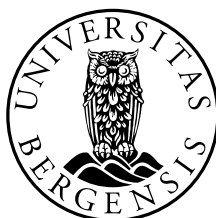# Party Competition as an Explanation for New Parties' Decision to Reenter Elections and Electoral Success:

A Heckman's Selection Model of New Parties in Central and Eastern Europe

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Abstract

This thesis investigates the determinants of reentry and electoral success among new parties that encounter ideological competition from established parties in Central and Eastern Europe. In this part of Europe there is a continuous emergence of new political parties of different ideologies, many of which are considered to represent new or neglected issues. However, new parties do not exclusively introduce new ideologies as they also represent a continuation of mainstream party families and compete on already occupied ideological territories. The thesis aims to understand how competition from established parties affect new parties' electoral trajectories. Previous research indicates that studies of new party performance may be susceptible to selection bias since the factors influencing new party entry may also affect their electoral success. To correct for potential selection bias, a Heckman's selection model is applied to data from the Manifesto Project Database and the Parliaments and Governments Database. An analysis of the electoral trajectories of 46 new parties between 2000 and 2020 reveals that new parties face considerable competition from established parties in terms of having similar policy positions. However, the analysis indicates that competition on the social and the economic dimension have different effects on new party reentry and electoral success. Increased competition on the social dimension decreases the probability of reentry, while increased competition on the economic dimension have the opposite effect. Interestingly, when it comes to the electoral success of new parties a reversed pattern can be observed.

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List of abbreviations

ABV	Alternative for Bulgarian Revival
ANO	Alliance of the New Citizen
ANO11	Action of Dissatisfied Citizens
Ataka	National Union Attack
BBZ	Bulgaria without Censorship
BRG	Bulgaria
CEE	Central and Eastern Europe
CZE	Czech Republic
DK	The Way of Courage
DL	Gregor Virant's Civic List
DP	Labour Party
DSB	Democrats for a Strong Bulgaria
EER	Estonian Greens
EST	Estonia
EV	Free Party
GERB	Citizens for European Development of Bulgaria
HUN	Hungary
JL	New Era
LMP	Politics Can Be Different
LPR	League of Polish Families
Lra	Latvian Association of Regions
LRLS	Liberals Movement of the Republic of Lithuania
LsNS	Kotleba – People's Party Our Slovakia
LTU	Lithuania
LVA	Latvia
LZJ-PS	Zoran Janković's List - Positive Slovenia
MARPOR	Manifesto Project Database
MH	Most-Hid
NDSV	National Movement Simeon the Second
NS-SL	New Union (Social Liberals)

NSI	New Slovenian Christian People's Party
NsL	For Latvia from the Heart
OL'aNO	Ordinary People and Independent Personalities
ParlGov	Parliaments and Governments Database
PiS	Law and Justice
PO	Civic Platform
POL	Poland
PP-DD	People's Party - Dan Diaconescu
ROU	Romania
RP	Palikot's Movement
RZS	Order, Law and Justice
S	Network
SaS	Freedom and Solidarity
SDKU-DS	Slovak Democratic and Christian Union - Democratic Party
SMC	Party of Miro Cerar
Smer	Direction-Social Democracy
SMS	Party of Slovenian Youth
SR	We Are Family
SVK	Slovakia
SVN	Slovenia
TOP09	Tradition, Responsibility, Prosperity 09
TPP	National Resurrection Party
TT-LDP	Coalition of Rolandas Paksas 'For Order and Justice'
UPD	Tomio Okamura's Dawn of Direct Democracy
V	Unity
VV	Public Affairs
ZaAB	Alliance of Alenka Bratušek
Zares	For Real
ZRP	Zatlers' Reform Party

1 Introduction

1.1 Setting the stage

Lipset and Rokkan (1967), famously known for their research on political parties and party systems, studied Europe in the late sixties. Their observations indicated that the cleavage structure in most party systems were similar to those of the twenties. This caused the authors to formulate the 'freezing hypothesis' which has been widely cited thereafter. Since the 1960s, the party systems in Europe has changed dramatically, and the parties in Western Europe constitute counterevidence to Lipset and Rokkan's predictions. It became clear that there was a need to explain why party systems still change intermittently. Research on new political parties in Western Europe started with the rise of the green and the radical right parties in the last two decades of the twentieth century. Consequently, scholars have primarily focused on the appearance of new salient issues such as post-materialism and immigration in relation to the success and emergence of new parties (e.g. Berlusconi's Forza Italia, Glistrup's FRP in Denmark, New Democracy in Sweden, Roussem in Belgium, Die Grünen in Germany). The parties' impact on a number of Western European democracies makes them a clear target for research.

The collapse of the Soviet Union and the end of Communism in Central and Eastern Europe (hereafter CEE) resulted, however, in a new empirical focus for party politics. Despite their transition to democracy after 1989, electoral volatility is still remarkably high in the region (e.g. Powell and Tucker 2014). Accordingly, a broad body of literature addresses the causes of high electoral instability in post-communist democracies (e.g. Mainwaring 1998; Tavits 2005). New parties in CEE are frequently on the winning side in electoral competition and are found to be a significant reason to why electoral volatility still exists in the region (Engler 2016; Powell and Tucker 2014). New parties with an average vote share of 20 per cent in CEE elections are not unusual, and new parties often form government by themselves or participate in a governing coalition shortly after their foundation (Engler 2016; Tavits 2008a, 114). Thus, several studies have exclusively analyzed the electoral support for new political parties (e.g. Mainwaring, España-Najera, and Gervasoni 2009; Powell and Tucker 2014; Sikk 2005; Tavits 2008). Literature on advanced democracies has shown that institutional and sociological factors are

useful as explanations when examining new parties (Tavits 2005; Zons 2015). Among the most important explanatory factors that have been proposed are electoral thresholds (Bolleyer and Bytzek 2013; Dinas, Riera, and Roussias 2015; van de Wardt, Berkhout, and Vermeulen 2017), economic performance (Hug 2001), and cleavage structures (Lucardie 2000).

1.2 Research question

Tavits emphasize that "new entries and their success are not exceptions but rather an integral part of electoral competition in new democracies" (2008a, 114). New parties in CEE therefore deserve scholarly attention. This thesis examines new political parties in the CEE region and aims at explaining the electoral reentry and success of new parties within the framework of party competition. Specifically, I analyze whether new parties' decision to reenter elections and their subsequent electoral success if affected when they face more or less competition in proximity of their ideological space. The research question is as follows:

To what extent does ideological competition from established parties affect new parties' success when choosing to compete in subsequent elections?

Scholars have previously explored green and radical right parties in Western Europe with similar approaches (Abou-Chadi 2014; Bale 2003; Meguid 2005). However, they have not analyzed the preliminary years of the parties' electoral life which will be done in this thesis. Since the regime change, an average of 5.6 new parties have emerged in each election (Tavits 2008a, 114). In sharp contrast, new party entry and success in established democracies have been more incremental. Between 1945 and 1991, on average, only one new party emerged in advanced Western democracies (Hug 2001, 2).[1] New parties in Western Europe accumulated their support gradually and it was uncommon for them to make it to parliament in the first election. Consequently, scholars started to analyze them once they established themselves,

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[1] Hug considered the following countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Great Britain, Canada, the United States, Australia, and New Zealand.

years after they emerged. Competition from established parties have been studied to a lesser extent in Central and Eastern Europe (but see Bernauer and Boschler 2011 and Tavits 2008b). As there have been few systematic analyses of competition between new and established parties, I seek to fill this gap in the literature. The analyses conducted herein contributes to the debate about party competition in CEE with a focus on competition from other established parties, thus shedding light on the ideological locations of parties in CEE party systems.

The research question is twofold and consist of two interrelated parts. In order to explore the impact of competition towards the new parties in their second election, it is necessary to not only look at their electoral performance, but also whether they survive as independent parties until the second election, and whether they decide to reenter electoral competition. First, I will investigate the presence of new parties in electoral politics, more precisely whether they reenter election. Further, I will look at the electoral success of the new parties that reentered in terms of vote share.

1.3 Scope of the study

It is important to be precise about what is being studied in a research (George and Bennett 2005, 74), and establishing what is *not* to be studied often clarifies the purpose of the study (Goertz 2006, 32). In the following section, I explain the scope of the study and specify the parameters the study operates within.

The general purpose of the study is to examine the reentry and subsequent electoral success of new parties. The study covers the political elections between 2000-2020 in ten Central and Eastern European countries within the geographic borders of Europe: Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia. All the countries became European Union member states between 2004-2007. However, to ensure some comparability, I choose *not* to include Croatia, which became a member state in 2013.

The definitions of new parties are ample: *new/centrist populist* (Pop-Eleches 2010; Učeň 2007), *centrist anti-establishment parties* (Engler 2018), *anti-establishment parties* (Engler, Pytlas and Deegan-Krause 2019), *anti-establishment reform parties* (Hanley and Sikk 2006), or *anti-corruption parties* (Bågenholm 2013). I do *not* focus on a particular type of new parties. Instead, I focus on all new parties that achieved parliamentary breakthrough in their first election. Moreover, the explanations developed to explain new party entry and success are diverse. Much of the literature focus on institutional and sociological factors, while others focus more narrowly on the valence issues such as corruption (Bågenholm 2013). This thesis does *not* focus on one particular issue in order to assess the new parties' ideological stances.

The basic premise of this study is that political competition in CEE takes place in a two-dimensional space consisting of several policy issues. Previous research argues that measuring parties according to a general left-right dimension is not applicable in CEE due to their specific content (Engler, Pytlas, and Deegan-Krause 2019; Ibenskas and Polk 2017). Consequently, the new parties' positions will be measured on an economic and a social dimension. Furthermore, factors explaining the electoral success of new parties are usually based on measures of electoral demands. The thesis does *not* use survey data on voters' preferences. This is beyond the scope of this research. However, as a proxy, I use socio-structural indicators as measures of electoral demands.

1.4 Structure of the thesis

For the purpose of contextualizing, Chapter 2 provides a brief overview of the new parties as well as a general discussion of the political system in CEE. In Chapter 3, I present the theoretical framework and illustrate how party competition functions as an explanation for new parties' decision to reenter electoral competition and their subsequent electoral success. There exists substantial work on the entry and success of new parties. Therefore, I also present two dominant theories in the literature which are fruitful explanations to include in addition to the main explanation. Chapter 4 presents the data that is used and a discussion of the operationalizations of the variables. In Chapter 5, I outline the idea behind the Heckman's two-staged selection model, which is the method utilized for the analysis, and discuss the theoretical and statistical reasons for choosing this method. Chapter 6 is devoted to the analysis itself. In Chapter 7 I

discuss the findings. Lastly, in Chapter 8, I conclude with regards to the theoretical expectations.

2 Background

The main focus of this thesis is new political parties in Central and Eastern Europe. Before properly considering them, I briefly examine the political landscape they operate in. In addition, there are several academic contributions that address similar research questions to the one in this thesis. Accordingly, I summarize some of the different explanations suggested in these works before proceeding with the main explanation presented in Chapter 3.

2.1 The political landscape of new parties in CEE

New political parties have made remarkable success during the last decades in CEE. Several new parties emerged shortly before elections in Bulgaria, the Czech Republic, Latvia, Lithuania, and Slovenia. Successful examples, to name a few, are the Bulgarian National Movement Simeon the second (NDSV) in 2001 and the Citizens for European Development of Bulgaria (GERB) in 2009, Public Affairs (VV) and Tradition Responsibility Prosperity 09 (TOP09) in the Czech Republic in 2010, the Latvian New Era (JL) in 2002, and the Labour Party (DP) in Lithuania 2004. Several theories have been developed to explain the emergence and success of new parties. In the context of established democracies, scholars have argued that new parties enter the electoral arena when new issues that are important to the electorate are not addressed properly by the established parties (Hug 2001; Lucardie 2000; Zons 2015). Another set of arguments suggest that the formation of new parties is driven by the gap between voters' and parties' positions (Downs 1957). Accordingly, research has focused on new parties that position themselves on unoccupied positions and provide new ideological projects in terms of emphasizing issues and ideological dimensions that are not salient to established parties (Ibenskas 2019a, 6).

