

Coalition Cabinets, Presidential Ideological Adjustment and Legislative Success

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1. Introduction

In the classic perspective on Latin American presidentialism, the rigidity of this institutional arrangement was perceived to cultivate near constant conflict between the executive and legislative branch. At best, this was believed to result in legislative gridlock and at worst, to precipitate democratic backsliding (Linz 1990; Stepan and Skach 1993).¹ Starting with Shugart and Carey (1992), the broader comparative literature began to reject this gloomy outlook. Scholars started to emphasize the heterogeneity of presidential regimes across the region, exploring factors such as differing levels of executive power (Shugart and Carey 1992), the nature of the party system (Mainwaring 1993), the importance of electoral timing (Samuels 2004), the partisan power of the president

¹Although see Power and Gasiorowski (1997) and Horowitz (1990) for early challenges to these claims.

(Mainwaring and Shugart 1997), and how different constellations of such sub-regime variables produce different outcomes.

In particular, this work demonstrated that coalitions are a regular feature of multiparty presidential systems (Cheibub, Przeworski and Saiegh 2004) and that presidents will bargain, both through material resources and policy positions, with workable legislatures to ensure policy is passed (Cox and Morgenstern 2001). Legislative deadlock is therefore far from the norm in such situations and government coalitions in presidential systems can still enjoy high rates of legislative success (Cheibub, Przeworski and Saiegh 2004).² Hence, it is not “[...] institutions which foretell presidential success or failure. Presidents make choices, and [...] those choices matter a great deal” (Samuels 2008, p. 164).

Shifting the focus onto the importance of presidential management of governing coalitions, this literature points out that successful presidents carefully cultivate such arrangements. Scholars have started to highlight the interaction of the various “tools” presidents may use for this purpose, such as the distribution of coalition posts or pork. Deploying these strategic resources in conjunction, presidents face a series of choices, a complex decision-making process that integrates considerations of timing and the potential substitutability of different goods (Raile, Pereira and Power 2011). While this revisionist perspective on executive-legislative relations implicitly acknowledges some form of positional compromise on behalf of the president as an integral part of these dynamics (e.g. Raile, Pereira and Power 2011, p. 9; Martínez-Gallardo 2012; Cox and Morgenstern 2001, p. 171), the part played by ideological bargaining in coalition management is to date largely understudied, above all due to the difficulties involved in measuring the degree of presidential positional adjustment.

This study directly addresses this lacuna. In what follows we explore how presidents can use signals of ideological adjustment as a legislative strategy, adding to the growing literature on coalitional presidentialism. We focus on the role of ideology in coalition

²In a similar vein, other work has highlighted how presidentialism can provide a high degree of accountability and representation (see Samuels 2004).

management for the case of Brazil. On the one hand, Brazil has been considered as a particularly dysfunctional case within the broader Latin American context, a country in which the ‘difficult combination’ of presidentialism and multipartism (Mainwaring 1993) requires presidents to constantly forge ideologically diffuse, multiparty coalitions - conditions assumed to cultivate near-constant inter-branch conflict. On the other hand, Brazil is simply the case study on which most of the revisionist literature centers, a strand of research to which our study directly adds. Taken together, this makes Brazil an especially apt case to explore ideological flexibility as a tool a president can use in conjunction with pork and patronage to address the challenges of coordinating majority coalitions.

To do so, we present the first time-series of presidential positions in Brazil, thereby building on work measuring the positions of political actors in this country (e.g. Coppedge 1997; PELA 2005; Power and Zucco 2009; Wiesehomeier and Benoit 2009). Implementing *Wordfish* (Slapin and Proksch 2008) in a Bayesian framework, we generate annual revealed positions on the salient policy dimension for six Brazilian presidents on the basis of their annual state of the union addresses between 1986 and 2014. The resulting data allows us to estimate the magnitude of presidential adjustment on this salient dimension, calculating the shift in revealed policy positions as the difference of a president’s estimated position between time t_{-1} and time t . These comparable standardized measures of presidential adjustment across time serve as the basis to test our proposition that ideology indeed is an integral part in a complex set of calculations of presidential coalition management. Our results suggest that Brazilian presidents who do alter their strategically revealed positions in response to changes in the composition of their coalition cabinet may be able to reduce the cost of support and increase their rate of legislative success.

2. Presidents, Coalitions, and Ideological Adjustment

The traditional interpretation of executive-legislative relations in Brazil has been, in line with classic Linzian arguments, somewhat apocalyptic. The use of open-list proportional representation, in combination with high district magnitude, is prone to high levels of party fragmentation and low levels of party discipline. The result is a fragmented, incoherent multiparty system which ensures permanent minority presidents, who face an undisciplined, ideologically heterogeneous and unwieldy assembly (Abrucio 1998; Mainwaring 1999; Ames 2001) packed with legislators who are often more responsive to governors than to the national executive (Samuels 2000). Consequently the expectation is that presidents in Brazil “face constant and crippling difficulties in moving their agendas through the legislature” (Ames 2002, p. 213).

