Bicameralism and Party Politics in Germany: an Empirical Social Choice Analysis

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This paper analyses whether and how party politics transform German bicameralism. Based on the policy positions of bicameral legislators, the study computes the win sets, the yolks of each chamber and a Nash solution in order to analyse empirically the effects of party politics on German bicameralism. In comparison to the basic bicameral model, hypotheses on bicameral conflict and policy stability are tested in the case of similar and different party majorities in the two-dimensional policy space of German labour politics. The results show that party politics transform German bicameralism in two ways. Similar majorities collapse bicameral checks-and-balances, while different party majorities come close to the basic bicameral model with high policy stability and conflict between both chambers.

Bicameralism and Party Politics

How do bicameral systems work? And how do party politics transform bicameral legislatures when party majorities either correspond or differ in the two chambers – do party politics decrease policy stability by reducing bicameral checks-and-balances, and do different party majorities necessarily lead to bicameral conflict? These are some of the more relevant questions we need to answer in order to improve our understanding of the interaction between bicameralism and party politics. This relationship has drawn the attention of scholars asking for the causes (i.e. Jacobson, 1990; Cox and Kernell, 1991; Fiorina, 1992, 1994; Lohmann *et al.*, 1997; Sigelman *et al.*, 1997) and the consequences of *divided government* (i.e. Sundquist, 1988; Alt and Lowry, 1994; Alesina and Rosenthal, 1995; Krehbiel, 1996) and *Bundesrat party opposition* (i.e. Scharpf, 1997; Bräuninger and König, 1999). Regarding the causes, scholars have developed sophisticated models on strategic voting behaviour in bicameral systems (Cox, 1997). They assume that voters take into account the expected consequences of not only bicameral checks-and-balances, but also the likelihood of similar and different party majorities on legislation (Cox and McCubbins, 1993; Fiorina, 1996). The consequences have been examined in empirical analyses of aggregated legislative output (Mayhew, 1991; Edwards *et al.*, 1997; Binder, 1999; Tsebelis, 1999; Coleman, 2000). However, how party politics impact the functioning of bicameral legislatures at the micro-level remains an open question.

Scientific progress in bicameral research has brought about new insight into the functioning of bicameral legislatures regarding its promotion of structure-induced equilibrium (Cox and McKelvey, 1984; Hammond and Miller, 1987; Tsebelis, 1995). Traditionally, bicameralism has been thought to decrease the potential for tyranny of not only an individual leader or a majority (Hamilton *et al.*, 1787), but

also of a minority (Buchanan and Tullock, 1962, 243). Recently, Levmore (1992, 146) described bicameral checks-and-balances as a 'stopping mechanism, as a means of preventing some kinds of government intervention based on the support of a simple majority of the members of a legislature'. Riker (1992, 168) refers to another advantage of structure-induced equilibrium when he argues that bicameralism reduces the speed of decisions in the case of voting cycles, but efficient solutions can be adopted promptly in both chambers. In their seminal work on bicameralism, Tsebelis and Money (1997, 35) distinguish between a political and an efficiency dimension of bicameral features which are considered to promote policy stability. They argue that, in addition to preserving the status quo, bicameralism reduces the conflict between the two chambers to one predominant dimension (Tsebelis and Money, 1997, 76).

These advantages of bicameralism contrast sharply with the sceptical perspective when party politics become a crucial factor in legislative decision making. German legislative decision-making is characterized by party politics with parliamentary groups comprised of rather homogenous bloc-voting party members and with governmental party coalition contracts excluding opposition parties. In Germany, however, the modification of bicameral checks-and-balances by such party politics does not provoke much criticism given similar party majorities, but the policy stability of *Bundesrat party opposition* has opened debates about constitutional reform in the case of gridlocking different party majorities. This means that an influence of party politics is not criticized per se, but different party majorities may call the legitimacy of German bicameralism into question. This striking evaluation prompts the question of whether and how party politics transform the bicameral mechanism. By and large, neither bicameral nor party politics research has yet explained this transformation nor generated testable hypotheses regarding the conditions under which, and the ways in which, party politics exert an independent causal influence over bicameral legislatures.

This paper argues that party politics research has concentrated on typologies of similar and different party majorities, whereas it has not clarified whether and how these majorities transform decision making. From a theoretical point of view, this study will use bicameral checks-and-balances as a baseline model and ask for the influence of party politics in the case of either similar or different party majorities. In addition to having rather homogenous bloc-voting party members, party politics is considered to facilitate *intra-cameral* decision-making by excluding opposition actors *within each chamber* (Aldrich, 1995). As a consequence, two configurations are expected to affect the *inter-cameral* relationship of *both chambers* differently. In the case of similar party majorities in both chambers, one expects less conflict between the two chambers because the party-oriented location of their majorities' preferences is likely to be closer. In the case of different party majorities, conflicts between the two chambers will be more likely. Gridlock, deadlock or – less normative – policy stability is the expected consequence. In order to provide a satisfactory answer one needs a realistic and empirically accurate view of the preferences of bicameral actors and their decision-making system.

In this article rational choice theory is applied and institutional settings and other variables like party politics are controlled for. To examine the influence of different

variables on bicameral checks-and-balances the model of Tsebelis and Money (1997) is used and extended. A major concern is the comparative analysis of the bicameral potential for policy change with and without the application of a party politics view. For the purpose of analysis, the cameral win sets, the inter-cameral conflict and bargaining lines connecting both chambers and their likely outcomes against the status quo are calculated. Compared to studies on aggregated legislative output, the empirical analyses start with the micro-effects of party politics on bicameral decision making, and its modifications in the case of similar and different party majorities. Moreover, the application on German bicameralism allows a study of weak and strong bicameral settings. The latter installs checks-and-balances of two chambers having the same voting rights in legislative decision making, while weak settings establish voting prerogatives for one of the two chambers.

The period of study is during the 1980s and considers the preferences and the weighted votes of German legislators in the relevant labour policy domain, be they either the parliamentary groups in the Bundestag or the state governments in the Bundesrat. The two-dimensional policy space of labour alternatives is derived from a policy domain study in which 126 relevant labour organizations were requested to indicate their preferences over 32 German legislative labour proposals (Knoke *et al.*, 1996). Compared to studies of the US Congress, German political decision making is characterized by a higher degree of party organization. For this reason, Germany provides a good example for testing the impact of party politics on bicameral decision making. The empirical findings indicate similar potentials for policy change in labour politics between the baseline version of the interaction of all bicameral actors and the case of different majorities. Even though different party majorities increase the conflict line between both chambers, outcomes have a similar status quo bias to the case excluding party politics. In the case of similar party majorities bicameral conflict is not only reduced but it also allows for policy change regarding labour and social deregulation. In sum, while previous studies have emphasized the lower potential for policy change in the case of different party majorities, the analysis shows that similar party majorities crucially transform bicameral checks-and-balances.

The Analysis of Bicameralism: Model and Hypotheses

This section introduces the study of bicameralism by current social choice analysis. Starting with the problem of finding solutions in two- or more-dimensional policy spaces, it presents current techniques allowing the indication of the likely centred location of outcomes. In this context, the bicameral structure may induce equilibrium (structure-induced equilibrium) and, as the model of Tsebelis and Money (1997) shows, reduce the conflict to a bargaining line connecting the centred outcomes of both chambers. Finally, the concept of the German bicameral game is presented, followed by an asymmetric Nash solution to capture the impact of strong or weak bicameralism on such bargains.

Like all bicameral procedures, the aim of German bicameralism is not only to improve specific legislation but also social choice in general (Tsebelis and Money, 1997, 19). Recent social choice research[1] focuses on this problem with regard to arbitrary solutions, which are likely in systems of majority voting on two- or multi-dimensional policy alternatives.[2] Briefly summarized, a primary concern of the bicameral social

choice discussion is whether it may better prevent the dictatorship of an agenda setter if arbitrary outcomes are possible under majority rule in the case of cycling majorities.[3] In the event of cycling majorities the manipulation capacity of the agenda setter might be limited to the maximal deviance from a stable solution in the multi-dimensional policy space (Koehler, 1990, 1992). If there is no (stable) two- or multi-dimensional median, this deviance can be measured by means of the median lines intersecting in a relatively small area called the yolk (Ferejohn *et al.*, 1984; Miller *et al.*, 1989). The maximal deviance from a stable solution is indicated by the diameter of the yolk 2r with yolk centre C.[4]

With respect to the agenda setter, bicameral settings may control its manipulation capacity if the second chamber also has the right to initiate proposals. Compared to unicameral systems, arbitrary outcomes are also less likely in bicameral systems because they require an intersection of the win sets of both chambers. Accordingly, bicameralism may support the selection of a strong Condorcet winner that has to beat any alternative in both chambers (Levmore, 1992, 149). However, in many cases we do not expect a strong Condorcet winner, since the existence of a stable solution for two- or multi-dimensional median is rather unlikely. Tsebelis (1995, 290) states that uni-dimensional policies are seldom decided in bicameral systems which still offer enough potential for policy change, because voting cycles may increase the set of feasible outcomes.

Tsebelis and Money (1997, 74) demonstrate that a second major feature of bicameralism is reducing the conflict between the two chambers to one predominant dimension: the bicameral win set of the two chambers with ideal points of L and U, according to Figure 1a, results from their intersecting indifference curves, and outcomes will be located on the LU conflict line as long as the degree of preferences is defined by the distance between their ideal points and the policy alternative represented by the status quo. The bicameral outcome is inside the intersection of both indifference curves on the bargaining line L'U'. For instance, both chambers will prefer SQ' over SQ since the former is closer to their ideal points than SQ. It is important to note that both chambers may easily achieve an agreement if they have close ideal points that are far from the status quo. Conversely, if the status quo is close to the bargaining line L'U' and the distance between the two chambers is large, policy change becomes less likely (Tsebelis and Money, 1997, 75).

