Who gets to be different? Assessing the Failure to Present Coalitional Unity in Parliamentary Speech.

Submitted by: Christine Sheldon*

October 21, 2025

Abstract

The unity-differentiation dilemma in coalition politics describes a strategic trade-off: coalition parties may unite to capitalize on incumbency benefits or differentiate to maintain a distinct party label and maximize re-election prospects. Existing research suggests differentiation prevails when vote-seeking behaviour outweighs policy-seeking goals, such as during electoral campaigns or when performing poorly in the polls. However, it remains unclear whether this strategy is universally adopted or equally employed across parties. This paper introduces a novel obstructive theory of coalition differentiation, which identifies differentiation as inherently disruptive to the legislative process. Consequently, differentiation is proposed to be a behaviour reserved for parties with substantial bargaining power within the coalition, who are able to bear the costs of differentiation. Using a dynamic measure of coalition differentiation based on legislative speech, and a monthly varying measure of coalition party bargaining power, this study demonstrates that bargaining power is a significant and positive predictor of differentiation behaviour. These findings provide robust empirical support for the obstructive theory, advancing our understanding of coalition dynamics and strategic legislative party behaviour in multiparty governments.

*Research Fellow in Computational Social Science, Centre for AI in Government, University of Birmingham. c.r.sheldon@bham.ac.uk.

1 Introduction

Unity and compromise lie at the heart of coalition governance. As posited by Fortunato (2019*a*): 'willingness and ability of parties with dissimilar policy preferences to compromise is a necessary condition for policy change in divided and multiparty government, and is critical to addressing new hurdles, [...] in many cases compromise may be necessary to simply maintain the function of the state' (p.60). Any kind of individual incumbency benefit can only be obtained through collective action (Lupia and Strøm 2010). In turn, willingness to do so does not only result in policy change, but it is also likely to signal to the remaining parties in parliament that they are an agreeable partner in government (Fortunato 2019*b*). As a result, there is a strong incentive for coalition parties to compromise and unite behind the coalition consensus agreed upon.

However, it is not a sustainable strategy for coalition parties to choose compromise, and its associated benefits, exclusively. Doing so signals a failure to deliver governance outcomes in the way they were formulated as electoral pledges. Coalition compromise inadvertently signals that a party 'is not vigorously pursuing the policies it has promised its supporters, has abandoned its core positions or is simply incompetent' (Fortunato 2019*a*, p. 60). Consequently, this will 'undermine a party's carefully established profile' (Martin and Vanberg 2008, p. 503) and make 'credit claiming for various accomplishments more difficult' (Fortunato 2019*b*, p. 242). Previous research indicates that voters closely consider governance outcomes when updating their assessment of the parties in a coalition (Bernardi and Adams 2019; Bowler, Gschwend and Indridason 2020; Fortunato et al. 2021; Fortunato and Stevenson 2013). The more such outputs reflect compromise, the more likely voters are to punish or retaliate (Fortunato 2019*a*; Greene, Henceroth and Jensen 2021; Narud and Valen 2010). Thus, disregarding ideal policy preferences in favour of compromise and joint governance comes with a certain 'cost of ruling' (Nannestad and Paldam 2002), which contributes to the overall incumbency penalty a party may experience.

Parties are, however, significantly limited in their ability to differentiate from each other

whilst in office. Perhaps one of the most common forms of coalition party differentiation, considered in the literature, is ministerial drift, which refers to the process whereby a minister proposes legislation closer in line with her party's ideal than the coalition consensus (Martin and Vanberg 2011). This is, however, a rare occurrence as it is often heavily restricted by a number of control devices which ensure adherence to the coalition consensus, such as publicly available coalition agreements (Klüver and Bäck 2019; Klüver, Bäck and Krauss 2023; Krauss 2018; Moury 2012), strong legislative committee systems (Martin and Vanberg 2011; Zubek 2015), or the strategic appointment of junior ministers (Lipsmeyer and Pierce 2011). Differentiation through distinct voting behaviour on bills or denouncing other party's policy successes are also unlikely to occur, as this would violate collective cabinet responsibility (Laver and Shepsle 1996). Collective cabinet responsibility 'stipulates that the government present a united front on all policy matters, particularly after the policy has passed the parliament' (Fortunato 2021). Since violations of this responsibility are inherently antithetical to coalition cooperation, parties doing so risk expulsion from the coalition or triggering pre-term termination. This implies that to maintain a coalition government, parties are incentivised to support each other's policy proposals by voting in favour, and subsequently refraining from any form of public criticism. This leaves the opportunities during the legislative process, after submission of the bill and prior to the final vote, for parties to differentiate in public-facing arenas without violating collective cabinet responsibility. As a result, literature attempting to capture coalition differentiation has focussed on parliamentary speech (Martin and Vanberg 2008), legislative amendments (Fortunato 2019*b*, 2021), parliamentary questions (Sozzi 2023), and party press releases (Sagarzazu and Klüver 2017).

What this indicates is that coalition parties experience mutually exclusive incentives to compromise for policy making, and to publicly differentiate from coalition partners to maintain a distinct party brand in the eyes of the electorate. This conundrum has been widely identified in the existing literature (Bernardi and Adams 2019; Boston and Bullock 2010; Fortunato 2019*b*, 2021; Lupia and Strøm 2010; Martin and Vanberg 2008; McEnhill

2015; Sagarzazu and Klüver 2017; Velden and Schumacher 2015). Boston and Bullock (2010) coined this the unity – differentiation dilemma, as parties seek 'how best to balance the desire for unity or cohesion (and hence effectiveness) with the equally important electoral imperative to maintain party distinctiveness or differentiation' (p.41). Despite the frequent occurrence of the unity-differentiation dilemma in existing literature, there is little work, and no consensus, on the exact conditions when one prevails over the other. In the words of Bernardi and Adams (2019): 'it is unclear how governing parties balance these conflicting motivations' (p.1502).

This paper addresses this ambiguity by introducing a novel theory of coalition differentiation. Specifically, the obstructive bargaining power theory identifies differentiation as an inherently obstructive behaviour, which only those parties engage with who hold strong bargaining power. An empowered position in the coalition implies that this particular party is unperturbed by the possible policy gridlock or even pre-term termination, as a consequence of their obstructive behaviour. These expectations stand in contrast to the few existing theoretical accounts of differentiation behaviour, which collectively assume all coalition parties can engage in this behaviour equally. Drawing on a sample of 48 coalition governments, from six European democracies, and using novel dynamic measures for both differentiation and bargaining power, the following analysis indicates a significant positive association between coalition party bargaining power and subsequent differentiation. These findings reinforce the notion that strong coalition parties are able to differentiate more and thereby shed light on the careful weigh-off coalition parties make when deciding whether to publicly unite with their coalition partners or revert back to their distinct party line.

2 The Utility of Differentiation

Although the existing literature on coalition party differentiation is limited, one can distinguish two main theoretical camps. Both are detailed below.

