Government versus Opposition at the Polls:
How Governing Status Affects the Impact of Policy Positions

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Abstract:

We argue that governing status affects how voters react to extreme versus moderate policy positions. Being in government forces parties to compromise and to accept ideologically unappealing choices as the best among available alternatives. Steady exposure to government parties in this role and frequent policy compromise by governing parties lead voters to discount the positions of parties when they are in government. Hence, government parties do better in elections when they offset this discounting by taking relatively extreme positions. The relative absence of this discounting dynamic for opposition parties means, on the other hand, that they perform better by taking more moderate positions, as the standard Downsian model would predict. We present evidence from national elections in Germany, the Netherlands, Norway, Sweden and the UK, 1971-2005, to support this claim.
Parliamentary elections can be thought of as pitting right against left, fresh faces versus the old guard, government versus opposition. This paper is about the last distinction, government versus opposition parties, and the differing forces that shape their electoral fortunes. It is well known that economic performance -- the best-understood predictor of electoral outcomes -- affects government parties differently from opposition parties (Duch and Stevenson 2008). We argue that the difference does not end there. Factors beyond the economy work differently for governing versus opposition parties. In particular, we will show that policy positions affect government parties differently than opposition parties. Government parties do better when they take relatively extreme positions, and opposition parties do better when their positions are relatively moderate.

The logic of this difference is due to differences in the quantity and nature of information voters have about parties (Butt, 2006). Voters can evaluate government parties on the basis of recent performance, but they must judge opposition parties on the basis of rhetoric and conjecture. This difference may or may not work to the advantage of governing parties. On the one hand, the higher profile of governing parties gives them the opportunity to display their competence as rulers, to demonstrate the efficacy of their policy programme, and to articulate the logic of their ideological vision. On the other hand, governing parties often find themselves faced with daunting problems, and held responsible for circumstances beyond their control (Achen and Bartels, 2004). A governing party’s best available policy option often has unfortunate consequences, and governing responsibly often necessitates choices that run counter to core ideological values. Indeed, Mackie and Rose’s (1983) cross-national study found that parties’ vote shares decrease after being in government much more often than they increase (see also Adams, Clark, Ezrow and Glasgow, 2006; Clark, 2009).
We argue here that governing status affects how voters react to extreme versus moderate policy positions. During the long periods between elections, voters are relentlessly reminded that governing parties can rarely implement their stated policy goals. Government parties receive much more media coverage than opposition parties, and much of this coverage is critical. Voters observe a steady stream of stories in which governing parties are forced to compromise. In some countries, institutional arrangements force governing parties to compromise with each other in coalition governments or with other parties in state-level governments (see Kedar 2009). But even in countries like the UK where single party governments parties usually have little need to compromise with other political actors, governing parties find themselves forced to compromise and scale back on plans and promises. Budget constraints, feasibility concerns, limited organizational capacity force even single-party governments to compromise with the demands of reality. Even successful policy achievements are likely to be framed in the media in terms of a set of goals that were only partly achieved. Voters are continually reminded by events to take with a grain of salt the policy goals espoused by parties in government. As a result, relatively extreme positions taken by governing parties will be discounted and interpreted by voters as implying a much more moderate outcome (Grofman, 1985). Voter cynicism about governing parties can be an electoral asset, however, if the discounted party position ends up close to the ideal points of a large number of voters.

Of course, a sophisticated voter might well discount the policy position of opposition parties as well. Voters might reason that current opposition parties would face the same constraints and obstacles if they were in power. Or they might recall how the current opposition performed in government sometime in the past. Undoubtedly some voters do display this level of sophistication. But many will not. Many voters’ level of interest in politics is sufficient to
motivate keeping up with current events, but falls short of inspiring a nuanced model of institutional accountability or detailed historical memory.

The difference in government and opposition roles means that voters are likely to enter the campaign period more skeptical about governing parties in terms of commitment to policy goals and ability to implement those goals. Voters are likely to discount the policy positions of governing parties more than opposition parties. As a result, governing parties, we will show, gain votes when they take positions farther from the political center, and more extreme than the ideal positions of their supporters. Opposition parties can largely avoid this skepticism-inducing dynamic. Of course, opposition party positions may be discounted somewhat as well. But opposition parties do not come to the election with voter skepticism primed to anywhere near the extent governing parties do. We thus expect opposition parties to follow a more standard Downsian pattern, with more moderate positions leading to higher vote share. We present evidence from national elections in Germany, the Netherlands, Norway, Sweden and the UK, 1971-2005, to support this claim.

This paper’s argument and evidence pertain to countries with parliamentary systems. These are the countries in which the government/opposition distinction is sharpest and most salient. Our findings are broadly relevant, however, to spatial modeling of party competition and elections and to voting behavior. We offer a new perspective to the ongoing debate about whether people vote for the ideologically closest party or whether more complicated discounting processes are at work. We also contribute to the study of incumbency in elections, showing that governing parties perform better electorally when they take relatively more extreme positions. Finally, ours is one of only a few studies (along with Butt, 2006 and Clark and Leiter, 2010) to examine the electoral performance of both governing and opposition parties. The vast economic
voting literature focuses on governing parties’ electoral prospects. By examining how party positions affect not only governing parties but also opposition parties we hope that we open a new discussion on opposition party strategies and their consequences.

