Bureaucratic Partisanship and the Allocation of Ministerial Portfolios

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Abstract. Government formation in multiparty systems requires parties to agree on a quantitative and qualitative distribution of ministerial portfolios. This paper proposes a novel theoretical argument about the effects of bureaucratic partisanship on portfolio allocation. Drawing on theories of delegation and cabinet governance it puts forward two rival propositions. The cabinet government hypothesis argues that bureaucratic preferences work as a check on ministerial drift. Empirically, this should become observable as a negative relationship between bureaucratic party support and ministerial party control. By contrast, the ministerial government hypothesis holds that ministers are policy dictators and portfolio allocation should therefore aim to minimize preference divergence between individual ministers and the bureaucracy. To resolve these competing claims the analysis takes advantage of the fact that Austrian civil servants elect their employee representatives from party lists (thus providing a measure of bureaucratic party support). The conditional logit models show that bureaucratic partisanship has a statistically and substantively significant positive impact on portfolio allocation, thus lending support to the ministerial government hypothesis.

Keywords: portfolio allocation, bureaucratic partisanship, cabinet government, ministerial government, Austria

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1 Introduction
Parliamentary democracies with proportional electoral systems typically produce minority situations in which no single party commands a legislative majority. Government formation then requires negotiations about the distribution of policy and office benefits between two or more parties. In examining these processes coalition research has accumulated a vast body of knowledge about government formation, portfolio allocation, government termination, and coalition governance over the past decades.

This paper seeks to add to the literature on portfolio allocation by examining the impact of bureaucratic partisanship on the qualitative distribution of ministries in coalition governments. To that end it draws on principal-agent models of policy delegation in parliamentary systems. Taking into account that preference divergence between principals and agents is often viewed as one of the greatest obstacles to effective delegation, it becomes clear that coalition bargaining is not only a process of finding a legislative majority that supports the government but also a procedure to match politicians to specific ministerial portfolios (and thus to specific bureaucracies with specific preferences). Parties can therefore limit agency loss in the delegation from the cabinet and individual ministers to the bureaucracy by allocating portfolios in a way that minimizes preference divergence between politicians and civil servants.

After spelling out this argument in more detail in the theoretical section, the empirical strategy is introduced and a descriptive overview of the data is given. The statistical analysis then employs conditional logit models to test the effect of bureaucratic partisanship on portfolio allocation in eleven coalition governments in Austria between 1983 and 2008. After a discussion of the results, the final section concludes.

2 Theoretical framework
The core argument of this study proceeds in three steps. First, a brief review of the literature on portfolio allocation in coalition governments is presented. Second, the problem of policy delegation in the face of preference divergence between politicians and the bureaucracy is discussed. Third, these two lines of argument are combined to put forward two competing hypotheses about the relationship between bureaucratic partisanship and portfolio allocation. Under perfect cabinet government, portfolios will be allocated so as to skew policy outcomes away from ministers’ ideal points toward the cabinet’s position. Under perfect ministerial
government, ministries will be distributed so as to minimize the distance between bureaucrats’ and ministers’ preferences.

2.1 Coalition bargaining and portfolio allocation

Parliamentary systems with proportional representation typically produce multiparty governments. While coalition theory has drawn extensively on the legislative bargaining literature in order to explain government formation in the absence of a single-party parliamentary majority (e.g. Austen-Smith and Banks 1988; Baron 1991), it has also been pointed out that coalition formation involves bargaining over the distribution of ministerial portfolios (Laver and Shepsle 1990; 1996) which can be examined in quantitative and qualitative terms.

The quantitative allocation of portfolios is important as a determinant of the distribution of power between parties in the cabinet. Early studies of portfolio allocation have established that most parties in most governments are rewarded with a number of ministries that is roughly proportional to their share of the government’s parliamentary seat total (Browne and Franklin 1973; Browne and Frendreis 1980; Schofield and Laver 1985; Laver and Schofield 1990: 165-86). This empirical regularity has been termed ‘Gamson’s Law’ (following Gamson 1961) and has shown to be extremely robust across time and space, even when taking variation in the importance of portfolios into account (Druckman and Warwick 2005; Warwick and Druckman 2006). However, systematic deviations from the proportionality rule have been found according to party size (Browne and Franklin 1973; Browne and Frendreis 1980), in the absence of votes of no confidence (Golder and Thomas 2012), in the presence of complex and uncertain bargaining environments (Falcó-Gimeno and Indridason 2013), and when parties have been out of government for an extended period of time (Falcó-Gimeno 2012).

