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The Benefits of Surplus Majority Coalitions

A Rational Choice Analysis of Bundestag Decision-Making on the First Greek Bailout Package

Gerrit Krause

Email: gerrit.krause@yahoo.de

Oberingstraße 4

Programme: Public Administration

32049 Herford

Matr.-Nr.: 364322

Germany

Student number: 1250337

Plagiarism Declaration

I hereby declare that the bachelor thesis in hand on the topic

"The Benefits of Surplus Majority Coalitions - A Rational Choice Analysis of Bundestag Decision-Making on the First Greek Bailout Package"

is the result of my own independent work and makes use of no other sources or materials other than those referenced, and that quotations and paraphrases obtained from the work of others are indicated as such.

Münster, 16 July 2012

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Gerrit Krause

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"I took notice of you pretending as if there would be big differences be-tween CDU/CSU and FDP at the one hand and SPD and Greens at the other hand. But in the end, you are going to pass a joint-resolution. You will also pass the act together. Just as in the Afghanistan war, Hartz IV and the pension cut, you are swimming in the old consensus sauce again."[1]

1. Introduction

While being called "*Madame Non*" abroad due to her reluctance to get bailout loans for weaker Euro countries started, the German Chancellor Angela Merkel is acting as a con-sensus Chancellor domestically: though having an own majority with her liberal-conservative coalition in both German legislative chambers, the Bundestag and the Bundesrat, Angela Merkel was looking for support of the oppositional parties in the Bundestag in the early decisions on Euro rescue measures. In a CDU/CSU parliamentary group meeting she is cited as having said that she were "interested' in a "broad majority" in Bundestag for showing the parliament's "leadership ability" in the midst of the "enor-mous crisis" (Bannas, 2010, own translation).

At first sight, this behaviour does not seem to make sense: why should Chancellor Angela Merkel accept the extra costs of policy concessions towards the opposition and why should she risk struggles with her coalition partner, the business-friendly Free Democratic Party (especially on the topic of the taxation of the financial markets) to find a joint position of as many parties as possible in the Bundestag? This empirical puzzle leads to the the-sis' research question:

What made the CDU strive for a parliamentary surplus majority voting coalition in the decision on the first Greek bailout package?

I will not use the term 'coalition' in the common meaning of a fixed "alliance of parties which is agreed upon in order to support a government parliamentarily – for the length of a legislative period – based on policy and office agreements" (Schüttemeyer, 2011, own translation). Rather it will be used as a meaning of 'legislative coalition' or 'parliamentary voting coalition' which means that both, parties participating in government and holding portfolios as well as parties that "support a governmental proposal in parliament or abstain from voting against a governmental proposition can be considered being part of govern-

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[1] Gregor Gysi, parliamentary group leader of DIE LINKE in the first plenary debate on the Greece bailout package on 5 May 2010

ment as these parties have also had some influence over the political decision-making" (Jungar, 2000, p. 26).

The assumption will be, that Chancellor Merkel's CDU is not only striving for a strong signal to European partners and international financial actors but that it has further advantages of goal-fulfilment by including the opposition into decision-making in the Euro crisis: surplus parties increase the policy-influencing, office- and vote-seeking power while decreasing the other parties' benefits, hence raising their costs (Jungar, 2000, p. 36). A surplus majority parliamentary voting coalition helps maximizing the CDU's utility while minimizing all other parties' utility – or at least helps maintaining the status quo.

Within this thesis, I will neither discuss the lawfulness of the act nor will I evaluate its economic implications.

I expect the thesis to be of scientific and political relevance. So far, coalition theories are mainly focusing on *government* formation. I will adjust these theories and hence will try to explain the formation of surplus *parliamentary voting majorities* without binding legislature partners into a fixed coalition. This might widen our scope of the logics of every-day-decision-making in parliaments.

In a political sense, especially in the field of European studies, my thesis might show how important the argumentation of European constrains might be in influencing domestic policy-making. European constrains than work as a "legitimising rhetoric" ('We need to act this or that way, it's a European necessity') which can support party strategies (Jungar, 2000, p. 199). Furthermore, the findings of this study might be transferred to decisions on European issues that are going to be made within the next months: meanwhile, the liberal-conservative coalition lost its majority in the Bundesrat. Thus, the coalition is dependent on the consent of the opposition parties. Some decisions on European issues even demand a constitution-changing majority of two thirds of the Bundestag votes. Here again, the support of the opposition is needed. But maybe these constrains are not too bad for Chancellor Merkel as she might gain some advantages (as will be shown in this thesis) from including the opposition into decision-making.

Moreover, there is another simple and straightforward justification for dealing with this topic: "(…) it is a simple fact of political life that coalition lies at the very heart of European politics. In this crude but important sense, our book [my thesis, respectively] needs no further justification" (Laver & Schofield, 1991, p. 13).

My investigation is driven by the abovementioned empirical puzzle. I will try to solve it by using a rational choice approach. Hence, in the next chapter, I will explain the methodological particularities of the rational choice approach, namely the methodological individualism and the use of models. Furthermore, I will describe and justify the research design of the thesis: a qualitative y-centred single case study research design.

In a next step, I will first describe the evolution of rational choice coalition theories and will identify circumstances as described by this literature that are supposed to cause the formation of surplus majority coalitions.

Mainly, this paper's analysis is based on Jungar's (2000) framework of surplus majority government analysis. She comprised a multitude of existing theories into one framework of surplus majority coalition analysis.

Then, I will be looking for empirical evidence of these theorised causes of surplus majority coalition formation in the case of the Bundestag's decision-making in the case of the first Greece rescue loans of 7 May 2010.

In the end, I will try to answer the research question and will point to limits and weaknesses of the thesis (internal/external validity) and will give an outlook for further research and whether the thesis has relevant implications for further developing the theory or for actual politics.

2. Methodology: Rational choice and research design

2.1. Methodological individualism

As said before, this thesis is based on a rational choice approach. Rational choice theories use tools of economics in order to explain political phenomena, namely the methodological individualism "which takes individual human action as the basic unit of social life" (Jungar, 2000, p. 76). In this school of thought, all social relations, structures and institutions can be explained from individual actions. Individuals are considered to act rationally: they have preferences towards certain alternatives and can rank them according to their expected utility. In the end, the action with the highest expected utility – while assessing the costs and benefits related to this action – is chosen. All actions are based on self-interest and maximization of utility (cf. Dehling & Schubert, 2011). The actors try to use their available means in order to achieve their desired ends as efficiently as possible (cost-benefit-calculation) (Budge, 1990, p. 13).

2.2. The use of models

Many rational choice researchers use models for their analyses. Those models are built on four pillars: "the assumption of rationality, the forms of constraint, the nature of the strategic interaction, and the search for an equilibrium solution" (Levi, 1997, p. 23). Furthermore, one can add assumptions about the "type of agents and their goals, information and bargaining power" in order to "determine what follows from those assumptions" (Eriksson, 2011, p. 171 f.).

The rationally acting individual always has to consider the existence of constraints that are restricting the individual in his attempts to reach his ideal preference. Hence, "the real action in the model does not, however, come from the internal considerations of the actor but from the constraints on her behavior" (Levi, 1997, p. 24).

Constraints are consisting of scarcity and institutions. According to Levi (1997, p. 25),

> "institutions are sets of rules (and sanctions) that structure social interactions and whose existence and applicability are commonly known within the relevant community. Institutions, so defined, structure the individual choices of strategic actors so as to produce equilibrium outcomes, that is outcomes that no one has an incentive to alter".

Strategic action means the anticipation of other players' actions under the assumption that they are also acting rationally and the adjustment of the own behaviour to their anticipated actions. In the end, "the outcome for all depends on the choice of each" (Levi, 1997, p. 26). Finally, strategic actions of rational actors should lead to equilibrium, thus a situation where "no one has an incentive to change her choice" (Levi, 1997, p. 27).

To some up, the logics of a model can be described like this: "If you know that someone wants X and believes Y then, if people can be relied upon to effectively further their goals, it becomes possible to predict that they will act in way Z" (Hindmoor, 2010, p. 42).

2.3. Criticism of rational choice and how to handle it

However, this approach also has a lot of critics (most famously Green & Shapiro, 1994). The main criticism is aimed at the assumptions of the models which are criticized as being "too simplistic" because people would not act rationally and would not have full information in the real world. Models thus give an "unrealistic picture of the world, and therefore cannot tell us much about it" (Eriksson, 2011, p. 170).