2.1 Uniform Campaigning Behaviour

The Uniform Campaigning Behaviour (UCB) theory of differentiation stipulates that differentiation is a coalition behaviour that is exclusively reserved for campaigning. More precisely, these theories state that as planned elections draw near, coalition parties will start to pull away from each other to re-establish their party brand in time to face the electorate as separate entities (Martin and Vanberg 2008; Sagarzazu and Klüver 2017; Velden and Schumacher 2015). This, therefore, assumes that as a term in office commences, 'the benefits of cooperation are greater than the benefits of differentiation as government stability ensures control over political offices' (Sagarzazu and Klüver 2017, p. 337). As the incumbency progresses, and the subsequent general election approaches, these incumbency benefits significantly reduce as bills introduced towards the end of a term are less likely to come to a vote and thus to be implemented (Martin 2004; Martin and Vanberg 2008). In turn, the utility of differentiating greatly increases with the prospect of elections, as voting is one of the most impactful ways party supporters can reward or denounce party behaviour in office (Martin and Vanberg 2008). Without publicly establishing how coalition parties are distinct and emphasising their accomplishments in office, parties could risk re-election (Sagarzazu and Klüver 2017). Moreover, Martin and Vanberg (2008) emphasise that the incentive or need to differentiate at this stage is a function of the distance between the ideological ideal points of the parties in office. The larger the differences the more substantial the sacrifices made by parties whilst in office, and hence the more there is to account for during campaigning. The resulting utility function of the UCB theory of differentiation therefore looks as follows:

$$U_d = m + r \tag{1}$$

where U_d is the utility of differentiating, m is the ideological distance between the coalition parties' ideal points which indicates the extent differentiation is necessary, and r is the

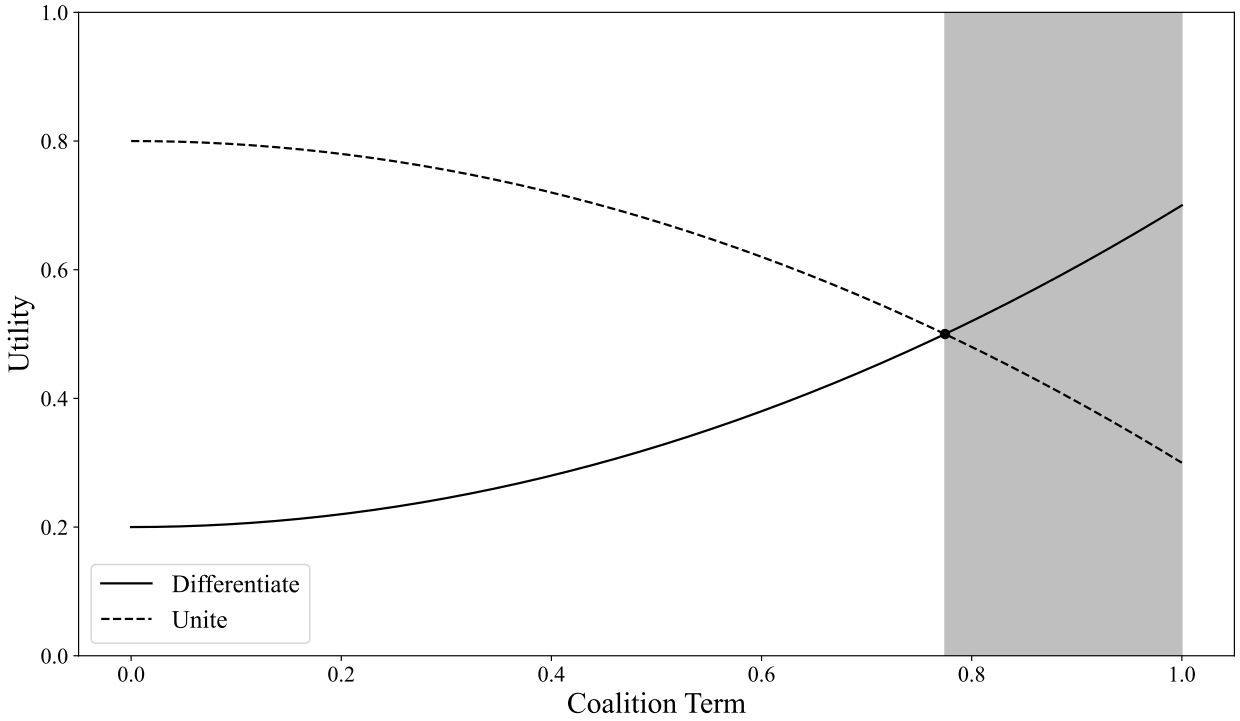

Figure 1. Utility of Uniting Compared to the Utility of Differentiating for the Duration of Incumbency According to the UCB Theory of Differentiation.

proportion of the government term that has passed and therefore indicates the imminence of planned elections.

If we assume that the value of m is consistent throughout incumbency, and the value of r increases as the term progresses, the resulting utility curve for differentiating could resemble the one depicted in Figure 1. When compared to a utility curve of uniting in government which decrease as time passes, the utility to differentiate only surpasses the utility of uniting toward the end of government term.

A core assumption at the heart of the UCB theory of differentiation is that the values attributed to the variables in these utility functions are uniform for all parties. This implies that in the period between the intercept of utility curves, and the planned elections (indicated by the area shaded grey in Figure 1), all parties are allowed to deviate from a consensus by differentiating publicly, as to minimise the incumbency penalty generated by a term of compromise. Differentiation from this theoretical perspective can thus be considered a

uniformly adopted campaigning strategy.

2.2 Popularity Correcting Response

The Popularity Correcting Response (PCR) theory of differentiation has been championed by David Fortunato (2019*b*, 2021). This take on differentiation emphasises that the utility to differentiate is unlikely to be equal between coalition parties, as the UCB theory claims. Fortunato, instead, argues that coalition parties will consider the state of their distinct party brand throughout incumbency and not just prior to elections. As indicated above, voters continuously update their perceptions of coalition parties. If voters perceive the parties in office to be too similar, this will likely result in loss of support for the compromising party (Bernardi and Adams 2019; Bowler, Gschwend and Indridason 2020; Fortunato 2021; Fortunato and Stevenson 2013). Thus, 'as the perceived distance between the [coalition parties] closes (relative to their strategically selected positions), the benefit of differentiation [...] increases.' (Fortunato 2019*b*, p. 243). Once this increase in the utility of differentiation outweighs the benefits associated with incumbency, parties are then driven to violate coalitional unity and publicly differentiate from their partners. Parties do so with the aim of correcting the damage done to their party brand. At this point, 'conflictual behavior is not merely a strategy for increasing vote share, but a requirement for preventing losses'(Fortunato 2019*a*, p. 76). The resulting utility function of the PCR theory of differentiation therefore is[1]:

$$U_{dat} = (m - v_{at}) + p_a - c_a \tag{2}$$

where U_{dat} is the utility of differentiating for party a at time t, m is ideological distance between the ideal preferences of the parties joined in office, and v is the perceived distance of party a to its partners at time t. Subtracting v_{at} from m therefore represents the extent

[1]This function is taken from Fortunato (2021), p. 98) and adapted to include subscripts to emphasise its correcting nature.

