

Paper title: Constitutional Rules and Government Formation
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Abstract: We construct a stochastic bargaining model of government formation in parliamentary democracies, extending Diermeier, Eraslan and Merlo (2003, 2007). The model accommodates government bicameralism and accounts for several specific institutional features. We estimate our structural model with newly collected data from nine West European countries (i.e., Belgium, Denmark, Finland, Germany, Iceland, Italy, Netherlands, Norway, and Sweden) over the period 1947-2023. We conduct counterfactual exercises to evaluate the effects of bicameralism and other institutional features of the political environment on the duration of negotiations to form coalition governments and the compositions and stability of such governments.