

## **Gamson rule not for all: Patterns of portfolio allocation among Italian party factions**

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**Abstract.** This article investigates the dynamics of portfolio allocation within political parties to shed light on the patterns of conflict and cooperation between rival party factions. It provides a game-theoretic model that helps in explaining differences in portfolio allocation due to alternative modes of party organisation or party system competitiveness. Focusing on party congresses to estimate the number, strength and policy positions of party factions, the Italian case is analysed by testing some hypotheses generated by the theoretical model. The results shown that, overall, spoils are shared in proportion to the strength of each faction, in line with the prediction of Gamson's Law. However, there are also some important deviations from this path. Rules that foster party leaders' autonomy in fact provide them with a higher degree of discretion that will be used to reward their followers and to ward off any credible and harmful threat to party unity. Indeed, strategic portfolio allocation might balance out a lower amount of policy payoffs and becomes a strategy to restrain minorities from breaking away, thus contributing to the preservation of party unity in highly competitive political systems.

**Keywords:** portfolio allocation; Gamson rule; party factions; intra-party politics; Italian party system

### **Introduction**

Portfolio allocation dynamics have been largely analysed by political scientists in an attempt to understand the patterns of cooperation and competition both between and within parties. Political actors deal with two contrasting pressure forces when they engage in a negotiation towards the making of a government. On the one hand, each actor aims at reaching a compromise to form a new cabinet that should provide the public good to all its members. On the other hand, cabinet partners compete to prevail and maximise their own amount of private goods (ministers) in the bargaining process. Such dichotomy exists not only between opposite parties, but also within them, for internal factions are willing to try to obtain the largest share of office payoffs. Parties, in fact, are not unitary actors; instead they are composed by a variety of subgroups (e.g., party factions) that shape the party and the party system, playing a role in party position-taking, party unity, parliamentary policy making, coalition formation and government stability (Ceron 2012b, 2013; Giannetti & Benoit 2009). Given that party factions employ cabinet reshuffles as a device to negotiate a new distribution of portfolios (Giannetti 2010), one should pay attention to the intraparty distributive dynamics by analysing how rival factions reach an agreement to split office payoffs (ministerial positions).

This article focuses on this very struggle and intends to shed light on the patterns of intraparty portfolio allocation. Parties are seen as a coalition of factions (Leiserson 1968) that needs to split the total amount of cabinet ministers available. With that in mind, I will

take into consideration two contrasting theories of portfolio allocation (Gamson's Law versus bargaining theories) with the aim of developing a new game-theoretic model to describe intraparty bargaining dynamics. I will employ this model to draw a few hypotheses to sketch the shape of distributive conflicts under different environments. Focusing on the Italian case, I am able to analyse conflict and cooperation between intraparty minorities and the mainstream faction tied to a party leader, testing the theory by means of a new dataset that allows the mapping of the factional structure of Italian parties in the years 1946–2010. I will take account of the size of each subgroup, the degree of leader autonomy (according to intraparty rules) and assess any divergent factional policy preference with a modern technique of quantitative text analysis.

The results suggest that factional payoffs allocation follows, at least in part, the Gamson rule (see later): in order to foster cooperation between internal factions, the party leader tends to distribute payoffs on the strength of each subgroup. By contrast, I also disclose relevant deviations from a proportional allocation. Like the proposer in an ultimatum game, the party leader is able to take advantage of his or her position to overpay the mainstream faction. Still, the extent of such a gap depends on the margin of the ruling coalition, and alternative ways to select the leader affect their degree of autonomy as well, altering the shape of distributive dynamics. Besides, powerful minority factions that seem to be underpaid in terms of policy payoffs may leverage their role to extract a fairly reasonable amount of policy payoffs. Overall, intraparty politics seems to be driven by a sort of Gamson rule, but such a rule does not suit all factions.

The next section presents two contrasting theories of portfolio allocation – Gamson's Law and bargaining theories – raising some general hypotheses. The section after that delves into these theories and outlines a game-theoretic model of interfactional bargaining to sketch a few conditional hypotheses based on that game. I then describe the Italian case showing the dataset and the method I adopted to assess factional preferences. The final two sections corroborate the methodology and show the results of the analysis.

## **Gamson rule versus bargaining theories**

The discussion between alternative theories of portfolio allocation (Gamson's Law versus non-cooperative Bargaining Theories) has been carried out mainly through the observation of how payoffs between parties are distributed, whereas intraparty portfolio allocation has had very little relevance. Only few, though important, studies have addressed the issue. For the most part, these studies investigate office allotment in Italy or Japan with regards to two dominant parties: the Italian Christian Democrats (Mershon 2001) and the Japanese Liberal Democratic Party (Leiserson 1968; Ono 2012; Wada & Schofield 1996).

Gamson's (1961) seminal work opened the debate on how government coalitions hand out office payoffs to their members and argued that payoffs are distributed in proportion to the amount of resources provided by each member of the coalition (Gamson 1961: 376). In multiparty governments, cabinet portfolios are allocated to parties according to their share of seats, which is measured as a percentage of the total seats held by parties that support the ruling coalition. Subsequent studies found empirical support for this thesis (Browne & Franklin 1973; Carroll & Cox 2007; Laver et al. 2011; Warwick &

Druckman 2006). The empirical evidence in fact led scholars to refer to this rule as ‘Gamson’s Law’. Nonetheless, those who criticise Gamson’s Law claim that this is merely an empirical regularity with the need for sensible theoretical foundation (Warwick & Druckman 2006: 660). Carroll and Cox (2007) attempted to fill this void by developing a theoretical argument that underpins the adoption of a proportionality criterion in portfolio allocation among the members of pre-electoral coalitions. In particular, ‘[b]y agreeing *ex ante* to a more Gamsonian division of office spoils *ex post*, the coalition can motivate its members to campaign harder, thus conferring external benefits on all’ (Carroll & Cox 2007: 301).

Following this idea we consider the party as a coalition that is composed of several subgroups. By establishing an internal rule of thumb that assigns proportional payoffs to each faction, the party pushes all its subgroups to work together: doing that, as pre-electoral coalitions actually do, the party maximises both its strength and its bargaining power.<sup>1</sup> Proportional allocation, in addition, dampens the opposition of rival factions, keeping the party together. With that in mind, we will now determine whether Gamson’s Law applies to intraparty portfolio allocation as well.

