

# Crowded Space, Fertile Ground: Party Entry and the Effective Number of Parties<sup>1</sup>

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## **Abstract**

This paper develops a novel argument as to the conditions under which new political parties will form in democratic states. Our approach hinges on the manner in which politicians evaluate the policy implications of entry alongside considerations of incumbency for its own sake. We demonstrate that, if candidates care sufficiently about policy outcomes, then the likelihood of party entry should *increase* with the effective number of status quo parties in the party system. This relationship weakens, and eventually disappears, as politicians' emphasis on 'office-seeking' motivations increases relative to their interest in public policy. We test these predictions with both aggregate electoral data in contemporary Europe and a new dataset on legislative volatility in Turkey, uncovering strong support for the argument that party system fragmentation should positively affect the likelihood of entry when policy-seeking motivations are relevant, but not otherwise.

# 1 Introduction

Under what conditions will political entrepreneurs in democratic states create new political parties? This phenomenon, generally labeled ‘party entry’, has been tied to numerous important contemporary social and political outcomes. In Western Europe, the emergence of Green and Radical Right parties in the 1980’s led to increased attention to issues such as the environment and immigration (Kitschelt 1995; Rydgren 2004, 2005; Meguid 2008). Myerson (1993) argues that the threat of entry by new political parties, when credible, reduces the extent to which status quo political leaders can get away with graft and political corruption. Almost by definition, new party entry increases party system volatility, which scholars, especially those studying newly emerging democracies in Latin America and Eastern Europe, have identified as a potential force for undermining processes of democratic consolidation (Roberts and Wibbels 1999; Tavits 2005; Powell and Tucker 2009). New party entry can also fundamentally reorient politics within a single country, as has been the case with the Turkish Justice and Development Party, which emerged in 2001 and profoundly changed the nature of Turkish politics and political-economy (Kumbaracıbaşı 2009).

At the risk of over-simplification, research on the subject is generally situated in one of two literatures: the literature on party competition and spatial theory, which dates to Downs (1957), and the growing and expansive literature on party-system volatility. In a recent contribution to the latter, Mainwaring et. al (2010) demonstrate that, in a sample of North, South, and Central American cases, new parties in the modern era have benefited from rapid developments in mass communications technology. Although not their substantive emphasis, the authors also control in their analyses for the *effective number of parties* competing in a party system because:

‘A fragmented party system indicates a permeable electoral market in which new contenders can more easily win a meaningful share of voters. Consequently, it makes it more inviting for politicians to form a new party and for voters to support it.’ (Mainwaring et al., 2010; pp. 15).

They find some empirical support for the idea that more fragmented party systems should be characterized by more entry, though the statistical significance and substantive size of the regression coefficients varies somewhat from analysis to analysis.

Interestingly, the notion that new parties should be more likely to form in fairly *crowded* electoral markets runs somewhat counter to the central line of thinking from research on party

competition and spatial models. Rather than emerging in environments where large numbers of parties currently crowd the electoral space, Downs (1957) argued that new parties would emerge when a substantial portion of the popular preference space is *unoccupied* by status quo organizations, stimulating voter demand for new representative organizations.<sup>1</sup> Research in American politics (Rosenstone et al., 1996) has employed this framework to explain the emergence of third parties, suggesting that this happens when the two main parties' fail to cover important portions of the political spectrum. Indeed, from the perspective of theories grounded in electoral demand, the notion that entry should be more prevalent in fragmented party systems is counterintuitive.<sup>2</sup>

In this paper we provide a novel supply-side explanation for new party entry, which begins by distinguishing between the office-seeking and policy-seeking motivations of potential new party leaders. The argument, which is grounded in a spatial model of party entry (Kselman and Tucker 2011), provides the micro-foundations for a hypothesis that party entry should increase as the effective number of political parties in that system *increases*, which is precisely the systems where we might expect demand for new parties to be weakest. To summarize, from the perspective of a policy-motivated political entrepreneur, in systems with small numbers of pre-existing parties the formation of a new organization will often have either a *detrimental* or *negligible* impact on policy. On the other hand, in systems with large numbers of pre-existing parties, entering often leads to an expected policy which is preferred to that which would have emerged absent the decision to enter. As such, when candidates are sufficiently concerned with actual public policy outcomes, party entry should be less likely in systems with a small number of status quo parties than in systems with

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<sup>1</sup>Spatial research on party entry has since concentrated primarily on the 'Entry-Deterring Dispersion' hypothesis, which, in its most basic form, states that parties will choose positions that diverge from the median voter's ideal point so as to obstruct the electoral success of new political parties (Palfrey 1984; Greenberg and Shepsle 1987; Osborne 2000; Lee 2007). This literature's core finding shares the Downsian emphasis on demand factors: new parties will be successful when status quo organizations converge to the median, thus leaving parts of the electorate unrepresented; in turn, status quo organizations will avoid convergence.

<sup>2</sup>The Downsian framework only runs counter to Mainwaring et al.'s (2010) hypothesis to the extent that fragmented party systems tend, on average, to be characterized by greater 'coverage' of the ideological space. It is of course possible for a party system to have many competing organizations who nonetheless all announce quite similar policies, and in so doing leave substantial zones of voters' preference-space unoccupied. We return to this distinction below.

larger numbers of status quo parties. Importantly, we also demonstrate that this effect should obtain *independent* of the electoral system in place.

While on the whole our theoretical model is thus consistent with the hypothesis cited above (Mainwaring et al. 2010), it also suggests that this hypothesis needs to be qualified: the positive relationship between party system fragmentation and the incentives to form new parties should only exist if politicians are sufficiently policy-seeking. The predicted relationship between party system size and new party entry becomes weaker, and eventually disappears, the more concerned potential new party leaders are with office-holding as opposed to policy outcomes. Furthermore, our logic is based on the idea that potential new party leaders are at least somewhat constrained in terms of where along the political spectrum they could place a new political party. As potential new leaders become less constrained in this regard, we again expect the posited relationship between party system size and new party entry to disappear. In party systems where political entrepreneurs are either purely office-seeking and/or unconstrained in their platform announcements, the effective number of parties should have little predictive effect on party entry.

After presenting the theoretical argument in Section 2, Sections 3 and 4 present empirical tests with original data sets collected by the authors. In Section 3, we examine the relationship between the number of parties in a party system and party entry across two decades of European elections. The results are strongly consistent with theoretical expectations: in exactly the situations where policy motivations are likely to be the strongest and potential new leaders the most constrained - established democracies in Western Europe - entry becomes more prevalent as the status quo number of parties increases. The same is not true of situations where we suspect party leaders are more concerned with access to office, and have more flexibility in terms of where they can place their new parties across the political spectrum: newer democracies in Eastern Europe.<sup>3</sup> Section 4 then considers a single legislative context: the Turkish Grand National Assembly between 1987 and 2007. These data allow us to track not only the appearance of new parties in the Turkish

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<sup>3</sup>Section 2.3 refers to both quantitative and qualitative evidence that the distinction between party competition in Western and Eastern Europe is useful for operationalizing our key scope conditions. This data corroborates our own sense, based on extensive observation of politics in the region, that political entrepreneurs in Eastern Europe are less platform-constrained and less policy-motivated than those in Western Europe.

parliament, but also the individual-level party switching behavior of MP's during any given legislative session. Analysis of this data once again uncovers significant support for our core hypotheses. The formation of new parties by leaders for whom genuine policy commitments complement office-seeking motivations is positively correlated to status quo parliamentary fragmentation. On the other hand, the appearance of less ideologically motivated new parties bears little relationship to the effective number of parliamentary parties.

The primary theoretical contribution of the manuscript is to incorporate supply-side considerations in a spatial theory of new party formation. That said, we are also building on previous work in the comparative study of party system change and volatility which has featured elements of both supply and demand in its analyses. Some work in this literature has focused either on one particular type of new party (e.g. Kitschelt 1989, 1994) or on the formation of new parties in one particular country (e.g. Rosenstone et al. 1996).<sup>4</sup> Hug (2001) examines the phenomenon of new party entry in a more general cross-national setting, arguing that new parties emerge when there is both popular demand due to the appearance of new political issues and a potential supply of new parties because of permissive institutional or party system environments. In an important recent contribution which investigates *aggregate* systemic volatility, rather than new party entry *per se*, Bischoff (2012) demonstrates that supply factors seem to outweigh demand-side factors in a sample of West European cases, and in particular demonstrates that party system fragmentation has a positive effect on overall systemic volatility.<sup>5</sup> Tavits (2006, 2008) replaces the language of supply and demand with the language of 'costs, benefits, and probabilities', finding that entry becomes more likely as the costs (benefits) of forming new parties decrease (increase), and the probability that new parties gain office increases.<sup>6</sup> Finally, Harmel and Robertson (1985) argue that an electoral

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<sup>4</sup>For example, Kitschelt (1989) argues that Green parties will be most successful when the electorate finds environmental issues to be salient and unaddressed, and when the institutional and systemic context provides a steady supply of motivated Green Party candidates.

<sup>5</sup>Based on our research, we would suggest that this relationship is most likely driven by the portion of 'aggregate' volatility captured by new party entry. Indeed, our data suggests that there is a much smaller effect for party system fragmentation on the systemic volatility which arises due to vote-shifts within the existing set of parties (results available from authors upon request).