If presidential legislative initiatives are to gain traction in such an environment, executives must decide on a legislative strategy. Brazilian presidents can, for instance, sideline the assembly and pursue a unilateral legislative strategy via executive decrees and the tactical use of budgetary prerogatives. The imperial presidential style of Fernando Collor (1990-1992) is testament to this strategy. Collor refused to share power with the legislative branch and instead, opted to circumvent the legislature and to govern through executive decrees, *medidas provisórias com força de lei* (MPVs), and budgetary power. Conflict with the house thus proved inevitable and impeachment proceedings forced a premature end to Collor’s presidency. Alternatively, a president can placate the assembly, or at least a majority of legislators, through the distribution of material incentives in order to satisfy the progressive ambitions of deputies (see Samuels 2002) and coalition goods.³ With his consensual approach, Fernando Henrique Cardoso (1995-2002) was able to build a majority coalition and to govern through the legislature as opposed to against it. Cardoso widely distributed power and resources and his coalition partners received

³Progressive ambition in the Brazilian case refers to the *extracongressional* ambitions of legislators (Samuels 2002, p. 316).

reasonably proportional representation at the cabinet table, a strategy partly adopted by Luiz Inácio Lula da Silva or ‘Lula’ (2003-2010) in the latter part of his presidency.

Hence, the success or failure of Brazilian presidents has varied considerably and in fact, Cardoso’s presidency was partly responsible for inspiring a revisionist interpretation of executive-legislative relations in Brazil, which focused on *presidencialismo de coalizão* (Abranches 1988). While establishing coalitions may be more difficult in presidential democracies due to the less developed mechanisms for power sharing, and the wide variation in the commitment of individual legislators to toe the party line (Mainwaring 1993), presidents can choose to avail of a variety of channels to construct multiparty coalitions (Siavelis 2006; Mejía Acosta 2009). In other words, the way in which a president manages her governing coalition can be central to the fate of a president and her ability to work with the assembly in multiparty systems.

The so-called “tools” a president may use to do so include the distribution of cabinet portfolios, altering the size and ideological composition of the coalition, the strategic distribution of pork at key moments (see Amorim Neto 2002; Raile, Pereira and Power 2011), and the informal channels through which co-operation and agreement between both branches might be reached (e.g. Figueiredo and Limongi 2000; Amorim Neto, Cox and McCubbins 2003). Choices regarding the composition of the cabinet will thus determine the management challenge a president faces and shape her legislative strategy and success (Amorim Neto 2002; 2006; Pereira, Power and Rennó 2005; Raile, Pereira and Power 2011), as will decisions concerning the distribution of pork, in order to cultivate the coalition over time and respond to dynamism (Raile, Pereira and Power 2011).⁴ The political skills of a president can therefore either improve or hinder collective cabinet policy-making (Gaylord and Rennó 2012) and although bargaining over policies and positions is frequently discussed as part and parcel of coalition management (e.g. Martínez-Gallardo 2012, Raile, Pereira and Power 2011, Cox and Morgenstern 2001), to

⁴See Power (2010) for an excellent overview of this literature and Chaisty, Cheeseman and Power (2014) for a cross-regional application.

date it has not been incorporated explicitly into the discussion.

We build on this previous scholarship and model the role of ideology in the bargaining context of resource distribution. We add the ideological adjustment to the presidential skill set and propose that presidential ideological movement is a signal of what type of policies a president may be willing to pursue.

For this to hold we make two assumptions: presidents have a preferred policy position and at the same time they are eager to legislate (see Strøm 1990).⁵ Coalition-building however, will often require some form of positional compromise in order to satisfy potentially ideologically diverse coalition partners as part of dealing with governance problems. Consequently, the revealed position a president assumes may not reflect her true preference: when building and maintaining a coalition, a president simply may have to compromise her preferred policy position.⁶

We suggest that in the case of successful presidents, this revealed position, and consequently also the degree of ideological adjustment, will significantly depend on the ideological composition of the executive's coalition. In Brazil, the locus of policy-making is the cabinet. Although the president will need the support of a majority in the assembly if her legislative initiatives are to be successful, the *Colégio de Líderes* centralizes authority and decision-making power in the hands of a small number of congressional actors (Figueiredo and Limongi 2000). As Power (2010, p. 22) notes, "presidents negotiate with parties and not with individual legislators [...] and behavior on the floor is reasonably predictable and consistent." Hence, the president can use the distribution of cabinet seats as a means to gain support from key party leaders (Amorim-Neto 2002, 2006; Raile, Pereira and Power 2011), who then in turn corral party members into supporting legislation on the floor. Cabinet ministers in a presidential coalition therefore

⁵Despite a traditionally pessimistic interpretation of executive motivations in Brazil, empirical evidence suggests that this is realistic reasoning (Cheibub and Limongi 2011).

⁶We argue that even election manifestos do not offer an authoritative answer to this since they will be written in response to electoral incentives. The election of Lula in 2002 is a good example - there is a notable difference between the position Lula adopted for the majority of the campaign and the views he expressed in his speech in the immediate aftermath of his accession.

play a key role in connecting the executive to the legislature (Amorim-Neto 2002).

