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legislative coalitions as a trade of criticism and policy

Christiansen, Flemming Juul; Seeberg, Henrik Bech

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Cooperation between Counterparts in Parliament from an Agenda-Setting Perspective:
Legislative Coalitions as a Trade of Criticism and Policy

Flemming Juul Christiansen, Associate Professor

fjc@ruc.dk

Dept. of Society and Globalisation

Roskilde University, Denmark

Henrik Bech Seeberg, Assistant Professor

h.seeberg@ps.au.dk

Dept. of Political Science

Aarhus University, Denmark
\textbf{Abstract.} Governments may bargain with parties in parliament to silence them. This insight follows from the agenda-setting literature, which emphasizes the power of the opposition to criticize the government. The literature on legislatures points to the fear of loss of future voter support as a motivation for majority building. However, it does not name factors that can cause such uncertainty. One such factor is opposition criticism. We argue that majority building does not only involve an exchange of policy support; governments use legislative coalitions to dampen unwanted opposition blame. By offering the opposition noteworthy policy influence in legislative coalitions, governments avoid opposition criticism in return, in addition to having initiatives passed. To test this argument, we compile a large dataset on opposition criticism in parliament and the media before and after the 325 bargained legislative agreements settled in Denmark from 1973 to 2003. We find that such agreements are more likely amidst opposition criticism and that they dampen opposition criticism.

\textbf{Keywords:} legislative bargaining, coalition formation, issue competition, opposition blame, informal institutions.
The policies adopted in parliament sets up authoritative rules for citizens and other actors in society. Yet, we rarely directly study the political process in which they are formed but tend to study more indirect indicators such as the extent to which public spending changes with the color of the party in government (Klingemann et al 1994). The ambition of this paper is to move closer to actual policymaking and empirically investigate how opposition criticism shapes the government’s policymaking. We are interested in the ability of the opposition parties to represent the preferences of the “losers”, i.e. the minority of voters that did not see their preferred party enter office in the last election. We advance a logic of exchange to understand why governments pass large policy packages together with the opposition. Whereas the typical view of the opposition is that it only has a marginal role in policy-making, we demonstrate important policy implications of its criticism of the government. Our inquiry is inspired by the experience of politicians. As former Member of Parliament for the leftist Red-Green Alliance, Per Clausen, who served in opposition 2005-2015 reflects on a legislative agreement on food safety in 2007, when a scandal had erupted:

“Here, the rightwing government was prepared to raise all the money needed to get everyone on board on the agreement. This was a case that needed to be closed down. It was my impression that the government even sought to include us – an unusual invitation – as part of a strategy to build a shelter against attacks.”

Our inquiry centers exactly on a government’s need to build a shelter against attacks from the opposition. In a context of eroding ties between voters and parties and a concurring growing importance of what issues are on the agenda for voters and parties (Green-Pedersen 2007), opposition criticism has gained increased interest (Green-Pedersen and Mortensen 2010; Vliegenthart and Walgrave 2011; Bevan et al 2015). Recent studies suggest that the opposition has considerable opportunities to ignite political controversy on an issue and pressurize the government (Green-Pedersen and Mortensen 2010; Seeberg 2013; Thesen 2013). The literature on legislatures
has not yet sufficiently understood and incorporated the implications of this development in light of its long-held interest in and expertise on the question of how parties in parliaments (or members in legislatures) compete and cooperate. This paper attempts to change this.

The coalition governance literature points out that legislative coalitions are formed to create and uphold majorities for a government or for policies (Müller et al. 2008). Because coalition partners each have something of importance to the other to be traded, they utilize institutions to protect themselves against electoral loss at the next election (Lupia and Strøm 2008). However, this perspective does not specify the detrimental effects of opposition criticism for how the government is perceived by the voters, as pointed out more recently in studies of issue competition among parties (Green-Pedersen and Mortensen 2010; Seeberg 2013; Thesen 2013). Here, issue attention is paramount, and parties compete to influence what issues are considered important by the electorate in order to influence elections.

The power of the opposition to criticize is of value, positively or negatively, to both the opposition and the government. Hence, we should also expect it to have a systematic impact in deal-making so that political deals are not merely about policy, as held in existing work on coalition formation (Riker 1962; Laver and Schofield 1990; Laver and Shepsle 1996; Martin and Stevenson 2001) and governance (Müller et al. 2008; Moury 2013) in parliamentary democracies as well as in the ‘gains from exchange’ perspective applied on the US Congress (Gilligan and Krehbiel 1994). It is also about buying and selling strategic positions to attack and defend in public. In a legislative bargaining, the opposition obtains a share of the rule and abstain from attacking the government, we argue. The government offers concessions to the opposition parties and obtains support for the initiative and a shared responsibility of the policy with the opposition in return. This makes it more difficult for the opposition to criticize the government. To gain policy influence, it follows that the opposition has to give up this opportunity to criticize. Modern mass communication has only made
such exchange more relevant. The ambition of this article is, thus, to add to the literature on legislative bargaining: What is traded, and what is gained? Our argument stresses opposition blame as a central commodity for legislative exchange.

