



# Party Law in Modern Europe

The Legal Regulation of Political Parties in Post-War Europe

## **New Parties in Advanced Democracies: Causes and Barriers to Participation**

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## **New Parties in Advanced Democracies: Causes and Barriers to Participation**

**Abstract:** This paper analyses the determinants of new party entry in advanced industrial democracies. Over the past decades established party systems have increasingly been challenged by new parties, but the frequency of new competitors arising varies greatly across elections. Previous studies have, however, provided contradictory answers to the question of what facilitates or bars new party participation. This study suggests that methodological problems lie at the root of the discrepancies and suggests ways to deal with these. Using data on 336 elections in 21 countries, and employing original indicators of new parties as well as costs of entry, this study provides a comprehensive test of the institutional, social and economic factors hypothesized to influence the chances of new party entry.

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### **1 Introduction: Entry of New Parties**

What determines whether a new party is likely to enter fray of electoral competition at any given election? Is it reasonable to expect that new parties simply arise on demand or do some social and institutional structures create a more hostile environment for the formation of new parties than others? Straightforward answers to these questions will highlight the conditions that most certainly have an impact on the quality of democratic representation. Scores of comparative political analyses focus the clarity of accountability and alternation in government as the critical property for ensuring responsiveness to voter interests, but here is a also case to be made for taking a broader view. Without underestimating the disciplining effect on office holders of facing the risk of being ‘thrown out’, sound representation is likely to require more than this. Arguably, another key ingredient to induce responsive party government is the presence of threat of entry from ‘outside’. Without a keen threat of entry, competition within may be suspended. As several have argued, established parties may become representational cartels out of touch with their electoral base if left unchallenged (e.g. Bartolini 1999, 2000; Katz and Mair 1995; Strøm 1992). This point is given credence by studies that show new parties can influence established parties as well as voters even when they may fail to win seats and office (Bale 2003; Harmel and Svasand 1997; Krouwel and Lucardie 2008). In other words, even ‘failures’ can be successful if held to the standards of

influence rather than to winning seats or office. Identifying the barriers to entry and the conditions that facilitate fresh challenges is therefore key to the issue of democratic representation.

The recent wave of interest in new parties and the causes of their formation and success does not originate in political theory alone, however. Democratic implications aside, the ‘unfreezing’ of established western party systems over the last decades has in itself spurred a growing interest in the phenomenon of new parties. Even if some would argue that the party systems in questions never really were ‘that frozen’ in the first place (Mair 1997; Shamir 1984), there is little doubt that elections and party politics is not what it used to be. New issues have emerged, new party families have entered the scene and voters have become significantly less loyal to the established parties than they once were (Dalton 1996; Dalton and Wattenberg 2000). If we want to understand electoral politics today, understanding the dynamics of change as reflected and sometimes driven by entry of new parties is therefore essential. Not surprisingly, a growing number of studies of new parties reflect an interest in describing the phenomenon as well as identifying causes and effects of the ‘thawing’ process on the dynamics of representation and party government. Where some describe and analyze the genesis, development and fate of particular parties or party families – particularly the greens and right win populist parties – others have been interested to understand new parties per se irrespective of origin or policies espoused. The studies that have analysed the causes of new party formation and/or of their subsequent success are particularly interesting for this research. These can be divided into two main groups. Firstly, there are those that draw on variation within one national context to make causal inference (Birnie 2004; Boudon 2001; Chhibber and Kollman 1998; Huber 1992; Lago and Martinez 2011). This approach has obvious advantages in terms of control for other variables that may influence the emergence of new parties, but it also strongly limits the types of institutional variables whose effect can be assessed. The second type of study, which relies on a cross-sectional design, is better able to gauge the influence of different institutional factors and those that include time-series data are also able to include factors that vary from one election to the next (Bollin 2007; Harmel 1985; Hug 2001; Tavits 2006; Willey 1998). It is to this group of studies that the present analysis belongs. Theoretically, the studies differ with respect to whether demand driven social change explanations are in focus or whether institutional or supply-side factors dominate the causal narrative. Nonetheless, as will be further discussed below, there is significant overlap in the type of factors singled out for attention in analyses although the

rationales for doing so are not always the same nor the indicators chosen to represent them identical. In terms of the empirical analyses, there are some puzzling differences in the models tested as well as the substantial findings of the analyses, which makes it interesting to re-visit the arguments as well as the empirical analysis.

The focus of this study is to identify positive as well as negative causes of participation of new parties in the advanced industrial democracies. It is likely that formal participation at elections is not enough to pose a credible threat to existing parties or to induce party system change. Therefore, it is not strange that many have turned their attention to the causes of new party success rather than mere participation. However, it is important to have satisfactory answers to what encourages or deters parties from forming and participating in elections in the first place before turning to the question of what determines their success. The present analyses offers both methodological and substantial contributions to the study of new party participation at elections . Firstly, I will argue that some of the discrepancies between findings in earlier studies can be traced back to methodological and data-related problems. The most important of these concern the measurement or ‘count’ of the dependent variable. The main problem lies in a perfectly understandable, but nonetheless inadequate conceptualization of electoral participation, although poor data-sources do little to alleviate the problem. Existing studies rely on simple counts of the parties that are recorded as participants in elections to national parliaments without regard to how widely they participate. That is, whether they run in just one electoral district or in all. As I will argue further below, this not only raises questions of case- comparability, but also lays the research vulnerable to the vast differences in the accuracy and detail in data-sources. Moreover, in some instances it undermines the causality expected. Another important methodological contribution lies in the consideration of how the frequency of elections and thus time itself influences the analysis and potentially distorts results if not controlled for. Secondly, the theoretical claim that ‘benefits’ of office differ across countries (as a function of the concentration of powers) and influences the incentives political entrepreneurs have to form a party is critically examined and subjected to a more comprehensive testing than earlier. The evidence overturn previous conclusions with respect to the inhibiting role of corporatism, but confirms earlier findings concerning the role of federalism. Generally, however, the results suggests that other mechanisms than ‘benefits of office’ could account for the role played by institutions that disperse/concentrate power. Thirdly, the role played by costs of entry is analyzed anew with original indicators of ballot access and financial costs and adding the

right of public television coverage for parties. The results confirm earlier findings that claim financial state support for parties play no role, but instead concludes that state sponsored television coverage matters. Unlike in previous studies, ballot access costs – petition as well as fee/deposit requirements – is found to have the expected effects. However, a closer look reveals that the results are largely driven by a few outlying cases with high requirements for access. The analysis also sheds new light on the role of the electoral system by using different indicators of the constraints imposed. Finally, it shows that party system institutionalization, the time between elections as well as ethnic diversity and the stability of electoral behavior plays a role in explaining the number of new parties.

## **2. Explaining New Party Entry: Theory and Empirical Evidence**

There is considerable variation across countries and over time with respect to the number of new parties that participate at elections. The question is, however, whether the differences can be explained by rules and institutions, societal structures or factors related to the performance of the party system. We would of course expect a great deal of variation to elude comparative explanation. Characteristics of individual agency and events related to idiosyncrasies of the national context are difficult to theorize about, let alone measure. However, a number of hypotheses with respect to the role of institutions, social structure and demand have been advanced and tested in other studies. Instead of simply listing these, it is useful to consider them in a coherent theoretical framework. Cox offers a simple and straightforward approach to explaining the phenomenon of new parties, which Tavits also draws on in her study(Tavits 2006). According to Cox, it is necessary to consider what incentives political entrepreneurs have to form a party – in the form of expected benefits and plausibility of success – as well as the potential costs involved if we want to predict the probability that a new party will appear (Cox 1997). Not all studies of new party entry use the same coherent theoretical framework, but the factors they include can easily be organized under the headings of incentives versus costs. Although, certain factors related to electoral demand (e.g. ethnic diversity or partisan identification) are ‘misfits’ in rational actor model as the one proposed, the model builds on the assumption of rationality on the part of political entrepreneurs and these factors can therefore be listed as factors that influence their assessment of the plausibility of success. Within the structure given by this theoretical framework, I will briefly discuss the factors that can be expected to influence the rate at which new parties form as well as report on evidence furnished by previous studies with respect to their effects.

### The Expected Benefits: Concentration or Dispersal of Power?

According to Cox, political entrepreneurs will consider the potential benefits of holding office. The question is, however, whether such benefits are constant across political system or vary. Both Hug and Tavits argue that they vary and include indicators of this in their explanatory models (Hug 2001). The approaches differ, however, and Tavits criticizes the ad hoc nature of the concepts and measures introduced by Hug. Hug conceptualizes benefits in two arenas: the electoral and the governmental. Electoral benefits, he argues, are related to how proportionally seats are allocated on basis of electoral support under a given electoral

system. The other is in terms of government office where access to power is the critical feature. A number of variables are proposed to represent the latter dimension (majoritarian government, the number of parties in government, alternation in government, the degree of centralization and referendum provisions). Subsequent analysis does not yield results in support of the hypotheses proposed, however (Hug 2001). Rather than viewing it as a falsification of the theory, Tavits argues that the problem lies in its operationalization. Recognizing that politicians can be motivated by office as well as power to influence policy, she argues that whereas office is a constant benefit in all countries, *power over policy is not*. Tavits then proposes that the degree of corporatism is inversely related to incentives to run. By transferring power non-elected organizations of civil society, corporatist systems namely reduce the influence of parties. The diminished power over policy makes it less attractive to form a new party to run for office. Contrary to Hug, she finds empirical support for the hypothesis (Tavits 2006, 110).

If Tavits' analysis is correct, it represents an important contribution to the understanding of the dynamics of party competition and the role played by corporatism. However, while Hug's conceptualization of benefits and choice of indicators may not have been 'spot on' as Tavits writes, it can be argued that the exclusive focus on corporatism represents a very narrow test of the argument made. Moreover, the association of corporatism and new parties also lends itself to alternative interpretations. The strong – at times even symbiotic - relationship between established parties and the major organizations in highly corporatist countries has typically endowed established parties with considerable resources. It is not unlikely that support given to established parties deters the formation of new parties rather than the low expectation of reward. If we want evidence that higher benefits of office encourages party formation, I would argue that it is necessary to undertake a broader test of the hypothesis.

