After Defeat:
Governing Party Response to Electoral Loss

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Abstract

How do governing parties respond in terms of ideological positioning when voted out of office? We study both theoretically and empirically the factors that shape parties' responses following a loss. Studying national elections in advanced industrialized democracies over the past 70 years, we show that parties tend to counter their pre-election shifts, and do so particularly strongly following defeat. The extent of these ideological shifts is more limited in parties with a larger selectorate voting on the party leadership. Moreover, we find that subsequent to loss, parties are *less* likely to run on a centrist platform. Notably, shifting away from the center is associated with a higher probability of returning to power. We then introduce a dynamic model of party leadership selection and platform positioning. The model produces patterns of ideological positions over time that are consistent with our empirical findings.

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1 Introduction

In the aftermath of its comprehensive loss of the 2010 UK elections, the Labour Party's base was engaged in a bitter leadership race. After 12 consecutive years in power, the race to replace the outgoing Gordon Brown pitted two candidates representing divergent approaches to resurrecting the party's fortunes. The first approach, embodied by David Miliband's candidacy, argued that future success required the party to re-capture New Labour's moderate mantle, which served the party well under Tony Blair's premiership. The second, advocated by David's *brother*, Edward, held that the party had lost its appeal to its electoral base by moving too much to the center and abandoning its identity. Declaring New Labour to be "dead", he lamented the party's drift to a "brutish US-style capitalism", and offered to change course. The party's primary voters ultimately opted for Edward Miliband as the party's leader, and as promised he pursued a distinctly more leftist stance than the one espoused during the Blair era.[1]

The dilemma of how to correct course following defeat is clearly one that many major parties confront after an electoral defeat. Indeed, in the aftermath of Hillary Clinton's loss in the 2016 presidential elections, the US Democratic party has been embroiled in a heated internal debate about the right way of moving forward. Some, most vocally the supporters of Senator Bernie Sanders, have argued that the party must adopt a more progressive and distinctive stance. Others advocated a shift toward the center, particularly on some social issues, in order to better appeal to white working class voters.

What approaches do major parties take following a loss: do they stick with the status quo, or do they make substantial shifts in positioning? When parties do reposition, is it toward the center or away from it? What explains their choices? Under standard Downsian logic, parties

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[1]According to the May 8 2015 *Financial Times*, "[Miliband's] intellectual attempt to shift the party back towards its leftwing roots ended in a resignation speech... he turned his back on many of New Labour's tenets..."

should move toward the electorate's median voter in order to win (Downs, 1957). If a loss implies that a party was too far away from the median, then the predicted reaction would be a shift to the center. Yet obviously parties do not inevitably converge all the way to the median voter. An extensive theoretical literature on platform choice provides a host of possible explanations for non-convergence, including party ideology, uncertainty, reputational issues, and internal organization (See Schofield and Sened (2005) and Duggan and Martinelli (2017) for reviews). However, tests of theoretical accounts of platform choice over time are limited, and the available evidence on responses to electoral outcomes remains mixed (Adams et al., 2004; Ezrow et al., 2011; Somer-Topcu, 2009).

We study the determinants of both magnitude and direction of shift in party positioning, focusing on the impact of electoral defeat of governing parties. We begin with an empirical analysis of a new dataset containing all post-1945 elections in OECD countries. In particular, we probe the association between changes in platform positioning and previous electoral outcomes, moderated by intra-party leadership selection processes. The analysis diverges from extant empirical literature in two ways. First, it focuses on the *direction of changes* in party positioning, rather than on when changes occur.[2] Second, it considers *loss of power* as a qualitatively distinct phenomenon, rather than simply changes in vote share. We do so because changing the party's position in a meaningful manner is often a challenging process that requires overcoming strong internal opposition (Budge, Ezrow, and McDonald, 2010; Walgrave and Nuytemans, 2009). Our conjecture is that a drop in vote share that does not affect the party's governing status is less likely to provide the necessary impetus. In contrast, an electoral defeat that entails loss of power is more likely to bring about a reevaluation of the party's position and strategy.

Our empirical analysis shows an unambiguous direction of platform shifts. Following a loss, major parties tend to move *away* from the center. The notion that parties seek to position themselves closer to the preferences of the median voter is not supported by the data. In fact, holding all

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[2]But see Bawn and Somer-Topcu (2012).

else constant, a party that lost an election is 18.5 percentage points less likely to run as a centrist in the subsequent election than a party that had not just suffered defeat. This represents a massive 48.4% drop from the baseline probability of running as a centrist.

More generally, we find that parties tend to correct course from the previous election, i.e. reverse direction from their previous shift, irrespective of their electoral performance. While these dynamic patterns are not surprising, our analysis indicates that the shift is significantly larger after suffering defeat. We also find that the institutional structure of parties affects the magnitude of ideological shifts, which tends to be smaller when a large selectorate chooses the party's leadership (e.g. in a primary election). In contrast, we find little support for other plausible conjectures. For example, the extent of the shift is not a function of how badly the party performed in the previous election: conditional on loss, the size of the decline in vote-share is not associated with a larger ideological shift. We also find no relationship between economic conditions preceding losses and subsequent ideological shifts.

Finally, we find evidence tying post-defeat strategies to subsequent electoral fortunes. Specifically, major parties that shift away from the center following defeat are more likely to return to power in the subsequent election. This increase in the likelihood of victory is sizable, standing at about 6 percentage points. This pattern may not be causal, but it suggests that voters' perceptions of the party's viability may be affected by its approach for resurrecting its electoral standing.

What might account for these results? Our findings on selectorates suggest that internal party organization may drive party adjustments over time. The second half of the paper develops this idea with a theory of two-party competition that can account for most of the empirical results. To generate hypotheses about the evolution of platforms, the model necessarily has a simple repeated structure. In each election, parties nominate a candidate from either their extreme and moderate ideological factions. An important parameter is the size of a party's selectorate, which we model as the probability that a neutral party member chooses the candidate. This member is ideologically indifferent between factions and therefore bases her decision on candidate electability. Ideological

moderation and high quality both improve electoral prospects, but extreme high-quality candidates are better than moderate low-quality candidates.

If the neutral member does not have nomination power, then the "lead" faction, or the faction that produced the party's candidate in the previous election, will nominate its own candidate. Smaller selectorates therefore correspond to higher persistence in factional control, along with lower candidate quality. Our mechanism thus can relate to party organizations ranging from primary elections to centralized selection by leaders of a dominant faction.

The equilibrium of the model can be analyzed as a finite state Markov chain. While the long run outcomes of the model are too complex to characterize analytically, we can use standard techniques to examine the evolution of candidate ideology. An important intuition is that losses reflect the underlying steady state distribution of party platforms and candidate quality. Roughly speaking, a party usually benefits from moderate candidates, and therefore the lead faction will tend to be moderate. An extreme but higher quality candidate can sometimes achieve nomination, but this choice has three consequences. First, it raises the likelihood of losing, since the party could not nominate a high quality moderate. Second, it raises the subsequent (post-loss) likelihood of extremity, since the extreme faction is now the lead faction. Third, it raises the subsequent likelihood of platform adjustment, since the extreme faction is more vulnerable to being replaced than the moderate faction. These factors combine to produce the observed consequences of electoral losses, namely that parties become more likely to run further to the extreme, reverse course ideologically, and revise platforms. The predictions about the impact of selectorate size on rates of repositioning are somewhat more ambiguous, but are still consistent with the data over much of the parameter space. The model additionally produces predictions about the roles of polarization, intraparty ideological heterogeneity, and electoral bias.

Our analysis further develops a literature on ideological change in parties (Kalandrakis and Spirling, 2012; Budge, 1994; Eguia and Giovannoni, 2019; Kollman, Miller, and Page, 1992). Our focus on the conditioning roles of selectorate size and candidate quality extends insights from

models of primary elections to a dynamic setting (Adams and Merrill, 2008; Snyder and Ting, 2011). Our argument is also consistent with other studies that stress the importance of intra-party structure in accounting for shifts in party positioning (Lehrer, 2012; Meyer, 2013; Schumacher, De Vries, and Vis, 2013). Earlier work has shown that the balance between party leaders and activists conditions the impact of environmental incentives (e.g. being in opposition, shift in mean voters' preferences) on party-position change. This raises the question what factors shape the balance between leaders and activists. Our model's emphasis on the leadership's selectorate size offers one possible answer.