We test our argument on an extensive data set of 325 legislative coalitions and 5038 pieces of legislation adopted in the Danish parliament from 1973 to 2003 and reported in Danish media from 1984 to 2003. We test two central implications of our argument: Blame from the opposition party (1) systematically increases the likelihood of a legislative agreement but (2) decreases in the aftermath of taking part in a legislative coalition, and this effect is stronger than adopting a ‘standard’ piece of legislation on similar issues.

**Legislative Bargaining: the Logic of Cooperation between Competitive Counterparts**

The literature on legislative bargaining is concerned with how parliamentary actors exchange support. In the ‘coalition governance’ perspective, coalition parties interact with each other while they are in government, and coalition partners develop institutions to deal with issues of coordination and control. This is motivated by their interest in upholding a majority despite partially different interests as individual parties (Müller et al. 2008). The logic is that government parties seek a solution that reduces the likelihood of being punished by the voters in the next election, and for that reason, coalition governance is said to take place ‘in the shadow of the future’ (Lupia and Strøm 2008). These coalition governance institutions include cabinet committees, coalition agreements, junior ministers, and legislative reviews that provide ex ante coordination and ex post monitoring to enhance the incentives of individual ministers to stick to agreements (Strøm and Müller 1999; Thies 2001; Martin and Vanberg 2005; Andeweg and Timmermans 2008; Moury 2013). So, an exchange of policy, positions, and procedural rights takes place.
Early theories of legislative bargaining and exchange basically considered coalition formation a vote-buying game to achieve a majority either for a policy or a government (Buchanan and Tullock 1962; Riker 1962). In these models, members of the legislature or parties directly trade policy or office outcomes with each other. Log-roll agreements are distinct from simple voting and provide a means for actors to exchange across policy issues emphasized differently by each of them (Buchanan and Tullock 1962, Volden and Carrubba 2004). Later, the idea emerged that legislative actors bargain over the distribution of procedural rights to subsequently process decisions on policy areas either allocated to legislative committees or to ministers (Shepsle and Weingast 1994; Laver and Shepsle 1996). Hereby, legislative institutions provide a framework to support policy exchange. In a similar vein, Lupia and Strøm (2008) hold that especially cabinet parties bargain with each other and utilize coalition governance institution such as coalition agreements in order to balance the pleasing of voters with forming and maintaining agreements on policy with other parties (Lupia and Strøm 2008, 57). This is done with the upcoming election in mind, where it is well-known empirically that governments risk to lose votes, which it tries to avoid. The loss of votes, in particular for majority governments (Strøm 1990), is ascribed to the responsibility for problems that arise. Our argument, presented in the next section, specifies how the opposition holds the government responsible to the voters through criticism and how legislative bargains could include exchange of policy influence for opposition silence, while such agreements are upheld through coalition governance institutions.

What Is Traded, and What Is Gained? Policy, Criticism, and Reelection

Our analysis expands the scope of what is exchanged and gained in coalition bargaining. With the insights from agenda-setting theories as a starting point, our argument is that when policy, office,
and votes are traded, the possibility of public criticism of the government is also exchanged because opposition criticism is a factor that may spur governments to expect loss in future voter support and make the government invite the opposition to bargain over policy. Such blame of the government is a widespread feature of representative democracy, in which the opposition is allowed to and indeed does criticize the government, and it is highly relevant in an age of political communication through the mass media. Whereas opposition criticism has gained increased interest in the agenda-setting literature (Green-Pedersen and Mortensen 2010; Vliegenthart and Walgrave 2011; Bevan et al 2015), the literature on legislatures has not yet sufficiently understood and incorporated the implications of this for its long-held interest in and expertise on the question of how parties in parliaments (or members in legislatures) compete and cooperate.

Recent studies clearly show that by criticizing the government, the opposition can effectively put issues on the policy agenda (Green-Pedersen and Mortensen 2010; Thesen 2013) and pressure the government to legislate (Seeberg 2013; Jensen and Seeberg 2014). Such criticism is important to the government. If the opposition’s politicization is not stopped, it can be damaging to the government’s chances of reelection because issues matter for winning votes. Voters look increasingly to the party that is most competent in handling the issue(s) of most importance at the day of the election rather than base their votes on ideology or social cleavages (Dalton 2002). Spurred by a considerable electoral market of volatile and amenable voters (Mair et al 2004), parties cannot rely on stable constituencies for election but have to take part in a fight to set the election agenda. As a consequence, influencing what issues come to occupy the agenda has become crucial to parties (Green-Pedersen 2007).