This model of bicameral legislatures draws on a combination of non-cooperative and cooperative game theory. Relaxing the strong assumption of unified chamber actors with homogeneous ideal points, Tsebelis and Money use the yolk concept in order to approach the location of a (pseudo-)stable solution even in a two- or multi-dimensional policy space in each chamber. Next, they consider bargains along a predominant conflict line connecting both (pseudo-)stable solutions, i.e. the cameral yolk centres of both chambers. To quote corollary 3.1 of their model: 'Under the assumption of cooperative decision making and Euclidean preferences, the line connecting the centres of the yolks of the two chambers is the privileged dimension of conflict and compromise in bicameral legislatures' (Tsebelis and Money, 1997, 90).[5] Introducing costs of negotiation and enforcement, Tsebelis and Money (1997, 88) show that a move from a uni- into a two-dimensional policy space will not reduce the stability of a uni-dimensional solution, even if no stable

Figure 1a: Simplified Decision Making in a Bicameral Legislature

SQ

L   L'   SQ'   U'   U
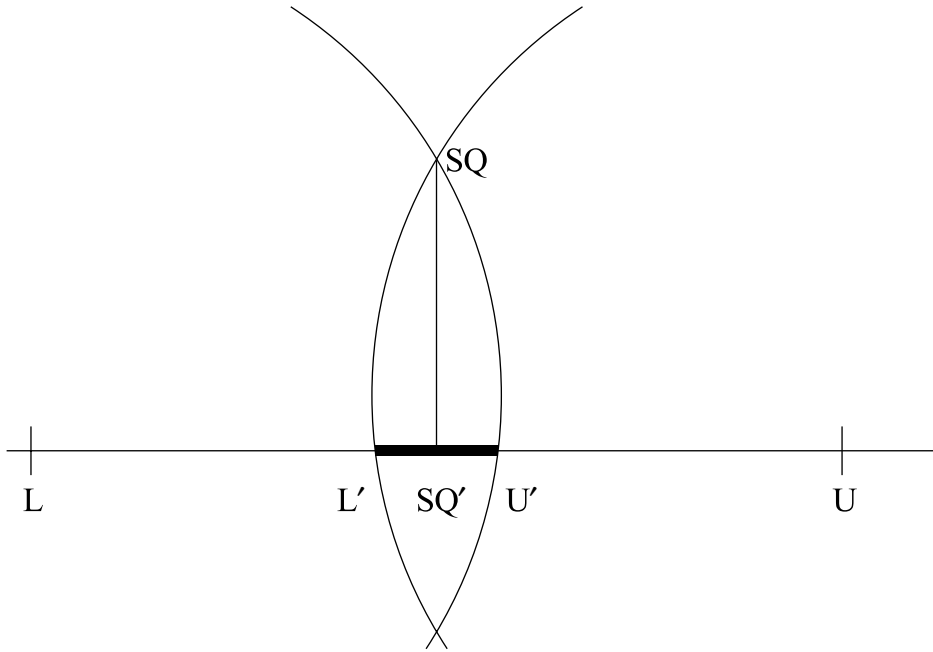
two-dimensional solution exists.[6] In their words, 'the actors recognize that a slight perturbation of the stable uni-dimensional solution is not worth their effort if this effort is not completely costless'.

With the strong cooperative assumption of binding and enforceable agreements, they conceive inter-cameral bargains as institution-free, meaning that the only relevant institution is the decision-making rule itself, while agenda-setting only matters for intra-cameral decision making. Though social choice theory addresses the question of how agreements become enforceable, rather than simply assuming that they are, Tsebelis and Money (1997, 77) justify the use of a cooperative game for two reasons: first, it allows for comparisons of unicameral and bicameral, or as studied in the following application, strong and weak bicameral settings as well as the influence of party politics. Insofar, the cooperative game is only used as the basis for the development of non-cooperative models. Second, it sheds light on the black box of conference committee deliberations.[7] In this regard, non-cooperative models of sequential choice theory of institutions lead to conceptually similar predictions (Baron, 1995; Baron and Ferejohn, 1989).

Before applying the model to German bicameral politics, two tasks have to be per-formed. Apart from measuring actors' policy positions, we must first conceive of the German bicameral game with majority voting within each chamber at the first level and cooperative bargains between both chambers at the second level. Second, we must capture the impact of strong and weak settings for German bicameral

decision making when predicting (cooperative) outcomes. This complexity of the German bicameral procedure can be simplified by employing compound games comprised of two non-cooperative subgames of the Bundestag and Bundesrat. Applying party politics in each subgame means that party majority actors disregard the policy positions of opposition parties at the first level. This strategy results in either a similar or dissimilar configuration at the second level.

But changing the status quo requires cooperation between both subgames, and German bicameralism presupposes weak and strong cooperation between Bundestag and Bundesrat majorities. These settings can be conceived as a (inter-cameral) distribution of formal resources measured by means of the Shapley/Shubik value. An actor's voting power resources are accordingly considered to be his amount of pivotal positions transforming a losing coalition into a winning one.[8] During the period under study, the Bundestag and Bundesrat were each provided with half of all formal voting power derived from the set of all German legislators when strong settings were applied. Weak bicameral settings, however, favour the Bundestag, with a Shapley value of 0.865, while the Bundesrat was granted a value of only 0.135 before unification (König and Bräuninger, 1996, 342).

In order to examine the impact of weak and strong settings on German bicameral bargains we apply a symmetric and an asymmetric version of the Nash solution. The asymmetric version allows us to include actors having different bargaining resources established by weak or fairly strong bicameral settings. The symmetric Nash solution derives an actor's utility $dU(\alpha)$ by comparing the distance between his preference and the status quo with a collective result α, while the asymmetric Nash product $\pi^a(\alpha)$ additionally includes (formal) resources as a weighting factor for the utility.[9] Applying different versions of the Nash solution can be seen as a modification of the Tsebelis/Money-model which uses an inter-cameral conflict and bargaining line, and makes predictions on bicameral policy outcomes.

In spite of these modifications, we will not only apply this model but also examine whether and how bicameral checks-and-balances are transformed by party politics, and how this affects the potential for policy change in the case of similar or different party majorities. For the purpose of analysis, Figure 1b outlines the expected transformation of bicameral checks-and-balances by party politics. Consider a situation of similar party majorities with cameral ideal points L and Us, and of dissimilar party majorities with L and Ud. Both situations transform bicameral legislatures by shifting the conflict line of both chambers to the line LUs for similar party majorities, and LUd for dissimilar. Hence, similar majorities may reduce the conflict to the bargaining line of both chambers. In accordance with the Tsebelis/ Money model we can formulate the following hypotheses on the spatial consequences of similar and dissimilar party majorities:

> **H1:** Applying party politics to intra-cameral decision making, the likelihood for inter-cameral conflicts is higher with different party majorities than it is in the base-line model, while similar party majorities are likely to overcome bicameral checks-and-balances.

In addition, we may expect that party politics affect the likelihood of policy change. Since party politics are supposed to affect the inter-cameral conflict line, the likelihood

Figure 1b: Simplified Transformation of Decision Making in a Bicameral Legislature by Party Politics
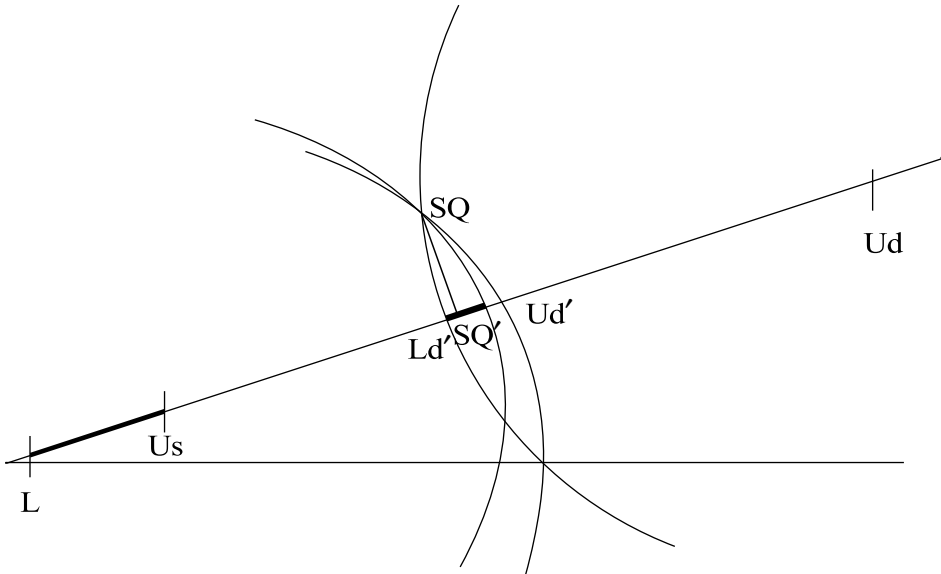
for policy change is expected to be higher in the case of similar party majorities: if policy-orientation applies to the coalition behaviour of German parties, and coalition partners accordingly build government coalitions with respect to their preference distance, we expect policy change to be more likely in the case of similar party majorities in the Bundestag and Bundesrat. Similar party majorities then simply suggest more policy change since both chambers have a rather small distance to the other's ideal point compared to the distance from the status quo. By contrast, when preferences of both party camps differ extremely in each chamber, we expect rather dissimilar majority locations to make policy change less likely in the case of different party majorities. Particularly polarized party systems will exclude policy change because both inter-cameral conflicts involve changing the status quo in opposite directions. With respect to this, we can derive the following hypotheses on the likelihood of policy change:

> **H2:** Applying party politics to intra-cameral decision making, the likelihood of policy change is higher with similar party majorities than it is in the base-line model, while dissimilar party majorities are likely to increase the status quo bias.

