

Disrupting Unanimity. Party Politics and Horizontal Intergovernmental Relations in the Finance Committee of the German Bundesrat

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Markus M. Müller^a and Antonios Souris^b

^a Zeppelin Universität Friedrichshafen, Germany /
Ministry of Economic Affairs, Labour and Housing of Baden-Württemberg
Markus.Mueller@wm.bwl.de

^b FAU Erlangen-Nürnberg, Germany
Chair of German and Comparative Politics, European Studies
and Political Economy (Prof. Dr. Roland Sturm)
Antonios.Souris@fau.de

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Unanimity is a significant feature of interlocking federalism in Germany, also in the Bundesrat and its committees, including its most important one: the Finance Committee. However, it is disrupted to a surprisingly high degree. We examine decision-making in the Finance Committee, using a new dataset with more than 3,500 roll call votes and methods of legislative research including spatial analysis, and find that party politics explains best voting strategies used by the sub-national ('Länder') finance ministers. As opposed to the famous Lehmbruch hypothesis, however, it is not particularly used as a weapon to deadlock policy-making at the federal level in times of "divided government".

Keywords: German politics, federalism, roll call votes, intergovernmental relations, parliamentary committees

Introduction

In federations, politics presupposes the cooperation of different levels of government. Even if the distribution of competences between the central state and the sub-national entities as well as the institutional architecture vary across federations due to different historical legacies and regional particularities, governments must work together for policy formulation and administration. The various channels and processes of coordination and bargaining which structure and organize the cooperation, have been subsumed under the term intergovernmental relations (IGR) (Fenna 2012; Phillimore 2013; Poirier and Saunders 2015). IGR are "(...) an integral and significant part of every federal system; a form of oil or friction in any federal machine" (Poirier and Saunders 2015: 2). They exist, of course, vertically between the federal level and the sub-national entities. This vertical dimension receives most attention, yet it is only party of the story as there are also horizontal IGR amongst the sub-national entities.

If we understand IGR in line with Phillimore (2013: 230) "(...) as a 'game' akin to diplomacy (...)" that is determined by "(...) the motivations and resources of the various 'players' in the game (...)", we should be careful when conceptualizing sub-national entities as a single actor. In fact, the positions they advocate vis-à-vis the central government result from coordination and bargaining, too. On this reading, the sub-national governments pursue their own interests and goals in IGR (Nugent 2009). This applies to

federal finance in particular. Although sub-national governments are in principle united in bargaining for more funds out of the overall budget or for cost transfer to the federal level, their preferences towards the (re-)distribution of financial resources differ considerably due to territorial characteristics and also political party affiliations.

In this paper, we aim at elaborating on horizontal IGR in federal finance. For this purpose, we focus on the German federation, which is characterized by a complex IGR architecture (for an overview: Lhotta and von Blumenthal 2015). Whereas scholarship has been dominated by accounts on vertical IGR – especially the so-called “*Politikverlechtung*” (interlocking politics, see Scharpf 1997: 143-145) – its horizontal dimension has only recently received more attention (Hegele and Behnke 2017; Hegele 2018). Horizontal IGR is formally organized via the Bundesrat, the federal organ that assembles the envoys of the sub-national (‘Länder’) governments. Policy formulation in the Bundesrat takes primarily place in its committees (Sturm and Müller 2013). The lead committee in all matters related to the budget, taxes and financial regulation, arguably the most important committee in general, is the Finance Committee. It is its mission to find a common line of the Länder, so they can speak with a ‘single voice’ vis-à-vis the federal government. As this requires a considerable margin of discretion, the Finance Committee is the only Bundesrat committee in which politicians, ministers and/or state secretaries, and not bureaucrats on their behalf, attend the meetings.

It is therefore a political body, and its proceedings consequently reflect political alliances and confrontations, possibly even substantial conflicts. For the empirical analysis, we draw on a new dataset that contains around 3,500 roll call votes (RCV) in over 100 meetings of the Finance Committee between 1993 and 2013 as well as additional information on the political party memberships of the finance ministers and on the issues that were put to vote. The new data unravel patterns of (voting) behavior, allowing us to explore coalitions of Länder governments and interpret their motives. This approach adds to the literature new insights into both policy-making in German federal finance and the nature of horizontal IGR. The remainder of the paper proceeds as follows. In the next section, we will describe the Finance Committee in a nutshell. The third section conceptualizes (voting) behavior from a theoretical perspective and derives our hypotheses for the empirical investigation. After outlining the new dataset and the methods to analyze the voting behavior in the fourth section, we proceed with the presentation of our empirical results in a fifth section and their implications in the final section.

The Finance Committee of the German Bundesrat

Parliamentary committees constitute the centerpiece of almost all legislatures. The Bundesrat is no exception to this: It has set up committees, in which Länder representatives come together to scrutinize all legislation that passes the Bundesrat and develop recommendations for the final calls of the plenary sessions, which take place on a monthly basis. The Finance Committee is one of 16 standing committees.¹ Although they do not make the final calls, the committees are a better place than the plenary to study policy-making in the Bundesrat. The agenda of the plenary sessions, which take place every three weeks, contains between 50 and 100 items. For being able to manage the workload, the plenary usually only accepts or dismisses the committees' recommendations but does not engage in debating the issues again (Alter 2002, 300).

The Bundesrat is one of a kind: while it effectively acts as a second chamber with far-reaching (veto) powers, the constitution formally treats it as a federal organ that assembles the envoys of the Länder governments. The Bundesrat committees therefore show a feature we normally do not associate with parliamentary committees: the dominance of executives. The Länder governments maintain direct representation in all committees as they have one member in each of them, normally the minister who is in charge of the corresponding portfolio in the cabinet. Consequently, the members of the Finance Committee are the 16 finance ministers of the Länder. The committees apply the Ressortprinzip, a guiding constitutional principle of governance in Germany, meaning the ministers conduct the affairs of their department independently and in their own responsibility. Due to the Ressortprinzip, the finance ministers, no matter their political party affiliation in case of coalition governments, define the (voting) behavior of the Land in the Finance Committee.