Some scholars focus on a subset of new parties and argue that they lack clear positions on the ideological dimensions (Pop-Eleches 2010; Sikk 2012). Instead of viewing new parties as primarily the expression of new social cleavages or carriers of new issues, research on new party formation Central and Eastern European democracies have highlighted the role of institutional incentives enabling new contenders to compete, and conjunctural factors such as

frustrated citizens, or the perception of politicians as self-seeking and corrupt (Pop-Eleches 2010; Sikk 2005). Corruption is a highly salient issue which affects many of the countries in the region. As a result, a common feature among several new parties is that they politicize the issue of corruption (Bågenholm 2013). Bågenholm and Charron (2014) have in their study of new parties in Western and Eastern Europe found that the parties that politicize corruption are more successful than the ones that do not. The findings are supported by other authors who confirm a correlation between corruption and the electoral success of new parties in CEE (Hanley and Sikk 2016; Tavits 2008a). Engler (2016) also find evidence for the same relationship. However, she observes that corruption is twofold, consisting of both clientelist structures and perceived corruption levels. The historically derived clientelist structures in many of these countries bind the electorate with the already established parties, therefore lowering the electoral support for new parties, while high levels of perceived corruption increase the electoral support for new parties (Engler 2016, 294).

The CEE region is characterized by rapid change and volatility, much of which stem from the votes for new parties (Engler 2016). Due to lack of experience, organizational strength, internal conflicts as well as potential partnership in terms of merging or creating alliances in order to survive, many of these parties emerges only to dissolve shortly after. To illustrate, the Romanian People's Party – Dan Diaconescu (PP-DD) received 13.99 per cent of the votes in 2012. The party suffered heavily from party switching, and after the party leader Diaconescu was convicted of extortion, PP-DD merged with National Union for the Progress of Romania in 2015 (Tăut 2014, 134). The Lithuanian party National Resurrection Party (TPP) received 15.09 per cent of the votes in 2008. In 2011, one year before the next election, the party merged into the Liberal Centre Union.

Alliance of the New Citizen (ANO), founded by Pavol Rusko in 2001, polled over the 5 per cent mark and won 8.01 per cent of the votes in Slovakia's parliamentary elections in 2002. However, ANO's vote share strongly declined in the 2006 elections due to a corruption scandal which caused the party to split the year before. The Czech Public Affairs (VV) was founded in 2001 but did not emerge as a contender until the 2010 elections. The party received 10.88 per cent of the votes, thus surpassing the 5 per cent threshold with 24 seats. Similar to the fate of ANO, VV experienced internal disputes and bribery incidents which caused serious difficulties in the Czech government coalition, which also eventually led to the party's downfall (Bakke

and Sitter 2015, 8).The Czech party Tomio Okamura's Dawn of Direct Democracy (UPD) got 6.88 per cent of the votes in 2013. However, the party experienced serious financial difficulties (Hloušek, Kopeček, and Vodová 2020, 132). Moreover, UPD did not participate in the 2017 parliamentary elections and dissolved in 2018. The Latvian Zatlers' Reform Party (ZRP) received 21.01 per cent of the votes in 2011. However, the party decided to make an electoral pact with its government coalition partner Unity (V),[2] and in 2015 the new party began the formal process of dissolving.

Since the end of Communism, most countries in CEE have established democratic institutions and joined the European Union.[3] However, scholars have found that the mean duration of governments is shorter than the average duration of Western European governments and argue that there is an ongoing 'under-institutionalization' of the party systems in these countries (Tzelgov 2011, 552). On the other hand, it is important to note that government stability varies substantially across CEE countries. Table 2.1 gives an overview of the number of cabinets from 2000-2020 across the 10 CEE countries. By way of illustration, since 2000 through 2020, Romania saw 19 governments, whereas Hungary and Bulgaria had only 8 and 9, respectively. Furthermore, the countries do not merely fall into 'unstable' and 'stable' clusters (Grotz and Weber 2012, 699). Lithuania saw four different cabinets during the 2004-2008 parliamentary term. Similarly, Latvia had four cabinets throughout the 2006-2010 parliamentary term. However, the Polish government elected in 2007 remained in office until the 2011 elections with Donald Tusk as prime minister, and thus became the most durable government in the country's democratic history.

Bulgaria, Hungary, Slovakia, and Slovenia show comparable patterns. The Bulgarian government elected in 2005 remained in office until the 2009 election with Sergei Stanishev as prime minister. In Hungary, the government elected in 2010 remained in office until 2014 with Viktor Orbán as prime minister. The Slovakian government in 2002 remained in office until 2006 with Mikuláš Dzurinda, and similarly, the Slovene government elected in 2014 with Miro

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[2] Unity is another new party in Latvia.

[3] CEE countries with European Union membership are Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia.

Cerar, founder of the new party Party of Miro Cerar (SMC), remained in office until the 2018 elections.

Table 2. 1 Government change in CEE

	Bulgaria	Czech Republic	Estonia	Hungary	Latvia
2000	-	-	-	-	Berzins
2001	Sakskoburggotski	-	-	-	-
2002	-	Spidla	Kallas	Medgyessy	Repse
2003	-	-	Parts	-	-
2004	-	Gross	-	Gyurcsany I	Emsis, Kalvitis I
2005	Stanishev	Paroubek	Ansip I	-	-
2006	-	Topolanek I	-	Gyurcsany II	Kalvitis II, Kalvitis III
2007	-	Topolanek II	Ansip II	-	Godmanis II
2008	-	-	-	Gyurcsany III	-
2009	Borisov I	Fischer	Ansip III	Bajnai	Dombrovskis I
2010	-	Necas I	-	Orban II	Dombrovskis II, Dombrovskis III
2011	-	-	Ansip IV	-	Dombrovskis IV
2012	-	Necas II	-	-	-
2013	Raikov, Oresharski	Rusnok	-	-	-
2014	Bliznashki, Borisov II	Sobotka	Roivas I	Orban III	Straujuma I, Straujuma II
2015	-	-	Roivas II	-	-
2016	-	-	Ratas I	-	Kucinskis I
2017	Gerdzhikov, Borisov III	Babis I	-	-	-
2018	-	Babis II	-	Orban IV	Kucinskis II
2019	-	-	Ratas II	-	Karins
2020	-	-	-	-	-
Total	9	12	10	8	16

Table 2. 1 (continued)

	Lithuania	Poland	Romania	Slovakia	Slovenia
2000	Paksas II	Buzek II	Nastase I	-	Bjauk, Drnovsek VI
2001	Brazauskas I	Miller I	-	-	-
2002	-	-	-	Dzurinda II	Rop I
2003	Brazauskas II	Miller II	Nastase II	-	-
2004	Brazauskas III, Brazauskas IV	Belka	Popescu-Tariceanu I	-	Rop II, Jansa I
2005	-	Marcinkiewicz I	-	-	-
2006	Brazauskas V, Kirkilas I	Marcinkiewicz II, Kaczynski	Popescu-Tariceanu II	Dzurinda III, Fico I	-
2007	-	Tusk I	Popescu-Tariceanu III	-	-
2008	Kubilius II	-	Boc I	-	Pahor I
2009	Kubilius III	-	Boc II	-	-
2010	Kubilius IV	-	Boc III	Radicova I	-
2011	-	Tusk II	-	Radicova II	Pahor II
2012	Butkevicius I	-	Ungureanu, Ponta I, Ponta II	Fico II	Jansa II
2013	-	-	-	-	Bratusek
2014	Butkevicius II	Kopacz	Ponta III, Ponta IV	-	Cerar
2015	-	Szydlo	Ciolos	-	-
2016	Skvernelis I	-	-	Fico III, Fico IV	-
2017	-	Morawiecki I	Grindeanu, Tudose	-	-
2018	Skvernelis II	-	Dancila I	Pellegrini	Sarec
2019	Skvernelis III	Morawiecki II	Dancila II, Orban I	-	-
2020	-	-	Orban II	Matovic	Jansa III
Total	15	13	19	10	12

Note: Descriptive statistics of the different cabinets through 2000-2020 in 10 CEE countries.
Source: ParlGov (Döring and Manow 2019).

The different degrees of government (in)stability in the region has been explained by the dynamic nature of the party systems in CEE (Tzelgov 2011, 552). Standard theories of government survival primarily refer to party-related attributes. However, the literature is somewhat vague about which kind of attributes that explain government durability in CEE. Compared to their Western European counterparts, parties in CEE operate in a more complex

political context. They face the challenge of, for example, Europeanization, economic transition, and difficulties with constitutional design (Grotz and Weber 2012, 702). The political landscape is also concerned with the challenge of communist successor parties (Tzelgov 2011) and opponents of communism, unstable cleavage patterns (Bustikova and Kitschelt 2009), and the continuous emergence of new political parties (Pop-Eleches 2010; Tavits 2008a).

The countries that are studied in this thesis are diverse with different levels of party system stability, electoral systems, economic development, as well as political histories (Tavits 2012, 95). As an example, Hungary and the Czech Republic are considered as more stable party systems compared to Poland and Estonia. The countries further vary in terms of cleavage structure. All countries in the CEE region have ethnic minorities of some sort (Evans and Whitefield 1993, 540), however, some are more affected by this cleavage than others. Estonia is faced with the ethnic cleavage between Estonians and Russians, while Hungary is still today characterized by a deep cultural cleavage based on the 'urban-populist' divide. This was a crucial dynamic in the interwar era composing of liberal, socialist, and Jewish elites on the one hand and the 'true' Hungarians on the other hand (Toomey 2020, 88). In comparison, the Czech Republic and Poland, have less prominent cleavages (Tavits 2012, 87). National issues are salient in Hungary and, thus, party competition is indeed dominated by a social dimension. In contrast, party competition in the Czech Republic is characterized by a single dominant dimension concerning socio-economic issues (Hanley 2012, 128). Moreover, it is also found that party competition tends to revolve around economic issues in Slovakia (Rovny and Edwards 2012, 65).

2.2 Previous findings in the literature

A series of previous studies have addressed the entry, electoral success, and the electoral survival of new parties (Bolleyer 2013; Bolleyer and Bytzek 2013; Spirova 2007; Zur 2019). In their article, Bolleyer and Bytzek (2013) examine new parties' performance patterns after national breakthrough in 17 advanced democracies. To explore the performance of new parties, they look at the ones that won a seat in their national parliament at least once. Moreover, they avoid the assumption that new parties only represent new or neglected issues in the society in order to capture all relevant cases (Bolleyer and Bytzek 2013, 774-775). New parties may also

successfully compete on occupied territories (Sikk 2012, 467). Using multilevel analysis, Bolleyer and Bytzek (2013, 787) found five different factors that shape new parties' short-term performance and sustainability. They discovered that both a new party's electoral support at breakthrough and their success in a regional tier increase the likelihood of reelection, while ideological distinctiveness, easy access to media, and a permissive electoral system increase the chance of repeated reelection.

In a similar vein, Obert and Müller (2017) examine how new political parties' success impact their survival using elections for Czech regional councils. They make use of institutional variables such as representational thresholds as well as socio-economic factors such as the unemployment rate (Obert and Müller 2017, 422). Using multilevel modelling, the authors look at the impact of local and regional representation as well as government participation on new party survival. Of the 107 parties studied in the Czech region, Obert and Müller found that the ones not able to cross the threshold of representation are less likely to survive than the parties that were able to gain representation immediately in the regional council. Consistent with Sikk's (2012) argument, the authors find that 'newness' in itself is not a viable option without resources and political experience (Obert and Müller 2017, 430).

Bakke and Sitter (2013) explore how and why parties fall out of parliament in Hungary, the Czech Republic, and Slovakia. The authors point to parties participating in coalition government as junior partner as a potential factor causing parties to fall out. Bakke and Sitter (2013, 214) argue that junior government status is especially hazardous when small, newly founded parties enter government immediately and when the formal partner in the coalition is distant ideologically (Bakke and Sitter 2013, 214). Moreover, they claim that the opportunity structure, such as having a stable constituency associated with salient cleavages, decrease the risk of failure (Bakke and Sitter 2013, 220). The political opportunity structure is a rather broad concept including formal institutional barriers such as electoral thresholds and party registration procedures, changes in salience of cleavages and issues, and political culture (Lucardie 2000, 180-181). Moreover, they also found in their descriptive analysis that parties failed because they were crowded out by considerable competitors (Bakke and Sitter 2013, 221).