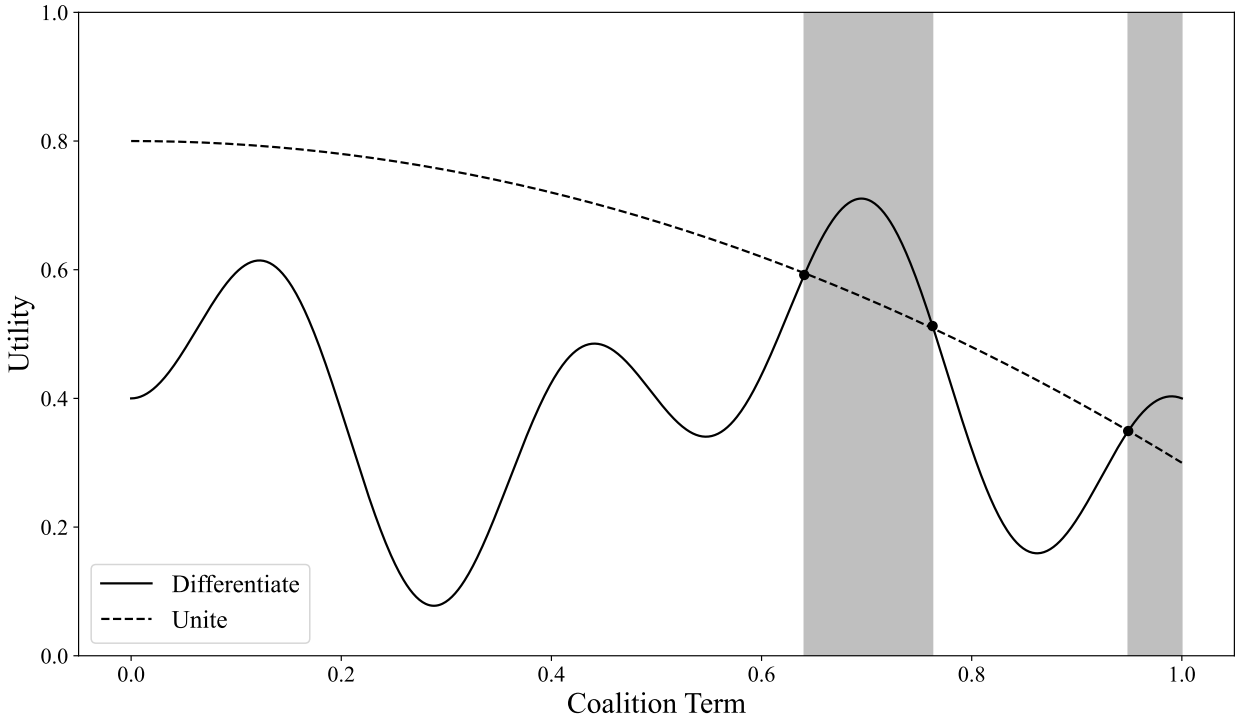

Figure 2. The Utility of Uniting Compared to the Utility of Differentiating for the Duration of Incumbency According to the PCR Theory of Differentiation.

of the perceived compromise party a is making, which Fortunato (2021) indicates as the electoral benefits of differentiating. In turn, p represents the possible policy benefit party a could achieve by differentiating, and c is the cost of differentiating for party a, such as the time and resources it would take. According to this function, not only will the utility of differentiating vary between coalition parties, but it will also fluctuate as voters update their perceptions of similarity of a party to its coalition partners. As a result, a party-specific utility curve for differentiating could resemble the one depicted in Figure 2. If we assume the utility to unite remains unchanged from Figure 1, the utility to differentiate surpasses this curve at two different point of the incumbency. As a result, one would expect this party to differentiate twice whilst in office, indicated by the grey shading.

This take on the unity-differentiation dilemma assumes that, within the bounds of collective cabinet responsibility, coalition parties are allowed to show deviant behaviour in order to save their declining party brand and minimise their incumbency penalty. In fact, differen-

tiation within these bounds is not only accepted, but also considered a key part of coalition governance. Fortunato (2021) argues that the extent to which a party can differentiate is determined prior to a bill even being submitted to the legislature. During confidential coalition negotiations, parties establish the extent the proposing minister can drift from the coalition consensus with their legislative proposal, which the remaining parties then subsequently plan to correct by tabling amendments. In this win-win scenario both the proposing and reviewing parties get to differentiate publicly, either through ministerial drift or amending, whilst eventually passing a bill which resembles the predetermined policy compromise. This performative conception of coalition governance illustrates that parties do not solely bargain on policy outcomes, but also on the ability to differentiate.

Such a proposition is, however, improbable. Within coalition governments 'public support is the linchpin of a political party's power' (Lupia and Strøm 2010, p. 63). Hence it is inconsistent to expect that a party with wavering support, and therefore a weak bargaining position, somehow can still negotiate a bargaining outcome whereby they get to differentiate and increase their public support. Especially since doing so will inadvertently improve their intra-coalition bargaining position. Therefore, this paper introduces a novel theory of differentiation, where differentiation is not a bargaining outcome, and instead a deviant behaviour which only those parties with a favourable bargaining position can afford to engage in.

3 Obstructive Bargaining Power Theory of Differentiation

Differentiation to correct a decline in public support is unlikely to be part of a coalition bargaining outcome. It would be a very unlikely equilibrium of a coalition bargaining game. Instead, it makes more sense to see differentiation as something which parties will use at their own discretion, with the knowledge that it is a deviation from the coalition consensus,

and that it comes with a price.

The only costs to differentiation included in the PCR theory of differentiation, as long as it does not violate collective cabinet responsibility, are the resources required to do so. This is intuitive, as, within the PCR theoretical scope, differentiation is not considered a deviant behaviour and instead something which all coalition parties consented to. Yet once we accept that differentiation is unlikely to be the result of a coalition consensus, one can assume that publicly defying coalitional unity, even within the bounds of collective cabinet responsibility, will have consequences for the state of coalition governance itself.

Coalition incumbency is characterised by a continuous bargaining process, throughout which parties assess whether membership is worthwhile (Lupia and Strøm 1995, 2010). In doing so, parties quantify the benefits of incumbency with 'an algebraic summation of at least eight decision costs' (Adrian and Press 1968, p. 562). This range of costs includes 'all costs that result from supervising and enforcing the deal ex post' (Strøm, Müller and Bergman 2010, p. 25). Public differentiation during the legislative process can be considered a form of obstruction to the implementation of the agreed upon bargaining outcome, such as the implementation of a certain piece of legislation. It will cost the proposing coalition party significantly more effort to address and endure the scrutiny its bill is experiencing, in comparison to what it would have endured without its partner differentiating. Obstruction in coalition bargaining can therefore lead to a significant delay in policy making. This is reflected in the findings of Zubek and Klüver (2015), who find that legislative pledges pertaining to a policy area on which the coalition disagrees are much slower to be fulfilled, compared to those in areas characterised by consensus.

Legislative gridlock does not only put significant pressure on a party's resources, but such delay also comes with 'crucial electoral costs for both the partner and the office-holding ministerial party' (König et al. 2022, p.233). All together this will unquestionably increase the costs of enforcing the pre-determined deal which the proposing party experiences, and thus will affect the 'algebraic summation' a party consults when assessing the continuation

of their coalition membership. Once such costs outweigh the expected benefits, a coalition party would seriously consider whether to remain a part of the coalition. This implies that indirectly, by increasing decision costs, differentiation has the potential to destabilise the coalition, even if it does not immediately violate collective cabinet responsibility.