The qualitative allocation of portfolios can have a considerable impact on the government’s policy agenda. While ministers are not unconstrained by the policy preferences of cabinet members from other parties, they may enjoy considerable agenda-setting and veto powers within their jurisdiction, especially when ministerial autonomy is high (Laver and Shepsle 1990; 1994; 1996). Ministers have influence not only over policy implementation (Thomson 2001; Schermann and Ennser-Jedenastik 2013) but also over political appointments (Ennser-Jedenastik 2013b). Empirical investigations of the qualitative distribution of ministries in coalition governments have yielded some notable regularities. Browne and Feste
(1975) report that party size predicts the allocation of some portfolios (e.g. defense, finance, agriculture, social affairs), but not others. Budge and Keman (1990: 89-131) demonstrate that there is a substantive relationship between party families and portfolio allocation: agrarian parties typically receive the ministry of agriculture, socialist parties are more likely than not to take the health, labor, and social affairs portfolios, and liberal parties are very often awarded the ministries of economy, finance, and justice. The most comprehensive and systematic analysis of qualitative portfolio allocation to date was provided by Bäck et al. (2011) who show that issue saliency in election manifestos has a substantial impact on the distribution of ministries, and that this effect is especially pronounced for minority governments. Parties thus systematically allocate portfolios to accommodate their respective policy emphases. This result has been confirmed by Raabe and Linhart (2013) in their analysis of sub-national governments in Germany.

The existing literature thus strongly suggests that parties are guided by their policy objectives when they engage in bargaining over portfolio allocation. Ministerial control is surely among the most effective mechanisms to safeguard the policy deal that parties hammer out in coalition negotiations (Strøm et al. 2010: 523). Laver and Shepsle have taken this approach to the extreme and proposed a theory of coalition formation where only those policy proposals are credible that are backed up by the corresponding allocation of ministerial posts (Laver and Shepsle 1990; 1996). While criticized as overly rigid by some (Dunleavy and Bastow 2001), the notion that parties try to align office and policy payoffs in coalition bargaining has been found to be empirically plausible (Schermann and Ennser-Jedenastik 2012).

2.2 Preference divergence and delegation in parliamentary democracies
The textbook version of delegation in parliamentary systems assumes a cascade of principal-agent relationships that links voters to MPs, MPs to the cabinet, the cabinet to individual ministers, and ministers to the bureaucracy (Müller 2000; Strøm 2000). The potential of agency loss is present at each of these steps, and substantial parts of coalition research are devoted to the mechanisms that parties employ to overcome these delegation problems (Müller and Meyer 2010). As mentioned above, portfolio allocation itself can serve as an ex-ante mechanism to mitigate agency loss. The same goes for written coalition agreements (Strøm and Müller 1999; Müller and Strøm 2008; Indridason and Kristinsson 2013). Among all the available ex-post instruments to safeguard the coalition policy bargain the deployment
of watchdog junior ministers and the strategic allocation of chairmanships in parliamentary committees are the most prominent (Thies 2001; Lipsmeyer and Pierce 2011; Carroll and Cox 2012).

However, all these mechanisms focus on the potential of agency loss in the delegation from the cabinet to individual ministers. While it is true that this step in the chain of delegation is especially important because of the role of ministers as ‘double agents’ who collectively make up the principal (the cabinet) and individually function as agents (Andeweg 2000), it should not be ignored that the principal-agent cascade does not stop with ministers. The final step requires the delegation of policy to the bureaucracy.

Contrary to the Weberian ideal of a politically neutral bureaucracy, real-world government departments and agencies are staffed with civil servants who may have ideological leanings, one way or the other. Students of the American system of government have long acknowledged that executive agencies vary systematically in their degree of liberalism or conservatism. Attempts to measure agency ideology (Clinton and Lewis 2008; Bertelli and Grose 2011; Clinton et al. 2012) agree that, for instance, the Department of Defense is at the conservative end of the political spectrum, whereas the Environmental Protection Agency is one of the most liberal departments.

The recognition that bureaucrats, however loyal they may be, have ideological preferences and may therefore be favorably predisposed towards a specific policy course of action, provides an important insight for the study of delegation to the bureaucracy. As the distance between the policy preferences of a government department and a minister increases, the risk of agency loss in the delegation of government policy rises. Again, there are multiple ways for politicians to curtail the freedom of bureaucrats to depart from the government’s ideal policy (Huber 2000). These include spelling out the details of policy implementation so as to limit the autonomy of civil servants (see, for instance, Huber and Shidan 2002), making changes to departmental budgets in order to discourage or encourage certain bureaucratic activities (Carpenter 1996), but also politicizing the civil service and exchanging senior public officials (Meyer-Sahling 2006; 2008; Kopecký et al. 2012; Dahlström and Niklasson 2013; Ennser-Jedenastik 2013a). Whereas the former two options constitute attempts to limit the adverse consequences of preference divergence between political principals and bureaucratic agents, the latter two alternatives represent efforts to move the ideal points of the agents closer to those of the principals. The major practical obstacle to constraining the preference divergence in the short term is the impossibility for politicians to simply remove civil servants
at will. In many administrative systems, civil servants enjoy a high degree of job protection, making sweeping changes to the bureaucratic personnel costly, if not outright impossible. As the next paragraphs will argue, politicians otherwise seeking to limit preference divergence in bureaucratic delegation thus find a very effective way to do so by using the process of portfolio allocation in coalition bargaining.

