

Ideology and the Strategic Use of Executive Action: Evidence from the Italian Case

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Abstract

The paper analyses the role of government fragmentation as a predictor of the use of emergency decrees in parliamentary democracies. In particular, it focuses on the relationship between ideological divisiveness within cabinets and the choice by executives to issue emergency decrees rather than initiating ordinary legislative procedures. A Bayesian multilevel analysis conducted on the population of government-initiated legislation in Italy between 1996 and 2018 finds significant evidence that those legislative proposals which are further away from the ideological centre of gravity of the executive are around three times more likely to be issued as emergency decrees. Likewise, legislative projects regulating more contentious policy areas are significantly more likely to be issued by decree. However, for more contentious issues, the importance of ideological distance as a predictor diminishes. This evidence suggests that cabinets prefer decrees to ordinary legislative procedures when they expect that the bargaining environment in Parliament is more hostile. These results persist regardless of the fluctuations of the political-economic cycle. Their robustness is also tested against a battery of controls and against fixed effects both at the government level and at the legislature level.

Keywords— *Bayesian multilevel logit model, executive action, executive decrees, ideology, legislative studies, polarization*

1 Introduction

The paper studies how fragmentation within the majority supporting the cabinet influences the likelihood of unilateral executive action by the government in Italy. The results show that the more hostile the bargaining environment in Parliament is expected to be, the more cabinets tend to rely on executive decrees. This finding contributes to the existing literature in many respects. Firstly, it contributes to the epistemological approach to unilateral action by devising a more detailed framework able to avoid the misclassifications of the current debate. In addition, scholars have focused mainly on presidential activism in the United States and on the phenomenon of 'decretismo' in Latin America [Cox and Morgenstern (2001)]. To date, little effort has been devoted to the study of executive action within advanced parliamentary democracies. Hence, this paper tries to fill this gap in the literature by looking at the practice of decree issuance in Italy, trying to understand its role in a modern democracy long vexed by government instability. In addition, this analysis makes use of Bayesian logit models able to overcome some of the statistical weaknesses of legislative studies such as multicollinearity and sample size. The identification of sources of variance is also explained by a Bayesian multilevel design which allows a better estimation of the perimeter of the results. This constitutes a significant improvement vis-à-vis current scholarship.

Several scholars have analysed in depth how multiple parties deal with the constraints and opportunities of legislative institutions. Parliamentary speeches and question times are often used by the opposition to vet ministerial activity and by coalition parties to establish their differences on divisive issues [Vliegenthart and Walgrave (2011); Martin and Vanberg (2008)]. By the same token, both the opposition and coalition partners make use of the rules governing the committee system to scrutinize government drafts and manage tensions within the coalition [Strøm et al. (1990); Powell and Powell Jr (2000); Martin and Vanberg (2004, 2005, 2011); Kim and Loewenberg (2005); Carroll and Cox (2012)]. However, very little attention has been devoted to the strategic use of executive action as a semi-perfect substitute of the ordinary legislative procedure under the right circumstances.

In the literature on executive unilateral action, the majority of the contributions do not give the necessary space to define the constitutional details of the phenomenon under study. As a result, unilateral action by the government is currently used to identify a broad spectrum of legislative phenomena ranging from the American presidential directives to the French “projet de loi d’habilitation”. Generally, there are two main faultlines along which scholars sometimes fail to position their contributions.

Firstly, executive decrees should be studied keeping in mind whether they concern the implementation phase or whether they constitute tools of unilateral legislative initiative. Most of the literature blossomed around the use of presidential decrees in the US is mainly concerned with the implementation tools that the president uses to steer bureaucratic activity. Although it does not mean that presidential decrees in the US are not able to produce policy innovation per-se, they do entail a series of principal-agent dynamics vis-à-vis the bureaucratic apparatus which are less important in contexts where executive decrees are high-order legislative tools. To address this latter connotation of executive decrees, Carey and Shugart have coined the term “Constitutional Decree Authority” (CDA from now on) meaning the constitutional prerogative given to the executive to initiate policy by decree under specific conditions [Carey and Shugart (1998)]. Often enough, constitutions require that decrees are used only in times of emergency but this has not stopped countries such as Italy or Brazil to normalise the use of decrees beyond this requirement. In fact, the enactment of fast-track legislation under urgency can be argued as a distinct “mode of government” where the appeal to extraordinary necessity or emergency is relegated to a supporting narrative [White (2015)].

Secondly, it is important to distinguish between delegated and unilateral executive action. Delegated action usually occurs as a formal invitation by an elected body to the executive branch to legislate over a specified issue. Whatever form the executive will give to the policy output, it can usually become effective without the vote of the legislative body. Conversely, the CDA does not need to exist as a result of formal request and, albeit being

immediately effective, they do require the approval of Parliament. An unclear definition of the phenomenon under study can lead to unexpected result and unnecessarily Manichean scholarly debates. As an example, the literature on executive decrees often counterposes the scholars belonging to unilateral action, who document how fragmentation in the majority has a positive effect on executive activism, and those belonging to the so-called delegation theory. The former focuses on how decrees become more frequent when the President faces stronger opposition in Congress [Gleiber and Shull (1992)] whereas the latter argue that presidents with stronger legislative support will enjoy larger policy delegation [Epstein and O'halloran (1999); Kiewiet and McCubbins (1991); McCubbins et al. (1987, 1989)]. Part of the reason behind this contrasting results has to do with the fact that “delegated decree authority” (DDA) and CDA are not always easily distinguishable within the American constitutional environment. On the other hand, the Italian context allows for a stronger identification strategy and a more clear-cut distinction between CDA and DDA due to the fact that delegated and unilateral action are undertaken with two separate legislative tools. By focusing on CDA, the paper can control for delegation most efficiently, showing that the degree of ideological fragmentation within the legislature is a significant predictor of unilateral action by the government.