The politicians delegate the substantial work related to the committees to civil servants. The institutional set-up reminds us more of the Committees of the United Nations' General Assembly or the Council Working Groups than of parliamentary bodies' committees. Any legislation that scheduled for committee deliberation is initially prepared within the Länder finance ministries. The experts evaluate, for example, the costs and the administrative burden of a bill, and draft positions to all agenda items of the

¹ The jurisdictions of the committees largely reflect the ones of the federal ministries. Besides the Finance Committee, there are the following: Agriculture; Labor; Foreign Affairs; Women and Children; Families and Senior Citizens; Health; Interior Affairs; Culture; Environment; Transport; Economic Affairs; Defense; and Housing.

committee meeting. Afterwards, these staff positions are coordinated with the political leadership of the ministry, the ones deemed highly political with the ministers themselves. Two days prior to the actual meeting, the standing sub-committee of the Finance Committee comes together. Based on the positions of the respective ministries, senior civil servants, normally (political) confidants of the minister, try to find common ground in the sub-committee, so the politicians eventually only deal with the still contested issues in committee meeting. The sub-committee sessions, which are not recorded, allow for an open, comprehensive debate over issues at stake. Due to the high level of secrecy, the envoys of the Länder are vested with quite a margin of discretion for bargaining a joint committee position, the ministers eventually adopt. Given this working procedure, the committee meetings usually last a few minutes as substantial debates are uncommon, rather serving to foster personal, face-to-face interactions among the politicians.²

Analytical framework and hypotheses

The alignment of the Länder in bargains over the distribution of the overall fiscal cake together with the specific working procedure of the Finance Committee suggest a routine of unanimous decision-making. Moreover, the so-called “brother-/sisterhoods” of sectoral experts (Wagener 1979) are prevalent in finance. Both at the staff and at the political level, those working in the area are expected to share the main goal that is the avoidance of costs to guarantee a balanced budget. In Germany, all finance ministers regularly reinforce their commitment to the so-called “black zero”. On this reading, the Finance Committee would perfectly meet the expectation of Giovanni Sartori (1975) that decision-making by committee tends to be consensual because deliberation focuses on substantial issues of a specific (policy) area and refrain from symbolic politics, while the regular face-to-face contact of the group members facilitate compromises.

Nevertheless, the finance ministers remain representatives of their governments that are made up of political parties. On the one hand, there is hardly a policy area in which territorial conflicts among the Länder governments are more prevalent than in federal finance (Auel 2014). On the other hand, political parties influence the whole Bundesrat process, including the procedures in the committees (Alter 2002). In fact, immediately ahead of the sub-committee and the committee meetings, the Länder representatives

² The Länder finance ministers get to know each other and may talk in person. Moreover, the Länder ministers can easily meet their political party peers at the federal level, for example the parliamentary speakers on financial and budgetary politics.

meet according to political party colors to arrange common lines if possible and necessary. Diverging preferences that the Länder advocate based on their territorial or political party motivations have therefore a potential effect to disrupt unanimity in the committee.

While both the common interest of Länder finance ministers vis-à-vis the issues to be decided in the finance committee as well as the Wagnerian thesis of “brotherhoodness” vis-à-vis the civil servants involved in preparing decisions suggest that “unanimity” is the outcome “by default”, we consider three other hypotheses to explain the characteristics of the share of non-unanimous decisions.

(1) A-B-dichotomy

According to Gerhard Lehbruch (1976; 2000), the Bundesrat has become an arena for party politics since the German party systems had fully evolved until the 1960s. Up till then, even in the young Federal Republic, a culture of consensus and bipartisan collaboration had guaranteed that the Bundesrat could (still) function the way it was originally designed in 1871, i.e., as the “sanior pars” among parliaments. However, since the two-and-a-half party system of conservatives (CDU/CSU), Social Democrats (SPD) and Liberals (FDP) had fully settled sometime in the 1960s, the opposing party in the first chamber of the parliament (Bundestag) has tried to use its influence in the Bundesrat to counteract government policies. This requires, of course, to control enough Länder governments. If the Bundestag opposition does control more than half of the votes in the Bundesrat plenary, it can effectively create a functional equivalent to a “divided government” situation as we know it from the United States (Sturm 2001) and therefore the dead lock of policy-making at the federal level.

On this reading, we hypothesize that (in the case of non-unanimous decisions) an A-B-dichotomy can be observed. That is, ministers of the SPD, the Left and the Greens – the so-called “A-side” – and CDU/CSU and FDP ministers – the so-called “B-side” – display opposite voting strategies each. That implies, among others, that A-ministers cluster as well as B-ministers cluster. We would therefore also expect any Land, before and after general election, if the election causes a change in government or, more precisely, a change in the office of the finance minister, to join the respective group of A- or B-ministers. In accordance with the Lehbruch situation (“divided government”), we would also expect that finance ministers from the A (B) side, when able to manoeuvre out the B (A) federal finance minister – because they have a majority (more than 8) in the finance

committee – will use this option. Therefore, we have to single out the respective four constellations, as described below.

(2) The East-West dichotomy

Eastern Länder, which joined the Federal Republic after unification in 1990, feature a range of similar characteristics, not the least with regard to fiscal relations. In a number of aspects, they are treated differently, mostly favourably, vis-à-vis federal-Länder fiscal redistribution mechanisms, e.g., federal means to support housing and urban development. Where these Länder receive relatively higher shares of fiscal means, this is meant to catch up with Western Länder or to deal with specific burdens stemming from pre-unification deficits or post-unification challenges. We therefore could hypothesize that Eastern Länder will vote similarly as opposed to Western Ländern, no matter what their political party affiliation.

