# Still standing for elections? Political externalities and the determinants of party entry decisions

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*Abstract*

According to the Duvergerian theories, only political parties expecting to achieve representation are predicted to stand for elections alone in the long run. However, the empirical evidence shows that throughout the world parties continue presenting candidacies when they are non-viable, thus calling into question Duverger. Developing from this apparent paradox, I argue that the overlap of electoral arenas generates two fundamental opportunities for parties to compete. Through in-depth interviews with political leaders in Canada and Spain, I show that parties take advantage of the existence of economies of scale to present candidacies in non-viable arenas and, most relevant, by presenting candidacies where they are not expecting to become viable they obtain political externalities. Overall, the overlap of electoral arenas turns the decision to present candidacies when non-viable into the dominant strategy, whereas coalescing or withdrawing become least favoured alternatives.

*Keywords: Duverger, asymmetric viability, overlap of arenas, economies of scale, externalities.*

**Introduction**

The conventional wisdom when explaining the political consequences of electoral laws is based on Duvergerian theories (Duverger 1954) and in particular with the M+1 rule (Cox 1997; Cox 1999). When actors are primarily concerned with the outcome of the current election and when good information is available about the actual chances of parties competing, no more than M+1 parties –being M district magnitude– would be expected to stand for elections. Through the anticipation of the mechanical effects of the electoral laws, only political parties expecting to gain representation would enter into competition. Hence, the number of parties entering the race should never exceed M+1. However, when parties fail to anticipate these mechanical effects, through the psychological effects, voters would tend to concentrate on at most M+1 parties, the so-called 'viable' parties.

The number of entrants and the dispersion of votes may be temporarily boosted due to parties' long-term expectancies or the lack of public information. However, deviations should only be temporary. In the mid and in the long-term, only viable formations would be supposed to compete (Best 2010: 105) whereas non-viable parties would be expected to coalesce with another party or to withdraw from competition. Eventually, the decision to present candidacies or not should only depend on the actual chances of becoming viable at a given district, so that in the long-term, the M+1 rule should be observed.

However, empirical evidence questions this logic, even when rational choice assumptions are met. It is well-known that around the world 'serious' (Duverger 1954; Cox 1997) but non-viable political parties present candidacies in districts or arenas where they do not have chances of obtaining representation. This calls into question the Duvergerian theories.

Multiple examples in different electoral systems can be found worldwide. In Great Britain, the Liberal Democratic Party systematically presents candidacies in all the uninominal constituencies of the country. Although the party has largely been failing to achieve representation in most of the constituencies, it continues presenting candidacies almost everywhere. The same occurs for IU in Spain, *Die Linke* or the FDP in Germany; the Green Party in France; the Christian Democratic Party in Finland; the Social

Democratic Party in Japan; the *Uniunea Democrată Maghiară* in Romania; or the *Concertación Nacional* in El Salvador; among many other cases, examples of parties that systematically run in all constituencies of their country, without having chances of becoming viable in most of them.

The departing point of this paper is the existence of incongruence between how the literature predicts political parties should behave when they do not have chances of obtaining representation, and what is observed in the real world. Hence, its primary aim is to attempt to provide a response for the evident but still unanswered question, "How and why we might expect higher numbers of parties [to what Duvergerian logic predicts] to contest elections" (Best 2010: 115)? Through in-depth interviews with party elites in Canada and Spain I address the organisational reasons that drive political parties' decision to enter into competition alone, or not, when non-viable. This is, to my knowledge, the first time that this question has been theoretically addressed and systematically tested in a cross-party and cross-country study.

## Arguments: The determinants of party-entry strategies

Under rational choice assumptions, the decision to enter into competition depends on the *benefits* and the *costs* of competing. When the expected benefits associated with entering the race alone are higher than its costs, parties will decide to stand for elections alone. Conversely, when the costs of competing alone are higher than its rewards, parties will look for alternatives that best fit the context: namely to stay out of competition or to join a coalition with another party.

The *benefits of competing* (from now onwards *B*) have been traditionally associated to the fact of becoming viable. A political party decides to enter into competition when it expects to achieve representation.[1] In SMD plurality and run-off systems there are, at most, two parties expecting to achieve representation at each district: the party that eventually obtains the representative and the first loser party. For the case of PR

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[1] Parties expecting to achieve representation are those which are sure that they will obtain representation, but also parties for which uncertainty in the electoral results allows them to think that they can gain a seat. Both casuistries are denominated throughout the paper as parties 'expecting to achieve representation'.

electoral systems, this includes all the parties that eventually end up obtaining representation, plus the first runner-up party.[2]

Besides, both political parties that run for elections alone and parties that decide to join a coalition, incur some *direct costs of competing* (*D*). When political parties decide to withdraw from competition no costs arise. The most common cost of competing is the requirement to pay a deposit or to gather a certain amount of signatures from eligible voters to present candidacies. Also, parties may incur in costs related to the financial resources required to launch and to promote the party candidature. The decision to enter into competition implies the presence of a certain basic infrastructure associated to the political campaign (the creation of a party slogan, the image of the party for the campaign, the creation of a central committee that coordinates the campaign) as well as the promotion of the party during the electoral campaign. Although scholars have shown that parties concentrate resources on target seats rather than focusing in all the districts of the country (Denver et al. 2003: 548), any serious party that competes at a given district is expected to devote some resources to the promotion of the candidature, regardless of its chances of achieving representation.

