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**EXTENSION OF THE *PORTFOLIO ALLOCATION MODEL* TO
SURPLUS MAJORITY GOVERNMENTS:
A THEORETICALLY SALIENT CASE STUDY**

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Abstract

Scholars have long studied the conditions under which the cabinet making process will result in minority, surplus majority, or minimum-winning governing coalitions in parliamentary systems. A recent contribution, Laver and Shepsle's *portfolio allocation model*, argues that surplus majority coalitions can only form when the number of salient policy dimensions in the political system is greater than two. We argue that majority surplus coalitions can result when there are only two salient policy dimensions and a *merely strong* party, not able to win a *standoff*, can obtain a government occupying a policy position closest to its ideal point by dividing policy jurisdictions across two or more cabinet positions. The 1996 surplus majority in the Lithuanian *Seimas* illustrates our argument.

The Challenge

In political systems in which government formation and survival depends upon the legislature, governing coalitions of political parties are necessary when no political party commands an absolute majority. The process of cabinet making in such systems may result in a parliamentary coalition constituting the smallest absolute majority possible given the size of existing factions (a minimum-winning coalition), one constituting more than that necessary for a minimum winning coalition (a surplus majority coalition), or less than a

majority (a minority coalition). Theories of cabinet making have sought to explain what types of coalitions are likely to form.

Michael Laver and Kenneth A. Shepsle's (1996) *portfolio allocation model* is one of the most recent contributions to the literature on cabinet making. Laver and Shepsle take great care to demonstrate how minimum-winning coalitions and, in particular, minority governments are explained by the *portfolio allocation model*. However, they devote considerably less attention to the problem of surplus majority governments, arguing only that the logic of the model requires that there must be more than two salient political dimensions for this to occur. This follows from their contention that ministries exercise jurisdiction over either a single issue dimension (simple jurisdiction) or a complex bundle of issues (Laver and Shepsle 1996).

We argue that the phenomenon of surplus majority governments can be explained under the rubric of the *portfolio allocation model* even when *only* two salient political dimensions dominate the government formation process. Extending Laver and Shepsle's argument concerning the bundling of issues, jurisdiction over a single issue can be split between two portfolios. This permits a greater number of coalition partners to enter the government. This is most likely to occur when 1) a party that participates in every coalition majority preferred to its ideal point (a minority government in which it holds all portfolios) lacks the political will or resources to win a *standoff* with the rest of the legislature *and* 2) the splitting of issues across portfolios gives such a party (a *merely strong party*) a government occupying a policy position closer to its ideal position than might otherwise be possible. We illustrate our argument with a theoretically salient case study of the 1996 surplus majority in the *Seimas* of the Republic of Lithuania.

Coalition Theory and the Portfolio Allocation Model

Early theories of cabinet formation were dominated by the rational choice perspective of Anthony Downs (1957). Downs argued that political parties are motivated by the desire to get elected, rather than by policy concerns. To do so, they attempt to position themselves in the existent policy space in such a way as to maximize electoral outcomes in their favor. Downs contended that in multiparty systems requiring the formation of coalitions to form a government, two contrary tendencies exist. Parties in a coalition are at once rationally motivated to converge on policy in order to increase the effectiveness of the government (and thereby increase the likelihood of the coalition being reelected) *and* to diverge on policy in order to maximize their weight within the coalition by increasing their popularity with voters. Expanding upon this rational choice perspective, William Riker (1962) argued that in order to maximize the payoffs from their participation in a government, parties enter into coalitions with the smallest number of deputies necessary to ensure a majority. Such minimum-winning coalitions are highly stable as the partners are considerably less likely to gain greater benefit (control of a larger number of portfolios) by defecting.

Noting the rather frequent phenomenon of governments supported by other than minimum-winning coalitions, subsequent scholars have questioned the notion that political parties are motivated solely by the desire to seek office. Arguing instead that policy implementation is important to political parties, they conclude that minimum-winning coalitions are not always possible as the potential partners may not be able to coalesce owing to substantial policy distance (the measure of disharmony on policy preference). In

such circumstances, minority and surplus majority coalitions are likely to form (Axelrod 1970; De Swaan 1973; Dodd 1976). Robertson (1986) further developed the argument with the notion that minority coalitions are more likely when economic crises create a highly charged and polarized political environment while Dodd (1976) argued that when parties are not sure of their actual strengths, surplus majority coalitions are more likely to result.

A recent contribution to the literature on cabinet making is Michael Laver's and Kenneth A. Shepsle's (1996) *portfolio allocation model*. The model rests on three core assumptions. First, political parties are ultimately concerned with enacting policy. Even if their primary motivation is merely to achieve office, political parties must pay attention to policy or pay the electoral consequences of failing to deliver on their promises. Hence, all parties to a coalition are concerned with the policies that a government pursues. Second, each policy or issue dimension is the responsibility of a particular government ministry, or portfolio. Third, ministers have considerable autonomy.¹ The decision to allocate a portfolio to a party is the decision to abide by the policy preferences of that party on the policy dimensions managed by the given ministry. Once the coalition is formed, the policy line of the government is established. In essence, the policies pursued by a government are determined by the allocation of cabinet positions (ministerial portfolios) to specific political parties entering a governing coalition.

The model's novel contribution follows from these three assumptions. Coalitions can not freely take any position in the policy space for a particular issue; they have available to them only the number of policy positions represented by the parties to a

¹ This assumption has been criticized by those who contend that ministerial discretion is constrained by the reality of collective decision-making in cabinets (Warwick 1999; Muller and Strom 2000).

potential coalition. In essence, there is a "finite number of potential governments" in any cabinet making process, a logical deduction that accounts for the rarity with which *majority cycling* problems (cabinet instability rooted in shifting legislative majorities) occur in legislatures.

The *portfolio allocation model* predicts that the government that will form will be in the subset of *equilibrium* cabinets within this finite set of cabinets (Laver and Shepsle 1996). An equilibrium cabinet is one for which no cabinet exists that is majority preferred to it. (Such a cabinet has an empty *winset*, a *winset* for any given cabinet comprising those cabinets able to muster a majority against it.) In the absence of an equilibrium cabinet, the *portfolio allocation model* can make no prediction as to what cabinet is likely to be selected by the legislature. However, in most situations, there is more than one such cabinet. Therefore, once the existence of a set of equilibrium cabinets is determined, the question is which of them is likely to result from the cabinet making process.

Predicting the Outcome of the Cabinet Formation Process

Laver and Shepsle argue that the status quo cabinet will be re-installed if it is among the equilibrium cabinets (with one exception, which we shall discuss shortly).² If not, then it will be replaced by an equilibrium cabinet in its *winset*. All equilibrium cabinets include a *strong party*. Since no cabinet will form without their participation, *strong parties* are at the center of the cabinet making process. *Strong parties* may be *very strong* or *merely strong*. A *very strong party* is one whose ideal point (a cabinet in which it holds all portfolios) has an empty *winset* and is at the generalized median. A cabinet at the

² If the status quo cabinet is the generalized median cabinet with an empty *winset*, the cabinet remains.

generalized median is located at the median position on all salient issues in the political system. When such a cabinet exists, it will in every case become the next cabinet. This is true even when the status quo cabinet has an empty *winset*. Hence, it follows that when a *very strong party* exists all portfolios are awarded to a single party and a minority government emerges from the cabinet making process.