An issue politicized by the opposition is particularly disturbing for a government’s reelection because it probably contains criticism of how the government manages its policy responsibility. Insofar as the opposition works to replace the incumbents, it will identify the government’s
weaknesses and politicize problems that are inconvenient to the government (Sulkin 2005; Thesen 2013). Such criticism matters to the government because it is vulnerable to blame (Rose 1990; Weaver 1986). It is exposed to blame because it is responsible for its policy and held accountable for its performance by the electorate (Marsh and Tilley 2009; Rudolph 2003). Hence, a reelection-oriented government has obvious reasons to remove issues fueling opposition criticism from the policy agenda. This is so much the case that when the opposition politicizes an issue, the government may put office before policy and invite a legislative coalition on the issue. The government wants to trade policy influence for silence and abstaining from criticism.\footnote{The power to criticize provides opposition parties with ‘blackmail potential’ (Downs 1957, 128; Sartori 1976, 123-124)}

These are considerations that former ministers and former parliamentarians of opposition parties recognize. We asked former Transport Minister and spokesperson of the Social Democrats in Denmark, Jakob Bukst\textsuperscript{2} (in parliament 1994-2005) to reflect on the government’s use of legislative coalitions with the opposition:

“Legislative agreements make it more peaceful to be a minister and a government because if an opposition party enters an agreement, it cannot also criticize. Take the policy area of transport as an example. The bourgeois opposition incessantly tried to sabotage the work of Sonja Mikkelsen (preceding Buksti as Transport Minister) because she pursued her own agenda with allies from the leftwing. Unrest erupted. When I replaced Mrs. Mikkelsen, it was of principal importance to kill it, and I therefore invited the center-right spokespersons to my office to settle matters. If you seek to deliver policy, you cannot at the same time fight the opposition.”
The agenda-setting power of the opposition through criticism is appropriate to consider for building and maintaining legislative coalitions as a result of bargaining for three reasons. First, a legislative coalition reflects a compromise. As Per Stig Møller (leader of the Danish Conservatives 1997-1998 and Foreign Secretary of Denmark 2001-2010) bluntly states:

“The opposition does not take orders, it only comes to the table if the government has something considerable to offer.”

With such concessions, the settlement leaves the issue less contested (Riker 1996). As conflict fuels politicization, the absence of conflict may eventually depoliticize the issue, as the government wants (Schattschneider 1960). This compromise also washes away differences between the government and the opposition. If opposition blame has become a pain to the government, it is probably because the opposition promotes a novel idea or has a point in its criticism, and the government resolves this by teaming up with the opposition through the compromise. This also means that the opposition is deprived of its opportunities to build and promote a distinct ideological profile on the issue; another government concern. Being an attractive alternative to the incumbents is a key element in the opposition’s way to office. Insofar as the government seeks to keep the opposition out of office, the compromise is therefore valuable to the government in several ways.

To counter blame, co-responsibility for policy is the second reason for the government to offer the opposition a compromise. Since policy responsibility is a major deficit in political agenda setting because it invites criticism, having the opposition on board forecloses a continuation of opposition blame. As Per Clausen explains:

“If you enter a legislative agreement, you maintain an opportunity to comment on the legislative agreement, but at the same time, you have to defend the agreement you have
struck. You cannot afterwards point to problems on this policy area, for example, because of a shortage of spending or flawed legislation.”

Should the opposition try to maintain the politicization, the government has an effective reply. Thus, formal and binding participation is what distinguishes legislative agreements from other legislation that the opposition may support. We argue that these kinds of coalition governance institutions may be a way to accommodate the opposition and avoid detrimental effects of opposition criticism resulting from politicization of issues. This means that such institutions in particular are utilized to create and sustain compromises on politicized issues through an exchange of policy influence for reduced opportunities for criticism. Being tied to these institutions will make it more difficult to criticize, and for this reason, a minister may choose to utilize such institutions even though they require more effort than simply proposing a bill for parliament to decide upon.

Finally, as a third reason, the policy scope of a legislative agreement makes it difficult for the opposition to uphold its politicization since the problems that may have fueled the opposition’s blame are most likely thoroughly addressed.

With these gains for the government in mind, the offer to enter into an agreement appears to be a bad deal for the opposition – refraining from criticizing and diminishing its opportunities to profile itself does not appear attractive – and this may explain why the opposition sometimes refuses an invitation to settle a legislative agreement despite being offered substantial policy concessions. The potential for politicizing the issue is simply too good to replace it with policy influence in those cases. As Jakob Buksti puts it:

“An opposition party does not seek to be part of a legislative agreement at any cost, because as an opposition party, you need to uphold your own distinct profile vis-à-vis the incumbents,
and a legislative agreement erases differences between competing parties. Often, the challenge is to refrain from entering a legislative agreement.”

