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Abstract

'Cognitive locks' are ideational path dependencies in policy making (Blyth, 2001). This article argues that one source of cognitive locks is the presence of single party dominant regimes. Single party dominant regimes exist where a single party has managed to control the process of executive formation for an unusually long period of time. Because of their long tenure in executive office, dominant parties are often in positions to implement strong cognitive locks on their political societies. Not all cognitive locks are the same, however. Rather, how the dominant party behaved, either as a 'distributional coalition' or as an 'encompassing organization' (Olson, 1982) and how it subsequently incorporated 'voice' (Hirschman, 1970) to accommodate multiple interests, strongly influence the scope of the dominant party's cognitive lock. These observations are utilized in two brief case illustrations derived from well-known cases of single party dominance.

Keywords

Cognitive locks, single party dominant regimes, distributional coalition, encompassing organization, voice

Introduction

The notion of persistence in political institutions and public policy is a relatively common feature in political analyses. Historical institutionalism, for example, developed in part as a means to explain why certain institutions and policies remain in place for long periods of time. Though the framework, with its emphasis on stability, has received fair criticism for its inability to predict or explain important moments of change, it remains the case that many areas of the political world are dominated by sticky status quos that, once in place, become path dependent and increasingly difficulty to alter (Pierson, 2004). The purpose of this article is to investigate how one type of

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democratic political regime – the single party dominant regime – is associated with such outcomes. Specifically the focus is on 'intellectual path dependency in policymaking' or what Blyth has called 'cognitive locks' (2001: 4). Cognitive locks arise when policies become firmly embedded in their societies and when change or reversal of such policies becomes less and less likely. Once established, they are the 'ideological mantra to be repeated and applied no matter … the actual conditions of a situation' (Blyth, 2002: 229). Cognitive locks are important because they assist in the explanation of patterns of political events and the understanding of why some countries seem 'destined' to maintain a particular status quo.

The article proceeds as follows. First, we discuss cognitive locks and how they negatively influence possibilities for future change. Second, we make a case that cognitive locks arise where single party dominant regimes have been in place. Moreover, we argue that not all cognitive locks are the same and that their long term impacts will differ based on how they were originally conceived. Here we borrow heavily from the traditional political economy literature to suggest that how the dominant party behaved, either as a 'distributional coalition' or as an 'encompassing organization' (Olson, 1982) and how it subsequently incorporated 'voice' (Hirschman, 1970) to endorse its own institutional adaptation over time strongly influence the scope of the dominant party's cognitive lock. Third, we utilize these predictions in analyzing illustrations derived from two well-known cases of single party dominance, Italy and Sweden. The final section concludes and generalizes the paper's observations about cognitive locks to other countries that have had relatively 'disproportionate' executive-level outcomes.

Cognitive locks

Though not new, in recent years, the notion of ideas has become very important in comparative institutional analysis, historical institutional analysis in particular (Blyth, 2009). Ideas matter because they provide information on what politicians deem important and worthy. They are derived from historical experience and can be used in a variety of ways. For example, in an analysis of the Swedish political economy, Blyth (2001) suggests that ideas, independent of institutions, can be used as 'blueprints', as 'weapons', or as 'cognitive locks'. As blueprints, ideas serve as prescriptions for alternative action and possible solutions for political problems. As weapons, they provide positions for actors engaging in distributional disputes within established interests. And as cognitive locks, ideas explain how path dependency within policy itself may occur. Since cognitive locks arise from established policies, the ideas that animated them in the first place form a sort of intellectual path dependency. Once this path dependency is in place, future changes or reversals in policy become very difficult to conceive and implement.

Cognitive locks are the result of ideational path dependencies and are sustained when political actors come to accept the policies that animate them as 'established practice'. This is true regardless of regime type. However, if we accept that most political actors in modern democracies form their ideas and make choices based not only on what they believe is 'best' for a polity based on their own contextual historical experiences (what is often called 'bounded rationality' (Jones, 1999)), but also on what they believe is 'best' for their own interests (in terms of subsequent and sustained re-election), the ideas they hold will probably involve supporting policies that cater heavily to the party's dominant supporters. But these ideas – on their own and independent of the institutions through which they are implemented – are not cognitive locks. Cognitive locks form when the ideas that animate certain policies become entrenched as common practice and when reversal from them becomes less likely over time. Thus, in retrospect the policy choices that a dominant party makes at the beginning of its tenure have the potential to become particularly important, as long as

that party remains in a position of power to maintain the trajectory of those choices. As time passes, the policies inspired from these ideas become path dependent, making future change difficult, even when the dominant parties that created them eventually leave executive-level office.