The argument of that benefits matters to competitive incentives has also been proposed by Strøm although his conceptualization and measurement is different from that proposed by Tavits. In his game theoretical model of party competition, Strøm uses the term '*pay-off variability*' to refer to differences in the potential gains and losses in democratic regimes (Strøm 1992). Like Cox, he links higher pay-offs to stronger incentives for political parties to compete. Empirically, Strøm does not associate the concept to corporatism - although it would be possible to do so - but instead with the degree of majoritarianism in the operation of the party system and the diffusion of power across institutional arenas. Power of policy and its concentration is therefore also here the key property. With respect to the party-



system, he argues that greater power sharing among parties implies a diminished difference in pay-offs between winners and losers of government office. In the case of federalism, it is the dispersal of the competence to decide on different levels of government that is key. Strøm views the two types of dispersal of power as ‘two sides of the same coin’. This is problematic, however, when we want to estimate the implications for incentives to enter with a new party. On the one hand, in any democratic system, winning the majority in parliament is a precondition to gaining government power ‘alone’ and avoid sharing with other parties. Therefore, it is also something that a new party could aspire to in a system where power is normally shared more widely just as well as in any other. However, in systems that typically share power more widely among parties, other factors – such as electoral structure and an electoral system that allows fragmentation - perhaps makes this event more unlikely. Therefore, new parties perhaps cannot expect to ever hold power alone in these systems, but the reason would be related to the probability of success rather than to potential benefits since the latter is the same in the two. If the argument is accepted, however, it means we assume that new parties base their expectations on ruling alone in a majoritarian system rather than sharing with any of the parties in power at the time of entry. Is it really theoretically solid to assume that political entrepreneurs that start a party in majoritarian U.K. base their expectations on the hope to gain office alone whereas they don’t in the Netherlands? Personally, I don’t find it entirely convincing. Moreover, if power sharing among parties in the system is the norm, it can be argued that a new party would have better chances of exerting influence once representation is gained. This points in the opposite direction as this would increase the incentives to form a new party rather than lower them (see further below). With respect to federalism, this is different, however, as it places competences outside the immediate reach of parties in parliament much in the same way that Tavits argues that corporatism does. Moreover, it can be argued that the constitutional nature of federal arrangements make them less amenable to change than corporatist arrangements and therefore more likely to influence new parties incentives. In other words, Tavits does not consider that corporatism is partly endogenous to the party systems. New parties may therefore harbor intentions to change the status quo and take back power rather than simply accept the game as it is played by the current party system. Corporatism is not a perfectly static feature although there are mechanisms of path-dependency in play .

The federal-unitary dimension also appears in two older studies of new party success. The rationale for including it is very different from the one just discussed, however. Hauss and Rayside as well as Willey argue that federalism would provide a more hospitable

environment for new parties (Hauss & Rayside, 1978; Willey, 1998). Willey argues that the multiple locations of influence found in federal systems increases the chances new parties have to gain influence. Moreover, ‘new parties, with lower expectations, can afford to focus on just a small number of seats in the sub-national legislatures’ instead of going for the federal level, which reduces costs McAllistor(Willey 1998, 656) While Haus and Rayside do not find an effect of federalism on new party success, Willey does, but in a negative rather than positive direction. Although he does not discuss it, the argument made regarding entry at the sub-national level could in fact be part of the explanation (see further below).

In light of this discussion, I propose that a proper test of the theory that benefits matter to party entry as a minimum requires considering the impact of both the federal-unitary dimension as well as the degree of corporatism. Moreover, as discussed power dispersal on other dimensions – such as the executive parties dimension – could also influence new party formation through affecting the prospects for success (see further below). Although, not linked to a rational theory of competition, Lijphart’s work on consensus and majoritarian models of democracy is highly pertinent to this theme and will be used in the operationalization(Lijphart 1999). Moreover, the work of Tsebelis on veto-players presents an alternative conceptualization of power dispersal that would allow for a different test of the theory(Tsebelis 2002). Tsebelis is concerned with how many actors – partisan or institutional - are necessary to change policy. His argument is – simply put - that the higher the number of veto players in a system, the more difficult it is to change policy from the status quo. The number of veto players can therefore be seen as an alternative way of conceptualizing the extent of power dispersal in a system. The higher the number of veto players, the less power any individual party could therefore potentially gain. In light of this, I propose to test the hypothesis that potential benefits matter to new party formation using these alternative conceptualizations.

### The Barriers to Entry: Costs of Ballot Access and Campaigns

A number of factors can be listed in the category of barriers or costs of forming a new party to participate in elections. Firstly, *ballot access* costs represents requirements – typically fees, deposits and/or signatures - that parties (or candidates) have to fulfill in order to get their name on the ballot. In some countries, a relatively negligible or even symbolic effort is required of those who want to stand for election. In others, the bar is set significantly higher and fledgling party organizations might find it highly challenging to comply. Previous

studies fail to give a definite answer to the question of whether ballot access costs matter, however. Harmel & Robertson as well as Hug find that they fail to have a significant impact on the emergence of new political parties (Harmel and Robertson 1985, 514; Hug 2001): 119. Tavits, using the same data as Hug, reaches more contradictory conclusions. She finds that financial costs does deter new parties, but that petition costs has the exact opposite effect(Tavits 2006, 110). Below, I will revisit this question using original indicators of ballot access.

Secondly, there are considerable costs involved in mounting an effective campaign although such costs may of course vary greatly from one party to the next according to how much free publicity they individually manage to get. How 'newsworthy' the media considers a new party to be may significantly reduce campaigning costs. However, democratic systems vary more systematically with respect to the type of cost-reduction measures they have in place. The availability of financial assistance for new parties as well as access to free television coverage can be expected to greatly reduce costs. In some countries, all parties participating – new and old - are given free air time on public service television and/or financial aid in support of campaign activities, while in others such help is either absent or restricted to incumbents. In the theory of the 'Cartel-Party', Katz and Mair argued that incumbent parties have granted themselves benefits (particularly state financing) and in this way also reduced the chances that new competitors will challenge them (Katz and Mair 1995). However, it is also possible to see the availability of public funds or free media coverage as a potential benefit for new parties – and thus as a stimulus to new party formation. Neither Hug, Tavits or Bollin find any support for the link between party finance provisions and new party entry, however (Bollin 2007; Tavits 2006). Moreover, Bollin does not find an impact on new parties of rules for public broadcasting. In a somewhat different analysis, Bowler, Carter and Farrell investigate whether changes in media access has an effect on the effective number of parties and also in the proportion of independents - and but only find a correlation with the latter(Bowler, Carter, and Farrell, 94-95).

It could be argued that the costs of alternative paths to political office should also be considered. As mentioned above, Willey argued that parties can lower costs by running sub-nationally in federal systems. However, this may also mean that less parties run at the national level because those who fail there will not try nationally. Moreover, if you have political ambitions – seek power and office – why not run in an already established party

rather than bear the costs of starting a new one. As Cox argues, the more loosely disciplined parties are in a system, the less incentive there is to start a new party since a political entrepreneur can reduce costs of campaigning by running under an established brand without sacrificing independence to pursue his or her own policy goals. Strongly disciplined and programmatic parties do not provide the same freedom, however, and political entrepreneurs may therefore choose to accept risks and costs since the potential gains in terms of control over policy are significantly augmented. However, since almost all countries (except the US) in this analysis have parliamentary systems with highly disciplined parties it is not possible to explore this in much depth here.

#### The probability of success: Electoral Demand and Electoral Institutions

Comparing the number of new parties that run with the number that succeeds electorally suggests that dispassionate assessment of chances of success is perhaps not a key quality in all political entrepreneurs. Moreover, as mentioned success may be measured in ability to set an agenda as well as winning seats and office. However, if political entrepreneurs act on cues that signal opportunities to succeed, it is likely that the past electoral history, electoral demand, strength of existing parties as well as the electoral system is also likely to weigh in on decision to form a party to contest elections.

First, with regard to electoral demand for new parties, some form of mismatch between the representational ‘needs’ of society as new issues arise and/or dissatisfaction with existing parties, their policies and performance would signal the presence of a demand to political entrepreneurs<sup>1</sup>. Dissatisfaction with current representation is of course not just exogenously given, but can be stimulated by new parties themselves. In any case, while some aspects of party performance are country specific there are also general conditions such as the *state of the economy* that voters are known to respond to. When the economy is sluggish, voters tend to punish the incumbent government and switch their party vote and it is therefore also likely that more political entrepreneurs may attempt to form a new party under such conditions.

The strength of existing parties in the electorate can also influence the decision to start a new party. The stronger the established parties are in organizational terms and in terms of the *loyalty they command from voters* in general, the more difficult the task of convincing voters

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<sup>1</sup> The new ‘postmaterialism’ studied by Inglehart (The Silent Revolution, 1977) has been included in several studies to explain the rise of specific types of new parties (e.g. Kitschelt, 1994+Rohrschneider, 93). It is not realistic to include it in a comparative study of the rise of new parties per se, however, as the wave of postmaterialism values correlates strongly with time.

to try new alternatives is likely to appear. In fact, a low degree of *party system institutionalization* – often measured by party system age - is one of the key factors typically invoked to explain the higher levels of new party entry in new democracies as well as the much higher levels of *electoral volatility* found in such systems (Mainwaring and Zoco 2007; Tavits 2005). It is also possible to argue like Hug, Harmel & Robertsen, that countries with *larger and more diverse populations* have more complex representational needs and tend to generate more ‘new issues’ that may occasion new party entry (Harmel and Robertson 1985; Hug 2001). Contrary to this, Tavits argues that population size and diversity can increase the number of parties in a party system per se, but unlikely to continuously create demands for more parties. She overlooks however, that diversity may provide a source of issues and/or identifies that can be politicized over time. Tavits does not find any link between ethnic diversity and new parties, however, while Harmel and Robertsen finds a positive correlation both for diversity and population size (Harmel and Robertson 1985, 514). Finally, the *number of parties* may also in itself influence the probability of success as the electoral market may be more open when fewer parties occupy policy space. Neither Hug nor Harmel and Robertsen find that it has any effect, however, while Tavits finds a positive rather than a negative effect on new party formation (Tavits 2006).