Generally, the opposition’s response when offered such a deal depends on two factors. First, it depends on how damaging the issue is in electoral terms to the government. An example is, the pain felt by the governing coalition in Denmark in the 1990s of the Social Democrats and the Social Liberals from the rightwing opposition’s vehement politicization of immigration (Green-Pedersen and Krogstrup 2008). Second, it depends on the degree of attained policy influence that it is offered. We should expect a discount factor. In a specific situation, the policy concessions offered may be considered more valuable than long-term benefits such as profiling with a view to the next general election.

One might infer that the opposition is silenced through legislative agreements simply because it is happy with the policy concession it obtains. The interviews we have made clearly point out that legislative agreements entail more than just a policy compromise even though it may be difficult to disentangle the two effects empirically. However, in the analysis, we attempt to do so by comparing how legislative agreements dampen opposition criticism compared to the legislation that is passed outside an agreement but 80 percent of the time with votes from the opposition (Hansen and Fazekas 2015, 256).

We recognize that the ‘exchange rate’ of policy compromise and opposition criticism may depend on how much more policy influence the vote gains should be expected to deliver. The more that is the case, the less likely an opposition party with the possibility of winning the ‘full prize’ of government should be to compromise. So, in first-past-the-post electoral systems such as the one in the UK, the prospect of winning an absolute majority through vote gains would make consensual behavior of a major opposition party less likely than in a highly proportional ‘consensual’ system.
(cf. Lijphart 1984). So, our argument is valid across Westminster and Consensus systems, but we expect an exchange of policy influence and silence from criticism to occur more often in the latter system because of the low likelihood of gaining full control of legislative powers.

Summing up, the government has other issues to consider besides taking notice of the opposition, such as fulfilling its electoral promises, catering to backbenchers and constituencies, as well as keeping the coalition together. Nevertheless, the government’s motivation for reelection in combination with the opposition’s opportunity to set the policy agenda makes the government attentive to the opposition (Green-Pedersen and Mortensen 2010, 271), and for this reason – and not only to get policy through – it is prepared to settle on a costly legislative compromise despite its inherent interest in deciding policy (Wittman 1983). We will test two important implications of this argument, namely that legislative agreements tend to appear in the context of opposition criticism and that opposition criticism diminishes on issues on which the opposition becomes a partner in a bargained legislative coalition.

Case Selection and Data

In order to test how legislative coalitions are used to handle opposition blame, it is not only important that the opposition is clearly discernible from the government, but also that it is observable when the opposition takes part in these legislative enactments. This is the case in Denmark for a certain kind of legislative coalitions called ‘legislative agreements’ (politiske forlig) (Christiansen and Pedersen 2014; Christiansen 2008; cf. Strøm 1990). These are settlements between government and opposition parties, typically concerning topics of major importance and often containing bundles of legislation. They differ from other bills not only in their scope, but also in the opposition parties’ formal participation in a binding agreement that makes them co-
responsible for policy and provides them with privileged access to the decision-making process of the minister. Participants form a majority in the Danish Folketing to enact the measures. Despite their informal nature, participants have the right of veto, and the consequences of breaking an agreement are severe, with parties having to wait for years to be included in such agreements again. Expectations of loyalty and mutual commitment are high, which puts considerable strain on the government’s room for maneuver. With their elaborate set of rules, these legislative agreements can be said to constitute informal coalition governance institutions for cooperation between government and opposition parties.

While offering procedural and substantial influence to the opposition may not seem particularly attractive to the government on the face of it, legislative agreements are nevertheless quite common in Denmark, and studies show that they are closely associated with minority governments and the parliamentary strength of these governments (Klemmensen 2005; Christiansen and Pedersen 2014; see also Klemmensen and Nørgaard 2009). This indicates that minority governments make such agreements with opposition parties out of an obvious necessity to have important legislation passed. However, we will argue that there may be more to it.

We have recorded every legislative agreement in Denmark from 1973 to 2003 (see Christiansen 2008) from a number of sources, including written agreements, annual yearbooks, and historical overviews. We begin in 1973 because what is remembered as an ‘earthquake election’ completely transformed the party competition structure in the Danish parliament in spring 1973. We end in 2003 because data on our dependent variable is only available up to 2003. However, with 30 years of data, we already have a unique data series to test our proposition. Despite often being described as consensual, government formation takes places within blocs clearly defined (Green-Pedersen and Thomsen 2005). Parties of the left and right have alternated in office during this period, with the left holding office in 1975-1982 and 1993-2001, and the right holding office in
1973-1975, 1982-1993, and 2001-2003. With the exception of the government from 1993 to 1994, all governments have been minority governments. The analysis looks at all blame recorded from opposition parties in the period, but it also reports tests of robustness based on information only on the largest of the opposition parties.

Legislative agreements cover about 20 percent of all legislative acts, and the figures have been rising gradually since the 70s (see Figure 1). Hence, they are surprisingly present but still far from a default mode of lawmaking in the Danish parliament (Christiansen 2008).