Rational choice theorists have been accused of using "deterministic laws" where there actually are none in the social sciences (Hindmoor, 2006, p. 210). Rather, there were "demi-regularities", hence "imperfect but nevertheless discernible relationships between two or more 'things'" that "hold only in and for particular times and places" (Hindmoor, 2006, p. 210). This criticism is connected to an advice: rational choice theorists should not look for deterministic laws but "should try to explain why 'demi-regularities' which hold at

certain times and places do not hold at other apparently similar times and places" (Hindmoor, 2006, p. 211). Therefore, "mechanisms causing things to happen (or not happen) in particular ways must be identified" (Hindmoor, 2006, p. 211). This is what will be done within this thesis: the identification of how mechanisms of expected utility for the formateur party influence coalition negotiations. With this approach, one can also tackle Green and Shapiro's (1994, p. 41) claim that rational choice is lacking in making good predictions; rather, one could use rational choice theories to "explain even if they cannot predict" (Hindmoor, 2006, p. 212).

2.4. Research design – qualitative y-centred single case study

For the purpose of revelation of the abovementioned mechanisms and of testing the explanatory power of some theories of surplus majority coalition formation, I will conduct a qualitative y-centred single case study of the Bundestag's decision-making in the case of the first Greece rescue loans of 7 May 2010 [2].

This case is chosen because Angela Merkel's liberal-conservative coalition still had a majority in both legislative chambers until then. Hence, institutional constraints cannot play a role in insisting on gaining a surplus majority in the parliament. Because the Greens announced that they would vote in favour of the act relatively early and the Left Party told it would vote against the act, the CDU was mainly caressing the long time undetermined SPD to find a common position. Though in the end, the main opposition party, the Social Democratic Party, obtained from the vote. Nevertheless, an analysis of the attempt of decision-finding might give valuable insight into the logics of surplus majority coalition formation.

Before explaining the meaning of y-centrism in research design, I will first define what a case study is.

According to Gerring (2004, p.342), a case study can be described as an "intensive study of a single unit for the purpose of understanding a larger class of units." Case studies cannot reveal "true causal effects" but can "shed light on causal mechanisms" (Gerring, 2004, p. 349). Only experimental designs can reveal causal inferences as they can control for causal effects of variables other than the one of interest (Shadish, Cook & Campbell, 2002).

By an intensive study of one case however (with its "characteristic style of evidence-gathering – over-time and within-unit variation" (Gerring, 2004, p. 349)), causal mechanisms that link the dependent and independent variables should be identified. "Case studies (…) allow one to peer into the black box of causality to the intermediate causes lying

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[2] *Währungsunion-Finanzstabilitätsgesetz (Act on Financial Stability within the Monetary Union)*

between some cause and its purported effect. Ideally, they allow one to "see" *X* and *Y* interact" (Gerring, 2004, p. 348). Hence, 'causal mechanism' means a "concept that explain(s) how and why a hypothesized cause, in a given context, contributes to a particular outcome" (Falleti & Lynch, 2009, p. 1143). Context is defined as "the relevant aspects of a setting in which an array of initial conditions leads to an outcome of a defined scope and meaning via causal mechanisms" (Falleti & Lynch, 2009, p. 1143). These "aspects of a setting" are described in the model via constraints and incentives. The causal mechanism is the rational action of the relevant actors, hence their attempts to "maximize their perceived utilities" (Falleti & Lynch, 2009, p. 1150).

The method of revealing causal mechanisms is called "process-tracing" which means that "multiple types of evidence are employed for the verification of a single inference – bits and pieces of evidence that embody different units of analysis (…)" (Gerring, 2007, p. 173). Like the work of a detective, process-tracing "invokes complex logic (…). The analyst seeks to make sense of a congeries of disparate evidence, each of which sheds light on a single outcome or set of related outcomes" (Gerring, 2007, p. 178).

In order to solve the empirical puzzle that was mentioned in the outset of this thesis, a y-centred single case study research design is chosen. While x-centred studies aim at a precise estimation of the "direction, strength and robustness of the causal effect of one or some independent variables (…) on one dependent variable" (Gschwend & Schimmelfennig, 2007, p. 21, own translation), y-centred studies aim at explaining specific events and outcomes as precisely and completely as possible (Gschwend & Schimmelfennig, 2007, p. 22). Therefore, a multitude of influencing factors x_i (i = 1,… , n) that explain the variance in the outcome y are taken into account in y-centred research.[3] X-centred studies ask if x causes y; whereas y-centred studies ask what causes y? (Gschwend & Schimmelfennig, 2007, p. 22)

According to Gschwend & Schimmelfennig (2007, p. 22) a y-centred research design is especially appropriate to explain specific political decisions like the formation of a coalition. For this detailed understanding of a single case one has to pay a price: while an in-depth analysis of a single case may generate a precise understanding of this case, a generalisation over other cases can be difficult (Gschwend & Schimmelfennig, 2007, p. 25).

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[3] As will be explained in more detail later on, the dependent variable (the *outcome*) is the desire and the attempt to form a surplus majority parliamentary voting coalition, the independent variables are the existence or the perceptions of a) undisciplined parliamentarians, b) the policy-closeness with other parties and c) a legislative decision that is considered vote-consuming (see figure 1).

However, case studies – the qualitative single case study approach in particular – have some methodological flaws concerning internal and external validity. I will come back to this discussion in chapter 5.2.

The examination is based on an in-depth literature analysis. The process-tracing data will be taken from news paper interviews and articles stemming from German news papers from the conservative-liberal to the left-liberal spectrum. I will only use direct and indirect quotes of parliamentarians cited in these articles. Moreover, I will use official party and politicians' statements and parliamentary publications. Thereby, I will reveal whether the parliamentarians' perceptions and beliefs fit the independent variables as they will be conceptualised in the following chapter. Furthermore, data from opinion polls will be used. As the topic is very up-to-date, no scientific literature on that issue is available yet.

In order to assess the danger of undisciplined parliamentarians, I will be looking for statements of single parliamentarians concerning their voting behaviour. Are they threatening to abstain from voting or even to vote against the governmental proposal? Do politicians state if they expect others to defect?

An evaluation of policy-closeness will be done qualitatively by a document analysis. I will identify the initial positions of the parties and will then try to line out similarities and differences and how they changed within the process of discussion and which position has been pushed through in the end.

For detecting whether the decision on the first Greece rescue loans was (perceived to be) vote-consuming, I will have a look at opinion polls and if politicians expressed concerns in that direction in news paper interviews or some other statements.

3. Theory

This part aims at identifying factors that might cause surplus majority coalitions. The following literature overview and the theoretical framework that will be used in this thesis are all stemming from the rational choice approach, which is a way to analyse politics with the methods of economics as was described in chapter 2.

In rational choice theory, politicians are considered to be rationally acting decision-makers who have an agenda (party-goals) that they want to fulfil by political actions most efficiently – including coalition formation (Laver & Shepsle, 1996, p. 8). Hence, parties can be seen as "goal-directed organisations" (Jungar, 2000, p. 49). These party-goals are vote-maximisation, office-attainment/holding and policy-fulfilment (Strom, 1990, p. 566). Yet it

is important to know what assumption is made about party-goals in order "to know which game is being played and how to win it" (Laver & Schofield, 1991, p. 61). Or: "In order to undertake a cost- and benefit analysis, one has to determine which party-goals the costs and benefits relate to specifically" (Jungar, 2000, p. 50). Ideas about party-goals were subject to an evolution of theory.

Before naming the motives of surplus majority coalition formation, I will first describe the evolution of rational choice coalition theories including the conception of party-goals in order to embed these in a wider context of rational choice research and to point out what my basic assumptions behind party actions are.

3.1. Evolution of rational choice coalition theories

The early rational choice coalition theorists saw surplus majority governments as deviations of a norm as they would not serve parties' goals perfectly: Von Neumann and Morgenstern (1953) were the first to develop a theory of coalition formation. According to them, a "minimal winning coalition" would form, hence a coalition where "the removal of any one member results in its shifting form a majority to a minority coalition" (Mueller, 2007, p. 281).

These early coalition theories were based on the model of parties as office-seekers. Building on Anthony Downs' (1957) theory of party competition that "parties formulate policies in order to win elections, rather than win elections in order to formulate policies" (Downs (1957, p. 28) as quoted by Laver & Schofield, 1991, p. 36). In this perception, policies "were seen as the store fronts that parties set up to attract voters" (Laver & Schofield, 1991, p. 36) in the market of democracy in order to get into governmental office. Riker (1962) based his early coalition bargaining theory on this office-seeking assumption stemming from theory of electoral competition (Laver & Schofield, 1991, p. 37). In this conception, parties strive for maximisation of control of elected office (i.e. government portfolios) (Strom, 1990, p. 567). Office motivation and formation of surplus majority governments was seen as incompatible as the inclusion of more parties into a coalition renders the relative size of each party within the coalition (and hence the distribution of office) smaller – at least as long as the number of cabinet portfolios is not extended (Jungar, 2000, p. 282). Hence, it would be the "size principle" that matters in coalition formation: "In n-person, zero-sum games, where side-payments are permitted, where players are rational, and where they have perfect information, only minimum winning coalitions occur" (Riker, 1962, p. 32). A minimum winning coalition can be defined as a coalition that "contains the smallest number of seats of all minimal winning coalitions" (Mueller, 2007, p. 281). Surplus members are excluded from the coalition because they minimize the individual profit of the participants while not contributing to a winning status: profit is there

conceptualized as the gaining of cabinet portfolios – in Riker's zero-sum game the office one party wins is an office another party loses.