In a more recent article, Bakke and Sitter (2015) examine parties that fall below the threshold of representation and look at why some parties become defunct while others survive longer outside the parliament. By descriptively comparing and using cross tables to investigate how much the factors correlate, they argue that death and survival depend on the elite's strategic choices and on how these are shaped by institutional factors such as organizational strength and the opportunity structure provided by other parties in terms of alliances and mergers (Bakke and Sitter 2015, 2). The electoral rules favor strong parties and punish weaker parties. The eligibility threshold for state-subsidized party funding differs in all countries, but beyond the threshold, party funding is also based on seats and votes which imply that parliamentary parties and large parties profit more. Bakke and Sitter (2013, 14) find that the parties falling below the eligibility threshold of state subventions are less likely to survive. Along the same lines, Zur (2019) examines when parties fall out of parliament and which parties that survive longer in 37 democracies. Zur focuses on institutional factors such electoral permissiveness and legal threshold in addition to the party-level structure of the electoral competition. His findings show that parties should adapt policy positions that are as moderate and distinctive as possible in order to survive. Parties' positions affect their vote share, and Zur's findings further show that the parties' positions also affect their survival (2019, 975-976).

Although the focus of the abovementioned articles slightly differs from the one in this thesis with some focusing on all parties and not only new ones, and others focusing on different system-levels and Western European parties, they are conducive to the study of new party reentry and electoral success. A number of authors have recognized the role of institutional factors in relation to the entry and success of new parties. Their findings provide important insight to the factors explaining new party entry and electoral success, which will be discussed further in Chapter 3.

3 Theoretical framework

In this chapter I will present relevant concepts and outline my theoretical framework. Besides classic explanations such as the electoral threshold, which is thoroughly measured, the role of political competitors constitute a factor which is broadly discussed in the Western European context (e.g. Abou-Chadi 2014; Art 2007; Meguid 2005), but to a lesser extent in Central and Eastern Europe. Before elaborating the theoretical argument in more detail, the next section will give a brief overview of theories of spatial party competition and their relevance for the relationship between new parties' reentry decision and success. The goal of this chapter is to show how party competition can be used to explain new parties' decision to reenter and their subsequent electoral success.

3.1 Defining new parties

Along Sartori's (1976) lines, a political party is defined as an organization that tries to mobilize its candidates into parliament, as well as government, in order to engage in specific policy goals. New parties in Western Europe have usually been differentiated from established parties by not representing traditional cleavages in Lipset and Rokkan's (1967) terms (e.g. Harmel and Robertson 1985; Hug 2001). However, scholars caution against classifying new parties in CEE as merely a product of social divides and cleavages, as they also may compete on occupied territories (Bolleyer and Bytzek 2013, 775; Sikk 2012, 475). There have been different ways to define new parties that have emerged the last 25 years in Central and Eastern Europe. Studies on the radical left (e.g. March and Keith 2016) and on the radical right (e.g. Minkenberg 2015; Pirro 2015; Pytlas 2015) have found that populist politics in CEE also comprise of parties that belong to neither of these categories. These parties have often been termed *new/centrist populist* (e.g. Pop-Elches 2010) or *centrist populist parties* (e.g. Učeň 2007; Stanley 2017). Others have termed them *anti-establishment parties* (e.g. Engler, Pytlas and Deegan-Krause 2019), *anti-establishment reform parties* (e.g. Hanley and Sikk 2016), or more narrowly as *anti-corruption parties* (e.g. Bågenholm 2013). The region is also home to new parties that adopt a broad anti-establishment discourse challenging the existing elite (Hanley and Sikk 2016; Sikk 2009). Nonetheless, new parties are not exclusively ideologically new, they also emulate mainstream

ideologies and represent a continuation of mainstream party families (Bolleyer 2013, 93; Bolleyer and Bytzek 2013, 774).

The trajectory of a new political party may head in several different directions. Some will merge with another party, others dissolve formally or simply fall apart, while some continue as independent organizations without running for election (Spirova 2007, 20). Of particular interest in this thesis, is the new parties that decide to continue as independent party in subsequent elections. In line with other significant work on new parties (e.g. Hug 2001; Ibenskas 2019a; Sikk 2012, Tavits 2008a), this thesis defines new parties as parties that have not competed in a previous parliamentary election on their own or as a part of an electoral alliance. Hug (2001, 13-14) argues that merged parties and electoral alliances are just a continuation of the old establishment because it is used as a strategy to maximize the vote share and, thus, they cannot be regarded as new political parties. However, splinter parties that were not established in the previous election period are included. Contrarily, the terms 'established' and 'existing' party are used for those parties that have competed in previous elections. The presented definition of new parties clearly illustrates the competition between new political competitors and the establishment, and thus the dynamics of the party system.

3.2 Party competition

In order to understand what happens with new parties in their second election, I build on arguments of existing spatial theories of party competition as well as explanations found in the literature on new parties. The spatial theory on voter and party behavior, made famous by Downs (1957), form the basis of significant theoretical work on the entrance, success, and interaction of established parties. Downs (1957, 115) defined the space of party competition by a single ideological dimension running from left to right along which voters are distributed. Further, in line with this framework, rational voters are more likely to support parties with policy positions proximate to their preferences. Even though parties move ideologically to adjust to the distribution, they will also alter the distribution by attempting to move the voters (Downs 1957, 140).

Assuming that parties are rational actors calculating every decision and looking forward leaves little room for the dynamic process of party competition in new democracies (Tavits 2008b, 50). Later research has looked at the possibility that actors may "look backwards" and learn from the past (Laver 2005, 265). In line with the argument about observing elites, the results of the first election, and the elections thereafter, function as cues about the distribution of voters (Tavits 2008b, 50). New political parties, however, do not have these previous election cues for potential winning spatial locations and can only learn from the existing situation. It is, therefore, interesting to investigate how these new parties proceed ideologically at the very beginning of their electoral life.

3.2.1 The role of political competitors

An important aspect of political competition is how parties place themselves in relation to other competitors in a given policy space. According to spatial theories of party competition, the electoral success of both established and new parties depends on their distance to their competitors on key dimensions of competition (Ibenskas 2019b, 47). There have been different attempts to assess competition between new or niche parties and established parties.

Meguid (2005) argue that the strategies of established parties shape the electoral fortunes of niche parties (green and radical right parties). Moreover, she argues that salience and ownership of issues is an important aspect with regards to political competition in Western Europe (Meguid 2005, 352). Meguid develops a new conception of party strategies: *dismissive*, *accommodative*, and *adversarial*. The first strategy is when an established party decide not to take a position of the niche party's issue. The second strategy includes an established party adopting a position on the new party's issue dimension, while the third approach involves taking a stance against the niche party's policy location (Meguid 2005, 349). Based on manifesto data measures, Meguid (2005, 352) coded the strategies of established parties of the center-left and of the center-right as dismissive, accommodative, and adversarial, accordingly. Abou-Chadi (2014) analyze sixteen Western European countries from 1980 to 2011. In a similar fashion, Abou-Chadi study how established parties response to niche party success, building on theories of spatial and issue competition. Further, he argues that spatial and issue competition play an important role in determining parties' behavior and reactions to each other.

Bolleyer (2013) has famously conducted a cross-national study of the long-term evolution of organizationally new parties in advanced democracies. As a part of her theoretical framework, she examined the full range of 'new party families'. Information on party families have been frequently used to measure ideological difference between parties. In line with the party family concept as well as on the literature on new parties, Bolleyer, Ibenskas, and Bischoff (2019, 24) argue that the long-term success of established and new parties depends on whether they are confronted with a competitor from the same party family. According to the sociological conception, the main purpose of parties is to serve as societal organizations that represent the constituencies. If the demands of the constituency are represented by another party, it would be plausible that the new party will be less likely to reenter electoral competition. Based on Mudde's (2007) work, Bolleyer, Ibenskas, and Bischoff (2019, 27) identified which parties in their sample either belonged to the new right or to the green family, since these two are the only ones that established themselves across a broad spectrum of established democracies. In order to find competitors in their analysis, the authors examine parties with at least 1 percent of the vote that share the same ideological family as any of the new parties in their sample.

On a similar note, van de Wardt, Berkhout, and Vermeulen (2017) analyze the effect of competition on party entry and exit in 18 West European countries. Specifically, they explain party entry and exit in light of ideological niche density. The authors construct their theoretical argument on population ecology with the assumption of density dependence as well as the Downsian proximity model, and the directional model of voting. Based on this, they argue that the effect of density on exit and entry must be assessed within and between ideological niches, as well as competition between the flanks. Consequently, the authors subdivide the party system in ideological niches consisting of left, center, and right. They emphasize that competition over voters happens between ideologically proximate parties, and not with parties at the other end of the spectrum (van de Wardt, Berkhout, and Vermeulen 2017, 240). They argue that parties mainly experience competition from parties within the same niche and find evidence that parties are more likely to exit when the density within their nice increases. The same also holds true for adjacent niches – right-wing density promotes centrist parties to exit. However, they could not confirm the same relationship for entry (van de Wardt, Berkhout, and Vermeulen 2017, 255).

3.2.2 The policy space in Central and Eastern Europe

The basic premise of this study is that political competition in CEE takes place in a two-dimensional space. European party competition has been defined in two dimensions. The primary dimension relates to economics, spanning from state-directed redistribution to market allocation on the other end. The other dimension concerns non-economic issues, such as environmental protection, national identity or religious values, and spans from libertarian or progressive politics to authoritarian or conservative politics. According to this conception, most of the political issues align with either a cultural or an economic dimension and voters as well as parties can, according to their stances, be positioned in this policy space (Hillen and Steiner 2020, 333). For example, redistributive economic positioning in Western Europe typically corresponds with social liberal politics (Rovny and Edwards 2012, 62).

Thus, studies have used the general 'left-right' dimension as a dominant dimension of party competition which concerns both economic and cultural issues (van de Wardt, Berkhout, and Vermeulen 2017, 243). However, the general left-right dimension is an inadequate approach when measuring policy positions of parties in the Central and Eastern European context. Due to the communist past, CEE consists of many parties that link conservatism and authoritarianism with the economically redistributive left or markets to democratic reform (Marks et al. 2006, 160; Rohrschneider and Whitefield 2009, 285). As shown by Engler, Pytlas, and Deegan Krause (2019, 1315) "a single dimension makes it problematic to place parties such as Bulgaria's xenophobic, but economically leftist party Attack." According to this, it is beneficial to take a closer look at the distribution of the party positions on both an economic left-right and a social left-right dimension of political competition. The social left-right dimension is almost as powerful as the economic left-right in Lithuania, Poland, Romania, and Slovenia, and especially in Hungary (Marks et al. 2006, 157).

The rising salience of cultural issues in established democracies has resulted in a two-dimensional political space, thus, complicating voting and political representation. When most policy issues align with each other, thus creating a single left-right dimension, voters tend to find a party that represents their demands fairly well. Conversely, when there is more than one dimension, citizens may combine positions across these axes making it difficult to find a party equivalent to their needs (Hillen and Steiner 2020, 331). This 'supply gap' between parties and

citizens is argued to affect parties electoral support negatively. However, Hillen and Steiner (2020, 344) show that these findings do not extend to the Eastern European setting, where parties with economically left and culturally right positions are widespread, and their partisans are more likely to vote.

3.2.3 Party system stability, change, and the role of ideology

Several scholars of post-communist countries agree that instability is one of the attributes of party politics in the region. Central and Eastern Europe witnessed the post-communist challenges of democratization, state-building, marketization, and Western integration. They also experienced poor economic conditions after the economic crisis in 2008 followed by the crisis of the eurozone and international migration (Deegan-Krause and Haughton 2018, 473-474). As a result, scholars have described the political situation in the region as fundamentally unstable. However, it has also been indicated that this may be an inequitable description, and a reassessment of the region have revealed underlying patterns. Haughton and Deegan-Krause (2015) studied volatility in CEE and found patterns of stability within the instability and point to a subsystem consisting of established parties and new parties who emerge only to dissolve, creating space for an even newer party. Naturally, scholars have devoted much time to the cycles of party birth and party death (e.g. Bakke and Sitter 2013; Hanley 2012; Haughton and Deegan-Krause 2015; Sikk 2012).