Yet almost nothing is known about the exact way of how policy is constructed in presidential coalitions (Rennó and Wojcik 2015). Binding agreements about a government's policy goals in this context are hard to come by compared to parliamentary systems (Gaylord and Rennó 2012; Rennó and Wojcik 2015). Since decision-making in presidential cabinets is based on a collegial rather than a top-down process (Silva, Vieira and Araujo 2015; see also Rennó and Wojcik 2015), we assume that a president's revealed position will be oriented towards the ideological central tendency of her cabinet. This central tendency, however, will be determined by the salience of the specific portfolio and the use of technical appointees on behalf of the president. A president that wishes to concentrate legislative proposals in the presidential party will, for instance, keep highly salient portfolios within her own party and hence her cabinet's central tendency closer to her own position. In a similar sense, a president may vary the number of technocrats in her cabinet to reduce coordination challenges (see Amorim Neto 2006; Camerlo and Pérez-Liñán 2013).

The composition of a presidential cabinet, however, may change over the lifetime of a government and therefore also the cabinet's ideological central tendency. A change may happen because the president substitutes ministers reacting to unforeseen shocks (Martínez-Gallardo 2014), or the president incorporates other ideologically diverse parties she needs for key legislative initiatives, or because a party leaves the coalition. Thus, we assume a certain fluidity with respect to bargaining conditions upon which the degree of presidential adjustment will therefore depend. Successful presidents will take such changes into consideration when revealing their policy position. A president that shows adaptability rather than rigidity is more likely to be rewarded in the form of support. In other words, the willingness of a president to adjust her ideological position is part of a president's management style and thus another bargaining chip that can be traded in to improve legislative success, in conjunction with the distribution of pork and coalition

goods.

Note that the distribution of coalition goods, i.e. cabinet coalescence, is distinctly different from, and thus complementary to, what we propose here as it focuses on the simple fairness of the distribution of cabinet positions. While this may imply a more consensual approach in terms of power-sharing, it does not necessarily imply consensus in more substantial terms as it ignores the positive utility of policy goods in the bargaining process and thus the effect higher levels of ideological agreement in terms of a shared legislative agenda may have (Figueiredo and Limongi 2009). We therefore propose that, everything equal, an executive who reacts favorably to the degree of her cabinet's ideological shifts, and thus engages in a substantial degree of ideological signaling, should be able to achieve significant support.

It is important to note that we do not claim the dynamics of the ideological composition of the cabinet to explain all of the variance in the movement of the president. Other factors affect the incentives presidents will face to alter their revealed preference, including economic crises (Stokes 2001), the composition of legislature committees (Calvo and Sagarzazu 2011), and the extent of unilateral legislative powers available to the president (Amorim Neto 2006). By focusing on Brazil, we at least control for some of these alternative institutional incentives.

3. Measuring the Positions of Presidents in Brazil

One of the major obstacles to incorporating positional compromise into the menu of choice for presidential coalition management has been so far the difficulty of retrieving presidential policy positions over time. To test our propositions, we retrieve a time-series of strategically revealed policy positions of Brazilian presidents on the salient issue dimension, applying quantitative text analysis to the presidents' annual message

to congress (*mensagem ao congresso*).⁷ The delivery of the annual message is highly institutionalized, as the constitution requires presidents to file a comprehensive written report that details past policies and outlines a roadmap ahead on the occasion of the opening of each legislative session (Constitution of Brazil, Art. 84).⁸ In addition, the Common Statute of the National Congress also demands that a summary is delivered orally to congress (Common Statute of the National Congress, Art. 58 and Art. 59).⁹

Due to its nature, the *mensagem ao congresso* is particularly apt as a source for our purpose. Not only does the speech give a broad account of the executive's activities, thereby covering all salient policy issues; it also sends a strong signal of the type of policies a president is willing to pursue. In other words, a president reveals his position to a well defined audience: both the report and its accompanying speech aim to inform the members of congress and to seek support for presidential policies among the legislature. This implies that the president strategically conveys policy positions in her message.

3.1. Retrieving Positions in a Latent Policy Space

In order to measure the speeches' latent positions, we draw upon models from computerized content analysis.¹⁰ Such methods have been shown to provide reliable estimates and have been successfully applied in the context of diverse text corpora in different languages (e.g. Laver, Benoit and Garry 2003; Klemmensen, Hobolt and Hansen 2007, Proksch, Slapin and Thies 2011, Pappi and Seher 2009).

In a first step, we convert the speeches into machine readable format. After filtering for special characters and punctuation, we stem the words—an essential step when dealing

⁷For a more detailed discussion on alternative methods used to measure policy positions in the Latin American context and their disadvantages of retrieving valid positions over time, see Arnold, Doyle and Wiesehomeier 2014.

⁸The library of the Brazilian president collects both the reports and the introductory speeches. They are available online at <http://www.biblioteca.presidencia.gov.br/>, last accessed March 2014.