(3) The Rich-Poor-dichotomy

For decades, Bavaria, Baden-Württemberg, Hamburg and Hestia have been forming the group of Länder that are performing in economic terms above average which makes them so called “donor” Länder as opposed to “receiver” Länder in the (horizontal) fiscal equalisation scheme. In terms of fiscal policy-making involving the federal level they can be assumed to share a common attitude. As their economies (and workforce) are contributing most to the fiscal cake (in relative terms), they often share an interest in conservative fiscal policy-making, arguing in favour of budgetary solidity that should be required from all governments before helping out by (horizontal or vertical) transfer. It seems plausible to attribute to them a joint identity, i.e., some self-image as the ones who must already make an extra effort for the good of others. The poor Länder, on the other side, consider themselves confronted with specific burdens that justifies extra transfers. We therefore could hypothesize that both the group of the rich Länder as well as the group of all others feature similar voting strategies respectively.

Data and Method

The meetings of the sub-committee and of the committee are not open to the public, but for the latter, we at least have access to the protocols. These comprise an attendance list as well as information on the pieces of legislation (usually the name, type and

identification number) and the related motions that were tabled by the Länder as well as the results of the RCV since July 1993.³ In contrast to the protocols of the other committees, we do not find any summary of the major aspects of the debate in the ones of the Finance Committee. The protocols do not qualify for an investigation related to the substantial content of the debate. Since they register the positions of the Länder in the RCV, they are a proper source for the analysis of voting behaviour, however. There are two particularly positive features of the protocols. On the one hand, they are an ‘official’ source to investigate Bundesrat decision-making. Data availability has always been a challenge for research efforts in this area because the plenary of the Bundesrat, which makes the final decisions, registers the individual positions of the Länder only as a rare exception.⁴ On the other hand, all voting procedures in the committees are RCV. This is why we avoid any selection biases that have been identified for other legislatures in which RCV must be requested (Hix et al. 2018; Stecker 2010).

In hard copy in the library of the Bundesrat, the protocols up to October 2013 are by now accessible for academia. Within a larger research project, the information for all 14 Bundesrat committees has been retrieved from their protocols and transferred to a new dataset, which comprises more than 51,000 RCV. For our analysis, we use the sub-set of this dataset, containing all 3,526 RCV in the Finance Committee. For each of them, the dataset comprises the individual position of the 16 Länder, which can be yea, nay or abstention. Further calculations related to the distribution of votes among the Länder are not necessary. In the plenary, the number of votes per Land depends on the population size and ranges from three to six. By contrast, each Land has only one vote in the committees. Moreover, we have not only added the identification number of the pieces of legislation that were debated, but we have also categorized them. In this vein, more general comparisons between different types of legislative procedures become possible. The dataset also includes the names of the finance ministers who were in charge at the time of the RCV as well as their political party affiliations. The names of the finance ministers have been

³ There was a change of the Bundesrat’s rules of operation July 1993. As a consequence, it became mandatory to register how each Land positions itself in all voting procedures. In fact, the Finance Committee (unsuccessfully) tried to prevent this rule to become effective.

⁴ Bräuninger et al. (2010), for example, make use of the 53 registered RCV in the plenary sessions between 1990 and 2005.

retrieved from the attendance lists, and then added if necessary⁵ and controlled with own lists on the composition of Länder cabinets. The finance portfolio is essential to realize political programs – money might not be everything, but all is nothing without it. Usually, the large coalition partner keeps the finance portfolio (see also: Pappi et al. 2008: 333f.). As consequence, the vast majority of finance ministers is member of either the SPD or the CDU/CSU. Between July 1993 and October 2013, there have been only four finance ministers from other parties, one of the Left and the FDP, two of the Greens.

The dataset does not cover each committee session. Due to the large scale of the empirical material, 15 sample periods, each a couple of months long, were selected. The samples refer to political party majority constellations at the federal level, an important framework condition for partisan behaviour in the Bundesrat (Sturm 2001). The samples follow the so-called “GOM”-Scheme (Stecker 2015: 1314f.), which takes into account the variations of political party coalitions at the Länder level and their effects on majorities in the Bundesrat plenary. As we are interested in the Finance Committee as a single case, we have re-arranged the data, however. Due to the Ressortprinzip as well as the deviating voting rules in the committees, majorities in the Finance Committee do not necessarily reflect the ones in the plenary. Moreover, in the vast majority of cases, the finance ministers decide the issues at stake in the Finance Committee on their own responsibility. The expert interview we conducted have confirmed the rigorous application of the Ressortprinzip in the Finance Committee.

When determining its partisan composition, the Länder coalitions are hence of minor importance; it makes more sense to focus on the specific political party affiliations of the finance ministers. In this vein, we distinguish two types of majorities: i) the “A-majority”, comprising all periods in the original dataset in which the finance ministers with a party membership to the SPD, the Left and the Greens held the committee majority; ii) the “B-majority”, denoting all periods with a committee majority of CDU/CSU and the FDP finance ministers. Subsequently, we relate the two majority types to the political party affiliation of the federal minister of finance as the ‘counterpart’ of the Finance Committee. Traditionally, the federal ministry of finance has always been occupied by either the SPD or the CDU/CSU. In this way, we have four majority constellations, capturing both political party majorities within the Finance Committee and relate them to the federal

⁵ The minister may be replaced by his/her state secretary (seldom: by a senior civil servant) for several meetings of the committee. The minister then does not appear in the attendance list. Hence, we controlled whether the minister was still in charge of the portfolio in the cabinet.

level (see Table 1). Interestingly, the distribution of the number of RCV already signals that a certain degree of ‘divided government’, meaning the partisan composition of the Bundesrat and of the federal government falls apart, is a routine in the German federalism.