2.3 Preference divergence, modes of government, and portfolio allocation

The seminal portfolio allocation approach to government formation by Laver and Shepsle (1990; 1996) rests on the insight that coalition negotiations are not simply a legislative bargaining game. By emphasizing the importance of the executive in government formation they recognize that the distribution of ministerial portfolios also influences the degree of policy control that each coalition party has over a specific policy area. Thus, coalition bargaining is not only about agreeing on what policies to implement in general, but also on who gets to influence policies in which jurisdiction.

The argument presented here takes this notion one step further. Coalition bargaining is seen not only as a process of distributing ministerial responsibilities between parties, but it is also viewed as an attempt at influencing the preference divergence between politicians and bureaucrats. The empirical implications of this argument are, however, strongly conditional on the degree of ministerial autonomy and the nature of the policy bargain that the coalition parties strike. Therefore, two competing hypotheses are put forward.

The cabinet government hypothesis assumes that coalition parties agree on policies that represent compromises between parties’ ideal points in each policy dimension. Yet, since policy implementation necessitates delegation from the cabinet to the ministers, there is a risk of agency loss if ministers use their departmental ‘home field advantage’ to skew policy away from the agreed policy towards their own party’s ideal point. Effective policing of the coalition bargain therefore needs to limit shirking on the part of individual ministers by constraining the impact of ministers on policy outcomes. Parties may therefore choose to allocate portfolios in such a way that bureaucratic preferences compensate for ministerial drift. The logic behind this assumption is thus similar to the argument for deploying ‘watchdog’ junior ministers (Thies 2001; Lipsmeyer and Pierce 2011) whose purpose is to contain policy drift by the departmental minister. The empirical implication of the cabinet government hypothesis is a negative correlation between a party’s support in a ministry and its probability of receiving the respective portfolio. Ministers will thus find themselves in a
relatively adverse bureaucratic environment that works as a check on their tendencies to skew policy away from the coalition bargain and towards their party’s ideal point.

The mininisterial government hypothesis assumes that ministers are policy dictators within their jurisdiction and that, rather than agreeing on a dimension-by-dimension compromise, the coalition agreement declares the government’s policy position to be the aggregate of all ministerial parties’ ideal points. This eliminates delegation problems between the cabinet and ministers, and it thus incentivizes parties to allocate portfolios in a way that minimizes preference divergence between individual ministers and their departmental bureaucracies. The empirical implication of the ministerial government hypothesis is therefore a positive correlation between party support in a ministry and the allocation of the corresponding portfolio to the respective party. Ministers will end up in a relatively friendly bureaucratic environment.

In order to illustrate these arguments, consider two similarly sized parties, A and B, forming a coalition and deciding on how to allocate two portfolios corresponding to two policy dimensions (see Figure 1). The coalition’s ideal point is at C, which, under cabinet government, is about halfway between the two parties’ positions. Under ministerial government, C coincides with either AB or BA, depending on the distribution of portfolios. The bureaucrats in the two ministries have a combined ideal point at position M. Policy is delegated from the cabinet (C) to the ministers and then to the bureaucracy, resulting in policy drift that pulls policy away from C (represented by the grey arrows). Under cabinet government, the preferred portfolio allocation is BA (i.e. party B controls the portfolio corresponding to the horizontal dimension, party A controls the portfolio corresponding to the vertical dimension), because bureaucratic drift (towards M) works as a counterweight to ministerial drift (towards BA). Under cabinet government and allocation AB, ministerial and bureaucratic drift work in the same direction, thus moving policy outcomes further away from C. Under ministerial government, by contrast, only bureaucratic drift is relevant, and thus allocation AB is preferable to BA, because it better aligns civil servants’ preferences with ministerial ideal points, resulting in lower overall policy drift.

FIGURE 1 ABOUT HERE

To be sure, there are also non-policy arguments to support the ministerial government hypothesis. Bureaucrats who are at odds with their ministers’ preferences may, for instance,
engage in behavior that curbs the overall effectiveness of their department. Such behavior may include slowing down the process of policy implementation, interfering with the drafting of new legislation, or withholding relevant information from the minister. These behaviors may not always drastically alter the final policy outcome, but they reduce the efficacy of government departments and thus individual ministers. Since ministers are usually the public face of a government party and its policies in a specific area, they have strong electoral incentives to appear competent and effective in their job. Having to deal with an unsupportive, or even hostile, bureaucracy is clearly not helpful in this regard and may even damage the career prospects of a minister (Berlinski et al. 2010; 2012).