1. **Background: Models of party position and vote choice**

   Anthony Downs’s (1957) model of electoral competition in the United States remains the foundation of our current understanding of party positioning in multi-party as well as two-party systems. Downs famously applied Hotelling’s model of spatial economic competition to winner-take-all elections. Envisioning a unidimensional left-right policy space, and postulating that voters vote for the party closest to their own position, Downs identified the powerful incentive for an office-seeking party to adopt the position of the median voter. In the context of the two-party system that Downs had in mind, his model is often taken to predict convergence. That is, both parties should adopt the position of the median.

   When we turn our attention to systems with more than two parties, the question of divergence *per se* recedes. Equilibrium positions need not be centrist, particularly when election outcomes involve proportional representation, and governments take the form of multi-party coalitions. But here too, data indicate that parties take positions more extreme than those predicted by spatial proximity models (Adams, Merrill and Grofman, 2005).

   Excess extremism could be due to policy-oriented parties (Wittman 1983, Calvert 1985) or pressure from extremist activists (Aldrich 1983, Moon 2004.) Another possibility -- particularly important in multi-party elections -- is that proximity is not the basis for vote choice. In Rabinowitz and MacDonald’s (1989) “directional” model, voters support the party or candidate most likely to move policy in the desired direction. Parties with more extreme positions are likely to be perceived as more committed to the desired change; thus extremism can
be electorally successful. In Grofman’s (1985) discounting model, voters realize parties and candidates cannot fully deliver what they promise, and discount positions accordingly. If a party’s position is $X$ and the status quo is $S$, the voter realizes the policy that party $X$ will actually be able to implement is some convex combination of $X$ and $S$:

$$X' = \omega S + (1 - \omega)X \tag{1}$$

where $0 < \omega < 1$ denotes the extent to which party positions are discounted.

Grofman’s model implies that voters will vote for a farther party over a nearer one under circumstances which are reasonable and broad, but not all encompassing. Figure 1a, based on Grofman’s Example 1 (p. 231), shows such a case. The voter’s ideal point $V$ is closer to party $L$ than to party $R$. The voter discounts each party’s position to a point half-way ($\omega = 0.5$) between its ideal point and the status quo, $S$. Considering these discounted positions, $L'$ and $R'$, the voter finds $R$ to be the better choice because $R'$ is closer to her ideal point than $L'$.

[Figure 1 about here]

Once the possibility of discounting is raised, it is hard to argue that voters would accept policy positions at face value. The interesting question then becomes, when do we expect more or less of this kind of sophisticated reasoning by voters? Kedar (2005, 2006, 2009) offers an institutional answer. In Kedar’s model, policy-oriented voters recognize how power sharing institutions force parties to compromise with each other due to coalition government, separated powers, or federalism. Voters expect policy outcomes to lie between the ideal points of the several parties who share power. Votes are thus cast not on the basis of a party’s nominal position, but rather on the basis of the party’s impact on forecasted policy outcome. Kedar’s voters incorporate the institutionally-structured roles of other parties into their policy forecasts but take individual party positions at face value.
Our model emphasizes the other side of the coin. We abstract away from policy balancing to focus on the discounting of individual policy positions. Our voters do not attempt to forecast the policy that results from bargaining between parties. They do, however, react to the positions of those parties who have recently demonstrated limited ability to implement what they promise. Like Kedar, we argue that the basic logic of spatial voting is mediated by voter’s recognition that casting a vote in support of a party is not equivalent to casting a vote for that party’s policy position per se.

2. Theory: Extreme positions increase votes for government parties

Our argument is that greater discounting of government party positions means that government parties may gain centrist votes by moving toward the extremes. To show this, we assume that the distribution of voters is tent-shaped (single mode coinciding with mean and median), an assumption that is generally accurate for the countries we study here. Holding the positions of other parties constant, when does a small movement toward the extreme bring a party’s discounted position closer to that of a centrist voter?

Consider Figure 1(b). S, V and R (now R₀) are the same as in panel (a), but panel (b) reflects much more discounting. Here the voter thinks that party R will be able to implement only 10% of its desired change (ω = 0.90), resulting a discounted position R₀'. Now if party R becomes slightly more extreme, its discounted position moves closer to the centrist voter’s. Holding the positions of other parties (whatever they may be) equal, party R gains votes by becoming more extreme.

More generally, the discounted position of any party will move closer to a centrist voter as the party moves to a more extreme position under the following conditions. First, the party’s actual position must be on the same side of the status quo as the voter. Second, the party’s
discounted position must be between the status quo and the voter’s position. Given \( V > S \) and continuing to use \( R \) to denote the party’s ideal point,\(^2\) the requirements are thus (i) \( R > S \) and (ii) \( R' < V \). Recalling the definition of the discounted position in equation (1) above, the second condition becomes

\[
\omega S + (1 - \omega) R < V
\]

which can be written as\(^3\)

\[
\frac{R - V}{V - S} < \frac{\omega}{1 - \omega}.
\]

Thus, requirement (ii) from above \((R' > V)\) is most likely to hold when \( \omega \) is large, and the distance between the party’s actual position and the voter is small relative to the distance between the voter and the status quo. Parties are more likely to gain votes by moving toward the extremes when voters agree with the direction of the party’s position, when the party is not too extreme, and when discounting is substantial.