A part from these direct costs of competing, the decision to present candidacies through a pre-electoral coalition also entails some specific *costs of coalition* (*C*). Coalitions enable parties to gain more votes –the likelihood of winning a seat increases (Golder 2006: 196-98)– although coordination may also imply several costs. The costs of joining a pre-electoral coalition are determined by three different factors. Firstly, by the ideological distance between parties (Sartori 1976; Debus 2009); secondly, by the power of the local structure, which may constrain party leaders' coalition bargaining (Strøm and Müller 1999; Meguid 2008); and thirdly, by some endogenous situational determinants, inherent to parties and party leaders (Strøm and Müller 1999; Tavits 2008).

Then, in a context of perfect information and short-term instrumentality, a political party will be able to attach a probabilistic value (*p)* to its chances of becoming viable. When the party is expected to achieve representation, the expected benefits (*pB)* will be

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[2] The first loser in multinomial districts is not necessarily a party that does not manage to get a seat but rather the party that, in case of increasing by one the number of seats elected in the district, would obtain the representative.

higher than the direct costs of competing (*D*). Conversely, when the party does not expect to achieve representation the costs of competing will be higher than the expected benefits.

There are three different strategic entry decisions that can be taken by political parties: entering into competition alone, joining a coalition, or staying out from competition. Whether it is one alternative or another that is taken depends on the expected benefits and the costs that each of these alternatives brings, and more particularly, on the utility that parties obtain from each strategic decision.

Political parties under the Duvergerian assumptions will decide to enter into competition alone when the utility function ($U_{Duv}$) of the expected benefits of competing alone ($p_aB$) minus the direct costs of competing alone (*D*) is maximised:

$$U_{Duv} = p_aB - D \qquad \text{(Equation 1)}$$

Instead, when political parties decide to join a coalition and not competing alone, the direct costs of competing (*D*) remain stable whereas the expected benefits of competing in a coalition ($p_cB$) will increase as the coalition is more likely to become viable. At the same time, though, there will appear new costs associated to the decision of coalescing (*C*). Overall, if the marginal benefit obtained by joining this coalition is higher than the costs (*D* and *C)* associated to coalesce, then the party will join a coalition.

$$U_{Duv} = p_cB - (D + C) \qquad \text{(Equation 2)}$$

Finally, if in none of these two previous alternatives the expected benefits of competing are higher than the costs derived from the decision to enter into competition, the party will decide to stay out of competition. This decision does not bring about any benefit or any cost under the Duvergerian assumptions:

$$U_{Duv} = 0 \qquad \text{(Equation 3)}$$

According to these principles, the decision to enter, or not, into competition alone is just a function of the probabilities attached to obtaining representation. If the party is expected to achieve representation it will decide to run for elections alone, whereas when the party is not expected to become viable, it will either chose to coalesce or to stay out of competition depending on which of the two utility functions is maximised. In

this situation, any deviation in the M+1 rule would be expected to be only randomly explained.

However, even when rational choice assumptions are met, empirical evidence points out that most political parties systematically enter into competition alone when non-viable, thus calling into question the Duvergerian theories. How can be explained this unexpected behaviour? Are these parties acting mistakenly?

My argument –to explain the unexpected decision to present candidacies– departs from the questioning of the widely accepted but reductionist assumption of perfect independence of electoral arenas that the Duvergerian theories and most of the subsequent literature has purported. Indeed, party strategic decisions on whether or not to enter into competition alone, transcend the scope of each arena of competition to a multi-local logic (Lago and Montero 2009: 178-79), so that the implicit assumption of independence between electoral arenas given by the literature does not hold (Gaines 1999).

Then, the overlap of electoral arenas distorts the Duvergerian theories, so that political parties will decide to present candidacies both in those arenas where they are viable and in those where they are not. Parties will take advantage of being viable in a certain arena to present candidacies in other arenas where they are non-viable, even when the assumptions of short-term instrumentality and perfect information are met. This phenomenon has been labelled by the literature as *electoral contamination* or *contamination effects* (Shugart and Carey 1992; Ferrara, Herron, and Nishikawa 2005: 8; Gschwend 2008: 230).[3]

Which are the incentives political parties face to present candidacies even if non-viable? In this paper I argue that the overlap of arenas generates two fundamental organisational opportunities that encourage parties to modify their expected strategic entry decisions.

First of all, the overlap of electoral has an impact on the direct costs of competing when elections are concurrent. The costs of competing ($D$) are a function of the number of districts ($d$) where the party presents candidacies ($D(d)$). Both, when parties decide to

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[3] It is important to mention that one party being vible in one or some arenas but not in others is the necessary condition for the emergence of the phenomenon. For an in depth review of the literature on contamination effects see Guinjoan (2012: Chapter 3).

run for elections alone, and when they decide to join a coalition, the marginal cost of competing in an additional constituency becomes smaller. The overlap of electoral arenas generates economies of scale for political parties (Lago and Martínez 2007: 389-90; Brancati 2008: 139; Harbers 2010: 611), making both the decision to enter into competition when non-viable and the decision to join a coalition, more attractive strategies than what the Duvergerian theories predict.