⁹However, the president does not personally give this speech to congress; rather, it is the Chief of Staff (*Chefe da Casa Civil*) who reads the president's message. Nevertheless, this speech is perceived as the president's speech.

¹⁰See for example, the special issue in *Political Analysis* 2008, 16(1).

with languages that flex nouns and adjectives and conjugate verbs. Since the revealed positions are retrieved via word frequencies, changing topics could engender a vocabulary that exists only in a very specific period of time. While Monroe, Colaresi and Quinn (2009) offer statistical solutions, we decide to follow Proksch and Slapin (2009) and choose to include only words that are mentioned in at least 20 percent of the speeches. We thus firstly consider words that are necessary for grammatical reasons, but that contribute no substantive information about the latent policy position. Secondly, we tap into the systematic vocabulary of the political debate in Brazil. These words help to identify the positions over time without mistakenly assigning ideological weight to words that are used on rare occasions only. While the complete text corpus of the *mensagens ao congresso* contains 5024 distinct word stems, our filtering reduces the sample to only 1008. The average length of the speech in Brazil is 1705 word stems (with a standard deviation of 1147).¹¹

We estimate the presidents' positions on the basis of the frequency of word stems per text Y_{ij} . Our scaling model is based on the formulation in Slapin and Proksch (2009) and we express the systematic component as

$$\lambda_{ij} = \exp(\alpha_i + \psi_j + \beta_j * \omega_i). \quad (1)$$

We measure the political position ω_i of a speech document i in conjunction with the capability β_j of the words j to distinguish between the two extremes on a latent dimension. In addition, α_i takes account of the idiosyncrasies of the words i and ψ_j controls for the characteristics of the documents j .

To model the stochastic component, we opt for a negative binomial distribution (Däubler and Benoit 2013, Lo, Proksch and Slapin 2013). In addition to λ_{ij} , we also introduce the parameter ρ_j to capture overdispersion. Assuming that the data generating process is similar across all speeches, we let ρ_j vary at the word level j with a one-parameter

¹¹Please see the supplementary materials file for details of the sample.

gamma distribution:

$$\rho_j \sim \text{Gamma}(\nu) \quad (2)$$

Our observed count Y_{ij} then follows the following negative binomial distribution (Cameron and Trivedi 2013)

$$Y_{ij} \sim \text{NegBin}(\lambda_{ij}; \rho_j) \quad (3)$$

In line with Slapin and Proksch (2008), we identify our model by constraining the first value of $\alpha_1 = 0$. We estimate the model in a Bayesian framework and opt for uninformative priors.¹² Results from the estimation are displayed in the left hand pane of Figure 1. Idealpoints are means of the posterior distribution, standardized with a mean of zero and a standard deviation of one.¹³ Since Brazil's redemocratization, there has been a marked trend to the left within the political system. While the first three democratically elected presidents, Sarney, Collor and Franco, can be found on the right of the ideological spectrum, each subsequent president is located more to the left than his or her predecessor.

¹²The priors of the model are flat and convergence is achieved between 10 000 and 50 000 iterations. We rely on the Geweke diagnostic to assure converging chains (Geweke 1992). To measure their mixing, we use the diagnostic from Gelman and Rubin (1992). We opted for the negative binomial distribution since it returns more realistic error terms. For theoretical reasons we opted to place the overdispersion on the individual words as this captures idiosyncracies of an individual president's speech pattern. All models were programmed in R/Jags.

¹³Please see the supplementary materials file for additional estimation specifications to test the robustness of the retrieved positions.

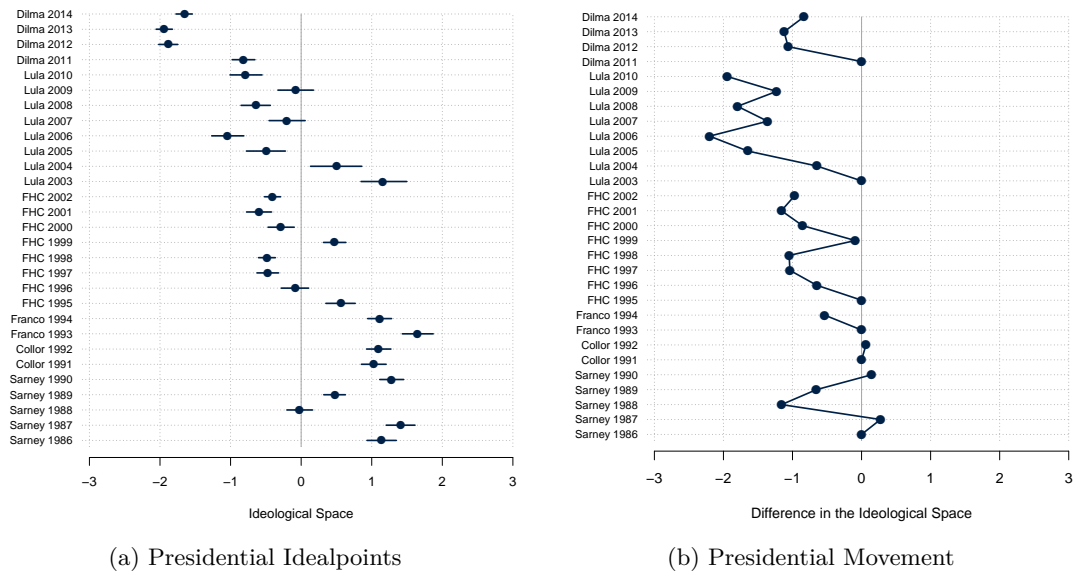


Figure 1: Idealpoints and Movement of Brazilian presidents in the ideological space. For idealpoints 95 % bars indicate uncertainty.