Rovny and Polk (2017) also point to stability amidst the volatility in Eastern European party politics. They underline that much of the disagreement on stability in the region stems from two different clusters of literature. The first focuses on "formal characteristics of party systems, party organization and voting behaviour", which tends to lead scholars to emphasize instability, whilst the other group who focuses on "ideological structuration of party placements" argue that there is a structure in the political competition (Rovny and Polk 2017, 188). The latter cluster also highlight that the electorate vote on parties that are ideologically close, and reports that "political competition in these fluid party systems is policy-based to a significant degree" (Tavits 2008b, 67).

In a similar vein, Ibenskas and Polk (2017) look at parties in Central and Eastern Europe and their left-right positions using expert surveys. The authors find that their positions are fairly stable. The average change between elections is 1 on a scale from 0 to 10 (Ibenskas and Polk 2017, 24). It is widely accepted among most party politics scholars that political parties in CEE adopt stable ideological positions (Bohrer II, Pacek, and Radcliff 2000; Evans and Whitefield 1993, 1998; Whitefield 2002) that are supported by voter's policy preferences. Even though there is less stability in Central and Eastern Europe compared to the West, the party systems are strucutred around ideology (Tucker 2002; Whitefield and Rohrschneider 2009, 682). Moreover, Ibenskas and Polk (2017, 11) argue that most partisans in CEE are fairly ideological and found that established parties in CEE respond to their supporters, but not to the general electorate (2017, 28). Likewise, Engler (2020) has in a context of centrist anti-establishment parties, which is a particular type of new parties, explored to what extent ideology matters. A closer look at the ideological composition of centrist anti-establishment parties' electorate reveals that ideology is an important factor. Even though the result varies, there is clear evidence of ideological sorting among the electorate (Engler 2020, 12).

3.2.4 Theoretical argument

The abovementioned articles provide important insights to the interplay of established and new parties. In contrast to the previously cited scholars, I look at the actual policy positions of the parties, rather than using the party family approach which is just a proxy measure for actual positions. As an example, it is not expected that all radical right parties are in the exact same point of policy space – they might have very different positions on the economic dimension and on the social dimension – some are very radical, others are much less so. At the same time, there exist different opinions about the ideological stances of parties, thus, resulting in different labels of the same party (Bohrer II, Pacek, and Radcliff 2000, 1164). It may be even more difficult to agree upon the placements of new political parties that emphasize a broad variety of conceptual properties. Therefore, the party family measure or niche approach is not ideal, and one would require more detailed information about their placements which is provided in this thesis. Theoretically, the logic of my approach is quite similar to the previous studies on party competition. Although I empirically build on these studies, my thesis provides a more nuanced approach in terms of measurement.

As previously mentioned, new parties are not exclusively ideologically new, they also emulate mainstream ideologies and compete on occupied territories (Bolleyer 2013; Bolleyer and Bytzek 2013; Sikk 2012). It is therefore reasonable to assume that new parties in CEE are faced with considerable competition from established parties. Moreover, new parties are less likely to gain support when the electorate has strong attachments to established parties, particularly if the established parties are embedded in stable cleavages and when economic circumstances are satisfactory (Ibenskas 2019b, 46-47). Assuming that there does not exist a supply gap between the electorate and established parties, it is expected that new parties will suffer from considerable competition in terms of decreased vote share. Drawing on previous literature, I set out to test the following hypothesis:

Hypothesis (competition):   New parties that face a competitor party in terms of similar policy positions are less likely to reenter electoral competition.

3.3 Theories explaining new party entry and electoral success

The literature considers several factors that may explain why new parties enter electoral competition and their electoral success. Overall, there are two main clusters that have been abundantly used to explain the electoral success and entry of new parties: a sociological stream and a political-institutional approach. In this section, I examine the existing literature on new party entry and success with the intent of identifying relevant factors to control for.

3.3.1 Institutional and sociological explanations

In the study of new party entry and success, the prime focus has been on two main explanations. First, institutional explanations argue that electoral dynamics are principally the result of institutional choices (Birch 2003; Duverger 1959; Tavits 2005). The argument here hinges on the permissiveness of the institutional arrangements towards new competitors. Second, sociological theory links party systems to cleavage structures (Evans and Whitefield 1993). The

general idea is that cleavages in the society can create ties between voters and parties, and increase the predictability of political outcomes and, thereof, create stability. Moreover, it is found that new parties may successfully mobilize on cleavages that are not represented by the existing elite such as ethnic minorities (Lucardie 2000, 176).

The theory of strategic entry (Cox 1997; Tavits 2008a) provides a useful baseline when studying the reentry and success of new political parties. According to the theory, the costs of entry, the benefits of office, and the expected electoral support determines whether elites decide to enter or not as a new party (Ibenskas 2019a, 4-5). At the elite-level, Tavits (2008a) argues that the costs that new parties need to consider is how easy it is to register a party and how easy it is to win a seat. Institutional thresholds for entering an electoral contest (costs of registering the party) is one type of the costs of entry. These include requirements of petition signatures (the number of signatures required to have access to the ballot), financial deposits (whether a monetary deposit is required to run in an election) as well as rules on party funding. Party finance regulations is an important aspect for new party elites when considering electoral contests (Ibenskas 2019a, 5). State funding, at the national level, is considered to be a major source of income for sustaining basic party functions (Bolleyer, Correa and Katz 2019; Casal Bértoa and Spirova 2019). New entrants, in particular, often lack the resources needed to run productive campaigns and make long-term investments in their organizations (Lucardie 2000). Further, the more permissive the system, both in terms of electoral system employed and district magnitude, the more new parties are likely to emerge (Tavits 2008a, 116). In other words, party registration rules and disproportional electoral rules limit the formation of new parties.

Benefits of running for office are often measured by the political system (parliamentarism versus semi-presidentialism), and previous studies argue that it is more profitable for an individual to form a new party if it can run for presidency and not only for a parliamentary seat (Birch 2003; Tavits 2008a). The institutional arrangement of semi-presidential systems can make it easier for an individual to become head of government as they do not need the backing of other major parties (Mainwaring, España-Najera, and Gervasoni 2009, 9). Benefits of running for office is an important factor in relation to the entry and success of new parties due to the two-round electoral arrangement, which encourage popular candidates/politicians to create separate political organizations in an effort to compete in the second election (Tavits 2008a, 116). On the contrary, it is reasonable to think that this factor would not matter as much

for new parties that already exist, as opposed to newly emerging parties. This is because the former already have competed in an election and it is, therefore, likely that they will not make use of this opportunity in their next election. However, for newly emerging parties it may be a useful strategy in order to establish themselves. Several articles could not confirm a positive relationship between a directly elected president and the entry or support for new parties (Mainwaring, España-Najera, and Gervasoni 2009; Ibenskas 2019a).

While the new salient issue argument has been largely applied to the Western European setting, it has often been ignored in Eastern Europe. Much of this may stem from equivocal argumentation and evidence of the importance of social cleavages in East European party systems. Some scholars claim that these countries lack a collective identity which results in failure to produce cleavages necessary to form stable party systems (Lawson 1999). Others do however recognize that social cleavages exist (Tucker 2002, 292). Despite the evidence for social cleavages, some are skeptical about including new salient issues as explanations for new party emergence and success in CEE. Engler (2016, 283) point to the fact that new parties' positions are less clear-cut than that of existing parties, which in turn, demonstrate that the cleavage structure is less rigid and concrete compared to Western Europe. She further argues that new parties emerging primarily because of a new salient issue is therefore unlikely. Sikk (2012, 480) find empirical evidence for this notion and show that the successful new parties' winning formula in the Baltic States was 'newness' itself and not positions on new issues. Tavits (2008a, 118) briefly discuss the topic of salient issues. Nonetheless, she emphasizes that this theory is reasonable if one wants to explain the rise of certain types of new parties such as the greens and the radical right. As Engler (2016, 282) indicate, creating a direct measure for the new salient issue is clearly a difficult task since this only concerns some types of new parties. As an alternative, literature addressing new party formation and success in Western Europe propose using proxies for measuring the likelihood of the appearance of a new salient issue such as population size, ethnic fragmentation, or economic performance (Harmel and Robertson 1985; Hug 2001).

Despite skepticism towards including new salient issues as an explanation, Hug's (2001) proxies have found their way into the analyses of new political parties in Eastern Europe. The retrospective economic voting theory, which positions that voters punish the governing parties in bad economic times, form the theoretical foundation. The main questions have been whether

economy affects voters' behavior and electoral results, and the general conclusion has been that economy does matter (Pacek 1994; Tucker 2002). Moreover, it is found that a poor economic performance may cause overall vote shift (Tavits 2008b, 55). The indicators used to measure economic performance differ in all studies. Tavits (2008a, 118) argue that perhaps the most consistent results from the studies of party emergence in advanced democracies is the short-term effect of economic performance. Previous studies have found that recession increases entries because it provides new party elites with an opportunity to profit from the economic policy failures of the existing parties (Harmel and Robertson 1985; Hug 2001; Lucardie 2000). New parties can profit from a situation where the economy is not going well, by constructing a highly and clear salient issue in order to mobilize voters (Tavits 2008a, 118). An economic indicator often related to the emergence of new parties in CEE is the unemployment rate. Müller-Rommel (1998) finds a positive relationship between the unemployment rate and the emergence of successful green parties but not for successful radical right parties in Western Europe. However, Hug (2001, 93) find that this same relationship is rather strong among the radical right parties.

Previous studies have found that ethnic cleavages are among the most important determinants of party competition in Eastern Europe (Evans and Whitefield 1993). Therefore, it is reasonable to expect ethnic voting (Tavits 2008a, 120). Theoretically, one can argue that ethnicity is a rather stable cleavage that can stabilize a party system, such as minorities in Western Europe that have established stable political representation. On the other hand, it can also be destabilizing if ethnic minorities do not feel well represented by the political establishment and, thus, have to rely on new parties that promise to do better (Tavits 2008a, 130). Within the framework of dissatisfied voters, Tavits (2008a) discussed the effect of ethnic fragmentation and economic performance and argued that new parties win votes if voters are dissatisfied with the political establishment.

However, "ethnic group" is a slippery concept and there have been different attempts to measure diversity (e.g. Alesina et al. 2003; Easterly and Levine 1997; Fearon 2003). The validity of proxies for new salient issues such as population size, ethnic fragmentation or economic performance are disputable. Selb and Pituctin (2010, 150) argue that such socio-structural indicators are difficult to interpret because they are rather crude measures of electoral demands. Engler (2016, 283) is also critical to the use of variables such as ethnic fragmentation

and economic performance due to the fact that such variables can be used as explanations by themselves and therefore their effect cannot necessarily be directly attributed to the emergence of a new issue. She also points to the fact that the party system in Western and Eastern Europe are of different nature (Engler 2016, 283), thus, one must be cautious about drawing conceptual synergies between the two.

3.4 Summary of theoretical expectations

The goal of this chapter is to show how party competition fits as an explanation for new parties' decision to reenter and their subsequent electoral success, and in this way, shed some light on the ideological patterns in Central and Eastern European party systems. New parties do not have previous elections cues about potential spatial winning locations. It is therefore of empirical interest to see how these new parties proceed at the very beginning of their electoral life, and whether having similar policy positions as established parties affect their choice to reenter election and their electoral success. According to spatial theories of party competition, the electoral success of both established and new parties depends on their distance to their competitors on key dimensions of competition.

The thesis adopts a similar approach, arguing that new parties that face competition in their ideological neighborhood will be less likely to reenter and their electoral success will be adversely affected. The basic premise of this thesis is that party competition in CEE takes place in a two-dimensional space consisting of economic and social issues. Instead of assuming that parties experience competition within the same niche, between adjacent niches, or within the same party family, this thesis will measure the parties' actual policy positions. How the ideological neighborhood is operationalized will be further discussed in Chapter 4.