The conclusion from these arguments is that parties in coalition governments have strong incentives to take bureaucratic preferences into account when allocating portfolios, yet the exact relationship between bureaucratic preferences and ministerial party control depends on the degree of ministerial autonomy and the nature of the policy compromise worked out by the coalition parties.

3 Empirical strategy

The claim that bureaucratic preferences influence portfolio allocation will be tested with data on eleven cabinets governing Austria between 1983 and 2013. The case selection takes advantage of the fact that civil servants in the Austrian ministerial bureaucracies elect their employee representatives from party lists. The results of these elections thus provide a very accurate picture of party support within each ministry. To be sure, party support is not identical to ideology, but it provides a very reasonable approximation in the present context. The rationale here is that politicians can get a realistic estimate as to the support their party commands within a ministry. The two competing hypotheses outlined above will be evaluated by examining the relationship between party support and the probability of a party being awarded a ministry. A negative relationship will count as evidence towards the cabinet government hypothesis, whereas a positive relationship will be taken to indicate support for the ministerial government hypotheses.

1 More specifically, the elections are fought by the parties’ branches within the public sector trade union (GÖD): ÖAAB/FCG for the ÖVP, FSG for the SPÖ, and AUF for the FPÖ. For reasons of simplicity, the party labels are used throughout the paper. Relevant non-party lists can be found only in very few ministries, and mostly with modest support. By far the strongest has been the ‘Liste Ballhausplatz’, scoring up to 30 percent of the vote in the Ministry of Foreign Affairs. See Tschaikner (1995) for an overview.
In order to provide an overview of the preferences of the Austrian bureaucracy, Figure 2 plots the results of the elections for employee representatives and the voting trends in national parliamentary elections since 1975 for the three parties that held government office during the period of observation.

FIGURE 2 ABOUT HERE

The graph shows that the conservative People’s Party (ÖVP) is substantially overrepresented among ministerial civil servants (solid black line) as compared to its performance in the electorate as a whole (dashed black line). The Social Democratic Party (SPÖ) used to be somewhat underrepresented in the civil service during the 1980s, yet as of 1990 its rather dismal national performance has brought its popular support more in line with its vote share in the ministerial bureaucracy. By contrast, the Freedom Party’s (FPÖ) meteoric rise and fall in the parliamentary elections of the 1990s and 2000s has only vaguely been reflected in its figures for the civil service. The two traditional major parties, ÖVP and SPÖ, clearly remain the dominant players in the ministerial bureaucracy, largely unscathed by the massive changes in the general voting behavior. As a case in point, consider the fact that even during its heyday in the 1990s, the FPÖ did not even manage to put up candidates in all ministries.

Furthermore, electoral volatility appears to be much higher in the general electorate than among civil servants, with only small changes in aggregate party support over time. Yet, as Figure 3 shows, there is somewhat more volatility in individual ministries. Also, it becomes clear that some departments have strong partisan tendencies (e.g. Social affairs and Interior are dominated by the SPÖ, Justice and Defense by the ÖVP), whereas others are more balanced (e.g. Foreign affairs and Finance).

FIGURE 3 ABOUT HERE

Bureaucratic partisanship appears to be rather stable, with only few signs of influence by the ministers’ party (e.g. the ÖVP’s rise after taking the Ministry of Interior in 2000). This is all the more remarkable given the prevalence of patronage in the Austrian state apparatus (Müller 1989; Treib 2012; Ennser-Jedenastik 2013b).

The vote shares for each individual party in the most recent election for employee representatives will be taken as predictors for the qualitative portfolio allocation in the eleven
coalition governments that were in office between 1983 and 2013 (see Table 1). The analysis only includes portfolios that have their own bureaucratic apparatus, thus discarding ministers without portfolios and several other ministries that are not distinct organizational units. Also, the Chancellorship and Vice Chancellorship are excluded, since one of the control variables (issue saliency in party manifestos) covers only portfolios with a well-defined policy jurisdiction (the position of Vice Chancellor is usually combined with the Foreign Affairs or Finance portfolio).

**TABLE 1 ABOUT HERE**

Following Bäck et al. (2011), the analysis employs conditional logit models. Each ministry in each cabinet is awarded to one of two parties in the coalition (portfolios given to non-partisan ministers are dropped). Across eleven cabinets this yields a total of 122 cabinet-ministries. Since all cabinets are made up of two parties (representing the choice alternatives in the conditional logit framework), the total number of observations is 244.

Largely following Bäck et al. (2011), a number of control variables are specified to account for other possible influences on the qualitative portfolio allocation. First, relative party size as measured by parties parliamentary seat contribution and its interaction with portfolio saliency (data taken from Druckman and Warwick 2005) is taken into account. Thus, the possibility that larger parties receive more important ministries is controlled for (as implied by Browne and Feste 1975). The analysis also incorporates systematic variation in preferences according to party family (Budge and Keman 1990: 89-131). Following Budge and Keman and Bäck et al., a dichotomous predictor is coded for observations where party family preferences match with portfolios. In addition, Bäck et al.’s measure of issue saliency is replicated from party manifesto data. Two dummy variables are specified to account for party-specific effects that are not captured by other variables. Table 2 presents the descriptive statistics for the independent variables.