Single party dominant regimes

According to Pempel (1990), a single party dominant regime is identified in a democratic polity when a single party: (1) is dominant in number by winning more seats; (2) attains a dominant bargaining position with respect to other parties; (3) dominates chronologically by becoming the core governing party over multiple elections; and (4) dominates governmentally by articulating and implementing the idea of an historical project with a defined trajectory of policy. Viewed through a type of most different systems design, such parties are created when a multi-faceted layering of specific conditions is identified. Dominant parties tend to emerge in parliamentary systems that utilize proportional representation, but they become dominant by winning pluralities, not majorities. Thus, because they have to depend on negotiations with one or more minority parties, dominant parties create both a trust and a bargaining advantage for themselves by being the leading force, but one that cannot rule unilaterally. By creating such an advantage at the core of a series of coalition or minority governments, they are able to implement their respective longer term agendas. As a consequence, they make themselves indispensable to their respective political systems and shut out possibilities for the opposition – especially where it is fragmented and polarized – to overcome the numerical strength of the dominant party. Eventually, fragmented and polarized opposition parties find it increasingly difficult to break what Pempel called the 'virtuous circle' of dominance, though the nature of this 'virtue' has been seriously questioned for some of the cases Pempel investigated in his analysis (Lawson, 1991). It is through the dominance of the governing party and the weakness of the opposition that the formation of cognitive locks becomes possible.

For example, Grzymala-Busse (2007), in her comparative study of party competition and state exploitation in post-Communist democracies, derives a similar conclusion. Though she examines how private gains are extracted from public resources in a very different set of cases, powerful political actors can, when certain conditions are present, abuse instruments of government for their own purposes. Over time, such practices become the norm and future politicians will most likely utilize such practices to extract further benefits for themselves. For her cases, the conditions leading to state exploitation often entail the presence or absence of robust party competition. Specifically, where opposition parties can 'offer a clear, plausible, and critical governing alternative that threatens the governing coalition with replacement', governing parties compromise and govern with discretion (p. 1) and hence, strong cognitive locks on policy are unlikely. By contrast, where opposition parties are fragmented and polarized and unable to form an alternative to government, governing parties find opportunities to institutionalize their policy choices as common practice. This is particularly important for explaining why single party dominant regimes, which usually remain in power because of a weak opposition, serve at least as one pathway to the formation of cognitive locks. Countries that experience more routine alternation, by contrast, are expected to have fewer party-imposed cognitive locks because each round of alternation potentially brings a new approach to the formation of public policy.

Differences in cognitive locks

Cognitive locks differ across cases because the ideas that inspired them differ. Here the most different design turns into a most similar one: while Pempel and his associates were concerned

with finding consistent independent factors to explain how dominant parties remained dominant in very different political systems, the effect of the cognitive lock that each dominant party imposed on their political society clearly differs because of how the cognitive lock was derived. From this point, a most similar system design can be employed. The similarity among the cases is the presence of a cognitive lock, and as such the former single party dominant regimes become the group of cases to be studied, but the independent variable now is the process through which the specific lock came into being.

Here a number of important factors require analysis. The first involves the character of the dominant party. Mancur Olson, in *The Rise and Decline of Nations* (1982), suggests that the way groups operate – either as 'distributional coalitions' or as 'encompassing organizations' – matters for how preferences are aggregated into policy. Distributional coalitions are organizations that seek policies to advantage and increase the income of their members, even if such action reduces the efficiency and output of the overall society to which they belong. By contrast, encompassing organizations are larger entities and as such have incentives to pursue policies that reward as much of public society as possible. Because they comprise larger portions of the population, they have strong incentives to respond as fully as possible to as many interests as possible; a policy that leaves them better off should also leave others better off as well.

While Olson in developing this thesis was directly referring to differences among interest groups as a primary explanatory factor for why nations either stagnate or grow, his claim can be extended beyond his particular research question: the 'logic of the distinction between narrow and encompassing interests is not limited to special-interest groups' (1982: 50). Specifically, Olson draws a parallel between his focus and *political parties*, offering that political parties that are encompassing by nature will attempt to respond to as many interests as possible, while parties that behave more as distributional coalitions will cater to particular interests, at the expense of the greater society.

Electorally, we might expect all parties to behave as distributional coalitions. After all, in democratic electoral contests they must serve constituencies and transmit messages to win votes and preserve their power base. But how they behave – and importantly' who they respond to – once they arrive in government matters a great deal for the scope of the cognitive lock they may ultimately impose on their political societies.

A governing party that behaves as a distributional coalition is expected to serve a much more narrow constituency than an encompassing organization, which itself serves the population at large as much as possible. The next question, then, is how single parties transform themselves from distributional coalitions during electoral contests to encompassing organizations once they arrive in government. The formation of an encompassing organization is not an automatic or easy task to accomplish. It requires a great deal of political skill and maneuvering and, as we argue, the effective use of what Albert O. Hirschman called 'voice', which is 'any attempt at all to change, rather than to escape from, an objectionable state of affairs' (1970: 30).

Given its status in the political system, a dominant party can be likened to a political monopoly – a monopoly on executive-level power. A monopoly occurs when one entity has exclusive control over a commodity or service. A type of executive political monopoly forms when single parties remain in executive institutions for a long period of time; the single party retains exclusive control over the instruments of government. Party leaders that want to influence policy must work within the government itself because no other options for policy influence exist.

