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'England Does Not Love Coalitions': The Most Misused Political Quotation in the Book[1]

IN MID-2011, IT CERTAINLY LOOKS AS IF ENGLAND DOES NOT LOVE coalitions, or at any rate the coalition that is governing it.[2] The quotation that forms the title of this article was coined by Benjamin Disraeli in 1852. This article begins with the context in which Disraeli spoke, then gradually broadens its scope from England to the UK to the set of advanced democracies. Modern political economy has a great deal to say on the subject of coalitions. In conclusion we return to the prospects for future coalitions and minority governments in the UK.

DISRAELI'S 1852 BUDGET SPEECH

In 1846 came the first great fracture of Victorian politics: the repeal of the Corn Laws by the Tory prime minister, Sir Robert Peel.[3] Peel enacted free trade in agriculture against the material interests of the median Tory in both Houses, who was a landowner and therefore a beneficiary of protection, which raised the prices of agricultural outputs. Repeal shattered Peel's party. Only a third of it supported him in the Commons; he carried the repeal on Opposition votes. His bitterest and most sarcastic enemy among the protectionist Tories

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[1] This is a revised text of the *Government and Opposition*/Leonard Schapiro Memorial Lecture 2011, delivered at the PSA Conference, London, 18 April 2011.

[2] For example, YouGov/Sun results on 17 Mar 2011 were: Conservative 35 per cent, Labour 43 per cent, Liberal Democrat 10 per cent; net government approval −29 per cent.

[3] Iain McLean, *Rational Choice and British Politics: An Analysis of Rhetoric and Manipulation from Peel to Blair*, Oxford, Oxford University Press, 2001; Cheryl Schonhardt-Bailey, *From the Corn Laws to Free Trade: Interests, Ideas, and Institutions in Historical Perspective*, Cambridge, MA, MIT Press, 2006.

was Benjamin Disraeli, who crafted a coalition of the extremes – Tories and Irish – to defeat Peel on an Irish Coercion Bill soon after and end Peel's political career. Peel was killed by a fall from his horse in 1850, but the Peelites, led by Lord Aberdeen, Sir James Graham and W. E. Gladstone, became the centre force in British politics.

By December 1852, Disraeli was chancellor of the Exchequer in a minority Tory government. The general election of that year had led to a hung Parliament in which the Peelites held the balance. As Disraeli knew his government was likely to be defeated,[4] his budget winding-up speech was a stream of brilliant sarcastic invective. Of his proposal to close down the Public Works Loans Board he said: 'of all the speculations that man ever engaged in, no speculation was ever so absurd as that of Battersea Park'. If he had anticipated some chance that his budget might carry, he would have charmed the pivotal Peelites. He did the opposite:

But some advice has been offered to me which I ought, perhaps, to notice. I have been told to withdraw my Budget, I was told that Mr. Pitt withdrew his Budget, and I know that more recently other persons have done so too. Sir, I do not aspire to the fame of Mr. Pitt, but I will not submit to the degradation of others. No, Sir; I have seen the consequences of a Government not being able to pass their measures – consequences not honourable to the Government, not advantageous to the country, and not, in my opinion, conductive to the reputation of this House, which is most dear to me. I remember a Budget which was withdrawn, and re-withdrawn, and withdrawn again in the year 1848. What was the consequence of that Government thus existing upon sufferance? What was the consequence to the finances of the country? Why, that injurious, unjust, and ignoble transaction respecting the commutation of the window tax and house duty, which now I am obliged to attempt to remedy. The grievance is deeper than mere questions of party consideration. When parties are balanced – when a Government cannot pass its measures – the highest principles of public life, the most important of the dogmas of politics, degenerate into party questions. Look at this question of direct taxation – the most important question of the day. It is a question which must sooner or later force itself upon everybody's attention; and I see before me many who I know sympathise, so far as that important principle is concerned, with the policy of the Government. Well, direct taxation although applied with wisdom, temperance, and prudence has become a party question. Talk of administrative reform! Talk of issuing commissions to inquire into our dockyards! Why, if I were, which is not impossible, by intense labour to bring forward a scheme which might save a million annually to the country, administrative reform would become a party question to-morrow. Yes! I know what I have to face. I have to face a coalition. The combination may be successful.

4 Derby to Disraeli and reply, 15–16 December 1852, in W. F. Monypenny and G. E. Buckle, *The Life of Benjamin Disraeli, Earl of Beaconsfield*, 6 vols, London, John Murray, 1914, vol. 3, pp. 440–2.

A coalition has before this been successful. But coalitions, although successful, have always found this, that their triumph has been brief. This too I know, that England does not love coalitions. I appeal from the coalition to that public opinion which governs this country – to that public opinion whose mild and irresistible influence can control even the decrees of Parliaments, and without whose support the most august and ancient institutions are but 'the baseless fabric of a vision'.

