Minority Governments in Latin American Presidentialism:
Cabinet stability and effectiveness

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Additional results will be presented at Meeting Panel
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Abstract: The vision that minority governments are anomalies in parliamentary systems has been long abandoned. In presidential systems, however, minority governments are still seen as problematic, especially when combined with unilateral powers of the president. The paper analyzes government (or cabinet) formation (defined by the parties holding ministerial positions and not presidential terms) in an original sample of 14 Latin American countries between 1979 and 2011. We test several hypotheses about the political and institutional factors determining the formation of minority governments. Our findings contradict predictions derived from current theories. Specifically, we find that the probability of minority governments increases with the strength of veto powers. We also find that the agenda powers of the president and legislative fragmentation have a negative effect on the formation of minority governments.

Key words: Minority governments; cabinet formation; coalitions; presidentialism; Latin America.

* Due to data constraints it was not possible to complete all the required analysis to successfully finish the paper on "Cabinet Stability and Effectiveness". Therefore, the following paper is a modified version of "Minority Government in Latin American Presidentialism: Political and institutional determinants", recently published on the brazilian journal “Dados: revista de Ciências Sociais”. However, additional results discussing the duration of governments will be presented at Meeting Panel.

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1. Introduction

The debate about the “perils” of presidentialism guided much of the academic production about Latin American politics in the 80s and early 90s. The basic assumption was that the adoption of a system of separation of powers in the mold of the United States along with a multiparty system typical of European countries, would result in minority governments doomed to fail (Linz 1990; Mainwaring 1993; Ames 2001; Lamounier 1992; Jones, 1995; Abranches 1988).

The reality of the new democracies, with redesigned institutions, and the expansion of comparative political science, with new models and more systematic empirical analyses, have led to findings that challenge the first wave of studies of the region and have raised new questions. More recent case and comparative studies show that the combination between minority presidents and multiparty legislatures does not necessarily generate the expected pattern of conflicting relations between the two branches (Deheza, 1998; Figueiredo & Limongi 1999; Amorim Neto 2006; Santos 2001; Chasquetti 2001; Cheibub 2007; Cheibub, Przeworski & Saiegh 2004). The institutional conditions considered necessary and/or sufficient to avoid ineffective government, recurring political crises and collapse of democracy are therefore not alone accurate reflections of the phenomenon of interest.

In contrast to the first theoretical predictions, newer studies have shown the predominance of majority coalition governments that function in similar form to multiparty parliamentary governments. This phenomenon requires new explanations. The study of coalitional presidentialism has evidenced the fragility of the theories that predicted an unstable political and institutional future in Latin American countries. This mode of presidentialism justifiably has become the target of scholars. However, although the tendency to form majority coalitions in Latin American presidentialism is an undeniable fact, minority governments have considerable presence in the region as well, and their study deserves the same attention.

In this paper, that consists on one step of a developing research, we try to fill in this gap by investigating the political and institutional factors that lead presidents to form and maintain minority governments. Before examine the stability and effectiveness of cabinets, we start from the main proposals in the literature on presidentialism and on minority governments to investigate under what conditions minority presidents do not form majority cabinets1.

Some of the studies of presidentialism and the prognoses about the inevitable downfall of minority governments are based on various motivational and behavioral premises for the study of different types of government, thus falling foul of one of the basic rules of institutional analysis (Diermeier &

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1 The problem analyzed is not when presidents elected from minority parties form coalitions, but rather when these presidents form minority cabinets. Theoretically, this specific problem does not depend on the number of parties in the cabinet. Minority coalition governments exist both in theory and practice.
Krehbiel 2003). Therefore, they tend to stress the effect of the institutional traits of the system of government on the behavior of political actors, altering their predispositions to act one way or another. For example, presidents are considered to be generally unwilling to form majority governments. On the one hand, as a consequence of the independence of their mandates, presidents should be “reluctant” to yield power to build majority governments, and besides this, the national character of their election “often causes presidents to overestimate their power” (Jones 1995:6). The prerogative of unilaterally choosing their cabinet officers allegedly only strengthens this reluctance. Therefore, presidents should tend to act according to beliefs formed by the rules of the system of government rather than only having their strategies and actions limited by these, depending on their objectives. On the other hand, but in the same sense, presidents with strong powers to set the agenda and to veto legislation should tend to stand up to congressional majorities, that is, “(...) presidents with substantial legislative powers may have significant influence over legislation even if their party lacks a legislative majority – indeed even if their party is a minor one” (Mainwaring & Shugart 1997: 41).

In contrast with this view, we start from the assumption that in presidentialism, just as in parliamentarism, presidents, acting as chief executives, seek to govern effectively. Therefore, despite the independence of their term in office and the institutional prerogative to choose their cabinet ministers, if they want to attain this goal they will be forced to seek support from other parties than their own. They will only not do so if they expect this support can come spontaneously from legislative coalitions. In this case, it should not be necessary to share power, allowing the president to continue under minority conditions. Party leaders, in turn, besides positions in the administration – i.e., power – also are interested in public policies that will curry favor among voters in future elections (Strom, 1990; Cheibub et al., 2004). It must also be pointed out that assigning legislative powers to the chief executive or chief of government is not an inherent characteristic of presidentialism, nor is it uniformly distributed in countries with this system (Shugart & Carey, 1992). In this context, one of our aims is to verify if and to what measure the granting of legislative powers to the president affects the incidence of minority governments in Latin America.

To examine the political and institutional reasons that lead presidents to form and continue at the head of minority governments, we use a database, having the cabinet-year as the unit of analysis/observation, containing 287 observations distributed in 130 cabinets of 14 Latin American countries, between 1979 and 2011. For our analysis, cabinets encompass the coalitions formed by distribution of ministerial posts to parties that, in ratifying the
participation of their members, become part of the government, both at the start and during the presidential term.