The institutional factor with the most direct effect on the chances for new party success is undoubtedly the *electoral system*<sup>2</sup>. It may influence the success of new parties both by its psychological as well as mechanical effects (Duverger, 1972). If the electoral system encourages strategic voting, new parties are particularly susceptible to strategic desertion by voters who may not be convinced by their viability. Moreover, the higher the electoral threshold, the lower the chances of winning seats in parliament. Strangely, previous research has produced very different results with respect to the impact of the electoral system. Harmel and Robertsen and Hug – using a battery of different indicators - find that more parties enter in systems where their chances to succeed are smaller (Harmel and Robertson 1985; Hug 2001)<sup>3</sup>. That is more new parties are formed in plurality than in PR systems. However,

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<sup>2</sup> Tavits classifies the electoral system under ‘costs of entry’. However, since the translation of votes into seats does not influence costs of running, it seems more appropriate to categorize it under factors that influence the probability of success.

<sup>3</sup> Harmel and Robertsen use a simple dichotomous indicator of PR/Plurality-majoritarian systems, but Hug uses both the thresholds of representation and exclusion as well as the Effective magnitude. With respect to the thresholds, Hug reports that ‘the threshold of representation considerably decreases the number of parties, while the threshold of exclusion achieves the opposite’ (Hug:2001:21). However, since majoritarian electoral systems have both very low thresholds of inclusion and very high thresholds of exclusion, this finding points to a positive effect of higher barriers on new party formation – contrary to expectations.

Tavits, Willey<sup>4</sup> and Bollin find a positive effect of district magnitudes as we would expect. However, Willey finds a very weak effect on the vote shares of new parties, while Bollin and Tavits find stronger effects on the chances of entry.

Finally, several have argued that presidential system discourage new party formation. The winner-takes-all nature of the presidency would encourage collaboration and mergers of parties trying to win government power rather than the emergence of new parties (Haus & Rayside, 1978;(Bollin 2007; Harmel and Robertson 1985)<sup>5</sup>. As discussed above power sharing in the system may diminish the pay-offs of winning office, but it can also be seen to increase the chances of success. It may be easier for a new party to get access to influence in systems where power is more widely shared among parties and parliaments play a greater role in legislation than were it is concentrated on one or a few parties and in the executive.

In sum, the theoretical model discussed in the discussion above, proposes that benefits, costs and the probability of success influences the chances that new parties will form to participate in elections. Tavits presents an additional refinement of the model by arguing that there is an interaction effect between the variables capturing the probability to get elected and the benefits of office. However, the mere fact that important factors can be classified in different ways makes this type of hypothesis very complicated to test. For instance, state assistance to parties can be categorized as a costs as well as a benefit as can . Moreover, it is difficult to see why the electoral system is not categorized as a predictor of success rather than as a cost as done by Tavits and Hug. This may explain the lack of positive findings on the hypothesis<sup>6</sup>.

An overview of the theoretical arguments, the concrete factors and a summary of previous findings are summarized in TABLE 1 (end of document).

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<sup>4</sup> It should be noted, however, that in Willeys analysis the coefficients found are significant, but they are also extremely low (0,0004 for new party vote shares) so that changes in district magnitude appears to have but a marginal effect. In fact, the change in magnitude from a plurality system with 1 district magnitude to 150, as in Netherlands that has an extremely proportional system, only predicts a increase in new party vote share of 0,008 pct.

<sup>5</sup> As Haus&Rayside write 'its [game of office of president] zero-sum nature encourages bipolarization of the party system and makes it hard for weak parties' (1978: 37)

<sup>6</sup> The model proposed is thus  $P(\text{new party}) = (\text{benefits} * \text{probability of success}) - \text{costs}$ . The hypothesis is tested by introducing an interaction term of corporatism and the duration of democracy, which is not significant, however.

### **3. Studying new party entry: General methodological considerations.**

There are a number of issues that have to be dealt with if we are to identify the factors that influence whether new parties enter the fray of electoral competition apart from the importance of avoiding problems of selection bias (Hug 2000). Existing studies have dealt with these issues in very different ways, which may explain some of the differences in their findings. The first problem concerns the definition of the dependent variable itself. What a new party is and what it means that it has 'entered' has to be carefully defined in order to avoid 'comparing apples and oranges'. An closely related issue concerns the principles behind the construction of some of the independent variables to avoid inconsistencies in the research design. Finally, differences between countries with respect to the number of elections held forces us to consider carefully what unit of analysis or case is chosen.

#### Defining the dependent variable.

As in the other studies mentioned, a party is here defined any political group fielding candidates under a common label<sup>7</sup>. This definition accords well with available records where other features – such as extent of organization, membership or ideology - are not considered. However, not all parties that appear from the first time at an election should be defined as a 'new'. As also done by Hug and Tavits, mergers of pre-existing parties should not be included (Hug 2001; Tavits 2006). On the one hand, an argument can be made that such parties are not truly new since they represent continuation of pre-existing parties. On the other hand, a number of the factors discussed as possible deterrents of new party formation – such as the electoral system – can be expected to have the reverse effect on the number of mergers. When the probability of success is low, mergers are encouraged rather than discouraged. Therefore, only parties that are genuinely new – in the sense that they represent new groups formed to run under a common label – or are splits from pre-existing parties are included.

A more tricky issue to resolve, which has not been discussed in other studies, concerns what we mean by 'entry' or 'participation'. In all previous studies, an effort has been made to collect data on all parties that are recorded somewhere to have participated in national

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<sup>7</sup> Sartori defines a political party as 'any political group identified by an official label that presents at elections, and is capable of placing through elections (free or nonfree), candidates for public office' (Sartori, 1976: 63). The evaluation of whether the official labels .

elections. Considerable effort by the authors of these studies have gone into identifying all such parties without regard to their electoral returns or the number of districts they participated in<sup>8</sup>. On the face of it, simply *appearing on the ballot*, is a perfectly reasonable criteria if you want to study the factors that influence new party participation without including a bias towards the successful. Without some form of qualification, however, two types of problems arise. One is related to the data and the other to comparability. First, due to variation in the quality of the data sources, there appears to be a strong element of chance involved with respect to the number of parties that ‘make it’ to the official records. Differences in number of parties may therefore reflect how meticulously events are recorded rather than how many participate. Secondly, a problem of comparability arises because electoral systems influence what being on the ballot signifies in terms of competing electorally. For instance, parliament elections in the U.K. is divided into 650 electoral districts. If a party is represented on the ballot of a single district, it means on average that some 0,15 per cent of the electorate may vote for it. In Denmark or the Netherlands where electoral districts are much fewer, being on the ballot in a district typically implies that at least 5-10 per cent of voters can vote for it. The question is therefore whether it is reasonable to compare a party that only competes for 0,15 pct of the votes to one that competes for a substantial portion or even all. Moreover, the lack of a cut-off point with respect to how many districts the parties participate in creates a situation, where, if all new parties participating somewhere are counted, the numbers can be quite astronomical. The case of New Zealand is illustrative for the problem. In the period 1950-1972, very detailed district level data are available and 20 new parties presented candidates at national elections<sup>9</sup>. Only 4 of these, however, participate in more than a single district and only 1 fields candidates in more than 20 pct of the districts. The list that Hug provides for this period includes only 5 parties for this period, and two of them only participate in 1 district(Hug 2001). Obviously the sources he has consulted have used some criteria for inclusion, but they are not consistent. Similarly, Willey lists 16 new parties in New Zealand for the entire post-war period, which is less than the number for the shorter period mentioned by the detailed records referred to above(Willey 1998).

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<sup>8</sup> For example, deploring the lack of information on smaller parties aggregated in the ‘other parties’ category, in the International Almanac of Electoral History by Mackie and Rose, Willey consults other sources, such as newspaper accounts, to break the ‘other’ category into its constituent parts (Willey, 1998:637-8). Likewise Harmel and Robertson state ‘no new party that could be identified in available sources is excluded from this study, regardless of size or electoral strength’ (Harmel & Robertson, 1985:508).

<sup>9</sup> The data set on district level electoral results for New Zealand was made available by Prof. Jack Vowels Waikato University, New Zealand.



Counting parties according to the number of districts they run in goes a long way to solve these problems. In this study, electoral entry is therefore defined as being on the ballot in either over 25, 50 or 75 pct of the electoral districts. That is, three different criteria are applied yielding three different representations of the dependent variables. Not counting parties that only run in just one or a small district, places emphasis on national electoral competition and weeds out a high number very small parties that have no significance for national politics. As will be further discussed below, this approach also has implication for the operationalization of the independent variables as for instance the costs of entry at the national level rather than the local (district) level is chosen to ensure congruence between the proposed causes and effects. See presentation of the number of parties in table 2 (next section).