Carey and Shugart (1998) argue that the expected hostility of the bargaining environment should incentivise governments to employ legislative strategies that limit the capacity of the legislature to stall and/or modify any piece of legislation submitted to them. Some evidence has been gathered regarding the Italian case by Della Sala and Kreppel but they do not provide a large empirical test of their thesis [Kreppel and Della Sala (1998)]. They also argue that the reason behind the extensive use of executive decrees in Italy is linked to both the hostility of the bargaining environment and the degree of agency loss by governments.

The mentioned loss of agency refers to the very little discretion executives in Italy have to set the legislative agenda. In 1971, a change in the Parliamentary procedures determined that the plan of the legislative agenda had to be voted unanimously by the *capigruppo*, the

heads of all party factions in Parliament. Remarkably, this did not grant the executive with the ability to vote for the program. Since then, the use of decrees has spiralled out of control as a mean to impose the governmental agenda when the executive could not breach the opposition of the *capigruppo*. Through the decades, reforms of the procedures allowed a bit more discretion to the cabinet and the number of decrees under discussion was prohibited to clog more than half of the agenda. Likewise, since 1996 decayed decrees cannot be re-presented bearing the same content. Nonetheless, the overall use (or abuse according to some scholars) of decrees did not stop and they still are the more frequently used tool of policy innovation.

These arguments suggest that even though there might be an agency loss component that drives the frequent use of decrees, studying how features of the bargaining environment are connected to executive action is still of paramount importance to understand why cabinets make such a frequent use of it. Italy, in this regard, is the optimal field of observation where tools of delegated and unilateral executive action are constitutionally differentiated. This can give this analysis additional credibility compared to the previous studies finding conflicting evidence on the relationship between cabinet strength, ideological fragmentation and executive action [Pereira et al. (2005, 2008); Ochieng’Opalo (2020); Huber (1998); Parrish (1998)].

2 Identification and hypotheses

The goal of the paper is to identify existing relationships between the likelihood of decree-issuance and the expected hostility of the bargaining environment. I assume that the strategic objective of the government is that of maximising the likelihood of a legislative project to be 1) considered by the legislature 2) passed without too severe an alteration, knowing that the best possible deal for legislators is represented by the ideological coalition centre of balance. Such ideological centre of balance (Γ) is the multidimensional seat-and-saliency-weighted mean of the ideological left-right position of every party supporting the government (more in the data and method section). Thus, the more distant any piece

of legislation proposed by the government is from (Γ) , the more I assume the majority will try to amend it. The higher the ideological distance from the centre of gravity (δ) , the more “hostility” the committees will show against the text of a given legislative project.

As most of the ideology-related indexes in the literature, these too bear a set of assumptions. Firstly, I assume that the most acceptable legislative proposal by individual MPs supporting the government has $\delta = 0$. Even though policy compromises are sometimes hard to sell to legislatures, those MPs to whom this assumption applies already showed their consent to the government in the confidence vote. Hence I assume that the government knows that the most acceptable policy compromise for the MPs is the one minimizing individual differences among parties supporting the cabinet $(\Gamma_{g,d})$. Nonetheless, policy deals within the government may not necessarily reflect the optimal ideological compromise on every issue since *do-ut-des* exchanges are very common across policy areas. Governing deals may also entail more or less visible exchanges which are not perfectly observable in terms of policy but it is reasonable to assume that the parliamentary support expects a deal which mediates the different ideological positions taking the relative size of parties into account.

Another important assumption is that ministers propose legislation to change the status quo in the direction of their ideal point. More simply, when a minister belonging to a liberal centre-right party who advocates for de-regulating the market to incentivise private enterprise presents a piece of legislation on the matter, the content of it will be close to what it has publicly declared. Now, reality may diverge from this assumption as it is known that parties do not always legislate according to what they have declared. It also does not take into account the strategic considerations that parties make when coming up with their platform. Another underlying tension that remains undetected refers to the fact that ministers are subject to private and office-related incentives more than the lower rank-and-file [Laver and Schofield (1998)]. However, without better measures able to pinpoint the ideological coordinates of every legislative project, the ideal policy drawn from the official party platform remains the most likely predictor of a politician’s intentions.

Most importantly, the paper does not assume that the ideological distance from the centre of gravity (δ) constitutes a satisfying index of hostility of the bargaining environment. Other variables such as party discipline and the presence of multiple cabinet parties sponsoring the legislation are also expected to be correlated with it. Nevertheless, ideological distance minimises the risks of reverse causality given our data-generating process. In fact, the sequence of steps leading to the decision of which form a given legislative proposal takes is the following. First, a minister drafts a legislative proposal to submit to the cabinet where he has to gain the favour of the rest of the members and, most importantly, of the Prime Minister. Regarding the content of the draft, the text is often amended according to the sentiments of the other parties in the cabinet and the political opportunity of the moment. Regarding the legislative procedure to be undertaken, it is possible that the minister herself advances her initial proposal. Once the initial negotiation among cabinet members is concluded, it is up to the PM to decide when and in which form to present the legislative project. If the ordinary legislative proposal is deemed more appropriate, the executive will negotiate with the *capigruppo* a place in the agenda. If the PM decides to issue it as an executive decree, the text is immediately sent to the responsible parliamentary committee for a debate to be concluded within 60 days or the decree will expire (or decay).

Now, it appears there are 3 *loci* where the decision to issue a decree may take place. The earliest one is the ministerial proposal stage. A minister can anticipate the consideration of the cabinet and suggest successfully to the PM the form of a decree. Another moment is at the cabinet stage, where the PM assigns the form according to her strategic consideration regardless of the ministerial suggestion. Thirdly, the PM can observe the chances of calendarization given by the state of the negotiations with the *capigruppo*. Faced with the strenuous opposition of the other political forces she may withdraw the proposal and issue it as a decree either in its entirety or stripped in parts. Whatever the process leading to the executive action, the ideological considerations are pre-existent. Therefore, even though ideological fragmentation is only one of the elements characterising the bargaining environment, it is more reliable.