What do these conditions imply for differences between government and opposition? Downs posited that voters imagine “what might have been,” a hypothetical past performance for opposition parties, which can be compared to the governing parties’ actual performance. If the process of constructing the hypothetical performance of the opposition is informed, sophisticated and unbiased (as theorized by Fiorina, 1977) then it may be reasonable to think that voters evaluate government and opposition parties in the same basic way. But, as Norpoth (1992, p.57) pointed out, “The public can scrutinize the government’s record with some degree of certainty. In contrast, what the party out of power would have achieved if it had been in power is a matter of guesswork and speculation.”

\(^2\) Symmetric conditions hold for a left-wing party when \( S < V \).
\(^3\) To see this, note that the right side of (2) can be written as \( \omega V + (1 - \omega)V \), and thus rearranged as \( (1 - \omega)(R - V) < \omega(V - S) \), from which (3) follows directly.
One possible consequence of this asymmetry would be that voters’ choices may reflect their evaluations of the governing party only. But because so many studies of elections choose to focus only on governing parties, treating the election as a referendum on the incumbent government, we have relatively little information on how voters evaluate opposition parties. Important exceptions, however, are Sarah Butt’s (2006) study of how British voters evaluate economic competence, and Clark and Leiter’s (2010) analysis of the impact of valence attributes. Studying both government and opposition parties, Butt found evidence for parallel, systematic evaluation of both government and opposition parties. That is, she found (as expected) that a poor economy damages the evaluation of government parties, but (more surprisingly) that a poor economy did not improve evaluations of opposition parties. Rather, the voters based their evaluations of opposition parties on informational shortcuts like party ID, ideology, and their evaluation of the party leader. Butt’s study shows that it would be wrong to conclude that voters are incapable of making any inferences about how opposition parties would have performed.

But it would also be wrong to ignore differences in the information voters have about governing versus opposition parties, or to assume that opposition party vote share responds to the same basic forces that shape governing party vote share. Indeed, Clark and Leiter’s study (2010) of nine European countries over 27 years found that while the vote shares of governing parties respond to systematically-measured changes in valence attributes, those of opposition parties did not. The much greater media coverage received by government parties is likely part of the explanation for Clark and Leiter’s finding.

The fact that the news media scrutinize governing parties so much more also underpins our claim that better information about government parties leads voters to discount their positions more heavily. Participating in government routinely requires parties to make
compromises, to accept ideologically uncomfortable necessities, to deliver less than they promised, less than voters hoped for. Sometimes the need to compromise comes from the need to work with other political actors in coalition governments, but often it comes from the basic demands of the complicated situations governing parties must cope with and respond to.

An illustrative example comes from the German Green Party’s first participation in government at the national level in 1998, with Green leader Joschka Fischer serving as foreign minister. Despite the vehement pacifist positions of the Green Party, Fischer presided over the first deployment of German military firepower against a foreign county since World War II, as part of NATO’s bombing of Serbia in an effort to force Slobodan Milosevic’s forces out of Kosovo. The military action was generally supported by German voters. It is worth noting the Green party’s support for NATO forces in Kosovo was not due to pressure from its coalition partner, the SPD, but rather from the nature of the situation at hand: the magnitude of the atrocities and the position of Germany’s key allies, especially the US (Hockenos, 2007). In this case, participation in government forced Fischer and the Greens to make a difficult compromise not with other political actors, but simply with the demands of reality.

Our argument is that voters would discount Green Party positions more extensively because of this event. More generally, we argue that most parties in power confront similar experiences. Being in government requires parties to take actions at odds with their ideological positions, resulting in more discounting by voters. In the context of Grofman’s model, our claim is that the discounting parameter, ω, is systematically higher for parties currently in government. As a consequence, parties in government are more likely than those in opposition to gain votes when they take more extreme positions.4

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4 We frame our argument in terms of the discounting model because the difference we conjecture between government and opposition parties corresponds straightforwardly to a single parameter (ω). But our basic argument
Opposition parties, on the other hand, benefit from more moderate positions. Lack of information as to how much opposition parties would compromise, and documented voter apathy toward politics in general, lead us to expect opposition parties to gain votes when they moderate, consistent with the proximity model.

3. Data

Our dataset includes most elections taking place from 1971 to 2005 in Norway, Sweden, Germany, the Netherlands and the UK. These are the countries, parties, and years for which National Election Studies asked respondents to locate parties’ ideological positions on a ten-point scale. We restrict our analysis to these countries and years because we use these responses, along with respondents’ self-placements, to construct our main variables of interest.

Dependent Variable: Vote Share

Our dependent variable, $y_{ij}$, is party $i$’s vote percentage in election $j$. Various econometric concerns arise with datasets like this (so-called “compositional data”) in which subsets of observations must theoretically add up to one. There are two potential problems here. First, our true degrees of freedom may be less than implied by the number of observations. Second, the error terms associated with a single election are likely to be correlated. Katz and King (1999) developed a sophisticated, but difficult to implement, procedure to address these problems. Tomz et al. (2002) and Jackson (2002) offered more straightforward alternative solutions. These methods work well for datasets in which the observations come from different districts within a

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5 The full list of parties and elections, along with summary statistics, is provided in the Supporting Information document.