In the absence of a *very strong party*, a *merely strong party* may nonetheless exist. A *merely strong party* is any party that participates in every cabinet in the *winset* of its ideal point. Such a party is *strong* as it can veto any cabinet in its *winset* by refusing to participate in it. This sets up a contest between the *merely strong party*, which would prefer to control all cabinet positions, and the remaining parties in the legislature. *Merely strong parties* do not always win such *standoffs*. Their ability to do so is dependent on the party's political strengths and weaknesses at the time. If a *merely strong party* wins a *standoff*, a minority government will result, in which it holds all cabinet positions. While this is the party's goal, a *merely strong party* in contrast to a *very strong party* does not always achieve its most preferred outcome. However, given that the party is a member to every cabinet in the set of equilibrium cabinets, a *merely strong party* will be able to assure itself a position in any government that emerges from the cabinet making process. Hence, if a coalition government emerges, a *merely strong party* will hold a pivotal position in the coalition.

The size of such a coalition is dependent on both the number of salient issues in the political system as well as how these issues are bundled with portfolios (how jurisdiction over a political issue is divided among ministries). The most straightforward means for bundling issues is simple jurisdiction, in which the most salient political issues in the

political system are each assigned to one ministry. Under conditions of simple jurisdiction, at least three salient issue dimensions must exist in order for more than two parties to enter a government. Stated another way, only when there are no fewer than three ministerial portfolios of consequence to the political parties in the system can a third party (or fourth party in the presence of four such dimensions) enter the government when its legislative weight contributes an excess to the legislative coalition. Hence, surplus majority governments can not form unless there are at least three salient issue dimensions.

Laver and Shepsle (1996) argue that an alternative means of allocating responsibility for issues to ministries is complex jurisdiction, in which a ministry might exercise jurisdiction over multiple dimensions. In the example they provide, there are three salient issues: tax policy, environmental policy, and social policy. One party in a two party coalition at the generalized median with an empty *winset* lies at the median on tax and environmental issues while the other does so on social issues. Under simple jurisdiction, the first party would receive the portfolio with jurisdiction over taxes as well as that with jurisdiction over environmental issues. The second party would receive the portfolio with jurisdiction over social policy. However, the decision could be made to bundle tax policy and the environment in a single ministry. In this case, the first party would receive this single portfolio (Laver and Shepsle 1996). While this makes it more difficult for surplus majority governments to form, it is still possible if there are no fewer than four salient issue dimensions.

Hence, the *portfolio allocation model* as developed by Laver and Shepsle can only explain surplus majority coalitions if there are three (under simple jurisdiction) or more (under complex jurisdiction) salient policy dimensions. This seems a highly

restrictive condition that severely limits the ability of the model to explain such coalitions. We intend to extend the logic of the *portfolio allocation model* to explain surplus majority coalitions even when there are only two salient policy dimensions. We contend that a surplus majority coalition can emerge in the presence of two salient issue dimensions when jurisdiction over one or two policy dimensions is split between ministries.

Explaining Surplus Majority Cabinets

Laver and Shepsle (1996) take pains to argue that the same cabinet outcomes must dominate regardless of the jurisdictional structure (simple or complex). In their view, this offers the theoretical advantage of making the division of ministerial responsibility endogenous to the *portfolio allocation model*. We agree that the bundling of issues with ministerial portfolios can indeed be made endogenous to the model. However, this is better done by further developing the rational choice logic implicit in the concept of *standoffs*.

In the event of a *standoff*, a *merely strong party* seeks to achieve its ideal government, which in every case is one in which it holds all ministerial portfolios (a minority coalition). Such an argument necessarily follows from the assumption that parties seek control over policy. By the same logic, if a party can not achieve its most preferred outcome, it can be expected to seek an outcome as close to its ideal as possible. If the choice of jurisdictional structure will aid it in doing so, the party will choose that jurisdictional structure resulting in the most advantageous outcome to the cabinet-making process. Combining jurisdiction over several policy dimensions in a single ministry

(complex jurisdiction) does little to affect this. The best that can be achieved by doing so is an outcome no worse than what might result under simple jurisdiction. On the other hand, splitting jurisdiction over an issue dimension between ministries offers the possibility of achieving a better outcome for the *merely strong party* in terms of the position occupied by the government in the policy space. In such cases, the party will choose this jurisdictional structure when it can not win a *standoff*.

Figure 1 demonstrates the argument. Three parties occupy positions on two key dimensions marked by A, B, and C (the party ideal points). The intersection of the vertical and horizontal lines running through these points delineates the set of available governments under conditions of simple jurisdiction. The government awarding the cabinet on the horizontal dimension to party A and on the vertical dimension to party B is marked point 1. If, however, parties A and C could divide the ministries relevant to the horizontal dimension and parties A and B could do likewise for the vertical dimension, a government at point 2, which is preferred by party A (and B in this case) to the government at point 1 results. (Point 2 is closer to A than is point 1 as demonstrated by the arc drawn through point 1 with its center at A.)

[Place Figure 1 here.]

Splitting jurisdiction for an issue dimension between portfolios is concordant with the core assumptions of the *portfolio allocation model*. First, it does not violate the assumption that political parties are primarily motivated by policy concerns. The fact that jurisdiction is shared does not reduce the incentive for parties to seek office in order to enact policy. Second, splitting jurisdiction over a policy dimension does not undermine the assumption that policy dimensions are the responsibility of particular

government ministries. Policy responsibilities are assigned to particular ministries, but in some cases they may be assigned to more than one ministry. Third, splitting jurisdiction over policy does not undermine the assumption of ministerial autonomy. It may well complicate ministerial (and cabinet) coordination, but it does not lessen the ability of individual actors to at least attempt to act independently of each other. Hence, the decision to allocate a portfolio to a party remains a decision to abide by the policy preferences of that party on the policy dimensions managed by the given ministry. While it might be argued that split jurisdiction makes it more difficult for a ministry to act independently, the very fact of ministerial autonomy itself (whether in the presence or absence of fragmented jurisdiction) makes this the case. Ministries may act autonomously, but they remain nonetheless fundamentally interdependent on a number of important levels, not the least of which are related to the budget (managed by the Ministry of Finance) as well as the efforts of the Prime Minister to control the agenda of the cabinet.