<sup>6</sup>A partial measure of party system fragmentation also appears on the right-hand side of regression analyses in Tavits (2006, 2008). The measure employed is not a measure of overall status quo fragmentation, but rather of the party system's overall count of new parties in the two most recent

system's 'permissiveness' (as measured by its proportionality) is a consistent positive predictor of party entry. Bischoff (2012) suggests that, at least with respect to aggregate volatility, this effect of electoral systems should work primarily through the effect of electoral systems on party system fragmentation (Duverger 1952; Cox 1997). We address this argument directly, demonstrating first that the correlation between electoral rules and party system fragmentation is not nearly high enough to preclude meaningful statistical analysis; and second that, when confined to the portion of volatility arising from new party entry, systemic fragmentation is a far stronger predictor than are electoral institutions.

## 2 Party Entry and the Effective Number of Existing Parties

We seek to understand the extent to which party entry will vary according to candidates' relative emphasis on policy as opposed to office-seeking motivations, and according to the size of the existing party system. Our primary prediction is that if (a) candidates care about policy outcomes in addition to incumbency for its own sake, and (b) candidates are constrained in the range of credible policy outcomes which they can propose to the electorate, then we would expect to find more new party entry as the *effective number of parties* in a party system *increases*.<sup>7</sup> A policy-seeking political entrepreneur deciding whether or not to form a new party must ask herself: Will entering lead to a policy-outcome which is more-preferred than that associated with the status quo, or alternatively will it lead to a policy outcome which is less-preferred than the status quo? Elsewhere, we develop 

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elections. Even controlling for the number of new entrants, the author demonstrates that, among other things, unemployment and ethnic heterogeneity lead to larger vote shares for new parties.

<sup>7</sup>The original Downsian model of electoral competition (1957) contained purely office-seeking candidates who were totally unconstrained in their platform announcements. Since then, spatial models of elections have investigated a number of distinct motivations which might influence candidate behavior, from vote-seeking, to policy-seeking, and more recently to rent-seeking (Wittman 1977, 1983; Calvert 1985; Strom 1990; Persson and Tabellini 2000; Roemer 2001). As well, literature grounded in the *citizen-candidate* model of politics assumes that candidates are constrained to adopt their own ideal points in democratic elections (Osborne and Slivinsky 1996; Besley and Coate 1997). Iversen and Soskice (2006) also adopt this assumption in their seminal work on electoral systems and redistribution in Western Europe, assuming that candidates are constrained to announce as a campaign platform the ideal point of the social class they represent.

a game theoretic model which addresses this question with respect to two-party systems (Kselman and Tucker 2011). The theoretical results are sufficient to identify the total *policy benefit space* in any two-party system, where ‘policy-benefit space’ is defined as the range of platform positions over which a potential entrant can *improve* the game’s policy outcome by forming a new party. The reason that we expect fewer new parties in party systems with a smaller number of effective parties is that these policy-improving zones tend to be much more prominent in systems with larger numbers of parties. Conversely, in systems with smaller numbers of parties, there are more opportunities for new party entry to have an *adverse* effect on policy outcomes.

Before outlining this argument in more detail, let us consider the two important scope conditions: that potential party leaders are sufficiently policy-seeking; and that they are constrained in the range of credible campaign platforms they can adopt (i.e., where the potential new party can be placed in the policy space). First, if the entrant in question is unconstrained as to where she can place her party on an ideological spectrum, then even if smaller party systems have a narrower policy-benefit space than more fragmented party systems, the politician in question will be able to move her party to one of these beneficial spaces. Put otherwise, in a world where potential new party leaders can place their party anywhere on the political spectrum, comparing the relative size of party systems’ policy-benefit space becomes is no longer relevant. Similarly, if a politician does not care about policy outcomes, then the risk of adversely affecting policy in smaller party systems becomes irrelevant.

## 2.1 The Policy-Benefit Space in Two-Party Systems

With these caveats in mind, we can now explicate in greater detail the intuition behind our claim that the policy consequences of entry will be more favorable when the number of status quo parties is larger, and more particularly that the ‘policy-benefit space’ is positively correlated with the effective number of pre-existing parties competing in a system. The model assumes *parliamentary* governance in which cabinet formation results from legislative bargaining (Kselman and Tucker 2011), though its implications can be extended to presidential systems. The game proceeds as follows: in the first stage a potential entrant decides whether or not to form a new party, in the second stage voters choose between all competing organizations, and in the third stage a cabinet is formed and adopts a policy position based on the relative strength of its members.

We begin by outlining the model for proportional representation (PR) electoral systems, such that parties' vote shares in stage 2 translate directly into the seat-shares which define coalition bargaining in stage 3. We then relax this assumption, and demonstrate that the results hold equally in majoritarian systems. Consider first a PR system containing two large parties: a left party  $L$  and a right party  $R$  that have roughly similar support, such that each would win an electoral plurality with roughly 50% probability. If only these two parties compete, the election's outcome will thus be a single-party government of either the left or the right (i.e. the majority party forms the cabinet), leading in turn to either left-leaning or right-leaning policies. Now imagine a left-leaning political entrepreneur: what is likely to be the effect on policy if she decides to form a new political party at or near her ideal point?

Stated most generally, entry is likely to exert a negative impact on policy outcomes in such circumstances because, by forming a new party on the political left, this potential party leader would effectively divide the vote-share of left-leaning voters between the status quo party  $L$  and a new organization, thus leaving status quo party  $R$  as the system's unquestioned plurality winner and dominant party. As a result, in two-party systems entry of a new leftist party often leads to an increased likelihood of single party government by party  $R$ .<sup>8</sup> In turn, from the perspective of a policy-motivated political entrepreneur, forming a new party often generates an 'expected policy' which is less preferred than the policy outcome of a more-or-less 50-50 lottery between parties  $L$  and  $R$  (i.e. the 'expected policy' absent the decision to enter). A symmetric argument applies to right-leaning political entrepreneurs considering entering the political system.

The preceding discussion applies to situations in which both parties  $L$  and  $R$  have some positive probability of winning in a pairwise contest. For more lopsided situations, in which either  $L$  or  $R$  has an overwhelming likelihood of winning a pairwise contest, entering may have absolutely no impact on the election's ultimate policy outcome. For example, if party  $L$  is expected to win 65% of the vote to  $R$ 's 35%, then potential entrants on the left will have to weigh the considerations outlined above, and in particular the risk that entering might lead to a less-preferred 'expected policy' by giving  $R$  an increased influence on the political process. On the other hand, policy-

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<sup>8</sup>Moreover, in the absence of single party government, this will in more cases than not lead to increased prominence for party  $R$ , as the overwhelming plurality winner, in any ensuing coalition formation process.

motivated entrepreneurs on the right may be dissuaded from forming new parties if these parties would fail to upset  $L$ 's electoral majority, and thus fail to affect the game's expected policy outcome. Thus potential entrants in such contexts will generally be dissuaded by the fact that entry either implies dividing one's own support and empowering ideological opponents, or has no impact at all on the game's equilibrium policy outcome.<sup>9</sup>

## 2.2 The Policy-Benefit Space in Multi-Party Systems

When we move to multi-party systems in which ideological camps are divided *ex ante*, both of the above dynamics weaken: rather than having a detrimental or negligible effect on the game's ultimate policy outcome, entry in multi-party systems should generally allow political entrepreneurs to 'pull' expected policy outcomes closer to their own ideal points. To see this, consider once again a PR electoral system, but which is now comprised of three status quo parties, a left party  $L$ , a right party  $R$ , and a center party  $C$ , and in which electoral support is distributed in such a way that no dominant party exists.<sup>10</sup> Unlike the two-party case, the outcome of an election featuring  $L$ ,  $R$ , and  $C$  will generally be either a center-left coalition or a center-right coalition. Let us again begin with a leftist political entrepreneur who is considering forming a new party near his or her ideal point on the political left. Assuming sincere voting based on spatial preferences, it is straightforward to see that entry for leftist entrepreneurs will have some impact on  $L$ 's vote share, but will have little to no impact on the vote shares of parties  $R$  and  $C$ . In turn, in most circumstances entry will have only a marginal effect on the overall probability that a center-left as opposed to a center-right

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<sup>9</sup>An exception to this rule occurs for potential entrants whose ideal points is at or near the median voter's ideal point, and who are thus fairly indifferent between the status quo parties  $L$  and  $R$ : for a small range of centrist political entrepreneurs in two-party systems, entry may lead to an improvement in the game's 'expected policy'. But overall, the 'policy-benefit space' for entry will be very small in two-party systems. For more, see Kselman and Tucker (2011).

