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## **Veto players**

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Veto players are political actors whose consent is necessary to adopt a new policy. Put otherwise, they have veto power which allows them to prevent a change to the status quo. The concept is crucial to the influential veto player theory developed 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 among 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 criticisms of it, and briefly compares veto player theory to Immergut's concept of veto points.

According to veto player theory, policy stability depends on the number of and differences in preferences among veto players. Veto player theory distinguishes between institutional and partisan veto players. Institutional veto players are created by constitutional provisions that specify which actors

have to give 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, even though 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 the two chambers of a bicameral parliament each 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, 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 lack veto power in other fields. 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, an “absorption rule” applies, because some veto players may 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 de facto veto players is four.

Veto player theory is a neo-institutionalist theory, as it 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, as it assumes that actors maximize their utility. Moreover, 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 both political actors and public policies can be represented as positions 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 provides 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 initially 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 policies. 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, we can use circular indifference curves (otherwise they would be 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 than the status quo, i.e., if it is 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 size of the winset of the status quo, i.e., the number of policies that can defeat the status quo. The larger the winset of , the lower policy stability is. In our initial 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.

If there are additional veto players, a new policy needs the approval of all of them to replace the status quo. Suppose 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. Adding a veto player increases policy stability.

Another measure of policy stability is the size of the core. The core is the set of points that cannot be defeated. i.e., have empty winsets. Thus 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.

Adding a veto player increases the size of the core unless the ideal position of the new veto player lies inside the core of the original veto players.. 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) and policy stability increases. In contrast, adding a veto player whose ideal point lies inside the original core (e.g., *E*), or is identical to the one of an existing veto player, does not change the size of the core, illustrating Tsebelis's "absorption rule.". 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 were for example, to move away from *A* and *B* (e.g. to *C'*), the size of the core (and hence policy stability) would increase.

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. Greater policy stability also 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 smaller is the effect of agenda-setting power.

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, analysts must be able to identify veto players and their policy preferences. In some instances scholars examining the same political system have come to different conclusion regarding these questions, highlighting the need to justify conclusions carefully. For example, scholars disagree on whether or not opposition parties should be counted in the case of minority governments. 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.

The consequences of the institutional setting and veto power on policy outcomes have also been addressed by the concept of veto points. In her comparative study of the development of health policy in Western Europe, Ellen 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. 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. 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. 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 than veto player theory.

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See also: Spatial voting analysis

**Further readings:**

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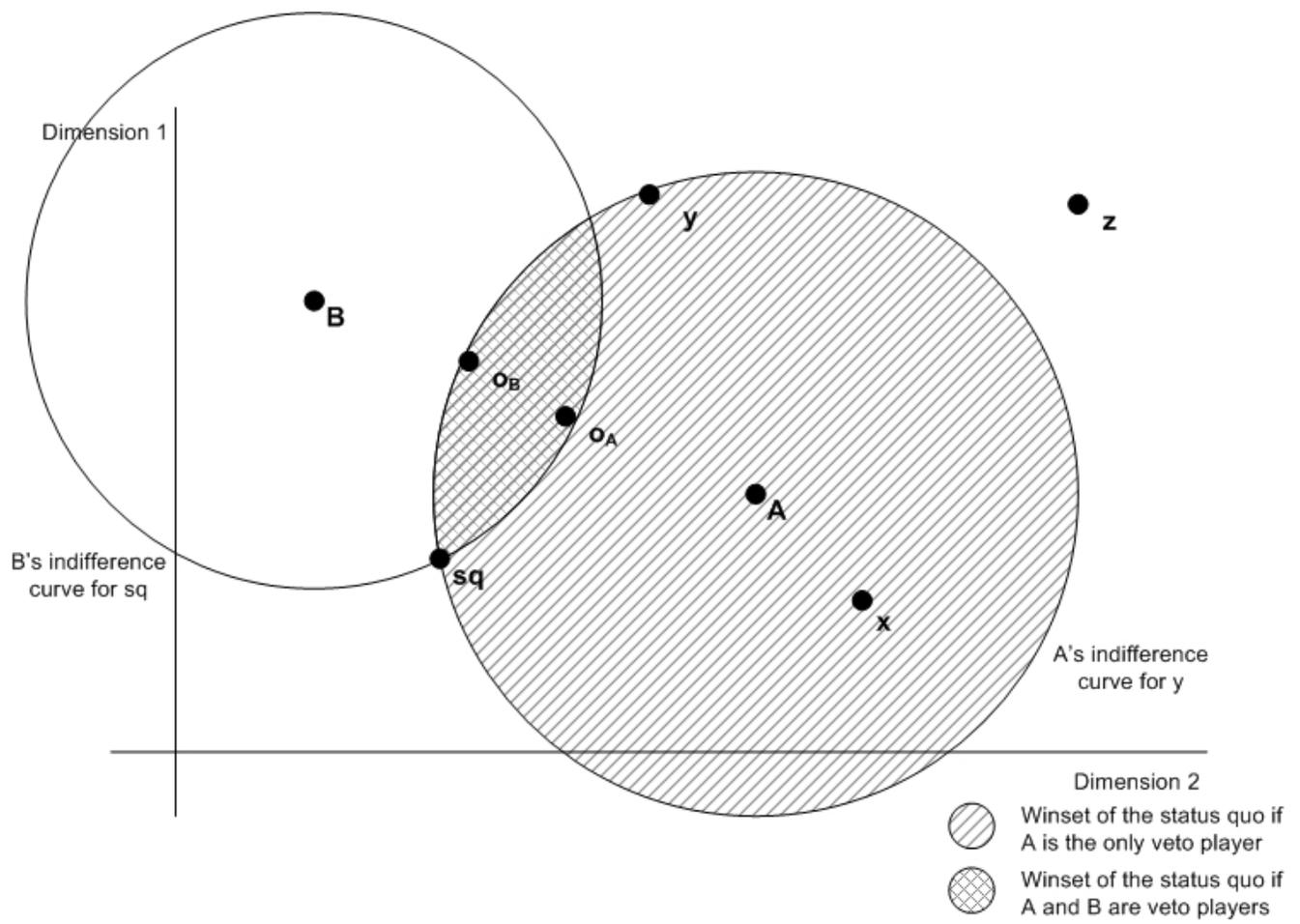


