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Centro de Estudios Avanzados en Ciencias Sociales (CEACS)

Juan March Institute

Center for Advanced Study in the Social Sciences (CEACS)

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Date 2011

Type Working Paper

Series Estudios = Working papers / Instituto Juan March de Estudios e Investigaciones,
Centro de Estudios Avanzados en Ciencias Sociales 2011/259

City: Madrid

Publisher: Centro de Estudios Avanzados en Ciencias Sociales

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WORKING PAPERS

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This paper forms part of a project financed by the Center for Advanced Study in the Social Sciences, Juan March Institute.

Abstract

*I rely on data from 38 contemporary democracies to show that national party systems are the automatic merger of district-level party systems and then tend to resemble the predictions on Duverger's Law. Since politicians are office-seekers and the national government is the most important electoral prize in a democracy, cross-district alliances are the dominant strategy to maximize the chances of controlling it or affecting its decisions. The only negative incentive for linking the members of the local party systems into national parties is the existence of various electoral prizes within countries, that is, when formal authority is dispersed from central states down to regional governments, and contamination effects from the regional to the national arena appear.**

* I would like to thank André Blais, Albert Falcó, Romain Lachat, Csaba Nikolenyi, Clara Riba, and Mariano Torcal for their helpful comments and Kelly Rowe and Pablo Simón for their superb research assistance. I also thank Laia Balcells, Rubén Ruiz and Nills B. Weidmann, without whose guidance much of the data collection would have been unmanageable. The author acknowledges financial support from the Center for Advanced Study in the Social Sciences, Instituto Juan March, Madrid (Spain).

In a recent piece, Bowler (2006, 591) concludes that “the study of electoral systems is one of the best developed in political science. It is a literature that has allowed us to arrive at a clear understanding both of the general properties of electoral systems and some specific features”. However, although we know a fair amount about district-level or local party systems, one crucial question in the literature on parties and party systems and electoral systems remains unresolved: what explains the number of *national* parties or, in other words, how do local parties aggregate to create national parties? Do electoral systems play any role here? Little effort has been devoted to what causes the aggregation, linkage or nationalization of parties. As Cox (1997, 182) points out, “it is amazing how little attention has been paid to it [how local bipartism “projects” into national bipartism]”. Additionally, the few existing studies on the nationalization of party systems have focused on the two low-variance dimensions of the phenomenon (changes in the number of national parties *over time* within countries and cross-national differences in the number of national parties), while the high-variance dimension has been ignored (differences between the number of local parties predicted by Duvergerian theories and the actual number of national parties). In sum, “we also need to have theories that can take us from district level effects to national level outcomes” (Grofman, Bowler, and Blais 2009, 4).

This article addresses this gap in the literature by mapping the conditions under which local or district-level parties merge to form a national party system or, in other words, the conditions under which local interests and parties survive in party systems.¹ My understanding of the nationalization of party systems is similar to that of Caramani (2000, 2004), Chhibber and Kollman (1998, 2004), Cox (1997, 1999), and Kasuya and Moenius (2008). According to Kasuya and Moenius (2008,

136), “the nationalization of party systems (...) refers to the extent to which parties compete with equal strength across various geographic units within a nation. Strongly nationalized party systems are systems where the vote share of each party is similar across geographic units (e.g., districts, provinces, and regions), while weakly nationalized party systems exhibit large variation in the vote shares of parties across sub-national units”.² I rely on data from 38 democracies to argue that national party systems are created in a one-step process. Once local party systems are created as a consequence of the coordinative activities of parties and voters within individual districts, they automatically merge to form a national party system. In other words, national party systems tend to resemble the predictions of Duverger’s Law or the *M+1* rule.

Similar to local coordination (Cox 1997), linkage is essentially the coordination game conveyed by the Battle of the Sexes. Office-seeking incentives are the mechanism of aggregation. By far the national government in a parliamentary system or the presidency in a presidential system is the most important electoral prize in a democracy and the only prize in (some) unitary states. If politicians are *office-seekers*, cross-district alliances clearly maximize the chances of controlling the national government or at least affecting its decisions.

The only negative incentive for linking the members of the local party systems into national parties is the existence of various electoral prizes within countries, that is, when formal authority is dispersed from central states down to regional governments and then regional offices control resources that voters care about. Controlling regional governments requires the coordination of a smaller group of legislative candidates on common party labels than controlling national governments. However, decentralization is only a centrifugal force that pulls up the number of electoral parties in national elections and then reduces nationalization due to the existence of

¹ Thus, this paper does not pay attention to the impact of decentralization on the territorial organization of parties or how they design and coordinate their electoral strategies across different arenas (Hopkin and van Houten 2009).

² This is the static/distributional nationalization in the terms of Morgenstern, Swindle, and Castagnola (2009).

interaction or *contamination* effects between national and sub-national electoral arenas: although locally competitive but nationally noncompetitive parties had no chances of winning the national office or affecting its decisions, they run candidates in national elections to do their best in sub-national elections. Additionally, it can be hypothesized that this negative impact of decentralization –understood as “a shift of authority towards local governments and away from central governments, with total government authority over society and economy imagined as fixed” (Rodden 2003, 482)– will be particularly important in those countries with regional cleavages. In sum, when explaining nationalization of party systems, the relevant question then is not why linkage but why *not* linkage.³

Apart from shedding light on the mechanism of aggregation of local parties into national parties, this article tests the validity of competing explanations. In the next section I present the theoretical argument, focusing on the incentives for parties to link (or not to link) across districts. The following section describes the data and methods, as well as discussing the results of the empirical analysis. The final section concludes and offers some empirical extensions.

A THEORY OF THE NATIONALIZATION OF PARTY SYSTEMS

Previous Research

According to the Duvergerian theories (Cox 1997, 1999), the formation of a national party system takes place in two consecutive

and independent moments. The first one concerns how many parties there are in the districts. As is well known, district magnitude is a major factor, if not the primary factor, that determines the number of parties. The general finding is embodied in the $M+1$ rule— M is the number of seats allocated in an electoral district— which says that, under some conditions, strategic voting will reduce contests with more than $M+1$ candidates or parties to contests in which at most $M+1$ competitors are seriously in the running for seats. The second step is linking the members of the various local party systems into national parties: votes received in various districts are aggregated nationwide.

It is immediately apparent that the local argument or coordination at the district-level is not very useful to account for the number of national parties. As Grofman, Blais and Bowler (2009, 4) point out, “it is quite possible to have every district competition involve only two parties and yet have a multiplicity of parties presented in the national parties”. In fact, the $M+1$ rule does only provide a very vague upper bound on the number of parties nationally: for instance, a system with nothing but single-member plurality elections should have no more than $2D$ parties, where D is the number of districts, while a system with nothing but M -seat PR elections should have no more than $(M+1)D$ parties (Cox 1997, 186). In the 2010 election in Great Britain, for example, there were 650 single-member, simple-plurality districts. Therefore, the number of national parties should be no more than $2 \times 650 = 1300$. However, the effective number of electoral parties at the national level is 3.7.

Surprisingly, we lack a compelling theory accounting for this huge gap between the number of potential national parties predicted by Duvergerian theories and the actual number of national parties within countries. The effort that has been devoted to explaining the creation of national party systems has only identified some incentives explaining cross-country and over-time within individual countries variations in nationalization. That is, the literature has focused on two dimensions of the phenomenon with a relatively low variation, while the extremely high

³ These arguments on the nationalization of party systems are based on a bottom-up approach, from the local to the national level, instead of a top-down approach, from the national to the local level. If parties are created originally as national organizations, the coordination problem of linking some of the potentially separate local parties to form a national party does not exist. Parties operating at the national level also face the challenge in spreading their support across the nation. But as Gaines (1999, 853) explains, running candidates in every corner of a nation or a region is a sign of seriousness, strength, a commitment to the nation of some such thing.

variation between the potential number of local and national parties within countries remains largely unexplored.⁴

According to Cox (1997, chapter 10) and Cox and Knoll (2003), assuming that parties are office-seeking, the incentives for linkage depend on how valuable the offices sought are, and on how important linkage is to obtaining them. Four institutional and sociological variables have taken particular prominence: electoral systems, the nature of the executive, particularly in accounting for changes in the number of national parties over time within individual countries, the degree of political and economic centralization, and the geographic concentration of minorities. Let me examine the variables separately.