The novel Obstructive Bargaining Power (OBP) theory of differentiation introduced in this paper, assumes parties are aware of the indirect cost differentiation will incur on themselves and others, and therefore will only engage in differentiating behaviour under specific circumstances. A coalition party will only do so when it holds a favourable bargaining position. As previously mentioned, bargaining power in coalition governments is determined by a party's public support. More precisely, it is determined by the likelihood a party would be included in a future coalition configuration, were the government to collapse in that moment in time (Kayser, Orlowski and Rehmert 2022; Lupia and Strøm 2010). This implies that a coalition party with strong bargaining power could simply leave the current coalition, trigger a renegotiation, and negotiate a more favourable position for itself in the subsequent cabinet.

The process of departure and renegotiation, however, comes with costs of its own, and hence one would expect parties to use, initially, their favourable position within the coalition to maximise their incumbency benefits (Saalfeld 2010). Especially, when the rest of the coalition have less favourable bargaining positions, and therefore a vested interest in maintaining the current coalition configuration, a strong party can leverage its position by strategically employing a threat to exit the coalition. By doing so, a strong party can obtain further accommodations, including the right to differentiate. In this way the strong party is able to enjoy incumbency benefits, whilst simultaneously minimising the anticipated incumbency penalty through differentiation. The remaining coalition parties would endure the associated costs as these remain more favourable than facing the electorate early.

Thus, in the OBP theory of differentiation, coalition parties will assess their ability to differentiate, based on their bargaining power, so as to not actually trigger a coalition termination. Moreover, one would only expect parties to consider such behaviour if there

is reason to believe there would be a substantial incumbency penalty to begin with. As posited earlier, the larger concessions made by coalition parties, the larger the subsequent incumbency penalty is thought to be. As a result, the incentive to differentiate is not reactive to the perception of likeness at time t, and instead driven by the anticipation of the future incumbency penalty and bargaining power. The resulting OBP utility function, therefore, is:

$$U_{dict} = b_c + w_{ict} \tag{3}$$

where U_{dict} is the utility of differentiating for party i in cabinet c at time t, b indicates the anticipated incumbency penalty of party a and therefore its need for differentiation, and w is the bargaining position of party i in cabinet c at time t. Thus, for the OBP theory of differentiation, the fluctuations in the differentiation utility curve as depicted in Figure 2 are not driven by a party's perceived difference to its partners. But, instead, are driven by a party's bargaining position within the coalition. As such, the resulting hypothesis is:

> *H: Coalition parties with strong bargaining power will differentiate more than their weaker counterparts.*

This hypothesis is a departure from the expectation of the PCR theory of differentiation which emphasises a negative association instead: as a party's public support decreases, it will increase differentiation as an attempt to correct for the drop in popularity.

4 Data & Variables

To assess the conditions under which coalition parties engage in differentiation behaviour, this paper specifically considers differentiation in parliamentary speech. Not only does this form of differentiation remain within the confines of collective cabinet responsibility, it is also

established that parliamentary speech is a key strategic tool employed by coalition parties to signal to their party membership, as well as to the wider electorate, why certain policy concessions were made and how party ideals were defended (Martin and Vanberg 2008, 2014; Proksch and Slapin 2015). Speech can therefore be considered a key differentiation device which is not resource intensive, and therefore easily accessible to all coalition parties, in contrast to legislative amendments, for instance. The unit of analysis are parties, with observations per month. The total sample consists of 48 coalition governments, from the following six European democracies: Austria, Denmark, Germany, Ireland, The Netherlands, and Sweden. The time period included differs per country, yet on average this concerns data from the last 20 years.

4.1 Dependent and Independent Variables

The dependent variable is a monthly score of coalition differentiation in parliamentary speech, as presented by Sheldon (2025). This measure is the performance metric of a supervised machine classification of parliamentary speech, which allows one to deduce fine-grained difference in language use between coalition parties. If the classification is accurate, the coalition parties are speaking distinctly. Yet if the classifier fails to distinguish between the speeches of different coalition parties, this indicates parties are speaking similarly. This is subsequently interpreted as coalition parties presenting a public-facing united front. This score is generated per party, per month. A high score indicates a party is very distinguishable from its partners, and, as such, differentiated, whereas a low score implies a party is closely assimilated to its partners.

The OBP theory of differentiation is measured using the dynamic Coalition Inclusion Probability (CIP) scores as introduced by Kayser, Orlowski and Rehmert (2022). These monthly scores are derived from poll data, as well as a multitude of other variables, which are likely to influence a coalition party's likelihood of being included in subsequent government formations, were the current cabinet to collapse at that moment. The higher this likelihood

is, the stronger a party's position is in the incumbent coalition government. Kayser, Orlowski and Rehmert (2022) also released the raw poll data on which this measure is based, which is included in some of the models below to assess the influence of individual control variables on differentiation. The monthly values of this measure reflects how many seats a party is expected to obtain based on national polling data that month, were elections called in that instance.

4.2 Control Variables

As theorised by the UCB theory of differentiation, there is a consistent time trend to differentiation, where the incentive to display a distinct party brand increases as the electoral term progresses. To control for this, the logistic transformation of the number of days left until the next planned national elections, as operationalised by Martin and Vanberg (2008), is included in the model. This variable is termed Electoral Cycle and is calculated from the first day of the month from which parliamentary speech is available, and the date of the next planned election taken from the Party Government in Europe Database (PAGED) (Bergman, Bäck and Hellström 2021). I include this time trend variable both on its own and interacted with the main independent variable. The former assesses the UCB expectation of differentiation behaviour increasing as the incumbency progresses. The latter specification tests whether the effect of bargaining power on differentiation changes over time.

Both the UCB and PCR theories specify how the anticipated incumbency penalty determined the overal need for differentiation. This penality is conceptualised as stemming from the ideological distance between the two most extreme parties in government. Yet, whilst the UCB theory proposes more polarized cabinets will require differentiation to rectify the sizable compromise made in office, the PCR theory, in contrast, dictates that the more similar parties in office are, the higher the risk voters could easily substitute one coalition party for the other when expressing their electoral support. As such, in this theory, it is instead the ideologically similar cabinets which require differentiation to correct an incumbency penalty.

To test the direction of this relationsip, the following analysis includes the Right-Left (RiLE) scale, which captures the ideological distance between the most ideologically distinct parties in coalition on the basis of their electoral manifestos (Döring, Huber and Manow 2022).

Two additional party-level control variables are included in some of the models: a binary variable indicating whether a party holds chief executive status and each party's seat share in parliament. Both a larger seat share, and executive status are indicators of institutional power and resources which would aid in differentiating behaviour. One should, therefore, expect a positive association. Metadata for these control variables are taken from the Parl-Gov database (Döring, Huber and Manow 2022). Table 1 reports the descriptive statistics for all variables listed above.

Table 1. Descriptive Statistics for all Variables Included in the Analysis.