The presence of such a monopoly means that there is little opportunity for Hirschman's (1970) conception of 'exit'. In the executive political market, exit results when members of a government party perceive a drop in quality and abandon their party for an alternative that they hope will win

in the next electoral contest. But in an executive political monopoly situation, exit is not feasible because a fragmented and polarized opposition is not perceived as having the credibility of breaking into the executive market and subsequently controlling government. It would not be rational for members of the dominant party to choose an alternative, lest they lose their ability to significantly influence public policy.

One of Hirschman's main contributions to the study of political economy involves the conception of 'voice' as an alternative to 'exit' during a period of decline. In this argument, Hirschman makes two observations, one empirical, one normative. First, Hirschman argues that voice is enhanced when there is little to no opportunity for exit. When consumers cannot leave, they will have to work within the organization itself to effect change. Second, and more normatively, Hirschman argues that voice is superior to exit. The use of voice within an existing organization may serve to isolate and reverse a source of decay. If consumers can simply exit, managers cannot know where the source of a problem is. Voice contains potential remedies.

A careful reading of Hirschman reveals a counterintuitive argument, namely that tight monopolies, which by definition forbid exit and force voice to induce change, are not necessarily inferior to competitive organizations. This rethinking of standard neo-liberal economic theory, which stresses that increased competition is necessary for the highest quality product possible, is motivated by the reality that tight monopolies (as opposed to 'lazy' monopolies that deliberately allow 'alert' customers to leave) may be better organizations for encouraging voice (see Hirschman, 1970, chapter 5). And if voice is to be valued over exit, then monopolies that incorporate voice to adapt to changing conditions are sometimes to be valued over competitive organizations.

But voice, even in democracies where collective action is accepted, has to be used carefully in order to work. It is not just a matter of interested individuals stating their opinion on how to 'fix' something. Very importantly, once actors have voiced, organizations need space and time ('organizational slack' in Hirshman's terms) to incorporate and implement suggestions. Moreover, the demands from voice need to be feasible to be successful. The successful incorporation of voice, especially during an executive political monopoly situation, thus requires both a skillful understanding of how and when to incorporate conflicting priorities into a coherent proposal and the physical maneuverability to implement a realistic solution. Contrarily, if too many impatient actors voice, and if their demands are politically unrealistic, a government could become handicapped and unable to endorse any single coherent policy change that would reverse a source of decay.

This argument allows us to reevaluate the conventional wisdom of the democratic anomaly concerning the presence of single party dominance. In many ways, the presence of the same political actors in the executive over time serves as a type of political monopoly since opposition parties cannot break in. But if 'active' and patient political participants (in the Hirschman sense) within the overall political system opt to use voice and encourage new ideas to behave in a way to respond to as many interests as possible, in lieu of simply maintaining the status quo, it is at least plausible that their activities would serve to invigorate and improve the political process, and allow the dominant party to thrive. On the other hand, if these same 'active' participants utilize voice in a way that is counterproductive, the government is potentially prevented from making coherent chances to respond fully to changing conditions. This crucial difference matters a great deal for the possibility of the dominant party to make a transformation from a distributional coalition to an encompassing organization. Dominant parties that behave as distributional coalitions may remain as such because of their inability to incorporate voice effectively. They remain dominant but continue to serve more narrow interests as compared with the parties that behave as encompassing institutions. On the other hand, parties that manage to utilize voice to their advantage and respond

to society as a whole make the transformation from distributional coalitions to encompassing organizations.

The effectiveness of voice and the subsequent transformation of a dominant party from a distributional coalition to an encompassing organization are contingent on particular political and institutional conditions. Above, we argued that excessive fragmentation and polarization in the opposition increase the chances of dominant parties retaining power. But excessive fragmentation and polarization in the dominant government party itself also matter a great deal for how dominant parties can utilize voice and subsequently if they can become encompassing organizations in government. Where government parties are fragmented and polarized to a considerable degree, voice becomes increasingly difficult to utilize because there may be too many conflicting priorities that must be accommodated to reach agreement and as a result, the actors within the dominant party themselves each become a type of distributional coalition fighting predominantly for their own interests. On the other hand, where the members of government parties are mostly united in their most important preferences, incorporating opinions through voice becomes easier. Thus, while some fragmentation and polarization may be desirable from a consensus-promoting point of view (Lijphart, 1999), there is a boundary beyond which such political factors impede the successful incorporation of voice. Furthermore, the institutional context in which government parties operate also matters. Where procedures are decentralized and where several veto possibilities exist both in government and in parliament, government parties may have a hard time responding to voice because there are several places where dissatisfied government party members can reverse or alter a decision. On the other hand, where procedures are more centralized, voice may be incorporated more effectively because the dominant party has better control over the decision-making process. Thus, while voice is the means through which a dominant party can adapt to changing conditions and become an encompassing organization that incorporates as many interests as possible, the effectiveness of voice will depend largely on the political and institutional context in which bargaining takes place. In other words, just because voice may have been used by government party members in single party dominant regimes to influence change, this does not mean that each dominant party had an equal chance of transitioning from a distributional coalition to an encompassing organization. Some of the specific institutions that either hindered or helped the dominant parties in Italy and Sweden in making comprehensive decisions during their history with single party dominance are explored in the case illustrations.