As previously mentioned, new parties are not exclusively ideologically new, they also emulate mainstream ideologies and compete on occupied territories (Bolleyer 2013; Bolleyer and Bytzek 2013; Sikk 2012). It is therefore reasonable to assume that new parties in CEE is faced with considerable competition from established parties. Moreover, new parties are less likely to gain support when the electorate has strong attachments to established parties, particularly if

the established parties are embedded in stable cleavages and when economic circumstances are in order. Assuming that there does not exist a supply gap between the electorate and established parties, it is expected that new parties will not benefit, in terms of increased vote share, when they are faced with considerable competition. As few studies have investigated the role of competition from established parties in CEE, I seek to fill this gap in the literature. The analyses conducted herein contributes to the debate about party competition in Central and Eastern Europe with a focus on competition from other established parties. It remains to be seen whether competition from established parties in terms of similar policy positions affects new parties' decision to reenter and their subsequent electoral success.

Studies of new parties are well documented, and it is also well acknowledged that institutional factors play an important role in explaining the entry and success of new parties. The argument hinges on the electoral system permissiveness, resources needed to run in an election, institutional thresholds, all expected to influence the number of parties in parliament. However, the institutional explanations remain largely static and too broad in explaining the electoral success and entry of new parties (Tavits 2008b). This thesis, therefore, implements a focus on party specific factors, i.e. the role of political actors in terms of how they position themselves on two broad ideological dimensions. The following chapter presents the institutional and ideological variables included in the analysis.

4 Data and measurement

The purpose of this chapter is to present the dataset that is analyzed and how I choose to operationalize the variables of interest. I use an original dataset consisting of observations of new political parties at particular elections from the Manifesto Project Database (MARPOR) by Volkens et al. (2019)[4] supplemented with information from Parliaments and Governments Database (ParlGov) by Döring and Manow (2019). In addition, the dataset contains information on control variables gathered from World Economic Outlook (International Monetary Fund 2020) as well as Ibenskas (2019a), and Bormann and Golder (2013).[5]

4.1 Dataset

The study covers the political elections between 2000-2020 in ten Central and Eastern European countries within the geographic borders of Europe: Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia. All countries are EU member states. One of the most widely used datasets when studying salience and political positions is the MARPOR dataset, formerly known as Comparative Manifesto Project (CMP). The MARPOR dataset contains information on over 1000 parties in over 50 countries from 1945 until today (Volkens et al. 2019), while ParlGov covers approximately 1700 parties and 990 election in 37 countries (Döring and Manow 2019). In addition, MARPOR provides information about parties' positions on both the economic and non-economic conflict dimension (Volkens et al. 2019). The subset of new parties covered in the current analysis is extracted from the Manifesto data and spans the time period between 2000-2018, while ParlGov covers the remaining cases until 2020.

New parties competing as an independent organization, in line with the definition of new parties adopted above, are operationalized as either genuinely new or as splinter parties. Following Bolleyer and Bytzek (2013) who analyzed parties that achieved breakthrough, I focus on new

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[4] The analysis here is conducted on the 2019b version covering ten Central and Eastern European countries.
[5] See Appendix A for operationalization, expected effect and data sources of all variables.

parties that were successful in terms of being represented in parliament after their first election. With this as a starting point, 41 elections are included with a total of 46 new political parties, where the latter constitute the basic unit of analysis. Contrary to the new parties considered herein, it is plausible to expect that the new parties that did *not* make it into parliament apply different electoral strategies compared to the new parties that did. With party system change and stability in mind, these are the parties of empirical interest.

As previously mentioned, I focus on the new parties that achieved parliamentary breakthrough. Accordingly, the new parties included are the ones that were able to surpass the 4 and 5 per cent threshold, which is the legal threshold in the countries under study. However, there are a few instances where the new parties included in this study did compete in an earlier election but did not manage to poll above the legal threshold. Similar to Powell and Tucker's (2014, 127) approach, I do not consider these parties as new in the elections where they did not manage to surpass the threshold. The parties are considered to be 'in the political system' when they are above the threshold. Accordingly, if a party is below the threshold in the previous election but above in the next, the party is considered new. Such new parties include the Slovak parties Kotleba – People's Party Our Slovakia (LsNS) and Ordinary People and Independent Personalities (OL'aNO). LsNS first competed in the 2010 parliamentary elections and received 1.33 per cent of the votes and 1.58 per cent of the votes in the following election in 2012. OL'aNO first competed in the 2010 parliamentary elections where it received 2.2 per cent of the votes. LsNS received 8.04 per cent of the votes in 2016, while OL'aNO received 8.56 in 2012, thus, these are the election years the parties are considered as new.

4.2 Reentry and electoral success of new parties

The dependent variables of the study at hand are the reentry into to the electoral race and the subsequent success of new parties. *Reentry* indicates whether a new party decides to reenter electoral competition or not. It is operationally defined as 1 if a new party reenters, 0 if otherwise. The second dependent variable is the electoral success of a new party in their second election. Electoral success is operationalized as vote share percentages. MARPOR provide information on whether the new parties reentered the electoral competition. There are, to some extent, electoral records of what happened to the parties after their first election in the dataset.

However, parties reported in MARPOR are the ones that got legislative representation, which means that they got 4 or 5 percent of the vote (Volkens et al. 2019). In order to obtain the vote share of the new parties in their subsequent election I used ParlGov, which is more inclusive than MARPOR. If a party reentered electoral competition but did not receive seats, it is expected that it would be in ParGov because it is likely that it still got more than 1 percent of the vote (the threshold employed in ParlGov). Beyond this, I have consulted expert information to control that all the new parties that reentered electoral competition were in fact included, i.e. the ones that got less than 1 per cent.

4.3 Competition as main explanatory variable

Competition is the main independent variable in the analysis of this thesis and is regarded as another (established) party being in proximity of the new party's ideological space. MARPOR is used to assess the ideological profiles of both the established and the new parties. The data consists of information about the distribution of political statements across several countries (Volkens et al. 2019). One of the most elemental questions of measurement in political science is to determine where a party is positioned on a policy issue or ideological dimension. In order to do so, a researcher must determine relevant policy dimensions (Prosser 2014, 88). There is a bewildering array of different scales when operating with the data of MARPOR. Among the most used measures for scale building is the percentage measure. The Manifesto Project is famously known for its left-right "Rile" scale. This is a simple additive index with 26 coding categories equally distributed being on the 'left' and on the 'right'. To obtain the positions of the parties, the percentage of the aggregated left categories are subtracted from those of the right. While the theoretical range of the scale is [-100, 100], all the Rile scores are in practice located in the middle range [-50, 50] (Mikhaylov, Laver, and Benoit 2012, 80).

As previously mentioned, due to the specific content of the left-right dimension in CEE countries the Rile scale may be less applicable in this context. Therefore, I will have to measure the parties' positions in a two-dimensional political space. In the current analysis, I focus on categories from two dimensions provided by the MARPOR project: the economy state-market (hereafter economic dimension) and society progressive-conservative (hereafter social dimension). The economic dimension includes the following categories: market regulation,

economic planning, corporatism, protectionism, Keynesian demand management, controlled economy, nationalization, Marxist analysis, anti-growth economy, welfare state expansion, free market economy, incentives, economic orthodoxy, and welfare state limitation. The social dimension composes of categories such as military, internationalism, national(istic) way of life, environmental protection, equality, law and order, multiculturalism, underprivileged minority groups, peace, and traditional morality. Whether a party is leaning towards or away from the left or the right pole on these dimensions is represented by the amount of manifesto space that is devoted to one of the poles over the other. Table 4.1 provides an overview of the categories included in these two dimensions with categories distributed to left and right, respectively.

I follow a simple additive fashion, similar to the Rile scale, to construct the scales which span from -100 to 100. There might be a few new parties in my sample that focus on other policy dimensions than these two, however, the two dimensions should still be helpful to detect the overall positions of the new parties and summarize how they position themselves on major issues. A major concern using this approach is that it is not independent of irrelevant alternatives (IIA). This implies that the value assigned to a number of quasi-sentences of interest changes when other irrelevant quasi-sentences are added in a party's manifest at a later stage (Prosser 2014, 92). This can create erroneous conclusions when comparing manifestos over time. In this thesis, however, the positions of both new and established parties are only gathered from their first election, in which case, IIA will not be a problem. Ideally, one would want the parties' positions prior to the second election, however, this would result in lack of data because MARPOR do not have information on the new parties' positions after 2018. Despite the fact that the party systems of Central and Eastern Europe are generally viewed as being less stable than those in Western Europe, several scholars find that these are fairly ideological party systems. Accordingly, in line with Ibenskas and Polk's (2017) findings, I assume that new parties in CEE do not change their positions substantially from one election to the other.

Table 4. 1 Economic and socio-cultural dimension

Economic dimension			
Left		Right	
403	Market Regulation: Positive	401	Free Market Economy: Positive
404	Economic Planning: Positive	402	Incentives: Positive
405	Corporatism/Mixed Economy	407	Protectionism: Negative
406	Protectionism: Positive	414	Economic Orthodoxy: Positive
409	Keynesian Demand Management: Positive: Positive	505	Welfare State Limitation: Positive
412	Controlled Economy: Positive		
413	Nationalization: Positive		
415	Marxist Analysis: Positive		
416	Anti-Growth Economy: Positive		
504	Welfare State Expansion: Positive		

Social dimension			
Left		Right	
105	Military: Negative	104	Military: Positive
106	Peace: Positive	109	Internationalism: Negative
107	Internationalism: Positive	601	National Way of Life: Positive
501	Environmental Protection: Positive	603	Traditional Morality: Positive
503	Equality: Positive	605	Law and Order: Positive
602	National Way of life: Negative	608	Multiculturalism: Negative
604	Traditional Morality: Negative		
607	Multiculturalism: Positive		
705	Minority Groups: Positive		

Note: The table shows the categories for the two scales. The manifesto coding labels are indicated in the beginning of each category. *Source*: Volkens et al. (2019b).

Party manifestos outline policy preferences and proposals that the party puts forward to the electorate (Ruedin and Morales 2019, 304). Thus, manifestos are considered a useful source because they signal the positions that the party has taken to compete for votes. There are, however, some limitations to the use of secondary data such as MARPOR. As Mudde (2016) points out, the MARPOR dataset consists solely of election manifestos which are meant to attract voters. Parties are found to strategically emphasize issues and remain silent on controversial issues that may place them in a competitive disadvantage (Budge and Farlie 1983, 24). Accordingly, the election manifestos are known to emphasize popular issues and understate controversial issues. Nonetheless, the dataset is one of the best suited data for broad, cross-national studies of party ideologies (Mudde 2016, 46). Another potential disadvantage with using policy positions provided by the Manifesto Project Database, as opposed to the party family approach, is that one will end up with fewer observations. On the other hand, the former approach gives more precise estimates of party ideology (Ibenskas 2016, 351).

4.3.1 Operationalizing competitor party and ideological neighborhood

To measure competition, I look at the new parties' distance to other credible competitor parties. The analysis is based on a subset from MARPOR that includes all significant established parties in the 10 Central and Eastern European countries from 2000-2018. The remaining sample includes 58 established party manifestos. Both the established and new parties' positions span from -38.10 to 21.71 on the economic scale and from -33.06 to 39.47 on the social scale. In order to decide whether the established parties are in the same ideological neighborhood as the new parties, and thus being a competitor party, I calculate the standard deviation of all parties, both new and established, across all countries on the economic and social variable. Furthermore, I use this to identify one standard deviation below and above the new party's position on both the economic and social variable. If the established parties' positions are between these intervals, it is defined as being in the same ideological neighborhood as the new party. Moreover, continuous variables on the number of competitors on each dimension are created. As discussed in Chapter 3, there are theoretical reasons to believe that the ideological variables matter both for new parties' decision to reenter electoral competition as well as their electoral success. Voters base their vote on parties' ideological and policy positions, which

means that parties' vote shares will be affected by their ideological stances. The ideological variables are therefore expected to affect both new party reentry and electoral success.