#### Choice of Cases (Unit of Analysis)

Previous studies of new party entry differ with respect to their case selection. Two studies use countries in a specific time period (Harmel and Robertson 1985; Willey 1998), while others take the individual election as the unit of analysis (Hug 2001; Tavits 2006). The clear advantage of the latter approach is that it makes it possible to capture more variation in the variables, but it requires that special measures are taken to control for the large differences in the frequency of elections in the. For instance, in the period 1950-2005, Norway has ‘only’ held 14 elections compared to 22 in Australia. This difference creates problems of comparability between the individual elections across countries. Imagine, for instance, that 5 new parties entered in country A as well as B during a period of 20 years. If we use the countries in that time period as the unit of analysis, there is no variation between the cases. However, if we use the individual election as the case and country A held 10 elections in the period and country B held 20, country A could yield 5 cases where no new party is observed and 5 cases where it is. Country B could, on the other hand, yield 15 cases with no entry and 5 with entry. At this level of observation, there is suddenly a great deal of variation even if the two countries have an identical number of parties entering in a specific time period. To control for this, I propose to introduce a control variable, which is the number of days that have passed since the previous election. Including the lapse of time from the previous election makes intuitively sense at two levels. On the one hand, it controls for differences in the frequency of elections, on the other, it also takes into account that elections are occasions for new parties to run, and all things equal, a shorter time period means less time to get organized for participation.

#### 4. Data and Operationalisation

The data-set comprises 336 elections to the lower houses of parliament in 21 established democracies in the period 1950-2005; The countries include Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States. Greece, Portugal and Spain are more recent democracies and are only included for the period 1980- 2005. While data on new parties is available for the whole period, accurate information on several key independent variables is not available for the 1950s. The analyses reported in the main text are therefore based only on an analysis of the period 1960-2005. Analyses using the whole data-set where missing values have been replaced by estimates are put in the appendix for reference.

##### 1. The dependent variable: New parties

The main operational choices related to the measurement of the dependent variable were described in the methodological section above. A party is counted as new if it participates in elections for the first time after 1950. Only parties that participate in a minimum of electoral districts are counted as parties. Three minimum standards are used: 25 pct, 50 pct and 75 pct of the electoral districts. The total counts for each country are presented below.

##### 2. Indicators of the independent variables

The Expected Benefits of Office. As a measure of *corporatism*, an indicator of the ‘routine involvement of unions and employers’ organizations in the preparation, decision and implementation of government’s social and economic policy-making’ from the ICTWSS database is used (Vissen, Jelle). Contrary to the measure of corporatism used by Tavits, it does not include different dimensions, but simply reflects only the property of interest to this study, namely extent to which the non-elected are involved in policy-making<sup>10</sup>. As a measure of the degree of concentration of power, Lijphart’s indices of *majoritarianism* on the executive-parties and the federal-unitary dimensions are used (Lijp..1999). He measures the degree of concentration or diffusion of power in 9 arenas of the state and find that they tend to cluster along two separate dimensions, namely the executive-parties and the federal-unitary

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<sup>10</sup> The data-base covers the time period 1960-2007. Since this feature is relatively constant across time, the scores assigned for 1960s were extended to the 1950s. The analysis that includes the 1950s are only listed in the appendix, however.

dimensions<sup>11</sup>. The scores were taken from the Comparative Political Data-set 1960-2008 (Armigeon et al.). In this, two values are provided. One representing the period 1945-1970, and the other representing the period 1971-96, which are extended to the period until 2005 to avoid missing cases. Finally, the scores provided by Tsebelis on the *number of vetoplayers* are used (Source: [http://sitemaker.umich.edu/tsebelis/veto\\_players\\_data](http://sitemaker.umich.edu/tsebelis/veto_players_data)). The data-set does not cover Greece and the U.S. nor any of the countries after the year 2000. I therefore assigned values to these cases on basis of information on institutional veto-players and partisan government (see scores in the appendix XX).

The Costs of Participation. Three comparative studies operationalize ballot access costs. Two of these devise time invariant ordinal classifications, but fail to specify what principles guide the construction of the indicator (Harmel and Robertson 1985) (Abedi, 2004<sup>12</sup>. Hug (Hug 2001) constructs two continuous indices reflecting differences in : 1) the number of signatures required divided by the total number of voters 2) the electoral deposit or fee required (at the national level) as a fraction of GDP per capita. The difference between fee and deposits and the conditions for return of the latter are ignored. This approach is more finely tuned, but I propose some modifications ; Firstly, it is difficult to see any reason why the number of signatures is made relative to the size of the entire population, while financial costs are related to individual rather than national wealth. To take a consistent approach, I argue that the absolute rather than the relative costs that are critical. Candidates and organizations have to raise the money/collect the signatures and it is not obvious why they would benefit significantly from the fact that there are more resources/people in the country

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<sup>11</sup> The Executive-Parties dimension includes measures of power concentration in the party system, cabinet, executive-legislative relations, electoral system and interest group mediation (corporatism). The Federal-Unitary dimension includes measures of division of power between national and sub-national level, legislative power concentration, strength of judicial review and central bank independence. Since several of the nine features are closely linked – such as party system and electoral system - it is not surprising that countries that score low concentration on one would also do so on the other.

<sup>12</sup> Harmel and Robertson opt for an ordinal time invariant classification of ballot access laws in 19 democracies. They devise three categories of easy, moderate and difficult, containing 14, 3 and 2 countries respectively (Harmel and Robertson 1985:504). Abedi devises a ranking on the basis of how strong requirements of each type (fee/deposit and signatures) are. It is not clear whether district or national costs are used, but it would appear that it is district requirements are used, since these are cited in the text. Countries that use both types of requirements inevitably end up at the top of the scale and those only using one type end up at the low end. Denmark, which, is one of the countries with the highest petition requirements in absolute as well as relative terms, somehow ends up with the third lowest score. Japan that clearly belong to the group with high financial requirements is assigned a middle ranking with the U.K. a few notches above and with Belgium immediately below, and Austria comes out as having the toughest requirements.

as a whole as it would considerable resources to mobilize them<sup>13</sup>. Secondly, when calculating the financial costs it is necessary to take historical value of the money into account, which is not done by Hug or others. Failing to do so entails missing important information. For instance, in U.K. the costs of ballot access in all districts was on average 365 times the GDP per capita in the 1950s, but just under 30 times the GDP per capita in the 1990s. A significant drop, which was not induced by changes in regulation, but in the value of money. Finally, it is important to specify that it is the costs of running in all districts rather than in just one that is measured, which is congruent with the approach taken to measure the dependent variable at three levels of total district coverage rather than simply in one district (see details and scores in Appendix). Fee/deposit costs are therefore the total costs of running in all districts expressed as a fraction of GDP per capital, while petition costs are simple the number of signatures collected to run in all districts.

With respect to *state support to parties*, different approaches have been taken to this<sup>14</sup>. Hug uses a dichotomous variable to capture differences in the level of financial support offered, which simply captures whether financial support is available to parties or not. It therefore fails to distinguish between support available to new versus old parties (Hug, 2001:102)<sup>15</sup>. Instead I constructed an ordinal indicator which reflects how electorally successful parties have to be in order to win financial support. 1= financial support is available to all 2= financial support is only available to those already represented 3= no financial support is available<sup>16</sup>. Due to data-constraints it was not possible to include consideration for the sums offered.

As a measure of *free television time*, an ordinal indicator containing four scores was created: 1= equal television exposure is given to all parties participating in elections; 2= access to all, but allocation of television time is based on party size (electoral support or parliamentary representation) of parties; 3= no free broadcast; 4= represented parties only are given free

<sup>13</sup> For instance, In Denmark, it is necessary to collect around 20.000 signatures compared to 1.6 million in the US (year 2000) if a party wants to field candidates in all districts in the country. If the costs are relativised by the size of the population, the U.S. requirements are roughly comparable to the Danish ones. However, in Denmark, the task is not unsurmountable for a new party while the resources required to accomplish the task in the U.S. is clearly formidable.

<sup>14</sup> Abedi constructs a joint indicator, which takes account of both financial support and conditions for media access, and distinguishes between systems where support is granted to all versus those where support is based on previous electoral performance (Abedi, 2004: 95).

<sup>16</sup> I also tested another indicator constructed as follows: 1= less than 1 pct of the votes required, 2 = over 1 pct but under 4 pct of the votes is require, 3 = no financial support is available 4 = support is only available to represented parties or parties obtaining vote shares in excess of 4 pct. However, as the results were roughly identical, I only report results with the one indicator referred to above.

television time. The differentiation between the latter two categories is to investigate, whether advantage granted to incumbents provides disincentives for new party formation (see details and scores in appendix).

### The Probability of Success.

As mentioned, the electoral system is probably the strongest predictor of a new parties chances of success in terms of winning seats. Different indicators have been used to capture its effect. The *Proportional Threshold*, which measures the general bias in seat allocation towards smaller parties, is the primary indicator used. The threshold is defined as the ‘vote share that gives parties an fifty-fifty percentage chance of receiving a seat share proportional to its vote share’. It is very similar to Lijphart’s Effective threshold, but unlike the latter, it takes the actual geographical distribution of votes into account when estimating its value. See appendix for details on calculation and scores. As an alternative indicator of the incentives, the *mean district magnitude* is also used (Hix and Carey 2008) (Hix&Carey, 2008). While this does not measure the general disadvantage suffered by smaller parties under a given system, it more directly captures the opportunities parties have for winning seats at all.

As a general measure of the loyalty of the voters to the established parties, the *lagged total electoral volatility* (Pedersen index) and the *percentage of voters who are party members* are used (see appendix for details). Accurate data on membership for each election is unavailable, but Scarrow (Scarrow 2000) provides data on the decade average for most countries, and Mair and Biezen for Greece, Portugal, and Spain (Mair and van Biezen 2001), Carty (2002) for Canada (1980–2000). See details on handling missing values in Appendix XX. As a measure of a possible ‘saturation of the party system’, the *lagged average number running at the electoral district level with a lower cut-off point of 2% of the national electoral vote* to avoid many tiny parties distort the figure is used. The degree of party system institutionalization is measured by the *average age of the party system*. Roberts and Wibbels suggest the average age of parties winning at least 10% of the electoral vote at the previous election as an indicator of the age of the party system (Roberts and Wibbels 1999). This method is also used here, but the age of each party is weighted by its share of the total vote of parties receiving over 10% of the vote in order to reflect differences in the parties’ importance for voters. The natural logarithm of the weighted age is used, as the impact of age on volatility is likely to be non-linear and diminish at higher values. Information regarding the age of parties was obtained from Caramani (2000) together with sources on the Internet (Wikipedia and party websites). In a few cases, the value for party age was not entirely

straightforward. These decisions are mentioned in Appendix. The scores are presented in Table 3 in the next section.