However, the mere presence of decreasing marginal costs of competing is not enough to explain party's entrance when non-viable (Reynolds, Reilly, and Ellis 2005: 149). Another factor is required to explain the decision to enter when non-viable, namely the appearance of *political externalities to compete*. In a similar manner to how 'citizen's duty' is useful in explaining why, in non-pivotal contexts, people decide to cast their ballot (Riker and Ordeshook 1968; Brennan and Buchanan 1984; Blais 2000; Campbell 2006), the overlap of different electoral arenas generates *political externalities* that modify parties' entry decisions in contexts of non-viability. These externalities will not be internalised by each party at the local arena, but rather they will benefit another political actor, namely, the party in another arena of competition where it is viable.

There are two types of political externalities that emerge due to the overlap of electoral arenas. Firstly, when political parties are asymmetrically viable, the decision to compete in those arenas where the party is non-viable generates *positive political externalities* (henceforth, $E_p$). These externalities will not be internalised by the local party, but rather by the homonym party at another arena of competition where it is viable. Secondly, the Duvergerian decision to withdraw from competition or to join a coalition when non-viable, yields some *negative political externalities ($E_n$)*. Again, these negative externalities will be internalised by the homonym party competing in another arena.

Overall, the overlap of electoral arenas generates different opportunities for political parties. Parties which decide to compete alone instead of joining a coalition or withdrawing from competition will obtain both decreasing costs of competing (D(d)) and positive externalities to compete ($E_p$). Equation 1 shows how the utility function of parties presenting candidacies alone in a Duvergerian equilibrium ($U_{Duv}$) changes when considering that arenas are overlapped ($U_{\overline{Duv}}$): there appear political externalities ($E_p$) and decreasing costs of competing (*D(d)*).

$$U_{Duv} = p_a B - D \xrightarrow{\quad overlap \quad} U_{\overline{Duv}} = p_a B + \boldsymbol{E_p} - \boldsymbol{D(d)} \qquad \text{(Equation 4)}$$

Besides, the Duvergerian-based decision to coalesce with another party when non-viable generates decreasing costs of competing ($D(d)$), but also negative political externalities ($E_n$), which are not internalised by the non-viable party at the local level but rather by its homonym party in another arena where it is viable.

$$U_{Duv} = p_c B - (D + C) \xrightarrow{\quad overlap \quad} U_{\overline{Duv}} = p_c B - (\boldsymbol{E_n} + \boldsymbol{D(d)} + C) \qquad \text{(Equation 5)}$$

Finally, when non-viable political parties decide to stay out from competition, *negative political externalities* ($E_n$) also emerge:

$$U_{Duv} = 0 \xrightarrow{\quad overlap \quad} U_{\overline{Duv}} = - \boldsymbol{E_n} \qquad \text{(Equation 6)}$$

Overall, the overlap of arenas generates a new context where the decision to compete alone when non-viable becomes more attractive for parties to what the Duvergerian theories predict –due to the existence of positive political externalities and decreasing direct costs of competing. Besides, the decision to withdraw from competition and to join a coalition becomes less beneficial to what Duverger expected –because of the emergence of negative political externalities.

## Hypotheses and methods

This research presents four main hypotheses. The first one is related to the existence of economies of scale for competing alone whereas the third remaining ones are related to the political externalities to compete, and more particularly, on three fundamental dimensions that intervene in the development of electoral campaigns; namely the building of the image of the party, its internal organisation, and the party platform.

*Decreasing costs of competing*

When parties decide to run for elections alone, and when they decide to join a coalition, as the number of constituencies where the party presents candidacies increases, the unitary cost of running at each constituency becomes smaller. The overlap of electoral arenas generates economies of scale for political parties, thus making the decision to enter into competition when non-viable and the decision to join a coalition, more attractive strategies than those predicted by the Duvergerian theories.

*H1. The marginal cost of competing will become smaller as the number of constituencies where a party presents candidacies increases, thus encouraging parties to enter into competition alone or joining a coalition.*

*Externalities: The image of the party*

The first of the externalities to compete is related to the building of the *image of the party*. The image of the party and, in particular, the image that its leader projects to the public has become a crucial element when designing electoral campaigns. Parties are concerned about providing the best possible brand image (Smith 2001; Reeves, de Chernatony, and Carrigan 2006) and by standing for elections everywhere they may increase their visibility (Gaines 1999: 853) and to show themselves as being serious organisations (Scammell 1999: 729), strong and committed to the country, to a region or to an ideological perspective.