Table 1: Majority constellations and cases in the dataset.

		Political Party Affiliation of the Federal Minister of Finance	
		SPD	CDU/CSU
Majority within the Finance Committee	A-majority	<i>Constellation I:</i> 363 RCV	<i>Constellation II:</i> 1,746 RCV
	B-majority	<i>Constellation III:</i> 945 RCV	<i>Constellation IV:</i> 472 RCV

The first step of our analysis is about exploring the significance of the various (voting) coalitions as conceptualized in the previous section. For this purpose, we refer to the literature dealing with the cohesion of parliamentary groups, in particular the ‘Agreement Index’ (AI) suggested by Hix et al. (2005: 215). This index measures the level of group cohesion from 0 to 1. Unlike other measurement indices, such as the Rice Index, the AI takes account of abstentions and is therefore particularly useful to research the Finance Committee. The measurement of the AI works as follows:

$$AI_i = \frac{\max\{Y_i, N_i, A_i\} - \frac{1}{2}[(Y_i + N_i + A_i) - \max\{Y_i, N_i, A_i\}]}{Y_i + N_i + A_i}$$

We assume a group i which participates in a given RCV. Y_i refers to the number of yay votes expressed by the group members, N_i to the number of nay votes and A_i to the number of abstentions. The AI is 1 when all group members opted for the same option, for example yea. The AI is 0 when the members equally split between three options, for example, in a group of 30, 10 voted yea, 10 voted nay and 10 voted abstention (ibid.). In this vein, it becomes possible to measure the level of cohesion of the Länder coalitions we expect, using an established mean of measurement in legislative studies.

The data also allow for the application of methods for the geometric scaling of voting. In the second step of our analysis, we use W-NOMINATE, which is among the most popular scaling techniques (Hix et al. 2009: 824). The different NOMINATE models (essential: Poole and Rosenthal 1997; Poole 2005) estimate the ideal points of legislators and locates them in low-dimensional Euclidean space. Each dimension has a range of values between -1 and +1. Legislators are assumed to vote for the alternative that comes

closest to their respective ideal points. If, for example, a proposed bill changed the status quo in the direction of the legislator's ideal point, (s)he would opt for yea. The W-NOMINATE algorithm recovers ideal points from observing choices. Legislators presenting more similar voting records have a smaller Euclidian distance to each other than those with less similar ones.⁶ Despite potential flaws and inaccuracies of the approach (for an overview: Clinton et al. 2004), we use W-NOMINATE as it does not require any previous knowledge or substantial assumptions and is hence well suited for explorative studies such as ours. W-NOMINATE is available as package for the statistical software R (Poole et al. 2011). It requires several inputs from the researcher, above all the number of dimensions which needs to be specified beforehand.⁷ For our case, W-NOMINATE provides for a particularly useful tool to compare the ideal position of a Land before and after a political party change of the minister. Given the territorial characteristics of the Länder normally remain stable over a long time, we are able to scrutinize the immediate effects of political party affiliations on their positioning in the Finance Committee.

There is one pitfall we have to cope with when applying W-NOMINATE to the Finance Committee, however. All NOMINATE algorithms assume a binary choice between yea and nay: "Abstention is tossed away as missing data; out-of-sight, out-of-mind" (Rosenthal 2018: 1). For our case, abstention is in fact a meaningful action, it can be understood as a weaker form of non-support than a nay. Abstention is often used in practice when a policy proposal is *not* preferred and, if decision-making were completely independent of all political circumstances, therefore dismissed. For political reasons, not the least to allow for a common voice of all ministers to give them mere strength vis-à-vis the other committees or the federal government, abstention is chosen. Interpreting abstention as a weaker form of yea seems less convincing because its 'affirmative' quality is restricted to the fact that among evils the respective policy proposal is less non-preferable than the proposal rejected with a nay. This is why we decided to treat abstentions in the application of W-NOMINATE as nays.⁸

⁶ For a detailed discussion of the statistics inherent to W-NOMINATE, see Poole et al. (2011).

⁷ The technical implementation in R is explained in detail by Monogan (2015: 148ff.).

⁸ This is in line with voting in the plenary sessions of the Bundesrat. Here, abstention substantially means to not vote with the supporters of a certain action.

Empirical Findings

In this section, we present our analyses of the data. Initially, we scrutinize the level of unanimity in the Finance Committee, and then proceed with investigating the coalitions of Länder in contested RCV to learn more about committee politics. A challenge is to distinguish political party and territorial motivations of the Länder. Using W-NOMINATE, we eventually compare the estimated ideal points of Hesse and Baden-Württemberg before and after the government change in 1999 and in 2011 to scrutinize the immediate effects of political party affiliations on positioning in the committee.

Unanimity by default?

Considering the common objective of the Länder to get more money out of the overall budget, the alleged attitude of all finance ministers to achieve the “black zero” as well as the distinct working procedure of the Finance Committee, with a standing sub-committee already trying to strike compromises before the actual meeting of the politicians takes place, let us expect unanimity by default. And in fact, our data initially hint at a large share of unanimous RCV in the Finance Committee, namely 1,899 out of 3,526 in total or 54 percent. Notably, the majority constellations of Table 1, in which we relate the political party majorities within the Finance Committee with the political party affiliation of the federal finance minister, hardly play a role for the extent of unanimity. In periods of an A-majority in the Finance Committee, the share of unanimous RCV is 50 percent, regardless whether an SPD- or CDU/CSU federal finance minister was in office. For the B-majority, we detect even higher shares: 53 percent in periods with a CDU/CSU finance minister and 64 percent in periods with a SPD federal finance minister.