[Figure 1]

We have a total of 325 legislative agreements for our analysis. These legislative agreements are broadly distributed across the parliamentary year and across issues (see Figure 1). The fact that the legislative agreements are not passed systematically in the same month (i.e., the last month of the parliamentary year) assures us that a change in opposition criticism is not just an artifact of the parliamentary calendar (with a quiet period over the summer). The fact that legislative agreements cover many different issues assures us that their appearance is not only due to the special character of an issue area like the need for long-term planning and investment on the issue of the economy. Legislative agreements are often, but far from always, settled on the economy, such as ‘the spring deal’ ['Pinsepakken'] in 1998. Other examples are the ‘elementary school agreement’ in 2002, the ‘local government agreement’ in 2004, and the ’welfare agreement’ in 2006. And major agreements have been reached on energy in 2007, defense in 2012, as well as on a number of other policy areas. In other words, the legislative agreements for our analysis do not appear to be biased across time or issues.

Each legislative agreement has been coded according to its main issue content. It may be an agreement primarily on education, health, or energy to give a few examples. The codebook
developed by the Danish Policy Agendas Project (DPAP) has been applied (Green-Pedersen 2005). With legislative agreements, this issue classification can be difficult because they sometimes cover more than one topic. In the coding, we consequently aimed to describe its main issue content by assigning one topic category for each legislative agreement. This invariably leaves a rather crude measure, which will only make it more difficult to find support for our proposition.

To strengthen our inquiry, we use two different sources for opposition blame. We look at blame from the opposition inside parliament through questions to the minister and outside of parliament through appearance in the daily 12 o’clock national radio news broadcast on the issue in question. In this way, we attain a comprehensive view on opposition blame. Whereas questions to the minister sometimes make it to the news, media appearance is a more direct way for the opposition to reach the public when voicing its concerns. Opposition blame probably also takes place through press releases and speeches, but the chosen indicators are some of the most immediate ways of grasping opposition activity and commonly used in the literature (Green-Pedersen 2010; Green-Pedersen and Mortensen 2010; Green-Pedersen and Stubager 2010; Vliegenhart and Walgrave 2011; Seeberg 2013; Thesen 2013). Like previous work, we use the relative amount of attention (measured in percent) devoted to an issue by the opposition either through questions to the minister or in the media. Since attention is scarce for any political agent, this indicates the opposition’s priority of an issue. This data is also content coded according to the DPAP codebook and made available by Green-Pedersen (2005). If anything, bringing in two different indicators of opposition blame makes it harder to find support for our argument. We report criticism for all opposition parties that do not officially support the government.

For both questions to the minister and media appearance, we can imagine that if an issue such as the economy becomes the subject of opposition criticism, the opposition may not only ask general questions about growth (or make appearances in the media) but will, if possible, also raise
several related topics, such as inflation, unemployment, and the public budget, which have separate codes in the codebook. Hence, matching the legislative agreement with only one issue code for the questions to the minister (or media appearance) may lead to underestimating the true effect of legislative agreements on opposition criticism since the effect may appear in several issue categories.

For our test of legislative agreements as a response to opposition criticism, we look at the likelihood of legislative agreements based on the level of opposition criticism for each subject on a monthly basis during all the years investigated. For our test of the dampening effect of legislative agreements, we look at the questions to the minister and media appearance in the months preceding and following the adoption of the legislative agreement. This is our unit of analysis: the monthly attention to the issue subject of an agreement. For ease of presentation, we report the results in five-month intervals before and after the adoption of the agreement, although we have analyzed shorter (down to three months before and after) and longer (up to seven months before and after) intervals as well. The results are similar regardless of the choice of time period.

A reasonable objection to our argument is that legislative agreements are nothing special compared to other kinds of legislation since attention always increases before and decreases again after the passage of a bill. Hence, is the stipulated decrease in opposition blame merely an artifact of all legislation and the legislative process? Are legislative agreements just large-scale Acts of Parliament, but nothing special in this regard? To rule out that legislative agreements are just ordinary but large pieces of legislation, all Acts of Parliament besides legislative agreements in the same period are included as a control case for the test. The Acts were identified in the comprehensive database provided by the DPAP (Green-Pedersen 2005) and amount to 5038 Acts of Parliament. The data coding procedure accords with the one used for the legislative agreements. Comparing the dampening effect of legislative agreements against that of all Acts of Parliament is
another step to preclude endogeneity. By taking out a potential common tendency to see increased political activity before any policy adoption, the comparison brings forward the particular blame-curtailing attributes of legislative agreements. Moreover, since about 80 percent of all Acts of Parliament not covered by an agreement are passed with votes from the opposition (Hansen and Fazekas 2015, 256), this comparison also works as a test of the argument that the dampening effect on opposition criticism of legislative agreements is just a side product of the policy exchange that takes place. If this is the case, we should not expect to see a particular dampening effect of legislative agreements on opposition criticism.

Analysis

Our investigation is divided into two parts. First, we look at the extent to which legislative agreements follow opposition criticism. Second, we test if legislative agreements diminish subsequent opposition criticism.