We will illustrate our argument with the case of the 1996 Lithuanian surplus majority cabinet. In response to those who may contend that such an analysis is unnecessarily narrow, addressing but a single case, we point out that it is the illustration of the extension of the model that is of interest to us in this paper, not the case itself. What we have in mind is adding to the model's empirical relevance (see Motyl 1992; Roeder 1999). Further, to those who may argue that the application of models and theories developed in other regions of the globe to east and east central Europe is premature (see Terry 1993; Bunce 1994, 1995a, 1995b, 1999; Wiarda 2002), we respond that any theory or model that can not be extended to a broader set of cases than the handful of liberal democracies in Western Europe and North America is of limited utility. Indeed, extending the model to

other contexts serves the important purpose of further developing the model and extending its utility (Schmitter and Karl 1994; Karl and Schmitter 1995; Munck 1997). Finally, for those who find our choice a bit esoteric, since Lithuania is a “democratizing country,” we see no reason to assume that all of the post-communist countries of Europe are somehow locked in a state of perpetual democratization. Such a view blinds us to the reality that democracy has consolidated in many of those states. Indeed, if democracy is the “only game in town,” Lithuania is counted among them (Linz 1990; Linz and Stepan 1996; Przeworski 1991; Przeworski 1995). No salient political forces pursue or suggest alternatives for resolving political issues to those of democratic norms and procedures. Furthermore, we note that the country's political democratic system has passed the “two turn-over” test (power having been peacefully transferred from one political party to another on three occasions as a consequence of elections). Hence, we should be able to use widely employed theories such as that of Laver and Shepsle to explain cabinet formation in Lithuania instead of having to resort to explanations with narrower application, such as those suggesting that surplus majority coalitions are more common when the rules of democracy are uncertain, unclear, or under duress.

The 1996 Lithuanian Surplus Majority Cabinet

The 1996 elections to the Lithuanian national legislature, the *Seimas*, failed to produce a majority party. The largest party in the new legislature, the Homeland Union (Lithuanian Conservatives), gained sixty-nine seats in the 141-seat assembly. (Only 137 deputies were elected, four districts failing to achieve the required forty percent voter turnout to qualify the election.) Two seats short of an absolute majority, the

Conservatives had to form a coalition in order to form a government. Since they had already entered into a pre-election power sharing agreement with the Lithuanian Christian Democratic Party (LCDP), the announcement of the formation of a Conservative-Christian Democratic government came as no surprise. The agreement between the two added the sixteen seats in the hands of the Christian Democrats and gave the governing coalition a comfortable majority. The surprise came, however, when the Lithuanian Center Union (LCU) accepted two portfolios in the new government as well. While the Centrists declared that they were not joining the ruling coalition, their willingness to enter the government effectively added LCU's fourteen seats to the government's majority in the *Seimas*. In effect the 1996 *Seimas* majority constituted a surplus majority coalition uniting three party factions.

The decision of the Conservatives at the time to construct a surplus majority coalition intrigued us. In answer to a question posed by one of the authors as to why the party had chosen to do so, then Conservative faction member and First Deputy Chair of the *Seimas*, Andrius Kubilius, responded that he was well aware that political scientists viewed the formation of surplus majority governments as a violation of the minimum-winning-coalition principle. He added that he concurred with the assessment that surplus majority coalitions greatly increased the challenges and complexity of cabinet stability.³ Using the *portfolio allocation model*, we will demonstrate that the 1996 Lithuanian coalition government was a rational response by the Homeland Union to obtain the best

³ Andrius Kubilius, Homeland Union (Conservatives of Lithuania), in response to a question during a round table discussion with participants of the International Political Science Association (IPSA) conference in Vilnius, Lithuania on 12 December 1996.

government possible given the alignment of forces and distribution of policy preferences in the *Seimas*.

The Portfolio Allocation Model and the 1996 Lithuanian Cabinet

Our analysis employs the WINSET program, developed by Laver and Shepsle to permit the analysis of legislatures using their theoretical model of cabinet formation. In order to calculate strong parties and *winsets* for status quo cabinets and party ideal points, the program requires information on the number of deputies who are members of each party in the legislature, the number of politically salient issues, the relative salience of these issues to the parties, and the position of each party on the issues.

Legislative Strength

We use membership in a party's legislative faction instead of the number of deputies elected on a party's platform. This seems justifiable for two reasons. First, the factions determined the voting outcome of the legislature. Second, a number of deputies joined the faction of a party other than the one that nominated them to run for political office. This was particularly the case for deputies from smaller parties, four of whom joined the factions of major parties. The strength of each party faction in the 1996 Lithuanian *Seimas* along with the set of potential winning coalitions (the decisive structure) are listed at Table 1.

[Place Table 1 here.]

Nine deputies not included in the membership of the major party factions were elected as members of seven small parties. Four of these deputies were from two parties

explicitly representing special interests, the Lithuanian Polish Electoral Action and the Lithuanian Peasants' Party (each of which had two deputies.) They were not interested in the formation of the government and were only likely to vote on issues specifically affecting their constituencies. The other five deputies were members of five small parties, one each elected as a member of the Christian Democratic Union, the “Young Lithuania,” the Democratic Party, the Womens' Party, and the Liberal Union. None of them had any intention of entering the government. All five parties had declared themselves as neutral or in opposition to any government. As such they represented a vote against any government. While Laver and Shepsle argue that under some conditions small parties can be treated as dummy parties to help in estimating the policy space, given the general lack of any clear programmatic concerns expressed by these parties, we do not believe that including these parties in the analysis is justified.⁴ This is all the more the case as none of these parties were actively involved in the debates over the key policy dimensions that we will identify shortly in this paper. Perhaps most importantly however these parties acted more as loose groupings of independent deputies. No where is this more apparent than in the fact that many of them subsequently joined the legislative factions of the major parties. Hence, we have excluded these nine deputies from the analysis. Following Laver and Shepsle's lead, we have also excluded the four independents elected to the 1996 Seimas as well as the Speaker, who by the rules of the Seimas can not engage in partisan politics.

⁴ The only possible exception was the Liberal Union. While some might argue that the Party had a clearly defined pro-business economic platform, in our view this was not the case in 1996. Only later did the Liberal Union emerge with both a coherent platform (representing more than the short term interests of a ill-defined and small portion of highly fluid business class) and a leadership with government experience capable of offering an alternative to any sitting government.

Salient Issue Dimensions

There is no straightforward method for measuring issue salience. While scholars have offered a number of approaches, to include media coverage of issues (Epstein and Segal 2000), there is as yet no consensus on a “best” approach. We shall employ several means for determining the number of salient policy issues in the 1996 Lithuanian political system, beginning with a retrospective survey of party leaders conducted in 2000. We asked leaders of four of the five major political parties identified in Table 1 to rank the cabinet portfolios in order of preference from the position they would have most preferred in 1996 to the one they would have least preferred. Given the *portfolio allocation model’s* contention that ministries exercise jurisdiction over policy, we are assuming that political leaders most prefer those ministries with jurisdiction over the most salient issue dimensions. (The rankings of the ministerial portfolios are at Table 2.)

Not surprisingly, all four party leaders chose the Prime Minister first. The Ministry of Finance had a median rank ordering of two while that for the Ministry of Economics was three. These are the two ministries most responsible for carrying out the economic policies of the country. The next most preferred ministry was the Ministry of Foreign Affairs with a median rank ordering of 5.5, followed closely by the Ministry of Agriculture. The latter ministry is related to any economic policy that Lithuania with a large agricultural sector might follow.⁵ All other portfolios were ranked lower, to include the Ministry of Internal Affairs (with a median rank ordering of 8) and the Ministry of Justice (11.5), which are responsible for crime and corruption. We conclude to this point

⁵ Agricultural policy does not suggest itself in our subsequent effort to identify salient policy dimensions using a deputy survey.

that the two most salient dimensions in the Lithuanian political system in 1996 were economic policy and foreign policy.