Variable	**N**	**Mean**	**SD**	**Min**	**Max**
CIP	2789	2.85	1.72	0.00	12.00
Poll Performance	2789	118.04	70.90	2.00	370.33
Differentiation	3066	0.30	0.12	-0.30	0.72
Electoral Cycle	3066	727.68	414.04	10.00	1815.00
RiLe Distance	3066	2.18	1.33	0.00	5.58
Executive Status	3066	0.43	0.50	0.00	1.00
Seat Share	3066	68.31	76.71	2.00	319.00

5 Analysis

In testing the hypothesis specified above, two main challenges arise: reversed causality and omitted variable bias. Based on the OBP theory of differentiation, the relationship between coalition bargaining power and differentiation is likely to be subject to reversed causality. While this theory stipulates a positive effect of bargaining power on differentiation, this behaviour is subsequently theorised to improve performance in the polls, and, with that, a

party's relative strategic position. This circular relationship implies that when differentiation at time t is regressed on a variable for bargaining power at time t, there is no certainty whether it is picking up on the effect of bargaining power on differentiation, vice versa, or both.

As such, it is imperative for the modelling strategy to isolate this stage from the subsequent one.[2] Fortunato (2019*b*) addresses this issue by taking the value of his independent variable, perceived similarity, from the onset of a coalition government. By doing so, he ensures this value has not been influenced by incumbency differentiation behaviour. Nevertheless, such a static proxy remains unable to unveil the more dynamic relationship between bargaining power and differentiation. Instead, the models below isolate the dynamic interplay of bargaining power on differentiation throughout coalition incumbency by including the value of CIP at t-1 as the main independent variable explaining variation in differentiation at time t. This ensures past values of CIP explain current values of differentiation. Additionally, I include the lagged dependent variable, differentiation at time t-1, in the model as well.[3] This controls for the persistence of past values of differentiation influencing its current value.

Addressing the second challenge, omitted variables bias, is more challenging to do, specifically in models including CIP. More precisely, CIP is estimated on a large range of variables likely to affect coalition inclusion. Many of these variables also conceivably influence coalition differentiation, albeit through different channels. For example, whether a coalition party holds chief executive status is strong predictor of future coalition inclusion, yet these parties will also hold more resources which facilitate differentiation in legislative speech. Similarly, Kayser, Orlowski and Rehmert (2022) include RiLe scores in their CIP estimation as indication of ideological compatibility in future cabinet configurations. Yet, as established earlier, ideological polarisation in a coalition is also an indication of the need for differentiation.

[2]Since the panel is imbalanced with significantly more observations for some cabinets than others, a traditional pooled granger causality test cannot be conducted.

[3]In Appendix A I assess how including different lags of the dependent variable affects the effect of CIP/poll performance and find that the outcomes are not significantly different if larger lags are included.

Including the variables which are used to estimate CIP in a model together with CIP itself, will certainly introduce multicollinearity.

To account for this, all models below include cabinet fixed effects.[4] This allows for varying intercepts for each cabinet and thereby accounts for cabinet-specific confounders which are likely to affect differentiation but cannot be included without introducing collinearity. This includes majority status, the number of parties in government, and the ideological polarisation of the cabinet. Such a fixed effect additionally controls for variables at country level, such parliamentary speech rules and linguistic features which may influence the outcome variable as well. This does not, however, account for party-level variables such as parliamentary seat share or chief executive status. Since these cannot be included without introducing noise, I estimate separate models, using the poll data on which the dynamic CIP scores are estimated, as the main independent variable. How well a party is faring in the polls is theorised to be an essential part of a coalition's bargaining power (Lupia and Strøm 2010). I recognise that Kayser and Rehmert (2021) indicate that poll performance alone does not capture bargaining power sufficiently, especially for smaller coalition parties. Nevertheless, this measure approximates CIP, whilst allowing for the inclusion of party-level control variables.

The resulting main formula to estimate a party's level of differentiation at time t (Diff_{ict}) using CIP is:

$$Diff_{ict} = \alpha_c + \beta_1 CIP_{ict-1} + \beta_2 Elec\_Cycle_{ict} + \beta_3 (CIP_{ict-1} \times Elec\_Cycle_{ict}) + \beta_4 Diff_{ict-1} + \epsilon_{ict} \quad (4)$$

where α_c are the cabinet fixed effects, $\text{CIP}_{\text{ict-1}}$ is bargaining power for party i in cabinet

[4]Introducing unit fixed effects in a model including a lagged dependent variable risks introducing Nickell bias (Nickell 1981). Yet this bias is most pronounced for very short panels (Beck, Katz and Mignozzetti 2014); in the present study, the panel contains on average 25 months per party and 56 months per cabinet, so the bias is expected to be minimal.

c at month t-1, Elec_Cycle$_{\text{ict}}$ is the time trend expected during the incumbency, both in isolation and interacted with CIP$_{\text{ict-1}}$. This interaction assess whether the effect of bargaining power on differentiation behaviour evolves over time. Diff$_{\text{ict-1}}$ is the lagged dependent variable to account for autocorrelation, and finally ϵ_{it} is the error term. In turn, the model including poll performance as the independent variable is:

$$Diff_{ict} = \alpha_c + \beta_1 Polls_{ict-1} + \beta_2 Elec\_Cycle_{ict}$$
$$+\beta_3(Polls_{ict-1} \times RiLe_c) \quad + \beta_4(Polls_{ict-1} \times Elec\_Cycle_{ict}) + \beta_5 Diff_{ict-1} + \beta_6 \mathbf{X}_{ict} + \epsilon_{ict} \tag{5}$$

Where $Polls_{ict-1}$ is the performance of party i in cabinet c in the national polls during month $t-1$, included both in isolation and interacted with the $RiLe$ score distance between the most ideologically extreme parties in cabinet c.[5] This interaction will shed light on how the effect of bargaining power on differentiation might vary between cabinets at different levels of internal polarization. In turn, a time trend ($Elec\_Cycle_{ict}$) is included both as a main effect and in interaction with $Polls_{ict-1}$, and $\mathbf{X}_{ict}$ represents a matrix of the control variables, chief executive status and seat share. Finally, for all models standard errors are clustered by cabinet, as party observations within cabinets are unlikely to be independent of one another.[6]

[5] The main effect of $RiLe$ distance on differentiation is time-invariant and therefore collinear with α_c. As such, it is not separately identified.

[6] A key assumption of panel regression is that variables are stationary. While formal tests for unit roots cannot be reliably applied due to the unbalanced panel and short time dimension for some parties, the average number of observations per party (25) is sufficiently low that stochastic drift is unlikely to materially affect the estimates. Furthermore, the inclusion of the electoral cycle as a time trend helps control for slow-moving deterministic trends in the data.

6 Results

The results of the cabinet fixed effect OLS regressions using CIP as an independent variable are reported in Table 2, and those using poll performance in 3. Model 3 in Table 2 shows that when controlling for time trend and autocorrelation, the significant effect of CIP_{t-1} on differentiation is 0.010. This implies that a one unit increase in CIP at t-1, results in an increase of 0.010 in differentiation at time t. In Table 3, the effect of poll performance sits around 0.0004. Once seat share and executive status are introduced as controls in Model 4, the coefficient loses statistical significance. This attenuation is driven primarily by the inclusion of executive status, which in itself functions as a relatively static proxy for bargaining power. The party providing the prime minister is typically both the largest coalition member and institutionally advantaged relative to its partners, factors that independently confer bargaining power. Importantly, executive status is unlikely to be influenced by incumbency differentiation, thereby mitigating concerns of reverse causality. Thus, while the loss of statistical significance in Model 4 of Table 3 reduces the direct evidence for polling performance, the coefficient of 0.02 for chief executive status nonetheless remain consistent with the broader expectation of a positive association between bargaining power and differentiation behaviour.