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2 The Women’s Affairs portfolio the prime example (typically attached to the Federal Chancellery). Also, short-lived portfolios such as Public Achievement and Sport or Administrative Reform are discarded due to a lack of data on employee representative elections.

3 However, it should be noted that, due to the prevalence of coalitions with two parties of roughly equal size, over 70 percent of observations are between have seat contribution values between 40 and 60 percent.

4 SPÖ (Socialist party family): Health, Social Affairs; ÖVP (Conservative/Christian Democrat): Interior, Foreign Affairs, Defense, Agriculture, Social Affairs (when SPÖ in opposition), Health (when SPÖ in opposition); FPÖ (Liberal, but only in 1983 and 1986): Justice, Trade, Finance.
3.1 The problem of causal direction

Austria is well-known for high levels of politicization (Liegl and Müller 1999; Treib 2012; Ennser-Jedenastik 2013b), while at the same time displaying low partisan turnover in government. Therefore, the most challenging empirical task is to account for the possibility that any correlation between ministerial and bureaucratic partisanship may not be due to the strategic allocation of portfolios but to the politicization of the bureaucracy.

The statistical models try to account for this possibility by including a dummy variable for the incumbent ministerial party and a predictor that counts the number of years a ministry was under control from the respective party during the 20 years prior to the government formation process. If the combination of low partisan turnover in ministries and high potential for politicization accounts for the hypothesized correlation between ministerial and bureaucratic partisanship, much of this effect will be eliminated when controlling for the short-term and long-term influence that a party wields over a ministry. If the bureaucratic partisanship predictor is still significant after controlling for long-term ministerial party control (and thus the potential to politicize the bureaucracy), we can be more confident that the causal direction of the effect is as theorized above.

In addition, it should be noted that the data from the elections of employee representatives do not suggest that ministers have much of an impact on the partisanship of their bureaucracies (see Figure 3). With the possible exception of the Ministry of Interior after 2000, the graph does not reveal any potential case for large-scale politicization (this holds for the ministries not shown here, too). Although politicized appointments may very well occur in some cases, especially in the higher echelons of the bureaucracy, this does not happen at a scale large enough to substantially alter the preferences of bureaucrats in a ministry. By contrast, the overall picture suggests that party preferences among bureaucrats are extremely stable and thus much more a function of the individual ministries than of the ministers who preside them.

4 Statistical analysis

Before moving to the multivariate analysis, the bivariate relationship between bureaucratic partisanship and portfolio allocation is explored. Figure 3 presents violin plots depicting the
distribution of the party support variable for ministerial parties and non-ministerial parties. It is clearly visible that there is a strong positive relationship between party support and party control of a ministry, thus lending preliminary support for the ministerial government hypothesis (which is in line with earlier studies of Austria, see Müller 1994).

The median level of party support for non-ministerial parties is 28 percent, compared to 52 percent for ministerial parties. To test whether this relationship holds in a multivariate environment, a series of conditional logit models (CLM) are specified. Each cabinet-ministry represents one case and the choice alternatives are the two coalition parties. The CLM estimates a model with the following probability function:

$$
\Pr(Y_{ij} = j) = \frac{\exp(Z_{ij}\gamma)}{\sum_{j=2}^{J} \exp(Z_{ij}\gamma)}
$$

where $Z_{ij}$ is a set of predictors that vary across both cases $i$ and choice alternatives $j$, and $\gamma$ represents a vector of regression coefficients.

One difficulty in the estimation is that several independent variables covary with the main predictor of interest, bureaucratic party support. Empirically, these correlations are hardly surprising and can mostly be attributed to systematic differences between the two traditional major parties (SPÖ, ÖVP) and the Freedom Party. For instance, the FPÖ has traditionally had much weaker support in the bureaucracy, leading to a strongly negative relationship between the FPÖ dummy and bureaucratic party support ($r=-0.69$). Also, SPÖ and ÖVP always had roughly comparable levels of national electoral support, while the FPÖ entered government twice (in 1983 and 2002) with a much lower parliamentary seat share than its respective coalition partner. Because of the FPÖ’s weak position in the ministerial bureaucracies, this leads to a positive relationship between seat contribution and bureaucratic party support ($r=0.46$). In order to get a clearer picture of the relationship between bureaucratic partisanship and portfolio allocation, a number of permutations will be presented, with a different set of independent variables present each time.