[Place Table 2 here.]

These are the two issue areas that Laver and Shepsle (1996) contend dominate most political systems. However, recognizing the inherent problems in retrospective analysis,⁶ we wish to corroborate the number of dimensions with an analysis based on data from 1996. Fortunately, we have a survey of party candidates to the *Seimas* conducted just prior to the 1996 elections.⁷ There were 593 respondents to the eighteen questions on the survey. For our purposes, the most important responses are to the eight questions focused on economic policy, ethnic relations, agriculture, crime and corruption, defense, and foreign policy. The questions and responses are at Table 3. The means and standard deviations of responses by members of the five major parties identified in Table 1 are reported at Table 4.

[Place Table 3 here.]

[Place Table 4 here.]

We assume that the most politically salient issues in the political system are those issues on which there is the greatest degree of disagreement between the parties. The assumption seems warranted on the basis that parties will contend for the ministries having jurisdiction over these very dimensions. Those ministries having jurisdiction over policy issues for which there is a relative degree of harmony can be awarded to the

⁶ This is all the more the case given that there were fewer ministries in 2000 than in 1996 owing to a reorganization of the government.

⁷ The survey was conducted by the Institute of International Relations and Political Science at Vilnius University (N=593). The initial results were reported in Kestutis Masiulis, *Lietuvos Elitas: Ekonomines vertybes politines orientacijos pranozes*, Vilnius: Pradai, 1997. In order to permit us to better compare responses to these questions, we standardized the data.

dominant party in a cabinet with little chance of opposition or conflict. We use *discriminant analysis* to identify the most important questions in predicting the party membership of survey respondents. Our assumption is that insofar as these questions are critical for classification purposes they constitute the primary dimensions or issues dividing the key parties in the political system. The results of the analysis of the five major political parties reported at Table 5 indicate that a question on economics (the best economic model for the country) and one on national security (whether the defense budget should be increased) are the best predictors of party membership. None of the other six remaining questions covering issues related to nationalism, de-Sovietization, agricultural policy, or crime and corruption provide any substantial degree of prediction of party membership.

[Place Table 5 here.]

It seems reasonable to assume that the debates over the defense budget in 1996 were related to the country's overall foreign policy. Indeed, the stated foreign policy goal of the Conservatives and the Christian Democrats was to gain membership in European security and economic structures, in particular NATO and the European Union (EU) (Jankauskas, Kuris, and Novagrockiene 1997). It was known that entry to NATO would require a substantial increase in defense spending. Hence, we conclude that both our retrospective analysis of responses of party leaders in 2000 as well as the 1996 survey of candidates to the national legislature support the conclusion that there were two salient policy dimensions in the 1996 Lithuanian political system: economic policy and foreign policy.

Issue Salience by Party

That the question on the defense budget accounts for more of the variance than does that for the best economic model would suggest that the issue was the more salient of the two for the major political parties. While the emphasis given to foreign policy in the 1996 party platforms of both the Conservatives and Christian Democrats serves to further corroborate such an inference, the platforms of the Democratic Labor Party and the Social-Democratic Party suggest otherwise. To estimate the relative salience of foreign policy and economic policy to each of the parties, we begin by considering responses of the party candidates to our 1996 survey to a question asking them to place the political parties on the left-right political spectrum (with -10 being the furthest left and +10 being the furthest right). The results were that the Social-Democratic Party (-3.64) and the Democratic Labor Party (-3.33) anchored the political left with the Conservatives (+5.61) and the Christian Democrats (+4.64) on the right. The Center Union occupied a more moderate position (+1.64).

We then consider the responses of members of the right-wing and left-wing political parties when asked to indicate if a particular issue was one of greater interest to the political left or the political right. The inference is that deputies from leftist parties will rank those issues furthest left that are most important to them. The same will be true for those from right-wing parties. The responses at Table 6 clearly indicate that deputies from left-wing parties were much more certain of the ideological positioning of economic issues while right-wing deputies were more certain of the ideological positioning of foreign policy issues. Hence, we give greater salience on the foreign policy dimension to

the political right and greater salience on the economic policy dimension to the political left in the WINSET analysis.⁸

Party Positions on the Salient Dimensions

To measure the position of the parties on the foreign policy and economic policy dimensions, we employ the average responses of party members to the two questions on the 1996 candidate survey that our *discriminant analysis* indicated best predicted membership in the respective political parties. (These means are reported in Table 4.) Given that we have no direct means for measuring the positions of the party leaders who were likely to occupy cabinet posts, this seems the most appropriate measure. By adopting it we are assuming that the average reflects the evaluation of party candidates of their leader's (and consequently their party's) position on these key dimensions.

WINSET Results

Using the data on factional strength, issue dimensionality, issue salience, and party positions on the issues, the WINSET program indicates that there are twenty-one cabinets majority preferred to the previous (status quo) cabinet. The status quo cabinet was a minority government in which the Lithuanian Democratic Labor Party (LDLP) held the portfolios responsible for both salient policy dimensions, the Ministry of Economics and the Ministry of Foreign Affairs. The LDLP government had originally constituted a legislative majority. As a result of resignations owing to policy differences

⁸ For the parties on the political left, we weight the economic dimension .99 and the foreign policy dimension .66. For the parties on the political right, we weight the economic dimension .66 and the foreign policy dimension .99. We weight both the economic and foreign policy dimensions .99 for the moderate Center Union.

with the government's program, it was reduced to a minority by 1996 (Clark, Holscher and Hyland 1999). Not surprisingly, therefore, given the losses suffered by the party in the 1996 *Seimas* elections as well as the policy distance between it and the Conservatives (which had a plurality in the new chamber), WINSET finds that the status quo LDLP cabinet is not an equilibrium cabinet.

The *portfolio allocation model* argues that one of the twenty-one cabinets in the Democratic Labor Party government's *winset* will become the next government, *if* it possesses an empty *winset*. In the absence of such a cabinet, the legislature could suffer a majority cycling problem. While this might not necessarily be reflected in an inability to agree upon a government, it would undoubtedly create a series of highly unstable governments of low durability. In the Lithuanian system this would likely mean that successive governments would be unable to secure agreement to their programs in the *Seimas* as constitutionally required. The Lithuanian Constitution of 1992 permits the President to disband the legislature and call for elections as a remedy in such cases.

Four of the twenty-one cabinets majority preferred to the Democratic Labor Party status quo government have empty *winsets*. (They are listed at Table 7 and labeled "1," "2," "3," and "4" on the graph at Figure 2.) The cabinet making process is biased in favor of any cabinet with an empty *winset* at the generalized median if that cabinet is the ideal point of one of the political parties. That is, one party is at the median point on all salient dimensions. In such a case, the party is a *very strong party*, and it is awarded all cabinet positions in a minority government. While one of these cabinets is indeed the ideal point of the Homeland Union (Conservatives) (position "HU" and "2" in Figure 2)

and it has an empty *winset*, the Conservatives are not a *very strong party* as their ideal point does not occupy the generalized median.

[Place Table 7 here.]