Electoral Systems

Four different features of electoral systems could affect the nationalization of party systems. First, as explained by Cox (1999, 157), “laws implementing upper tiers require an explicit legal linkage of the lists or candidates wishing to pool their votes at the stipulated higher level. Thus, they provide an obvious incentive to politicians to ally across district boundaries”. The larger the percentage of all seats allocated in the upper tier in each electoral system and the larger the barrier, the greater the incentive for nationalization. Second, the

role of district magnitude is not clear. For some authors, “there is no clear theoretical reason to expect them [electoral system features such as district magnitude] to affect linkage, hence less reason to expect them to affect the size of the national party system” (Cox 1999, 156). On the contrary, Cox and Knoll (2003, 6) argue that the impact of district magnitude on linkage is a function of the number of wasted votes the system will generate sans linkage: “The larger the district magnitudes in the system, the fewer wasted votes there will be in each district. ... Politicians representing minority viewpoints in low-magnitude districts may fall short of their district’s threshold of representation and end up with nothing but wasted votes. They thus have a much greater incentive [than politicians representing minority viewpoints in large-magnitude districts] to combine votes across districts”. Consequently, nationalization should decrease with average district magnitude. Finally, Morgenstern, Swindle, and Castagnola (2009, 1327-8) have exactly the opposite expectation. For them, single-member district plurality systems should decrease nationalization relative to proportional representation systems. “Since a plurality is required to win the seat in SMD systems, parties may avoid spending the resources (good candidates, costs, and effort) to compete where they have little chance of winning. In proportional representation (PR) systems, by contrast, wasted vote-winning opportunities are costly, because it takes far fewer votes to win a legislative seat”. Similarly, SMD systems should generate indirect impacts on nationalization through their influence on district characteristics, parties’ campaign coordination problems and candidate qualities. “First, SMD systems carve up a polity into much smaller pieces, thus allowing greater differentiation among districts ... In addition, since there are fewer electoral boundaries under PR systems, the parties’ coordination of campaign strategies should be much easier ... Party leaders operating in SMD systems have to deal with scores or hundreds of candidates, each running an individual campaign. Finally, ... more districts should yield greater variability in terms of

⁴ For instance, in the sample of countries selected by Cox (1999) and Cox and Knoll (2003), Austria and Brazil are the two extremes in nationalization. While in the former the national party systems is as large as one would expect were each local party system a microcosm of the whole (0% inflation), in the latter the national party system is larger than one would expect were local party systems largely the same throughout the nation (48%). On the other hand, in the four countries selected by Chhibber and Kollman, party aggregation (the difference between the effective number of parties at the national level and the average effective number of parties in the districts) fluctuates between 0 and 2 in Canada from 1867 to the 1990s; between almost 0 and 1 in Great Britain from 1930 to the 1990s, in India between 1.5 and 4 from 1957 to 2000, and between 0 and 1 in the United States from 1860 to the 1990s (Chhibber and Kollman, 2004: chapter 6).

candidate qualities”. Third, Nikolenyi (2008) and Harbers (2010) develop the last point raised by Morgenstern, Swindle, and Castagnola. Nationalization does not depend on district magnitude, but on the number of districts within an electoral system. The argument is that linkage across districts becomes more challenging as the number of districts increases. The causal mechanism is that maintaining an organizational structure in a large number of districts is more demanding for a political party than it is in just a few or even nationwide district. This argument goes against what Cox and Knoll argue, given that first-past-the-post systems tend to have a larger number of districts than PR systems. Fourth, it can be hypothesized that the nationalization of party systems is negatively related to the incentives to cultivate a personal vote provided by electoral systems (Carey and Shugart 1995). The less important the personal reputation (or the more important are party labels), the higher the nationalization. Accordingly, all else equal, the lowest nationalization should correspond to those countries using closed-list, single-round elections in large district magnitudes.

The Nature of the Executive

Presidential elections are usually considered as a key variable driving the linkage of legislative candidates across districts in contrast with parliamentary elections. The mechanism underlying this effect is that, when there are presidential elections, candidates for the lower house often want to link with national-party candidates. Thus, minor parties have more opportunities to gain representation to the lower house when there are no presidential elections (Jones 1994; Mainwaring and Shugart 1997; Shugart and Carey 1992; Taagepera and Shugart 1989). However, according to Cox (1997, 189), “presidential elections will drive the system toward national bipartism to the extent that the presidency is a nondivisible prize elected by rules that approximate a straight fight”. That is, if all four conditions are met: a powerful presidency, a strong presidential election procedure, strongly linked presidential and legislative elections, and a

strong legislative election procedure.⁵ On the contrary, Morgenstern, Swindle, and Castagnola (2009, 1327) argue that having a presidential or a parliamentary system does not matter here given that “parties operating within constitutional frameworks face the same challenges in spreading their support across the nation, and neither system gives parties special incentives to develop particular spatial patterns”.

The Degree of Political and Economic Centralization

According to the seminal contribution by Chhibber and Kollman (1998, 2004) (see also Harbers, 2010) party systems are shaped by the authority granted to different levels of government or, in other words, by fiscal and political decentralization. The basic argument is straightforward. Voters are more likely to support national political parties as the national government becomes more important for their lives. As this happens, candidates also are more likely to forsake local parties and assume the labels of national parties. These two effects are especially true in federal states where there can be a real back-and-forth between the authority of states and provinces and the national government. Thus, one expects a better linkage in states that are more unitary and a worse linkage in states that are more federal.

Although Chhibber and Kollman rightly point to the key role played by centralization, their argument is underspecified. They state that, as national governments exert more political or economic control over local areas, candidates have greater incentives to associate themselves with national organizations, and voters have greater incentives to abandon locally competitive but nationally noncompetitive parties. However, both when the power is centralized and decentralized, local candidates or parties are never nationally

⁵ This is precisely what M. Golder (2006) finds in his analysis of all democratic legislative and presidential elections between 1946 and 2000: presidential coattails can reduce, increase, or have no effect on legislative fragmentation depending on the number of presidential candidates.

competitive. That is, their chances of winning national offices or affecting their decisions are always negligible and consequently the degree of political and economic centralization should not matter at all. For instance, local candidates or parties have never been part of the national government in Canada, India, Great Britain and the United States, the four countries studied by Chhibber and Kollman.

The impact of political and economic centralization is a two-step process. When states carry out significant decentralization and regionalization reforms, local parties or candidates could be viable competitors to get the regional government (not the national one). As shown by Lago and Montero (2009), although they had no chances of winning the national offices, to do their best in sub-national elections, local competitors need to run candidates in national elections under their own party's banner. Similar to what happens in most mixed-member electoral systems (Cox and Schoppa 2002, 10; Gschwend, Johnston, and Pattie 2003, 114; Ferrara and Herron 2005, 17), by placing candidates in the national election, locally competitive but nationally noncompetitive parties might heighten voter awareness and potentially gain more votes (and eventually seats) in the sub-national election. In addition, they can develop their own internal strategies – for instance, they may fill in the requisites for receiving public funding or decide to test new, aspiring politicians. In sum, decentralization is a centrifugal force that pulls up the number of electoral parties in national elections due to the existence of *interaction* or *contamination* effects between national and sub-national electoral arenas.

