This article provides a non-formal modification of the standard spatial model of party competition to make it more applicable to the study of opposition parties in dominant party systems in transition. Dominant parties' virtual monopoly over resources forces challengers to rely on activist-based strategies. Challengers then face the problem of balancing programmatically radical activists against the moderate preference of the median voter. The article shows that opposition parties' programmatic locations depend on the number of competing parties. Contrary to standard expectations, it finds that two-party competition between the incumbent and one challenger produces a center-fleeing strategy by the challenger, whereas three-party competition between the incumbent and two challengers yields center-seeking strategies by both challengers. The second half of the article applies this modified model to the case of Mexico. Data come from in-depth interviews, electoral returns, public opinion polls, and original sample surveys of national party leaders and activists.

OPPOSITION PARTY STRATEGY AND SPATIAL COMPETITION IN DOMINANT PARTY REGIMES
A Theory and the Case of Mexico

KENNETH F. GREENE
University of Texas, Austin

How do newly competitive parties establish positions in the electorate when facing a dominant party? Although a wealth of literature exists on party strategy in the established democracies, little effort has been made to extend theory to other contexts. Downsian spatial logic and its principal finding that median voter incentives typically produce policy moderation has motivated thinking about party behavior for nearly half a century. Yet the generalizability of this finding beyond the fully competitive democracies remains unclear.

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This article extends spatial arguments about party competition formulated for the study of the established democracies to dominant party systems in transition. Standard expectations fail to explain the strategic behavior of opposition party elites both logically and empirically; however, a modification to the original model's basic assumptions better accounts for this behavior. Specifically, dominant parties virtually monopolize the resources that challengers in the established democracies typically use to generate parties. As a result, challengers to dominant parties must focus heavily on activist recruitment by providing comparatively radical programmatic incentives while remaining mindful of the moderate programs preferred by the median voter. This produces a central trade-off: Opposition parties cannot catch more votes unless they move toward the median voter, but they cannot attract activists unless they stick to the extremes on policy. Variation in the number of parties helps determine when parties engage in a logic of activist recruitment and when they switch to a logic of vote maximization.

The first part of the article extends standard Downsian expectations to the two-dimensional competition space typical of dominant party systems in transition. It then proposes a modification of the theory's assumptions to make it more appropriate for the study of dominant party systems and derives new expectations for strategic behavior in two- and three-party contexts. The second part of the article applies the theoretical framework to the case of Mexico using quantitative data from party personnel and voter surveys and tests these expectations against rival hypotheses. Before concluding, the consequences of the article's main findings are examined for partisan politics in Mexico during the 2000 elections.

SPATIAL THEORY AND PARTY STRATEGY

THE STANDARD DOWNSIAN MODEL AND EXTENSIONS

The standard approach from the literature on party competition in the established democracies comes from the spatial theory of voting. Models in this tradition highlight the need to win votes and thus expect parties to react to the (exogenously determined) distribution of voters' preferences over the salient dimensions of competition, with modifications based on the number of competing parties. More simply, once strategists know what the voters want and how many competitors they face, they can deduce the position, or sets of appeals, that maximizes votes. In his pioneering study, Anthony Downs (1957) showed that competition over a single dimension encourages both competitors in a two-party system to converge on the median voter. Sub-

sequent analyses formalize this outcome and characterize it as a Nash Equilibrium (Davis, Hinich, & Ordeshook, 1970).

Competition over a single dimension can characterize partisan debates in many polities; however, emerging competition in authoritarian and semi-authoritarian dominant party systems in transition is typically two-dimensional. In these cases, parties often compete over an economic policy cleavage related to the role of the state versus market forces in development policy and over the question of regime change. Democracy supplies an obvious basis for opposition appeals such that they have incentives to exploit if not to actively mobilize a regime cleavage that separates the incumbent from challengers over issues associated with the distribution of political power, the openness of the electoral arena, and questions of good governance (see Molinar, 1991b, on Mexico; Niou & Ordeshook, 1992, on Taiwan; Moreno, 1999, on several Latin American and East European cases).

Generating strategy expectations for opposition party behavior in dominant party systems requires addressing the complexities of two-dimensional competition. Extending spatial models to these conditions has proven difficult; however, in general, existing theory suggests that two-party competition should still produce center-seeking strategies. There are two complementary ways to approach this result. First, although one strand of game theory provides equilibrium strategies only under highly restricted conditions (Plott, 1967) and, in the worst-case scenario, expects chaos (McKelvey, 1976), these results can be modified by adding more structure to the interaction between parties. Specifically, if voters assess parties' positions on each dimension sequentially, then the median in each dimension exerts a strong pull, and we should expect centrist strategies (Hinich & Munger, 1997, pp. 67, 163-164). An influential study by Dominguez and McCann (1996) argued that sequential choice describes Mexican voting behavior, and the logic of their model is sufficiently broad that it should apply to other dominant party regimes. Second, another strand of game-theory research finds that parties are attracted to a centrist subset of the competition space in two-dimensional settings without sequential choice. This restricted area, variously specified as the "uncovered set"[1] or the smaller "yolk" (McKelvey, 1986) does not provide the strong strategy expectations characterized by a Nash Equilibrium, but it does formalize the notion that the most popular policy positions—typically centrist—attract the parties. Thus, from two different perspectives, research suggests that median voter incentives produce center-seeking strategies for two parties

1. If voters' indifference curves are circular, then the uncovered set can be as diffuse as the Pareto set (i.e., the smallest polygon capturing all ideal points), but it is often much smaller and positioned at about the geometric center of ideal points (Hinich & Munger, 1997, p. 61, footnote 3).

competing over two dimensions. According to Ordeshook (1997), "We know that, for a wide range of circumstances, if two candidates compete in a plurality rule system, they espouse policies near the 'center' of the electorate's preference distribution" (p. 256). This finding is robust under a surprising number of violations of basic assumptions (p. 258).

Strategy expectations in three-party competition are even more difficult to pin down. Formal spatial models are indeterminate (Shepsle, 1991); however, the unidimensional model—and by extension, the sequential-choice model—provides a justification for convergence (Schofield, 1997, pp. 279, 282). In this case, the center party can get "squeezed" as the peripheral parties move toward the median voter in the center (Sartori, 1976). This expectation leads the center party to move and kicks off a cycle of ever-changing positions. Although there are no equilibrium conditions, the dynamics of the cycle suggest that in any given round of competition, or when the middle party cannot leapfrog, the peripheral parties have an incentive to move toward the center and squeeze from the right and left. This expectation, however, does not translate to the two-dimensional case without the added assumption of sequential choice. In sum, the weight of theory suggests that two-party competition over two dimensions should produce convergent strategies. Three-party competition over two dimensions may provide similar incentives, but without clear theory, it is inappropriate to make strong predictions.

The general expectation of policy convergence is unlikely to fit the behavior of challengers in dominant party systems because resource disadvantages encourage them to adopt center-fleeing strategies. Challengers' limited access to capital puts a premium on activist-based and labor-intensive strategies. Because activists are typically motivated by policy goals (Aldrich, 1983; May, 1973), responding to their concerns draws parties away from the median voter. Resource deficits also put challengers at a disadvantage in the electoral competition game. The dominant party's virtual monopoly over patronage goods means that voters would have no incentive to choose a resource-poor challenger over the incumbent when they are programmatically similar. Thus, opposition parties must supply voters with programmatic reasons for choosing them.

Standard Downsian theory and its extensions cannot deal with resource asymmetries because they were devised to study partisan dynamics in fully competitive systems. Spatial models of partisan competition typically assume that all parties have equal access to the resources used to attract voters. According to Downs (1957, pp. 12, 24), the party in government cannot engage in systematic efforts to limit the competitive viability of challengers.