The rest of the paper is structured as follows. We begin by introducing three patterns in platform positioning subsequent to loss with case evidence, in order to anchor our approach to the question. We then describe our research design, the construction of the dataset and the estimators used to examine the relationship between loss of power and subsequent ideological positioning. Following a presentation of our empirical findings, we develop a theoretical model that can account for most of the key patterns of ideological positioning. After characterizing the model's results numerically, we conclude by discussing the broader implications of our findings.

2   Loss and Leadership Selection

A loss of power compels party leadership and membership to bring ideas and policy positions to chart a path forward. As the motivating examples in the introduction suggest, leadership selection is among the most popularly-discussed features of party strategy after highly visible losses of power. The selection of leaders and their attendant platforms is not always straightforward, because ideology is not the only important criterion. Candidate quality also matters (McCurley and Mondak, 1995; Stokes, 1992; Stone and Simas, 2010), and thus a less ideologically appealing candidate may have characteristics like experience or lack of corruption that make her more "electable." These two considerations–ideology and candidate quality–create an important trade-off for the party's selectorate.

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Parties address leadership selection with a variety of institutional structures (Kenig, 2009; Pilet and Cross, 2014). We examine party leadership selectorates as a source of such institutional variation, focusing on the difference between large (e.g. primaries) and small (e.g. party leadership) selection bodies. In our theoretical model, a larger selection body promotes higher quality candidates, on average. This follows from diverse accounts including the Condorcet jury theorem and arguments that the "wisdom of the crowd" is less susceptible to individual decision-making biases (Surowiecki, 2005). Additionally, larger selectorates might be more representative of the general voting population, or they may avoid backroom dealings. Indeed, our assumption about the merit-promoting effects of larger selection bodies is commonly adopted in the leadership selection literature (Adams and Merrill, 2008; Serra, 2011).

Empirically, our assumption that large selectorates increase average candidate quality is supported in diverse contexts. Hirano and Snyder (2019) find that the introduction of primaries in the US led to the election of higher quality candidates, measured in terms of experience and newspaper endorsements. Folke, Persson, and Rickne (2016) suggest that preference votes in open-list PR systems allow voters to reveal high quality to party leaders controlling nomination. Some work on women's representation in PR lists suggests that the underrepresentation of women is driven by party- or elite-bias, not voter bias against women (e.g., Esteve-Volart and Bagues, 2012). A direct implication is that closed party nomination underrepresents or underplaces high-quality candidates. Unlike these works, we focus on higher offices in a cross-national framework. To date, in large part due to data constraints, efforts to measure candidate quality are done in within-country rather than cross-country studies. We outline these approaches in Appendix A1.

In examining specific cases of parties that lost power, we observe several different dynamics, as elaborated in Appendix A2. In some, parties remain anchored to their pre-election positions, as was evident in the case of Israel's Labor Party's 1988 electoral defeat. After its loss, the party elected as its leader Itzhak Rabin, a heralded former Chief of Staff and Security Minister. Keeping its ideological positioning almost unchanged, Rabin's "tough guy" aura helped the party win office

in the subsequent elections. In other cases, parties appear to adopt substantially more *extreme* positions after losing office. For example, the nomination of Ronald Reagan in 1980 following Gerald Ford's narrow loss in 1976 commenced an era of right-wing ascendancy in the US Republican Party. Finally, some parties move to the center, as did the Australian Labour party, when ousted in 1996 after 13 years in power. The party not only replaced its leader, but also moved distinctly rightward toward the center of the political spectrum.

While multiple responses to loss are evident in the case evidence, how do these patterns compare empirically to party behavior in the absence of losing power? In the aggregate, how do parties that lose power differ from those that maintain it? To answer this question we examine the association between loss of power and several measures of subsequent ideological positioning across postwar OECD democracies.

3 Research Design

3.1 Data

We compile an expansive dataset comprised of elections in OECD member countries in Europe, North America, and Asia from 1945-2015. Each country enters the panel in its first post-war democratic election. Our dependent variables are coded from the Manifesto Project's (MARPOR) right-left coding of party platforms (Lehmann et al., 2016).[3] We examine the robustness of our results to the MARPOR salience-based ideological measure by re-estimating all main analyses using dependent variables coded from the logit-transformed measure of right-left ideology by Lowe et al. (2011) in Appendix A6. Our substantive results persist regardless of the operationalization of the ideological measure.

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[3]We use MARPOR data on party positions because each observation in our analysis requires a party's platform in two to three consecutive elections. For datasets with shorter time series such as the Chapel Hill Expert Survey (CHES), the number of observations drops precipitously. MARPOR's right-left coding correlates strongly with CHES ($\rho = 0.7$) (Bakker et al., 2015).

Our main sample, thus, comprises all parties whose platforms are coded by MARPOR during this period.[4] We seek to understand how the electoral performance of governing parties relates to changes in party platform. We focus on three measures constructed from the right-left coding of platforms. Denote MARPOR's right-left coding (RILE) as P_t^{ic} on for party i's in country c's platform in the election t. This coding ranges from -100 (leftmost platform) to 100 (rightmost platform). First, we examine the magnitude of the shift in platform, a standard measure of platform movement between elections. This variable, *shift magnitude*, is simply calculated as the absolute value of the difference in platforms, as in Equation (1).

$$Shift\ Magnitude_{it} = |P_{t+1}^{ic} - P_t^{ic}| \tag{1}$$

A second measure indicates the direction of shifts in platform between consecutive elections. We measure ideological shifts as movement either to the center or the extreme. In order to measure such shifts, we categorize parties as "left" or "right." To maintain consistency, we examine whether a party's mean right-left platform ideology is left or right of zero. A party with a mean ideology less than zero is classified as a left party while a party with a mean ideology to the right of zero is classified as a right party.[5] Define the resultant set of left parties as $\mathcal{L}$ and the set of right parties as $\mathcal{R}$. The measure of shifts to the extreme, is thus calculated as per Equation (2). This measure is positive when parties shift to the extreme between elections t and $t+1$ and negative when parties shift to the center between elections t and $t+1$.

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[4]We exclude Switzerland from the analysis given the regular changes in government that is more weakly tied to electoral results than in the rest of the sample. Our main specifications also exclude Italy given frequent government turnover, though its inclusion does not substantively alter results.

[5]Our results are robust to alternative categorizations including weighting platforms by seatshare in the associated election when calculating the mean ideology.

$$To\ Extreme_t^{ic} = \begin{cases} P_t^{ic} - P_{t+1}^{ic} & \text{if } i \in \mathcal{L} \\ \\ P_{t+1}^{ic} - P_t^{ic} & \text{if } i \in \mathcal{R} \end{cases} \tag{2}$$

The final dependent variable is a categorical measure of whether a party's platform is a left, right, or center platform. While parties are unlikely to run on both left and right platforms over time, there is substantial temporal variation in whether a party runs on left (resp. right) or center platform. We classify each platform relative to the distribution of platforms from that country over the duration of the panel. Denote the country mean for each country's distribution of platforms as μ_{P^c} and the country standard deviation of these platforms as σ_{P^c}. Center platforms are those within half of the country-specific standard deviation in either direction of the country mean. Left platforms fall below this range while right platforms fall above this range. Formally, this classification is described by Equation (3). We probe the robustness of all results to the choice of bandwidth of the center category ($\pm$) as well as to different normalizations of platforms.

$$Platform\ classification_t^{ic} = \begin{cases} \text{Left} & \text{if } P_t^{ic} < \mu_{P^c} - \frac{1}{2}\sigma_{P^c} \\ \\ \text{Center} & \text{if } P_t^{ic} \in [\mu_{P^c} - \frac{1}{2}\sigma_{P^c}, \mu_{P^c} + \frac{1}{2}\sigma_{P^c}] \\ \\ \text{Right} & \text{if } P_t^{ic} > \mu_{P^c} + \frac{1}{2}\sigma_{P^c} \end{cases} \tag{3}$$

Our main treatment variable is a binary indicator of whether a governing party loses power in an election in election t. To create this variable, we determine the governing party prior to each election and the party in power subsequent to the election. If these parties change, the indicator is coded as a loss of power for the party governing prior to the election. We avoid classifying caretaker government parties as the "governing" party by looking at the party in power six months prior to the election (or the last government not denoted a caretaker government per historical accounts). This variable was hand-coded based on electoral records and historical information.

It was then compared to the Seki-Williams dataset on governments to assess the accuracy of the coding (Williams and Seki, 2016). We additionally record whether or not the party was governing in a coalition, allowing us to examine the robustness of results to any ambiguities in identifying the governing party within coalition governments. In the United States, this coding corresponds to the presidency; we do not distinguish between unified and divided government.

