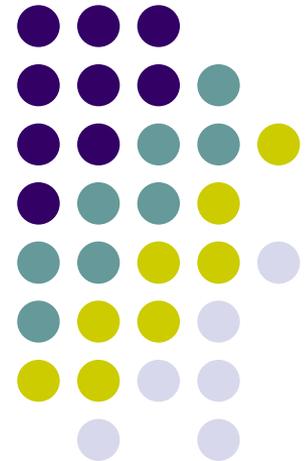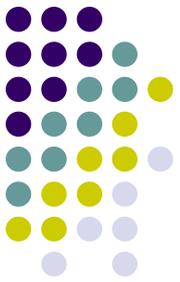# Polimetrics

Spatial Theories (2):
The Veto Players Theory
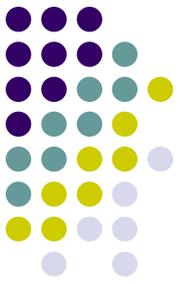
Veto player (a short resume)

Starting assumption: political actors (once again) care about policy (either directly or indirectly…cause voters **care** after all about policy!)

Veto players are individual or collective actors whose approval is necessary to change the status quo

Veto player (a short resume)

In political systems we can have

Institutional veto players: parliamentary assemblies, constitutional courts etc.

Partisan veto players: such as government coalition parties

In this sense, veto player theory assume that governments have a **collective responsibility** (each cabinet party is a veto player) and select and implement the agreements they make
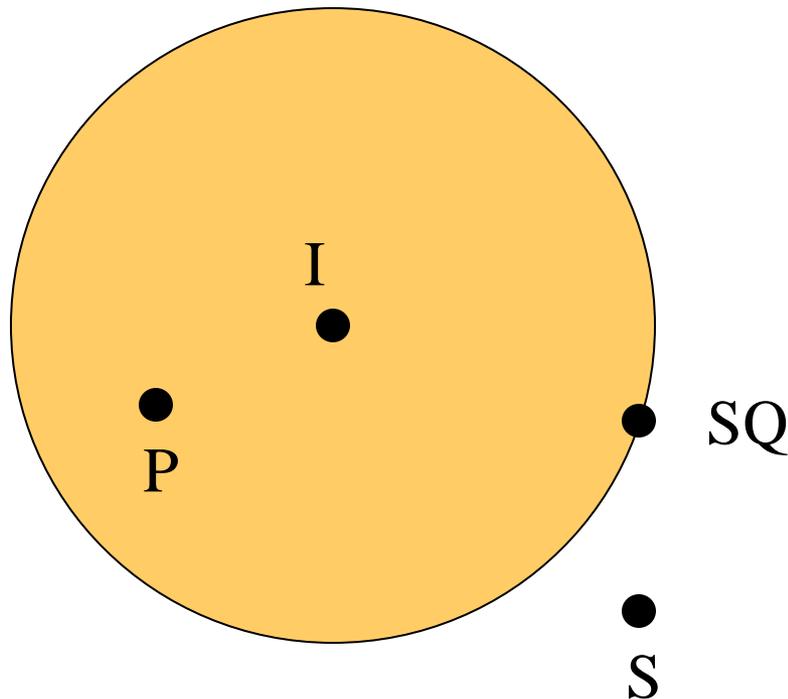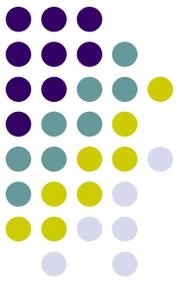
Veto player (a short resume)
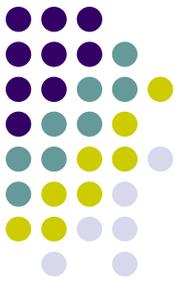
We generally consider veto players with single-peaked Euclidean utility functions in a uni- or bi-dimensional space

Hence, we have circular indifference curves in a bi-dimensional space with respect to a status quo policy
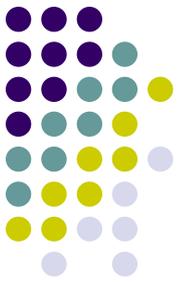
Preferences for reform

Veto player I accepts to change the SQ only if the alternatives are in the colored area

For instance, it will accept policy P but rejects policy S

Winset of SQ

It is the **set of alternative policies** that can beat the status quo according to some voting rule
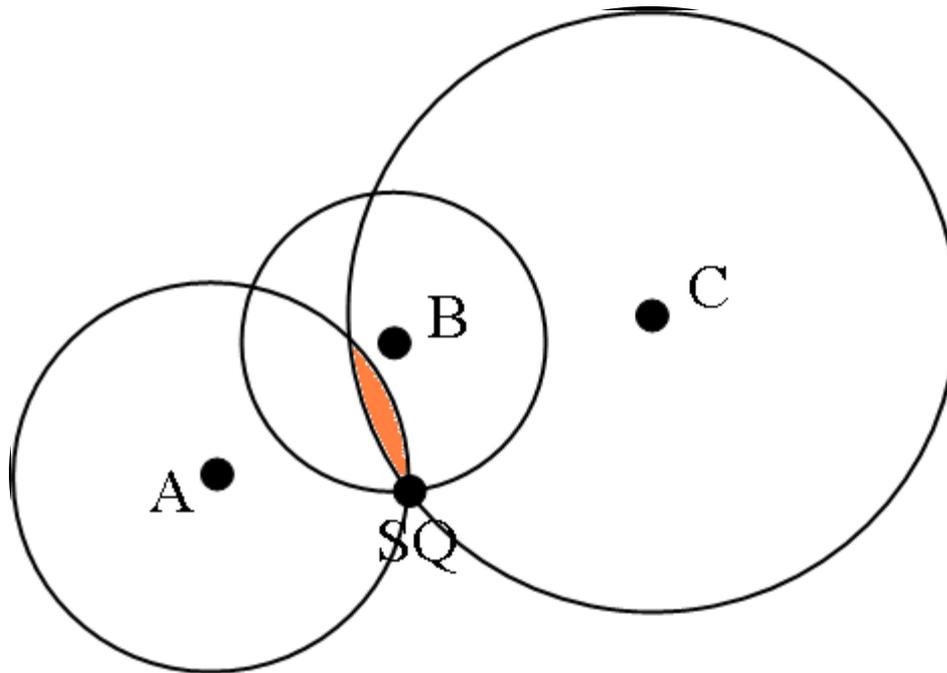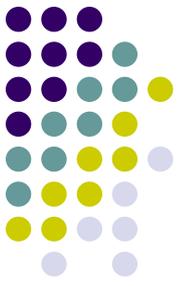
For a single veto player, it is the set of the alternatives inside the circle centered on the ideal point and passing through the SQ