2.1 Limits and advantages of executive action

Art. 77 of the Italian Constitution prescribes that, under circumstances of exceptional urgency and necessity, cabinets have the authority to issue decrees which are immediately applicable. If not approved within 60 days, such decrees lose validity *ab initio*. Originally, decrees were meant to be issued under emergency but even though they are still formally bounded by that requirement, their field of application is nowadays completely overlapping with normal legislation. Not only they are used at times of no particular crisis, but they also legislate all sorts of issues [Celotto (1997)].

This paper is not concerned with the debate over the constitutional appropriateness of this phenomenon, but it cares about what elements of the bargaining structure can favour executive decrees. Primarily, the immediate applicability of decrees gives a first-mover advantage to the executive against those legislators who are more averse to the status quo Bianco and Sened (2005). The establishment of a new state of the world limits the bargaining options of the MPs in a similar way as in Romer and Rosenthal (1978), where a bureaucrat could capitalise on its first mover advantage to establish more sweeping changes to the status quo. However, in the case of the Italian executive action, legislators have the opportunity to modify legislation in their favour and possibly offset the initial advantage of the cabinet. In the absence of veto powers, the scenario where the executive acts as a policy dictator is not an equilibrium. With this in mind, the options of the majority nonetheless appear much smaller when compared to the ordinary legislative procedure. Too greater a change to the text of the decree may yield higher adjustment costs given that the decree is already producing its effects. Moreover, the existence of the 60 days deadline may pose a limit to MPs in their ability to negotiate more sweeping changes to the status quo. Clearly, MPs can always refrain from discussing a decree and let it expire but this may be less likely the more unappealing the status quo is and the greater the chances of being sanctioned by voters. Therefore, even though the cabinet cannot act as a policy dictator, the bargaining rules under decree are more favourable to the executive compared to the ordinary legislative procedure.

Nonetheless, the continuous use of executive actions may ostracise the majority in the long run, especially on issues where urgency is less justifiable. Even among legislators supporting the government, being at the receiving end of executive action can lead to increasing disgruntlement. This may be particularly true for those more enthusiastic and competent MPs who feel their input should be taken more into consideration. Hence, even though unilateral action does have its benefits, a too liberal use of it can possibly jeopardise government support.

2.2 A very simple formalization

A primitive mathematical characterization of the utility for the cabinet to issue decrees (U_{decree}) has to take into account the advantage of immediate applicability, its ability to deliver the reforms and the cost associated with growing distrust in the legislature. The utility of initiating the ordinary legislative procedure (U_{ord}) depends on the ability to deliver reforms too, but it is hindered by the time lag between the date of the presentation and its adoption. For both procedures, I assume that the ability to deliver reform (Z) can be thwarted by the hostility of the bargaining environment such that $Z = 1 - H$, where $H \in [0, 1]$ represents the level of hostility. When H is minimal, $Z = 1$ and the procedure will deliver the reform in the exact same form the cabinet has conceived. Conversely, when H is maximal, the legislature will alter the proposal to the core. That means the decay of the project after 60 days in case of decrees and the reduction to a legislative text that has no improvements for the cabinet compared to the status quo in the case of the ordinary procedure. In their entirety, the two utilities take the following simplified form:

$$U_{decree} = R + Z(H) - c \quad (1)$$

$$U_{ord} = Z(H) - t \quad (2)$$

Where $R \in [0, 1]$ stands for the ability of decrees to give a quicker response when needed and it represents the utility of having a given provision enacted immediately even

if it will last for less than 60 days. R is maximal when unexpected emergencies demand for rapid and temporary measures. As the balance between responsiveness and durability decreases such as in the case of structural reforms, R tends to zero. On the other hand, $c, t \in [0, 1]$ are respectively the costs associated with the alienation of the legislators and the indefinite duration of ordinary legislative procedure.

Not surprisingly, both utilities are maximal when $H = 0$. However, the comparative analysis of high and low levels of bargaining allows for other intuitions. In particular, when bargaining hostility is minimal, for decrees to be more attractive than ordinary legislation they need to satisfy the condition:

$$t > c - R \tag{3}$$

This means that decrees yield surely more utility when the value of responsiveness overcompensates the cost associated with angering the majority. Although this can surely occur in times of emergency, the main object of study is those reforms which do not require special emergency power, but can either be issued as decrees as well as normal laws. When hostility from the majority is minimal, the majority's and the cabinet's preferences converge and approval is expected to be swift even through the ordinary procedure. In such an idyllic scenario, for reforms which are not extremely urgent (low R), there is likely no point in forcing the hand of the legislature (high c).

Conversely, as H increases towards 1, the condition for the attractiveness of decrees is more likely to be satisfied. A hostile legislature can drag the normal legislative procedure even beyond the duration of the government. This may be an explanation for the fact that during the third Berlusconi government between 2005 and 2006 none of the 18 ordinary legislative projects was successful. Under these less-than-optimal circumstances, issuing a decree is not likely to alienate an already poisoned majority further. As c is expected to be lower, executive action can become the standard practice of governments.

In its simplicity, this formalisation leaves out several other parameters which are more

than likely to affect the comparative utility of the two legislative procedures. As briefly mentioned, the expected duration of governments should tip the balance in favour of executive action as a new cabinet may be installed before the end of the legislative course. The literature on legislative overproduction argues that shorter cabinet lifespan does increase legislative activism [Gratton et al. (2021)] but only more capable politicians are expected to present immediately applicable legislation. In this regard, the relationship between the competence of cabinet members, legislative quality and executive action requires additional analysis. Another important element which is left out is the fact that greater participation by MP through the ordinary procedure can possibly enrich the legislative output with the knowledge and insights of members of parliament. In fact, Cockerham and Crew Jr (2017) find that greater professionalisation of state legislators in the US is better able to counter legislative unilateralism by the governor. This result is very much in line with the argumentation of this paper as it increases the comparative advantage of the ordinary procedure when bargaining hostility is low and members of parliament are fairly competent. Therefore, even though several elements are left out of this very simple formal characterisation, they are not expected to undermine the utility trade-off this paper identifies.

