

Reining in the Rascals: How Incumbency Mainstreams Challenger Parties

Frederik Hjorth* Jacob Nyrup[†] Martin Vinæs Larsen[‡]

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‘Challenger parties’ without prior government experience have in recent years transformed European politics, in some cases joining governing coalitions. However, the process by which challenger parties gain access to power remains unclear. We focus on the role of incumbency, hypothesizing that challenger parties with a record of representation are more likely to enter a government coalition. Compiling a data set of more than 2,500 local elections and 15,000 committee assignments from local governments in Denmark, we show first that challenger parties are initially excluded from power, gaining access only gradually. We then use a regression discontinuity design to show that incumbency increases challenger parties’ access to government power. Lastly, we use text data from electoral platforms to investigate the mechanism underpinning this effect, showing that challenger parties with a record of elected office take more moderate positions and use more mainstream language. Our findings shed new light on the process driving the mainstreaming of challenger parties.

* Assistant Professor of Political Science, University of Copenhagen

[†] DPhil Candidate in Politics, Nuffield College, University of Oxford

[‡] Associate Professor of Political Science, Aarhus University

European party politics are changing. The past four decades have seen the gradual decline of establishment parties and the increasing electoral success of radical left or radical right parties (Mair 2013). Today, parties of the radical left and right are a staple of most European national party systems (Bale 2003; Minkenberg 2013). In fact, radical left and right parties have in many cases gone beyond political representation to enter government as coalition partners (Akkerman 2012; Katsourides 2016; Twist 2019). Building on the framework of De Vries and Hobolt (2020), we refer to these parties, characterized by being unencumbered by government experience, as ‘challenger parties’. Conversely, we refer to mainstream parties with government experience as ‘dominant parties’.

How do challenger parties make the leap from representation in parliament to inclusion in government? Whereas the phenomenon of challenger parties entering government is descriptively clear, our understanding of its causes is not. Existing research persuasively highlights the role of office- and policy-maximizing motives of mainstream parties: once governments including challenger parties become mathematically possible, dominant parties are willing to include challenger parties as a means of forming government (De Lange 2012). However, theories of coalition politics theories are only partially able to account for when challenger parties are included in government. The bulk of the literature on coalition formation assumes that parties will maximize office and/or policy goals, and do so as utility maximizing actors without paying attention to whether a party previously were represented in the council.

In this paper, we focus on a relatively overlooked factor: incumbency, i.e. having had elected representatives in the prior electoral term. Beyond their size, leadership and the polity’s political culture, we argue that parties gain access to power by familiarizing themselves with the day-to-day of holding elected office and making compromises. Holding elected office in itself readies challenger parties and their representatives for entering government, making them more likely to enter the governing coalition.

We provide evidence for this using a regression discontinuity design applied to a novel data set covering more than 2,500 local elections and subsequent local government formation processes in

Denmark. The regression discontinuity design allows us to isolate the causal effect of incumbency on government participation, holding all other confounding factors constant.

While the regression discontinuity design enables us to estimate the causal effect of incumbency, elected office may also have other effects that can account for the positive effect on gaining access to power. Most urgently, previously represented parties may experience an incumbency effect on their vote share, or it may be more likely that parties previously represented in the city council run in the following elections, raising the concern that the results may be driven by sorting. Using a set of subgroup analyses and balance checks, we are able to rule out sorting as a confounder.

By providing causally credible evidence on the mainstreaming effect of incumbency, we contribute to the literature on how extreme parties enter the political mainstream. More broadly, we contribute to the literature on government formation processes. While there is an extensive literature on office- and policy-maximizing motives, we argue that incumbency is an overlooked and important factor in explaining why some political parties enter into governing coalitions. Furthermore, these findings hold important lessons for both practitioners and researchers interested in when – and how – challenger parties enter government. Once challenger parties obtain legislative representation, they are much more likely to become a part of subsequent government coalitions.

1 The Role of Incumbency

Existing work on coalition formation processes generally does not assign a key role to prior representation in parliament when explaining why parties enter government. We can distinguish between two waves of innovation in the study of government formation (Döring and Hellström 2013). In the 1960s and 1970s the basic theoretical models of coalition formation were developed (Axelrod 1970; Leiserson 1968; Riker 1962; Swaan 1973). These models perceive coalition formation as a game taking place in the aftermath of an election, where parties are assumed to be rational actors trying to maximize office and/or policy goals. Thus, each election is a blank slate where the outcome of prior elections plays little role. A second period of work on government formation

started in the early 1990s, as researches began to investigate more systematically which governments form often using larger data sets and quantitative analysis (Laver and Budge 1992; Laver, Laver and Shepsle 1996; Laver and Schofield 1998).

After the turn of the millennium, researchers have started focusing on one explanatory factor at a time to better understand the process of government formation. Some of these later studies pay attention to the outcomes of prior elections, and incorporate this in their predictions. For instance, Mattila and Raunio (2004) evaluate investigate electoral gains and losses on the likelihood of getting into government, while Tavits (2008) studies whether and to what extent defections from a government coalition are punished in later coalition formations.

While there are studies that focus on past outcomes to explain coalition formation, there are no studies that to our knowledge focus explicitly on the role of incumbency on explaining access to the governing coalition.

As we show in this article, this is an important omission, particularly when explaining the representation of extreme parties. Why would prior political representation contribute to mainstream acceptance of challenger parties? Explaining how challenger parties enter the political mainstream requires first a conceptualization of 'mainstreaming', a term applied ambiguously in the existing literature. In this section, we conceptualize mainstreaming by outlining two distinct meanings of the term, often used interchangeably in the existing literature. For each of these two meanings, we characterize the implied theoretical mechanism by which mainstreaming occurs.

1.1 Mainstreaming as desensitization

One concept of mainstreaming is the acceptance – potentially to the point of inclusion in the governing coalition – by dominant parties. In this concept of mainstreaming, challenger parties' positions and behavior are not themselves changed, but diffuse into the established party system as mainstream norms become more accepting of positions formerly considered extreme. This concept is recurrent in the literature on extreme party politics. For example, Mudde (2019) identifies mainstreaming as the key constituent property of the current 'fourth phase' of far right politics. In Mudde's 2019 characterization of contemporary far right politics, mainstreaming refers to the

establishment's adoption of challenger parties' extreme ideological tenets, policy positions, and rhetorical frames.

In the context of our study, challenger party representation may promote this type of mainstreaming. Specifically, once a challenger party holds elected office, local dominant parties familiarize themselves with elected officials of the challenger party, who in the process become more palatable as governing partners. We refer to this mechanism as *desensitization*. Desensitization may in turn reflect a combination of personal acquaintance with elected officials of extreme parties and mere familiarity through repeated exposure. Crucially, the desensitization mechanism implies that representation helps challenger parties access government without changes in their policy positions.

The desensitization mechanism is closely connected to the notion of 'party stigma' insofar as it implies a softening of challenger parties' reputations. Theories of party stigma highlight the distinct reputational costs to dominant parties of including parties perceived to be 'beyond the pale' (Bale 2003; De Lange 2012; Twist 2019; Van Spanje 2010). Party stigma can contribute to explaining coalition formation processes in cases like Belgium, Germany and Sweden, where a 'cordon sanitaire' has effectively excluded parties like *Vlaams Belang*, *Alternative für Deutschland*, and *Sverigedemokraterna* from power (Akkerman and Rooduijn 2015; Downs 2002).

However, desensitization may in theory occur without changes to party reputations. For example, desensitization may reflect learning about individual elected officials' government competence, entirely independent of party reputation. For this reason we consider desensitization a mechanism theoretically distinct from changes to party reputation.

1.2 *Mainstreaming as moderation*

An alternative conceptualization, offered by Akkerman, de Lange and Rooduijn (2016), construes mainstreaming as a process undergone by challenger parties themselves, whereby those parties adapt to mainstream norms by taking more moderate policy positions, expanding their issue agenda, softening anti-establishment positions, and severing ties with extreme organizations. This mainstreaming may be a strategic move on the part of challenger parties in order to realize policy,

office, or vote objectives (Bergman et al. 1999). We refer to this mechanism as *moderation*.

In the context of our study, challenger party representation may plausibly contribute to moderation. While holding elected office, challenger parties' platforms will face scrutiny from dominant parties, which may in turn cause them to jettison the most extreme or infeasible elements of those platforms. Moreover, challenger party representatives are likely to adopt the rhetoric and mannerisms of their dominant party colleagues by sheer social learning. Both of these dynamics will move challenger parties holding elected office in the direction of a more moderate profile.