However, in the following case that will be examined, coalition accession is not immediately involving transfer of office because it is only about a legislative voting coalition and not a fixed and permanent government coalition. Thus, short-term office-seeking is no explanation in this case. Rather, one could speak about long-term office-seeking because actions taken now might affect office-attainment in the future (see assumption about potentially vote-consuming decisions in chapter 3.2.2.).

When theories based on office-seeking were lacking behind in terms of realism and predictive power, policy-seeking assumptions were integrated into coalition theory. To put it in the words of Laver and Schofield (1991, p. 38):

> "It is just not possible for a government minister to sit around in a permanent pink cloud of euphoria, simply enjoying the sheer delight of being a government minister. The job description includes an obligation to pretend, at least, to run the country. This means that a politician driven only by the purest of office-seeking motivation must to a certain extent camouflage these, even after having succeeded in getting into office."

Axelrod (1970) developed the "minimal connected winning coalition" theory. Parties in a coalition should be adjacent to one another on a policy dimension. As soon as one party withdraws from the coalition, it is either not connected or not winning anymore (Mershon, 1996, p. 536). De Swaan (1973) later further emphasized the role of policy in coalition formation by developing the "closed minimal range" theory where those parties are predicted to form a coalition that are adjacent to another on a single policy dimension and where the positions of the coalition parties form the "smallest ideological range" (Laver & Schofield, 1991, p. 111). Hence, not only the pure ordering of party ideologies (as in Axelrod's theory) but also the actual policy position of the parties in the policy space is important (Laver & Schofield, 1991, p. 111). For de Swaan (1973), policy is an "intrinsic end valued in and for itself rather than instrumental means used by politicians to gain office" (Laver & Schofield, 1991, p. 38).

Basically, there are three types of policy-based motives: 1) policy considered as an end in itself (parties only care about influencing policy), 2) office as an instrument for policy (political parties seek office in order to influence policy), 3) policy as an instrument for gaining office (parties offer policies to the electorate in exchange for votes) (Jungar, 2000, p. 54 f.). In the end, policy and office motivated party behaviour cannot always be clearly distinguished: "Office-seeking parties may bargain over policy, if that is what they are attempting to sell to the electorate. Policy-seeking parties may scramble for office, if that is how they hope to influence the flow of government outputs" (Laver & Schofield, 1991, p. 60). Hence, assuming parties to be motivated by both motives seems reasonable.

A further possible party-goal was neglected for a long time (and often still is): the goal of upholding or strengthening party-cohesion (or weakening party-cohesion of competing parties). Party-cohesion can be a party-goal as it is a "prerequisite for being considered a [sic!] trustworthy and credible both by voters and by other political parties" (Jungar, 2000, p. 50). This factor is neglected in most coalition theories because parties are conceptualised as *unitary actors*. As Laver and Schofield (1991, p. 16) put it, political parties of course are no unitary actors as they are made up "of many types of actors with different and potentially conflicting interests". However, the importance is if "parties behave as if they were unitary actors as far as the coalitional process is concerned" (Laver & Schofield, 1991, p. 16). Some parties may behave more unitary than others (Laver & Schofield, 1991, p. 19). Some parties can even be seen as a "coalition of factions" (Laver & Schofield, 1991, p. 20) where lots of intra-party politics is taking place. Some of these 'factions' might be more policy-close to 'competing' parties than they are to their own party – which might lead to "attempts to outmanoeuvre each other by forming outside alliances" (Laver & Schofield, 1991, p. 20). Most coalition scientists considered parties as unitary actors because they were focusing "on the moment of coalition formation, the very moment when high levels of legislative party discipline may mean that intraparty politics matters least" (Laver & Schofield, 1991, p. 17). In this thesis, I will analyse the run-up to a legislative coalition formation – hence, the moment where intraparty politics still matters. Moreover, institutional arrangements like Article 38 I of the German Basic Law ("They [the Members of the German Bundestag] shall be representatives of the whole people, not bound by orders or instructions, and responsible only to their conscience.") lead to voting autonomy of the single deputies which put them – theoretically – out of control of their party leadership (Laver & Schofield, 1991, p. 23).

These are the reasons why political parties will not be considered as unitary actors in this thesis.

To sum up, according to these public choice theories, the formation of coalitions causes costs, i.e. in terms of negotiation time, policy-, personnel- and office concessions, etc. The more parties are participating in a coalition, the higher these costs are and thus the smaller the utility is. Hence, seen from a rational point of view, coalitions should be kept as small as possible – minimum or minimal – and (according to Axelrod and de Swaan) should contain small policy deviations only. Hence, these theories cannot explain the formation of surplus majority coalitions – except by claiming that the parties were lacking full information (Jungar, 2000, p. 12).

However, the formation of surplus majority governments was quite frequent in some countries like Switzerland, the Netherlands, Italy, Finland and Israel (Jungar, 2000, p. 19).

Consequently, since the late 1970s, political scientists began to question the assumption that political parties always perceive the minimal winning coalition as the best type of government coalition (Jungar, 2000, p. 12).

3.2. Theories about surplus majority government

In what follows, I will present Jungar's (2000) taxonomy of surplus majority government theories that developed since the late 1970s. This will be (in parts) the theoretical framework for analysis that will be used in this thesis. Jungar identifies two main strands in the body of surplus majority government literature:

Firstly, theories of oversized coalitions that are seen *as a necessity* (for example the requirements of special legislative majorities, undisciplined government parliamentarians or exceptional circumstances) and secondly another set of theories that see surplus majority government *as a possibility* for parties where surplus "parties are not included because they bring necessary legislative weight to a government, but for reasons that relate to the goal realization [vote, office and/or policy attainment] of the individual political parties." (Jungar, 2000, p. 64).[4] Hence, the former is focusing on "arithmetical needs", the latter on "political strategies" (Jungar, 2000, p. 198).

This framework aims at identifying the motives of all parties in parliament (independent variable) to join a surplus majority coalition (dependent variable), be it the formateur party or be it parties that according to the traditional coalition theories should be part of the opposition. Due to a limitation of length of this thesis, I will only be able to investigate motives of the formateur party, Angela Merkel's CDU. Hence, Jungar's framework will not be used completely but only those aspects that are focusing on formateur parties' behaviour. Such a party is "the party that usually receives the task to form government" (Jungar, 2000, p. 35). In Germany, informally, the biggest parliamentary group is given the task to form a government by inviting other factions to join a coalition. Hence, the CDU as the momentarily biggest parliamentary group is the government formateur party in the Bundestag.

3.2.1. Surplus majority government as a necessity

Jungar (2000) identifies three principal necessitating causes for surplus majority formation: the requirement of special legislative majorities, exceptional circumstances and undisciplined government parties (p. 37 ff.).

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[4] The meaning of necessitating and possibilising factors of Jungar's (2000) framework should not be mistaken for the meaning necessary and sufficient conditions as used in causality literature.

The first reason is not relevant for this thesis as a simple majority (50% of votes + 1) would have been sufficient in both legislative chambers – a requirement that the liberal-conservative coalition (theoretically) fulfilled in both legislative houses at that time. Exceptional circumstances were the official justification of Angela Merkel to form a surplus majority coalition. However, it is doubtful whether a symbolic action could serve as a strong signal. Rather, it is the content of the decision that is having impact on other actors in the European arena (Jungar, 2002, p. 65). Other motives seem much more reasonable.

The factor of **undisciplined governmental parliamentarians** will be taken under deeper consideration. A formateur party may include surplus parties into a coalition if it is not sure about the voting discipline of coalition parliamentarians to ensure a government's decision-making capability. Surplus parties serve as an "'insurance' against unauthorized defections by factions of undisciplined parties" (Laver & Schofield, 1991, p. 82) in order to "mobilise a sufficient parliamentary majority and ultimately to prevent premature termination of government" (Jungar, 2000, p. 342) or of a governmental proposal. Furthermore, the inclusion of surplus parties reduces the "blackmailing power of potentially undisciplined parties" (Jungar, 2000, p. 43). There are mainly two features that explain parliamentarians' unreliability: 1) disagreement over policy and 2) institutional mechanisms.