This article is organized into five sections. First, we focus on the main theories of minority governments, to identify and discuss the main factors that, according to the literature, influence the formation of minority governments in Latin America. Then, we examine the extent and distribution of minority presidential governments in Latin America over the past 30 years. Next, we construct multivariate logit models to examine some hypotheses in the literature and discuss the results found, presenting alternative interpretations. We conclude by stressing the main findings and indicating new avenues for research.

2. Minority governments in presidentialism: Theories

In the first generation of studies, led by Juan Linz, authors argued that the basic institutional features of presidentialism impose practically insurmountable obstacles to effective government and democratic stability. The absence of incentives to form coalitions was supposedly the first problem to be overcome. Minority presidents, since they do not depend on the legislative branch for their survival and have full freedom to choose their ministers, should tend to prefer governing alone. For these authors, under presidentialism governments can only succeed if the president’s party obtains a majority of the seats in the legislature. Paradoxically, in this type of institutional arrangement the possibility of effective government depends on the distribution of party preferences.

Later studies within this tradition denied that these negative effects are produced only by the presidential system: the “difficult” institutional arrangement is its combination with multipartism. Multiparty systems tend to generate presidents without legislative majorities. And since in this system there is no incentive to form coalitions, the conflict between the branches leads to deadlock and risk of democratic crisis (Mainwaring, 1993). Agreeing with this diagnosis, Abranches (1988) saw no inherent obstacle in multipartism, which coexists well with European parliamentarism. The problem is the system of government.

In the seminal Presidents and Assemblies, Shugart & Carey (1992) called attention to the differences in presidentialism, giving rise to a new and fertile research agenda. For them, the problem of presidentialism is not its basic institutional characteristics – dual legitimacy and fixed term – but the extent of the president’s powers. As they put it, "the criticisms of presidential regimes should not be put forward as if all presidencies were created equal; rather these criticisms apply with greater force to strong presidents" (1992: 165).

For these authors, presidents with ample legislative powers do not have incentives to form coalitions or to negotiate with lawmakers. Although long, it is worth quoting a passage that clearly expresses their view of the dynamics established between the two branches in this situation:
“On matters of legislation, we suggest that relatively strong assemblies should be associated with more stable and effective government relative to strong presidencies because assemblies serve as arenas for perpetual fine-tuning of conflicts. An assembly represents the diversity of a polity far better than an executive dependent on the president’s whims is likely to do. Because of the diverse forces represented in an assembly, such a body has the potential for encompassing diverging viewpoints and striking compromises on them. The dual democratic legitimacies decried by critics of presidentialism (...) are minimized to the extent that an assembly is accorded a more powerful role in legislation than is the president” (Shugart & Carey, 1992: 165).

When the opposite happens, two results are expected. Strong presidents generate conflicts between the two branches, because the executive tends to impose its agenda. Once again, institutional traits affect the president’s propensity to negotiate or not with the legislature. On the other hand, the combination of strong presidents and a parochial legislature leads to a perverse division of labor between the two branches: the “inefficient secret” where legislators are free to serve their bases, within limits (mainly fiscal) that do not threaten national policies. Therefore, “regimes which maximize the articulation of local particularism in congressional elections tend to be associated with very powerful presidencies” (Shugart & Carey, 1992: 167). In this case, the government might or might not have majority voter support. But the idea that legislative powers, mainly the right to issue decrees, are associated with minority presidents persists (Carey, 2005: 103-107).

Despite the emphasis on diversity, the argument of the institutional origin of the conflict between the executive and legislative branches remains intact, as does the association between presidents with extensive legislative powers and minority governments. This association is also present in the contribution of Shugart & Mainwaring (1997), by showing the interaction between institutional and party powers, as well as the attempt at classification of Cox & Morgenstern (2002).

In their typology of patterns of executive-legislative relations in Latin America, Cox & Morgenstern argue that the presidents in this region are typically “proactive” in the face of “reactive” assemblies, but that presidential strategies vary according to their “unilateral” powers and the party composition of the assembly. Politically weak presidents resort to unilateral powers, in contrast to the behavior of strong presidents (2002: 450). This means that presidents of minority governments will make greater use of their powers and the existence of these powers will also define their legislative strategies and the composition of their cabinets (Amorim Neto, 2006).

5 The idea that the presidential system functions better if the executive has limited powers over legislation is also present in Mainwaring & Shugart (1997: 436).
A new analytical perspective theoretically and empirically rebuts such predictions, instead indicating the possibility of successful formation of coalition governments based on motivational premises equivalent to those used to study European parliamentary countries (Cheibub, Przeworski & Saiegh, 2004; Cheibub, 2007). Starting from the premise that politicians seek offices, votes and public policies, the political motivation of the president is to implement public policies that will win support, hence the concern with these policies. Regarding the institutional aspect, it is not the basic differences between the two government systems that matter. The fixed term, for example, only becomes important depending on the location of the reigning public policy and under specific institutional and political conditions, as specified in the various models proposed (Cheibub, Przeworski & Saiegh 2004: 570-73).

Negretto (2006) also tries to specify situations in which conflicts between the legislative and executive branches or interruptions in presidential terms can occur in Latin America. The worst performances, i.e., the probability of observing strong conflicts between the branches, depends – as argued by Cheibub et al. (2004) – on the control exercised by the party or governing coalition over the median or veto legislator. Their results show that presidents who emerge in the minority from the election but are able to form majority coalitions will not face problems with the legislature. Few problems will also be faced by presidents that, even though their parties are in the minority, have members who occupy the median position in the legislature. However, presidents who do not form majority coalitions, remaining in the minority, will tend to face a high degree of conflict with the legislature, but with a situation not necessarily of failure if they can count with the support of the veto legislator.

Other comparative studies have found growing fractionalization of the party system in Latin American countries and a predominance of majority coalition governments (Deheza, 1998; Chasquetti, 2001), envisioned as necessary to allow a reasonable degree of governability and success in approving the president’s legislative agenda (Figueiredo & Limongi, 1999). Despite the theoretical advance this position represented, it also pays less attention to the occurrence of minority governments in Latin American presidential regimes.

