After Defeat: Governing Party Response to Electoral Loss*

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May 25, 2018

Abstract

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

*We thank Herbert Kitschelt, Dotan Perstiz, Yeal Shomer, participants at the 2017 APSA meeting and the conference on The Study of Representation and Electoral Systems at the Hebrew University of Jerusalem, as well as seminar participants at Columbia and WZB Berlin. Slough gratefully acknowledges the support of a NSF Graduate Research Fellowship, DGE-11-44155.

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1 Introduction

In the aftermath of its comprehensive loss of the 2010 UK elections, the Labour Party's base was engaged in a bitter leadership race. After 12 consecutive years in power, the race to replace the outgoing Gordon Brown pitted two candidates representing divergent approaches to resurrecting the party's fortunes. The first approach, embodied by David Miliband's candidacy, argued that future success required the party to veer to the center and re-capture New Labour's moderate mantle, which served the party so well under Tony Blair's premiership. The second, advocated by David's *brother*, Edward, held that the party had lost its appeal to its electoral base by moving too much to the center and abandoning the party's identity.[1] Declaring New Labour to be "dead", he lamented the party's drift to a "brutish US-style capitalism", and offered to change course. Faced with the two options, the party's primary voters ultimately opted for the latter, electing Edward Miliband as the party's leader. And as promised, the candidate subsequently pursued a distinctly more leftist stance than the one espoused during the Blair era.[2]

The dilemma of how to correct course following defeat is, of course, not unique to the 2010 UK elections, nor to the Labour Party. Indeed, in the aftermath of Hillary Clinton's loss in the 2016 presidential elections, the US Democratic party has been embroiled in a heated internal debate about the causes of her loss and the right way of moving forward. Some, most vocally the supporters of Senator Bernie Sanders, her primary elections challenger, have argued that the party must adopt a more progressive and distinctive stance. Others contend that recapturing the White House requires the opposite approach, in particular that the Democrats shift toward the center,

[1] Indeed, Edward's leftist views earned him the nickname 'red Ed'.

[2] See the *Financial Times'* analysis of the election results:"Ed Miliband's move to the left lost Labour the election", 05/08/2015. The article concluded that: "[Miliband's] intellectual attempt to shift the party back towards its leftwing roots ended in a resignation speech... he turned his back on many of New Labour's tenets, seeking to prove that an openly socialist party could win the backing of the British electorate..."

particularly on some social issues, in order to better appeal to white working class voters.

The question of whether to appeal more to the center or instead to sharpen the party's message by veering further to the extreme is clearly one that many major parties confront after an electoral defeat. What approaches do major parties take following a loss: do they mostly stick with the status quo, or do they make substantial shifts in positioning? When parties do decide to reposition and shift, is it typically toward the center or away from it? What explains those choices and actions?

The literature on party positioning typically posits that parties are conservative organizations that tend to resist change (Walgrave and Nuytemans, 2009; Wickham-Jones, 2005). Nonetheless, significant changes to the platform do sometimes occur. Several theoretical accounts have been advanced to explain how parties respond to past electoral performance in choosing subsequent platforms. These responses to electoral outcomes are argued to be conditioned by past platform shifts (Budge, 1994), the party's type or objective (Harmel et al., 1995), or party strategies for adaption (Laver, 2005). Empirical evidence on the association between electoral outcomes and subsequent platform movement remains mixed (Adams et al., 2004; Somer-Topcu, 2009). We diverge from existing empirical literature in two ways. First, the majority of existing studies focus on the question of when changes in party positioning occur, but do not address the question of the *direction of change*, namely whether the shift is toward the extreme or the center. Second, we depart from the widespread focus on change in vote share as an explanation for a party's subsequent ideological re-positioning, studying "loss of power" as a qualitatively distinct phenomenon.

We study the determinants of both magnitude and direction of shift in party positioning, focusing on the impact of electoral defeat of governing parties in affecting the two outcomes. We begin with a set of empirical results, derived from analysis of a dataset containing all elections in OECD countries between 1945 and present. In particular, we probe the association between changes in platform positioning and previous electoral outcomes, moderated by institutional features of intra-party leadership selection processes.

Our empirical analysis shows an unambiguous direction of platform shifts. Following a loss,

major parties tend to move *away* from the center, rather than to the center. The notion that parties seek to position themselves closer to the preferences of the median voter is not supported by the data. In fact, holding all else constant, a party that lost an election is a 18.5 percentage points less likely to run as a centrist in the subsequent election than a party that had not just suffered defeat. This represents a massive 48.4% drop from the baseline probability of running as a centrist.

More generally, we find that all parties tend to correct course from the previous election, i.e. shift in the opposite direction than they have last time, irrespective of their electoral performance. While these dynamic patterns are not surprising, our analysis indicates that the shift tends to be significantly larger after suffering defeat. Yet we also find that the institutional structure of the party has bearing on the magnitude of the ideological shift, which tends to be smaller when the party's leadership is elected by a large selectorate (e.g. in a primary election).

In contrast, we find little support for other plausible conjectures. For example, we do not observe that the extent of the shift is a function of how badly the party performed electorally in the previous elections: conditional on loss, the size of the decline in the party's vote-share is not associated with a larger ideological shift. We also find no empirical relationship between the economic conditions preceding the electoral loss and the subsequent ideological shift. In other words, parties do not tend to stay put in terms of ideological positioning when targets for blame other than the party's positioning — in this case, the state of the economy — are more readily available.

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

What might account for these results? Under standard Downsian logic, parties should move toward the median voter in the electorate in order to win (Downs, 1957). If a loss implies that a party was too far away from the median, then the predicted reaction would be a shift to the center. Yet obviously parties do not inevitably converge all the way to the median voter. An extensive theoretical literature provides explanations for non-convergence. These include party ideology, candidate entry, citizen candidates, uncertainty, bounded rationality, commitment problems, reputational issues, and uncertainty over voter preferences.[3] While these mechanisms are suggestive, to our knowledge the existing theoretical models are unable to account for the dynamics we observe in the data.

Our findings on selectorates suggests that internal party organization may play a central result in the pattern of party adjustments over time. The second half of the paper therefore develops this idea with a theory of two-party competition that can account for most of the empirical results. To generate hypotheses about the evolution of platforms, the model necessarily has a simple repeated structure. In the game, parties are composed of extreme and moderate ideological factions, and nominate a candidate from one faction in each election. An important parameter is the size of a party's selectorate, which we model as the probability that a neutral party member who is not part of a faction chooses the candidate. This member is ideologically indifferent between the factions and therefore bases her decision on candidate electability. Moderation and high quality both improve electoral prospects, but extreme high-quality candidates are better than moderate low-quality candidates.

If the non-faction member does not nominate the party's general election candidate, then the party's leading faction chooses. This faction is the one that produced the party's candidate in the previous election, and will continue to choose its own candidate if given the opportunity. Smaller selectorates therefore correspond to higher persistence in factional control, along with lower candidate quality. Our mechanism thus can relate to party organizations ranging from primary elections

[3] See Schofield and Sened (2005) and Duggan and Martinelli (2017) for helpful overviews.

to centralized selection by leaders of a dominant faction.