[Place Figure 2 here.]

Hence, any of the four cabinets are in the potential set of cabinets that the *portfolio allocation model* predicts as likely. The cabinet that did emerge was in fact that awarding both the Finance Ministry and Economics Ministry with jurisdiction over economic matters to the Conservatives and the Ministry of Foreign Affairs and the Ministry of Defense with jurisdiction over security policy to the Christian Democrats. This is the third cabinet identified in Table 7 and labeled “3” in Figure 2. It is a cabinet that is both majority preferred to all others and in the *winset* of the status quo cabinet. Thus, the *portfolio allocation model* successfully predicted the likely outcome of the cabinet making process in the 1996 Lithuanian legislature on the issue dimensions of economic policy and security policy. However, in 1996 the Centrists were also invited to enter the government and awarded three portfolios.

Explaining Lithuania’s 1996 Surplus Majority Cabinet

Laver and Shepsle (1996) argue that surplus majority coalitions can only emerge when there are more than two salient dimensions in the political system. The Lithuanian cabinet making process of 1996, however, resulted in a surplus majority coalition in a system dominated by two salient issue dimensions. Our revision of the *portfolio allocation model* explains this outcome as a consequence of the Homeland Union’s

decision to split jurisdiction for both economics and security policy. In so doing, the party was able to achieve a better outcome than would have been possible otherwise.

Of the four cabinets at Table 7, the second cabinet (in which the party holds all portfolios and labeled “HU” and “2” at Figure 2) is most preferred by the Homeland Union (Conservatives). Any effort by the Conservatives to achieve this outcome, however, would have created a *standoff* with the rest of the legislature. As the reader will recall, whether a *merely strong party* can achieve its ideal point cabinet and rule as a minority government depends on its ability to win *standoffs*. Can it plausibly threaten the collapse of cabinet formation negotiations if it is not given all portfolios? Will the remaining political parties believe that this one party is willing to risk enduring another election to resolve the legislative impasse?

In 1996, the Conservatives were not in a position to win a *standoff* against the rest of the Seimas. Just four years before, the very same Prime Minister whom they were preparing to nominate had headed a government that had engaged in what was considered by most to be a haphazard and disastrous privatization of the country's agricultural sector. As a result, in spring of 1992, the party suffered massive defections and was ultimately faced with a deadlocked legislature. By the end of the year, its erstwhile political enemies, the Democratic Labor Party, had achieved an outright majority in the legislative elections. These memories were still fresh in the minds of the deputies of all parties as the Conservatives began negotiations to form a new government. Further, the party had not anticipated that it would win so many seats in the 1996 elections. Therefore, it had committed itself to a coalition government with the Christian Democrats during the electoral campaign. To back out of that agreement would have assured the new

Conservative government of the opposition of one of the parties whose support it badly needed in order to achieve legislative approval of its programs.

While the Conservatives were not likely to win a *standoff*, they were nonetheless in a position to determine the fate of any alternative cabinet offered. In the case of both the third and fourth cabinets listed at Table 7 (labeled “3” and “4” respectively at Figure 2), which gave them jurisdiction over one of the two salient policy portfolios, they could simply refuse to participate in either. In contrast, the first cabinet (labeled “1” at Figure 2) would appear at first glance considerably more difficult for the Homeland Union (Conservatives) to veto. Figures 3 and 4 graphically represent the average position of the political parties on each of the two salient political dimensions being used in the WINSET analysis. The figures also indicate the number of deputies in each party's legislative faction. The party with the median legislator on each question is bold highlighted. The median party for the ministerial portfolio with jurisdiction over matters related to the economy is the Center Union (CU), while the Christian Democratic Party (CD) occupies the median position for the portfolio with jurisdiction over security policy. This would suggest that a minority government comprising these two parties could be formed without the concurrence of the Conservatives. However, the significant number of independent deputies who would vote against any government and its program denied such a possibility. In fact, no cabinet could form without the concurrence of the Conservatives, who in effect could veto any alternative to their ideal government.

[Place Figures 3 and 4 here.]

Of the three alternatives, the first (the Centrist-Christian Democratic cabinet) was least preferred by the Conservatives since it was the furthest removed from their own

ideal positions on the issues. (The reader can see this for herself in the spatial representation at Figure 2. “1” is further from “HU/2” than either “3” or “4.”) While the third cabinet (“3” at Figure 2), one in which they shared portfolios with the Christian Democrats, was preferable to the first, it required compromise with a party with whom they were quite far removed on economic issues, as demonstrated in Figure 3. However, a better cabinet could be achieved by splitting jurisdiction over both policy issues. In essence, by sharing responsibility for economic matters with the Centrists and security policy with the Christian Democrats, the Conservatives could assure themselves of a government whose policies were both supported by a majority in the legislature and closer to those of their own than those of governments formed using either a simple or complex jurisdictional strategy. This cabinet is somewhere in the vicinity of “X” at Figure 2. It is closer to the Homeland Union’s ideal point than either “3” or “4.” Further, it is closer to both the Center Union and Christian Democratic Party than any other alternative except “1,” a cabinet which excludes the Homeland Union and is therefore not able to sustain that party’s veto.

The same government is also an equilibrium cabinet, and therefore one that the *portfolio allocation model* would predict would form. We can demonstrate this by redoing our previous analysis, this time adding a second portfolio each for economics and foreign affairs. To determine the position of the respective parties on each of these dimensions, we duplicate the questions that we used originally and that are listed at Table 5. As before, we first consider the Democratic Labor Party status quo government on these two dimensions, now fragmented into two sub-dimensions each. There are 603 cabinets majority preferred to the previous government. We next consider the set of

equilibrium cabinets in the LDLP government *winset*. The task is greatly simplified this time however as we need not consider all empty *winset* cabinets that are majority preferred to the LDLP status quo government. Based on the logic developed in the foregoing discussion, we can narrow our search to a cabinet splitting the two economic portfolios and the two foreign policy portfolios.

Further, following the argument employed by Laver and Shepsle for combining jurisdictions, we must end up with a jurisdiction pattern that reflects that found in our analysis employing two dimensions. In other words, the four sub-dimension cabinet that emerges can not award a portfolio to a party that would not have been awarded that portfolio in the original two-dimension analysis. (These cabinets are at Table 7.) In that analysis, the Conservatives could have taken the portfolios on both salient dimensions. Hence, the party could also take all portfolios on the four sub-dimension analysis. However, this adds nothing to the model. There is nothing novel about the idea that a party taking a portfolio with jurisdiction over a single issue dimension should do so for the portfolios with jurisdiction over each of the sub-dimensions of that same portfolio. Indeed, this seems to be part of the rationale behind Laver and Shepsle's notion that two salient dimensions in many cases are sufficient to define the policy space for an entire cabinet.

What we are looking for is an empty *winset* cabinet that divides the economic and foreign policy portfolios between different parties. Further, those parties must have been awarded the portfolio in the two-dimension analysis. Looking again at Table 7 we see that the Conservatives were awarded the economic portfolio in two of the four empty *winset* cabinets. In the other two cabinets the portfolio went to the Center Union. In the

same way, the Christian Democrats were awarded the foreign policy portfolio in two cases, the Conservatives taking the portfolio in the other two cabinets. If we divide the four portfolios so that the Conservatives get one of the economic ministries and one of the foreign policy ministries, the Centrists get the second economics ministry, and the Christian Democrats get the other foreign policy ministry, we have the only government meeting our criteria.