For more veto players **it is the intersection** of these circles

Winset of SQ for two veto players A and B
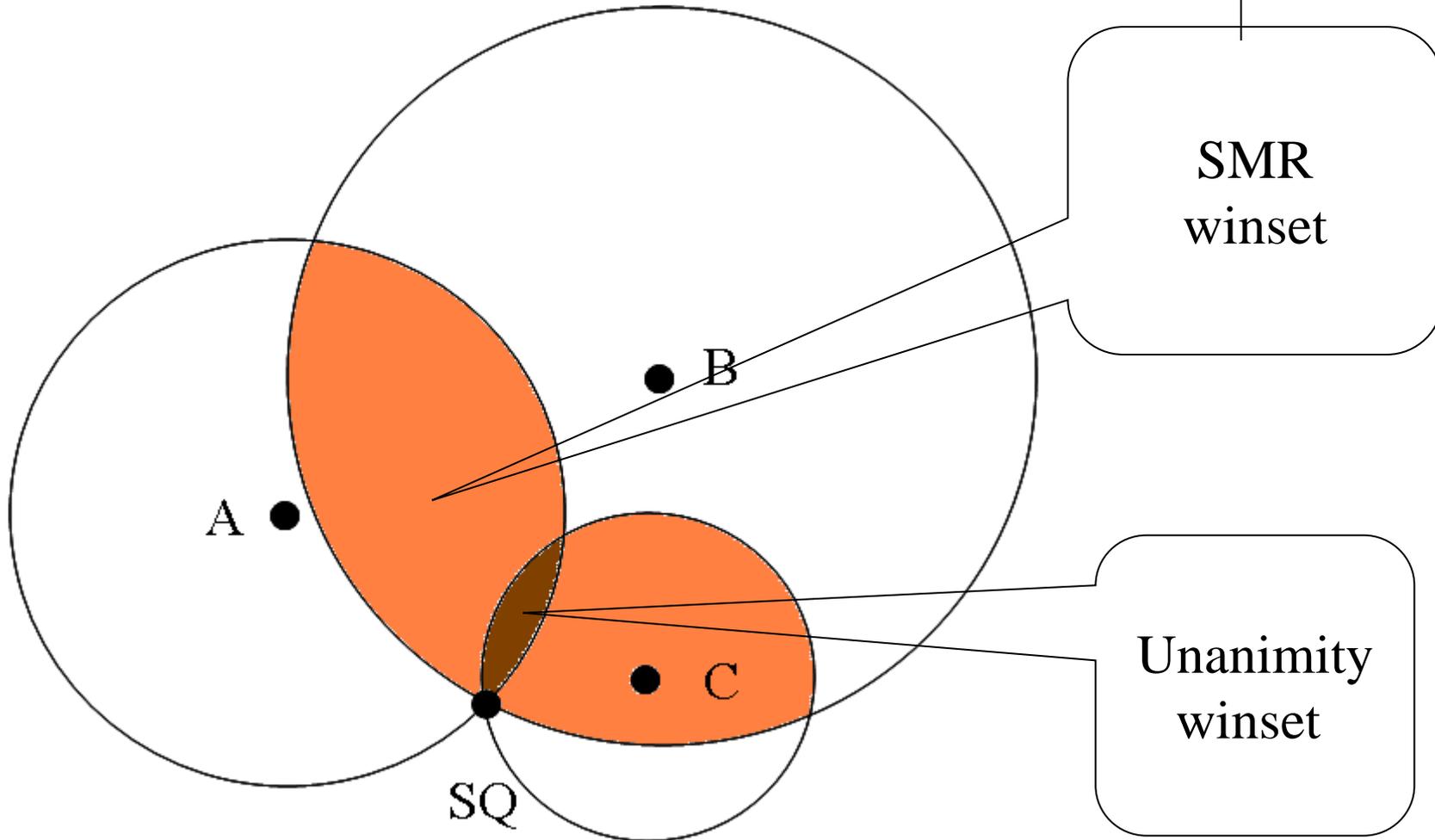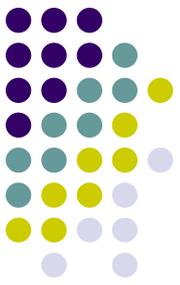

