Government versus Opposition at the Polls:

How Governing Status Affects the Impact of Policy Positions

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Abstract:

We argue here 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 leads voters to discount the positions of parties in government more than parties in opposition. As a result, voters are likely to discount the policy positions of governing parties more than opposition parties. Hence, opposition parties perform better by taking more moderate positions, as the standard Downsian model would predict. Government parties, in contrast, do better when they take relatively more extreme positions. We present evidence from national elections in Germany, the Netherlands, Norway, Sweden and the UK, 1971-2005, to support this claim. Our findings are relevant to spatial modeling of party competition and elections and to voting behavior.

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. We argue that electoral fortunes of government parties are shaped differently from opposition parties. In one sense, this argument is not remotely novel. It is well known that the economy -- the best-understood predictor of electoral outcomes -- affects government parties differently from opposition parties.[1] But the difference does not end there. Factors other than the economy that help governing parties may not work for opposition parties and vice versa. In particular, we will show that the effect of policy position on vote share depends on governing status. 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 the information voters have about parties (see 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 will often have 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

[1] See Duch and Stevenson (2008) for recent work in this area.

that sometimes a party's vote share increases after it has been in government, somewhat more often it decreases (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. Voters observe a steady stream of stories in which governing parties are forced to compromise: compromise with coalition partners and other political actors, compromise in the face of budget constraints and ideologically inconvenient realities. Any voter who pays attention will take with a grain of salt the policy goals espoused by parties in government. 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. Moreover, the most recent information voters have about opposition parties is skewed away from compromise and moderation. Opposition parties have ample opportunity to stake out clear and strong ideological positions. Indeed, they generally have little opportunity to do anything else.

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. We present evidence from national elections in Germany, the Netherlands, Norway, Sweden and the UK, 1971-2005, to support this claim.

Our findings are relevant to spatial modeling of party competition and elections and to voting behavior. With respect to spatial modeling, we challenge a central tenet, the median voter theorem (Downs, 1957), by showing that governing parties win votes if they move toward more extreme positions. This contributes to existing debates about whether people vote for the ideologically closest party or whether they discount party positions or vote for more extreme parties (a la directional voting). We show that, for governing parties, being more extreme helps to increase party vote shares. Finally, ours is one of only a few studies to examine the electoral performance of both governing and opposition parties (e.g. Butt, 2006). 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.

Our argument proceeds as follows. Section 1 briefly reviews the literature on party position and vote choice. Section 2 develops our argument about government versus opposition roles as an extension of Grofman's (1985) discounting model of spatial vote choice. Section 3 describes the data we use to examine how government status conditions the impact of party

position on vote share. Section 4 presents our main findings and Section 5 discusses extensions and robustness.

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 voter.

Fifty-odds years later, despite the compelling logic of the Downsian model, there is little evidence that parties or candidates actually converge (Erikson and Wright, 1997; Ansolabehere et al., 2001). Why the discrepancy? One conjecture is that parties are motivated, at least in part, by intrinsic policy preferences, not simply the desire to win office (Wittman, 1983; Calvert, 1985; Bawn et al., 2005). A second prominent set of theories argues that parties must please activists as well as ordinary voters, because the former provide campaign resources of various forms (Moon, 2004). Those who become activists generally have extreme preferences, giving parties an incentive to diverge from the median position (Aldrich, 1983).

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 elections 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 et al. (2005) studied the problem of optimal positioning by office-oriented parties in multi-party systems, and found that actual positions were systematically more extreme than theoretical predictions.

Excess extremism in multi-party contexts could be due to either policy-oriented parties or pressure from extremist activists, just as in the two-party case. Another possibility -- particularly important in multi-party elections -- is that proximity is not the basis for vote choice. Rabinowitz and MacDonald (1989) developed the "directional" model that claims that a voter will support the party or candidate which is most likely to move policy in her 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.

Directional theory, unlike Downs and the other theories under discussion, rests on a model of cognition and decision-making different from conventional assumptions about rationality. But the spatial proximity decision rule can also be challenged within the rational choice framework. Grofman's (1985) discounting model argues that voters realize that 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 that 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.