*H1: The faction share of portfolios should correspond to its share of seats in the party body.*

Mershon (2001) successfully tested this hypothesis with a study of the Italian Christian Democratic party. Besides confirming Gamson’s hypothesis, Mershon’s analysis revealed the existence of ‘variations across groups of governments [i.e. observations] . . . and across types of factions that are masked by the overall pattern’ (Mershon 2001: 573). These deviations are related to changes in party rule (i.e., the direct election of party leader), to the strategic position of the faction (this being the median faction or one of the wings) and to party system features. In opposition to Gamson’s rule, another branch of the literature raised an alternative hypothesis based on non-cooperative bargaining theories (Ansolabehere et al. 2005; Baron & Ferejohn 1989; Fréchette et al. 2005). These scholars argue that the *formateur party* (i.e., the first party in charge of building a coalition) can exploit its strategic role ‘to pivot between alternative minimal-winning coalitions’ (Carroll & Cox 2007: 300) in order to obtain a share of posts that appears to be greater than its total share of seats. I apply this idea to intraparty politics in order to test it against Gamson’s argument.

To do this, I adapt the concept of ‘formateur party’ to fit the interfactional context. Following recent works that have already proposed this argument (e.g., Ono 2012), I assume that the party leader is the agent in charge of allocating payoffs. Like in a setter game, the leader can propose to the factions one among several possible distributions of payoffs that might be accepted or rejected. This idea can be modelled through the classic *ultimatum game*, in which one actor (the party leader) has to split a total amount of payoffs, making a proposal that can be accepted or rejected by the minority group. If the minority refuses, the payoffs of both actors shrink to zero. The leader might thus offer a fair deal (granting to the minority a quota of benefits proportional to its strength), or present an unfair sharing (overpaying his or her own faction). The minority faction may either accept or refuse the proposal.

Above all, the party leader wishes to keep his or her status, but also to reward followers and enhance their strength within the party. Moving first, the leader can exploit their discretion to grant to his or her faction a more than proportional reward. Thus, the faction the leader belongs to can theoretically take advantage of its connection to the leader and may be considered a 'formateur faction'. As a matter of fact, the typical game theoretical solution seems to be that the leader proposes unequal distribution and the minority accepts the deal. Given the credible outcomes of the game, both actors maximise their payoffs, although we should observe an increase in the leader's share of cabinet posts above the Gamsonian prediction.<sup>2</sup>

*H2: The party leader's faction should gain a share of portfolios that is more than proportional to its seats share.*

Having said that, in 1993 Italy experienced an electoral reform that altered the party system and the nature of Italian politics, and marked the beginning of the Italian Second Republic (Giannetti & Grofman 2011). This reform enhanced bipolar competition, fostering alternation in power albeit at the expense of higher party switching rates and instability of the party system. Alternation and fluidity may loosen the link between each intraparty subgroup and the party as a whole. In this context, portfolio allocation may become a non-repeated game, thus decreasing the incentives for factional cooperation. For this reason we check for differences in bargaining dynamics between the First and the Second Republic. Accordingly, we could reshape H1 and H2 as follows:

*H1a: The faction's share of portfolios should correspond with its share of seats in the party body only when the party system is stable.*

*H2b: The party leader's faction should gain a share of portfolios that is more than proportional to its seats share only when the party system is fluid.*

Taking into account these basic hypotheses, in the next section a game-theoretic model is provided in order to test the hypotheses in interaction with intraparty rules and party system competitiveness.

## **A theory of interfactional bargaining**

I analyse the party as a coalition of factions that have to split office payoffs (Leiserson 1968), trying to maximise their own quota. Inside each party, factions are involved in a common effort to produce a public good: keeping the party together. As a matter of fact, unity enhances party strength during the negotiation over coalition formation (e.g., Bäck 2009) and enhances the likelihood of being involved in a coalition government, thereby increasing the total amount of payoffs available to its members. On the one hand, factions need to cooperate to reach an agreement to foster the party. On the other, they clash about how to share the benefits derived from the public good. In this way, intraparty politics is a matter of conflict and cooperation with factions looking for a balance between the two; this

balance takes place in the shadow of a party fission.<sup>3</sup> Moreover, insofar as internal rules are not always the same, this process should lead to different outcomes under different intra-party environments. In fact, the degree of proportionality in portfolio allocation and the leader's ability to get benefit from his or her position may depend on their degree of autonomy from party factions.

Several authors have suggested that direct forms of internal democracy might allow party leaders to manipulate the members for their own ends (Katz 2001; Michels 1915). Leaders might formally empower members to overcome the resistance of middle-level activists and dissenting factions. I believe that, thanks to elements like name recognisability and the frontrunner effect (Kenig 2009), the direct election made by a wide and inclusive selectorate paves the way to a 'Bonapartist' form of intraparty democracy (Michels 1915) and to a less representative party environment (Rahat et al. 2008). Accordingly, the degree of leader autonomy is the product of two features: the direct election and the size of the selectorate.

As a consequence, I distinguish between leaders directly elected (by party members or delegates at party congress) and those elected indirectly in small committees ('smoke-filled rooms') where any single activist can easily alter the equilibrium keeping the leader tied to factional vetoes. Non-autonomous leaders, selected in a small committee, are nothing more than the output of interfactional bargaining, appointed to implement an agreement that has already been reached elsewhere. They retain no autonomy and will simply stick to such a deal offering a compromise to the minority faction and splitting the payoffs fairly. Accordingly, we would expect a more proportional allocation of spoils in this case (as suggested in *H1*).

Alternatively, the leader could be more autonomous from factional constraints. As long as he or she receives the mandate from party members through a direct election, the leader benefits from stronger legitimacy (Michels 1915) and can exploit a larger degree of autonomy in front of internal opposition. Being autonomous from interfactional agreements, the leader will decide on their own how to assign benefits. He or she will try to exploit such autonomy to increase payoffs and to reward followers, for it is on their trust that the power of the leader is established.