2.3 Hypotheses

To sum up, this paper formulates a series of hypotheses on the relationship between elements of the bargaining environment and the likelihood of executive action.

1. The higher the distance between the ideological coordinates of a policy proposal and the coalition centre of gravity, the higher the likelihood of executive action.
2. The higher the ex-ante degree of ideological disagreement, the higher the chances of executive action.
3. There is a diminishing marginal effect of ideological distance on executive action in those policy areas where there is a higher ex-ante ideological disagreement.
4. Stronger effects of ideological distance on the likelihood of executive action are ex-

pected for more moderate degrees of dissatisfaction for the status quo by the majority in Paliament.

The first and second hypotheses descend from the theoretical argument which connects hostility of the bargaining environment to executive action. In particular, the second hypothesis holds that in those policy areas where parties in government already are in greater disagreement the bargaining hostility is expected to be higher *ceteris paribus*. I would expect that if parties want to legislate on a very contentious subject, they would probably issue decrees even if the ideological distance of that piece of legislation with the gravity centre is small due to the fact that the bargaining environment is already enflamed by pre-existing ideological contrapositions. By the same logic, I would expect that cabinets internalise such disagreement by moderating the degree of ideological distance of legislation to some extent. However, independently from the mechanisms of internalisation of policy conflict by the executive, the paper predicts that the positive effect of ideological distance is moderated in contexts of high ex-ante disagreement (H3). Finally, hypothesis 4 builds on the previous ones suggesting that the shared dislike of the status quo in the legislature mitigates the hostility of the bargaining environment. Therefore, I expect that it also diminishes the role of ideological distance as a predictor for executive action. In presence of high dislike for the status quo, only legislative projects with a higher level of ideological disagreement are expected to trigger the use of decrees.

3 Data and Methods

3.1 The Dataset

The analysis leverages on the population of government-sponsored bills in Italy between 1996 and 2017, spanning through thirteen governments and five legislatures. This constitutes a new dataset where all piece of legislation is followed through all of its steps between the two Chambers from the day it had been presented to the last available update. The data also allows to group legislation by a long series of variables such as government, legislature, proposing minister, assigned speaker and many more.

As many pieces of legislation as possible are assigned one or more policy areas among the six dimensions coded in Martin and Vanberg (2020). Policy areas (or dimensions) are assigned to legislation on the basis of the portfolio of the proposing minister. As ministers may be responsible for areas that span across the six original dimensions, pieces of legislation can be assigned multiple policy areas. In fact, if a piece of legislation is proposed by more than one minister, it will most likely be assigned more than one dimension. Unfortunately, in some cases it is not possible to retrieve their ministerial ownership. That, however, is not expected to damage the analysis as typically such legislative projects are discarded before the executive sends them to a parliamentary cabinet for discussion. In other words, even though they appear in official records, the largest majority of them are stillborn due to a missing calendarization or a change of heart by the executive.

3.2 Main Variables

Each policy dimension maps onto a set of ideological indicators in the MARPOR dataset. Therefore, using the political parties of ministers, together with their portfolios, I can attach to each piece of legislation an accurate indicator of the left-right ideological position of the proposing minister regarding the policy area that she wants to legislate. Such ideological position is composed by two elements: ideology and salience. Both issue saliency and ideological scores are computed using the scaling approach developed by Lowe et al. (2011). Such scores are essential to calculate the ideological centre of gravity for each cabinet, the absolute value of which will represent the level of dissatisfaction with the status quo by the parties in the cabinet. To do so, I compute the mean ideological score across all parties in cabinet (P) for each combination of policy dimensions weighted by 1) how important each policy dimension is and 2) its share of seats in the majority according to:

$$\Gamma(g, d) = \sum_{j=i}^P \frac{\pi_{(j,g)} I_{(j,g,d)} S_{(j,g,d)}}{\bar{P}} \quad (4)$$

Where $\pi_{(j,g)}$ represents the seat share of party j within government g , $I_{(j,g,d)}$ refers to its ideological position on a specific policy dimension d and $S_{(j,g,d)}$ is the corresponding issue

salience.

By the same token, the ideological coordinates of every piece of legislation can be computed identically, with j representing the party of the minister responsible for a given legislative project and $P \subseteq \bar{P}$ representing the subset of parties in cabinet sponsoring an individual piece of legislation. Clearly, P can vary from the individual party j to the whole set of parties represented in government \bar{P} . In this paper, the absolute value of the distance between the ideological centre of gravity of government and the ideological coordinate of each piece of legislation is the main independent variable. This index of ideological distance ($\delta_{(P,g,d)}$) is meant to capture how much a legislative project deviates from the coalition centre of gravity and it is directly comparable across policy areas, governments and legislatures according to:

$$\delta_{P,g,d} = \frac{\sum_{j=1}^{P \subseteq \bar{P}} S_{(j,g,d)} \pi_{(j,g,d)} |\Gamma_{(g,d)} - I_{(j,g,d)}|}{P} \quad (5)$$

Where the index of ideological distance ($\delta_{(p,g,d)}$) is the mean of the salience-and-seat-weighted absolute differences between the dimension-specific government centre of gravity and the individual ideological position of each party sponsoring an individual piece of legislation. This index produces a positive measure of how much a given legislative project is expected to depart from the ideological position that minimizes individual differences.

Critically, not all policy areas are equally amenable to compromise both within the cabinet and the parliamentary majority. As some issues are foundational to political alliances, other areas can only accommodate a precarious equilibrium between parties in the executive. Therefore, the ideological distance that separates a piece of legislation with the ideological centre of gravity may have a larger effect on government stability in areas where the ideological equilibrium is more fragile. Conversely, issues showing very little polarization (used interchangeably with divisiveness) can afford larger ideological deviation, albeit less probable to occur. Hence, the degree of ex-ante issue divisiveness may reasonably impact the likelihood of legislative production and coalition stability.

