

Analysis of Decision Cases*

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1. Introduction

In terms of policy outcomes, does it make a difference whether political parties play a strong or a weak role in the decision process? This is the question which we shall address in this chapter. In accordance with one of the themes of the volume, we will try to answer the question in a way which addresses the issue of changing conditions from affluence to scarcity. Besides political parties, many other actors may be dominant in the decision process such as interest groups, subnational units, the courts, the bureaucracy, etc. We assume that politicians have some leeway in how to organise the decision process. Let us illustrate this assumption with the decision process about the social security crisis in the United States in the spring of 1983.

When the issue was blocked in Congress, President Ronald Reagan, Senate Majority Leader Howard Baker and House Speaker Thomas P. "Tip" O'Neill came together and appointed an extra-parliamentary commission headed by the noted economist Alan Greenspan. As a consequence of this shift in the emphasis of the decision process to the Greenspan commission, the subsequent policy outcome was quite different from what it would have been had Congress remained the main decision arena. We do not wish to argue that the three political leaders were under no structural constraints and that they could have organised the decision process in whatever way they wished. There are, of course, always structural constraints. But we should also acknowledge that politicians, in particular leaders, always have some leeway to manoeuvre. Does the manner in which they use this leeway influence the policy outcomes? For the American social security issue this seems indeed to be the case. In this chapter, we wish to explore the relationship between decision process and policy outcome in a more systematic way. Given the theme of the volume, the emphasis will be on political parties, but we can draw on a more general theory of decision making which we have developed elsewhere (Steiner and Dorff, 1984).

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In the second part of the chapter we will show how decision cases regarding particular issues can be used as units of analysis. In the third section we present two British illustrations of decision cases. Section 4 introduces what we mean by decision cases with regard to the notion of party government. In Section 5 we show how we conceptualise policy outcomes. In Section 6 we present hypotheses about the causal relations between party government and the policy outcome. In Section 7 we will discuss how, under conditions of scarcity, moves away from decision processes characterised by party government may occur. In the last section, we will address the normative question of whether political parties *should* play a strong role in the decision process.

The other chapters in this volume examine the intricacies of day-to-day decision making in much less detail. They focus more on variables that are structural in the sense that they remain relatively constant in the hurly-burly of daily politics. Our own contribution is not meant to replace these structural explanations with a process explanation. Our goal is rather to supplement those structural explanations. We do not deny that structural constraints explain a great deal about policy outcomes, and that they also limit room for manoeuvre in the decision process. The degree of leeway may perhaps explain as little as 10 per cent of the outcome; 90 per cent may be better explained by structural features. Then why bother with this meagre 10 per cent? The incentive for adopting such a research orientation is the potential relevance of the results for giving advice to political leaders. Structural conditions can be changed only in the long run, if at all. But under present crisis conditions of scarcity, politicians often do not have the time to wait for such long-term changes. They need advice in the short term, and one area in which they certainly need help is the extent to which they should rely on political parties in the organisation of the decision process. We hope to throw some light on this aspect, although this chapter is merely a progress report on a project which is still in a relatively early stage of development.

2. Decision Cases as Units of Analysis

At what level of aggregation do we characterise the decision process? In other words, what are the units of analysis, and hence, the cases that we shall compare? In comparative politics comparisons are typically made between entire countries. If a variable deals with the decision process, attempts are made to identify the prevailing decision mode of a country. For such classifications broad categories are used. In the present volume Franz Lehner and Manfred Schmidt distinguish, for example, between corporatist and pluralist modes of decision making and apply these categories to entire countries. Such broad systemic characterisations of countries have been fruitful in the past for the development of many intriguing hypotheses. But it is now clear

that our main task is to test these hypotheses in a rigorous way. Unfortunately, little progress has been made with this testing because it turns out to be very difficult, if not impossible, to measure the predominant decision mode in a country in a reliable and valid way. As a consequence, there are ultimately fruitless debates about the classification of particular countries. The United States, for example, has been at the centre of a long-standing, unresolved debate about whether the concept of pluralism appropriately describes the prevailing decision mode of the country.

The root of this measurement problem is that there is much more intra-country variation than commonly assumed. Decision processes vary not only between but also within countries. In a single country, health issues may be handled with quite a different decision process than defence issues. There may also be great variation within each of these fields. The procurement of a fighter plane may be decided in quite a different way from a wage increase for military personnel. Such intra-country variation has been neatly documented by Wilson (1983) for France. He shows that a corporatist pattern of decision making is used in some contexts, but not at all in many others. We have recently shown how in Switzerland the pattern of decision making varies greatly from one situation to another (Germann and Steiner, 1985).

Such intra-country variation does not, of course, mean that in principle one could not aggregate the decision modes for a country as a whole. However, the common practice of impressionistic judgements based on plausibility and illustrations is hardly sufficient. One could study decision making in the various issue areas and then aggregate the results for a country as a whole. But how do we define the issue areas? Do we consider broad areas such as energy policy or narrower areas such as nuclear policy? How do we delimit against each other such intertwined areas as energy policy, environmental policy, health policy, and economic policy? Having defined the issue areas, what weight do we then attach to the individual areas? Is decision making in the defence area more or less important than, say, in education? It is certainly possible to find some answers to these questions. But these answers will probably differ so much from scholar to scholar that the controversies about the classification of particular countries will continue unabated. In addition, the task of data collection is so enormous that nobody is likely to have the resources necessary to classify a large number of countries.

In our own on-going research, we have chosen another strategy which explicitly acknowledges that decision modes may vary as much within as between countries. Rather than neglecting intra-country variation, this research strategy tries to profit from such variation. The units of analysis are no longer entire countries but decision cases about specific issues. At this disaggregated level it is relatively easy to collect data about individual cases, which can then be compared both within and across countries. If an issue comes up several times in the history of a country, comparisons can also be made over time.

In a cross-national study concerning energy decision making (Steiner, 1983), we quickly found out that it is not an easy task to define issues as units of analysis. We used the issues as defined by the decision makers themselves. In drawing up their agendas and in structuring their debates, decision makers generally break up the decision process of an entire country into a large number of specific issues. These issues are usually defined at different levels of aggregation. We decided to look at a relatively low level of aggregation where decision making takes place on a very concrete level. We then identified, for example, the lowering of speed limits on highways as an issue in the United States following the Arab oil embargo of 1973. It was at this level that the actual policy decisions were made. At a higher level of aggregation, the issue was defined as the reduction of oil consumption, and at an even higher level, as the pursuit of energy independence. But in the actual process of decision making these broader issues were broken down into a number of more specific aspects, such as the lowering of speed limits. Within this particular issue, even more specific cases appeared, such as speed limits for trucks, limits for cars, limits during the night, etc. Because all of these specific questions were discussed by the decision makers essentially in the same context, they were really defined as a single issue. To determine how decision makers defined the issues, we relied on such indicators as the formulation of the parliamentary agenda or the wording of newspaper headlines.