Figure 1

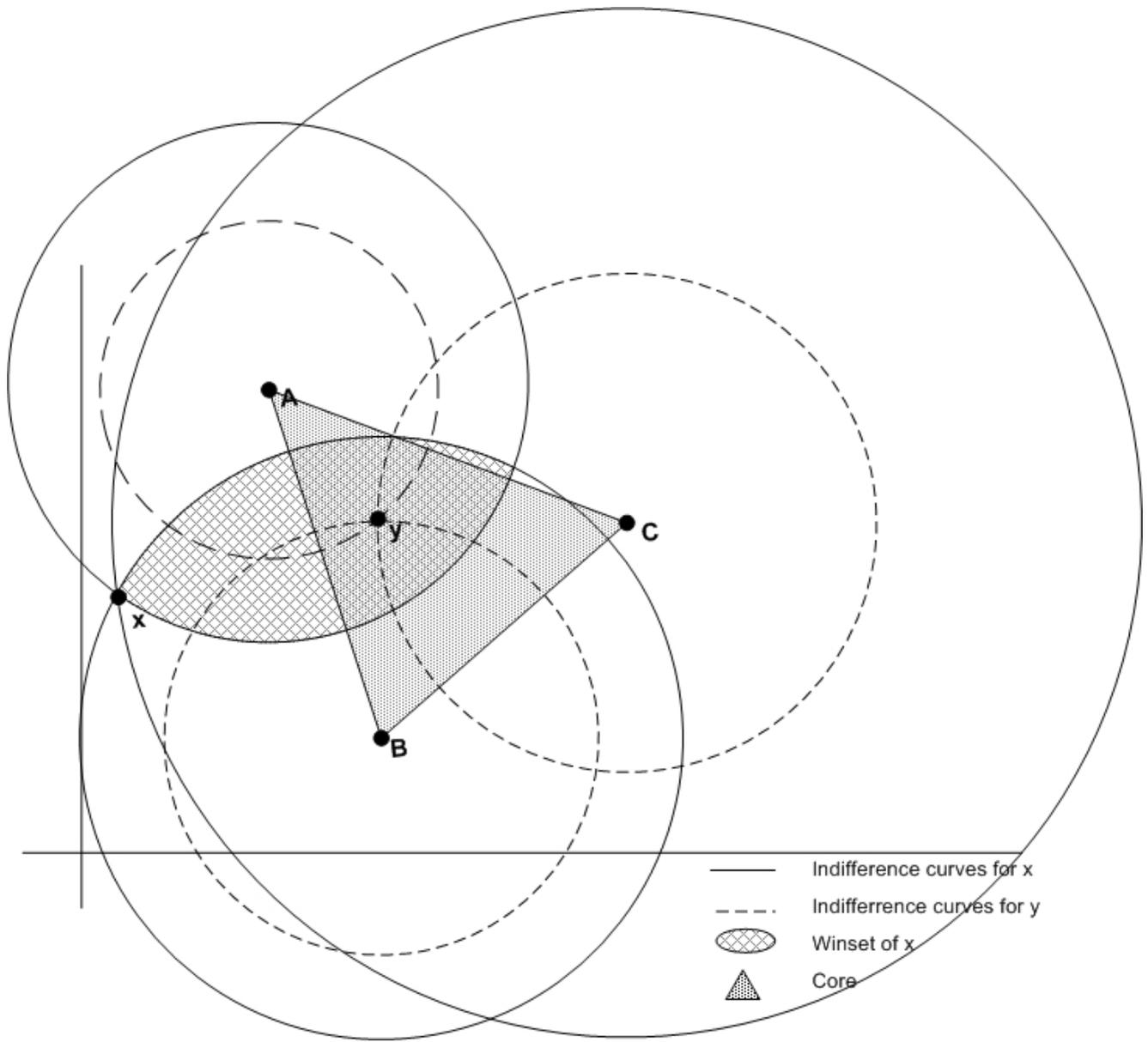