Figure 1 provides a game-theoretic model to describe distributive bargaining dynamics in this context. There are only two actors: the party leader, *P*, tied to the mainstream faction (composed of his or her followers) and a minority faction, *F*, which gathers dissenting members. Minority size is equal to  $\alpha$ , which represents the share of congress votes won by the faction (a positive value lower than 0.5). There is a total amount of office payoffs to be shared; these returns correspond to  $\mu$ , which expresses the value of party unity (equal to 1). Furthermore, any strategy that undermines party unity imposes costs on the actors.

The leader will always try to make an unfair offer to avoid the risk of being dismissed by the mainstream factions (which are responsible for his or her election).<sup>4</sup> However, the leader's proposal will not be implemented without the factions' consent. After the proposal, the minority faction might accept or voice dissent. If the faction complies, the gain will be zero (dissenters are excluded from the allocation of rewards) and conversely the leader's payoffs will be equal to  $\mu$  (*U1*). Otherwise *F* can choose to voice dissent; the whole party will pay the cost  $v$ , due to public expression of internal dissent. Then *L* can propose a new deal. *L* can reverse his or her choice, offering a compromise (each faction will be rewarded

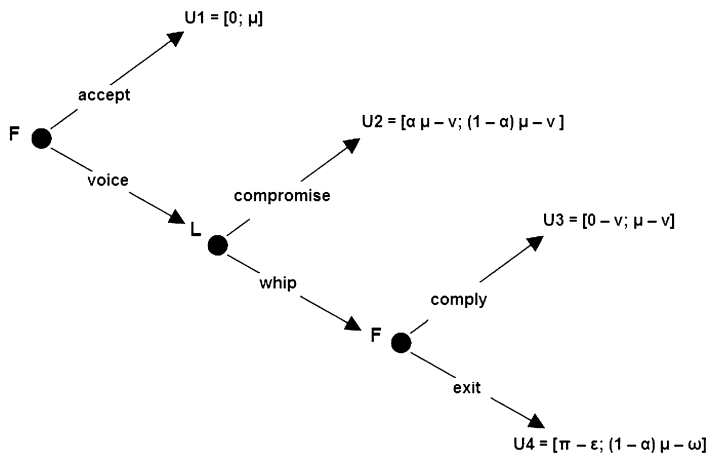


Figure 1. Party unity and party fission game.

Notes:  $\mu$  = value of party unity;  $\alpha$  = minority size;  $v$  = cost of public voice;  $\varepsilon$  = cost of breakaway;  $\pi$  = minority leverage;  $\omega$  = cost of party breakup. It is assumed that:  $\mu = 1$ ;  $0 < \alpha < .5$ ;  $\pi \in (0, 0.5)$ ;  $\varepsilon \in (0, 0.5)$ ;  $\omega \in (0, 0.5)$ ;  $v \in (0, 0.5)$  and  $v < \alpha$ . F = minority faction; L = party leader. Actors' payoffs are indicated in square brackets and kept separated by a semicolon. Faction payoffs are indicated first, followed by leader payoffs.

on the basis of its strength) or they can stay put, whipping the minority to keep the entire benefit. A compromise will assign  $\mu \times \alpha$  – the cost  $v$  to the minority faction, leaving to L  $\mu \times (1 - \alpha) - v$  (U2). Under the whipping option, the game will reach the final stage, where the dissenters can either comply or pick up the exit option, leaving the party. If they obey (U3), the payoffs will be very similar to the first stage (when F chose accept) but they are lowered by the value  $v$  for both actors because the public audience acknowledged the existence of intraparty disagreements. On the contrary, if the minority faction breaks away (U4), its payoffs will be  $\pi - \varepsilon$  (i.e., the costs of leaving the party). This upshot takes into account the likelihood of being able to gain seats in the next election (e.g., a function of the disproportionality of the electoral system) along with the price for infringed loyalty. In case of a split, L will exploit the whole amount of rewards lowered by the contribution of the minority faction that now is lacking:  $\mu \times (1 - \alpha)$ . Compared to the case of 'compromise' after 'voice', the leader will not pay any cost for party disunity because the split will have canceled the previous disputes providing the party with a clearer and stronger label's value; however, L will pay the price  $\omega$  representing a loss in image due to the leader's inability to keep the party together. This price could be higher for a core party that loses its status due to the split or in highly competitive party systems, in particular among ruling parties.

From backward induction we can draw some observations. In the final stage F faces the choice between 'exit' or 'accept'; for large values of  $\varepsilon$  (e.g., strong party loyalty) or low  $\pi$  (e.g., low policy cost attached to party membership) the minority will prefer to accept the whip instead of leaving the party. For value of  $\omega$  lower than  $v$  (e.g., in a weakly competitive party system) the output will be the second best for L that can exploit all the amount of payoffs sustaining the cost  $v$  while F's payoff is lower than zero. However, F knows that it would be better off choosing 'accept' at the first stage (because it avoids suffering the loss due to  $v$ ) so that U1 would be the equilibrium. This pattern resembles that of the dictator

Table 1. Summary of the equilibriums and related upshots according to the value of some parameters

Leadership attitude	Faction threat to break away		
	Non-credible ( $\epsilon > \pi$ ) and ( $\pi - \epsilon < 0 - v$ )	Weak and credible ( $\epsilon > \pi$ ) and ( $\pi - \epsilon > 0 - v$ )	Strong and credible ( $\epsilon < \pi$ )
Unity ( $\omega > v$ )	U1 (Accept)	U2 (Voice; compromise)	U2 (Voice; compromise)
Cohesion ( $\omega < v$ )	U1 (Accept)	U1 (Accept)	U4 (Voice; exit; whip)

game where the responder has no choice and can just accept the proposal.<sup>5</sup> On the contrary, when  $\epsilon$  is relatively small and  $\pi$  is wide, F will choose ‘exit’ at the last stage. In this context, whenever  $\omega$  is lower than  $v$  the leader will carry the game up to that point, whipping the dissenters in the previous stage and leading the game to U4. Finally, when the costs  $\omega$  are high and  $\pi - \epsilon$  is positive, L will try to reach a compromise at the second stage to avoid the risk of suffering a party fission in the next one, hence the final outcome will be U2. Table 1 sums up the upshots related to each possible equilibrium.