6 We say “theoretically” because some minor parties are not included in our data, and in no case do observations total to precisely one hundred percent. That said, for most of the elections in our dataset, observations on vote share total to more than 90 percent.
single national party system, not so well when the data come from multiple countries, each with its own party system.

In the absence of a feasible estimation strategy that fully addresses the compositional data issues, we take several steps to insure that our results are not due to misspecification. First, estimated standard errors are clustered by election.\(^7\) Second, our key independent variable is designed to partially account for how one party’s position affects neighboring parties’ vote shares. Third, we split the sample and run separate regressions for parties in government and those in opposition. This addresses the problem of vote shares summing to one, and facilitates discussion of whether the impact of an extreme position differs for government versus opposition parties.\(^8\)

**Independent Variables: Relative Extremism and Distance from Supporters**

The countries and elections represented in our data are those in which national election surveys asked respondents to locate parties on a left-right scale ("1" = extreme left, "10" = extreme right). We average these subjective places across all respondents and across all party supporters to construct our measure of party position.\(^9\) These measures of party position are compared to the position of the central voter (average self-placement by all respondents) and the position of the party’s supporters (average self-placement by supporters) to create our main variables of interest, *Relative Extremism* and *Distance from Supporters*.

*Relative Extremism* is intended to measure how extreme a party’s position is, relative to the set of positions available to it, and given its identity within the party system. The least

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\(^7\) Hix and Marsh (2008) use a similar strategy in their multi-country study of elections to the European Parliament.

\(^8\) We also ran specifications with the full dataset (both government and opposition parties) in which a Government dummy variable was included by itself and interacted with all other independent variables. Magnitudes and significance levels were substantively the same as what we present here.

\(^9\) Many studies of policy positions use these questions in which voters are asked to locate parties on a ten-point scale. (Westholm, 1997; Blais et al, 2001; Kedar, 2005).
extreme position overall is the center, and this position is indeed feasible for a centrist party. The central position is not typically feasible for parties occupying non-centrist niches. Yet non-centrist parties can choose more or less extreme positions in each election. How should we think about the positions available to a non-centrist party in a multi-party system? For the purposes of this paper, we assume that parties choose among the positions that preserve their ideological position relative to other parties.\textsuperscript{10} This implies that the most moderate position available to the farthest left party, for example, would be the position of next-farthest-left. Thus we define \textit{Relative Extremism} as (i) the distance between the party and the central voter if there are no other parties in between; or (ii) the distance between the party and its nearest neighbor in the direction of the center if there is at least one party in between.

Vote share may also be affected by the party’s distance from its core supporters. For example, a party may benefit by moving away from the mean voter if such a move brought it closer to its core, thereby motivating higher turn-out. We control for this possibility with another variable, \textit{Distance from Supporters}, defined as the party’s absolute distance from the average self-reported position of those NES respondents who identify themselves as supporters of the party. This variable is the absolute distance between the average position of the party’s supporters and the party’s own position, as perceived, on average, by its supporters.

Both \textit{Distance from Supporters} and \textit{Relative Extremism} measure absolute distances. \textit{Relative Extremism}, by construction, indicates distance from the center. \textit{Distance from Supporters} does not indicate whether the party is to the left or right of, to the extreme or toward

\textsuperscript{10} Among our 37 elections, 157 party-years, we see only 7 cases in which parties change their right-left ordering. Omitting these cases does not affect our results. These numbers are consistent with Budge (1994) who expects very little, if any, leapfrogging between parties.
the center from, its supporters. That said, in 85% of cases, the party is indeed more extreme than its supporters.  

Both Relative Extremism and Distance from Supporters are derived from responses to questions in National Election Studies conducted shortly after each election. There are many advantages of using post-election surveys: voters have experienced the entire campaign, and the information they have gleaned is still fresh in their minds. There is, however, a potential endogeneity concern: voters may locate winning parties closer to their own ideal points. If by “winning” we mean being in government after the election, the concern is that being in government after the election is correlated with being in government before the election, and that the tendency to place winning parties closer to oneself would produce spurious findings. Being in government after the election is, in fact, positively correlated with being in government before, but only to a modest extent (0.32). Moreover, this particular form of bias would understate the extremism of government parties, implying that our estimates understate the extent to which government parties gain by taking relatively extreme positions.

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11 The Supporting Information document lists the parties/elections for which the parties are perceived as more moderate than their supporters and the average absolute distance by country. We also report the results where this variable is measured as the actual distance (not absolute) so that if a party is more moderate than its supporters the distance is the negative of the absolute distance variable. Hence, this new variable measures true extremeness. The results are robust when we use this new measure rather than absolute distance from supporters.