winset
of SQ
for A and B
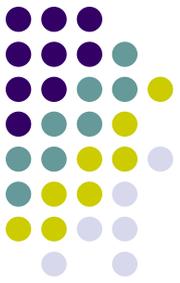
A

B

SQ
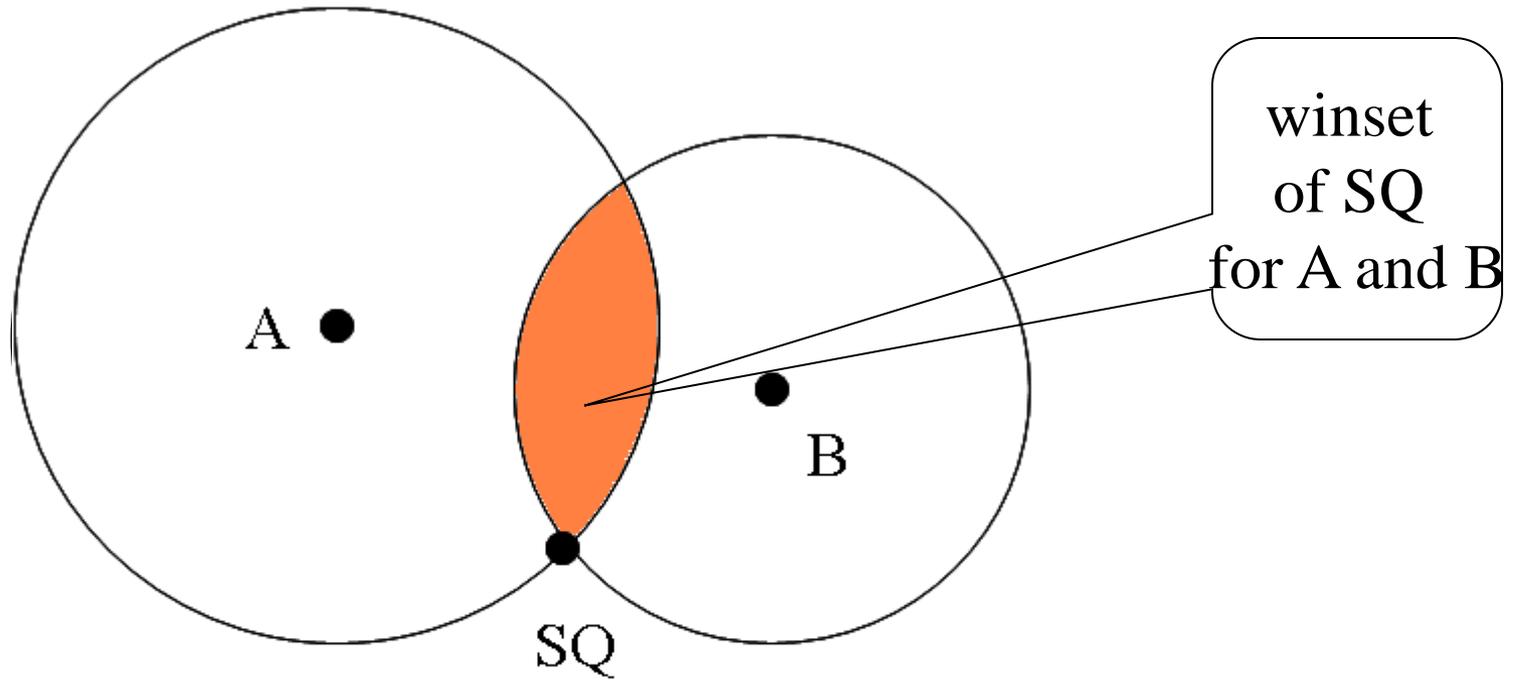
Winset(SQ) for three veto players A, B and C

W(SQ) for the three VPs is the colored area closer to the three ideal points than the SQ

If W(SQ) is **empty**, the political system **does not allow** reform to change the SQ

Changing voting rule: Simple Majority Rule (SMR) vs. unanimity

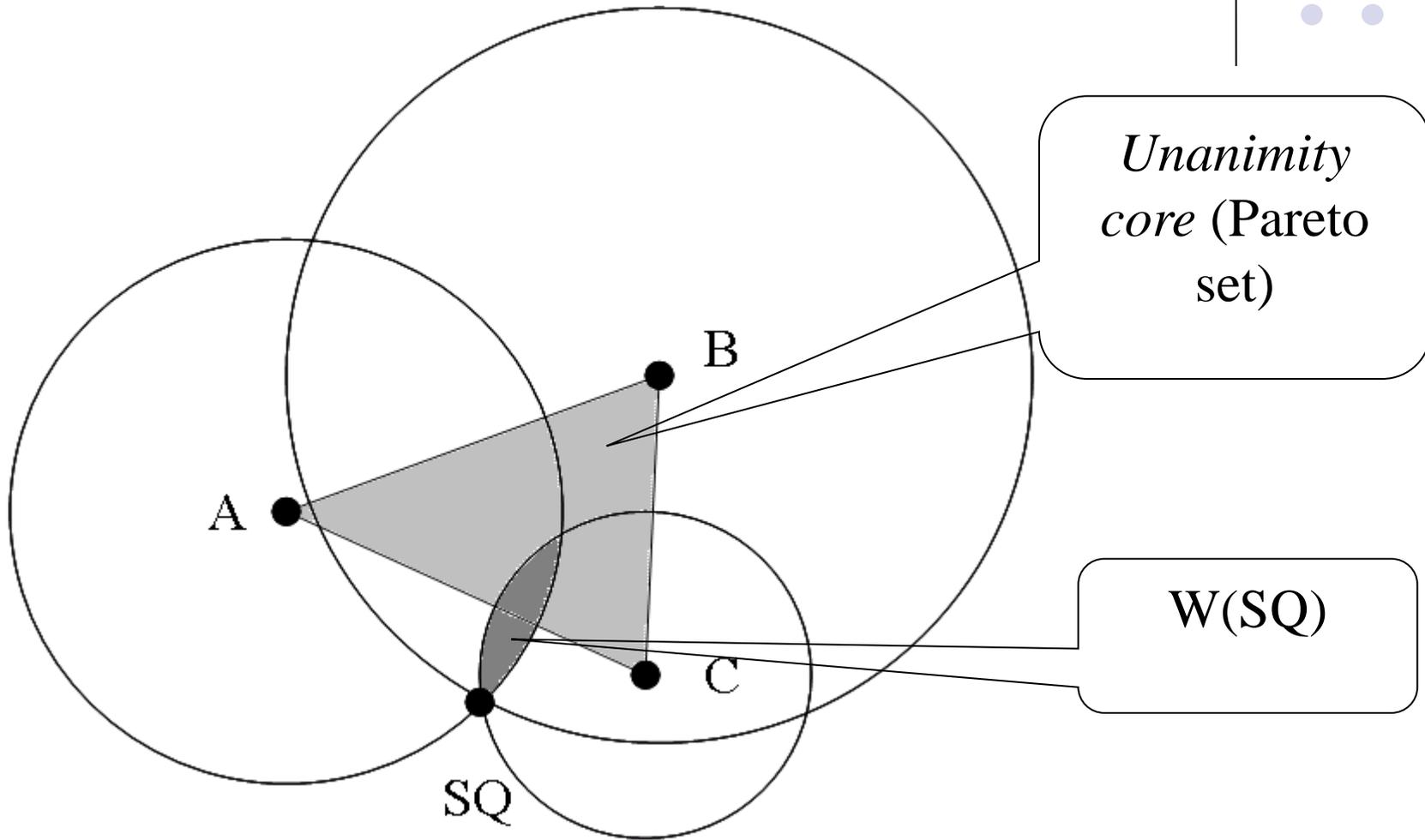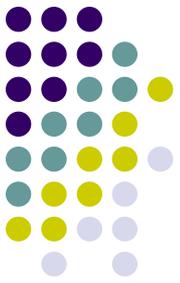# Unanimity Core