This paper employs an index of ex-ante ideological divisiveness in line with the existing literature on polarization, with the crucial difference of having adapted it to the six foundational policy dimensions used in this analysis. For each individual combination of policy dimensions, the polarization index is the grandmean of pairwise multidimensional Euclidean differences among all parties in government: \bar{P}

$$\Phi(g, D) = \sum_{j,k \subseteq \bar{P}; jk, kj \subseteq \binom{\bar{P}}{2}} \frac{\sqrt{\frac{\sum_{d=1}^6 (s_j s_k)(\pi_j \pi_k)(d_{jk} - d_{kj})^2}{D}}}{\bar{P}} \quad (6)$$

Where j and k are unique parties belonging to the set \bar{P} of parties represented in cabinet g and jk (or kj) represent one of the $\binom{\bar{P}}{2}$ possible pairwise combinations for which I compute the mean of the multidimensional Euclidean difference for each item $D \subseteq \bar{D}$ of possible combinations of the six foundational dimensions d present in the dataset for each individual government. As such, the number of dimensions for which to compute the pairwise differences can range from 1 to 6. Unfortunately, one feature of the Euclidean differences is the limited performance on a large number of dimensions and other ways of computing spacial differences (such as Manhattan) do not seem to amend the problem which is nonetheless quite limited given that the overwhelming majority of legislation is concerned with no more than 3 dimensions. Notably, none of the Euclidean differences is weighted by the salience or seat share thus representing a crude portrayal of how much ex-ante disagreement there is among cabinet parties on different policy areas.

In addition, other variables are meant to explain variance both at the individual and at the government level. One variable isolates the parties in the dataset which score higher than average in the PopuList dataset 2.0. In fact, the literature on populism often describes populist parties as trying to dismantle the distance between elite and voters. This attempt at a higher reciprocity may be delivered through the choice of directly applicable legislative tools so as to create a faster correspondence with the electorate. Finally, other variables compute the number of ministries supporting each piece of legislation, the number of “technical ministries”, their gender, whether they belong to an extremist party and whether they belong to the main sponsor of the coalition.

3.3 Methods

The first challenge of the analysis is to isolate those legislative projects which are by their nature more likely to be issued as ordinary legislation or executive decrees. A clearer example of this is emergency decrees designed to face civil unrest, earthquakes and other major disasters needing an immediate and possibly temporary response. Luckily, Italian legislation can be sourced according to the *teseo classification* which is composed by a series of over 3600 hierarchical descriptors defining the content of every piece of legislation compatibly with the Universal Decimal Classification (UDC). Through the TESEO classification I define as more prone to executive actions those legislative projects with the following characteristics:

- Explicit reference to geographic areas as it increases the likelihood to be a response to extraordinary environmental events such as floods, earthquakes, and fires, but also to infrastructure disasters such as the collapse of a bridge or the overflow of a dam.
- Explicit reference to public, private or mixed corporations, banks or other kinds of financial institutions. The reason behind this is the fact that emergency legislation has been used in the past to channel funds to fragile institutions in times of crisis such as banks under a liquidity crisis or corporations on the brink of failure considered of strategic or political relevance.
- Explicit reference in the TESEO classification to “urgency”, “emergency” and synonyms.

The second challenge requires isolating those pieces of legislation which are constitutionally required to be issued as ordinary legislative procedure. Among them are laws delegating to the executive the authority to legislate without legislative approval on a specific matter. This is where the paper efficiently separated delegated decree authority (DDA) from constitutional decree authority (CDA). As a result, the analysis is performed on the subset of legislative projects containing, to my knowledge, provisions that are equally amenable to be issued as a decree or as ordinary legislation.

Another issue is connected with multiparty governments that issued a common coalitional electoral manifesto. Sharing, at least formally the same party position would inevitably yield a null coefficient both in terms of ideological distance and polarization. This would not only impair the empirical exercise but represent an incorrect representation of reality. As an example, one of the cabinets sharing a single manifesto is the second government presided by Romano Prodi. Famously, that government crumbled after only 2 years of activity due to extreme divergences among the parties in the majority. To obviate the issue, the analysis only takes into consideration those cabinets without common electoral party manifestos.

Likewise, the analysis cannot include legislation issued before January 1997, when the sentence of the Italian Constitutional Court prohibited the reiteration of decrees with similar content. A separate analysis on those pieces of legislation issued before 1997 nonetheless confirms the results of the paper. Another minor adjustment concerns “technical” and without portfolio ministers. Following other examples in the literature [Martin and Vanberg (2020)] this paper does not apply any specific ideological connotation to technical figures in the cabinet and to ministers without independent spending capacity.

Finally, the paper employs both Bayesian logit and Bayesian multilevel logit regressions to address variance at the government and legislature level effect as well as the individual legislation-level effect. Time fixed effects are also deployed to control for monthly variations in the political-economic cycle. Bayesian models also allow to enlarge the relative sample size with the use of a weakly informed normal prior centred around zero. Together with a full multicollinearity diagnostic confirming the solidity of the model, the successful patterns of convergence diagnostic can address the remaining doubts.