In addition to the variation between the presidents, we also observe remarkable variation within presidential terms. The right hand pane of Figure 1 visualizes the respective movements of the presidents more clearly. We center each of the presidents' time-series to begin with 0, add or subtract the respective shifts in the standardized ideological space and connect the results with lines. As the figure shows, Brazilian executives do noticeably adapt their revealed positions. Lula, for instance, displays a considerable shift towards the left during his first term, while in his second term he rather zig-zags across the ideological space. Collor, in line with his governance style, hardly displays any movement, while Cardoso, on the other hand, moved consistently to the left in both of his terms.

3.2. Validation with the Brazilian Legislative Surveys

We can assess the validity of our idealpoints by comparing them against existing measures derived using alternative means. The only source available for such an exercise is Power and Zucco's (2009) Brazilian Legislative Survey (BLS). In the seventh and latest wave of this survey, the authors asked legislators to retrospectively assign a score to past Brazilian presidents on the economic left-right dimension (Zucco 2014). Since the Power and Zucco (PZ) measure is just a single score per president and strictly speaking not a time-series, we take the mean value of our annual ideal points for each president. Table 1 displays the correlations between PZ and our mean measures (OUR). With a score of 0.75, the correlation between ADW and Power and Zucco's positions is quite high.

Soliciting survey responses retrospectively however, may be problematic due to a temporal anchoring problem (see Saiegh 2009). The retrospective judgment of the legislators may therefore be biased. When legislators award an ideological score to a past president, it is likely that, rather than scoring a president based on his entire tenure, they evaluate the position of the president on what they remember last—which is most likely to be the president's final period in office. To test for this possibility, we also examine the relationship between the PZ score and the ADW position for each president in their *final* year in office. The effect of this is reflected in an increased correlation of 0.87. Hence, this basic comparison indeed provides some evidence that retrospectively collected measures may be error-prone.

Overall, the respective scores show a considerable agreement. Figure 2 shows for each president a comparison between the OUR and PZ scores and their corresponding standard errors. The highest agreement can be found for the scores of Collor. Yet, we can also observe - somewhat surprisingly - a degree of divergence for the scores for Dilma, the current incumbent. The highest disagreement in terms of ideological placement however, can be found for Cardoso (FHC). While the retrospectively elicited judgment places him towards the right, our measures place him towards the left. This may be partly due to

Table 1: Comparing Presidential Scores

	ADW	ADW Final Year	Power Zucco
ADW Mean	1.00		
ADW Final Year	0.96	1.00	
Power Zucco	0.75	0.87	1.00

Cardoso's consensual governing style, which saw him govern with an ideologically diffuse and oversized legislative coalition, and his legacy, associated with price stabilization and economic reform.

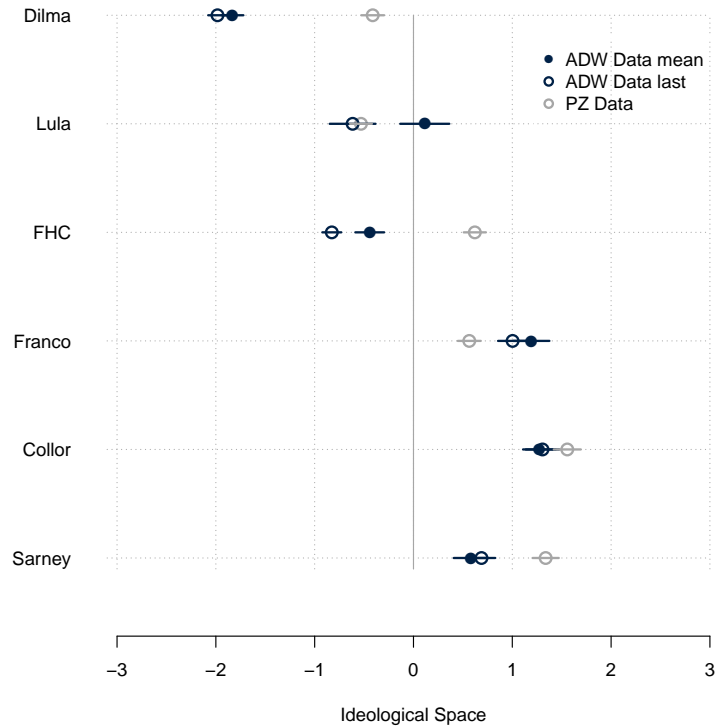


Figure 2: Comparing the data with the presidential positions of Power and Zucco

4. Data and Method

We add ideology as an additional factor to the ‘executive’s toolbox’ and OLS regression to model the impact of presidential ideological adjustment on legislative success for the years 1986 to 2014.¹⁴ Our dependent variable is a measure of executive legislative success that represents the percentage of executive-initiated bills passed by the lower house of the national legislature. This variable is also introduced with a lag.¹⁵