An additional advantage of this result, is that one can compare the effect of the dynamic measures to that of a static indication of bargaining power. Since chief executive status is indicated by a binary variable the effect size of 0.02 after a single unit increase, indicates the change in differentiation between parties that do and do not hold chief executive status. CIP, in contrast, varies between 0 and 12, and poll performance between 0.2 and 370.3. The effect of a unit increase in these independent variables, therefore, refers to a much smaller relative change. If we consider a hypothetical scenario where a coalition party goes from the minimal value of CIP (0) to the maximum value (12), the increase in differentiation would be around 0.12 (0.01 * 12). As for poll performance, going from the minimum to the maximum value would result in a 0.14804 change in differentiation (0.0004 * (370.33-0.23)). These effects

Table 2. Cabinet Fixed Effects OLS Regression Analysis - Coalition Inclusion Probabilities.

	Dependent variable:			
	Coalition Party Differentiation			
	(1)	(2)	(3)	(4)
CIP $_{t-1}$	0.021***	0.010***	0.010***	0.005
	(0.006)	(0.003)	(0.003)	(0.007)
Differentiation $_{t-1}$		0.535***	0.535***	0.535***
		(0.057)	(0.057)	(0.057)
Electoral Cycle			-0.004	-0.018
			(0.009)	(0.025)
CIP $_{t-1}$ × Electoral Cycle				0.005
				(0.007)
Cabinet Fixed Effects	✓	✓	✓	✓
Observations	2647	2647	2647	2647
R^2	0.537	0.674	0.674	0.674
Adjusted R^2	0.529	0.668	0.668	0.668
Note:			*p<0.1; **p<0.05; ***p<0.01	

are between 6 and 7 times larger than the effect of holding chief executive status. Thus, although the effect of CIP and poll performance on differentiation are seemingly small, it is rather substantial when compared to the effect of an indicator of considerable status and power, such as chief executive status.

The results, however, provide little evidence of a systematic temporal pattern in differentiation behaviour. Across all models, the time trend variable remains insignificant, either when included in isolation or when interacted with the indicators of bargaining power. This suggests that changes in differentiation are not strongly conditioned by the proximity of elections, offering no direct support for the expectations derived from the UCB theory of differentiation. There is, however, a significant conditional relationship between poll performance and ideological distance, as seen in Models 6 and 7 of Table 3. Figure 3 plots the marginal effects of poll performance across different levels of ideological distance and indicates the positive association between bargaining power and differentiation behaviour only

Table 3. Cabinet Fixed Effects OLS Regression Analysis - Poll Performance.

	Dependent variable:						
	Coalition Party Differentiation						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Poll Performance $_{t-1}$	0.001***	0.000***	0.000***	0.000	0.000	0.000***	0.000**
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Differentiation $_{t-1}$		0.405***	0.405***	0.235***	0.234***	0.216***	0.215***
		(0.043)	(0.043)	(0.039)	(0.037)	(0.037)	(0.037)
Electoral Cycle			-0.005	0.011	0.040	0.011	0.027
			(0.011)	(0.011)	(0.027)	(0.011)	(0.025)
Chief Executive Status				0.020**	0.020**	0.022**	0.022**
				(0.010)	(0.010)	(0.010)	(0.010)
Seat Share				0.001***	0.001***	0.001***	0.001***
				(0.000)	(0.000)	(0.000)	(0.000)
CIP $_{t-1}$ × Electoral Cycle					-0.000		-0.000
					(0.000)		(0.000)
CIP $_{t-1}$ × RiLe Distance						-0.000***	-0.000***
						(0.000)	(0.000)
Cabinet Fixed Effects	✓	✓	✓	✓	✓	✓	✓
Observations	2647	2647	2647	2647	2647	2647	2647
R^2	0.641	0.701	0.701	0.739	0.739	0.743	0.743
Adjusted R^2	0.634	0.696	0.696	0.734	0.734	0.738	0.738
Note:							*p<0.1; **p<0.05; ***p<0.01

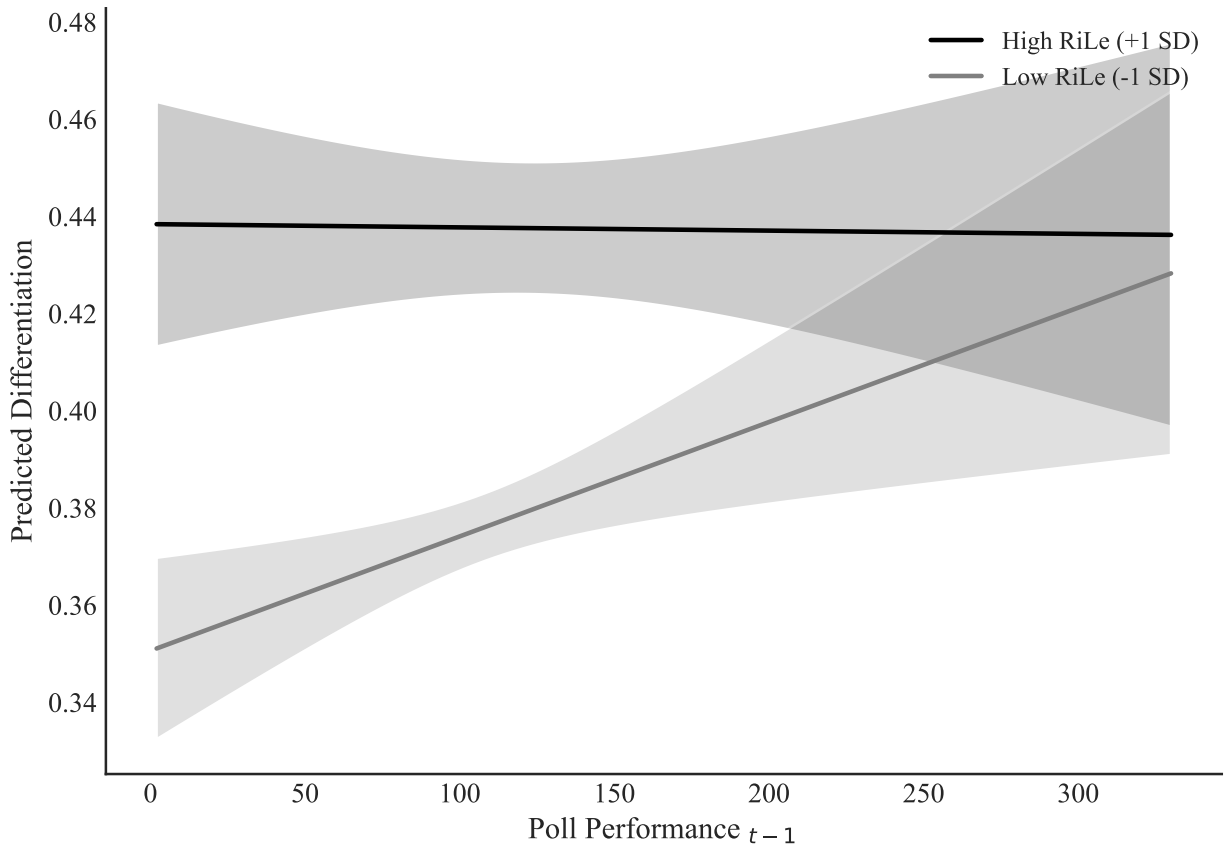

Figure 3. Effect of Poll Performance on Coalition Differentiation at Different levels of RiLe Differences

persists in cabinets composed of ideologically similar parties.