Defining issues, such as the lowering of speed limits, did not, however, fully resolve the question of the units of analysis. Once confronted with the data, we discovered that a series of decisions may be made on the same issue. Thus, we had to tackle the problem of whether all of these individual decisions would have to be treated as separate cases. In Great Britain, the Cabinet actually made four different decisions on the question of speed limits:

- December 7, 1973: uniform 50 mph [miles per hour]
- March 29, 1974: 70 mph on motorways, 50 mph on all other roads
- December 9, 1974: 70 mph on motorways, 60 mph on dual carriageways, 50 mph on single carriageways
- June 1, 1977: 70 mph on motorways and dual carriageways, 60 mph on single carriageways.

On the one hand, these four decisions belong to the same continuous decision process. Yet on the other hand, each decision has its own specific characteristics and can thus be treated as a separate case. Conceptually, we try to incorporate both of these features in our theoretical framework. At a first level of analysis, we treat each decision as a separate case. At this level we treat each case as a new one whenever the formal authorities make a new, legally binding decision. At the second level of analysis, the individual decisions are linked to one another. Thus, we can build chains of interrelated issues which should add some depth to our analysis.

In the British speed limit case it was easy to identify the four separate decisions of the Cabinet. A more complicated situation arose with the French nuclear expansion programme of the 1970s, where it was quite difficult to identify the various decisions on which the expansion programme was based. After much in-depth research we came up with the following decisions:

- March 27, 1973: decree of the Council of Ministers on the process of implementation of the nuclear program
- March 4, 1974: decision of the Council of Ministers to accelerate the nuclear program
- February 2, 1975: authorisation of the Council of Planification for the nuclear programme 1976/77
- November 8, 1976: decision of the Council of State on the public utility of the nuclear plant at Creys-Malville
- February 6, 1979: decision of an Inter-ministerial Council to accelerate the nuclear programme.

Again, these decisions can be treated at one level as five different cases. However, at another level we can look at the entire sequence of decisions and analyse how each decision has been influenced by those preceding it.

In defining the units of analysis, we encountered not only the problem that several decisions may closely follow each other, but also the opposite problem that there may be no decision made at all. An issue may not even be put on the formal agenda, a phenomenon vividly described in the literature by Bachrach and Baratz (1962). Just such a situation occurred in the United States concerning the nationalisation of the oil companies, where the issue was raised by the trade unions but was never discussed in any formal arena. This was in sharp contrast to Great Britain where the nationalisation of the oil companies was a hotly debated issue. We included not only the British but also the US case in our units of analysis.

We have to examine how the nationalisation of oil companies was kept off the formal agenda in the US. In other words, what were the steps which led to this non-decision? Generally speaking, our operational definition encompasses issues which lead to formal decisions as well as issues where no formal decision is ever made.

3. Two British Illustrations of Decision Cases

Both examples deal with taxes on petroleum products, one case with an increase in the gasoline tax, the other with a petroleum revenue tax imposed on oil companies. In addition to Britain, we have studied decision making about these two issues in several other countries. As might be expected, we found substantial cross-national variation in the decision process. This result, however, is less interesting in the present context than the strong intra-country

variation. Instead of Great Britain, we could easily use other countries to demonstrate such intra-country variation. The two issues are also by no means extreme cases of variation in the decision process within the same country.

We will use the two British cases not only to illustrate intra-country variation in the decision process, but also to show that broad categories such as corporatist and pluralist are insufficient for classifying decision processes. In order to present our arguments, we must first discuss the two cases in some detail. For a fuller description of the data we refer to Kirstein (1984), another project collaborator.

The attempt to increase the taxes on petrol in Britain occurred in Spring 1977. The Labour party was in power, but lost its majority in parliament through defections and defeats in by-elections during the decision process under discussion here. It then made arrangements with the Liberal party in the form of the "Lib-Lab pact" in order to restore a parliamentary majority.

On March 29, 1977 the Labour finance minister, Denis Healey, Chancellor of the Exchequer, proposed to the House of Commons that duties be increased on road fuels, heavy oils and derv (a diesel fuel). Margaret Thatcher, at that time leader of the Conservative Opposition, attacked the proposed increases, saying: "We are all shaken by the extent to which Mr. Healey has loaded extra taxes on motorists." The position adopted by the Liberal Party was of crucial importance. According to the "Lib-Lab pact," the Liberals agreed to be "with the Government but not of it." This meant that the petrol tax proposal was submitted to Parliament without prior consultations with the Liberals. When the proposals by the Chancellor of the Exchequer were announced publicly, the Liberals' attitude was rather different from the rest: they rejected the increased taxes on road fuels, but accepted those for heavy oil and derivatives. Criticism of the tax increases also came from the ranks of the Labour Party itself, where one backbencher went so far as to call the proposals "scandalous".

In addition to the political parties, many interest groups also voiced their opinions. Their reaction was generally an angry one. The Road Haulage Association denounced the new tax levels as inflationary, and argued that the added costs would be largely borne by the consumer. The Freight Transport Association made similar predictions. The Motor Agents' Association, representing the garage owners, complained that the tax increases would reduce profit margins because local price wars would prevent owners from raising their prices correspondingly. The position taken by the motorists' associations was also unfavourable. The Automobile Association described the new taxes as "bad news" for motorists, and the Royal Automobile Club took a similar view. A more favourable response came from the automobile industry, in particular the producers of economy cars who saw the taxes as a bonus argument in favour of their small, fuel-efficient vehicles.

The crucial decision making took place in confidential negotiations between the Labour Party and the Liberal Party. These negotiations were influ-

enced by the poor showing of the Liberals in a by-election. One of the main reasons behind the electoral disappointment was the unpopularity of the petrol tax increases and the public expectation that the Liberals would ultimately support the increases because of the "Lib-Lab pact". The Liberals were in a particularly difficult situation because many of their supporters lived in rural areas and would therefore be especially hurt by the tax increases. This situation made it very risky for the Liberals to abandon their opposition to the increased taxes on road fuels. At the same time, they could not precipitate the defeat of the Cabinet, because a general election at this time might well spell disaster for their party.

In the negotiations with Labour, the Liberals proposed that rural areas be exempt from the increased taxes on road fuels. Although the Labour representatives were not in principle opposed to such a two-tier system, they emphasised the difficulty of defining "rural areas" for tax purposes. Finally, a compromise was reached whereby the proposed tax increases for road fuels were dropped completely, but those for heavy oil and derv were retained. With this deal between the two parties, the Liberals were willing to abstain in the House of Commons, thereby allowing the measure to pass 290 to 281.

The decision in the *second* case study, concerning the petroleum revenue tax, was made in 1974/75, a time when Labour had a majority in the House of Commons. In November 1974, the Labour Cabinet made its tax proposal public. The new tax would be levied on all oil and natural gas revenues from the North Sea, and it would be charged on a field-by-field basis at a flat rate. In the initial proposal by the Labour government this rate was not yet specified. Before the debate in the House of Commons the government wished to consult with the oil companies to determine the proper and appropriate rate based on actual cost and profit levels. Negotiations between the government and the oil companies began on November 19, 1974, with Edmund Dell, Paymaster General, leading the government delegation.