Empirically, there exist various paths to a loss of power. Our empirical strategy and theory emphasize the role of electoral defeat, yet the mapping between electoral returns and loss of power varies across the elections and countries in our sample. Most obviously, the translation of votes into defeat varies with electoral and political institutions. Our goal empirically is to start from the most general definition of loss of power within the full sample of countries and elections. We then conduct a battery of ancillary specifications documenting limited heterogeneity across countries and electoral institutions which provide evidence in favor of the generality of our results as well as the proposed mechanism.

We focus on the internal structure of parties and how party leadership is selected as a key moderator variable. This moderator is operationalized as the comparative size of the "selectorate," or the body that selects the party leader. We utilize data assembled by Kenig, Rahat, and Hazan (2013) on the relative size of the selectorate, and extend their data by adding additional countries. Our original coding is based on country-specific accounts such as Cross and Blais (2012), in addition to news articles on the selection of party leaders. Given the time period of the original dataset and difficulties in locating earlier information, we focus on the post-1960 era.[6] We code parties as having a *large selectorate* if party leadership is selected by a party convention or a body implying broader participation such as an open or closed primary. A *small selectorate* is defined as selection by a body smaller than the party convention, including a party council (smaller than a convention), a parliamentary caucus, or a single individual.

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[6]Appendix A4 relates this measure to expert-coded measures of party organization by Laver and Hunt (1992).

3.2 Estimation

Our empirical specifications are estimated using weighted ordinary least squares (OLS). Each country is weighted by the inverse of its proportion of total observations, effectively affording equal weighting by country. We estimate Equation 4, in which β_1 is the estimator of the association between the main exposure variable, Loss of Power$_{it}$, and party positioning outcome, Y_{ict}. Here, outcomes are indexed by party (i), country (c) and election (t) or decade (d). A set of covariates $\mathbf{X}_{ict}$ aims to control linearly for variables that are correlated with but qualitatively different from loss of power. To that end, we include vote share in election t, change in vote share from election $t-1$ to t, and a binary indicator for coalition status prior to election t in all specifications. We present summary statistics on these variables in Appendix A3 and describe the coverage of the panel in Appendix A11. We also include party fixed effects κ_i (as denoted) and election fixed effects (γ_t) in different specifications. In Appendix A10, we demonstrate the robustness of our findings to mean partisan ideology (prior to the election at time t) controls following Ezrow et al. (2011). In all specifications, we cluster standard errors at the level of the party.

$$Y_{ict} = \beta_1 \text{Loss of Power}_{it} + \boldsymbol{\psi}\mathbf{X}_{ict} + \boldsymbol{\gamma}_t + \boldsymbol{\kappa}_i + \epsilon_{ict} \tag{4}$$

Equation (5) represents the estimation equation for the association between loss of power and platform ideologies, conditioned on a moderator variable M_{it}. Here, the estimators β_1 and β_3 provide estimates of this conditional association. We consider several moderators including the size of the party's leadership selectorate and the past platform shift (a lagged dependent variable).

$$Y_{ict} = \beta_1 \text{Loss of Power}_{it} + \beta_2 M_{it} + \beta_3 \text{Loss of Power}_{it} M_{it} + \boldsymbol{\psi}\mathbf{X}_{ict} + \boldsymbol{\gamma}_t + \boldsymbol{\kappa}_i + \epsilon_{ict} \tag{5}$$

Our sample consists of all parties and elections for whom MARPOR has coded platforms within relevant OECD countries. As such, the principal comparison is between just-defeated par-

ties and all other parties. Appendix A8 examines the robustness of our findings to an alternate classification in which the sample consists of all parties "in power" at time t. In this subsample, the comparison is between just-defeated and just-reelected parties. We estimate parallel specifications on this sample with the exception of models with election fixed effects.

Given concerns about the mapping of electoral outcomes onto loss of power across varying electoral systems, we examine the robustness of our results in both two- and multi-party systems. For all outcomes, we provide specifications that disaggregate two- and multi-party systems, based on the effective number of parties by country across the panel. In multi-party systems, basic theoretical results in the spatial literature do not (necessarily) predict Downsian convergence to the center. In these specifications, we seek to examine whether observed patterns are consistent across both types of party system.

The model of platform positioning that we develop in Section 5 implies that electoral performance (i.e. loss of power) is endogenous to platform choices. The stochastic components of the model cannot be measured empirically. As such, the analysis is observational: we regard the results as associations and utilize covariate adjustment in different specifications to probe the robustness of the estimated coefficients.

4 Empirical Findings

4.1 Centrist Platforms

We begin our analysis by examining the empirical relationship between an electoral defeat and the party's subsequent ideological positioning. Specifically, we estimate the probability that a party runs on a centrist platform in a given election, controlling for its ideological positioning in the previous election. As described above, we classify a party's positioning by its distance (in country-specific standard deviations) from the mean platform of parties in the country.

Table 1 presents the relationship between loss of power and a subsequent center platform, showing that electoral defeat in the previous election is negatively associated with the probability

of a subsequent run as a centrist party. Adding fixed effects to a base set of controls, we then estimate models with: election fixed effects; party fixed effects; party and decade fixed effects; and party and election fixed effects in Columns [2]-[5]. The coefficient of the electoral defeat variable remains negative and statistically significant. In these specifications, the association is significant at the $p < .005$ level. The estimates are sizable: we find that electoral defeat is associated with a 18.5 percentage point drop in the probability of subsequently running as centrist (Column [5]). Given a baseline probability of 38.2% of a party running as centrist, this drop amounts to a 48.4% shift.

Note that this shift away from the center is the opposite of the predictions of several "decision rules" proposed in earlier studies, which suggested that vote-seeking parties would tend to move to the center, particularly when public opinion moves against them Adams et al. (2004); Adams and Somer-Topcu (2009).

Columns [6] and [7] split the sample by two- vs. multi-party system estimating the same specification as column [5]. The estimates indicate that the association between loss and subsequent center platform adoption is quite similar across both subgroups. The relationship is negative and both substantively and statistically significant in both.

Figure 1 depicts the distribution of platforms in election $t+1$ as a function of electoral fortunes in election t, among parties in government entering election t. The panel on the left presents the distribution of platforms of parties in election t that managed to stay in power. In contrast, the panel on the right presents the distribution of platforms among parties that lost power in election t. In both panels, the lighter bars represent the platforms forwarded in election t while the darker bars represent the platforms proposed in the subsequent election $(t+1)$. Note that the distribution of platforms prior to loss or victory are indistinguishable. A strong shift away from the center in election $t+1$ is apparent only subsequent to a loss of power (dark bars in right panel).

We test the sensitivity of the findings to our specification of left, right, and center platforms in Appendix A5. Results remain substantively similar in the neighborhood of our definition, strength-

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)
				Center Platform$_{t+1}$			
Loss of Power$_t$	-0.115*	-0.179**	-0.136*	-0.139*	-0.185**	-0.160*	-0.188*
	(0.049)	(0.052)	(0.052)	(0.053)	(0.054)	(0.070)	(0.077)
Voteshare$_t$	yes	yes	yes	yes	yes	yes	yes
Δ Voteshare$_t$	yes	yes	yes	yes	yes	yes	yes
Platform$_t$ FE	yes	yes	yes	yes	yes	yes	yes
Out of Coalition$_t$	yes	yes	yes	yes	yes	yes	yes
Election FE		yes			yes	yes	yes
Party FE			yes	yes	yes	yes	yes
Decade FE				yes			
Sample						Two-Party	> Two-Party
Observations	1888	1888	1888	1888	1888	814	1074

Standard errors are clustered by party.
$^{+}p < 0.10,^{*}p < 0.05,^{**}p < 0.005$