His premise of "perfect democratic competition" is key to deriving the expectation of policy convergence. It serves to hold nonpolicy resources constant across parties so that they compete for votes exclusively with their policy offers. In perfect competition, each voter is equally available to each party. As a result, voters choose the party that most closely represents their policy preferences, regardless of incumbent versus opposition status.

The notion that perfect competition exists in the established democracies rests on the presumption that parties rotate in government and, thus, fear reprisals while out of power. Dominant party systems clearly lack such rotation and instead create quasi-permanent insider-outsider splits that limit the incumbent's concern over skewing electoral competition in its favor. Dominant parties do not simply hold incumbency advantages, they often hold hyper–incumbency advantages because they benefit from exclusive access to the administrative resources of the state. If spatial theory is to be extended to dominant party systems in transition, it must take account of imperfect competition.

TOWARD A MODIFIED SPATIAL FRAMEWORK

Imperfect competition means that challengers must strategize to overcome systematic resource deficits. First, in the absence of capital resources, opposition parties become especially reliant on activists, who supply cheap labor. Activists are especially important for communicating the challengers' programmatic message to the voters. Second, the dominant party's virtual monopoly over patronage goods affects how voters evaluate the competing parties. Patronage introduces bias in favor of the dominant party into each voter's utility function. Only by offering voters sufficient programmatic reasons for choosing them can opposition parties overcome this bias. Resource deficits thus encourage challengers to engage in center-fleeing behavior.

Finally, as a further response to resource disadvantages, challengers have incentives to exploit if not actively mobilize a dimension of partisan competition that cuts across the dominant party's electoral coalition. Two-dimensional competition adds an important strategic element to partisan competition that is not fully recognized by the extensions to standard Downsian theory reviewed above. Two-dimensional competition enhances the likelihood of strategic voting by opposition voters, who may pool on a single challenger. When this type of strategic voting is extensive, the incentives for the challenger to converge are diminished. This section first examines the role of activists in opposition party building and then turns to the logic of voting behavior. Finally, it examines the implications for opposition party strategy.

Opposition Party Building and the Role of Activists

Downs's (1957) central insights remain key in studying party strategy in dominant party systems. Simply put, parties need to win votes, and effective strategies are constrained by voters' preferences. However, the implications of imperfect competition that Downs did not consider need to be addressed through a modified spatial approach. At its core, this means recognizing that the dominant party's privileged access to capital and the media puts a premium on labor-intensive strategies for challengers. Thus, attracting activists becomes a key preference, one that must be balanced against a pure vote-seeking strategy.

In dominant party systems, activists are fundamental in launching and sustaining opposition parties. Challengers are often resource-poor because they do not have access to public coffers and contributors generally prefer to support the dominant incumbent. Access to the media is often limited by some combination of dominant party control and prohibitively high costs. In the absence of these goods, candidates rely heavily on activists' labor for campaigns and for growing the party between elections.

Yet the importance of activists transcends their traditional role as canvassers in U.S. and West European parties. First, the relatively low likelihood of electoral success limits the number of experienced and high-quality candidates willing to run under an opposition label. Activists supply a pool of potential candidates who are loyal to the party's ideology and constituency base. Second, if dominant parties are sustained by the extensive use of patronage, then citizens may view their vote as a transaction for goods rather than policies. Activists can diminish the effectiveness of patronage for the incumbent by encouraging voters to accept "gifts" but vote their true preference. Third, lack of opposition experience in government heightens informational asymmetries for voters, potentially leading them to choose the incumbent simply because they know less about the challenger (Magaloni, 1997). Opposition activists disseminate information to local communities and thus help reduce the severity of such asymmetries. Fourth, if dominant parties do not respect electoral outcomes, activists help mobilize public support in postelectoral conflicts. Finally, activists help diminish the cognitive and potentially the coercive costs of voting against the incumbent, somewhat akin to social movements in authoritarian systems. Overall, activists are risk takers who help build opposition parties from the ground up.

Despite the importance of activists, they are significantly harder to recruit in dominant party systems than in the established democracies. Whereas competitive parties may offer office benefits, challengers' limited success at the polls in dominant party systems creates far fewer office opportunities

than the number of activists needed to launch a party. Rational careerists are more likely to enter the dominant party's nomination process than the challengers'. Whereas parties with access to resources can hire professional activists, resource-poor challengers typically pay only a handful of top administrators. Club-benefit seekers are more likely to profit in the dominant party than in the opposition. Other potential activists may be scared off by the real threat of coercion. Thus, opposition parties have to rely heavily on programmatic incentives to attract activists. These incentives have to be powerful enough to encourage activists to forgo the potential benefits of collusion and engage in risky behavior rather than abstain. This power can come from proposals associated with deep political change, that is, from divergent locational strategies.

The Logic of Voter Choice

If parties' locations are constrained by the preferences of the voters, what is the logic of voting behavior in dominant party systems? Supplying a fully specified model is beyond the scope of this article (see Dominguez & McCann, 1996; Magaloni, 1997); however, two aspects of voter choice are particularly important for the strategies of opposition parties.

First, asymmetric patronage introduces bias into the way voters evaluate the parties. Standard spatial models emphasize the parties' proximity to each voter on policy. In addition to policy, voters in dominant party systems are likely to evaluate the parties' relative abilities to distribute patronage. Patronage is a mainstay of the incumbent's ability to win reelection in many democratic and semi-authoritarian dominant party systems. Thus, if the locations of the dominant party and its challenger are similar, voters will likely choose the incumbent that can also distribute short-term private goods over an opposition party that cannot. The bias introduced by asymmetric patronage means that if challengers converge with the dominant party, they will almost certainly lose at the polls.[2] The best strategy from the perspective of the standard model is thus the worst strategy for challengers to a centrist dominant party.

Second, the two-dimensional competition space enhances the probability of strategic voting among opposition voters (Magaloni, 1997). As argued

2. To see this formally, consider a simple adjustment to the standard Downsian model in just one dimension. A dominant party (D) is located at the center at position 0 with patronage resources *(g)* and competes with a challenging party (C) located at C without patronage ($g = 0$). Voters' preferences are single-peaked, symmetric with mean 0, and Euclidean preferences hold. Then voters (V) assess the parties with the following utility functions: $U(\mathrm{D}) = -(\mathrm{V}_i - 0)^2 + g$ and $U(\mathrm{C}) = -(\mathrm{V}_i - \mathrm{C})^2$. The indifferent voter is located at $\mathrm{V}_i = (\mathrm{C}/2) + (g/2\mathrm{C})$, implying that C will maximize votes when it locates at $\mathrm{C} = g^{1/2}$.

above, challengers in dominant party systems have incentives to exploit a dimension of competition that cuts across the dominant party's existing coalition. In fact, opposition parties may seek to counteract the effects of the dominant party's patronage by mobilizing such a crosscutting cleavage. This second dimension separates the challengers from the incumbent and makes it possible for voters to rank the dominant party third in three party competition. Voters who prefer to oust the incumbent have the choice of voting for their most preferred opposition party regardless of its strength or voting for the opposition party they think can defeat the dominant party even though they prefer it less on other programmatic grounds. Thus, the crosscutting cleavage creates the conditions for opposition voters to coordinate on the stronger challenger when their primary interest is in ousting the incumbent. As developed below, strategic coordination among opposition voters lowers the cost of a divergent strategy under specifiable conditions.