<sup>10</sup>Extending our past model of party entry from two- to multi-party systems is a tricky process; and in particular, while the game always yields unique and stable outcomes, without certain strong symmetry assumptions its results cannot be parsimoniously stated as closed-form expressions. That said it is straightforward, though somewhat laborious, to solve the multi-party model for any given set of exogenous circumstances. We refer to some simple examples below to elaborate.

coalition will form.<sup>11</sup> Furthermore, since entry on the left has little impact on the vote shares of parties *R* and *C*, it has little effect on the policy which would be ultimately implemented by a center-right coalition. On the other hand, this new party would be a likely member of any possible center-left coalition, thus pulling the coalition's policy outcome closer to the entrant's ideal position than the policy which would have emerged from a coalition including only parties *C* and *L*. Entry on the party system's left thus improves the policy outcome of a left coalition without worsening the policy outcome of a right coalition, such that in expectation that entry entails a *policy benefit*. A symmetric argument applies to potential entrants on the right side of the political spectrum.<sup>12</sup>

The general conclusion which emerges from this theoretical exercise is that policy-benefit zones are significantly wider in three-party than they are in two-party systems, for the simple reason that there is less of a danger of splitting the vote on one's own side of the ideological spectrum: in more fragmented party systems vote shares on both sides of the political spectrum are already split. In turn, from the perspective of policy-motivated actors, *the supply of motivated entrants should be higher in three-party systems than in two-party systems*. This prediction should continue to hold as the number of status quo parties increases from three to four, four to five,

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<sup>11</sup>To understand the strategic logic consider an example in which, absent the decision to enter, if named formateur parties *R* and *C* would choose one another as coalition partners, while *L* would choose to form a coalition with *C*. If a new party forms on the political left, this will have little effect on the vote shares of the center and right parties; and furthermore, syphoning a small portion of the status quo left party's vote-share will, in most (but not all...) circumstances, have only a minimal effect on that party's likelihood of being named formateur. Thus, unlike two-party systems, where entering and syphoning a small vote share can have a huge impact on the likely partisan identity of the executive, the tendency in three-party cases is for entry to have only a marginal effect on the likelihood that specific coalitions will form. Finally, even this already marginal effect will be muted if we allow the possibility that the new entrant herself may be named formateur.

<sup>12</sup>As with the two-party case, there is again an exception to the rule: among a small subset of potential entrants near the median voter's ideal point, entry has the effect of dividing party *C*'s electoral market share between two centrist parties, which in turn will weaken the bargaining capacity of centrist parties in coalition governments, and generate more extreme policy outcomes than those associated with the decision not to enter. The three-party case is thus in many ways a mirror image of the two-party case: in two-party systems all but a small range of centrist political entrepreneurs will perceive that entry entails a policy cost, while in three-party systems all but a small range of centrist political entrepreneurs will perceive that entry entails a policy benefit.

and so on. As party systems become more and more fragmented, *ceteris paribus* new entrants will suffer less from the penalties of strategic voting and disproportionality, thus enhancing their impact on the policy-outcomes of coalition formation processes. As well, in highly fragmented party systems potential entrants will have much less information as to the likely identity of the eventual formateur; thus, the potential cost of taking formateur status away from a status quo party of similar ideological convictions, which may exist in three-party systems, should dissipate in larger party systems. In fact, new entrants in highly fragmented systems will have both a higher *a priori* probability of affecting equilibrium policy outcomes than they do in either two- or three-party systems, as well as some possibility of being awarded formateur status themselves. Put simply, the policy benefits (costs) of entry should steadily increase (diminish) with increasingly fragmented vote shares.<sup>13</sup> Our goal in the empirical sections below will be to uncover evidence in favor of the overriding prediction that, when our scope conditions are met, the likelihood of entry should be positively related to size of the pre-existing party system.

Due to both systemic disproportionality and strategic voting, majoritarian (MAJ) elections have the effect of under-representing small parties. In turn, the consequence of dividing the electoral support of voters in one's own ideological camp will be amplified as compared to the perfectly proportional case. In order to model MAJ systems, we can introduce a 'disproportionality' parameter to relax the previous assumption that seat-shares perfectly mirror vote-shares. In a two-party MAJ system, potential new party leaders not only understand that entering the party system will divide the vote on their 'side' of the political spectrum; but also that this division will be particularly damaging due to the penalty incurred by small parties. Moving to three-party MAJ systems, where parties' vote shares are already divided, the adverse consequence of further sub-dividing support in one's own ideological camp will be greatly reduced, and entry will be more likely.<sup>14</sup> Put simply,

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<sup>13</sup>We expect there to be an 'upper-bound' to this effect: a level of status quo party-system fragmentation above which increasing the effective number of existing parties no longer increases the range of potential entrants. While beyond our current scope, we look forward to addressing this issue in future work.

<sup>14</sup>Holding the number of parties constant at 2, it is straightforward to see that MAJ systems generate less entry than PR systems. However, as the number of parties increases, the distinction between the systems diminishes. This argument suggests an additional empirical implication of our model: given policy-seeking and platform-constrained politicians, PR systems should generate more

regardless of the electoral rules in place, the fact remains that entry will tend to be disincentivized in concentrated party systems as compared to fragmented party systems.

### 2.3 From Theory to Data

In order to test our argument we need to operationalize situations in which potential party leaders will be both concerned with policy outcomes – i.e., not motivated solely by office-seeking goals – and constrained in where they can credibly place a new party on the ideological spectrum. While it is of course possible to spin out hypotheses related to both of these conditions independently, for now we start with what we think is a fairly parsimonious (and uncontroversial) claim: we expect potential new party leaders in *long-standing* democracies to both be more constrained in where they can enter the political spectrum, and to care more about the policy consequences of doing so, than are potential party leaders in *newly formed* democracies. With regards to established democracies, political entrepreneurs themselves have generally spent years of their career advocating for particular policy positions, thus developing a certain level of commitment to these issue stances. As well, they often have acceded to positions of power among constituents who care about these issues, which restricts their programmatic flexibility and induces *de facto* constraints on where such a leader can place a new political party. At the mass level, in long-standing democracies voters will tend to have more information about political personalities; and the more that is known about a politician and what he or she stands for, the less plausible it is that he or she can start a political party elsewhere in the political spectrum.

In contrast, we expect that both platform flexibility and the value of office holding will be greater in newly competitive party systems. Party leaders in new democracies are less well-known to the public, and party organizations in new democracies generally have less ideologically-inclined internal cadres, and weaker mechanisms by which to hold leaders accountable (Lewis 2000, Markowski 2002). Parties in new democracies often struggle to survive, and the value of having entry than MAJ systems *if and only if* the number of parties is small. Our data set below contains only two MAJ cases (the UK and France), and thus does to provide the degrees of freedom necessary to test what amounts to a triple interaction between politician incentives, electoral insitutions, and party system fragmentation. As such, we enter electoral rules in our analyses as simple linear terms to control for Harmel and Janda’s original ‘permissiveness’ hypothesis (1985). In future work on an expanded set of cases, we hope to investigate this additional nuance.

the resources (including physical offices) that come with winning seats in the parliament is likely to be correspondingly more important (Marsh 2002, Tucker 2002). In a new democracy, a party that is unable to secure parliamentary representation may not continue to be a party much longer (Grzymala-Busse 2002, Bugajski 2002). Thus based on the theoretical framework we have put forward in this section, we would expect to see more new more party entry in party systems with more parties, but we would expect this relationship to be either more pronounced – or perhaps even only present – in older West European democracies as opposed to newer East and Central European democracies.

In addition to being intuitively plausible, the assumption that party competition is more ‘policy-based’ in Western Europe than in post-communist systems can also be justified by both quantitative and qualitative evidence. Appendix 1 presents quantitative evidence to support our empirical strategy. Firstly, using two different data sources - one that relies on party manifestos, and another that relies on voter placement of parties - we find remarkably similar results: on average, variation in party placement on the left-right dimension is about 30% higher in post-communist Eastern Europe than in Western Europe. This not only provides direct evidence that platform-constraints are lower in post-communist party systems, but also indirect evidence that policy-seeking is a less-important motivation for party leaders in post-communist systems.<sup>15</sup> Furthermore, Kitschelt and Kselman (2013) demonstrate that the coherence and identifiability of parties’ *programmatic* campaign platforms tends to be significantly higher in Western Europe than in post-communist cases (see data in Appendix 1). To take a few qualitative cases, Moldova, for example, has three political parties that are practically indistinguishable on programmatic grounds (Senyuva 2010); Romania has a Democratic Liberal Party and a National Liberal Party, plus a Social Democratic Party that ran in the 2009 elections as part of a coalition with the Conservative Alliance (Downs 2009). Post-communist Eastern Europe is also replete with examples of individuals politicians switching parties to escape the wrath of voters (Zielinski et al. 2005) or even entire parties moving across the political spectrum, as has been most prominently accomplished by FIDESZ in Hungary (Tucker 2006, Wittenberg 2006).<sup>16</sup> In the following section, therefore, we test these pre-

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<sup>15</sup>The data sources are the Comparative Study of Electoral Systems (CSES; <http://www.cses.org/>) 1996-2001 wave of surveys and the Lowe et al. (2011) measure of party positioning based on log-odds of sentences in party manifestos. For details, see Appendix I.

<sup>16</sup>Indeed, in an interview in an ex-Soviet Republic a pollster explained to that he had been hired

dictions empirically using data from European elections that have taken place since the collapse of communism. Relying on this set of elections has the added benefit of allowing us to contrast elections in new democracies (East-Central Europe) with established democracies (Western Europe) while simultaneously controlling for both time and (roughly) space.