Our main independent variables of interest are based on the ideological composition of Brazilian cabinets over time. To code cabinets we use the PZ ideology scores for Brazilian political parties which have been standardized over time and between legislators. We code each cabinet on an annual basis at the date the president gives her state of the union address.¹⁶ In other words, we code cabinet members’ positions at the time the president is making her speech as she should interact with the ideological composition of the cabinet she faces at that particular moment. Each minister in each cabinet is awarded the PZ ideological score according to the party they belong to. Assuming that a president appoints technocrats to minimize coordination challenges (see Amorim Neto 2006; Camerlo and Pérez-Liñán 2013), we award technocrats the same ideological score as the president derived from our own estimations.¹⁷ Based on the scores awarded, we then generate an ideological range for each cabinet for each year.

Ministries are not created equally, however, and for our measure of a cabinet’s ideological central tendency we need to combine partisanship and ministry importance. We

¹⁴Note that Raile, Pereira and Power 2011 conceive of coalition management as a dynamic process in which the distribution of coalition goods and the use of pork act as (imperfect) substitutes and in which the distribution of the former precedes the latter, while jointly impacting on legislative support. They therefore use three-stage least square regression to model this process. Given our annual data structure, this approach is not appropriate in our case. We nevertheless re-run our analysis using three-stage least square regression. These results can be found in the appendix.

¹⁵The data for 1986-2006 was taken from Saiegh (2011), 2007-2013 from Santos and Canello (2013). We would like to thank Sebastián M. Saiegh, Júlio Canello and Fabiano Santos for generously agreeing to share this data with us.

¹⁶We would like to thank Cesar Zucco for very generously sharing his dataset on Brazilian cabinets. We updated his data for the years 2010-2014.

¹⁷Note that this also implies that presidents and their own parties have different ideological scores. See also Wiesehomeier and Benoit (2009)

therefore calculate for each cabinet a weighted ideological central tendency applying Rennó and Wojcik's (2015) idea of core and peripheral ministers. Based on survey data with politicians who rank ministries in terms of their importance in repeated surveys from 2011 to 2013, the authors identify the following ministries as central: Planning, Justice, Finance, Casa Civil (Office of the President, headed by the chief of staff), Health, and Education. Regardless of partisanship, we therefore weigh the ideological scores of the ministers occupying these positions with three, the scores of ministers from the presidential party occupying any other portfolio with two, whereas all remaining ministers are considered as peripheral and no weighting is applied.¹⁸ Our variable of interest, the degree of change in the cabinet's ideological central tendency, is thus the absolute value of the difference of a cabinet's weighted mean position between time t_{-1} and time t . The variable indicating a decrease in distance between the president and her cabinet is a dummy variable indicating that ideological adjustment on behalf of the president from time t_{-1} to time t has either maintained or minimized the distance between the president's ideological position and the cabinet's weighted ideological central tendency at time t .¹⁹ To contrast this with a president's overall display of flexibility we also use a measure of the degree of presidential ideological adjustment. We take the absolute value of the difference of a president's estimated position between time t_{-1} and time t .

In addition we use a number of variables that are related to a president's legislative success and his coalition management. We add a variable for the number of seats the coalition holds in the lower house, a dummy variable for the lame duck status of presidents, and a measure for presidential approval. To proxy the increase in strength of a presidential's bargaining powers or a lost thereof we use the annual difference of this measure, taken from Carlin, Love and Martínez-Gallardo (2014). We also use an indi-

¹⁸It should be pointed out that these six core ministries are often staffed by either technocrats or by ministers belonging to the president's party, although occasionally coalition partners are appointed.

¹⁹Of course it is conceivable that a president minimizes the distance to his cabinet by only tinkering with its composition while maintaining his own position. We do, however, not consider this as indicative of ideological bargaining, but rather a conflictive management style.

cator of cabinet coalescence (Amorim Neto 2002). For the years 1989 to 2007 the data comes from Figueiredo (2007) and Zucco and Lauderdale (2011). We updated the data to 2014. Finally, we add as a proxy for targeted spending we use general government final consumption expenditure as a percentage of GDP, which includes all government current expenditures for purchases of goods and services including compensation of employees, taken from the World Bank’s World Development Indicators. We acknowledge that this proxy is not ideal, however, the more commonly used executed amendment expenditures are only available from 1992 onwards. To model the idea of amendments rather than the level of spending, we use the yearly difference of this measure.