This game and its equilibriums allow the in-depth analysis of bargaining dynamics. First of all, we would expect that the ‘formateur faction’ will gain a more than proportional amount of cabinet posts when the leader is autonomous from factional constraints – that is, when there is a direct election. Autonomous leaders are also less likely to be challenged or removed from their charge (Kenig 2009; Michels 1915; Rahat et al. 2008), particularly when they are popular among voters or when their faction is stronger within the party: in this sense leaders can assign office payoffs with a huge degree of discretion (Ono 2012). We test this aspect as follows:

*H3: The degree of proportionality in portfolio allocation should be lower among parties whose leaders are more autonomous.*

*H4: The party leader’s faction should gain a share of portfolios that is more than proportional to its seats share when the party leader is more autonomous.*

Furthermore, according to our theoretical model, party system competitiveness alters the leader’s attitude towards compromise. In a parliamentary arena with a low level of competition, where the ruling coalition retains a safe margin over the opposition ( $\omega$  is low), the leaders of ruling parties will not fear the risk of losing office due to potential defections of minority factions. Accordingly, they will try to overpay their followers, whereas under highly competitive conditions the mainstream faction should be less overpaid.

*H5: The party leader faction should be increasingly overpaid as the size of cabinet parliamentary support grows.*



The blackmail power of a given faction might also alter the patterns of intraparty bargaining. Intraparty minorities, in fact, might increase their bargaining power with a threat to defect – that is, leaving the party. The mainstream faction, then, should cater to the minority as much as possible in order to avoid a fission that could damage the party.<sup>6</sup> Along this line one could hypothesise that minority factions will be overpaid, receiving a share of ministers greater than their size, though only under two conditions: the threat to defect must be credible, and it must be considerably harmful to the party. In order to be harmful, the threat must involve at least a medium-sized minority faction. In order to be credible, those factions should gain only a limited amount of policy payoffs from party membership. In fact, we know that factions incur a cost for party membership and this cost grows when the distance between faction's and party's positions enlarges (high  $\pi$ ); in this vein, one can further assume that the probability of a split (and the leverage of the minority) increases with such distance (Ceron 2012a; Reed & Scheiner 2003). If this is the case, factions whose ideal point is far from the bulk of party members should be overpaid in the allotment of cabinet posts.<sup>7</sup>

*H6: Minority factions' share of portfolios should increase along with their size and their distance from the median faction (i.e., the likelihood of their breakaway).*

## **The dataset related to the Italian case**

In order to analyse factional bargaining, the intraparty structure is mapped by focusing on party congress to measure the number, strength and preferences of each faction. The congress, in fact, is a competitive arena where factions set out their 'opposing views on the ideological direction of the party' (Giannetti & Laver 2009: 154). They present their own motion (an omni-comprehensive policy document), 'organize teams of candidates and appeal to people enjoying the right to vote for one team or another' (Mershon 2001: 561), thereby measuring their reciprocal strength in the party body.

A faction is considered to be any subgroup that contests the congress presenting its own motion. Looking at the motions presented during the congress, one can ascribe factional affiliation to party ministers according to their signature on one of the competing documents. The dataset covers ministerial allocation within 42 different Italian governments. It includes data about 275 factions (see Table 2), belonging to almost all parties that held ministerial posts during the First Republic (DC, PLI, PRI, PSDI, PSI) or to a few factionalised parties that were in office during the Second Republic (AN, DS, NPSI, PRC).

Furthermore, to assess the impact of factional policy preferences, I analysed factional motions through a technique of quantitative text analysis that estimates the policy position of each subgroup within the party congress. Factions' policy positions have been extracted from policy motions through WORDFISH (Slapin & Proksch 2008; Proksch & Slapin 2009),<sup>8</sup> an automated scaling model that, by analysing the frequencies of all words contained in a text document, allows the assessment of its position. WORDFISH compares the word frequencies across all the textual documents analysed and assigns to each word a value  $\beta$  that enables it to distinguish between different policy positions. These positions are



estimated along a single dimension that captures the political content of these texts. Hence, given the nature of the motions (discussed above), the factions’ positions were estimated on a single dimension that can be interpreted as a left–right scale. Overall, I analyzed 83 congresses of 18 Italian parties, held between 1946 and 2010, and assessed the positions of 254 factions.<sup>9</sup> Details on congresses analysed are shown in Table 3, while Figure 2 displays the placement of factions along the left–right scale.

In order to obtain a clearer visual representation, factions have been clustered by the political family with which they are associated. Socialist and communist parties (PCI, PSI, PSIUP, PRC, PDCI) are located on the left wing (small X); social-democratic and non-Marxist left parties (PSDI, PDA, PRI, DS, PD, NPSI, Greens) are placed on the centre-left (black triangle), while they shift towards the centre in the 1980s; Christian Democrats (grey plus) originally stand in the centre (DC), and shift to the centre-right (UDC) during the Italian Second Republic; the liberal-democratic family (PLI) is located on the centre-right (grey square); and finally, post-fascist parties (MSI and AN) appear on the far-right (black dot).

By observing the values of the discrimination parameter  $\beta$  one can carry out a first diagnostic of WORDFISH estimation. Figure 3 reports the  $\beta$  parameters of each word along with their frequency (word fixed effect). Words with a large  $\beta$  value are located at the extremes of the left–right scale. I have reported the English translation of some of them related to the first (black) and second (gray) period of time.

These examples confirm that the  $\beta$  values assigned to words are coherent with their actual meanings in the Italian political language. For instance, on the right side we find words like ‘god’, ‘motherland’, ‘family’ as well as ‘privatisation’ and ‘meritocratic’, while on the left we have ‘class’, ‘nationalisation’, ‘peace’, ‘laity’ and ‘redistribution’.