Opposition Party Strategy

The strategies that challengers choose cannot be understood in terms of a preference for vote maximization alone, as standard Downsian theory assumed, but rather in terms of their response to the conflicting imperatives created by single-party dominance. On one hand, challengers need to appeal to as many voters as possible, as Downs (1957) stressed. For challengers in dominant party systems supported by patronage goods, this means moving toward the median voter but avoiding complete convergence when the incumbent is located close to the median. On the other hand, challengers need to build activists corps by establishing comparatively radical programmatic positions. The voter-activist trade-off is well known for parties in the established democracies (Aldrich, 1983; May, 1973); however, challengers in dominant party systems lack the resources that opposition parties typically use to minimize activist power. In the absence of office and club goods, challengers experience the trade-off primarily over program. How parties choose between vote getting and party building depends on the severity of the trade-off. After providing a menu of strategy options, this section argues that the magnitude of strategic coordination by opposition voters affects the severity of the voter-activist trade-off and, thus, affects parties' locational strategies.

Parties have multiple strategy options in two-dimensional competition that cannot be described by the language of convergence and divergence. To simplify, options can be summarized by four mutually exclusive and exhaustive categories. First, a party may follow a squeezing strategy by establishing moderate positions on both dimensions of competition and placing itself close to the dominant party in the attempt to "squeeze" its electorate. Second,

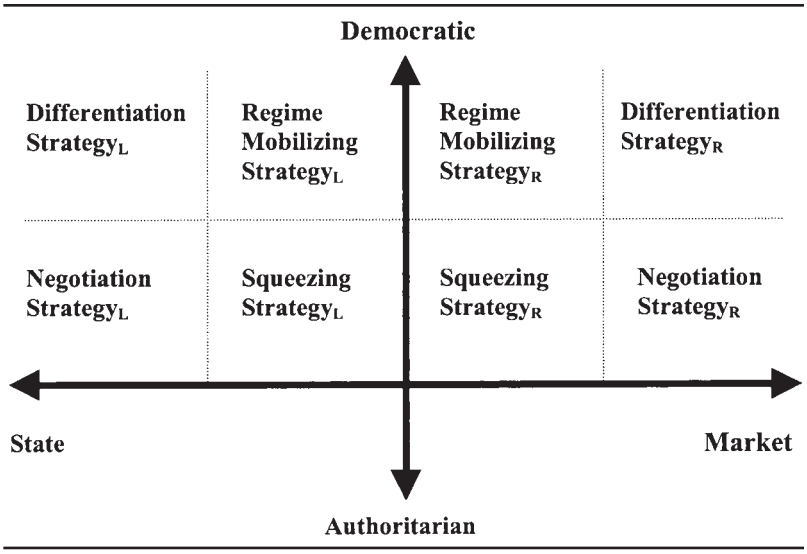

Figure 1. **The competition space and opposition party strategy options.**
Note: L = left-wing challenger; R = right-wing challenger.

a party may adopt the regime-mobilizing strategy by promoting itself as a party of democratic reform, the decentralization of political power, and clean government while at the same time downplaying economic policy change. Third, a party may follow a negotiation strategy by assuming a radical position on the economic dimension but a moderate one on the regime dimension. In pursuing this option, the challenger essentially trades its consent to the continuation of the political regime for the incumbent's concessions on economic policy and/or side payments such as access to public office. Finally, a party may follow a differentiation strategy by taking more extreme positions on both dimensions, thus maximizing its differences from all other competitors. Because the focus is on both left-wing and right-wing challengers, Figure 1 shows the four strategy options for each opposition party. Note that they are symmetric about the regime axis.

Which strategy should challengers select? The dominant party's patronage advantages detailed above make the squeezing strategy electorally suicidal despite its proximity to the median voter in each dimension. In contrast to Downsian prescriptions under conditions of perfect competition, challengers to a centrist dominant party should never choose the squeezing strategy, even if they care only about maximizing votes. Opposition parties must give voters programmatic incentives for choosing them, and this entails a strategy

of divergence from the median. The effects of strategic voting help determine which of the three nonconvergent strategy options the parties should choose under different conditions of competition.

Strategic voting in two-dimensional competition lowers the cost of a divergent strategy. Consider the challenger's strategy when it expects to gain from strategic voting based on its democratic credentials. This type of strategic voting means that the challenger, C_1, wins some votes from across the economic policy dimension simply because it favors democracy. Under these conditions, C_1's overall vote share is relatively less sensitive to its economic policy position. This elasticity allows it to adopt the differentiation strategy to attract programmatically radical activists without suffering dramatic defections by opposition voters.

To make this logic clearer, contrast the likely effects of strategic voting in competition over one and two dimensions. If voters array their preferences over a single dimension, and two challengers on the left and right compete against a centrist incumbent, then opposition voters necessarily rank the dominant party second (Riker, 1976). Under these conditions, if an opposition voter were to cast a strategic vote, it would favor the incumbent. Thus, in unidimensional competition with strategic voting, opposition parties facing a centrist incumbent can only increase their vote share by moving toward the median voter. This result mirrors standard spatial expectations without strategic voting (Sartori, 1976). In two-dimensional competition, by contrast, voters can rank the dominant party third if they prioritize one of the dimensions over the other. Strategic voting by these voters can increase one of the opposition parties' vote share in the absence of programmatic movement.

This soft trade-off between vote seeking and activist seeking occurs where strategic voting is extensive, as in two-party competition where only one party (C_1) seriously challenges the dominant incumbent. Voters whose preferences are opposite those of C_1 on economic issues but in agreement with respect to democracy could theoretically vote for another challenger (C_2), but where two-party competition is already established, the virtual impossibility of a C_2 win makes choosing it a wasted vote. When competitive conditions are changed such that both opposition parties are about equally strong against the dominant party (D), as in three-party competition, there is no wasted vote logic because it is not clear which challenger has a better chance of defeating the dominant party. This puts a premium on the median *opposition* voter and poses a hard trade-off between vote and activist maximization, thus forcing both challengers to adopt the regime-mobilizing strategy, reminiscent of Downsian expectations for two parties competing in unidimensional competition.

The efficiency of the differentiation strategy in two-party competition appears counterintuitive. It seems as though C_1 could increase vote share by adopting the regime-mobilizing strategy. It could move to the center of opposition space and handily win all opposition voters by creating a broad front against D. Not being the dominant party would suffice, so C_1 would not be required to campaign on potentially sticky economic policy issues. Although this strategy is undeniably more efficient vis-à-vis the voters, moving toward the center entails the abdication of policy issues that appeal to key activists. Office and club-benefit seekers would not be deterred by opposition centrism, but they are less likely to support the resource- and vote-poor challenger under any circumstances. Policy seekers who provide the hard core of activism could still support a centrist challenger as a force for democracy; however, without a further programmatic agenda for change, these activists might be more vulnerable to co-optation if the dominant party offers greater opportunities for participation. Thus, the differentiation strategy appeals to the key group of activists who sustain opposition parties and encourages them to work hard for their preferred policy. Furthermore, due to the expectation of strategic voting, the electoral costs of policy extremism are minimized.

This logic collapses in three-party competition when both challengers are about equally competitive. Strategic voting is limited because voters who support democracy have no incentive to choose their second choice over their first. Sincere voting reduces both challengers' electoral-carrying capacities, and as a result, both parties should move toward the center on economic issues to compete for the median *opposition* voter. In selecting the regime-mobilizing strategy, the parties give up on the issue stances that help them recruit policy-seeking activists, but not doing so runs the serious risk of isolating the party from the median voter on both dimensions of competition. Thus, when the trade-off between votes and activists is severe, both parties should compete for votes.