12 We considered two alternative sources of data for our project. First, the Comparative Manifesto Project (CMP) offers a widely used measure of party positions in a large set of countries over the period 1948-2003 (see Budge et al., 2001 and Klingemann et al., 2007 for more details on the CMP data). The difficulty for this paper is that there is no direct measure of voter positions, either for the mean voter or party supporters. We made some attempts to rescale CMP scores (which potentially range from -200 to 200) to be comparable to voter self-placement (typically measured on a 10-point scale). The assumptions involved in this exercise were heroic and it is perhaps no surprise that we found no effects of extremism on vote share for either governing or opposition parties using CMP-based measures. The second alternative source is the Comparative Study of Electoral Systems (CSES), which includes the party position question in its common module, thus notably increasing the set of countries and elections for which we could measure Relative Extremism and Distance from Supporters. The difficulty here is that we need multiple observations over time for each party in order to measure the within-party effects our model predicts. Thus while CSES data broadens our dataset to additional countries, it restricts it in terms of the time-period covered. Nevertheless, we report robust findings using the CSES data in the Supporting Information document.

13 A related concern is that the placement of parties by survey respondents may already reflect discounting. The question of whether voters think of a party’s position as the goals it would like to implement (“X” in the model
A final concern has to do with how our measure of extremism corresponds to implications of our theoretical model. Our theory says that discounted party positions will be closer to the status quo. Our tests assume that discounted positions will be closer to the central voter, as in Figure 1(b). Does it make sense to assume that voters who call themselves centrists have ideal points close to the status quo? Indeed, in our previous example of the German Greens and Kosovo, the “extreme” policy could be seen as maintaining the status quo position of staying out of shooting wars. On the other hand, the extreme policy could be seen as reneging on existing commitments to participate in efforts to stem the humanitarian crisis in Kosovo. But in terms of a general right-left dimension, failure to participate in the NATO effort against Milosevic would have been a clear move to the left for Germany.

The last point is important: it does not seem generically reasonable to assume that the status quo would correspond to a centrist position if the policy dimension corresponds to a single specific policy (minimum wage, number of asylum cases granted, level of unemployment benefits). But our dimension is the broad composite left-right continuum referenced in NES questions. When a survey respondent characterizes herself as a 6 on a 10-point scale – a moderate right position – the conventional interpretation is that she probably favors a moderate decrease in the status quo level of business regulation, a moderate decrease in social welfare benefits, etc. If the respondent describes herself as an 8, we would think she probably favors more dramatic decreases to the status quo levels of regulation and welfare benefits. Of course, we can never know for sure how survey respondents interpret questions, and one might argue that spatial ideology questions are particularly tricky in this respect. That said, conventional usage does conceive of “moderate” and “extreme” positions as distance from the status quo.

above) or as what it is likely to achieve (“X″) is beyond the scope of this paper. But note, here again, that to the extent that survey responses do already incorporate discounting, our results will understate the impact of extremism
Our hypothesis is that the impact of extremism depends on governing status. We counted a party as being in government if it participated in the *longest-lasting* non-caretaker government since the last election.\textsuperscript{16} We also control for *Economic Growth* as percent change in real GDP, measured for the current year when the election took place in the second six months, and for the previous year when the election took place in the first six months. We also include the party’s vote share from the last election as a control variable, and to account for serial correlation.\textsuperscript{17}

Finally, we include party fixed effects in all regressions. For our purposes, the fixed effects are not simply control variables. Rather, they are essential to our ability to isolate within-party effects. Our predictions are exclusive about within-party differences; i.e. does the effect of a relatively extreme position on a given party’s vote share change depending on whether the party is in government? Our theory makes no claims about whether chronically extreme parties have higher vote share than chronic moderates, or whether parties who are often in government are different from those often in opposition. To the extent that cross party differences of this kind are present in our data, they would confound our ability to test hypotheses about within party differences if we did not include fixed effects. A straightforward exercise (see, e.g., Greene 1997, pp. 615-619) demonstrates that the fixed effects regression model is equivalent to the “within groups” estimator in which all variables are expressed in terms of deviations from the group mean. Thus, including fixed effects in our models means that our estimates of the impact of, say, *Relative Extremism* shows how a party’s vote share responds relative to that party’s

\textsuperscript{16} We also used two alternative definitions, in which a party was counted as being in government (1) if it participated in the *last* non-caretaker government before the election, and (2) if it participated in *any* non-caretaker government since the last election. These alternative definitions produced substantively similar results, presented in the online Supporting Information document.

\textsuperscript{17} We ran specifications with second-order lagged dependent variable. The second-order lags were never statistically significant, and other estimates were unaffected by their inclusion.
typical vote share when the party takes a more extreme position, compared to that party’s typical
degree of extremism.\textsuperscript{18}

4. Findings: Extremism helps government, hurts opposition

Our main findings are presented in Table 1. Each specification was run separately for
parties in government and for those in opposition, with results presented in adjacent columns to
facilitate comparison.

\begin{table}[h]
\centering
\caption{Table 1 about here}
\end{table}

The first pair of regressions (columns 1 and 2) examine the effect of Relative Extremism
on vote share, controlling only for the economy, lagged vote share and party fixed effects (not
shown). Relative Extremism has large and statistically significant positive impact on the vote
shares of governing parties. This effect persists when Distance from Supporters is controlled for
(columns 3 and 4.) Substantively, the more conservative estimate (column 3) indicates that for
each one point shift toward a more extreme position on the ten-point left-right scale, a governing
party gains an additional 5.17 percentage of votes.