The Geographic Concentration of Minorities

The expectation is that, as geo-ethnic fragmentation increases, the nationalization of party system should decline. As explained by Caramani (2004, 196-197), the survival of territorial politics is due principally to the presence of cultural cleavages. In other words, “geographically concentrated groups should ... increase the distinctiveness of local electoral units”

(Morgenstern, Swindle, and Castagnola 2009, 1328). National cleavages such as social class should not play a role given that their impact is similar across districts. Only substantial variations in the religious or socioeconomic composition of districts could make them relevant.

However, this argument on the impact of group concentration on the nationalization of party systems has not really been tested. Existing studies focus on national-level fractionalization, when the politics surrounding ethnic groups' mobilization takes place at a more local level. The heroic assumption is that “in practice ... ethnic groups do often tend to segregate residentially, so that the simpler and readily available measures of ethno-linguistic fragmentation suffice” (Cox and Knoll 2003, 9). This situation contrasts with the efforts in contemporary civil-war studies to geo-reference ethnic groups around the world (Weidmann, Rød, and Cederman 2010; Weidman and Ward 2010; Cunningham, and Weidmann 2010). I will rely on the “Geo-referencing of ethnic groups” (GREG) dataset to test the effect of geographic concentration of minorities on nationalization⁶ and the index of segregation by Alesina and Zhuravskaya (2011).

An Explanation of the Nationalization of Party Systems

In the explanation of the existence of cross-district linkage of legislative candidates, Duverger offers the first interpretation of the causal forces that determine the formation of national parties. National two-party systems would automatically follow the evolution of district-level two-party systems since “increased centralization of organization within the parties and consequent tendency to see political problems from the wider national standpoint tend of themselves to project on to the entire country the localized two-party systems brought about by the ballot procedure ...” (Duverger 1954, 228). As both Wildavsky (1959) and Leys (1959) argued few years after, Duverger's argument is a typical black-box

⁶ <http://www.icr.ethz.ch/research/greg>

explanation: the generative mechanisms linking local and national party systems are absent and the explanation wanting. A not surprising conclusion given that the own Duverger (1954, 223) recognized that, “the true effect of the simple-majority system is limited to local bipartism”.

Other than stating that national party systems are the automatic merger of district-level party systems and then the former also tend to resemble his predictions, Duverger does not indicate the conditions under which this process occurs. To understand why and how the members of the various local party systems are aggregated into national parties, the point of departure is “the general pattern of nationalization of politics” (Caramani 2004, 197) that took place in the second half of the nineteenth century until World War I. In a chronological order, three contributions are crucial to understand this process of nationalization. First, in his analysis of changes after the breakdown of traditional and absolutist systems in the nineteenth century, Rokkan (1970, 226 and 239) explains that “[Western European polities] all have experienced, largely as a result of the universalization of suffrage and the growth of mass parties, a decline in strictly territorial politics and an increasing emphasis on functional cleavages cutting across the traditional divisions into localities and provinces ... if time-series data could be established for each of these channels of exchange for large samples of localities, it would be possible to establish with some precision the average thresholds of economic and social mobilization required to trigger a process of within-community polarization and cross-local party development”.

Second, when analyzing the Cabinet and political parties in England in the nineteenth century, Cox (1987, 169-170) concludes that “the extension of the suffrage prompted a decisive shift in the nature of electoral politics ... After the first Reform Act, the frequency of contests more than doubled, and the politics of opinion ... began to play a larger role. The role that policy played was also larger because more of the constituencies were larger and incapable to being managed by old techniques. By promising to provide a

general measure of public policy, politicians could appeal to broad sectors of the electorate ... As the Cabinet grew in importance, electors became more interested in the control of the Cabinet. Since the only mean available to them to affect the executive was to vote for an MP affiliated with one of the major parties, voters became increasingly party-oriented, casting their votes not for individual candidates so much as for the parties to which they belonged. The party label became the most important contributor to an MP’s vote total”.

Finally, in his explanation of the territorial configurations of national electorates and party systems in Europe, Caramani (2004, 246, 196, 211, and 248) shows that “the process of nationalization of European electorates and party systems was the result of two main factors: (1) the supremacy of functional left-right alignments and (2) electoral competition ... the processes of center-building and massification of politics through the inclusion of a newly enfranchised working class (mobilized through the Industrial Revolution) have brought about the supremacy of the left –right cleavage – a *homogenizing* cleavage. The process of industrialization and mobilization led in all countries to predominant functional left-right cleavages, that is, nonterritorial nationwide alignments ... Also, the parallel development of new forms of mass communication opened up by the Industrial Revolution has had a strong impact of the transformation of cleavages from territorial into functional. The growth of mass communication led to the annulment of physical space ... Parties spread through territories in search of electoral support ... Competition therefore appeared as a strong factor of territorial spread and homogenization prior to the appearance of new challengers”.

The basic story of the nationalization of party systems is then based on the existence of a general move from territorial politics to national politics, from local parties to national parties. A nonterritorial nationwide alignment such as the left-right cleavage, on the other hand, and institutional changes such as the increasing importance of national offices or enfranchisement, on the

other, created the demand for national parties; while the growth of mass communication made it possible for national parties seize this opportunity as policy appeals become more effective than bribery and patronage. In a much more parsimonious way, the key is the pressure of a national policy agenda: as national-level policy making shifts from club goods toward public goods, so does the pressure increase to form national political combinations (Cox 1987).

Assuming that parties are office-seekers, amassing sufficient votes/seats to control the chief executive post or at least be influential in the national assembly requires any party to expand its appeal broadly: national parties are the solution to this problem of collective action that local parties cannot solve as effectively (see Aldrich 1995, 22-28). If the relevant issues are transferred from the local to the national level and parties can access voters in all districts within countries, locally competitive but nationally noncompetitive candidates have a great incentive to associate with national organizations, and voters have strong incentives to abandon locally competitive but nationally noncompetitive parties. And given that the preferences of the elite and mass actors who must coordinate are largely similar across districts as a consequence of the supremacy of the left-right cleavage, linking of the various local party systems into national parties is the solution to the electoral coordination problem. That is, as Gaines (2009, 17) points out, the two psychological mechanisms generating the Duverger's law also operate at the national level. Therefore, Duvergerian theories account both for number of local and national parties. Aldrich (1995, 291-292) summarizes the argument in the following way: "the nationalization of elections means primarily the spread of two-party competition, as at least always potential, broadly speaking, to all constituencies. ... It does mean, however, that in ordinary circumstances the line of cleavage in districts facing two-party competition ... will be broadly similar ... And this relative similarity is reinforced, especially in competition for national office, by the nationalization of ... parties' organizations. In this way, the electoral

forces have heightened the tendency for partisan affiliates to have policy stances to office that are broadly similar within one party and divided along a rough line of cleavage between the two parties". Additionally, the nationalization of party systems is reinforced by other factors such as the existence of economies of scale or, as Grofman, Bowler and Blais (2009, 4) argue, "to make credible the claim that it is a truly national party ... a party may contest seats nationwide, even if it has little chance of winning. There may also be more instrumental motivations for a party to contest a seat even if it has little chance of winning it. Access to TV time or public subsidy may depend on the number of seats contested or votes obtained. Or, more narrowly still, party managers may see an apprenticeship system at work watching how well candidates do in seats that are safe for a rival party".