Internal division of parties may lead to vote-sniping or abstaining parliamentarians. Those that do not agree with a proposal would not vote in favour of it (Jungar, 2000, p. 116 ff.).

This behaviour can be furthered by some institutional mechanisms: personalist features of an electoral system create incentives for parliamentarians to deviate from the official position of their party if this offers better chances to be re-elected in her or his constituency (Jungar, 2000, p. 120). Furthermore, the parliamentary voting system can have influence on parliamentarians' discipline. If there is a secret vote, coalition parliamentarians can vote against their own government at low cost as the party leadership can hardly identify who was defecting (Jungar, 2000, p. 194).

This aspect of surplus majority coalition formation supports my approach to relax some *classical* assumptions of coalition theory: parties are not conceptualised as unitary actors and the actors do not have perfect information, hence uncertainty about the minimal winning status accrues.

However, also the other explanation could be true: coalition parliamentarians can vote against their own cabinet because they know that the government has a sufficient majority by including surplus members (Jungar, 2000, p. 122). Hence, vote-sniping can be "a cause and an effect" (Jungar, p. 347) which to distinguish needs careful investigation of the single case(s).

3.2.2. Surplus majority coalitions as a possibility

In theories that see surplus majority coalitions as possibilities, theorists assume that parties have different ideas of the ideal size of government, depending on individual calculations which means best serve their preferred ends (Jungar, 2000, p. 34). Hence, inviting parties in and joining a surplus majority coalition happens due to party-strategic considerations of individual goal-realisation like vote-, office- and/or policy-seeking (Jungar, 2002, p. 60). A surplus majority coalition will then lead to equilibrium where no party will prefer any other option because this would increase their costs or decrease their benefits (Jungar 2002, p. 59).

These theories consider the perception of both: the formateur party and possible opposition parties. Formateur parties will form a surplus majority coalition when it decreases the costs of governmental incumbency (Jungar, 2000, p. 282). For other parties, joining a surplus majority coalition is attractive when it brings greater benefit than being in opposition (Jungar, 2000, p. 31). As mentioned before, this thesis will due to its limitations in length only focus on motives of the formateur party[5].

One reason for government formateur parties to perceive surplus majority government as a possibility is the chance of gaining ***greater control of decision-making*** within the cabinet (Jungar, 2000, p. 282). Policy closeness plays a decisive role for such policy-seeking parties: the closer the surplus parties' policy positions are to the formateur party's position, the lower the costs in terms of policy-concessions are for the formateur party (Jungar, 2000, p. 282). If a surplus party is situated in between the parties considered necessary to form a coalition, the overall policy space of the cabinet is not enlarged and hence policy costs are kept small (Jungar, 2000, p. 56).

Policy-close surplus parties that are situated within the existing policy range allow the formateur party to struck coalition-internal coalitions in order to move policies closer to its own preferred policy position or, the other way round, to prevent policies to be moved away from its own preferred position. Thereby a new inter-coalition equilibrium is established that might circumscribe the policy-influencing power of some coalition 'partners'. Hence, the formateur party can protect itself from being blackmailed from less powerful other government parties as these "government-internal coalitions can be struck, which at different points in time reduce the relative powers of parties considered to be more policy distant from the point of view of the formateur party" (Jungar, 2002, p. 60). Formateur parties will include surplus parties when they are perceived of as supporters of the forma-

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[5] Except of one aspect identified by Jungar (2000): Parties agree on participation in a surplus majority coalition when the „satisfaction of office is not affected by the surplus status" (Jungar, p. 65). As the coalition formation under investigation is not about (short-term) office distribution, this aspect will not be examined.

teur's policy position and thereby reduce the costs of policy compromises (Jungar, 2000, p. 243).

Furthermore, surplus parties can be used in order to govern in a 'divide et impera' style: if a coalition party is internally divided in some policy questions, the inclusion of a surplus party whose policy position is closer to one of the coalition party's wing might weaken the party-internal cohesion (Jungar, 2000, p. 229). This in turn might decrease the policy-influencing power of this party as they are rather concerned with party-internal discussions and a bad public image (Jungar, 2000, p. 231). This way, a formateur party can open a conflict within the coalition without being unveiled and increase its relative policy-influencing power within the cabinet (Jungar, 2000, p. 244).

The formateur party can also have an advantage by including surplus parties if they are not positioned in between the coalition parties considered necessary for government: if the coalition partners are positioned on opposite sides of the formateur party, a surplus party that is situated outside the actual coalition parties' policy space, "these flank parties tend to balance each other out, as neither can get what it wants without the dominant party's support … the result is not much removed from what would occur in a government consisting only of the dominant party" (Luebbert (1986, p. 80) as cited by Laver & Schofield, 1991, p. 86).

A further motivation for government formateur parties to perceive surplus majority government as a possibility is *long-term office-seeking*. The assumption behind this theory is that parties have an interest in securing re-election (Jungar, 2000, p. 63). Taking part in government bears the risk of making difficult decisions that affect subsequent electoral performance negatively. Hence, especially in the run-up to hard decisions, by making surplus parties co-responsible for government, the formateur party decreases the chance of these parties (particularly parties that compete for the same segment of votes as the formateur party) to mobilise anti-government votes in opposition. Withdrawing "feasible governmental alternatives" from the voters lowers the risk of "electoral punishment" (Jungar, 2000, p. 63).

Especially when the "electoral responsiveness" is high (hence, the shifting of voters between the political parties), parties should care about the incumbency effect on future vote (Jungar, 2000, p. 157).

To sum up, three possible explanations *(independent variables)* for the CDU's efforts to build a surplus majority coalition *(dependent variable)* have been identified in the theory: the CDU should try to form a surplus majority coalition when there are many parliamentarians of the conservative-liberal coalitions that are likely to vote against the cabinet's

proposals; when a surplus party is policy-close and thus helps to move the policy position of a proposal closer to the CDU's ideal point and/or when a potentially vote-consuming decision is ahead because then, making the opposition co-liable protects the CDU from being punished in the next elections vote-wise.

From these assumptions it becomes apparent that in my thesis, parties are conceptual-ised as non-unitary, vote-, office- and policy-seeking actors.

Figure 1 depicts the theoretical considerations within a model of surplus majority coalition formation.

In the following, I will analyse the decision-making process concerning the first Greek bailout vote in Bundestag in order to identify whether the possible reasons for forming a surplus majority coalition were present in the run-up to this decision. Before, I will give a brief overview of events that led up to the decision day on 7 May 2010.

Figure 1: I → M → O Model in Different Contexts (Falleti & Lynch, 2009, p. 1151) and adaption to specific case
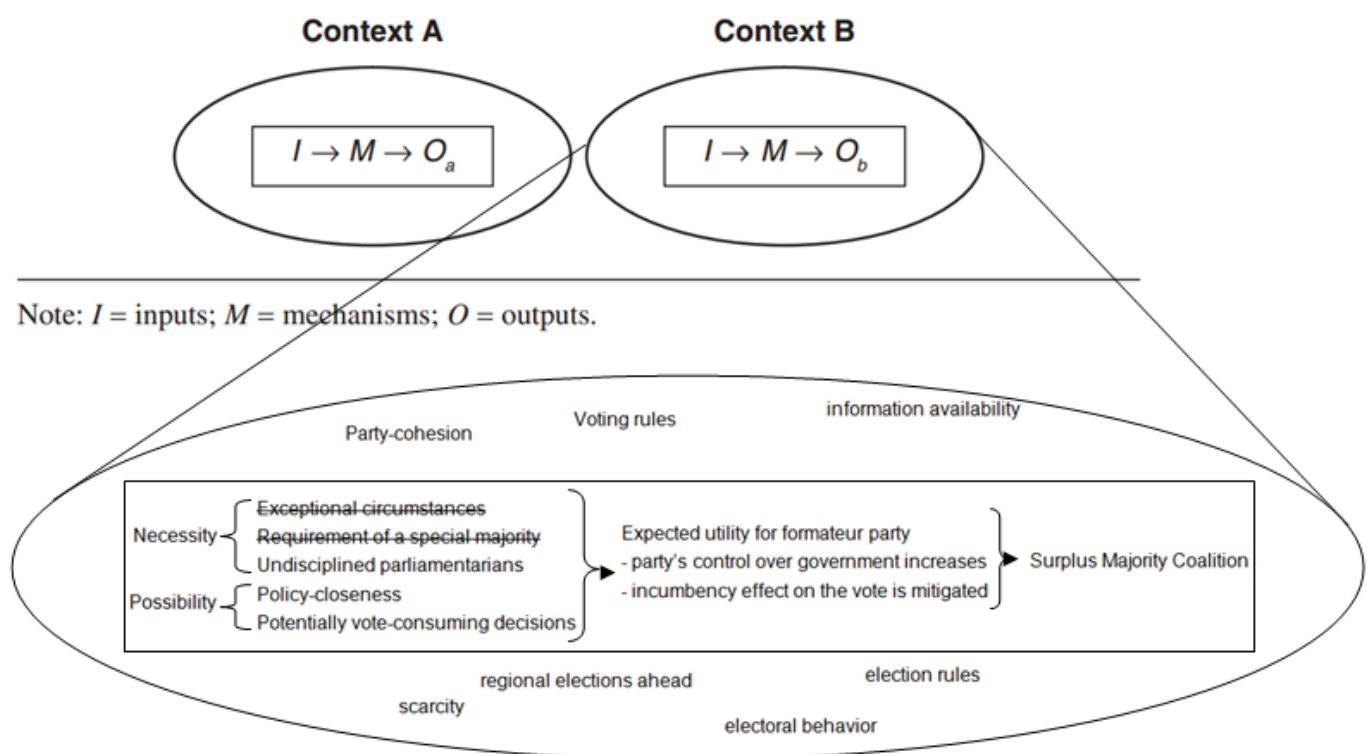
4. Analysis