### 3 Evidence from Two Decades of European Elections

#### 3.1 ENP and New Party Entry in Western Europe

We begin by analyzing 95 parliamentary elections that took place between 1990-2009 in Western Europe. For each election, we calculate the *effective number of parties* (hereafter ENP) that resulted from the previous election, or  $\frac{1}{\sum_i p_i^2}$  where  $p_i$  is the proportion of the vote received by each party  $i$  (Laakso and Taagepera 1979; Golosov 2010).<sup>17</sup> Our goal, is to see whether there is a systematic relationship between ENP at time ‘t-1’ and the emergence of new political parties at time ‘t’.

In Table 1, we operationalize the emergence of new political parties by simply counting the number of new parties that received at least 2% of the vote in that election; the results are robust to using an alternative threshold as high as 5%.<sup>18</sup> In Model 1 of Table 1, we examine the bivariate relationship between ENP at time ‘t-1’ and the emergence of new political parties at time ‘t’ by a group of politicians to conduct focus groups in order to find *anywhere* across the political spectrum where this new party could enter that would yield the greatest electoral returns.

<sup>17</sup>We follow Taagepera’s (1997) bounding method regarding the treatment of the categories of “Others” and “Independents.” See Taagepera (1997) for further details.

<sup>18</sup>See Table A2 in the Supplementary Appendix. When we use the higher threshold, the size of the coefficient for the effective number of parties goes down (as would be expected: by increasing the threshold to be counted as a new party, the magnitude of the dependent variable can only decrease while the effective number of parties remains the same) but the statistical significance of these effects - if anything - increases. We do not use a threshold below 2% for two reasons. First, new parties that receive less than 2% of the vote are unlikely to be substantively important to the political process. More importantly, we are concerned that doing so has the potential to introduce serious concerns of measurement error due to the frequent use of “other” categories in reporting election results; see the discussion in (Powell and Tucker 2009). For what it is worth, we find the correlation between our count of new parties with a 2% and 3% threshold to be approximately .94, between the 3% and 4% threshold to be .95, and between the 4% and 5% threshold to be .95. So based on these numbers, we would expect the 1% threshold to correlate quite closely with the 2% threshold, and thus to produce largely similar result.

relationship between ENP in the previous election and the number of new parties that competed in the current election. However, in order to be sure that any bivariate relationship between ENP and the number of new parties is not the product of a spurious relationship due to an omitted variable, we also present results from a more fully specified multivariate model in Model 2. Sections 1 and 2 of this paper point to the importance of controlling for the permissiveness of the electoral system, which we do in two ways: by using the natural log of average district magnitude in the year of the election;<sup>19</sup> and by including a dummy variable for proportional electoral systems.<sup>20</sup> Controlling for district magnitude is not only important as a measure of electoral permissiveness; more generally, the size of electoral districts is probably the most consistent way of measuring the *costs* of party entry, since the number of votes necessary to gain representation, and by implication the resources required, decreases as district size increases. We also control for a number of other factors that have been posited to affect electoral volatility from the demand-side, including economic conditions (Roberts and Wibbels 1999, Tavits 2005),<sup>21</sup> ethnic fractionalization (Birnie 2006, Madrid 2005),

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<sup>19</sup>To measure district magnitude, we use a procedure which accounts for the difference between single-tier and multi-tier electoral systems. In the former, our measure of district magnitude is simply the mean district size in a country's single tier. In multi-tier systems, we calculate magnitude as a weighted function of the average district size in each tier. As noted in the text, we use the district magnitude at the time of the second election in each election pair. We do so because this is the election for which elites need to make the decision as to whether or not enter the political system. However, as a robustness test we reran our analysis using the previous election's district magnitude. We also rerun both sets of analyses using a more standard measure of district magnitude: the average district size in the first electoral tier. The results turn out to be extremely robust to these respecifications; in no cases did our conclusions ever vary from using these alternative measures - see Supplemental Appendix Table A1. In all cases, we use the natural log as opposed to the actual district magnitude so as not to overemphasize states with a single national district.

<sup>20</sup>For the West European sample, a pure-SMD dummy singles out France and Great Britain, and a mixed system dummy singles out Germany and post-1993 Italy. In total, 69 of 95 elections in the West European sample employed pure-proportional systems, so we simply use the proportional dummy. In the East European sample only one of our 88 elections used a pure SMD system, so again the proportional dummy is sufficient. In the West European sample the dummy captures the difference between PR systems and all other systems (Great Britain, France, Germany, and post-1993 Italy); in the East European sample it captures the difference between PR systems and Mixed-PR systems.

<sup>21</sup>We operationalize economic conditions using the change in GDP from one election to the next.

and electoral turnout in the current election (Bartolini and Mair 1990; Madrid 2005). Finally, we also control for regime type with a dummy variable that isolates pure presidential systems from parliamentary systems and mixed regimes with both parliamentary and presidential features. Including the full set of controls has the added advantage of making our results more directly comparable to the existing empirical literature on new party entry in Western Europe discussed at the end of Section 2.<sup>22</sup>

—INSERT TABLE 1 ABOUT HERE—

Model 1 of Table 1 shows that across the entire West European dataset, there is a clear bivariate relationship between the effective number of parties in the previous election and the number of new parties receiving at least two percent of the vote in the current election ( $p < .05$ ). Moreover, the size of this effect is substantively meaningful: having 3-4 more effective parties yields a prediction of an additional new party. Put another way, we expect on average a 5-6 party system to have an extra new party per election as compared to a 2 party system. This finding is completely in line with the intuition developed in the previous section, and is the opposite from what a standard Downsian intuition would have led us to expect. Furthermore, the finding is robust to including the control variables for alternative theoretical explanations in Model 2. Here the magnitude of the coefficient on ENP actually increases while maintaining its statistical significance, suggesting that ENP was not simply proxying for one of these other factors, and, perhaps most crucially, that

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<sup>22</sup>We were also encouraged to control for the electoral threshold in each electoral system as yet another sign of the permissiveness of the electoral rules. However, there turns out to be almost no consensus of how to code thresholds in a single variable. To name just a few problems: some countries use different thresholds for different types of parties vs. coalitions; different tiers sometime have different thresholds; and it is unclear and majoritarian elections ought to be coded in terms of thresholds at all. With all these challenges, we did our best to put together a threshold variable and included it in a final set of robustness tests. Intriguingly, the variable was completely insignificant (indeed had no substantive effect at all in most models) and had no effect on the coefficient for the effective number of parties. However, at the end of the day we can not be confident that these effects are not due to lingering issues of measurement error, so we have opted not to include these results in the either the text or the appendix of the paper, not the least because we would not feel comfortable about people using this variable (and attributing it to us) in subsequent analyses where it could assume a more pivotal role.

ENP is not simply picking up the permissiveness of the electoral system.

In particular, interested readers will note that in Table 1 we do not find a statistically significant effect for proportional electoral rules on new party entry; in fact the coefficient is actually in the opposite direction.<sup>23</sup> Similarly, we find absolutely no effect for district size (*Log Weighted District Magnitude*) on new party entry.<sup>24</sup> These findings are inconsistent with what previous studies (e.g. Harmel and Robertson 1985) have found. Furthermore, these somewhat unexpected findings do not result from the fact that party system fragmentation is over-determined by a country's electoral system: the bivariate correlation between proportional representational systems and ENP in our sample of West European elections is actually weakly *negative* ( $r = -.05$ ), and that between ENP and a system's logged weighted district magnitude is tiny ( $r = .03$ ). Should such findings hold up to further scrutiny, it would represent an important challenge to the received wisdom that more permissive electoral systems, in and of themselves, are responsible for generating incentives for party formation. For now, however, it is prudent to be cautious in interpreting these results, if for no other reason that the West European sample has 69 proportional representation observations out of 95 total elections.

Of course, there is potential for noise in our measure of new party entry. After all, our intuition regarding the motivation of potential party leaders is based on the idea that they will enter parliament and affect policy outcomes. Using a threshold for inclusion as a new party as low as 2% holds open the possibility that we are also capturing parties that knew they were unlikely to actually enter parliament, and thus were motivated by other concerns.<sup>25</sup> Somewhat problematic from our perspective is the fact that these small parties “count” as much in our measure of our dependent variable as larger parties that did go on to enter the parliament. With this in mind, we rerun our analyses using instead *the total share of the vote earned by new parties* as the dependent variable, effectively allowing the larger new parties to have more of an effect on the results of the

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<sup>23</sup>Of course, we must approach these results with caution, due the fact that our sample contains a preponderance of pure-proportional cases.

<sup>24</sup>If we replace our weighted district magnitude measure with a simple average first tier magnitude measure, we do get a positive coefficient, but one which fails to attain conventional measures of statistical significance.

<sup>25</sup>We say “possibility” here because it is equally possible that such small parties simply miscalculated their potential support and did indeed run with every intention of entering parliament.

analysis than smaller new parties; results are presented in Table 2.