Sets of points that **cannot be beaten** if decisions are taken by unanimity

It therefore coincides with the **Pareto set of a given coalition**

In our current case, it is the smallest convex polygon with angles on VPs ideal points

The unanimity core **does not depend** on the SQ, but only on the VPs ideal points

Unanimity core and W (SQ)

Unanimity core (Pareto set)

W(SQ)

What happens if the status quo lies inside the unanimity *core*

B

A

SQ

C
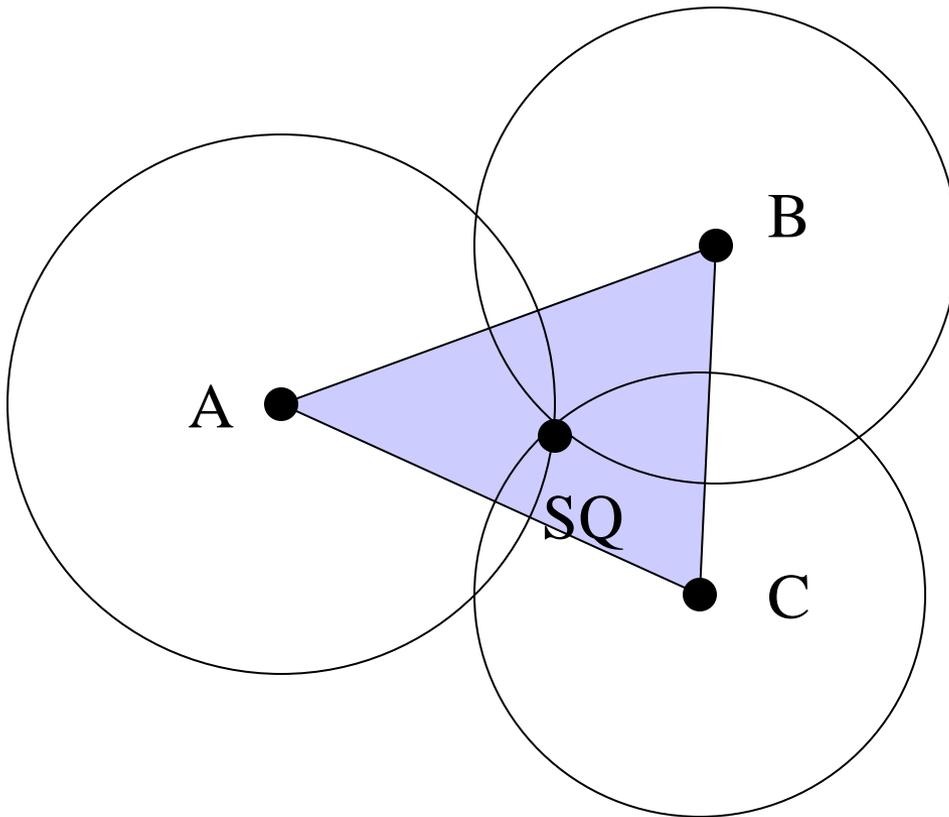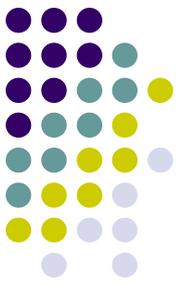
W(SQ) is empty