In a paper with great impact on compared analysis, Strom (1990) examined the formation of minority governments in continental Europe from 1945 to 1987. Empirically, his work called attention to the significant portion of minority governments – about one-third in the period studied – in European parliamentarism, a system that in principle requires the formation, or at least the approval of, majorities. Considered until then as resulting from crises, instability, cleavages or political culture, Strom argued that minority governments result from rational choices made by party leaders, motivated by policy considerations and limited by institutional structures. Internal institutional mechanisms of the parliament affect the approval of public policies and the rules of the electoral process affect the ballot-box chances of the different parties. If the opposition cannot influence public policies without participating in the government, it may accept this participation. But this choice will depend on the effects its
participation might have on future elections, in function of the rules of the electoral game.

With these innovations, the analysis of minority governments, which the first generation of formal models could not explain, reached a new level in the study of parliamentarism. However, how can the phenomenon of presidentialism be understood? Do presidents have different motivations than prime ministers? What leads presidents to remain in minority?

Our response is that it is not the basic institutional differences between the two systems that influence the presidential calculation not to form a majority coalition. In reality, coalitions are often formed that do not attain majority status. Presidents can decide to form minority governments, either because they cannot get enough support of other parties or because they decide not to incorporate new parties before completing a legislative majority. In both cases the decisions of the political actors involved are not affected by basic characteristics of the government system.

Strom’s theory on the occurrence of minority governments does not include characteristics of the government system. Under presidentialism, the decision of presidents is more important, but the decisions of parties other than the president’s also affect the formation of minority governments. Likewise, the behavioral and motivational premises on which Strom relies also apply to presidentialism. In other words, political parties and presidents, as well as formateurs, are rational political actors who are motivated by public policies. Based on this assumptions it is possible to derive different predictions from those present in current literature.

3. Minority governments in Latin America: Facts

Minority governments occur often in Latin America. Over the past 30 years, nearly half of Latin American presidents have formed single-party minority cabinets or cabinets made up of coalitions without a majority of the seats in the lower legislative chamber. The database analyzed covers 79 presidential terms and 130 cabinets, corresponding to 287 years from 1979 to 2011. Its format does not only consider the coalitions at the start of the president’s term, as is most common, but also the changes in the set of coalitions that have occurred during the presidential term. The criterion used to fix the end and start of governments is the same as that defined by Müller and Strom for parliamentary systems: “1) any changes in the set of parties holding cabinet membership; 2) any change in the identity of the prime minister; 3) any general election, whether mandated by the end of the constitutional inter-election period, or precipitated by a premature dissolution of parliament” (2000:12).

With small changes, these criteria are sufficiently general to be applicable to the formation of governments in a presidential system. Presidents not only form governing coalitions, but also change them during their terms. Criteria (2) and (3) are easily applicable, with only the elections that occur according to the electoral calendar being considered in presidential systems. Some particularities of the formation of a government in the presidential system, however, make the identification of the government’s party composition a bit more complex, so it is necessary to
In Graph 1 we distinguish among six cabinet types. Three of them are unitary or single-party, and three are coalition cabinets, in both cases further classified as: supermajority, when the president’s party or coalition holds more than 55% of the seats in the legislature; majority, when the president’s party or coalition holds between 50% and 55% of the seats (which serves as a proxy for a minimal winning coalition); and minority, when the president’s party or coalition holds under 50% of the legislative seats.

The first aspect that stands out in Graph 1 is that the great majority (74.6%) of the cabinets formed in the period involved coalitions. This confirms the findings of recent studies that presidents elected by minorities do not necessarily opt to govern alone. However, a significant percentage of the presidents sought allies in other parties but did not attain a majority of the legislative seats (30%). As the graph shows, the second most frequent cabinet type corresponds to minority coalition governments. In the single-party cabinets, the most common is also the minority. This way, minority governments correspond to 47.7% of the total cabinets.

Graph 2 shows the average legislative support of the minority cabinets when the presidents govern only with their party or in coalition. The average percentage of chairs of the single-party minority governments is greater than that of coalition administrations: 42.5% to 33.8%, considering country-year as the unit of analysis.

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Source: Database of IESP-UERJ/CEBRAP

The database utilized was prepared in research projects coordinated by Professor Argelina Figueiredo at the Institute of Social and Political Studies (IESP-UERJ) and the Brazilian Research and Planning Center (CEBRAP).
In Graph 3, with the unit of measurement being the cabinet-year, we analyze the distribution of majority and minority cabinets in Latin America. Some countries, such as Chile and Dominican Republic, only formed majority governments in the period. On the other hand, in Ecuador and Peru majority governments were rarely formed. The majority of countries, however, experienced both minority and majority governments. The variation between countries and over time in the same country reinforces the importance of examining the incentives and political and institutional conditions for formation of cabinets that do not translate into a legislative majority.

The debate over the formation of coalition governments and cabinet types counts on a long tradition of empirical studies as well as important contributions from game theory and neoinstitutional analysis. This literature, however, was at first limited to the study of European parliamentary governments. Starting in the 1990s, the theme gained force in the analysis of
presidential countries, resulting in a growing number of studies about Latin America. With the intention of contributing to this literature and empirically assessing the plausibility of some of its propositions, in the next topic we seek to identify the political and institutional factors that determine the incidence of minority governments in presidentialism.

4. Minority governments in presidentialism: determinants of formation

Before examine the stability and effectiveness of cabinets, we focus on the influence of institutional and political factors on the occurrence of minority governments in Latin America. Therefore, the first step of the research is to investigate what influences the formation and maintenance of this kind of cabinets. Many other factors contribute to the occurrence of this phenomenon. Nevertheless, we start from the assumption that these other factors, especially social, cultural and economic ones, can be held constant, and for this reason we do not include them in our models.

In the first place, we test models including the variables most emphasized in the general literature on presidentialism. We chose from this literature some hypotheses on the political and institutional conditions that give rise to minority governments and prevent the formation of effective governments, that is, that lead to failure to promote policies of interest to the majority of the population, generating political instability and possibly the collapse of democracy.