Consequently, there are no reasons to expect that the nature of the executive, the electoral system, or the ethnolinguistic cleavage –a "dishomogenizing cleavage" (Caramani 2004, 197)–, affect the incentives to linkage. If there is only one electoral prize in a democracy, the national government or the presidency, the "go it alone" strategy is clearly a losing one for locally competitive parties but nationally noncompetitive candidates. Parties face the same incentives to spread their support across districts in presidential and parliamentary systems, in majoritarian and PR electoral systems, when there are ethnic groups and not. I do not deny that the coordination of ethnolinguistic parties with non-ethnolinguistic parties was more difficult than between leftist parties or rightist parties. As S. Golder (2006, 203) puts one of her stronger findings, "electoral [pre-]coalitions are less likely to form the more ideologically incompatible the potential coalition members". However, given that the value of the "go it alone" approach is zero when the power is centralized, coordination emerges again as the dominant strategy also for ethnolinguistic parties without capacity to affect the executive.⁷

⁷ Only when the national party system is so fragmented that minor parties can affect the

The only variable I expect to have a strong impact on the nationalization of party systems is the degree of political and economic centralization. When authority is dispersed from central states down to sub-national governments, there are two electoral prizes at stake, although the national government in a parliamentary system or the presidency in a presidential system is the most important one. Given that locally competitive but nationally noncompetitive parties might have a realistic chance of winning the sub-national chief executive post or affecting its decisions, they would have little incentive to combine votes across district lines, and voters to abandon them for strategic reasons. The higher the value of the sub-national office, the worse the linkage is. As said before, if decentralization affects linkage in national elections it is because these locally competitive but nationally noncompetitive parties enter the national race regardless their chances of winning the national office due to the existence of contamination effects from the sub-national to the national electoral arena. As Lutz (1997, 4) puts it: “[I]t can be useful for a party to participate in an election when their utility of being present in the political arena is higher than the costs of taking part in an election”. Without these contamination effects, decentralization would not affect the nationalization of party systems (in national elections). Just as the district-level logic of electoral coordination suggest an interaction between cleavages and institutions (Cox 1997), so too does the national logic suggests such an interaction between decentralization and the geographic concentration of minorities. Morgenstern, Swindle, and Castagnola (2009, 328) summarize the logic of this interaction in the following way: “a heterogeneous population constrained by strong centralizing institutions may be incapable of politically expressing those differences, and a homogenous population with the freedom to express differences may simply have no incentive to do so. However, a heterogeneous population that

is given the political opportunity to express those preferences will surely do so”.

Three hypotheses follow from these arguments:

HYPOTHESIS 1: *As national governments exert less political and economic control over local areas, nationalization should decline.*

HYPOTHESIS 2: *The nature of the executive, electoral system features, and the geographic concentration of minorities should not be related with nationalization.*

HYPOTHESIS 3: *The negative impact of political and economic decentralization on party system nationalization will be particularly strong if a polity has geographically concentrated minorities.*

EXPLAINING VARIATION IN THE NATIONALIZATION OF PARTY SYSTEMS

Sample

Given that results might be sensitive to the selection of data, my sample of countries to explain the nationalization of party systems is based on the dataset built by Amorim, Neto and Cox (1997), also reproduced in Cox (1997). As explained by Benoit (2002, 40), Amorim, Neto and Cox’s study is familiar to many electoral systems researchers and the precise nature of the original study and the thorough description of its data and variables facilitates replication. Following Cox and Knoll (1993, 38), countries with a single national district (in these electoral systems cross-district linkage is by definition not possible) and countries that employ mixed-member systems (voters have two votes and then it is problematic to calculate the effective number of parties as well as to capture the incentives to linkage) have been excluded. Similarly, Belgium has not been included because it is the most extreme example of an established democracy undergoing a significant reduction in party system nationalization.⁸ Finally, I have added some countries to increase the number of observations since not all the

executive, the dominant strategy of ethnolinguistic parties would be entering alone in national elections.

⁸ See Cox and Knoll (2003, 12-13) for further details.

information employed in my analyses is available for all the countries taken by Amorim, Neto and Cox.

My sample includes 38 countries circa 1992: Australia 1984, Austria 1983, Bangladesh 1996, Barbados 1994, Botswana 1994, Brazil 1994, Canada 1993, Chile 1993, Costa Rica 1994, Czech Republic 1993, Denmark 1994, Estonia 1992, Finland 1995, France 1993, Gambia 1997, Greece 1993, Greek Cyprus 1996, Iceland 1995, Ireland 1992, Italy 1992, Jamaica 1993, Japan 1993, Luxembourg 1994, Malta 1992, Mauritius 1995, New Zealand 1993, Norway 1993, Poland 1993, Portugal 1995, Slovak Republic 1994, Spain 1993, St Kitts and Nevis 1993, Sweden 1994, Switzerland 1995, Trinidad and Tobago 1995, United Kingdom 1992, United States 1992, and Zambia 1996.⁹ The cases offer a wide variance with regard to all the independent variables.

The Dependent Variable

Not surprisingly, measuring party system nationalization remains an unresolved question (see Bochsler 2010) for an analysis of the state of the art). Without a good understanding of how and why local parties are aggregated to create national parties, conceptualization becomes difficult. When discussing the concept of democracy, Munck and Verkuilen (2002, 8), explain this very clearly: “there is no hard and fast rule that can be used to determine what attributes must be included in a definition of a certain concept. Indeed, because conceptualization is both intimately linked with theory and an open, evolving activity that is ultimately assessed in terms of the fruitfulness of the theories it helps to

formulate (Kaplan 1964, pp. 51-53, 71-78), “there is no point in arguing about what a ‘correct’ definition is” (Guttman 1994, p. 12; see also p. 295)”.

As said before, the nationalization of party systems is defined as the degree of similarity among local parties within a nation or, more specifically, the homogeneity of parties’ vote shares throughout the country. Therefore, “by a highly nationalized party system, we mean one in which the major parties’ respective vote shares do not differ much from one province to the next. In weakly nationalized party systems, the major parties’ vote shares vary widely across provinces” (Jones and Mainwaring 2003, 140). Among the possible territorial units than might be used to compare local party systems, I have chosen districts since it is in individual districts that parties and candidates decide whether or not to enter the electoral fray and how they distribute their resources, and voters make up their minds about how to vote (Cox 1997).

The three measures I will use in the empirical analyses are based on the concept of party system *inflation* –the extent to which the number of parties at some level of aggregation may be higher than the number of parties at another level of aggregation¹⁰ (Nikolenyi 2009, 99). The basic idea behind inflation measures is that a territorially heterogeneous party system usually has fewer parties at the local level than at the national level (Bochsler 2010, 159). As devised by Cox (1999, 155-156), there is no inflation where countries have as large a national party system as one would expect if each local party system were a microcosm of the whole. At the other end of the scale, there is inflation of the national party system over the local baseline when countries have substantially larger national party systems than one would expect were their local party systems largely the same throughout the nation.

First, Chhibber and Kollman (1998, 2004) measure the nationalization of party systems by using the difference between the

⁹ The number of observations changes in the regression models depending on the variable tapping into social heterogeneity. While the effective number of ethnic, linguistic, and religious groups is available for all the countries in my sample, information on the size of regionally based ethnopolitically relevant groups and ethnic, linguistic, and religious segregation is not always available. Additionally, the value of the variable *Autonomy* for Gambia is missing. The raw data and other information are available at <http://hdl.handle.net/1902.1/15931>

¹⁰ For other ways to measure party system nationalization –measures which typically are highly correlated with the three ones I use– see Bochsler (2010).

effective number of electoral parties in the national party system and the average effective number of parties in the local party systems. As this measure of *Deviation* (D) becomes larger, the nationalization is poorer. Its formal expression is as follows:

$$D = ENP_{nat} - ENP_{avg} ,$$

where ENP , or the effective number of parties, measures how many “serious” parties are in the race; ENP_{nat} , the effective number of electoral parties at the national level, and ENP_{avg} , the average effective number of electoral parties at the district level.

Second, by a loose analogy to the monetary inflation rate, Moenius and Kasuya (2004, 504) (see also Kasuya and Moenius 2008, 129) define the *Inflation* (I) rate of party system linkage as follows:

$$I = \left(\frac{ENP_{nat} - ENP_{avg}}{ENP_{avg}} \right) * 100$$

If the size of the national-level party system is larger than the average size of party systems across districts, the measure indicates that there is inflation of the party system from the district level to the national level. If the average size of the party system across districts is larger than the size of the party system at the national level, we observe party system deflation. In short, the higher the inflation, the poorer the linkage across district-level party systems.

