How Parties of Niche Origin Become Junior Coalition Partners

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Abstract

Studies analyzing niche parties have noted that these parties hold executive office less often than mainstream parties due to niche parties attaching less importance to office goals. We challenge these assumptions, arguing that the reason that niche parties less commonly enter executive coalitions has more to do with the preferences of mainstream parties than with any reluctance on the part of the niche parties themselves. We suggest that niche parties are disfavored by formateur parties as junior partners for reasons of transaction costs and risk attitudes. Only if niche parties are perceived as reliable and persistent coalition partners will mainstream parties seek to form a coalition government with them. Analyzing junior coalition membership in 19 democracies (1945-2012) we find support for our theoretical framework. Our findings have important implications for our understanding of party system fragmentation and its consequences for coalition formation in contemporary democracies.

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Introduction

Dɪstrust of mainstream politicians and organizations is on the rise in advanced democracies. Consequently established mainstream parties face electoral losses accompanied by the increase of large vote gains for parties of niche origin—such as green, regionalist and especially populist right parties.[1] Recent election campaigns in the United Kingdom, France, Germany, the Netherlands and Sweden have been dominated by the electoral gains of populist right parties. In Scotland and Catalonia, regionalist parties have made spectacular advances and pressed strong demands for secession. A key consequence of this development is that coalition bargaining becomes increasingly difficult due to increased party system fragmentation and polarization. Subsequently traditional mainstream parties are frequently forced to consider coalitions with strange bedfellows (e.g. Christian Democrats with Green parties). The threat of gridlock in Germany after the 2017 federal elections, which brought about the rise of the radical right AfD (Alternative für Deutschland), mirrors this dilemma excellently. Since the SPD (Sozialdemokratische Partei Deutschlands) at first ruled out joining yet another grand coalition, Chancellor Merkel was left with merely two coalition options immediately after the election: either to seek a coalition comprised of her CDU/CSU with the liberal FDP (Freie Demokratische Partei) and the green party Bündnis 90/Die Grünen or to strive for a minority government – an option tremendously unpopular in German politics.

Even though such coalitions might eventually become the rule rather than the exception in parliamentary democracies, we have few empirical studies of the conditions under which parties of niche origin – such as the Bündnis 90/Die Grünen or the AfD – join coali-

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[1]Throughout the article we will use the term "niche party" instead of "parties of niche origin" for simplicity of presentation. We recognize that the concept of niche parties is contested among scholars in our field (Wagner 2012; Meyer and Miller 2015; Bischof 2017). As suggested by the term "parties of niche origin" we are here interested in the extent to which parties which could be classified as having originated as niche parties have made their way into the political mainstream – more specifically into governmental office. Thus, for reasons explicated by Bischof (2017: 224-225), we believe it makes sense to classify green, regionalist and populist right parties as parties of niche origin.

tion governments. Previous research on niche parties suggests that they emphasize policy objectives and votes, but largely neglect office-seeking strategies (Adams et al. 2006; Bischof and Wagner 2017; D'Alimonte 1999; Spoon 2011). Yet, we still lack a coherent empirical test of these strategies, which clearly have important consequences for coalition formation in contemporary democracies (though see: de Lange 2009).

Moreover, these arguments seem difficult to reconcile with actual patterns of government formation since the late 1990s, especially. In contrast to these accounts, figure 1 shows that since 1945, niche parties have consistently enjoyed (modest) office spoils across parliamentary democracies. And the number of niche parties in executive office has sharply

Figure 1: Percentage of niche parties in coalition governments, (1945-2012)
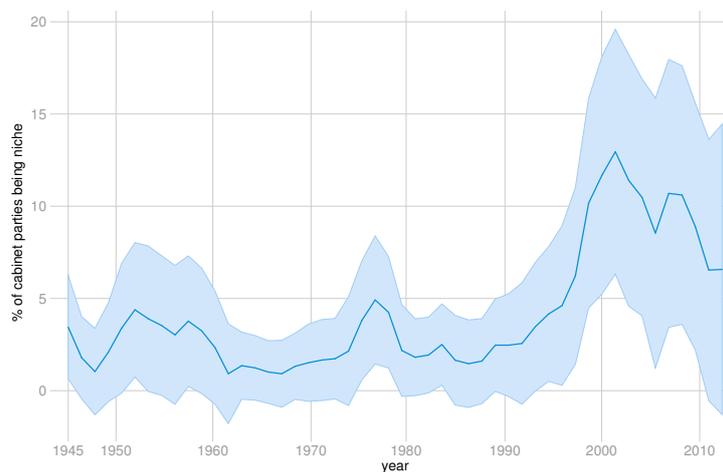
Source: Authors' own; based on Parlgov data.
Notice: Reported is the % of cabinet parties with niche origin across time. Fitted is a local polynomial with 95 % confidence interval. Countries included: Australia, Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden.

increased since the 1990s. The last 20 years have seen parties of niche origin become members of government coalitions in several Western European political systems. In Germany, the Bündnis 90/Die Grünen (Grüne) governed together with the Sozialdemokratische Partei Deutschlands (SPD) for seven consecutive years until the early 2000s. Green parties have

also enjoyed executive status in Belgium, Denmark, Italy, Iceland, Ireland, France and Finland, and are currently in the cabinet coalition in Luxembourg and Sweden. In Austria, the nationalist Freiheitliche Partei Österreichs (FPÖ) and its splinter Bündnis Zukunft Österreich (BZÖ) have governed in five of nine coalition governments since 2000 (Minkenberg 2001; Heinisch 2003). Far Right parties have also held ministerial portfolios in majority and minority cabinets (in the Netherlands and currently in Norway) and acted as support parties for minority cabinets (both in Norway and in Denmark).

In this paper, we study under what conditions parties of niche origin – Greens, Regionalists and Radical Right parties – have entered coalition governments in 19 Advanced Western Democracies from 1945 through 2012. We argue that the cause of the limited participation of niche parties in executive coalition lies more in different opportunities than in different objectives, compared to more mainstream parties. Coalition formation is a highly hierarchical bargaining situation during which formateur parties set out to find suitable junior coalition partners. We suggest that amongst the potential partners mainstream parties are favored, while niche parties for reasons of transaction costs and risk attitudes are unlikely to be chosen as junior coalition partners by the formateur party. The exceptions, which might lead to governments including niche parties, are when these parties can mitigate these concerns by being perceived as credible and reliable long-term coalition partners. Above all, mainstream parties invite niche parties into coalition governments when these same mainstream parties can bargain from a position of electoral strength. We identify empirical proxies for these conditions and test our hypotheses by drawing on a multiply imputed dataset combining information about parties' ideological positions, their bargaining power, the structure of the bargaining process, and electoral results.

We find that - all else being equal - formateur parties are less likely to pick niche parties as junior partners and that policy moderation does not suffice to bring niche parties into office. In line with our expectations, niche parties deviate in at least two important factors

from their mainstream counterparts. First, formateur parties weight coalition bargaining experience and proven reliability in office as even more important for niche parties than for mainstream parties. Second, formateur parties are more likely to choose niche parties as partner in government in a moment of electoral strength. In summary, our results suggest that prime minister parties shy away from inviting niche parties into coalition governments out of concerns about risk and transaction costs. Leaders of formateur parties anticipate that the bargaining process and the following governing period might be more cost-intensive and risky with niche parties than with mainstream parties. But when niche parties can mitigate these concerns, they increase their chances of gaining executive office.

Niche parties

Niche parties have been a topic of growing interest among students of political parties since Meguid's (2005; 2007) seminal study. Meguid categorizes parties as niche if they belong to the Green, Regionalist, or Far Right party families (Meguid 2005, 2007). In line with Bischof (2017), we believe that these parties shared similar characteristics at their origins. First, the three party families emerged on the periphery of their respective party systems. Second, these party families contain parties that share similar points of origin. Thus, for instance, Green parties mobilized across countries in similar circumstances and also aimed to represented similar interests (Rokkan 1970; von Beyme 1984).

The niche party literature focuses on electoral competition and seeks to explain the emergence and fortunes of these new political actors. Early research in this field demonstrated that niche parties' success or failure is tied to the strategies of their usually long-standing mainstream competitors (Meguid 2005, 2007; Adams et al. 2006; Spoon 2011). In contrast to mainstream parties, niche parties face few incentives to shift their policies toward the median voter. Such a strategy would be detrimental to their distinctive policy appeal and result in electoral losses (Adams et al. 2006). Therefore they mostly adapt their policy positions

according to the preferences of their own supporters (Downs 1957; Adams et al. 2006; Ezrow et al. 2010; Ezrow 2010).

Yet, these parties have since adopted different strategies to adapt to their respective environments and secure their electoral survival. As parties of niche origin advance in age so might their strategy considerations, and how they value policy, votes and office (Strøm 1990). Thus, empirically we are interested in how parties of niche origin have evolved across time and specifically their likelihood of entering coalition governments. Despite the fact that they are assumed to value office less than their mainstream counterparts, by 2018 niche parties had entered national government in more than half of all Western European countries.

Dumont and Bäck (2006) report that Green parties gained executive office in eight Western European countries from the early 1980s to 2004. They find that Green parties are particularly likely to enter governments if their ideologically adjacent mainstream party (Social Democrats) is the formateur party and if the Greens are not perceived as an electoral threat. These findings are echoed in a later study by de Lange (2009), and she also reports similar results for radical right parties. It appears that formateur parties may thus turn to niche partners to maximize their short-term policy and office payoffs, even if they expect that such coalitions may be fragile.