Finally, the negotiation strategy loses to other strategies under both conditions of competition. If a challenger offers the voters a change in economic policy without democratization, then it asks them to vote for an unknown challenger that pledges to be as unresponsive to future political demands as the incumbent. Offering policy change without democracy is likely to be an electoral nonstarter for an opposition party. Therefore, this strategy can be thought of as one of negotiation or collusion with the incumbent. C_1 would trade its support to D in exchange for policy concessions and/or side payments that satisfy activists. Side payments might include limited access to public office and club goods that could strengthen C_1 for future rounds of electoral competition.

To negotiate, C_1 must be able to trade support for the regime against the credible threat of siding with C_2. But where C_2 does not pose a serious electoral challenge, D has no incentive to buy off C_1. Thus, this strategy makes little sense in two-party competition. In three-party competition, D's concern over a battle on two fronts may give it an incentive to buy off C_1. However, C_1 should be interested in negotiation only when it cannot beat D and fears a C_2 win. When C_1 can beat D, negotiating would only alienate opposition-minded voters and allow C_2 to convince voters that C_1 represents the same option as D. Contrary to standard Downsian best-strategy expectations, convergence is such a bad strategy in dominant party systems that challengers should avoid strategies that allow their competitors to make them appear similar to the incumbent.

In sum, the expectation of strategic voting creates a relatively easy trade-off between vote seeking and party building in the two-party case and, thus, permits the use of the differentiation strategy without severe electoral costs. In the three-party case, more limited strategic voting makes the trade-off severe and risks losing a significant portion of opposition voters. The entry of a second challenger encourages the shift from a logic of party building to a logic of vote seeking reminiscent of standard Downsian expectations for unidimensional competition. Finally, note that D has little incentive to move from its centrist location in either two- or three-party competition. Under both conditions, it occupies a position close to the median voter and should receive the combined advantages of incumbency and centrism.

EVIDENCE FROM A DOMINANT PARTY SYSTEM IN TRANSITION: THE CASE OF MEXICO

Mexico provides a particularly interesting laboratory for testing the expectations of standard Downsian theory and those of the modified model presented above. It is a key case of a dominant party system in transition with a two-dimensional competition space, subnational conditions of two- and three-party competition permit a test of changing competitive circumstances without changes in federal electoral laws, and the trade-off between vote seeking and activist recruitment was powerful enough to create deep intraparty conflicts in both challengers.

Mexico's Revolutionary Institutional Party (PRI) and its predecessors dominated electoral politics from 1929 to 2000. Despite gains throughout the 1990s, the opposition National Action Party (PAN) and Party of the Democratic Revolution (PRD) were unable to win a majority in the lower house of congress until 1997. It was not until 2000 that PAN ousted PRI from the presidency.

Like other dominant party systems in transition, partisan competition in Mexico was two-dimensional. Overall, PAN supported market-led development policies and democracy, PRD supported state-led development and democracy, and the incumbent PRI positioned itself between the two challengers on development policy and substantially more in support of authoritarian politics. This image of the competition space was previously described by Molinar (1991a) and Magaloni (1997). In the next section, the space is operationalized with sample survey data of party personnel. The leaders' and activists' view of the competition space parallels that provided by the relative self-placement of voters who sympathize with each party.[3]

The dynamics of transition from single-party dominance created subnational variation in the number of competitive parties. By 1997, 19 states[4] had two-party competition between PRI and one opposition party without the likelihood of entry by the second opposition party over the short term. In 12 other states, all three parties competed or two-party competition existed between PRI and one opposition party in which the second opposition party was within striking distance of becoming a serious challenger.[5]

The available evidence suggests that the strategic coordination of opposition voters on a single challenger has played an important role in sustaining two partyism in Mexico. Wilson (1999) showed that as a voter's interest in

3. The relative positions of voters who were party sympathizers were obtained from issue questions in the Latinobarometer 1998 survey generously supplied by Dan Lund and, separately, from *Reforma* newspaper surveys (Zedillo Evaluation Surveys, June 1998 and March 1999) supplied by Alejandro Moreno. Both analyses confirm the correspondence of positions between party personnel and party sympathizers. An alternative ordering of party sympathizers results from using left-right self-placement instead of issue questions; however, the left-right scale is confounded by the two-dimensional competition space and thus is not appropriate for the purposes of this article.

4. Eighteen states are included in the two-party case for this analysis. The Mexico Party Personnel Surveys contained no responses from Baja California Sur, which had two-party competition.

5. I followed Molinar's (1991a) scoring rules using 1997 federal elections data but recoded the federal district and 6 states (Nayarit, Puebla, Quintana Roo, Tamaulipas, Tlaxcala, and Veracruz) to account for a complicated version of three-party competition from the perspective of the opposition parties in which the PRI (Revolutionary Institutional Party) gets a high proportion of the vote and the two challengers get about equal but low percentages of the vote. This situation is strategically analogous to three-party competition because both opposition parties can become the PRI's primary challenger and therefore must be strategically aware of each other. The Molinar Index scores this situation from about 1.75 to 2.25. The final coding includes 6 PRI-PRD (Party of the Democratic Revolution) states (Campeche, Chiapas, Guerrero, Hidalgo, Morelos, and Oaxaca); 12 PRI-PAN (National Action Party) states (Aguascalientes, Baja California, Coahuila, Chihuahua, Durango, Guanajuato, Jalisco, Nuevo León, Querétaro, Sinaloa, Yucatán, and Zacatecas); and 12 three-party states (Colima, Federal District, Mexico State, Michoacán, Nayarit, Puebla, Quintana Roo, San Luis Potosí, Sonora, Tamaulipas, Tlaxcala, and Veracruz).

democracy increases, her likelihood of voting for her second most preferred opposition party increases by about 25%. Magaloni (1997, chap. 8) found that fully 33% of Mexico City voters ranked PRI third and were thus likely to emit a strategic vote. In a more conservative estimate, Poire (2000) found that 10% of voters were likely to vote strategically. Even this lower estimate indicates more strategic voting in Mexico than in any of the multiparty systems reviewed by Alvarez and Nagler (1997). Taken together, this evidence suggests that strategic voting is an important factor in driving the number of competing parties toward two. When strategic voting is minimal, both opposition parties compete with PRI.

Mexico's PAN and PRD are very focused on winning elections. Their campaign styles and tactics, concern over candidate quality, consistent efforts to expand, and persistent postelectoral mobilizations against fraud make it clear that these parties are committed vote maximizers (see Bruhn, 1997; Loaeza, 1999; Mizrahi, 1998). At the same time, in-depth interviews with party leaders[6] and the inspection of party rules indicate that they were also very concerned with attracting activists and building party organizations that were robust against co-optation. This concern was well founded. Historically, seemingly strong opposition labor movements, popular movements, and parties were partially or fully demobilized as their activists were bought off and their constituencies reincorporated into PRI. As a result, both PAN and PRD paid very close attention to the mechanisms of activist recruitment. Both parties established institutes to recruit and train activists, funded executive-level secretaries to track membership, and erected high barriers to affiliation that were designed to incorporate "good types" who were ideologically pure.

PAN focused on the formal mechanisms of recruitment. Until 1996, would-be members had to secure the sponsorship of an existing local activist and then be approved by the National Members' Registry controlled by the National Executive Committee. PAN functioned as a club in which membership was strictly limited. Key leaders feared the dilution of the party's mission and meaning, so much so that they were sometimes willing to sacrifice electoral gains. This principle is reflected in the party's consistent but extremely slow growth up to 1996. Concern over activist quality led to such slow growth that the party lowered barriers to affiliation in 1996 and instituted a two-tiered process that permitted sympathizers to enter more easily.