4 Results and Discussion

Descriptive evidence shows that executive action varies consistently across policy areas and government. Figure 1 shows the percentage of decrees issued by every government in the dataset for comparable legislation. Conversely, Figure 3 portrays the count of ordinary

procedures against executive actions across selected policy areas. In this case, the policy area reflects the parliamentary committees where legislation is examined. Not surprisingly, matters concerning Defence and Foreign Affairs are mostly regulated through the ordinary procedure in peacetime but, until very recently, it used to be highly unlikely that parties supporting the cabinet disagree on the two core tenants of Italian foreign policy: Atlantism and Europeism. Also, the approval by the parliament of international treaties requires ordinary legislative procedures. Thus, they are not included in the subset of directly comparable legislation. This also explains the relatively small count of legislative projects concerning Defence and Foreign Affairs in a period when Italy has been involved in several international conflicts. Nonetheless, it appears that the number of decrees over comparable legislation has grown over the five legislatures covered in the dataset. What is also notable is that decrees constitute a very large share of the legislation in issues where both spending and regulatory intensity is high such as Agriculture, Industrial Production, Welfare and Health. In this regard, it should not be surprising that the bargaining environment can turn more hostile on issues where spending is immediately observable by firms, agricultural producers and people dependent on state checks since parties are expected to position themselves vis-à-vis coalition allies and to please core voters when money is at stake.

Overall, around 75% of the variance is at the individual level, meaning that the portion of variance explained at the government and legislature level is still large. Hence, this paper tests the hypotheses both with regard to the individual and the group level. Table 1 reports the results of Bayesian logit models that isolate the individual-level variance employing time, government and legislature-level fixed effects. Conversely, Table 2 details the output of a Bayesian logit random effects model which tests the impact of ideological distance and ex-ante divisiveness on the government level as well.

Column 1 and 2 of the fixed effect table show a basic model where our independent variables (ideological distance and divisiveness) are regressed without individual-level controls. Both models yield positive and significant coefficients for the variables characterizing ex-

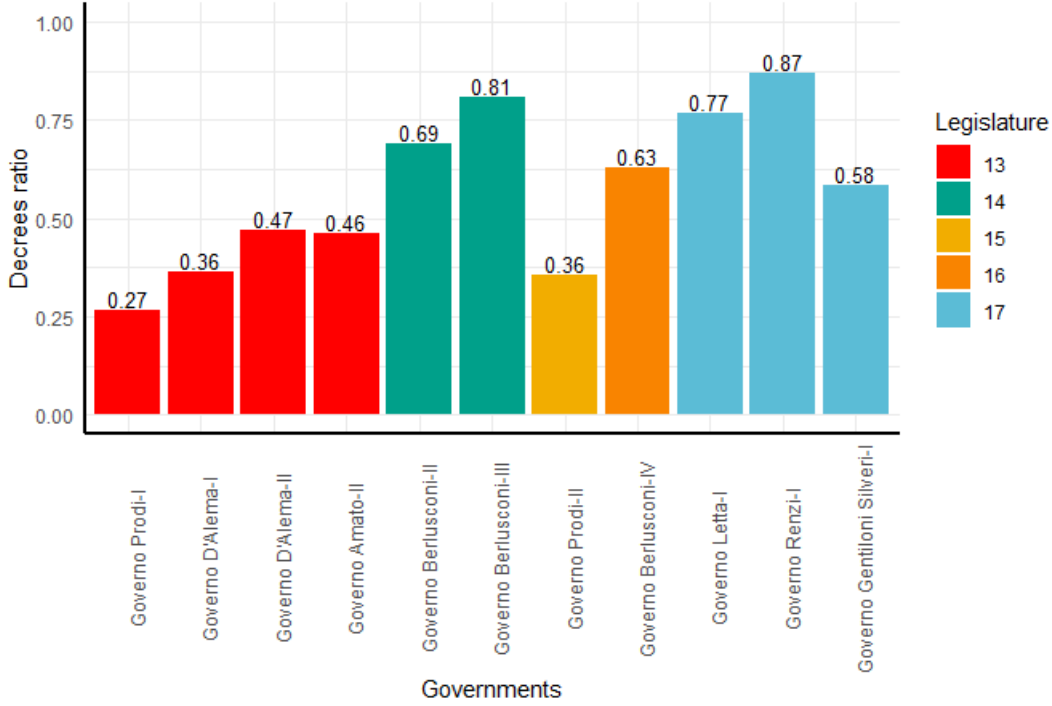


Figure 1: Ratio of executive decrees over total comparable legislation by Government

pected hostility from the majority, giving initial support for hypotheses 1 and 2. The third and fourth columns show models that include both variables respectively as covariates and interacted. A full diagnostic does not show evidence of large multicollinearity. However, the coefficient from the ex-ante divisiveness seems to “soak up” a portion of the effect from ideological distance. The fourth model tries to test hypothesis three by interacting the two variables. Both an increase in R2 and a LOOIC comparison show a significant improvement in terms of expected log predictive density indicating that this fourth model has a better fit. The coefficient from the interaction appears negative and significant as a sign that ideological distance from the coalitional centre of gravity is less of a crucial predictor of executive action in policy areas where there is a larger ex-ante ideological divisiveness, giving support to the third hypothesis. The inclusion of the interaction also seems to increase the magnitude of the coefficient of ideological distance considerably. This coefficient remains larger in all the other models including individual and group-level predictors. The last two columns portray the complete model that includes a series of individual-level predictors together with monthly, government and legislature-level fixed effects. In particular, this