No policies are preferred to the SQ by all the three VPs

The **necessary** condition for change is not satisfied ➔ **stability**

What happens if the status quo lies outside the unanimity *core*
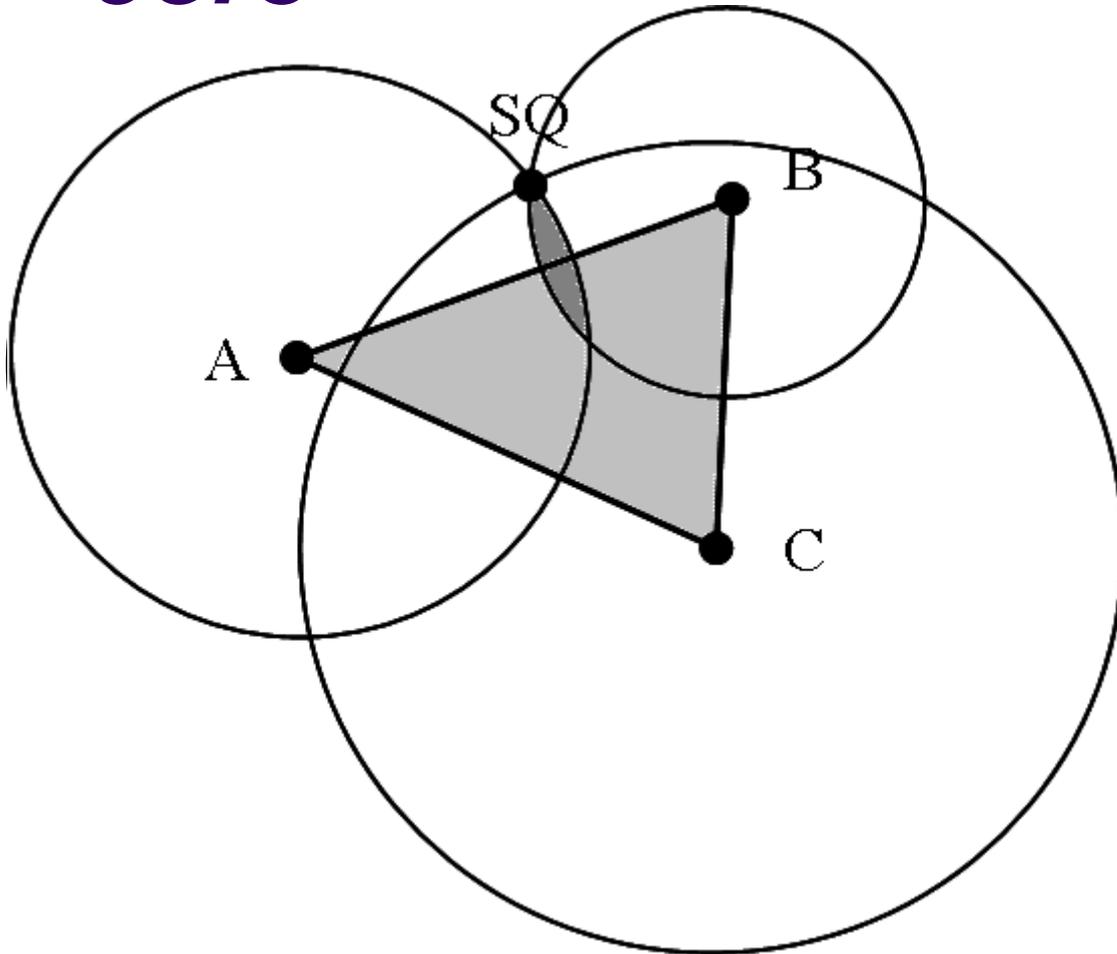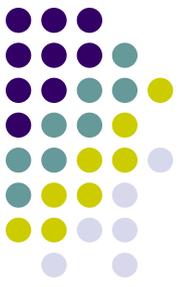
W(SQ) is not empty

VPs can find alternatives that they all prefer to the SQ

The sufficient condition for change is satisfied, the SQ is not a **stable equilibrium**

What happens if the status quo lies outside the unanimity *core*

W(SQ) is not empty

Which point will be reasonably selected?

Winset, unanimity core and policy stability
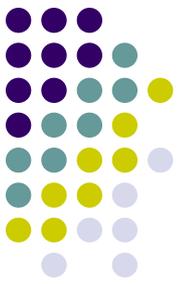
Which consequences?

1. The dimension of the W(SQ) and of the unanimity core are proxies for **policy stability**

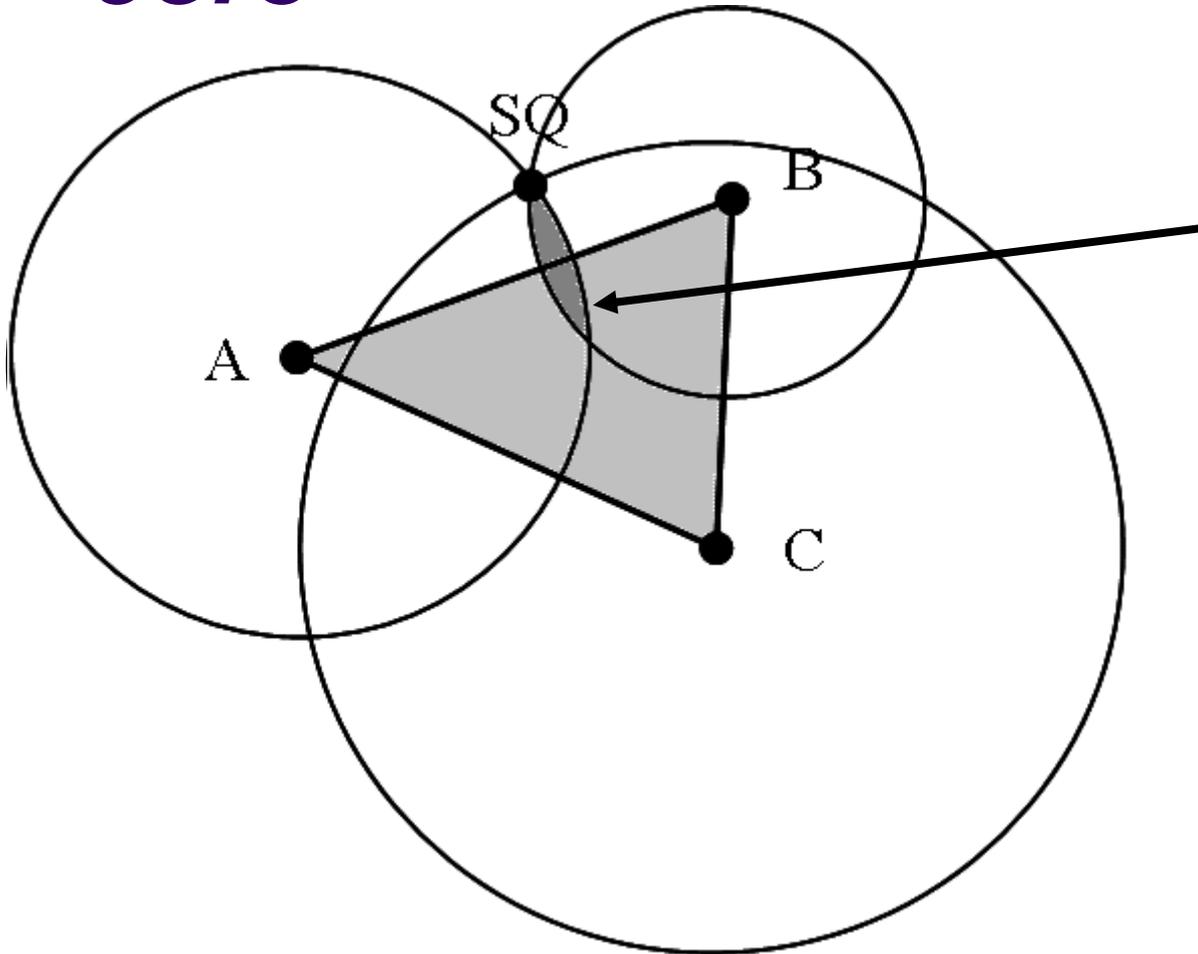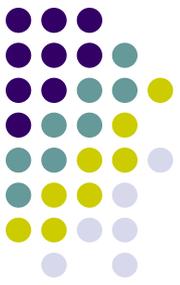The size of W(SQ) is **negatively** related to stability: when the winset is **very small** it is highly likely that no policy change takes place because of the transaction costs