The equilibrium of the model can be analyzed as a finite state Markov chain. This allows us to examine long-run properties such as the evolution of candidate ideology using standard techniques. An important intuition of the model is that losses reflect the underlying steady state distribution of party platforms and candidate quality. Roughly speaking, a party usually does best with moderate candidates, and therefore the lead faction will tend to be moderate. An extreme but higher quality candidate can become the party's alternative when no high quality moderate exists, but this choice has three consequences. First, it is associated with a higher probability of losing, since the party could not nominate a high quality moderate. Losing power is therefore correlated with extremism. Second, it raises the subsequent likelihood of extremity, since the extreme faction is now the lead faction. Finally, it raises the subsequent likelihood of platform adjustment, since the extreme faction is more vulnerable to being replaced than the moderate faction. These factors combine to predict the observed consequences of electoral losses.

While the long run outcomes of the model are too complex to characterize analytically, we provide numerical results that agree with the preceding intuition. After defeat, parties are more likely to run on ideologically extreme platforms. Moreover, they are more likely to reverse course ideologically relative to any pre-loss ideological shift. Finally, they are more likely to reposition than their re-elected counterparts. The differences in platform positioning between losing and re-elected parties are increasing in polarization, intraparty ideological heterogeneity, and electoral bias against the losing party. The sign of the impact of selectorate size on rates of repositioning, however, varies across the parameter space. We discuss the implications of this theoretical result for our empirical findings.

The contributions of this paper are both empirical and theoretical. This paper is the first to study systematically how parties respond to loss of power. We measure the change in party re-positioning that follows a decline in electoral fortunes, emphasizing the *direction* of platform shifts, and particularly the relationship between electoral defeat and centrifugal tendencies. We establish that

shifts to the extreme following loss are associated with improvements in parties' subsequent electoral fortunes. Further, we find that the selection of party leadership conditions parties' ability to respond to loss. To organize these findings, we develop a novel infinite horizon model of platform positioning that allows us to study how platforms change in response to electoral events. The model provides intuition about the role of intraparty leadership selection in the evolution of platforms across elections.

Our analysis further develops a literature on ideological change in parties (Kalandrakis and Spirling (2012); Budge (1994); Harmel and Janda (1994); Eguia and Giovannoni (2017); for a review see Fagerholm (2016)). We extend a literature on party change in dynamic environments (Laver, 2005; Kollman, Miller, and Page, 1992). Our focus on the conditioning role of the party leadership's selectorate size on response to electoral events extends insights from several models of primary elections that examine variation in candidate quality (valence) as a function of institutions structuring intraparty governance (Snyder and Ting, 2011; Adams and Merrill, 2008; Crutzen, Castanheira, and Sahuguet, 2010). Our argument is consistent with other studies that stress the importance of intra-party structure in accounting for shifts in party positioning (Meyer, 2013; Schumacher, De Vries, and Vis, 2013).

Our evidence extends earlier analyses that have stressed the significance of electoral performance as an important factor influencing parties' choice of positioning (Ezrow et al., 2011; Somer-Topcu, 2009; Walgrave and Nuytemans, 2009). These studies have focused on the change in vote share as the key independent variable. Unlike past research, we emphasize the specific role of loss.

The rest of the paper is structured as follows. We begin by introducing three patterns in platform positioning subsequent to loss with case evidence, in order to anchor our approach to the question. We then describe our research design, the construction of the dataset and the estimators used to examine the relationship between loss of power and subsequent ideological positioning. Following a presentation of our empircal findings, we develop a theoretical model that can account for the key patterns. We first describe a stage game of party leadership selection and ideological positioning,

and then extend the model to an infinite horizon dynamic setting. After characterizing the model's results numerically, we conclude by discussing the broader implications of our findings.

2 Post-Defeat Trajectories: Illustrative Case Evidence

We ask how loss of power impacts parties' ideological positions in subsequent elections. In order to contextualize ideological positions, two features are particularly salient: a party's ideological position and trajectory at the time of loss. Examining cases of electoral defeat and loss of power reveals substantial variation in parties' repositioning subsequent to losing power. We consider the selection and role of party leaders associated with these platforms.

In some cases, parties remain anchored to their pre-election positions, as was evident in the case of Israel's Labor Party's 1988 electoral defeat. Rather than shift the party's ideological positioning in any significant way, the party kept its platform largely intact. The party's emblem of change was mostly centered on new personnel. Labor held its first open primaries for the leadership (until then, leadership was elected by a small convention), in which Itzhak Rabin narrowly beat Shimon Peres. This change in leadership did not come with a radical shift in the party's official stance, but Rabin - a heralded former Chief of Staff and Security Minister - was perceived as a "tough guy" who was strong on security matters. Indeed, this aura helped Labor win back power in the 1992 elections.

In other cases, parties appear to adopt substantially more *extreme* positions after losing office. In 1960, the United States Republican party lost the presidency after Dwight Eisenhower's two terms in a close election. The losing candidate, Richard Nixon, ran on a centrist platform. Nixon's loss set up a divisive competition between moderate and conservative factions of the party in the run-up to the 1964 election. The 16 primaries yielded six distinct winners, resulting in a showdown between both factions of the party at the 1964 Republican convention. At the convention, approximately 1,300 party delegates ultimately elected Barry Goldwater, sparking a dramatic rightward shift away from the center. In fact, this shift in the Republican Party platform represents the largest

single shift in consecutive platforms in Manifesto Project's coding of US platforms (since 1945).

Finally, some parties move to the center after loss of power. After holding power for 13 years, the Australian Labour party was defeated by the Liberal-National party in 1996. Immediately after the election, Labour party leader Paul Keating stepped aside and in his place, Kim Beazley was elected by the parliamentary coalition. In the ensuing election colored by economic concerns over the Goods and Service Tax introduced by the new government, the Labour platform moved further right, toward the (shifting) center of the political spectrum.

This brief discussion lays out a clear variation in governing parties' post-defeat strategies. Yet it also highlights a number of central unanswered questions. First, how does the ideological positioning of just-defeated parties differ from the positioning of other parties? In other words, to what extent does loss of power change the subsequent strategies adopted by parties? Second, how common are each of these trajectories in the aggregate? In order to address both questions, we turn to a statistical analysis of party positioning in post-war OECD democracies.

3 Research Design

3.1 Data

We compile an expansive dataset comprised of elections in OECD member countries in Europe, North America, and Asia from 1945-2015. Each country enters the panel in its first post-war democratic election. Our dependent variables are coded from the Manifesto Project's (MARPOR) right-left coding of party platforms (Lehmann et al., 2016). Our main sample, thus, comprises all parties whose platforms are coded by MARPOR during this period.[4] We seek to understand how the electoral performance of governing parties relates to changes in party platform. We focus on

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

three measures constructed from the right-left coding of platforms. Denote MARPOR's right-left coding (RILE) as P_t^{ic} on for party i's in country c's platform in the election t. This coding ranges from -100 (leftmost platform) to 100 (rightmost platform). First, we examine the magnitude of the shift in platform, a standard measure of platform movement between elections. This variable, *shift magnitude*, is simply calculated as the absolute value of the difference in platforms, as in Equation (1).