This 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, but the voter thinks that either party will be able to implement a policy half-way (ω =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 discounting? Kedar (2005, 2006, 2009) offers an institutional answer: voters discount party positions more when institutions require power sharing and compromise. Coalition governments, federalism and presidentialism will all lead to greater discounting.

Kedar's Compensational Vote Model predicts testable differences across countries, which she shows are supported by individual level data. Our focus, in contrast, is on differences within a country. We use the discounting model to explore the consequences of our assertion that voters discount the positions of governing parties more than opposition parties.

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 Western European countries we are interested in. 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 the median voter?

Consider Figure 1(b). S, V (which can now be thought of as the median voter) and R (now labeled R_0) 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 in the status quo ($\omega = 0.90$), resulting a discounted position R'_0. Now if party R becomes slightly more extreme, its discounted position moves closer to the median voter's. Holding the positions of other parties (whatever they may be) equal, party R could gain votes by becoming more extreme.

More generally, the discounted position of any party will move closer to centrist voter as the party moves to a more extreme position under the following conditions. First, the party's actual position is 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

$$\frac{R-V}{V-S} < \frac{\omega}{1-\omega}. \tag{2}$$

Thus, requirement (ii) in the above paragraph is most likely to hold when (ii-a) ω is large, and when (ii-b) 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, the party is not too extreme, and when discounting is substantial.

[2] Symmetric conditions hold for a left-wing party when S < V.

What do these conditions imply for differences between government and opposition? Differences in the ways voters react to government and opposition parties are an issue in studies of retrospective voting. 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."

One possible consequence of this asymmetry would be that voters' choices may reflect their evaluations of the governing party only. 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. An important exception is Sarah Butt's (2006) study of how British voters evaluate economic competence. 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 opposition parties would have performed. But the additional information voters have about government parties remains an

important and systematic feature of elections.

Our claim is that better information about government parties leads voters to discount their positions much more heavily than those of opposition parties. 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.

An example illustrating our point 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 (some might say "extreme") pacifist positions of the Green Party, Fischer presided over the first deployment of combat-ready German on foreign soil since World War II. The military action was generally supported by German voters (albeit less so among Green supporters).

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. As a result, voters discount the party's position more than they otherwise would. In the context of Grofman's model, 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 by taking more extreme positions.

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 core claim could also fit comfortably in the context of Rabinowitz and Macdonald's (1989) directional model, or Iversen's (1994) hybrid model, in which voters value both representation (proximity) and leadership (direction). In particular, note how closely the

conditions under which parties benefit by moving to the extremes (labeled i, ii-a and ii-b above) correspond to those implied by the directional model. Voters favor the party that will move policy in their preferred direction (i). Because voters believe only a small fraction of the desired policy change will be accomplished, extreme positions are preferred (ii-a). This works as long as the party's position is within a "region of acceptability" (ii-b).

Thus, in the context of the directional model, our argument could be thought of as a claim that the "region of acceptability" is larger for governing than for opposition parties. In the context of Iversen's representation-leadership model, our claim would be that voters put more weight on leadership for governing parties. Both of these conjectures strike us as plausible. The argument we are developing is *not* one that will discriminate between directional and discounting theory; it is compatible with both. Rather our focus is on differences in how government and opposition parties are affected by the policy positions they take.

3. Data

Our dataset includes most elections taking place from 1971 to 2005 in Norway, Sweden, Germany, the Netherlands and the UK.[3] These are the countries, parties, and years for which National Election Studies asked respondents to locate parties' ideological positions on a ten-point scale.[4] 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.

[3] The full list of parties and elections is in Appendix 1.

[4] The placement of parties question was not asked in the Netherlands 1977, Germany 1980, and Germany 1994.

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. We say "theoretically" because 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.