Yet, we still have very little systematic knowledge of niche parties' ability to capture, executive office. Existing studies on the circumstances in which Green (Dumont and Bäck 2006), Radical Right (de Lange 2009; Akkerman and de Lange 2013), or Ethno-Regionalistist (Tronconi 2015) parties have been included in national or regional governments focus only on selected parties or countries. Even though this literature contains valuable insights as to why some party families have come into office while others have not, the literature has rarely analyzed niche parties as a single, general category. Thus, we do not yet have a more general explanation of the success or failure of niche parties in capturing executive office.

Niche parties and coalition bargaining: Theory and expectations

Our aim is thus to examine the participation of niche parties in executive coalitions and to identify the factors that may affect the incidence with which such parties gain office. We focus on 19 multiparty democracies, most of which employ Proportional Representation (PR) elections, and in which single-party majorities are rare. Consequently, executive office is typically reached through coalition bargaining, and for niche parties this has to date been the only viable path. Contrary to some previous work in this field (e.g. Adams et al. 2006), we do not believe that in coalition bargaining the leaders of niche parties are driven by fundamentally different objectives from those that motivate other party leaders. Nor do we believe that the bargaining processes that result in the formation of coalitions including niche parties are categorically different from others.

Instead, the relative paucity of governing niche parties is due to three factors: (1) the fact that the bargaining process is typically hierarchical in ways that disfavor niche parties, (2) the tendency for coalition bargaining with unfamiliar and diverse coalition partners to be beset with comparatively high transaction costs, and (3) the tendency for the party leaders that control the agenda of this bargaining process to see niche parties as risky partners. Yet, there are conditions under which niche parties will be more attractive as coalition partners than their mainstream sisters, and that is when these niche parties (i) have policy programs that complement those of their coalition partners, (ii) are comparatively stable (not likely to be gone tomorrow) and (iii) provide evidence of being reliable partners in office. These more favorable conditions account for the fact that niche parties have nevertheless succeeded in capturing executive office in a significant number of countries and that this incidence has increased over the years.

Preference complementarity & policy

We begin our account by examining the proposition, in our view largely erroneous, that niche parties are excluded from office because they take policy positions that are too far removed from those of their potential coalition partners. It is useful, then, to discuss the objectives of the players that dominate the process of coalition bargaining: party leaders. The leaders of most such parties explicitly or implicitly seek to gain executive office (Downs 1957; Wittman 1973; Strøm 1990). Yet, holding executive office means exposure and responsibility for government decisions, which in turn can be electorally costly. Thus, party leaders commonly face conflicts among their policy, office, and electoral objectives. Though different parties may make different trade-offs between policy, office, and electoral goals, most significantly value all three (Strøm 1990; Müller and Strøm 1999).

Yet, different parties make different trade-offs. The existing literature suggests that niche party leaders are "office-shy" because they perceive office attainment as improbable and highly risky (Spoon 2011; Adams et al. 2006).[2] Given that governing typically implies policy costs (given the need to compromise with generally larger and more experienced coalition partners) as well as electoral costs (as parties in office need to deliver on real and implicit promises while facing a potentially non-cooperative administration and enhanced media and public scrutiny) (Narud and Valen 2008), niche parties are commonly assumed to be less likely to trade their other objectives for office benefits.

We believe that even though such differences in motivation may exist, the objectives of party leaders of all stripes are more similar than dissimilar, and that most existing studies have underestimated the importance of policy complementarity in coalition bargaining. In

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[2]Elias and Tronconi (2011: 519) argue that the policy success of autonomist parties is due to the electoral threat that they represent rather than to their participation in national governments. Similarly, research on radical right parties argues that in the countries where they have been electorally successful these parties have indirectly affected law and order and immigration policies. This has happened when mainstream right parties have co-opted their policy concerns rather than through their inclusion in national executives (Akkerman and Rooduijn 2014; Mudde 2013). See also Abou-Chadi (2014) and Spoon, Hobolt, and de Vries (2014) for conflicting views on how green parties' success influences mainstream parties' policies (which the latter may then implement when they are in power, with or without the participation of the greens).

many cases, policy complementarity can work to the advantage of niche parties. The key to this advantage lies in the fact that, as S. Martin (2011: 3) puts it, "while they make policy jointly, parties that participate in coalition are held to account separately". Thus, coalition parties must at the same time collaborate in making policy and compete for votes. In the best of all possible worlds, governing parties would pick coalition partners that would jeopardize none of their policy goals and at the same time offer no competition in the electoral arena. But this happy outcome is often not feasible. If you pick a coalition partner with very similar policy preferences, you may get your way in policy terms but face stiff competition for the same voters. If you pick a partner with very different policy preferences, you may face less electoral competition but not get much done in the way of policy.

One solution to this dilemma, as Luebbert (1986) suggested, is to look for partners with complementary policy agendas. Complementarity means that the policy differences between coalition parties have more to do with different weighting of the various policy dimensions than with policy distances along any one of these dimensions. In other words, parties whose policy agenda is dominated by the left-right economic issues will look for partners whose policy priorities lie along other dimensions, such as social or religious issues, urban-rural divisions, growth vs. sustainability, or the like. Such coalitions of the dissimilar are most likely to offer "win-win" compromises. Parties with complementary policy agendas thus solve their policy conflicts by focusing on their core concerns and ceding control of issues about which they care relatively less, while facing little electoral competition from their coalition partners.

Niche parties may or may not be ideologically close to the median legislator on the traditionally dominant policy dimensions, but differ from mainstream parties in that they focus on different policy issues and communicate them differently (Wagner 2012; Meyer and Miller 2015; Bischof 2017). Whereas at first sight this would make them strange bedfellows for mainstream partners, their politicization of issues that do not align well with the socio-

9

economic left-right dimension could in fact make them attractive coalition partners. As has been found in analyses of the US Congress, in multi-dimensional settings cyclical majorities can be avoided through structure-induced equilibria (Shepsle 1979). Formateurs may thus compartmentalize cabinet policy-making, so that each party enjoys extensive policy discretion within the portfolios emphasized in its program and controlled by its ministers.

Junior coalition parties do not have to be large to appear attractive to the formateur party. As we would expect from unidimensional spatial models of party and electoral competition (Downs 1957; Black 1958), the party including the median legislator is in a very favorable bargaining position, regardless of size (see Laver and Schoefield 1990: 111; Isaksson 2005). A similar advantage holds for parties that are ideologically close or adjacent to the formateur party (Warwick 1996). Previous studies thus suggest that policy moderation helps niche parties to become valid contenders for executive office (Pritchett and Spoon 2012). Yet, we suspect that the effect of policy moderation on the left-right dimension should not diverge between mainstream and niche parties. If niche parties adapt their ideology towards the formateur party they become more likely to enter office, but this effect should not differ for niche and mainstream parties.

Niche parties are likely to favor different portfolios than do mainstream parties. Hence, to a greater extent than more conventional alliances, coalitions between mainstream and niche parties could benefit from the tendency of formateurs to be guided by preference complementarity. For instance, Green parties emphasize environmental issues and their major portfolio goal is typically to control those ministerial portfolios that relate to environmental policy.[3] By contrast, mainstream parties tend to emphasize economic issues (Wagner 2012) and to value the portfolios (e.g., finance, industry, social affairs, and labor) that govern such policy issues. In this vein, to the extent that they are interested in different portfolios than formateur parties, niche parties are attractive coalition partners. Since parties tend to receive the portfolio policy remits they most emphasize in their electoral manifestos, niche

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[3]Of course only if such a ministerial portfolio exists.

parties may indeed turn out to be optimal partners for mainstream parties (Bäck, Debus, and Dumont 2011; Ecker and Meyer 2017). Controlling for the policy distance on the main dimension of party competition, we thus expect that from the formateur's perspective, the more complementary a niche party is with respect to its portfolio preferences, the more it is likely to become a coalition partner. Given their distinctive issue emphases, niche parties could thus become attractive partners for mainstream parties.

- **Portfolio compatibility hypothesis:** Niche parties are more likely to enter office the more complementary their portfolio preferences are to those of the formateur party.

Hierarchical bargaining

The main reason niche parties are underrepresented in government is that coalition bargaining tends to be structured in ways that disfavor such parties. Even though parliamentary democracies differ substantially in the formal and informal rules that govern the process of government formation (Strøm, Budge, and Laver 1994), this process can in general be characterized as hierarchical and formateur-based.

In most parliamentary democracies, governments form through a two stage-process (Bäck and Dumont 2008). First, a formateur is appointed by the Head of State or emerges as prescribed by the constitution or by customary practice. This formateur is given agenda control over the bargaining process and is typically expected to become the new prime minister. The second stage of bargaining consists in the formateur party's quest for coalition partners, which normally ends with the formation of a cabinet consisting of representatives of all coalition partners (see: de Winter and Dumont 2008). The formateur party's agenda power gives it a substantial advantage in this process and implies that the choice of junior partners is essentially at the discretion of the formateur.

