In addition, two-party systems are claimed to have an important indirect advantage: they are necessary for the formation of single-party cabinets that will be stable and effective policy-makers. For instance, A. Lawrence Lowell (1896, 70, 73–74), one of the first modern political scientists, wrote that the legislature must contain "two parties, and two parties only, . . . in order that the parliamentary form of government should permanently produce good results." He called it an "axiom in politics" that coalition cabinets are short-lived and weak compared with one-party cabinets: "the larger the number of discordant groups that form the majority the harder the task of pleasing them all, and the more feeble and unstable the position of the cabinet."

In the next two chapters I confirm Lowell's hypothesis linking party systems to types of cabinets and his "axiom" that single-party majority cabinets are more durable and dominant than coalition cabinets. The majoritarians' preference for two-party systems is therefore clearly and logically linked to their preference for powerful and dominant one-party cabinets. Furthermore, in Chapter 8 I show a strong connection between party systems and electoral systems, which further explains the majoritarians' strong preference for plurality, instead of proportional representation, because of its bias in favor of larger parties and its contribution to the establishment and maintenance of two-party systems. However, whether this syndrome of features actually translates into more capable and effective policy-making than its consensual counterpart is another matter entirely. Lowell simply assumes that concentrated strength means effective decision-making; in Chapter 15 I show that this assumption is largely incorrect.

In this chapter I first address the question of how the number of parties in party systems should be counted and argue that the "effective number of parliamentary parties" is the optimal measure. I also try to solve the problem of how to treat factionalized parties as well as closely allied parties: Should such parties be treated as one party or as more than one party? Next, the average effective numbers of parliamentary parties in our thirty-six democracies are presented and discussed; these numbers exhibit a wide range—from well below two to more than five parties. I close with a brief discussion of the relationship between the numbers of parties and the numbers and types of issue dimensions that divide the parties.

THE EFFECTIVE NUMBER OF PARTIES

Pure two-party systems with, in Lowell's words quoted above, "two parties, and two parties only," are extremely rare. In Chapter 2, the party systems of Britain, pre-1996 New Zealand, and Barbados were also described as two-party systems in spite of the usual presence of one or more additional small parties in the legislature. Is this a correct description, or should it be modified in some way? This question points to the most important problem in determining the number of parties in a party system: whether to count small parties and, if not, how large a party has to be in order to be included in the count.

One well-known solution was proposed by Giovanni Sartori (1976, 122–23). He suggests, first of all, that parties that fail to win seats in parliament be disregarded, that the relative strengths of the other parties be measured in terms of parliamentary seats, and that not all parties regardless of size can be counted, but that one cannot establish an arbitrary cut-off point of, say, 5 or 10 percent above which parties are counted and below which they should be ignored. These preliminary assumptions are unexceptionable. More controversial are his "rules for counting." He argues that only those parties should be counted as components of the party system that are "relevant" in terms of having either "coalition potential" or "blackmail potential." A party has coalition potential if it has participated in governing coalitions (or, of course, in one-party governments) or if the major parties regard it as a possible coalition partner. Parties that are ideologically unacceptable to all or most of the other coalition partners, and that therefore lack coalition potential, must still be counted if they are large enough. Examples are the strong French and Italian

Communist parties until the 1970s. This is Sartori's "subsidiary counting rule based on the power of intimidation, or more exactly, the *blackmail potential* of the opposition-oriented parties."[3]

Sartori's criteria are very useful for distinguishing between the parties that are significant in the political system and those that play only a minor role, but they do not work well for counting the number of parties in a party system. First, although Sartori's criteria are based on two variables, size and ideological compatibility, size is the crucial factor. Only sufficiently large parties can have blackmail potential, but sufficiently large size is also the chief determinant of coalition potential: very small parties with only a few seats in the legislature may be quite moderate and hence ideologically acceptable to most other parties, but they rarely possess coalition potential because they simply do not have sufficient "weight" to contribute to a cabinet. Hence the parties to be counted, whether or not they are ideologically compatible, are mainly the larger ones. Second, although size figures so prominently in Sartori's thinking, he does not use this factor to make further distinctions among the relevant parties: for instance, both the Christian Democratic party that dominated Italian politics until the 1990s and its frequent but very small coalition partner, the Republican party, which never won more than 5 percent of the lower house seats, are counted equally.