4.4 Control variables

Although competition is considered as the main explanation for reentry in the CEE, there is a need to assure robustness of the findings. I control for the most important factors that have been shown in previous studies to affect new parties' entry and electoral success. These include institutional and economic variables measured at party and systemic level such as government status and party registering costs, as well as the unemployment rate. Cox's (1997 161-170) theoretical analysis suggests that individuals who consider forming a new political party are very likely to take into account their expected electoral success. In other words, it is expected that the same factors influence both the emergence and success of new parties. Although the entry of new political parties and their subsequent electoral success are closely interlinked, both processes follow different logics (Hug 2000, 188). Consequently, there are some factors that are assumed to only impact one of these dependent variables. In the following, I present the control variables and highlight which of the variables that should only matter for reentry decision and not electoral success.

4.4.1 Party registering costs

As mentioned earlier, Cox's (1997) theory is conducive in the study of new parties' reentry. The costs of forming a party should mainly influence the new parties' emergence and not the voters' decisions when casting a ballot (Hug 2000, 2001; Tavits 2008a). Accordingly, I have included a dichotomous variable indicating whether a financial deposit is required for a party to run in election. The variable is coded 1 if a financial deposit is required, 0 if otherwise. The analysis also includes a dichotomous variable indicating whether state funding is available to the new parties. The variable is coded 1 if state funding is available, and 0 if otherwise (coded based on Ibenskas (2019a)). Most countries in the region provide state funding to parties, however, such funding is particularly important for new parties even if the party fails to attract a substantial number of votes (Ibenskas 2019a, 25). The two variables should matter for the

reentry decision, but not for parties' electoral support. Thus, one would expect that parties are more likely to reenter if they do not need to provide a financial deposit and if state funding is available to them. This is in accordance with Tavits' (2008, 115-116) article showing that these variables matter for the entry of new parties. However, in contrast with Tavits, I decided not to include the requirement of petition signatures. The variable at hand combines the requirement for presenting a certain number of signatures in order for party to be eligible to run in election (which is done before each election) and the number of members that a party needs to have in order to achieve official registration (which is something that is done only once, namely, at the time of foundation). This is not relevant for the new parties that already achieved such registration, and therefore should not influence their decisions to reenter.

4.4.2 District magnitude

At the party system level, I control for the proportionality of the electoral system as several scholars suggest that parties are more likely to enter if they can more easily convert their votes into seats, and smaller parties in particular (e.g. Bolleyer, Ibenskas, and Bischoff 2019; Powell and Tucker 2014; Tavits 2008a). An indicator frequently adopted to measure electoral system proportionality is *district magnitude*. A high district magnitude should make it easier for new contestants to win seats (Cox 1997; Taagpera and Shugart 1989). Empirical evidence also show support for this argument (e.g. Powell and Tucker 2014; Tavits 2008a; Zonz 2015). I therefore include the average district magnitude as a variable to measure electoral thresholds and capture the disproportionality of the system. Bormann and Golder (2013) is the source of this data. The expectation is that, as district magnitude increases, the lower the risk for potential voters of wasting their votes and the more room there is for new parties to enter the electoral arena. Consequently, new party support will increase, and new parties are more likely to decide to reenter elections. In addition to district magnitude, type of electoral system is an often used variable to measure proportionality. However, as previously mentioned, the variable is assumed not to influence new parties that have already competed in one election to the same extent as newly emerging parties, and, thus, the variable is not included.

4.4.3 Government status

Government parties tend to bear the costs of ruling in terms of losing more votes than the other parties (Tavits 2008b, 55). Previous research has also shown that organizationally new parties are particularly vulnerable when they take on the responsibility of government participation (e.g., Deschouwer 2008; Deegan-Krause and Haughton 2018). The countries under scrutiny are characterized by high government instability and frequent government turnover. The new parties are especially unstable, and in many cases, they enter government immediately after the election only to fall out of their coalitions or fall apart completely due to internal conflicts. Consequently, cabinets might be reshuffled, and prime ministers' parties might be replaced between elections (Zur 2019, 968).

The literature on retrospective voting indicates that voters look to the past before making their decisions in the next election (Fiorina 1981, 197; Lewis-Beck 1988, 64-65). Accordingly, I have introduced a variable on government participation and coded a party 1 if it was in government (as support party or as formal partner), 0 if it was not. The source of data is ParlGov (Döring and Manow 2019). To keep the variable consistent with the election timeline and the theory on retrospective voting, a party is coded as 1 if it was in government one year prior to the second election. As new parties are found to attract dissatisfied voters who vote for parties that have not been in government (Tavits 2008a, 131), I expect that new parties participating in government are less likely to reenter elections, knowing that they are less likely to gain substantial electoral support. Thus, in line with the argument of retrospective voting, I expect that they will perform worse in terms of vote in the second election.

4.4.4 Unemployment

Demand-side explanations emphasizes poor economic conditions in explaining new party success (Hanley and Sikk 2014; Tavits 2008a). According to economic voting theory dissatisfied voters tend to punish or reward the incumbents for their success in managing the economy (Pacek and Radcliff 1995; Tavits 2005, 286). The argument hinges on voters seeking alternatives to the established parties when they are not satisfied with the economic situation. Thus, the electorate will take into account the economic situation before casting their vote. I

therefore include a variable that captures the extent of voter discontent measured through economic performance. One common indicator used to measure economic performance in post-communist democracies is the *unemployment* rate. I use data from World Economic Outlook gathered from the International Monetary Fund (2020). The data reports the number of unemployed people as a percentage of the total labor force. Consequently, a variable indicating yearly averages measured in the election year is included.

Increasing unemployment signals bad economic conditions. Thus, voters concerned with the economic situation will be more likely to vote for new parties. Moreover, as new parties attract dissatisfied voters, it is expected that increasing unemployment should motivate new party reentry. The use of sociocultural indicators has been frequently utilized (e.g. Hug 2001; Tavits 2008). However, scholars have criticized the use of such structural variables because they are viewed as crude measures for electoral demands, and because their effects are difficult to interpret substantively (e.g. Selb and Pictutin 2010; Tavits 2006). Nevertheless, unemployment is considered as an important factor in the case of CEE, and direct survey measures are difficult to get hold of. Consequently, I resort to the use of structural variables.

4.4.5 Ethnic fragmentation

The ethnic composition of a society is an important indicator of how diverse a society is, and it may serve as an indicator of how stable electoral party support will be. The more diverse a society is, the easier it is to build a strong support in the electorate based on a particular societal group. As already mentioned, there do exist skepticism towards using ethnic fragmentation to capture diversity. Diversity is a multifaceted phenomenon consisting of wealth, class, education, among other things, and post-communist party systems are often structured by multiple cleavages (Casal Bértoa 2014). Therefore, I have for several reasons chosen not to include the variable ethnic fragmentation. Firstly, using the variable ethnic fragmentation as a proxy for measuring diversity may not be sufficient. Secondly, from a methodological perspective, it is important not to include too many variables due to the relatively low number of observations in this study. Table 4.2 on the following page, provides an overview of the covered variables, including minimum and maximum value, the mean, as well as standard deviation.

Table 4. 2 Descriptive statistics of original dataset

Variables	Minimum value	Maximum value	Mean	Std.dev.
Dependent variables				
Reentry	0	1	0.80	0.40
Electoral success	0.63	30.54	8.15	8.82
Explanatory variables				
Economic competitor	0	7	2.65	1.48
Social competitor	0	6	2.26	1.57
Control variables				
Party funding	0	1	0.93	0.25
Financial deposit	0	1	0.67	0.47
District magnitude	4.21	150	37.09	56.54
Government status	0	1	0.30	0.47
Unemployment	2.9	17.7	9.78	3.94
Economic dimension	-18.42	21.71	-4.38	8.41
Social dimension	-33.06	39.47	3.56	12.28
N				46

4.5 Data considerations

There are several important factors to keep in mind when conducting research to assure the quality of the data. First and foremost, it is important to be precise about the phenomenon being studied and to be aware of the methods that are available (George and Bennett 2005, 74). This will be further considered in Chapter 5. There are two important criteria when assuring the quality of the data: *validity* and *reliability*. Validity is the extent to which the measures used to explain the phenomenon is accurate (Grønmo 2004, 221). In other words, the extent to which the scores from the measure reflect the variable they are intended to (Adcock and Collier 2001, 529). Reliability refers to the consistency of a measure and whether they can be replicated (Grønmo 2004, 220).

Generalizability

Validity also refers to the degree to which a study of a sample can be generalized to other populations, occasions, and measures. This is commonly referred to as external validity (Campbell and Russo 2001, 147). In this thesis, the whole population of interest is not included as the new parties registered in MARPOR are the ones that surpassed the legal threshold. Consequently, I am cautious about drawing any inferences about the wider population. However, it is important to mention that my case selection is not purely data driven. Theoretically, there are good reasons for focusing on this particular subset of new parties because these are the ones that achieved parliamentary breakthrough. In a substantive perspective, the new parties considered are the ones that are of empirical interest because they change party systems, government formation outcome, as well as policy outcomes. Other new parties may matter on the margins, however, to a lesser extent than the ones in this study.

Estimates of party positions

Methodologically, more or less all concepts are unobservable, and measurement is the procedure of translating concepts into observable and empirically grounded indicators (Gerring 2012, 157; King, Keohane, and Verba 1994, 34). The aspiration is for the measures to mirror the relationship between the concepts. There are numerous methods to capture the policy positions of political parties on specific dimensions or issues of political competition. Consequently, there is a substantial methodological debate around the validity and reliability of these methods (see Marks et al. 2007; Lowe et al. 2011). Political parties seldom have a single, unambiguous position on any policy area, thus making it difficult to capture their 'true' position (Ruedin and Morales 2019, 304). Using electoral manifestos as the source of party positions pose conceptual, theoretical, and methodological challenges. Conceptually, what constitutes a manifesto varies across time, parties, and countries. Furthermore, the responsible actor behind the content and the drafting may also vary across parties. Theoretically and methodologically, it may be difficult to determine what constitutes a *position* and what *policy space* to operate with when locating the positions of the parties (Ruedin and Morales 2019, 304).

There is no agreement among researches on how the competitive space should be configured. Some view competition as driven by valence and direction, whereby salience determines vote choice and party behavior (e.g. Heath et al. 1999; Rainbowitz and Macdonald 1989), others focus on the distance between the median voter and the parties along a continuum (e.g. Black 1948). Consequently, the different conceptions of how the electorate votes and how parties compete for votes are important when deciding how to extract the positions of the parties. The competitive space in this thesis is defined as being between established and new parties along an economic and a social dimension.

The strategic positioning of a party with regards to any issue involves two different components. The salience component refers to the degree to which a party emphasizes the issue. The positional component, which I implement in this thesis, refers to the substantive content of the party's issue profile. In other words, the stance the party takes with regard to the issue (Swenden and Maddens 2009, 205). Of the new parties in this sample, the amount of manifesto space devoted to the various categories differ. As mentioned previously, there might be a few new parties in my sample that focus on other policy dimensions than the economic and social, or on specific issues that are not covered. However, these two dimensions will still be valuable to detect the overall positions of both new parties as well as established parties and to summarize how actors position themselves on major issues.

Another commonly used source to position parties on ideological or policy dimensions is the Chapel Hill Expert Survey (CHES). The assumption is that experts, usually experienced political scientists in party politics, know the parties' stance on several issues and dimensions of political competition in their respective countries (Ruedin and Morales 2019, 306). Expert surveys are, though, not without critique. Mudde (2016, 46) argues that the CHES dataset is better seen as a peer survey than an expert survey, due to the fact that not all political scientists are not necessarily experts on every issue or party. Another disadvantage in relation to this is that expert surveys is only conducted every four years, and not for each individual election. Accordingly, the expert survey does not coincide with election years, which means that many parties are uncovered. I therefore resort to the use of manifesto data through MARPOR.

Variables

Data collection should broadly be based on valid assumptions rooted in previous research (Grønmo 2004, 218). The constant challenge with regression analysis is that omitted variable bias may lead to inadequate conclusions (Lieberman 2015, 254). Omitted variable bias occurs when one or more relevant variables are not included. These variables are also known as *confounders* and refer to any factor that may interfere with an attribution of causality from covariational evidence. Put differently, they are factors that produce a spurious or biased association between *X* and *Y* (Gerring 2012, 294). Studies of new parties are well documented, and it is well acknowledged that institutional and sociological factors play an important role in explaining new party entry and electoral success. However, with omitted variable bias in mind, I decided not to focus on these as main explanations. Instead I focus on one main explanation – what happens with reentry decision and electoral success of new parties that face competition in proximity of their ideological space. In this way, the potential causal inference will be stronger.