In total, the formation process favors parties that are recognized as formateurs, which

hardly ever happens to niche parties. In the countries covered in our analysis, niche parties have never been able to take the driver's seat in coalition bargaining. Whenever they have been able to gain executive office, they have done so as a junior coalition partner invited by the coalition formateur. Consequently, niche parties, like other junior coalition partners, will only be in office when some formateur – usually the largest party after an election (Diermeier and Merlo 2004; Bäck and Dumont 2008) – invites them. Their trajectories to executive office might, for reasons we explore below, depend even more than for other parties on the mercy, or risk acceptance, of the formateur.

Transaction Costs & Risk

The current literature on cabinet formation models coalition bargaining in increasingly realistic, but yet stylized, ways. Two factors commonly ignored in such models are transaction costs and risk attitudes. In our view, these factors cannot always be ignored, and they are likely often to work to the disadvantage of niche parties. Let us therefore consider these factors, beginning with transaction costs.

Government formation processes are not one-off events, nor are they costless. Bargaining takes time and requires the commitment of resources. The average coalition bargaining process in Western European democracies is around two weeks (de Winter and Dumont 2008; Ecker and Meyer 2015), but some such bargaining processes take much longer, up to 549 days in the infamous Belgian cabinet crisis of 2010-11. During this time, parties cannot "consume" the political goods they are negotiating over, and their negotiators often have to endure long days (and nights) of tough discussions. But the costs incurred in this process is not all that coalition bargaining requires. Instead, it is more instructive to think of the whole process of coalition governance as involving ongoing negotiations and transactions at multiple political levels.

But the costs incurred in this process is not all that coalition bargaining requires. Instead, it is instructive to think of coalition governance as involving ongoing negotiations

and transactions at multiple political levels. Formateurs therefore anticipate that they will be engaged in long-term, intensive, and potentially costly relationships with their coalition partners. With these expectations in mind, they look for coalition partners that can help them minimize their transaction costs. One of the most important considerations in this context is experience. A partner with whom the formateur has previous experience is, all else equal, preferable to a partner with whom no such experience exists. While some coalition experiences are surely negative, a positive experience in governing together not only builds trust, but it may also dispense with the need to build institutions and for a for mutual governance from scratch.

Such concerns about experience are likely to disfavor niche parties. Warwick ([1996]) found that parties that had had cabinet experience, especially those that were not out of cabinet for long, were more likely to get into office than those with no cabinet experience. Glasgow and Golder ([2014]) qualify this result: having been a member of the preceding cabinet is an advantage only if the incumbent administration is able to re-form, but a disadvantage if this is not the case.[4] After cabinets that were not brought down by internal conflict or by the voters (Martin and Stevenson [2010]), incumbent cabinets are also more likely to reemerge. Political parties' past histories of government membership thus influence their present bargaining prospects. Parties that governed together in the past are more likely to govern together in the future (Franklin and Mackie [1984]), presumably due to lower transaction costs compared to alternative partners. Negotiating with a new partner can be costly in time and effort, but bargaining with an actor whose preferences and behavior are well known is cheaper and more efficient. Thus, in terms of initial transaction costs, niche parties often have little to commend themselves. They tend to be new and inexperienced and therefore disfavored. As

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[4]Bäck and Dumont ([2008]) find that incumbent PM parties are not significantly advantaged to continue as PM party in countries where the Head of State has a role in the appointment of formateurs. In addition, and in line with Glasgow and Golder's ([2014]) results, the same authors find that when unable to lead the bargaining process, the incumbent PM party tends be excluded from the cabinet. Relatedly, Tavits ([2008]) found that parties that caused the downfall of a preceding government were punished by their former partners and were thus less likely to be invited by them again.

argued by Grotz and Weber (2016), new parties add to the uncertainty of the bargaining environment.

The second way in which our existing understanding of coalition bargaining tends to be simplistic is in its neglect of risk attitudes. In the real world, formateurs must consider the risks, as well as the transaction costs, of agreements with new partners. Formateurs obviously prefer not to negotiate with parties that cannot control their members, are likely to fall apart, or that could lose a significant part of their electoral base to challengers outside the coalition. Therefore, parties contending for coalition membership need to show parliamentary responsibility, internal discipline, and persistence. Moreover, untried coalition partners may be fragile in the sense that they could suffer catastrophic divisions or a large loss of support in case they entered a coalition with a mainstream party. Formateurs do not want to form coalitions with parties that are likely to fall apart in such ways.

Niche parties tend to be electorally unstable and therefore unreliable partners for mainstream parties. And besides having lesser-known policy preferences, they cannot rely on a reputation as reliable coalition partners. Hence, especially when niche parties first enter parliament, leaders of mainstream parties will await demonstration that these newcomers are viable and can act responsibly. For instance, the German Greens were long considered by competitors as internally divided, electorally unstable, and incapable of acting coherently and responsibly in parliamentary debates and deliberation. This changed considerably once the party survived its first major electoral crisis (in 1990, when the Western branch lost parliamentary representation entirely) and came back to secure persistent support in subsequent elections.

More than any other party characteristic, incumbency in executive office puts parties, their behavior and ideology into the limelight. Parties in office face different responsibilities than opposition parties and whether and how they respond is severely tested almost on a daily basis (Strøm 1990: 573). To date most niche parties have not experienced the benefits

of office. However, some of those niche parties that have enjoyed office have proven their persistence and ability to govern. Once niche parties have governmental experience, their chances of getting into office again should increase dramatically, as formateur parties come to perceive them as reliable potential partners. This factor should be especially significant if a previous coalition constellation can be reformed. We thus derive the following three hypotheses:

- **Baseline disadvantage hypothesis:** Due to formateur transaction costs and risk aversion, niche parties are less likely to become coalition partners than are mainstream parties.

- **Persistence hypothesis:** A record of electoral persistence can (partially) offset the baseline disadvantage of niche parties and increase their probability of entering office.

- **Governmental experience hypothesis:** Governmental experience can (partially) offset the baseline disadvantage of niche parties and increase their probability of entering office.

Votes

Finally, formateur parties will look to their electoral prospects when considering potential future coalition partners. In many situations niche parties are electoral challengers for their mainstream competitors (Meguid 2005, 2007). For instance, since their infancies green parties have competed at least for a subset of social democratic voters. Thus, frequently electoral gains for green parties go hand in hand with electoral losses for social democrats. As a consequence mainstream parties face the incentive to marginalize their niche party sisters from policy-making and governing.

Hence, the electoral performance of formateur parties should have severe consequences for niche parties' likelihood of joining coalition cabinets. Formateur parties that gained seats

in the most recent election should, all else equal, be more likely to invite niche parties to join a coalition, since such formateurs can walk into coalition bargaining in a stronger bargaining position. Including a niche party in a governing coalition at a moment of electoral gain could have positive electoral consequences for the mainstream party and might harm the niche junior partner electorally. The relevant literature shows that junior coalition partners are likely to suffer electorally after having been in office (Klüver and Spoon 2018). This effect may depend on whether junior coalition partners can distance themselves ideologically from larger partners (Fortunato and Adams 2015; Fortunato 2017) as well as on whether they can convincingly claim to have delivered promised policies (Lin et al. 2017; Tromborg, Stevenson, and Fortunato 2017). In the moment of electoral gains formateur parties are well equipped to limit both of these factors.

- **Formateur performance hypothesis:** Niche parties are more likely to enter a coalition government if formateur parties increased their seat share in the most recent election compared to the previous election.

Research design

Data

We test our hypotheses by drawing on a dataset combining information about parties' ideological positions, their bargaining power, the structure of the bargaining process and electoral results. Our sample includes 381 parties in parliament during 464 government formation opportunities since 1945 until 2012 in 19 Advanced Western Democracies.[5]

Since we want to understand the inclusion of niche parties in coalition governments, we exclude prime minister (formateur) parties from the analysis. In other words, owing to the two-stage process of government formation, we here focus on the choice made by formateur parties between potential junior coalition partners. We disregard caretaker governments

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[5]For a detailed overview of the countries covered, please consult the appendix A.

and single-party majority cabinets. The former case logically excludes bargaining processes, while the latter case represents bargaining processes in which all power lies within a single, majority party. Even though such instances still can result in government coalitions, our research focuses on situations in which more than one party has bargaining power.

As we are interested in the inclusion of niche parties in coalition governments, our units of analysis are parties in parliament during government formation processes. We retrieved the relevant information on the partisan composition of coalition governments, seat shares, and government participation from the ParlGov database (Döring and Manow 2015). This database provides a full sample of all parties that could potentially have joined a coalition government at each formation opportunity.[6]

Our dependent variable is binary and coded "1" whenever a party is a junior coalition member and "0" otherwise. We define niche parties (parties of niche origin) consistently with previous research. Thus, we categorize parties as *niche* if they belong to the Green, Regionalist, or Far Right party families (Meguid 2005, 2007).[7]

To test the portfolio compatibility hypothesis and to control for the effect of ideological distance, we rely on the Comparative Manifesto Project (MARPOR) data. Our reason for relying on the MARPOR data instead of expert surveys is that the MARPOR data captures a larger sample of parties across a longer period of time.[8] We measure the absolute *ideological distance* on the general left-right dimension between each party and the prime minister party based on the RILE scale included in the MARPOR data.[9] As outlined in the theoretical section, niche parties are thought to compete primarily on other policy dimensions neglected by

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[6]Meaning that all parties which managed parliamentary representation (1 seat or more) are included in the dataset.