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

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

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

The final dependent variable is a categorical measure of whether a party's platform is a left, right, or center platform in a given election. While parties are unlikely to run on both left and right

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

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

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

Our main treatment variable is a binary indicator of whether a governing party loses power in an election in time t. To create this variable, we determine the governing party prior to each election and the party in power subsequent to the election. If these parties change, the indicator is coded as a loss of power for the party governing prior to the election. We avoid classifying caretaker government parties as the "governing" party by looking at the party in power six months prior to the election (or the last government not denoted a caretaker government per historical accounts). This variable was hand-coded based on electoral records and historical information. It was then compared to the Seki-Williams dataset on governments to assess the accuracy of the coding (Williams and Seki, 2016). We additionally record whether or not the party was governing in a coalition, allowing us to examine the robustness of results to any ambiguities in identifying the governing party within coalition governments. In the United States, this coding corresponds to the presidency; we do not distinguish between unified and divided government.

Empirically, there exist various paths to a loss of power. Our empirical strategy and theory

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

We focus on the internal structure of parties and how party leadership is selected as a key moderator variable. This moderator is operationalized as the comparative size of the "selectorate," or the body that selects the party leader. We utilize data assembled by Kenig, Rahat, and Hazan (2013) on the relative size of the selectorate, and extend their data by adding additional countries. Our original coding comes from country-specific accounts such as Kabasakal (2014) and Cross and Blais (2012) in addition to news articles on the selection of party leaders. We focus on the post-1960 era for specifications including the "selectorate" given the time period of the original dataset and difficulties in locating earlier information. Appendix A4 documents the coverage of the selectorate data. We code parties as having a *large selectorate* if party leadership is selected by a party convention or a body implying broader participation such as an open or closed primary. A *small selectorate* is defined as selection by a body smaller than the party convention, including a party council (smaller than a convention), a parliamentary caucus, or a single individual.

Additionally, we assemble a set of covariates to measure electoral performance including seat share and vote share for each party in each election contested. We also gathered information on characteristics of the party systems from Bormann and Golder (2013). The analysis also includes several valence conditions at the time of loss, long posited to influence voting behavior and thus election outcomes. Using data from the OECD and supplemented by Bolt and van Zanden (2013), we calculate the growth rate and unemployment rate in the year preceding the election. In order to aid in the interpretation of the conditional effect of growth and unemployment, we define binary

indicators for low growth and high unemployment on the basis of the country-specific distributions of these measures over time. The *low growth* indicator takes the value "1" when growth in the year preceding the election is lower than one country-specific standard deviation below the country mean. The *high unemployment* indicator similarly takes the value "1" when unemployment in the year preceding the election is greater than one standard deviation above the country mean.

3.2 Estimation

Our empirical specifications are estimated using weighted ordinary least squares (OLS). Each country is weighted by the inverse of its proportion of total observations, effectively affording equal weighting by country.[6] Equation (4) represents the estimation strategy for estimation unconditional association between loss of power and outcomes measuring ideological shifts of parties. β_1 represents the estimator of the association between loss of power and a given measure of party positioning, Y_{ict}. Recall that our three outcome measures of positioning are a binary indicator of a "center" platform in the subsequent election, the magnitude of the platform shift between subsequent elections ("shift magnitude"), and the direction of this shift ("to extreme"). Here, outcomes are indexed by party (i), country (c) and election (t) or decade (d).[7] The main exposure variable is Loss of Power$_{it}$. A set of covariates $\mathbf{X}_{ict}$ aims to control linearly for variables that are correlated with but qualitatively different from loss of power. To that end, we include vote share in election t, change in vote share from election $t-1$ to t, and a binary indicator for coalition status prior to election t in all specifications. We also include party fixed effects $\boldsymbol{\kappa}_i$ (as denoted) and election fixed effects ($\boldsymbol{\gamma}_t$) in different specifications. We cluster standard errors at the level of the party.

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

Equation (5) represents the estimation equation for the conditional association of loss of power

[6] We examine the robustness of all findings to this specification in Appendix A2.

[7] Decade fixed effects subsume election fixed effects.

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

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

Our sample consists of all parties and elections for whom MARPOR has coded platforms within relevant OECD countries. As such, the principal comparison is between just-defeated parties and all other parties. Appendix 3 examines the robustness of our findings to an alternate classification in which the sample consists of all parties "in power" at time t. In this subsample, the comparison is between just-defeated and just-reelected parties. We estimate parallel specifications on this sample with the exception of models with election fixed effects.

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

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

4 Empirical Findings

4.1 Centrist Platforms

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

Column [1] of Table 1 presents the relationship between loss of power and a subsequent center platform and shows that electoral defeat in the previous election is negatively associated with the probability of a subsequent run as a centrist party, controlling for the base set of covariates and previous position. Adding fixed effects to the specification, we estimate a model with election fixed effects (column [2]), party fixed effects (column [3]), party and decade fixed effects (column [4]), and party and election fixed effects (column [5]). The coefficient of the electoral defeat variable remains negative and statistically significant. In these specifications, the association is significant at the $p < .005$ level. The estimates are substantively quite sizable: we find that electoral defeat is associated with a 18.5 percentage point drop in the probability of subsequently running as centrist (column [5]). Given a baseline probability of 38.2% of a party running as centrist, this drop amounts to a 48.4-percent shift.

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

Figure 1 depicts the distribution of platforms in election $t+1$ as a function of electoral fortunes in time t, among former governing parties. All parties analyzed in the graph were in government in

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

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

Table 1: The association between loss of power and adoption of a center platform in election $t+1$. The covariates and fixed effects included in each model are indicated in the middle panel. All standard errors are clustered at the party level.

time t. The panel on the left presents the distribution of platforms of governing parties in election t that managed to stay in power. In contrast, the panel on the right presents the distribution of platforms among parties that were defeated and at time t. In both panels, the bars in blue represent the platforms before the elections at time t while the bars in red represent the platforms for the subsequent elections (in $t+1$). Note that the distribution of platforms prior to loss or victory are indistinguishable. These distributions are very similar to the $t+1$ platforms of parties that win in time t. However, a strong shift away from the center is apparent only subsequent to a loss of power (red bars in panel on the right).

We test the sensitivity of the findings to our specification of left, right, and center platforms in Appendix A2. Results remain substantively similar in the neighborhood of our definition, strengthening our confidence in the observed association. In conclusion, this analysis indicates that parties that suffered a loss of power are subsequently less likely to run on centrist platforms.