Several classic theories of coalition formation predict that moderation will in turn improve a party's chances of entering government. Axelrod's (1970) theory of minimal connected winning coalitions predicts that the parties will be ideologically 'connected' in the sense that all members will be adjacent to each other in the policy dimension. Another, but similar idea, is the theory of minimal range coalitions, which predicts that the coalition, which will form is the minimal winning coalition with the smallest range in the policy space (Swaan 1973). These policy-oriented theories of coalition formation share the assumption that actors' enter into government motivated by a desire to enact their preferred policy once in office. This means that parties prefer to go into a coalition with ideologically similar parties.

Consistent with these policy-oriented theories, prior research has found that right wing parties are indeed likely to be included when they are ideologically proximate to the mainstream right (De Lange 2012; Twist 2019). However, prior work offers neither theory nor evidence suggesting that incumbency may itself drive policy moderation.

1.3 Parsing out the mechanism

The distinction between desensitization and moderation is first and foremost an analytical one. In practice, the two types of mainstreaming are likely to occur in tandem. Moreover, though our design allows us to credibly estimate the effect of incumbency on government participation, our regression discontinuity design is a 'black box' insofar as it does not reveal the exact mechanism driving the observed effect (Imai et al. 2011). As a consequence, we are not in the first instance able to pinpoint the causal mechanism.

This general caveat notwithstanding, we are able to provide some additional evidence on causal mechanisms. After presenting the main results below we present evidence from party platforms showing that incumbent challenger parties take more moderate positions compared to non-incumbent challenger parties. This suggests that the observed effect of incumbency is at least in part driven by moderation.

2 Empirical setting: Challenger party entry in Danish local government

We study coalition formation processes in Danish local government. The structure of local government in Denmark offers a number of advantages in terms of studying challenger party entry.

With respect to examining party politics at the local rather than national level, studying local government offers at least two advantages (Laver and Schofield 1998, 9). First, it increases the number of cases, which enables us to use statistical methods that are hard to use when analyzing coalition formation on the national level. Second, political culture and institutions – broadly speaking, the institutional context of the coalition process – are important for coalition formation outcomes (Laver 1989; Laver and Schofield 1998). By focusing on local governments within the same country, we are able to hold this institutional context constant by design.

We focus on Denmark, as the Danish local government system can be described as a “political system in miniature” (John 2001), where both the party system, the electoral system and the system for forming a government resembles the national political system. Furthermore, local politics are of high importance and the municipal council has significant leeway to conduct and implement policies, while there is a significant financial compensation for being a part of the governing coalition, meaning that both policy- and office gains are relevant. Thus, perhaps, Denmark has the ideal local political system to investigate the political representation of extreme parties.

Below, we lay out this context in more detail, laying out how local governments work in Denmark, the coalition formation process and which extreme parties we focus on.

2.1 Local government in Denmark

Denmark is characterized by having the most decentralized public sector in Europe, and local public spending is 32 percent of GDP (Eurostat 2017; Sellers and Lidström 2007). Local governments are responsible for important public services such as schools, local infrastructure, some types of social benefits, elderly care, child care and cultural events. The municipalities are, within certain restrictions, free to set the local income tax rate and have wide discretion in most policy areas (Lassen and Serritzlew 2011).

The importance of local governments is manifest in the local elections, which take place every four years and are heavily contested. They receive much attention from national parties, the media and the voters. This is reflected in the turnout, which consistently has been high: in 2017, the most recent round of local elections, turnout was at 70.6 percent (Hansen 2017).

There are currently 98 municipalities in Denmark, each with their own elected city council. However, the number of municipalities have varied over the time. In 1970 a municipality reform was implemented, where the number of municipalities were reduced from around 1300 to 277, while another reform in 2005 reduced the number of municipalities further from to 98 (Blom-Hansen, Houlberg and Serritzlew 2014; Lassen and Serritzlew 2011). Following the latest reform the largest city council consists of 55 seats (Copenhagen), while the smallest consists of 9 seats (Læsø). Local elections are highly competitive: In the 2017 election, 9,558 candidates competed for 2,432 seats, meaning that around 1 in 400 voters were running for election (Dahl and Nyrup 2020).

The election system is proportional, and anyone able to amass 25 signatures in support of their candidacy can run in the election.¹ All local politicians run as a part of a party. These can either be national parties, such as the Social Democrats and the Danish People's Party, or local parties that only run in one or a few municipalities. The national parties dominate the ballot and received more than 96 percent of all votes in the latest election in 2017.

¹There are a few exceptions to this very low threshold: In major city municipalities the minimum is 50 signatures, and in Copenhagen municipality the minimum is 150.

2.2 Coalition formation

After the election the coalition formation process take place and the important posts are distributed between the governing coalition. The most important position is the mayor, who is the head of the local administration and chairman of the Finance committee (Berg and Kjær 2005). The mayor is normally the only full-time employed politician at the local level. The chairmen of the standing committees are in charge of the day-to-day administration in the municipalities, and are the functional equivalent to ministers in a government. Each chairman is in charge of a specific area such as day-care or primary education. They get a remuneration for being a chairman, which can be up to 40 percent of the salary of the mayor (Jyllandsposten 2017) and according to our data from 27 municipalities, on average, amounts to 200,000 DKK (27,000 EUR) annually. In addition, the elected members of the city council enjoy a sizeable salary for just being a part of the council.

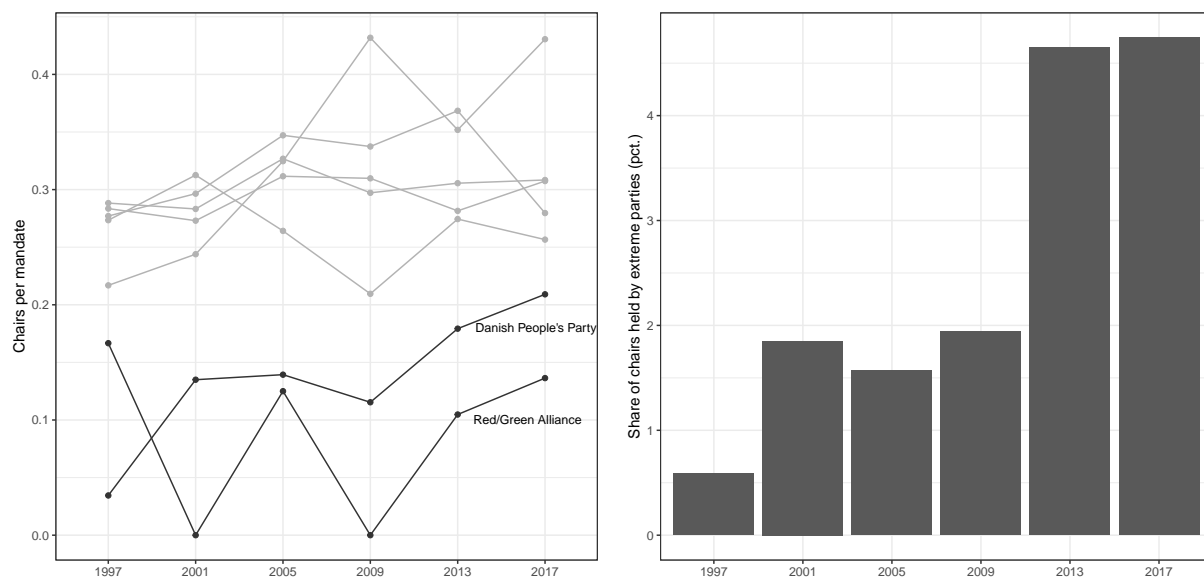
There is a simple majority requirement in the investiture vote for all positions of power. The whole city council votes for the mayor, while it technically only are the members of the standing committee, who can vote for the chairman of their respective committee. However, in practice, the chairmen of the committees are found through a centrally organized agreement made between the parties represented in the city council. Apart from this and a deadline, which is around a month after the election, there are only few general rules governing the bargaining game, and no formateur is formally appointed to lead the negotiations (Skjæveland and Serritzlew 2010). The system is thereby a free-style system, and it is relatively open as to who gets the important positions. Furthermore, the process of government formation is not centrally controlled in Denmark. Every coalition is possible, and there are many examples of local coalitions that would be unthinkable at the national level. This is exemplified by the high amount of unique coalitions. In 2017, there were 53 different combinations of coalitions across the 98 municipalities.

2.3 Challenger and dominant parties

The various local governments in Denmark feature their share of extreme parties – everything from Nihilistic party to the Hemp party to Nazi parties. In this article, we focus on two sizable challenger

parties with extensive representation in local and national politics. One is the right-wing populist Danish People's Party (DPP), founded in 1995 as a splinter group from the Progress party. On the other end of the political spectrum, the Red-Green Alliance (RGA) was formed as a collection of far left socialist and communist parties in 1989. Both parties have been represented in parliament throughout the period we examine here. We focus on the DPP and the RGA because they are (a) relatively electorally successful, gaining representation in several localities across multiple elections, and (b) clear cases of challenger parties, having never entered government at the national level.