4. 1. Some history: the way to the bailout decision

Sincere doubts about Greece's capabilities of self-financing capabilities rose in late October 2009 when the newly elected Minister of Finance, George Papaconstantinou had to adjust the numbers of the Greek deficit: the new indebtedness would not be 5% of GDP as stated so far, but 12.5%. Ever since, the Greek ability to meet financial obligations was considered worse and worse by rating agencies which made it more expensive for that country to borrow money as the interest rates rose quickly (Jung et al., 2010).

In order to avoid an uncontrolled state insolvency with all its negative impacts on the European Monetary Union as a whole, the heads of states and governments began to discuss possibilities to save Greece from bankruptcy. On 25 March 2010, the heads of state and government of the Euro area agreed upon a mechanism to help Greece under certain circumstances:

> "This mechanism, complementing International Monetary Fund financing, has to be considered ultima ratio, meaning in particular that market financing is insufficient. Any disbursement on the bilateral loans would be decided by the euro area member states by unanimity subject to strong conditionality and based on an assessment by the European Commission and the European Central Bank. We expect Euro-Member states to participate on the basis of their respective ECB capital key" (European Council, 2010a).

On 11 April 2010, the euro area Member States agreed upon more detailed terms under which financial support could be given to Greece. Within a three-year programme, the Member States should contribute € 30 billion for the first year, co-ordinated by the European Commission (European Council, 2010b). The International Monetary Fund (IMF) could contribute another € 15 billion (Wray, 2010).

Only some days later, on 23 April 2010, pressure of the international financial markets on Greece forced Prime Minister George Papandreou to call for the € 45 billion European and IMF bailout package. The rescue call was issued when interest rates on Greek bonds reached 8.3% (more than twice that paid by Germany) and the capability to finance € 16 billion of maturing debt by the end of May became unrealistic (Smith, 2010).

This is the point of time where my analysis starts. Now it was up to the German cabinet to present a bill about German credit authorisation to the Bundestag, which then had to give approval in order to get the German share of the bailout package started. However, because the cabinet wanted Greece to comply with strict conditions imposed by the European Central Bank (ECB), European Commission and the IMF (the 'troika') and the assessment of the IMF that the activation of the European rescue mechanism really is a *ultima ratio* in order to avoid damage to the euro area as a whole, the cabinet only submitted a proposal on Monday, 3rd of May, after Greece had accepted the troika's conditions

on Sunday, 2nd of May. Finally, after five days of intense discussions, the act was passed by the Bundestag on Friday, 7th of May.

The time of Monday 3rd of May to Friday 7th of May will be taken under deeper examination as only then the concrete contents of the government proposal were known. However, looking at the days between the Greek call for help and the submission of the government's proposal gives an insight into the government coalition's state of coherence.

4.2. Policy closeness

4.2.1. How to proceed with Greece? - Ruckus in the coalition

Chancellor Merkel's hesitant attitude concerning a Greek bailout caused some turbulence within the coalition. While waiting for a signal of the European Commission and the ECB on whether and how to help Greece, coalitional parliamentarians had their own ideas concerning the Greek case: CSU parliamentary group leader Hans-Peter Friedrich requested Greece to consider an exit of the monetary union; such a step should not be a "taboo" (FAZ, 2010a[6]). Some FDP politicians went in the same direction: at a FDP federal party conference, the parliamentarians Wissing, Fricke, Link, Friedhoff and Schäffler brought in a motion that demands highly indebted members of the euro area to be expelled from the monetary union as *ultima ratio* (FAZ, 2010b). While Schäffler was a backbencher up to that date[7], Volker Wissing, Otto Fricke, Michael Link and Paul Friedhoff have prominent positions in that issue: they are spokesmen for their parliamentary group in the fields of fiscal policy, budgetary policy, budget and finance of the European Union and economic policy, respectively. This in turn forced other prominent FDP politicians to speak up against this motion, namely Minister of Foreign Affairs, Guido Westerwelle, Minister of Economic Affairs, Rainer Brüderle, parliamentary group leader Birgit Homburger and minister of state in the office of foreign affairs, Werner Hoyer. In the end, the motion was not passed at the conference (FAZ, 201a; FAZ, 2010b). This episode shows how divided the FDP was in that question.

But not only the FDP was shattered in that issue, also the government coalition as a whole was not unified in their ideas on how to rescue Greece: the demands to suspend Greece can be seen as an attack towards Minister of Finance, Wolfgang Schäuble (CDU) who was reflecting on creating a European Monetary Fund in order to support highly indebted countries of the euro area (Pache & Ehrlich, 2010).

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[6] In the following, all quotations from German publications are translated by me.
[7] He should later become more famous as the 'Euro rebel' who was almost successful in winning a membership voting that was directed against the positions taken by the party leadership concerning euro rescue measures

Nevertheless, Wolfgang Schäuble and Angela Merkel let run those speculations about Greece's future in the euro zone by not stating clearly their concrete plans for rescue measures: as long as Greece would not provide a programme of austerity, no decision on that case will be made. The vagueness of whether and how to help Greece is expressed by Schäuble's words "The fact that neither the EU nor the German federal government has yet come to a decision means: the decision might as well be positive as negative" (Bergius, 2010).

Meanwhile, the Social Democrats and the Greens announced that they would accept a credit authorisation in Bundestag but only if the proposal would contain measures that involve the participation of private investors ('hair-cut') and the introduction of a financial transaction tax (FTT) (Sueddeutsche Zeitung [SZ], 2010).

With their demand for a financial restructuring (private creditors should be forced to waive parts of their debt claims) the opposition parties stirred up a hornet's nest. In this issue, a gap between the coalitional parliamentary groups and the government is revealed: while the parliamentary groups of CDU/CSU and FDP are in favour of a contribution of private banks to the rescue measures, the government is not. The parliamentary group leaders Volker Kauder (CDU/CSU) and Birgit Homburger (FDP) as well as Norbert Barthle (CDU/CSU budgetary policy spokesman) and Volker Wissing (FDP fiscal policy spokesman) demanded such provisions. Those that "cash in on high interest rates for Greek bonds should contribute to the costs of the rescue measures" they say, and speculators should not be rewarded (Sievers, 2010). Government members are strictly against this idea which the secretary-general of the CDU, Hermann Gröhe calls "over-hastily, populist and not thought through to the end" (Pache, 2010a). One FDP parliamentarian (whose name is not given) puts it in a similar way: these demands would be "an outlet to let off a little steam" to signal the electorate the willingness to not let go away the speculators (Pache, 2010b).

Angela Merkel vaguely took up these demands and stated that she found these claims comprehensible and demands Wolfgang Schäuble to consider these ideas (Delhaes & Drost, 2010) – which the Minister of Finance was not willing to do. He pointed out the conflict between the parliamentary groups and the cabinet by saying that debt rescheduling would "not be an issue" and that no one would be talking about this who is holding office in government (FAZ, 2010c). Economic reasons would be speaking against debt rescheduling: the German state then would have to finance banks and insurance agencies involved. Moreover a 'haircut' would destroy the confidence of the markets in the euro area (Pache & Grass, 2010). Minister of Economics, Rainer Brüderle (FDP) is of the same opinion (Die Zeit, 2010a).

The heads of the IMF and the ECB, Dominique Strauss-Kahn and Jean-Claude Trichet strengthened this position. In a meeting with all Bundestag parliamentary group leaders, they affirmed that a binding bank involvement would not be possible anymore because Greece would need the bailout quickly (Kade et al., 2010).