Table 1: The association between loss of power and adoption of a center platform in election $t+1$.
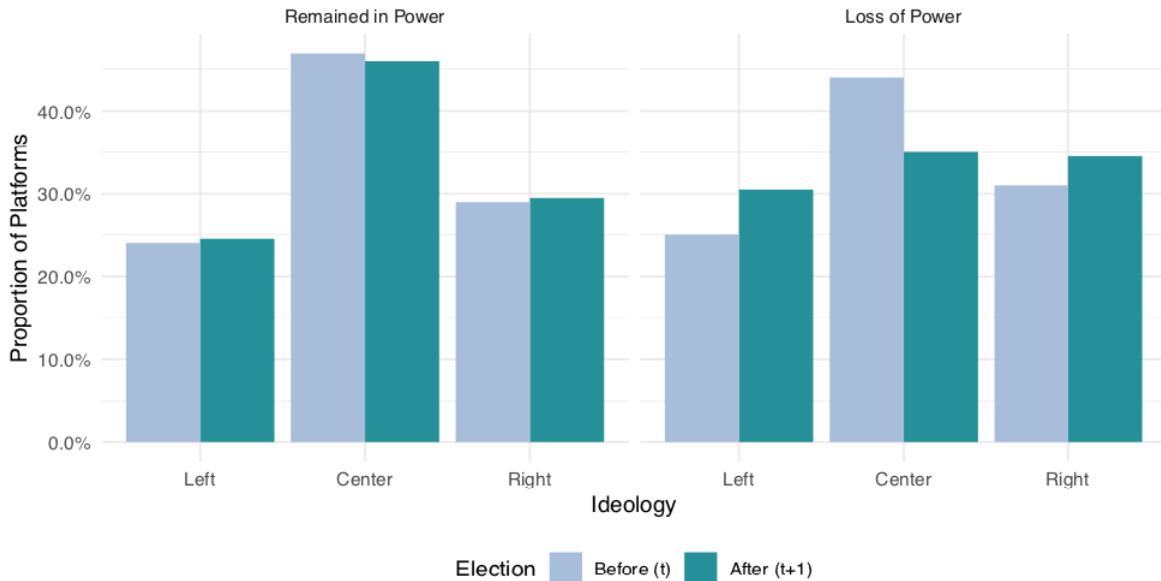
Figure 1: This graph depicts the distribution of platforms in elections t and $t + 1$, conditional on the results of election t. The light bars (ideology in election t) show no discernible difference in the distribution of platforms going into election t that predicts the election results at time t. However, after a loss of power, party platforms become more extreme (dark bars, right panel) relative to parties that do not lose power (dark bars, left panel).

ening our confidence in the observed association. This analysis indicates that parties that suffered a loss of power are subsequently less likely to run on centrist platforms.

4.2 Shifts to the Extreme

Having established the general association of defeat with a lower likelihood of a subsequent run as a centrist in Table 1, we now provide a more nuanced account of changes in party positioning subsequent to a loss of power. First, we consider the direction of ideological shifts preceding elections t and $t + 1$. The outcome variable we estimate is the magnitude of a shift toward the ideological extreme (i.e., away from the center). The advantage of using this outcome is that it applies to parties on both the Left and Right; recall, a shift to the extreme is with respect to the party's previous ideological positioning.

Table 2 presents the relationship between the party's ideological shift before the previous elections and the subsequent ideological shift after the electoral defeat. Column [1] shows that defeat in itself is not significantly associated with a move to the extreme, but that a shift in the previous elections to the extreme is strongly and negatively associated with the subsequent shift. Put simply, parties tend to "correct" their previous shift by making a move in the opposite direction than the one they had made before the last election. This result is consistent with the argument advanced by Budge, Ezrow, and McDonald (2010), but the finding is also consistent with a simple reversion to the mean. Yet as the interaction term in column [2] indicates, electoral defeat is associated with a stronger "correction." Substantively, the magnitude of this correction is 46 percent larger following loss of power. In other words, parties that suffer an electoral defeat tend to reposition ideologically in the direction opposite to the one they had previously shifted toward to a substantially larger degree than parties that did not suffer loss of power. This pattern remains consistent as we include fixed effects for election, party, or decade (or combinations thereof).

We also examine whether the response to defeat differs between parties operating in two- and multi-party systems. As columns [7] and [8] indicate, parties in both systems tend to self-correct,

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
				To Extreme$_{t+1}$				
Loss of Power$_t$	0.510	0.537	-0.128	1.683	1.663	0.670	-4.189	4.378
	(1.915)	(1.891)	(2.210)	(2.153)	(2.147)	(2.535)	(4.142)	(3.184)
To Extreme$_t$	-0.407**	-0.391**	-0.381**	-0.415**	-0.417**	-0.411**	-0.344**	-0.469**
	(0.029)	(0.033)	(0.032)	(0.036)	(0.037)	(0.036)	(0.064)	(0.037)
Loss of Power$_t$ × To Extreme$_t$		-0.149$^+$	-0.130	-0.197*	-0.193*	-0.173	-0.359$^+$	-0.081
		(0.084)	(0.090)	(0.082)	(0.080)	(0.108)	(0.208)	(0.110)
Voteshare$_t$	yes	yes	yes	yes	yes	yes	yes	yes
Δ Voteshare$_t$	yes	yes	yes	yes	yes	yes	yes	yes
Platform$_t$ FE	yes	yes	yes	yes	yes	yes	yes	yes
Out of Coalition$_t$	yes	yes	yes	yes	yes	yes	yes	yes
Election FE			yes			yes	yes	yes
Party FE				yes	yes	yes	yes	yes
Decade FE					yes			
Sample							Two-Party	> Two-Party
Observations	1885	1885	1885	1885	1885	1885	812	1073

Standard errors are clustered by party.
$^+p < 0.10, ^*p < 0.05, ^{**}p < 0.005$

Table 2: The association between loss of power and platform shifts toward the extreme, conditional on the previous platform shift.

but subsequent to loss, these patterns are exaggerated. The interaction of loss and pre-election shift to the extreme is no longer statistically significant in sub-group analysis. We note that the sub-group analysis is less powered to detect such an interaction than the full sample. The difference in estimates is not significant at standard thresholds ($p = .23$).

4.3   The Role of the Selectorate

In Table 3, we assess the role of the institutional design of the party's elective body in conditioning electoral responses to loss. Specifically, we examine the association between the size of the party leadership's selectorate and the direction of the party's ideological shift: Do parties with large selectorates, e.g. ones with open primaries, have a greater tendency to move centripetally toward the median voter? As the top panel indicates, we find no clear association between selectorate size and the direction of the subsequent ideological shift. The interaction between electoral defeat and selectorate size is quite small and far from statistical significance in all specifications.

In the second panel, we examine the *size of the ideological shift*. Here, our focus is not the direction of the shift — center v. extreme — but rather the magnitude of the change. Regress-

	(1)	(2)	(3)	(4)	(5)	(6)
	To Extreme$_{t+1}$					
Loss of Power$_t$	-0.219	-0.005	-0.830	-0.847	-6.879	11.940
	(4.288)	(5.079)	(3.314)	(4.273)	(4.988)	(9.676)
Large Selectorate$_t$	1.415	-2.946	2.414	-5.469	-9.289	-3.002
	(1.299)	(3.720)	(2.060)	(5.233)	(8.483)	(4.774)
Loss of Power$_t$ × Large Selectorate$_t$	0.670	0.571	1.181	1.530	-0.048	-2.691
	(4.705)	(5.450)	(4.664)	(5.614)	(6.194)	(11.825)

|	(1)	(2)	(3)	(4)	(5)	(6)
	Shift Magnitude, $t+1$					
Loss of Power$_t$	6.358*	5.183$^+$	8.994*	8.971*	10.836*	0.139
	(2.708)	(2.806)	(3.302)	(3.201)	(3.719)	(3.875)
Large Selectorate$_t$	-1.275	0.063	-0.345	3.146	1.511	4.536*
	(2.001)	(2.313)	(2.141)	(3.627)	(6.351)	(2.050)
Loss of Power$_t$ × Large Selectorate$_t$	-4.405	-2.586	-8.728*	-7.364$^+$	-5.126	-3.338
	(3.343)	(3.586)	(3.820)	(3.914)	(4.730)	(4.416)
Voteshare$_t$	yes	yes	yes	yes	yes	yes
Δ Voteshare$_t$	yes	yes	yes	yes	yes	yes
Platform$_t$ FE	yes	yes	yes	yes	yes	yes
Out of Coalition$_t$	yes	yes	yes	yes	yes	yes
Country FE	yes		yes			
Party FE		yes		yes	yes	yes
Decade FE		yes				
Election FE			yes	yes	yes	yes
Sample					Two-Party	> Two Party
Observations	1115	1115	1115	1115	551	564

Standard errors are clustered by party.