We compare these two challenger parties to five dominant parties, defined here as parties which were part of a national government at least once since 1995. In particular, this is the Socialist People's Party, The Social Democrats, The Social Liberal Party, The Liberal Party and the Conservative party.



(a) Chair positions obtained per seat by dominant parties (light gray) and challenger parties (black). **(b)** Share of all chair positions held by challenger parties across post-1995 elections.

Figure 1: After entering the electoral arena, challenger parties pay a ‘challenger party penalty’, obtaining fewer chair positions per seat (left panel), but eventually gain access to power (right panel).

In Figure 1 we show that relative to the dominant parties, challenger parties have been excluded

form local government. As shown in panel (a), challenger parties persistently obtain markedly fewer chair positions per seat compared to the remaining dominant parties. Panel (b) shows that the share of all chair positions obtained by extreme parties increases over time, suggesting that this ‘extreme party penalty’ is gradually diminishing.

3 Research Design and Data

We rely on a novel data set containing complete data from more than 2,500 local elections and coalition formation processes in Denmark in the period 1971-2017. In total, there are more than 15,000 committee assignments and 22,335 party-year observations in the data set. As such, it may be one of the largest existing data sets containing information on government formation. Studies using cross-national data usually rely on far fewer observations: for example, ParlGov – the largest database on coalition formation in parliamentary systems – covers only 990 elections (Döring and Manow 2019). Nonetheless, we mostly focus on data from the elections from 1997-2017, as these elections include both of the extreme parties we study in our paper. For each election period, we have recorded the complete vote totals for all parties and the electoral coalitions. We also collected data on who were appointed as chairmen following the election, recording the partisanship of each of the more than 15,000 chairmen in our data set. The data stems from multiple sources, but most importantly we rely on *Kommunal Aarbog* (The Yearly Book on Municipalities). *Kommunal Aarbog* has been published yearly since 1929 and contains contact information on employees in the public administration in Denmark, including chairmen of the municipal committees. Furthermore, we rely on *Statistiske Efterretninger om Befolkning og Valg fra Danmarks Statistik* (Statistical Information on Population and Elections from Statistics Denmark) to code the results and the electoral alliances. For details about the coding and data collection process, see Larsen et al. (2019). Table 1 presents descriptive statistics.

The key dependent variable is whether a party obtains a chairmanship of a standing committee at election t . As described above, obtaining a chairmanship effectively means that you get executive power in the local government, and can therefore be compared to getting a cabinet post in a national

Table 1: Descriptive statistics

	Min	Median	Max
Year	1970	1989	2017
Vote share	0.00	0.07	0.73
Seats	0.00	1.00	20.00
Seat share	0.00	0.07	0.77
Dist. to threshold (gain)	0.00	0.03	0.43
Dist. to threshold (loss)	0.00	0.02	0.19
Coalition member	0.00	0.00	1.00

government. The key independent variable is whether a party obtained representation at $t - 1$.

3.1 *Identifying the effect of incumbency*

We identify the effect of incumbency using a close elections regression discontinuity design (Caughey and Sekhon 2011; De la Cuesta and Imai 2016; Eggers and Hainmueller 2009). In particular, we estimate the probability of obtaining a chairmanship for challenger and dominant parties for parties at the cut-off who got and for those who did not get represented at the last election. Assuming no discontinuities in the potential outcomes at the cut-off, this difference provides an unbiased estimate of the causal effect of incumbency.

This approach effectively deals with many concerns that one might have when looking at the effect of incumbency. For example, that politicians who do not secure representation are less competent, have more extreme political views or that representation is easier to obtain in certain type of municipalities.

One concern in this regard is that any effect we find of incumbency is caused by incumbency effects on vote share, i.e. that incumbency only affects current coalition formation outcomes because it increases the number of seats the party gets in the current election. However, as we lay out below, there is no evidence of such incumbency effects. Incumbency in the local legislature does

not increase the probability of being represented or the number of seats obtained in the current legislature.

3.2 *Identifying the cut-off*

The vast majority of earlier studies that use close election regression discontinuity designs take place in first-past-the-post systems. In these systems, the cut-off at which a party is represented is simply the difference in vote share between the party of interest and the largest parties of the other parties running.

Assignment of seats in Danish municipal election is based on a proportional divisor method where parties can form electoral coalitions (Cox 1997). If parties decide to form an electoral coalition, which they often do, then seats are first assigned to this coalition, and then to the individual parties.² As a result, the number seats assigned to a party depends on the configuration of electoral coalitions, the votes cast for the different electoral coalitions, and the votes cast for the different parties within each coalition (Fiva, Folke and Sørensen 2018; Folke 2014; Freier and Odendahl 2015).

To our knowledge no prior studies have laid out a method that can calculate the representation cut-off under this set of electoral rules. Instead, previous research relies on bootstrap methods, where an alternative number of votes are assigned to parties until the outcome changes (Dahlgaard 2016; Kotakorpi, Poutvaara and Terviö 2017). We therefore developed a new method to calculate the exact threshold. A simple description of the method is laid out below. We refer readers to Larsen et al. (2019) for a detailed description.

We first calculate the sum of votes each electoral alliance receives and calculate successive quotients for each electoral alliance using the formula:

$$quot = \frac{V_i}{s_m + 1}$$

, where V_i is the votes for party i and s_m is the number of the seats in the municipality. The

²It should be noted that the electoral coalition is different from the governing coalition, and while there often are overlaps in the two, this is by no means guaranteed.

party with the largest quotient wins one seat, and its quotient is then recalculated. We repeat this until the required number of seats is filled. Then we repeat the procedure within each electoral alliance, so the seats are distributed to each party. This gives us the actual allocation of seats in the municipality. We then calculate how many votes each electoral alliance would need to obtain an extra mandate from another electoral alliance by finding the distance to the nearest quotient, denoted by T_{eai} . Using this method, we also calculate how many votes extra a party would need to obtain a seat from another member of the electoral alliance, T_{pi} .

Using this, we can now derive the number of votes a party needs to get an extra seat. If $T_{pi} > T_{eai}$ the party obtains a mandate from another party in its electoral alliance. The threshold is therefore equal to T_{pi} . However, if $T_{pi} < T_{eai}$ the electoral alliance will receive an extra seat from another electoral alliance, and the party in question may not receive this extra seat. In this case we therefore create a fictional municipality, where the party in question receives a number of votes corresponding to $V_i + T_{eai}$.

We now repeat the whole procedure for this fictional municipality, and see whether the party would have obtained the extra seat. If this is the case the threshold is T_{eai} . If not, we evaluate whether $T_{2pi} > T_{2eai}$ for the fictional municipality. If this is the case the threshold is equal to $T_{eai} + T_{2pi}$. If not, the procedure is repeated until the party gains an seat mandate. We use the same method to calculate how far a party is from losing a seat.

Having defined these thresholds, constructing a forcing variable that assigns prior representation is relatively straight forward. We simply subset on parties which received either one or zero seats at the last election, and record how many votes the party with one seat was from losing a seat, and how many votes the party with no seats was from obtaining one seat. To normalize the forcing variable we divide it by the size of the electorate in the municipality.

4 Results

4.1 *The effect of incumbency*

Do challenger parties benefit from previous representation in the city council in the coalition formation process? Table 2 presents results from RD models for challenger parties.

Table 2: RD model statistics for extreme parties.

	Estimator	Estimate	Std.error	p-value	CI (lower)	CI (upper)
1	Conventional	0.24	0.12	0.05	0.00	0.48
2	Bias-Corrected	0.26	0.12	0.04	0.02	0.50
3	Robust	0.26	0.14	0.07	-0.03	0.54

Figure 2a visualizes the effect of incumbency in the city council for extreme parties by comparing challenger parties that just managed to win representation in the city council in the previous election with extreme parties that barely missed out. We see that newcomers (almost) always are completely excluded from the governing coalition. However, the hesitance towards including challenger parties in the governing coalition disappears when the challenger party amasses a record representation. A challenger party that just made it into the city council in the previous election is 26 percentage points more likely to be represented in the coalition compared to a similar party that was short of a few votes. In Appendix H we test whether there is an additional effect of incumbency two and three elections after first being represented, and find that there is no such additional effect. This indicates that challenger parties quickly accrue the full gains of incumbency.

Next, we examine whether the same effect exists for dominant parties. As argued above, challenger parties face a set of unique challenges when entering the governing coalition when they are first elected, and we would therefore expect to find an effect of incumbency for challenger parties only. In Figure 2c we find that dominant parties that were not represented in the city council in the

last election are as likely to be included in the governing coalition as those that were represented. This underscores that only challenger parties experience the positive effect of incumbency.