The classification of a dominant party as either a distributional coalition or an encompassing organization is important because the distinction influences the scope of the cognitive lock the dominant party may create. Dominant parties that behave as distributional coalitions often cater to narrow interests that benefit smaller sectors of society. For them, politics is a struggle to ensure that their supporters are rewarded with policy benefits. This is why Olson (1982) remained concerned about the number of distributional coalitions in a society: the more distributional coalitions in a polity, the more complex the decision-making process becomes and the more likely institutions are to atrophy as a result. Thus when a dominant party behaves as a distributional coalition and manages to cement certain policies that cater heavily to specific narrow interests as cognitive locks, the probability of public policy to resolve future problems is diminished because those interests maintain an aura of entitlement and strongly resist changes to the status quo. The political product of encompassing organizations is much different. Because of their success in incorporating voice from a variety of actors in their approach to public policy, the scope of their policies is much greater. These organizations have managed to develop compromise among a variety of actors in their public policies, and these policies, if sustained and unchanged by the dominant party over time, become their cognitive locks.

Confirming case studies

As a means to evaluate these arguments, we consider past experiences with single party dominance in Italy and Sweden. Both were important case studies in Pempel's 1990 volume and are arguably some of the best-known examples of single party dominance in the democratic world. Because of significant opposition fragmentation and weakness in both cases, Italy's Christian Democracy (DC) was dominant between 1948 and 1994 while Sweden's Social Democratic Party (SAP) governed exclusively between 1932 and 1976. As the largest parties in their respective political systems, both parties were composite, broad-based collections of various interests. And, as we argue, because of their long period of dominance, both parties managed to implement the ideational ethos of their policies as powerful cognitive locks over time. But crucial differences in the political and institutional environments in which the parties operated helped the SAP effectively utilize voice and transform itself from a distributional coalition to an encompassing organization while the DC remained predominantly a distributional coalition. This, we believe, explains why the scope of the cognitive locks each party imposed differs dramatically.

Italy

The DC's political monopoly lasted between 1948 and 1994. After post war elections in 1948, the DC quickly utilized its broad base of support among Catholics and anti-Communists to solidify its place as the largest political party in the Italian party system. As such, it controlled the process of cabinet formation during its tenure; it governed either alone or in coalition with smaller parties (Hine, 1993). At the same time, the Italian Communists (PCI) maintained their position in the party system as the second largest party. A number of smaller parties on the left, center, and right also won political representation. A highly permissive proportional system and the low volatility of national elections sustained these outcomes over time.

Despite the DC's dominance, specific political conditions in the Italian party system and institutional resources available in parliament created an extremely difficult environment for the party. First, the DC never had a legislative majority. Rather than govern unilaterally, it was forced to negotiate with other parties in its coalition and often compromise its primary preferences. The smaller parties in the cabinet often held many bills hostage (Barnes, 1966). DC backbenchers were notorious for voting against party mandates (di Palma, 1977). But because the PCI could not provide a legitimate alternative to the DC government, the DC was never replaced with a wholesale change of political parties. Rather, the DC would simply reassign itself as the 'new' government and/or invite a different configuration of small parties to form a 'new' coalition cabinet. In this way, legislative stability (the fact that national elections continued to produce more or less the same winners and that legislative representation stayed more or less consistent over time) was coupled with extreme executive instability, due to the brief tenure of most Italian postwar cabinets (Pelizzo and Cooper, 2002).

Furthermore, the procedural complexity of the legislature created complex collective action problems for Italian governments (Bogaards, 2005). The labyrinth of rules contained in parliament allowed members of both the government and opposition to engage in political obstructionism that often forced the DC to compromise its position. For example, between 1971 and 1990, setting the parliamentary agenda required unanimous consent from all parties (Cotta, 1994; Leonardi et al., 1978). This reality challenged the DC's ability to set a timetable that would privilege its bills (della Sala, 1988). Likewise, some legislative committee settings (*la sede legislativa*) granted a small number of parliamentarians considerable influence during the reading of bills, frustrating the DC even further (della Sala, 1998; di Palma, 1977).

These political and institutional realities negatively influenced the DC's ability to incorporate voice in the making of public policy. As Hirschman explained, voice could be 'overdone' when 'discontented customers or members could become so harassing that their protests would at some point hinder rather than help whatever efforts at recovery are undertaken' (1970: 31). In short, there was too much discordant voice not only from backbench members in the DC, but also from other parties in the DC's cabinet, from parties in the opposition, and from extra-parliamentary groups such as the several party-sponsored labor unions (Bedani, 2002). As a result, the DC quickly became overwhelmed. Unable to implement coherent or comprehensive public policy, DC governments often resorted to extra-parliamentary institutions to pass their policy preferences, such as executive decrees (Capano and Giuliani, 2001; della Sala, 1993, 1998).

Attempts at broad-based reform in a number of areas often failed because of these realities. For example, concerning attempts to create a national industrial policy, a 'low degree of insulation of the policy-making process and the extensive involvement of other actors and other arenas, especially Parliament' and 'the absence of a decision-making center' are important factors for explaining failures to pass comprehensive laws (Ferrera, 1989: 121). Locke (1995: 51) also supports these conclusions: attempts at reform 'fell victim to the same political conflicts among competing groups with alternative visions' since 'no single plan or approach could satisfy most, let alone all, of these actors'.