$^+p < 0.10,$ $^*p < 0.05,$ $^{**}p < 0.005$

Table 3: The association between loss of power and platform shifts, to extreme (panel A) and size of shift (panel B), conditional on selectorate size.

ing the absolute size of the ideological shift along the left-right scale, we estimate the same set of specifications we used in the first panel. Using this new dependent variable, the results are quite different. We find that the magnitude of the ideological shift after electoral defeat appears to be conditioned by the size of the leadership selectorate. Starting with column [1], we see a positive, statistically significant, relationship between electoral loss and the size of the shift in the next elections. This result is consistent with an earlier finding that loss of voteshare is associated with a larger ideological shift in the next elections (Somer-Topcu, 2009). We also find that the interaction term of loss and selectorate size is negative. When adding fixed effects, particularly when comparing within elections (Columns [3] and [4]), the point estimate on the interaction term is substantively quite large and negatively signed. Substantively, this analysis suggests that parties with a concentrated leadership selectorate tend to respond to electoral defeat with larger platform shifts. However, in settings where the leadership selectorate is more diffuse, the magnitude of the platform shift following loss is, on average, not distinguishable from that of parties that do not lose office. The subgroup analysis suggests that we do not observe *different* associations between selectorate size and loss of power across party systems.

4.4   Post-Loss Strategies and Return to Government

Finally, in Table 4 we explore whether the choice of strategy post defeat is associated with the party's subsequent electoral fortunes. In columns [1]-[5] we estimate the relationship between the direction of the ideological shift and the likelihood of the party returning to power after the next election. As the table indicates, parties that shift to the extreme following a defeat are slightly more likely to be in government after the next election. In substantive terms, for a mean-sized shift to the extreme (13 points on the RILE measure), the chances of returning to power increase by approximately 6.6 percentage points. This association is not distinguishable between two- and multi-party systems. In contrast, columns [6]-[10] show no evidence that the magnitude of the ideological shift post defeat is associated with the party's chances of returning to power in the next
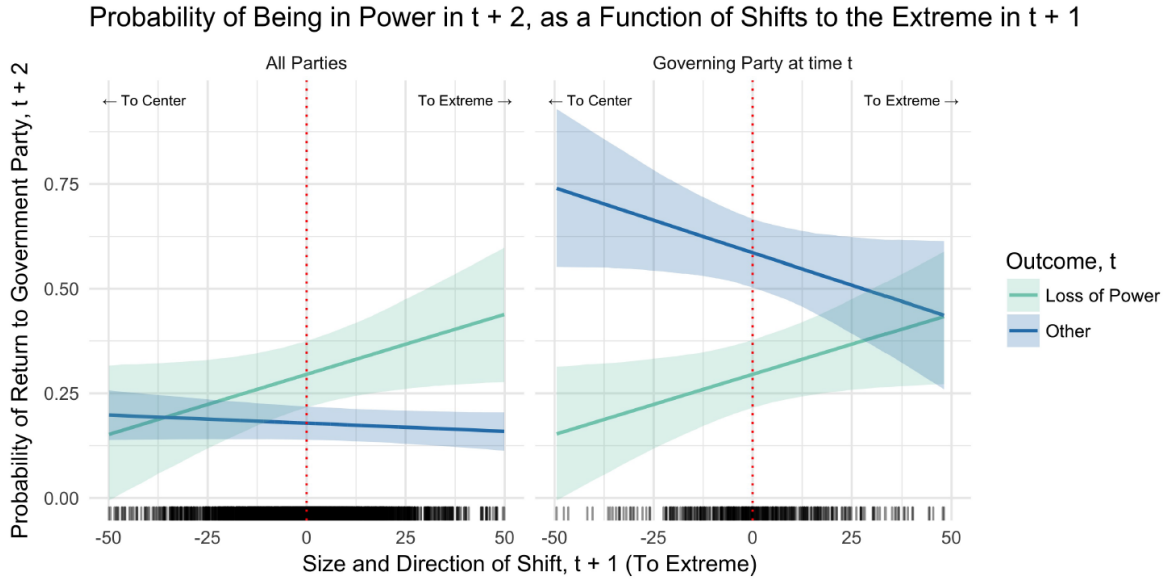
Figure 2: Probability of being in power in time $t + 2$ as a function of electoral outcomes at t and the subsequent shift in platforms in $t + 1$ (x-axis). The left panel includes all parties in the dataset while the right panel conditions the sample on parties in power at time t. 95% confidence intervals constructed upon standard errors clustered at the party level.

election. The estimated effect is small and that the standard errors are sizable by comparison.

We graph the results in Figure 2, indicating that a shift to the extreme in $t + 1$ benefits the electoral prospects of parties that had just lost power. The left panel in Figure 2 depicts this positive association for parties that lost power in election t (green) relative to all other parties in the sample (blue). It is also useful to condition the sample to parties in power preceding election t (right panel). In this graph, shifts to the extreme among re-elected parties are associated with lower prospects of another re-election in contrast to the apparent benefits of moving to the extreme for just-defeated parties.

Collectively, these findings prove quite robust to modeling choices. In Appendix A8, we examine the robustness of the specifications in Tables 1-4 to alternate (or no) weighting schemes. We further estimate our specifications only among the subset of governing parties. We also examine the possibility that results may differ when one considers loss of power only in instances where the ousted governing party actually experienced a drop in vote share in Appendix A9. In doing so,

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
					Government Party$_{t+2}$					
Loss of Power$_t$	-0.168*	-0.147*	-0.196*	-0.278*	-0.082	-0.206*	-0.166*	-0.233*	-0.393*	-0.058
	(0.065)	(0.064)	(0.076)	(0.136)	(0.081)	(0.078)	(0.077)	(0.093)	(0.147)	(0.120)
To Extreme$_{t+1}$	-0.079	-0.067	-0.087	-0.153	-0.048					
	(0.057)	(0.045)	(0.061)	(0.111)	(0.067)					
Loss of Power$_t$ × To Extreme$_{t+1}$	0.401*	0.411*	0.505*	0.465	0.594$^+$					
	(0.182)	(0.186)	(0.229)	(0.302)	(0.325)					
Shift Magnitude$_{t+1}$						-0.032	0.037	-0.042	-0.132	0.063
						(0.102)	(0.104)	(0.116)	(0.141)	(0.186)
Loss of Power$_t$ × Absolute Shift$_{t+1}$						0.280	0.146	0.271	0.790$^+$	-0.100
						(0.257)	(0.273)	(0.310)	(0.398)	(0.485)
Voteshare$_t$	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Δ Voteshare$_t$	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Platform$_t$ FE	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Out of Coalition$_t$	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Party FE		yes	yes				yes	yes		
Election FE	yes			yes	yes	yes			yes	yes
Sample				Two-Party	> Two Party				Two-Party	> Two Party
Observations	1886	1886	1886	813	1073	1886	1886	1886	813	1073

Standard errors are clustered by party.
$^+ p < 0.10$, $^* p < 0.05$, $^{**} p < 0.005$

Table 4: The association between loss of power in election t and return to power in election $t + 1$, conditional on changes in platform in between the two elections. "To Extreme$_{t+1}$" and "Shift Magnitude$_{t+1}$" are divided by 100 to scale coefficient estimates.

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we address the concern that in parliamentary systems, a governing party may perform as well as in previous elections, or even better, but nonetheless find itself out of power due to the politics of coalition formation.[7] We find no evidence of heterogeneity, thereby strengthening confidence in our interpretation of the findings.

5   Model

Our model provides a mechanism for our findings on the evolution of platforms. Its main feature is electoral competition over an infinite horizon, which allows us to capture changes from election to election as a function of past electoral performance.[8] In each period, two parties, labeled L and R, produce candidates for a general election. We focus on the stage game in this section, and postpone some details of the repeated setting until Section 6.2.

To provide a foundation for ideological adjustment over time, we posit a simple candidate selection process within parties. Each party is composed of two factions, one ideologically moderate (denoted M) and the other ideologically extreme (denoted E). Each faction produces one candidate in each period, and all candidates from a given faction are ex ante identical. Candidates can run for office only once. In each election at most one candidate from each party may enjoy a quality advantage worth $b > 0$ to all voters if that candidate is elected. Within a party, this advantage

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[7]Appendix A7 shows that our results on loss pertain to governing parties, but not other coalition members.

[8]Our analysis is in line with the approach advanced by the MARPOR team, who study the dynamics of party position-taking as a continuous process evolving over a series of elections (Budge et al., 2012) and emphasize the struggle between party factions as central for understanding party behavior (Budge, Ezrow, and McDonald, 2010). Our set-up differs primarily by having strategic voters drive factional choice, rather than by letting past factional success determine future ideological direction. We also incorporate variations in candidate quality and candidate selection mechanisms. These features allow us to address non-ideological concerns related to electability and the role of selectorate size, respectively.

goes to each faction with probability $\rho < 1/2$, and to no faction with probability $1 - 2\rho$. The draws of candidate quality are independent across parties. We denote by $b_i \in \{0, b\}$ the quality level of party i's general election candidate.