In Table 1, we report the log-odds of a logit cross-time, cross-section regression of the effect of opposition criticism on the likelihood of a legislative agreement across 20 issues from 1973 to 2003. We include a number of lags of opposition blame to allow for the time it takes for the government to respond to it and prepare a legislative agreement. Our estimate is that it can easily take a few months. We also include a count variable (1973 = 0) to reflect that the timing of opposition blame and a legislative agreement may reflect some underlying development. Moreover, since the importance of blame for the government has probably only intensified, as argued above, we also test if the impact of blame on the likelihood of legislative agreements has increased over time by interacting the blame variable and the time counter. This is plotted in Figure 2.

[Table 1]
According to the estimates in Table 1, legislative agreements systematically follow opposition criticism. As anticipated, there is a delay of about three to four months between opposition criticism and the legislative agreement actually being passed – the effect of opposition blame at time t, t-1, and t-2 is positive, but statistically insignificant. According to the estimate, the odds of a legislative agreement (versus no legislative agreement) are 1.043 (calculated as $e^{0.04}$ from Table 1) when the level of opposition criticism increases by one percentage point (at lag three). This likelihood of a legislative agreement can quickly grow large when opposition criticism intensifies. If opposition criticism reaches ten percentage points, the odds of a legislative agreement jumps to 1.54. With an average of five percent and a standard deviation of six percent, a substantial intensification in opposition criticism is far from rare.

The impact of opposition criticism on legislative agreements intensifies from 1973 to 2003 as the positive interaction term between the time counter and the level of opposition criticism indicates in columns two and three in Table 1. If opposition criticism (at lag four) increases by one percentage point, the odds of a legislative agreement are only 0.96 in 1973 (when the time-variable is 0), but 1.12 thirty years later in 2003. This is illustrated in Figure 2, where the marginal effects line for the log-odds is below zero, but climbs above the line around 1980. Opposition criticism does not have a systematic (i.e. statistically significant) impact until the late 1980s. This is in accordance with what we would expect from the erosion of voters’ adherence to parties and the concurrent increase in the competition to set the policy agenda and receive rewards for strong performance. Opposition criticism only really matters in the latter part of the 1973-2003 period. Hence, the first part of our inquiry is supported by the empirical evidence.
As regards the second part of our inquiry, legislative agreements should dampen opposition parties’ criticism of the government on the affected issues, and the dampening effect should stand out compared to Acts of Parliament. To test this proposition, we generate a time dummy that takes the value 0 for each month before an Act of Parliament or a legislative agreement is adopted and the value 1 after. If the described dynamic applies, the effect of this dummy should be negative on the attention surrounding each legislative agreement. Furthermore, we use a dummy to separate legislative agreements from Acts of Parliament. By multiplying the dummies, we can examine the differences between Acts of Parliament and legislative agreements in effects on the level of opposition criticism before and after an enactment. We use a time-series, cross-section OLS regression analysis with standard errors clustered on issues to estimate the coefficients and report them in Table 2. The test indicates that data is stationary and, hence, does not need to be transformed for the analysis. We add a number of controls to the analysis, including the month and year in which the legislative agreement and Act of Parliament were adopted, the PM party (Social Democratic = 1, others 0), the time until the next election, the government’s approval ratings, and its vote share at the latest election. This rules out, as far as possible, that legislative agreements only have an effect on opposition criticism when adopted in a specific context.

[Table 2]

Corroborating our expectations, the adoption of a legislative agreement diminishes opposition criticism in the policy area in which the legislative agreement is struck. And this dampening effect only applies to legislative agreements, not Acts of Parliament. This dampening effect of legislative agreements applies to opposition criticism in the media (the two columns to the left in Table 2) as well as in parliament (the two columns to the right in Table 2).
To interpret this interaction between a dummy for the time before (= 0) and after (= 1) the passage of legislation and a dummy separating legislation encompassed in a legislative agreements (= 1) or not (= 0), the first thing to notice is that the average level of opposition criticism in parliament prior to passage of an Act of parliament (both dummies are 0) is above one percentage point (the constant is 1.078). We interpret the estimates in column three of Table 2 although we can draw the same inferences from each of the estimations across the four columns in Table 2. This level of criticism is about four percentage point higher prior to the passage of a legislative agreement (row two), indicating that a higher degree of politicization triggers legislative agreements. When an Act of Parliament is adopted, the level of opposition criticism is predicted to increase 0.04 percentage point compared to the level before (row one). However, when a legislative agreement is adopted, the level of opposition criticism is 0.2 percentage point lower than if an Act of Parliament had been passed (row three). This implies that the level of opposition criticism decreases on average 0.16 percentage point (the sum of 0.040 from row one and -0.203 from row three)\(^6\) when a legislative agreement is settled. This indicates that policy is exchanged for silence between government and opposition through this informal legislative institution. Lawmaking can be used by the opposition to criticize the government as our positive estimate in row two suggests, and a legislative agreement is also a piece of lawmaking. Whereas this lawmaking element would suggests that legislative agreements also invite criticism, the norms of loyalty, repeated game, and co-responsibility inherent in the informal institution keep the opposition from criticizing, as reported also in the Danish literature on the topic (cf. Klemmensen 2005; Christiansen 2008; Klemmensen and Nørgaard 2009; Pedersen 2011). The fact that the negative coefficient in row three is statistically significant (p = 0.1; in column one and two, p < 0.000) tells us that the dampening effect of legislative agreements is systematically different from the blame-inviting effect of passing a single Act of Parliament.
The results are unaffected when adding all the control variables to the models for both opposition blame in the media (columns one and two) and in parliament (columns three and four). Moreover, as a sign of robustness, the results stay the same when we only look at criticism from the largest opposition party (the Social Democrats from the left wing and the Liberals and the Conservatives from the right wing) or when we only look at legislative agreements including the largest opposition party (sometimes they are not participants).