PRD did not impose formal barriers to affiliation like PAN. After all, it began as a broad opposition movement called the National Democratic Front

6. Some of the data for this section come from nearly 100 interviews of party personnel conducted from 1998 to 2000.

(FDN) that backed Cuauhtémoc Cárdenas for the presidency in the 1988 elections. Although Cárdenas was defeated, his candidacy sparked a mass mobilization and suggested that a more organized left party could win in the future. Most FDN member groups combined to form PRD in 1989 (Bruhn, 1997). The new party maintained a technically open affiliation process in the hope of reigniting the broad oppositionist sentiment of 1988. However, there were strict informal barriers to affiliation and advancement. Typically, entry into PRD was regulated by social movements and nongovernmental organizations, membership in which generates the "moral authority" activists need to advance in the party. Moral authority served as the analytical equivalent to formal barriers to entry and similarly helped to ensure that only "good types" played a role in party conventions and local leadership. Informal barriers were perhaps too restrictive, and by 1999, membership stood at only about one third of PAN's. As one method of counteracting slow growth, in any given election, party leadership appointed up to 20% of the candidates from outside the party. These "external" candidates were used as a way to target new constituencies for inclusion.

Both parties faced the trade-off between vote maximization and activist recruitment described above. On one hand, they needed to expand in the electorate to reach their ultimate goal of beating PRI or their intermediate goal of becoming the second largest political force. On the other hand, sustaining opposition parties seemed to require the creation of a solid activist corps that could build support surely, even if more slowly. For the left, its inability to defend its near win in 1988 and its crushing defeat in 1991 were viewed as demonstrating a need to build a more solid activist corps. For PAN, its success in local elections in the north since the early 1980s and its striking inability to expand in Mexico City, especially in poor neighborhoods, also pointed to the need to recruit activists. Then-PAN-president Felipe Cálderon neatly summed up the difficulty of balancing these two goals when he stated, "The PAN's challenge is to win elections without losing the party" (as quoted in Mizrahi, 1998, p. 95).

National leaders and activists alike divided over these competing imperatives. Some sought to differentiate themselves from PRI as much as possible in the belief that only a strong and thoroughly opposition-oriented collective identity could convince voters to gamble on another party and simultaneously convince activists to risk economic hardship and potential repression to participate. Others argued that only moderate appeals would attract the median voter, and unless they moved toward the center, the electorate would view them as too radical to provide political stability. In the early 1990s, showdowns between the supporters of alternative strategies led to the very public exodus of leaders from both parties. For instance, Adolfo Aguilar

Zinser left PRD after serving as Cárdenas's campaign manager in his failed 1994 presidential bid. He complained that Cárdenas was less committed to winning than to adopting radical policy positions that ensured defeat. In 1993, a group of leaders and activists known as the Democratic Forum exited PAN, claiming that the party was more interested in negotiating with the regime than opposing it. Later battles manifested themselves in conventions and internal elections. For instance, PRD activists conflicted over whether to officially brand the party "leftist" in the 4th National Congress in 1998. A similar issue pitted expansion-oriented Jesús Ortega against Amalia García in the 1999 internal elections for party president. García eventually won with a platform much more focused on core constituencies. In PAN, expansion-minded Luis Felipe Bravo Mena won against the more doctrinaire Ricardo García Cervantes in the 1999 internal election for party president. Further conflict over expansion issues led Bravo Mena to call an Extraordinary National Convention in November 1999 in which party sympathizers were given expanded rights.

In sum, Mexico's political system and the intraparty struggles in the opposition during the 1990s fit the assumptions of the modified spatial model. The existence of two- and three-party conditions of subnational competition provides ideal conditions for a test of both models.

A QUANTITATIVE TEST OF THE STANDARD AND MODIFIED SPATIAL MODELS

As developed above, the standard model makes a strong prediction that parties should follow squeezing strategies in two-party competition. Expectations are less clear in the three-party case: In one interpretation, parties should squeeze the center, but in another, all locations within the competition space constitute equally good strategies. Alternatively, the modified model expects challengers in dominant party systems with centrist incumbents to adopt the differentiation strategy in two-party competition and the regime-mobilizing strategy in three-party competition.

Testing these hypotheses requires information on voters' preferences and parties' positions in the competition space. Public opinion data come from Latinobarometer 1998.[7] Data for the three parties come from six separate but parallel sample surveys of party personnel conducted by the author and a team of interviewers between March and November 1999.[8] Three surveys were directed to leaders in the National Political Council in each party and

7. Latinobarometer 1998 data for Mexico were generously supplied by Dan Lund.

8. The author wishes to thank Alejandro Moreno, Jogin Abreu, and the staff of the Survey Research Department at *Reforma* newspaper for their help in editing and fielding the question-

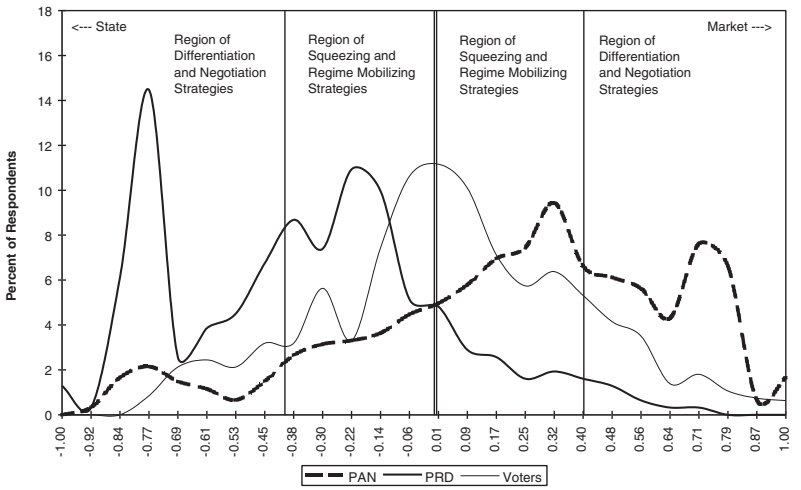

Figure 2. **Voter and party personnel economic development policy preferences.**
Note: PAN = National Action Party; PRD = Party of the Democratic Revolution.

three to activists who attended party conventions. The samples are broadly representative of the national leadership and activists of each party.[9]

Figures 2 and 3 show the programmatic positions of voters and party personnel over the economic development policy and regime dimensions.[10] The preference of the median voter on both dimensions is quite moderate. The distribution is somewhat skewed toward the democracy side on regime issues but falls off quickly. In contrast, the party personnel curves for both PRD on

naires. The surveys could not have been accomplished without the support of Rossana Fuentes-Berain and *Reforma* newspaper. Funding was provided by National Science Foundation SBER No. 9819213.

9. Overall, the party personnel surveys consist of 1,470 interviews with party personnel divided as follows: National Action Party (PAN) (leaders, $n = 174$; activists, $n = 477$), Party of the Democratic Revolution (PRD) (leaders, $n = 177$; activists, $n = 180$), and Revolutionary Institutional Party (PRI) (leaders, $n = 192$; activists, $n = 270$). For the leaders' surveys, an average of 60% of the population was included in each sample. The activists' samples reached 16% of PAN, 6% of PRD, and 4% of PRI activists present at conventions.