But Schäuble already laid the next bait to convince the coalitional factions and the opposition parties to pass the Greece bailout act. He would "take the initiative" to speak with representatives of the German finance industry about a voluntary contribution to the rescue package (Gammelin & Hulverscheidt, 2010). After these talks took place, the finance representatives confirmed that they would uphold credit lines with the Greek state and Greek Banks and would refinance run-out credits (FAZ, 2010d). While this measure is appeasing the own faction (CDU/CSU budgetary spokesman Norbert Barthle affirms that the contribution of the German finance economy would make it easier to the parliamentary group to agree to the credit authorisation (FAZ, 2010e)), the opposition still is not convinced. Carsten Schneider, SPD budgetary policy spokesman, emphasises that these announcements would not provide for a "substantial contribution" and that the SPD is still demanding the introduction of a financial transaction tax in order to agree to the act (FAZ, 2010d) – a claim that will be the crucial issue in the on-going negotiations. Since the Green party already signalled support for the governmental act (while announcing to introduce an own resolution wherein the government should be blamed for their politics) on Wednesday, 5 May, and the left party voted against the act in the Bundestag's budgetary committee, I will only concentrate on the CDU's efforts to bind the SPD into a voting coalition (Bannas, 2010).

4.2.2. Deal or no deal?! Bargaining over taxes

Whether the SPD helped the CDU to enhance its control over the liberal-conservative coalition can be investigated at the focal point of the negotiations: the question whether or not to introduce a financial transaction tax. I will analyse the parties' policy positions, how they developed and which one was pushed through in the end.

On Monday, 3rd of May, the cabinet passed a proposal for the German contribution to the Greece bailout. It contains two paragraphs that state that the Minister of Finance is empowered to grant Greece loan guarantees of maximum € 22.4 billion as an emergency measure in case of Greek insolvency. For the first year, loan guarantees of maximum € 8.4 billion could be granted (Bundestags-Drucksache 17/1544, 2010).

When it became clear that including a legally binding private-sector involvement in this act is not feasible, and because they considered the voluntary involvement of the private-sector as insufficient, the SPD demanded the introduction of a financial transaction tax in

order to get a "serious involvement of the banks with permanent contributions" (Deutscher Bundestag, 2010a, p. 3730) as a precondition to approve the act.

All parliamentary groups were aware of the fact that within the short period of time until Friday it would not be possible to elaborate a comprehensive act. Hence, further measures that should accompany the Greece bailout in order to prevent future crises should be included in a motion for a resolution which is a non-binding plea to the government that should be passed together with the Greece bailout act. Besides measures that were included in the resolution that all factions could agree upon, such as a more effective surveillance of national budgetary and fiscal policy, intervention rights for the European agency for statistics (Eurostat), strengthening of the stability and growth pact, sanctions for highly indebted countries, introduction of a European insolvency order and regulations of certain financial products and rating agencies, the issue of the financial transaction tax was the sticking point in the negotiations (cf. Bundestags-Drucksache 17/1641, 2010; Durcksache 17/1639, 2010). According to the opposition parties, a financial transaction tax is most efficient for meeting speculators (Deutscher Bundestag, 2010b, p. 4015). Hence, the SPD requests the government to call for the introduction of a financial transaction tax at the next G-20 summit in June. If this should not be possible, the federal government should call for its introduction on EU level (SPD-Bundestagsfraktion, 2010). The strongest opponents to this demand are the Free Democrats who strongly oppose a financial transaction tax and want to establish a bank levy. The parties' arguments for refusing the financial transaction tax or the bank levy respectively, are that the respective instrument would burden the small savers and would not hit financial institutes that actually are targeted on (i.e. Spiegel online, 2010a; Deutscher Bundestag, 2010b, p. 3994). Furthermore, the Social Democrats argue that the bank levy would not provide sufficient means to refinance tumbling banks (SPD-Präsidium, 2010).

The CDU/CSU faction has more complex claims. Officially, they dropped the demand for a financial transaction tax because after the IMF's evaluation it would not be possible to introduce it on G-20 level, though in January the CDU leadership voted in favour of a financial transaction tax (CDU, 2010). As expressed by Chancellor Merkel, they now favour an extended bank levy as proposed by the IMF (Deutscher Bundestag, 2010a, p. 3724). The IMF's proposal contains a two-tiered approach (International Monetary Fund, 2010) one measure would be a financial stability contribution, thus a levy paid by all financial institutions. The amount paid could depend on the institutions' size and business riskiness. The levy's income could be used to refinance insolvent financial institutions.

The second measure proposed by the IMF is a financial activities tax (FAT). While the financial transaction tax aims at placing a small levy on *all financial transactions*, the financial activities tax *only levies financial institutions' profits and managers' premiums*

(Elliott et al., 2010). Referring to the IMF's opinion, Angela Merkel refuses a financial transaction tax because it would also hit the "real economy" (Deutscher Bundestag, 2010a, p. 3724). However, the rejection of the financial transaction tax is not as strict within the CDU/CSU faction as it is within the one of the FDP. This did not only become obvious in the negotiations for a common resolution of the governing coalition with the SPD in the first week of May but also if one considers the CDU/CSU's politics before and after the Greece bailout decision-making (see below). In the bargaining process, the CDU would have had been prepared to accept an audit mandate concerning the implementation of a transaction tax written down in the resolution. However this was not possible with the FDP: it threatened to break the coalition if the resolution mentions the financial transaction tax; "there will be no tax increases and new taxes in this election period" (Monath et al., 2010), people from the FDP were saying "the pinkoes can forget about the word 'tax'" (Spiegel online, 2010b).

This in turn upset the Union. A CSU parliamentarian said that they would have had been able to manage the issue perfectly with the Social Democrats. The CSU could "live well with a financial transaction tax" and the biggest opposition party would then be "on board" (FTD 6.5. 2).

In the end, the liberal-conservative coalition presented a proposal that should demand the federal government to impose a "risk-adjusted" bank levy and that the government should advocate in Europe and within the G20 group for the implementation of the IMF proposals concerning a "coordinated action for the involvement of the finance sector to the costs of the crisis" (Bundestags-Drucksache 17/1641). In the final parliamentary debate, FDP leader and Minister of Foreign Affairs, Guido Westerwelle, made a last attempt to attract the Social Democrats by offering an amendment to the resolution: which IMF proposals precisely are meant should be specified by including "bank levy, financial activity tax" in brackets within the resolution (Bundestags-Drucksache 17/1656, 2010). Even within the FDP people could not understand this move (Faigle & Glatzke, 2010). The SPD did not accept this offer because it would only provide an "unreal" participation of the financial industry (SPD-Bundestagsfraktion, 2010b). Consequently, the vast majority of SPD Members of the Bundestag abstained from the vote – both for the credit authorisation act and for the resolution, which now entailed a bank levy and a financial activity tax.

For the CDU, seen from a policy-point of view, the negotiations were worth the effort: Chancellor Merkel's ideal position as mentioned before the parliamentary assembly on the 5th of May, namely including the proposals made by the IMF (bank levy and financial activity tax) are to be found in the resolution. The attempt to get the Social Democrats on board by including the financial activity tax helped breaking the FDP's resistance against any tax mentioning. The Free Democrats had to make this concession in order to open a

last chance to convince the SPD. And even if a financial transaction tax should have been part of the agreement "accidentally", this would not have had been too bad for CDU and CSU: only about four months earlier, the CDU's national executive committee enacted that they would advocate an international financial transaction tax (CDU, 2010, p. 8). And only one and a half week after the Greek bailout decision, when the Bundestag was discussing about the establishment of the European financial stabilisation mechanism, the CSU named the introduction of a financial transaction tax as a precondition in order to approve the act. Also within the CDU voices raised that called for a financial transaction tax (Fichtner, 2010). Concerning the taxes, the CDU held a middle position that paid off: on the one extreme there were the Social Democrats who wanted *one specific tax* (FTT), on the other extreme, there were the Free Democrats who actually wanted *no tax at all*. Situated in between was the CDU who wanted *some tax* (FAT preferably, but prepared for concessions towards a FTT).

Thus, aiming at the formation of a surplus majority voting coalition together with the SPD helped the CDU to enhance its control over decision-making within the coalition. By holding a middle position, Angela Merkel outbalanced the more extreme demands by the SPD and FDP and pushed through her ideal position.