His invective against the Peelites prompted Gladstone, one of their leaders, to make an equally bitter, fiery speech that was in part shouted down:

notwithstanding the efforts of some Gentlemen in a remote corner of the House, who avail themselves of darkness to interrupt me, I will tell them this, that they must bear to have their Chancellor of the Exchequer, who is so free in his comments upon the conduct of others, brought to the bar of the opinion of this Committee, and tried by those laws of decency and propriety—[Cheers and confusion, which drowned the remainder of the sentence.] Sir, we are accustomed here to attach to the words of the Minister of the Crown a great authority – and that disposition to attach authority, as it is required by the public interest, so it has been usually justified by the conduct and character of those Ministers; but I must tell the right hon. Gentleman that he is not entitled to charge with insolence men who— [Renewed cheers again drowned the remaining words of the sentence.] I must tell the right hon. Gentleman that he is not entitled to say to my right hon. Friend the Member for Carlisle (Sir J. Graham) that he regards him, but that he does not respect him.[5]

This was one of the first of the great set-pieces between Disraeli and Gladstone immortalized by Sir John Tenniel many years later in a cartoon where they are portrayed as schoolboys covered in mud. Mr Punch, in headmaster's robes, is captioned as saying, 'You, the two Head Boys of the School, throwing Mud! You ought to be ashamed of yourselves!'[6]

The committee divided: Ayes 286; Noes 305: majority 19. The Derby/Disraeli minority government was out, to be succeeded by a coalition led from the centre by the Peelite Lord Aberdeen.

A passing remark, delivered at the end of a stream of coruscating abuse, has been taken by some to be a foundation stone of the British Constitution. Yet the coalition that was about to defeat Disraeli in 1852 was more coherent than the coalition he had himself formed to oust Peel in 1846. In 1852 the Peelites were the centre party. In 1846 Disraeli had formed a coalition of extremes – the Irish MPs and the

[5] All extracts from *Hansard*, House of Commons, 16 December 1852, from http:// hansard.millbanksystems.com, accessed 17 March 2011.

[6] *Punch*, 10 August 1878.

protectionist Tories – to oust his enemy.[7] Disraeli loved at least one coalition.

Disraeli's peroration contains two empirical claims:

H D1: Coalitions, although successful, have always found this, that their triumph has been brief . . . England does not love coalitions.

H D2: [The] mild and irresistible influence . . . [of] public opinion can control even the decrees of Parliaments.

Hypothesis D1 is self-explanatory. I interpret Hypothesis D2 as a precocious appeal to the median voter theorem, formalized a century later: that an administration that does not encompass the median voter is fragile. The data in Tables 1 and 2 have been collected to test Disraeli's hypotheses.

Table 1 contains raw data on every UK government formed at a general election since Disraeli's speech. The columns are self-explanatory except for the 'duration' column. Where the administration formed after a general election did not survive or lost its majority before the following one, the duration shown is that of that administration, which may therefore be less than the time to the ensuing general election. For example, the majority Conservative government formed in 1900 collapsed in December 1905; the Labour government elected in October 1974 was in a minority by March 1977 due to by-election losses. Importantly, therefore, the list of coalition governments in these tables does *not* include the all-party war coalitions of 1915–18 and 1940–45.

Table 2 offers a summary. Since 1852, the probabilities of a coalition administration and of a minority government being formed at a general election are almost identical, at 0.17 and 0.20. Minority governments (such as the one that Disraeli led in the Commons when he made his speech) are the most fragile class, with the lowest share of the popular vote and the shortest mean duration. Comparing coalition governments with single-party majority governments, the former control a very comparable share of the popular vote on taking office, but last on average slightly less long. H D1 gets very little support from these data. H D2 gets considerably more, but it runs counter to the argument in whose peroration it appeared. A coalition, which by construction is almost certain to involve the median

[7] Monypenny and Buckle, *The Life of Benjamin Disraeli*, vol. 2, pp. 394–400; Peel described Disraeli's tactics, in a letter to Queen Victoria, as 'a foul conspiracy concocted by Mr Disraeli and Lord George Bentinck', ibid., vol. 2, p. 400.

Table 1
Does 'England' Love Coalitions?

GE of	Govt formed	% of seats	% of votes	Duration in months
1852	min	43.7		5
1852	coalition	56.3		25
1857	maj	57.6	64.8	12
1859	maj	54.6	65.8	85
1865	maj	56.2	59.5	12
1868	maj	58.8	61.2	62
1874	maj	53.7	44.3	87
1880	maj	54.0	54.7	79
1885	min	47.6	47.4	9
1886	coalition	58.7	51.1	84
1892	min	40.6	45.4	36
1895	maj	61.3	49.1	75
1900	maj	60.0	50.3	62
1906	maj	59.6	43.4	60
1910 (Jan)	min	40.9	46.8	10
1910 (Dec)	min	40.6	44.2	53
1918	coalition	66.9	47.1	48
1922	maj	55.9	38.5	12
1923	min	31.1	30.7	12
1924	maj	67.0	46.8	55
1929	min	46.7	37.1	28
1931	coalition	90.1	67.2	49
1935	coalition	69.8	53.3	55
1945	maj	61.4	48.0	55
1950	maj	50.4	46.1	20
1951	coalition	51.4	48.0	43
1955	maj	54.8	49.7	53
1959	maj	57.9	49.4	60
1964	maj	50.3	44.1	18
1966	maj	57.8	48.0	51
1970	maj	52.4	46.4	44
1974 (Feb)	min	47.4	37.2	8
1974 (Oct)	maj	50.2[a]	39.2	30
1979	maj	53.4	43.9	49
1983	maj	61.1	42.4	48
1987	maj	57.7	42.2	58
1992	maj	51.6[b]	41.9	48
1997	maj	63.4	43.2	49
2001	maj	62.5	40.7	47
2005	maj	55.1	35.2	60
2010	coalition	55.9	59.1	