But is there any variation when we look at the specific legislative procedures? The Finance Committee deals with several different types of legislation. All RCV related to decrees and administrative provisions of the federal government present a high level of unanimity, namely 75 percent. The deliberation of these pieces of legislation, which presuppose detailed expertise, are mostly left to the bureaucracy. The Finance Committee also deals with many European Union (EU) proposals. Since the Maastricht Treaty, the Bundesrat has gained far-reaching, formal participation rights in the preference formation in EU affairs at the federal level. All European financial and fiscal policy proposals with an implication for the Länder finds itself on the agenda of the Finance Committee. Similar to decrees and administrative provisions, EU policy proposals are rather technical issues. Only a few of them are politically contested, such as the plans to introduce common bonds

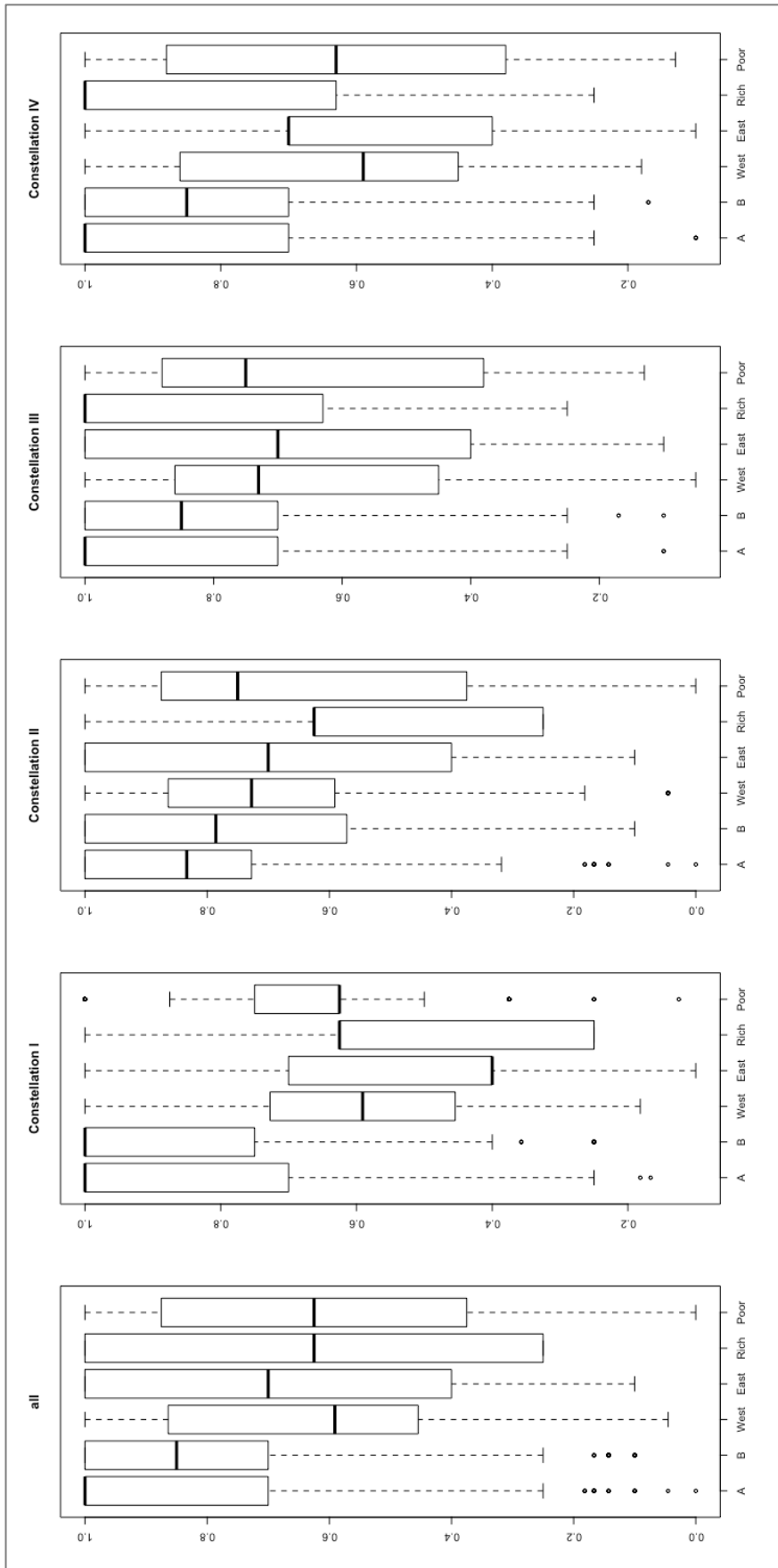
for all Eurozone member states ('Eurobonds'). For RCV related to EU policy proposals, we therefore detect a relatively high level of unanimity (64 percent). The most important legislative procedures of course refer to (draft) bills of the federal government. In fact, less than half of the RCV (47 percent) we allocated to these procedures were unanimously made. RCV related to two central actions in this realm, the opinion on draft bills and the call for the Mediation Committee, present even lower values, 32 and 34 percent respectively. The data show that there is no unanimity by default in the Finance Committee. In the next two sections, we therefore turn to the non-unanimous RCV.

Voting Coalitions in the Finance Committee

Figure 1 presents the results of the AI for all non-unanimous RCV in the dataset as well as for the ones within the four majority constellations we have defined. In general terms, we observe that political party affiliation plays a central role for (voting) coalitions in the Finance Committee. This holds true for both all RCV in the dataset and each of the majority constellation. Partisan-motivated voting goes beyond the (few) highly politicized pieces of legislation the Finance Committee dealt with. For example, there was a straightforward conflict between the SPD and the CDU/CSU over (the eventually failed) tax reform of 1998/99 in the Finance Committee. This is hardly a surprise because the reform was an apple of discord amongst the political parties due to various reasons (Renzsch 2000). But the data points to a systemic partisan-motivated voting in the committee that goes beyond specific pieces of legislation.