The Unanimity core is **positively** related to stability (given that the larger is the Unanimity core, the higher the probability that the SQ lies within it)

Winset, unanimity core and policy stability
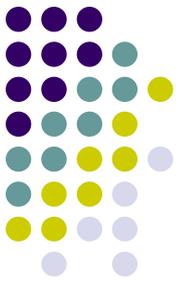
Which consequences?

2. The size of W(SQ) tell us also if we are dealing with an **incremental change** or a (possible) **major policy change is feasible**

Winset, unanimity core and policy stability
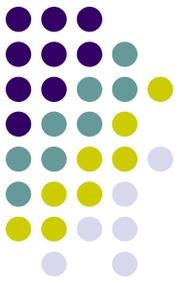
Which consequences?

3. The size of W(SQ) tell us also something about the expected variance of **policy change**

When the **size** is small, the **policy change** will be always rather limited

When the **size** is large, the **policy change** can be **rather limited or rather large**. We will observe therefore in this latter scenario a **larger variance** in the actual policy change
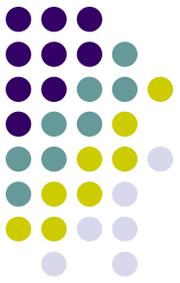
Winset, unanimity core and policy stability

Which consequences?

4. The size of W(SQ) tell us also something about the agenda-setting power

The **agenda setter** is a veto player who can make a *"take it or leave it offers"* to other veto players - in other words, the veto player that decides first

The veto player who sets the agenda has therefore a **considerable advantage**: she can consider the winset of the others as his constraint, and select from it the outcome he prefers

Usually is the **party of the PM** to have such power within a coalition cabinet

Significance of Agenda Setting
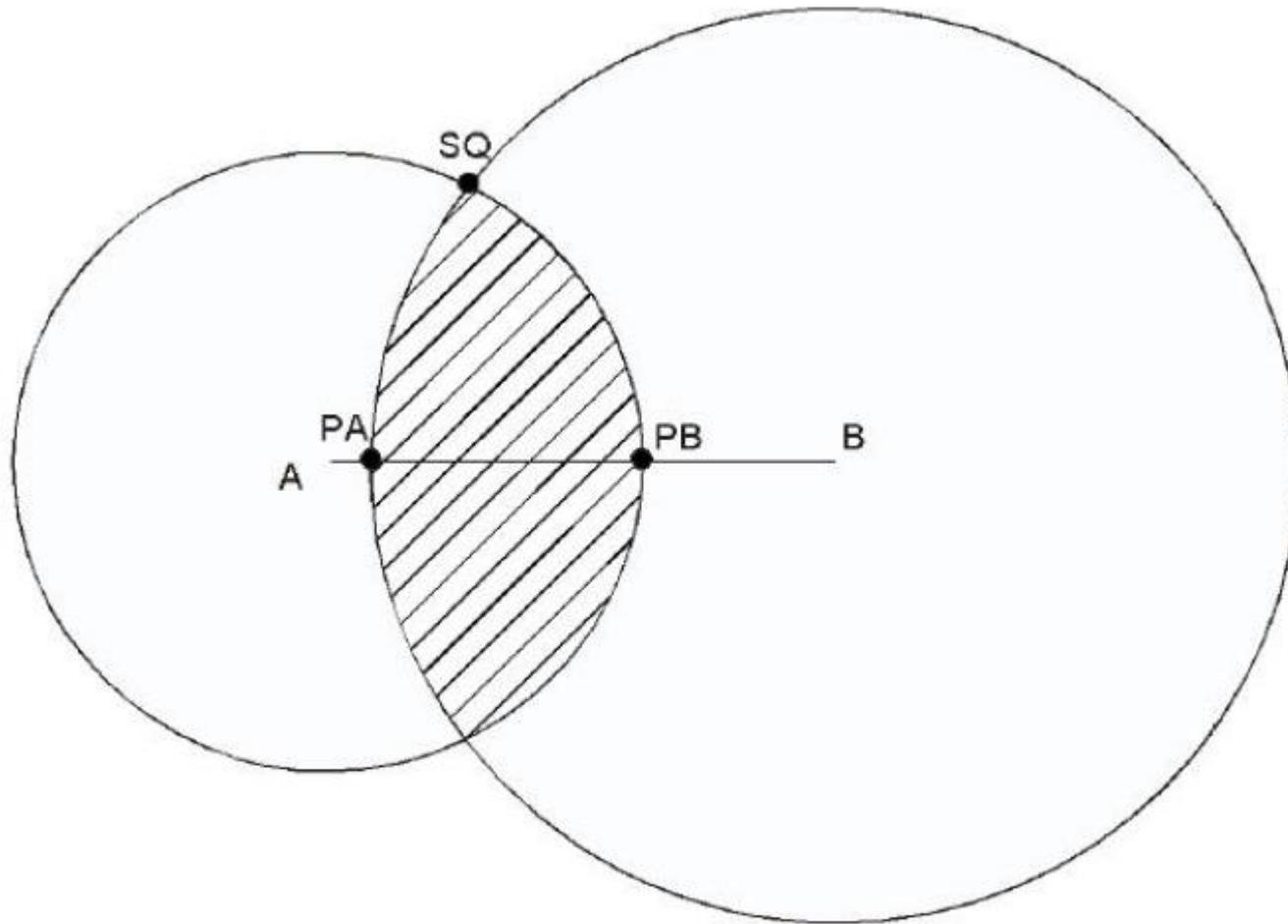
Location of winning proposal when the agenda is controlled by A (PA) or B (PB)
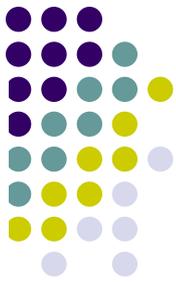
Winset, unanimity core and policy stability
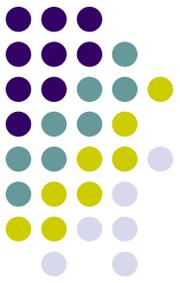
Which consequences?