Strong and weak bicameral settings may influence bicameral outcomes because the power resources are distributed differently. In this regard, German bicameralism seems to be an ideal case for studying the impact of different bicameral settings on legislative bargaining outcomes. Holding all other parameters constant, i.e. the set of actors and their preferred policy positions, we are able to compare the impact of weak and strong bicameral settings on these outcomes within the same legislature by a different power resource distribution. When measuring the distribution of formal

resources between both chambers, the Bundestag has more formal resources in the case of weak bicameral legislation, while Bundestag and Bundesrat share formal resources in strong bicameral legislation equally. These differences, however, will only influence policy outcomes in the case of dissimilar party majorities. In the case of similar majorities, the closeness of the majorities' preferences covers procedural differences, but the latter are supposed to coordinate conflicts in the event of different party majorities.

> **H3:** Applying party politics to intra-cameral decision making, the likelihood of procedural influence is higher with dissimilar party majorities than it is with similar majorities.

How party politics apply to bicameral decision making, which consequences arise for inter-cameral conflicts and bargaining, and how strong and weak bicameral settings affect the outcome, are all empirical questions which are tested in the following analyses of German labour policy making.

Germany – an Ideal Case for the Study of Bicameral Settings

This section presents the characteristics of German bicameralism and the state of the literature evaluating the relationship between German bicameralism and party politics. Although German bicameralism provides for two types of procedures in legislative decision making, the literature offers a relatively sceptical view of its potential for policy change. Their normative foundation of responsible party government is revealed by their mere criticism of different party majorities. Unsurprisingly, their conclusions refer to the term of gridlock rather than to structure induced equilibrium. How similar party majorities transform German bicameralism is no matter of previous research. The section concludes by asking for an empirical foundation of the transformation of German bicameralism, either in the case of different or similar party majorities.

Unlike the American or Swiss principle of division, German federalism intertwines both the upper federal and the lower state level in the bicameral legislature. In this bicameral legislature the executive branch is formally stressed by two peculiar features: first, the second chamber, the Bundesrat, consists of delegates from the constituent state governments, and not of elected representatives of the people or state parliaments. Second, even though party politics dominate parliamentary legislation, it is the state governments that implement most federal legislation (Boldt, 1990, 308). These features tend to promote cooperation rather than separation between federal and state level (Scharpf, 1997, 203). Today, two types of federal bills exist in German legislation: the *Zustimmungsgesetz* and the *Einspruchsgesetz*. For *Zustimmungsgesetze* strong bicameralism requires a minimum of 21 of the 41 Bundesrat votes in favour of a federal proposal, and 35 of 69 votes after unification. For *Einspruchsgesetze*, the weaker settings allow the Bundestag to overrule a Bundesrat objection with its corresponding majority, either absolute or qualified.

Providing simultaneously for strong and weak settings, the German legislature can be considered an ideal case for a comparative study of party politics and bicameral checks-and-balances. This matter has previously been analysed in Lehmbruch's

(1976, 1998) study on *German party government* and Scharpf's (1988, 1994) *federal two-level* approach. According to Scharpf (1988, 239), there is a so-called federal 'joint decision trap' favouring political immobility, because state governments at the lower level are unable to cooperate at the upper federal level. The pathology of such horizontal cooperation consists of the constitutional requirement that lower level governments must agree to any change of the status quo on the upper level 'either unanimously or quasi-unanimously' (Scharpf, 1994, 25). Even though Scharpf's primary concern is that of horizontal cooperation among the states, he also concludes that different party majorities prevent welfare benefits from negotiated self-coordination in the bicameral system of vertical cooperation between Bundestag and Bundesrat (Scharpf, 1997, 272). Earlier Lehmbruch (1976, 16) stressed two problems of German bicameralism when party majorities differ in the Bundestag and Bundesrat: first, the potential for policy change is limited to the smallest common denominator, because any modification of the status quo depends on the consent of both party camps. Second, the configuration of dissimilar party majorities may endanger the legitimacy of federal legislation since the necessary (informal) grand coalition excludes party competition.

Scharpf's and Lehmbruch's sceptical view on the partisan nature of German bicameralism stems from two general conditions for German legislation which have not been changed in the wake of unification: the formal provision that most German bills need the bicameral consent of both chambers, and the divergence of actors' party preferences on legislative proposals (Braun, 1996, 107). Since most of their observations refer to the situation of dissimilar party majorities during the 1970s, where a Conservative state majority in the Bundesrat limited the political leadership of the Social-Liberal government commanding a Bundestag majority, their findings lead to a typology of party camps which classifies the Bundesrat along the lines of states in support of and in opposition to the Bundestag majority of the federal government (Schindler, 1994, 854). Accordingly, the level of influence of party politics is primarily debated in the Bundesrat, and their criticism refers to periods of dissimilar party majorities allowing for less policy change by responsible party government.

Since 1949, however, all types of party majority configurations have existed in German bicameral legislation. Prior to unification, we witnessed approximately sixteen years of similar, ten years of dissimilar opposition majority and fifteen years of mixed state tie-breakers in Germany. Following unification in 1989, this trend continued: similar party majorities existed from November 1989 to May 1991, mixed states had tie-breaking positions until February 1996, while an opposition majority held the Bundesrat majority from April 1997 until October 1998 (König, 1999, 218). The mixed category indicates a complex preference structure, supported by the existence and ignorance of so-called *Bundesratsklauseln*. When forming government coalitions at the state level, mixed coalition partners often commit in *Bundesratsklauseln* to abstain from voting in the Bundesrat. However, since Bundesrat abstentions count under weak bicameral settings for, and under strong settings against the adoption of a legislative proposal, we can continue to distinguish among similar and dissimilar party majority configurations.

In sum, Germany can be considered as an ideal case for the study of the impact of bicameral settings on legislative decision making because it provides for both strong

and weak settings at the federal level. This allows us to formulate hypotheses testing the impact of bicameral settings and controlling for party politics. However, the bicameral analysis poses severe empirical problems with respect to legislators' preferences. Previous case studies often refer to particular issues of legislative proposals, and these proposals were investigated in the case of dissimilar party majorities. In order to investigate accurately the impact of party politics on bicameral decision making, the measurement concept of policy positions has to minimize the trade-off between the reliability of legislators' preferences and their general impact on decision making. What we are looking for are preferences of legislators expressing their long-term policy position on important policy dimensions within German bicameralism.

German Labour Politics: Data and Measurement

This section introduces the data and measurement techniques of this study to the German labour policy domain. It uses data that have been collected on actors' interests on legislative proposals in the German labour policy domain during the period from 1982 to 1988. The original purpose of this was to compare labour policy making in Germany, the US and Japan, including the activities of about 100 labour interest groups on about 30 proposals in each country (Knoke *et al.*, 1996). This analysis uses the German data and identifies first the two main dimensions of German labour policy making according to the interests of all German actors on the 32 labour bills – 85 interest groups and 40 legislators. Second, it spatially locates the policy positions of the legislators on these dimensions by factor analysis. These positions – derived from a set of proposals covering a period of about seven years – are the inputs for the analyses of the transformation of German bicameralism by party politics.

High unemployment, decreasing foreign investment and increasing public invest-ment were the topics in German labour politics in the mid-1980s. Traditionally, German labour politics is characterized by two dimensions, labour and social politics. The two-dimensionality of German labour politics is expressed in the name of the Federal Ministry of Labour and Social Policy, which was given jurisdiction over both labour law and the social insurance system after World War I (Reindt and Saffert, 1968). German social politics had already been established by the end of the nineteenth century when Bismarck introduced social legislation in order to pacify socialist workers. An important consequence of Bismarck's social politics was the foundation of mandatory social security organizations, which continuously participate in labour policy making. This social dimension became particularly im-portant when the conservative Kohl government abounded its intention to modify laws concerning working conditions, the disadvantaged and discrimination in the workplace. After the conservative government of Helmut Kohl was formed in 1982, it also initiated legislative proposals to cut back welfare payments.

The foundation of labour law as a separate dimension started in the early years of the Weimar Republic. The Weimar compromise between unions, employers and the state was induced by union cooperation under the terms of the Auxiliary War Service Law of 1916 (Schönhoven, 1987, 104). Since employers immediately began to undermine the system of collective bargaining with unions, the federal

state became increasingly involved with compulsory arbitration, particularly during the economic recession at the end of the 1920s. Traditionally, the unions have the support of the Social Democrats (SPD) in the Bundestag, while primarily the Liberals (FDP) represent the employers' interests. As in other Western democracies during the early 1980s, the Kohl government started to deregulate labour market policies as well as policies on management participation.

Both dimensions have traditionally structured German labour policy making, which is considered to have a high status quo bias due to manifest organizational employers' and unions' interests. The comparative study of governmental efforts to change labour status quo was a major concern of an American, German and Japanese policy domain analysis in the 1980s (Knoke *et al.*, 1996). Using the Organizational State framework developed by Laumann and Knoke (1987), 126 relevant corporate actors and 32 legislative proposals have been identified during the period 1983–88 in Germany (Pappi *et al.*, 1995). According to the Organizational State, national public policy making is primarily segmented into policy domains. Furthermore, relevant corporate actors such as parties, ministries or interest groups dominate public policy making in Western societies. By adding a view on institutional settings to the Organizational State framework all German legislators having the right to take the final vote on legislative labour proposals became part of the set of relevant actors to be interviewed. Apart from interest groups this set includes not only the parliamentary groups of the Christian Democrats (CDU), Christian Social Union (CSU), SPD, FDP and Greens (GRU), but also encompasses the states of the second chamber.[10]

One hundred and twenty-five of 126 actors, legislators and interest groups, mentioned their preferences on 32 legislative proposals made in the labour policy domain during the mid-1980s. The respondents indicated whether they were in favour of, opposed to, or indifferent to each proposal. In addition, they mentioned their amount of interest on each proposal ranging between almost no interest (1) and very high interest (5). Their responses are used to identify the dimensionality of the policy domain space and the spatial location of their corresponding policy positions. Table 1 lists all proposals, their outcome and the (principal component) factor loading of each proposal according to the social and labour dimension.