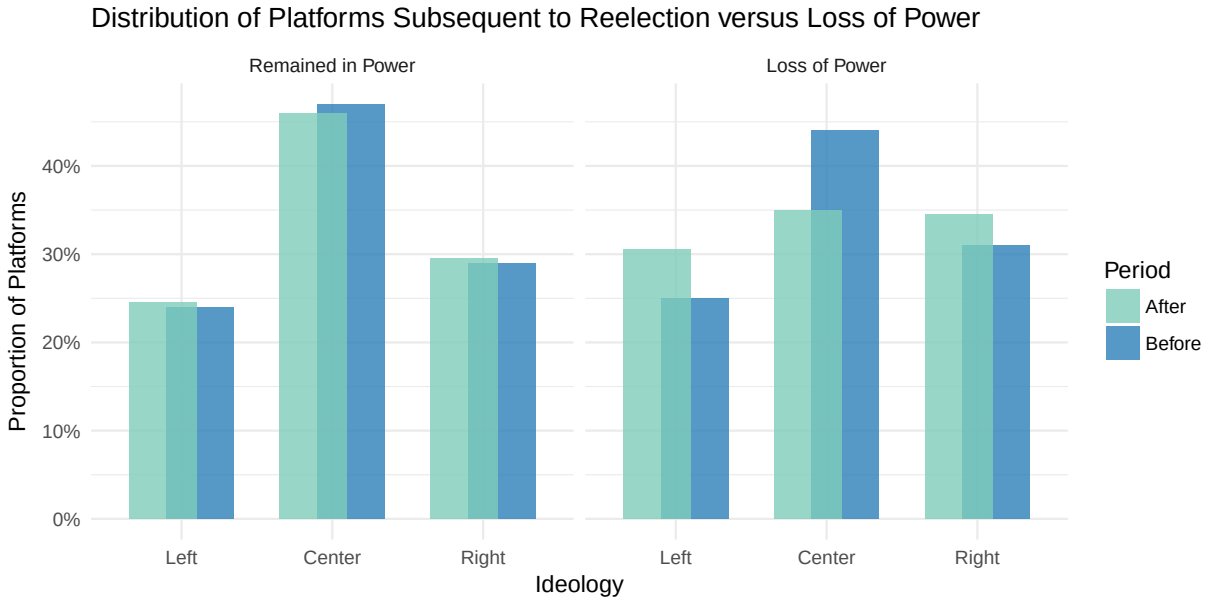

Figure 1: This graphic depicts the distribution of platforms in election $t + 1$, conditional on the results of election t. The panel on the left presents the ideological distribution of platforms in election $t + 1$ (red bars) for governing parties that were victorious in election t (blue bars). The panel on the right presents the ideological distribution of platforms in election $t + 1$ for governing parties that were voted out of office in election t.

4.2 Shifts to the Extreme

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

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

We also examine whether the response to defeat differs between parties operating in two- and multi-party systems. As columns [7] and [8] indicate, parties in both systems tend to self-correct, but subsequent to loss, these patterns are exaggerated. The interaction of loss and pre-election shift to the extreme is no longer statistically significant in sub-group analysis. We note that the sub-group analysis is less powered to detect such an interaction than the full-sample. The difference

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

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

Table 2: The conditional association between loss of power and movement to extreme between elections t and $t+1$, conditioned on the previous platform shift between elections $t-1$ and t. The covariates and fixed effects included in each model are indicated in the middle panel. All standard errors are clustered at the party level.

in estimates on the interaction coefficient is not significant at standard thresholds of significance ($p = .23$).

4.3 The Role of the Selectorate

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

In the second panel, we examine the *size of the ideological shift*. Here, our focus is not the direction of the shift — center v. extreme — but rather the magnitude of the change. Regressing the absolute size of the ideological shift along the left-right scale, we estimate the same set of

	(1)	(2)	(3)	(4)	(5)	(6)
				To Extreme$_{t+1}$		
Loss of Power$_t$	-0.219	-0.005	-0.830	-0.847	-6.879	11.940
	(4.288)	(5.079)	(3.314)	(4.273)	(4.988)	(9.676)
Large Selectorate$_t$	1.415	-2.946	2.414	-5.469	-9.289	-3.002
	(1.299)	(3.720)	(2.060)	(5.233)	(8.483)	(4.774)
Loss of Power$_t$ $\times$ Large Selectorate$_t$	0.670	0.571	1.181	1.530	-0.048	-2.691
	(4.705)	(5.450)	(4.664)	(5.614)	(6.194)	(11.825)
	(1)	(2)	(3)	(4)	(5)	(6)
				Shift Magnitude, $t+1$		
Loss of Power$_t$	6.358*	5.183$^+$	8.994*	8.971*	10.836*	0.139
	(2.708)	(2.806)	(3.302)	(3.201)	(3.719)	(3.875)
Large Selectorate$_t$	-1.275	0.063	-0.345	3.146	1.511	4.536*
	(2.001)	(2.313)	(2.141)	(3.627)	(6.351)	(2.050)
Loss of Power$_t$ $\times$ Large Selectorate$_t$	-4.405	-2.586	-8.728*	-7.364$^+$	-5.126	-3.338
	(3.343)	(3.586)	(3.820)	(3.914)	(4.730)	(4.416)
Voteshare$_t$	yes	yes	yes	yes	yes	yes
Δ Voteshare$_t$	yes	yes	yes	yes	yes	yes
Platform$_t$ FE	yes	yes	yes	yes	yes	yes
Out of Coalition$_t$	yes	yes	yes	yes	yes	yes
Country FE	yes		yes			
Party FE		yes		yes	yes	yes
Decade FE		yes				
Election FE			yes	yes	yes	yes
Sample					Two-Party	> Two Party
Observations	1115	1115	1115	1115	551	564

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

Table 3: The conditional association between loss of power and platform movement, to extreme (panel A) and size of shift (panel B), between elections t and $t+1$, conditioned on binary indicators large selectorate. All standard errors are clustered at the party level.

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

4.4 Post-Loss Strategies and Return to Government

Finally, in Table 4 we explore whether the choice of strategy post defeat is associated with the party's subsequent electoral fortunes. In columns [1]-[5] we estimate the relationship between the direction of the ideological shift and the likelihood of the party returning to power after the next election. As the table indicates, parties that shift to the extreme following a defeat are slightly more likely to be in government after the next election. In substantive terms, for a mean-sized shift to the extreme (13 points on the RILE measure), the chances of returning to power increase by approximately 6.6 percentage points. This association is not distinguishable between two- and multi-party systems. In contrast, columns [6]-[10] show no evidence that the magnitude of the ideological shift post defeat is associated with the party's chances of returning to power in the next election. The estimated effect is small and that the standard errors are sizable by comparison.

We graph the results, indicating that a shift to the extreme in $t+1$ benefits the electoral prospects of parties that had just lost power. The left panel in Figure 2 depicts this positive association for

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

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

Table 4: The conditional association between loss of power in election t and return to power in election $t+1$, conditioned on changes in platform in between the two elections. The "To Extreme$_{t+1}$" and "Shift Magnitude$_{t+1}$" variables are divided by 100 to scale coefficient estimates. The covariates and fixed effects included in each model are indicated in the middle panel. All standard errors are clustered at the party level.