4. The size of W(SQ) tell us also something about the agenda-setting power

The policy-advantage of the **agenda setter** is however **positively related** to the size of W(SQ)

The significance of agenda setting declines as policy stability increases (and viceversa)

Addition of VP C reduces the importance of agenda setting by VP B
(proposal moves from B' to B")

SQ

A

C

B"

B'

B

W(SQ) with just A
and B

Smaller W(SQ) when adding also
C (not an absorbed VP!)
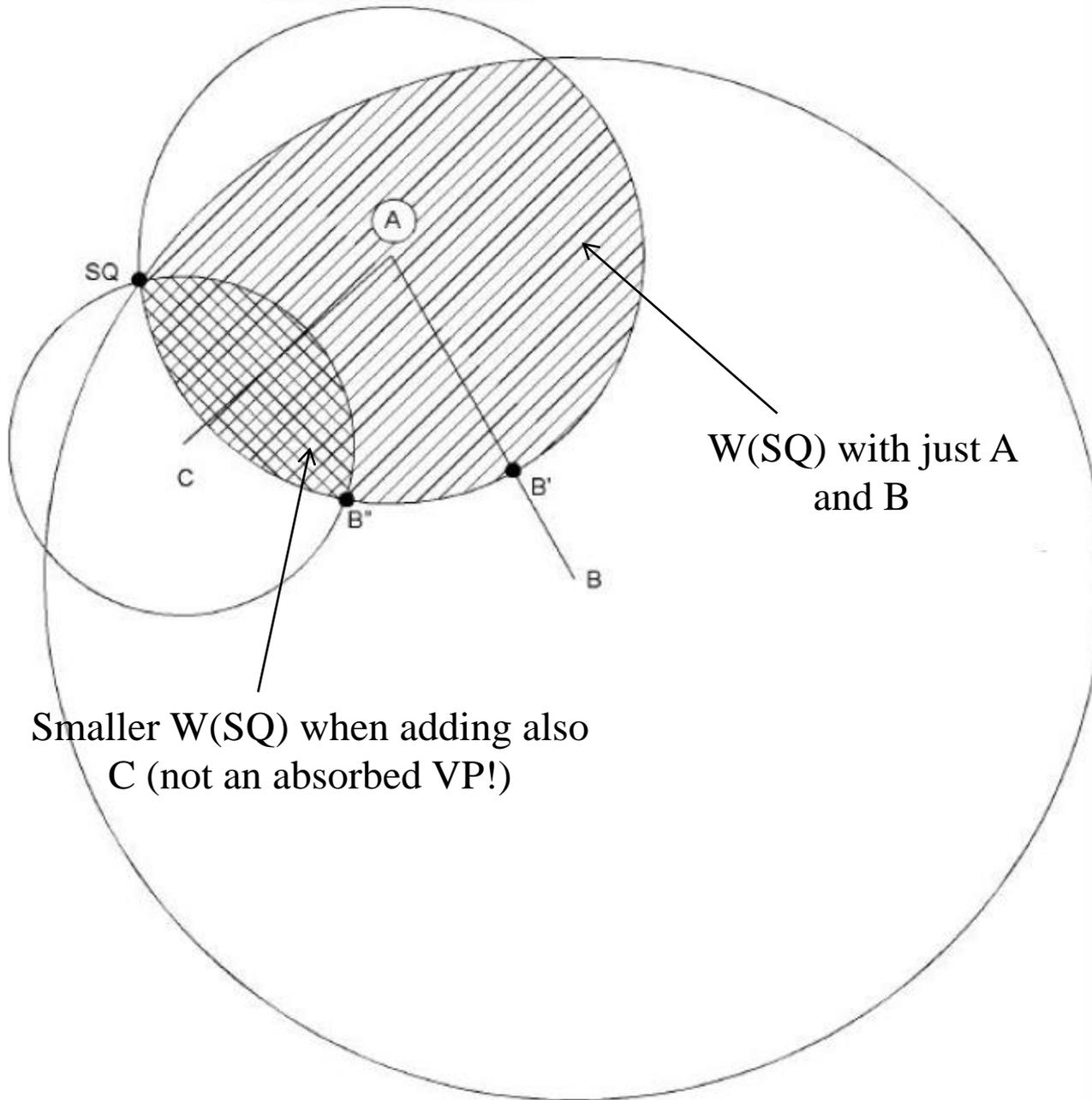
Winset, unanimity core and policy stability

What does affect the size of W(SQ) (and of the unanimity core?)