To remedy this defect, Jean Blondel (1968, 184–87) proposed a classification of party systems that takes into account both their number and their relative sizes. His four categories are shown in Table 5.1. Two-party systems are dominated by two large parties, although there may be some other small parties in parliament. Blondel's examples include our British and New Zealand prototypes. If, in addition to the two large parties, there is a considerably smaller party but one that may have coalition potential and that plays a significant political role—such as the German and Luxembourg Liberals, the Irish Labour party, and the Canadian New Democrats—Blondel calls this a "two-and-a-half" party system. Systems with more than two-and-a-half significant parties are multiparty systems, and these can be subdivided further into multiparty systems with and without a dominant party. Examples of the former are pre-1990 Italy with its dominant Christian Democratic party and the three Scandinavian countries with their strong Socialist parties. Representative instances of party systems without a dominant party are Switzerland, the Netherlands, and Finland.

The concepts of a "dominant" party and a "half" party—still widely used by political scientists (Colomer 2011, 184; Siaroff, 2003a, 2009, 201–2)—are extremely useful in highlighting, respectively, the relatively strong and relatively weak position of

3. Sartori (1976, 123) is too critical of his own criterion of coalition potential when he states that it is merely "postdictive," since "the parties having a coalition potential, coincide, in practice, with the parties that have in fact entered, at some point in time, coalition governments." For instance, immediately after the first electoral success of the Dutch party Democrats '66 in 1967, it was widely regarded as an acceptable coalition partner, although it did not enter a cabinet until 1973.

TABLE 5.1
Classification of party systems based on the numbers and relative sizes of political parties

Party systems	Hypothetical examples of seat shares	Effective number of parties
Two-party system	55–45	2.0
Two-and-a-half party system	45–40–15	2.6
Multiparty system with a dominant party	45–20–15–10–10	3.5
Multiparty system without a dominant party	25–25–25–15–10	4.5

Source: Adapted from Blondel 1968, 184–87

one of the parties compared with the other important parties in the system, but they are obviously imprecise. What we need is an index that tells us exactly how many parties there are in a party system, taking their relative sizes into account. Such an index was developed by Markku Laakso and Rein Taagepera (1979), and it is now the index most commonly used by comparativists in political science: the effective number of parties. This number (N) is calculated as follows:

$$N = \frac{1}{\sum s_i^2}$$

in which s_i is the proportion of seats of the i-th party.[4]

It can easily be seen that in a two-party system with two equally strong parties, the effective number of parties is exactly 2.0. If one party is considerably stronger than the other, with, for instance, respective seat shares of 70 and 30 percent, the effective number of parties is 1.7—in accordance with our intuitive judgment that we are moving away from a pure two-party system in the direction of a one-party system. Similarly, with three exactly equal parties, the effective-number formula yields a value of 3.0. If one of these parties is weaker than the other two, the effective number of parties will be somewhere between 2.0 and 3.0, depending on the relative strength of the third party. In the hypothetical example of the two-and-a-half party system in Table 5.1—with three parties holding 45, 40, and 15 percent of the parliamentary seats—the effective number of parties is in fact very close to two and half, namely 2.6.

In all cases where all the parties are equal, the effective number will be the same as the raw numerical count. When the parties are not equal in strength, the effective number will be lower than the actual number. This can also be seen in Table 5.1. The two hypothetical examples of multiparty systems contain five parties each. When there is a dominant party, the effective number of parties is only 3.5. Without a dominant party, the seat shares are more equal and the effective number increases to 4.5, close to the raw number of parties in which all parties are counted regardless of size.

CLOSELY ALLIED PARTIES

The problem of how to count parties of different sizes is solved by using the effective-number measure. This measure, however, does not solve the question of what a political party is. The usual assumption in political science is that organizations that call themselves "political parties" are, in fact, political parties. This assumption works well for most parties and most countries but is problematic in two situations: parties that are so tightly twinned that they look more like one party than two and, conversely, parties that are so factionalized that they look more like two or more parties than one. The former problem is less difficult to solve than the latter. Let me turn to the relatively easier issue first.

The cases in point are the following five closely allied parties: the Christian Democratic Union (CDU) and Christian Social Union (CSU) in Germany, the Liberal and National parties in Australia, and, in Belgium, the two Christian Democratic parties that resulted from a split along linguistic lines in 1968, the two similarly divided Liberal parties since 1971, and the two Socialist

4. It is also possible to calculate the effective number of parties based on their vote shares instead of their seat shares, but I consistently use seat shares because this study's focus is on the strengths and patterns of parties in parliaments and on their effects on the formation of cabinets. The effective number of parties (N) carries the same information as Douglas W. Rae and Michael Taylor's (1970, 22–44) index of fragmentation (F) and can easily be calculated from F as follows:

$$N = \frac{1}{1 - F}$$

The advantage of N is that it can be visualized more easily as the number of parties than the abstract Rae-Taylor index of fragmentation. It has not been without critics (for instance, Dunleavy and Boucek 2003), but I agree with Taagepera (2007, 47) that, although not ideal in every respect, all of the alternatives "are worse."