Upon election, a candidate from faction j in party i implements her ideal policy $y_i^j \in \mathbb{R}$. She also receives office-holding utility $w_v > 0$ from achieving office, while unelected candidates receive 0.[9] The factional ideal points are related to one another as follows:

$$
\begin{aligned}
y_R^M &= y_L^M + \Delta \\
y_R^E &= y_R^M + \delta \\
y_L^E &= y_L^M - \delta
\end{aligned}
$$

Thus, $\Delta > 0$ is distance between the parties' moderate factions, and serves as a measure of polarization. The parameter $\delta \in (0, b)$ is measure of the parties' internal ideological heterogeneity. We denote by p_i the ideal point of the party i nominee.

There is a continuum of voters who care about policy and quality. Voters are ideologically homogeneous, with an electorate-wide ideological median $y_m \in (\overline{y}_L^M, \underline{y}_R^M)$. Each party i is associated with a continuum of allied voters with ideal points $\mathcal{P}_i \equiv [\underline{y}_i, \overline{y}_i]$ who form a subset of the general election electorate. This group might represent the set of party i primary election voters. The median of $\mathcal{P}_i$ is ideologically located midway between the factions, and thus has ideal point $y_i^d = (y_i^M + y_i^E)/2$.[10] Additionally there are two subgroups within $\mathcal{P}_i$ that support the party factions. For each faction j, $\mathcal{P}_i^j \subset \mathcal{P}_i$ represents the set of closely aligned party voters. All members of subgroups $\mathcal{P}_i^E$ and $\mathcal{P}_i^M$ are more extreme and moderate than the party median voter, respec-

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[9]Thus, candidates are "citizen candidates" and cannot credibly promise to deliver a policy other than their ideal.

[10]This assumption simplifies the analysis, but is unnecessary for our results. For b sufficiently large this pivotal voter may be located far from the median.

tively, and the party median belongs to neither subgroup. The median of $\mathcal{P}_i^j$ has the same ideal point y_i^j as the faction's candidate. The subgroup members receive utility $w > 0$ when their candidate is elected. This might correspond to faction-specific rents or private goods that a candidate can provide to loyalists.

In each party, candidate selection depends on its current "lead" faction, candidate quality, and the party's selectorate. The lead faction is simply the faction of the previous period's election candidate; that is, nomination determines formal control of the party. Larger selectorates reduce the lead faction's control. Let $\pi_i \in (0, 1)$ be a measure of the size of party i's selectorate. If party i won the preceding election, then with probability $\pi_i \lambda_v$, the set of all party voters $\mathcal{P}_i$ chooses the party's candidate, and with probability $1 - \pi_i \lambda_v$, the lead faction's voters choose. We refer to the former as an *open* process, and the latter as a *closed* process. Likewise, if party i lost the preceding election, the process is open with probability $\pi_i \lambda_d$ and closed otherwise. The parameters $\lambda_v \in [0, 1]$ and $\lambda_d \in [0, 1]$ reflect the ease of party leadership transitions following a win or loss.

The nominated candidates finally compete in a general election by offering their ideal policies as the party platforms. Voters choose on the basis of policy utility, candidate quality, and a random utility shock $\omega \sim U[-\alpha, \alpha]$ in favor of party R. The median voter receives higher stage game utility from party R if:

$$- |y_m - p_R| + b_R + \omega > -|y_m - p_L| + b_L. \tag{6}$$

We make two assumptions to eliminate a few uninteresting cases. First, to avoid corner probabilities of victory, we let $\alpha > \Delta + \delta + b$. Second, to assure that faction members care enough about their own candidate's selection to act differently from their party's median voter, we assume that w satisfies:

$$w > \max \left\{ \frac{(b + \delta)^2 + \alpha(b - \delta) + 2b\Delta}{\alpha - \Delta - \delta - b}, \frac{(\alpha + \Delta + 2b - \delta)(b - \delta)}{\alpha - \Delta - b} \right\}. \tag{7}$$

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Figure 3 illustrates the configuration of voters in one party. The sequence of each period of the basic game is as follows.

1. Nature reveals the quality level for each faction's candidate in each party.

2. In each party, Nature simultaneously chooses whether the nomination process is open or closed.

3. In each party, the nominating players vote to nominate a candidate.

4. Nature draws ω.

5. All voters vote to determine the election winner.
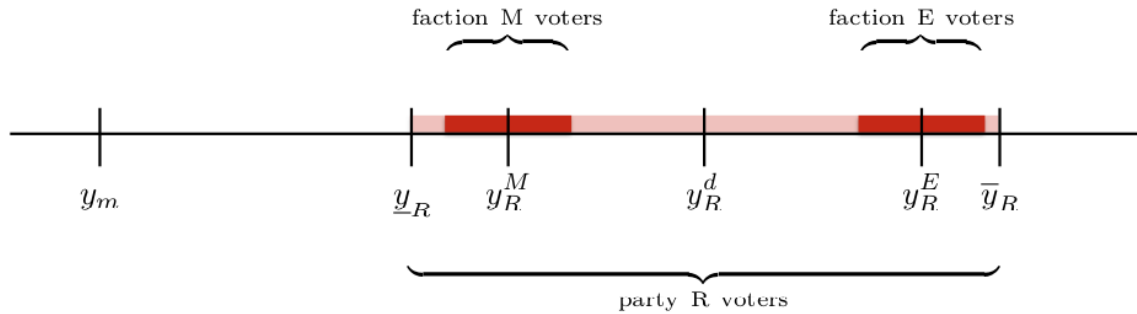
Figure 3: Party R Voters. All party R voters have ideal points in the interval $[\underline{y}_R, \overline{y}_R]$. In an open process the party median voter with ideal point y_R^d is decisive in selecting a candidate. In a closed process the factions, with decisive voters at y_R^M or y_R^E, will be decisive.

We derive a subgame perfect equilibrium for the stage game. In the candidate selection stage, each eligible voter's nomination strategy is a mapping $\{(0,0),(0,b),(b,0)\} \rightarrow \{M,E\}$. In the general election the strategies for all voters are mappings $\{(0,0),(0,b),(b,0)\}^2 \times \{M,E\}^2 \times [-\alpha,\alpha] \rightarrow \{L,R\}$. There are many equilibria in this game, and we therefore use the fact that voters cannot be pivotal and are effectively indifferent among voting strategies. We focus on equilibrium whereby each voter acts as if pivotal and chooses the candidate who maximizes expected utility in the general election. Thus, voters do not necessarily choose the closest candidate at the nomination stage, but disregard the effect of their votes on lead factions in future periods.

6 Theoretical Results

6.1 Stage Game

As the median voter is pivotal in the general election we begin with her decision. After the shock ω is realized, she simply chooses the optimal candidate according to (6). This implies the following probability of victory for party R:

$$\phi(p_L, b_L, p_R, b_R; y_m) = \frac{1}{2} + \frac{2y_m - p_R - p_L + b_R - b_L}{2\alpha}. \tag{8}$$

Now consider party nominations. As in the general election, the median voter in the candidate selection process is decisive. There are two cases. First, when the nomination process is open, the party median (with ideal point at y_i^d) will prefer the high quality candidate, if one exists. The most interesting subcase is the one in which the extreme candidate is high quality. The voter is indifferent between factions on ideological grounds, but receives higher utility from a high-quality faction E candidate. Since $b > \delta$, an extreme high-quality candidate will also be more appealing than a low-quality moderate in the general election. In every other subcase, the moderate is more electable and thus receives nomination.

In the second case, the process is closed and the nominating body is the lead faction's allies. These voters obviously prefer their own faction on ideological grounds, but may sacrifice quality and electability (for faction E voters) by choosing their own candidate. By assumption (7), factional voters intrinsically benefit from nominating their own candidates. This induces them to prefer their own faction's candidate even despite inferior quality.[11]

We summarize these cases in the following result. Details are provided in Appendix A12.1.

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[11]Without (7), a faction's median voter would behave more like the party's median voter. This is especially true for faction M, who like the party median would prefer the M candidate when neither faction had a quality advantage.

Proposition 1. Candidate Choice. *In an open nomination process, the party nominates the high quality candidate if one exists, and the faction M candidate otherwise. In a closed nomination process, the party nominates the lead faction's candidate.*

Our stage game therefore captures a simple source of variation in policy platforms. Platforms reflect candidate quality when the candidate selection process is open (for example in a primary election), and reflect the party leadership's preferences when the process is closed. Candidate selection processes are therefore an important determinant of the distribution of platforms over time.