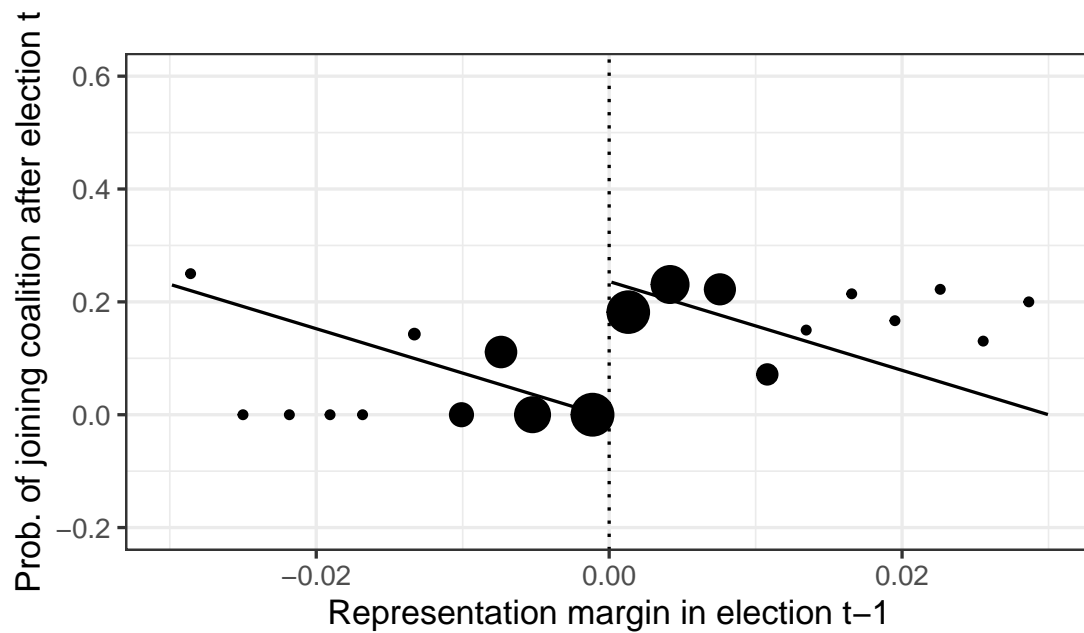
To be sure, one may argue that the story is about parties that are new to the electoral system, and not about challenger parties per se. In Appendix I we show that the results are substantively similar when we only include dominant parties that were not represented at any point during the last three elections (e.g. 12 years).

4.2 Auxiliary analyses and robustness tests

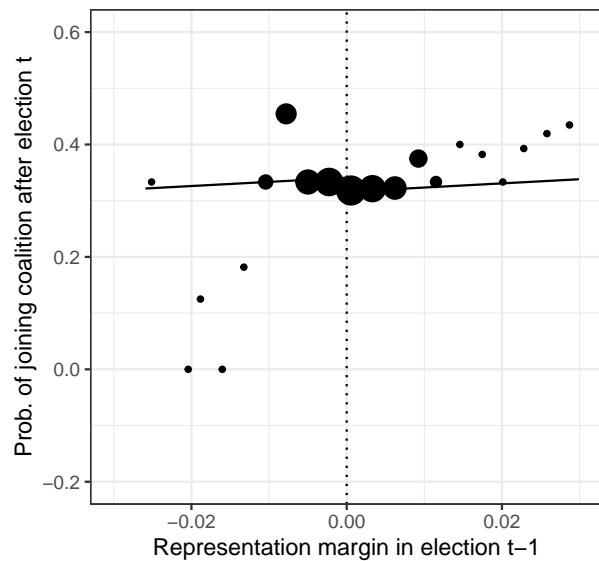
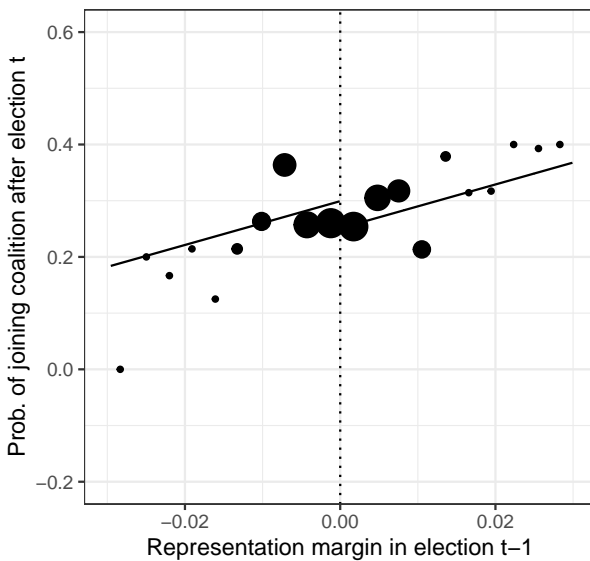
The online Appendix provides a number of auxiliary analyses of the main result. In Appendix A, we present treatment effects for individual parties. We see that only the Danish People's Party and the Red-Green Alliance experience a large and positive effect of incumbency on the likelihood of entering a governing coalition. Furthermore, we also run the analysis including only municipalities where no party holds a majority. Single-party absolute majorities are not uncommon in Danish local politics, making the coalition formation process irrelevant in these cases. Removing these municipalities in Appendix C increases the estimated effect of prior representation to 35 percentage points.

The appendix presents a number of additional robustness tests. In Appendix D, we estimate the discontinuities at placebo thresholds. As should be expected, the true effect stands out in magnitude from the placebo effects. In Appendix E, we show graphical balance checks, and find that challenger parties do not receive a boost to the vote share as a result of being represented in the previous election, ruling out that there is an incumbency effect in terms of vote share. Furthermore, we find that there is no difference in the election year between parties that are represented and not represented, which rules out that the results are driven by less party stigma at the national level.

In Appendix F, we test for sorting, and find some evidence of sorting. This is because parties that gain representation are more likely to run in the next election compared to parties that do not gain representation. This is a potential violation of the continuity assumption, and to counter this, we run the analysis only with the subset of municipalities where the given party ran in all elections in Appendix G. The findings in this subset are very similar to the main findings above.



(a) Regression discontinuity (RD) plot for challenger parties (the Danish People's Party and the Red/Green Alliance).



(b) RD plot for all dominant parties post-1995. (c) RD plot for small dominant parties (Social Liberals and Conservatives) post-1995.

Figure 2: Prior representation increases the probability of joining the governing coalition for challenger parties (top panel), but not for dominant parties (bottom panels). Points represent binned means of the dependent variable, with point size determined by the weight the point has in the estimation of the effect.

4.3 Evidence on moderation as mechanism

The effect of incumbency identified here is a ‘black box’ estimate. However, in this section we present evidence indicating that the effect is to a considerable extent driven by moderation. Specifically, we show that challenger parties with prior representation take less extreme policy positions and employ language more similar to dominant parties, both patterns consistent with the moderation account.

To do so, we rely on a rich data set on candidate positions and platforms in the 2013 and 2017 nationwide local elections. Fielded by the online political news site *Altinget* starting with the 2013 elections, these candidate surveys were developed as inputs to a voting advice application run by *Altinget*. Because only candidates with survey responses could be recommended in the voting advice application, candidates faced a strong incentive to complete the survey. The full data set contains responses from 9,073 candidates in the 2013 elections and 9,544 candidates in the 2017 elections for a total of 18,617 sets of candidate responses.

While the data set is rich at the candidate level, it nevertheless covers only two elections, far less than the full data set in the main analysis. Since the regression discontinuity design is very demanding in terms of statistical power (Schochet 2009), this leaves us with insufficient power for such a design. Instead, we present a set of pairwise comparisons of challenger parties with and without prior representation. Since these simple comparisons may be confounded by other differences between parties with and without prior representation, they do not have a strict causal interpretation. Still, they provide tentative evidence of the mechanism.

We first consider the policy positions taken by parties in the candidate surveys. In each set of elections, candidates express their policy preferences by answering a series of questions about municipal policy issues on a Likert-type agree-disagree scale. The questions cover public policy debates in municipal conflicts such as taxation level, public service provision, and infrastructure.

To simplify the analysis, we reduce each candidate’s responses to a single scale using a multidimensional item response theory (IRT) method (Chalmers et al. 2012). In Appendix ??, we show that party-level estimates exhibit high face validity, placing parties meaningfully along a

left-right scale. We aggregate these candidate-level responses to obtain a party-level estimate for each municipality in each election. For each party, we then define its ‘extremity’ the absolute difference between the party’s position and the average position across all parties in the municipality. Hence, this measure classifies parties whose candidates take far left or right positions relative to the municipality average as more extreme.