10. Question wording appears in the appendix. The dimensions were extracted using principal components factor analysis. Two factors were retained using the eigenvalue criterion. The first dimension included the economic policy items ($\lambda = 1.61$ for personnel; $\lambda = 2.02$ for voters), whereas the second dimension included the regime items ($\lambda = 1.34$ for personnel; $\lambda = 1.25$ for voters). Varimax rotation was applied to make the dimensions orthogonal (i.e., uncorrelated). The analysis for party personnel pooled across all three parties ($n = 1,263$) and weighted respondents to give parties equal representation. For voters, $n = 1,169$.

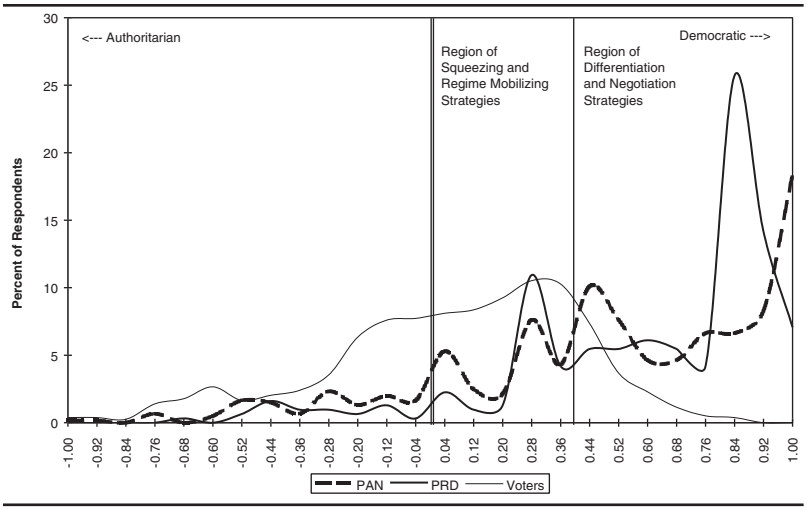

Figure 3. **Voter and party personnel regime preferences.**
Note: PAN = National Action Party; PRD = Party of the Democratic Revolution.

the statist side and PAN on the market side show much more divergence as well as clear bimodality within each party. Standard spatial models cannot account for divergence or bimodality given the distribution of voters' preferences.[11]

The remainder of this section tests the modified spatial framework. First, a differences-in-means test is presented. Then, to subject the hypotheses to a more stringent test, multivariate models are estimated using individual-level data. The models include variables associated with rival hypotheses as well as demographic variables as controls.

Mean positions for all national leaders and activists and for officeholders only under two-and three-party conditions are shown in Table 1. On economic issues, the negative values associated with PRD indicate a preference for state-led development policies, whereas the positive values for PAN show support for free-market policies. As hypothesized, PRD adopts its most statist position and PAN becomes especially market-oriented in two-party competition without threat of third-party entry. In three-party competition, when the opposition parties face competition from each other in addition to PRI,

11. Theoretically, these positions could represent preferences that are different from actual strategies in practice. As one test, a survey item was examined that asked respondents whether the best way to maximize votes is to adopt centrist strategies even if they converge with those of other parties or to differentiate their party from others. The differences between respondents in two- and three-party situations were in the expected direction and significant at the .10 level.

Table 1
Mean Party Positions Under Different Competitive Conditions

	PRD		PRI		PAN	
Competitive Condition	Economic Factor[a]	Regime Factor[b]	Economic Factor[a]	Regime Factor[b]	Economic Factor[a]	Regime Factor[b]
All personnel						
Two-party (PRD-PRI)	–.42	.58	.03	–.03	—	—
Two-party (PAN-PRI)	—	—	–.10	.07	.21	.49
Three-party	–.34	.55	–.03	.05	.13	.45
Direction of change: two- to three-party	Toward center		Toward center		Toward center	
ANOVA	$F = 4.0$, $p < .05$	n.s.	n.s.	n.s.	$F = 3.8$, $p < .05$	n.s.
Officeholders only						
Two-party (PRD-PRI)	–.45	.64	.07	.04	—	—
Two-party (PAN-PRI)	—	—	–.11	.01	.25	.56
Three-party	–.30	.63	–.06	.09	.10	.53
Direction of change: two- to three-party	Toward center		Toward center		Toward center	
ANOVA	$F = 3.5$, $p < .10$	n.s.	n.s.	n.s.	$F = 4.0$, $p < .05$	n.s.

Note: PRD = Party of the Democratic Revolution; PRI = Revolutionary Institutional Party; PAN = National Action Party. All personnel: $n = 311$ for PRD; $n = 326$ for PRI; $n = 604$ for PAN. Officeholders only: $n = 100$ for PRD; $n = 119$ for PRI; $n = 134$ for PAN.
a. Higher values indicate more support for free-market development policy. Lower values indicate more support for state-led development policy.
b. Higher values indicate more support for regime-level democracy. Lower values indicate more support for authoritarian politics.

they move closer to the center of the policy space on economic issues. PRD moves from –.42 to –.34. The mean positions among officeholders, who are presumably the most interested in maximizing votes, show greater change from –.45 to –.30. Similarly, the mean for all personnel in the PAN moves from .21 to .13, whereas the change in the mean for officeholders shows greater movement from .25 to .10. These differences are statistically significant at the .05 level with the exception of differences among PRD officeholders that are significant at the .10 level. Intraparty differences can be appreciated with respect to the overall distributions presented in Figure 2. Furthermore, although the party leaders' and activists' economic policy positions are responsive to changing conditions of competition, positions on regime issues remain stable in two- and three-party situations. This result is shown numerically in Table 1 and graphically in Figure 3.

Mean positions for PRI personnel are also shown in Table 1 for three-party competition and for both configurations of two-party competition. In all cases, PRI locates closer to the center than its competitors on the economic policy cleavage and remains in a comparatively authoritarian position on the regime cleavage. Interestingly, when PRI competes with PRD, it adopts a position to the right of its three-party mean; and when it competes with PAN, it adopts a position to the left of its three-party mean. This behavior is striking and bears further exploration. For present purposes, it demonstrates that PAN and PRD locations in two-party competition are not a response to PRI's attempts to undercut their positions.[12]

Are these findings robust? Admittedly, the structure of political competition involves a complexity not captured in the differences-of-means test presented above. A more rigorous test of the hypothesis is provided by running multivariate models that include variables associated with alternative hypotheses as well as control variables. The alternative hypotheses are the following:

Hypothesis 1—Leaders and officeholders versus activists: In literature on parties in the established democracies, programmatic differences are often attributed to organizational position. Leaders are viewed as vote maximizers who endorse centrist policies in response to the voters' preferences, whereas activists are seen as policy seekers who support more extreme programs (see Aldrich, 1983; May, 1973). Due to the robustness of this hypothesis, a variable for leadership is included, and all hypotheses are also tested on the subset of party personnel who are officeholders.

Hypothesis 2—Primary competitor: Positioning may depend on whether individuals in C_1 perceive C_2 or the incumbent PRI as the greater electoral threat. Personnel in C_1 may move toward the center when PRI appears weak and the prize

12. This finding suggests that parties' locational strategies do not correspond to Palfrey's (1984) model of entry deterrence by established labels.

of office seems up for grabs, but they may stick toward the extremes when they expect C_2 to win. If C_2 already appears to have won the median opposition voter, personnel in C_1 might consider it more important to make a policy statement rather than compete with blander policy appeals and still lose.

Hypothesis 3—Salience of democracy: Party leaders and activists who prioritize enhanced democracy may be willing to sacrifice economic radicalism. An alternative measure was used to operationalize this variable, making it independent of regime preferences.

Hypothesis 4—Socialization: Longtime activists who entered opposition parties during the period of PRI hegemony may be more programmatically radical than those who entered more recently, when access to elected office became more likely.