5 Methodological approach

In this chapter I outline how I use the original dataset in order to test the hypothesis presented in Chapter 3. The research question set guidelines for which method should be applied (George and Bennett 2005, 17). Recall that the research question of this thesis is twofold and consists of two interrelated parts. In order to study what happens with new parties in their second election it is necessary not only to investigate their electoral performance, but whether they survive as organizations until the second election, and whether they decide to reenter electoral competition. According to this, the dependent variables of interest are new party reentry (dichotomous variable) and subsequent electoral success (continuous variable). Consequently, a probit and an ordinary least squares (OLS) method would be appropriate. However, literature indicates that studies of new party performance may be susceptible to selection bias. To correct for potential selection bias, a Heckman's selection model will be utilized, where the probit is used in conjunction with the OLS.

5.1 Probit and OLS

As Heckman's selection model consists of a probit model combined with an OLS, I will briefly discuss the logic behind the two. Because the first dependent variable is a dichotomy on whether new parties decide to reenter the electoral competition or not, a probit model is utilized. The probit model is used when the outcome variable is of binary nature (Liao 1994, 21) and when the outcome variable does not have a normally distributed error term (Fernihough 2019, 1). It uses the cumulative standardized normal distribution to model the sigmoid curve (Dougherty 2016, 378). The probit regression coefficient provide the change in the Z value for a one-unit change in the predictor (Liao 1994, 22). However, the interpretation of probit coefficients is not as straightforward such as the interpretations of coefficients in linear regression or logit regression (UCLA Statistical Consulting 2020a). The lack of alternative forms limits the probit model's flexibility in interpretation, but an alternative is to compute the coefficients into marginal effects (Fernihough 2019; Liao 1994). Marginal effects are computed in this thesis to assess the effect of the variables in the probit model more appropriately. With binary independent variables, marginal effects report how predicted probabilities change as the binary independent variables change from 0 to 1. For continuous variables, the marginal effects

measure the amount of change in *Y* when the continuous independent variables change by one-unit, holding all other variables at their means (Williams 2020, 1).

The second dependent variable, electoral success, is measured in vote share percentage. Consequently, an OLS is appropriate to estimate the electoral success of new parties. The OLS model is one of the most used methods in econometrics and is known for providing several favorable attributes. The estimates of the OLS model are calculated by minimizing the sum of squared residuals (Midtbø 2007, 78). Some necessary assumptions when using OLS include: the model is linear in parameters, having a random sample,[6] there is no multicollinearity, absence of homoskedasticity,[7] and the errors terms should be normally distributed (Wooldridge 2002, 49-55).

5.2 Theoretical and statistical reasons for Heckman's selection model

Previous research suggests that studies of new party performance may be susceptible to selection bias beacause the factors affecting new party success could also affect new party emergence (Golder 2003; Hug 2000). New political parties of different types have been studied abundantly over the years (e.g. Kitschelt 1988; Müller-Rommel 1989; Ignazi 1992; De Winter and Türsan 1998). A wide array of comparative studies has sought to find explanations for the electoral success of new parties. Some scholars use countries as units of analysis and classify them according to whether a particular type of party has been successful or not (e.g. Harmel and Robertson 1985), while others focus on parties as units of analysis and attempt to explain variation in success with multiple factors (e.g. Müller-Rommel 1998).

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[6] Initially, it was assumed that the sample was random. However, as the two dependent variables are not independent from each other it is not considered to be a random sample. As discussed in the following, Heckman's selection model corrects for this selection bias.

[7] See Appendix C for homogeneity variance assumption. The scatter plot shows some signs of different variance among the error terms. However, it does not violate the assumption of homoscedasticity.

Hug (2001, 189) argues that scholars using countries as units of analysis will find that the same variables influencing entry will also affect their electoral success. Similarly, scholars using parties as units of analysis may have some overlap in their variables explaining electoral entry and success. This is because the entry of a new political party and its subsequent electoral success are closely interlinked, and, if neglected, this could cause erroneous conclusions. Correspondingly, there are theoretical reasons to believe that the new parties' decisions to reenter the electoral competition is affected by the expected electoral support. If a new party knows it will not receive substantial support, it is less likely to reenter electoral competition. Hence, the dependent variables in this study are not independent from each other and it is expected that the same set of explanatory variables influence both *reentry* and *electoral success.*

To account for selection bias, a Heckman's two-staged selection model will be utilized. The fundamental idea behind Heckman's (1979) selection model is to correct for self-selection bias. Heckman's selection model consists of two steps. In the first stage, a probit estimator is employed in what is commonly referred to as the *selection equation*. In the second stage, an OLS estimator is used in the *outcome equation*. Conceptually, the intention is to control for unobserved factors influencing both the selection into the sample and the outcome, which is done by accounting for the residuals from a selection equation in an outcome equation (Bernauer and Bochsler 2011, 746). These residuals carry the information of interest: the unknown reasons to reenter the electoral arena which are the same unknown reasons to be successful. Standard regression techniques such as OLS and probit may provide inaccurate estimates if included variables and some omitted variable affect both selection into the sample and the subsequent outcome of interest (Sartori 2003, 111). When this is the case, the omitted variable creates a correlation between the two error terms in the first and second equation (Certo et al. 2016, 2643).

However, there exist different types of endogeneity and Heckman's selection model offers a means of correcting for sample-induced endogeneity. A non-random sample potentially biases the results of OLS when an omitted variable influences both the probability of appearing in the sample (the reentry of a new party) as well as the ultimate dependent variable (a new party's electoral success). While selection sample bias may induce endogeneity, it is important to note that the correlation between the errors and independent variables in the final stage may result

from, for example, autoregression, measurement error, or simultaneous causality (Certo et al. (2016, 2644).

Potential biases that may arise from non-randomness is accounted for by using the probit in conjunction with the OLS to create a selection parameter, which is referred to as the inverse Mills ratio. Moreover, this selection parameter is then included in the OLS to account for selection bias that may exist. The inverse Mills ratio can be computed as sigma multiplied by rho where sigma is the standard deviation of the residuals in the second stage, and rho represents the correlation between the errors in the selection and outcome equations (Certo et al. 2016, 2644). Thus, the coefficients of the inverse Mills ratio represent the correlation between the error term of the probit selection model and the error term in the OLS estimation of the regressions, multiplied by the standard deviation of the OLS error. A significant inverse Mills ratio indicate that there exists sample selection bias. However, it is important to note that when a sample is small or the exclusion restrictions are weak, a Heckman's sample selection model is unlikely to produce a significant inverse Mills ratio – even in the presence of sample selection bias (Certo et al. 2016, 2651).

Heckman's selection model should include at least one variable in the first stage that is not present in the second (Sartori 2003). These variables, also known as exclusion restrictions, influence the probability of an observation appearing in the sample, but do not influence the dependent variable in the second stage. As argued in the previous chapter, there are reasons to believe that the variables *financial deposit* and *party funding* does not affect new parties' electoral success. Hence, these are exclusion restrictions used in this thesis. Other important assumptions for conducting a Heckman's selection model include that the error term is truly normal.[8] The Heckman selection model is, though, not without critique. In general, an exclusion restriction is considered as necessary to generate credible estimates, and there must be at least one variable which appear with a non-zero coefficient. If no such variable is available, it may be difficult to correct for selection bias because the models are identified only on the

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[8] The errors have a relatively normal distribution. See Appendix D for residual diagnostics.

assumptions about functional form and error distributions, which can cause large standard errors (Sartori 2003; Puhani 2000).

5.3 Cautions

The Heckman's selection model is sensitive to model misspecifications, particularly in the selection equation (Briggs 2004, 397). Such misspecifications may involve incorrect or omitted predictor or independent variables, and particularly when variables causing selection bias are not included in the selection equation. Further, when the estimated correlation between the errors of the selection equation and the outcome equation (rho) equals zero, then the result of the Heckman's selection model is biased (Guo and Fraser 2010, 127). As rho increases, so too will the statistical significance of the inverse Mills ratio. Certo et al. (2016, 2655) cautions against dismissing potential sample selection bias although the inverse Mills ratio is insignificant in the second stage.

5.4 Causality

There are a few requirements for demonstrating that a causal relationship is in place between an explanatory variable X and an outcome Y. Oppewal (2010) points out three requirements for establishing a causal relationship. First, there must exist covariation. This merely requires the researcher to show that X and Y correlates. Second, one must establish temporal precedence, which may be more difficult to determine. Since I focus on new parties' first election, it is plausible to argue that competition from an established party (X) comes before reentry (Y_1) and subsequent electoral support (Y_2). However, this relationship becomes more difficult to study when moving beyond new parties' first election. Third, one must control for confounding variables, which is usually the most challenging task. It is widely acknowledged that the ideal, for any empirical analysis examining causal relationships, is random sampling and experiments (e.g. Angrist and Pischke 2008). Consequently, it is difficult to control for all possible explanations for why X and Y correlate in a non-experimental setting. As previously shown, demonstrating a causal relationship becomes difficult when new party *reentry* and *electoral success* are not independent from each other. Heckman's selection model is often used for the

purpose of estimating an unbiased causal effect of observational data (Briggs 2004, 397). When properly adopted, a Heckman Model can be used to correct for the problem of selection bias, thus, enabling the researcher to more confidently establish a causal relationship.

6 Analyses

This chapter prepares the ground for making connections between key findings and assessing the explanatory value of the theoretical argument. I expect that new parties that face competition from established parties in terms of having similar policy positions will be less likely to reenter election and that their electoral success will be negatively affected. The empirical analysis involves both established variables, previously found to affect new party entry and electoral success, as well as new ideological variables focusing on the competition between already existing and new parties.

Before I proceed with the explanatory analysis, some descriptive statistics of the new parties are in order. Using data from MARPOR and ParlGov, I examine 46 new political parties in 10 CEE countries. In the following section, I go through the number of reentries, the vote share from the first and second election of the new parties that reentered, as well as the ideological positions of both new and established parties on the economic and the social dimension. In the second part, I conduct a Heckman's selection model. This is based on simultaneously estimating both a selection equation (new party reentry) and an outcome equation (explaining the success of a new party). In this way, I can assess whether selection bias is indeed a problem and whether there exists a causal relationship between competition from established parties and new parties' decision to reenter electoral competition and their subsequent electoral success. In the following section I refer to the parties by country abbreviation and party abbreviation. For example the Bulgarian party National Movement Simeon the Second (NDSV) is referred to as BRG:NDSV.