Notably, there are differences between the A-side and the B-side. Except for the first majority constellation (A-majority, SPD-led federal finance ministry), the finance ministers of the A-side present a higher median score for agreement according to the AI. In fact, the median score is 1 for all RCV as well as for three of the four majority constellations. The only exception is the second majority constellation when the A-side has a majority in the Finance Committee and the federal finance ministry is led by a CDU/

Figure 1: Agreement Index across majority constellations.



Annotations: Values in the Figure are the Agreement Index (AI) scores for each of the coalitions in all non-unanimous RCV (n=1,627) as well as in all non-unanimous RCV within the four majority constellations (n=182, 880, 346, 221). Coalitions are as follows: A=all ministers of SPD, Left, Greens; B=all ministers of CDU/CSU, FDP. West=Baden-Württemberg, Bavaria, Berlin, Bremen, Hamburg, Hesse, Lower-Saxony, North Rhine-Westphalia, Rhineland-Palatine, Saarland, Schleswig-Holstein. East=Brandenburg, Mecklenburg-Western Pomerania, Saxony, Saxony-Anhalt, Thuringia. Rich= Baden-Württemberg, Bavaria, Hamburg, Hesse, Thuringia. (as donors in the fiscal equalization scheme).

CSU minister. This seems to be counterintuitive only at first sight. A considerable number of RCV that fall under this majority constellation took place between 2009 and 2012. In terms of political party affiliations, the A-side was fairly heterogenic in that period as one finance minister of the Left (Brandenburg) and one of the Greens (Bremen) were members in the committee. The data suggest that it was more difficult to organize a common A-line. This especially applies to RCV related to EU policy proposals for financial regulation and safeguarding the Eurozone. In accordance with their publicly advocated opposition to the measures, the Left finance minister constantly sheered out of the A-side. The median score of the AI is still above 0.8, however. Finally, there appear no systemic differences of political party behavior related to the majority constellations.

Distinguishing political party and territorial interests from one another is a particular challenge when researching (voting) coalitions in the Finance Committee. For example, let us consider the ‘rich’ Länder, under which we understand Baden-Württemberg, Bavaria, Hesse and Hamburg as they have been donors in the fiscal equalization scheme.⁹ They are not only ‘rich’, they are also all in the ‘West’, while also political party affiliations happen to converge. Between 2000 and 2011, all four Länder were represented by a CDU/CSU finance minister in the committee. In large-N studies such as ours there is hardly an optimal solution to deal with this ambiguity. Nevertheless, we are able to draw some conclusions from Figure 1.

First, let us single out the first majority constellation. It covers RCV between November 1998 and December 1999. The ‘rich’ Länder were split into the SPD-led Hesse and Hamburg and the CDU/CSU-led Baden-Württemberg and Bavaria. Saxony, Thuringia and Bremen were represented by CDU finance ministers, whereas the other ‘poor’ Länder by Social Democrats. Given these political party affiliations, there was neither a homogenous alliance of the ‘rich, the ‘poor’, nor of the ‘West’ nor of the ‘East’. The results in Figure 1 are conclusive: the scores of the AI are considerably higher for the political party coalitions ‘A’ and ‘B’ than for any territorial coalition. A caveat is that this period of time is anyway considered as a highly politicized one as the newly-elected federal government of Social Democrats and Greens implemented a comprehensive reform agenda. But when we, secondly, look at all RCV, covering periods in which the political party affiliations and territorial characteristics converge and those in which they do not,

⁹ Hamburg has not always been a donor, but in most of the periods in the dataset. This is why we count the Land to the ‘rich’ ones.

reinforces this finding: we observe higher median scores of the AI for ‘A’ and ‘B’ than for any territorial alliance. The data point to the very fact that political party coalitions are both (to a certain degree) independent from and more stable than the territorial ones.

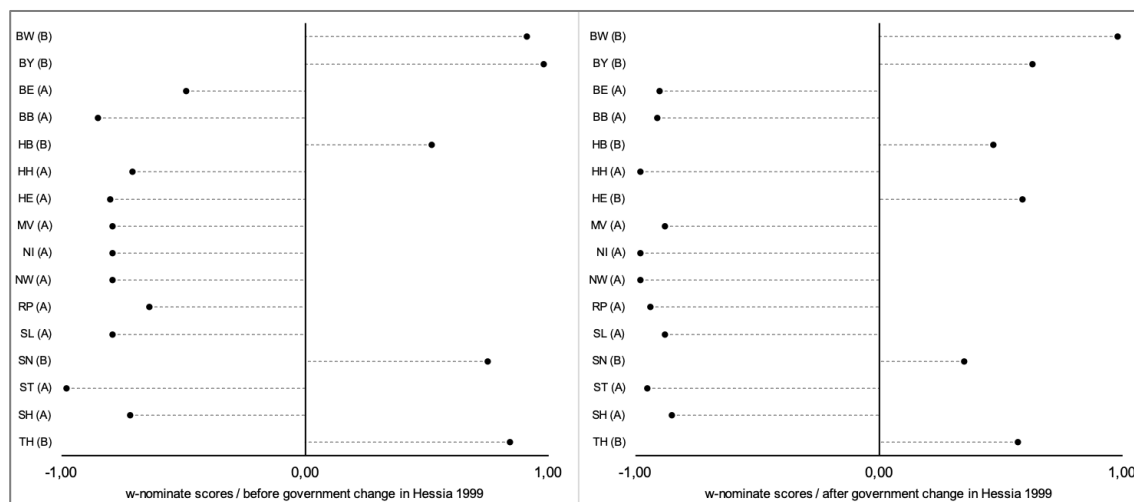
Political party vs. territorial motivated voting behavior