This is the cabinet that formed in late 1996. (See Table 8.) The seventh government of the Republic of Lithuania was installed on December 4, 1996. The Prime Minister was a member of the Homeland Union (Conservatives) as were eleven of the seventeen ministers. (A twelfth was a member of the Association of Industrialists, an organization that had formally declared its support for the Conservatives.) Three other ministers were members of the Lithuanian Christian Democratic Party and two were members of the Lithuanian Center Union. The Christian Democrats took two portfolios responsible for foreign policy implementation, in particular that related to security policy - the Ministry of Foreign Affairs and the Ministry of Defense. The party also received a third portfolio, the Ministry of Education, a relatively minor cabinet position. The Conservatives created for themselves the Ministry for European Affairs, responsible for integration efforts with the European Union. The Conservatives also took several of the ministries related to economics, to include the all-important Ministry of Finance as well as the Ministries of Economics, Agriculture, Communications and Information Technology, Transport, and Social Security and Labor. The Centrists assumed responsibility for two portfolios related to the economy, the Ministry of Construction and Urban Development and the Ministry of Environmental Protection.

[Place Table 8 here.]

WINSET finds that this cabinet has an empty *winset*. Hence, the Conservatives accepted a cabinet in which jurisdiction over two policy dimensions (economics and foreign policy) was split. In so doing, they assured themselves the best possible cabinet (one closest to their own ideal point) and a voice in the formulation of the government's foreign policy.

Some Concluding Observations

The *portfolio allocation model* as developed by Laver and Shepsle can only account for surplus majority coalitions when there are three or more salient policy dimensions in the political system. We have argued that the logic of splitting jurisdiction over policy across ministries opens up considerable new ground for explaining surplus cabinets. We demonstrated our argument using the case of the 1996 Lithuanian surplus majority government, in which the Conservatives split jurisdiction over foreign policy with the Christian Democrats, giving them the Ministry of Foreign Affairs and the Ministry of Defense while taking the Ministry of European Affairs for themselves. In order to assure themselves a minimum winning coalition on economic issues as well, the Conservatives gave the Centrists several economic portfolios in the government. In effect the Christian Democrats were excluded from every portfolio from which they might have impeded the Conservatives economic platform, and the Centrists were excluded from foreign policy matters. This is not surprising given the policy distance between the Conservatives and the two parties on these respective dimensions. This is precisely what the *portfolio allocation model's* assumption that parties seek office to

control policy would suggest. The Conservatives wanted to do more than gain political office. They were interested in enacting policy.

The *portfolio allocation model* offers interesting insights into the cabinet making process that otherwise might not be apparent to scholars. While we did not report this in the body of the paper, WINSET indicates that any government that could have formed in the wake of the elections to the 1996 Lithuanian legislature would have required the concurrence of both the Homeland Union (Lithuanian Conservatives) and the Lithuanian Center Union. Such a finding stands in stark contrast to the political wisdom of the time, which held that any cabinet would require the support of the Conservatives and Christian Democrats. Of the twenty-one cabinets majority preferred to the Lithuanian Democratic Labor Party (LDLP) status quo government in the original two-dimensional analysis, only nine of them were plausible as twelve of them would have awarded a cabinet position to the political left. (The Conservatives would have most assuredly vetoed any such government.) Of the nine plausible governments, all were majority preferred to any other by *both* the Conservatives and Centrists.

Neither the *portfolio allocation model* nor we have given any consideration to a number of important issues. The first is the effect on coalition size when legislative super-majorities are required by a government. In 1996, the Homeland Union (Conservatives) were committed to sweeping economic reforms that might in some cases have conceivably required more than a simple majority vote in the legislature. This was particularly true for its privatization program, which envisioned the sale of land to foreigners. This would have mandated a change to the Constitution, which requires a

three-fifths majority vote of the legislature. The three-fifths majority vote requirement substantially strengthens the position of the party with the median deputy.

We have also not given consideration to either the choice of the formateur party or the agenda of the cabinet making process. Both are particularly important when the coalition involves more than two parties (as is most often the case for surplus majorities). There is a clear bias in favor of the formateur party when surplus majorities are involved. (The formateur party is that party chosen by the constituted executive authority to take the lead in forming a cabinet.) The Homeland Union (Lithuanian Conservatives) first invited the Lithuanian Christian Democratic Party to take two foreign policy portfolios. In the second stage it invited the Lithuanian Center Union into the government. By doing so it moved the final outcome closer to its ideal point than a simple cabinet with the Christian Democrats would have permitted. This strongly suggests that the order in which parties are brought into a cabinet effects the outcome. This order is controlled by the formateur party.

The reason for this seems rather clear. Cabinet making requires negotiations. When one or two parties form a cabinet, the process is relatively straightforward. However, when surplus majority cabinets are formed, three or more parties are generally involved in the process. This introduces the likelihood of negotiation in stages. In such cases, the formateur party can engage in strategic behavior by orchestrating negotiations so as to achieve the cabinet closest to its ideal point. Indeed, it controls the agenda and order in which other parties are brought into the coalition. By carefully orchestrating the order in which various cabinet proposals are put forward as well as the division or combination of portfolios, it can maximize the outcome in its favor. While it will get no

worse than the generalized median cabinet, it is likely to get much better. Therefore, the choice to form a surplus majority may be taken by a party in order to increase the number of portfolios it holds in the government. As we have argued in this paper, the option of splitting jurisdictions may in some cases assist it in doing so. Hence, in determining the outcome of the cabinet making process when a surplus majority is involved, it appears that there is a clear bias favoring governments closest to the formateur party's ideal point.

This strongly accords with the underlying premise of the *portfolio allocation model* that parties want control over policy. But some cabinet positions are more important than others. So parties are not only interested in more positions, but the most important ones as well. Hence, the formateur party has the advantage in achieving an outcome maximizing its gains on both these dimensions. In the 1996 Lithuanian government, the Christian Democrats were given a very significant portfolio, the Ministry of Foreign Affairs. The Centrists on the other hand received relatively minor portfolios related to the economic dimension. Future attempts to refine the *Portfolio Allocation Model* would do well to consider means for incorporating these considerations into the model.