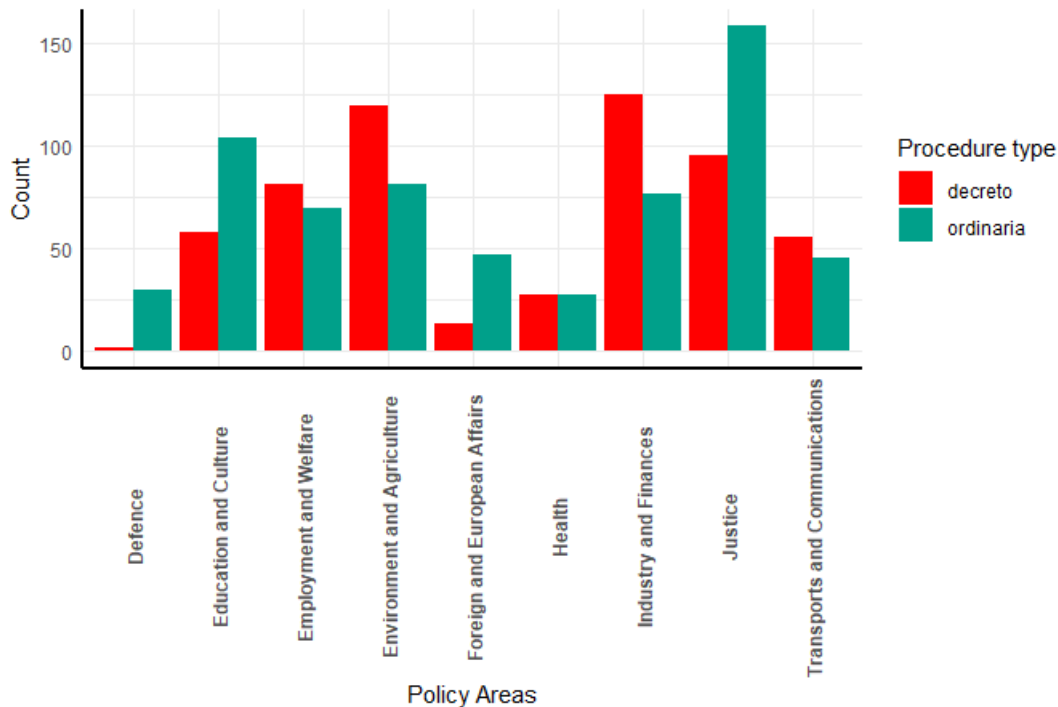


Figure 2: Quantity of decrees and ordinary procedures issued per policy areas on comparable legislation

last model including monthly-fixed effects shows a significantly improved fit.

By exponentiating the results we see that a unitary increase in ideological distance triples the odds of executive action. Likewise, legislating over a policy area where the ex-ante disagreement is one point higher is correlated with an approximate 60% increase in the odds of executive decrees. Executive action is also more likely when more ministers and cabinet parties co-sponsor a legislative project. This paper does not give a formal interpretation of this result, however, it seems to support the thesis that expected hostility in the legislature increases the likelihood of executive action. In fact, when a piece of legislation is sponsored by multiple parties that can trigger the necessity to differentiate each other, leading to more extensive positioning effort in line with what found by Fortunato (2012) and Fortunato and Stevenson (2013). The presence of “technical” ministers along with “political” cabinet members also appears to be strongly correlated with executive action. This result is not surprising given that high-profile technical figures are often called to participate in cabinets in order to legislate over more contentious matters. Times of crisis

may require extensive efforts towards painful policy innovation and decrees not only offer higher responsiveness but also a tool to overcome discontent across the legislature.

The Bayesian logit models deliver a satisfactory fit to variation in terms of legislative procedure at the individual level. However, as mentioned previously, a noticeable part of the variance comes from the higher levels, namely government and legislature level. The two models in column 2 and 3 of Table 2 regress ideological distance and ex-ante divisiveness both at the individual level and at the government level. Not surprisingly, those coefficients do explain part of the variance at the government level as well. Nonetheless, there is not a significant correlation between varying slope and varying intercept. This is captured by the first *sigma* in both columns indicating that in those governments where the likelihood of issuing decrees is higher at zero values of ideological distance there is no higher (or lower) within-government effect of the main variables. Importantly, this means that the hostility of bargaining environment as it is captured by the main independent variables does not have a larger impact on the likelihood of decrees for those governments where decrees are issued more often *ceteris paribus*. Hence, the random models show evidence that phenomena such as the lack of agency by the executive in setting the agenda do not bear significant consequences on the correlation between ideological distance, divisiveness and executive action. Moreover, from the ICC comparison, we can see that ideological distance and divisiveness variable map significantly more at the individual level than at the government level.

Finally, the last columns display a replication of the model with fixed effects in column 4 of Table 1 with the addition of two grouped variables: parties in cabinet and the effective number of parties in Parliament. The former varies at the government level and should account for the increase in hostility in the bargaining environment deriving from having multiple parties represented in the government. The latter varies at the legislature level and is meant to capture the variance caused by more fragmented parliaments. Both show positive and significant correlation with executive action, highlighting a possible connection between electoral rules and legislative behaviour by executives but the fit of this more

complex model is not significantly better than the model without random effects.

To answer hypothesis 4, this paper regresses the complete model in two subsets of the data containing respectively legislative projects characterised by lower than average dislike for the status quo and higher than average dislike for status quo. From the hypothesis, I expected to find a mitigated impact of ideological distance when the dislike for status quo is higher. Higher dislike for the status quo in the legislature signals a willingness towards change that may increase the leniency of members of parliament for legislative projects which do not exactly represent an optimal bargain between the position of the different parties in cabinet as changing the current situation can be a victory in itself. As a consequence, I hypothesised that ideological distance would increase the odds of legislative action more for lower levels of dislike for the status quo. Surprisingly, Table 3 shows the opposite. The coefficient for ideological distance is larger when parties in cabinet collectively dislike the status quo more. This suggests that dislike for the status quo reflects that parties do feel strongly about those issues and they probably also expect to be held more accountable by voters to deliver a specific political outcome. As a result, the bargaining environment in Parliament can turn sourer when cabinets deliver a policy project which is more distant than the optimal bargain. This can be enough to drive up the odds of issuing decrees for a unitary increase in ideological distance from 1.3 to 2.7.