6.2 Dynamic Analysis

Since candidates in the stage game live for only a single period and voters are never pivotal, the stage game equilibrium can be used as the basis for analyzing the infinite horizon game. We restrict attention to equilibria in which voters use Markovian strategies, playing exactly as they do in the stage game and ignoring payoff-irrelevant game history. The conditions of each period can thus change only through the identity of the parties' lead factions and the current incumbent party (i.e., the winner of the preceding period's election).

To capture these parameters, let the state of the game be the triple (i, f_L, f_R), where $i \in \{L, R\}$ is the incumbent party, and $f_L \in \{M, E\}$ and $f_R \in \{M, E\}$ are the lead factions of parties L and R, respectively. This state variable can take on eight values, and completely describes the parameters at each period. The states are connected by an 8×8 transition matrix $\mathbf{Q}$, where each element $Q_{s,s'}$ gives the probability of moving from any state s in period t to any another state s' in period $t+1$. Note that aside from identifying the incumbent and the lead factions, the probabilities are Markovian; i.e., independent of history.

While the full matrix $\mathbf{Q}$ would be quite cumbersome to write, the individual elements therein are straightforward to derive. Each $Q_{s,s'}$ is determined by three components. The first two components are the probabilities of factional choice within each party, which depend on π_i, λ_d, and λ_v

as described previously, and the availability of a high quality candidate, which depends on ρ. The final component is the probability of victory of the election winner in s', which is derived from Equation (8). Appendix A12.2 provides further details. For example, the following equation gives the probability that an R extremist defeats an L moderate, starting from a setting where R had previously won a contest between moderate factions, when selectorate sizes are symmetric (i.e., $\pi_L = \pi_R = \pi$).

$$Q_{(R,M,M),(R,M,E)} = \frac{\lambda_v \rho \pi ((1 - \lambda_d \rho \pi)(2y_m - 2y_R^M + \alpha - \delta + \Delta) + b(1 - \rho - \lambda_d \rho \pi))}{2\alpha} \quad (9)$$

The transition matrix allows us to analyze the equilibrium as a simple Markov chain. More specifically, it can be shown that the Markov process corresponding to the equilibrium has a unique stationary distribution. This implies that the distribution of states over time is independent of the initial state.[12] For each state s, let q_s be the long-run proportion of periods spent in s. Using conventional techniques, we may calculate each q_s and other quantities of interest. For example, the proportion of time spent under party R control is the sum of q_s's where s is of the form (R, f_L, f_R). In conjunction with $\mathbf{Q}$, we can use q_s to calculate the likelihood of particular short-run evolutionary paths.

Our empirical results suggest the following paths of interest, expressed formally in Appendix A12.2. For ease of translation between the empirical and theoretical results, these quantities are indexed by their empirical counterparts in Section 4.

1. *The steady state probabilities of losing power followed by an extreme platform, and re-election followed by an extreme platform.* [Table 1.]

2. *The steady state probabilities of losing power followed by a reversal of the preceding plat-*

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[12]Formally, since the number of states is finite and each is accessible from every other state in one step, the Markov chain is positive recurrent. This implies the existence of a stationary distribution.

form shift, and re-election followed by a reversal of the preceding platform shift. [Table 2.]

3. *The steady state probabilities of losing power followed by any platform shift, and re-election followed by any platform shift, for different selectorate sizes (π_i).* [Table 3.]

Unfortunately, calculating the probability of these paths requires numerical simulation because of the complexity of the expressions for steady state probabilities. We can however provide partial analytical results that convey some of the intuition for the empirical observations. Proposition 2 shows that under some modest parametric assumptions, the likelihood of observing each of the short-term paths described above is exactly as observed in the data. The main simplification is that the result only considers paths starting from the state (R, m, m), instead of accounting for the relative likelihood of all possible states. Note however that this state (where both parties nominated their moderate factions in the preceding election) is relatively common, and thus plays a large role in determining the overall distribution of factional trajectories.[13]

Proposition 2. Platform Adjustment Following Losses and Wins. *Let $y_m = 0$, $\pi_L = \pi_R = \pi$, $\lambda_v = \lambda_d = 1$, and $\Delta = 2y_R^M$. If $\delta > b(1 - \frac{\rho}{1-\rho\pi})$, then starting from state (R, m, m), the probability that party R loses, followed by:*

(i) *running on an extreme platform;*

(ii) *platform reversal;*

(iii) *platform adjustment*

is higher than the probability that it wins, followed by the same event.

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[13]This state has steady state probability $Q_{R,m,m} = 0.405$ when $y_m = 0$, $y_R^M = -y_L^M = 0.1$, $\lambda_L = \lambda_R = 0.7$, $\rho = 0.1$, $\delta = 0.6$, $b = 0.65$, $\lambda_v = \lambda_d = 1$, and $\alpha = 2.5$. Since state (L, m, m) is symmetric, both parties nominate their moderate factions in 81% of elections.

Proposition 2 is driven by the fact that a party is more likely to suffer a loss when its selectorate opts for the extreme faction than when it stays with the moderate faction. (This does not imply that the selectorate errs in choosing the extreme faction, as choosing a low-quality moderate would be even worse.) As a result, any event that is more likely under an extreme lead faction will be relatively more likely following losses. Such events include running as an extremist, since lead faction status is somewhat persistent over time. They also include reversing or adjusting platforms, since extreme platforms are relatively vulnerable to being abandoned. The result therefore suggests that sequences such as losses followed by extremism should be observed with greater frequency than wins followed by extremism. Importantly, since each party wins the election with probability $1/2$ in state (R, m, m) when the median voter is unbiased, the proposition also implies that the conditional probabilities of events (i)-(iii) following losses are higher than those following wins.

The comparative statics on selectorate size following loss versus victory are more ambiguous. Differentiating the relevant difference with respect to π shows that the relationship is non-monotonic. For some regions of the parameter space, this difference is decreasing in selectorate size, consistent with the finding in Table 3. However, this relationship does not generally hold across the entire parameter space.
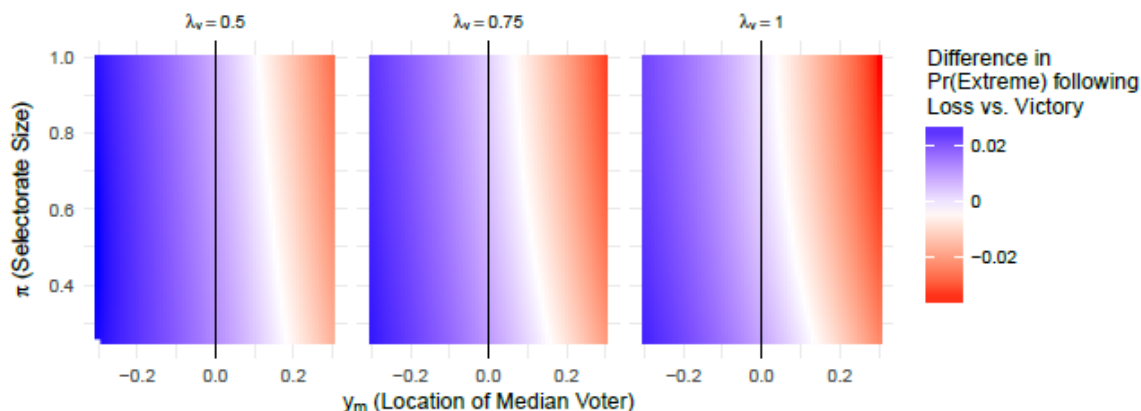
6.3 Numerical Results

Our numerical results complement Proposition 2 by examining comparative statics over a large subset of the parameter space. For each of the above quantities, we present comparative statics graphically. The reported probabilities are for party R; note that all results are symmetric for party L given the symmetry in factional ideal points.

We first examine the probability of running on an extreme platform. Recall our main empirical finding from Table 1 that subsequent to electoral loss, former governing parties are less likely to run on centrist platforms. We examine this relationship in the theoretical model by differencing the probability of running on an extreme platform after losing power versus winning re-election.

Figure 4 provides comparative statics on this difference across a range of y_m (ideological bias in the electorate) and π (selectorate sizes). In these figures, we consider party R; party L is symmetric about y_m. Consistent with the empirical results, even absent bias in the electorate or restrictions on the incumbent (i.e., $y_m = 0$ and $\lambda_v < 1$), this difference is positive. Party R is increasingly likely to resort to extreme platforms following losses versus wins when the party is electorally disadvantaged ($y_m < 0$). Moreover, party R is more likely to lose when $y_m < 0$, which may help to account for observed patterns in the data.