When voters see a party presenting candidacies everywhere, irrespective of its chances of becoming viable, they will form a positive idea of the party, which may entail a boost in its electoral performance in those arenas where it is viable. Indeed, the literature has shown that for the case of mixed-member electoral systems (henceforth MMS) fielding candidates in the more restrictive nominal tier enables an improvement in the electoral results in the list tier due to an increase in the party's visibility (Herron and Nishikawa 2001; Cox and Schoppa 2002; Golosov 2003; Gschwend, Johnston, and Pattie 2003; Ferrara and Herron 2005).

Conversely, staying out of competition or entering it through a coalition, can bring about the emergence of negative political externalities. Especially when parties decide to withdraw from elections, but also when they join a coalition, they can suffer an important deterioration in their image. Beyond the specific pledges through which political parties contest elections, the overall perception of the party's character is what counts (Heath, Jowell, and Curtice 1985). In this sense, the Duvergerian decision to withdraw from competition when non-viable may bring about a loss of credibility of the party and a weakening of its image. Potential voters may consider that the party is no longer concerned with the defence of a certain set of values and an ideology, but rather to maximise its electoral returns, regardless of its ideals. In this case, withdrawing from competition or joining a coalition may end up being even more costly than competing alone without the chances of obtaining representation. Therefore:

*H2.1. Political parties running for elections alone will obtain positive political externalities from competing due to an increase in the visibility of the party.*

*H2.2. Political parties coalescing or withdrawing from competition when non-viable will obtain negative political externalities since this strategy may weaken the image of the party and entail a loss of credibility.*

Related to the image of the party and more specifically to the party brand, political parties may also present candidacies when non-viable as a manner to run across arenas under the same label. Parties are highly concerned about maintaining a strong party label (Pekkanen, Byblade, and Krauss 2006: 182-83). This provides a valuable 'brand name' so that any of the members of the party will be interested to run under the same brand. In addition, maintaining the party label is also a useful heuristic (Kuklinski and Quirk 2001: 194) for voters, providing cognitive shortcuts that allow them to compensate for their absence of factual knowledge (Lodge and Hamill 1986; Rahn 1993).

Contrarily, the consideration of joining a coalition or withdrawing from competition in a certain arena(s) but not in others, may generate confusion among voters. Voters may be confused when the party runs under different labels and when it asymmetrically withdraws from competition. Thus, confusion may deplete the electoral performance of the party in viable districts. As a consequence, political parties will prefer to run in all the arenas and to do so under the same label, so as to avoid the emergence of such negative political externalities. Two additional hypotheses follow:

*H2.3 Political parties running for elections alone will obtain positive political externalities from competing by protecting and promoting the party label.*

*H2.4. Political parties coalescing or withdrawing from competition when non-viable will obtain negative political externalities due to the generation of confusion among voters.*

*Externalities: Party organisation*

The second of the externalities to compete is related to the dynamics within *local party organisations*. Political parties are becoming more leader-driven but internally democratic, where "individual party members are winning increased decision-making power, especially for what concerns crucial personnel choices" (Carty 2004: 5; see also Hopkin 2001;). This increased predominance of a professional leadership is however

coupled with a "high degree of accountability to the lower strata in the party", thus reducing tensions between the two empowered groups (Koole 1994: 298-9).

Political parties fielding a full slate of candidates when non-viable will be able to keep local organisations alive, adaptable and active. Local organisations and activists are an "essential communication channel, [...] a link between the broad electorate and the party leadership" (van Houten 2009: 49), and they bring new issues and demands to the party (Carmines and Layman 1997). Similarly, local organisations and activists have a positive impact in shaping the image the mass public has about the party's policy stances (Carmines and Layman 1997) and on providing inputs for the drafting of party platforms (Miller and Jennings 1986). Additionally, local organisations are valuable sources of labour for parties during election campaigns (Scarrow 1994: 48; Strøm and Müller 1999: 14-15). Whether viable or not, local organisations and party activists participate in local campaigns. This contributes to keeping the local structure of the party alive and active, which may eventually be useful for when the time comes to contest elections where the party is viable (Christensen 1996).

Conversely, not presenting candidacies alone may bring about negative political externalities from the internal opposition that the party may face (Blais and Indridason 2007: 196). A crucial goal for political parties is survival and by deserting competition in an arena where non-viable the party may harm the intraparty cohesion and strength (Filippov, Ordeshook, and Shvetsova 2004: 192-94). Activists are normally against taking decisions that might enhance the performance of the party, if by doing so they call into question some of the principles of the organisation. As Scarrow (1994: 45) has asserted, "unlike the professional politicians, these volunteer supporters would rather lose elections than compromise the purity of the party policy". To avoid these negative externalities from taking place political parties will more likely decide to stand for elections alone. Then:

*H3.1. Political parties running for elections alone will obtain positive political externalities from competing due to the possibility of keeping the local organisation active.*

*H3.2. Political parties coalescing or withdrawing from competition when non-viable will obtain negative political externalities by facing confrontation within local organisations.*

*Externalities: Party Platform*

The third of the externalities arising due to the overlap of electoral arenas is related to promotion of the *party platform.* Presenting candidacies when non-viable may allow parties to raise debates at the local arena that otherwise would not have been put forward. By standing for elections –whether viable or not– political parties will be able to raise citizens' awareness of certain issues during election time and shed light on debates that otherwise would have been obviated by viable parties.[4] However, the decision to present candidacies when non-viable can also be understood as a manner to keep a certain political debate active in other arenas where the party is viable or for when the time comes to contest other elections where the party expects to obtain representation.[5] Such behaviour may bring about positive political externalities since, by increasing awareness about an issue, the party may also be potentially enhancing its performance in other arenas where it is viable.