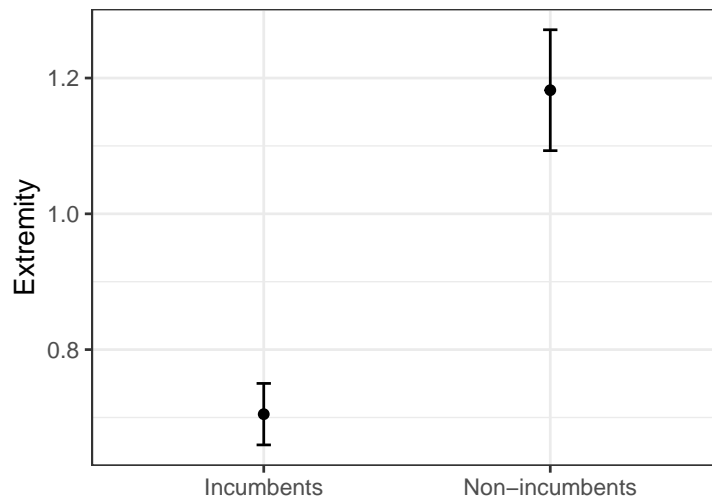


Figure 3: Average extremity of challenger parties with and without prior representation. Extremity is measured as each party’s absolute deviation from the municipality-level mean across parties. The difference is statistically significant ($p < .001$).

Figure 3 compares this measure of extremity for incumbent and non-incumbent challenger parties. As shown, incumbent challenger parties take far less extreme positions than do non-incumbent challenger parties. The difference is statistically significant ($p < .001$), and substantively significant: the difference of around .5 between the two groups corresponds to around one fifth of the full observed range of extremity across all parties.

The candidate survey data provides an additional opportunity to examine how challenger parties with and without prior representation differ. In addition to answering the closed-form candidate survey, most candidates fill out an open-ended text field allowing the candidate to describe their electoral platform. Using these open-ended responses, we can assess whether challenger parties with prior representation use less distinct language compared to those without prior representation.

We rely on the approach introduced in Peterson and Spirling (2018), who propose using misclassification rates in a supervised learning model to learn about textual distinctiveness. We fit a supervised learning model predicting party labels from electoral platforms. If the model is more likely to erroneously classify incumbent challenger parties as dominant parties, this tells us that the language used by those parties is relatively more similar to dominant parties' language.

We implement this approach by fitting a support vector machine (SVM) model to the full set of 8,751 candidate platforms. We label each platform according to whether the candidate represents a challenger or dominant party. The SVM model then predicts party type based on word frequencies. To ensure that the model does not simply capture party labels used in the platforms themselves, we remove party names in the preprocessing stage, but otherwise include platforms as is.

The SVM model generally predicts party type very well, with a precision of .99 and a recall rate of .95. In other words, challenger parties use sufficiently different language from dominant parties that party type can be predicted with high accuracy based on word use alone. However, this difference is not uniform. Consider Figure 4, which plots the average probability of being correctly classified as a challenger party for incumbent and non-incumbent challenger parties.

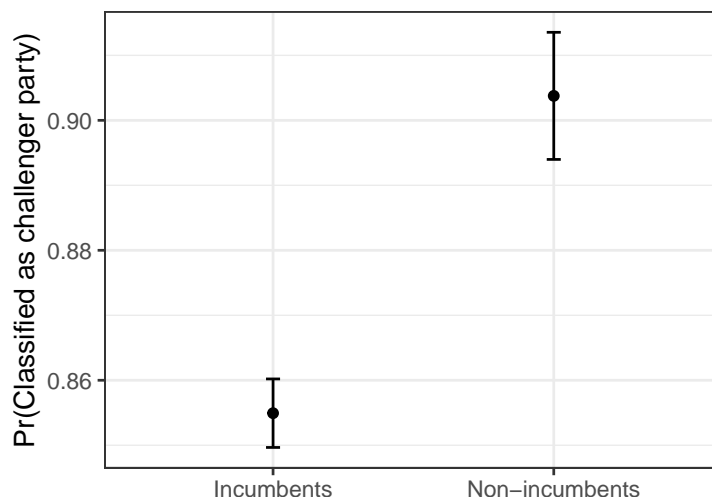


Figure 4: Challenger parties' probability of being classified as a challenger party in a Support Vector Machines model trained on text from party platforms. Incumbent challenger parties are less likely to be correctly classified, suggesting they use less distinct language.

As shown, incumbent challenger parties are less likely to be classified as challenger parties based on their election platforms. Whereas around 10 pct. of non-incumbent challenger parties are misclassified as dominant parties, around 15 percent of incumbent challenger parties are misclassified as dominant parties, a highly statistically significant difference. Substantively, this shows that incumbent challenger parties are more likely to employ language similar to that of dominant parties.

All in all, these analyses demonstrate that incumbent challenger parties take more moderate policy positions and use language more similar to that of dominant parties. While we are unable to assess the role of desensitization in a similar manner, this evidence indicates that moderation plays a substantial role in explaining the effect of incumbency.

5 Conclusion

This article has investigated a hitherto overlooked factor for explaining challenger parties' access to the governing coalitions: incumbency. To study this, we use data from local governments in Denmark, where local city councils function as miniature parliaments, with parties bargaining for inclusion in the local government.

Using a regression discontinuity design, we show that in contrast to dominant parties, challenger parties are (almost) fully excluded from access to government the first time they enter the city council. However, this initial hesitance disappears once extreme parties amass a record of representation.

Once challenger parties obtain legislative representation, they are much more likely to eventually become part of government coalition. Next, we investigate the mechanisms, and find that incumbent challenger parties take relatively more moderate positions and use language relatively more similar to dominant parties, indicating a moderating effect of incumbency.

From the perspective of democratic representation this could be good news, as our results suggest that democracies are quite flexible in including and mainstreaming new extreme voices. However, from the perspective of democratic stability, this could also be seen as worrisome, if the

extreme parties attempt to subvert the democratic process after gaining access to power.

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Appendix: For Online Publication

A Effect by party

The table below shows the RD treatment effect for all parties (except for the two major parties, where there are not enough cases). We see that the Unity List and the Danish People's Party face a large incumbency advantage if they were elected in the last city council. There is no effect for all other group of parties.

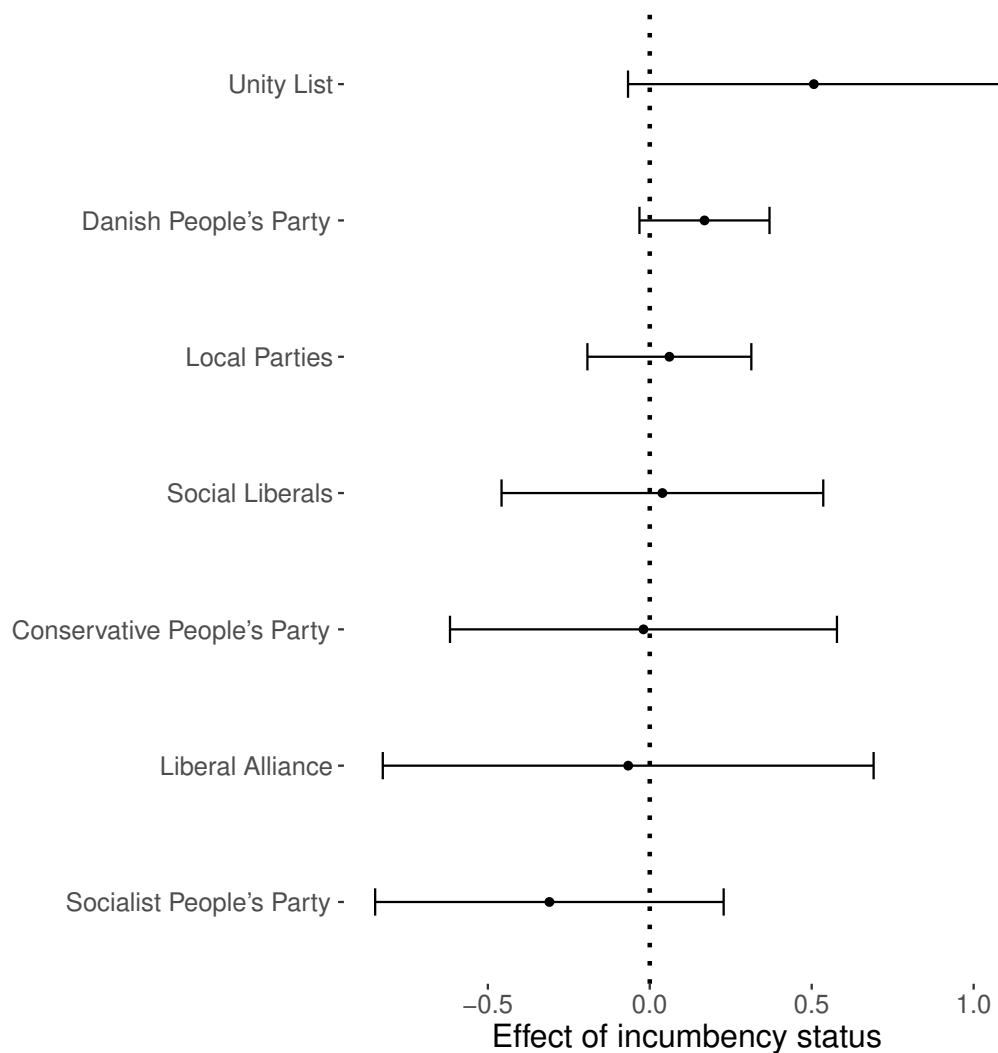


Figure 5: Does experience matter for different parties? The RD treatment effect of incumbency status on entering a governing coalition for Danish parties. Local parties are parties, which do not run nationwide but only in one or a few regionally clustered municipalities.