Several additional comparative statics on the difference in probability of running on an extreme platform yield additional insights. Restrictions on the incumbent's ability to change platforms result in larger differences between winning and losing parties' adoption or maintenance of extreme platforms. Perhaps less obviously, this difference is increasing in both polarization Δ and intra-party ideological heterogeneity (δ).

Figure 4: Difference in probability of running on an extreme platform after a loss of power versus winning re-election for the right party. In this graph, $\alpha = 2.5$, $b = 0.65$, $\lambda_d = 1$, $y_R^M = .3$, $\Delta = 2y_R^M$, $\delta = 0.5$, and $\rho = 0.25$.

Our empirical results in Table 2 suggest that subsequent to electoral defeat, reversals of the last platform shift are greater in magnitude. In the context of Proposition 2(ii), such a reversal indicates either a change in one party from moderate to extreme in election t and then back to moderate in election $t+1$, or a shift from extreme to moderate and back to extreme. We estimate the probability

of observing either pattern when an incumbent party loses in election t versus wins re-election in election t. This difference in probability of ideological reversal for the right party is plotted in Figure 5. We note that with no ideological bias $y_m = 0$ and no additional friction on the incumbent party's selection process ($\lambda_v = 1$), this difference is positive (if small). It increases in magnitude in the region in which the right party is disadvantaged $y_m < 0$ and loss is consequently more likely. Similarly, it increases in magnitude when additional constraints are imposed on the incumbent's ability to open leadership selection ($\lambda_v < 1$). Furthermore, this difference is increasing in both polarization (Δ) and intraparty ideological heterogeneity (δ). In sum, under "neutral" conditions as well as electoral conditions more conducive to loss, the probability of ideological reversal in consecutive periods is higher following electoral defeat than after re-election.
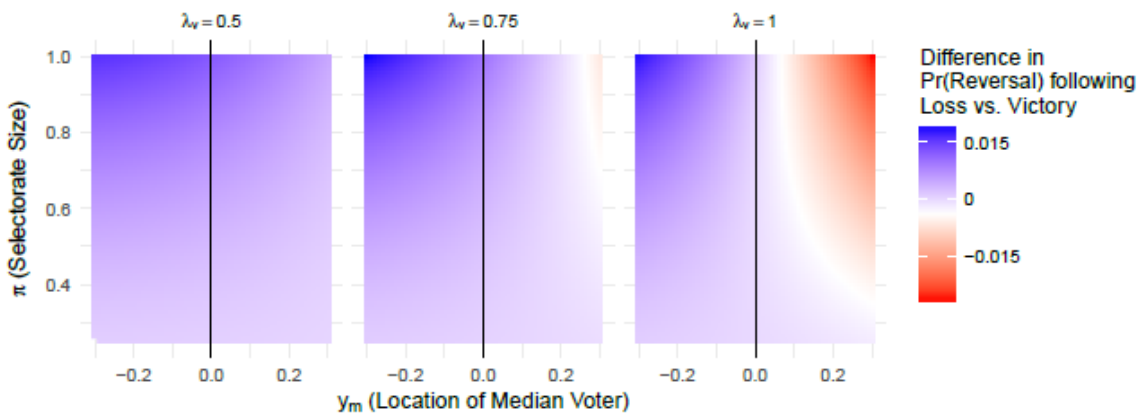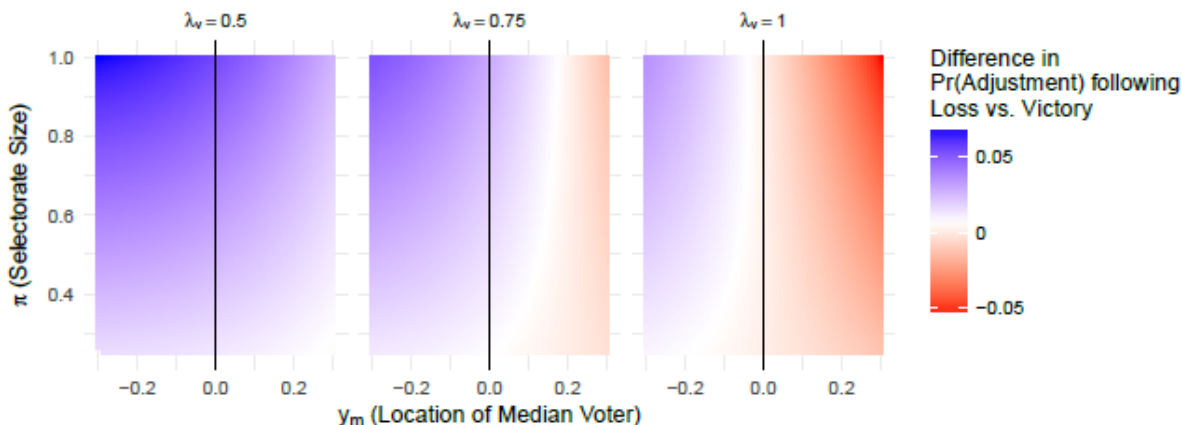

Figure 5: Difference in probability of ideological reversal after a loss of power versus winning re-election for the right party. In this graph, $\alpha = 2.5$, $b = 0.65$, $\lambda_d = 1$, $y_R^M = .3$, $\Delta = 2y_R^M$, $\delta = 0.5$, and $\rho = 0.25$.

Finally, we turn to the finding that ideological repositioning is mediated by the size of the selectorate, described in Table 3. The interaction model implies the need to investigate two theoretical quantities of interest. First, we assess the "main effect" that the magnitude of electoral repositioning is greater following a loss than a victory. Theoretically, this corresponds to the probability of shifting from the moderate faction to the extreme faction or vice versa. Figure 6 reveals that indeed, under symmetric, neutral conditions ($y_m = 0$ and $\lambda_v = 1$), losing parties are slightly more

likely to reposition than winning parties, given the positive estimates of the difference. The magnitude of this difference is increasing in electoral disadvantage ($y_m < 0$) and selection constraints on the winning party ($\lambda_v < 1$).

The negative coefficient on the "conditional effect" from the interaction models implies that this difference should be decreasing in selectorate size (π). Figure 6 further depicts the numerical results on this difference with respect to selectorate size. As in the analytical results, the comparative statics with respect to π are more ambiguous, revealing a non-monotonic relationship between selectorate size and the difference in platform adjustment between losing and winning parties (see right panel of Figure 6).

Figure 6: Difference in probability of platform adjustment after a loss of power versus winning re-election for the right party. In this graph, $\alpha = 2.5$, $b = 0.65$, $\lambda_d = 1$, $y_R^M = .3$, $\Delta = 2y_R^M$, $\delta = 0.5$, and $\rho = 0.25$.

7   Conclusion and Implications

This paper focuses on loss of power and studies the subsequent ideological positioning of ousted governing parties. Our finding that a post-defeat shift away from the center is associated with a higher likelihood of a swift return to power is both theoretically intriguing and politically pertinent. First, it stands in contrast with the results of Bawn and Somer-Topcu (2012), who contend that opposition parties tend to perform better by taking more moderate positions. Several factors may

help account for the discrepancy in the findings of the two studies. First, they compare the change in vote-share of all opposition parties between the current and the next elections. We focus solely on the defeated governing party and our outcome measure is return to power, not the change in vote-share. Second, the samples are quite different: they examine five countries between 1971-2005, our sample covers OECD countries from 1945 to present.

The result about the faster route for returning to power also speaks to ongoing debates among party activists (e.g., Democrats in the US or the Socialists in France) regarding the positioning strategy their party should adopt in order to successfully regain the presidency. Yet the causal nature of this empirical relationship warrants further investigation.

The finding that internal party-structure is associated with different post-defeat party decisions is consistent with earlier studies (Lehrer, 2012; Schumacher, De Vries, and Vis, 2013). However, these studies emphasized a different institutional feature, namely the distinction between leadership-dominated parties (few internal veto points, power concentrated among party leaders) and activist-dominated parties. We emphasize instead the size of the selectorate and the constraints that it implies. How these different institutional features interact is an open question, and is a promising direction for future research on party responsiveness to electoral performance.

Our dynamic model of ideological positioning develops an interaction between the selection of party leadership and the tradeoff between factional control of the party and candidate quality. In addition to accounting for most of our key empirical results, the model generates other comparative statics for continued investigation. In particular, it suggests further empirical examination of candidate quality; the survey of literature that we compile in Appendix A1 provides a set of measures from which to start. The model further suggests roles for polarization and intraparty ideological heterogeneity in conditioning the magnitude of the observed patterns. Beyond its results for this paper, the model finally provides a useful dynamic framework that could have other applications for the study of electoral dynamics.

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