

Decision Making in Coalitions and the Economic Vote

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Duch and Stevenson (2008) specified a vote utility function in which responsibility attribution for economic outcomes is conditioned on factors that facilitate the ability of voters to determine each party's competency for shaping economic outcomes. In the case of coalition governments, voters are presumed to have some heuristic for assigning responsibility for economic outcomes to individual parties. Employing experimental methods, Duch et al. (2014) suggest that one important heuristic is agenda power: The decision maker in a collective decision making entity with proposal power tends to attract a disproportionate amount of the blame or reward by those who are materially affected by these decisions. This essay demonstrates that voters associate the Prime Minister and the Finance Minister party with agenda setting on economic issues depending on whether the coalition context exaggerates or mutes the perceived agenda power of these parties. Building on Falcó-Gimeno (2011,2014) cabinet context is defined as the extent to which decision making is compartmentalized, i.e., whether coalition parties take issue ownership for particular policy areas. We find that when decision making is compartmentalized, voters are more likely to perceive the finance minister as having agenda power and hence it receives a relatively larger economic vote; in more collective-like cabinet contexts the PM Party receives a larger economic vote.