Briefly summarized, most proposals were concerned with the labour dimension defined within the two extremes of 'flexibility, deregulation' versus 'extension of employees' rights, regulation'. For example, the Employment Opportunity Act (#9) enormously increased flexibility, while the proposals to extend co-determination rights (#18) mostly intended to raise the rights of employees. Eight bills belonged to the social dimension defined between 'reducing' versus 'increasing social welfare programmes' (Pappi *et al.*, 1995, 213). Here the Entitlement Reductions (#3) proposal considerably reduced welfare programmes, while a proposal to limit the age for doctors' licenses (#31) mostly intended to increase social benefits.

In the comparative study, all actors' preferences have been used to explain the proposals outcome as ordinary objects of choice (Knoke *et al.*, 1996, 152ff). In comparison, the following analysis is concerned with identifying the spatial location of legislators' long-term policy positions on both traditional dimensions. Looking at legislators' policy positions on both dimensions, their structural demand for labour

Table 1: Characteristics of the 32 German Labour Proposals

Number	Name of proposal	Adoption	Labour loading	Social loading
1.	Labour court jurisdiction	–	+0.31	
2.	Illegal employment	–	–0.13	
3.	Entitlement reductions	+		+0.96
4.	Remigration of foreign workers	+	+0.52	
5.	Early retirement	+	+0.23	
6.	Stricter Sunday work	–	–0.58	
7.	Bankruptcy law reform	–	–0.38	
8.	Deregulate work protection	+	+0.57	
9.	Employment Opportunities Act	+	+0.83	
10.	Limits on public servants earnings	+	+0.20	
11.	Extend unemployment payments	+		–0.08
12.	Anti-gender discrimination	–	–0.58	
13.	Farmers' social benefits	+		+0.27
14.	Reduction of overtime work	–	–0.50	
15.	Improve vocational education		+0.31	
16.	Employment of handicapped	+	+0.49	
17.	Federal employment agency neutrality	+	+0.82	
18.	Extend co-determination rights	–	–0.73	
19.	Vocational Training Act	+	+0.13	
20.	Farmers' social insurance	+		+0.20
21.	Mothers' annuity insurance	–		–0.26
22.	Labour participation in management	–	–0.67	
23.	Worker savings promotion	+		+0.46
24.	Illegalize employee lockout	–	–0.53	
25.	Part-time worker protection	–	–0.41	
26.	Restrict leasing of workers	–	–0.57	
27.	Steel industry co-determination	+	–0.16	
28.	Amend Work Promotion Act		+0.42	
29.	Represent youth on work councils	+	+0.00	
30.	Social insurance registration	+		+0.27
31.	Age limit for doctors' licenses	–		–0.26
32.	Amend Work Council Act	+	+0.51	

politics can be derived from their responses to all 32 proposals. The argument here is that legislators' preferences for ordinary objects of choice are typically derived (long-term) policy positions that are an amalgam of preferences for more fundamental objects like labour or social politics. For the purpose of analysis, legislators' factor scores are interpreted as these (long-term) ideal points for each dimension, in other words, the policies closest to their policy position order. In spatial terms, any distance from their ideal points makes an actor worse-off, irrespective of whether the policy is to his right or his left (Ordeshook, 1986, 25). For the sake of

parsimony, we thus assume legislators to have similar distance functions, and any (Euclidean) distance raises their utility losses.

Figures 2a and 2b show the factor scores as means of legislators' Euclidean preferences on each dimension with status quo at point zero. The point zero is conceived as the status quo because any movement will either expand or reduce social welfare spending and/or labour regulations. The findings show that legislators have different positions on labour and social politics, but they are ordered in accordance with the party majority/opposition divide. In the Bundestag, the coalition partners CDU, CSU and FDP have similar policy positions, in particular with regard to labour politics. While the FDP moderately prefers labour deregulation, the CSU is closer to the status quo in social politics mostly preferred by the Greens. However, both opposition parliamentary groups, SPD and the Greens, stand in almost perfect opposition to the majority of the Bundestag. They were always in opposition to governmental proposals and in favour of their own initiatives, while CDU, CSU and FDP show the reverse picture.

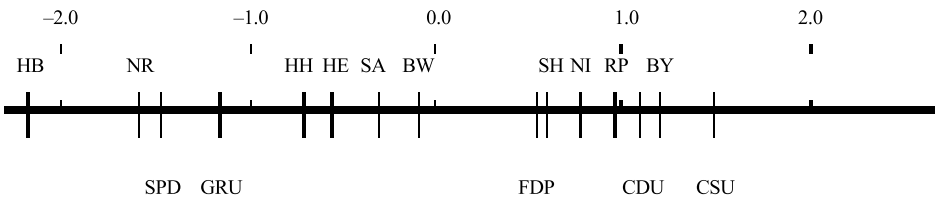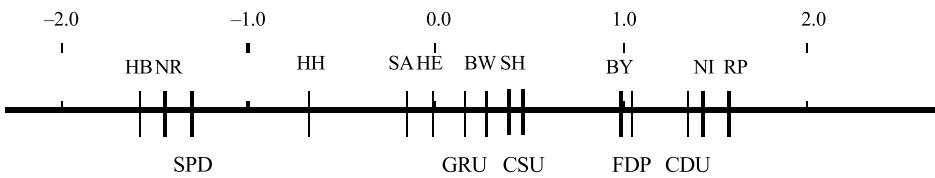## Figure 2a: Actors' Preferences on Labour Politics

Figure 2b: Actors' Preferences on Social Politics

Parliamentary Groups of the Bundestag:
CDU – Christian Democratic Union
CSU – Christian Social Union
FDP – Free Democratic Party
SPD – Social Democratic Party
GRU – Greens

States of the Bundesrat:
BY – Bavaria
BW – Baden-Württemberg
HB – Bremen
HE – Hesse
HH – Hamburg
NI – Lower Saxony
NR – Northrhine-Westfalia
RP – Rhineland-Palatine
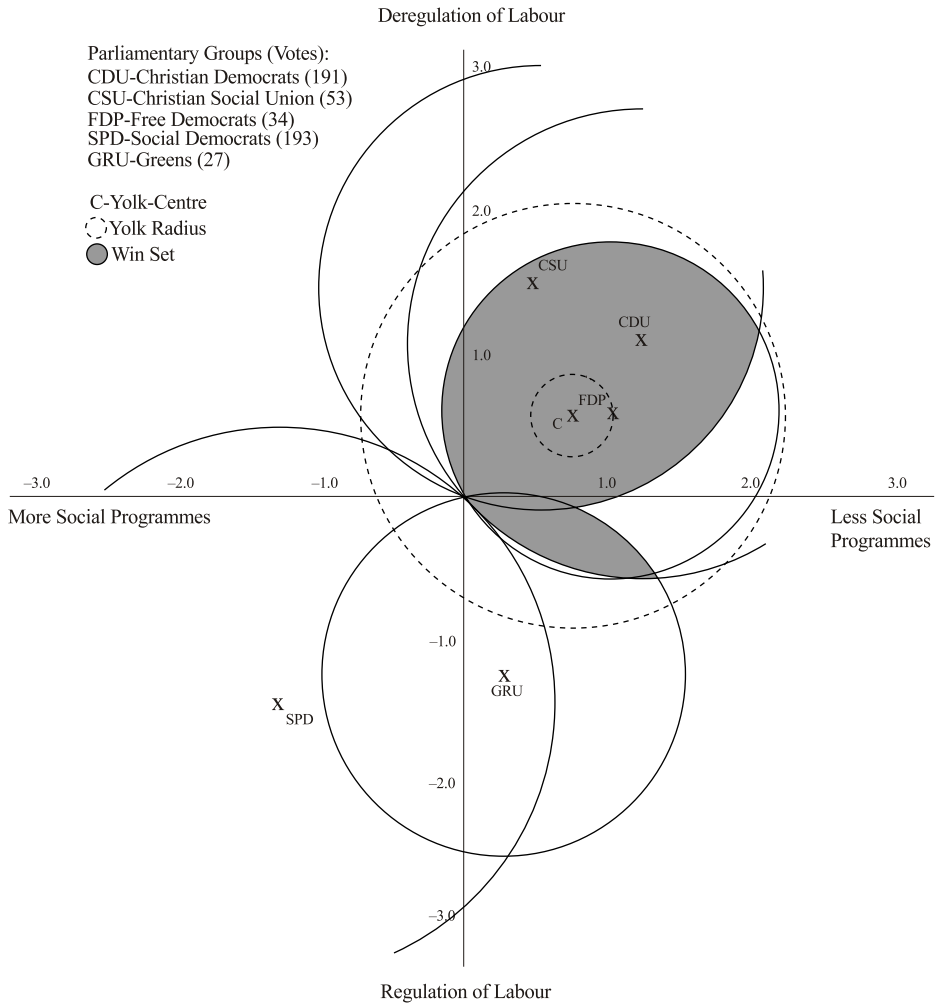SA – Saarland
SH – Schleswig-Holstein

In the Bundesrat, the empirical findings support a party-oriented configuration of the ten states with voting rights. The state governments of Bremen, Northrhine-Westfalia, Hamburg, Hesse and Saarland with their SPD and Green majorities empirically favoured opposition politics, in both labour and social politics. With the exception of Baden-Württemberg in labour politics, all other states formed by Bundestag majority parties supported the programme of the Kohl government to deregulate labour and social politics. On one hand, these results confirm previous findings on the partisan nature of German bicameralism. On the other hand, German bicameral legislators do not totally collapse into two party camps. The configuration on the social politics dimension notably shows that the most extreme policy positions are held by states and not represented by the party actors of the Bundestag. Having identified the policy positions of German bicameral actors on both traditional dimensions of labour politics, we can turn to the model of legislative choice and to the examination of the hypotheses on the transformation of German bicameralism by party politics.