[7]We use the party family variable from the ParlGov dataset to create the niche party dummy. Deliberately we did not include the communist party family as niche, since we agree with arguments put forward elsewhere that communist parties should rather be regarded as mainstream parties (Bischof 2017). 92 (24% of the whole sample) parties are categorized as niche parties (of which 43=Regionalist; 25=far right; 24=green parties).

[8]The "MARPOR" data used to be abbreviated "CMP" data. section A2.1 gives a more detailed look into the formulas standing behind this measurement.

[9]We divided the RILE scale by ten before calculating the absolute distance to assure comparability with the other coefficients in our models.

their mainstream competitors (Meguid 2005, 2007; Bischof 2017). Our measure of the portfolio compatibility of each party is therefore captured by a party's distance to the formateur party on twelve other issue dimensions (comparable to: Meyer and Miller 2015). First, we aggregated the issue codes in the MARPOR data into twelve dimensions reflecting ministerial portfolios as proposed in Bäck, Debus, and Dumont (2011).[10] Then we calculated the absolute distance of each party to the formateur on each of the twelve dimensions.

The measurements of the remaining variables are straightforward. *Governmental experience* is the percentage of legislative periods a party has governed until t. Thus, we count at time t all previous times a party was in office and divided that by the total number of observations during the time that this party was represented in the legislature. This is a continuous variable ranging from 0 to 1, with higher values indicating more experience in government (μ=0.34; σ=0.35). *Persistence* is calculated as the number of consecutive electoral periods during which a party was represented in parliament (Sartori 1976).[11] We use these two variables to proxy niche parties' experience in parliament as well as in past coalition governments. Finally, to test our formateur performance hypothesis we rely on the difference in seat percentages achieved by the formateur party between the election at t and the election at $t-1$ ($\Delta\ PM_{size}$).[12]

We also include in our models a set of controls. First, and similar to previous research we control for parties' seats share and seat share squared (Glasgow and Golder 2014: 745). This specification allows us to control for any curvilinear relationship between a party's seat share and the likelihood of becoming a junior coalition partner. Second, since highly fragmented systems might be more susceptible to niche party coalition membership (see, for

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[10]Section A2.2 in the appendix reports the formula used to estimate the absolute distance of issue emphasis, all twelve portfolio dimensions and the MARPOR codes included to measure each of these portfolios. We exclude the "industry" dimension proposed by Bäck, Debus, and Dumont (2011) due to its similarity with the "economics" dimension (see: Meyer and Miller 2015: 268).

[11]This means that after a party drops out of parliament, its persistence score begins again from "0". This is in line with our theoretical expectations. Estimations replacing this variable with the age of the party generated similar results.

[12]We also replaced measures based on seat share with vote shares and arrived at the same empirical conclusions. Furthermore, a measure of power – Banzhaf index (Banzhaf 1965) – again provides similar findings.

instance: Ezrow and Xezonakis 2011), we control for party system polarization again based on the RILE scale from the MARPOR data.

Modeling strategy & missing data

As described earlier our dependent variable is binary. Thus, we use a set of logistic regression models to test our hypotheses. We follow suggestions in previous research and use standard logistic regression models with clustered standard errors by each formation opportunity (Bäck and Dumont 2008; Tavits 2008). Thus we estimate the probability for each $party_i$ to join a coalition cabinet:

$$P_i = \frac{e^{x_i\beta}}{1 + e^{x_i\beta}} \tag{1}$$

Using clustered standard errors per government formation opportunity accounts for the fact that parties bargain within a distinctive formation opportunity, such that standard errors will be correlated within each formation opportunity. Furthermore, following recent methodological advice we use cubic time splines to address the temporal dependence of our data (Beck, Katz, and Tucker 1998: 1270-1271). As outlined above we are here interested how the key factors outlined above affected niche parties' likelihood of becoming junior coalition partners. Thus, we test our hypotheses by specifying interaction terms between the *niche* variable and the independent variables of interest. In the main specifications we do not use country fixed effects. Yet, our findings are robust to specifications using country fixed effects (see Appendix Table 5).

A final issue pertains to missing data. The MARPOR dataset does not cover the entire universe of parties that have been represented in the parliaments during the relevant government formations we observe. Excluding such cases would lead us to omit 18 % of our sample from the analysis. Previous research using the MARPOR data largely stick to the sample of parties provided by this dataset. Yet, we believe it is crucial to address the missing data issue in our data instead of relying on listwise deletion. We do so by using multiple imputations

19

out of two major reasons.

First, as research emphasizes using multiple imputation is almost always a superior strategy than relying on listwise deletion – specifically if observations are missing at random (Rubin 1976, 1987; King et al. 2001; Honaker and King 2010; Lall 2016). For instance, in a major replication endeavor Lall (2016) shows that almost all replicated key findings disappear once fully specified samples are analyzed. Second, the key observations we are interested in here are niche parties. Niche parties are a group of often small and electorally volatile parties. Since MARPOR's inclusion criteria rest heavily on parties' electoral performance and survival niche parties heavily risk being reported as missing in the MARPOR data set. Indeed in our case 42 % of parties classified as niche have missing values in the MARPOR data set. Thus, relying on this sample of niche parties would bias our estimates towards electorally successful niche parties.

To address this issue we use multiple imputations to fill the missing values with five data-points substituting each missing value (Rubin 1987). To generate imputations for the missing values in our dataset, we assume that our data are multivariate normal and use several fully specified variables including our dependent variable to model the missing values for our sample of parties (see Appendix B). We then impute five values for parties' RILE score and for the twelve dimensions comprising the portfolio compatibility measure. We then combine the results of the statistical analyses across the five multiply imputed datasets and report the resulting multiple imputation estimates (King et al. 2001; Honaker and King 2010). Note, however, that our key findings remain unaffected by our decision to use multiple imputations (Appendix Table 4).

Results

In the first step of our analysis we replicate previous research and discuss the quality of our imputed values. To do so table 1 reports the differences and commonalities between the

imputed and non-imputed datasets.

All models rest on the modeling specifications and variables outlined above. The first three columns are based on the non-imputed dataset, while columns four and five use the imputed datasets. We first entered variables that are fully specified for our sample, before stepwise including variables based on the MARPOR data and system level variables. In general table 1 supports the findings of previous studies and all variables work in the expected direction. Thus, prior experience makes parties more likely to be selected as junior coalition partners. Increasing seat shares work in the same direction, but as suspected in a curvilinear relationship. Ideological distance to the prime minister party, however, decreases a niche party's likelihood of joining a coalition government. Interestingly, policy compatibility with the prime minister party makes parties less likely to become junior coalition partners. This is due to the fact that in most instances policy compatibility goes hand in hand with ideological distance on the left-right dimension. Thus, formateur parties seem to weight ideological distance more than compatibility and thus compatibility more often than not hurts niche parties' governing chances. Comparing the imputed with the non-imputed effects shows consistency across both data sets – both in substance and significance.

Turning to our baseline disadvantage hypothesis ceteris paribus niche parties appear to be less likely to be selected as junior partners. The niche party dummy reports a negative coefficient throughout all models we estimated. Yet in terms of statistically significance differences emerge across the imputed and non-imputed data sets. Models (2) and (3) rely on listwise deletion and this results in a loss of 509 observations because the MARPOR data reports missings for these observations. In models (2) and (3) we do not find support for our baseline disadvantage hypothesis. However, as discussed in the method section these results are likely to be biased since MARPOR's selection criteria are based on electoral performance. This biases the estimates reported in models (2) and (3) towards electorally successful parties and even more importantly disproportionately leads to the exclusion of niche parties.

Table 1: Explaining junior coalition membership, baseline logit models

	(1)	(2)	(3)	(4)	(5)
	junior partner	junior partner	junior partner	junior partner (imputed sample)	junior partner (imputed sample)
niche party	-0.528**	-0.258	-0.233	-0.482**	-0.477**
	(0.172)	(0.181)	(0.183)	(0.171)	(0.172)
% of periods in office	3.102***	2.734***	2.787***	2.956***	3.001***
	(0.225)	(0.227)	(0.230)	(0.229)	(0.232)
persistence	0.0119	0.0252*	0.0208*	0.0206*	0.0168
	(0.00956)	(0.0106)	(0.0106)	(0.0100)	(0.00991)
seat share	8.029***	4.381*	4.392*	8.084***	8.074***
	(1.872)	(1.839)	(1.854)	(1.924)	(1.940)
seat share^2	-27.23***	-18.80***	-18.48***	-27.27***	-26.98***
	(5.157)	(4.863)	(4.904)	(5.293)	(5.334)
Δ PM$_{size}$	1.038	0.626	0.550	1.143	1.040
	(0.698)	(0.766)	(0.758)	(0.732)	(0.728)
ideological distance to PM		-0.264**	-0.346***	-0.260**	-0.329***
		(0.0895)	(0.1000)	(0.0875)	(0.0953)
compatibility with PM		-0.586***	-0.620***	-0.564***	-0.596***
		(0.173)	(0.174)	(0.169)	(0.169)
polarization			0.400*		0.362*
			(0.166)		(0.150)
constant	-2.523	-1.294	-1.570	-1.783	-2.038
	(0.199)	(0.258)	(0.279)	(0.239)	(0.260)
log likelihood	-1200.0	-1100.7	-1098.0	.	.
χ^2	417.1	289.0	284.1	.	.
aic	2422.1	2227.4	2224.0	.	.
bic	2487.0	2301.5	2303.7	.	.
RVI	.	.	.	0.00885	0.00987
FMI	.	.	.	0.0726	0.0681
$N_{imputations}$	.	.	.	5	5
$N_{formations}$	429	418	418	429	429
$N_{parties}$	2711	2202	2202	2711	2711

Clustered standard errors by government formation opportunity in parentheses;
all models include cubic time splines omitted from table;
column (1)-(3) based on missing data & column (4)-(5) include imputed values;
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

However, the niche party effect is significant for the estimates based on the imputed datasets leading us to conclude that we find support for the idea that niche parties are less likely to become coalition partners than mainstream parties.