Notes: [a]49.4 after losses and defections; [b]49.9 after losses and defections. Vote % data too unreliable to compute for 1852. Peelites treated as separate party 1852–57; LUs 1886–92; National Liberal/Labour 1931–51.
Sources: F. W. S. Craig, *British Electoral Facts 1832–1980*, Chichester, Parliamentary Research Services, 1981; *The Times, The Times House of Commons*, London, Times Books, 1983, 1987, 1992, 1997, 2001 and 2005; D. E. Butler and D. Kavanagh, *The British General Election of 1983, 1987, 1992, 1997, 2001, 2005*, Basingstoke, Macmillan, 1983, 1987, 1992, 1997, 2001, 2005; BBC News, 'Election 2010', at http://news.bbc.co.uk/1/hi/uk_politics/election_2010/default.stm, accessed 18 March 2011. Sources for Peelites: W. D. Jones and A. B. Erickson, *The Peelites 1846–1857*, Columbus, Ohio State University Press, 1972; J. B. Conacher, *The Peelites and the Party System 1846–52*, Newton Abbot, David & Charles, 1972. Loss of majority by 1974 (October) and 1992 governments: data from Butler and Kavanagh, *The British General Election* series.

Table 2
'England' Does Not Love Coalitions: Summary Statistics

Type of govt	p	Mean seat share %	Mean vote share %	Mean duration (months)
coalition	0.17	64.1	46.5	43.4
minority	0.20	37.6	36.1	17.9
majority	0.63	56.5	47.7	50.5

party in the legislature, can withstand the mild and irresistible influence of public opinion more robustly than can a minority government. On the other hand, covering as it does a presumptively wider span of public opinion than a single-party majority government, it is not as robust as one of those.

DUVERGER'S LAW AND THE CHOICE BETWEEN COALITION AND MINORITY GOVERNMENTS IN THE UK

To interpret Table 2 a little further we need to start with Duverger's Law:

The simple-majority single-ballot system favours the two-party system.[8]

From a naive view, Duverger's Law would ensure that the choice between minority and coalition government would never arise, because the exaggerative properties of the UK electoral system would map a plurality of the popular vote into a majority of the seats in the Commons at almost every election. Why is the naive view wrong? Because, properly construed, the domain of Duverger's Law is the constituency, not the country. In equilibrium under first-past-the-post (FTPT), only two parties are in contention in each district; but they may be a different pair in different districts. Thus the operation of Duverger's Law is perfectly consistent with a multiparty system in the House of Commons; that is possible whenever the geography of voting brings it about.

A further clue is Disraeli's misuse of 'England' to mean 'the United Kingdom'. In 1852 there were no spatially concentrated parties, but the Irish Party rose from the grave of Daniel O'Connell in 1874 and remained hegemonic in Catholic Ireland until 1918. The

[8] Maurice Duverger, *Political Parties*, London, Methuen, 1954, p. 217.

Northern Ireland party system finally splintered from the British one in 1972. The Scottish and Welsh nationalists date their electoral competitiveness back to the mid-1960s, and the Liberals survived their long famine by becoming as spatially concentrated as they have done since 1935. The first peak of non-majority governments in the UK is from 1885 to 1918, when the Irish bloc of about 80 seats made it hard for either Liberals or Conservatives to gain a majority. The second runs from 1922 to 1931, during the Duvergerian tipping point[9] in which the Labour Party came to replace the Liberals in most of the UK as the challenger to the Conservatives. During a Duvergerian tipping point, it is not clear to the average voter which party is the most effective challenger to the hegemon, and the strong two-party effect is not reinstated until the answer to that question is clear. In the UK case, it became clear in 1924, with the crushing of the Liberals (in terms of seats, not of votes, because of the exaggerative properties of the electoral system).

The third period of coalition or minority potential has existed since 1974. It is not reflected on the surface of the data in Table 1, but the minority government of 1974 and the coalition of 2010 both arise from the inaccessibility of at least 30, and more normally up to 80,[10] seats to both the Conservatives and the Labour Party. That feature of UK Duvergerian politics is likely to remain an obstacle to the formation of single-party governments when the main parties are electorally close. On the evidence of Tables 1 and 2, therefore, David Cameron made a good call in May 2010. His coalition government is more likely to endure than a minority Conservative government would have done.