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 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.[5] 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

[5] Hix and Marsh (2008) use a similar strategy in their multi-country study of elections to the European Parliament.

discussion of whether the impact of an extreme position differs for government versus opposition parties.[6]

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). Our measure of party position is the answer to this question, averaged across either all survey respondents or all respondents who identified themselves as supporters of the party in question.[7] These measures of party position are compared to the position of the median voter (measured as the average ideological self-placement by all respondents) and the position of the party's supporters (average self-placement by all who identify as 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, a set which depends on its history, identity and ideology, and on the rest of the party system. The least extreme position overall is the position of the median voter, and this position is indeed feasible for a centrist party. The median position is not necessarily feasible, however, for parties occupying non-centrist niches. Yet non-centrist parties can choose to take more or less extreme positions in each election. How should we think about

[6] 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. The results were substantively the same as what we present here.

[7] 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).

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.[8] 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 *Relative Extremism* as (i) the distance between the party and the median voter if there are no other parties in between; (ii) the distance between the party and its nearest neighbor in the direction of the median if there is at least one party in between.

It may be the case that vote share is affected more by the party's distance from its core supporters than from the median voter. We control for this possibility with another variable, *Distance from Supporters*, defined as the party's 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.[9]

Both *Distance from Supporters* and *Relative Extremism* measure absolute distances. *Relative Extremism*, by construction, indicates distance from the center. *Distance from Supporters* does not indicate whether the party is to the left or right of, to the extreme or toward the center from, its supporters. That said, in 87% of cases, the party is indeed more extreme than its supporters.

[8] Among our 36 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.

[9] If we include all respondents (not just supporters) in calculating the average party position, results are substantively unchanged.

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 a winning party closer to their own ideal points than if the party lost. 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 (correlations with our three *Government* measures range from 0.29 to 0.32). Moreover, the most likely impact of this particular form of bias would be to understate the extremism of government parties, implying that our estimates understate the extent to which government parties gain by taking relatively extreme positions.

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 above) or as what it is likely to achieve ("X′") is beyond the scope of this paper. But, we note, here again, that to the extent that survey responses do already incorporate discounting, our results will understate the impact of extremism.

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.[10]

Finally, we include party fixed effects in all regressions. These are important given that our theoretical claim is about within-party differences. That is, we are not making any claims about whether chronically extreme parties do better than chronic moderates. Rather we want to isolate the effect of a more or less extreme position on a given party's vote share. The fixed effects allow us to control for each party's typical level of support.[11]

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. The three panels correspond to three different ways of defining what it means to be "in government." In panel (a), a party was counted as in government if it participated in *any* non-caretaker government since the last election. In panel (b), a party was counted as in government if it participated in the *longest*-lasting non-caretaker government since the last election. In panel (c), a party was counted as in government if it participated in the *last* non-caretaker government prior to the current election.[12]

[Table 1 about here]

[10] We ran specifications with second-order lagged dependent variable. The second-order lags were never statistically significant, and other estimates were unaffected by their inclusions.

[11] Appendix I presents a summary of the data and the descriptive statistics for our variables.

[12] Longest and last government information differs from the first coding of all governing parties only if there was more than one government in between two elections.

The first set of regressions in each panel (models 1, 4, 7) examine the effect of *Relative Extremism* on vote share, controlling only for the economy, lagged vote share and party fixed effects (not shown). All three panels show the same basic pattern. *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 (models 2, 5 and 8). Substantively, our most conservative estimate (model 2) 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 3.24 percentage of votes.

On the other hand, *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 between 2.23 to 3.38 percentage points.

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. The effect of *Relative Extremism* for opposition parties 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.

A second point is that the results are largest and most precisely estimated in panel (b), when we define "in government" to mean "participated in the longest government since the last election." The fact that this specification performs better than alternatives based on participating in the last non-caretaker government or any non-caretaker government is consistent with our hypothesized mechanism. Participants in the longest government are precisely the parties whose

positions voters will most discount. These are the parties for whom voters will have had the most opportunities to observe compromising, cutting deals and falling short of goals.[13]

Third, although *Distance from Supporters* was included as a control variable, its estimated coefficients 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. This impact is also present when *Relative Extremism* is not included, as in models 3, 6 and 9.