These findings underscore the importance of how the incentive to differentiate is conceptualised. While Martin and Vanberg (2008) argue that parties in ideologically polarised cabinets face stronger pressures to justify compromise, Fortunato (2021) suggests that parties in more cohesive cabinets have a greater need to distinguish themselves to avoid being perceived as interchangeable. The results from the present analysis are more consistent with the latter interpretation, indicating that differentiation is primarily driven by competition within ideologically proximate governing coalitions.

The fact that CIP, poll performance, and chief executive status are positively and significantly associated with differentiation, ostensibly suggests that empowered parties are able to differentiate more than their counterparts. This is in line with the expectations of the

OBP theory of coalition differentiation and is consistent with the hypothesis presented in this paper. This finding, however, does stand in direct contrast to the expectations of the PCR theory of differentiation. This alternative theory stresses that when performing poorly in the polls, parties will correct this through differentiation. The complete absence of a negative association between poll performance in the preceding month and differentiation shows that parties with waning popularity do not increase their public differentiation in speech.

Interestingly, the finding that this positive association between bargaining power and differentiation behaviour is observed only in cabinets composed of ideologically similar parties brings some nuance to this. This mediating influence of ideological distance namely does align with PCR theory. Fortunato (2021) emphasises that parties situated close to one another in ideological space face a greater need to distinguish themselves to avoid voter confusion.

7 Conclusion

Coalition parties are faced with a unity-differentiation dilemma when in office. They can either unite and effectively contribute to policy or differentiate and maintain a good rapport with their wider electorate. Although this conundrum has been widely identified in the literature, the exact dynamics determining when one prevails over the other remain unclear.

This paper introduces a novel theory of coalition differentiation in parliamentary speech. Contrary to existing accounts, the OBP theory of differentiation argues that departing from a coalitional united front in the parliamentary arena is a purposefully obstructive behaviour which only the more empowered coalition parties in the cabinet can engage in. The interplay between bargaining power and differentiation is not novel in and of itself. It is already widely established in existing literature that differentiation is a tool used by coalition parties to minimise the electoral penalty associated with compromise. This will thus increase their poll performance, and thereby indirectly improve their bargaining power. Nevertheless,

these existing theoretical accounts do not set out precise expectations as to whether all parties can engage in this behaviour equally. To account for this lacuna, the OBP theory of differentiation hypothesises that public differentiation is an obstructive behaviour which has the potential to introduce policy delays or even stalemate. Only parties who would not be significantly disadvantaged by this, or even by a possible early termination as a consequence, will engage in differentiating behaviour. This theoretical lens thus presumes that the association between bargaining power and differentiation is circular: strong parties can afford to publicly differentiate, which in turn, empowers them further.

Considering the mutually reinforcing relationship between bargaining power and differentiation, the modelling strategy accounts for reversed causation by isolating the preceding effect of bargaining power on differentiation itself. By including the monthly values for CIP and poll performance from a month prior to the observed differentiation, I model the effect of the bargaining power in the recent past, on current differentiation behaviour. I also controlled for the trend in differentiation over the duration of incumbency, the autocorrelation of the dependent variable, and omitted variables by including control variables and cabinet fixed effects. Altogether, this showed that CIP has a significant and positive effect on coalition differentiation in parliamentary speech. It should be noted that although this modelling strategy provides valuable insights, it remains possible that some of the effect is driven by omitted party-level variables which are challenging to capture, such as the nuances of effective party leadership.

An additional static assessment of the effect of bargaining power on differentiation can be made on the basis of a party's executive status. Chief executive parties are institutionally empowered over their coalition partners. This power is fully unaffected by subsequent differentiation, and as a result, not subject to reversed causality. Since the effect of chief executive status on differentiation is positive, this indicates that the prime minister's party differentiates more, on average, and therefore acts as additional evidence of the positive association found with the dynamic independent variables.

The analysis demonstrates that three different operationalisations of bargaining power are positively associated with differentiation, which is consistent with the central hypothesis of this paper. In contrast, these findings are inconsistent with the expectations of the main alternative theory of differentiation. Specifically, the PCR theory of differentiation instead promotes a negative association between bargaining power and differentiation. The absence of such a negative relationship instead suggest parties with decreasing public popularity cannot afford to engage in obstructive behaviour.

However, the interaction effects do provide some support with the PCR theory. Specifically, how it conceptualises the need to differentiate. The significant interaction between bargaining power and ideological distance shows that the positive effect of bargaining power on differentiation persists only amongst ideologically similar coalition partners. This supports the idea that parties situated close to one another in ideological space face stronger incentives to signal distinctiveness to voters. In these contexts, shifts in bargaining power translate more readily into increased differentiation, as there is a stronger incentive to differentiate.

These findings could possibly explain why junior coalition parties experience a disproportionately electoral penalty for coalition compromise (Hjermitslev 2020; Johnson and Middleton 2016). Minor coalition partners often hold a weaker bargaining position than their chief executive coalition partners do. As a result, these parties have less access to differentiation as a tool to manage their public perception. Without the ability to establish a distinct party identity, junior coalition parties may therefore suffer a larger incumbency penalty as a consequence. Future research should thus consider this relationship between bargaining power and differentiation, and their effect on public perception more closely.

References

Adrian, Charles R. and Charles Press. 1968. "Decision Costs in Coalition Formation." *The American political science review* 62:556–563.

Beck, Nathaniel L., Jonathan N. Katz and Umberto G. Mignozzetti. 2014. "Of Nickell Bias and its Cures: Comment on Gaibulloev, Sandler, and Sul." *Political analysis* 22(2):274–278.

Bergman, Torbjörn, Hanna Bäck and Johan Hellström. 2021. *Coalition Governance in Western Europe*. Oxford University Press.

Bernardi, Luca and James Adams. 2019. "Governing coalition partners' images shift in parallel but do not converge." *Journal of Politics* 81:1500–1511.

Boston, Jonathan and David Bullock. 2010. "Multi-party governance: Managing the unity-distinctiveness dilemma in executive coalitions." *Party politics* 18:349–368.

Bowler, Shaun, Thomas Gschwend and Indridi H. Indridason. 2020. "Coalition Policy Perceptions." *The Journal of politics* 82:1458–1473.

Döring, Holger, Constantin Huber and Philip Manow. 2022. "Parliaments and governments database (ParlGov): Information on parties, elections and cabinets in established democracies.".

Fortunato, David. 2019*a*. "The Electoral Implications of Coalition Policy Making." *British journal of political science* 49:59–80.

Fortunato, David. 2019*b*. "Legislative Review and Party Differentiation in Coalition Governments." *American Political Science Review* 113:242–247.

Fortunato, David. 2021. *The cycle of coalition : how parties and voters interact under coalition governance*. Cambridge University Press.