As might be expected, the oil companies were not enthusiastic about the new taxes. Some companies, such as the Gulf Corporation, questioned the very need for such a tax, and warned that it would curtail further efforts to explore and develop North Sea petroleum reserves. Such criticism notwithstanding, the oil companies were still willing to negotiate about details of the tax. The major issue was the determination of the tax rate, and on this the oil companies were severely split. The large companies, in particular Shell, Esso and British Petroleum, supported the initial concept of the government of a single, flat rate tax. Smaller companies, on the other hand, argued that they should be allowed a lower rate because they would otherwise be forced out of their North Sea operations. Some of the smaller companies expressed resentment over the larger companies' claims to represent the position of the entire industry.

On February 25, 1975, Mr. Dell announced to the House of Commons that the petroleum revenue tax would be set at a rate of 45 per cent of the

profits. To prevent curtailment of exploration in smaller fields, a discretionary provision was included to refund all or part of the royalties from the "marginal" fields. The oil industry was generally satisfied with the outcome. Shell called it "realistic", and praised the Labour government for finding a way to fulfil political objectives while keeping North Sea operations viable. The fixed rate satisfied the large companies, and the small companies were reassured by the additional provisions of the Bill. Major industrial and oil stocks rose after the government statement was made, suggesting that exploration and development would continue.

After the relatively successful negotiations between the government and the oil industry, the petroleum revenue tax was passed easily in the House of Commons in March, 1975. The spokesman for the Conservative Opposition still maintained that a fixed rate at any level was "inappropriate", and some leftist members of the Labour party accused their own government of "selling out" to the international oil industry.

A comparison of the two British cases shows that the petrol tax increase was handled more competitively, and the windfall profits tax on oil companies more consensually. In the petrol tax case, there was a classic confrontation between the party in government and the party in opposition. The situation was unusual, however, because the governing Labour Party had just lost its majority through defections and losses in by-elections, yet managed to retain majority status with the help of the pact with the Liberals. In the case of the windfall profits tax, the crucial decision making took place between the Labour government and the oil industry. Initially the interests of the two sides were very far apart, and there was also a split between large and small oil companies. But through mutual bargaining and accommodation a solution was worked out and a compromise reached. In a formal sense, the decision was still made in the House of Commons with the Conservatives voting against the government Bill. But more important than this competitive aspect in parliament was the consensual pattern in the extra-parliamentary negotiations between the government and the oil industry.

This variation in the decision process must be considered if one wishes to explain the policy outcomes in the two cases. It would be foolish to assume that there is a single prevailing decision pattern for both issues. This, however, is precisely what happens in those macro-level analyses which go so far as to assume that there is a single predominant decision pattern for a country as a whole. For Britain this assumed pattern is usually one of pluralism. In our two examples, the decision process about the petrol tax seems rather pluralist, the one about the windfall profit tax rather corporatist (we will return in a moment to the problematic nature of such broad classifications). Given this variation, if we assume a pluralist pattern for the entire country we could only explain the outcome of the petrol tax, but not of the windfall profit tax. Defenders of the macro-level approach would argue that the decision pattern for the windfall profit tax is so rare that its occurrence has only a negligible

impact on the overall policy outcome of the country. But who has ever demonstrated that the decision process used for the windfall profit tax is really rare? And what is the definition of rare anyway? What is meant if it is assumed in macro-level analyses that the prevailing decision pattern in Britain is pluralist? Should other decision patterns occur in not more than 10 per cent of the cases? Or 5 per cent? Or perhaps 20 per cent? And how are these percentages determined? How do we get a representative sample of all decision cases? For what time period should the sample be valid? Since not all decision cases are of equal importance, how is the weighting problem to be resolved? As we have already argued in Section 2, these are all extremely difficult measurement problems. As far as we can see, the predominant mode of macro-level research does not even begin to address these problems. The classifications are impressionistic and therefore rather unreliable.

Let us illustrate our critique with a typical topic of macro-level research, the overall tax level in a country. For Britain, one might attempt to explain this level by assuming pluralism to be the prevailing decision mode of the country. Yet the windfall profit tax was decided in a rather corporatist way. Other taxes may have been decided in a similar manner, but no one knows in how many cases. Given such uncertainty, it seems at least risky to assume that pluralism is the prevailing decision pattern for tax policy in general. Perhaps pluralism is predominant for some other policy areas, but not for tax policies.

When such variation is possible it seems odd to assume a single prevailing decision mode for the entire country. If one wishes to explain tax policies, the appropriate explanatory variable should be decision making about taxes. If one wishes to explain defence expenditures, one should look at decision making in this particular area. If one tries to explain levels of unemployment, one should study the decision processes involved in such measures as public work programmes, immigration policies, etc. By linking specific policy outcomes with the corresponding decision process, it should be possible to make our theoretical work match reality to a greater extent.

In our own research we disaggregate so much that we link the outcome for specific issues, such as the petrol tax and the windfall profit tax, to the corresponding decision processes. After we have studied a sufficient number of tax cases, we can aggregate again, and explain tax policies in their entirety in terms of decision making style in this entire area. It seems rather unlikely that a further aggregation at the national level will be feasible. It is one thing to aggregate all tax cases for the area of tax policy as a whole. But it would be quite a different matter to aggregate decision making in all policy areas at the national level. For the time being, the most fruitful research strategy seems to be a comparison of decision processes about specific issues and possibly a subsequent aggregation of the results at the level of some broad issue areas such as taxes, welfare, defence, etc.

Up to this point we have assumed that it makes sense to classify decision processes in terms of such broad categories as pluralism and corporatism. The

two British case studies also serve to raise serious questions about this assumption. In a tentative way, we have classified the petrol tax case as pluralist, and the case of the windfall profits tax as corporatist. We now ask whether these classifications are sufficiently unambiguous. Our answer is "no", and we will argue that the concepts of corporatism and pluralism are not clear enough definitions. In his contribution to this volume Schmidt defines corporatism in a standard way: "A corporatist mode of regulating class conflicts and the economy characterises nations in which trade unions, employers' associations and the state are committed to a social partnership ideology, and collaborate in a tripartite network of policy formation in single policy areas and across policy areas" (*Infra* p. 17).