Among the political factors, the standout is the number of parties, or the fragmentation of the party system. The prediction that the number of parties affects the formation of minority governments is due to the assumption that the system of government does not offer incentives to the formation of coalitions or to the attainment of legislative majorities. This way, increasing the number of parties with parliamentary relevance will also increase the probability of minority governments.

In interaction with this factor, the literature also considers the ideological position of the parties and the president. Therefore, the degree of polarization of the party system and the ideological extremism of the president also affect the ease or difficulty of forming coalitions and/or attaining legislative majorities. In the case of presidents, they can always rely on electoral support, seeking to mobilize the population in their favor (O’Donnell, 1994).

The assumption here is that political actors are motivated by policies and have little incentive to reach accommodation about their political ideals to form a coalition government. Therefore, from this first perspective, the following hypotheses can be posed:

H1: The greater the party fragmentation, the higher the probability of formation of minority governments.
H2: *The greater the ideological extremism of the president’s party, the higher the probability of formation of minority governments.*

H3: *The greater the ideological dispersion of the legislature, the higher the probability of formation of minority governments.*

Among the institutional variables, the standout is the legislative powers of the president. These are manifested at two points in the legislative process: at the start, with the so-called agenda or proactive powers, and at the end, in the form of the presidential veto, a reactive power. The main hypothesis that emerges here is that:

H4: *The more extensive the legislative powers of the president, the higher the probability of formation of minority governments.*

However, because of these two types of presidential legislative powers (agenda setting and veto), this hypothesis must be divided into two sub-hypotheses:

- **H4a:** The greater the *agenda setting powers*, the higher the probability of minority governments.
- **H4b:** The greater the *veto power* (the harder to override a veto), the higher the probability of minority governments.

Recent studies of coalition governments under presidentialism have also sought to assess the effects of the electoral cycle on the occurrence of minority governments. The argument is that the approach of the end of the president’s term leads parties to abandon the coalition because of the desire to compete in the coming elections. Based on this indication, we also test the following hypothesis.

H5: *The nearer the next presidential election, the higher the probability of a minority governments.*

The assumption that actors are rational and policy motivated allows us to formulate predictions opposed to the first three hypotheses listed before. In reality, it has already been demonstrated that the number of parties does not matter to the performance of the government and the fall of democracy (Cheibub et al., 2004; Cheibub, 2007). In this way, our expectation is that the variables related to fragmentation of the party system, presidential extremism and ideological dispersion of the parliament increase the odds of minority government.

The calculation of presidents is influenced by their aim to govern, to produce policies and, to achieve this goal, they need legislative approval. If the president expect to obtain legislative support offering ministerial offices it is plausible to invite new parties for government. Otherwise, if he expect to get enough support from *ad hoc* legislative coalitions there is no reason to share office and cabinet allowing the president to stay in minority and still obtain success.
For this reason, if the number of parties in the legislature is large, but the ideological distance between them is small, the president will be able to govern without needing to yield power by including new parties in the government. On the other hand, when this ideological distance is great within the congress, the president will not be able to negotiate policies and obtain ad hoc legislative support, making it necessary to invite parties to compose a governing coalition to reach a systematic majority. (Cheibub, Przeworski e Saiegh, 2004).

In turn, the association between minority governments and legislative powers is based on the premise, mistaken in our view, that these influence the president’s willingness to negotiate or not with the legislature (Shugart & Carey, 1992; Cox & Morgenstern, 2002; Amorim Neto, 2006). Therefore, we do not expect to find this relation, because while legislative powers, constitutionally granted, may increase the executive’s influence in formulation of policies, they do not necessarily permit action in the face of opposing congressional majorities.

The president’s facility of sustaining a veto, on the other hand, can influence the decision to remain in a minority situation. To maintain effective veto power, however, depends on the support of the “veto legislator”, i.e., the ability to prevent attainment of the legislative threshold constitutionally required to override a veto, which varies in function of the quorum and/or majority required to override and the size of the president’s legislative support.

Finally, assuming that presidents are rational and motivated by policy concerns, it is possible their decision to remain in a minority situation is strongly influenced by the fact of leading or having within their coalition the party that occupies the median position in the ideological spectrum of the parties represented in congress. Therefore, the president may not need to form an executive (cabinet) coalition, in the expectation of counting on the formation of ad hoc legislative coalitions for support. This leads to our final hypothesis:

H6: When the president’s party occupies the median position among the parties represented in the legislature, the higher the probability of formation of a minority government.

In this case, presidents have little incentive to form a coalition because they can likely count on legislative coalitions in view of the position of their party in the ideological spectrum.

**Data and Methods**

The database used contains 287 observations relative to 130 cabinets in 14 Latin American countries, covering the period from 1979 to 2011. Of these, 221 observations involve electorally minority presidents, considered in the statistical analysis. The unit of analysis is the cabinet in each year. Therefore, we analyze under what circumstances presidents who emerge from elections with minority support in the lower house or unicameral assembly remain in minority status when forming their cabinet. For obvious reasons, we do not consider in the statistical analysis cases of presidents...
each observation corresponds to a single country-year, a format that permits not only examining the relationship between the variables at the moment of forming a new cabinet, but also allows investigating the maintenance of the same cabinet vis-à-vis possible changes in the independent variables, especially those of political order, which occur during the period of a government. In other words, our analysis focuses on the ongoing decision to maintain minority cabinets.


Measuring the dependent variable

Our dependent variable is a dummy relative to the type of cabinet (majority or minority). We assigned a score of 0 to cabinets composed of members of parties that hold more than 50% of the seats in the lower legislative chamber (or unicameral legislature) and 1 to those made up of members of parties with under 50% of these seats.