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 87% of cases, the party's position is more extreme than its supporters. The positive sign on *Distance from Supporters* would seem to indicate that this variable is functioning as our model predicts for an alternate measure of extremism: government parties do better when they take positions more extreme than their supporters.[14] It is completely

[13] In order to avoid cherrypicking the best results, we kept our first definition of government as the baseline model for the alternative specifications we present below in Table 2. Results would be stronger if we had used the "longest government" definition instead.

[14] 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

reasonable to think that the 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, which is in line with the economic voting literature. However, the economy does not have any significant effects on vote shares once we control for party positions. This itself is an interesting finding, which requires further analysis in the future.

The coefficient for the lagged vote share variable is always positive but statistically significant only in certain models. In addition, the coefficients are very small, which indicate that the impact of previous vote share is minimal, once we account for governing status, position, the economy and party fixed effects. [15]

5. Discussion: Robustness Alternative Explanations, and Extensions

To test the robustness of our results, we re-ran models (1) and (2) from Table 1 omitting each of our countries, one at a time. In the variations on model 1 (those which do not include

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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.

[15] Strictly speaking, the lagged dependent variable should not be included in regressions with fixed effects because of the obvious endogeneity. Indeed, our results become stronger when we omit the lagged dependent variable.

Distance from Supporters) the coefficient on governing parties for *Relative Extremism* ranged in magnitude from 3.97 (omitting the Netherlands) to 5.38 (omitting Germany), and was always significant at $p > 0.05$. For opposition parties, the coefficient ranged from -2.60 to -3.10, with *p*-values between 0.01 and 0.08. In variations on model 2 (which include *Distance from Supporters*) the Relative Extremism coefficient for government parties ranged from 2.29 to 4.41, *p*-values from 0.14 to 0.001. For opposition parties, coefficients were between -1.90 and -3.01, *p*-values from 0.17 to 0.02. The stability of the signs and magnitudes over these subsamples reassures us that our results are not driven by a single country.

It is important to consider whether are 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 own 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.[16] If we omit these elections from Model 2, the coefficient on *Relative Extremism* for governing parties increases to 3.70 (compared to 3.24 for the full sample), with a *p*-value of 0.01. 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.

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

[16] These were UK 1987, 1992, Netherlands 1986, 1989 and 2003 and Norway 2001.

status, perhaps policy-oriented parties take extreme positions when they know they are likely to do well at the polls.[17] 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.

Another concern is whether our results could be due to policy balancing, as in Kedar's Compensational Voting Model. Here again, the compensational model does not predict differences between government and opposition parties. Nonetheless, there remains the question of whether the positive coefficient on *Relative Extremism* could be spurious, driven by small niche parties gaining votes from voters who would like to pull a coalition in a particular direction. Table 2 presents results relevant to this question.

[Table 2 about here]

The first three columns in Table 2 separate the sample into niche and mainstream parties, following the coding rules in Adams et al. 2006.[18] Green, communist and nationalist parties are coded as "niche," others as "mainstream." Policy balancing would imply that *Relative Extremism* could increase the vote share of niche parties regardless of whether they are in government or in opposition.[19] As it happens, we have only one observation of a niche party in government, but

[17] Along these lines, Bawn, et al., (2005) 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.

[18] 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.

[19] 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

our analysis of niche parties in opposition (third column of Table 2) does show precisely the effect predicted by the compensational model. Relative Extremism increases the vote share of opposition niche parties by a substantial amount. This is consistent with Adams, Clark, Ezrow and Glasgow (2006), who argue that niche parties are held captive by ideological supporters who punish them for moderating.

Our model, on the other hand, applies most clearly to mainstream parties. The impact of extremism on mainstream parties is shown in the first two columns of Table 2. This sub-sample shows the familiar pattern of results consistent with heavy discounting of government party positions: extremism helps government parties, hurts opposition parties. We conclude that the results that support our theory are not being driven by niche parties whose extreme positions attract compensational votes. Rather, they are driven by mainstream parties. This is consistent with the logic of our theory: mainstream parties are most likely to be held responsible by voters for government decisions, the most likely to have their positions discounted on the basis of government achievements.