The data in Tables 1 and 2, and the correct interpretation of Duverger's Law, are highly relevant to the 2011 debate about the UK referendum on alternative vote (AV). It is well known in the academy

[9] Cf. G. W. Cox, *Making Votes Count: Strategic Coordination in the World's Electoral Systems*, Cambridge, Cambridge University Press, 1997, *passim*, esp. at p. 72.

[10] The floor estimate comprises, for 1974–2010 inclusive, 18 seats in Northern Ireland; 8 seats held by the Scottish and Welsh nationalist parties; and a conservative estimate of 4 ultra-safe Liberal seats. The ceiling estimate comprises the above plus a further 50 Liberal, nationalist, or Green seats. These numbers are affected by the reduction in Commons seats to 600 from 2015 onwards, but the ratio of inaccessible to all seats is not expected to change. In the light of the Scottish National Party overall majority in the 2011 Scottish Parliament election, the ceiling estimate may also be conservative.

(but scarcely arose in the bad-tempered and ill-informed public debate in 2011) that both plurality rule (FPTP) and AV are very far from the best systems that could be devised even under the umbrella of Arrow's impossibility theorem.[11] A historically oriented political scientist may analyse the factual claims made by the two camps in spring 2011. The principal factual claim made – now and forever – by supporters of FPTP is that it has delivered stable majority governments in the UK. Since 1852, there has been a probability of 0.63 for such an outcome, but that probability is conditional on the underlying Duvergerian equilibrium. It was lower at the times mentioned above. Despite the run of majority governments from October 1974 to 2005, any appearance of stability is misleading. It is contingent on the large electoral swings that delivered hegemony to the Conservatives from 1979 to 1987, and to Labour from 1997 to 2005. Had more of the elections in the period been closely balanced in popular vote, then results such as October 1974, 1992 (when on both occasions the governing parties lost their majority during the ensuing parliament) and 2010 would have occurred more often.[12]

It is not part of any scholarly argument that AV would have delivered stable majority government more often than FPTP. Rather, it is that *no* democratic system can be guaranteed to deliver a single-party majority in the legislature where: (1) there is no single-party majority among voters (cf. the vote share columns in Tables 1 and 2); and (2) substantial numbers of districts remain inaccessible to both of the potential *formateur* parties. Therefore, it is predictable that future *formateurs* will have to make the choice between minority and coali-

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[11] An attempt at a balanced explanation of the properties of electoral systems, produced in the vain hope of informing debate in the approach to the 2010 general election and any subsequent referendum, is Simon Hix, R. J. Johnston and I. McLean, *Choosing an Electoral System*, London, British Academy, 2010.

[12] This is because the responsiveness and the bias of the UK electoral system need to be distinguished from one another. The *responsiveness* is the exaggerative effect that usually rewards the plurality winner of the vote with a majority of seats. The *bias* is the difference in seats (that would be) obtained by the two leading parties at an equal vote share. At recent UK general elections the bias has been calculated to have risen as high as over 100 seats in Labour's favour. A recent estimate (M. Thrasher, G. Borisyuk, C. Rallings and R. Johnston, 'Electoral Bias at the 2010 General Election: Evaluating its Extent in a Three-Party System', *Journal of Elections, Public Opinion and Parties*, 21: 2 (2011), pp. 279–94, Tables 2 and 3) gives a Labour bias of +75, Conservative bias of −21 and Liberal bias of −52 for 2005. For 2010, they calculate these numbers as +63, +13, and −76 respectively.

tion government more often than in the recent UK past: perhaps as often as in the period from 1880 to 1931.

VARIETIES OF CAPITALISM AND ELECTORAL SYSTEMS

There has recently been a welcome surge of interest in the political economy of electoral systems. This section discusses the claims made by the leading political economists in this literature: Persson and Tabellini[13] and Iversen, Soskice and co-authors.[14]

Both research groups observe that there is a trade-off between being decisive and being inclusive. The plurality electoral system with single-member districts is used only in the UK and some of its former colonies, including the USA, Canada and India. With the qualifications noted above, Duverger's Law predicts that with this electoral system there is a better than average chance that, even if no party wins half of the popular vote, a single party will win a majority of seats. The downside, then, is that it may represent only a narrow spectrum of electoral opinion. The upside is that the government can act decisively, unconstrained by obligations to clients. There is a read-across here to the claim that such regimes are more likely to witness heresthetic jumps.[15] Riker's claim is that unusually smart or insightful

[13] T. Persson, G. Roland and G. Tabellini, 'Electoral Rules and Government Spending in Parliamentary Democracies', *Quarterly Journal of Political Science*, 2: 2 (2007), at http://didattica.unibocconi.it/mypage/upload/48805_20090212_094858_48805_20090113_054401_PRT4_JAN20TP.PDF, accessed 20 June 2011; T. Persson and G. Tabellini, *Political Economics: Explaining Economic Policy*, Cambridge, MA, MIT Press, 2000; T. Persson and G. Tabellini, *The Economic Effects of Constitutions*, Cambridge, MA, MIT Press, 2003.