In order to breathe life into our statistical findings, we now discuss an example of the dampening effect on opposition blame that could be observed in the legislative agreement on energy settled in April 2004 between the right-wing government and the opposition (all parties except the far-left Red-Green Alliance). As part of the legislative agreement, two major off-shore turbine parks were planned, and existing turbines on land were to be replaced or modernized. A temporary subsidy system to private turbine owners would be upheld. The agreement also contained an increase in the subsidies for biogas production and 130 million DKK for research in solar power (L236, 2004).

In relation to the content, this rather large-scale agreement on green energy may come as somewhat of a surprise under a government of right-wing parties that ran for election in 2001 on a platform including environmental skepticism (Venstre, 2001) and before that, vocally criticized the former Social Democratic government for going overboard on the environment (Venstre, 1994; Rasmussen 1997, 1998). In our optic, it does not come as a surprise. After three years in office with severe cutbacks on energy and environmental policy, the right-wing government came under heavy and increasing opposition criticism for jeopardizing what had taken decades to build (Jyllands-Posten, 2003; Berlingske, 2004). The public was concerned and sided with the opposition (Jyllands-Posten, 2002). It seems naïve not to see the agreement in this light; the government took a firm step to counter opposition criticism (Politiken, 2004). At least it had the intended effect. The otherwise
very hostile opposition applauded the government for doing what it had been calling for (Ingeniøren, 2004; Lidegaard 2004).

In sum, legislative agreements appear to be used as a reply to opposition criticism, and legislative agreements appear to provide a device for the government to counter opposition criticism unlike simply making a legislative reaction. Conflict is contained, not only inside parliament, but more noteworthy, also outside parliament in the media. The government can use legislative agreements to trade policy for silence, and this may help us explain why legislative counterparts cooperate.

**Discussion**

Drawing on the literatures on issue competition and policy agenda-setting, this article aims to extend our understanding of bargaining legislative coalitions. We wish to increase our insight into why a government invites the opposition parties to bargain a legislative coalition although the government does not need all of these parties’ votes to legislate. We highlight the strategic aspect of legislative coalitions. Governments use legislative agreements to contain the opposition’s politicization of an issue by trading policy for silence. The government thereby makes the opposition co-responsible for policy and attains increased agreement on the issue and, hence, denies the opposition its opportunity to criticize.

The argument finds empirical support in a test based on all legislative agreements and Acts of Parliament adopted in Denmark from 1973 to 2003. The test reveals that legislation in general tends to invite for more criticism in parliament and in the media although 80 percent of all legislation in the Danish case is passed with votes from the opposition. In agreement with the argument, legislative agreements are in contrast productive in turning down politicization and, for this reason,
a device for the government to counter unwanted opposition criticism. Moreover, the test shows that opposition criticism makes legislative agreement more likely, and hence, legislative agreement seems to be used by the government as a reply to unwanted opposition criticism. Since the analysis was based on all legislative agreements across all issues adopted through three decades with alternating governments, nothing suggests that the idea is restricted to particular parties or issues.

Certainly, our argument does not question the existing assertion of legislative coalitions, which mainly emphasize exchange of policy support. Rather, it suggests incorporating an important, but so far overlooked aspect, namely how legislative coalitions are also used to exchange a position to criticize. By introducing opposition criticism as a central commodity for exchange, we specify one factor that can cause loss of future votes.

Our results also indicate that through legislative compromise, decisions on public policies are possible in situations in which the issue competition literature would expect the government to refrain from acting out of fear of the opposition. The Danish case represents an institutional solution reducing such problems in minority situations, but similar ‘coalition governance’ is found elsewhere (Müller and Strøm 2008). Thus, a proper understanding of the character of government-opposition relations also improves our explanations of policy reform and change.