In terms of quality of our imputations two key findings emerge from table 1. First, notice that the effect of all other variables than the niche party dummy remains almost exactly the same across the imputed and non-imputed models. Also the size of our coefficients and more importantly the standard errors remain comparable. This suggests that in general our imputation model worked well and reports consistent estimates. Second and relatedly, the relative variance increase (RVI) due to nonresponse is very low (close to 0), suggesting that the estimates of the imputed models are almost not effected by the missingness of the data.[13] In summary, we believe that table 1 provides (a) clear confirmation for the quality of the imputations and (b) suggests that our claim about the sampling issues of previous studies of niche parties appear to be confirmed.

In table 2 we then turn towards testing which factors might help niche parties to be chosen over mainstream parties as junior coalition partners. Thus, we are interested how specific factors affect the likelihood of niche parties being selected as a coalition partner in comparison to mainstream parties. We estimated separate interactions for each factor in models (1)-(5), before "pooling" all of them in a single model in the last column of table 2.

The first two columns in table 2 test our hypotheses in relation to governmental experience and persistence. We find strong support for both of these hypotheses. Both interactions are significant and report a positive coefficient. To visualize these findings we report the predicted probabilities for mainstream and niche parties in figures 3a and 3b based on model (1) and (2). Lack of persistence significantly reduces niche parties' office-seeking capabilities. Niche parties are punished by formateur parties and more so than their unexperienced mainstream sisters. Yet, once niche parties are more than 11 consecutive legislative periods

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[13]A "relative variance increase" is an increase in the variance of the estimate because of the loss of information about the parameter due to nonresponse relative to the variance of the estimate with no information lost.

**Table 2:** Explaining niche parties junior coalition membership, logit estimates

	(1)	(2)	(3)	(4)	(5)	(6)
	junior partner	junior partner	junior partner	junior partner	junior partner	junior partner
% of periods in office	2.678***	2.912***	3.015***	2.980***	2.966***	2.693***
	(0.236)	(0.229)	(0.234)	(0.232)	(0.232)	(0.237)
niche party	-1.156***	-1.279***	-0.601**	-0.737**	-0.982**	-1.960***
	(0.234)	(0.257)	(0.188)	(0.269)	(0.353)	(0.547)
persistence	0.00865	-0.000456	0.0186	0.0169	0.0173	0.00313
	(0.0102)	(0.0106)	(0.0101)	(0.00986)	(0.00996)	(0.0106)
seat share	8.346***	8.610***	8.022***	8.238***	8.051***	8.543***
	(1.939)	(1.945)	(1.923)	(1.939)	(1.949)	(1.922)
seat share^2	-26.63***	-27.55***	-26.91***	-27.30***	-26.87***	-26.95***
	(5.294)	(5.313)	(5.289)	(5.353)	(5.354)	(5.249)
Δ PM$_{size}$	1.160	1.041	0.256	1.067	1.024	0.346
	(0.706)	(0.719)	(0.763)	(0.728)	(0.724)	(0.738)
ideological distance to PM	-0.335***	-0.338***	-0.336***	-0.370***	-0.315**	-0.350***
	(0.0958)	(0.0946)	(0.0942)	(0.0976)	(0.0968)	(0.0961)
compatibility with PM	-0.670***	-0.573***	-0.594***	-0.583***	-0.712***	-0.662***
	(0.167)	(0.164)	(0.165)	(0.169)	(0.187)	(0.183)
polarization	0.304*	0.357*	0.356*	0.360*	0.357*	0.307*
	(0.151)	(0.149)	(0.151)	(0.151)	(0.151)	(0.154)
niche $\times$ % of periods in office	**2.883***					**2.449**
	(0.682)					**(0.853)**
niche $\times$ persistence		**0.112***				**0.0743*
		(0.0203)				**(0.0291)**
niche $\times$ Δ PM$_{size}$			**9.077***			**11.87***
			(2.079)			**(2.247)**
niche $\times$ ideological distance to PM				**0.310**		**0.157**
				(0.226)		**(0.240)**
niche $\times$ compatibility with PM					**0.652**	**0.0714**
					(0.363)	**(0.496)**
constant	-1.811	-1.965	-2.027	-2.008	-1.958	-1.794
	(0.258)	(0.257)	(0.262)	(0.262)	(0.266)	(0.263)
RVI	0.00893	0.0108	0.00945	0.0163	0.0114	0.0157
FMI	0.0697	0.0724	0.0714	0.103	0.0798	0.104
$N_{imputations}$	5	5	5	5	5	5
$N_{formations}$	429	429	429	429	429	429
$N_{parties}$	2711	2711	2711	2711	2711	2711

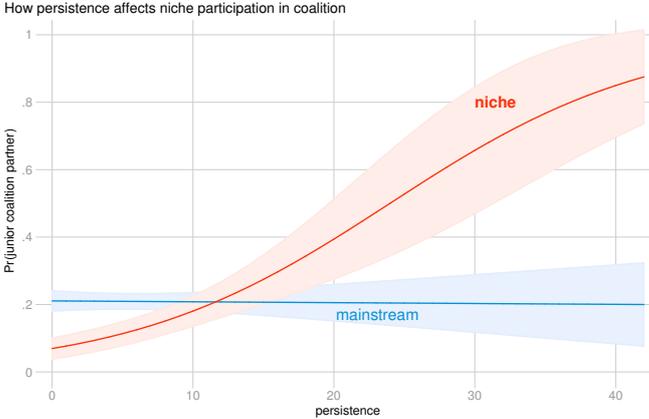Clustered standard errors by government formation opportunity in parentheses;
all models include cubic time splines omitted from table
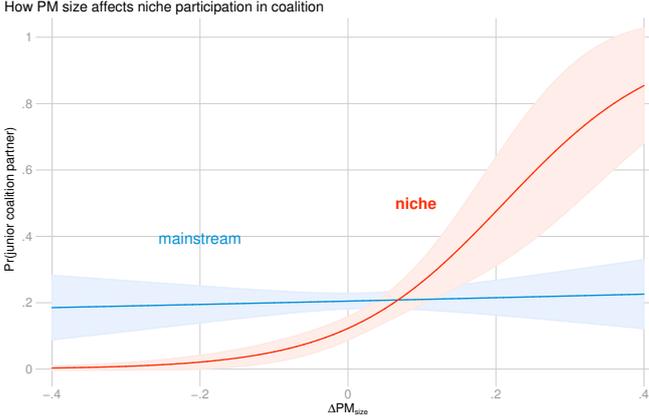* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

24

Figure 2: The marginal effects of persistence & compatibility with PM
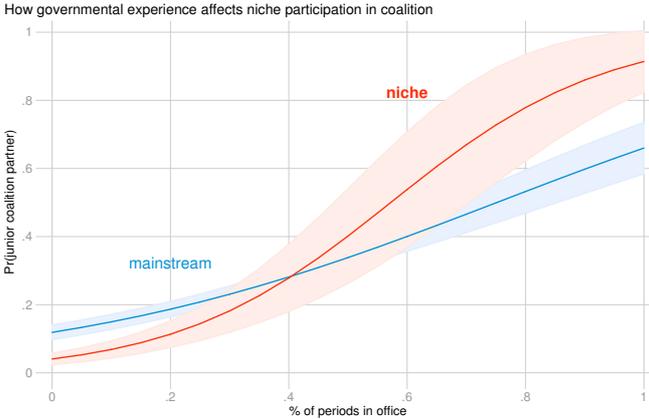
(a) governmental experience

(b) persistence

(c) ΔPM_{seats}

Note: Based on model (6) in table 2. Solid lines report linear effect surrounded by the 95% confidence interval as dotted lines. All other covariates kept at their means. Spikes report the density distribution of the compatibility and persistence variable respectively.

in parliament, persistence turns to an advantage for niche parties. Of course only a small subset of niche parties ever reaches such an persistence (10.96%) – e.g. the Austrian FPÖ or German Greens. A similar effect emerges for governmental experience. However, as the slopes in figure 3a reveal the differences between mainstream and niche parties appear to be less striking. Thus, our results suggest that niche parties appear to benefit more from electoral persistence than from governmental experience. These interactions also remain statistically significant once we control for all other interactions in model (6).

In model (3) table 2 we then move on to test our formateur performance hypothesis. We hypothesized that formateur parties are more likely to invite niche parties into a governing coalition in a moment of electoral strength. Indeed, we do find a statistically significant and positive effect of a formateur's electoral performance on niche parties' likelihood to be invited into a coalition. Figure 3c shows that in the moment of having lost seats in comparison to the last election (values on x-axis<0), formateur parties are more likely to form coalitions with mainstream parties. Niche parties are then significantly more likely to join coalitions if the formateur party acts in the moment of electoral gains (values on x-axis>0).