Federal and Party-oriented Win Sets in German Bicameralism

For the comparative analysis of the bicameral functioning of German labour politics this section first determines the intra-cameral win sets $W(x)$ of the Bundestag and Bundesrat for all legislators, and second it applies party politics to intra-cameral decision making in each chamber. The analyses use the same location of actors' preferences but party politics change the formation of win sets by exclusion of party actors. This results in three different win set configurations comprised of no party politics, similar and dissimilar party majorities to the Kohl government. All figures represent the two-dimensional policy space with a labour and social politics dimension. The positive poles of the dimensions concern the deregulation programme of the Kohl government, while the negative poles refer to an increase of welfare spending and higher labour market restrictions. What we are looking for is the amount of bicameral policy change and its changes due to party politics. All inter-cameral analyses are also used to distinguish between strong and weak bicameral settings.

Including the status quo x at point zero, Figure 3a contains six ideal points in the baseline model of the Bundestag. Assuming block votes of parliamentary groups, the ideal points of the governmental majority are located in the upper right quarter of deregulation, while the opposition actors, in particular the SPD, are strictly opposed to the governmental deregulation programme. The Bundestag win set includes all policy positions preferred with a majority of at least 250 votes to the status quo.[11] Using the indifference curves of all parliamentary groups, we derive the shaded Bundestag baseline win set from the sets of intersecting circles, in which at least 250 Bundestag votes can agree on changing the status quo. This area of all possible alternatives is hatched in Figure 3a. Within this area, the status quo is dominated by all alternatives that can be adopted by either the CDU/CSU/FDP-majority of the Kohl government in the upper right sector or a majority of the CDU/FDP/Greens in the smaller lower sector. In the event of a stable Bundestag solution, all median lines would intersect at a single point, the so-called two-dimensional median of all directions.

Figure 3a: Win Set and Yolk Centre of the Bundestag

Deregulation of Labour

Parliamentary Groups (Votes):
CDU-Christian Democrats (191)
CSU-Christian Social Union (53)
FDP-Free Democrats (34)
SPD-Social Democrats (193)
GRU-Greens (27)

C-Yolk-Centre
Yolk Radius
Win Set

3.0

2.0

CSU
X

CDU
X

1.0

FDP
C X X

−3.0   −2.0   −1.0   1.0   2.0   3.0

More Social Programmes   Less Social
                                                     Programmes

−1.0

X
GRU

X
SPD

−2.0

−3.0

Regulation of Labour

The Bundestag potential for policy change would then be defined on a circle with the single point of the median as the centre and radius d – the distance between the stable solution and the status quo (Koehler, 1992, 38). Hence, the form of the win set area already indicates that there is no stable Bundestag solution with a two-dimensional median, and in Figure 3a a pseudo-solution is marked as yolk centre C. The two broken lines with yolk centre C include the maximal deviance from a stable solution, the inner line subtracts the yolk radius as the maximal deviance from the distance between the yolk centre C and the status quo, the outer line adds it. Figure 3b applies party politics excluding opposition legislators in Bundestag decision making, and consequently, the second majority win set of the CDU/FDP/ Greens disappears as part of the Bundestag potential for policy change. Moreover,
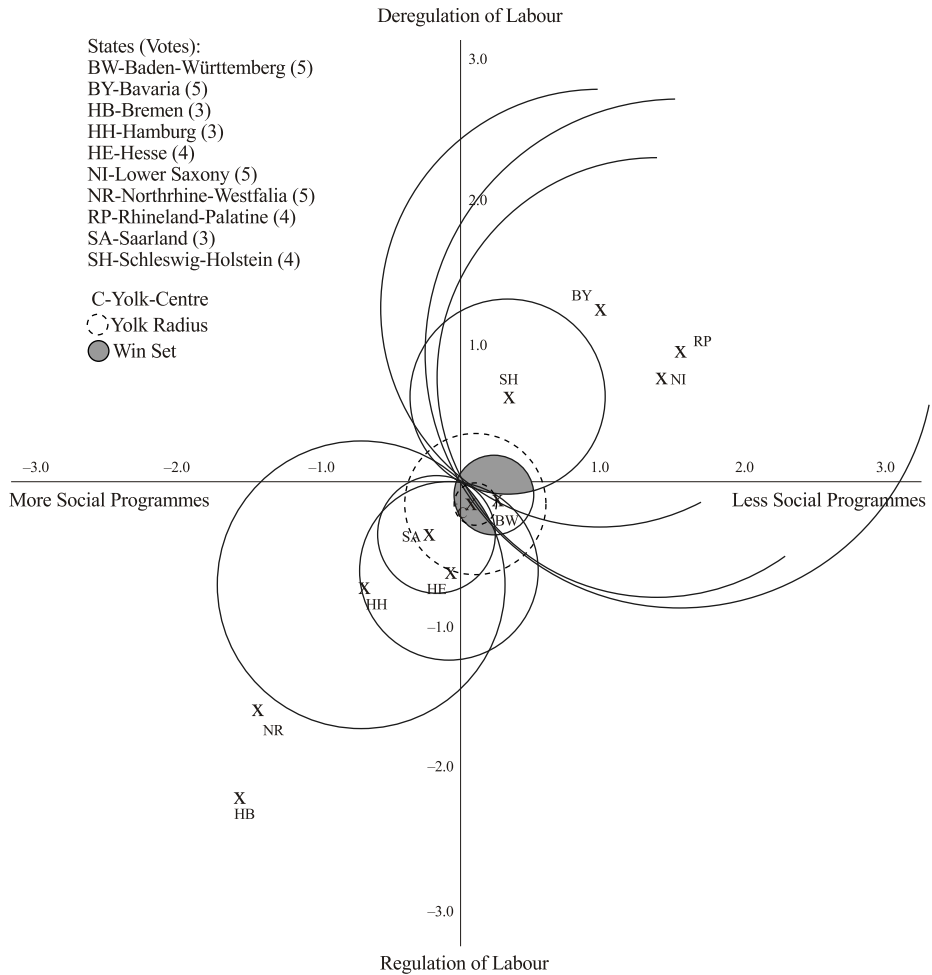
Figure 3b: Party-oriented Win Set and Yolk Centre of the Bundestag
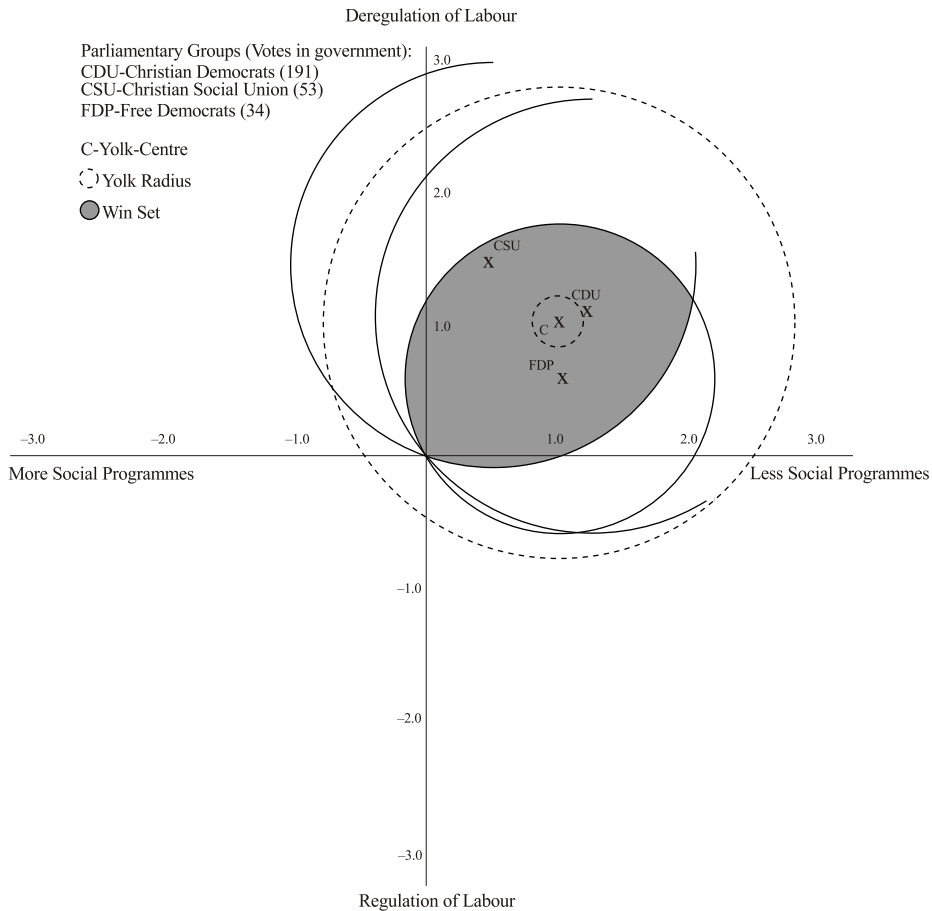
the yolk moves slightly toward the policy positions of the coalition partners CDU, CSU and FDP of the Kohl government.