***Figure 2*: Party positions and outcome of the resolution**

SPD	CDU/CSU	FDP
---	bank levy	bank levy
---	financial activity tax (FAT)	---
financial transaction tax (FTT)	some parliamentarians: FTT	---
→ **Resolution content: bank levy + international engagement for FAT**		

4.3. Undisciplined parliamentarians - uncertainty over winning status?

Another question is whether the CDU needed to include surplus parties because the own coalitional parliamentarians were likely to defect from voting in favour of the bailout act. The governing CDU/CSU/FDP coalition had a comfortable majority at that time: After the federal elections in 2009, the Bundestag consisted of 622 parliamentarians. Hence, the winning majority contains 312 votes. 194 seats belong to the CDU, 45 to the CSU and 93 to the FDP. Thus, a maximum of 20 coalitional deputies may defect from voting in favour of the conservative-liberal coalition in order to hold a coalitional minimum winning status,

the so called 'chancellor majority'. The biggest oppositional party is the SPD with 146 seats. DIE LINKE obtained 76 and the Greens 68 seats (Bundeswahlleiter, 2010).

As was shown in the two previous chapters, policy differences were not absent. Ideas about Greece's future and how to avoid future crises did not only differ between the three coalitional fractions but also within the parliamentary groups and between the cabinet and the parliamentary groups.

Especially in the time before a clear proposal for an act was made on 3rd of May, opinions deviated widely. To encounter the internal resistance, Angela Merkel and Wolfgang Schäuble invited the heads of the IMF and the ECB to talk to the parliamentary groups in Bundestag on Wednesday, 28th of March in order to convince the parliamentarians of the necessity of a Greek bailout. However, doubts persisted. When the cabinet presented a proposal to their parliamentary groups in a coalition-internal meeting, the coalition factions voted majorly in favour of the draft but the 'chancellor majority' was failed: only 307 coalition members voted in favour of the proposal. In the CDU/CSU there were eight no-votes and nine abstentions, in the FDP faction two persons voted against the proposal and six abstained (FAZ, 2010f). Whilst some parliamentarians had fundamental doubts about the proposal, like Frank Schäffler (FDP) who said that the act would "neither be economically wise nor legally in order" (Financial Times Deutschland [FTD], 2010), others demanded accompanying resolutions that should contain measures to prevent future crises and the development of the monetary- to a transfer union as a requisite for approval (Steinmann et al., 2010). Discussions about accompanying measures like voluntary bank participation mitigated some parliamentarians: this move would make it easier for his parliamentary group to approve the act, Norbert Barthle, CDU/CSU budgetary spokesman, said (FAZ, 2010e). And indeed: on Wednesday, 5th of May, in the Bundestag's budgetary committee, the act was passed with the majority of the coalitional factions' votes whilst SPD and Green members abstained. The Left Party voted against the act. This vote was not binding but recommendatory (Zeit online, 2010). Obtaining the coalitional majority in the decisive Bundestag vote seemed more likely now. The voting procedure on Friday, a roll call voting in Bundestag, should further discipline the parliamentarians. CSU parliamentary group leader Hans-Peter Friedrich expected the deviationists would then align themselves to the majority (FAZ, 2010f). On the other hand, personalist features of the election system may foil this expectation: 218 of all 239 CDU/CSU parliamentarians got their ticket to the Bundestag by winning their home constituencies directly (FDP: zero) (Bundeswahlleiter, 2010). They should have a higher incentive to vote against their own cabinet's proposal if it is an unpopular issue in their home constituencies in order to get re-elected. Whether that was the case will be subject to the next chapter.

Finally, in the Bundestag vote on the 7th of May, the liberal-conservative coalition managed to establish its own majority though there were five dissenting votes by CDU/CSU and one by the FDP. The Greens approved the act (with five abstentions), the SPD majorly abstained (four yes votes) the Left Party completely voted against the act (Deutscher Bundestag, 2010b, p. 4019ff.).

Summing up, it can be said, that an appeasement of the liberal-conservative coalitional parliamentary groups by accompanying measures was foreseeable when the budgetary committee approved the act. Hence, in the last days of negotiations over surplus majority coalition formation, undisciplined parliamentarians of the governing coalition did not play a role.

4.4. Greece bailout as potentially vote-consuming?

As a third possible incentive for forming a surplus majority coalition was identified: the (perceived) existence of a potentially vote-consuming decision. Hence, the question is, whether the Greece bailout decision was seen as potentially vote-consuming by the parliamentarians.

The decision about the first Greek bailout was definitely perceived as vote-consuming by the CDU/CSU/FDP parliamentarians. For them, the decision fell in an uncomfortable time: On 9 May 2010, elections for the state parliament of North Rhine-Westphalia took place. These elections are considered to be of special importance; due to the state's big population and its economic weight these elections are also called "small federal elections".

Hence, making an unpopular decision only 48 hours before the elections take place is not perceived of as enhancing a party's chance for being (re-)elected. For CDU and FDP who were governing the state from 2005 to 2010, this was a crucial election because they would lose their majority in the second German chamber, the Bundesrat, if they would not gain a majority to govern the state any longer. Losing the majority in Bundesrat would than foil the federal liberal-conservative plans like a tax and health reform: those reforms would require the approval of the Bundesrat's majority.

According to opinion polls, the Germans did not judge Chancellor Merkel's work in the Greece crisis positively: 41% thought she did a "good" (36%) or "very good" (5%) job. A relative majority of 48% was of the opinion that her job was done "less well" (37%) or "not good at all" (11%). Even one third of supporters of the liberal-conservative coalition judged her efforts negatively. On Thursday, 29th of April, when it became public that Germany will guarantee Greece credits of more than € 22 billion, acceptance of CDU/CSU in the polls fell from 36% the day before down to 33% (Stern, 2010, p. 21).

Other opinion polls reveal the bailout package's unpopularity: asked on 28th of April 2010, only 23% of the interviewees were of the opinion that Germany should bailout Greece, about the half of the respondents said that Germany should only help if banks that lent money to Greece would participate in the bailout package. About one fifth (21%) thought that Germany should not support Greece at all (Infratest dimap, n.d.).

Looking at the voting transfer in the state elections of North Rhine-Westphalia of 2005, the CDU is well advised to focus on the Social Democrats to not providing too many points of criticism: the by far biggest inflow of new votes came from former SPD voters (360.000, the second biggest inflow came from former FDP voters: 240.000). But the CDU also suffered the biggest outflow of its own former voters to the SPD: in 2005, 70.000 former CDU voters now voted for the SPD, closely followed by a loss towards the FDP (60.000) (Neu, 2005). In the 2010 state elections, only two days after the bailout decision, even 140.000 former CDU voters now turned to the SPD[8] (Neu, 2010) – a threat that the party was well aware of: one not further specified person from the party leadership is cited as saying that Greece would be especially "discouraging" for "middle-class" voters (Braun & Schneider, 2010). Bartholomäus Kalb (CSU) expressed his concerns for his constituency's reaction and compared the Greece bailout decision with decisions made two years earlier when the banking industry needed to be stabilised with help from tax-payers' money: people in his constituency would again claim that the politicians would spend money for the banks but not for "us". The same would be the case again; the measures would not be "popular" but they were made "in the interest of the people" (Deutscher Bundestag, 2010b, p. 4015f.).

Wolfgang Schäuble (CDU) utters something similar: he would know what most Germans would think about "the Greeks and their financial crisis", but the public debate would forget about the fact that the decision would be about the "faith of Europe as a whole" (Pache, 2010a).

A "prominent Christian Democrat" expressed his fear that the guarantees given to Greece would also awake monetary desires in Germany that could not be fulfilled: "At this issue it will be hard not to lose" (Braun & Schneider, 2010). Due to this awareness of the possible vote-consumption of the decision, a strategist of the CDU voiced his anger at Angela Merkel's line of action: her approach would probably cost "decisive votes". A commitment to rescue measures should have had happened much earlier and not only a week before the North Rhine-Westphalian elections. Then, according to him, the voters' anger would have had dissipated until election day (Fichtner & Kade, 2010).

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[8] Though, I do not claim that this is primarily due to the bailout package. The then Prime Minister Jürgen Rüttgers surely faced additional problems that caused the defeat.

Thus, a lot was at stake for the liberal-conservative coalition: if they would lose the elections in the most populous Bundesland, governing in Berlin would also become harder. The coalition partners were well aware of the unpopularity of the decision to be made. Of the oppositional parties, the SPD is the one that is the most likely to draw votes from former CDU voters.

5. Conclusion

Concluding, I will give an answer the puzzle "*what made the CDU strive for a parliamentary surplus majority voting coalition in the decision on the first Greek bailout package?*" Furthermore, I will point out the limits and weaknesses of these findings in terms of the established cause-effect-relation (*internal validity*) and in terms of generalisability (*external validity*). Moreover, starting points for further research, including theoretical and political implications, will be depicted.