The most important point to be taken from Table 1 is the stark difference between the
impact of position on vote share for parties in government compared to parties in opposition.
Relative Extremism demonstrates a negative effect on vote share for opposition parties. For every
one point move toward a more extreme position by an opposition party, we estimate that the
party would lose 3.38 percentage points. This effect is what we would expect from the standard
Downsian model: more extreme positions cost the party votes. But for government parties, a
more extreme position increases votes.

\textsuperscript{18} The null hypothesis that all fixed effects are zero can be rejected at $p = 0.07$ for governing parties and $p = 0.001$ for
opposition parties.
Although *Distance from Supporters* was intended as a control variable, its estimated coefficients also merit discussion. This variable was motivated by the concern that our findings on *Relative Extremism* could be the spurious result of a party moving away from the center to be closer to its core supporters. If this had been the case, *Relative Extremism* would have lost significance when we included *Distance from Supporters*, and the sign on *Distance from Supporters* would have been negative (reducing distance to supporters should increase vote share). Instead, we see that *Distance from Supporters*, like *Relative Extremism*, has a positive impact on the vote share of governing parties.

The positive sign on *Distance from Supporters* is not consistent with the logic behind its inclusion as a control variable. As mentioned above, this distance variable is effectively another measure of extremeness: in 85% of cases, the party’s position is more extreme than its supporters. The positive sign on *Distance from Supporters* seems to indicate that this variable is functioning as an alternate measure of extremism: government parties do better when they take positions more extreme than their supporters.\(^\text{19}\) This finding implies that discounting of government party positions affects the willingness of the core supporters to vote for their party.

The regressions in Table 1 also control for the economy, for how well the party typically does (via the party fixed effects), as well as for how well it did in the last election in all cases. The economic voting literature shows us that if economy deteriorates, the governing parties lose votes. The coefficients for the economic growth variable are positive for governing parties, in line with the economic voting literature. The coefficient for the lagged vote share variable is always positive but not always statistically significant.

\(^{19}\) We recoded this variable to measure *Extremeness from Supporters*, which takes the same value as distance when the party is more extreme than the supporters and the negative of distance when the supporters are extreme. This variable clearly measures extremeness, which is advantageous for theory. It is also more correlated with *Relative Extremism*, which is disadvantageous for empirics. These two features seem to balance each other and the results are substantively similar to those we report here (reported in the Supporting Information document).
5. Discussion: Robustness, Alternative Explanations, and Extensions

To test the robustness of our results, we re-ran the main model (columns (3) and (4) from Table 1) omitting each of our countries, one at a time. The coefficient on Relative Extremism for governing parties ranged from 4.14 to 5.96, and was always significant at $p < 0.05$. For opposition parties, it ranged from -1.95 to -3.85 ($p < 0.05$ except for $p = 0.16$ when Norway was omitted). The stability of the signs and magnitudes over these subsamples reassures us that our results are not driven by a single country.\(^{20}\)

It is important to consider whether our main findings -- the difference between government and opposition and the positive impact of extremism -- can be explained by mechanisms other than differential discounting. For example, one might wonder if the shape of the distribution of voters in these countries creates idiosyncratic incentives to take more extreme positions. In general, voter preferences in the countries studied here are centered around a single centrist mode (Adams and Somer-Topcu, 2009). Checking our data, we found one election in which the distribution of self-reported voter positions had a second peak (UK 1983) and several others in which there were minor deviations from unimodality.\(^{21}\) If we omit these elections from our main model, the coefficient on Relative Extremism for governing parties decreases to 4.67 (compared to 5.17 for the full sample), with a $p$-value of 0.01, and the coefficient for opposition parties decreases to -3.07 (compared to -3.38 for the full sample), with a $p$-value of 0.02. As a result, we conclude that the results in Table 1 are not due to any idiosyncratic incentives to target pockets of non-centrist voters.\(^{22}\)

Another possible alternative explanation reverses the causality of the argument we are making. Rather than party position affecting vote share in ways that depend on government

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\(^{20}\) These results are available in the Supporting Information document.

\(^{21}\) These were UK 1987, 1992, Netherlands 1986 and 1989, and Norway 2001.

\(^{22}\) More details on these and other robustness checks are provided in the Supporting Information.
status, perhaps policy-oriented parties take extreme positions when they know they are likely to
do well at the polls.\textsuperscript{23} This could explain the positive effect of extremism on governing parties,
but seems at odds with the finding that extremism hurts parties not in government.

One might think that logic of our claim that voters discount governing parties might apply differently in different institutional contexts. We investigated several possibilities along these lines, checking whether the impact of \textit{Relative Extremism} on governing party vote share differs for minority governments, for coalition governments, for single party majorities. For example, one might think that minority governments, generally unable to accomplish much in the way of policy change, would find their policy positions discounted even more than governments who enjoy support of a legislative majority. This would imply that extreme positions by parties in minority governments would boost vote share more than for majority governments. Alternatively, voters might attribute a minority government’s need to compromise to its minority status, and therefore discount less the positions of what its member parties might accomplish if they enjoyed the support of a legislative majority. This would imply that the positive impact of \textit{Relative Extremism} on government parties is attenuated in cases in which the government is a minority. Similarly, voters might discount the positions of governing parties more or less when the government is a coalition: perhaps more because participants in coalition governments must compromise with each other; perhaps less because members of single party governments are held solely responsible for difficult compromises.\textsuperscript{24}

\textsuperscript{23} Along these lines, Bawn et al., (2006) looked at large out-of-government parties and found that large parties moderate more the longer they are out of power in the US and the UK, but not in Germany.