We saw that there was mutual bargaining and accommodation between the Labour government and the oil industry in the decision about the windfall profits tax. The trade unions, however, were not involved to any significant extent. Is it still possible under these circumstances to characterise the decision process as corporatist? In the literature the term "incomplete corporatism" is used to describe such situations. In this context Schmidt talks about corporatism without Labour and cites Japan as the major example. The fact that the state plays a role in corporatist decision-making makes the situation even more unclear. In the case of the windfall profit tax, the state delegation in the negotiations with the oil industry was led by a Cabinet minister. He was clearly a party politician representing the Labour Party. Yet in some of the literature it is a definitional criterion of corporatism that political parties should not be involved in the decision making. Rather the state should be represented by career civil servants. Other definitions of corporatism allow the participation of political parties; Katzenstein (1984), for example, defines corporatism as "continuous political bargaining among interest groups, state bureaucracies, and political parties". A third ambiguity concerns the close vote in the House of Commons. It is true that the main aspects of the final outcome were hammered out in the negotiations between the Labour government and the oil industry. But the Conservative Opposition party was not involved in the bargaining and it took the liberty of rejecting the deal in the parliamentary vote. Proceeding from the available definitions of corporatism, it remains unclear whether the close vote in the House of Commons should be considered as purely symbolic and thus having no influence on the classification of the entire decision case. But the parliamentary vote could easily have acquired real meaning if some leftist Labour members had defected because they considered the entire deal a sell-out to the oil industry. What would the classification of the decision process have been in this case? Perhaps we could describe it as "aborted corporatism" because the original deal was rejected by Parliament?

There is a similar ambiguity in the classification of the petrol tax case as pluralist. Wilson (1983) defines pluralism in a standard way when he writes that interest groups "act from outside the institutional framework of govern-

ment to influence policy through political pressure rather than become directly involved in the decision-making process itself." In accordance with this definition, the Labour government did not enter into any formal negotiations with the interest groups that were opposed to an increase in the petrol tax. The Road Haulage Association, the Freight Transport Association, the Royal Automobile Club and similar interest groups instead lobbied from the outside to influence the government decision. So far, so good. But there was practically no competition among interest groups as is commonly assumed in definitions of pluralism. Broad public interests which might have favoured an increase in the petrol tax, for example for environmental reasons, were simply not organised. Only groups with a narrow economic interest made any attempt to lobby. All of these efforts had the same end in mind, namely to prevent an increase in the petrol tax. They were also successful to a large extent, since the final decision retained merely the tax increases for heavy oil and derv, but dropped completely the proposed increases for road fuels. We may conclude that there was not much pluralism of interests represented in the decision process. Should the decision making still be classified as pluralist? If we take corporatism as the alternative classification, pluralism still seems the most appropriate term. However, it is not completely satisfactory either.

If it is so difficult to classify specific decision processes as either corporatist or pluralist, how is it possible to use the two categories at the much more complex level of entire countries? The answer is that the data collection of most macro-level research is so remote from the nuances of specific decisions that the fact that the two categories do not match the reality they describe is hardly noticed. Whether a country belongs to the pluralist or corporatist category is asserted or assumed merely on the basis of the existence or non-existence of particular institutions. It is taken as an indicator of corporatism if a permanent institution such as an Economic and Social Council exists, where the representatives of the state and the major economic interest groups meet on a regular basis. It may be noted, however, that such institutions are sometimes merely symbolic shells. In such cases, the original classification is modified from corporatist to pluralist. In the case of France, for example, it is often argued that the Economic and Social Council has little importance, and that the French decision style should thus be considered as pluralist. In the case of Switzerland, the argument is sometimes reversed in the sense that decision-making in Switzerland is classified as corporatist despite the absence of a permanent corporatist institution. Katzenstein (1984), for example, detects in Switzerland a spirit of co-operation among the representatives of the state and major economic interest groups. Although this co-operation is not institutionalised in a permanent Economic and Social Council, it manifests itself in a variety of ways; for example, in the numerous pre-parliamentary expert committees. In the case of the Netherlands, the classification has shifted over time. The Dutch have a Social and Economic Council. However since the 1950's this Council seems to have lost much of its importance. As a conse-

quence, some authors describe the Netherlands as having shifted from a strong to a medium mode of corporatist decision making.

The examples of France, Switzerland, and the Netherlands show the *ad hoc* nature of the classifications at the macro level. The validity of the classifications is not improved by frequent repetition. There is a tendency in the literature to base classifications on the classifications of other authors. In their contributions to this volume, Lehner and Schmidt refer, for example, to Lehbruch for their classifications. But if one has doubts about Lehbruch's classifications, this reference is not of much help. What we need are classifications which stand on their own merits. For this task we need categories which fulfil the criteria of being mutually exclusive and jointly exhaustive. The categories of corporatism and pluralism are much too crude to satisfy these criteria. In the next section, we will try to show how a more refined classificatory scheme could be constructed.

4. Party Government Decision Cases

The main purpose of this section is to demonstrate what we mean by saying that decision cases fit within the criteria of party government. But first we must give some picture of the overall typology of which party government is a specific type. We fully acknowledge that a decision process is a multivariate phenomenon. Logically, we must therefore begin with the variables of which the decision process is composed. The typology will then result from the combination of these variables. One can easily think of many characteristics of the decision process which may be conceptualised as variables. For our current work we distinguish the following six aspects:

- (1) Agenda-setting: who initiates the decision process by placing the issue on the agenda?
- (2) Cleavage Structure: what conflicts develop around the issue?
- (3) Public Participation: how much and in what form do rank-and-file citizens participate in the decision process?
- (4) Decision-making Arena: what are the main arenas of decision making?
- (5) Decision Mode: what decision modes are used to arrive at a decision?
- (6) Implementation: who is in control of the implementation of the decision?

The above variables, as one can readily see, are drawn from prominent themes in the existing literature. For example, agenda-setting is of long-standing interest to political scientists both at the macro- and micro-levels. Cleavage structure is used as an explanatory variable in models such as pluralism and consociationalism, as is the level and form of public participation. In its simplest guise the decision-making arena as an explanatory variable has been around at least as long as we have distinguished between parliamentary and presidential political systems, but it has gained particular attention recently in the literature on corporatism. The mechanism by which a decision is

made (decision mode) has also been with political science for many years. Some of our own previous work has also been in this field. Lastly students of the policy process have argued at length that such studies are not complete unless one also examines the implementation phase.

There are certainly many ways in which our six variables can be combined to form a typology of decision processes. We have chosen the criterion of what actors are at the centre of the decision process. This may vary from one aspect of the decision process to another. A political party may launch a decision process but it may have no say in the phase of implementation. We thought that it would be particularly interesting to look at "pure" situations where one set of actors dominates all aspects of the decision process. By looking at it in this way, we arrive at a logically consistent definition of party government. The criterion is that political parties play the predominant role in each of the six aspects of the decision process. Issues are put on the agenda by a party and the main divisions are drawn along party lines. Citizen participation takes place within the parties as organisations. The main decision-making arena is parliament, the forum within which parties historically developed. The decision mode used to resolve the conflict is the traditional majoritarian one, with party discipline serving to structure the outcome. The responsibility for implementing the decision outcome also rests with the parties.