Other elements attest that the factions’ positions have been correctly estimated. A strong and positive correlation was found between the estimated position of the median faction within each party congress and several external measures of party position drawn from expert surveys ( $r = 0.8$ ) or Comparative Manifestos Project data ( $r = 0.7$ ). In each

Table 2. Details on the data analysed

Party	Label	Number of congresses	Number of governments	Number of cases
AN	National Alliance	1	2	7
DC	Christian Democratic	10	29	121
DS	Democrats of the Left	3	2	9
NPSI	New Italian Socialist Party	1	1	2
PLI	Italian Liberal Party	5	10	26
PRC	Communist Party-Refoundation	1	1	5
PRI	Italian Republican Party	7	10	23
PSDI	Italian Social Democratic Party	8	14	35
PSI	Italian Socialist Party	7	14	47
Total		43	42	275

Table 3. Details on the motions gathered

Party	Label	Congresses held	Contested congresses	Missing	Included in dataset	Included (%)	Motions
AN	National Alliance	3	1	0	1	100	4
DC	Christian Democratic	18	13	2	11	85	41
DS	Democrats of the Left	4	4	0	4	100	12
FV	Greens' Federation	18	16	14	2	13	6
MSI	Italian Social Movement	17	7	2	5	71	20
NPSI	New Italian Socialist Party	6	2	0	2	100	4
PCI	Italian Communist Party	16	3	0	3	100	8
PD	Democratic Party	3	3	2	1	33	3
PDA	Action Party	3	2	1	1	50	3
PDCI	Italian Communists' Party	5	1	0	1	100	2
PLI	Italian Liberal Party	19	11	0	11	100	35
PRC	Communist Party-Refoundation	7	6	0	6	100	20
PRI	Italian Republican Party	22	15	4	11	73	25
PS	Socialist Party	2	1	0	1	100	3
PSDI	Italian Social Democratic Party	20	21	12	9	43	25
PSI	Italian Socialist Party	24	12	0	12	100	38
PSIUP	Italian Socialist Party of Proletarian Unity	4	1	0	1	100	3
UDC	Union of Centre and Christian Democrats	3	1	0	1	100	2
Total		194	120	37	83	69	254

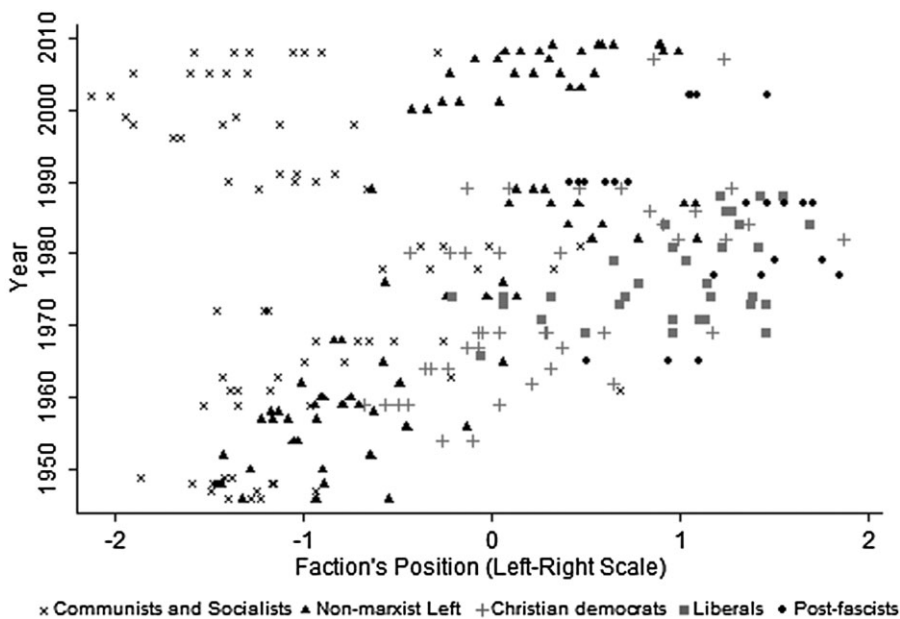


Figure 2. Positions of party factions on the left–right scale (clustered by political families).

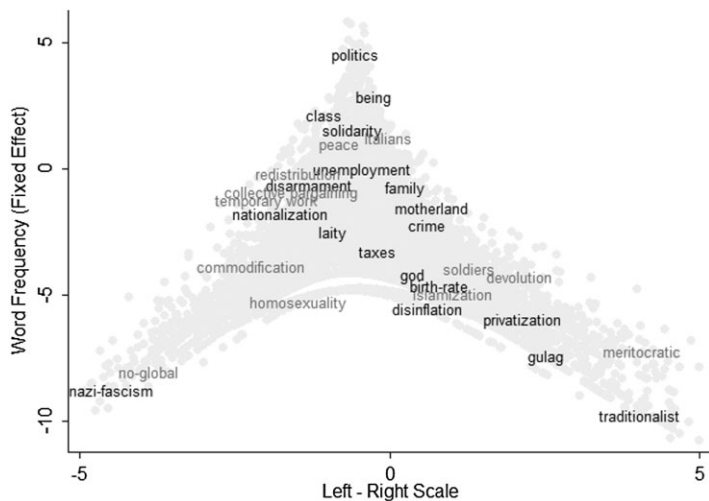


Figure 3. Beta coefficients and diagnostic of words' estimates.

congress, factions are properly arrayed from left to right and there is a positive correlation ( $r = 0.7$ ) between the expected and the actual ordinal positions of factions. Moreover, the wings tend to retain positions statistically different from that of the party mainstream.<sup>10</sup> Having proved their validity and reliability, WORDFISH estimates pertaining to ruling parties have been adopted to analyse factional bargaining, testing the hypotheses discussed in the previous sections.

## Analysis and results

Portfolio allocation is a typical example of compositional data (Honaker et al. 2002): the share of ministers assigned to each party sums to unity and therefore the errors are correlated. To address this concern, I follow previous work (Carroll & Cox 2007; Fréchette et al. 2005) and drop one observation per intraparty bargaining, running the analysis on a subsample.<sup>11</sup> Furthermore, given that the dependent variable ( $y$ ) is a proportion (the share of ministers assigned to each faction), using ordinary least squares regression might not produce accurate estimates. This happens because the values of  $y$  are bounded between 0 (the faction does not hold any minister) and 1 (the whole share of party ministers is assigned to one faction only). In such situations, the assumptions required by the OLS might not hold as we could have heteroskedasticity or the errors might be not normally distributed (Wooldridge 2002). Moreover, the predicted values might fall outside the unit interval. I thus analyse the fractional response dependent variable by means of a fractional logit model, which is suitable for handling these issues (Papke & Wooldridge 1996).<sup>12</sup> In addition, as long as there are repeated observations within each party congress that are nested by government, fixed effects by congress can be included and the observation on governments clustered, providing standard errors accordingly.