Finally, given that district size is not a constant in most countries, Moenius and Kasuya (2004, 550) (see also Kasuya and Moenius 2008, 130) introduce a weighted measure:

$$I_w = \left(\frac{vot_{nat} * ENP_{nat}}{\sum_{i=1}^n ENP_i * vot_i} - 1 \right) * 100 ,$$

where vot_{nat} is the total number of votes cast at the national level; vot_i is the number of votes cast in district i , and ENP_i is the effective number of electoral parties in

district i . Again, the larger the value, the lower the nationalization.¹¹

Inflation measures are demanding regarding the quality of the data: we need electoral results by districts and overall results at the national level. This information is not available for all the countries included in the sample of Amorim, Neto and Cox’s study and this explains why my sample has only 38 countries. The two main sources for district level electoral data are the Constituency Level Electoral Archive (CLEA) at the University of Michigan and the Constituency Level Elections (CLE) dataset at Washington University at St Louis. Additionally, for some of these 38 countries information on the number of votes cast in each district was not found and hence they have been excluded when using the Moenius and Kasuya’s weighted measure.

Independent Variables

Two sets of explanations are explored in this article. First, to test the impact of decentralization on the nationalization of party systems, I use two variables: (1) *Autonomy*, that takes the value 1 if (a) constitution reserves decision-making on at least one topic exclusively to sub-national legislatures and/or (b) constitution assigns to sub-national legislatures exclusive right to legislate on issues that it does not specifically assign to one level of government. The measure is taken from Fan, Lin and Treisman (2009). (2) *Unitarism*, a continuum that varies along two dimensions: (a) the *degree of separation* (independence) between national and sub-national units, and (if any separation at all) (b) the *relative power* of the two players (the more power the centre possesses, the more unitary the system). I construct the unitarism variable by adding the scores of each country together on these two components (territorial government and bicameralism) and reversing the scale, thus creating a scale from 1 to 5: 5_non-federal, 4_semi-federal, 3_federal. Subtract 1 if weak bicameral; subtract 2 if strong

¹¹ The correlation coefficient is .93 between I and I_w , 0.87 between I and D , and .91 between I_w and D .

bicameral (total range_1–5, with higher values indicating more unitarism). The measure is taken from Gerring and Thacker (2004).

The alternative explanations of the nationalization of party systems are tested using a second set of variables. I consider three aspects. First, the incentives provided by electoral systems are measured in the following ways. (1) *Upper Tier* is the percentage of seats allocated in electoral districts above the lowest tier. The source is M. Golder (2005); (2) *Number of districts* is the number of electoral districts in the lowest electoral tier for the lower house of the legislature. The source is Cox (1997); (3) *Mean district magnitude* is the average district magnitude in the lowest electoral tier. This is calculated as the total number of seats allocated in the lowest tier divided by the total number of districts in that tier. The source is M. Golder (2005); (4) *Median district magnitude* is the district magnitude associated with the median legislator in the lowest tier. The median legislator is determined by finding the number of legislators elected in the lower tier and dividing by two. The source is M. Golder (2005); (5) *National threshold* is the percentage of votes at the national level or at the level of the secondary districts that a candidate or list must satisfy before being eligible to receive seats. The source is Cox (1997); (6) *Personal vote* is the degree to which electoral institutions create incentives for candidates based on Carey and Shugart (1995). The variable goes from 1 (a country with a tier with the lowest possible rank of personal vote incentives, and that tier would account for the majority of the members of the assembly) and 13 (a country with a tier with the highest possible rank of incentives to cultivate a personal vote, although that tier may only account for a minority or small fraction of its members) and that tier would account for the majority of the members of the assembly). The measure is taken from Johnson and Wallack (2007) (<http://polisci2.ucsd.edu/jwjohnson/espv.htm>).

Second, *Presidentialism* is a classification of political regimes in which democracies are distinguished by the type of executive (1 Parliamentary Democracy,

2 Mixed Democracy or Semi-presidential, 3 Presidential Democracy). The source is M. Golder (2005).

Third, following the *Ethnic Power Relations Dataverse*¹², the presence of minorities and particularly whether they are concentrated in specific regions is measured using the following variables. (1) *Population* is the size of regionally based ethnopolitically relevant groups relative to total population (in %) in a country.¹³ A group is regionally based when it is located in a particular region/in particular regions that are easily distinguishable on a map. Regional base is defined as a spatially continuous region larger than an urban area that is part of a country, in which 25 percent or more of the group lives. I only take into account politically relevant ethnic groups. The definition of ethnicity includes ethnolinguistic, ethnosomatic (or “racial”), and ethnoreligious groups, but not tribes and clans that conceive of ancestry in genealogical terms, nor regions that do not define commonality on the basis of shared ancestry. An ethnic category is politically relevant if at least one significant political actor claims to represent the interests of that group in the national political arena, or if members of an ethnic category are systematically and intentionally discriminated against in the domain of public politics. By “significant” political actor I mean a political organization (not necessarily a party) that is active in the national political arena. When there are two or more groups in a country, their populations are added. The source is Lars-Erik Cederman; Brian Min; Andreas Wimmer, 2009-05-01, “*Ethnic Power Relations dataset*”, <http://hdl.handle.net/1902.1/11796UNF:5:k4xxXC2ASI204QZ4jqvUrQ==> VI [Version]. (2) *Ethnic, Linguistic and Religious Fractionalization* are computed as one minus the Herfindahl index, and reflected the probability that two randomly

$$FRACT_j = 1 - \sum_{i=1}^N s_{ij}^2, \text{ where } s_{ij} \text{ is the share}$$

¹² <http://dvn.iq.harvard.edu/dvn/dv/epr>

¹³ The results are virtually the same when population size is replaced with the number of ethnopolitically relevant groups.

of group i ($i = 1 \dots N$) in country j . The source is Alesina *et al.* (2003). (3) *Ethnic, Linguistic and Religious Segregation*. Based on information on the group composition in sub-national regions, Alesina and Zhuravskaya (2011) construct an index of segregation. If each region is comprised of a separate group, then the index is equal to 1, and this is the case of full segregation. If every region has the same fraction of each group as the country as a whole, the index is equal to 0.

$$\hat{S} = \frac{1}{N + O - 1} \left(\sum_{m=1}^N \sum_{j=1}^J \frac{t_j (\pi_{jm} - \pi_m)^2}{\pi_m} + S_o \right),$$

where

$$S_o = \sum_{j=1}^J \frac{t_j (\pi_{jo} - \pi_o)^2}{\pi_o}.$$

π_o is the fraction of "others" in the whole population and π_{jo} is the fraction of others in the region j . Thus, in this case, the segregation index is equal to the sum of the two components –the segregation among identified groups and the segregation of the "other group" treated as a single group (S_o) – divided by the total number of groups ($N + O$) minus one.

Finally, I include the size of the country –measured as the log value of *Geographical Area* (in thousands in km²)– as a control variable.

RESULTS

The least squares method is highly unsatisfactory due to the presence of outliers which can be supposed in the analysis of the level of nationalization in my sample of countries. The residuals plotted against the fitted values exhibited some outliers. In such a case, the robust regression is an acceptable and useful tool because it provides a good fit to the bulk of the data and exposes the outliers quite clearly.¹⁴

Table 1 displays the results when the Moenius and Kasuya's non-weighted measure is used as dependent variable. The explanation of the nationalization of party systems is built on a baseline model consisting of institutional variables (the national threshold, the percentage of seats allocated in electoral districts above the lowest tier, the type of executive), a variable tapping into social heterogeneity (specifically, the size of regionally based ethnopolitically relevant groups relative to total population (in %) in a country) and a measure of the degree of political and economic decentralization. Additionally, different operationalizations of the mechanisms behind the impact of electoral systems are individually tested in the models.