B Effect by type of committee

The table below shows the RD treatment effect for extreme parties on gaining the chairmanship for different types of committees.

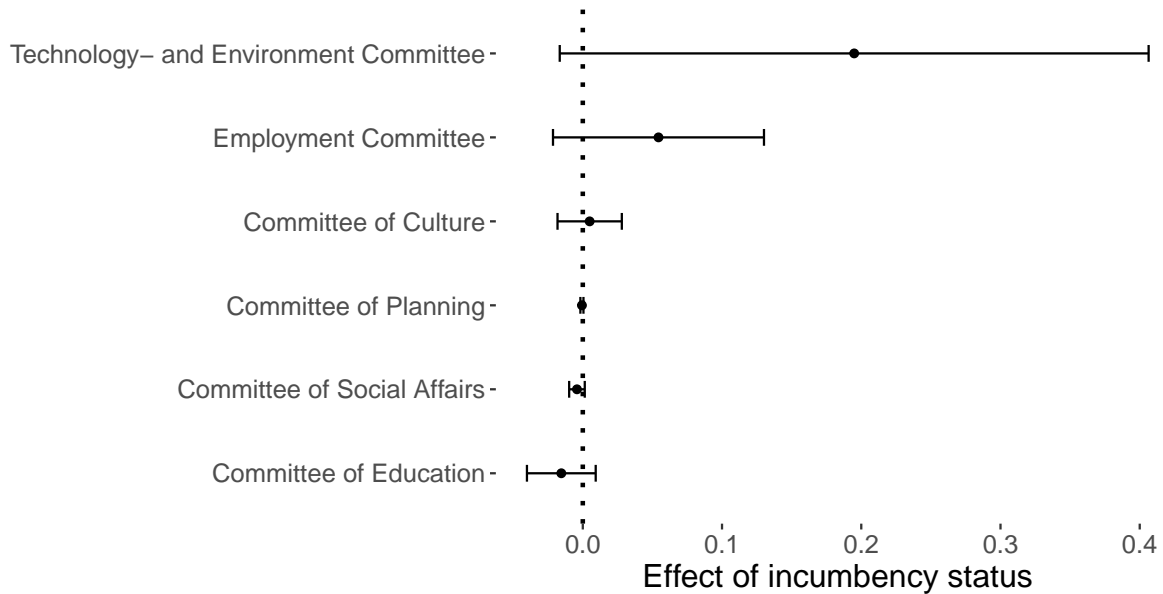


Figure 6: Does experience matter for the type of committee the extreme party gets control over? The RD treatment effect of incumbency status on gaining the chairmanship of different types of committees using the robust specification.

C Influential parties only

Below we only look at parties, which have a Shapley-Shubik Index (SSI) over 0. Building on Von Neumann, Morgenstern and Kuhn (1953), Shapley and Shubik developed a method of calculating how probable it was that a party is pivotal. The SSI reflects the proportion of all possible permutations of the parties in a council in which a specific party adds the votes necessary for a majority, when the parties contribute with their votes in turn. The SSI value is related to the size of the party, but the relationship is not strictly proportional. In other words, if a party has an SSI of 0 there are no theoretical coalitions where the party's votes are necessary to form a majority coalition.

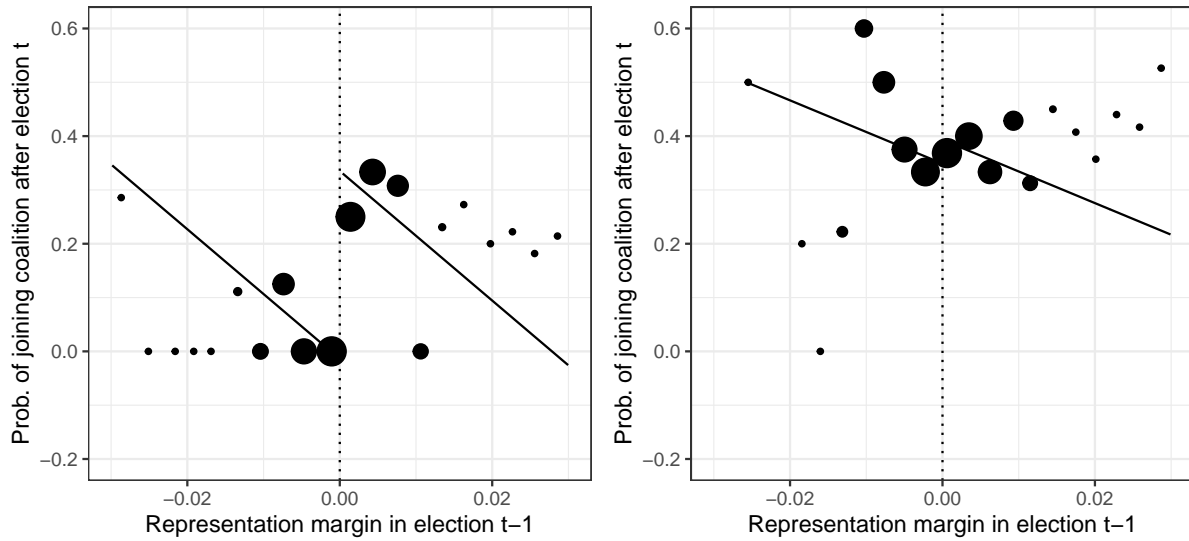


Figure 7: Prior representation increases the probability of joining the governing coalition for extreme parties (left panel), but not for mainstream parties (right panel), including only parties with an SSI > 0. Points represent binned means of the dependent variable, with point size determined by the weight the point has in the estimation of the effect.