Thus, while the DC had ambitions to implement serious reform, not only in industrial policy but also in other areas, extensive fragmentation and polarization in the party system and significant institutional decentralization continually provided serious challenges. The DC was clearly a single dominant party, but it was highly ineffective at incorporating voice to remedy its political problems because there was simply too much voice. As Hirschman noted, voice alone does not remedy a problem. Once active actors voice, governments require organizational slack to incorporate suggestions into a coherent whole, and they need some form of resolution process to appease dissatisfied groups. The DC did not enjoy these political luxuries. In addition, the DC was confident that it would win subsequent elections because of the perception that the PCI could not control government. Consequently, the DC remained a distributional coalition whose main activities involved taking the path of least resistance and insulating its most loyal and powerful supporters through distributive policies (Tarrow, 1990) at the expense of society as a whole. This, in turn, led to the DC's particular cognitive lock. Though a large part of the governing strategy of the DC involved maintaining a broad-based interclass coalition, its most important supporters were handsomely rewarded in terms of public policy, which vested great power in both the state and a small number of wealthy families. Thus, with this particular ideational strategy, the DC failed to transition from a distributional coalition to an encompassing organization because the main beneficiaries of the DC's policies were the state itself and wealthy business owners, who in turn learned to cooperate for sustained mutual benefits. As a result, the political economy in Italy has been called 'dysfunctional state capitalism' (della Sala, 2004), 'market-enhanced blockholder capitalism' (Deeg, 2005) or 'family capitalism' (Cioffi and Höpner, 2006). For example, because of the incentives the DC policies provided, a number of powerful families organized themselves in pyramidal structures of leadership and shareholding, which allowed them to exert considerable influence on the overall political economy. Pyramidal ownership allowed these vested interests to control vast resources with relatively little capital and ensure that, as a group, they remained predictably resistant to change. One of Italy's largest investment banks, Mediobanca, became the center of all major financing operations for these families. With its centralized ownership structure and secretive practices, equity markets remained highly underdeveloped. As a consequence, most ordinary citizens did not participate in the financial market for income growth because the number

of investors in Mediobanca remained very small and tightly organized. During the DC's tenure, the DC and these families – or 'blockholders' according to Deeg (2005) – formed a tight network of reciprocity to ensure the mutual benefit of continued growth. While there are other tiers of economic organization in the Italian economic system (the proliferation of small and medium sized enterprises in many northern and central areas of the country, for example (Locke, 1995)), the relationship between the Italian state and big business reflects the DC's ideational approach to economic policy, which over time became solidified as a cognitive lock. As such, the DC never made the transition from a distributional coalition to an encompassing organization. It used its policy making power to insulate small groups of dedicated supporters, at the expense of overall society.

DC dominance ended in the early 1990s, partially due to the 'Clean Hands' (*Mani Pulite*) movement (Colazingari and Rose-Ackerman, 1998) and the fall of international communism (Bull and Rhodes, 1997), among other factors. The political history of the 1990s in Italy is marked by profound change in terms of the parties themselves and the overall party system. Dramatic electoral reforms passed in 1993 (Bull and Pasquino, 2007) produced a completely different set of winners, a new configuration of political parties in a new political system, and a new way of constructing political coalitions after elections in 1994 (Bardi, 2007). The DC – and indeed all of the parties in the previous party system – had completely collapsed and new political parties took their place (Morlino, 1996).

Yet much of the DC's cognitive lock in terms of privileging the economic elite remained, even with the presence of an entirely new political class. For example, in 1992 the Treaty of Maastricht established the specific convergence criteria that all member countries would have to meet to qualify for European monetary union. After the first left-wing government took power, in 1997 two key reforms were passed to restructure the economy: a provision for extensive privatization and the Draghi Law. First, privatization 'became a principal instrument of achieving fiscal discipline, public debt control, and therefore monetary stability while eliminating a principal channel of corruption' (Cioffi and Höpner, 2006: 472). In a short period of time, privatization had its intended effect: the government closed its massive holding companies, sold off its equity stake in Telecom Italia, and the stock exchange (the *Borsa Italiana*) was privatized. The average share that the state held of its firms fell from 68 per cent in 1996 to 24 per cent by 2005 (Culpepper, 2007). The aggressive privatization movement thus transformed some aspects of the domestic political economy and large state-run enterprises have been eliminated.