Along similar lines, voters are more likely to associate government decisions with larger parties in coalition governments than with smaller ones. Columns 4 through 7 of Table 2 display results from analysis in which we split the sample into large parties (those receiving more than 20% of the vote) and small ones (20% or less). Our theory applies best to large parties, and indeed we see the differential impact of extremism on government versus opposition vote share quite clearly among the large parties, despite a relatively small sample size. As in the full

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indicates that governing and niche parties manage to stay in the range where extreme positions are helpful.

sample, extremism helps large governing parties and hurts the smaller ones. In the sample of smaller parties, we find no significant effects of extremism.

The last two columns of Table 2 do not test our theory, but rather address 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 last two columns of Table 2 show, however, that this is not the case. Both columns present results for parties currently in opposition, but column 8 includes those that participated in previous governments and column 9 those that have never been in government. The impact of extremism on previous-government-current-opposition parties' vote shares is negative, as with opposition parties as a whole. When it comes to discounting party positions, voters' memories do not seem to extend past the most recent electoral period.

Our analysis in these last two columns has some commonality with 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.

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 would predict. Government parties, in contrast, do better when they take relatively more extreme positions.

We argued that this difference derives from systematic differences in the context in which voters observe government versus opposition parties. Being in government forced 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 the positions of parties in government more than parties in opposition. 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. Our analysis of where the positive impact of extremism is strongest supports this causal mechanism. The governing parties who are most clearly helped by extreme positions are large, mainstream parties who participate in long-lasting governments.

The broader message of this paper is the implication that governing status may condition how voters react to other party attributes besides policy positions (e.g., leadership change, scandal, 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.

APPENDIX I: Summary of Data Used Here

(a) Countries and Elections

Country	Election
UK	1983, 1987,1 992, 1997, 2001, 2005
Germany	1976, 1983, 1987, 1990, 1998, 2002
Netherlands	1971, 1972, 1981, 1982, 1986, 1989, 1994, 1998, 2002
Norway	1973, 1977, 1981, 1985, 1989, 1993, 1997, 2001
Sweden	1979, 1982, 1985, 1988, 1991, 1994, 1998, 2002

(b) Parties

			Position		Vote Share	
Country	Party	# Elections	Mean	Std. Dev	Mean	Std. Dev
GB	Con	6	7.56	.67	36.9	5.85
GB	Lab	6	3.92	1.32	35.12	5.86
GB	Lib	6	5.13	.14	16.9	3.34
GB	CDU	6	7.31	.72	43.2	5.46
Germany	FDP	6	5.8	.76	8.1	1.73
Germany	Gre	5	3.1	.55	6.05	2.97
Germany	PDS	2	2.8	.09	4.57	.784
Germany	SPD	6	3.7	.37	38.45	3.16
Netherlands	CdA	9	7.1	.54	26.46	6.67
Netherlands	D66	9	4.57	.49	7.76	3.68
Netherlands	PVdA	9	3.29	.61	27.09	5.44
Netherlands	VVD	9	7.54	.3	17.47	4.51
Norway	DNA	8	4.37	.58	35.75	5.42
Norway	FrP	7	3.08	.99	7.09	5.05
Norway	H	8	8.06	.48	22.96	6.26
Norway	KrF	8	6.45	.23	10.53	2.44
Norway	SP	8	5.49	.57	8.48	3.51
Norway	SV	8	2.75	.4	7.795	3.15
Norway	V	8	4.67	.68	3.38	.69
Sweden	CP	8	6.3	.28	10.55	4.55
Sweden	FP	8	6.67	.29	9.67	3.53
Sweden	Gre	4	4.74	.26	4.61	.92
Sweden	KdS	5	6.68	.49	6.49	4.48
Sweden	MSP	8	8.98	.08	20.74	2.76
Sweden	SdaR	8	3.87	.31	41.99	3.55
Sweden	VK	8	2.06	.19	6.68	2.42