> *H4. Political parties running for elections alone will obtain positive political externalities from competing due the possibility of raising citizens' awareness about an issue and to spread the debate across the country.*

In sum, the overlap of arenas generates a new context where the decision to compete alone when non-viable becomes more attractive for parties to what the Duvergerian theories predict –because of the existence of positive political externalities to compete and decreasing costs of competing. In parallel, the decision to withdraw from competition and to join a coalition becomes less beneficial to what Duverger expected – due to the presence of negative externalities to compete. Schematically, TABLE 1 summarises the decision to compete in overlapped arenas.

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[4] Hitherto, the strategy of presenting candidacies as a means to raise certain policy debates has been considered as no more than an expressive decision (see, for instance, Sánchez-Cuenca 2004).

[5] This is the case reported by Spoon (2009), who concluded that the Socialist and the Green Party in France did not coalesce for the 2007 legislative elections because the Green Party refused the agreement with a view to maintaining its ideological distinctiveness.

TABLE 1

THE DECISION TO COMPETE IN OVERLAPPED ARENAS

| | *Compete alone* | *Coalesce* | *Withdraw* |
|---|---|---|---|
| *Costs of competing* | Decreasing costs (H1) | Decreasing costs (H1) | - |
| *Externalities: Image of the party* | Gain visibility (H2.1) | Lose reputation (H2.2) | |
| | Promote the party label (H2.3) | Generate confusion (H2.4) | |
| *Externalities: Party organisation* | Keep the organisation active (H3.1) | Face confrontation with the local structure (H3.3) | |
| *Externalities: Party platform* | Keep debates active and spread them across the country (H4) | - | |

To test these arguments I have carried out in-depth semi-structured interviews with political leaders and campaign managers in Canada and Spain. These are ideal cases of study because i) the conditions for the observance of the Duvergerian gravity (Cox 1999) are met; ii) although meeting the Duvergerian rules, various political parties with asymmetric viability have taken divergent strategies in contexts of non-viability; iii) by relying on Canada and Spain as case studies, I introduce variation into the electoral system (SMD plurality vs. PR) while controlling many other factors that could disturb the obtaining of reliable results (such as the presence of ethnolinguistic regional cleavages or decentralised regional arenas); and iv) the decentralised structure of power of the two countries allows extending the analysis to regional chambers. Indeed, the reach of this study includes not only two countries but also four elective chambers: the Canadian House of Commons, the provincial parliament in Quebec (*Assemblée nationale du Québec*), the Spanish lower chamber (*Congreso de los Diputados*) and the Catalan regional parliament (*Parlament de Catalunya*).

The empirical analysis is divided into those cases where parties have taken a Duvergerian decision and those where they have challenged it, as Table A1 in the Appendix illustrates. In particular, there are five different case studies where parties have taken a decision according to what Duvergerian theories predict (either by

withdrawing from competition or joining a coalition). The analysis also includes the study of six other case studies where political parties called into question the Duvergerian gravity, by competing alone when non-viable.

**Empirical Results from In-Depth Interviews**

In-depth interviews with political leaders in Canada and Spain confirm some of the hypotheses raised. H1 argues that the overlap of arenas reduces the direct costs of competing as the number of districts where the party presents candidacies increases. This occurs both when political parties decide to compete alone and when they join a coalition.

This argument has received very strong support from Spanish political parties who have challenged the Duvergerian gravity. Both C's and IU have asserted that once the party is already viable in at least one of the districts of a certain arena of competition, the decision to run a full slate of candidates is the more appropriate, given the decreasing costs of competing. José Manuel Villegas, manager campaign from C's argued:

> *"The basic difference is on whether to run or not to run in an election. Once you have decided to compete in an election, going to one constituency or going to four constituencies it does not involve multiplying by four the expenses or multiplying by four the efforts".*

However, in Canada, none of the parties explicitly highlighted the presence of economies of scale as a reason to present candidacies. This, may be well be explained by the degree of personal voting that exists in this country. The local candidate has a crucial role in promoting the party during an election campaign and hence political parties cannot take advantage of such economy of scale.