Figure 3c describes the baseline situation in the Bundesrat. The state votes from the upper right and the lower left quarter sum up to 18 of 41 votes respectively. The pivotal actor for both sides is Baden-Württemberg (BW) which favours less social welfare and approximately the status quo in labour politics. The Bundesrat yolk centre C and the yolk radius also indicate the deviance from a stable solution in the second chamber. While Baden-Württemberg belonged to the group of states supporting the Kohl government during the period under study, party politics consequently lead to an exclusion of the opposition win set in Figure 3d. Compared to the location of yolk centre C in the Bundesrat baseline model of Figure 3c, party politics move it to the upper right quarter of the Kohl governmental sphere. Figure 3e contrasts this conception with a simulated party politics situation of opposition state majority in the Bundesrat. For means of simulation, every state belonging to
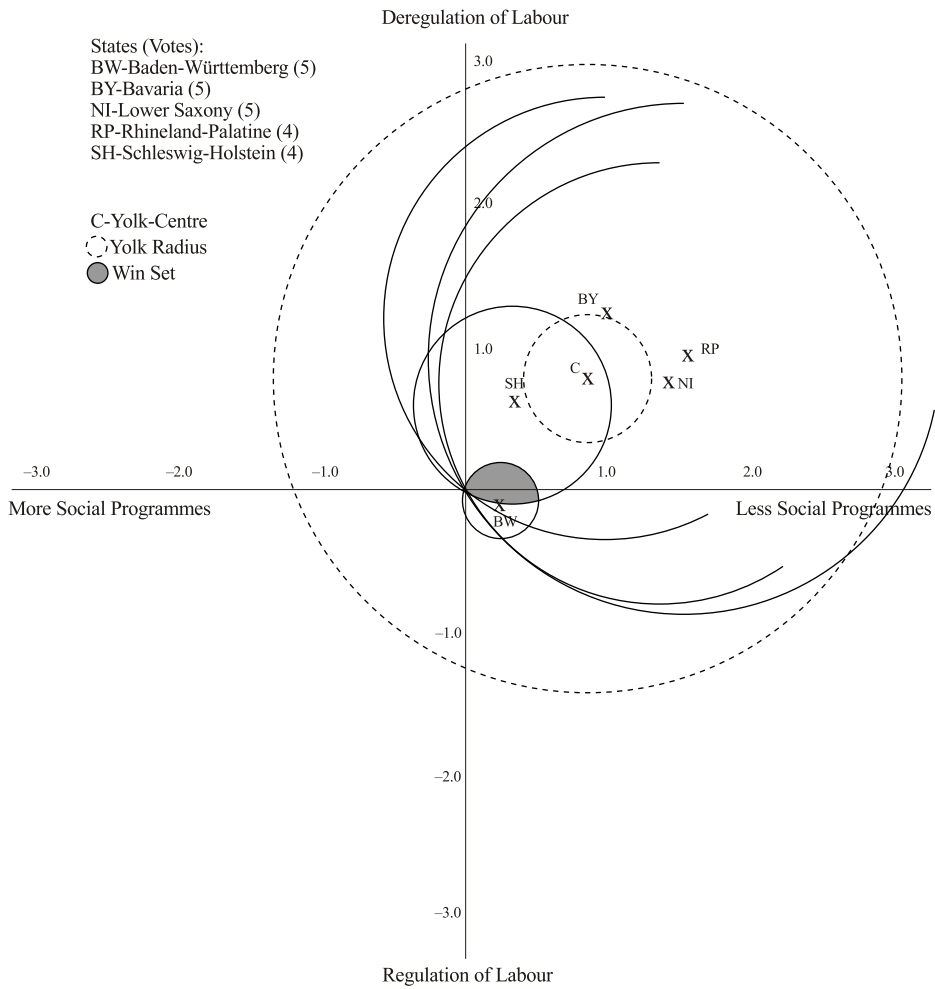
Figure 3c: Win Set and Yolk Centre of the Bundesrat

Deregulation of Labour

States (Votes):
BW-Baden-Württemberg (5)
BY-Bavaria (5)
HB-Bremen (3)
HH-Hamburg (3)
HE-Hesse (4)
NI-Lower Saxony (5)
NR-Northrhine-Westfalia (5)
RP-Rhineland-Palatine (4)
SA-Saarland (3)
SH-Schleswig-Holstein (4)

C-Yolk-Centre
Yolk Radius
Win Set

More Social Programmes

Less Social Programmes

Regulation of Labour

this group is given an additional vote share, shifting the Bundesrat win set and the yolk centre C toward more social programmes and higher regulation of labour.

In sum, there is neither a stable solution in the Bundestag nor in the Bundesrat with or without party politics, but we can approach the set of feasible outcomes by means of the yolk concept. This concept can be applied to distinguish between three areas in which an agenda setter is certainly ($> d - 2r$), probably ($> d + 2r$) or certainly not ($\leq d + 2r$) successful. Introducing transaction or negotiation costs into spatial models, the Tsebelis/Money-model of bicameral legislatures uses the cameral yolk centres as starting points for analysing bicameral conflict and bargains, with either complete or incomplete information of legislators (Tsebelis and Money, 1997, 98). Since this study is primarily concerned with bargains under weak and strong settings, we calculate a Nash solution distinguishing between a symmetric

Figure 3d: Party-oriented Win Set and Yolk Centre of the Bundesrat (similar majorities)

Deregulation of Labour

States (Votes):
BW-Baden-Württemberg (5)
BY-Bavaria (5)
NI-Lower Saxony (5)
RP-Rhineland-Palatine (4)
SH-Schleswig-Holstein (4)

C-Yolk-Centre
Yolk Radius
Win Set

More Social Programmes

Less Social Programmes

Regulation of Labour

and an asymmetric version. Another more important difference to the Tsebelis/ Money-model on bicameralism is marked by the application of party politics to German intra-cameral decision making. To establish the effects of party politics we use the set of all bicameral actors as a federal baseline model for the comparison of similar and different party majorities.