Our proposition that legislative exchange involves not only policy exchange but also an exchange of a position to criticize should apply to legislatures in general. We have analyzed legislative exchange in Denmark because it offers a useful setting for a test due to the frequent settlement of these legislative agreements. However, it may be a concern for the generalizability of the results, that minority governance is prevalent in Denmark, as this makes coalition building more of a necessity. However, our analysis not only covers majority governments as part of our time period, it also controls for the need for minority governments to form legislative coalitions with the opposition by comparing the use of standard Acts of Parliament to the use of legislative agreements.
It both situations, the government needs votes from the opposition, and we can point to the particular use and blame-dampening effect of legislative agreements. Yet, institutional variation may moderate the use of legislative bargaining across countries, and it is the task of future studies to shed light on this.

Moreover, the logic of exchanging policy and silence is valid for both minority and majority government, but since the latter needs opposition votes less and the clear responsibility for policies makes criticizing such majority government more attractive for the opposition, actual agreements between a majority government and opposition becomes less likely. That pattern is also observed in the Danish case in the rare situations with majority governments (Klemmensen 2005; Christiansen 2008; Christiansen and Pedersen 2014). Indeed, opposition criticism may be an overlooked explanation for why majority governments tend to lose votes, and minority governments sometimes could be attractive to form in the first place (cf. Strøm 1990).

Our initial investigation may be further extended. An agenda-setting logic may not only add insights to the beginning of a legislative coalition, as we attempt in this study, but also to its life and death – the norms that accompany the settlement may give rise to disagreements and conflict. This may serve as a platform for the opposition to rebel and cause a breakup. Based on our findings, the strategic aspects of coalition governance in an issue competition perspective deserve more attention.
Bibliography


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Table 1. The effect of opposition criticism on the likelihood of legislative agreements in Denmark

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</tr>
<tr>
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<tr>
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<td>(0.03)</td>
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<td>0.04***</td>
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<td>(0.01)</td>
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<tr>
<td>Opposition blame(_t-3) x Time</td>
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<tr>
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Note: Log odds are reported. Standard errors in parentheses. * \( p < 0.10 \), ** \( p < 0.05 \), *** \( p < 0.01 \).
Table 2. The effect of legislative agreements on opposition criticism in Denmark

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<tr>
<td>(legislative agreement</td>
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</tr>
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<td>dummy = 0; time dummy = 1)</td>
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<tr>
<td>Attention prior to passage of</td>
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<td>4.053*** (0.104)</td>
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<td>a legislative agreement</td>
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<td>compared to an Act of</td>
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<td></td>
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<tr>
<td>Parliament (legislative</td>
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<tr>
<td>agreement dummy = 1; time</td>
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<tr>
<td>dummy = 1)</td>
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<tr>
<td>Month</td>
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<td>0.009*** (0.002)</td>
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<td>Government’s approval rating</td>
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<td>-0.002 (0.003)</td>
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<td>Government’s vote share in</td>
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<td>-0.005 (0.003)</td>
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<td>last election</td>
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<tr>
<td>Constant</td>
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<td>1.078*** (0.018)</td>
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Note. ***p < 0.01; **p < 0.05; *p < 0.10. Attention five months before and five months after passage of the bill, 1984-2003 for opposition criticism in media and 1973-2003 for opposition criticism in parliament.
Figure 1. The distribution of legislative agreements across months, years, and issue categories.

Note: The grey area indicate Socialdemocratic-led governments.
**Figure 2.** The marginal effect of opposition criticism on the likelihood of legislative agreements over time in Denmark.

Note: The plot is based on model 3 in Table 1.

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1 Seeberg (2013), Jensen and Seeberg (2014), and Thesen (2013) further investigate the circumstances under which the opposition can pressurize the government and the circumstances under which the government responds by trying to accommodate the opposition through legislation, e.g., through legislative bargaining.

2 In order to fertilize our theorizing, we interviewed three former Members of Parliament on the logic of legislative agreements: Jakob Buksti, Per Clausen, and Per Stig Møller (2 June 2015).

3 For each variant of the dependent variable (opposition criticism and media attention), we exclude in the second test of our argument, the legislative agreements and Acts of Parliament before which opposition criticism was completely absent for this part of the analysis.

4 We use random effects. Using fixed effects return similar results.

5 Using the Fischer and Breitung unit-root tests with one lag.
If opposition criticism is $Y$, the passage of legislation is $X$ (dummy =1), and the passage of legislation encompassed in a legislative agreement is $Z$ (dummy = 1), and $Y = \beta_1 \cdot X + \beta_2 \cdot Z + \beta_3 \cdot XZ$, then the effect of $X$ on $Y$ is $\beta_1$ (i.e. 0.040) when $Z$ is 0, and $\beta_1 + \beta_3$ (i.e. 0.040 + [-0.203]) when $Z$ is 1 (Brambor et al 2006).

Unfortunately, our data does not extend to this agreement, and therefore, we cannot test our argument statistically on this particular case.