The dependent variable is the *Weighted share of ministers*: the ratio of cabinet posts (weighted) belonging to faction  $i$  over the total number of (weighted) ministers assigned to party  $j$  within government  $k$ . The weights have been applied using the portfolio ratings measured by Warwick and Druckman (2005: 39–40) that allow the assessment of the importance of each cabinet position.<sup>13</sup> The independent variables are as follows (summary statistics are provided in Table 4 below):

- *Share of seats*: The percentage of seats retained in the party body (i.e., the National Council or the Central Committee).
- *Party leader faction*: A dummy variable that identifies the faction to whom the party leader belongs (value 1).
- *Party system fluidity*: A dummy variable that distinguishes between the First (value 0) and the Second Republics (value 1).

Table 4. Summary statistics of the dependent and independent variables

Variables	Mean	Standard deviation	Minimum	Maximum
Weighted share of ministers	0.268	0.311	0	1.000
Share of seats	0.293	0.257	0	0.989
Party leader faction	0.269	0.444	0	1.000
Party system fluidity	0.137	0.344	0	1.000
Leader autonomy	0.299	0.458	0	1.000
Parliamentary support	0.477	0.173	0	0.840
Distance	0.152	0.282	0	1.961

- *Leader autonomy*: Has the value '1' when the party leader is elected during the party congress directly by party delegates or party members, and '0' when the leader is appointed by a small committee.
- *Parliamentary support*: The degree of party system competitiveness measured according to the size of parties that support the cabinet.
- *Distance*: Corresponds to the squared distance between faction *i* and the median faction within the party.

In order to investigate the effect of each variable on portfolio allocation, some interaction terms were also included. In particular, I focused on the interactions of *Share of seats* with *Leader autonomy* and *Distance* to find out whether under particular conditions the impact of faction size changes. In this way one can better assess if Gamson's Law actually shapes intraparty bargaining. Finally, the interactions between the *Party leader faction* and two other variables – *Leader autonomy* and *Parliamentary support* – were included.

Table 5 provides the results of the analysis. In model 1 Gamson's Law (*H1*) is tested against non-cooperative bargaining theory (*H2*). In model 2 *H1b* and *H2b* are tested by analysing the interactions between each of the two variables adopted in model 1 and *Party system fluidity*.<sup>14</sup> In model 3 the interactions between those two variables and *Leader autonomy* are added, testing *H3* and *H4*.<sup>15</sup> In models 4 and 5 the impact of party system competitiveness (*H5*) and the leverage of minorities according to their share of policy payoffs (*H6*) are tested.<sup>16</sup>

*Share of seats* is always significant, confirming the supposition that ministers are distributed in proportion to faction size (*H1*).<sup>17</sup> This, however, does not necessarily imply a pattern of perfect proportionality. In fact, the coefficient of *Party leader faction* is significant (except in model 3) and positive as well, even controlling for *Share of seats*. This confirms, at least in part, the idea behind bargaining theories (*H2*), suggesting that the party leader is able to exploit his or her strategic role to overpay their own faction with a share of payoffs larger than the actual size. The conditional marginal effect reports an advantage between 0.6 and 9.8 per cent. From model 2 it is acknowledged that while the leader seems to extract higher payoffs only in a fluid system, there is no difference when comparing the marginal effect of *Share of seats* in the First or the Second Republic: in both contexts, the Gamson rule seems to work.

So far, we have only discussed standard distributive theories, while we will now test our argument. In model 3 the impact of *Leader autonomy* is evaluated, with the finding that contrasting rules for leadership selection lead to different patterns of portfolio allocation. In line with *H3*, the degree of proportionality is indeed lower among parties ruled by autonomous leaders who are free to allocate payoffs according to their wishes.<sup>18</sup> However, the party leader faction does not automatically gain from this shift as the interaction between *Party leader faction* and *Leader autonomy* is not significant (against *H4*). Who does benefit then from a growing leader's discretion? Models 4 and 5 try to provide an answer by testing the theoretical implications suggested by the theory.

I contend that the level of party system competitiveness impinges on intraparty distributive dynamics. Under conditions of low competitiveness (when the government retains a safe and wide margin over the opposition) party splits do not jeopardise government stability. As a consequence, the party leader is free to overpay his or her own

Table 5. Portfolio allocation among party factions

Parameters	(1)	(2)	(3)	(4)	(5)
Share of seats	6.183*** (0.655)	6.426*** (0.535)	7.193*** (0.890)	6.920*** (0.744)	6.696*** (0.738)
Party leader faction	0.485* (0.262)	0.299 (0.216)	0.274 (0.401)	-0.792 (0.507)	-0.758 (0.504)
Party system fluidity		0.614 (0.636)			
Share of seats x Party system fluidity		-1.009 (1.899)			
Party leader faction x Party system fluidity		1.947*** (0.562)			
Leader autonomy			1.469*** (0.464)	1.472*** (0.508)	1.510*** (0.475)
Share of seats x Leader autonomy			-2.040* (1.143)	-1.695*** (0.784)	-1.728** (0.785)
Party leader faction x Leader autonomy			0.253 (0.481)		
Parliamentary support				-0.411 (0.277)	-0.462 (0.293)
Party leader faction x Parliamentary support				2.291** (1.015)	2.361** (1.023)
Distance					-0.476 (0.458)
Share of seats x Distance					3.049* (1.567)
Constant	-2.600*** (0.225)	-3.454*** (0.307)	-3.783*** (0.423)	-3.573*** (0.474)	-3.522*** (0.448)
Log-likelihood	-49.919	-49.506	-49.702	-49.544	-49.444
Number of observations	189	189	189	189	189

Notes: Dependent variable: *Weighted share of ministers*. Clustered standard errors in parentheses. \*\*\* p < 0.01; \*\* p < 0.05; \* p < 0.1.