Another approach to discern political party and territorial motivations is to focus on individual finance ministers and their voting behavior in relation to the others. For this purpose, we use the W-NOMINATE algorithm to locate the ideal points of the 16 finance ministers in the political space in the Finance Committee meetings before and after the government change in Hesse 1999 and in Baden-Württemberg 2011. While Hesse had been governed by the Social Democrats and the Greens since 1991, the CDU came into power in the aftermath of the elections in early-1999. In contrast with its predecessor, the new government of CDU and FDP quickly re-located the Land towards the conservative side of the political spectrum. In Baden-Württemberg, the elections in 2011 marked a major turnaround for both Land and federal politics. Against the backdrop of the Fukushima nuclear disaster that led to public protest against the nuclear plants in Germany as well as the criticism of the incumbent political parties CDU and FDP for managing a large-scale infrastructure project in Stuttgart, the elections in 2011 brought into power a new government of Greens and Social Democrats. Notably, however, was especially the fact that for the first time ever, a Land government was led by a Green minister president.

Figure 2 presents the results for 1999. In brackets next to the abbreviations of the Länder, the ‘A’ and the ‘B’ denote the affiliations of the finance ministers to the two partisan Bundesrat groups. Comparing the two analyses, only the affiliation of the Hessian finance minister changes, the others remain the same persons. The left analysis comprises the committee meetings within the five months prior to the government change in Hesse (meetings 711 to 717) and 50 non-unanimous RCV, the right one the meetings within five months after (meetings 718 to 721) and 99 non-unanimous RCV. There are two substantive inputs to be made by the researcher before running the W-NOMINATE algorithm. The first one is to set the polarity argument. Here, the researcher has to specify which observation clearly falls on the positive side of each dimension estimated (Monogan 2015: 149). For both analyses, we define Bavaria as the anchor, given the Land has always been governed by a conservative government. The second input refers to the number of dimensions. While we have run the algorithm setting both one and two

dimensions, we basically find one relevant dimension.¹⁰ The result is straightforward: the dimension reflects a political party divide, and immediately after the government change, the Hessian ideal point changed sides from ‘A’ to ‘B’.

Figure 2: W-NOMINATE scores, before and after the government change in Hesse (HE), 1999.



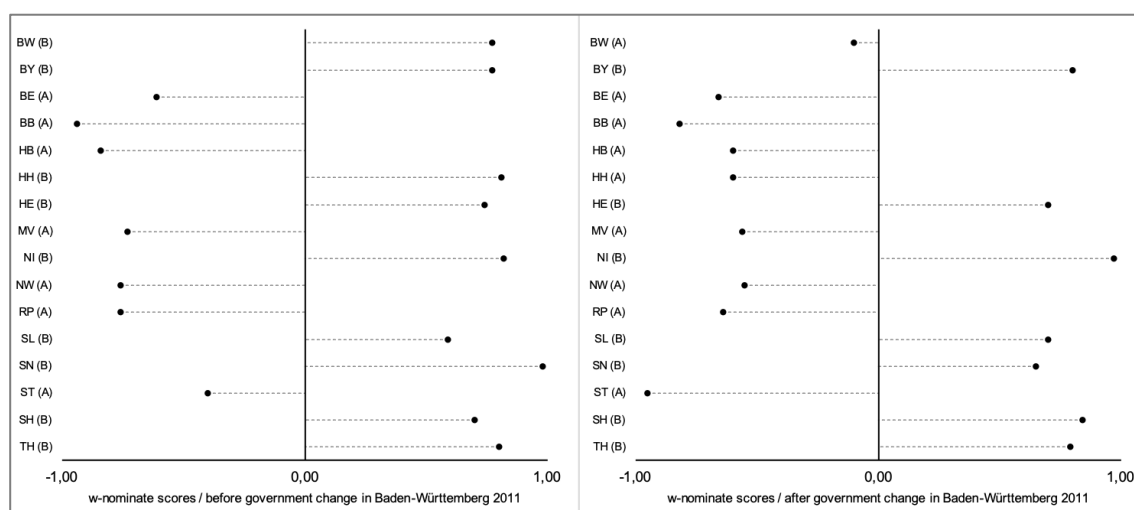
Abbreviations: BW=Baden-Württemberg, BY=Bavaria, BE=Berlin, BB=Brandenburg, HB=Bremen, HH=Hamburg, HE=Hesse, MV= Mecklenburg-Western Pomerania, NI=Lower-Saxony, NW= North Rhine-Westphalia, RP= Rhineland-Palatine, SL=Saarland, SN=Saxony, ST=Saxony-Anhalt, SH=Schleswig-Holstein, TH=Thuringia, A=SPD/Left/Greens, B=CDU/CSU/FDP. Left analysis: meetings 711 to 717 50 non-unanimous RCV, correct classification=97.12 percent, APRE=0.89. Right analysis: meetings 718 to 721, 99 non-unanimous RCV. Correct classification=89.9 percent, APRE=0.64.