German bicameral legislation requires majorities in the Bundestag and Bundesrat. Accordingly, the bicameral outcome will be located on the predominant inter-cameral conflict line which connects both intra-cameral win set centres with respect to strong or weak bicameral settings. In the case of strong bicameral legislation, the Bundestag and the Bundesrat share formal resources equally, whereas weak settings favour the Bundestag. Figure 4a shows the predominant conflict line between
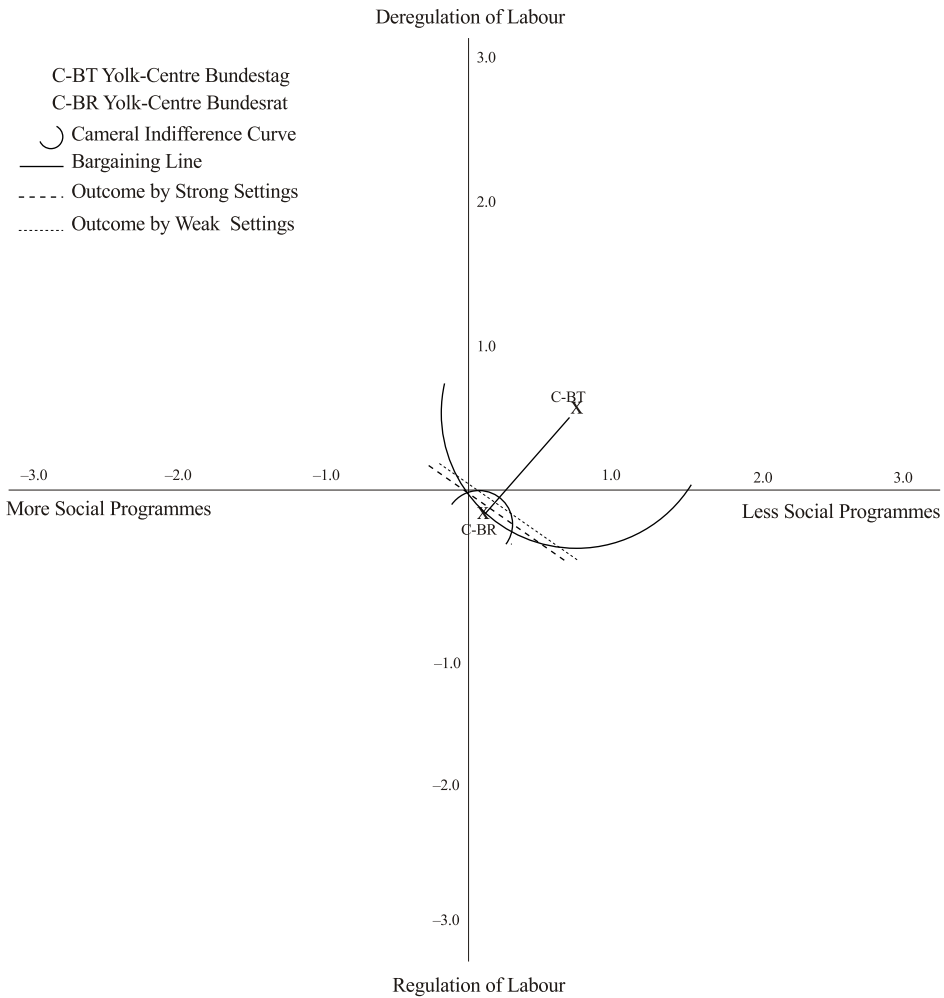
Figure 3e: Party-oriented Win Set and Yolk Centre of the Bundesrat (different majorities – simulated)
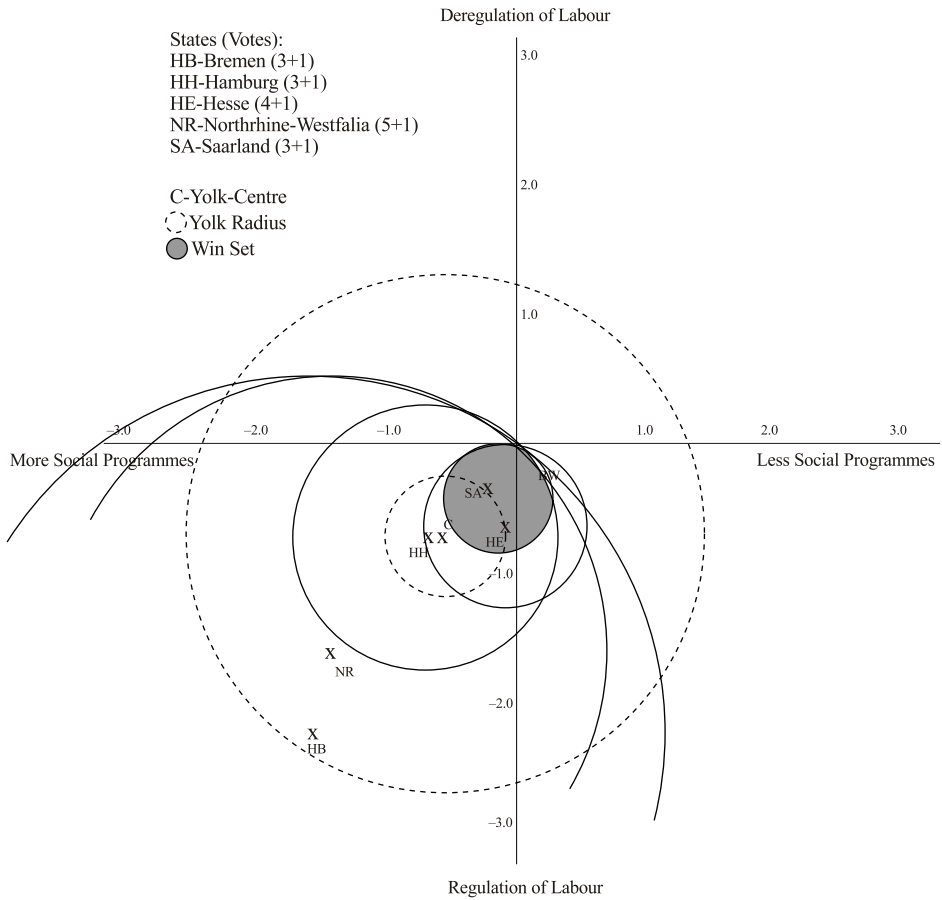
Bundestag and Bundesrat yolk centres if party politics do not play a role in intra-cameral voting. In order to construct this figure, Figure 3a and Figure 3c are laid on top of one another (Koehler, 1996, 290). The demarcation of the Bundestag and Bundesrat dotted yolk radius intersect, and the conflict line passes through the upper and lower right policy sectors. The bicameral bargaining line is sandwiched between the indifference curves of both chambers on the inter-cameral conflict line. In the case of strong bicameralism, the Nash solution is the point located in the middle of the dotted bargaining line, whereas under weak bicameral legislation it moves towards the stronger Bundestag. As a result, this analysis predicts fewer social programmes but more labour regulation. Strong and weak settings produce different outcomes in this baseline model.
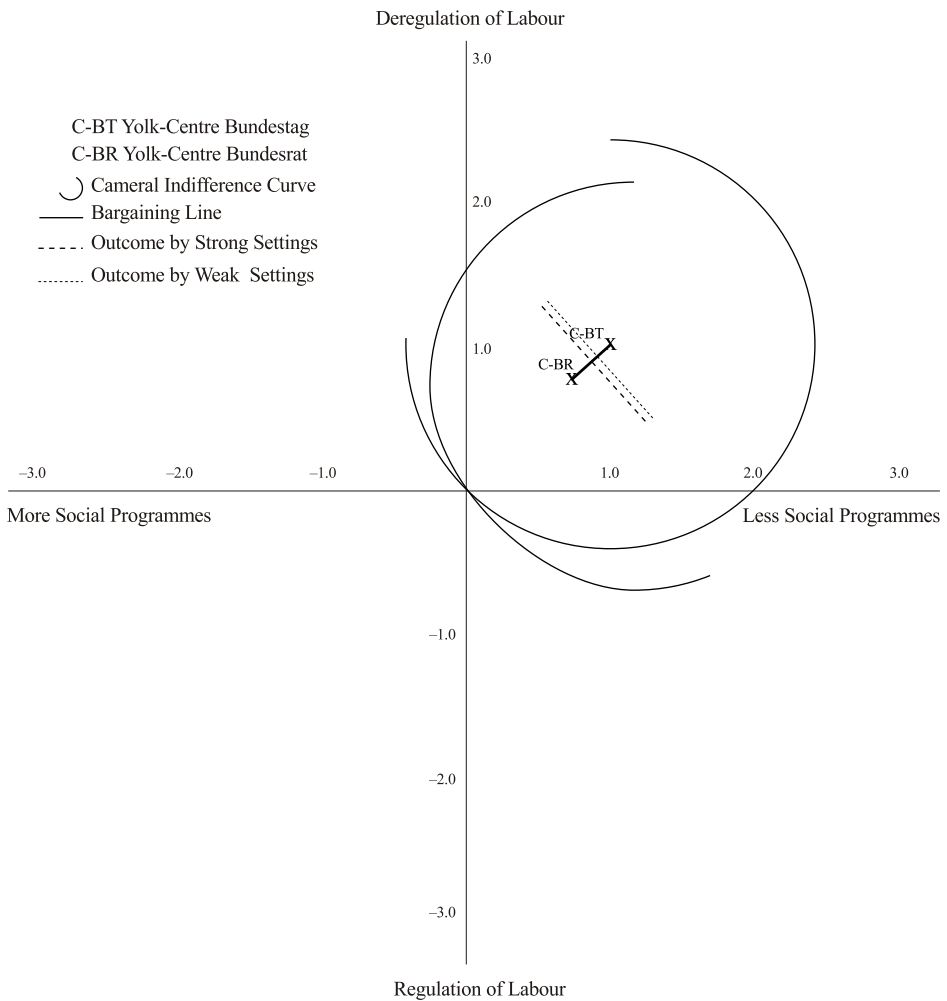
This result is changed significantly when party politics define the win sets of the Bundesrat and Bundestag in the case of similar party majorities. In Figure 4b resulting from laying Figure 3b and Figure 3d on top of one another, the centre of

Figure 4a: Bargaining Line and Nash Solution under Strong and Weak Bicameral Settings

Deregulation of Labour

C-BT Yolk-Centre Bundestag
C-BR Yolk-Centre Bundesrat
⌣ Cameral Indifference Curve
—— Bargaining Line
- - - - Outcome by Strong Settings
·········· Outcome by Weak Settings

More Social Programmes

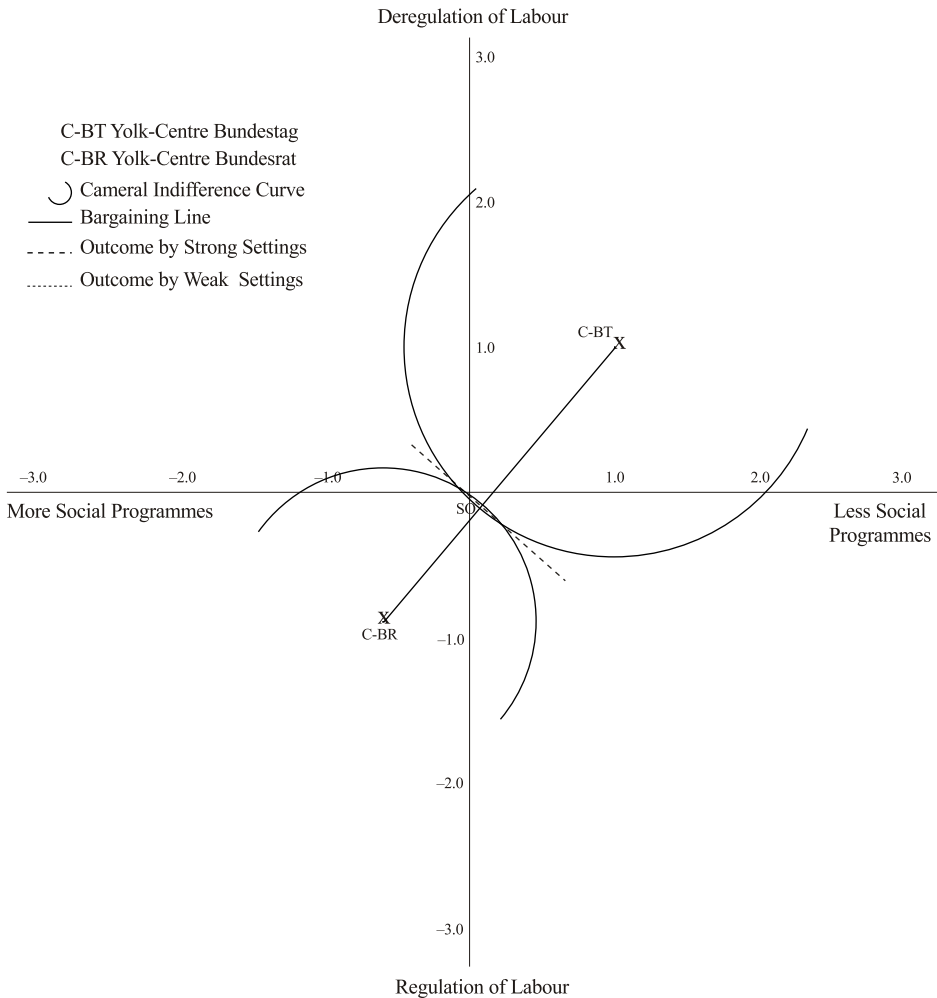Less Social Programmes

Regulation of Labour

the Bundestag indicates a closer preference for deregulation of labour and social politics, and the Bundesrat centre moves from the lower to the upper right quarter close to the Bundestag centre. Since the inter-cameral conflict line corresponds to the bicameral bargaining line, party politics transform German bicameral labour politics into a unicameral decision-making type in the case of similar majorities. Similar party majorities in the Bundestag and Bundesrat are predicted of being able to cut social programmes and deregulate labour markets under both strong and weak bicameral settings. And indeed, the results of all policies are located at a point in this sector. Adding the scores of the policies on both dimensions sums up to coordinates at 1.49 at the labour and at .67 on the social dimension.

Figure 4b: Bargaining Line and Nash Solution under Strong and Weak Settings in Case of Similar Party Majorities

Deregulation of Labour

C-BT Yolk-Centre Bundestag
C-BR Yolk-Centre Bundesrat
⌣ Cameral Indifference Curve
── Bargaining Line
╌╌╌ Outcome by Strong Settings
⋯⋯ Outcome by Weak Settings

More Social Programmes

Less Social Programmes

Regulation of Labour

This shows that party politics promise advantages in two ways: first, intra-cameral decision making is facilitated by excluding opposition actors; second, inter-cameral dissimilarity disappears to a great extent. Confirming hypotheses 1 and 2, party politics not only shorten the inter-cameral conflict line, but also increase the likelihood for policy change in the event of similar party majorities. Moreover, with respect to hypothesis 3, the procedural differences disappear. In contrast to this, Figure 4c – resulting from Figure 3b and Figure 3e – shows the simulated situation of different party majorities, characteristic of German bicameralism between 1991 and 1998. To obtain the majority quota of 21 Bundesrat votes, the simulation provides opposition actors with an additional vote share, but holds other parameters, preferences and bicameral settings, constant.