First, the results provide considerable support for the decentralization hypotheses. As predicted, all of the model specifications indicate that the degree of political and economic decentralization has a significant reductive effect on the level of nationalization, i.e., as national governments exert less political or economic control over local areas, there are lower similarities in party systems across districts. According to the first five models, in which decentralization is measured in terms of the degree of decision making autonomy of local governments, nationalization is worse in those countries where the constitution assigns at least one policy area exclusively to sub-national governments or gives sub-national governments exclusive authority to legislate on matters not constitutionally assigned to any level. The variable is statistically significant at the .05 or .01 level in the five models controlling for different measures of electoral system features or the size of the country. To explore the robustness of the impact of the degree of political and economic centralization, in model 6 I have coded an alternative measure –that employed by Gerring and Thacker (2004). The pattern of results does not change: the more unitarian a country is, the better the nationalization. The variable is statistically significant again at the .05 level. Not surprisingly, the degree of political and economic decentralization is the only

¹⁴ The results do not change appreciably depending on whether the estimates are OLS or robust. Nor do if the outlier are simply omitted from the analysis.

statistically significant variables in all of the models.

Second, the concentration of minorities or social diversity in a particular region(s) within countries has the expected positive sign. i.e, the larger the size of regionally based ethnopolitically relevant groups, the lower the level of linkage, but the variable is not statistically significant. Third, as it was hypothesized, apart from decentralization, none of the institutional variables are statistically significant. Some of them, specifically *National threshold* and *Presidentialism*, have erratic effects on the nationalization of party systems. Fourth, lower-tier electoral system features such as district magnitude, personal reputation and the number of districts do not affect linkage. The three variables, independently on how they are measured, are not statistically in none of the six models.

I have explored the robustness of the impact of decentralization in two additional ways. The first way is to code two alternative measures of the dependent variable, the nationalization of party systems –that employed by Moenius and Kasuya (2004) (see also Kasuya and Moenius 2008, 130) and Chhibber and Kollman (1998). When the Moenius and Kasuya’s weighted measure is used the number of observations falls from 31 to 27 due to the lack of information on the number of votes cast in districts in some countries. The results from exactly the same previous six models are shown in Table 2. The results remain qualitatively the same and provide again compelling evidence in favour of the decentralization hypothesis. All except the degree of political and economic centralization remain statistically insignificant. In the first five models, in

TABLE 1. The Determinants of the Nationalization of Party Systems (I)

Dependent Variable: Moenius and Kasuya’s non- weighted measure	Models					
	1	2	3	4	5	6
Constant	10.79 (6.84)	10.78 (6.95)	4.86 (13.29)	9.45 (12.80)	11.29 (8.57)	28.82 (18.24)
National threshold	-0.82 (1.88)	-0.70 (1.91)	0.39 (1.83)	0.09 (1.83)	-0.14 (1.59)	0.34 (1.89)
Upper Tier (% seats)	-0.39 (0.42)	-0.38 (0.42)	-0.33 (0.42)	-0.31 (0.46)	-0.34 (0.43)	-0.16 (0.44)
Presidentialism	-0.26 (3.64)	-0.11 (3.64)	0.34 (3.63)	-0.81 (4.35)	0.17 (3.72)	-0.05 (3.82)
Autonomy	15.92* (6.74)	16.21* (6.76)	16.04* (6.57)	21.66** (7.16)	16.84* (7.07)	
Minority size (%)	10.90 (21.06)	10.44 (21.22)	7.95 (21.22)	10.79 (24.07)	8.96 (21.43)	15.65 (21.45)
Median district magitude (log)	1.68 (2.76)					
Mean district magnitude (log)		-1.45 (2.99)				
Number of districts (log)			1.43 (2.44)			0.71 (2.60)
Personal vote				0.44 (1.09)		
Area (log 000 Km ²)					0.01 (1.30)	
Unitarism						-4.72* (2.24)
F statistic	1.89	1.82	1.62	2.13	1.66	1.37
Number of observations	30	30	30	29	30	31

Note: Robust regression. Standard errors are in parentheses. * $p < 0.05$; ** $p < 0.01$.

which the measure of decentralization is taken from Fan, Lin and Treisman (2009), decentralization is again statistically significant at the .05 level or better. On the other hand, when decentralization is measured in the terms suggested by Gerring and Thacker (2004), the coefficient on *Unitarism* is now statistically significant at the .1 level and not at the .05 level like in Table 1. The fit of the models is more or less the same here than in Table 1.

decentralization is the only determinant of the nationalization of party systems.

The last robustness check of my results provides alternative specifications of the variable tapping into social heterogeneity. The six models in Table 4 replicate model 2 in Table 1 but with alternative measures of the regional concentration of ethnic groups. In models 1, 2, and 3 social heterogeneity is measured as the effective number of ethnic, linguistic, and religious groups, while in

TABLE 2. The Determinants of the Nationalization of Party Systems (II)

Dependent Variable: Moenius and Kasuya's weighted measure	Models					
	1	2	3	4	5	6
Constant	10.21 (5.59)	10.27 (5.61)	-5.34 (11.28)	3.86 (8.69)	6.88 (7.00)	13.49 (13.26)
National threshold	1.06 (1.51)	1.11 (1.52)	1.08 (1.37)	1.39 (1.18)	1.03 (1.27)	1.49 (1.41)
Upper Tier (% seats)	-0.46 (0.35)	-0.45 (0.35)	-0.29 (0.31)	-0.38 (0.31)	-0.48 (0.32)	-0.29 (0.32)
Presidentialism	-0.71 (3.24)	-0.66 (3.18)	-0.96 (2.99)	-0.68 (3.08)	-0.84 (2.90)	-0.18 (3.04)
Autonomy	13.32* (6.01)	13.42* (5.91)	13.63* (5.06)	17.55** (4.69)	11.69* (6.88)	
Minority size (%)	7.72 (19.22)	7.44 (19.16)	-0.52 (17.98)	5.81 (17.84)	6.88 (18.29)	14.79 (17.51)
Median district magnitude (log)	-0.37 (2.43)					
Mean district magnitude (log)		-0.57 (2.59)				
Number of districts (log)			2.89 (1.96)			1.78 (2.01)
Personal vote				0.88 (0.70)		
Surface (log 000 Km ²)					0.68 (0.98)	
Unitarism						-2.82† (1.64)
F statistic	1.65	1.64	1.94	3.59*	1.84	1.29
Number of observations	27	27	27	26	27	28

Note: Robust regression. Standard errors are in parentheses. † $p < 0.1$; * $p < 0.05$; ** $p < 0.01$.

Table 3 presents the results of four regressions in which the measure of the nationalization of party systems is the *Deviation (D)* from Chhibber and Kollman. With this new measure as dependent variable, the coefficients on *Autonomy* and *Unitarism* are again signed in the expected positive and negative direction, respectively, and significant at the 0.05 or 0.06 level. As in the previous models,

models 4, 5, and 6 the index of ethnic, linguistic, and religious segregation by Alesina and Zhuravskaya (2011) is employed. Proceeding in this fashion, I found again that decentralization is the only variable affecting linkage. Decentralization has the expected positive sign and is statistically significant in all the models. With the exception of linguistic segregation in model 5, social diversity and social

TABLE 3. The Determinants of the Nationalization of Party Systems (III)

Dependent Variable: Chhibber and Kollman's measure	Models			
	1	2	3	4
Constant	0.41 [†] (0.20)	0.40* (0.19)	1.05 (0.63)	1.05 (0.64)
National threshold	0.02 (0.05)	0.02 (0.05)	-0.03 (0.11)	-0.02 (0.11)
Upper Tier (% seats)	0.00 (0.02)	0.00 (0.02)	0.00 (0.02)	-0.00 (0.02)
Presidentialism	-0.05 (0.11)	-0.06 (0.10)	0.10 (0.21)	0.12 (0.21)
Autonomy	0.39 [†] (0.19)	0.41* (0.19)		
Minority size (%)	-0.24 (0.60)	-0.21 (0.59)	0.48 (1.13)	0.42 (1.14)
Median district magnitude (log)	-0.08 (0.08)		0.19 (0.15)	
Mean district magnitude (log)		-0.08 (0.08)		0.17 (0.16)
Unitarism			-0.23 [†] (0.12)	-0.23 [†] (0.12)
F statistic	0.80	0.90	1.55	1.42
Number of observations	30	30	31	31

Note: Robust regression. Standard errors are in parentheses. [†] $p=0.06$; * $p<0.05$.