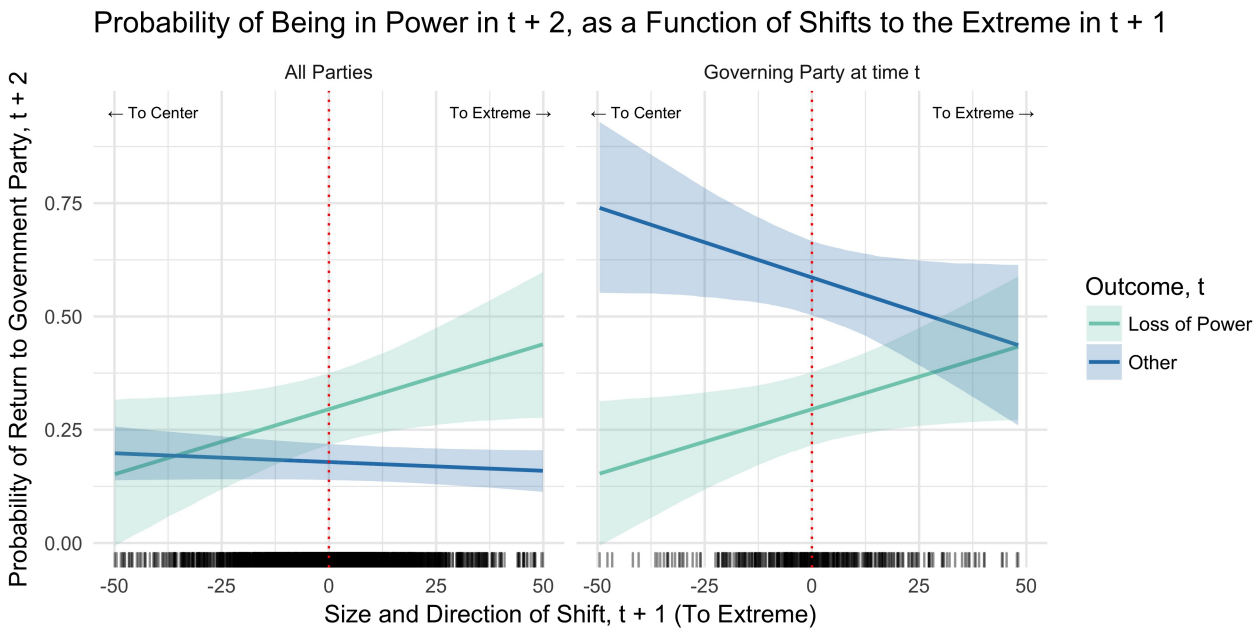

Figure 2: Probability of being in power in time $t + 2$ as a function of electoral outcomes at t and the subsequent shift in platforms in $t + 1$ (x-axis). The left panel includes all parties in the dataset while the right panel conditions the sample on parties in power at time t. 95% confidence intervals constructed upon standard errors clustered at the party level.

parties that lost power in election t (green) relative to all other parties in the sample (blue). It is also useful to condition the sample to parties in power preceding election t (right panel). In this graph, shifts to the extreme among re-elected parties are associated with lower prospects of another re-election. This contrasts directly with the finding about the benefits of moving to the extreme for just-defeated parties.

Collectively, these findings prove quite robust to modeling choices. In Appendix 3, we examine the robustness of the specifications in Tables 1-4 to alternate (or no) weighting schemes. We further estimate our specifications only among the subset of governing parties. We also examine the possibility that results may differ when one considers loss of power only in instances where the ousted governing party actually experienced a drop in vote share. In doing so, we address the concern that in parliamentary systems, a governing party may perform as well as in previous elections, or even better, but nonetheless find itself out of power due to the politics of coalition

formation. Nonetheless, as Appendix 4 indicates, we find no evidence of heterogeneity, thereby strengthening confidence in our interpretation of the findings.

5 Model

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

To provide a foundation for ideological adjustment over time, we posit a simple mechanism for candidate selection within parties. Each party is composed of two factions, one ideologically moderate (denoted M) and the other ideologically extreme (denoted E). Each faction produces one candidate in each period, and all candidates from a given faction are ex ante identical. Candidates can run for office only once. In each election at most one candidate from each party may enjoy a quality advantage that gives $b > 0$ to all voters if that candidate is elected. Within a party, this advantage goes to each faction with probability $\rho < 1/2$, and to no faction with probability $1 - 2\rho$. The draws of candidate quality are independent across parties. We denote by $b_i \in \{0, b\}$ the quality level of party i's candidate in the general election.

Upon election, a candidate from faction j in party i implements her ideal policy $y_i^j \in \mathbb{R}$. She also receives office-holding utility $w_v > 0$ from achieving office, while unelected candidates

receive 0.[8] The factional ideal points are related to one another as follows:

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

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

The general election is determined by a continuum of voters who care about policy and valence. Voters are heterogeneous with respect to ideology, and a voter with ideal point y receives the following utility from the election of a party i candidate:

$$-|y - p_i| + b_i. \tag{6}$$

Each party i is associated with a continuum of voters $\mathcal{P}_i \equiv [\underline{y}_i, \overline{y}_i]$ who form a subset of the general election electorate. This group might represent the set of party i primary election voters. We assume that the median of $\mathcal{P}_i$ is ideologically located midway between the factions, and thus has ideal point $y_i^d = (y_i^M + y_i^E)/2$.[9]

In addition there are two important subgroups within $\mathcal{P}_i$ that support the party factions. For each faction j, $\mathcal{P}_i^j \subset \mathcal{P}_i$ represents the set of closely aligned party voters. All members of subgroups $\mathcal{P}_i^E$ and $\mathcal{P}_i^M$ are more extreme and moderate than the party median voter, respectively, and the party median belongs to neither subgroup. The median of faction j's closely aligned voters has

[8]Thus, candidates cannot credibly promise to deliver a policy that is not located at y_i^j. This is consistent with a wide class of "citizen candidate" models (e.g., Osborne and Slivinski, 1996).

[9]We make this assumption to simplify the model, but it is not necessary for obtaining our results. For b sufficiently large this pivotal voter may be located arbitrarily far from the median.

the same ideal point y_i^j as the faction's preferred candidate. The subgroup members also receive utility $w > 0$ when their candidate is elected. This might correspond to faction-specific rents or private goods that a candidate can provide to loyalists.

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

The nominated candidates finally compete in a general election by offering their ideal policies as the party platforms. The election outcome is determined by an electorate-wide median voter with ideal point $y_m \in (\overline{y}_L^M, \underline{y}_R^M)$. Voters choose on the basis of policy utility and a random utility shock $\omega \sim U[-\alpha, \alpha]$ in favor of party R. The median voter receives higher stage game utility from party R if:

$$-|y_m - p_R| + b_R + \omega > -|y_m - p_L| + b_L. \tag{7}$$

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

$$w > \max\left\{\frac{(b+\delta)^2 + \alpha(b-\delta) + 2b\Delta}{\alpha - \Delta - \delta - b}, \frac{(\alpha + \Delta + 2b - \delta)(b - \delta)}{\alpha - \Delta - b}\right\}. \tag{8}$$

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

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

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

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

4. Nature draws ω.

5. All voters in the constituency vote to determine the election winner.

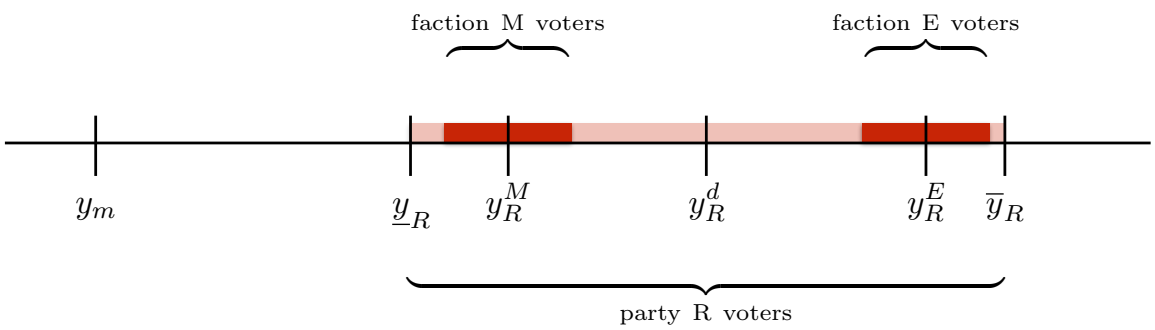

Figure 3: Party R Voters. All party R voters have ideal points in the interval $[\underline{y}_R, \overline{y}_R]$. In an open process the party median voter with ideal point y_R^d is decisive in selecting a candidate. In a closed process the factions, with decisive voters at y_R^M or y_R^E, will be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

We derive a simple subgame perfect equilibrium for the stage game. In the candidate selection stage, each eligible voter's nomination strategy is a mapping $\{(0,0),(0,b),(b,0)\} \to \{M,E\}$. In the general election the strategies for all voters are mappings $\{(0,0),(0,b),(b,0)\}^2 \times \{M,E\}^2 \times [-\alpha,\alpha] \to \{L,R\}$. There are many voting equilibria in this game, and we therefore focus on a simple class of voter behavior that generates straightforward strategies. Since no voter can be pivotal in any election, voters are effectively indifferent among voting strategies. We focus on equilibrium whereby each voter acts as if pivotal and chooses the candidate who would provide the

highest expected utility in the general election. Thus, voters do not necessarily choose the closest candidate at the nomination stage, but disregard the effect of their votes on lead factions in future periods.