5. Results

We start our exploration of the role of ideology in coalition management and legislative success by first examining the relationship between the position of the president and the ideological composition of their cabinets with simple bivariate OLS models. In conjunction with our propositions outlined in the theoretical discussion, we use for this purpose in model 1 the standardized position of the president as dependent variable and as independent variable the ideological central tendency of the president’s cabinet, both at time t , and in model 2 we use the changes in these variables between time t_{-1} and time t . In model 3, in turn, we focus on our expectations regarding the degree of adjustment, i.e. presidential absolute movement. Thus, in a first step we test whether in their level of adjustment presidents take into consideration their cabinet’s volatility, it’s ideological dispersion and popular support in isolation before we model the role of ideology in conjunction with coalition goods and pork distribution.

Figure 3 displays the coefficient estimates for each model, together with 90 % confidence intervals. Each dependent variable is indicated in bold font. As model 1 shows, the ideological position of the president at time t is clearly positively correlated with the mean ideological position of the cabinet at time t . In addition, as model 2 indicates, the

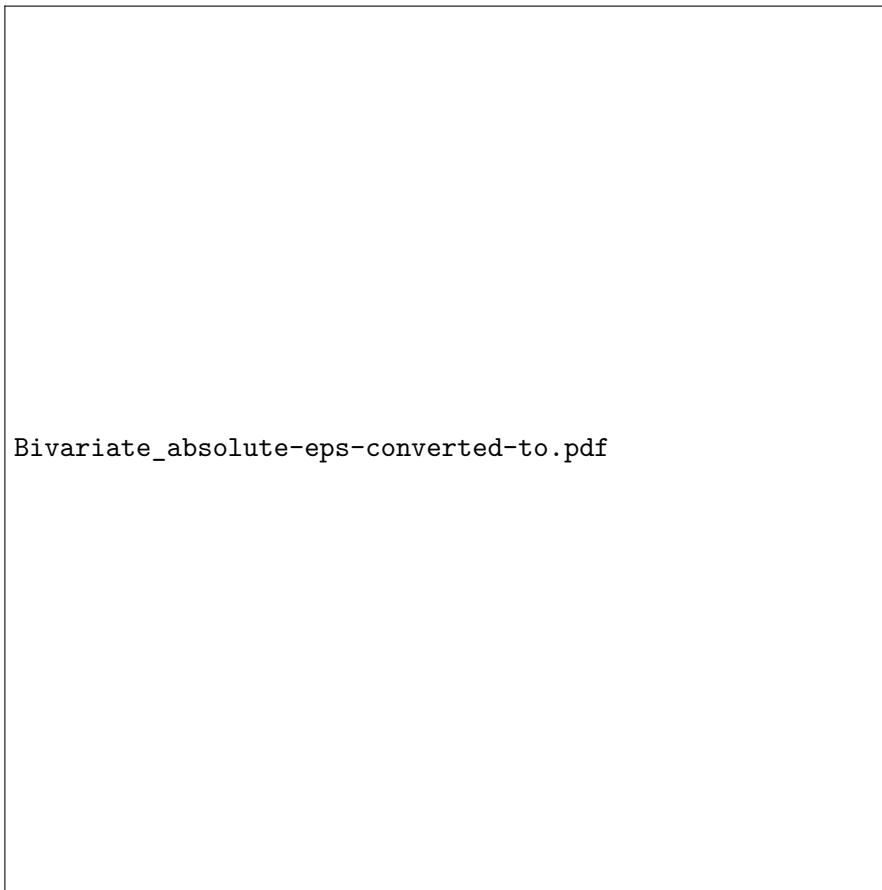


Figure 3: Coefficients from Bivariate OLS regressions. Dependent Variable Model 1: Presidential Position. Dependent Variable Model 2: Change in Dependent Variable. Dependent Variable Model 3: Absolute Movement President.

president does seem to respond to the dynamics of cabinet composition. A one unit change in the cabinet's position leads to nearly an one unit change in the president's position. In other words, presidents will shift their revealed preferences in response to changes in their cabinets. This suggests adaptive and strategic behavior on behalf of the executive. Model 3, in turn, looks at the degree of this adaptability and presents further evidence of presidential strategic behavior. An executive confronted with high levels of ideological change within her cabinet will react accordingly. Equally, ideologically diverse cabinets will result in presidents who will show larger movements to appease multiple parties on multiple issues. A president who enjoys high approval ratings, on the other hand, will not

Table 2: Legislative Success and Ideological Movement

	Model 1	Model 2	Model 3
Legislative Success (t-1)	0.82** (0.17)	0.91*** (0.16)	0.78*** (0.19)
Pres. Ideological Adjustment	10.48 (9.22)	- -	11.04 (10.66)
Minimize	- -	7.30* (3.11)	7.69** (2.92)
Coalition Seats	5.78 (26.27)	-22.91 (21.79)	8.10 (40.27)
Technocrats	-0.50 (0.86)	0.24 (0.99)	-0.07 (1.08)
Cabinet Coalescence	7.74 (35.26)	32.06 (36.73)	-5.24 (49.21)
Cabinet Ideological Range	-12.30* (5.77)	-11.41 (8.54)	-12.64 (7.00)
Presidential Approval	0.56 (0.40)	0.53 (0.64)	0.44 (0.39)
Lame Duck	-12.65 (10.19)	-12.14 (10.65)	9.99 (9.52)
Spending Difference	-2.89 (3.16)	-3.02 (3.00)	-0.89 (3.56)
Constant	23.02 (24.46)	16.51 (22.04)	25.28 (21.37)
N	22	22	22
R-squared	0.79	0.79	0.82

Note: Robust errors in parentheses; *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. Standard errors are clustered on president.

need to show as much flexibility, although this results fails to get statistically significant.