Figure 2

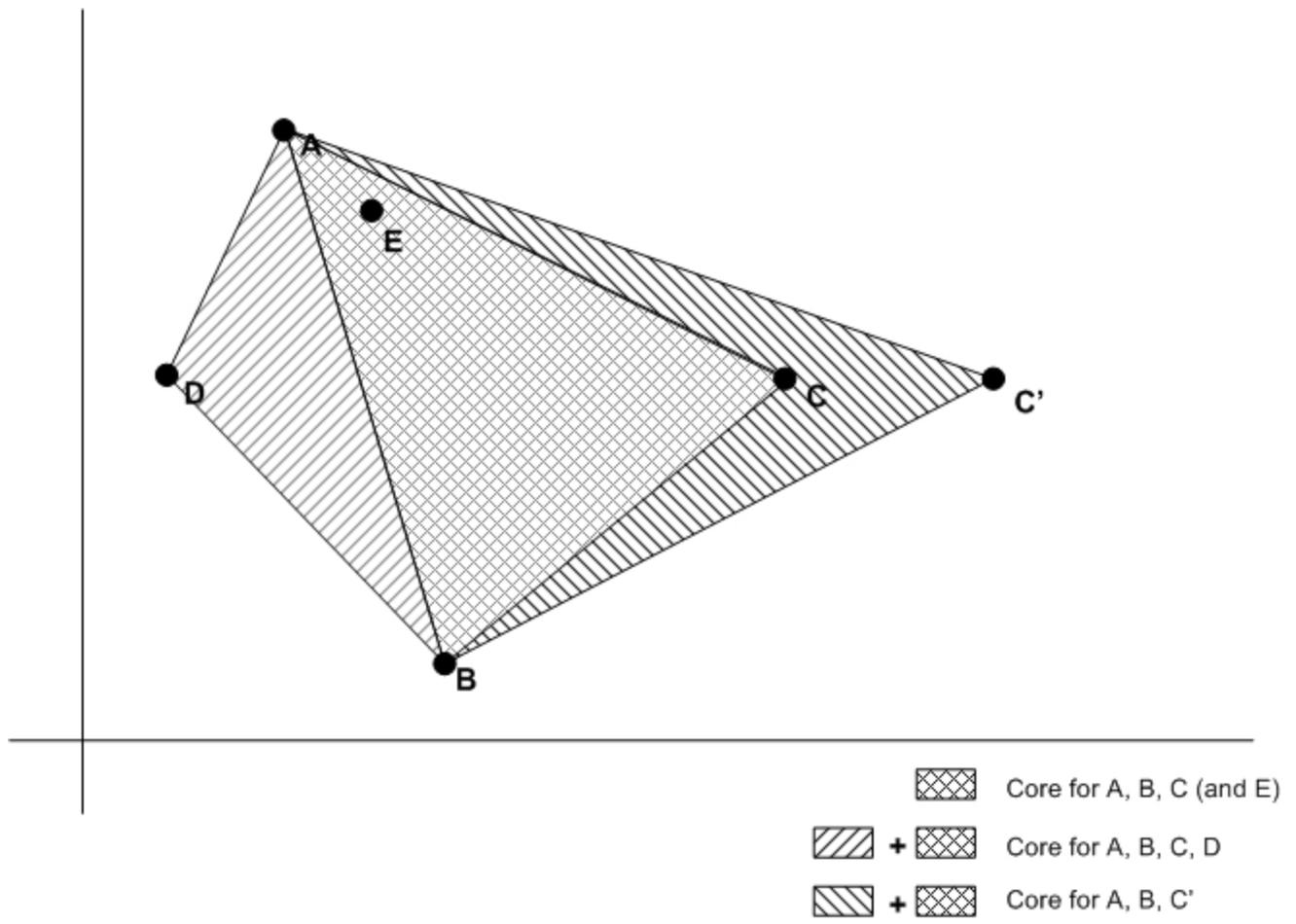


Figure 3