For the second case, we turn to the government change in Baden-Württemberg in 2011. Figure 3 depicts the results. We use the same abbreviations as in Figure 2. This time, the political party affiliation of the finance minister of Baden-Württemberg and of Hamburg

¹⁰ When choosing the number of relevant dimensions, we have used the commonly used cutoff rule to consider only those dimensions whose eigenvalue exceeds 1. In both analyses, this applied only to one dimension. The values for correct classification of votes is for the first analyses 97.12 percent and for the second one 89.9 percent, the ‘aggregate proportional reduction in error’ (APRE) is 0.89 and 0.64, respectively. Armstrong et al. (2014: 2000) define APRE as follows: “PRE (proportional reduction in errors) is a fit statistic that measures how much improvement the model provides over classifying all votes for each roll call at the baseline (modal) category. For example, on 65-35 vote in favor of some policy proposal, we could classify all choices as Yea votes and achieve a correct classification of 65%. PRE measures how much a model improves classification among the 35 Nay (minority) votes and APRE simply aggregates all roll calls.” The high APRE in the first analysis points to the explanatory power of the one dimension that reflects the partisan division. In the second analysis, the APRE score is lower. It hints at the fact that the political party dimension is the dominant one, yet that there are more dimensions at play. Thereby, the political space appears to be even more complex than two dimensional because APRE rises only to 0.722 as we add a second dimension.

changes. In both Länder, the finance minister is member of the CDU in the left analysis, and of the SPD in the right one. The left analysis comprises the committee meetings from September to December 2010, and hence prior to the government change in Baden-Württemberg (meetings 864 to 868) and 90 non-unanimous RCV, the right one the meetings from May to September 2011 after the inauguration of the new government (meetings 872 to 875) and 89 non-unanimous RCV.¹¹ Bavaria serves as the anchor for both analyses. Again, we find one relevant dimension, which reflects the political party divide between ‘A’ and ‘B’.¹² Comparing the two analyses, Hamburg obviously becomes part of the ‘A’-side after the SPD took over the finance portfolio. For Baden-Württemberg, the result is less clear-cut. But Figure 3 shows that the new finance minister changed sides, albeit more cautiously than his colleague from Hamburg.

Figure 3: W-NOMINATE scores, before and after the government change in Baden-Württemberg (BW), 2011.



Abbreviations: BW=Baden-Württemberg, BY=Bavaria, BE=Berlin, BB=Brandenburg, HB=Bremen, HH=Hamburg, HE=Hessia, MV= Mecklenburg-Western Pomerania, NI=Lower-Saxony, NW= North Rhine-Westphalia, RP= Rhineland-Palatine, SL=Saarland, SN=Saxony, ST=Saxony-Anhalt, SH=Schleswig-Holstein, TH=Thuringia, A=SPD/Left/Greens, B=CDU/CSU/FDP. Left analysis: meetings 864 to 868 90 non-unanimous RCV, correct classification=94.01 percent, APRE=0.776. Right analysis: meetings 872 to 875, 89 non-unanimous RCV. Correct classification=89.9 percent, APRE=0.576.

¹¹ The meetings 872 to 875, within the five months immediately ahead of the government change, are not available in the dataset.

¹² Only one dimension has an eigenvalue of above 1. Correct classification of the first analysis is 94.01 percent, APRE is 0.776. For the second analysis, we get a correct classification of 89.9 percent, yet a relatively low APRE of 0.576 percent. It hints at the fact that there are more dimensions at play, again, probably more than two because APRE rises only marginally to 0.676 as we add a second dimensions.

Implications of the findings

Unanimity is said to be a dominant feature of policy-making in German interlocking federalism, a characteristic effect of the ‘Grand Coalition State’ that Germany is said to be. While unanimous voting in the finance committee of the Bundesrat, which we have studied here, is visible and, yet arguably, dominant, we argue that the share of non-unanimous voting is surprisingly high. Not only, because the very strategic constellation of Länder finance ministers sharing a common interest in securing their fiscal concerns, striving all together for a “black zero”, and finally, being heavily supported by civil servants from a rather homogeneous professional background, therefore featuring characteristics of a “*deformation professionnelle*” of sectoral expert, make unanimity very likely. But also because the structural situation of a standing sub-committee, ironing out as much differences as possible in advance of formal finance committee meetings, camouflages many of the diverging positions and motions, in order to secure a stable political line of the Länder vis-à-vis the federal finance ministry.

Less than half of votes on draft bills by the federal government (and even lower shares of opinion votes on draft bills as well as votes to call on the Mediation Committee) are unanimous. So, a closer look at this phenomenon of “disruption” of unanimity is worthwhile and necessary to fully understand what is going on in German federalism, particularly in horizontal intergovernmental relations between Länder (finance) ministers. Using established methods of legislative research including W-NOMINATE, we find party politics to be the single most significant factor to explain coalition building among finance ministers in the committee. Compared to party politics, territorial interests, be they shared among rich versus poor Länder, be they shared by Eastern versus Western Länder, do not perform better. They do also not add explanatory strength. This is to some extent bad news for those who argue that the Bundesrat – at least at the committee level – is a forum to help territorial interests become effective.

Interestingly, the government – opposition constellation between Bundesrat and the federal government (i.e., in this case: between Länder finance ministers and the federal finance ministry) does not appear to affect voting patterns. Coalition building (and by the same token, of course, also unanimous voting) take place without any identifiable reference to the majority constellations, relating the political majority within the Finance Committee with the political party affiliation of the federal finance minister.

If we take these two main findings vis-à-vis non-unanimous voting together, we conclude that the Lehmbruch hypothesis is only half-right; at least in view of the Finance

Committee. Yes, there is significant party politics at work in the Bundesrat, particularly in the Finance Committee. However, it has surprisingly little to do with the juxtaposition of government parties and opposition parties in the Bundestag and Bundesrat. So, Lehmbruch's "structural break" of the Bundesrat construction, allowing for government deadlock in times of "divided government" constellation between both chambers, does not become effective the way we would expect it. Still, Lehmbruch's analysis of party politics becoming a dominant feature in the Bundesrat, where it was never supposed to be, is compatible with our findings – again: as far the finance committee is concerned. If you wish, we support a "Lehmbruch 2.0" hypothesis, which is substantially "0.5 Lehmbruch": Party Politics is significant in the Finance Committee, particularly in important matters and thereby, where we expect it to show up; but it is not particularly used to hurt the federal government.

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