The models in Table 3 confirm that bureaucratic partisanship has a statistically significant and substantively important impact on portfolio allocation. A pseudo-$R^2$ of 0.169
in Model 1 shows that the party support predictor alone has considerable explanatory power. Furthermore, the difference in the pseudo-$R^2$ between the full model (Model 4) and the control model (Model 6) suggests that the unique contribution of the party support variable to the model fit is quite notable. In general, the models perform well, with up to 87 percent of all cases correctly predicted. The party support variable alone (Model 1) classifies almost three quarters of all cases correctly.\(^5\)

The full model (Model 4) indicates that each additional percentage point in ministerial party support increases the odds of a party receiving the respective portfolio by 2.6 percent. This result strongly corroborates the ministerial government hypothesis and defeats the cabinet government hypothesis. Parties clearly seek to minimize preference divergence in the delegation from ministers to bureaucrats. Given that the empirical variation in bureaucratic partisanship is very high (the inter-quartile range is 35 percentage points), the odds ratios in Table 3 amount to sizable effects. Only in Model 2 does the effect fail to reach conventional levels of statistical significance ($p=0.104$). This is because excluding the party dummies strengthens the impact of the correlations of bureaucratic partisanship with the seat contribution and incumbency variables, which decrease the effect size of the party support variable.

\textbf{TABLE 3 ABOUT HERE}

Among the other independent variables, party family and ministerial incumbency yield large and statistically significant effects, whereas issue saliency and the interaction between parliamentary seat shares and portfolio saliency have no discernible impact. While it should be noted that the specific coding of the party family variable (which also reduces the impact of the party support predictor somewhat) is based more on empirical regularities in West European democracies (Budge and Keman 1990) than on substantive theoretical arguments, it has considerable explanatory power. In the full model (Model 4), the odds ratio of 3.7 suggests that a match between party family and portfolio makes a party almost four times more likely to take a specific ministry.

An even stronger effect can be observed for the ministerial incumbency predictor. While this variable is curiously absent from earlier studies of portfolio allocation, it is also

\(^5\) Compare this against several ‘naïve’ baselines: random chance gets 50 percent of all cases right; assuming that the senior party takes all portfolios has a 54.1 percent success rate; predicting that the incumbent party will take the portfolio classifies 78.2 percent of all observations correctly.
likely that its impact is especially large in the Austrian case which is characterized by low levels of partisan turnover in government and mostly incremental changes in the inter-party balance of power. It is thus hardly surprising that, according to Model 4, having held the ministry in the previous cabinet increases a party’s odds of receiving the respective portfolio in the current cabinet by a factor of five. Furthermore, it is notable that the ministerial incumbency predictor alone accounts for a large share of the variation in the dependent variable (pseudo-$R^2 = 0.31$, model not reported).

**TABLE 4 ABOUT HERE**

In order to provide some robustness checks, Table 4 presents two models estimated from subsets of the data. First, Model 7 includes only grand coalition governments, thus testing whether the above findings are due to the peculiarities of the FPÖ (see discussion on p. 12). Second, Model 8 excludes observations where support for a government party in a ministry equals zero. In practice, this eliminates all cases where the Freedom Party did not stand candidates in an election for employee representatives. In such cases, FPÖ supporters in the bureaucracy were not able to vote for their party and thus the measure of party support is probably biased downward (although the failure to put up candidates may be regarded as a valid indicator of feeble party support in itself).

Both regression models confirm the positive effects of bureaucratic partisanship and ministerial incumbency. With the party family variable significant at the ten percent level, Models 7 and 8 yield substantively identical results to the previous estimations.

It thus emerges from the multivariate analysis that there is solid evidence for the proposition that portfolio allocation is driven by bureaucratic partisanship, even when controlling for the incumbent ministerial party, party families, issue emphasis in manifestos, and portfolio saliency. The data corroborate the assumption that parties allocate portfolios so as to limit preference divergence between ministers and bureaucrats and thus contain agency loss in the delegation to the civil service. This result unambiguously supports the ministerial government hypothesis.

In order to illustrate the importance of bureaucratic partisanship, Figure 5 graphs the predicted probability of one party receiving a ministry dependent on the level of party support in the bureaucracy. Holding one party’s support level at zero, the probability of the other
government party being awarded a specific portfolio rises from just over 50 to 86 percent across the empirical range of the party support variable.

FIGURE 5 ABOUT HERE

Figure 5 clearly underscores the substantive relevance of bureaucratic partisanship in portfolio allocation and thus lends credibility to the assumption that government formation in multiparty systems is not only driven by the parliamentary arithmetic and parties’ policy positions, but also by the preferences of actors outside the core political arena. Real-world politicians know very well that their effectiveness as government ministers depends to a significant degree on their relationship with the bureaucracy. Even in modern bureaucracies that emphasize professionalism and political neutrality this relationship is likely to be smoother if ministers and civil servants do not hold vastly different world views. Politicians anticipate this potential for conflict and try to mitigate it by allocating portfolios in such a way that reduces preference divergence between ministers and bureaucrats.

