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Veto player

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A veto player is a political actor whose consent is necessary to adopt a new policy. Veto players have veto power which allows them to prevent a change to the status quo. The concept is crucial to the influential veto player theory by George Tsebelis. Building on earlier work in formal modeling and social choice, Tsebelis developed veto player theory to compare political systems in terms of their ability for policy change. A political system with a high number of veto players or with large ideological differences between veto players has high policy stability. High policy stability in turn can lead to government or regime instability as it becomes harder to adapt policy to changing circumstances. Furthermore, high policy stability increases bureaucratic and judicial independence as acts by these branches cannot be easily overruled by new or more specific legislation. Finally, high policy stability limits the effect of agenda-setting power. The following summarizes the main points of veto player theory, discusses some of the criticisms and briefly compares veto player theory to Immergut's concept of veto points.

Veto player theory

According to veto player theory, policy stability depends on the number of and differences in preferences between veto players. Veto player theory distinguishes between institutional and partisan veto players. Institutional veto players are created by the constitution which specifies which actors have to give its consent to pass a law. Partisan veto players are political actors who enjoy veto power due to the political circumstances. For example, the consent of political parties who form the government and

have a majority in the parliament are needed in parliamentary systems to enact new legislation. In some instances, other societal actors like interest groups or the military exercise veto power although the constitution does not assign a formal role in the law-making process to them. To identify the relevant number of veto players one starts with the constitutional veto players and identifies the potential partisan veto players of which they are composed. For example, the constitution might specify that the laws have to be adopted by the government and two chambers of parliament acting by simple majority. In other words, there are three institutional veto players. However, one has to take into account that both are not individual actors and identify the conditions under which its composite parts (e.g., cabinet members or parliamentarians) can exercise their institutional veto power collectively. If political parties are able to discipline their members, then the question is how many parties are needed to form the necessary majority in parliament and form the government. In our example, three parties may form the centre-left government and a majority in the lower chamber, but one opposition party is needed to reach a majority in the upper chamber. Thus, the number of veto players is four, when we take the political situation into account. In addition, one has to consider the possibility of partisan veto players who are not part of the constitutionally designated set of veto players. The number of veto players in a political system can differ not only across time but also policy field. A central bank for example might be a veto player in monetary policy, but does not have veto power in any other field. In our example, the government might rely heavily on the political support of a major trade union, giving them de facto veto power on government policy and thus increasing the count of partisan veto players to five. Finally, the absorption rule has to be applied. Some veto players might be redundant, for example because they have identical policy positions. In our example, the social democratic party in government and the trade union might have exactly the same preferences. Thus, the actual number of veto players is four.

Veto player theory is a neo-institutionalist theory which holds that policy outcomes can be explained by the preferences of the actors involved and the institutions governing the decision-making process. It

is also a rational choice theory of politics which assumes that actors maximize their utility. George Tsebelis relies on spatial models to prove his propositions on the effect of the number of and the policy differences between veto players on policy stability. In particular, Tsebelis uses the concepts of a winset of the status quo and the core.

Spatial models build on the notion that the positions of political actors can be represented in a political space. For example, political scientists as well as political commentary often refer to a position as being 'leftist' or 'right-wing', which indicates that policy stances can be depicted on a left-right dimension. Thus, political actors judge a policy proposal on how close it is to their most preferred policy (ideal point). Figure 1 is an example of a two-dimensional policy space with two political actors whose ideal points are depicted as the points *A* and *B* respectively. Consider a situation where *A* is the only veto player and is considering three proposals for a new policy (*x*, *y*, *z*). The location of the policy proposals in the policy space relative to A's ideal point represent A's evaluation of these polices. The closer a policy is to A's ideal point, the higher is the utility *A* attaches to this proposal. In figure 1, *A* would prefer x to y and y to z (and x to z) based on their distances to its ideal position. To see this it is helpful to draw in indifference curves. Indifference curves form the set of points which yield the same utility as a given policy. If we assume that the policy dimensions are independent of each other and equally important, then we can use circular indifference curves (otherwise they would by elliptical). Figure 1 gives the indifference curve of *A* for policy *y*. It is constructed by drawing a circle that has *A*'s ideal point as its centre and goes through policy *y*. *A* is indifferent between *y* and any other point on the circle as they are all equally far away from its ideal point. Points inside the A's indifference curve vis-à-vis *y* such as *x* are closer to its ideal point than *y* and hence preferred to *y*. Points outside the indifference curve such as *z* are further away from *A*'s ideal point than *y* and consequently *A* would prefer *y* to them. Note that *A*'s assessment is purely based on the distances between its ideal point and prospective policies, not the direction. Usually, a policy is already in place which defines the status quo (sq). A veto player would only adopt a new policy if it makes it better off then the status quo. In other