H2.1 suggests that competing when non-viable may increase the visibility and the image of the party. Empirical evidence shows important support for these arguments. As Stéphane Dion (Liberal Party of Canada) expressed:

> *"I think that first you need to show you are a national party and you don't give up. It's important for the people where you are strong to show that you are crying for all the Canadians. Thinking for the Liberals, if we give up a region they will be less likely to vote for us, even if they are not in the region. Imagine we only present in*

*Ontario, where the liberals are strong, and that we give up the West, they will not have any incentive to vote Liberal".*

Similarly, for Alain Tremblay (QS) presenting candidacies is a matter of political posturing:

*"We have to show to voters and to the media that we are a significant player and a serious party. (...) If we decide to present candidates everywhere the party can no longer be regarded as an irrelevant actor and hence we need to behave in accordance.*

Karl Bélanger (NDP) noted that the necessity to present candidacies everywhere to keep the party visible is especially relevant in urban areas:

*"If you go to Montreal you cannot win all the seats there; but if there is only one riding where we can run seriously, people don't stand on the riding, they move around the city, so if they don't see the presence of the party, they don't see us as actives and therefore they don't see us as viable when it comes the time to make their vote choice".*

Besides, it has been argued that the decision to compete within a pre-electoral coalition or staying out of competition may entail a loss of credibility and reputation of the party (H2.2). On this regard Stéphane Dion's asserted:

*"Giving up districts where you are weak may weaken you where you are strong. For people in the street: They care about their country. They have relatives in other regions. If they have the sense that this party that they like is giving up in the region, they'll be less likely to support their own party".*

Likewise, Ramón Luque (IU) also dwelt on the necessity to present candidates everywhere since the party has a project for all the country:

*"Not running everywhere would seriously damage the image of IU as it is nowadays conceived, as a serious party. This would also show to the electorate that the political formation has an opportunistic behaviour and that it is not interested in anything else but the electoral rewards it can obtain from elections".*

These are however, cases of parties that have taken the non-Duvergerian decision of competing alone even if non-viable. Yet, what were the reasons stressed by those non-viable parties that decided to give up competition or to join a coalition?

The post-communist ICV decided in the 1999 Catalan elections not to run in three of the four constituencies, but instead to compete here in a coalition with socialist party PSC, which had options to overcome the moderate Catalan nationalists for the first time in the Catalan regional elections. Rafel Ribó (ICV) defended this agreement by arguing that "the context in which elections were held asked for such a courageous decision". However, Ramón Luque (EUiA –a split in ICV that did not agree with joining the coalition) expressed a completely different opinion. For Luque, Rafel Ribó's decision was completely inadequate and challenged the principles of the party. According to Luque, this type of proposition had already been done by the PSOE on other occasions, although they had always been rejected:

> "Once, the leader of the PSOE in the 2000 Spanish national election, Joaquín Almunia, proposed us to reach an electoral agreement for which we would not be running in certain constituencies, and in compensation, some of the deputies elected in the PSOE list would be given to the parliamentary group of IU. Apparently the agreement was beneficial for IU since we were assuring a larger number of deputies than by running alone, but we did not come to terms because this proposition broke our State conception.

The three case studies in this research where parties have decided not to enter competition alone when non-viable (C's and SI in Spain, QS in Canada), considered that not standing alone could not damage the image of the party. This was so because they were not competing in their "core election". As José Manuel Villegas argued:

> "Experience has shown us that in our five years of history we have a very important differential vote in our party. We first thought that if the voter did not have our ballot they would vote for another party and we would lose their loyalty. Then you present candidacies and you obtain a few votes in the European and the national elections, but afterwards regional elections come again and you obtain very good electoral results. (...) We think that people do not vote for you in those elections that they do not consider as 'yours', but then they vote for you in 'your' elections".

Hypothesis 2.3 establishes that parties would prefer presenting candidacies everywhere as a way to keep the party label. Several interviewees supported this idea. According to Stéphane Dion (Liberal), the idea that some politicians launched before –and especially after– the 2010 federal elections of merging the NDP and the Liberals was inappropriate because the party has a long history, a well-known name and a reputation:

> *"Our party, the Liberal Party, has existed since confederation in 1867; we have delivered more governments to our country than other party in the democratic world. I think we have done a good job, this time* [the 2010 federal elections] *Canadians choose to put us in the penalty box, because you cannot win always, but to merge with another party, for us it would be a mistake".*

Meaningfully, the party leader appealed to the institutionalisation and to the longevity of the party as a constraint against joining a coalition. However, the case of the Spanish UPyD presents a complementary view. The party, which is present throughout Spain but very weak in Catalonia, renounced to forge a coalition with the Catalan C's in the 2007 national elections, although the political stances under which both parties confront elections are similar. In this case, though, rather than to *keep* the party label, the decision to run everywhere under the same brand was taken so as to *promote* the party and to obtain the loyalty of their voters. Francisco Pimentel, UPyD's campaign manager argued:

> *"We are a national party and as a consequence we have to behave as such. This involves not only competing in all districts of the country regardless of our electoral performance, but also competing everywhere under the same identical label".*

However, when SI was asked whether the decision to not enter competition in the 2011 election could jeopardise the reputation of the party and the name associated to it, Alfons López Tena (deputy of SI in the Catalan parliament, 2010-2012) answered:

> *"Not in this case because SI is a political party with only one year of history. The problem may exist in other parties: ERC is 80 years old, CiU is 30, or ICV."*

Hence, it seems that for institutionalised political parties, presenting candidacies everywhere may be understood as a way of keeping –and taking advantage of– the party label. However, as the case of UPyD highlights, for recently created parties, if the

necessity to present candidacies everywhere exists, it may be due to the desire to promote the party name and to show consistency and seriousness; for other newly created parties, though, this necessity may not arise, such as the case of SI shows.