Based on the same logical principle, we have constructed an entire typology of decision processes. For each type a different set of actors is dominant. For the moment we work with the following eight types which will be expanded later:

- (1) Party government
- (2) Federalist government
- (3) Executive government
- (4) Bureaucratic government
- (5) Judicial government
- (6) Interest group government
- (7) Street government
- (8) Corporatist government

In another paper, we have defined all eight types (Steiner and Dorff, 1984). In the context of this volume it is sufficient to present one other illustration in addition to party government in order to convey a feeling for the possible variation among the types. Federalist government differs greatly from party government and may thus serve as a useful illustration. In federalist government, issues are set on the agenda by subnational units. Such units would include States, Länder, Cantons, and so on. The main divisions that arise are between subnational units, and citizen participation takes the form of membership of one of these subnational units. So, for example, we can think of one State versus another State, with the citizens of each State mobilised in pursuit of their State's policy preferences. The institutions of the subnational

units once again form the main decision-making arena. An example of this in West Germany would be the "Kultusministerkonferenz" and in Switzerland the "Finanzdirektorenkonferenz." In a pure federalist government each subnational unit has an effective veto power, which leads to high levels of compromise and bargaining. Finally, the power to implement the decision outcome also rests with the subnational unit, such as the staffs of the conferences noted above. In sum, federalist government is government by subnational units and occurs when policy issues essentially pit one unit (or group of units) against another, and where the power to resolve the conflict largely rests with those subnational units.

In order to classify decision cases according to the eight types and possible mixtures of the types, we must code the six variables of the decision process. What is the data base for this coding? For each issue we first establish a detailed chronological description. To do this we basically employ the classical methods of historians. First we try to get a broad overview of the events by screening one of the leading newspapers (*Le Monde*, for example, for France). This information is then supplemented with reports from other newspapers, governmental documents, annual reports of political parties and interest groups, minutes of parliamentary debates, etc. In addition to primary and secondary written sources, we interview some of the key participants in the decision process and close observers such as journalists. The purpose of these interviews is to obtain the additional data necessary for the development of the case studies. Having established the chronological description of a case, the next step is to organise the data in a systematic way according to the six variables of the decision process. The material for each variable is then read by three coders who make their own independent judgments. At the moment we have data for about 100 energy decision cases covering energy issues in the following Western democracies: the United States, Great Britain, France, the Federal Republic of Germany, Italy, Austria, and Switzerland. The time framework is from 1973 to the present. An important initial task of our ongoing research programme is to use these first 100 cases to evaluate the usefulness of our typology. With the help of a discriminant analysis, we will examine whether our logically constructed types occur with a certain frequency in empirical reality. If one of the types emerges only very rarely or never at all from the data, we would not pursue it further, at least not for the time being. On the other hand, the discriminant analysis may reveal that there are additional, empirically important types of decision processes. Some types may be based on the same logic that we used above, in the sense that still other sets of actors may be at the centre of the decision process. It is also possible that types will emerge based on different logical principles. The analysis of the first 100 cases will not only serve to refine and supplement our typology of decision processes, it will also allow a first test of how variation in the type of decision process may influence the policy outcome. This leads us then to this question: what aspects of the policy outcome are we interested in?

5. Conceptualisation of Policy-Outcome

For each of our cases the dependent variable is the policy outcome, and here we can distinguish two dimensions. As justified in an earlier paper (Steiner, 1983), we are primarily interested in the dimension of demand fulfilment. We wish to establish to what extent the demands of various groups are fulfilled. The relevant question, then, is the extent of the distance between winners and losers in demand fulfilment. At one extreme, the winners get everything, the losers nothing. At the other, winners and losers are so close together that they are practically indistinguishable.

The second dimension of the policy outcome concerns the extent to which this outcome is accepted or challenged by the relevant groups. There are many different ways in which a group may challenge an outcome with which it is dissatisfied. The options range from lobbying in Parliament to the organisation of violent protest demonstrations. We constructed an ordinal scale which allows us to locate the various groups according to the strength with which they challenge a particular policy outcome. The lowest quartile of the dimension is reserved for groups which limit their challenge to the verbal expression of dissatisfaction. Groups located in the second quartile go beyond mere talk in the sense that they take actual steps to change the outcome. But these steps are still conventional in the sense that they are limited to actions within the institutional framework, as in the introduction of an amendment in Parliament for example. In the third quartile the challenge of an outcome takes unconventional forms (legal strikes, peaceful demonstrations, fasting, etc.), but is still within the legal rules. In the top quartile legality is finally broken. Illegal means, such as violent demonstrations or organised non-compliance, are used to challenge the outcome of a decision.

Broadly speaking, our study allows us to see to what extent the policy outcomes of the individual cases correspond to a conflict or a harmony model of society. In a conflict model, relations among societal groups always remain antagonistic and no issue is ever fully resolved. In a harmony model, on the other hand, tranquillity can be achieved by virtue of policy outcomes which sufficiently fulfil the demands of all societal groups. Traditionally, these models have been applied to entire societies. The problem has been that such a macro-level classification of individual countries is essentially confused, and the manner in which entire countries are classified remains rather vague. Our lower level of aggregation allows us to differentiate not only between but also within countries. Thus, our theoretical framework allows for the possibility that a single country might be characterised by a complex mixture of conflict and harmony models in the policy-making outcome.

At this point it may be helpful to use a concrete case as an illustration of how we code the policy outcome. The illustration deals with the lowering of speed limits on highways in the United States following the Arab oil embargo of 1973. One position, represented by the Nixon Administration, was to

lower the limits from 65 to 50 mph. However, the trucking industry and many representatives of the Western region maintained that the limits should be kept at 65 mph. The outcome was a new speed limit of 55 mph.

We coded the Nixon Administration as having the greatest degree of success. In numerical terms, two-thirds of its demands were fulfilled given the distance between 55, 50 and 65. But simply looking at the "numbers" in this way can be misleading, and at times such convenient numbers do not exist. In this particular case, it seemed important that the Nixon Administration was less interested in a precise number than in the principle that speed limits were an instrument for saving gasoline. And on this question of principle the Administration was a clear winner. Given this victory it mattered relatively little to the Administration that the new speed limit was 55 mph instead of the originally proposed 50 mph. We coded the Nixon Administration as having about 80 per cent of its demands fulfilled.

We do not try to be so precise as to argue that the Administration had, say, 79 or 82 per cent of its demand fulfilled. We merely claim that the extent of its demand fulfilment lies somewhere in this more general range. At the moment, more precision is also unnecessary because of the nature of the hypotheses to be tested. As we will see in section 6, a hypothesis may predict that an outcome will fulfil not all but most of the demands of a particular group. To test such hypotheses the precision claimed for our coding will be sufficient.

According to our coding, the Independent Truckers were the biggest losers with only about 20 per cent of their demands fulfilled. Their only gain was that the new speed limit was not as low as the originally proposed 50 mph. But the Independent Truckers lost on the question of principle, that is that speed limits should not be used as an instrument for saving gasoline. They were very adamant on this point. The Teamsters, the representatives of the West, and especially the American Trucking Association were less adamant about the principle, so that to these groups the new limits appeared more as a compromise (about 30 per cent demand fulfilment).