The results so far are supportive of our general argument. We now turn to a more specific test and incorporate ideological signaling as additional factor into the presidential coalition management and the level of legislative success. Table 2 shows the results of three different models. While the first model includes only our measure for a president's ideological flexibility, the second model focuses on the presidential's ideological adjustment specifically with regards to the ideological composition of her cabinet, minimizing the distance between her and her cabinet's weighted ideological central tendency. The final model includes a full specification.

Our results show that legislative success is a function of previous success. Model 1

furthermore highlights that having a large ideological range within a coalition is detrimental to a president's legislative success. Signaling simple ideological flexibility cannot offset the difficulties a president may face in such a situation. Model 2 on the other hand indicates strong evidence of a positive impact of presidential ideological adjustment resulting in maintaining or minimizing the ideological distance to the ideological central tendency of his cabinet. In other words, a purposeful ideological adjustment as part of an executive's coalition management strategy indeed improves a president's law-making record, a result that is confirmed in model 3.

Given the limited number of years since the return to democracy, the caveat of course is that these models rely on a very small number of observations and results should be interpreted with a degree of caution. Nevertheless they constitute the first evidence of the role that ideology plays in presidential coalition management. Our results suggest that presidents in multiparty systems compromise and alter their revealed policy position in response to incentives generated by the composition and dynamism of their cabinet.

6. Conclusion

The fate of presidents in multiparty systems is not set in stone. On the contrary, when a president assumes office, in addition to the formal legislative tools at her disposal, a president faces a series of choices, and it is the paths they choose, which subsequently shapes their presidencies. Hence, the success or failure of presidents is endogenously determined by the presidents themselves and their political skills can therefore either improve or hinder their success in policy-making. To build and maintain coalitions, presidents make use of a number of 'efficient secrets' (see Mejía Acosta 2009; Figueiredo and Limongi 2000). Previous discussions have centered on the distribution of pork and coalition goods, while rather implicitly acknowledging that bargaining over policies and positions is part of the executive's management of her governing coalition. It is no surprise, however, that to date a more explicit examination of this assumption has been

pending, given the paucity of positional data for presidents.

We remedy this situation and use a scaling model based on *Wordfish* to generate the first annual time series of ideological positions for Brazilian presidents based on their annual state of the union address to the national assembly between the years 1986 to 2014. This allows us to examine our proposition of presidential ideological adjustment which we link to dynamic patterns in the ideological composition of a president's cabinet. Our results suggest that presidential ideological positioning, particularly purposeful adjustment towards the central tendency of her cabinet is an important presidential political skill in a complex bargaining environment that may also help an executive to advance a president's legislative agenda.

Lula, for instance, was reluctant to compromise his policy position or share cabinet seats during his first two years in office, despite the size and ideological heterogeneity of his coalition and even after bringing in January 2004 an additional party, the *Partido do Movimento Democrático Brasileiro*, into the coalition (Samuels 2008). This strategy, however, came with a heavy legislative cost, eventually culminating in the government's biggest defeat in Congress in February 2005. In this vote Lula's candidate for the President of the Chamber of Deputies, Luiz Eduardo Greenhalgh, was beaten by the independent candidate, Severino Cavalcanti, by 190 to 300 votes. In his annual address in March 2005, however, Lula signals a considerable move towards his cabinet, giving rise to a more consensual governing style.

Hence, we believe that the findings we discuss and the method we use have important implications. First, we demonstrate the value of quantitative text analysis in a research area that is struggling with a scarcity of data. Retrospectively discerning the revealed policy position of Latin American presidents is not easily done by other means. Using the speech data of Latin American presidents can enable us to address and explore a wide range of important questions in comparative politics, such as a better understanding of executive-legislative relations in presidential systems, coalition management, and

executive strategies for legislative success.

Second, our results suggest that presidents will compromise their position in response to dynamics within their cabinet, and that this may be a viable strategy to advance their legislative agenda. These findings, therefore, echo and strengthen recent appeals to more explicitly take into account the adaptation of a president's position when analyzing the dynamics of coalition management (e.g. Raile, Pereira and Power 2011, p. 330). Although we focus on the seminal case of Brazil, our results also speak to a broader literature. It is a starting point to help us understand why presidents across Latin America often assume policy positions that appear to contradict their earlier signals (e.g. Remmer 2002; Samuels and Shugart 2003, 2010; Stokes 2001). Of course, given a president is directly elected, such policy shifts have the potential to undermine the quality of representation. Understanding how this might affect subsequent substantive policy outcomes is directly related to the wider issue of governance (see Saiegh 2009a, 1342) and touches upon the problem of a potential trade-off between representation and effective governance.

7. References

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