But because of the cognitive lock to privilege the most wealthy, the anticipated 'Draghi reforms' passed in 1998 were not as successful. Drafted by Bank of Italy Governor Mario Draghi to increase protection of minority shareholders as a means of transforming Italy's highly undeveloped equity and securities market, the reforms met with limited success. It was hoped that the economy would be transformed from the state controlled/blockholder/familial capitalist system into a more modern one with a proliferation of small shareholders with state regulatory protection. But the reforms did not have their intended effect. There was no decrease in the ownership of private companies between 1996 and 2004 (Culpepper, 2007). Rather, the controlling power of the blockholders remains especially strong. Put simply, they benefit too much from the DC-inspired cognitive lock and resist any change that would compromise their ability to promote their interests. As Deeg (2005: 525) argues, despite significant legal changes that have been passed to liberalize the Italian economy, in practice 'the old blockholding coalition has resisted many of these reforms and found ways to evade or turn them to their advantage in sustaining blockholding and insider (family) control'. Thus, even though there is a new political majority and agreement that the concentration of ownership should change, the blockholders are too powerful to break the original pattern.

Though the DC is no longer in existence its long tenure in public office allowed the party to plant the seeds of the economy's future dysfunction. Ineffective voice thwarted efforts at reform and prohibited the party from passing comprehensive reform to benefit the country as a whole and from transitioning from a distributional coalition to an encompassing organization. As a result, the party's need to maintain its coalition provided incentives for an ongoing strategy that served to protect vested wealthy interests, which created a cognitive lock that has proven difficult to change.

Sweden

Like the DC, the Social Democrat period of dominance (1932–1976) was characterized by plurality wins followed by minority or coalition government. Early in its governing period, the party formed alliances with the smaller Agrarian Party (now the Center). As it further consolidated its power, the SAP often formed minority governments by relying on the toleration of the small Left (former communist) Party to pass most of its legislation. On the other side, the opposition was divided among the parties on the right. The continued fragmentation among the right-wing opposition parties enabled the SAP to remain dominant and to set and implement its agenda without serious objection.

SAP hegemony was more than just a series of successful campaigns. Its strength lay much deeper with roots in institutions, interest groups and the structures of the state via a deeply-embedded corporatism. Even though the institutional framework of the Swedish legislature was much more centralized as compared with the Italian case, the party did not use its executive political monopoly to run roughshod over the opposition (Esping-Andersen, 1990). Rather, the party co-opted the three (and eventually four) opposition parties. It was thus able to utilize voice effectively from a variety of actors across the political spectrum. In doing so, and unlike the Italian DC, which faced several political and institutional obstacles absent in the Swedish case, the SAP made a transition from a distributional coalition to an encompassing organization. This was sustained because of the mutually-reinforcing character of the SAP's program: the solidaristic wage policy, a universal welfare state, an active labor market policy, an early commitment to worker participation, and the increase and maintenance of union membership at extremely high levels. Thus the SAP was advantaged in Sweden because it enjoyed both political and institutional hegemony – via democratic corporatism – throughout its founding period, which gave the party the 'organizational slack' to adapt and fine tune its' responses to the challenges of the day.

The broad theme of democratizing society was a core 'blueprint' (Blyth, 2001) that the SAP introduced with its early hegemony in the 1930s. There were three manifestations of this phenomenon. The first two were successful, while the third was not: (1) a push for democratic control of the economy and an egalitarian social structure, and a policy outcome that was a 'left-Keynesian' use of the state to provide widespread public services (Pekkarinen, 1989); (2) a solidaristic wage policy which had the goal of a further egalitarianization of society; and, eventually, (3) the attempt to introduce a collective investment policy in the form of wage earner funds (*Löntagarfonder*) (Pontusson, 1992). The first two of these philosophies animated much of the party's policy ideational strategy during its early years in power as it tried to expand the definition of democracy to include popular voice in political, social, and economic arenas, and to develop and extend the broad contours of the welfare state during the depression of the 1930s. In endorsing these policies, the party behaved as an encompassing organization since the policies were designed to respond to as many segments of society as possible.

The SAP first proposed the nationalization of major industries but soon faced considerable opposition from industry, which argued, with the onset of the Cold War, that such a degree of

political control over the economy would represent a direct attack on private property. The strength of the business attack combined with the more conservative politics that were pervading most western societies produced a weaker electoral performance by the SAP in the 1948 elections. But this 'retreat' did not mean that the SAP was forced to give up its goals for democratizing the economy. Swedish labor unions (principally the LO, or blue collar union) had earlier achieved wide penetration among most of the major industries with a major set of labor agreements in 1938 (the Saltsjöbaden accords) that they signed with the employers' federation (Martin, 1984). This early democratic corporatist agreement between labor and capital in Sweden provided a long period of labor peace and mutual recognition on the part of both groups (Pontusson, 1990). It is important to note that the SAP had pressed for quite radical demands, and had both political power and institutional resources to carry them forward to produce a set of policies that exceeded those of other countries. Even though they were forced to settle for more of their second goal (an egalitarian universalism) than they were able to obtain for their first (democratic control of the economy), the importance of political mobilization of their members for comprehensive social goals should not be underestimated. The larger point in terms of the SAP's cognitive lock is that a belief in holding capitalism to be democratically accountable via a powerful voice from the actors within corporatist labor market institutions has been deeply rooted within Swedish society, and is what helped the SAP transition from a more narrowly focused distributional coalition to an encompassing organization with broader goals. This particular observation is also consistent with 'power resources theory', which suggests that working-class power in the form of organized labor and left-wing party governance tends to produce more egalitarian outcomes (Bradley et al., 2003). While the party could have passed narrow legislation to respond only to its direct support base, the SAP's skill in 'hearing' the voice from other parties and actors in the political system allowed the party to adapt over time, and as a consequence moderate its most extreme preferences to ensure the opposition was respected as much as possible.