Finally, we do not find support for our hypothesis in relation to compatibility neither do we find support for a policy moderation effect. Recall that in table 1 we do find significant effects for policy moderation and compatibility for *all* junior coalition partners. However, models (4) and (5) in table 2 report that these factors work identical for mainstream and niche parties. Both interactions are not statistically significant. This means that just like mainstream parties niche parties can benefit from policy moderation.

Robustness: Governmental experience or incumbent coalition effect? Recent studies suggest that using logistic regression models with whichever clustering specification do not account for the complex bargaining structure of coalition formation (Glasgow, Golder, and Golder 2012; Glasgow and Golder 2014). Following this reasoning the probability of $party_i$ to join a coalition not only depends on party specific characteristics, but also on the

characteristics of the remaining parties in the coalition formation process.

While most of our theorized factors are party specific, governmental experience might as well be a coalition specific effect. Instead of a party's own experience, this might as well be a incumbent coalition effect (Glasgow and Golder 2014). Most of the theoretical considerations standing behind our governmental experience hypothesis are based on incumbent coalition characteristics: incumbent coalitions have more information about their partners, striving to continue the relationship appears to be cheaper than searching for new ones (Martin and Stevenson 2010). Thus, as a robustness test we estimate conditional logit models using potential coalitions as our unit of analysis (see Appendix D.1 for more details).

Figure 3 plots the results of our conditional logit models. Here we plot the estimates for

Figure 3: Incumbent party or incumbent coalition effect?
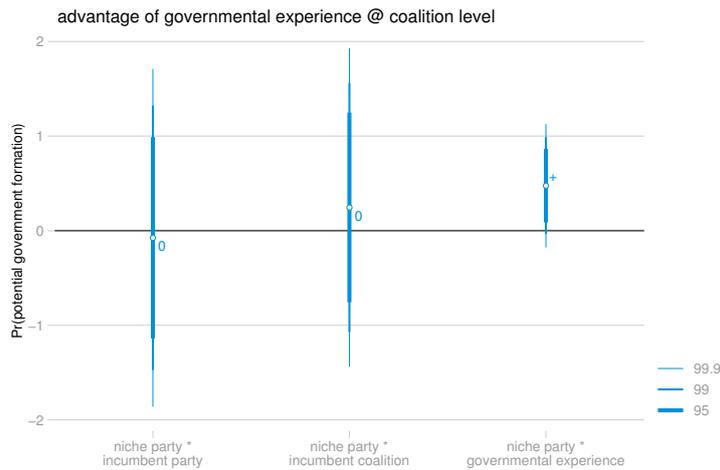
Note: Markers are regression coefficients. Whiskers are confidence intervals corresponding to coefficients (99.9; 99; 95 %). Based on conditional logistic model (unit of analysis=potential coalitions; N=981,312). Remaining independent variables omitted from figure.

the three key interactions between the niche dummy, an incumbent party, incumbent coalition and the governmental experience variables. As it turns out, the governmental experience effect is robust to controlling for incumbency effects. Both interactions between the niche

party variable and the incumbent party/coalition level are not statistically significant. Thus, the results of our conditional logit models support our findings of the logit models. Niche parties are more likely to enter governing coalitions after having accumulated experience in office. This effect seems independent from any observable coalition-level characteristics. After having been in office niche parties become more attractive coalition partners not only for the period immediately after having been in office (incumbency).

Further robustness tests reveal that our findings are robust to introducing country fixed effects (see Appendix Table 5) and relying on the non-imputed information in our data only (see Appendix Table 4). Finally, to get a better understanding of the substantial effect of the formateur performance hypothesis, we run a simulation on the election leading to the Schüssel III government (2003-2005) in Austria (see Appendix D.2). Creating counterfactual scenarios for the electoral performance of all Austrian parties reveals that if Schüssel's ÖVP would have had turned out to win 37 % instead of 43.2 % of parliamentary seats the likelihood of forming a governing coalition with the Radical Right FPÖ would have decreased tremendously by about 12.6 %. In this scenario a grand coalition would have been the most likely outcome of the government formation process. This underpins the importance of electoral success for the behavior of formateur parties. In case of electoral losses by formateur parties niche parties are very unlikely to be invited to join a coalition cabinet.

Conclusion

Previous research suggests that niche parties place greater emphasis than mainstream parties on policy objectives (Adams et al. 2006: 515). This led scholars to argue that parties of niche origin might themselves forgo office spoils in an effort to ensure policy goals (Pritchett and Spoon 2012). However, so far we lack a comprehensive empirical investigation of the factors and party characteristics bringing niche parties into office.

We challenge these assumptions, arguing that the reason that niche parties less com-

monly enter executive coalitions has more to do with the preferences of mainstream parties than with any reluctance on the part of the niche parties themselves. Coalition formation is a highly hierarchical bargaining situation during which formateur parties set out to search suitable junior coalition partners. This results in niche parties being significantly less likely to be considered as junior coalition partners by the formateur party due to transaction costs and insecurity about niche parties' reliability. The exceptions, which might lead to governments including niche parties, are when these parties can mitigate these concerns by being perceived as credible and reliable long-term coalition partners.

To test our arguments we study how parties of niche origin – Greens, Regionalists and Radical Right parties – become junior coalition partners in 19 Advanced Western Democracies from 1945 through 2012. We find that formateur parties are less likely to pick niche parties as junior partners. In line with our theoretical framework we find that formateur parties are more likely to pick niche parties as junior coalition partners if (a) niche parties are electorally persistent and have proven reliable governing parties and if (b) formateur parties act in a moment of electoral strength.

Our findings have important implications for existing research and coalition formation in contemporary democracies. First, we add theoretically and empirically to the existing literature on niche parties by emphasizing that in fact mainstream parties appear reluctant to invite niche parties into governing coalitions in the first place. It is only under very specific circumstances that niche parties are perceived as valid partners for formateur parties in the first place. Furthermore, the characteristics controlled by niche parties themselves – such as ideological moderation and compatibility – appear to work identical for niche and mainstream junior coalition partners. Thus, the relative paucity of niche parties in government may not reflect a lack of interest on these parties' part. Niche parties might in fact be more interested in office spoils than previous research has assumed. This might also partly explain why recently even very young niche parties have been regarded as potential coali-

tion partners, for instance in Greece, Spain and Italy. Second, contemporary democracies ever more often face party system fragmentation and polarization. Going back to the German example in the introduction, our findings suggest that there was no 'easy way out' of Merkel's gridlock situation. This might very well lead to more 'strange bedfellows' in coalition politics. It might also force parties of niche origin to seek organizational and behavioral professionalization at an early age.

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Online Appendix

A Country selection

We include the following 19 countries in our analyses: Australia (1946-2010), Austria (1945-2008), Belgium (1946-2010), Cyprus (1976-2011), Denmark (1945-2011), Finland (1945-2011), France (1945-2012), Germany (1949-2009), Greece (1974-2012), Iceland (1946-2009), Ireland (1948-2011), Italy (1946-2008), Luxembourg (1945-2009), Netherlands (1946-2010), New Zealand (1946-2011), Norway (1945-2009), Portugal (1976-2011), Spain (1977-2011), Sweden (1948-2010). Given that our research interest is government formations in democracies, we exclude non-democratic time periods from our sample (Greece until 1974, Spain until 1977, Portugal until 1976). Three additional countries – United States of America, Canada and the United Kingdom – are omitted from the analysis because either they do not provide information on coalition bargaining (USA, Canada) or their party system lacks representation of a niche party in parliament (USA, UK). Switzerland is excluded because the "magical formula" makes bargaining for the formation of governments irrelevant.

B Imputation Model

The core idea of multiple imputation models is that any case in a sample can be replaced by a new randomly chosen case from the same source population (Donders et al. 2006). Thus, in the case of a missing value in a variable this missing is replaced by a value drawn from an estimate of the distribution of this variable. This process is then called imputation. In the case of multiple imputation, not only a single estimate is used to replace the missing, but various estimates are used.

In the case of missing at random (MAR) as assumed in our model, imputation models provide unbiased estimates of the results. MAR assumes that the probability that an observation is missing depends on information for that observation that is available in the dataset. Thus, in our case missingness is likely to depend on parties' vote- and seat-share. Yet, single imputation results in optimistic estimates, with overconfident standard errors. In contrast, multiple imputation yields correctly specified standard errors and confidence intervals. Thanks to Markov Chain Monte Carlo (MCMC) methods obtaining such computationally demanding estimates is nowadays possible in most statistical software packages (we here use Amelia in R).

It is important to annotate that the prediction of imputations is not causal (King et al. 2001: 51). Thus, often one of the best predictors of missings is the dependent variable of the final model estimated. Therefore, using the dependent variable as a predictor of the missings does not infringe the prediction. In contrast, it emends it.
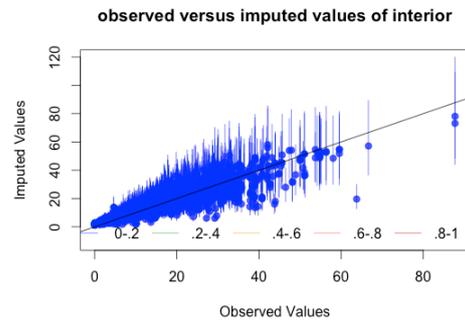
Consequently, our imputation model includes all variables included in our final model, a set of variables based on results of previous studies (e.g. party family dummies), polynomial time splines an the dependent variable as predictors of the missing values in the party ideology variable. Following

Figure 4: Overimpute plots

(a) Rile
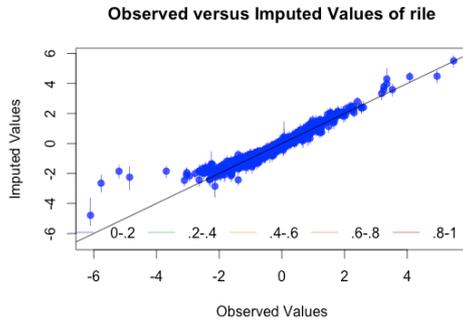
(b) Interior

Rubin ([1987](#): 114), the efficiency of an estimate based on m imputations is approximately: $\left(1 + \frac{y}{m}\right)^{-1}$, with y being the rate of missings of the imputed variable and m the quantity of imputed datasets. This leads to a reasonable efficiency of 0.96 for 5 imputed datasets in our case. We used Amelia II in R to impute our data with polynomial time splines.