As a measure of economic performance, the *average annual growth in GDP per capita since the previous election* was calculated (data source: Conference Board 1950–2005; Maddison data 1946–1950. Data sets bound at 1950 values).<sup>17</sup> If two elections were held in the same year, the GDP per capita growth for that year was used for the latest of the two elections. The *time between elections* is simply the number of years that have lapsed since the previous election.

### **3. Presentation of Variables**

SEE TABLES 2 + 3

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<sup>17</sup> Inflation is frequently used as an indicator of performance in new democracies—e.g. Mainwaring and Zoco (2007) and Tavits (2008)—but it did not add anything to the analysis here and was left out.

## 5. Analysis and Results

To analyse the impact of the variables on the number of new parties and event count model with a poisson distribution is used<sup>18</sup>. Since pooled time-series cross-sectional data are used, robust standard errors clustered by country were used. In the models tested, different indicators of similar phenomena were also not included in the same model to avoid problems of multicollinearity. Moreover, VIF values were generated to check for problems of multicollinearity in the models, but the scores did not exceed the levels normally considered critical<sup>19</sup>. The robustness of the results were checked in two ways. First, alternative model specifications were made, which are reported in the appendix. Secondly, cases with outlying values on predictor variables were removed from the analysis. The results of the second exercise is reported below.

The results of the statistical analyses are summarized in table 4, 5 and 6. The two models in table 4 differ with respect to the indicators used to capture variation in ‘benefits’ of running for office in different countries. The models in table 5 contain the same analyses, but employ a different indicator of the electoral system (district magnitude instead of proportional threshold). The final ‘trimmed’ models in table 6 includes only variables that were found significant in one of the models tested. Also included is a variable for time (years since 1950), which is customarily done in time-series analysis to control for spurious correlations caused by similar time trends. The final model also includes dummy variable for the US, which is the only truly presidential system in the group and moreover exhibits extreme values on ballot access costs that might distort the findings. For reference, alternative model specifications and the analysis for the whole period 1950-2005 using estimates for missing values are presented in the appendix.

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<sup>18</sup> Tavits uses a negative binomial distribution as the variance of the dependent variable in her case is more than twice the mean (Mean:1,44; Var: 3,32). However, the three dependent variables in this study does not exhibit the same degree of dispersal. New parties covering 1) 25% of districts: Mean= 0,67; Std.Dev.=0,97) 2) 50 % of districts Mean= 0,57; Std.Dev. = 0,90 3) 75 % of districts= Mean=0,46; Std.Dev.= 0,79. To check if the results depend on the distribution assumed, a negative binomial regression was run, but the results (coefficients and significance levels) were virtually identical.

<sup>19</sup> The highest VIF values were – not surprisingly – found for the indicators of the electoral system. The log. district magnitude had a VIF value of 2,7 and the proportional threshold had a value of 3.17. The only other variables with VIF values over 2 were corporatism (2, 6-2,8) and the log party age (1,8-2,2).

### Summary of the results

The first question is whether the analysis support the notion that variation in the benefits of office matters to how many new parties run for election. The first and third models uses power concentration on the federal-unitary and executive parties dimension and the second uses corporatism and the number of veto players . The results indicate that only *federalism* has the expected negative effect on new party entry. This finding is highly robust, however, across different model specifications. The results in fact indicate that an increase of one in federalism index, which varies from -1,79 to 2,51, is associated with a decrease of a factor 0,70-0,80 (depending on model specification) in the likelihood of a new party entering the electoral race. This must be considered to be a strong association. The *executive-parties* variable, on the other hand, returns mostly positive coefficients that only come very close to being significant at the 5 pct level for the number of new parties participating in over 25 or over 50 pct of the district. The exact same pattern can be seen for the *number of veto-players*, which is highly significant for the number of new parties running in over 25 or 50 pct of the districts, but it has no effect whatsoever on the number of parties running nationally. An increase of one in the number of vetoplayers (range 1-5,6) is associated in an increased probability of new party entry by a factor 1,1-1,2 (depending on specification). In other words, chances of a new party entering in less than 75 pct of the districts at an election is increased by approximately 50-130 pct by a change from the minimum to the maximum number of vetoplayers. *Corporatism* appears to be negatively associated with new parties, but the results do not come close to being significant in any of the models.

The results therefore offer only scant evidence in support of the theory that variation in the benefits of office matters to the number of new parties participating. The only variable that is consistently associated with a lower number of new parties is federalism, the other dimensions are sensitive to model specification and/or indicate the contrary of the hypothesized. I will return to a discussion of what might explain this phenomenon below.

The hypothesis that costs of entry has a negative effect on the number of new parties is more consistently supported by the results, although not all aspects of costs matter. Ballot access costs appears to be a significant deterrent, as both *petition* and *fee* costs are negatively and significantly related to the entry of the parties. The strength of the effect of petition costs is moderate, however, as an increase in 1000 signatures only decreases the chances that a new party enters with less than a percent. On the other hand, an increase in fee corresponding to 1 gpd per capita, decreases the chances of new party entry by a factor 0,95-0,96 for the



category of parties running in over 75 pct of the districts and somewhat less for the others. However, the results for both fee and petition costs are likely to be strongly influenced by outliers. In fact, when the analysis is repeated without the most potent outlier for petition costs, namely the US, and for fees (Japan and UK in 1950-70), fees are not longer significant although coefficients are negative, while petition costs now return positive coefficients that are even significant for parties that run in just over half the districts. This indicates that ballot access costs is likely to be an important deterrent of entry in these cases, but that variation in the requirements made in most countries fails to have an impact on the rest. I will return to a discussion of these cases below.

State assistance to parties in the form of *free television coverage* has a significant effect on the number of new parties, which is also relatively robust across different model specifications. Since the indicator is constructed so that the lowest – rather than highest - values are associated with generous conditions for exposure, the coefficients are negative. For parties running nationwide (>75 pct of the districts), a one step increase in the ordinal indicator (1-4) is associated with a change in the probability of new party entry of 20-30 pct. In the final trimmed model with control for time, the coefficients for the number of parties running in fewer districts than 75 pct is not significant, however, although they are still in the expected direction. *State financial support* for parties and the rules for qualifying for state aid does not appear to have any effect, however. As discussed above, the presence of state financial support to parties can be conceptualized as both a barrier and an incentive for new party formation. However, neither positive nor negative effects can be detected, which confirms the findings of earlier studies (Hug, Tavits, Bollin). As two alternative indicators of the rules for financial support to parties were tested in addition to the one used here, it is not likely that the indicator used matters<sup>20</sup>.

Regarding the factors that influence the probability of success, some surprising results are found. The institutional variable that most strongly influences the chances parties have for winning seats – and to some extent also votes - is the *electoral system*. It is therefore surprising that the electoral system does not appear to have a significant and robust effect on the participation of new parties. We would expect higher thresholds to deter parties from participating since they are likely to be strongly underrepresented when the proportional threshold is higher. This does not appear to be the case, however. It is not an obvious error of

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<sup>20</sup> A simple dichotomous indicator of presence of state financial support for parties or not was tested for effects as was an ordinal indicator capturing how large parties have to be to qualify for support.

model specification since alternative models where the variables most highly related to the threshold were removed (i.e. lagged number of parties) yielded the same result<sup>21</sup>. Only in a very basic model with few variables does the threshold have expected negative and significant effect<sup>22</sup>. However, the mean district magnitude, which more directly captures the chances candidates have to win a seat in the district they run in, has a positive and significant effect on the number of parties running in over 75 pct of the districts. The effect on the two other types of new parties is also positive but smaller and fails the tests of significance (significance level just over 10 pct.). The highest predicted effect of the an increase from 1 to 10 in district magnitude is an increase of 90 pct. in the probability of new party participation. However, in the final trimmed model, the effects of district magnitude on the parties running nationwide is not significant. Interestingly, without the variable that controls for time spurious correlations and the fee variable for ballot access (to which it is negatively correlated), positive and significant coefficients can be identified for the new parties running in over half or over 75 pct of the districts. However, in none of the models is the effect on the number of new parties running in over 25 pct districts significant (see appendix X). It is therefore difficult to draw very sharp conclusions on the role of the electoral system. As mentioned earlier, previous research has come to different conclusions regarding the electoral system. This analysis supports the findings that district magnitude tends to have a positive effect, but also shows that the relationship is highly sensitive to the other variables included in the models and that no firm conclusions can therefore be drawn.

The indicators that signal electoral demand do not all have the expected effects. Neither the state of the *economy* nor voters' loyalty to existing parties as measured by *party membership* have an effect. Only the extent of electoral stability measured by the *lagged total volatility* has an effect on the number of new parties in some models (models 3-4), but only on those that compete nationwide (>75 pct districts). The effect predicted is not extremely large, however, as a 10 pct. increase in total volatility is associated with an increase in the probability of new party entry of around 30 pct. Moreover, the effect is sensitive to model specification and loses significance in the final trimmed models (model 5+6) with controls for time spuriousness and a dummy for the us is included. On the other hand, the lagged

<sup>21</sup> In the model with the lagged number of parties and the proportional threshold both variables have high VIF values (3,6 and 2,7 respectively). Running the model without the lagged number of parties did not change the absence of an effect of the proportional threshold, however.