Measuring the independent variables

Based on the above hypotheses, we selected eight explanatory variables for the formation and maintenance of minority governments in presidential systems: (1) the party fragmentation of congress; (2) the constitutional power of the president to issue decrees; (3) an index of agenda powers; (4) the partial veto power; (5) the ideological extremism of the president’s party; (6) the ideological dispersion of the legislative parties; (7) the electoral cycle; and (8) whether the president’s party occupies the median position in the legislature. To operationalize these variables, we adopted the following indicators:

1. Party fractionalization in the lower chamber (federative countries) or unicameral assembly (unitary countries), calculated according to the formula given by Rae (1967), where \( F = 1 - \sum (\text{proportion of seats per party}) \).
2. **Constitutionally mandated presidential decree power.** This indicator was measured by a dummy variable, taking on a value of 1 when this power exists and 0 otherwise.

3. **Index of agenda powers.** This is a weighted index based on 16 different constitutional prerogatives granted to the president to set the legislative agenda, based on Figueiredo, Salles & Vieira (2009). Here, we aim to evaluate the relative importance of each characteristic, carrying out a principal components factor analysis for one dimension according to Filmer & Pritchett (1999) and Sahn & Stifel (2003) and adopting as a weighting factor the standardized value of each component, based on the factor loading when this statistic was greater than 0.5\(^1\).

We also employed a variation of this indicator that divides the values obtained into three categories, low, medium and high.

4. **Presidential partial veto power.** The strength of the veto power is measured by an index that ranges from 0 to 1 according to increasing difficulty of overriding a veto, according to quorum and majority requirements. The index, inspired by Altman (2008), assumes the following normalized values:

- 0= overriding a veto requires a quorum of the absolute majority of the lawmakers and simple majority vote of those present
- 0.2= overriding a veto requires the vote of the absolute majority of lawmakers
- 0.4= overriding a veto requires a quorum of 3/5 and simple majority vote of the members present
- 0.6= overriding a veto requires the vote of 3/5 of lawmakers
- 0.8= overriding a veto requires a quorum of 2/3 and simple majority vote of the members present
- 1= overriding a veto requires the vote of the 2/3 of lawmakers

We also used a dummy variable as a variation of this indicator, in which a veto requires 2/3 (quorum or members) to be overridden.\(^{12}\)

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\(^{11}\) The components initially included were: 1) constitutional decree authority (CDA), 2) CDA is immediately effective as policy, 3) CDA is valid indefinitely, 4) CDA is not restricted to substantive policy area 5) degated decree authority (DDA), 6) DDA is immediately effective as policy, 7) DDA is valid indefinitely, 8) restrictions on the legislature’s ability to amend the budget in specific policy areas, 9) restrictions on the legislature’s ability to increase expenditure in the budget, 10) adoption of the executive budget proposal if the legislature does not approve the budget on the regular schedule, 11) Executive has exclusive initiative regarding new expenditures in the budget law, 12) Executive’s exclusive initiative on administrative matters, 13) on fiscal matters, 14) on other matters, 15) Executive’s right to request urgency on bills, 16) Executive’s right to introduce constitutional amendments. The component 7 was excluded from factor analysis because there was no variation in the sample.

\(^{12}\) The quorum and majority necessary can be combined. Therefore, for example, a veto that requires a 2/3 quorum to stage an override vote can be overturned with only the affirmative votes of 2/6 of the lawmakers. This might suggest that the order of classification should be adjusted. However, in light of the obstacles the president’s legislative base can erect, the simple restriction of a quorum is already sufficient for the president to sustain the veto with only 1/3 support in the legislature, without the matter reaching a floor vote.
5. **Ideological extremism of the president’s party.** This indicator measures the president’s position vis-à-vis the other legislative parties in the lower house or unicameral assembly. It corresponds to the absolute difference between the position of the president’s party and the center point of the ideological spectrum in a continuous left-right interval from 1 to 5.

6. **Ideological dispersion of the legislative parties.** This indicator corresponds to the absolute difference between the two most extreme parties represented in the legislature, based on the same spectrum scale of the preceding indicator.

7. **Electoral cycle.** This indicator seeks to capture the impact of the proximity of the end of the presidential term on the formation of minority coalitions. As suggested by Altman (2000), we expected the formation of minority cabinets to be more likely later in the presidential term, as parties leave the coalition to jockey for position in the coming election. Following the procedure of Amorim Neto (2006), we assigned a value of 0 in the first year of a new presidency and a maximum value of 1 in the last year, with the increments in between depending on the number of years of the presidential term. This scheme pertains both to countries where reelection is possible and those where only one successive term is allowed.

8. **Median legislator.** This indicator assesses whether the president’s party occupies a median position among the parties represented in the congress, ordered by ideology. In other words, we identified whether the party that divides the legislature in the middle - in an ideological orderin of parties and considering their share of seats - is the president’s party. This measure considers the distribution of preferences among all political parties according to its position in ideological spectrum and its parliamentary size.

**Results**

Table 1 presents the main results of the complete models, those that include all the variables and their alternatives, considering all the cases in which the president’s party came from the election with a minority of seats, a circumstance in which he or she can form a minority cabinet or try to patch together a legislative majority. The first model includes the following independent variables: party system fractionalization; existence of constitutional

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13 The classification of the ideological position of the parties used in the indicators of presidential extremisms and legislative dispersion was based on Coppedge (1998) and Wiesehomeier & Benoit (2007), as well as the Bulletins of the *Elites Parlamentarias Latinoamericanas* project of the *Instituto Interuniversitario de Iberoamerica* of the University of Salamanca. We harmonized the different measures on a single continuous scale of 1 to 5, from left to right, with a score of 3 for the ideological center.

14 Noting that some variables have repeated values through years and this could violate i.i.d. assumption, we also tested some fixed effects models and robust standard errors. However, the differences in the results were not significant without affecting the signal nor significance of the independent variables.
decree powers; partial veto power; presidential party extremism; legislative ideological dispersion; electoral cycle; and whether or not the president’s party holds a median position in the legislature.

The following models contain only variations in the form of measuring the positive and negative agenda powers. Therefore, in the second model the binary indicator regarding the existence of decree power is replaced by a weighted index of the agenda powers, obtained based on factor analysis. In the third model this index is maintained but the variable related to partial veto power is replaced by a simplified indicator of whether or not the president has strong veto power, assumed to be the support of more than 1/3 of lawmakers to prevent an override (either by voting against the motion or denying a quorum). In the fourth model, this veto indicator is maintained and we re-insert the variable on constitutional decree power. The fifth model adopts the general variable for partial veto power and an indicator of the positive agenda powers, organized in three categories (low, medium and high). Finally, the sixth model maintains that indicator for agenda powers and simplifies the one measuring veto power.