Figure 4c: Bargaining Line and Nash Solution under Strong and Weak Settings in Case of Different Party Majorities

Deregulation of Labour

C-BT Yolk-Centre Bundestag
C-BR Yolk-Centre Bundesrat
⌣ Cameral Indifference Curve
—— Bargaining Line
- - - - Outcome by Strong Settings
.... Outcome by Weak Settings

C-BT X

More Social Programmes

Less Social Programmes

SQ

X
C-BR

Regulation of Labour

Applying this to intra-cameral decision making, the Bundesrat centre is located in the lower left centre, in almost diametric opposition to the Bundestag majority centre. There are three important changes due to different party majorities in both chambers that confirm hypotheses 1 and 2. First, the inter-cameral distance increases significantly when party politics are applied to intra-cameral decision making; second, the status quo is likely to prevail in German labour and social politics since the predominant conflict line almost passes through the status quo. While party politics may still promise advantages for intra-cameral decision-making, it promotes the maintenance of the status quo in German labour politics in the event of different majorities. In contrast to hypothesis 3, however, the difference between strong and weak settings almost disappears.

Conclusion: from Federal Bicameralism to Party Gridlock?

The aim of this study was to analyse empirically whether and how party politics transform bicameral decision making. Considering the reliability of legislators' preferences, the analyses showed how party politics influence bicameral checks-and-balances in the case of similar and different party majorities. The first hypothesis on the modification of the conflict line of both chambers and the second hypothesis on the likelihood for policy change were confirmed, but we found less evidence for the impact of weak and strong settings on German bicameralism. With respect to the bicameral baseline model, party politics not only decreased the length of the inter-cameral conflict line between both chambers in the case of similar majorities, but they also made bicameral checks-and-balances disappear. These findings are partly reversed in the case of different party majorities. Comparing the baseline model with the different party politics simulation, the findings provide new insights into German bicameralism: even though the conflict line increases in the case of different party majorities, the results of both versions are highly status quo biased. This shows that the sceptical view of German bicameralism stems from comparing similar with different party majorities rather than with the baseline model.

From an analytical point of view, the analyses shed light on bicameral functioning by taking into account how multi-dimensional policy alternatives are aggregated under majority rule and how inter-cameral bargains lead to an agreement when different strategies are applied to intra-cameral decision making. In order to determine a realistic and accurate view of the German bicameral legislature, this analysis started by identifying the policy positions of all bicameral actors and including the voting weights of the legislators in German legislation. As a first descriptive result, Bundestag and Bundesrat legislators are part of their party camp sphere, showing that party politics plays an important role for the preference structure of the second chamber actors. Except for Baden-Württemberg, all government majority parties of the Bundestag and the government supporting states of the Bundesrat favoured labour deregulation and fewer social programmes, while opposition parties and their state allies were interested in more social programmes and higher labour regulation. However, since Bundesrat actors defined the extreme poles of these dimensions, party politics does not reduce German bicameralism to the Bundestag sphere of party politics.

The empirical findings partly support the sceptical view of previous studies on German bicameralism, but they also stimulate further research on legislative output. Previous analyses of legislative output observed that dissimilar party majorities affected (Coleman, 2000) or did not impact (Mayhew, 1991) legislative enactments. Since different party majorities clearly signal whether a proposal is likely to be enacted or not, the answer may depend on the strategic views of the agenda setters. In Germany, the government is generally considered to be responsible for legislative output, and governmental agenda setters may therefore abstain from introducing significant proposals that are likely to be rejected by a Bundesrat majority. Accordingly, we do not expect a higher rejection rate of governmental proposals in the event of different majorities, and the reason for policy stability might be the difference between policy issues of the preparatory stage and the introduction of

legislative proposals (Binder, 1999). However, this analysis predicted more policy change in the case of similar party majorities – a prediction that might also influence the normative debate on the impact of party politics.

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Notes

1 Social choice analysis is based on two elements, the multi-dimensional space of policy alternatives and the finite set of all voting actors with preferences on this policy. Each alternative of the multi-dimensional policy is represented as a point in the space resulting from a possible combination on each of the several dimensions of the policy (Miller *et al.*,1989, 380). The policy space thus contains all alternatives for the choice of voting actors, and an alternative is winning in a majority system if it is preferred by more than half of the votes. All alternatives preferred to an alternative x are called the win set of x designated $W(x)$. If $W(x)$ is empty, there is a stable solution, namely x. If x corresponds to the status quo, there is no stable alternative to change the status quo.

2 In spatial models, the stable solution of the multi-dimensional median is the centre of a star which is crossed by all median lines. For a more complete discussion, see Black (1958, 136); Plott (1967); Kramer (1972, 106) and Ordeshook (1992, 104).

3 In majority voting systems, many outcomes are feasible in the absence of a stable two- or multi-dimensional median solution, the latter often referred to as a Condorcet winner, a majority rule equilibrium or a core (McKelvey, 1976, 1979). Hammond and Miller (1987) show that bicameralism tends to create policy stability. Tsebelis' (1999) bicameral analysis builds on their insights.

4 The deviance is indicated by the diameter of the yolk $2r$ that allows us to make general statements about the location of the agenda setter potential for policy change in the event of no stable solution. If we subtract the yolk diameter $2r$ from d – the distance between the yolk centre and the status quo – the agenda setter potential for policy change is always within the sector $d - 2r$ of the Bundestag, because there is always a majority preferring this alternative. If we add the yolk diameter $2r$ to the distance between the yolk centre and the status quo, the agenda setter's potential for policy change is never outside the sector $d + 2r$ of the Bundestag because there is no majority preferring this alternative.

5 In my view, the important step is identifying a privileged dimension rather than applying cooperative game theory for the identification of inter-cameral bargaining outcomes. Therefore, the assumption on Euclidean preferences is necessary because if different actors would weigh dimensions differently, the contract curves connecting both yolks would have different shapes.

6 They begin with the standard example of a five-actor-committee with uni-dimensional equilibrium of the median voter 3 under majority rule: if member 4 now moves to the point 4' with an infinitesimal distance e from the original line, 3 can be defeated in the two-dimensional space by a coalition 1,2 and 4' voting for point M located as the mean distance between 2 and 4'. M can be defeated itself by many other coalitions, and the infinitesimal movement of 4 results in chaos. Indeed, calculating the distance the new coalition 1,2 and 4' is able to move from the original equilibrium at 3 to point M which is symmetric to 3 with respect to the line between 2 and 4'. Now, if point 3 is in the middle of 2 and 4, and if segments between 2/4 and 2/4' are approximately equal, the distance between 3 and M can be calculated to be e as the same distance between 4 and 4'. But then a movement e does not make sense if one assumes transaction costs. In this case, 3 remains the stable solution even if one moves from a uni- to a two-dimensional policy space.

7 The German conference committee with similar power position as the US conference committee is structured around the Bundesrat membership which can be called by the Bundesrat under weak and strong bicameral settings, whereas the Bundestag may only apply for a conference committee deliberation under strong settings. Even though the German conference committee may only propose a commitment, the parent chambers often impose so few constraints on conference committee members that they are able to determine the outcome.

8 Formally, v is a simple game of an actor set N with subsets S, with a coalition $v(S) = 1$ winning and a coalition $v(S) = 0$ losing. For each actor i the Shapley/Shubik-value is defined on

$$\phi_i(v) = \sum_{S \subseteq N} \frac{s(n-s)!}{s!} \left[v(S) - v(S \setminus \{i\}) \right],$$

with *n* and *s* as elements of *N* and *S*. Compared to other voting power indices, the additivity property of the Shapley/Shubik value allows for summing up actor's values, i.e. each actors' to cameral Bundestag and Bundesrat values (König and Bräuninger, 1996, 337).

9 $\pi^a(\alpha) = \Pi dU(\alpha)^c$, and an outcome α' of the policy space *S* is called Nash solution if it solves the maximization problem under the restriction $\pi(\alpha) \rightarrow$ with $dU(\alpha) > 0$ for all actors *n* which means if $\pi(\alpha') = \max\{\pi(\alpha) \mid \alpha \in S: dU(\alpha) > 0\}$.

10 Voting power was the formal criterion for the selection of relevant policy domain actors. Our second criterion for policy domain membership was based on the relevance of organizations getting repeated access to public decision makers. To identify these relevant domain actors we applied the criterion of being invited to hearings on labour policies. We identified 16 other political organizations such as parties or party-affiliated organizations which participated in two or more hearings on labour policies between 1983 and 1987. 86 preference groups also met this criterion, and can be categorized according to the following sectors: 18 unions, 24 employers, 6 public preference, 7 medical professionals, and 5 other professional groups, 13 mandatory insurance organizations, 8 churches, 5 discrimination associations which all have been interviewed up to the beginning of 1988 (see for the list of all organizations, Knoke *et al.* (1996, 241–5)).

11 The Bundestag win set *W*(*x*) is calculated on Euclidean preferences, meaning that an actor has a fixed ideal point in the space and any distance from this point denotes a worsening for him. In a two-dimensional space, the maximal distance to which an actor is indifferent against the status quo can be represented by a circle called an indifference curve. The radius of the circle measures the distance between the status quo and the actor's ideal point which is the centre of the circle in a two-dimensional space, or the centre of a ballot in a multi-dimensional space. Every point inside the circle is closer to his ideal point than the status quo and, therefore, the actor prefers any such point to the status quo. By contrast, every point outside the circle is further from the actor's ideal point than the status quo, so the actor prefers it to the status quo.

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