D Placebo tests

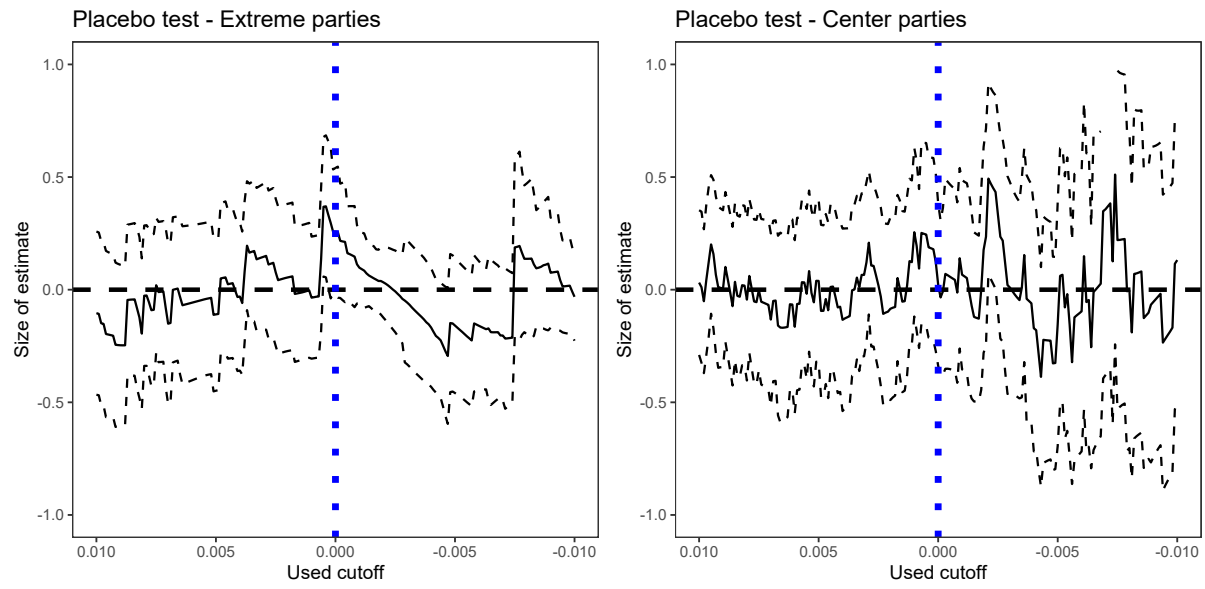


Figure 1: Placebo tests

E Graphical balance tests

A Balance test: vote share

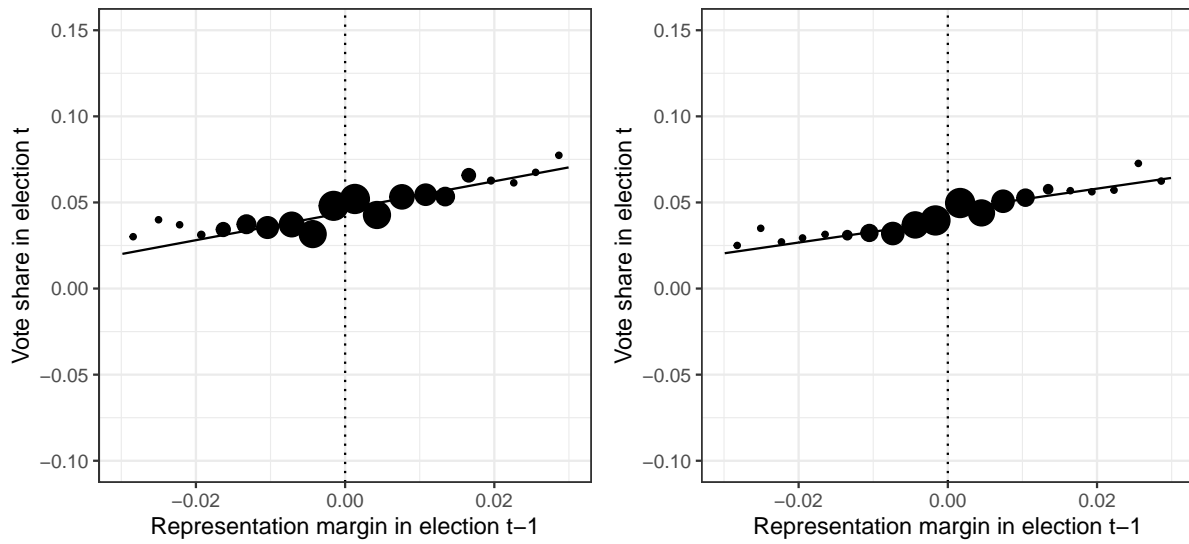


Figure A1: Balance test - Vote share

B Balance test: election year

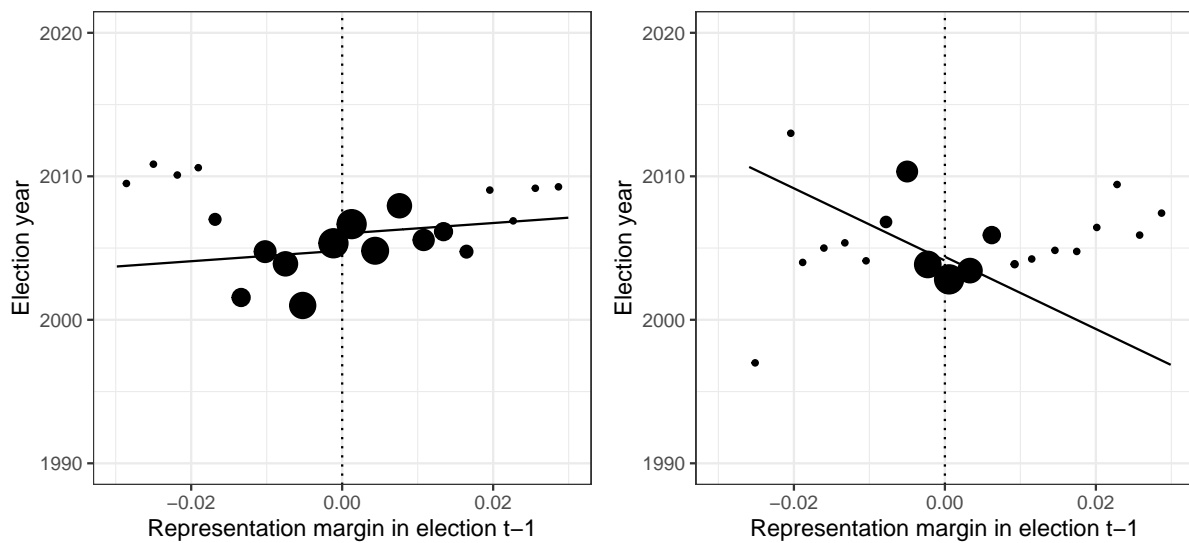


Figure B2: Balance test - election year

C Balance test: coalition in previous election

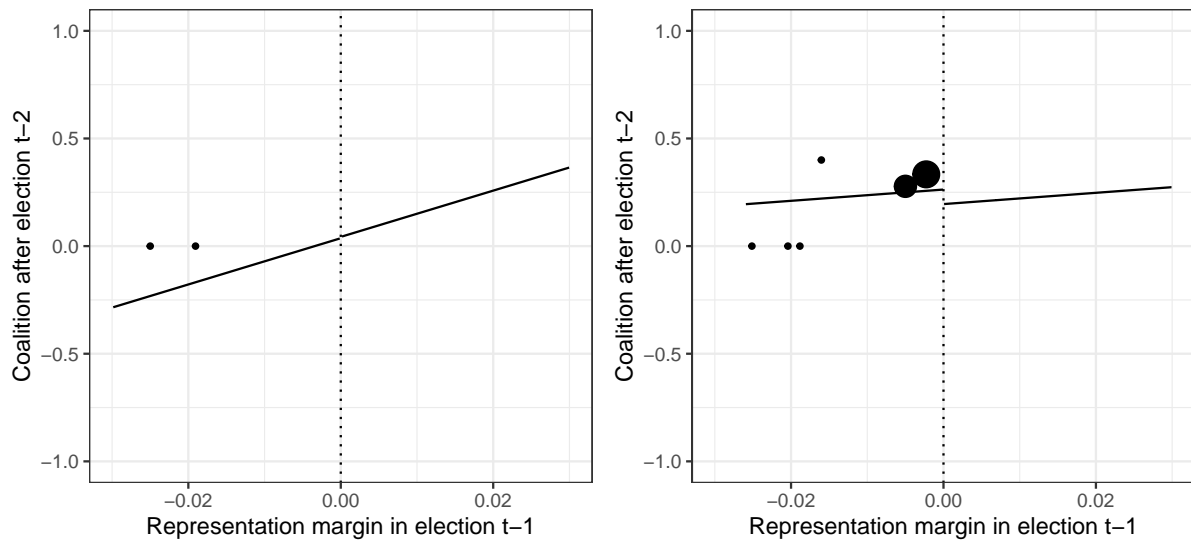


Figure C3: Balance test - In coalition in previous election

F Sorting

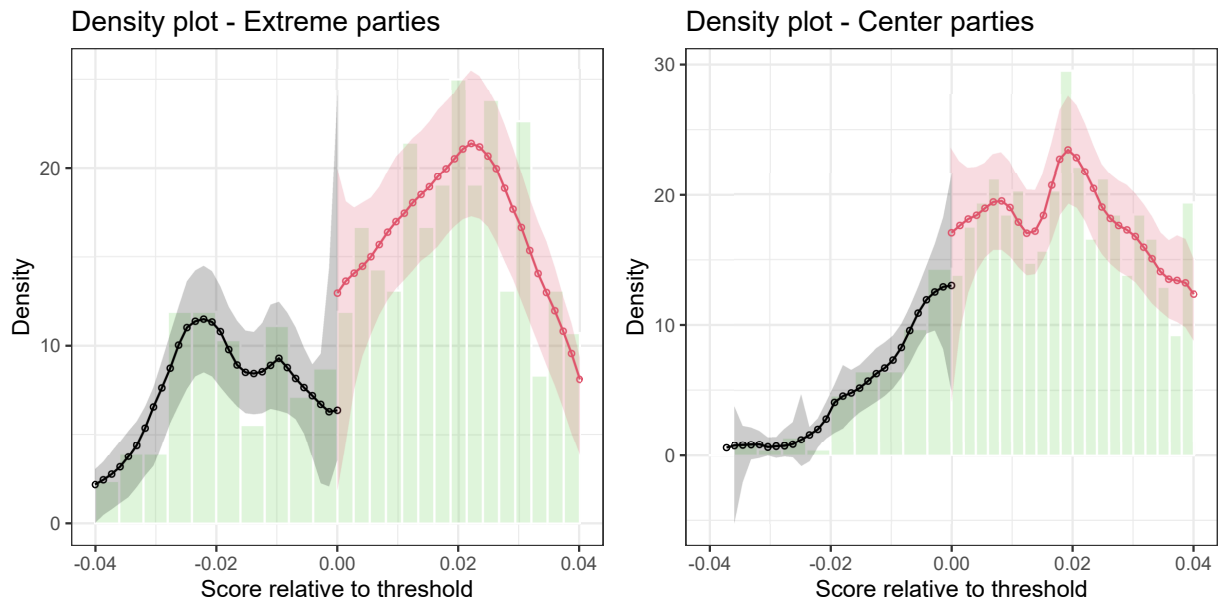
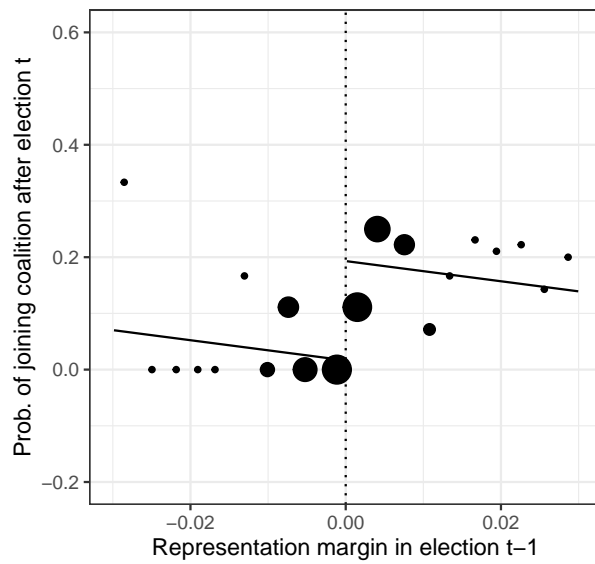
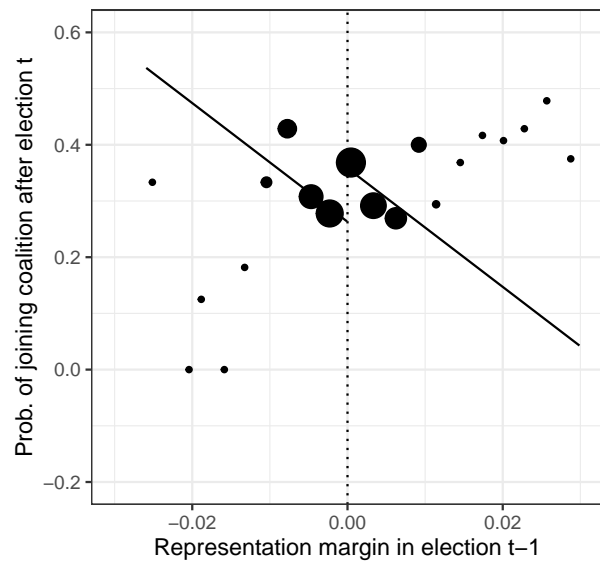


Figure 1: McCrary's density test for the forcing variable

G Parties that ran in all elections

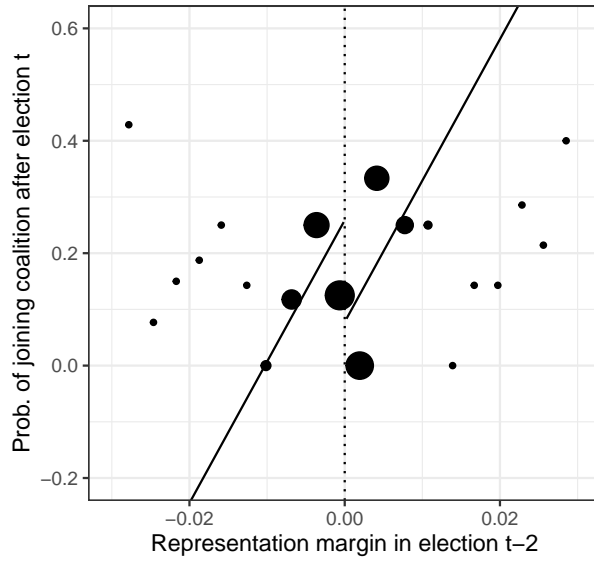


(a) Regression discontinuity plot for extreme parties (the Danish People's Party and the Red/Green Alliance). The plot only includes local parties that ran in all elections.