6 Theoretical Results

6.1 Stage Game

We begin with the median voter's decision. After the ideological shock ω is realized, she simply chooses the optimal candidate according to (7). It is clear that the median voter will then be decisive in the election. This implies the following probability of victory for party X:

$$\phi(p_L, b_L, p_R, b_R; y_m) = \frac{1}{2} + \frac{2y_m - p_R - p_L + b_R - b_L}{2\alpha} \tag{9}$$

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

In the second case, the process is closed and the nominating body is the lead faction. These voters obviously prefer their own faction on ideological grounds, but may sacrifice quality and electability (for faction E voters) by choosing their own candidate. By assumption (8), factional voters have an intrinsic benefit from the nomination of their own candidates. This induces them to prefer their own faction's candidate even in the difficult case where the other faction has the higher quality candidate. Without (8), a faction's median voter would behave more like the party median

voter.[10]

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

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

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

6.2 Dynamic Analysis

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

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

[10]This is especially true for faction M, who like the party median would obviously prefer her own candidate when neither had a quality advantage.

While the full matrix $\mathbf{Q}$ would be quite cumbersome to write, the individual elements therein are straightforward to derive. Each $Q_{s,s'}$ is determined by three components. The first two components are the probabilities of factional choice by the median within each party, which depend on π_i, λ_d, and λ_v as described previously, and the availability of a high quality candidate, which depends on ρ. The final component is the probability of victory of the election winner in s', which is derived from Equation (9). Appendix A5 provides further details. The following equations illustrate two elements of $\mathbf{Q}$ for the case where selectorate sizes are symmetric (i.e., $\pi_L = \pi_R = \pi$).

$$Q_{(R,M,M),(R,M,E)} = \frac{\lambda_v \rho\pi((1-\lambda_d\rho\pi)(2y_m - 2y_R^M + \alpha - \delta + \Delta) + b(1-\rho-\lambda_d\rho\pi))}{2\alpha} \tag{10}$$

$$Q_{(L,M,M),(R,M,E)} = \frac{\lambda_d \rho\pi((1-\lambda_v\rho\pi)(2y_m - 2y_R^M + \alpha - \delta + \Delta) + b(1-\rho-\lambda_v\rho\pi))}{2\alpha} \tag{11}$$

Equation (10) is the probability that R nominates an extreme candidate and defeats the L moderate candidate, starting from a setting where R had previously won a contest between moderate factions. Equation (11) does the same, but starting from L as the incumbent.

The transition matrix allows us to analyze the equilibrium of the infinite horizon game as a simple Markov chain. More specifically, it is straightforward to show that under the parameters of our game, the Markov process has a unique stationary distribution. This implies that the distribution of states over time is independent of the initial state of the process.[11] For each state s, let q_s be the long-run proportion of periods spent in s. Using conventional techniques, we may calculate each q_s and other quantities of interest. For example, the proportion of time spent under party R control is the sum of q_s's where s of the form (R, f_L, f_R). More importantly, we can also calculate several short-run evolutionary paths that concern our empirical findings.

Our main empirical results suggest the following quantities of interest, expressed formally in

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

Appendix A5. For ease of translation between the empirical and theoretical results, these quantities are indexed by their empirical counterparts in Section 4.

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

2. *The steady state probabilities of losing power followed by a reversal of the preceding platform shift, and re-election followed by a reversal of the preceding platform shift.* [Result in Table 2.]

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

Unfortunately, calculating the probability of these paths requires numerical simulation because of the complexity of the expressions for steady state probabilities. We can however provide partial analytical results that convey some of the intuition for the empirical observations. Proposition 2 shows that under some modest parametric assumptions, the likelihood of observing each of the short-term paths described above is exactly as observed in the data. The main simplification is that the result only considers paths starting from the state (R, m, m), instead of accounting for the relative likelihood of all possible states. Note however that this state (where both parties nominated their moderate factions in the preceding election) is relatively common, and thus plays a large role in determining the overall distribution of factional trajectories.[12]

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

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

(i) running on an extreme platform;

(ii) platform reversal;

(iii) platform adjustment

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

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

The comparative statics on selectorate size following loss versus victory are more ambiguous. Differentiating the relevant difference with respect to π shows that the relationship is non-monotonic. It is possible to derive conditions under which this difference is decreasing in selectorate size, in line with the finding in Table 3. Thus, while the empirical result is consistent with certain regions of the parameter space, we note possible disagreement between the theoretical model's predictions and the empirical findings in some regions of the parameter space.

6.3 Numerical Results

Our numerical results examine a large subset of the parameter space in order gain a robust view of the comparative statics. For each of the above quantities, we present comparative statics graph-

ically. The reported probabilities are for party R; note that all results are symmetric for party L given the symmetry in factional ideal points.

We first examine the probability of running on an extreme platform. Recall our main empirical finding from Table 1 that subsequent to electoral loss, former governing parties are less likely to run on centrist platforms. We examine this relationship in the theoretical model by differencing the probability of running on an extreme platform after losing power versus winning re-election. Figure 4 provides comparative statics on this difference across a range of y_m (ideological bias in the electorate) and π (selectorate sizes). In these figures, we consider party R; party L is symmetric about y_m. Consistent with the empirical results, even absent bias in the electorate or restrictions on the incumbent (i.e., $y_m = 0$ and $\lambda_v < 1$), this difference is positive. Party R is increasingly likely to resort to extreme platforms following losses versus wins when the party is electorally disadvantaged ($y_m < 0$). Moreover, party R is more likely to lose when $y_m < 0$, which may help to account for observed patterns in the data.