[14] T. Iversen and D. Soskice, 'Electoral Institutions, Parties, and the Politics of Class: Why Some Democracies Distribute More than Others', *American Political Science Review*, 100: 2 (2006), pp. 165–81; T. Iversen and D. Soskice, 'Distribution and Redistribution: The Shadow of the Nineteenth Century', *World Politics*, 61: 3 (2009), pp. 438–86; T. Cusack, T. Iversen and D. Soskice, 'Economic Interests and the Evolution of Electoral Systems', *American Political Science Review*, 101: 3 (2007), pp. 337–91; T. Cusack, T. Iversen and D. Soskice, 'Coevolution of Capitalism and Political Representation: The Choice of Electoral Systems', *American Political Science Review*, 104: 2 (2010), pp. 393–403.

[15] *Heresthetics* is the art and science of political manipulation (Iain McLean and Alistair McMillan (eds), *The Concise Oxford Dictionary of Politics*, 3rd edn, Oxford, Oxford University Press, 2009, s.v. *heresthetic(s)*. For expositions see further Iain McLean,

politicians can redefine the issue space in a way that turns persistent losers to winners. The examples that have survived critical scrutiny all relate to plurality regimes, for example, Abraham Lincoln's killer question to Stephen Douglas in 1858,[16] the repeal of the Corn Laws[17] and the dramatic transformation of the New Zealand Labour Party in the 1980s from statism to economic liberalism.[18] There are, to the best of this author's knowledge, no studies of heresthetic manoeuvres in proportional regimes.

Regimes with proportional representation face the mirror-image description. They have a broad social and political base, but violent (e.g. heresthetic) policy leaps are less likely. The literature contains no clear predictions about regimes with single-district majority rules (e.g. France, Australia). Riker argued for many years that Duverger's claims about the effect of this electoral system are not well founded.[19]

Turning to the specific claims of the political economists, the most striking claim by Persson and Tabellini is the following:

One of the central findings in this book is the strong constitutional effect of electoral rules on fiscal policy . . . [W]e find that welfare states are indeed smaller in majoritarian[20] countries; so are overall government spending and deficits . . . According to the cross-sectional evidence presented . . . a switch from proportional to majoritarian elections reduces government spending by almost 5% of GDP, welfare spending by 2–3% of GDP, and budget deficits by about 2% of GDP. *Advocates in the United Kingdom of the opposite switch, from majoritarian to proportional, should take careful note of these findings.*[21]

'William H Riker and the Invention of Heresthetic(s)', *British Journal of Political Science*, 32: 3 (2002), pp. 535–58; Iain McLean, 'In Riker's Footsteps', *British Journal of Political Science*, 39: 1 (2009), pp. 195–210; W. H. Riker, *Liberalism against Populism*, San Francisco, W. H. Freeman, 1982; W. H. Riker, *The Art of Political Manipulation*, New Haven, CT, Yale University Press, 1986.

[16] Riker, *Liberalism against Populism*.

[17] McLean, *Rational Choice and British Politics*.

[18] Jack H. Nagel, 'Social Choice in a Pluralitarian Democracy: The Politics of Market Liberalization in New Zealand', *British Journal of Political Science*, 28: 2 (1998), pp. 223–65.

[19] E.g. W. H. Riker, 'The Two-Party System and Duverger's Law: An Essay on this History of Political Science', *American Political Science Review*, 76 (1982), pp. 753–66; cf. Cox, *Making Votes Count*, p. 14.

[20] It might have been better if they had said 'pluralitarian'. They mean countries with a plurality and majority single-district election rule and, hence, generally a single-party government.

[21] Persson and Tabellini, *The Economic Effects of Constitutions*, p. 270, emphasis added.

This was perhaps a coded appeal to Tony Blair and Gordon Brown not to commit the British Labour Party to proportional representation. Before Ed Miliband follows their advice, he should note:

- that as the evidence comes from cross-section data, it does not in fact prove anything about *transitions* to or from proportional representation;
- that it depends on plurality or majority electoral systems *actually* converting a minority in the country to a majority in the legislature. If they fail to do that, all bets are off.

Electoral systems are obviously endogenous. They are (invariably) chosen by legislative majorities. Legislators are unlikely to vote for their own downfall. So we should expect electoral system change to be rare. Exceptions to this rule occur, for example, when the electoral system is embedded in the constitution of a new democracy (as in Ireland in 1921) or results from a popular revolt against the political class (as in New Zealand in 1992/93). The work by Iversen, Soskice and collaborators extends their earlier work on varieties of capitalism by exploring, among other things, the origins of electoral systems in countries that feature different varieties of capitalism.