Hypothesis 5—Competitiveness: Winning state-level elections may encourage opposition party personnel to moderate their positions. Once in office, they may be limited in their ability to institute far-reaching change, or they may simply moderate to catch broader groups of voters beyond their core constituencies. Conversely, the expectation of a very low vote might encourage frivolous extremism ("cheap talk") designed to satisfy core voters. Unfortunately, this hypothesis cannot be tested together with the central claim that the number of parties affects position taking, because vote share is a component of the number of parties calculation. Thus, to avoid potential multicollinearity in the multivariate models, these variables were tested with bivariate regressions for each party. The results, not shown here due to space concerns, showed no support for either version of the competitiveness hypothesis.

Two models were estimated for each party. One model tests the hypotheses for all party personnel, whereas the other limits the test to officeholders. The models also include variables associated with the 1st through 4th alternate hypotheses as well as demographic variables as controls. The results appear in Table 2. In all models, the number of competitive parties had the expected effect and remained statistically significant. As the number of parties is increased from two to three, holding all other variables constant, the average PAN member moved 0.09 units closer to the center and the average PRD member moved 0.10 units closer to the center.

The effects are even greater among officeholders, who are presumably the most interested in maximizing votes. The average PAN officeholder was 0.14 units more centrist in three-party competition, ceteris paribus. This corresponds to a change of one third of one standard deviation of the dependent variable. The average PRD officeholder was 0.17 units closer to the center, ceteris paribus. This change is equivalent to nearly one half of one standard deviation in economic policy position. Officeholders provide a critical test of the modified model because they should be the most likely to respond to median voter incentives. Yet the expectations of the modified model hold even more strongly for officeholders. Other variables related to the structure

Table 2
Regression Models of Economic Development Policy Preference

	PAN				PRD			
Variable	All Personnel		Officeholders Only		All Personnel		Officeholders Only	
Constant	–.310**	(2.37)	–.406*	(1.67)	–.497**	(2.89)	–.626*	(1.76)
Gender (female = 1)	.039	(0.90)	–.109	(1.11)	–.031	(0.60)	.033	(0.37)
Age	.004**	(2.05)	.002	(0.54)	–.003	(1.13)	–.003	(0.90)
Education	.079***	(4.35)	.118***	(3.57)	.039*	(1.71)	.028	(0.52)
Religiosity	–.007	(0.60)	.012	(0.50)	–.020*	(1.70)	–.006	(0.30)
Duration of activism (years)	.000	(0.00)	–.001	(0.36)	.007	(0.82)	.018	(1.32)
Leader (activist = 0, leader = 1)	–.018	(0.39)	.047	(0.51)	.000	(0.02)	–.022	(0.23)
Democracy first	.024	(0.67)	.081	(1.01)	.096**	(2.26)	.126	(1.63)
Primary competitor (PRI = 0, C_2 = 1)	.096**	(2.14)	–.067	(0.75)	–.012	(0.23)	.016	(0.18)
Number of parties (two = 0, three = 1)	–.085**	(2.38)	–.144*	(1.76)	.096*	(2.18)	.170**	(2.04)
Number of Cases	543		121		290		93	
R^2	6.1		17.4		5.7		9.6	

Note: PAN = National Action Party; PRD = Party of the Democratic Revolution; PRI = Revolutionary Institutional Party; C_2 = the other challenger (i.e., PRD in the PAN column and vice versa). Dependent variable = economic development policy preference. Range = –1 to 1. Coefficients are unstandardized. *T* statistics are in parentheses.
*$p < .10$. **$p < .05$. ***$p < .01$.

of competition also had the expected effects on programmatic positioning, although these effects were not consistent across both parties or groups.

Even when subjected to a more stringent test that included variables associated with alternative hypotheses and several controls, the number of competitive parties remains an important predictor of programmatic positions. Both PAN and PRD establish more extreme programmatic positions in two-party competition when they face the dominant PRI alone. Two-party competition encourages center-fleeing strategies in which the challengers seek to differentiate themselves as much as possible from the incumbent. In sticking toward the extremes, the challenger gives both voters and activists reasons to support it over the known incumbent with patronage resources. Because there is no reasonable threat of entry from the second challenger under these conditions, the primary challenger can win the support of opposition voters without moving toward the median voter on economic issues. When the challengers find themselves in a three-way race instead, they adopt the regime-mobilizing strategy by establishing positions closer to the center on economic policy issues.

Finally, neither opposition party changes its position on regime issues in two- and three-party competition. The numbers show slight movement toward the center, but the analysis of variance indicates that this may be due to chance. Indeed, there is no reason to expect movement on regime issues. When PAN and PRD react to each other's entry by moving toward the median opposition voter, they sacrifice the distance from PRI that helped them sustain their differences in the eyes of voters and activists. Under three-party competition, it becomes even more important to prime differences on the regime dimension.

Alternative Interpretations of the Data

Median voter incentives revisited: The question of state-level variation. Despite national-level public opinion data showing standard median voter incentives to adopt the squeezing strategy, state-level variation might account for the adoption of the differentiation and regime-mobilizing strategies across states. This potential confound could cause variation in the number of parties and the location of the opposition parties. If true, then PRD-PRI competition, primarily in southern states, would result from voters' preferences for statism; whereas PAN-PRI competition, mostly in the north, would come from local support for free-market policies. Unfortunately, public opinion data with appropriate issue questions are not available at the state level to test for this potential confound. As the best available test, voter preference distri-

butions were obtained for states with each condition of competition using nationally representative Latinobarometer 1998 data. The overall difference between the three medians was less than 0.05 units on the dependent variable, indicating that differences in voters' preferences across competitive conditions are too narrow to account for the much larger degree of policy divergence among party leaders and activists.

Contamination effects and the level of analysis. When research applies spatial theory to mass elections, it often takes countries as the units of analysis or assumes independence across subnational units. It seems more reasonable to assume that national parties may impose subnational uniformity, thereby contaminating the process of local strategy formation. In the case of Mexico, this would mean that national three-party competition encourages state-level parties to act as though competition were among three parties even in two-party circumstances, thereby forcing convergence on the regime mobilizing strategy. From this perspective, the finding that two-party competition encourages polarizing behavior is even more surprising.

The direction of causality: Strategy and the number of parties. The argument advanced here is that the number of competitive parties affects how party leaders and activists make strategic decisions. However, given the data used for the test, it is technically possible that the direction of causality is reversed such that strategic decisions affect the number of competitive parties. If this is true, the decision to establish relatively extreme programmatic positions in some states helps create two-party competition, whereas the alternative decision to adopt more centrist positions on the issues leads to three-party competition. But this logic makes odd claims about the availability of electoral constituencies. If voters are moderate on the whole, taking an extreme position should enhance rather than diminish opportunities for third-party entry. Similarly, adopting a moderate position close to the median voter should limit the possibilities for third-party entry.

THE EFFECTS OF SUBNATIONAL STRATEGY INCENTIVES: PARTY COORDINATION IN THE 2000 ELECTIONS

The opposing incentives supplied by varying subnational conditions of competition in Mexico created two coordination problems for challengers in their attempts to beat PRI. First, policy radicals in both parties helped scuttle a possible opposition alliance in the run-up to the 2000 elections. Second, in the absence of the alliance, each party needed to attract the median opposition voter on its own, thus placing a premium on the regime mobilizing strategy.

Policy radicals in PRD precluded moderation, leading Cárdenas to run a sluggish campaign. Fox did succeed in overcoming inertia in PAN, but only through the risky separation of his campaign from the party apparatus.