Although the SAP stepped back from a direct challenge to Swedish employers on investment with the demise of nationalization and planning, the party and the union movement continued to press for more indirect measures to ensure economic democracy. The most important of these indirect measures was the Solidaristic Wage Policy in the 1950s and 1960s, proposed by LO economists Gösta Rehn and Rudolf Meidner, which promised to both create fewer divisions among unionized workers, produce full employment and insure a more competitive Swedish economy (Swenson, 1989).

In essence, these economists proposed an indirect system of increasing social democratic and labor control over the economy without directly challenging the private sector in terms of where private investment would take place. Solidaristic wage policy had the effect of reducing the pay differentials among workers in different occupations and in different industries. By flattening wages across industry it punished firms that were less efficient and rewarded more efficient ones. The end result would be a decrease in the less efficient firms and a growth, and more job opportunities, in the more efficient ones. As productivity increased, efficient firms were able to afford increasing wages for all of their workers. Coupled with an active labor market policy that identified displaced workers and redirected them to the more productive firms, this policy produced both a more efficient economy and a more egalitarian society, which solidified the SAP's cognitive lock of extensive social democracy even further. This policy originated in the 1950s and was widely implemented in the 1960s and 1970s, until the economic crisis of the mid-1970s eroded some of the foundations upon which these measures were based.

This indirect policy for shaping the arena for investment then helped the SAP and the LO move to a third, more direct, attempt to influence and democratize capital investment in Sweden.

It was clear to Swedish workers that their active participation in such labor market policies gave them a voice in private sector economic decisions that few employees had elsewhere. The most significant – and controversial – attempt to influence and control investment in Sweden came in the 1970s with the development of the so-called 'Meidner Plan'. It proposed a series of wage earner funds (*Löntagarfonder*) which would increasingly grow to comprise a significant share of the total capital investment in Sweden (Pontusson, 1992), going beyond the more indirect measures of the 1950s and 1960s for influencing the economy and moving toward a more active industrial policy.

Unfortunately for Meidner, the SAP and the LO proponents of the wage earner funds, several obstacles surfaced in the mid-1970s that prevented the plan from attaining its original goals. Importantly, employers saw these proposals as far more threatening than other SAP and LO proposals and mobilized strongly against them. Their efforts were partially, but not totally, the reason that the SAP later lost the 1976 elections and ended SAP dominance (Swenson, 1991). Such a radical redistribution of resources went beyond the accepted parameters of the original cognitive lock and gave the opposition an opportunity to successfully challenge the SAP's 44-year executive hegemony. Yet, despite the setback and subsequent loss for the SAP, the broad success of the solidaristic wage policies and pension reform, plus the attempt to further democratize capitalism, were important. They left a powerful residual belief among SAP supporters as well as broad segments of the Swedish population that the broad social democratic principles were still important even when the SAP had lost political power.

The SAP's creative use of 'voice' within Swedish institutions to build consensus proved both durable and politically accountable. Since 1976, alternation between the SAP and the conservative parties has become the norm. But alternation has not produced a vision or policies that have caused Swedes to philosophically challenge the solid foundation that social democracy has produced in the past seventy-five years because the opposition was co-opted in the SAP's policies in the first place. The SAP's durability since the 1930s was reinforced by a high degree of social capital (Rothstein, 2001) and generalized trust (Crepaz, 2007), an ideational perspective that very much reinforces our argument about the importance of 'voice' for making the successful transition from a distributional coalition to an encompassing organization and for the broad scope of the SAP's cognitive lock.

Conservatives did try to establish an alternate institutional configuration. But as Blyth (2001) argues, the first Conservative government from 1976 to 1982 (the 'Bourgeois Block') was unable to dislodge social democratic policies when it came to power. In fact, in order to respond to the economic crisis at the end of the 1970s, it was forced to nationalize industries to a greater degree than the SAP had done in its 44 years in power. The second iteration of conservative rule (1991–1994) took on a different tone and tactics. Gone was the accidental Bourgeois Block of a decade earlier, to be replaced by a much more purposeful conservative opposition (now called the Alliance) that attempted to recast an alternate set of ideas as a new cognitive lock. But because of the strength of the SAP's cognitive lock, this attempt to establish an alternate institutional and ideational regime failed as well.