\textsuperscript{24} Bicameralism is another institutional factor that has been used to differentiate political systems. We have nice variation for the extent of bicameralism in our data set (from pure unicameral system of Sweden to the strong bicameral system of Germany). The Supporting Information document shows that bicameralism does not have a mediating effect on governing and opposition party vote shares.
Table 2 shows estimates from regressions in which we used dummy variables to study different types of government, interacting these dummies with all other variables. Columns 1 and 2 include dummy variable indicating a minority government; columns 3 and 4, a coalition; and columns 5 and 6, a single party majority. As in Table 1, each column corresponds to a separate regression, with the same model run for government and opposition parties separately. All regressions included the variables from Table 1 (Economic Growth alone and interacted with type of government, lagged vote share and party fixed effects).

[Table 2 about here]

Our interest here is in the interaction terms. Is the effect of Relative Extremism attenuated or intensified by different types of government? As the first four columns of Table 2 show, there are no systematic differences for minority governments or coalition governments in our data. Single party majority governments (columns 5 and 6) are, however, statistically distinct from other types, with the positive impact of extremism on governing parties and the negative impact on opposition parties both notably increased in magnitude. The impact of Relative Extremism rises from a positive impact of 5.09 percentage points per unit of extremism for government parties in general to 9.22 percentage points for parties in a single party majority. For opposition parties, the negative impact of Relative Extremism increases in magnitude by 3.92 points from -3.02 to -6.94 for parties in opposition to single party majority governments.

The results for single party majority governments must be interpreted very cautiously, however. All of our single party majority governments are from Britain, and all of our British observations involve single party governments. The single party majority variable is essentially a dummy for the UK, and is thus picking up the effect of a plurality electoral system, a non-exclusive committee system, as well as many other features of British politics and culture. While

25 The Supporting Information document shows the distribution of these government types across countries.
we clearly cannot pinpoint the mechanism behind this difference, it suggests that voter
discounting of government positions comes less from governing parties’ need to compromise
with other political actors than from the demands of governing – the need to compromise ideologically appealing positions in the face of reality constraints.\textsuperscript{26}

One might also wonder whether different types of parties are affected differently by the interaction of extremism and governing status. The logic of our argument applies most clearly to mainstream parties, less clearly to niche parties and smaller parties. We examined the difference between niche and mainstream parties with a dummy variable for niche parties coded following Adams et al., 2006.\textsuperscript{27} Green, communist and nationalist parties are coded as “niche,” others as “mainstream.” Compensatory voting (Kedar 2005, 2009) might imply that Relative Extremism would increase the vote share of niche parties regardless of whether they are in government or in opposition.\textsuperscript{28}

As it happens, we have only one observation of a niche party in government, so we can only analyze how they perform in opposition. This analysis (seventh column of Table 2) shows the effect predicted by Kedar’s compensational model. Many scholars who study niche parties emphasize the ability of these parties to behave strategically, moderating and compromising when doing so would further policy goals (Blais and Indridason 2007, Spoon 2007, Jensen and Spoon 2010). That is, niche parties behave more or less the way we expect any party to behave

\textsuperscript{26} One might question the robustness of our results if we drop the UK from our data. However, as we see in the Supporting Information document Table S6, dropping the UK data weakens but does not change much the substantive effects for the remaining countries.

\textsuperscript{27} We also ran specifications using Meguid’s (2008) definition of niche parties as Green or nationalist. Results were similar for mainstream parties, but this definition left us with only seven observations on niche parties -- too few to estimate our regression model.

\textsuperscript{28} As with our theory, the compensational vote model implies that extremism is only helpful to a certain extent. Too much extremism will eventually be a liability. Our empirical analysis indicates that governing and niche parties manage to stay in the range where extreme positions are helpful.
in their circumstances. But Adams, Clark, Ezrow and Glasgow (2006) found that voters react differently to the actions of these parties. According to Adams et al., niche parties are punished for moderating, as Kedar’s policy balancing model would predict. Our findings also offer indirect support for the policy-balancing model: Relative Extremism increases the vote share of opposition niche parties by a substantial amount, a net effect of 7.33. Our government discounting model, on the other hand, applies most clearly to mainstream parties. The fact that Relative Extremism retains its negative effect (-3.87) for opposition parties is consistent with our predictions.

The last column in Table 2 addresses the empirical question of how much voters discount the positions of parties that are currently in opposition, but that have participated in past governments. It might be reasonable to think that voters would remember past performances and discount accordingly. The results show that this is not the case. Indeed, the negative impact of Relative Extremism on opposition party vote share only occurs for parties who have participated in past governments.