Figure [4](#) reports overimputed values from the logged rile scale on the left hand side and from the interior policy dimension on the right hand sight. Overimputing is a technique developed by Honaker and King to judge the fit of the imputation model. It treats each observed value as it they had actually been missing. For each of the observed value it generates several hundred imputed values – as if it were missing. Figure [4](#) graphs the estimates of each observed value against its imputed value. The y=x line indicates the line of perfect agreement. We also report the 90 % confidence interval for our imputations. If confidence intervals include the y=x the values have been confidently predicted. Figure A1.1 pictures that the imputation model works extremely well for the logged rile scale and is slightly less efficient in predicting the twelve portfolio dimensions composing the absolute salience distance measure (represented by the interior portfolio dimension in figure A1.1).

Figure [5](#) then shows the difference of the distribution of the observed data and the five imputed datasets for the final variables we include in our models. While this graph cannot be used to further underline the quality of our imputation model, it provides an insight into the estimation failure we would observe running the models only on the observed values. For both variables – the absolute distance to the PM on the rile scale and on the salience measure – considerable variation can be observed – especially at the peaks of the distributions.

Figure 5: Comparison of density functions of imputations and original dataset
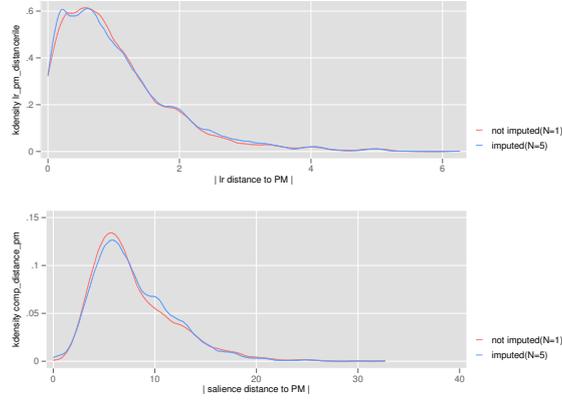
Source: Authors' own.

C Distance measures based on MARPOR codes

C.1 Distance on general left-right scale

$$LR = log(R + 0.5) - log(L + 0.5) \tag{2}$$

A detailed overview about all dimensions contained in R and L can be found in Lowe et al. (2011: 139-140). We then calculate the absolute distance to the prime minister party:

$$\Delta LR = |LR_i - LP_{PM}| \tag{3}$$

with LR_i = lr placement of party of interest; LR_{PM} = lr placement of prime minister party.

C.2 Distance of Issue Emphasis

$$\Delta IE = \sqrt{\frac{1}{12} \sum_{i=1}^{12} (x_i - x_{pm})^2} \tag{4}$$

With x_i = issue emphasis of party of interest on policy dimension$_i$; $x_p m$= issue emphasis of prime minister party on policy dimension$_i$.

Table 3: Policy portfolios and their measurement based on MARPOR codes (Meyer and Miller 2015; Bäck, Debus, and Dumont 2011)

Policy dimension	CMP categories
Foreign	per101: Foreign Special Relationships: Positive
	per102: Foreign Special Relationships: Negative
	per103: Anti-Imperialism
	per106: Peace
	per107: Internationalism: Positive
	per108: European Community: Positive
	per109: Internationalism: Negative
	per110: European Community: Negative
Defence	per104: Military: Positive
	per105: Military: Negative
Interior	per201: Freedom and Human Rights
	per202: Democracy
	per203: Constitutionalism: Positive
	per204: Constitutionalism: Negative
	per301: Decentralization
	per302: Centralization
	per303: Governmental and Administrative Efficiency
	per304: Political Corruption
	per605: Law and Order
	per607: Multiculturalism: Positive
	per608: Multiculturalism: Negative
Justice	per201: Freedom and Human Rights
	per202: Democracy
	per203: Constitutionalism: Positive
	per204: Constitutionalism: Negative
	per303: Governmental and Administrative Efficiency
	per304: Political Corruption
	per605: Law and Order
Finance	per402: Incentives
	per414: Economic Orthodoxy
Economy	per401: Free Enterprise
	per403: Market Regulation
	per404: Economic Planning
	per405: Corporatism
	per406: Protectionism: Positive
	per407: Protectionism: Negative
	per408: Economic Goals
	per409: Keynesian Demand Management
	per410: Productivity
	per412: Controlled Economy
	per413: Nationalization
	per415: Marxist Analysis
Labour	per504: Welfare State Expansion
	per505: Welfare State Limitation
	per701: Labour Groups: Positive
	per702: Labour Groups: Negative
Education	per506: Education Expansion
	per507: Education Limitation
Health	per504: Welfare State Expansion
	per505: Welfare State Limitation
	per706: Non-Economic Demographic Groups
Agriculture	per703: Agriculture and Farmers
Environment	per416: Anti-Growth Economy
	per501: Environmental Protection
Social Affairs	per503: Social Justice
	per603: Traditional Morality: Positive
	per604: Traditional Morality: Negative
	per606: Social Harmony
	per705: Underprivileged Minority Groups
	per706: Non-Economic Demographic Groups

D Further regressions & robustness

Table 4 reports the key findings relying on non-imputed data set. Here we exclude variables based on party level information stemming from the MARPOR data set from the analysis.

Table 4: Explaining niche parties junior coalition membership, logit estimates (not imputed)

	(1)	(2)	(3)	(4)
	junior partner	junior partner	junior partner	junior partner
% of periods in office	2.781***	2.969***	3.085***	2.805***
	(0.235)	(0.228)	(0.232)	(0.236)
niche party	-1.153***	-1.377***	-0.642***	-1.824***
	(0.233)	(0.259)	(0.186)	(0.310)
persistence	0.00249	-0.00655	0.0122	-0.00476
	(0.00999)	(0.0102)	(0.00970)	(0.0102)
seat share	8.447***	8.640***	8.033***	8.621***
	(1.874)	(1.874)	(1.860)	(1.850)
seat share^2	-27.11***	-27.78***	-27.15***	-27.32***
	(5.134)	(5.134)	(5.133)	(5.063)
$\Delta\mathrm{PM}_{size}$	1.055	0.910	0.176	0.247
	(0.713)	(0.720)	(0.756)	(0.734)
polarization	-0.139	-0.0709	-0.0653	-0.125
	(0.140)	(0.135)	(0.136)	(0.138)
niche party $\times$ % of periods in office	2.525***			2.099**
	(0.669)			(0.755)
niche party $\times$ persistence		0.118***		0.0864**
		(0.0196)		(0.0268)
niche party $\times$ $\Delta\mathrm{PM}_{size}$			8.467***	11.54***
			(1.969)	(2.225)
constant	-2.300	-2.377	-2.460	-2.300
	(0.232)	(0.232)	(0.238)	(0.233)
$N_{formations}$	418	418	418	418
$N_{parties}$	2658	2658	2658	2658

Clustered standard errors by government formation opportunity in parentheses;
all models include cubic time splines omitted from table
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 5 reports the main analysis and introduces country fixed effects.

Table 5: Explaining niche parties junior coalition membership, logit estimates (CFE)

	(1) junior partner	(2) junior partner	(3) junior partner	(4) junior partner	(5) junior partner	(6) junior partner
% of periods in office	2.447***	2.674***	2.782***	2.744***	2.721***	2.450***
	(0.255)	(0.247)	(0.251)	(0.249)	(0.249)	(0.256)
niche party	-1.480***	-1.566***	-0.928***	-1.131***	-1.508***	-2.481***
	(0.250)	(0.280)	(0.199)	(0.289)	(0.379)	(0.555)
persistence	0.00443	-0.00570	0.0119	0.0103	0.00993	-0.000721
	(0.0137)	(0.0139)	(0.0135)	(0.0132)	(0.0132)	(0.0140)
seat share	8.822***	8.938***	8.376***	8.654***	8.486***	9.029***
	(1.807)	(1.807)	(1.766)	(1.781)	(1.794)	(1.761)
seat share^2	-28.68***	-29.11***	-28.45***	-29.07***	-28.68***	-29.01***
	(4.974)	(4.950)	(4.899)	(4.966)	(4.976)	(4.850)
δ PM$_{size}$	1.376*	1.236	0.458	1.298	1.252	0.520
	(0.688)	(0.703)	(0.761)	(0.703)	(0.697)	(0.743)
ideological distance to PM	-0.342***	-0.348***	-0.349***	-0.387***	-0.322**	-0.360***
	(0.0969)	(0.0966)	(0.0956)	(0.0991)	(0.0980)	(0.0978)
compatibility with PM	-0.909***	-0.835***	-0.867***	-0.859***	-1.032***	-0.947***
	(0.176)	(0.173)	(0.173)	(0.177)	(0.195)	(0.190)
polarization	0.381*	0.443**	0.404*	0.413*	0.401*	0.394*
	(0.168)	(0.165)	(0.166)	(0.165)	(0.165)	(0.173)
niche party × % of periods in office	2.845***					2.270**
	(0.695)					(0.851)
niche party × persistence		0.108***				0.0699*
		(0.0223)				(0.0313)
niche party × δ PM$_{size}$			9.679***			11.97***
			(2.144)			(2.386)
niche party × ideological distance to PM				0.386		0.212
				(0.232)		(0.244)
niche party × compatibility with PM					0.906*	0.370
					(0.379)	(0.491)
constant	-0.548	-0.604	-0.832	-0.817	-0.677	-0.401
	(0.522)	(0.549)	(0.557)	(0.554)	(0.555)	(0.522)
RVI	0.00796	0.00827	0.00777	0.0120	0.00956	0.0115
FMI	0.0808	0.0757	0.0764	0.108	0.0937	0.102
$N_{imputations}$	5	5	5	5	5	5
$N_{formations}$	421	421	421	421	421	421
N	2619	2619	2619	2619	2619	2619