Cognitive locks, while strong, are not expected to last forever without any modification. With longer periods of alternation, drift from the original lock becomes possible. For example, the kind of fundamental demands for democratizing capitalism that the SAP and its trade union allies made during the period of SAP hegemony are now declining. The two decades since the expansion of the European Union have made nationally-specific ideas and policies, such as guiding investment in ways that trade unions and social democratic parties could control, much less likely. But while the idea of democratic control of the economy is no longer actively considered, the universalism and social solidarity that were part of the SAP's vision for itself and its role in Swedish society are still

present. The SAP returned to power in 1994 as the strong neoliberal ideas and policies of the previous government were found wanting (Aylott, 1995). Despite flirting with the center-left policies of many social democratic parties in the mid-1990s, the SAP defended social democracy more purposefully than did most of its fellow Western European parties and won re-election in both 1998 and 2002. The party did so by maintaining the spirit of its old cognitive lock by emphasizing the solidarity of Sweden's extensive welfare state, but it was also at the same time willing and able to adapt some of its institutions to the much more market-oriented environment that the EU ushered in during the 1990s, again demonstrating its ability to incorporate voice. Taking a page out of the privatization policies of explicitly neoliberal regimes (policies pushed by the 1991–1994 center-right government), the SAP chose to address bureaucratic stickiness not by privatizing the public sector, but by encouraging competing public sector social service agencies to compete with each other by voicing goals of increasing efficiency (Levy, 1999).

The SAP lost power again in 2006. Nonetheless, at this time the Swedish social democratic welfare state still looks recognizable in terms of its earlier incarnations, even though more than 35 years have passed since the SAP and conservative parties first alternated. The strength of the cognitive lock may be decreasing over time but much of the ideational essence of the SAP's strategy to solidify a strong social democratic state remains.

Conclusion: generalizability of argument

This article has argued that one source of cognitive locks is the presence of single party dominant regimes. In addition, it was argued that how the dominant party behaves in government, either as a distributional coalition or as an encompassing organization, matters for differences in the scope of the parties' subsequent cognitive locks. These locks, once accepted by political and social society, are difficult to change.

There are at least three important issues that must also be addressed. First, though the case illustrations utilized observations to support the article's main thesis, clearly counter-examples exist. Italian politicians have managed at times to pass comprehensive legislation to respond to problems. This is true especially when the cost of not changing their behavior is high. This explains, for example, why Italian parliamentary parties began to approach budgeting with much more austerity in the 1990s as opposed to their previous pattern of extensive spending: 'the fall of International Communism, the drive to participate in Europe, and the domestic revelation of the magnitude of political corruption' all challenged the usual approach to policy and created a temporary atmosphere of collaboration to stabilize the budget (Forestiere and Pelizzo, 2008: 293). Furthermore, the strength of the SAP's cognitive lock has waned at times in Sweden, especially when the SAP behaved more as a distributional coalition and catered heavily to workers at the expense of business. In the 1970s, for example, the 'Meidner Plan' may have gone too far in protecting wage earners; because the government was trying to legislate capital investment by mandating what percentage of funds had to be reserved for wage earners, business interests were no longer willing to support the SAP's status quo. This breakdown in the usual approach to politics in part led to Sweden's first political alternation in 44 years in 1976. Nonetheless, we argue that, despite these examples, the *ideational ethos of each party's cognitive lock* is still present. The wealthy remain protected in Italy; social democracy is still strong in Sweden. This outcome is sustained in part because the beneficiaries of the cognitive locks have learned how to protect their interests as strongly as possible and resist or circumvent efforts at change.

A second point is that cognitive locks are not expected to last forever. On the contrary, they may be undone or weaken as time passes and new approaches to public policy take their place. Though

we have argued that single party dominant regimes are a sufficient condition for the formation of path dependent cognitive locks, the presence and nature of political conflict among important agents is a likely key factor explaining why institutions and policies eventually change. There is some evidence that this is happening in Italy and Sweden now that each country has experienced several rounds of executive alternation: in Italy, key reforms in the aftermath of DC dominance have managed to diminish state power, and in Sweden the ethos of social democracy remains strong, even though it, too, has come under recent scrutiny. Future research should determine how the power of cognitive locks will change over time.

Finally, the arguments presented in this article are potentially generalizable to any situation in which the composition of a country's executive remains 'disproportionate' compared with the patterns of representation of legislative parties over time. In some countries, certain parties tend to be over-represented while others are under-represented in the executive after electoral contests (Forestiere, 2009; Taylor and Lijphart, 1985). Examples include the Liberal Party in Canada and the Labor Party in Norway. While these parties are not single party dominant because they did alternate in the executive with other parties from time to time (considered over a long time horizon), their 'semi-dominance' in the executive may have provided strategic opportunities for them to implement the ideational ethos of their preferred policies as cognitive locks that other executive parties later find difficult to change. Likewise the corollary is also expected to be true: countries that have experienced more 'even' executive alternation among legislative parties (meaning that parties receive 'proportional tenure' in executive office relative to their legislative seat share over time) are expected to have fewer party-imposed cognitive locks on policy. Given their patterns of executive-level representation, this would be the case in Australia and The Netherlands. In addition, and related, certain parties may naturally have advantages in electoral politics and as such find themselves continually represented in executive-level politics. Research has shown that larger parties that endorse centrist ideologies, specifically, tend to find themselves represented in executive-level institutions more than smaller, more ideologically extreme parties (Laver and Shepsle, 1996; van Roosendaal, 1992). Future research should determine how these winners aggregate their preferences and how the implementation of their preferences as public policy matters for the future solidification and scope of cognitive locks.

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