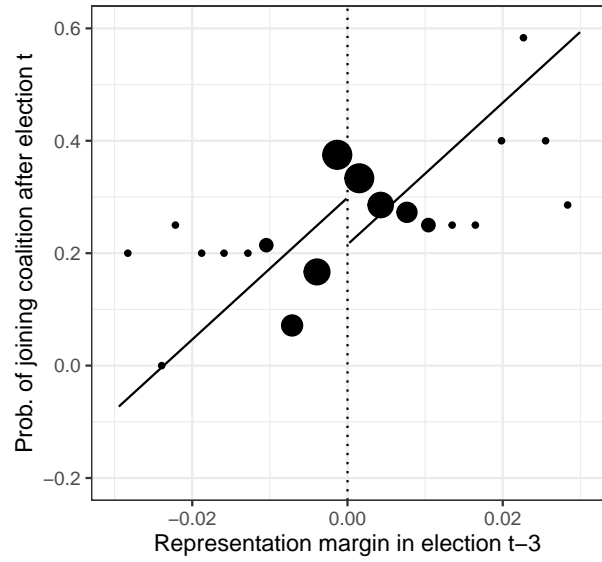


(b) Regression discontinuity plot for mainstream parties (Social Liberals and Conservatives) post-1995. The plot only includes local parties that ran in all elections

H Different lag structures

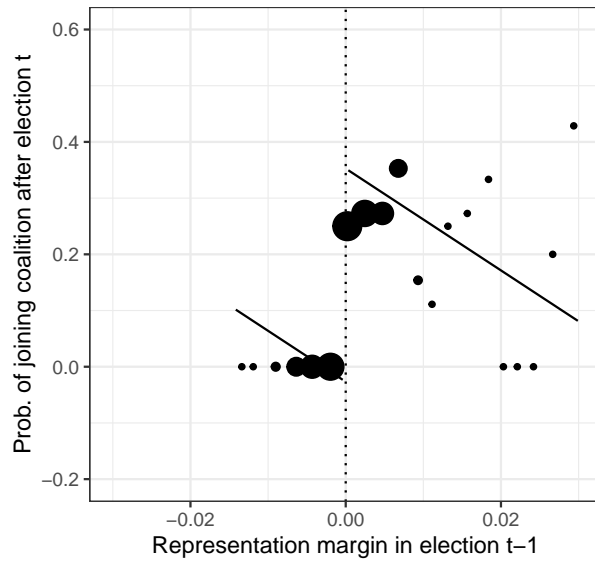


(a) Regression discontinuity plot for extreme parties (the Danish People's Party and the Red/Green Alliance). The cut-off is whether the party was represented at $t - 2$

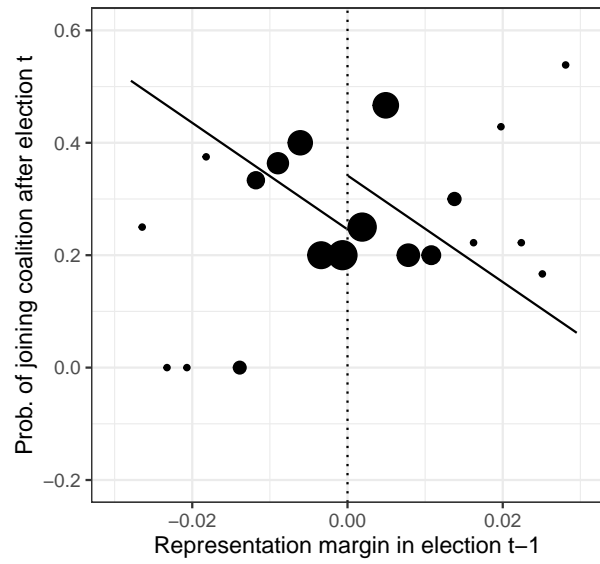


(b) Regression discontinuity plot for extreme parties (the Danish People's Party and the Red/Green Alliance). The cut-off is whether the party was represented at $t - 3$

I New parties



(a) Regression discontinuity plot for the Christian Democrats and the Center Democrats.



(b) Regression discontinuity plot for all non-extreme parties post-1995, while only including parties that had not been represented in the city council in $t - 2$ and $t - 3$.