Fortunato, David, Nick C.N. Lin, Randolph T. Stevenson and Mathias Wessel Tromborg. 2021. "Attributing Policy Influence under Coalition Governance." *American Political Science Review* 115:252–268.

Fortunato, David and Randolph T. Stevenson. 2013. "Perceptions of Partisan Ideologies: The Effect of Coalition Participation." *American journal of political science* 57:459–477.

Greene, Zachary, Nathan Henceroth and Christian B Jensen. 2021. "The cost of coalition compromise: The electoral effects of holding salient portfolios." *Party politics* 27:827–838.

Hjermitslev, Ida B. 2020. "The electoral cost of coalition participation: Can anyone escape?" *Party politics* 26:510–520.

Johnson, Craig and Alia Middleton. 2016. "Junior coalition parties in the British context: Explaining the Liberal Democrat collapse at the 2015 general election.".

Kayser, Mark A and Jochen Rehmert. 2021. "Coalition Prospects and Policy Change: An Application to the Environment." *Legislative studies quarterly* 46:219–246.

Kayser, Mark A., Matthias Orlowski and Jochen Rehmert. 2022. "Coalition inclusion probabilities: a party-strategic measure for predicting policy and politics." *Political Science Research and Methods* pp. 1–19.

Klüver, Heike and Hanna Bäck. 2019. "Coalition Agreements, Issue Attention, and Cabinet Governance." *Comparative Political Studies* 52:1995–2031.

Klüver, Heike, Hanna Bäck and Svenja Krauss. 2023. *Coalition Agreements and Control Devices*. Oxford University Press.

Krauss, Svenja. 2018. "Stability through control? The influence of coalition agreements on the stability of coalition cabinets." *West European Politics* 41:1282–1304.

König, Thomas, Nick Lin, Xiao Lu, Thiago N. Silva, Nikoleta Yordanova and Galina Zudenkova. 2022. "Agenda Control and Timing of Bill Initiation: A Temporal Perspective on Coalition Governance in Parliamentary Democracies." *American Political Science Review* 116:231–248.

Laver, Michael and Kenneth A Shepsle. 1996. *Making and breaking governments : cabinets and legislatures in parliamentary democracies*. Cambridge University Press.

Lipsmeyer, Christine S and Heather Nicole Pierce. 2011. "The Eyes that Bind: Junior Ministers as Oversight Mechanisms in Coalition Governments." *The Journal of politics* 73:1152–1164.

Lupia, Arthur and Kaare Strøm. 1995. "Coalition Termination and the Strategic Timing of Parliamentary Elections.".

Lupia, Arthur and Kaare Strøm. 2010. *Bargaining, Transaction Costs, and Coalition Governance*. Oxford University Press pp. 51–82.

Martin, Lanny W. 2004. "The Government Agenda in Parliamentary Democracies." *American journal of political science* 48:445–461.

Martin, Lanny W. and Georg Vanberg. 2008. "Coalition government and political communication." *Political Research Quarterly* 61:502–516.

Martin, Lanny W and Georg Vanberg. 2011. *Parliaments and coalitions : the role of legislative institutions in multiparty governance*. Oxford University Press.

Martin, Lanny W. and Georg Vanberg. 2014. "Parties and Policymaking in Multiparty Governments: The Legislative Median, Ministerial Autonomy, and the Coalition Compromise." *American journal of political science* 58:979–996.

McEnhill, Libby. 2015. "Unity and Distinctiveness in UK Coalition Government: Lessons for Junior Partners." *The Political quarterly (London. 1930)* 86:101–109.

Moury, Catherine. 2012. *Coalition government and party mandate : how coalition agreements constrain ministerial action*. Routledge.

Nannestad, Peter and Martin Paldam. 2002. *The Cost of Ruling*. Routledge pp. 17–44.

Narud, Hanne M and Henry Valen. 2010. *Coalition Membership and Electoral Performance*. Oxford University Press pp. 367–399.

Nickell, Stephen. 1981. "Biases in Dynamic Models with Fixed Effects." *Econometrica* 49(6):1417–1426.

Proksch, Sven-Oliver and Jonathan B. Slapin. 2015. *The politics of parliamentary debate : parties, rebels and representation*. Cambridge University Press.

Saalfeld, Thomas. 2010. *Institutions, Chance, and Choices: The Dynamics of Cabinet Survival*. Oxford University Press pp. 327–368.

Sagarzazu, Iñaki and Heike Klüver. 2017. "Coalition Governments and Party Competition: Political Communication Strategies of Coalition Parties." *Political Science Research and Methods* 5:333–349.

Sheldon, Christine. 2025. "Coalition Differentiation at Scale: Measuring Intra-Coalition Conflict with Supervised Text Classification." Working paper, available at `https://christinesheldon.co.uk/wp-content/uploads/2025/10/Coalition_Differentiation_V2-1.pdf`.

Sozzi, Fabio. 2023. "Controlling Uncertainty in Coalition Governments." *Government and opposition (London)* pp. 1–18.

Strøm, Kaare, Wolfgang C. Müller and Torbjörn Bergman. 2010. *Cabinets and coalition bargaining : the democratic life cycle in Western Europe*. Paperback [correc... ed. Oxford University Press.

Velden, Mariken Van Der and Gijs Schumacher. 2015. "Drifting Apart or Sticking Together?".

Zubek, Radoslaw. 2015. "Coalition Government and Committee Power." *West European Politics* 38:1020–1041.

Zubek, Radoslaw and Heike Klüver. 2015. "Legislative pledges and coalition government." *Party Politics* 21:603–614.

Appendix

Contents

A Lag Assessment

Table A.1. Cabinet Fixed Effect OLS Regression Analysis of Coalition Party Differentiation With Different Lagged Dependent Variables.

	Dependent variable:					
	Differentiation					
	(1)	(2)	(3)	(4)	(5)	(6)
CIP $_{t-1}$	0.010***	0.009***	0.010***			
	(0.003)	(0.003)	(0.004)			
Poll Performance $_{t-1}$				0.000***	0.000***	0.000***
				(0.000)	(0.000)	(0.000)
Poll Performance $_{t-1}$ × RiLe				-0.000***	-0.000***	-0.000***
				(0.000)	(0.000)	(0.000)
Differentiation $_{t-1}$	0.542***			0.201***		
	(0.059)			(0.035)		
Differentiation $_{t-2}$		0.548***			0.215***	
		(0.063)			(0.041)	
Differentiation $_{t-3}$			0.514***			0.163***
			(0.066)			(0.033)
Electoral Cycle	-0.001	0.002	0.003	0.015	0.016	0.017
	(0.010)	(0.011)	(0.012)	(0.013)	(0.013)	(0.013)
Chief Executive Status				0.021**	0.020*	0.021*
				(0.010)	(0.011)	(0.011)
Seat Share				0.001***	0.001***	0.001***
				(0.000)	(0.000)	(0.000)
Cabinet Fixed Effects	✓	✓	✓	✓	✓	✓
Observations	2443	2443	2443	2443	2443	2443
R^2	0.680	0.684	0.670	0.750	0.751	0.746
Adjusted R^2	0.674	0.678	0.664	0.745	0.746	0.741
Note:						*p<0.1; **p<0.05; ***p<0.01