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

Our empirical results in Table 2 suggest that subsequent to electoral defeat, reversals of the last platform shift are greater in magnitude. In the context of the present model, such a reversal indicates a change of faction in one party from moderate to extreme in election t and then a change of faction from extreme to moderate in election $t + 1$ or a shift from extreme to moderate with a consecutive shift from moderate to extreme. We estimate the probability of observing either pattern when an incumbent party loses in election t versus wins re-election in election t. This difference in probability of ideological reversal for the right party is plotted in Figure 5. We note that with no ideological bias $y_m = 0$ and no additional friction on the incumbent party's selection

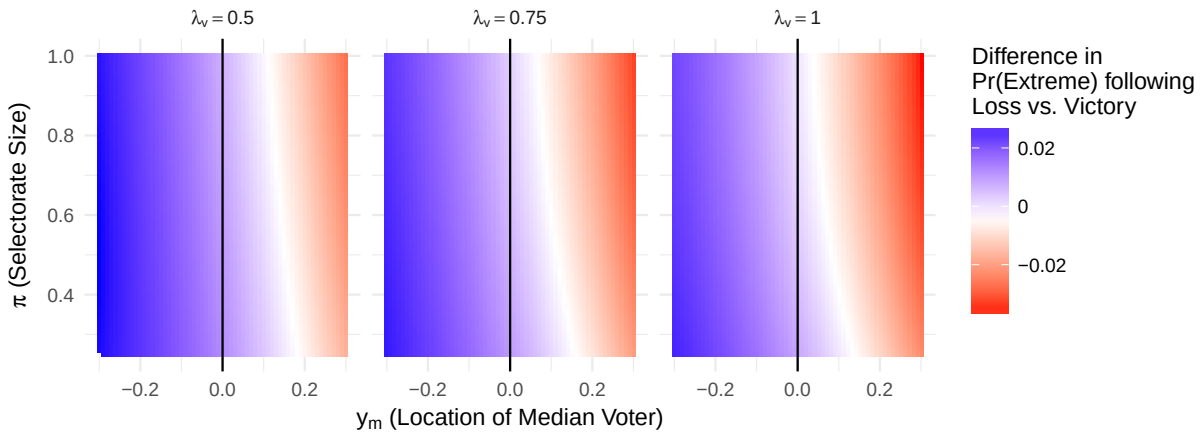

Figure 4: Difference in probability of running on an extreme platform after a loss of power versus winning re-election for the right party. In this graph, $\alpha = 2.5$, $b = 0.65$, $\lambda_d = 1$, $y_R^M = .3$, $\Delta = 2y_R^M$, $\delta = 0.5$, and $\rho = 0.25$.

process $\lambda_v = 1$, this difference is positive (if small). It increases in magnitude in the region in which the right party is disadvantaged $y_m < 0$ and loss is consequently more likely. Similarly, it increases in magnitude when additional constraints are imposed on the incumbent's ability to open leadership selection ($\lambda_v < 1$). Furthermore, this difference is increasing in both polarization (Δ) and intraparty ideological heterogeneity (δ). In sum, under "neutral" conditions as well as electoral conditions more conducive to loss, the probability of ideological reversal in consecutive periods is higher following electoral defeat than after re-election.

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

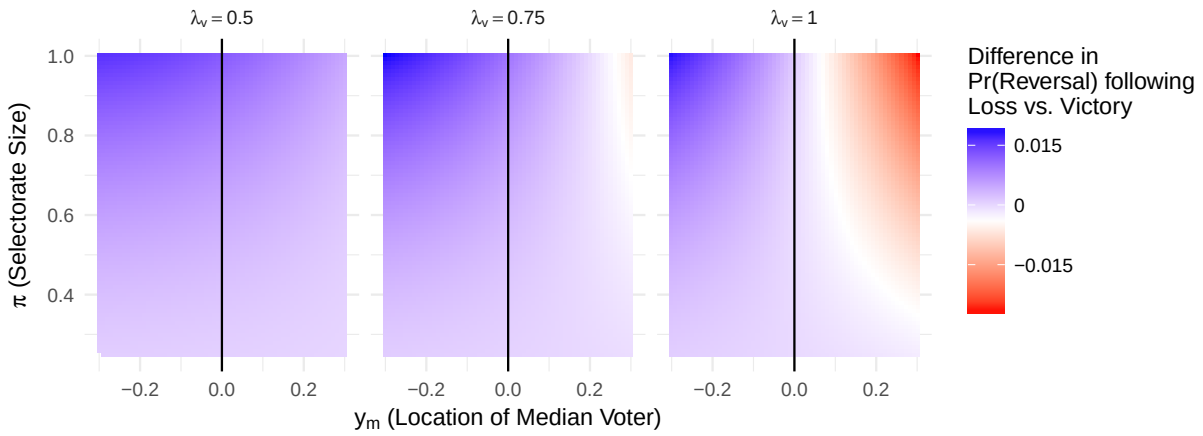

Figure 5: Difference in probability of ideological reversal after a loss of power versus winning re-election for the right party. In this graph, $\alpha = 2.5$, $b = 0.65$, $\lambda_d = 1$, $y_R^M = .3$, $\Delta = 2y_R^M$, $\delta = 0.5$, and $\rho = 0.25$.

on the winning party $\lambda_v < 1$.

The negative coefficient on the "conditional effect" from the interaction models implies that this difference should be decreasing in selectorate size (π). Figure 6 further depicts the numerical results on this difference with respect to selectorate size. As in the analytical results, the comparative statics with respect to π are more ambiguous. The relationship between selectorate size and the difference in platform adjustment between losing and winning parties is non-monotonic. This non-monotonicity is most clear in the third panel of Figure 6; for high y_m, the difference in probability of adjustment is decreasing (albeit positive). In contrast, for low y_m the difference in probability of adjustment is increasing.

7 Conclusion and Implications

This paper conceives of loss of power as a qualitatively distinct phenomenon and studies the subsequent ideological positioning of ousted governing parties. Our analysis identifies four principal associations between electoral defeat and party positioning. First, just-defeated parties are less likely to run as centrist parties in the subsequent election. Second, the strategy of shifting away

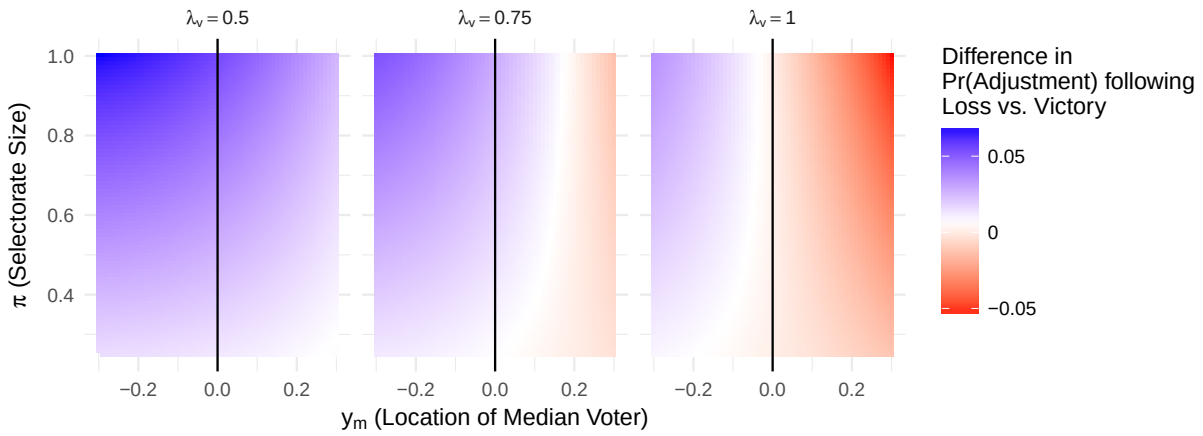

Figure 6: Difference in probability of platform adjustment after a loss of power versus winning re-election for the right party. In this graph, $\alpha = 2.5$, $b = 0.65$, $\lambda_d = 1$, $y_R^M = .3$, $\Delta = 2y_R^M$, $\delta = 0.5$, and $\rho = 0.25$.

from the center after an electoral defeat is associated with a faster return to power for the losing party. Third, while it is evident that parties regularly "self-correct" by reversing the direction of past ideological shifts, this "self-correcting" behavior is more pronounced following loss than victory. Finally, the magnitude of ideological shifts appears to be attenuated by the size of the selectorate that elects party leadership.