In contrast, hypothesis 2.4 suggests that parties may obtain negative political externalities from the confusion that the decision to stand for elections under different labels may generate. However, evidence from interviews does not support this possibility. The agreement between the PSC and ICV when they ran together in three of the four Catalan constituencies could have been hypothesised to generate confusion to the electorate. However, both Rafel Ribó (ICV) –the father of this agreement– and Ramon Luque –which ran elections alone, among other reasons, as a way to reject this agreement– considered that citizens were not confused for such a decision.

With regard to the hypotheses related to party organisation, H3.1 argues that the decision to compete alone may allow the party to keep the local structure active for elections where the party is viable. Empirical evidence from interviews considerably supports this hypothesis, at least in the case of Canada. Political parties in Canada strongly rely on the local organisation when publicising the party during elections. Stéphane Dion defined the role of local activists during elections as follows:

> *"You have your grassroots working door to door, helping your candidate everywhere, working as volunteers, they believe in you, in your party, in your platform".*

Similarly, Alain Tremblay (QS) noted:

> *"Presenting candidacies everywhere is the way to have a strong organisation that confronts a fight, a target, an objective to reach. It is a way to keep the organisation alive and its members with enthusiasm. Within the organisation the simple fact of fighting for an election means to gain collective experience".*

The case of Spain is considerably different because, the evidence suggests, political parties do not need to rely on local structures as much as parties do in Canada. It seems, hence, that the role that activists are expected to play in each of the countries is crucial for understanding differences. In Canada, due to the need to perform proximate campaigns, the role of activists is more relevant than in Spain, where campaigns are mostly centrally driven.

Besides, the decision not to enter into competition alone, may entail some *negative political externalities* due to the possibility of facing confrontation from the local structures of the party (H3.2). There is a considerable agreement among all the party officers that any strategic decision that moves away from the classical behaviour of the party has to contend with the agreement of the local bases of the organisation. As Karl Bélanger (NDP) asserted:

> *"The impact of not running in any riding would certainly upset many people. (...)*
> *There is no movement I can find of not running a full slate in all the country".*

Similarly, Ramón Luque (IU) argued that not presenting candidates in a non-viable riding could upset local activists, which may eventually end up presenting an independent candidacy. However, these are cases where the party decided to compete alone when non-viable: what was the opinion of those parties that took a Duvergerian-based decision and decided either to join a coalition or to withdraw from competition? To answer this question we can study how the local organisations of the Liberal Party of Canada in the province of Nova Scotia reacted after the leader of the party, Stéphane Dion, decided not to present a candidacy in the constituency of Central Nova –as a result of an agreement with the leader of the Green Party. Dion asserted:

> *"Many liberals of new generations were excited about this new way to do politics.*
> *For Liberals from other times it was difficult to swallow; especially from some*
> *members of Central Nova. (...) However, if I have had the sense that both the riding*
> *association and the liberals in Nova Scotia were really against with what I was*
> *going to do, I wouldn't have done that. I had enough support, the reluctance was*
> *not strong enough, and so I could go ahead with this idea."*

In a similar manner, the agreement reached by the PSC and ICV in the 1999 Catalan regional elections, counted as well with notable support from the local organisations within ICV. In Rafel Ribó's words:

> *"Of course there were those who did not agree with the idea, very few people, but*
> *there were some. They considered that by running together the party was losing its*
> *personality and image, becoming diluted in the three constituencies where the*
> *coalition was formed".*

However, most of the local bases in the three constituencies where the agreement was reached agreed on the decision. Additionally, the coalition was not formed in the constituency of Barcelona, where the party performs better, thus preventing critiques to take place.

Finally, regarding the cases of both C's and SI in the Spanish lower house elections, many similarities can be found. C's tried to craft an electoral agreement with UPyD for standing in elections together, though UPyD rejected the proposal, and eventually C's did not run candidacies. According to José Luís Villegas, party activists always accepted the party decisions:

> *"Mostly the decision has been understood and there have only been some voices which have manifested their desire to compete, in order to be able to cast their ballot for the party".*

Therefore, counting on the support of the local bases is particularly relevant at the moment of deciding political parties' strategic decisions. Confrontation from local activists may entail important negative political externalities for the party, since it may result in internal opposition. However, interviews have also shown that, in certain contexts, political parties may decide to stand out of competition if they realise that this will not bring any internal conflict within the party.

Finally, hypothesis 4 argues that competing, even if non-viable, would be preferable than joining a coalition or withdrawing from competition since it will generate *positive political externalities* due to the possibility to keep debates active and to spread them across the territory (H3). Evidence from interviews considerably supports H3, although the evidence seems to apply only for political parties with important degrees of ideological rigidity. In particular, interviews show evidence of this externality for the two most leftist parties under study, IU and the NDP.