**TABLE 4. The Determinants of the Nationalization of Party Systems (IV)
(Moenius and Kasuya's Non-Weighted Measure)**

Dependent Variable: Moenius and Kasuya's non-weighted measure	Models					
	1	2	3	4	5	6
Constant	7.46 (6.53)	16.00** (4.91)	1.83 (9.10)	11.03 (7.52)	15.18 (9.87)	6.21 (12.01)
National threshold	-0.54 (1.13)	0.58 (0.87)	-1.01 (1.19)	-0.39 (1.75)	-1.89 (2.19)	-1.31 (3.16)
Upper Tier (% seats)	-0.10 (0.34)	0.05 (0.26)	-0.05 (0.36)	-0.36 (0.37)	-0.37 (0.51)	-1.78 (1.14)
Presidentialism	0.46 (2.78)	-2.42 (2.10)	1.06 (2.79)	-3.88 (3.68)	-1.44 (3.97)	-0.93 (4.96)
Autonomy	11.42 [†] (6.36)	9.83* (4.66)	12.10* (5.66)	25.71** (6.14)	19.88* (7.73)	19.37 [†] (9.21)
Mean district magnitude (log)	0.20 (2.50)	-4.08* (1.88)	1.60 (2.82)	1.43 (2.76)	2.19 (3.20)	4.79 (4.31)
Ethnic fractionalization	11.82 (12.36)					
Linguistic fractionalization		0.95 (9.05)				
Religious fractionalization			13.99 (12.18)			
Ethnic segregation				212.38 (135.48)		
Linguistic segregation					-42.33 (60.43)	
Religious segregation						387.06 (301.28)
F statistic	1.66	1.52	1.79	4.06	1.85	1.76
Number of observations	36	36	37	26	25	18

Note: Robust regression. Standard errors are in parentheses. [†] $p<0.1$; * $p<0.05$; ** $p<0.01$.

segregation have the right sign, although they are not statistically significant: the more socially fragmented or segregated a country, the lower the nationalization. That is, the results of Table 4 are remarkably similar to those presented in Tables 1 to 3.

Finally, Table 5 displays the results for the models in which an interaction term between decentralization and the size of regionally based ethnopolitically relevant groups.¹⁵ The results provide considerable support for the interactive argument. As predicted, the reductive effect of

With the exception of the number of districts, the remaining coefficients do not vary appreciably with the introduction of the interactive term. In Table 5 the coefficient on the (log of) the number of districts is negative and statistically significant at the 0.05 level in two of the models. Although there is mixed evidence for this claim, the intuitive interpretation of this finding is that when there is a heterogeneous population that is given the opportunity of create viable parties, the variability of national parties' vote shares

TABLE 5. The Determinants of the Nationalization of Party Systems (V): Interactive Models

Variables	Moenius and Kasuya's non-weighted measure		Moenius and Kasuya's weighted measure		Chhibber and Kollman's measure	
	Model 1	Model 2	Model 1	Model 2	Model 3	Model 4
Constant	3.70 (13.01)	-0.44 (19.02)	-8.97 (9.78)	-13.68 (10.87)	-0.76 (0.50)	-0.81 (0.71)
National threshold	0.74 (1.81)	1.29 (1.62)	0.96 (1.17)	1.57 (0.91)	0.10 (0.07)	0.13* (0.06)
Upper Tier (% seats)	-0.29 (0.41)	-0.23 (0.37)	-0.14 (0.26)	-0.14 (0.21)	0.00 (0.16)	0.01 (0.01)
Presidentialism	-0.43 (3.62)	-0.59 (3.29)	0.47 (2.51)	0.19 (1.95)	0.13 (0.14)	0.24 (0.13)
Autonomy	7.66 (9.12)		7.88 (5.85)		0.27 (0.34)	
Minority size (%)	-2.41 (22.61)	134.30** (47.91)	-8.45 (17.52)	113.04** (30.31)	-0.71 (0.86)	7.23** (1.80)
Number of districts (log)	2.06 (2.44)	3.01 (2.35)	3.84* (1.75)	3.81* (1.46)	0.21* (0.09)	0.24* (0.09)
Unitarism		0.03 (2.81)		1.16 (1.54)		-0.05 (0.11)
Autonomy * Minority Size (%)	62.40§ (42.21)		55.08† (27.36)		6.56** (1.61)	
Uni-tarism * Minority Size (%)		-29.75* (11.57)		-29.78* (12.11)		-1.73** (0.43)
F statistic	2.07	3.19*	3.73**	4.59**	9.32**	10.54**
Number of observations	30	31	27	27	30	31

Note: Robust regression. Standard errors are in parentheses. §p=0.15; †p=0.06; *p<0.05; **p<0.01.

decentralization increases as the size of regionally based ethnopolitically relevant groups grows, i.e., the coefficients on *Autonomy* × *Minority Size* and *Unitarism* × *Minority Size* are negative and statistically significant. While the former is statistically significant at the .15, .06 and .01 levels, the latter is significant at the .05 or .01 levels.

¹⁵ I have not investigated the interaction between decentralization and social segregation since the number of observations drops dramatically.

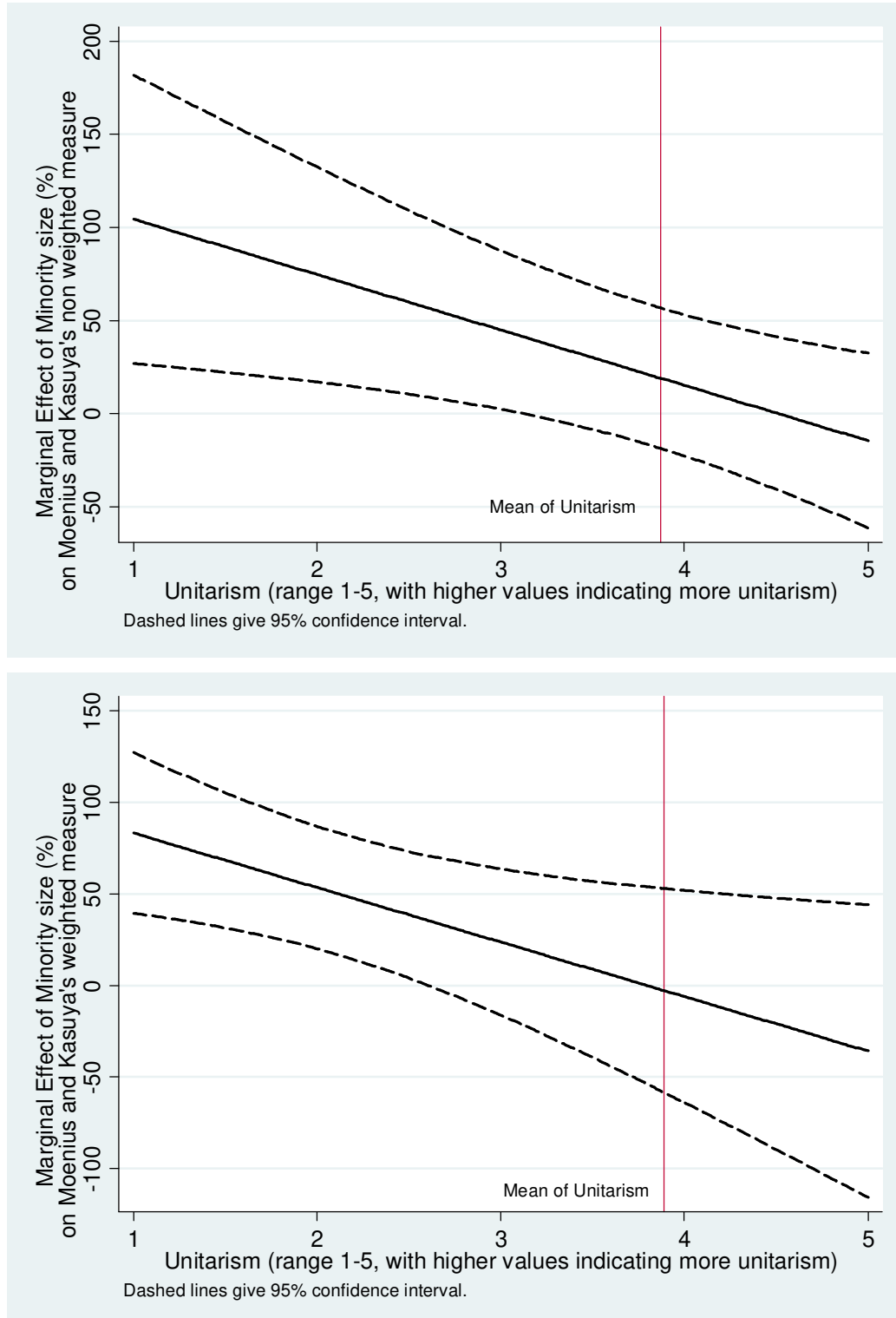
increases as the number of districts does so. The interactive models produce a much better fit than the additive models.