5.1. The CDU's incentives for striving for a surplus voting coalition

This thesis is based on two strands in the body of surplus majority government literature in order to figure out the CDU's reasons for striving for a parliamentary surplus majority voting coalition in the decision on the first Greek bailout package in May 2010. One strand is emphasising possiblising factors: surplus majority coalitions are formed due to party-strategic considerations of individual goal-realisation like vote-, office- and/or policy-seeking (Jungar, 2002, p. 60). The other one is focusing on simple "arithmetical needs" (Jungar, 2000, p. 198).

Within these two stands, three relevant factors for a formateur party to form a surplus majority coalition have been identified: as possiblising factors, policy-closeness and the threat of a potentially vote-consuming decision were theorised as playing a role. If a surplus party is closer policy-wise to the formateur party then the non-surplus coalition partner is, including this surplus party may move a policy outcome closer to the formateur party's ideal position. Furthermore, including a surplus party that is competing for the same segment of votes this party can be made co-liable for a decision that is unpopular amongst voters. The threat of electoral punishment is decreased.

As necessitating factor, the threat of undisciplined coalition parliamentarians has been pointed out. If a coalition is not sure about holding a winning majority in a vote, including surplus parties in the voting coalition enhances the chance of gaining a winning majority.

The analysis has shown that the CDU's efforts to build a surplus majority voting coalition could be explained by strategic considerations. Including surplus parties helped the CDU gaining benefits in terms of policy influence and long-term office seeking.

In the negotiations about whether or not to include a financial transaction tax into the resolution text, the CDU somehow held a middle position between the SPD and the FDP: whilst the SPD insisted on the mentioning of a financial transaction tax, the FDP strongly opposed the mentioning of any tax. The CDU was willing to compromise: though favouring a financial activity tax, it was ready to accept a financial transaction tax. In the end, as a result of the efforts to get the oppositional Social Democrats on board, a tax was included into the text: the financial activity tax as preferred by the CDU. Angela Merkel's ideal policy was pushed through; trying to include the opposition SPD into a voting coalition helped the CDU to increase its control over decision-making within the coalition.

Moreover, the decision about the Greek bailout was perceived as a potentially vote-consuming one: the bailout was doubtlessly seen as unpopular amongst the voters – especially amongst middle-class voters and the parliamentarians knew about this. Hence, they feared their constituencies' anger about the measures. This dread was intensified by the forthcoming state elections in North Rhine-Westphalia only two days after the vote. Caressing the Social Democrats seemed to be an appropriate means: the biggest outflow of former CDU voters to an opposition party was directed to the SPD.

In contrast, the danger of vote-sniping cannot be seen as an explanation for the striving for a surplus majority voting coalition. Maybe this could have been a reason in the beginning of the discussions when there was huge polyglot ruckus about how to proceed with Greece. But when the accompanying measures as written down in the resolution text became clearer, most of the coalitional parliamentarians were appeased. Hence, I assume, that a sole accompanying resolution would be enough to bring the own coalition in line. When the Bundestag's budgetary committee approved the act with the coalitional majority, the danger of vote-snipers was likely to have been averted. That the party continued bargaining with the SPD though being in safe haven concerning vote-sniping, strengthens the finding that the surplus majority coalition provided other benefits.

Hence, I can conclude by answering the research question: the possibility to enhance its policy-making capacity within the coalition and the chance to make its main oppositional political adversary co-liable for an unpopular decision provided incentives for the CDU to strive for a parliamentary surplus majority voting coalition.

Especially the factor of co-liability is in line with other research: Weaver (1986) found that politicians are above all, "blame minimizers" (p. 372). Since voters would be "more sensitive to what has been done *to* them than to what has been done *for* them" (Weaver, 1986,

p. 373), politicians aim at hiding that they did something *to* the electorate. When government politicians in the case at hand stated the fear that voters would not understand why Greece would get money, while taxes could not be reduced in Germany, it is an evidence that voters were considered to feel that the politicians are doing something *to* them concerning this issue.

One strategy to minimise blame is called "circle the wagons" by Weaver (1986, p. 388): politicians strive for consensus in parliament in order to "diffuse the inevitable blame" when 1) it is not possible to provide extra resources (i.e. lower taxes) to prevent the electorate from feeling losses and when 2) it is not possible to force others to make politically costly choices (which was not feasible since CDU/CSU/FDP were in office). This way, responsibilities for hard decisions can be blurred and it becomes "difficult for future political opponents to raise the issue" (Weaver, 1986, p. 389).

5.2. Validity of the findings

As Gerring (2007, p. 43) says, questions of validity can often be distinguished between internal and external validity.

Shadish, Cook & Campbell (2002, p. 53) use the "term internal validity to refer to inferences about whether observed covariation between A and B reflects a causal relationship from A to B in the form in which the variables were manipulated or measured." A causal relationship can only be established if and only if, 1) X precedes Y, 2) X correlates with Y, and 3) the relationship between X and Y cannot be explained in terms of some third variable (Shadish et al., 2002, p. 6). In this in-depth single case study, I was able to show that the presumed X_i preceded the outcome, hence the efforts to form a surplus majority coalition. Furthermore, I demonstrated that there is some link between the theorised independent variables and the dependent one. However, my thesis is lacking a control for alternative explanations for the presumed effect. According to Mackie as quoted by Shadish, Cook & Campbell (2002, p. 54), analysis of causation is about the inference "from an effect to a cause (inus condition) by eliminating other possible causes". As Shadish, Cook & Campbell (2002, p. 54) add, "threats to internal validity are those other possible causes". As said elsewhere, in case studies, causal inferences can usually not be drawn as they mostly lack "pre" and "post" tests as well as "treatment" and "control" groups (Gerring, 2007, p. 172). That is also the case in this thesis. Rather, such a y-centred single case studies is suited to identify causal mechanisms by process-tracing. Through this approach, one gets an in-depth insight into the case under investigation and can explain specific features of that case – always bearing the special circumstances of the case in mind. Thereby, I was able to identify *correlations*. However, as described

above, "correlation does not prove causation" (Shadish et al., 2002, p. 7). Hence, problems with internal validity exist.

This in-depth knowledge of one case goes at the expense of external validity. According to Shadish, Cook & Campbell (2002), external validity is about making generalisations of inferences to units, settings, treatments and outcomes *(UTOS)* that were not examined. Hence, it is about the problem of representativeness which is a problem to all case studies as they only contain "a small number of cases of some more general phenomenon" (Gerring, 2007, p. 43) – in the thesis at hand it is even about one case only. Maybe the findings are transferable to other decisions in Bundestag concerning following bailout packages. However, the circumstances, hence the setting, was very peculiar in May 2010: it was the first European bailout package of this dimension ever and it happened only some days before the elections in North Rhine-Westphalia – a combination of factors that will hardly repeat. Anyway, generalisation was not the intention of this thesis at all: it was about solving the empirical puzzle of why the CDU wanted to construct an oversized coalition in that peculiar situation. The aim was to "know more about less", rather than to "know less about more" as Gerring (2007, p. 49) puts it.

5.3. Theoretical and political implications

Further analysis could focus on the other parties' motivations to form or to join a surplus majority voting coalition. As said in chapter 2.2., the rational choice approach is based on the assumption that outcomes will result in equilibrium. Thus, to get a complete impression of the decision-making process, one should question the reason of all parties for why they behaved the way they did. It would be of utmost interest why the FDP is participating in the CDU's game of caressing the SPD: because in terms of policy, the attempt for compromise with the Social Democrats was on the expense of the Free Democrats – a new empirical puzzle that arises from this analysis.

Furthermore, the thesis bears some political and theoretical implications. In a practical sense, it shows that the argumentation of European constrains supports party strategies in goal-realisation. Though I do not claim that the call on assumed European needs or a European spirit is *purely strategic* – probably it is not. However, it is helpful at least. A finding that is interesting in times where there are new crises almost every day that need to be solved Europe-wide. Moreover, one sees the influence of regional elections on European politics. Who knows what the Bundestag's decision would have had looked like if there were no state election ahead?

Concerning an insight to the logics of ever-day decision-making in Bundestag, Chancellor Merkel's often bemoaned domestic laissez-faire style of leadership was also apparent in

this case: everyone may express his opinion, interests are played off against each other, and in the end, Chancellor Merkel wins. In the media, FDP and SPD were accused for the failure of not finding a common position. They were perceived as quarrellers who did not act in the sense of Europe but who put party interests in the centre.

In a theoretical point of view, the thesis implies that surplus majority coalition theories are also applicable on parliamentary surplus majority *voting coalitions*. Therefore, one only needs to do some slight adjustments like relaxing the assumption of parties as office-seekers by conceptualising them as long-term office-seekers. Furthermore, it becomes obvious that party-cohesion as a party-goal and *intra*-party bargaining should gain more attention in coalition theories as they influence a party's power position in negotiations.

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