<sup>22</sup> In a model with only federalism, age of party system, years from last election and the proportional threshold, the predicted change for a 5 pct increase in the threshold is a decrease in the probability of new party entry by 14 pct (odds ratio of 0,97, therefore  $0,97^5=0,86$ ).

number of new parties does not have a significant effect contrary to the positive effect identify by Tavits (p110). This finding does not change even when the variables highly associated with number of parties (electoral system, executive-parties, veto-players) are taken out of the analysis to make sure that multicollinearity does not explain the lack of findings. The degree of party system institutionalization as measured by the *age of the party* system has a clear deterrent effect on the number of new parties that participate. The more established the party system, the lower the number of new parties that participate in elections. The which is congruent with the results found in other studies (Tavits).

The finding with respect to diversity in the population is particularly interesting<sup>23</sup>. Contrary to findings of Tavits, but confirming those of Harmel and Robertsen, *ethnic diversity* is found to have a significantly positive effect on the number of new parties running in 25 pct or more of the district, which is robust across most – but not all- model specifications. Moreover, it appears to be negatively associated number of new parties running nationwide although this is not significant. As ethnic diversity typically has a geographical basis, this exactly the type of effect one might expect: more new parties running ‘regionally’, but not more running nationally. Contrary to what Tavits argues, ethnic diversity not only results in more parties per se, but also in the number of new parties in this group of countries. The explanation is likely to lie in the potential impact on new party formation of politicization of ethnic diversity.

The simple passage of *time from the previous election* has a positive and significant effect on all types of new parties participating. Postponing the election for an additional year, increases the probability that a new party will enter with 40-45 pct. Hardly a negligible effect. As argued, time between elections is an important control for differences in the frequency of election in different countries. However, the results indicate that considering time as a factor in its own right is critical in studies of new parties. On the one hand, parties do not emerge out of the blue. It takes effort and time to form a new party and get ready for an election. On the other, a longer time period between election also tends to increase the chances that voters will change their vote (Bischoff, 2011).

Finally, the variable of ‘time’ that measures the number of years since 1950, shows that there has been an increase in the number of parties over time, which is not explained by changes in the variables included in the model. Since the 1960s, every decade is associated with and increase in approximately 20 pct in the probability that a new party will contest elections.

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<sup>23</sup> The size of the population in itself was not found to be related to the number of new parties running.

## 6. Discussion of results

The theory that variation in benefits of office matters to new party formation does not find clear support in the analysis. It is clear that federalism is associated with less new party entry than are unitary systems, while there is no evidence that corporatist decision-making structures have an equivalent effect. Moreover, if the association between federalism and new parties is causal, it may well be driven by other factors than disincentives to run for new parties. It is possible that we need to look at whether there is a tendency for new parties to run first at the subnational level and only if successful at that level to move on to the national scene. If this is the case, we might see more new parties in federal systems if we count those running at the subnational levels also. The mechanism would then be related to the costs of running rather than to the pull of ultimate benefits. Power sharing in the party system did not have a significant effect, but displayed a positive association, while the number of veto players was positively related to the number of parties running in over 25 or 50 pct of the electoral districts, but not to those running nationwide. If the relationship is causal, it is possible that systems with many veto players simply increases the plausibility of success for parties that have a more concentrated geographical base. It is also possible, however, that the relationship is endogenous. Political systems where the electoral interests have a geographical base that is smaller than the whole nation, also tends to have more veto players in general. The positive association for ethnic diversity and number of new parties running regionally show that this mechanism is in place. In any case, the theory that variation in benefits of office matters is contradicted by this finding.

The results with respect to the barriers to entry in politics matter are more clearly supported. Costs of ballot access only appear to be high enough to deter entry in a few cases, however. The US, Japan, as well as U.K., Ireland and France in the past but not present, have very high costs compared to the other countries in the group. It is likely that in these case, new parties have been deterred from entering, but in the other democracies included here, it is highly unlikely that the requirements really matters. The hypothesis that party systems may protect themselves from new party competition by systems of party financing is not supported. However, the rules for allocation of free television coverage appear to have a clear effect on the number of parties that run. Where only the represented parties – or none at all – are given

air time, fewer parties enter than in systems where all parties running are given the same chance to present themselves. On the basis of this analysis, one can therefore say that cartelization by deterring new party entry is mostly ineffective (financial regime), restricted to a few cases (ballot access) or based on positive rules for creating 'fair play' (television) rather than the opposite. Whether the measures are more efficient in explaining success is a different matter. Interestingly, the electoral system does not have as clear and unambiguous effect as one might expect. Thresholds influencing the proportionality of seat allocation do not appear to have an effect when other potential explanatory factors come in. Moreover, the mean district magnitude that perhaps more directly captures the chances of winning a seat somewhere appears to have a positive effect, but it was not robust to model specification.

TABLE 1. OVERVIEW OF THEORY, VARIABLES AND PREVIOUS RESULTS					
Theory	General Variable	Specific variables	Expected Effect on New Parties		Previous Studies
			<i>Main</i>	<i>Other</i>	
<b>Benefits</b>	Power Dispersal	Federalism	Negative	<i>positive on chance of success</i>	Negative (Willey), None (H&R)
		Corporatism	Negative		Negative (Tavits)
		Executive-Parties	Negative	<i>positive on chance of success</i>	<i>missing</i>
		Veto players	Negative	<i>positive on chance of success</i>	<i>missing</i>
<b>Costs</b>	Ballot Access Requirements	Fee/deposit	Negative		None (Hug; H&R); Negative (Tavits)
		Petition	Negative		None (Hug;H&R); Positive (Tavits)
	Campaign Costs	State Party Financing	Negative*	<i>Positive on benefit</i>	None (Hug, Tavits, Bollin)
		Free Television Coverage	Negative*		<i>missing</i>
	Alternative Routes	Party Discipline Parliamentary	Positive		Parliamentary (H&R;Bollin)
<b>Probability of Success</b>	Party Performance	State of Economy	Negative		None (Hug, Tavits)
	Party System Institutionalization	Age of Parties, Party membership, Voter loyalty	Negative		Positive for Age of Democracy (Tavits)
	Preference Diversity	Fragmentation Population Size	Positive		Positive (H&R), None (Tavits)
	Allocation of Seats	Electoral System Proportionality	Positive		Negative (Hug, H&R), Positive(Willey, Tavits & Bollin: )

**TABLE 2. Total Number of New Parties 1950-2005**

		>25 % districts	>50 % districts	>75% districts
Country	Australia	6	5	4
	Austria	6	5	5
	Belgium	13	13	2
	Canada	10	4	2
	Denmark	11	11	11
	Finland	14	13	10
	France	8	7	4
	Germany	10	8	7
	Greece	8	8	8
	Ireland	8	6	2
	Italy	15	15	14
	Japan	8	5	2
	Netherlands	20	20	20
	New Zealand	17	17	17
	Norway	11	8	8
	Portugal	12	10	8
	Spain	13	12	11
	Sweden	4	3	3
	Switzerland	6	4	0
	UK	4	2	1
	US	2	0	0

**TABLE 3. The Independent Variables: Mean values by country 1960-2005**

	Federalism	Corporatism	Executive-Parties	Veto-players	Proportional Threshold	District Magnitude	Petition for ballot	Feed deposits for ballot	Free Television Coverage	State Party finance	Total Volatility	Number of Parties	Party members	Party System Age	Ethnic Fractionalization	Days from previous election
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Australia	1,70	,22	-,72	2,03	37,46	1,00	,00	2,85	3,00	2,11	6,939	3,22	2,72	64,56	,09	917,61
Austria	1,16	1,92	,29	1,61	3,57	18,22	2,57	,19	3,92	1,31	7,092	3,92	22,30	57,90	,11	1204,15
Belgium	,56	2,00	1,27	3,87	2,52	7,19	3,50	,00	3,93	2,43	10,021	5,23	9,08	105,98	,56	1156,21
Canada	1,78	,00	-,125	1,17	27,06	1,00	,00	2,11	2,71	2,29	12,861	3,64	3,64	89,79	,71	1189,14
Denmark	-,30	2,00	1,36	2,20	2,00	9,05	17,58	,00	1,00	2,11	12,261	8,28	9,59	89,70	,08	954,67
Finland	-,84	,83	1,60	3,92	4,67	13,33	6,25	,00	2,00	2,33	9,158	7,25	14,82	67,50	,13	1340,83
France	-,41	,73	-,97	2,72	19,34	1,44	,00	17,93	2,00	1,00	15,055	5,42	2,20	44,34	,10	1422,36
Germany	2,51	1,31	,43	2,25	5,00	43,22	2,49	,00	2,00	1,15	7,746	4,15	3,46	49,26	,17	1329,46
Greece	-,75	,44	,74	1,56	9,00	5,14	,67	1,82	.	.	9,278	4,00	5,75	16,18	,16	1050,89
Ireland	-,42	,31	,07	1,50	11,21	3,87	,00	4,90	3,15	2,08	9,135	3,74	4,28	49,92	,12	1251,62
Italy	-,22	,36	1,13	3,40	6,85	20,92	31,50	,00	1,82	1,55	18,255	6,85	8,25	45,59	,11	1406,18
Japan	,20	,00	,78	2,07	11,62	3,34	,00	38,19	1,69	2,69	9,251	4,33	2,46	29,63	,01	1064,31
Netherlands	,32	2,00	1,18	3,20	,67	150,00	,37	3,40	1,00	1,15	13,823	7,31	4,42	20,63	,11	1214,62
New Zealand	-,179	,00	-,67	1,50	24,94	30,75	,20	,70	3,25	3,00	12,478	4,20	10,04	49,91	,40	1075,44
Norway	-,67	1,92	,78	2,06	6,79	8,10	3,67	,00	4,00	1,50	12,294	6,78	12,12	83,51	,06	1437,92
Portugal	-,70	,67	,36	1,94	5,10	11,74	7,50	,00	4,00	.	13,273	4,44	4,60	17,94	,05	1015,00
Spain	,42	,57	-,59	1,14	9,22	6,73	30,10	,00	4,00	.	11,257	3,73	2,27	19,32	,42	1287,57
Sweden	-,65	2,00	,91	1,48	4,40	11,21	1,50	,00	3,71	1,43	8,636	5,79	17,42	79,50	,06	1138,86
Switzerland	1,55	2,00	1,83	4,00	5,15	7,82	,72	,00	3,00	2,27	6,745	5,16	11,91	95,32	,53	1439,55
UK	-,105	,42	-,130	1,00	33,42	1,00	6,50	79,02	4,00	2,25	7,645	2,77	4,83	118,06	,12	1367,25
US	2,36	,00	-,53	3,00	35,90	1,00	1500,00	8,26	3,00	3,00	3,052	2,00	3,00	136,75	,49	720,00



