammerich 1977).

Ahlmark, on the other hand, argued that there was no “political law” saying that the Conservative party should have more cabinet ministers simply because they were somewhat larger than the Liberal party. There are examples, argued Ahlmark, where parties in coalition cabinets are given the same number of posts although some parties are bigger than others. He also argued that influential people in his own party were sincerely skeptical to the idea of a coalition with the Conservative party. They would never agree to

this coalition unless the Liberal party was over-represented in the cabinet. However, when the chairman of the Liberal party came back to his own party group they agreed to give in to the demand from the Conservative party if the Declaration of Government was assured a "middle" profile, and if the Liberal party was assigned a chief of a ministry that had no deputy minister from any other party.

The 1976 Swedish government formation – an agreement is reached

During the weekend October 2–3, the distribution of cabinet ministers was finally determined. Following the outburst from Fälldin's opponents to his proposed distribution, Fälldin now announced that he had reconsidered the composition of cabinet to include 8 ministers from his own party, 6 from the Conservatives, 5 from the Liberals and one independent minister. Fälldin's new proposition followed Bohman's line of argument and gave the Conservative party more weight than the Liberal party. But the Liberals were not totally unsatisfied with Fälldin's proposition. They interpreted his proposal as if the Centre party had taken one of their own posts and given it to the Conservatives. If the Centre party preferred to act that way it was their decision and nothing that the Liberals would question. Bohman argued, on the other hand, that his own party was entitled to 6 cabinet minister posts. If the Centre party decided to give one of their 9 posts (according to the proportionality principle) to the Liberal party, then it was their decision and nothing that the Conservatives would interfere with. Fälldin argued instead that his own party was given the post of Prime Minister and another of the symbolic posts, that of Minister of Foreign Affairs. Hence, it could be seen as if they had 9 posts, if only their weights were considered. In the end, all leaders could finally agree on October 2, to the distribution: 8-6-5-1. It now became up to every party to fill the posts they had been assigned with names (Hammerich 1977). Fälldin writes in his memoirs on the government formation:

Gösta Bohman and the Conservative party claimed strict proportionality. They argued that the election result should be directly mirrored in the number of ministers. The Liberal party, on the other hand, had a totally different point of view. They argued that the number of ministers would mirror the political direction of government, in spite of the election result. I myself argued that it was impossible to favor either of these two extreme positions. As in most cases in life, it is somewhere in between extreme positions that solutions can be found (Fälldin 1998: 153).

Yet, the whole government formation was still not brought to an end. On October 4, Fälldin renewed his position that he could not agree to the loading of Barsebäck 2, even if it would terminate the new government before it had even been created. "I cannot take the responsibility to load Barsebäck", said Fälldin (Hammerich 1977: 217). The next day, the non-socialist parties had to report to the Speaker what they had agreed to and whom he could propose to the Riksdag as new Prime Minister. Unless they reached an agreement, the first non-socialist government in 44 years would have failed before it even was created. But Ahlmark and Bohman refused to give in to Fälldin's demand. At this stage, the Liberals also suggested a compromise regarding nuclear power. The compromise stated that no new reactors would be loaded until the issue had been sufficiently investigated, except regarding the second reactor at the power plant of Barsebäck. The Centre party had to give up their resistance and agree to give the Barsebäck reactor permission to be loaded. In the end, the Centre party finally accepted to load Barsebäck 2. This was a personal defeat for Fälldin and he was severely attacked in the press for breaking his electoral promise not to load any more nuclear power plants in Sweden. However, on October 7, 1976 he was elected as new Prime Minister by the Riksdag and presented the first non-socialist government in Sweden in more than four decades.

Evidence of a mechanism

Two distinct positions have been detected in the negotiations preceding the 1976 government formation in Sweden. The Conservatives advocated a strict proportionality principle as a matter of fairness and justice. All parties had to be treated as equals according to their number of seats in parliament, according to the Conservatives. The Liberals, on the other hand, wanted the political profile of the government to be mirrored in the portfolio allocation. According to the Liberals, the government had its base in the “middle” and should accordingly be represented by more cabinet ministers from their own party. There can be no conventional norm on this matter, according to the Liberals. Government formation is not about following mathematical laws: it is about politics and the government must accordingly mirror the political profile of the parties involved.

The Centre party had no distinct opinion on this matter. They were more concerned with finding a compromise that all could agree on. The proposals coming from the designated Prime Minister was in the early stages of the government formation process more in line with the Liberal party. Thorbjörn Fälldin proposed a 9-5-5-1 solution that was rejected by both the Liberals and the Conservatives, for various reasons. Fälldin’s winning proposal in a later stage of the negotiations was instead more in line with the proportionality principle advocated by the Conservative party, i.e. 8-6-5-1. So how did the coalition parties reach this distribution of ministerial posts in cabinet?