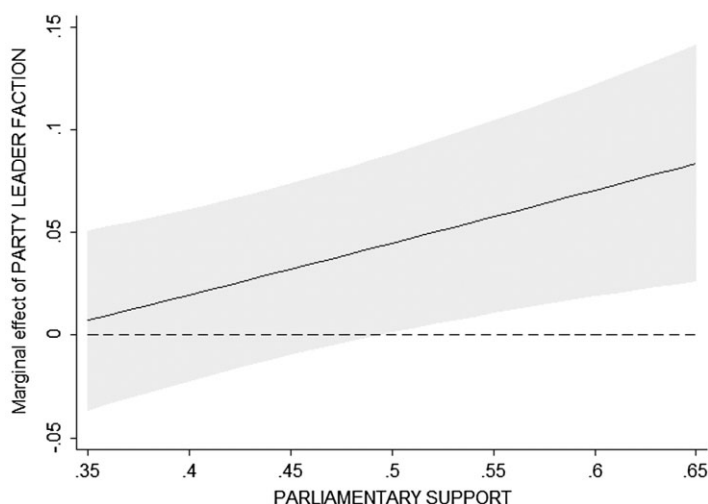


Figure 4. Marginal effect of *Party leader faction* on *Weighted share of ministers* as the degree of *Parliamentary support* for the cabinet enlarges.

faction even if this unfair allocation of portfolios may disappoint internal minorities, leading them to break away. Conversely, in highly competitive parliamentary arenas, the leader will be focused on keeping party unity insofar as a breakaway could jeopardise government duration and the party's share of payoffs.<sup>19</sup> The interaction between *Parliamentary support* and *Party leader faction* is positive and significant and this empirical result provides evidence for H5. Figure 4 shows the advantage exploited by the mainstream faction, conditional on the balance of power between government and opposition. When *Parliamentary support* is very low, the mainstream cannot be overpaid. Conversely, when the size of the ruling majority increases, the leader starts to take profit of their strategic role, granting to his or her faction a more than proportional share of spoils.<sup>20</sup>

To conclude, model 5 tests the interaction between the minority's *Share of seats* and its *Distance* from the bulk of party members (which expresses the blackmail power of non-mainstream factions, as suggested in H6). Figure 5 reports the marginal impact (along with a 90 per cent confidence interval) for two differently sized non-mainstream factions (which retain, respectively, 10 and 40 per cent of seats in the party body). It is noticeable that the smaller faction is strongly underpaid: a 10 per cent increase in size is rewarded by only an additional 4 per cent of the share of ministers. On the contrary, the powerful minority receives a more than proportional return in office payoffs. Moreover, as the distance between this subgroup and the median faction grows, such benefit increases.

The growing distance between the ideal point of a non-mainstream subgroup and the median faction raises the cost of party membership for that group (Snyder & Ting 2002). *Ceteris paribus*, its total amount of payoffs will be lower and the faction will face a growing incentive to break away, leaving the party. As a result, minority factions can try to increase their amount of payoffs threatening to split from the party. This blackmail strategy will be successful only if the threat is credible and harmful. In fact, the party leader will take into consideration requests from a minority faction only in such situations. The analysis seems to confirm this pattern. To keep party unity, the leader caters to minority factions with a share



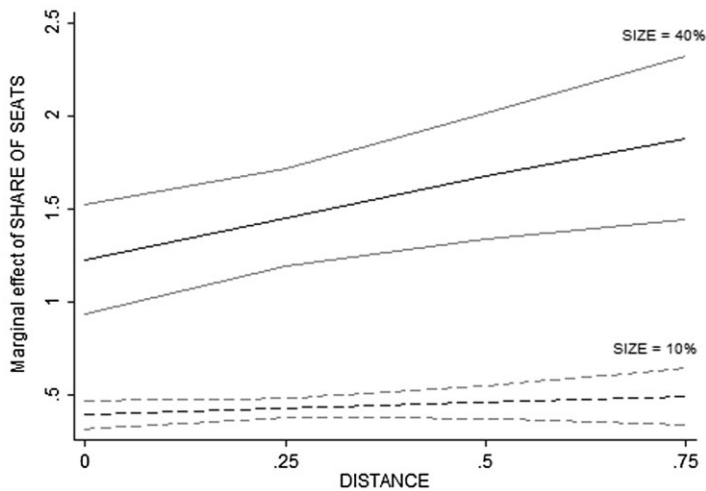


Figure 5. Marginal effect of *Share of seats* on *Weighted share of ministers* as the *Distance* between one faction and the median increases. Comparison between a small (10 per cent of seats in party body) and a strong minority faction (40 per cent of seats).

of seats greater than their actual size. Even so, this happens only when minority groups are strong, while small and weak factions do not carry any real blackmail power and, therefore, their stakes are completely ignored. When the likelihood of their breakaway increases, these factions receive a growing amount of cabinet posts as an incentive not to leave the party. In sum, through portfolio allocation the party leader compensates those minority factions whose threat of exit is credible and harmful for the party. In order to provide them with a reason to stay within the faction, their lower amount of policy payoffs is balanced through a more than proportional share of office payoffs (Warwick 1998).

## Conclusion

Empirical evidence drawn from Italian politics supports the idea of a proportional allocation of portfolios among party factions. Overall, faction size matters and cabinet spoils are distributed according to the strength of each faction. Nevertheless, relevant deviations from the pattern of proportionality under particular conditions were found, the claim can be made that such a Gamson rule does not apply to all intraparty actors. First of all, there is a significant advantage exploited by the party leader faction. Even controlling for faction's size, this effect still holds; acting as the proposer in a setter game, the party leader is able to reward his or her followers with an amount of payoffs greater than their strength in the party body. This evidence is in line with the bargaining theories that predict larger payoffs for the formateur, in spite of proportional allocation. In addition, statute rules seem to affect interfactional bargaining. Direct election of the party leader decreases the degree of proportionality in portfolio allocation. To provide the public good (party unity and party strength), the leader identifies and provides selective incentives that ensure the mobilisation of all factions. When the leader is more autonomous, he or she can exploit their role

either to provide more rewards to followers or to keep party unity by answering the requests posed by internal minorities. As it happens, the findings suggest that this second effect is prevailing. Apart from rewarding his or her supporters, the party leader addresses the requests of powerful minorities (whose leverage is wider) in order to solve all the credible threats to party unity. In this sense portfolio allocation becomes a strategy to ward off potential harmful threats and to balance the total amount of returns for those factions whose policy payoffs are lower, preserving party unity and party strength.