Table 1. Determinants of the formation of minority cabinets in Latin America, 1979-2011.

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
<th>Model 5</th>
<th>Model 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Party fractionalization (lower chamber)</td>
<td>-9.211***</td>
<td>-5.391***</td>
<td>-5701***</td>
<td>-7.968***</td>
<td>-4.787***</td>
<td>-6.140***</td>
</tr>
<tr>
<td>Constitutional decree power</td>
<td>(2.367)</td>
<td>(2.248)</td>
<td>(2.196)</td>
<td>(2.122)</td>
<td>(2.267)</td>
<td>(2.283)</td>
</tr>
<tr>
<td>Agenda powers index (weighted)</td>
<td>1.225***</td>
<td>-</td>
<td>0.202</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Agenda powers index (weighted)</td>
<td>-0.211</td>
<td>(0.151)</td>
<td>-0.487</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Partial veto power</td>
<td>3.131***</td>
<td>2.017***</td>
<td>1.185**</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Strong veto (2/3 to override)</td>
<td>-0.005</td>
<td>-0.051</td>
<td>-0.176</td>
<td>0.196</td>
<td>-0.169</td>
<td>-0.284</td>
</tr>
<tr>
<td>Presidential party extremism (absolute values)</td>
<td>-0.013**</td>
<td>-0.036</td>
<td>-0.222</td>
<td>-0.256</td>
<td>0.052</td>
<td>0.148</td>
</tr>
<tr>
<td>Ideological dispersion of the legislature</td>
<td>-0.476**</td>
<td>-0.306</td>
<td>0.022</td>
<td>-0.256</td>
<td>-0.052</td>
<td>0.148</td>
</tr>
<tr>
<td>Electoral cycle</td>
<td>-0.813**</td>
<td>-0.434</td>
<td>-0.440</td>
<td>-0.499</td>
<td>-0.470</td>
<td>-0.590</td>
</tr>
<tr>
<td>Median presidential party</td>
<td>(0.371)</td>
<td>(0.346)</td>
<td>(0.364)</td>
<td>(0.362)</td>
<td>(0.357)</td>
<td>(0.377)</td>
</tr>
<tr>
<td>Constant</td>
<td>6.291***</td>
<td>4.568***</td>
<td>5.298***</td>
<td>6.143***</td>
<td>4.470***</td>
<td>5.590***</td>
</tr>
<tr>
<td>Log likelihood</td>
<td>-116.79</td>
<td>-121.07</td>
<td>-108.95</td>
<td>-115.65</td>
<td>-114.55</td>
<td>-103.54</td>
</tr>
<tr>
<td>Correct predictions</td>
<td>76.47%</td>
<td>73.76%</td>
<td>76.92%</td>
<td>72.40%</td>
<td>75.11%</td>
<td>79.19%</td>
</tr>
</tbody>
</table>

Note: *p<0.10; **p<0.05; *** p<0.01. Coefficients reported in the cell; Standart error in parentheses.

Although the models do not present an optimal fit to the data, their predictive capacities are far from negligible. The percentage of correct
predictions varies from 72% to 79%\textsuperscript{15}, in all cases exceeding the threshold of the likelihood ratio test in comparison to the null model for each specification. However, since those variations do not correspond to nested models, it is not correct to compare their fits against each other. It is more important to analyze the change in the general behavior of the variables.

As we argued before, the main variables present in the literature do not have the expected effect. The fractionalization of the party system is significant on all specified models, but is always negatively associated with the occurrence of minority governments. In other words, in opposition to the usual hypotheses in the literature, the higher the fragmentation of the system or ideological dispersion of the congress, the higher the likelihood the president will seek a legislative majority. Likewise, the extremism of the president's party does not contribute to the incidence of minority governments. Besides not significant, this factor has no positive systematic effect on government formation.

The legislature’s ideological dispersion shows an interesting behavior: it opposes literature in four models, but is statistically significant only in the first one (at 5% level). Just as fractionalization, this negative association holds even in the cases of multiparty systems. This result suggests support to the rationale for formation of cabinets and coalitions pointed by Cheibub, Przeworski e Saiegh (2004). When political forces are ideologically closer, it is easier for the president to negotiate positions and proposals, forming ad hoc legislative coalitions while still maintaining minority representation in the cabinet. However, as the distance between preferences increases, the policy negotiations get tougher, leading the president to trade cabinet positions for systematic help, and thus expanding the participation of other parties in the cabinet.

Despite the changeable behavior of ideological dispersion, these results show that even secure in their offices because of the fixed term to which they were elected, presidents still try to obtain majority support in the legislative assemblies because this will allow them to implement their substantive agendas.

Likewise, the results do not indicate a significant relationship between the formation and maintenance of minority cabinets and the fact the president’s party holds a median position. In this respect, we should point out that for a good part of the cases observed, the median belongs to a majority party (plurality), overshadowing the effect of this variable that presumably exists in systems where there is no single party with a legislative majority. These results belie the impact of a good part of the political factors.

In the realm of institutional factors, only the indicators related to veto power (normalized or binary) are statistically significant in a systematic way, thus possibly being associated with the occurrence of minority cabinets. In all six models, the veto always reached 1% significance. Besides this, with the simplified measurement, focusing on the two-thirds threshold for the legislature to override a veto, other indicators ceased being significant.

\textsuperscript{15} Likewise, for all the models the area under the ROC curve varied from 0.78 to 0.86.
The positive agenda powers captured in the weighted index from the principal components analysis are significant in three of the four tested models, especially when measured by the "low", "medium" and high" categories. Besides this, contrary to the indication of constitutional decree power, the weighted index of the set of agenda powers is negatively associated with minority governments. In other words, the larger the set of agenda powers held by the president, the greater the possibility of forming a cabinet with representation corresponding to a systematic legislative majority.