TABLE 1**The Decisive Structure of the 1996 Seimas**

<i>Party Faction</i>	<i>Seats</i>
Homeland Union (Conservatives) (HU)	69
Christian Democratic Party (CDP)	16
Center Union (CU)	14
Social-Democratic Party (SDP)	12
Democratic Labor Party (DLP)	12
Small parties (with members not in a major party faction)	
Polish Electoral Action (PEA)	2
Peasants Party (PP)	2
Democratic Party (DP)	1
Young Lithuania (YL)	1
Christian Democratic Union (CDU)	1
Liberal Union (LU)	1
Womens Party (WP)	1
independents (not included in the analysis)	4
Seats not filled owing to low turnout	4
Seimas Speaker	1
Total	141
<i>Winning Coalitions (based on a majority decision rule)</i>	
Conservatives + LCDP	84
Conservatives + LCU	84
Conservatives + LSDP	80
Conservatives + LDLP	80

TABLE 2
Rank Ordering of Party Cabinet Preferences, 2000

<i>Median (Mean) Rank Ordering</i>		<i>Portfolio</i>
1	(1.00)	Prime Minister
2	(2.75)	Ministry of Finance
3	(4.25)	Ministry of Economics
5.5	(5.75)	Ministry of Foreign Affairs
6	(6.00)	Ministry of Agriculture
7.5	(7.00)	Ministry of Science and Education
8	(7.75)	Ministry of Internal Affairs
8.5	(7.75)	Ministry of Culture
10	(9.75)	Ministry of Health
11.5	(10.25)	Ministry of Justice
12	(10.50)	Ministry of Social Security and Labor
12	(11.25)	Ministry of the Environment
12.5	(11.75)	Ministry of Defense
13	(12.75)	Ministry of Local Self-Government
13.5	(11.75)	Ministry of Transportation
16	(15.75)	European Affairs Committee

TABLE 3
Responses to Questions Related to Key Political Issues, 1996

Question	Response	Response Rate
5.3 I think that national minorities enjoy too many rights in Lithuania.	I am in full agreement with this statement	12.8
	I am in partial agreement with this statement	24.5
	I do not have an opinion concerning this statement	1.7
	I am in partial disagreement with this statement	47.2
	I am in full disagreement with this statement	13.2
5.4 The spread of communist ideas should be prohibited.	I am in full agreement with this statement	25.6
	I am in partial agreement with this statement	30.5
	I do not have an opinion concerning this statement	2.2
	I am in partial disagreement with this statement	32.5
	I am in full disagreement with this statement	7.8
5.10 Poles are not loyal citizens of Lithuania.	I am in full agreement with this statement	18.4
	I am in partial agreement with this statement	45.2
	I do not have an opinion concerning this statement	6.1
	I am in partial disagreement with this statement	22.8

	with this statement	
	I am in full disagreement with this statement	5.9
8.2 Do you think that more money, less money, or about the same should be devoted to the defense budget?	more	29.0
	less	28.0
	about the same	31.9
	don't know	11.1
8.3 Do you think that more money, less money, or about the same should be devoted to agricultural subsidies?	more	51.9
	less	14.5
	about the same	25.0
	don't know	8.6
8.8 Do you think that more money, less money, or about the same should be devoted to the justice budget?	more	37.1
	less	13.0
	about the same	39.0
	don't know	11.0
8.10 Do you think that more money, less money, or about the same should be devoted to the budget for reforming public administration?	more	9.3
	less	62.4
	about the same	18.4
	don't know	9.9
15. Indicate which model is best able to guarantee Lithuania's economic growth	capitalism, a free market economy, and private initiative	46.2
	a socialist market (Swedish-style)	44.7
	a centrally-planned	1.9

economy

another model

7.3

TABLE 4**Mean Responses by Party to Questions Related to Key Political Issues, 1996**

Party	Question	Mean	Standard Deviation
Homeland Union (Conservatives)	I think that national minorities enjoy too many rights in Lithuania (5.3)	2.94	1.343
	The spread of communist ideas should be prohibited (5.4)	2.38	1.338
	Poles are not loyal citizens of Lithuania (5.10)	2.34	1.153
	Do you think that more money, less money, or about the same should be devoted to the defense budget? (8.2)	1.22	.491
	Do you think that more money, less money, or about the same should be devoted to agricultural subsidies? (8.3)	1.94	.878
	Do you think that more money, less money, or about the same should be devoted to the justice budget? (8.8)	1.59	.798
	Do you think that more money, less money, or about the same should be devoted to the budget for reforming public administration? (8.10)	2.34	.827
	Indicate which model is best able to guarantee Lithuania's economic growth (15)	1.09	.296
Christian Democratic Party	I think that national minorities enjoy too many rights in Lithuania (5.3)	2.76	1.393
	The spread of communist ideas should be prohibited (5.4)	2.12	1.317
	Poles are not loyal citizens of Lithuania (5.10)	1.65	.606
	Do you think that more money, less money, or about the same should be devoted to the defense budget? (8.2)	1.47	.717
	Do you think that more money, less money, or about the same should be devoted to agricultural subsidies? (8.3)	1.53	.624
	Do you think that more money, less money, or about the same should be devoted to the justice budget? (8.8)	1.76	.664
	Do you think that more money, less money, or about the same should be		

	devoted to the budget for reforming public administration? (8.10)	2.47	.800
	Indicate which model is best able to guarantee Lithuania's economic growth (15)	1.59	.507
Center Union	I think that national minorities enjoy too many rights in Lithuania (5.3)	3.50	1.016
	The spread of communist ideas should be prohibited (5.4)	2.91	1.376
	Poles are not loyal citizens of Lithuania (5.10)	2.28	1.085
	Do you think that more money, less money, or about the same should be devoted to the defense budget? (8.2)	1.91	.734
	Do you think that more money, less money, or about the same should be devoted to agricultural subsidies? (8.3)	1.88	.751
	Do you think that more money, less money, or about the same should be devoted to the justice budget? (8.8)	1.81	.693
	Do you think that more money, less money, or about the same should be devoted to the budget for reforming public administration? (8.10)	2.41	.798
	Indicate which model is best able to guarantee Lithuania's economic growth (15)	1.19	.397
	I think that national minorities enjoy too many rights in Lithuania (5.3)	3.67	1.093
	The spread of communist ideas should be prohibited (5.4)	2.93	1.285
Social-Democratic Party	Poles are not loyal citizens of Lithuania (5.10)	2.50	1.253
	Do you think that more money, less money, or about the same should be devoted to the defense budget? (8.2)	2.40	.621
	Do you think that more money, less money, or about the same should be devoted to agricultural subsidies? (8.3)	1.60	.675
	Do you think that more money, less money, or about the same should be devoted to the justice budget? (8.8)	2.03	.556
	Do you think that more money, less money, or about the same should be		

	devoted to the budget for reforming public administration? (8.10)	2.60	.563
	Indicate which model is best able to guarantee Lithuania's economic growth (15)	2.00	.000
Democratic Labor Party	I think that national minorities enjoy too many rights in Lithuania (5.3)	3.95	.909
	The spread of communist ideas should be prohibited (5.4)	3.60	1.083
	Poles are not loyal citizens of Lithuania (5.10)	3.10	1.144
	Do you think that more money, less money, or about the same should be devoted to the defense budget? (8.2)	2.36	.692
	Do you think that more money, less money, or about the same should be devoted to agricultural subsidies? (8.3)	1.74	.665
	Do you think that more money, less money, or about the same should be devoted to the justice budget? (8.8)	1.81	.671
	Do you think that more money, less money, or about the same should be devoted to the budget for reforming public administration? (8.10)	2.29	.708
	Indicate which model is best able to guarantee Lithuania's economic growth (15)	1.86	.354

TABLE 5
Questions Predicting Membership in a Party

	Eigenvalue	% of Variance	Wilks' Lambda
National Security: Do you think that more money, less money, or about the same should be devoted to the defense budget? (8.2)	.734	72.4	.653
The Economy: Indicate which model is best able to guarantee Lithuania's economic growth (15)	.280	27.6	.642
Exact F	6.058		
Significance	.000		

TABLE 6**Mean Responses of Deputies to Left-Right Political Issues (Question #12), 1996***

Issue	Mean Response of Left-Wing Deputies	Mean Response of Right-Wing Deputies
<i>Foreign policy</i>		
A western orientation in foreign policy	2.39	2.95
An eastern orientation in foreign policy	1.83	1.03
<i>Economic Policy</i>		
Defending the interests of workers	1.15	2.56
Representing the interests of the poor	1.11	2.34
Representing the interests of large capital	2.85	1.91

* - Means closer to 1 indicate an issue is of primary concern to the political left; those closer to 3 indicate greater salience for the political right.