—INSERT TABLE 2 ABOUT HERE—

Table 2 reveals that the findings from Table 1 are robust to reconceptualizing our dependent variable as the share of the vote earned by new parties. Once again we see the expected relationship in both the bivariate and multivariate analyses: higher ENP is positively associated with new parties winning a large share of the vote. The effect is still substantively meaningful – an additional 3-4 more effective political parties leads to new parties earning 7-9% more of the vote – and, if anything, we now have even greater statistical confidence in these effects ( $p < .01$  in both the multivariate and bivariate analysis). District size also continues to have a similar non-statistically significant effect (although now it is *negative*). However, our finding regarding the effect of electoral rules is now much stronger: we get clearly *fewer* votes for new parties in proportional representation systems than single member districts or mixed systems once we control for the other variables in the analysis. Indeed, the size of this effect is substantively significant as well: new parties in proportional representation systems gain on average more than 5% of the vote share less than those in mixed and SMD systems. Once again, the preponderance of proportional cases in the West European sample necessitates caution in interpreting these results. Finally, we also now find a statistically significant effect for turnout, with each additional 5% of turnout leading to an additional 1% of the vote for new parties.

### **3.2 ENP and New Party Entry in Eastern Europe**

The results in Section 3.1 suggest that the predicted positive relationship between status quo party system fragmentation and party entry emerges in exactly the subset of countries where our model suggests we should find such a relationship: the established democracies of Western Europe. However, the argument also suggests that we should be less likely to find such support in countries where individual politicians have more freedom to decide where in the political spectrum to place a new political party; and where they may be less concerned with actual policy outcomes relative to office holding. To test this implication, we collected data on new party entry from 88 elections that

took place across 21 post-communist East European countries during the same time period.<sup>26</sup> To be clear, we are not arguing that all potential new party leaders in post-communist were completely unconstrained in where they could attempt to place a new political party; nor are we suggesting that no one cared about policy outcomes. We are, however, proposing that *relative* to potential new party leaders in Western Europe, they were likely to have been less constrained and more interested in office holding for the myriad of reasons we laid out above in Section 2.3.

With these data in hand, we rerun all of these analyses conducted in the previous section.<sup>27</sup>

—INSERT TABLE 3 ABOUT HERE—

The bottom line is that no matter how you slice the data, there is not *any* robust evidence of a statistically meaningful relationship between the effective number of political parties in a country and new party entry in the first two decades of post-communist elections. Clearly, the relationship between ENP and new party entry that was present in Western Europe during this time period simply was not present during the exact same period of time in East-Central Europe. In fact, in this sample of cases only the change in growth rates seems to exert any systematic impact on the formation of new parties; both party system size and electoral institutions seem equally unimportant.<sup>28</sup> Therefore, we have added reason to think that the *positive* results in Section 3.1

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<sup>26</sup>More specifically, we include all pairs of parliamentary elections that took place in the first two decades of post-communist elections in countries that were ranked “Free” or “Partially Free” by *Freedom House* at the time of both elections. There is actually an 89th election that qualifies on these grounds, the 1998 Ukrainian parliamentary election, but it has an inordinately high ENP (28.34; no other election has an ENP higher than 14 and most are in the single digits). Given that it is only one case out of 89, we chose to simply omit this election from our analysis for now. Including this election leads to completely non-robust results in Table 3, and has no effect on the basic conclusion that no relationship exists between the ENP at time ‘t-1’ and entry at time ‘t’ in the East European sample.

<sup>27</sup>We are unfortunately unable to calculate a reasonable estimate district magnitude in 6 of our 88 East European elections. Rather than risk introducing bias through the use of listwise-deletion (King et al. 2001), we instead mean-replace these missing values *and* add a dummy variable to the analysis identifying these mean-replaced cases. With this set up, the coefficient on district magnitude should be interpreted as the effect of district magnitude on new party entry for the cases for which we actually have observations of district magnitude.

<sup>28</sup>As previously, we rerun both sets of results with our four different ways of controlling for district

are not simply mechanical, nor are they a function of some unobserved characteristic of politics in Europe in 1990s and 2000s. Instead, we believe the findings reflect the inherent dynamic identified by our theory of new party entry: the more politicians are constrained in terms of where they can enter the political spectrum, and the more they care about the policy consequences of new party formation in relation to the benefits of office holding, the more likely we are to witness more new party entry when the effective number of parties is higher.<sup>29</sup>

## 4 Evidence from the Turkish Grand National Assembly

We now examine the same argument in a single legislative context, using a data set on party formation in the Turkish Grand National Assembly (TGNA). Party entry in Turkey is generally a *legislative phenomenon*: rather than forming outside of the legislature and competing in subsequent elections, new parties in Turkey typically emerge when prominent Members of Parliament (MP's) choose to defect from their current organization and form a new party mid-term.<sup>30</sup> As such, in this section we will test the paper's core theoretical claim by investigating whether party formation in the TGNA is more prevalent when the Turkish party-system is more fragmented. Turkey's electoral system is characterized by an unusually high *electoral threshold*: parties receiving less than 10% of the national vote are excluded from Parliament. For this reason, between 1983 and 2007 Kurdish ethnic parties, and to a lesser extent small right-wing parties, were excluded from the TGNA despite winning consistent support in specific regional strongholds. More recently, parties failing to reach this threshold in one election have quickly faded from the political scene.<sup>31</sup> As a magnitude; see Supplemental Appendix Tables A4 and A5. Our null findings are completely robust to these respecifications in both cases: across all the different specification, we do we have a single instance of a coefficient on ENP being larger than the size of its standard error, let alone approaching conventional levels of statistical significance.

<sup>29</sup>Pooling all of the data in a single model and then including an interactive term for effective number of parties and a post-communist dummy variable produces the exact same findings; see Appendix Table A6 for details.

<sup>30</sup>For example, both the Justice and Development Party (JDP) and the Republican People's Party (RPP), today's two largest parties, were formed by prominent MP's who defected from their status-quo organizations.

<sup>31</sup>Examples include the previously prominent Motherland and True Path Parties on the center-right, and the Democratic Left Party on the center-left, all of whom have more or less disappeared

result, the current state of *legislative fragmentation* is likely to be of greater importance than the last election's ENP when considering the consequences of forming a new party.<sup>32</sup> We will thus employ the *effective number of parliamentary parties* (ENPP) rather than the ENP to measure party system fragmentation, and investigate whether the formation of new parties in the TGNA is systematically related to the ENPP at the beginning of a legislative term.

With regards to our argument's scope conditions, it is important to note that Turkish politicians and party leaders are often motivated by considerations of ideology and policy representation.<sup>33</sup> As well, Turkish political entrepreneurs are often constrained in the range of credible issue-related stances they can assume on specific policy dimensions.<sup>34</sup> Programmatic motivations and platform constraints similarly influence processes of new party formation in the TGNA. The JDP emerged when a group of prominent MP's from within the Islamic camp formed a new party on the center-right whose goal was to weaken secularist restrictions on Islamic expression in the public sphere, and to promote private rather than public sector development. The RPP was formed since failing to reach 10% in the 2002 election.

<sup>32</sup>Despite the 10% threshold, the correlation between the ENP and the ENPP between is nearly perfect ( $r = .93$ ) for the first four elections contained in the data set (1987, 1991, 1995, and 1999). The exception is the data set's fifth election (2002) in which only two parties, whose combined vote-shares represented only 54% of the electoral market, surpassed the 10% threshold, such that roughly 46% of votes cast were 'discarded' by the electoral system. Legislative fragmentation in this case was, as a result, much lower than the fragmentation of electoral vote shares. That said, in this case the more relevant consideration for potential entrants was clearly the ENPP, since most parties that fell below the electoral threshold in 2002 effectively disappeared in the subsequent election (see previous footnote), which was characterized by a heavy concentration of vote- and seat-shares for the two parties that surpassed the threshold in 2002.

<sup>33</sup>Politics throughout the 1960's and 1970's was characterized by a strong left-right divide, complemented in the second half of the 1970's with parties whose support was grounded in their programmatic commitments to nationalism and political Islam. While the left-right divide has since withered, issues of nationalism and political Islam are still of central importance to the Turkish party system (Kselman 2012).

<sup>34</sup>After over 20 years as an organizer and then leader in the world of political Islam, current Prime Minister Recep Tayyip Erdoğan could not credibly announce a secularist position regarding a woman's right to wear head coverings in public buildings. As well, it would be in no way credible for Devlet Bahçeli, longstanding leader of the Nationalist Action Party, to announce a conciliatory policy towards Kurdish insurgents in the country's Southeast.

in 1993 by Deniz Baykal, a politician with a long history of participation in leftist parties, who was then joined by many left-leaning MP's dissatisfied with their party's participation in a center-right coalition government.<sup>35</sup> Of course we make no claim that all, or even most, of the volatility that occurs within the TGNA has 'policy-seeking' roots. Sayarı (2000) lists ideological/policy disputes as one of three reasons an MP might change his or her partisan affiliation during a legislative term. In addition, some MP's switch parties in order obtain more favorable list positions in the subsequent election (office-seeking); and others switch for purely material reasons (rent-seeking). Not unlike the research design in Section 3, our goal here is to leverage this variation in legislative motivations to test our conditional hypothesis as to the relationship between status quo fragmentation and the propensity for new party formation.