When observed separately, the existence of constitutional decree power is significant and positively associated with the occurrence of minority governments in one of the models, but ceases to be significant when the veto is measured in a strong vs. weak dichotomy. Even when relevant, this positive agenda-setting power has lower impact than the negative power of the veto, as can be observed by comparing the standardized statistics. This result may seem contradictory at first sight. However, it follows the distribution of the decree and the other agenda powers in Latin American. Only five countries among the 14 analyzed have decree in the entire period (Brazil, Colombia, Ecuador, Peru and Uruguay), and Argentina had only after 1994. Many countries, however, have adopted in their constitutions the other powers, the most frequent the delegate decree, the urgency for Executive bills and exclusivity in budgetary matters. Because of this, many countries without decree have a high weighted index of agenda power. Chile is an extreme example. Although it doesn’t have decree, it presents a high index (3.07 or 2.78) compared to Brazil and Ecuador, which have the highest rates (respectively, 4.00 and 4.08).

In line with the arguments of Huber (1996) and Figueiredo & Limongi (1999), this result suggests that the set of positive agenda powers does not eliminate the president’s need for legislative majorities, so that these powers likely function more as instruments for solution of horizontal bargains. Therefore, aspects such as the exclusive initiative to propose legislation, the possibility to require urgent voting on bills and other mechanisms that permit the president to manipulate the legislative docket do not permit the chief executive to "roll" over the legislature, and as such do not favor the formation and maintenance of minority governments, but rather bring opposite incentives. The exception lies is in the constitutional decree power, as the results also suggest.

It is possible to estimate the impact of each indicator on the probabilities and odds of forming and maintaining minority governments. One of the ways to assess this effect, especially of categorical variables, is through odds ratios. For example, Model 6, which was best fitted to the data, indicates that the odds of a president with strong veto power forming a minority cabinet are nine times those of a president without this power doing the same thing. On the other side of the coin, a president with medium agenda powers has around one-third the chance of having a minority cabinet than a president with low agenda-setting powers. In other words, besides being possible to note the direction of the association, the odds ratios show the decisive influence of strong veto power.
The effect of the variables can also be analyzed by the predicted probabilities. Model 6 is once again useful to examine the impact of strong veto power and positive agenda powers in general. In this case, keeping the other variables at their average values, the introduction of a partial veto power that requires a majority vote by a two-thirds quorum in the legislature for override represents an additional 40% probability that the cabinet is a minority one (from 0.5 to 0.9). In turn, the maximum variation in the agenda powers (from low to high) corresponds to a reduction of 45% in that probability (0.85 to 0.4).

In terms of typical cases, also based on Model 6, while in a situation (country-year) with low agenda power and weak veto power, the probability of a minority government is around 0.75, in the case of high agenda power and strong veto power this probability rises to 0.77. In other words, the influence of a strong veto makes the probability of the event continue being higher even when the agenda powers are also high. Or, in another sense, there is at least a trade-off between positive and negative agenda powers.

Based on the values predicted by Model 6, it is also possible to observe the relation between positive agenda powers and party fragmentation in the legislature and maintenance of minority governments. The following graph illustrates the behavior of these two factors.

Graph 4. Predicted probabilities. Fractionalization and agenda powers.

Note that an increase in party fractionalization is associated with a reduced probability of having a minority cabinet, which also declines with an increase in agenda powers. Although the curves show only small differences along the graph, they are closer to each other at the low fragmentation level. The lower distance is located in the medium-high level of fractionalization (about 0.8). This aspect can suggest that institutional powers are stronger when certain political conditions are present. In the specific case, when the legislature is more diversified in terms of partisan forces, the existence of high agenda power implies the president has a greater need for political support, reducing the probability of having a minority government.
On the other hand, Model 1 permits analyzing the effects of constitutional decree power and different levels of partial veto power combined with party fractionalization or ideological dispersion on the expected probabilities. In the first place, with the other variables maintained at their average values, the presence of decree power increases the probability of minority cabinets by 0.28 (from 0.47 to 0.75). In terms of typical cases, a scenario without constitutional decree and weak veto (simple majority vote to override), the probability of a minority government is only 0.11. When there is decree power and strong veto power (two-thirds to override), that probability rises to 0.90. In this case, the veto has the greatest effect, because increasing its strength alone produces a value of 0.74 while the decree power acting alone only results in a probability of 0.30. The following graph shows the relation between decree power with party fractionalization.

Graph 5. Predicted probabilities. Party fractionalization vs. constitutional decree.

Similarly to the results for the agenda powers, the effects of constitutional decree powers also differ as fractionalization become more accentuated, especially through 0.6 to 0.8. Once again, these indications support the idea that the weight of institutional factors increases or decreases according to the political conditions present.

However, as seen in the comparison between the models, the single indicator of the decree loses significance when the veto is considered dichotomously, emphasizing the need for stricter quorum to override, which does not occur when ones observe the agenda powers. To illustrate the importance of this indicator, supported in Model 6, the following graph shows the relationship between veto power and party fractionalization in terms of predicted probabilities.
Note that the distance between the categories of strong and weak veto is significantly more pronounced than in case of decree power and without a clear approach on the higher levels of party fragmentation, as in the previous indicators.

To examine the existence of other intervening characteristics, such as the party system and the existence of coalition cabinets, we also performed tests using filters only for the cases of coalition cabinets and multiparty systems. In the first case, fractionalization loses statistical significance, which does not occur in the case of multiparty systems, where it remains significant, more robust and with a negative sign. This indicates that the negative effect of fragmentation (contrary to some theoretical propositions) is not due to two-party cases. In turn, the effects of ideological dispersion are more important when restricting the sample only to coalition governments. Although the institutional indicators of the agenda-setting and decree powers are affected by the filters used, the general results point in the same direction. Finally, veto power continues to have the greatest weight.