5 Concluding remarks

Over the past decades, coalition research has made significant progress in explaining the outcome of the government formation process, both in terms of the final composition of cabinet (Martin and Stevenson 2001; Bäck et al. 2013) and the distribution of ministerial portfolios (Warwick and Druckman 2006; Bäck et al. 2011). This paper aims at highlighting a previously overlooked determinant of qualitative portfolio allocation. Arguing that parties take bureaucratic partisanship into account when bargaining over the division of labor in cabinet, it uses the Austrian case to demonstrate that higher levels of party support in the ministerial bureaucracy make it more likely that a specific portfolio is awarded to the respective party. To be sure, Austria with its highly politicized bureaucracy (Liegl and Müller 1999: 114-7) may be a likely case to find such an effect, since politicians are very alert to the political leanings of the bureaucracy. Also, its comparatively high level of ministerial autonomy (Müller 1994) probably biases the analysis in favor of the ministerial government hypothesis. Countries with a more collective form of government policy making may therefore produce different results.
While the direction and the size of the effect may thus be contingent on the Austrian case, it has been shown in this paper that taking bureaucratic preferences into account constitutes a meaningful contribution to the extant research on portfolio allocation. The major challenge to examining the hypotheses tested in this paper in a wider comparative context is, of course, the difficulty of obtaining cross-nationally comparable data on bureaucratic preferences. As the present paper shows, however, such information is crucial in order to obtain a more complete understanding of the process of government formation in multiparty systems.

References


Table 1: Austrian coalition governments, 1983-2013

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<td>January 2007</td>
<td>7</td>
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<tr>
<td>Faymann</td>
<td>SPÖ-ÖVP</td>
<td>December 2008</td>
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<tr>
<td>Variable</td>
<td>N</td>
<td>Mean</td>
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<tr>
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<tr>
<td>Party support in ministry</td>
<td>244</td>
<td>36.77</td>
<td>23.33</td>
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<tr>
<td>Party family</td>
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<td>0.42</td>
</tr>
<tr>
<td>Issue saliency (log)</td>
<td>244</td>
<td>2.02</td>
<td>0.88</td>
</tr>
<tr>
<td>Incumbent ministerial party</td>
<td>244</td>
<td>0.41</td>
<td>0.49</td>
</tr>
<tr>
<td>Party-years in ministry (last 20 years)</td>
<td>244</td>
<td>7.27</td>
<td>7.16</td>
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<tr>
<td>Seat contribution</td>
<td>244</td>
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<td>19.79</td>
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<td>Seat contribution × portfolio saliency</td>
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<td>52.53</td>
<td>24.89</td>
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<tr>
<td>Party: FPÖ</td>
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<td>0.18</td>
<td>0.39</td>
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<tr>
<td>Party: SPÖ</td>
<td>244</td>
<td>0.42</td>
<td>0.49</td>
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Table 3: The effect of bureaucratic party support on qualitative portfolio allocation

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
<th>Model 5</th>
<th>Model 6</th>
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</thead>
<tbody>
<tr>
<td>Party support in ministry</td>
<td>1.028***</td>
<td>1.014#</td>
<td>1.015*</td>
<td>1.026**</td>
<td>1.019**</td>
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<tr>
<td></td>
<td>(4.78)</td>
<td>(1.62)</td>
<td>(1.94)</td>
<td>(2.47)</td>
<td>(2.06)</td>
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<tr>
<td>Party family</td>
<td>2.688**</td>
<td>3.090***</td>
<td>3.743**</td>
<td>2.965**</td>
<td>3.922***</td>
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</tr>
<tr>
<td></td>
<td>(2.26)</td>
<td>(2.77)</td>
<td>(2.53)</td>
<td>(2.35)</td>
<td>(2.91)</td>
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<td>Issue saliency (log)</td>
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<td>0.938</td>
<td>0.860</td>
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<td></td>
<td>(-0.23)</td>
<td>(-0.58)</td>
<td>(-0.15)</td>
<td>(-0.37)</td>
<td>(0.21)</td>
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<tr>
<td>Incumbent ministerial party</td>
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<td>5.046***</td>
<td>5.688***</td>
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<tr>
<td></td>
<td>(4.90)</td>
<td>(4.95)</td>
<td>(5.44)</td>
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<tr>
<td>Party-years in ministry (last 20 years)</td>
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<td>1.112***</td>
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<td></td>
<td>(3.44)</td>
<td>(3.44)</td>
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<tr>
<td>Seat contribution</td>
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<td>0.955*</td>
<td>0.994</td>
<td>0.981</td>
<td>0.993</td>
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<td>(-1.17)</td>
<td>(-1.82)</td>
<td>(-0.20)</td>
<td>(-0.70)</td>
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<td>Seat contribution × portfolio saliency</td>
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<td>1.041</td>
<td>1.041</td>
<td>1.041</td>
<td>1.045</td>
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<tr>
<td></td>
<td>(1.39)</td>
<td>(1.57)</td>
<td>(1.52)</td>
<td>(1.53)</td>
<td>(1.60)</td>
<td></td>
</tr>
<tr>
<td>Party: FPÖ</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>12.20***</td>
<td>5.232**</td>
<td>4.755**</td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td>(2.75)</td>
<td>(2.01)</td>
<td>(1.97)</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Party: SPÖ</td>
<td>0.862</td>
<td>0.449*</td>
<td>0.783</td>
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<tr>
<td></td>
<td>(-0.37)</td>
<td>(-1.79)</td>
<td>(-0.65)</td>
<td></td>
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<td></td>
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<tr>
<td>McFadden’s $R^2$</td>
<td>0.169</td>
<td>0.421</td>
<td>0.330</td>
<td>0.470</td>
<td>0.372</td>
<td>0.429</td>
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<tr>
<td>Cases correctly predicted (%)</td>
<td>73.8</td>
<td>83.6</td>
<td>78.8</td>
<td>86.9</td>
<td>82.8</td>
<td>84.4</td>
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<tr>
<td>Log likelihood</td>
<td>-70.29</td>
<td>-48.96</td>
<td>-56.64</td>
<td>-44.86</td>
<td>-53.11</td>
<td>-48.26</td>
</tr>
<tr>
<td>N</td>
<td>244</td>
<td>244</td>
<td>244</td>
<td>244</td>
<td>244</td>
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</tr>
</tbody>
</table>