(c) Descriptive Statistics

	All Cases		Governing Parties		Opposition Parties	
	Mean	St. Dev.	Mean	St. Dev.	Mean	St. Dev.
Relative Extremism	0.984	0.683	0.984	0.713	0.985	0.665
Abs. Distance from Supporters	0.454	0.323	0.451	0.315	0.455	0.330
Vote share at time t	18.421	13.243	23.003	13.387	15.184	12.208
Economic growth	2.498	1.804	2.343	1.773	2.606	1.827
N	157		65		92	

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Table 1: Impact of Relative Extremism on Vote Share

(a) Government = Participated in *any* non-caretaker government since last election.

	(1)		(2)		(3)	
	Govt	Opp.	Govt.	Opp.	Govt	Opp.
Relative Extremism	4.36***	-2.67**	3.25**	-2.54**		
	(1.56)	(1.10)	(1.49)	(1.12)		
Distance from Supporters			5.78**	-1.43	8.17**	-2.34
			(2.57)	(1.73)	(3.21)	(1.97)
Economic Growth	0.62**	-0.28	0.55*	-.261	0.45	-0.26
	(0.29)	(0.25)	(0.29)	(0.24)	(0.32)	(0.22)
Lagged Vote Share	0.38	0.30**	0.36	0.31**	0.37*	0.37**
	(0.24)	(0.13)	(0.24)	(0.14)	(0.22)	(0.16)
Constant	18.11*	6.22***	18.28*	6.19***	20.65**	3.46**
	(10.25)	(1.71)	(10.10)	(1.73)	(8.93)	(1.54)
N	65	92	65	92	65	92
R^2	0.93	0.95	0.93	0.95	0.93	0.94

(b) Government = Participated in *longest* non-caretaker government since last election.

	(4)		(5)		(6)	
	Govt	Opp.	Govt.	Opp.	Govt	Opp.
Relative Extremism	6.05***	-3.39***	5.17***	-3.38**		
	(1.42)	(0.96)	(1.28)	(0.97)		
Distance from Supporters			5.48**	-0.14	8.62**	-1.34
			(2.35)	(1.92)	(3.61)	(2.16)
Economic Growth	0.53	-0.18	0.47	-0.18	0.31	-0.15
	(0.35)	(0.18)	(0.35)	(0.18)	(0.38)	(0.16)
Lagged Vote Share	0.36*	0.22*	0.34	0.22*	0.35	0.27*
	(0.20)	(0.13)	(0.21)	(0.13)	(0.25)	(0.15)
Constant	17.27**	7.08***	17.25*	7.08***	21.64**	3.57***
	(8.36)	(1.46)	(8.70)	(1.47)	(10.10)	(1.25)
N	57	100	57	100	57	100
R^2	0.96	0.93	0.96	0.93	0.95	0.92

(c) Government = Participated in *last* non-caretaker government since last election.

	(7)		(8)		(9)	
	Govt	Opp.	Govt.	Opp.	Govt	Opp.
Relative Extremism	4.78**	-2.25*	3.76**	-2.23*		
	(1.84)	(1.26)	(1.69)	(1.26)		
Distance from Supporters			5.71*	-0.25	8.23**	-1.01
			(2.81)	(2.05)	(3.79)	(2.22)
Economic Growth	0.71**	-0.16	0.62*	-0.16	0.48	-0.17
	(0.31)	(0.20)	(0.32)	(0.19)	(0.33)	(0.18)
Lagged Vote Share	0.28	0.24*	0.26	0.24*	0.31	0.28*
	(0.27)	(0.13)	(0.27)	(1.13)	(0.26)	(0.15)
Constant	21.56*	5.78**	21.85*	5.79**	23.07**	3.50**
	(11.39)	(1.70)	(11.35)	(1.72)	(10.35)	(1.32)
N	53	104	53	104	53	104
R^2	0.94	0.92	0.95	0.92	0.94	.92

Notes: The dependent variable is party vote share. 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.