The case study has tested two hypotheses about the mechanisms at work: (1) that payoffs correspond with bargaining power that mirror seat contributions in parliament, (2) that payoffs correspond with a social norm that prescribe a proportional relation between cabinet portfolios and party size. The process tracing evidence found in this particular case study has demonstrated that the actors considered the consequences in terms of payoffs and tried to get as much as possible. The fact that all they could get turned out to correspond with the proportionality principle is not evidence enough to support a norm-based causal mechanism. If a norm-based mechanism was at work we would not expect to find as much deliberation and bargaining on this matter as we did. The parties started bargaining on what divisor principle they should follow. They finally agreed to follow the proportionality principle but this was not self-evident for all parties involved, and in particular the Liberals.

The end result was finalized after tough negotiations on the principle that would guide the distribution of payoffs. In particular, the ultimatum stated by the chairman of the Conservative party forced the designated Prime Minister to reconsider his proposal and give the Conservatives more cabinet seats than he had suggested. The question is, why did Fälldin agree to Bohman’s demand that they should follow the proportionality principle? Evidence shows that Fälldin was anxious to include the Conservatives in order to form a non-socialist majority government. If he excluded the Conservatives he would have been dependent on support from the Conservative party in the Riksdag when proposing new legislation. Moreover, the alternative to form a “center-left” government was not a viable option due to the electoral promise to form a non-socialist government. The non-socialist parties were committed to form a non-socialist government.

All in all, the evidence found in this case study shows that parties are not blindly following a proportionality norm when distributing ministerial posts in government formation. Instead, parties are likely to use their bargaining leverage to ensure that a principle that favor themselves, in terms of giving them a large ministerial payoff, is used. Yet, proportionality has proved to be a viable outcome of the bargaining game. In a conflictual situation, such as the case of the 1976 government formation in Sweden, actors may voluntarily constrain competitive behavior in order to reach the higher goal of being part of a government coalition.

Concluding remarks

The aim of this paper was to investigate the causal mechanism that explain Gamson's Law of Proportionality, i.e. the statistical finding that parties' seat contribution to the government coalition to a large extent determines the share of portfolios that are allocated to them. Since causal mechanisms are more easily detected in in-depth case studies that utilize the method of process tracing, we have here performed such an intensive analysis. In order to select a case study, we performed a statistical analysis using a large- n data set comprised of parties included in the coalition governments in post-war Western Europe. This analysis replicates the results found in previous research. In a regression analysis where party size is the independent variable and portfolio payoffs the dependent variable, we find an explained variance of almost 90 percent. The proportionality relationship is thus strongly supported here. We do however find that the character of this relationship varies across countries, where some countries display relatively low R^2 's and low slopes.

When selecting cases for intensive analysis of causal mechanisms, we prefer to select predicted cases, or cases that are on or close to the regression line, following Bennett (2002), Bäck and Dumont (2004) and others. In order to follow this case selection strategy, we looked at the residuals in the regression analysis described above. In this regression analysis, some countries, such as Sweden, displayed especially low average residuals. We therefore chose to select a case among the seven Swedish formation opportunities included in the data set – the government formation that followed the 1976 election and resulted in the first non-socialist government in 44 years. This particular case resulted in a distribution of portfolios that is very close to the allocation predicted in the large- n analysis of the proportionality relationship. The three parties included in government, the Centre party, the Liberals and the Conservatives thus agreed on a portfolio allocation that closely mirrored the parties' contribution of seats.

The question is why the three parties decided to allocate portfolios proportionally. We argue that two main ideas about the causal mechanisms at work can be derived from the literature; that parties allocate portfolios proportionally (1) because bargaining strength is correlated to parliamentary size, or (2) because they follow a social norm that prescribes that a proportionality principle should be followed. By carefully mapping out the process that followed the 1976 election, we show that the parties did not blindly follow a norm of proportionality. Instead, the parties negotiated over which principle should guide the portfolio allocation. In the end, the party favoring a proportionality principle, the Conservative party, was able to force through their will by threatening to leave the three-party coalition. Thus, the conclusion is more in line with the first causal mechanism described above, that bargaining strength determines the outcome.

Does this mean that we can generalize this result to other cases of portfolio allocation? Although the case is carefully selected by using the strategy of choosing a case close to the regression line, we cannot rule out that the causal mechanism at work in this particular case is different from a general mechanism. Thus, more intensive research is necessary to confirm the general findings of this study; i.e. that bargaining strength determines which divisor principle is used. Future research should further assess why the bargaining game so often ends up with a proportional distribution of cabinet portfolios. Yet, our findings indicate that bargaining strength, rather than a conventional norm determines the outcome of government formation.

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