#### 4.1 Varieties of Legislative Volatility

The first step in implementing this research design is distinguishing between different forms of legislative volatility. In that vein, a non-negligible number of new parties which form in the TGNA never compete in a single electoral contest, and some are so fleeting as to exist for no more than a week! Thus, within the subset of new parties we will distinguish between switches to *ephemeral* parties, which both form and then disappear in the same legislative session, and those to *genuine* new parties which form in a legislative session and then compete in the subsequent election. As already noted, volatility which results from the formation of genuine new parties is typically characterized by policy-seeking motivations and platform constraints. As such, and in keeping with the above argument, we expect *the prevalence of genuinely new parties in the TGNA to be higher when status quo legislative fragmentation is higher*. In contrast to volatility which results from the formation of genuinely new parties, the appearance of ephemeral new parties is most likely a result of purely office- or rent-seeking considerations. Indeed, one can hardly imagine that a party which forms and dissolves in the span of a couple of months (or less...) – and which never promotes a platform to

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<sup>35</sup>The examples quickly multiply: the Democratic Turkey Party caucus was formed in 1997 by MP's who were allied with Suleyman Demirel, a career center-right politician since the 1960's, who objected on programmatic grounds to the True Path Party's participation in an Islamist-led coalition; the Grand Unity Party was formed in 1993 by the more religiously-oriented wing of the Nationalist Action Party's legislative caucus; etc.

voters in the context of a general election campaign – was created for the sake of influencing policy. Rather, as suggested below, these parties most likely serve as 'holding cells' in which MP's can temporarily relocate in the hope that one of the existing parties will then offer some form of office or rent-motivated inducement to re-affiliate. Thus, again in keeping with the paper's theoretical argument, we do not expect to uncover a positive relationship between the formation of short-lived parties and status quo fragmentation.

Many legislators also switch within the set of pre-existing parties.<sup>36</sup> For our present purpose, rather than explicitly investigating the determinants of this within-existing party volatility, we instead use our data on such switches to lend further credence to the evidence we find from switchers to new parties. Namely, if we can demonstrate that switches between pre-existing parties *are not* positively correlated with status quo legislative fragmentation, then it would provide additional support for the idea that evidence of a positive relationship between status quo fragmentation and switching to genuinely new parties is not spuriously driven by the fact that *all* forms of legislative volatility are positively correlated with fragmentation.

The data we use to analyze the relationship between party system fragmentation and the various forms of legislative volatility described above cover the period 1987-2007, which includes the 18th through 22nd sessions of the TGNA. It codes each time a Turkish MP formally switches his or her partisan affiliation, and records their pre- and post-switch affiliations.<sup>37</sup> The data set contains information on a total of 2,550 Turkish legislators; individuals who served in more than one session are coded as distinct observations for each legislature in which they served. Of these 2,550 legislative observations, a total of 428 switched partisan affiliation at least once during the associated legislative session (16.8%).<sup>38</sup> Cut another way, the data set contains 542 total 'switch

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<sup>36</sup>Most such switches occur within parties of the same ideological family, and/or from opposition to incumbent parties.

<sup>37</sup>The core material for this data set was generously shared by Erol Tuncer and Tuncer Yilmaz of the TGNA Parliamentary Library in Ankara.

<sup>38</sup>A number of parties have been forced to close by the Turkish Constitutional Court. In general the 'new' parties which emerge from these closures are clearly successor parties, and MP's who move from the closed party to the successor party are not coded as 'changing' parties. The currently ruling JDP represents one clear exception to this rule. After the forced closure of the Virtue Party in 2001, Virtue Party leadership quickly reconstituted itself as the Felicity Party. However, a group of dissident Virtue MP's chose to remain unaffiliated, and eventually to form the JDP, a

events', a number which is padded due to the fact that some MP's switch parties more than once in a session. The following results are qualitatively identical whether we use the total number of 'switches' or the total number of 'switchers' as our dependent variable.<sup>39</sup>

Of these 542 switch events, 300 represent switches to new party organizations, and the remaining 242 represent switches within the set of preexisting parties. Switches to pre-existing parties include legislators that move within the set of current parliamentary parties; and also a small number of switches by legislators to parties who did not gain access to parliament for having fallen beneath the 10% threshold, but who nonetheless competed in the preceding general election. As already noted, within the set of switches to new party organizations, we will distinguish between truly ephemeral parties, which formed and then closed in the same legislative session without ever competing in an election; and genuine new parties which form in a session, exist at that session's end, and then compete in the subsequent election. 243 of the 300 switches to new parties are of the genuine variety, while 57 are of the ephemeral variety.

## 4.2 'Genuine' New Party Entry and the ENPP

The effective number of legislative parties, our primary independent variable, varied a good bit during the time period in question. Turgut Özal's center-right Motherland Party (MOP) held clear parliamentary majorities in the first eight years after the return to democracy in 1983.<sup>40</sup> The MOP's dominant party status was thrown into doubt with the referendum of 1987, which legalized the return to politics of previously banned political leaders from the 1970's. These leaders quickly assumed control over a number of smaller pre-existing parties, and after eight years of MOP genuinely new party staking out new programmatic ground and operating with distinct leadership personalities and organizational structures. We thus code the decision by former Virtue Party MP's to reaffiliate with the JDP as switches to a new party.

<sup>39</sup>In particular, there are only three instances in the entire data set in which an MP switches to more than one 'genuine' new party in the same session, thus eliminating the possibility that we might be overcounting when measuring the form of volatility most important for testing our theory.

<sup>40</sup>A military junta governed from 1980-1983, and restricted the nature of competition in the 1983 transitional election; two of the three parties competing in this election were in fact military creations. In this first post-junta election the MOP emerged as the plurality winner (45.1% vote share) due to its status as the only genuinely independent organization, a result which surprised nearly everyone (including the military; see Ahmad 1993 and Zürcher 2000).

predominance the 1991 general elections yielded a more fragmented Parliament. Thus ensued a decade of fragile coalition governments and political instability, a decade which also witnessed the appearance a variety of new party organizations, some of which were more long-lived than others. Beginning in 2002 the number of legislative parties once again shrunk, with the JDP winning a single-party parliamentary majority and the RPP entering as the only opposition party. To capture this variance we will use a standard measure of the ENPP (the inverse of the sum of parties' squared seat percentages). Figure 1 presents the initial ENPP for the five legislative sessions in question.

—INSERT FIGURE 1 ABOUT HERE—

The 18th (1987-1991) and 22nd (2002-2007) legislatures both began with an ENPP of roughly two, and both were presided over by large parties (the MOP and JDP respectively). In contrast, the 19th, 20th, and 21st legislative sessions began in a much more fragmented fashion, opening with an ENPP of 3.58, 4.40, and 4.87 respectively.

As such, we expect the formation of genuine new parties to be more prevalent in the middle three legislative sessions than in the 18th or the 22nd. On the other hand, we would not expect the formation of ephemeral new parties to co-vary with ENPP in this manner. Finally, we remain agnostic as to how switches within the set of pre-existing parties will vary according to legislative session; but if we find that they do not positively correlate with the ENPP, this will afford greater confidence in the non-spurious nature of any such correlation we find with the entry of genuine new parties. We begin by presenting a simple 'count' of new parties which form in the TGNA during a legislative session, distinguishing between those that are genuine and those that are ephemeral.

—INSERT FIGURE 2 ABOUT HERE—

The first thing to note is that, consistent with our theory, the entry of genuine new parties is positively correlated with the ENPP, and indeed climbs in stepwise fashion with a legislature's initial ENPP: it was lowest in the 22nd legislature (two new parties) which was also the least fragmented (ENPP=1.84), second lowest in the 18th session which was the second-most initially fragmented (three new parties, initial ENPP=2.05), and highest (5 new parties) in the 21st legislature which was also the most fragmented (ENPP=4.87). On the other hand, and also consistent with our theory, the number of ephemeral parties which form in a session bears little relationship to the ENPP. The

most noteworthy finding here is the overwhelming emergence of such parties in the 19th legislative session (15 ephemeral parties created!), with the remaining ephemeral parties spread out over the 18th, 21st, and 22nd sessions (no such parties formed in the 20th legislative session).<sup>41</sup>

Although the count data from Figure 2 provide evidence consistent with our primary hypothesis, the total number of MP's who switch from old parties to new parties in a legislative session provides an even more appropriate measure: rather than treating large and small parties equally, it captures the overall weight of new entrants in any given parliamentary term. Figure 3 presents the total number of switches that MP's made to genuinely new parties by legislative session.

—INSERT FIGURE 3 ABOUT HERE—

Once again the data here is supportive of our core hypothesis, as the number of switches to genuinely new parties rises in a stepwise fashion with a legislature's initial ENPP: it was lowest in the 22nd legislature (six total switches to new parties) which was also the least fragmented, second lowest in the 18th session which was the second-most initially fragmented (18 switches to new parties), and so on to the 21st legislature which was the most fragmented and had 135 switches to new parties. Indeed, while the initial ENPP and the number of switches to genuine new parties increase together in a stepwise fashion across legislative sessions, there is a substantial jump in the number of new party switches in this most fragmented session.<sup>42</sup>

What about the other types of switching behavior, namely switches to ephemeral parties and switches which occur within the set of existing parties? Figure 4 presents the tallies, once again

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<sup>41</sup>Many MP's joined these ephemeral new parties, and then went on to reaffiliate with one of the *pre-existing parties* before the 19th session ended, suggesting that such ephemeral organizations may have served as temporary refuges from which MP's could bargain their affiliation to highest paying status quo party.