Finally, it is worth mentioning another indication that presidents can act rationally when forming minority governments. In 59% of minority governments in our sample, the president's party or his coalition government owns between 40% and 50% of the seats in the lower house. In fact, 56% of them aggregate more than 45% of party support in the Legislature. These quasi-majority presidents generally lead single party governments. In Mexico, for example, governments form Partido Acción Nacional, elected after the long hegemony of the Partido Revolucionario Institucional, remained in minority, despite counting on votes from smaller parties and members of PRI. The Fox administration, the second of the PAN, has had members of the PRI in office, although not with the formal participation of the party in the coalition. Thus, quasi-majority governments, under certain circumstances, can rely on ad hoc legislative support to obtain the small percentage of votes required to approve its
legislative proposals either from small parties or through party indiscipline of the big ones.

Nevertheless, even presidents with low proportions of parliamentary support sought to form coalitions: 80% of presidents with less than 40% of seats in the legislature commanded coalition governments. Some presidents actually attempted to govern without parliamentary support, as Fernando Collor de Mello in Brazil. However, when he began to experience more difficulties due to the failure of its economic policy and accusations of corruption in his government, Collor tried to find partisan support in Congress for the first time and assembled a quasi-majority coalition. This occurred just before the evidence of his involvement with corruption would trigger impeachment. This is a contrary indication to the incentives usually expected of presidentialism in the behavior of the president. This also implies the need for future research about the incentives that parties have to participate or not in government coalitions.

5. Conclusion

Although supermajority coalition governments have the highest prevalence in Latin American presidential systems, the occurrence of minority coalitions is significant. Governments formed by parties holding under 50% of the seats in the lower chamber correspond to 46.9% of all the cabinets over the past 30 years. The existence of minority governments is thus a highly relevant political phenomenon in the region. Such an important phenomenon requires theories to allow a better understanding of its implications, both practical and theoretical.

In this paper we sought to find the factors that can reveal the political calculus underlying the decisions of presidents to form minority governments, as well as the decisions of party leaders on whether or not to join a coalition government. Among our findings, three deserve special attention. The first is the strong impact of presidential veto power on the occurrence of minority governments. This factor was decisive in all the models analyzed. The second finding is the negative effect of agenda powers. The third finding refers to the political factors. Unlike the usual hypotheses in the literature, party fragmentation negatively affects the probability of forming minority governments. In other words, the higher the fragmentation of the system, the greater is the probability that the president will seek a legislative majority.

Analyzed alone, decree power, as predicted in the literature, is important for the president’s decision to form and maintain a minority government. However, its impact is much less important than the negative effect of the aggregated agenda powers, with all proactive resources, including decree. In the absence of a strong veto, it is understandable that decree matters. A decree changes the status quo, and thus molds the possible alternatives available to the legislature, because the previous status quo is excluded. This can result in the approval of a new policy nearer the president’s wishes, a policy that may not have been approved if introduced in the form of an ordinary bill. Therefore, the decree can indeed be a useful tool for approval of the executive’s legislative agenda, but it cannot serve to enact legislation against the majority opinion of the legislature.
The most important institutional feature for the occurrence of minority governments is the veto power. When this power is strong, meaning it takes two-thirds or more of the legislature to override a veto, the decree power loses significance. Thus, the veto power rather than decree power is the main instrument by which presidents without a legislative majority can protect their legislative proposals and block policies they do not want. It is worth noting that this influence comes into play at the end of the lawmaking process, giving a chance for congressional participation and influence. This result also runs counter to what is usually claimed, showing that it is not mainly by decree power, without the participation of lawmakers, that minority presidents seek to approve their legislative agenda.

Besides this, the executive agenda powers index, composed of the decree power and various other legislative prerogatives of the president is not significant, and in the models where this index has some effect, the direction is opposite as that predicted in the literature. In other words, agenda powers are more important to majority governments. Regarding this finding, it is worth mentioning the arguments of Huber (1996, 1998) about the package vote and confidence vote in the French Fifth Republic and of Figueiredo & Limongi (1999) about the provisional measure in Brazilian presidentialism. In multiparty governments, these executive powers act more as horizontal mechanisms for bargaining and protection of legislative majorities than vertical tools for control of the legislature.

Finally, the negative effect of fragmentation suggest that the rationale for presidents to decide to form cabinets and coalitions is near that suggested by Cheibub, Przeworski e Saiegh (2004), i.e., when political forces have greater ideological proximity it is possible for the president (or prime minister) to negotiate his or her positions and proposals, forming ad hoc legislative coalitions while maintaining minority cabinet representation. However, as this ideological distance widens, the negotiation of policies gets harder, prompting the executive to trade cabinet posts for systematic support, thus expanding the cabinet participation of parties. Besides the results for ideological dispersion of the parliament where not expressive, there is an important indication about the negative effects of fractionalization in places where exist incentives to coalition formation.

To complete this picture, which suggests a less conflictive policymaking process between the legislature and minority presidents, we stress that most of the minority governments in our sample had a “quasi” congressional majority (between 40% and 50% of the seats in the lower chamber or unicameral assembly). This means to say that under circumstances where presidents have the formal support of a near majority in the legislature, they only need to negotiate with a small number of parties to obtain approval of their legislative programs. Therefore, they can bargain on a situational basis to win passage of their policies without having to “divide the pie” by allocating cabinet portfolios to parties in the legislature.
However, what resources can the president rely on to obtain ad hoc support and patch together legislative majorities? The main one is without doubt the veto power, which allows presidents not only to protect their agenda, but also those of their partners in the legislative coalition. That is to say, the possession of a quasi-majority in an institutional setting where the constitution grants the president strong power to protect his/her agenda and block undesired congressional initiatives is a reasonably favorable combination to the emergence of minority governments in Latin American presidential systems.

What are the future avenues for research? What questions can be posed regarding the theme of minority governments that have analytic and normative importance? We can suggest a few: How durable are minority cabinets? Under what circumstances are they more volatile? What is the legislative efficiency of minority cabinets? Under what political and institutional conditions are minority presidents able to approve their legislative programs?

6. References


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