With regard to the second dimension (challenge of the decision), we coded the Nixon Administration at the lowest end of the scale. Although its original demand of 50 mph was not fulfilled, the Nixon Administration fully accepted the outcome of 55 mph. The story was different for the Western region. Its representatives in Congress proposed several amendments to increase the speed limits again, but they did not go beyond such conventional parliamentary actions. Consequently, we locate the West in the second quartile. For the trucking industry, a differentiation has to be made between the Independent Truckers, the Teamsters, and the American Trucking Association. The Independent Truckers challenged the policy outcome with blockades of some major interstate highways. Such blockades are one of the mildest forms of violent protests, which justifies the location of the Independent Truckers at the lower end of the top quartile. The Teamsters asked the

Nixon Administration to reconsider the decision and, at a minimum, to raise the limits for night driving. This action places the Teamsters in the second quartile. The American Trucking Association, which expressed some misgivings with the policy outcome but undertook no action to challenge it, is placed in the lowest quartile.

This case is just one possible configuration of the policy outcome. The 100 cases for which data collection is complete indicate a substantial variation in the policy outcome. In some of the French nuclear cases, for example, the groups are extremely far apart on both dimensions: Winners and losers are located at the extreme ends of the dimension of demand fulfilment. Whereas some groups accept the outcome fully, others challenge it in vehement ways. On the other hand, we also have cases where all groups win and lose to about the same extent and where no challenge of the outcome occurs.

How is the policy outcome causally related to characteristics of the decision process? It is to this theoretical question that we turn in the next section, looking specifically at the decision type of party government.

6. Party Government and Policy-Outcome

In order to make the theoretical linkage between decision process and policy-outcome, we assume that actors are rational in the sense that they try to maximise their interests. We have already discussed this assumption in an earlier paper (Steiner and Dorff, 1984), where we also argued that it is too simplistic to assume that political actors are interested only in gaining and maintaining political office. This may, indeed, be the only motivation which really counts at times. But at other times politicians may be genuinely interested in pursuing substantive policy goals. They may also be guided by considerations of system maintenance. Overall, we assume that office-seeking, policy goals, and system maintenance are the three main motives of decision makers, and that the relative importance of these motives may change from one actor to another; it may also change for individual actors over time, even during a particular decision process. Thus, when a decision process begins, an actor may be mainly concerned with pursuing his or her policy goals, but the occurrence of violence during the process may bring considerations of system maintenance to the forefront. In our hypotheses we will try to predict which motives are associated with a particular decision process and how these motives influence the policy-outcome. When we speak of an association between decision process and motives, the causality can go both ways. The motives may be influenced by characteristics of the decision process, but they may also be the prior reason why a particular decision process has been chosen. The question of why a particular decision process is chosen is not of immediate concern in the present paper. We have explored it in our earlier work and we plan to come back to it. For the moment we treat the decision process as

an independent variable, and we are interested in how variation in this variable influences the policy-outcome.

In the present context, our main interest is how a decision process organised according to the model of party government influences the policy-outcome. First, we will formulate the hypotheses in a general way without taking account of the parameters of affluence and scarcity. These parameters will be introduced later in the discussion. The hypotheses begin with an examination of the motives of the actors in a decision process of party government. Then, we will hypothesise how these motives affect the two dimensions of the policy outcome.

Motives in Party Government

The primary motivation of political parties is office seeking. Although policy goals may be important, they are generally subordinate to the goal of remaining in office. After all, policy goals cannot be attained if one fails to be re-elected. Consequently, the selection of policy goals themselves should reflect an overriding concern with enhancing the chances of electoral success, and certainly the parties try to avoid the issues that might result in electoral defeat. Participants will not be particularly concerned with system maintenance since citizen action is highly institutionalised within the party framework.

Demand Fulfilment in Party Government

The distribution of demand fulfilment under conditions of party government is determined by the party or coalition of parties that controls a majority of votes in Parliament. This determination, as noted above, reflects the basic motivation of office seeking. How this motivation is translated into the policy-outcome will depend on the length of time from the last and to the next election.

If it is not long since the last election, the majority party(ies) will want to reward primarily its core supporters and reinforce their support. Therefore we would expect an outcome with the majority party(ies) taking nearly all the benefits. If, on the other hand, the next round of elections is rapidly approaching, the majority party(ies) will seek to attract potential swing voters in order to maximise electoral chances. To do this requires a broadening of the party's appeal. Consequently, the majority party will seek to share a larger part of the benefits with the opposition party(ies).

Challenge to the Decision in Party Government

The way in which the opposition challenges the decision outcome depends on its perceived chances of becoming the majority coalition in the foreseeable future. If these perceived chances are good, the opposition will challenge the outcome within the conventional institutional framework, both because it will

want to present itself as a reliable, responsible alternative government and also because, if it wins, that same framework will then serve its interests.

If, however, the opposition has virtually no chance of winning control of the government in the foreseeable future, we would expect the challenge to go beyond the conventional institutional framework. Having little to gain from the use of conventional institutions, and especially because that framework is perceived as detrimental to its basic interests, the opposition will probably try to encourage extra-institutional challenges such as protests and demonstrations.

These theoretical arguments will take quite a different form for the seven decision types other than party government. We again use the illustration of federalist government to show this variation. Having defined what we mean by federalist government in section 4, we can immediately proceed with the hypotheses.

Motives in Federalist Government

In federalist government participants will be the relevant subnational units. Obviously, elected officials in these subnational units will be concerned with remaining in office. However, since the conflict occurs between such units, we actually have not a shared but a divided market in which the competition for office occurs not across units but within each unit. For example, governors in the US are not in direct competition with one another for office-holding. Consequently, as a motivation in the policy process, office seeking is not very important in federalist government.

The primary motivation should be policy goals. Indirectly, of course, this motivation will reflect electoral concerns within the subnational unit in that the decision makers will want to satisfy the policy needs of their constituents. But the conflict will be framed largely in terms of the subnational unit wanting to achieve its policy goals *vis-a-vis* the other subnational units involved in the conflict. Consequently, it appears that the policy goals themselves will be the primary motivation for participants.

System maintenance, our third possible motive, should also be important in federalist government. Since the conflict concerns subnational units, there is always some danger that the participants could press their demands too strongly and threaten the federalist fabric that holds the various units together. In other words, a certain minimal level of satisfaction for each subunit is required for overall system maintenance. Policy demands will be limited to some extent by the desire to maintain harmonious relations among the subnational units.

Demand Fulfilment in Federalist Government

Turning now to the dimensions of the policy-outcome, we first examine the expected level of demand fulfilment. Because each subnational unit has an ef-

fective veto power, each one should be able to block decisions that entail high costs. This should lead to outcomes with clear benefits to the participants only when such benefits are possible without incurring substantial costs for any participants.