<sup>42</sup>This was the session in which, first of all, the currently ruling JDP first emerged and gained the allegiance of 60 MP's; and in which the New Turkey Party emerged and gained the allegiance of 66 MP's, most of whom were defectors from the Democratic Left Party (which was in control of a less than palatable coalition with parties of the center-right and nationalist-right). The relationship between party system fragmentation and the policy-based incentives to form new parties may thus be non-linear. While we look forward to investigating the possibilities of such non-linearities in future work, for our present purposes the identical rank-ordering of initial fragmentation and the number of switches to genuine new parties provides evidence in our favor.

broken down by legislative session.

—INSERT FIGURE 4 ABOUT HERE—

Figure 4 reveals that switches to short-lived new parties are not correlated with the initial ENPP, and indeed tend to be concentrated in the 19th session, with a small number also occurring in the 18th, 21st, and 22nd sessions. As for changes within the set of existing parties, these also bear no clear relationship to legislative fragmentation. The highest number occurred in the 19th session, which ranked third in initial ENPP. As well, the 22nd session experienced a good deal of such volatility despite being the least fragmented in our data set, and in fact experienced nine more such switches than the highly fragmented 21st session (44 compared to 35). The lack of a clear relationship between such switches and initial ENPP serves as additional evidence that the positive correlation between the formation of genuine new parties and fragmentation is not the artifact of a more general relationship between fragmentation and volatility broadly conceived.

## 5 Conclusion

Sections 3 and 4 thus provide empirical evidence in favor of the paper’s core hypothesis, developed in Section 2, that the formation of new parties should be positively correlated with the pre-existing number of political parties when politicians are sufficiently platform-constrained and policy-seeking. We have established the paper’s basic claim using a variety of complementary approaches. We’ve first provided a rigorous argument, grounded in formal logic, that when the aforementioned scope conditions are satisfied we should see a positive relationship between status quo party system fragmentation and party entry. We then presented an empirical analysis of the relationship between ENP and party entry across two decades of European elections. Finally, we complemented this with case-level data on the relationship between fragmentation and defections to new parties by individual Turkish legislators over the same two decades. While any one of these findings alone might not be enough to convince readers, taken together we believe they offer a compelling argument that, going forward, the idea that we ought to find more new party formation in larger party systems must be part of the broader discussion.

Important opportunities clearly exist for future research based on the ideas laid out in this

paper. From an empirical standpoint, it is important to note that this paper's primary contribution is to establish the viability of supply-side arguments in studies of party entry; and to demonstrate that, when thinking about supply-side factors, it may be the party system rather than a country's political institutions that does the brunt of the work. On the other hand, this paper should not be taken as a refutation of demand-based explanations of party entry. While whenever possible we include controls for demand-side factors in our empirical analyses, it is beyond this paper's scope to develop and test a more exhaustive measure of the extent to which popular preferences are 'under-represented' by current parties, which is crucial for any ultimate test of the Downsian hypothesis. Significant challenges of methodology and data availability exist in the development of any such measure, which would require both a precise measure of the electoral preference topology as well as parties' respective placements in this topology. However, doing so constitutes an important next step in establishing the relative impact of supply- vs. demand-side factors in the calculus of party formation.

There is also room for future research extending both the temporal and geographic scope of our large N analysis. Beyond the positive findings consistent with our supply-side argument, the results presented in Section 3 are notable for the preponderance of *non-findings* when it comes to other factors often considered important for party entry, particularly in the post-communist sample. It will be important in future work to see not only if the current argument, but also the paper's negative findings, stand up to a larger sample of cases. It would also be interesting to move from a dichotomous measure of our scope conditions (i.e. West vs. East Europe) to a more continuous measure, and thus examine the relationship between ENP and new party entry in situations where potential new party leaders may be less constrained than in a long standing established democracy, but perhaps more constrained than in the post-communist context. A newly emerging dataset on patterns of accountability in 88 contemporary democracies will, at least for the most recent decade, allow us to measure the relevance and coherence of 'programmatic' competition in a wide range of national contexts.<sup>43</sup> To the extent that 'programmatisation' represents a useful proxy for our scope conditions, this represents a promising avenue for future empirical research.

As well, while we have in this manuscript focused entirely on *whether* or not a new party

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<sup>43</sup>This dataset resulted from a collaboration of researchers from Duke University and the World Bank; the data collection process was lead by Herbert Kitschelt.

enters, the theoretical framework also has implications for *where* new parties should enter the political spectrum: in smaller party systems entry tends to occur in the center of the political spectrum; while in multi-party systems entry tends to occur everywhere *but* the range of policy positions near the electoral median. By introducing measures of party positions into our data analysis we will be able to assess whether this aspect of our argument also finds support. Finally, it would eventually be interesting to investigate whether or not new party entry does indeed have the policy consequences we predict. When a party enters in multi-party systems, does it tend to create policy outcomes closer to its own position than those which would have emerged absent the decision to enter? Does entry in more concentrated party systems tend to ‘push’ policy outcomes further from the entrant’s ideal point than would have otherwise been the case? These ideas for extending our current analyses highlight that, beyond presenting and then testing a novel theoretical argument about party entry, one of this paper’s primary strengths is developing a framework which can guide a wide of variety of future analyses of party formation in democratic states.

Table 1: Effective Number of Parties and Count of New Parties in Western Europe, 1987-2009

VARIABLES	(1) Count	(2) Count
Effective Numb Parties Yr1	0.287** (0.109)	0.310** (0.134)
Parliamentary System		-0.015 (0.336)
PR Rules Election 2		-0.547 (0.368)
GDP Change		-0.011 (0.842)
Turnout		0.024** (0.009)
Ethnic Fractionalization		-0.268 (1.099)
Weighted Mag Yr2		-0.000 (0.004)
Constant	-0.427 (0.370)	-1.886 (1.353)
Observations	95	95
R-squared	0.180	0.265

Standard Errors Clustered by Country

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table 2: Effective Number of Parties and Share of Vote Earned by New Parties in Western Europe, 1987-2009

VARIABLES	(1) % New	(2) % New
Effective Numb Parties Yr1	2.266*** (0.733)	2.528*** (0.805)
Parliamentary System		-1.066 (2.258)
PR Rules Election 2		-5.572*** (1.843)
GDP Change		-0.406 (5.340)
Turnout		0.242*** (0.058)
Ethnic Fractionalization		-3.267 (7.603)
Weighted Mag Yr2		-0.014 (0.025)
Constant	-4.505* (2.306)	-17.669** (7.896)
Observations	95	95
R-squared	0.167	0.282

Standard Errors Clustered by Country

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table 3: New Parties in Eastern Europe, 1991-2009

VARIABLES	(1) Count	(2) Count	(3) % New	(4) % New
Effective Numb Parties Yr1	0.064 (0.112)	0.090 (0.115)	0.132 (0.727)	0.217 (0.843)
Parliamentary System		-0.654 (0.454)		-8.625 (5.232)
PR Rules Election 2		-0.474 (0.453)		-6.820 (5.970)
GDP Change		-2.876*** (0.939)		-10.339 (6.745)
Turnout		0.031 (0.032)		0.112 (0.316)
Ethnic Fractionalization		0.535 (1.317)		17.165 (20.067)
Weighted Mag Yr2		-0.003 (0.004)		-0.041 (0.044)
Constant	3.102*** (0.669)	4.946 (2.931)	31.541*** (5.228)	40.999 (24.721)
Observations	88	88	88	88
R-squared	0.005	0.195	0.000	0.089

Standard Errors Clustered by Country

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Dummy Variable for Missing Data omitted from Table

Figure 1: The Effective Number of Parliamentary Parties

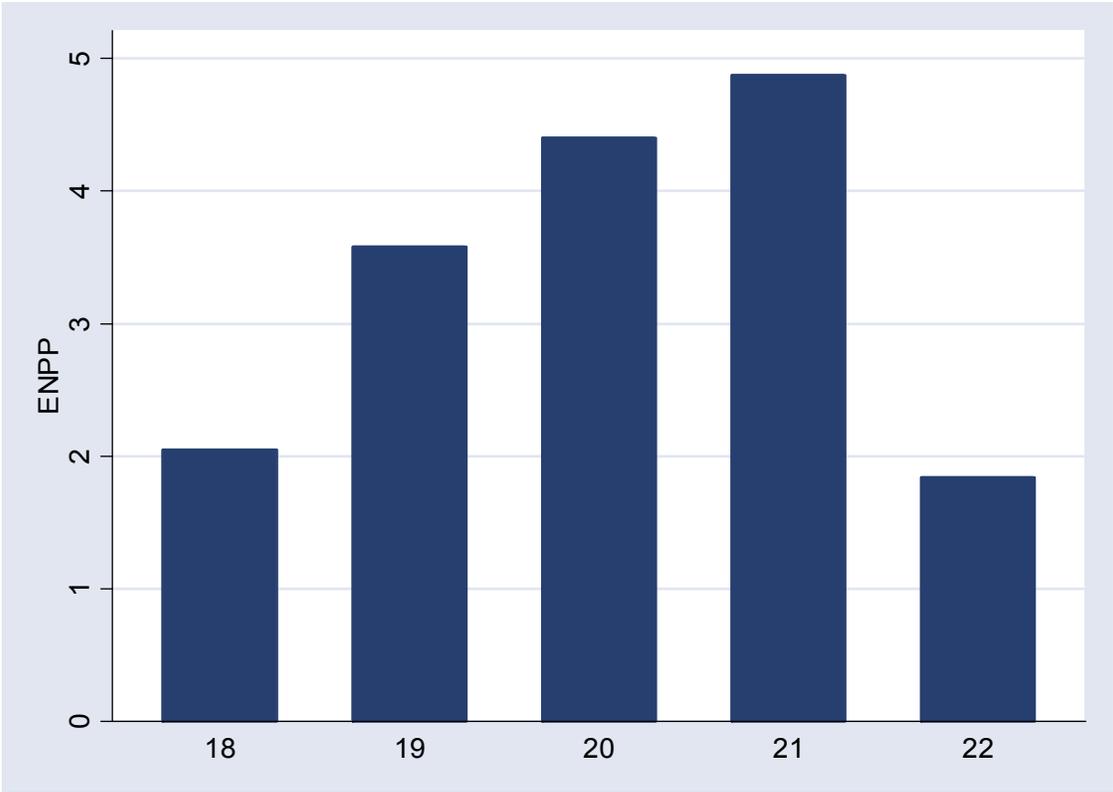


Figure 2: New Party 'Counts'