TABLE 7
Cabinets Majority Preferred to the LDLP Government, 1996

<i>Policy Dimension</i>		<i>winset</i> <i>(majority preferred cabinets)</i>
<i>Economic Policy</i>	<i>Foreign Policy</i>	
1. Centrists	Christian Democrats	empty (generalized median)
2. Conservatives	Conservatives	empty (party ideal point)
3. Conservatives	Christian Democrats	empty
4. Centrists	Conservatives	empty

TABLE 8
1996 Lithuanian Cabinet

<i>Ministry</i>	<i>Political Party Awarded the Portfolio</i>
Prime Minister	Homeland Union (Conservatives of Lithuania)
Ministry of Finance	Homeland Union (Conservatives of Lithuania)
Ministry of Economics	Homeland Union (Conservatives of Lithuania)**
Ministry of Agriculture and Forestry	Homeland Union (Conservatives of Lithuania)
Ministry of Communications and Information Technology*	Homeland Union (Conservatives of Lithuania)
Ministry of Transport	Homeland Union (Conservatives of Lithuania)
Ministry of Social Security and Labor	Homeland Union (Conservatives of Lithuania)
Ministry of Environmental Protection	Center Union
Ministry of Construction and Urban Affairs*	Center Union
Ministry of Foreign Affairs	Christian Democratic Party
Ministry of Defense	Christian Democratic Party
Ministry of European Affairs*	Homeland Union (Conservatives of Lithuania)
Ministry of Health Care	Homeland Union (Conservatives of Lithuania)
Ministry of Education	Christian Democratic Party
Ministry of Culture	Homeland Union (Conservatives of Lithuania)
Ministry of Justice	Homeland Union (Conservatives of Lithuania)
Ministry of Internal Affairs	Homeland Union (Conservatives of Lithuania)
Ministry of Local Self-Government	Homeland Union (Conservatives of Lithuania)

- * - These ministries were later abolished under the government reorganization of 1998.
- ** - The individual appointed was not a member of a party, but was a member of the Association of Industrialists, an organization that had helped draft the Homeland Union (Conservatives) economic platform and had formally declared its support for the party.

FIGURE 1
Graphic Depiction of the Effect of Splitting Jurisdictions

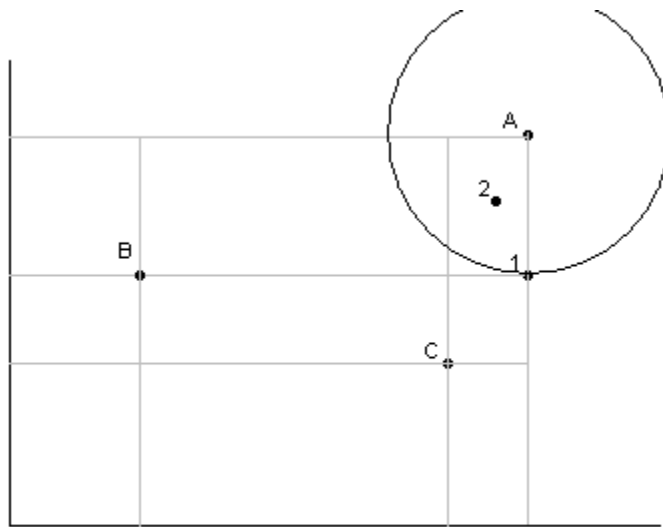
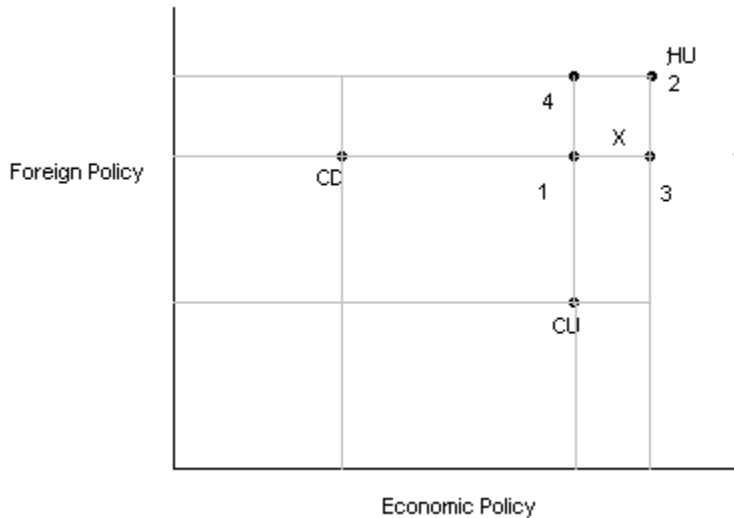


FIGURE 2

Graphic Depiction of the Stable Cabinet Choices in 1996



HU – the ideal point of the Homeland Union (Conservatives), in which the party holds all government portfolios (also labeled “2”)

CD – the ideal point of the Christian Democratic Party, in which the party holds all government portfolios

CU – the ideal point of the Center Union, in which the party holds all government portfolios

1 – a minority coalition in which the Center Union holds all economic portfolios and the Christian Democratic Party holds all foreign policy portfolios

2 – the ideal point of the Homeland Union (also labeled “HU”)

3 – a minimum winning coalition in which the Homeland Union (Conservatives) holds all economic portfolios and the Christian Democratic Party holds all foreign policy portfolios

4 – a minimum winning coalition in which the Center Union holds all economic portfolios and the Homeland Union (Conservatives) holds all foreign policy portfolios

FIGURE 3
Party Positions on Economic Development Model

SD	DL	CD	CU	HU
2.00	1.86	1.59	1.19	1.09
(12)	(12)	(16)	(14)	(69)

CD - Christian Democratic Party
 CU - Center Union
 DL - Democratic Labor Party
 HU - Homeland Union (Conservatives of Lithuania)
 SD - Social-Democratic Party

FIGURE 4

Party Positions on Security Policy (Defense Budget)

SD	DL	CU	CD	HU
2.40	2.36	1.91	1.47	1.22
(12)	(12)	(14)	(16)	(69)

CD - Christian Democratic Party

CU - Center Union

DL - Democratic Labor Party

HU - Homeland Union (Conservatives of Lithuania)

SD - Social-Democratic Party

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