This aspect is even more relevant inside competitive parliamentary arenas, where the margin of ruling parties is lower and any single split might alter the balance of power between government and opposition. On the contrary, when the cabinet retains a wide parliamentary support, party leaders will be able to exert a larger degree of discretion in portfolio allocation, being able to enhance their own stakes and the payoffs of the mainstream faction.

Going beyond the unitary actor assumption, discussion here has focused on interfactional conflict and cooperation showing that each subgroup tries to maximise its own payoffs, balancing policy and office payoffs altogether. For instance, the party leader attempts to reward the mainstream faction (that contributed to his or her election) while minority factions may threaten to defect in order to bargain for a greater sum of payoffs. However, both the mainstream and the minority factions experience the advantages of cooperation. Autonomous party leaders, in fact, might give up a quota of their own payoffs in order to keep party unity, thereby increasing the total amount available to the factions in the long run. In this sense, although one might not find patterns of perfect proportionality, there are reasons to believe that parties are ruled according to consensual dynamics that reward each faction according to its actual bargaining power, whose measurement encompasses its size, its level of policy payoffs and its strategic position within the party.

Although these findings are related to a single country, the theoretical model sheds light on intraparty bargaining dynamics in countries with factionalised parties like France, Germany, Japan or the United Kingdom, to name just a few. This work could be developed by considering that factions may attach different rewards to the same cabinet position.<sup>21</sup> Furthermore, future researchers could investigate the effect of contrasting modes of party organisation and styles of interfactional bargaining on coalition formation, government stability, cabinets' policy outputs and party fission to assess whether alternative patterns of portfolio allocation become sources of stability or instability for the party system as a whole.

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## Notes

1. This might concern both the electoral campaign (particularly when factions compete for preference voting) and everyday party politics that also involves fundraising and membership drives, which are linked directly to factional power and party strength.
2. Nonetheless, empirical evidence from experimental economics about the ultimatum game sends us back to *HI*, providing confirmation for an alternative theoretical solution according to which the payoffs will be split fairly (e.g., Güth et al. 1982).
3. Sometimes, in fact, these contrasting pressures might lead to party break-up. Far from being a 'rare event', party fissions are an ever-present threat as well as an opportunity to reshape payoffs (e.g., Ceron 2012a; Giannetti & Laver 2001).
4. The mainstream faction could, in fact, decide to replace him or her with another leader who, thanks to their stronger personal charisma, is more able to overpay the mainstream.
5. I assigned a zero payoff to the minority group, although according to experimental economics one could expect it to be catered for with a non-zero share of benefits. Anyway, this share will be considerably lower compared to the pattern of perfect proportionality that is typical of parties ruled by bounded leadership.
6. Wada and Schofield (1996) argue that the shift towards proportional allocation within the Japanese LDP has been fostered by factional leaders' threat of exiting from the party.
7. Warwick (1998) suggested a similar reasoning for coalition governments: a greater distance between one party and the cabinet's ideal point requires a higher attribution of cabinet posts to bring the party inside the coalition.
8. WORDFISH has already been used to estimate the policy positions of political actors in Germany, Italy, Japan, the United Kingdom, the Netherlands and the European Union (e.g., Proksch & Slapin 2009).
9. The documents' length is, on average, 5,627 words, which is large enough to provide valid estimates. Only 14 per cent of texts contain fewer than 1,000 words.
10. Data available from the author upon request. For additional information on the dataset, see Ceron (2012a, 2012b, 2013).
11. I could not revert to the solution proposed by Honaker et al. (2002) because data related to each intra-party bargaining process do not refer to the same set of actors.
12. Other authors, instead, adopted the beta maximum likelihood estimation (Ono 2012). However given that 40 per cent of the factions retain a share of payoffs that is either 0 or 1, the fractional logit ends up to be more appropriate (Papke & Wooldridge 1996: 620).
13. Following the idea that different parties might attach different importance to the same cabinet position, I propose another dependent variable that takes into account a party-specific weight per each position. This weight has been measured through the content analysis of parliamentary debates (Curini 2011) according to the salience that each party assigns to a particular policy area linked with a specific cabinet portfolio. A very similar approach has been developed by Bäck et al. (2011), who used data from the Comparative Manifestos Project. When using this party-specific dependent variable, which is strongly correlated ( $r = 0.99$ ) with the variable *Weighted share of ministers*, the results are the same.
14. I do not have enough data on the Second Republic to run separate analyses.
15. From here on, I omit the variable *Party system fluidity* since it is highly correlated with *Leader autonomy* ( $r = 0.7$ ), which is one of the core variables in our game-theoretic model.
16. Testing the same models on a subsample that includes only formateur or non-formateur parties yields the same substantive results.
17. I included in model 1 a variable that measures the power index of each faction within the party body. However, this covariate does not yield any significant effect.
18. This is in line with Mershon's (2001: 573) claim: 'Once direct elections for the DC secretary general were instituted . . . the norm of proportionality exerted a rather weak influence on the distribution of ministerial posts among DC factions.'
19. Note that we do not necessarily expect an increase in proportionality given that some factions can exploit their blackmail power to extract a share of payoffs greater than their strength.
20. This result also holds when considering the Italian First Republic only. Moreover, I did not find significant differences between autonomous or constrained leaders, even though the mainstream faction could hope to receive a slight larger bonus when *Leader autonomy* is greater.

21. A preliminary enquiry shows that left-wing DC politicians tend to be appointed as Minister of Health or Employment, while right-wing DC politicians retain more often the portfolio of Minister of the Interior or Defence. This point deserves further investigation.

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