Our overall findings and differences between the UK and the four continental countries (which may or may not reflect differences between single party governments and other types) are summarized in Figure 2. The graph shows the impact on vote share of a one standard deviation increase in Relative Extremism (0.683 points on the 10-point scale) all else equal. Consistent

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29 Even when niche parties behave strategically, this may imply that they behave differently than mainstream parties, as Jensen and Spoon 2010 show occurs in the European Parliament. Interestingly for this paper’s purpose, Jensen and Spoon find that niche parties are notably more pro-Europe when they participate in national government. This could be viewed as another example of the necessary compromising and moderating required of government parties, that is, as an example of the forces that lead to discounting of government party positions in the first place.

30 This finding relates to the argument of Andrews and Money (2002) who distinguish between “champions,” established parties who have participated in previous governments, and “challengers,” who have not. Andrews and Money do not distinguish parties currently in government from those currently in opposition. They find that centrist established parties are more successful than non-centrists. A very important difference between Andrews and Money’s analysis and ours is that they do not include party fixed effects. Omitting fixed effects is appropriate for Andrews and Money’s question (“what kind of parties do better and worse?”) because it is a question about differences between parties. Fixed effects are important for our question (“when does a given party do better and worse?”) because it is about differences across elections for a given party.
with above discussion, the effects are strongest in the UK, with a one standard deviation increase leading to a 7.9% increase in vote share for government parties and a 4.7% decrease for opposition parties. The effects are far from negligible for the sample without the UK, however: a 3.5% increase for government parties and a 2.7% decrease for opposition.

[Figure 2 about here]

6. Conclusion

The evidence presented here demonstrates a striking difference between government and opposition parties in the way that party position affects vote share. Opposition parties do best by taking more moderate positions, as the standard Downsian model predicts. Government parties, in contrast, do better when they take relatively more extreme positions. Of course, as our theoretical model highlighted, there is a limit to the degree of extremism that is helpful to governing parties. At some point extreme positions would become a liability even with high levels of discounting., but our results indicate that governing parties avoid such high levels of extremism.

We argued that the difference in the impact of party position derives from systematic differences in the context in which voters observe government versus opposition parties. Being in government forces parties to compromise, to scale back from the ideal to the feasible, to accept ideologically unappealing choices as the best among available alternatives. Steady exposure to government parties in this role leads voters to discount their positions more than those of opposition parties. Somewhat paradoxically, this means that the kind of relatively extreme position that would be harmful to an opposition party can be advantageous to one in government. The magnitude of the effect is strongest in the UK, but remains clearly present when the UK is excluded from the data.
This paper has exclusively focused on parliamentary systems, but the basic ideas that the demands of holding power lead to increased discounting may apply in presidential systems as well. Future work incorporating presidential systems, and therefore the possibility of divided government, would be useful for understanding the general question of how power-sharing affects the discounting of government positions. One might expect that the demands of shared power would lead to more voter discounting of governing party positions. Our preliminary evidence, however, based on the strength of effects in the UK, suggests the opposite. We found that single party governments, perhaps because they are solely responsible for meeting the inconvenient demands of reality, have their positions discounted more and are therefore more likely to be helped by extremism.

The broader message of this paper is the implication that governing status may condition how voters react to other party attributes besides policy positions, such as valence (Clark and Leiter 2010), leadership change, or campaign style. Our best understood factor affecting electoral outcomes is the economy, the factor which we have long recognized affects government parties differently from opposition. We have much to learn about other factors that impact elections. Our knowledge will accumulate faster if we account for the difference that governing status makes for the forces that shape electoral fortunes.
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Table 1: Impact of Relative Extremism on Vote Share of Government versus Opposition Parties

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<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
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<td>-3.38**</td>
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<td>(0.96)</td>
<td>(1.28)</td>
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<td></td>
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Notes: The dependent variable is party vote share. Government sample (columns 1, 3 and 5) includes parties that participated in longest non-caretaker government since last election; Opposition sample (columns 2, 4, 6) includes those that did not. Numbers in parentheses are standard errors clustered by election. All models run with party fixed effects (not shown). *p<0.1; **p<0.05; ***p<0.01.
Table 2: Impact of Extremism on Government versus Opposition Parties by Type of Government and Type of Party

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<td>Govt</td>
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<tr>
<td>Relative Extr. (RE)</td>
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<td>5.53**</td>
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<td>Dist from Supp (DS)</td>
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<td>DS*single maj</td>
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Notes: Dependent variable is vote share. Numbers in parentheses are the standard errors clustered by election. All models also include economic growth, alone and interacted with type variable, the main effect of the type variable, fixed effects for parties, and lagged vote share. See the Supporting document for the full models. *p<0.1; **p<0.05; ***p<0.01.
Figure 1: Discounting Model of Spatial Vote Choice

(a)

Voter V chooses more distant party R over more proximate party L because R’s position is discounted to R’, which is closer to V than L’. Point S denotes the status quo (adapted from Grofman, 1985).

(b)

When discounting is sufficiently high (ω = 0.90), a more extreme position (R₁) will move the discounted position (R₁’) closer to the centrist voters.
Figure 2: Impact on Vote Share of a One Standard Deviation Increase in Relative Extremism

Vertical axis shows estimated vote share change resulting from a one standard deviation (0.683) increase in *Relative Extremism*. 