**TABLE 4. Determinants of New Party Participation 1960-2005. E.S. represented by Threshold**

	Model 1 (Majoritarianism)			Model 2 (Vetoplayers, corporat.)		
	>25 pct	>50 pct	>75 pct	>25 pct	>50 pct	>75 pct
Number of New Parties Participating according to coverage of electoral districts						
<u>Benefits of office:</u>						
Federalism	0.736*** (0.000)	0.670*** (0.000)	0.678** (0.002)			
Executive-parties	1.331 (0.097)	1.422 (0.077)	1.077 (0.780)			
Veto players				1.194*** (0.000)	1.217** (0.001)	1.040 (0.666)
Corporatism				1.018 (0.861)	0.976 (0.831)	0.907 (0.619)
<u>Costs of participation</u>						
Petition for ballot access	0.999*** (0.000)	0.997** (0.002)	0.996 (0.259)	0.999*** (0.000)	0.997** (0.002)	0.995 (0.636)
Fee/deposit for ballot access	0.984*** (0.001)	0.971*** (0.000)	0.948*** (0.000)	0.984* (0.013)	0.971*** (0.000)	0.949*** (0.000)
Free television	0.814* (0.026)	0.803* (0.028)	0.703** (0.005)	0.849 (0.118)	0.845 (0.125)	0.734* (0.025)
State party finance	0.869 (0.304)	0.851 (0.271)	0.960 (0.805)	1.087 (0.635)	1.120 (0.579)	1.159 (0.557)
<u>Chances of Success</u>						
Proportional Threshold	1.011 (0.581)	1.010 (0.651)	1.005 (0.816)	1.000 (0.977)	0.992 (0.517)	0.997 (0.874)
Economic Growth	1.020 (0.668)	1.001 (0.985)	0.964 (0.616)	1.002 (0.970)	0.971 (0.668)	0.934 (0.410)
Party Membership	0.971 (0.219)	0.968 (0.188)	0.983 (0.615)	0.983 (0.421)	0.983 (0.427)	0.995 (0.858)
Party System Age	0.843 (0.281)	0.754 (0.054)	0.679** (0.007)	0.850 (0.207)	0.761** (0.010)	0.686** (0.003)
Ethnic Diversity	3.935** (0.007)	3.878 (0.056)	0.680 (0.633)	1.441 (0.491)	1.109 (0.885)	0.330 (0.236)
Lagged electoral volatility	1.003 (0.746)	1.005 (0.607)	1.025** (0.002)	1.015 (0.184)	1.019* (0.036)	1.036*** (0.001)
Lagged number of parties	0.948 (0.463)	0.957 (0.576)	0.976 (0.779)	0.969 (0.614)	0.984 (0.815)	1.021 (0.807)
Years from last election	1.440*** (0.000)	1.429*** (0.000)	1.428*** (0.000)	1.436*** (0.000)	1.407*** (0.000)	1.484*** (0.000)

<i>N</i>	254	254	254	254	254	254
Exponentiated coefficients; <i>p</i> -values in parentheses; * <i>p</i> < 0.05, ** <i>p</i> < 0.01, *** <i>p</i> < 0.001						
<b>TABLE 5. Determinants of New Party Participation (1960-2005). E.S. by mean district magnitude</b>						
	<b>Model 4 (majoritarianism)</b>			<b>Model 5 (vetoplayers, corporatism)</b>		
	Number of New Parties Participating according to coverage of electoral districts					
	>25 pct	>50 pct	>75 pct	>25 pct	>50 pct	>75 pct
<u>Benefits of office:</u>	0.746***	0.681***	0.688***			
Federalism	(0.000)	(0.000)	(0.000)			
	1.113	1.183	0.759			
Executive-parties	(0.215)	(0.178)	(0.121)			
Veto players				1.183***	1.204**	1.007
				(0.000)	(0.002)	(0.936)
Corporatism				0.979	0.968	0.845
				(0.796)	(0.750)	(0.182)
<u>Costs of participation</u>						
Petition for ballot access	0.999***	0.997***	0.998*	0.999***	0.997***	0.995
	(0.000)	(0.001)	(0.011)	(0.000)	(0.000)	(0.416)
Fee/deposit for ballot access	0.987**	0.976***	0.959***	0.986**	0.975***	0.959***
	(0.005)	(0.000)	(0.000)	(0.006)	(0.000)	(0.000)
Free television	0.817*	0.806*	0.696**	0.858	0.848	0.753*
	(0.028)	(0.029)	(0.006)	(0.128)	(0.131)	(0.027)
State party finance	0.894	0.871	0.996	1.088	1.129	1.180
	(0.330)	(0.279)	(0.974)	(0.620)	(0.542)	(0.458)
<u>Chances of Success</u>						
Mean district magnitude (log)	1.092	1.107	1.316***	1.078	1.115	1.224**
	(0.104)	(0.104)	(0.000)	(0.275)	(0.101)	(0.003)
Economic Growth	1.018	0.998	0.963	1.005	0.978	0.938
	(0.700)	(0.976)	(0.646)	(0.915)	(0.736)	(0.469)
Party Membership	0.974	0.972	0.995	0.982	0.984	0.994
	(0.133)	(0.153)	(0.828)	(0.310)	(0.375)	(0.764)
Party System Age (log)	0.956	0.875	0.993	0.942	0.877	0.930
	(0.770)	(0.374)	(0.960)	(0.723)	(0.404)	(0.662)
Ethnic Diversity	3.744**	3.629	0.431	1.432	1.077	0.291
	(0.007)	(0.079)	(0.267)	(0.497)	(0.918)	(0.172)
Lagged electoral volatility	1.003	1.005	1.024**	1.014	1.018*	1.034***
	(0.815)	(0.745)	(0.002)	(0.162)	(0.038)	(0.000)
Lagged number of parties	0.942	0.949	0.957	0.959	0.976	0.997
	(0.421)	(0.534)	(0.607)	(0.516)	(0.728)	(0.974)
Years from last	1.421**	1.418**	1.438***	1.435***	1.432***	1.488**

election	(0.001)	(0.002)	(0.001)	(0.000)	(0.001)	(0.001)
<i>N</i>	254	254	254	254	254	254

<b>TABLE 6. Determinants of New Party Participation: Final Trimmed Models</b>						
<b>1960-2005</b>	<b>Model 5</b>			<b>Model 6 (with US-dummy)</b>		
	Number of New Parties Participating according to coverage of electoral districts					
	>25 pct	>50 pct	>75 pct	>25 pct	>50 pct	>75 pct
Federalism	0.804*** (0.000)	0.748*** (0.000)	0.717*** (0.000)	0.810*** (0.000)	0.751*** (0.000)	0.717*** (0.001)
Veto players	1.134* (0.014)	1.170* (0.012)	0.997 (0.975)	1.131** (0.006)	1.164** (0.005)	0.987 (0.868)
Petition for ballot access	0.999*** (0.001)	0.998** (0.008)	0.999 (0.105)	1.009* (0.027)	1.011* (0.027)	1.014 (0.071)
Fee/deposit for ballot access	0.986*** (0.000)	0.974*** (0.000)	0.954*** (0.000)	0.988*** (0.000)	0.978*** (0.000)	0.962*** (0.000)
Free television	0.915 (0.154)	0.892 (0.157)	0.794** (0.010)	0.917 (0.129)	0.898 (0.109)	0.811* (0.014)
District Magnitude (log)	1.016 (0.716)	1.049 (0.352)	1.093 (0.200)	1.021 (0.606)	1.064 (0.171)	1.127 (0.082)
Party System Age (log)	0.601*** (0.000)	0.564*** (0.000)	0.556*** (0.000)	0.618*** (0.000)	0.586*** (0.000)	0.578*** (0.000)
Years from last election	1.462*** (0.000)	1.463** (0.002)	1.407** (0.004)	1.439** (0.001)	1.430** (0.005)	1.370* (0.016)
Ethnic Diversity	3.535*** (0.000)	3.382** (0.005)	1.336 (0.623)	3.612*** (0.000)	3.643** (0.001)	1.487 (0.483)
Lagged total volatility	1.001 (0.960)	1.004 (0.725)	1.015 (0.087)	0.998 (0.872)	1.000 (0.967)	1.010 (0.226)
Time trend variable	1.017** (0.004)	1.016* (0.013)	1.022** (0.003)	1.017** (0.003)	1.016** (0.008)	1.022*** (0.001)
US				0.000000956* (0.017)	1.43e-14*** (0.000)	2.75e-15** (0.003)
<i>N</i>	268	268	268	267	267	267

Exponentiated coefficients; *p*-values in parentheses\* *p* < 0.05, \*\* *p* < 0.01, \*\*\* *p* < 0.001

## APPENDIX

### Appendix A. Indicators

#### I. Indices for the concentration of power

Number of vetoplayers. For a number of elections, Tsebilis data-base does not contain scores. The following values were therefore assigned drawing on information about institutional and partisan actors in government: Japan 2;3;2; (1952-55) and 3;4;3,3;3 (1996-2005), Greece: 2;1;2;3;2;1;1;1;1; (1980-2002), New Zealand:2;3;3;4; US: 3 (all elections 1950-2005),For the period of 2001-2005: Australia: 3; 3; Austria: 2; Belgium: 4; Canada: 2; Denmark: 3; 3; Finland: 4. ;France: 5; Germany: 2; 3; Ireland: 2; Italy: 3; Netherlands: 3;3; Norway: 3;2;3; Portugal 2;1; Spain: 2; Sweden: 3; Switzerland: 4; U.K.: 1.