	1	2	3	4	5	6
(Intercept)	-0.25 [-0.64; 0.13]	-2.31* [-3.16; -1.46]	-2.29* [-3.14; -1.47]	-2.64* [-3.52; -1.80]	-6.73* [-10.69; -2.82]	-7.96* [-12.54; -3.52]
Id distance	0.20* [0.07; 0.34]		0.16* [0.02; 0.30]	0.94* [0.45; 1.43]	1.09* [0.57; 1.66]	1.36* [0.75; 2.00]
Ex ante id divisiveness		0.43* [0.28; 0.58]	0.41* [0.27; 0.56]	0.49* [0.34; 0.65]	0.46* [0.25; 0.68]	0.52* [0.29; 0.76]
Id distance*Ex ante id divisiveness				-0.18* [-0.28; -0.08]	-0.20* [-0.32; -0.08]	-0.25* [-0.40; -0.12]
Avg dislike for status quo (absolute value)					0.00 [-0.33; 0.34]	-0.02 [-0.38; 0.34]
Co-sponsored by "technical" ministers					2.56* [2.09; 3.05]	2.69* [2.21; 3.20]
Ministers involved					1.25* [0.88; 1.64]	1.37* [0.99; 1.79]
Parties involved					1.01* [0.39; 1.65]	1.17* [0.48; 1.86]
Sponsored by the main party					0.25 [-0.24; 0.75]	0.41 [-0.12; 0.94]
Sponsored by the extreme party					-0.29 [-1.01; 0.45]	-0.33 [-1.15; 0.48]
Unemployment (previous quarter)					0.03 [-0.33; 0.40]	0.07 [-0.34; 0.48]
FE	Gov + Leg	Gov + Leg	Gov + Leg	Gov + Leg	Gov + Leg	Gov + Leg + Month
R2	0.164	0.185	0.189	0.197	0.459	0.534
Pairwise elpd	0	-13.4(6.1)	0	-4.8(3.4)	0	-38(10.9)

* Null hypothesis value outside 95% credible interval.

Table 1: Bayesian Logit FE Models

	Empty	2	3	4
(Intercept)	0.25 [−0.51; 1.00]	−0.18 [−0.74; 0.41]	−1.93* [−3.71; −0.24]	−4.45* [−8.56; −0.79]
Id distance		0.46* [0.05; 0.94]		1.10* [0.58; 1.65]
Sigma[gov:Id distance,(Intercept)]		0.15 [−0.17; 0.58]		
Sigma[gov:Id distance,Id distance]		0.25* [0.03; 0.91]		
Ex ante id divisiveness			0.78 [−0.06; 1.64]	0.46* [0.26; 0.66]
Sigma[gov:Ex ante id divisiveness,(Intercept)]			−1.45 [−5.67; 0.50]	
Sigma[gov:Ex ante id divisiveness,Ex ante id divisiveness]			2.04* [0.30; 6.56]	
Avg dislike for status quo (absolute value)				0.04 [−0.28; 0.35]
Co-sponsored by "technical" ministers				2.45* [2.01; 2.93]
Ministers involved				1.27* [0.90; 1.66]
Parties sponsor				0.92* [0.30; 1.55]
Sponsored by the main party				0.28 [−0.20; 0.77]
Sponsored by the extreme party				−0.26 [−0.98; 0.45]
Unemployment (previous quarter)				−0.06 [−0.37; 0.27]
Id distance*Ex ante id divisiveness				−0.20* [−0.32; −0.08]
Sigma[gov:Parties in cabinet,Parties in cabinet]				0.03* [0.00; 0.16]
Sigma[Legislature:Parties in Parliament,Parties in Parliament]				0.22* [0.00; 1.39]
RE	Gov	Gov	Gov	Gov + Leg
ICC	0.252	0.314	0.875	0.176
FE to RE ELPD				−1.0(1.7)

* Null hypothesis value outside 95% credible interval.

Table 2: Bayesian Logit Random Effects Models

	High Dislike	Low Dislike
(Intercept)	−9.74*	−6.39*
	[−12.88; −6.89]	[−8.30; −4.57]
Id distance	0.98*	0.29*
	[0.43; 1.72]	[0.03; 0.56]
Ex ante id divisiveness	0.75*	0.37*
	[0.35; 1.17]	[0.08; 0.67]
Co-sponsored by "technical" ministers	5.47*	2.02*
	[4.02; 7.15]	[1.55; 2.52]
Ministers involved	1.92*	1.08*
	[1.16; 2.72]	[0.65; 1.55]
Parties sponsor	−0.67	2.21*
	[−2.00; 0.65]	[1.36; 3.08]
Sponsored by the main party	1.59*	−0.14
	[0.07; 3.21]	[−0.71; 0.43]
Sponsored by the extreme party	1.74*	−1.50*
	[0.24; 3.30]	[−2.65; −0.35]
FE	Gov + Leg	Gov + Leg
Obs	364	705

* Null hypothesis value outside 95% credible interval.

Table 3: Statistical models

5 Conclusion

The paper studies how cabinets in Italy make strategic use of executive action when they expect higher hostility in the bargaining environment. More precisely, when a minister proposes a piece of legislation which is further away from the ideological centre of gravity of the cabinet, the majority partners are expected to be more active in their scrutiny. Likewise, on issues where the cabinet partners display greater disagreement, the path to legislative adoption can be considerably more difficult. Governments appear to exploit the procedural advantages of executive decrees in order to overcome the obstacles connected with less popular legislative projects. The paper employs both fixed effects and random effects Bayesian logit model finding that a unitary increase in ideological distance between any legislative project and the coalition centre of gravity is around three times more likely to be issued as a decree. Also, those policy areas where there is a larger ex-ante ideological

disagreement are significantly more likely to be regulated through executive action. The importance of ex-ante divisiveness is so pronounced that it moderates the effect of ideological distance as a determinant for the issuance of decrees. In other words, when governments regulate areas that are more contentious among cabinet parties, they are more likely to use executive action even if the legislative proposal is only moderately distant from the coalition centre of gravity. Finally, contrary to the expectation of the paper, both ideological distance and ideological polarization (or divisiveness) seem to be a larger determinant of executive decrees when cabinet parties dislike the status quo more. This indicates that as parties devote greater effort in signalling to voters that they advocate for sweeping policy changes, they also expect to be held accountable by voters to deliver such change. As a result, the bargaining environment in Parliament can turn sour when cabinets deliver a policy project which is more distant than the optimal bargain. To overcome this, governments are predicted to make larger use of executive authority.

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