The basic Varieties of Capitalism (VoC) argument is well known:

The core distinction we draw is between two types of political economies, liberal market economies and coordinated market economies . . . In *LMEs* [*liberal market economies*], firms coordinate their activities primarily via hierarchies and competitive market arrangements . . . In *CMEs* [*coordinated market economies*], firms depend more heavily on non-market relationships to coordinate their endeavors with other actors and to construct their core competencies.[22]

One of Hall and Soskice's own chapter authors, Stewart Wood, nevertheless warns that the '"varieties of capitalism" approach tends to underplay the importance of the *political* dimensions of political economies'.[23] As Wood goes on to note, '[g]enerous welfare policies' have persevered in CMEs despite claims that mobile international capital and/or rightward moves of the median voter make them

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[22] Peter A. Hall and David Soskice (eds), *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*, Oxford, Oxford University Press, 2001, p. 8, italics original.

[23] Stewart Wood, 'Business, Government, and Patterns of Labour Market Policy in Britain and the Federal Republic of Germany', in Hall and Soskice, *Varieties of Capitalism*, pp. 247–74, p. 247, italics original.

unsustainable. Comparing Germany and the UK, he characterizes the former by Coordinated Business, Constrained Government and the latter by Uncoordinated Business, Unconstrained Government.[24] The VoC scholars are making essentially the same claim as Persson and Tabellini. My paraphrase of their claim follows.

Main Claims of the Varieties of Capitalism School

Some capitalist democracies have emerged with coordinated labour markets. Their organizations of capital and labour manage to avoid Olsonian free-riding. Organizations of capital (trade associations, chambers of commerce, networks of small and medium companies etc.) have rules or customs that prevent them from poaching one another's apprentices, taking on staff without contributing to training staff, and from similar free-riding practices. Organizations of labour (trade unions) operate across sectors and/or across skill levels. They are willing to forgo some advantages of competitive collective bargaining in order to secure long-term labour-market stability for their members. The two sides have common interests in sponsoring, for example vocational education and health and safety institutions.

Part of the CME bargain is a generous welfare state, which is needed so that labour's cooperation with capital does not result in financial pain for workers who fall sick, lose their jobs or take early retirement.

Other capitalist democracies have emerged with liberal labour markets. In these economies, the market 'coordinate[s] endeavours in both the financial and industrial relations systems . . . [I]n liberal market economies, the adult population tends to be engaged more extensively in paid employment and levels of income inequality are high'.[25] Peak organizations of labour and capital are weak and lack the capacity to enforce anti-free-riding measures or to secure skills training.

Both CMEs and LMEs are Nash equilibria. If a regime is at one equilibrium, it does not pay any state actor to depart unilaterally.

[24] Ibid., quoted at pp. 247, 256, 258.
[25] Hall and Soskice, *Varieties of Capitalism*, pp. 19–21.

German moves away from corporatism and British moves towards corporatism have both been shipwrecked on this problem.[26]

Hall and Soskice class six OECD member states as LMEs, ten as CMEs, and six as ambiguous. The mapping to electoral systems is eerily perfect. Five of the six Hall and Soskice LMEs have single-member, majoritarian or pluralitarian, electoral systems.[27] All ten of their CMEs use proportional representation. Of their intermediate cases, only one (France) has a majoritarian electoral system, although it has flirted with proportional representation (PR) when that has served the perceived interest of incumbent politicians.

It has been recognized for decades that electoral system choice is endogenous: that, in general, governing parties choose the electoral systems that maximize the probability that they will stay in government. This raises, as already noted, the puzzle of why a regime would ever adopt PR in the first place. For decades, the ruling explanation has been that of Rokkan.[28] According to this explanation, bourgeois parties in around 1900 looked in their crystal balls, saw socialism staring back at them and hastily changed their electoral systems in the hope of keeping the socialists out of government.

However, the research not only of Persson and Tabellini but of every other group that has studied the question confirms that PR is associated with higher welfare spending and with a higher probability of left participation in government than majority/plurality electoral systems. If the Rokkan explanation were correct, then bourgeois parties would have taken the opportunity of a spell in government to abolish PR and switch to a system that would contain the left more reliably.

[26] Stewart Wood, 'Capitalist Constitutions: Supply-Side Reforms in Britain and West Germany 1960–1990', PhD dissertation, Department of Government, Harvard University, 1997; Wood, 'Business, Government, and Patterns of Labour Market Policy'.

[27] Hall and Soskice, *Varieties of Capitalism*, Table 1.1. The five pluralitarian LMEs are Australia, Canada, the UK, New Zealand (pluralitarian for most of their period) and the USA. The sixth is Ireland, which has a low-district-magnitude PR system. New Zealand moved from pluralitarian to proportional at the end of Hall and Soskice's time period.