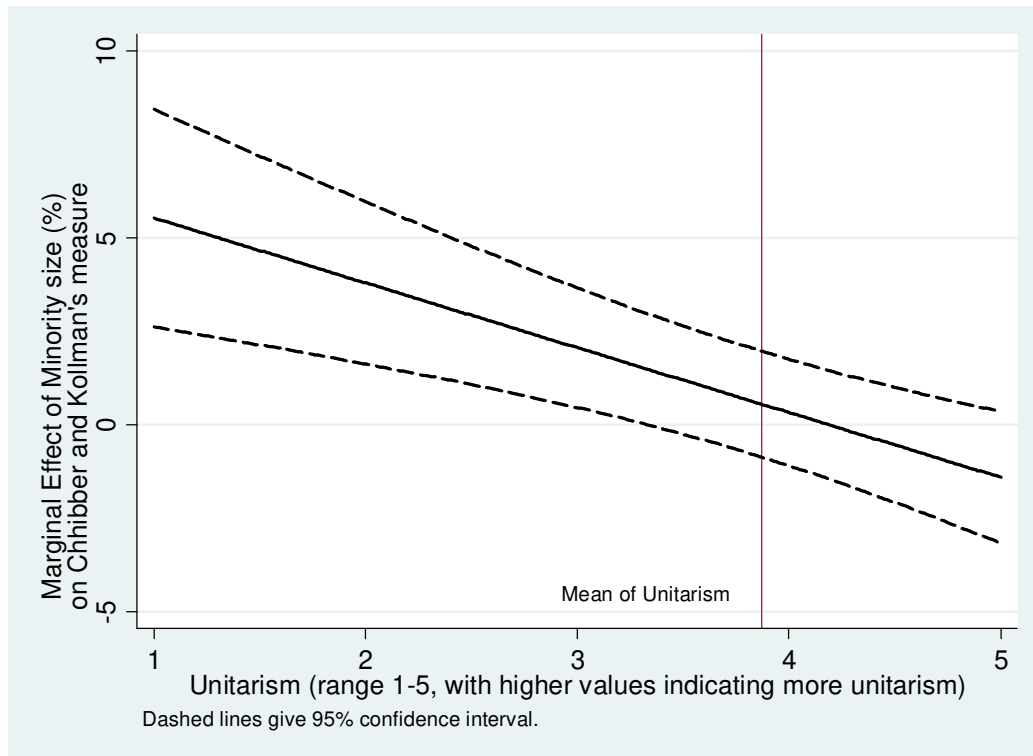
The different impact of the concentration of minorities on centralized and decentralized countries is far from being apparent using the information provided in Table 5. Consequently, the marginal effect of the concentration of minorities on the nationalization of party systems for the three models in which decentralization is measured as a continuum

(models 2, 4, and 6 in Table 5) is graphically illustrated in Figure 1. The solid sloping line in each figure indicates how the marginal effect of size of regionally based ethnopolitically relevant groups decreases

(increases) as the degree of unitarism increases (decreases). The three figures look remarkably similar, although the measurement of the dependent variable was different.

FIGURE 1. Simulating the Level of Nationalization of Party Systems: The Interactive Effect of Decentralization and Concentration of Minorities





In sum, the results are conclusive: only decentralization affects the nationalization of party systems. As predicted, political and economic decentralization has a reductive effect on linkage. When tested in different specifications and with different measures of decentralization and nationalization, i.e., changing the two sides of the equation, in order to assess the robustness of this effect, the result remains the same. Additionally, the reductive effect of decentralization increases as the size of regionally based ethnopolitically relevant groups grows.

CONCLUSIONS

Research on the determinants of the number of national parties is largely based on district-level variables such as district magnitude or ballot structure (see, for instance, Amorim, Neto and Cox, 1997 or Ordeshook and Shvetsova, 1994). Therefore, the (implicit and untested) assumption is that local party systems automatically merge to form a national party system. That is, both the number of local and national parties are created as a consequence of the coordinative activities of parties and voters within individual districts and then national party systems

tend to resemble the predictions of Duverger's Law or the $M+1$ rule.

Fortunately, the findings in this article strongly support this assumption. When the relevant issues are transferred from the local to the national level, locally competitive but nationally noncompetitive candidates have a great incentive to associate with national organizations, and voters have strong incentives to abandon locally competitive but nationally noncompetitive parties. In sum, the two psychological mechanisms generating the Duverger's law also operate at the national level. The only variable hampering nationalization is the degree of political and economic centralization. If locally competitive parties but nationally noncompetitive have a realistic chance of winning the sub-national chief executive post or affecting its decisions, they have little incentive to combine votes across district lines, and voters to abandon them for strategic reasons. However, decentralization only affects linkage in national elections when there are contamination effects from the sub-national to the national arena. The reductive effect of decentralization increases as the size of regionally based ethnopolitically relevant groups grows.

I end with three observations. First, it is certainly possible a reciprocal causation between decentralization and party politics, that is, that party systems cause decentralization. However, according to Chhibber and Kollman (2004, 227), “the processes of centralization and provincialization have nearly always begun prior to changes in party systems. The timing of these changes suggest that while there can be reciprocal causation, it is typically the changing nature of political authority that initiates changes in party systems, and not the other way around”. The empirical evidence provided by Harbers (2010) for Latin American democracies supports Chhibber and Kollman’s argument.

Second, as can be seen in the empirical analysis, a large variation in the nationalization of party systems across countries is not explained by my theoretical models. In my view, the main reason for this residual is that measures of party system nationalization based on homogeneity of parties’ electoral support across districts or geographical units are very noisy given that they capture many other elements apart from nationalization. As explained by Lago and Montero (2010), a different total vote for a given party across districts will always result due to non-systematic features of election campaigns, strategic behaviours on election campaigns such as resource allocation or simply because the supply of a given party is not exactly the same in every district within a country (for instance, party candidates vary from one district to the other). Clearly, we need a better measure of the phenomenon.

Finally, research on the institutional determinants of the nationalization of party systems could benefit enormously from “crucial experiments” (Shugart 2005). That is, to what extent nationalization varies in a given country when switching from PR to majority rule, strengthening or weakening the presidential or decentralization, or changing national thresholds or the percentage of all seats allocated in the upper tier.

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