words, it has to be inside its indifference curve vis-à-vis the status quo. In figure 1, *A* is indifferent between the status quo and *y* but would prefer *x* to the status quo. Policy stability can be gauged by the number of policies that can defeat the status quo. The more policies can replace the status quo, the lower policy stability. The set of policies that can defeat the status quo is referred to as the winset of the status quo. In our example there is only one veto player. Hence, all policies that are preferred by *A* to the status quo could defeat the status quo. Consequently, the area inside his indifference curve vis-à-vis the status quo (the simply-hatched area) denotes the winset of the status quo. The larger the winset to the status quo, the smaller is policy stability. If there are more than one veto player, then a new policy needs the approval of all of them to replace the status quo. Consider a situation in which both A and B are veto players. A policy that can defeat the status quo has to be inside the indifference curves vis-à-vis the status quo of all veto players, otherwise it would fail to get approval by at least one of them. Thus, the winset of the status quo is formed by the intersection of the indifference curves of *A* and *B* vis-à-vis the status quo (cross-hatched area). Note that the winset of the status quo if both A and B are veto players is smaller than the one for A as the only veto player. There are some policies that are preferred by *A* the status quo, but not by *B*. For example, *B* would not agree to changing policy from the status quo to *A*'s ideal point. Adding a veto player thus increases policy stability. Greater policy stability decreases the effect of agenda-setting power. A veto player has agenda-setting power if he can make a 'take-it-or-leave-it' proposal to the other veto players. It will choose the point closest to its ideal position while still being acceptable to the other veto players (i.e., inside the winset of the status quo). In figure 1, the outcome will be o_A if *A* is the agenda-setter and o_B if *B* is the agenda-setter. The smaller the winset (the higher policy stability), the smaller is the effect of agenda-setting power.

Another measure of policy stability is the size of the core. The core is the set of points that cannot be defeated. In other words, all points in the core have an empty winset. There is no policy which all veto players would prefer to a policy that is located inside the core. Consider the scenario in figure 2 where *A*, *B* and *C* are veto players. Policy *x* has a non-empty winset. For example, policy *y* would be preferred

by all three veto players to policy *x*. Thus, *x* is not part of the core. In contrast, *y* has an empty winset. There is no intersection of the indifference curves of *A*, *B*, and *C* for policy *y*. In other words, *A*, *B*, and *C* could not agree on changing policy *y* as they have diametrically opposed preferences. *A* wants to move the policy upwards and to the left, *B* wants to move it downwards and *C* wants to move it to the right. Indeed, all policies that lie between the ideal points of the veto players (dotted triangle) have an empty winset and thus form the core. Once a policy is inside the core, it cannot be changed (unless a veto player is eliminated or changes its position). The bigger the core, the more points cannot be changed and hence the greater is policy stability. Greater policy stability implies more bureaucratic and judicial discretion. Agents charged with implementing policy (e.g., bureaucracy and courts) can depart from a policy as long as they stay within the core because their principals (e.g., the government and parliament) cannot change and overrule these policies. Adding a veto player increases the size of the core (and hence policy stability) unless the ideal position of the new veto player lies inside the core of the original veto players (absorption rule). In figure 3, the core for three veto players *A*, *B*, and *C* is denoted by the cross-hatched area. When a veto player *D* whose ideal point lies outside the core of the original veto players is added, the core grows (by the hatched area to the left). Thus, policy stability increases. In contrast, adding a veto player whose ideal point lies inside the original core (e.g., E) does not change the size of the core. In particular, adding a veto player whose ideal point is identical to the one of an existing veto player does not affect policy stability. The effect of adding a veto player thus depends on its policy preferences relative to the original veto players. Policy stability is also affected by the preference heterogeneity of veto players. Increasing the difference between the ideal points of veto players leads to higher policy stability. If C's ideal point would, for example, move away from A and B (e.g. to C'), then the size of the core (and hence policy stability) would increase.

These results were formally derived for individual veto players. Many political actors, however, are collective actors, who are composed of members with different policy preferences and do not decide by

unanimity. Using results from the social choice literature, Tsebelis argues that his findings are reasonable approximations for situations involving collective veto players.

In order to apply veto player theory, the veto players and their policy preferences have to be identified. In some instances scholars examining the same political system have come to different conclusion regarding these questions which highlights the need to carefully justify those decisions. For example, there is disagreement on whether or not opposition parties should be counted in the case of a minority government. Similarly, there is the question of whether or not all parties in a coalition government should be counted when the coalition includes more than the necessary number of parties for a majority in parliament. Furthermore, one could argue about the role of constitutional courts. More fundamentally, veto player theory describes actor's preferences only in terms of policy. However, politicians may not be pure policy-seeking actors but also take into account who can take credit for a new policy, etc. Thus, some scholars have argued for distinguishing between various types of actors with veto power.