1. **The position of the SQ: the farther the SQ is**, the more likely we'll have significant policy change (given that it increases, ceteris paribus, the size of W(SQ))

2. **The policy positions of the VPs: the closer are the policy positions** of actors, the more likely we'll have significant policy change (given that it increases, ceteris paribus, the size of W(SQ) and it decreases the unanimity core)

3. **The number of the VPs: the higher the number**, the less likely we'll have significant policy change (given that it decreases, ceteris paribus, the size of W(SQ) and it increases the unanimity core – unless some VP is "**absorbed**" by other VPs)

Winset, unanimity core and policy stability
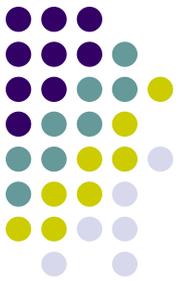
***Absorption rule***: *If a new veto player C is added within the unanimity core of any set of previously existing veto players, C has no effect on policy stability (i.e., does not change the size of W(SQ))*

Quasi-equivalence rule: *For any set of existing veto players S the necessary and sufficient condition for a new veto player C not to affect the winset of any SQ is that C is located in the unanimity core of S*

Winset, unanimity core and number of VPs
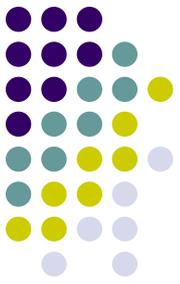

Group / Group / Whiteboard
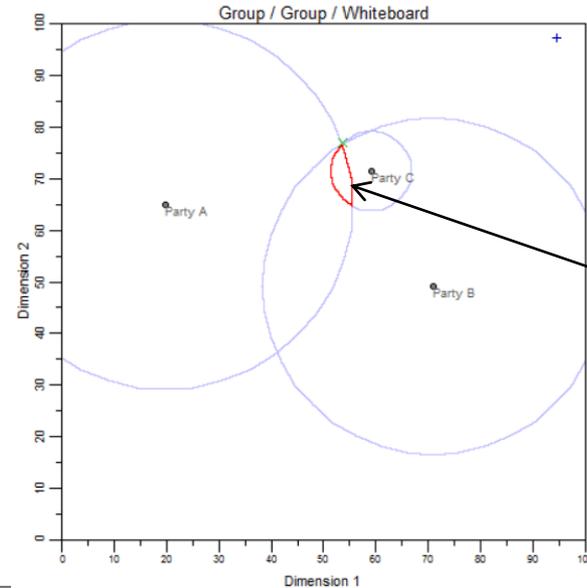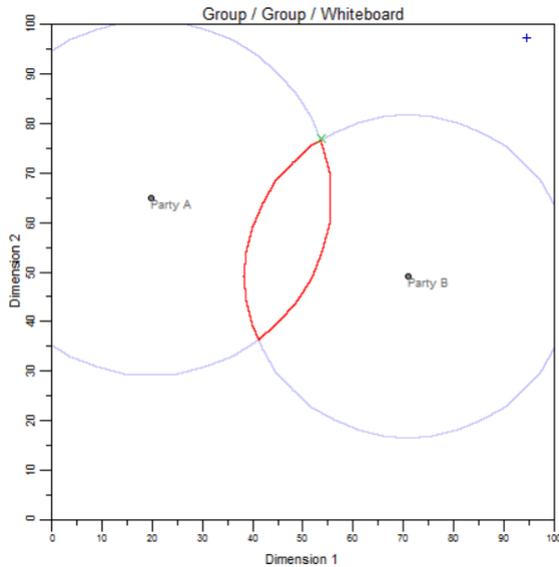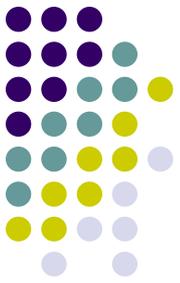
The introduction of Party C **reduces the winset** compared to the previous situation
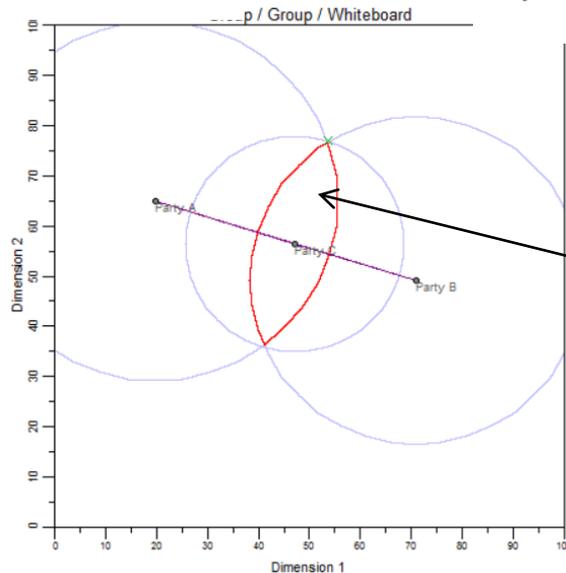
The introduction of Party C **does not reduce** the winset compared to the 2 party situation (Party C is absorbed)

24

Veto Player Theory and coalition formation

The VP Theory does not say anything per-se on the **formation of a cabinet**

It is mainly interested in explaining the degree of policy (in)stability given a particular configuration of veto players (being them part of a cabinet or not)

However, if parties participate in government because they are interested in policies, and if each of them (as already discussed) is a veto player on cabinet's action, then…

Winset, unanimity core and policy stability
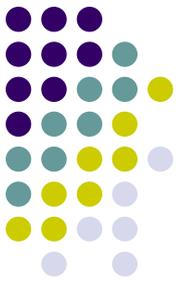
VP (possible) implications for cabinet stability: a cabinet with a small W(SQ) or a large Unanimity Core is expected to **survive** less than under different situations. Why?

Cause it will be **unable** to effectively implement its program and/or to **react** to sudden exogenous crisis, given that it has a relative lower number of viable alternative for policymaking

Veto Player Theory and coalition formation
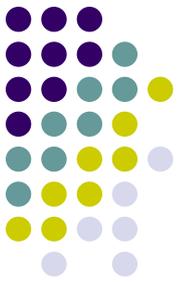
VP (possible) implications for cabinet participation: if parties are interested in policymaking, they will have an incentive to increase the winset of the SQ (or to decrease their unanimity core), cause by doing this they increase the number of alternatives they have for policymaking.

For doing that, coalition partners have **to minimize** the ideological distance among them (and/or the number of cabinet parties, as long as they are not absorbed…)