Interparty Coordination: The Opposition Alliance

One strategy for ousting dominant parties from office is an opposition alliance. As noted above, the crosscutting regime cleavage in (semi-)authoritarian systems facilitates coordination by making it easier to pool on the regime-mobilizing strategy. In Mexico, the opposition parties agreed on the need to oust PRI, and they had strong incentives for coordination in the 2000 elections. The opposition parties together stripped PRI of its majority status in congress in 1997 for the first time since the initiation of single-party dominance in 1929. It seemed that an opposition alliance could win the presidency. Negotiations began during the months prior to the elections, and initial agreements advanced further than most observers thought possible.

But the alliance failed to consolidate. Plausible explanations for this failure include restrictive party-financing laws, problems in coordinating candidate lists, and the need for either Fox or Cárdenas to give up his candidacy. In addition, PRD and PAN personnel held polarized preferences on economic issues. If they were to compromise and oppose PRI as a united front, they would have had to adopt the regime-mobilizing strategy for starters. Severe intraparty disagreements in both parties blocked this convergence. Surprisingly, one of the sources of these disagreements concerned the local experiences with evolving partisan competition highlighted in this article. Opposition party members from two-party states were more programmatically radical and less willing to accept the moderate positions that would have underwritten the alliance. As negotiations collapsed, PRD claimed that it wanted political change, but not at any price. In the absence of commitments for more protectionist economic policy—commitments PAN was not willing to make—PRD preferred to let the alliance crumble. In the language used here, it would not sacrifice the strategy of differentiation for the regime-mobilizing strategy.

Intraparty Coordination: Candidates and Party Organizations

On July 2, 2000, Vicente Fox became president-elect of Mexico, ending PRI's 71-year run in power. He succeeded without an opposition alliance and by embracing the regime-mobilizing strategy. As early as 1998, he recognized the need to attract moderate voters, complained that PAN was much too far to the right to win, and said that he would try to move it all the way to the

center-*left* (Vicente Fox, interview by the author, October 29, 1998). Elements in his party resisted this broadening of appeals and in fact threatened to doom his candidacy. Fox attempted to override these critics through the risky separation of his campaign from the party. The tactic succeeded only through the use of extensive independent finances, snowballing popularity, and the creation of a nongovernmental parallel party called Friends of Fox. Opponents within the party were eventually quieted.

Once his campaign won internal support, Fox began to attack Cárdenas as an extremist and a harbinger of little substantive change. This form of attack was not a new one: During the 1990s, PAN consistently lambasted PRD as nothing but the PRI of the 1970s—a party of outdated statism and soft authoritarianism. Fox sought to expel PRD from the center of the competition space and minimize its electoral appeal early on so that he could claim to be the more viable opposition candidate. PRD unwittingly complied by adopting the differentiation strategy, leaving Fox expanded space in the center to pursue the regime-mobilizing strategy. Despite his movement toward the center on economic issues, he continued to oppose PRI as the candidate of change. Cárdenas never seemed to know what hit him and continued to fight a rear-guard action by claiming that he was the more legitimate opposition candidate. By expelling PRD and claiming the center, Fox was able to transform a three-party race into a two-party race pitched as a plebiscite on PRI.

The strategy worked marvelously, but intraparty divisions threatened to doom the Fox candidacy and the party's electoral fortunes even before the electoral season began. Just to become a candidate, Fox had to engage in serious behind-the-scenes battles beginning years before his official campaign started. The beliefs of within-party strategy groups run deep, so deep that PAN almost sacrificed the candidate who toppled PRI.

CONCLUSION

This article has shown that when centrally located dominant parties are challenged by opposition parties to the left and right, two-party competition can produce rational center-fleeing behavior by the challenger, even in the context of standard median voter incentives to moderate. The explanation for this behavior relied on two modifications to the standard spatial model. First, the assumption of perfect competition was relaxed to incorporate dominant party advantages, including the virtual monopoly over patronage resources, the media, and access to public office. These advantages give opposition parties incentives to diverge from the position of the median voter. In doing so, they offer programmatic incentives to the voters and are better able to recruit

policy-oriented activists who supply labor for the resource-poor challengers. This finding points to a potential generalization of the spatial model. Dominant party systems score "high" on incumbency advantages and hold down one end of a continuum. Incorporating the magnitude of incumbency advantages as a variable in parties' strategic calculations could, theoretically, help us to better understand party behavior in political systems with a range of incumbency advantages.

The second modification to the standard spatial model addressed the strategic implications of the two-dimensional competition space typical of dominant party systems in transition. It was shown that the expectation of strategic voting by voters who prefer democracy increases the challenger's vote share in the absence of programmatic movement on the economic policy dimension. This elasticity allows the challenger to use its economic policy location to recruit programmatically oriented activists. The more general lesson is that parties may use cleavages for different purposes when they have multiple preferences. This suggests that when thinking about party strategy in multiple dimensions, the competition space should be analyzed strategically rather than mechanically.

Returning briefly to the case of Mexico, the subnational differences in competition highlighted here derived from the uneven transition away from single-party dominance. Now that the era of PRI dominance has ended, the regime cleavage will disappear, yielding a single dimension of competition. It is now safe to locate closer to PRI because doing so no longer identifies PAN or PRD with an authoritarian incumbent. PAN and PRD can now access the median voter and are likely to engage in squeezing strategies designed to chip away at PRI's remaining vote share from both the right and the left. The strategic challenge now falls to PRI.

APPENDIX
Party Personnel and Voter Issue Items From Sample Surveys

PARTY LEADERS AND ACTIVISTS (PARTY PERSONNEL SURVEYS)

Questions were phrased as trade-offs on a 1 to 5 scale where 1 = *total agreement with the first phrase* and 5 = *total agreement with the second phase*.

- Mexico's government should impose controls on foreign capital flows/Mexico's government should permit the free flow of foreign capital (question [q] 41a)
- The state should have more responsibility to assure that everyone is provided for/Individuals should have more responsibility to provide for themselves (q43a)

- Government property in business and industry should increase/Private property in business and industry should increase (q44a)
- Political reform has not advanced enough/Political reform has advanced enough (q42a)
- Mexico requires real federalism/Mexico requires a strong president (q45a)
- The death penalty should never be applied under any circumstances/The death penalty should be applied in some cases (q46a)

Source: Author's surveys. See note 8.

VOTERS

- How much do you agree with the following statements . . . ? (1 = *agreement/market orientation*): The state should leave production to the private sector (q14a); Privatization of public companies has been beneficial for the country (q14b); Prices should be determined by unregulated competition (q14c); The free market is best for the country (q14d); Foreign investment should be encouraged (q14e); Private business benefits the country (q14f).
- Which statement do you agree with more . . . ? (q28): Democracy is better than any other form of government; In some situations, authoritarian government can be better than democracy; It makes no difference whether the regime is democratic or authoritarian.
- Which statement do you agree with more . . . ? (q30): Mexico's transition to democracy remains incomplete; Democracy is clearly established in Mexico; [uncertain—not read].

Source: Latinobarometer 1998. See note 7.

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Kenneth F. Greene teaches in the Department of Government at the University of Texas, Austin. He is currently completing a dissertation on the development of opposition political parties in dominant party systems, with a specific emphasis on the case of Mexico. Publications include "The Transformation of Comparative Political Parties Research: A Review of Herbert Kitschelt's The Transformation of European Social Democracy*" in* Política y Gobierno *(1999) and "Complexity, Cohesion, and Longevity of an Urban Popular Movement: The Asamblea de Barrios in Mexico City" in* Movimientos sociales e identidades colectivas en México *(UNAM-IIS, 1996).*