Veto player and veto points

The consequences of the institutional setting and veto power on policy outcomes have also been addressed by Ellen Immergut's concept of veto points. In her comparative study of the development of health policy in Western Europe, Immergut stresses the different opportunities the political system presented to the medical profession in thwarting reform attempts by the executive. Veto points are created by the constitutional rules which govern where in the decision-making process a veto can be exercised and political circumstances. For example, parliament represents a veto point if it can overturn the decision of the executive and if it is not controlled by the same party as the executive. Similarly, the electoral arena forms a veto point if there is a possibility of a referendum and the opinion of the electorate has shifted away from the government majority. Interest groups can utilize these veto points

to block legislation. Political systems differ in their set of veto points which affects the ability of interest groups to influence decision-making and subsequently leads to different policy outcomes. Immergut's theoretical framework is similar to veto player theory in explaining the possibility of policy change in terms of veto opportunities, which are determined by rules of the game and political circumstances. Because of her interest in the role of an interest group (i.e., the medical profession) in a particular policy field (i.e., health policy), she differs from veto player theory in her conceptualization of interest groups and the importance attached to them. Rather than being potential veto players interest group try to persuade actors to block legislation at existing veto points. Nevertheless, they are crucial for her depiction of the policy-making process. Furthermore, she envisages the decision-making process as a sequence of decisions (or possible vetoes) which draws more attention to the temporal dimension of policy-making then veto player theory.

Further readings:

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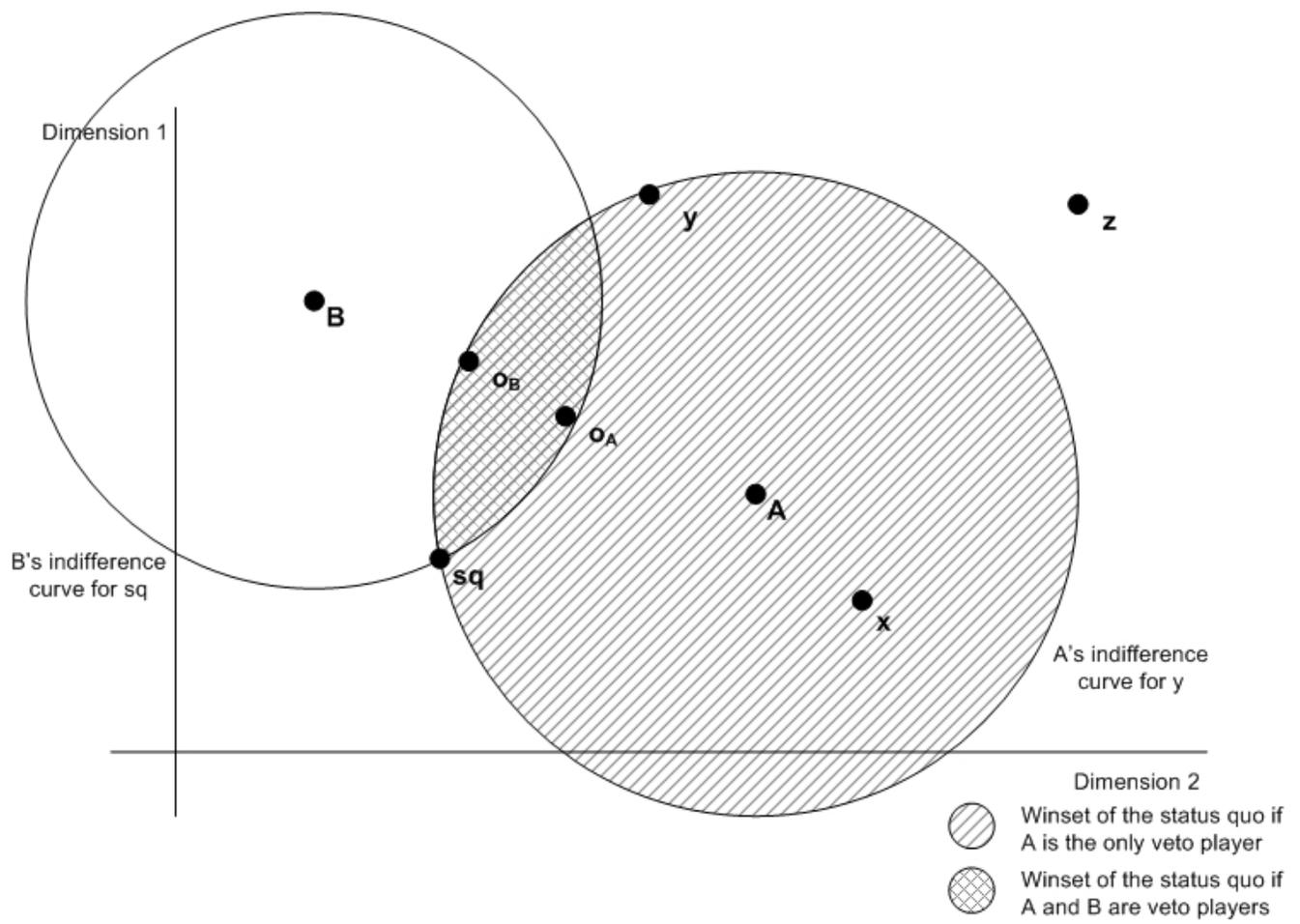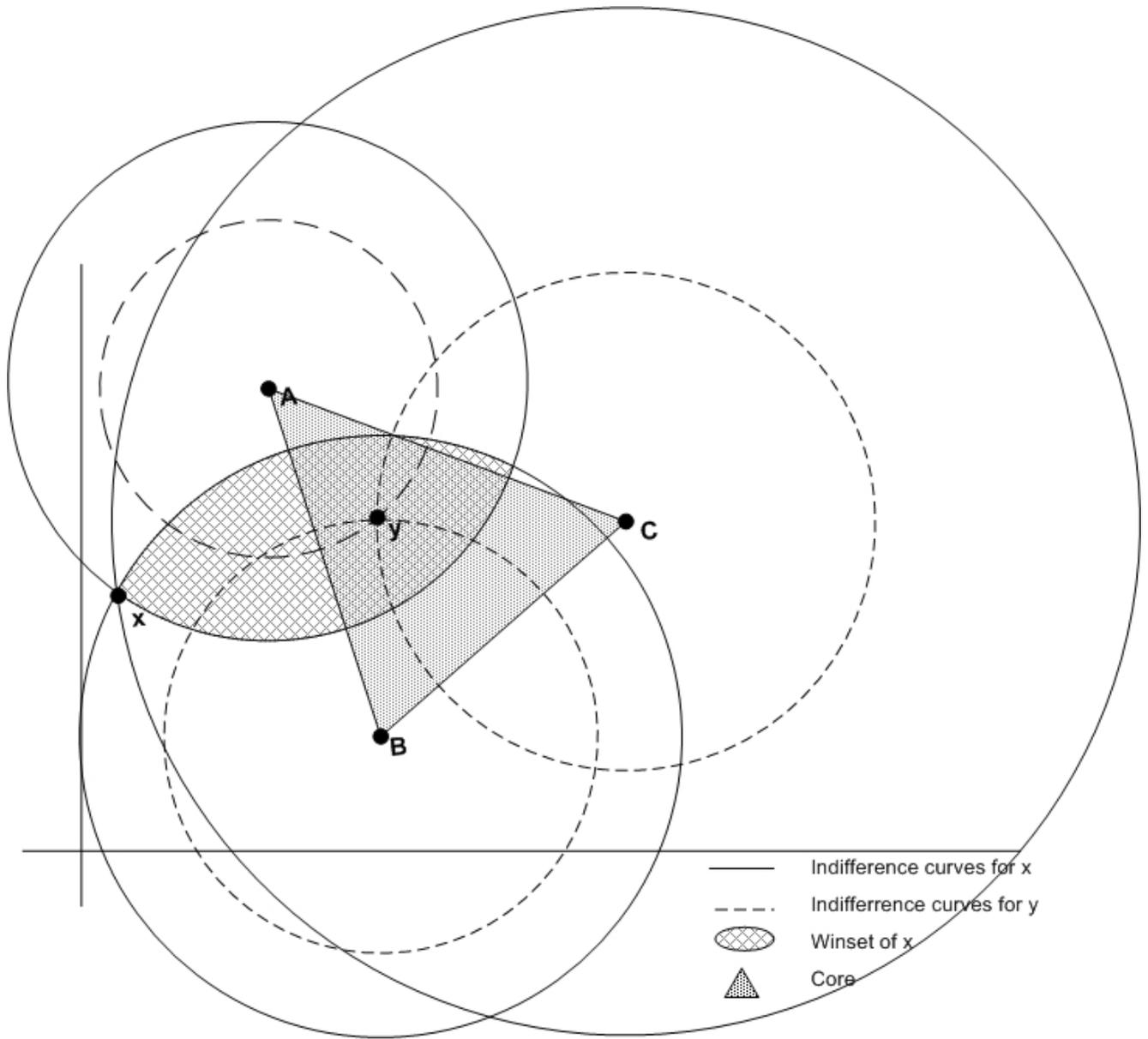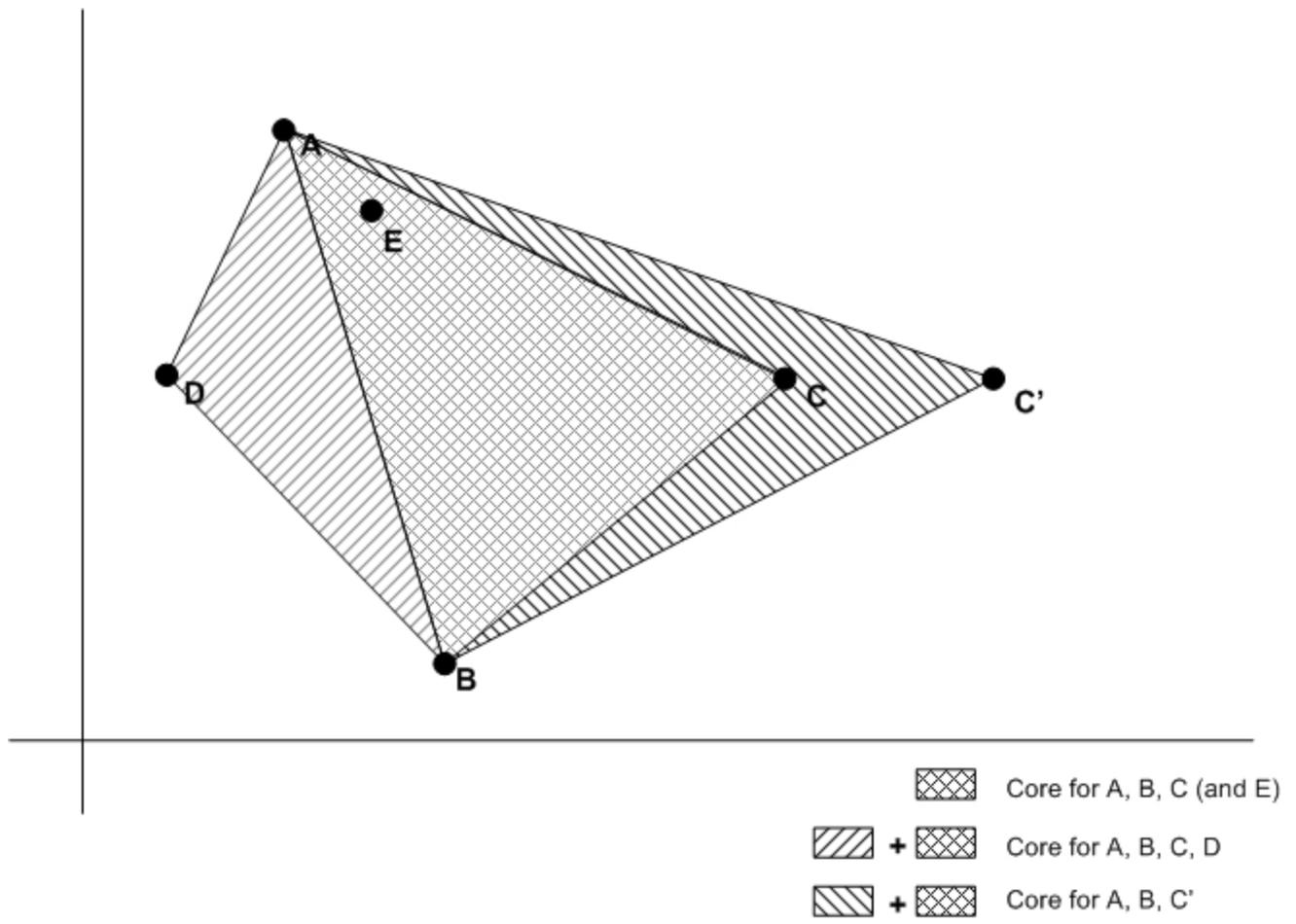
Dimension 1

B's indifference
curve for sq

z

y

B

o_B

o_A

A

sq

x

Dimension 2

A's indifference
curve for y

Winset of the status quo if
A is the only veto player

Winset of the status quo if
A and B are veto players

Figure 1

Figure 2

Core for A, B, C (and E)

Core for A, B, C, D

Core for A, B, C'

Figure 3