Challenge to the Decision in Federalist Government

For the second dimension of the policy-outcome, challenge to the decision outcome, we have to introduce a parameter: namely, the level of inequality among the subnational units. If the level of inequality is low, there should be no significant challenge to the outcome. This results from the relative balance of power among the various units. In essence, the compromise reflected in the level of demand fulfilment cannot be improved upon if all the subnational units can effectively check and balance one another; in this sense it is a pareto-optimal outcome, and small, incremental changes are satisfactory. If, however, there is inequality in power among these units, we might expect a further challenge to the outcome by weaker units which might try to pursue the challenge in a different institutional framework. For example, a State might suddenly seek to raise the issue within the national party system, attempting to polarise it along party lines. If no other institutional framework is available, or if the weaker State is unable to shift the issue to such a framework, the conflict might shift to challenges outside conventional, institutional frameworks (public protests, demonstrations, threats of secession, etc.).

The example of federalist government should have shown that the theoretical expectations for policy-outcome are quite different than for party government. Having demonstrated this, we will concentrate on party government for the remainder of the paper. We will examine whether our hypotheses for party government need any modification, if we introduce the issues of affluence and scarcity, which are the key parameters of any public policy analysis that focuses on the changes which have taken place in contemporary Western democracies in the past two decades. In his contribution Franz Lehner gives a theoretical explanation of why the Western democracies moved from fiscal affluence to fiscal scarcity from the 1960's to the 1980's. Following Lehner, we use the terms affluence and scarcity in this fiscal sense. We must now ask whether it makes a difference to the policy-outcome if there is a situation of fiscal affluence or scarcity in a decision process which meets the criteria of party government. We do not detect any influence on the motives of the actors. Office seeking should be the prime motive under both conditions of affluence and scarcity. But how these motives affect the dimension of demand fulfilment will probably depend on how available or scarce the fiscal means are. The main difference will be that under the two conditions "benefits" and "costs" are defined in different ways.

If the state has plenty of revenues, winning in a decision process means receiving increased public goods and services, and losing means staying at the

old level. But if the state is short of cash, the losers will suffer cut-backs, whereas the winners remain at the old level or receive relatively smaller cuts. If we apply these different definitions of benefits and costs to our theory of party government, we come to the following conclusions with regard to the dimension of demand fulfilment: under conditions of fiscal affluence, the winning party (or coalition of parties) will reward its supporters in the period after an election with increased public goods and services. The supporters of the losing party(ies), on the other hand, will have goods and services at the old level. For the definition of the outcome only the increased goods and services are taken into account. Of these increases the winners get almost everything, the losers nearly nothing. With the approach of new elections, the majority party(ies) extend(s) some of the increases beyond its own supporters in order to attract potential swing voters and thus to maximise re-election chances.

Under conditions of fiscal scarcity, benefits and costs take on an entirely different meaning. After an election victory, the majority party(ies) can reward its own supporters only by exempting them from cut-backs in public goods and services. The burden of the cut-backs is put entirely on the losers in the election. This time the issue is defined in terms of who suffers from the cut-backs. As another election approaches the majority party(ies) imposes some of the cut-backs on its own supporters, thus alleviating somewhat the burden on potential swing voters.

Introducing the parameters of fiscal affluence and scarcity for party government does not change our basic theoretical argument with regard to the dimension of demand fulfilment, but it specifies what is meant by benefits and costs. We will now discuss the effect of the two parameters on the second dimension of the policy-outcome, the acceptability of the outcome. Here again our main theoretical argument seems to remain intact, but the introduction of the parameters helps to specify the time span within which the opposition takes into consideration its chances to become the majority party(ies). Under conditions of fiscal affluence, this time span is probably longer than under conditions of fiscal scarcity. This hypothesis can be justified as follows: as we have seen above, under conditions of affluence the opposition party(ies) loses only to the extent that its supporters do not get additional public goods and services. Compared with the winners in the election, this is certainly a loss, but in absolute terms there is no reduction in public goods and services. Consequently, the situation of the losers is quite bearable. They can tolerate remaining in opposition until the next election. As the election approaches, they may even get some increases in public goods and services because the governing party(ies) tries to attract potential swing voters. Even losing one or two more elections will not be perceived as a catastrophe. The opposition party(ies) will therefore limit its challenge of the policy-outcomes to the institutional framework of party government (i. e., motions of non-confidence in Parliament). Only if its opposition status continues for perhaps an entire gen-

eration or even longer will despair set in. After such a long time the opposition will begin to doubt whether the institutional framework of party government serves its purposes. It will begin to challenge the policy-outcomes outside of this framework.

Under conditions of fiscal scarcity, the opposition party(ies) will step out of the framework of party government much earlier to challenge policy outcomes. After the election defeat, the cut-backs imposed by the majority will begin to hurt severely. Now the losses are not only relative to the winners but also absolute. Even if, with the approach of the next election, some of the cut-backs are reinstated as a result of electoral considerations, the situation seems less and less bearable for the opposition. If the next election is also lost, despair with the system of party government may set in very rapidly and the policy outcomes will be increasingly challenged outside of the institutional framework of party government. This framework also receives little support from the voters of the majority party(ies) because they have to content themselves with the benefit that their public goods and services are not reduced. The combination of challenges to the policy-outcomes by the minority party(ies) outside the institutional framework of party government and the lukewarm support of this framework by the majority party(ies) may easily lead to moves away from party government. It is to such moves that we turn in the next section.

7. Moves Away from Party Government

We pick up now a suggestion which we have already made in section 2, namely that a dynamic aspect should be added to our theory in the sense that the decision cases are linked across time. In the present context we have to ask what happens next if party government is challenged. What other decision process is likely to follow? We said earlier that in addition to party government, we defined seven other "pure" decision types. We do not expect, however, that the move away from party government will be towards any of these other types (cf. G. Smith (1986) pp. 205—235). It seems more probable that the next decision process will be of a mixed nature. The parties may lose their predominant role only for some aspects of the decision process but not for others. We will now discuss what party functions are most likely to be lost. We focus this discussion on conditions of fiscal scarcity under which—as we have seen in the last section—moves away from party government should be particularly frequent.

A first such a move may be a change in the decision mode in Parliament. Instead of the competitive majoritarian mode, a consociational mode of accommodation may be used. Because the main task of governing under conditions of scarcity is to reduce public goods and services, political parties may find it more rational to share the blame for such cuts. This rationality could be based on the common interest of all parties in maintaining the institutional

framework of party government. As we have seen in the last section, policy-outcomes may be easily challenged by the opposition outside the framework of party government, which may in turn endanger the entire framework. This danger can be reduced if decisions are made in a consociational way with the necessary cuts being evenly distributed among all parties. A second move away from party government may be to remove decisions altogether from the parliamentary arena. An increasingly popular alternative is the creation of extra-parliamentary blue ribbon commissions. We already mentioned the example of the Greenspan Commission in the United States, which had the task of proposing necessary cuts in the social security system. Instead of sharing the blame for the cuts, political parties can deflect this blame with such a method of decision making.