#### II. Indices for the probability of success

The Electoral System. The proportional threshold is defined as *the average vote share with which parties have a 50-50 chance of winning a share of seats proportional to their share of votes*. It resembles Lijphart's effective threshold (Lijphart 1994) in terms of being calculated as an average of district level thresholds of inclusion (Tid) and exclusion (Txd). Unlike the former, however, it takes the national vote concentration of parties into account. The threshold of inclusion is the minimum share of the votes that a party requires to win a seat, whereas the threshold of exclusion is the maximum vote share a party can earn while failing to win a seat. The thresholds are calculated on the basis of the electoral formula, district magnitude and the number of participating parties (see formulas Hug 2001, 177). Since the *national* thresholds vary according to the distribution of parties' votes across districts (Bischoff 2009; Taagepera 1998, 2002), this is included in the calculation of the threshold values. To calculate the average vote concentration of a party system, the following steps are taken:

1. First, the parties' vote concentration in electoral districts is calculated. It is similar to the effective number of parties formula (Taagepera and Shugart 1989), however, it is applied to the party vote shares in each district in a country instead of the votes for each party in a party system:

$$D_{eff} = \frac{1}{\sum (v_i)^2}, \text{ where } v_i \text{ is the share of each party's total vote in each district.}$$

2. Next, the average vote concentration for a party system is identified by dividing the number of electoral districts by the party vote concentration multiplied by that party's share of the votes.

$$SystemV_{eff} = \frac{D_{es}}{\sum D_{eff(i)} \cdot v_{(i)}}$$

The formula for calculating the proportional threshold is:

$$T_{pro} = \frac{(T_{id} + T_{xd})}{(SystemV_{eff} \cdot 2)}$$

Although the scores differ from those obtained when using Lijphart's effective threshold,  $T_{eff}$ , (Lijphart 1994), and are typically lower for countries where parties' votes tend to be concentrated in regions rather than dispersed across all districts in the countries, the scores calculated for these 21 countries in this period have a very high correlation of Pearson's R of 0.94, indicating that the two indicators are not very different in practice. However, the proportional threshold is calculated for single-member district systems as well as for multimember district systems, whereas the effective threshold is not calculated for SMD systems but based on Lijphart's 'guesstimates'. In the tables below, the scores for the  $T_{pro}$  and  $T_{eff}$  are compared for countries with constant electoral rules, and the average vote concentration for the respective periods is given.

TABEL A. 1

Single-Member District Systems				
Country	Threshold Indicators		Vote Conc. $V_{eff}$	Mean District Magnitude dm
	$T_{pro}$	$T_{eff}$		
Australia (1951–98)	37.1	35	1.41	1
Canada (1953–97)	27.9	35	1.41	1
France (1958–97)	20	35	1.57	1
New Zealand (1951–93)	32	35	1.16	1
U.K. (1950–97)	31.2	35	1.24	1
United States (1950–98)	33.7	35	1.65	1

TABEL A. 2

Multimember District and Mixed Systems				
Country	Threshold Indicators		Vote Conc. $V_{eff}$	Mean District Magnitude dm
	$T_{pro}$	$T_{eff}$		
Austria (1953–66)	3.8	8.5	1.17	6,6
Austria (1970–90)	1	2.6	1.05	20,3
Belgium (1950–91)	2.5	4.8	1.6	7,1
Belgium (1995–99)	3.1	5.2	1.96	7,5
Denmark (1950)	5	5.5	1.1	6,2
Finland (1951–99)	4.7	5.4	1.3	13,3
France (1986)	5.6	11.7	1.15	5,85
Ireland (1951–97)	11.3	17.2	1.19	3,9
Italy (1953–92)	2.4	2	1.13	19,8

Italy (1994–96)	25.7	28.2	1.32	24,2
Japan (1952–93)	9.8	16.4	1.34	3,95
Norway (1953–81)	9.6	8.9	1.14	7,7
Portugal (1980–99)	6.6	5.7	1.18	11,9
Spain (1982–96)	9.14	10.2	1.23	3,7
Sweden (1952–68)	6.1	8.4	1.06	8,3
Switzerland (1951–99)	5.2	8.5	1.86	7,8

Values are not calculated when a legal threshold is applied (for instance, it is 5% for Germany and 2% in Denmark (1953–2005)).

System  $V_{\text{eff}}$  was calculated for all countries 1950–2000 using district level data (data: Caramani 2000, and various national electoral archives) except Australia and Canada, where values were calculated for selected elections in the absence of district level data for the whole period. Since the calculated  $V_{\text{eff}}$  values for the Australian senate were highly stable, the lack of measures for more years for house elections is unlikely to give very imprecise scores (1955, 1977). In Canada, a measure in 1974 and one in 1997—after the entry of the Parti Québécois—were used. The French scores are based on data aggregated from 94–99 districts, since data on primary districts were lacking. The calculation of threshold values for Greece in the periods where a legal threshold was not enforced is complicated. The  $T_{\text{pro}}$  scores used were based on Lijphart’s method of calculation (1984) and divided by the vote concentration.

Electoral Volatility. In the practical construction of the volatility index, I control for volatility induced by the behaviour of political elites rather than voters’ decisions. Changes in voting patterns due to party mergers and party splits—if the party of origin ceased to run or no longer existed—were therefore omitted. This is done to capture the propensity for voters to change their vote from one party to another, whereas it can be argued that when the parties voted for in a previous election cease to exist, voters are forced to change their votes—rather than any independent decision to vote differently. Cases in which parties changed names were ignored for the same reasons. Information on party splits and mergers were based on Caramani (2001), Hug (2001), Mackie and Rose (1991,1997) and the EJPR Political Data Year Books (2000–2006). Finally, the ‘other parties’ category was included as a party in the calculations, but as the vote percentages in this category are typically small, this has limited impact on the average scores.

Party System Age. The sum of the difference between the founding year for each party and the election year weighted by the parties’ respective shares of the vote is the age of the party system. For parties in systems where democracy had been interrupted, decisions regarding the age of the parties in question had to be taken. For Germany’s Social Democratic Party, founded in 1905, the 15 years of fascist rule were deducted. The age of the party in 1950 was therefore 30, not 45. Likewise for Greece, the periods where the

Communist Party was banned (1936–42; 1949–74) were deducted; and likewise the United Democratic Left (1967–74) so that their respective ages were not directly counted from the founding years 1901 and 1952, respectively. For Italy's Communist Party, founded in 1921, the years of fascist rule were not deducted due to its prominent role in the resistance movement. The socialist party in Spain—PSOE—founded in 1879, and the Communist Party founded in 1921 were banned for a very long period (1939–1977), but both retained some organization during the Franco period. The age is therefore set at 15 years, as democracy was introduced in 1977.

Party Membership. To avoid the exclusion of cases due to missing values, the closest observed values were assigned to Australia (1950s), Belgium (1950s), Ireland (1950–60s), Norway (1950s) and Switzerland (1950s). Since a longer period was missing for Canada, party membership was estimated by using data for partisan attachments in the 1960–70s. The ratio of partisan attachment to party membership was calculated to be 5.9% for the 1987–1994 period. This ratio was assumed constant, and membership was calculated to be 4.5% for the 1960s and 3.7% for the 1970s. The 1950s were set at 1960 values. Calculations based on data provided by Carty (2002).

**APPENDIX B. Model where missing values are replaced by estimates.**

1950-2005	<b>Determinants of New Party Participation: Final Trimmed Models</b>					
	<b>Model 5</b>			<b>Model 6 (with US-dummy)</b>		
	Number of New Parties Participating according to coverage of electoral districts					
	>25 pct	>50 pct	>75 pct	>25 pct	>50 pct	>75 pct
Federalism	0.803*** (0.000)	0.743*** (0.000)	0.705*** (0.000)	0.812*** (0.000)	0.747*** (0.000)	0.706*** (0.000)
Veto players	1.115* (0.036)	1.159* (0.015)	0.998 (0.977)	1.114* (0.017)	1.154** (0.005)	0.989 (0.882)
Petition for ballot access	0.999*** (0.001)	0.998* (0.016)	0.999 (0.128)	1.008* (0.029)	1.012* (0.018)	1.015 (0.070)
Fee/deposit for ballot access	0.985*** (0.000)	0.975*** (0.000)	0.959*** (0.000)	0.987*** (0.000)	0.979*** (0.000)	0.967*** (0.000)
Free television	0.914 (0.138)	0.889 (0.123)	0.805* (0.014)	0.916 (0.114)	0.894 (0.078)	0.821* (0.017)
District Magnitude (log)	1.037 (0.343)	1.064 (0.184)	1.124 (0.107)	1.041 (0.263)	1.078 (0.078)	1.157* (0.050)
Party System Age (log)	0.622*** (0.000)	0.582*** (0.000)	0.591** (0.002)	0.638*** (0.000)	0.602*** (0.000)	0.609*** (0.000)
Years from last election	1.436*** (0.000)	1.410** (0.002)	1.402** (0.002)	1.406*** (0.001)	1.370** (0.005)	1.354** (0.010)
Ethnic Diversity	3.078*** (0.000)	2.988* (0.014)	1.175 (0.792)	3.172*** (0.000)	3.271** (0.003)	1.350 (0.606)
Lagged total volatility	1.001 (0.933)	1.003 (0.788)	1.015 (0.130)	0.998 (0.881)	0.998 (0.850)	1.009 (0.333)
Time trend variable	1.018*** (0.000)	1.016** (0.003)	1.019* (0.014)	1.017*** (0.000)	1.016*** (0.001)	1.019** (0.003)
US				0.00000154* (0.018)	1.64e-14*** (0.000)	9.78e-16** (0.004)
<i>N</i>	308	308	308	307	307	307



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