According to Karl Bélanger (NDP), presenting candidacies everywhere, even if non-viable, is important to extend political debates throughout the districts of the country, even where the party does not have any chance to achieve representation:

> *"When you come from a riding where you have no chances of winning you still want to make a difference, you want to try to raise issues, to try to frame the debate, and if you are not running anyone will talk about what you can do to* [help]

*the elderly, poor, or housing, or homeless. If you don't have someone from the NDP running maybe these issues will not be raised at all. And you force the other candidates to react to those issues. If you are not there, you cannot influence the debate at all. Sometimes you may not be successful at winning but you may create awareness about issues".*

In a similar vein, Ramón Luque (IU) stressed the actual need for the party to present candidacies everywhere as a way to show the weaknesses of the social democratic discourse:

*"This has also been of especial relevance within the leftist forces. And as time goes by it becomes even more important to present candidacies everywhere in order to create awareness of the political context we are facing, since confusion within the European social democratic forces is very evident".*

Evidence from these two political actors shows that by running candidacies when non-viable, political actors are able to create awareness about some issues and to spread debates across arenas. At first sight though, this may primarily benefit only the popularity of the discourse itself, whereas the party that is promoting it may only indirectly benefit from it. However, it is undeniable that certain political discourses are associated with certain political parties. Hence, by promoting this discourse both in arenas where the party is viable and in those where it is not, the party will be able to derive positive political externalities. This will eventually end up with an improvement in the party's electoral performance in other arenas where already viable. Hence, there is considerable evidence in favour of H4, although this would only be relevant at explaining the emergence of positive political externalities within parties with an important degree of ideological rigidity.

## Conclusions

According to the Duvergerian theories, the entrance of non-viable parties is a random phenomenon. Political parties should only present candidacies when they have chances of achieving representation. At the mid and the long-term, parties would be thought to desert competition when non-viable. In this paper I have called into question this largely accepted assumption by claiming that, even when rational choice assumptions are met, the decision to stand for elections when non-viable, is a systematic phenomenon that

takes place across parties, countries and electoral systems. Entering into competition when non-viable, far from being a random phenomenon, becomes the dominant strategy among political parties in mass elections. This is due to the superposition of electoral arenas, that changes the incentives through which political parties contest elections. In particular, the overlap of electoral arenas generates two fundamental organisational opportunities that encourage parties to compete alone when non-viable.

I have tested my arguments through the performance of in-depth interviews with party elites in Canada and Spain. Evidence has shown that, first of all, political parties face *economies of scale* when competing in more than one arena. As the number of constituencies where the party decides to present candidacies increases, the marginal cost of doing so decreases, thus easing the entrance for competition. However, the presence of decreasing marginal costs of competing is not enough to explain parties' entrance when non-viable.

The appearance of *political externalities to compete* is the second organisational opportunity that encourages parties to compete alone when non-viable. The decision to stand for elections in those arenas where the party is non-viable, generates *positive political externalitie*s that will not be internalised by the local party, but rather they will be internalised by another actor, namely the party at other arenas of competition where it is viable. Competing when non-viable may bring about positive externalities for the party i) as a manner to gain visibility –especially in highly populated areas–; ii) to promote the party label –for institutionalised parties–; iii) as a way to keep the local organisation active for when it comes the time to contest elections where the party is viable; and iv) as a way to raise awareness about certain issues –for parties with a certain degree of ideological rigidity.

Analogously, the decision to withdraw from competition or to join a coalition has been shown to generate some *negative political externalities.* In particular not competing may bring about i) a lose in the reputation of the party –when the party decides not to compete alone in its core election–; and ii) it may face confrontation from the local structure of the party –if the decision does not count with the support of the members of the local organisation.

Overall, evidence from interviews to political leaders in Canada and Spain shows that the emergence of political externalities to compete is the identifying factor in explaining parties' decision to compete when non-viable. Further analysis will have to extend the study of the casuistries that lead parties to present candidacies when non-viable to other countries. This will also enable to broaden the scope of the study to other institutional settings and, eventually, verify whether the causal mechanisms behind each of these phenomena are universal and whether they lead to a common pattern of behaviour explainable by a general theory, namely, that political parties take advantage of their viability in a certain arena to present candidacies in other arenas where they are non-viable.

APPENDIX

TABLE A1

CASE STUDIES

| | Duvergerian strategy | | Non-Duvergerian strategy |
|---|---|---|---|
| | **Coalition** | **No entry** | **Entry alone** |
| *Canada* | - | *Québec Solidaire* in the federal elections.<br><br>Strategic withdrawal of the Liberals in the constituency of Central Nova in 2008. | *Québec Solidaire* in the Quebecois parliament elections<br><br>New Democratic Party in the federal elections.<br><br>Failed attempt of fusion between the New Democratic Party and the Liberals. |
| *Spain* | Coalition *Partit dels Socialistes de Catalunya* & *Iniciativa Catalunya Verds* in the 1999 Catalan parliament elections | *Ciutadans* in the 2011 lower house elections.<br><br>*Solidaritat* in the 2011 lower house elections. | *Izquierda Unida* in the lower house elections.<br><br>*Ciutadans* in the 2008 lower louse elections and in the 2010 Catalan parliament elections<br><br>*Unión, Progreso y Democracia* in the lower house elections. |

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