[28] Stein Rokkan, *Citizens, Elections, Parties: Approaches to the Comparative Study of the Processes of Development*, Oslo, Universitetsforlaget, 1970; cf. Giovanni Sartori, *Parties and Party Systems*, Cambridge, Cambridge University Press, 1976; Carles Boix, 'Setting the Rules of the Game: The Choice of Electoral Systems in Advanced Democracies', *American Political Science Review*, 93: 3 (1999), pp. 609–24.

Cusack et al.'s alternative explanation is that the contrast between uncoordinated and coordinated economies is primary. It antedates the choice (or not) of PR. On their data,[29] the UK circa 1900 possessed none of the five attributes for a coordinated market economy. Notably, trade unions were craft based, and thus opposed in a zero-sum manner not only to employers but also to unskilled workers, each of whom might threaten to dilute craft control over the workplace and craft pay differentials.[30] This gives a plausible explanation for the hostility of the Conservatives (as the party of capital) and the tepidity of Labour (as the party of labour, but disproportionately of skilled labour) to PR at the time of its adoption in continental Europe.

THE PSEPHOLOGY OF LORD SALISBURY

To return now to British politics, the Cusack, Iversen and Soskice story is not wholly satisfactory. If the Conservatives are viewed purely as the party of capital, the story might go through. Historically, though, the Conservatives are also the party of union and empire. Since the 1880s their full title has been the Conservative and Unionist Party. The union in question was that of Great Britain and Ireland, mostly dissolved in 1921. But the Union of England, Scotland, Wales and Northern Ireland remains an issue. From that perspective, the Conservatives ought to take arguments for PR more seriously than they have done. David Cameron might be advised to read the work of one of his smartest (although not one of his nicest) predecessors.

The Third Marquess of Salisbury succeeded Disraeli as Conservative leader. Where Disraeli had started the rebuilding of the party after the Peel catastrophe, Salisbury continued, electorally much more successfully. He served as prime minister three times (1885–86, 1886–92 and 1895–1902). A chronically shy depressive, his view of politics was bleakly negative. In an article entitled 'Disintegration', he wrote:

[29] Cusack et al., 'Economic Interests and the Evolution of Electoral Systems', Table 4.

[30] Cf. for example Iain McLean, *The Legend of Red Clydeside*, 2nd edn, Edinburgh, John Donald, 1999, chapters 3–7.

Things that have been secure for centuries are secure no longer. Not only is every existing principle and institution challenged, but it has been made evident by practical experience that most of them can be altered with great ease . . . Churchmen, landowners, publicans, manufacturers, house-owners, railway shareholders, fundholders, are painfully aware that they have all been threatened . . .[31]

The following year he wrote the best psephological article ever penned by a British party leader.[32] He points out that in the 1880 general election the Liberal lead in votes had produced an exaggerated lead in seats. Unless the extension of the franchise that the Liberal government had introduced were accompanied by a redistribution of seats, the result could be the destruction of the Conservatives in Parliament, even if the franchise extension reduced their share of the vote only slightly or not at all. Salisbury imagined a 17-seat legislature with single-member districts split between imaginary parties that he named 'Catholics' and 'Liberals' in the proportion eight to nine. The 'Liberals' would win all 17 seats in two cases – where the population was exactly evenly mixed, and where it was completely segregated (say into a 'Liberal' city surrounded by 'Catholic' countryside) – but constituencies were drawn in such a way (in this case, radially from the city centre) that each constituency contained the same ratio of 'Catholics' to 'Liberals' as the population.

Ireland was even more threatening to a primordial Unionist such as Salisbury. Since 1874, and especially since 1880, seats in Catholic Ireland had been falling to militant supporters of Home Rule, who used every procedural means open to them to disrupt Parliament. The franchise reform of 1884 proposed to extend the franchise in Ireland, as in the rest of the country, to rural householders. Would this not mean a great boost to Charles Stuart Parnell, the Home Rule leader, with consequent threats to public order and the unity of the UK?

Salisbury shied away from what seems to the modern reader to be the obvious conclusion he should have drawn, namely that the salvation of the Conservatives, and the Irish Unionists, would lie with PR.[33] He did, however, cooperate with Sir Charles Dilke, at the opposite end of the political spectrum, to introduce a system of districts

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[31] Marquess of Salisbury, cited in McLean, *Rational Choice and British Politics*, p. 79.

[32] Third Marquess of Salisbury, 'The Value of Redistribution: A Note on Electoral Systems', *National Review*, 4 (1884), pp. 145–62.

[33] Ibid.

divided 'according to the occupations of the people' in the 1885 redistribution on which Salisbury – whose party controlled the House of Lords – insisted as a condition of allowing the Liberals to extend the franchise. This move, consistent with the analysis in Salisbury's article, 'The Value of Redistribution', was known as the 'Arlington Street Compact'. Elsewhere, I attempt to explain why the compact was in the perceived interest of both Dilke and Salisbury.[34] In brief, Dilke wanted the Liberal Party to be dominated by its working-class wing, which would be strongest in inner-city seats; Salisbury wanted the Conservatives to cling on in the face of Disintegration, in sub-urban and rural seats in the Commons, and use their blocking vote in the Lords to stave off disintegration. Both therefore wanted socially homogeneous contiguous and compact districts, and abhorred radial districts with mixed-class compositions.