Clustered standard errors by government formation opportunity in parentheses;
all models include cubic time splines & country fixed effects omitted from table
$* p < 0.05$, $** p < 0.01$, $*** p < 0.001$

D.1 Conditional logit models

Recent studies suggest that using logistic regression models with whichever clustering specification do not account for the complex bargaining structure of coalition formation (Glasgow, Golder, and Golder 2012; Glasgow and Golder 2014). The probability of $party_i$ to join a coalition not only depends on *unobserved* characteristics (which is solved by clustering) but also on *observed* factors standard logit models cannot account for. Specifically the characteristics of the remaining parties in the coalition process will affect the probability of $party_i$ to join a coalition. To account for these circumstance we calculate conditional logit (cl) models in the second step:

$$P_{ij} = \frac{e^{x_{ij}\beta}}{\sum\limits_{c=1}^{c} e^{x_{ic}\beta}} \tag{5}$$

In equation 5 the probability of $coalition_j$ entering office out of the set of *potential governments*$_c$ in formation opportunity i depends specifically on the characteristics of the potential coalition (x_{ic}) and not only on the characteristics of $party_i$ as in the logit model outlined in equation 1. As such, the unit of analysis shifts from the party level to the potential coalition level.[14] However, as we outline above a large part of our sample has missing values for some of the key variables we are interested in. Using conditional logit models amplifies the number of missings due to the unit of analysis no longer being a party, but each combination of parties during a formation opportunity. Therefore, in the main analysis we rely on the logit model specification outlined in the methods section. We then use conditional logit models to show the robustness of our key findings.

D.2 The substantive effect of electoral gains for the formateur

To better understand the substantive effect of electoral gains for formateur parties, we run simulations (King, Tomz, and Wittenberg 2000). To do so we created counterfactual election outcomes for the election leading to the Schüssel III government (2003-2005).

Schüssel's Österreichische Volkspartei (ÖVP) formed a coalition with the Freiheitliche Partei Österreichs (FPÖ). At that time the FPÖ was still under the tremendous influence of former party leader Jörg Haider, who reorganized and radicalized the party to become a full-fledged Populist Radical Right party. The ÖVP and FPÖ was also the incumbent coalition, which previously ruled directly after an election, before being a caretaker cabinet for three months. In 1998 the ÖVP also negotiated with the SPÖ to join them in government. Yet, the SPÖ decided to remain in opposition which partly smoothed the way for the FPÖ to become incumbent (Müller and Fallend 2004).

This formation process gives us the opportunity to more carefully test our formateur performance

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[14]Conversion of the dataset from party to coalition level is achieved by calculating every possible combination of all parties within a coalition formation opportunity. If there are n parties in a formation opportunity, there will be $2^n - 1$ potential governments.

hypothesis in a scenario during which the remaining key factors explaining niche party success are also present (incumbency, persistence, governmental experience).

In our counterfactual scenario the size of the potential coalitions being formed remains approximately identical to the factual scenario. Table 6 reports the factual and counterfactual seat distributions and electoral gains for the formateur party.[15] In our counterfactual scenario the ÖVP would have still won the election by a similar margin to the SPÖ as in the factual scenario. Yet, both niche parties (FPÖ & Grüne) would have had stronger electoral performances. Notice, however, that this results in

Table 6: Factual & counterfactual scenarios for Austrian election result in 2002

	factual seat share	counterfactual seat share	factual Δ PM$_{size}$	counterfacual Δ PM$_{size}$
FPÖ	9.8	**18**	**14.8**	6.2
ÖVP	**43.2**	37	**14.8**	6.2
SPÖ	**37.7**	31.7	**14.8**	6.2
Grüne	9.3	**13.3**	**14.8**	6.2

the exact same coalition options as the factual election result. The ÖVP still has the option to join a two party majority coalition with the FPÖ, the SPÖ and the Grüne. Again each of these potential coalitions remains similar in seat share size. What varies is largely the distribution of power within a coalition: Instead of holding an electoral gain of 14.8 % the ÖVP would have still had an electoral victory, but significantly smaller in size (6.2 %).

To estimate the simulations, we first took 1,000 random draws from a multivariate normal distribution defined by the coefficients and covariance matrix from a conditional logit model using the same covariates as reported in table 2. Second, we calculated predictions of our dependent variable (being a coalition government) based on the actual characteristics of the election result. Third, we changed the election result as reported in table 6 to reflect our counterfactual scenario.

Figure 6 reports the results from the simulations based on this counterfactual scenario and compares it to the factual one. The figure plots the distributions of the difference between the probabilities in the factual and the counterfactual scenario for the FPÖ and the ÖVP. Thus, values above zero indicate an increase of the probability to get into office in the counterfactual scenario, while values below zero indicate that the probability to join office decreases in the counterfactual scenario. Our formateur performance hypothesis predicts that in the counterfactual scenario the FPÖ should be significantly less likely to end-up in a coalition with the ÖVP. Instead the ÖVP should become more likely to successfully form a coalition with the SPÖ – the only mainstream party left to form a coalition with.

Figure 6 again supports our hypothesis. It shows that in the counterfactual scenario the probab-

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[15]Another scenario to vary the formateur gains would be to assume that the seat distributions in the 1999 election would have been different. Yet, this is a difficult scenario since it would also assume that the coalition formation process would have then have been different in 1999. Thus, we here stick to varying the electoral result in the 2002 election.

Figure 6: Simulating a counterfactual scenario for Austria
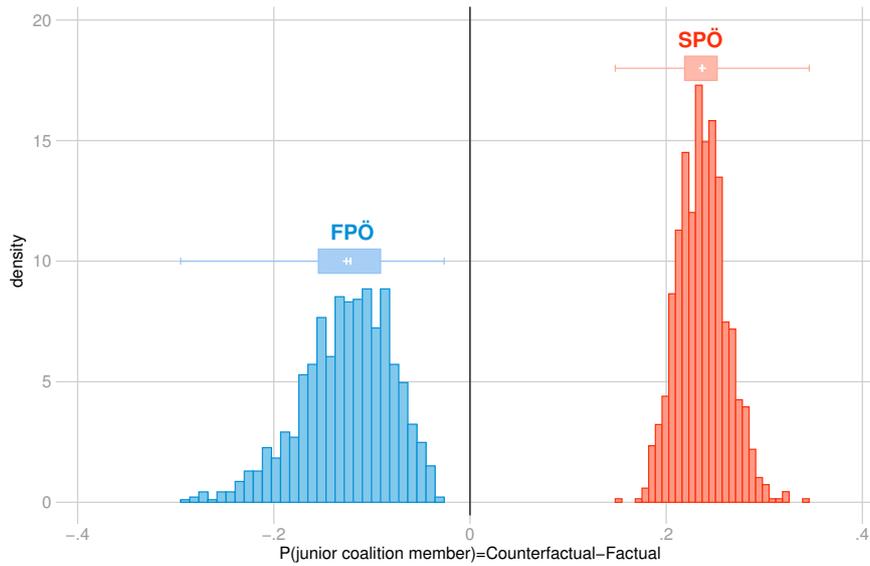
Source: Authors' own.
Note: Reported are the distributions of predicted probabilities for each party to enter office. Predictions are based on a conditional logit model using potential governments as unit of analysis (N=981,312). 1,000 draws from the multivariate normal distributions defined by the conditional logit coefficients and its covariance matrix were used to run simulations for factual and counterfactual scenarios.

ility for the SPÖ significantly increases by 23 % on average, while the likelihood for the FPÖ to join a coalition government decreases on average by 12.6 %. The effect is such, that in the counterfactual scenario the SPÖ (38.5%) has on the mean a higher likelihood of getting into office than the FPÖ (0.04%). Thus, in the counterfactual scenario the FPÖ would most likely not be in government, but instead a grand coalition would be far more likely. Thus, it appears crucial for niche parties' office-seeking capabilities that the formateur party acts in a moment of electoral strength. It is situations in which formateur parties are electoral winners and perceive niche parties as credible and reliable partners that niche parties end-up in coalition governments.