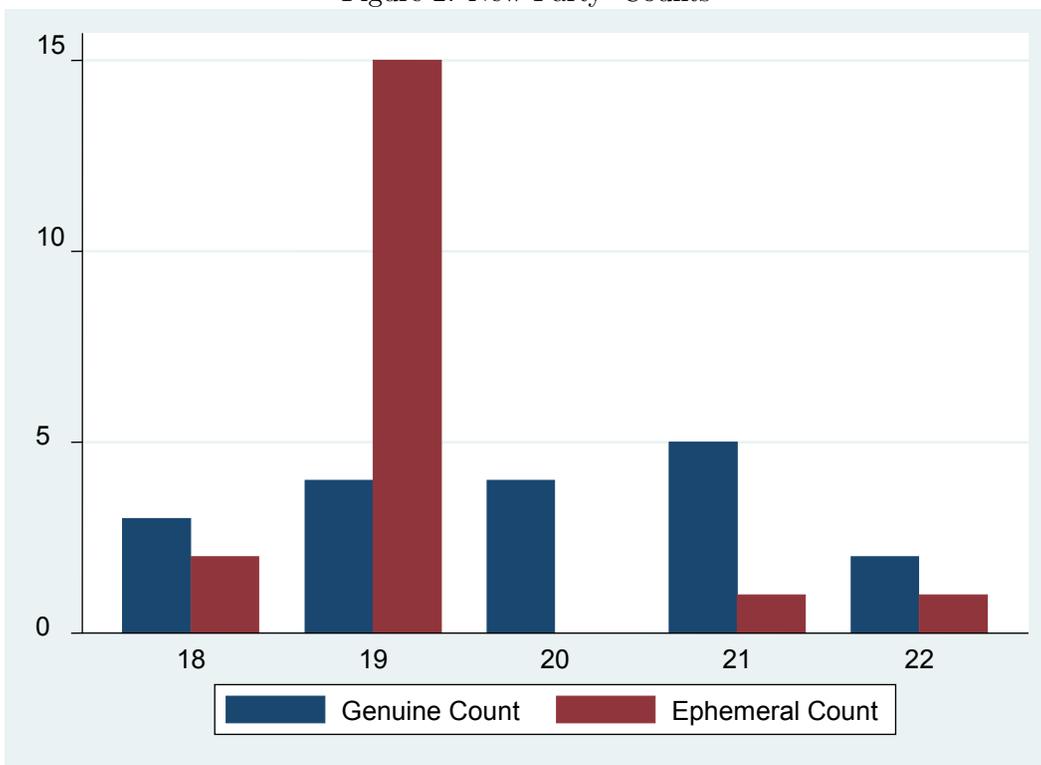


Figure 3: Genuine New Party 'Switches'

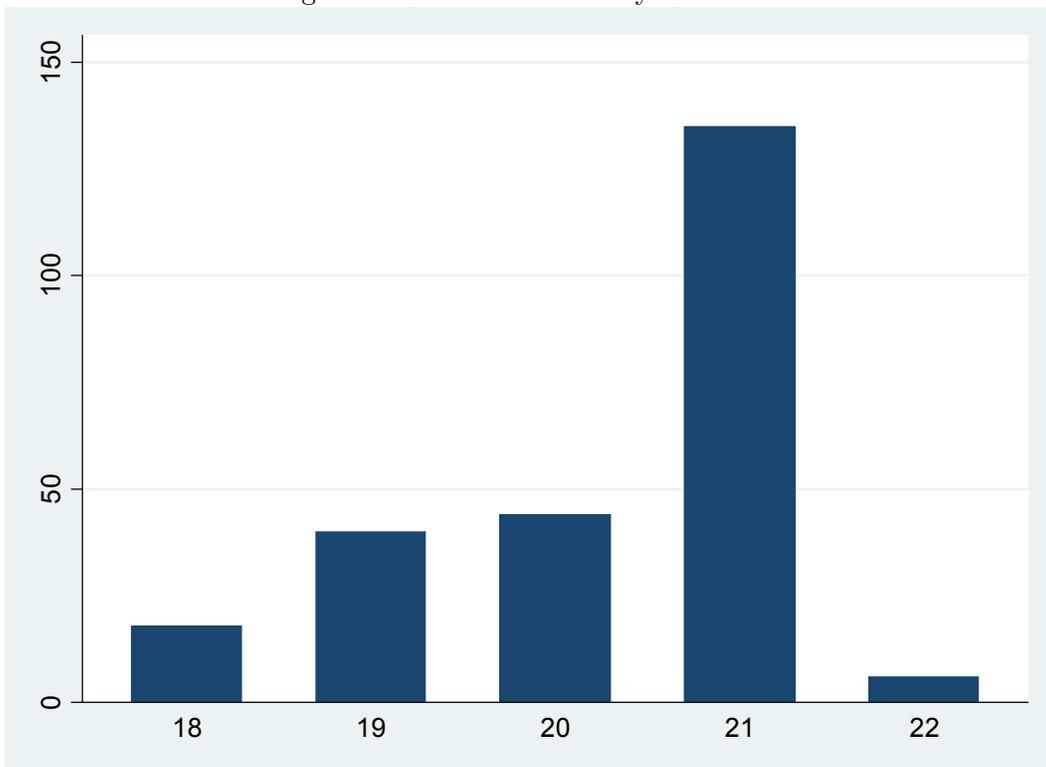
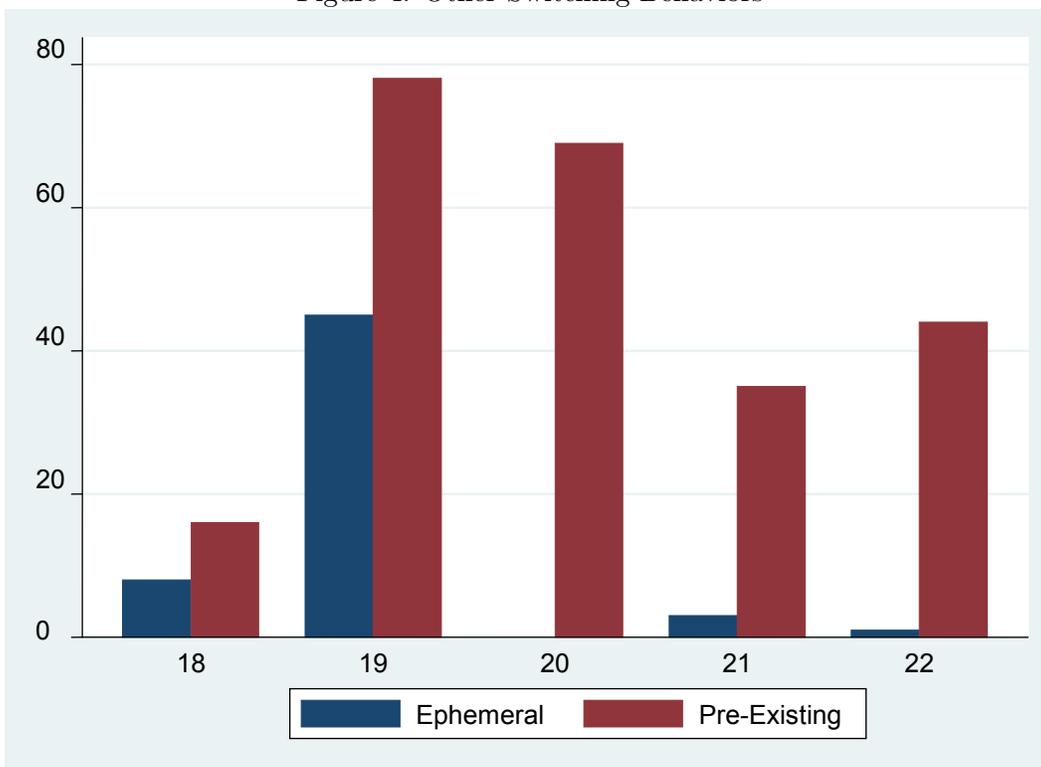


Figure 4: Other Switching Behaviors



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