A third departure from party government may occur when parties give up the function of agenda-setting. Fearing the negative consequences of reducing public goods and services, the parties may find it in their best interest to keep the explosive issues off the agenda entirely. In this case we assume that political parties tend to define their interests primarily on the basis of short-term factors, notably electoral considerations. To maximise re-election chances, the governing party(ies) may find it rational to avoid dealing with issues where cuts have to be made. Because the next election is never too far away, issues where big cuts have to be made may never be put on the agenda by political parties. At best, short-term "quick fixes" will be favoured over long-range solutions to long-term problems. Allowing for a certain time lag, the function of agenda-setting may then be taken over by other institutions, for example, by the bureaucracy or in some countries by the courts.

A fourth move away from party government is likely to occur at the mass level. At the elite level, the cleavage for a particular issue may still be defined in party terms, but not at the mass level. Participation of the ordinary citizens no longer takes place in the institutional framework of the party system but in groups that form outside this framework. Under conditions of fiscal scarcity, such a development may occur because citizens cease to be loyal to the parties who can offer only cuts, not increases, in public goods and services. The citizens are basically in a different situation from the party leaders. The latter are still linked with their career goals to the party system and therefore continue to define issues along party lines. Such career goals do not exist for ordinary citizens. Their loyalty to the parties was primarily based on increases in public goods and services which they received from these parties. Now the only thing that citizens can expect from their parties are exemptions from cut-backs. For many citizens this may not be good enough and they may hope that they will fare better if they participate in groups outside the party system. Of course, they may also be disappointed in these new groups, and they may eventually retreat into apathy. The main point here is that under conditions of scarcity developments may occur in such a way that issues are still defined in party terms at the elite level but not at the mass level.

8. Normative Evaluation

Are moves away from party government as described in the last section necessarily undesirable? In other words, is it the best possible way to organise decision processes according to the model of party government? It is perhaps helpful if we state once again at the beginning of this concluding section what we mean by party government. We categorise a decision process as party government if the issue is placed on the agenda by a party and the main cleavages are drawn along party lines. Citizen participation takes place within the institutional framework of political parties. The main decision making arena is Parliament and the decision mode is majoritarian, with party discipline serving to structure the outcome. Parties are also in control in implementing the decision.

Party government is distinct from other models of decision making such as federalist government, bureaucratic government, judicial government, street government, etc. Why should party government be preferable to all other models? It is perhaps premature for us to address such a question at this point because the results of our study are by no means complete. It still remains to be seen whether the model of party government has the hypothesised consequences on the policy-outcome. But we may begin to speculate in a tentative way about the normative implications if it turns out that our hypotheses are basically correct.

So once again, why should it be best to handle decision processes according to the model of party government? Why should political parties be at the centre of the decision-making process? Why not, for example, interest groups or the bureaucracy? We wish to address this question in terms of three possible normative goals: democratic legitimacy, civil order, and fiscal responsibility. Is party government the best means of achieving these three goals?

For the value of democratic legitimacy the answer seems to be affirmative. If decision cases are managed according to the model of party government, the major gains of the policy outcome go to the majority party(ies). This is particularly true if an issue is decided immediately after a general election. In the immediate run-up to a new election, however, the distinction between winners and losers is somewhat more ambiguous. Despite this, it is generally relatively easy for the voters to link policy-outcomes to election results. In this way electoral competition becomes meaningful for the voters. They realise that participation in elections gives them the means with which to influence policy outcomes. If they are among the winners in the election, they can expect that many issues will be decided in their favour. This linkage between policy-outcomes and the expressed will of the majority of the voters should increase the democratic legitimacy of the entire political system. Therefore we may hypothesise that democratic legitimacy is greater, the higher the number of decision cases handled according to the model of party government. For other decision models the linkage between policy-outcomes and

the will of the voters is much less clear. If bureaucrats, for example, are at the centre of the decision process, it is much more difficult to see how the resulting policy outcomes are related to the will of the voters. One could argue, of course, that bureaucrats are appointed by elected officials, but this linkage is rather tenuous as a basis for democratic legitimacy.

For civil order as a normative goal the impact of party government seems positive under conditions of affluence, but negative if conditions change from affluence to scarcity. Under circumstances of affluence, losing means for the most part merely that public goods and services for the losers are not increased further, but remain instead at the old level. Challenges to the outcome will be restricted to actions within the conventional institutional framework. As a consequence, disruptions of civil order will occur very rarely, if at all. Under conditions of scarcity the situation is quite different. Losing means suffering cuts in public goods and services. Such cuts may be perceived as so severe that they may be challenged with actions outside the institutional framework. But why would losers go so far if the policy outcome is arrived at according to the model of party government which, as we said a moment ago, contributes to democratic legitimacy? Why would the losers resort to unconventional, even violent actions if they realise that the policy outcome is clearly linked with the outcome of the last election? The losers will probably have no difficulty seeing this connection, and therefore they may not contest the fact that the outcome is legitimate from a democratic perspective. But this argument may weigh less than the immediate hurt caused by the cuts. Thus they may take unconventional actions against policy outcomes whose democratic legitimacy they do not challenge. In such cases the detrimental substance of the policy-outcome counts more than the form by which it was decided. Under conditions of scarcity are other models of decision process more conducive to generally acceptable policy outcomes? We think so. Judicial government, for example, may be better able than party government to protect minorities so that they do not have to suffer most of the cuts in the programmes. The same may be true of other decision making models such as federalist and bureaucratic government.

What is the impact of party government on fiscal responsibility as a third possible normative goal? The customary hypothesis is that political parties compete with each other to increase public goods and services as much as possible for their own supporters. If conditions change from affluence to scarcity, this strategy of the political parties leads to a fiscal crisis because more programmes are enacted than there is money to fund them. If many decisions continue to be made according to the model of party government, the fiscal crisis may accelerate. But it is also possible that political parties will compete with each other to propose cuts rather than increases in public goods and services. Such a re-orientation in party competition could occur if voters would realise that the escalation of rising expectations has led state and society to a dead end. Instead of demanding new public goods and services, the

voters would ask for cut-backs, and the main competition among parties would be on whom to impose these cuts. The successful electoral strategy of the Republicans in the United States could be interpreted in this sense. This strategy is based on the assumption that many voters have become aware of the negative consequences of the fiscal crisis (e. g., high interest rates), and demand primarily that governmental programmes be cut. The Democrats are obviously unsure whether they should enter into competition with the Republicans to cut programmes. If party competition did indeed go in this direction, one might arrive at the unorthodox supposition that party government could help to alleviate the fiscal crisis. One might then have to ask whether other models of decision making could be even more successful in resolving the fiscal problems.

Our normative speculations end here. It does not make sense to proceed much further until we have completed the empirical testing of the hypotheses on which our normative speculations are based. Once we have results of these tests, we can then carefully compare the policy consequences of the various models of decision making. Then we will be able to say more about the strengths and weaknesses of the models. The conclusion will probably be that no single model is optimal for all decision situations. Country specific characteristics will most certainly have to be taken into account. Particular decision models may perhaps have beneficial effects in small but not in large countries. In addition, the nature of the issue must be considered. A decision model which is appropriate for the construction of a nuclear plant may not be at all appropriate for the abortion issue, for example. Such differentiated conclusions will only be possible if we work at the disaggregated level of singular decision cases.

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