In the event, the causes of landed property, unionism and empire were saved by the second great fracture in Victorian politics – the split in the Liberal Party over Ireland in 1886. That rupture left Salisbury's Conservatives hegemonic for 20 years, but after his death the Irish issue came back with a vengeance. I have argued that the actions of leading Conservatives between 1909 and 1914 were no less than a coup d'état against the elected Liberal governments.[35] Civil war over Ireland was, luckily, headed off by the outbreak of the First World War. The Irish settlement of 1921 removed Irish (but not Ulster) parties from British politics, and hence sharply reduced the number of Commons seats inaccessible to *formateur* parties. As already noted, though, this led immediately to uncertainty over whether it was Labour or the Liberals that was the alternative *formateur* to the Con-servatives. That uncertainty was not settled in Labour's favour until 1924. Since 1974, the weakening hold of the two *formateurs* over the hearts and minds of British voters has made the forced choice between coalition and minority government more probable.

What lessons are to be drawn draw from this analytical narrative? They may be grouped into three: lessons for Prime Minister David Cameron (Conservative); lessons for leader of the Labour Party Ed Miliband; and lessons for the Liberal Democrat Chief Secretary to the Treasury Danny Alexander.

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[34] McLean, *Rational Choice and British Politics*, pp. 81–5.

[35] Iain McLean, *What's Wrong with the British Constitution?* Oxford, Oxford Univer-sity Press, 2010.

Lessons for David Cameron

- You and your successors are likely to face a May 2010 again. Do not assume that the defeat of AV in 2011 will restore two-party hegemony over the Commons. Only two-party hegemony over the hearts and minds of the electorate, which nobody is predicting for the near future, would secure your chances of future Conservative majority rule.

- Read what Lord Salisbury wrote in 1884, and draw the conclusion that he should have drawn then. PR has advantages for the Conservatives. It redresses the current inbuilt bias towards Labour, which you brightly, but wrongly, thought that you could redress by enacting equal districts for the Commons in 2010. PR would have prevented the wipeouts of 1906, 1945 and 1997. It has saved you in each of the first four elections to the Scottish Parliament.[36] True, it makes it more likely that you will face the choice between a coalition and a minority government, but you have to be permanently ready to make that choice anyway. Also, it may tend to increase welfare spending and reduce the chance of enacting decisive but unpopular policy.

Lessons for Ed Miliband

- Some people in your party, especially in the Lords, believe that obstructing equal districts and/or retaining FPTP are all that is needed to restore Labour hegemony, once the Liberals have been wiped out in the 2015 general election. This argument faces several problems. Here are just two:
  - It is difficult to oppose equal districts (you remember the Chartists' Six Points of 1848, Number 5, don't you?). Now that equal districts have been enacted,[37] you cannot easily repeal them.

[36] In the UK Parliaments of 2005 and 2010 there has been only one Conservative MP for a Scottish seat. With the same share of the vote, the Conservatives have won roughly proportionate representation in every Scottish Parliament (1999, 2003, 2007, 2011).

[37] In the 2010 Parliamentary Voting System and Constituencies Act. The Chartists' Six Points were:

  1. A vote for every man twenty one years of age, of sound mind, and not undergoing punishment for crime.
  2. The ballot – To protect the elector in the exercise of his vote.

○ Although the electoral system is still biased in your favour, you cannot expect a succession of majority Labour governments unless you get a majority of hearts and minds (see the above advice to David Cameron).

• You have a different reason to favour PR, namely the political economists' finding that it is associated with higher public spending and a more inclusive welfare state.

Lessons for Danny Alexander

• For the exact reasons given above, you and your officials are the only people with a genuine vested interest in FPTP.

• FPTP is the electoral system that puts your government in the best position to balance the books, at the cost of abandoning all your election promises.

England may or may not love coalitions. The UK is likely to have to face the choice between coalition government and minority government quite often, and irrespective of its electoral system. Those who like frequent general elections may prefer minority governments. Everybody else should go for coalitions.

3. No property qualification for members of Parliament – thus enabling the constituencies to return the man of their choice, be he rich or poor.

4. Payment of members, thus enabling an honest tradesman, working man, or other person, to serve a constituency, when taken from his business to attend to the interests of the country.

5. Equal constituencies securing the same amount of representation for the same number of electors, instead of allowing small constituencies to swamp the votes of larger ones.

6. Annual Parliaments, thus presenting the most effectual check to bribery and intimidation, since though a constituency might be bought once in seven years (even with the ballot), no purse could buy a constituency (under a system of universal suffrage) in each ensuing twelvemonth; and since members, when elected for a year only, would not be able to defy and betray their constituents as now.

Cited from www.chartists.net/The-six-points.htm, accessed 20 June 2011.