These findings are politically pertinent. In particular, the result that a post-defeat shift away from the center is associated with a higher likelihood of a swift return to power speaks to ongoing debates among party activists (e.g., Democrats in the US or the Socialists in France) regarding the positioning strategy their party should adopt in order to successfully regain the presidency. Yet the causal nature of this empirical relationship warrants further investigation. In particular, a well identified research design, for example one exploiting close outcomes in leadership-selection primaries (e.g., Hall 2015), could help clarify the causal impact of choosing one direction of ideological shift over the other on the party's subsequent electoral fortunes.

Our dynamic model of ideological positioning accounts for most of our key empirical results. The mechanism underpinning the model draws on the selection of party leadership as one impetus

behind platform selection. It posits a tradeoff between factional control of the party and candidate quality. Repeating the stage game over an infinite horizon allows us to derive hypotheses about the likelihood of ideological transitions that occur in response to electoral events, specifically loss of power. As we show, the results of the model are consistent with the bulk of empirical patterns identified.

The model provides several other suggestive comparative statics for continued investigation. In particular, it suggests roles for polarization and intraparty ideological heterogeneity in conditioning the magnitude of the observed patterns. Beyond its results for this paper, the model also provides a useful dynamic framework that could have other applications in the study of electoral competition over time.

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Appendices

A Proof of Proposition 1

There are two cases. First, consider the open process. For any party L opponent, this voter prefers a high-quality faction E candidate to a low-quality faction M candidate if:

$$\phi(p_L, b_L, y_R^E, b; y_m)(-|y_R^d - y_R^E| + b) + (1 - \phi(p_L, b_L, y_R^E, b; y_m))(-|y_R^d - p_L| + b_L) >$$
$$\phi(p_L, b_L, y_R^M, 0; y_m)(-|y_R^d - y_R^M|) + (1 - \phi(p_L, b_L, y_R^M, 0; y_m))(-|y_R^d - p_L| + b_L)$$

Since $|y_R^d - y_R^E| = |y_R^d - y_R^M| = \delta/2$, the party median is indifferent between factions on ideological grounds, and receives higher utility from the faction E candidate because of her higher quality. Since $b > \delta$, $\phi(p_L, b_L, y_R^E, b; y_m) > \phi(p_L, b_L, y_R^M, 0; y_m)$ and the faction E candidate also wins with higher probability than the faction M candidate. Thus the party median voter will choose a high-quality extremist.

Now suppose that the faction M candidate is of higher quality. Since $\phi(p_L, b_L, y_R^M, b; y_m) > \phi(p_L, b_L, y_R^E, 0; y_m)$, the party median must then choose any high-quality candidate. Finally, if no faction has a quality advantage, then the faction M candidate is clearly preferred because $\phi(p_L, b_L, y_R^M, 0; y_m) > \phi(p_L, b_L, y_R^M, 0; y_m)$.

In the second case, the process is closed. For any party L opponent, the faction E median voter prefers a low-quality faction E candidate to a high-quality faction M candidate if:

$$\phi(p_L, b_L, y_R^E, 0; y_m)(-|y_R^E - y_R^E| + w) + (1 - \phi(p_L, b_L, y_R^E, 0; y_m))(-|y_R^E - p_L| + b_L) >$$
$$\phi(p_L, b_L, y_R^M, b; y_m)(-|y_R^E - y_R^M| + b) + (1 - \phi(p_L, b_L, y_R^M, b; y_m))(-|y_R^E - p_L| + b_L).$$

Simplifying and rearranging produces:

$$\left(\frac{1}{2}+\frac{2y_m-y_R^E-p_L-b_L}{2\alpha}\right)w+\frac{\delta+b}{2\alpha}(-|y_R^E-p_L|+b_L) \quad > \\ \left(\frac{1}{2}+\frac{2y_m-y_R^M-p_L+b-b_L}{2\alpha}\right)(-\delta+b)$$

Substituting in values for b_L and p_L to produce a lower bound on the left-hand side and an upper bound on the right-hand side simplifies the expression to:

$$\left(\frac{1}{2}+\frac{2y_m-y_R^E-y_L^M-b}{2\alpha}\right)w-\frac{\delta+b}{2\alpha}(\Delta+2\delta) > \left(\frac{1}{2}+\frac{2y_m-y_R^M-y_L^E+b}{2\alpha}\right)(-\delta+b).$$

Next, using the facts that $2y_m-y_R^E-y_L^M > -\Delta-\delta$, $2y_m-y_R^M-y_L^E < \Delta+\delta$, and simplifying produces:

$$w > \frac{(b+\delta)^2+\alpha(b-\delta)+2b\Delta}{\alpha-\Delta-\delta-b}$$

This is satisfied by assumption in expression (8). This derivation is obviously sufficient for showing that the faction E median voter prefers the faction E candidate when no candidate has a quality advantage.

Similarly, for any party L opponent, the faction M median voter prefers a low-quality faction M candidate to a high-quality faction E candidate if:

$$\phi(p_L,b_L,y_R^M,0;y_m)(-|y_R^M-y_R^M|+w)+(1-\phi(p_L,b_L,y_R^M,0;y_m))(-|y_R^M-p_L|+b_L) > \\ \phi(p_L,b_L,y_R^E,b;y_m)(-|y_R^M-y_R^E|+b)+(1-\phi(p_L,b_L,y_R^E,b;y_m))(-|y_R^M-p_L|+b_L).$$

Simplifying and rearranging produces:

$$\left(\frac{1}{2}+\frac{2y_m-y_R^M-p_L-b_L}{2\alpha}\right)w+\frac{b-\delta}{2\alpha}(-|y_R^M-p_L|+b_L)>$$
$$\left(\frac{1}{2}+\frac{2y_m-y_R^E-p_L+b-b_L}{2\alpha}\right)(b-\delta).$$

Substituting in values for b_L and p_L to produce a lower bound on the left-hand side and an upper bound on the right-hand side simplifies the expression to:

$$\left(\frac{1}{2}+\frac{2y_m-y_R^M-y_L^M-b}{2\alpha}\right)w-\frac{b-\delta}{2\alpha}(\Delta+\delta)>\left(\frac{1}{2}+\frac{2y_m-y_R^E-y_L^E+b}{2\alpha}\right)(b-\delta).$$

Next, using the facts that $2y_m-y_R^M-y_L^M>-\Delta$, $2y_m-y_R^E-y_L^E<\Delta$, and simplifying produces:

$$w>\frac{(\alpha+\Delta+2b-\delta)\,(b-\delta)}{\alpha-\Delta-b}$$

This is satisfied by assumption in expression (8). This derivation is obviously sufficient for showing that the faction M median voter prefers the faction M candidate when no candidate has a quality advantage.

The analysis for a factional median voter preferring her own candidate when she has a quality advantage is trivial and therefore omitted. ■