Note: Figures are odds ratios, t statistics in parentheses; * p < 0.1, ** p < 0.05, *** p < 0.01, # p=0.104
### Table 4: Reduced models

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 7 (SPÖ-ÖVP only)</th>
<th>Model 8 (party support&gt;0)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Party support in ministry</td>
<td>1.027* (2.40)</td>
<td>1.026* (2.42)</td>
</tr>
<tr>
<td>Party family</td>
<td>2.852 (1.67)</td>
<td>3.020 (1.90)</td>
</tr>
<tr>
<td>Issue saliency (log)</td>
<td>0.685 (-0.69)</td>
<td>0.801 (-0.45)</td>
</tr>
<tr>
<td>Incumbent ministerial party</td>
<td>5.143*** (4.01)</td>
<td>4.068*** (3.89)</td>
</tr>
<tr>
<td>Seat contribution</td>
<td>0.900 (-0.56)</td>
<td>0.897 (-1.20)</td>
</tr>
<tr>
<td>Seat contribution × portfolio saliency</td>
<td>1.107 (0.61)</td>
<td>1.159 (1.31)</td>
</tr>
<tr>
<td>Party: FPÖ</td>
<td></td>
<td>2.788 (0.73)</td>
</tr>
<tr>
<td>Party: SPÖ</td>
<td>1.023 (0.04)</td>
<td>0.704 (-0.73)</td>
</tr>
<tr>
<td>McFadden’s $R^2$</td>
<td>0.525</td>
<td>0.498</td>
</tr>
<tr>
<td>Cases correctly predicted (%)</td>
<td>81.2</td>
<td>83.6</td>
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<tr>
<td>Log likelihood</td>
<td>-25.68</td>
<td>-32.04</td>
</tr>
<tr>
<td>N</td>
<td>156</td>
<td>184</td>
</tr>
</tbody>
</table>

Note: Figures are odds ratios, t statistics in parentheses; * p < 0.05, ** p < 0.01, *** p < 0.001; Model 7 includes only observations from grand coalitions, Model 8 excludes all cases were party support for one government party in a ministry was zero (i.e. no party candidates stood for election). The results do not change if the long-term incumbency predictor (Party-years in ministry) is used.
Figure 1: Ministerial and bureaucratic drift in a two-party government
Figure 2: Comparing election results for employee representatives and parliament

Note: Figures are vote shares, excluding civil servants outside the ministerial bureaucracies (e.g. teachers, police officers, members of the judiciary, and employees at the sub-national level).
Figure 3: Vote shares for SPÖ, ÖVP, and FPÖ in selected ministries, 1979-2009

Note: The bulk of the remaining vote share in the Ministry of Foreign Affairs is taken by the non-partisan ‘Liste Ballhausplatz’. White gaps in ministerial control denote non-partisan ministers. Color codes: black= ÖVP, light grey=SPÖ, dark grey=FPÖ/BZÖ.
Figure 4: Bureaucratic partisanship by party control of ministry

Note: Violin plots, combining boxplots (indicating median, first and third quartile) with horizontal density plots.
Figure 5: Predicted probability of receiving ministry

Note: Predicted probabilities based on 10000 random draws from a multivariate normal distribution conditioned on the raw coefficients and the variance-covariance-matrix of Model 4. Level of party support in ministry for other party held at zero, other covariates held at their respective means (continuous variables) and modes (categorical variables). Dotted lines indicate 95 percent confidence interval.