6.1 Descriptive patterns of new parties in CEE

The MARPOR dataset in addition to ParlGov enables the examination of new political parties in CEE countries. The combined dataset that is analyzed in this thesis consists of 41 elections and 46 new political parties in 10 CEE countries: Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia. A necessary first step of the analysis is to take a closer look at descriptive patterns of new parties in CEE. Figure 6.1 provides an overview of all the elections covered in this analysis.
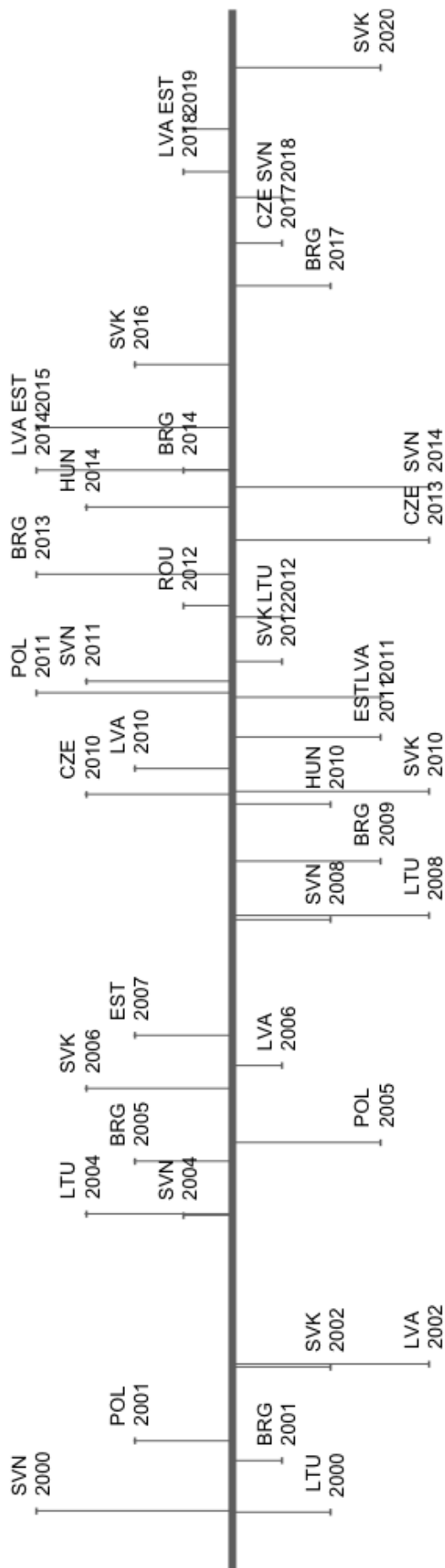
Figure 6. 1 Timeline of elections across the 10 CEE countries, 2000-2020

Source: Own compilation of data from MARPOR (Volkens et al. 2019) and ParlGov (Döring and Manow 2019).

Compared to their Western European counterparts, the political system in CEE countries are characterized by higher levels of change. It may be difficult to envision the amount of successful new parties that enter every election in the CEE countries. A total of 46 new parties were identified in MARPOR and ParlGov between the period 2000 to 2020. New parties were discovered in all ten countries: 7 parties in Bulgaria, 4 parties in the Czech Republic, 2 parties in Estonia, 1 party in Hungary, 5 parties in Latvia, 6 parties in Lithuania, 4 parties in Poland, 1 party in Romania, 9 parties in Slovakia, and 7 parties in Slovenia. Figure 6.2, on the following page, provides a summary of the number of parties included as well as how many of them reentered electoral competition. To see a complete list of the new parties, see Appendix B.

A first glance at Figure 6.2 shows that nearly all new parties reentered electoral competition. As a matter of fact, in Estonia, Hungary and Slovenia all new parties reentered elections. Over a period of 14 years and five election terms, 9 new political parties emerged and crossed the electoral threshold in Slovakia. The district magnitude in Slovakia is 150, equal to the total number of members of the legislature. This makes Slovakia the most proportional system out of the studied countries based on average district magnitude. Interestingly, Slovakia and Slovenia are the countries with most new parties as well as reentries followed by Bulgaria, which is the least proportional system in terms of district magnitude (the average district magnitude is 4.21). In Hungary, Politics Can Be different (LMP) was the only new party that crossed the legal threshold of 5 per cent in the period between 2000-2020. As seen in the figure, the number of new parties in Romania are quite limited. There are other new parties in Romania, but three out of four new parties have been excluded since their next election is still pending. Despite this, Figure 6.2 gives a fairly representative picture of the political landscape in the region due to the long period covered.
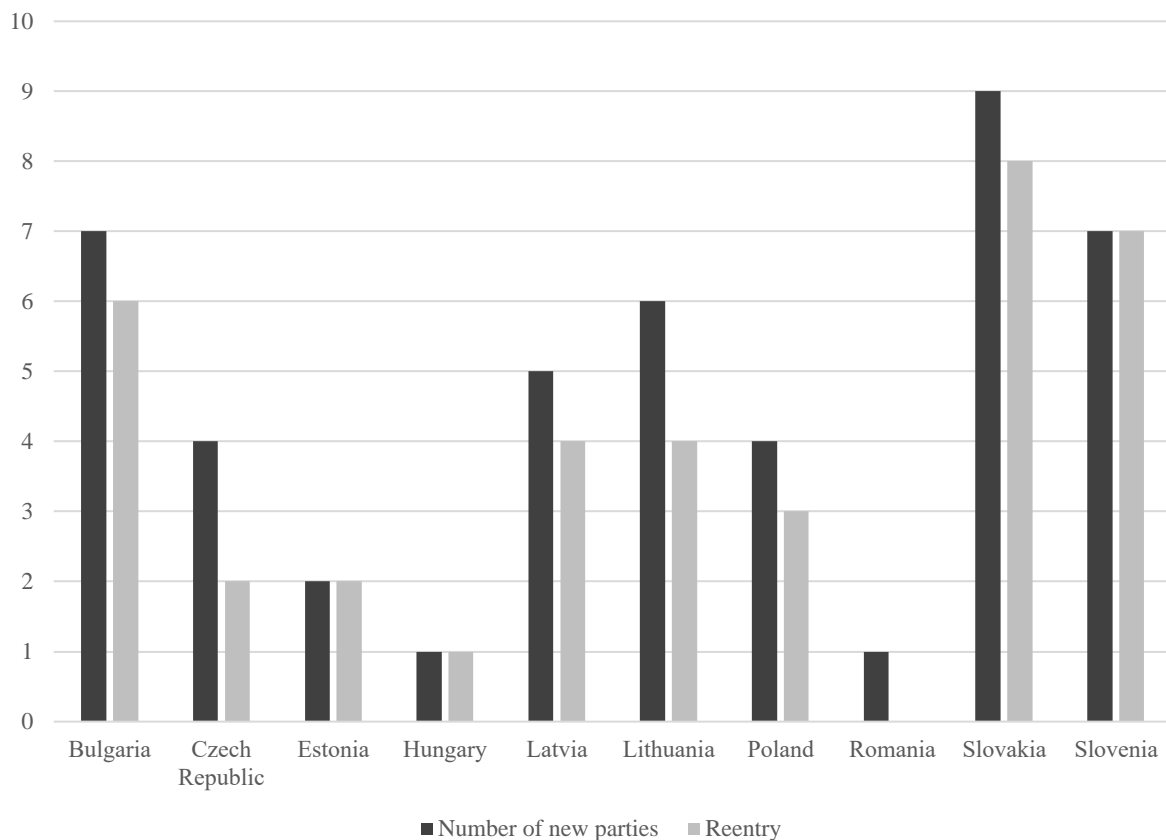
Figure 6. 2 Number of new parties and reentries, 2000-2020. *Source*: Own compilation of data from MARPOR (Volkens et al. 2019) and ParlGov (Döring and Manow 2019).

Figure 6.3 presents a scatter plot of the vote share of both the first and the second election of the new parties that reentered. A broad variation can be seen in the electoral outcomes of the new parties. In the bottom-left corner one can see that there is a clear pattern among the new parties – the majority of the new parties received a relatively low share of the votes in both the first and the second election, and those who receive a higher share in the first election also receive a high share in the second one. Some of the new parties do not follow the linear line – they either received a low share of the votes in the first election and a high share in the next or the other way around. In the top left of Figure 6.3 are the parties that gained a higher vote share in the second election. The Slovak party Direction-Social Democracy (Smer) received 13.46 per cent of the votes in their first election and 29.14 per cent of the votes in their second election. The Czech party Action of Dissatisfied Citizens (ANO11) received a fairly high share of votes (18.66 per cent) in 2013 but managed to gather an even higher vote share in their second election with almost 30 per cent. Law and Justice (PiS) in Poland also went from having 9.50 per cent of the votes in their first election to 26.99 per cent in their second election. Similarly, Civic

platform (PO) went from 12.68 per cent of the votes in the 2001 elections to 24.14 per cent in the subsequent election.
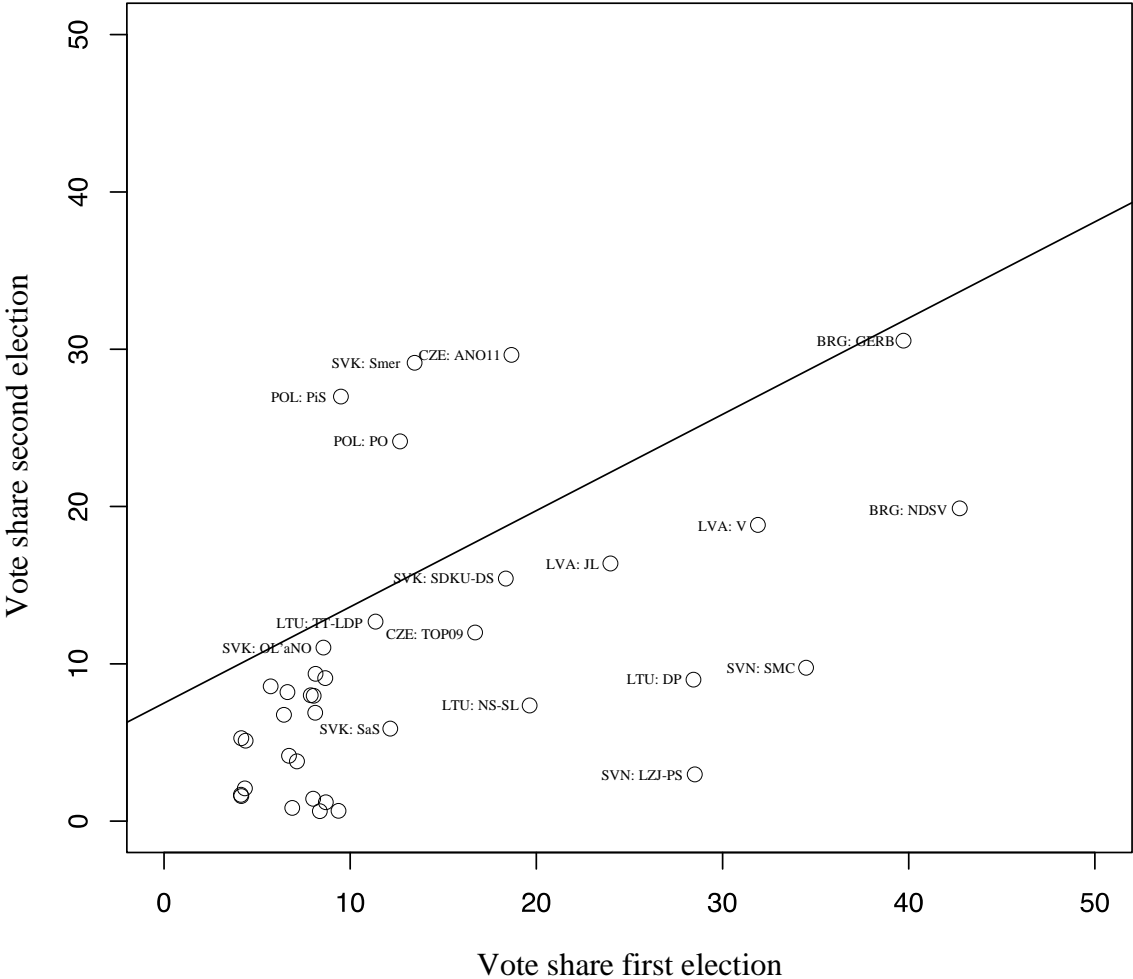
Figure 6. 3 Vote share from the first and second election of the parties that reentered.

Note: The line is an Ordinary Least Square regression line. All party labels are not included due to space limitations. See Appendix B for complete list of new parties. *Source*: MARPOR (Volkens et al. 2019) and ParlGov (Döring and Manow 2019).

Conversely, in the bottom right in Figure 6.3 are the parties that received a high vote share in the first election and a lower vote share in the second election. The Slovenian Party of Miro Cerar (SMC) captured 34.49 per cent of the votes in the 2014 parliamentary elections. The party suffered a loss of 24.74 per cent by the next election. However, despite the enormous decline, the party managed to gather 9.75 per cent of the vote share, thus, surmounting the parliamentary

threshold of 4 per cent. In a similar fashion, the Lithuanian party New Union (Social Liberals) (NS-SL) won 19.64 per cent of the votes in 2000, while Labour Party (DP) won 28.44 per cent of the votes in 2004. In their second election, the new parties fared much worse and lost approximately 12 and 20 per cent of the votes, respectively. Nonetheless, both parties secured enough votes to pass the electoral threshold of 5 per cent. The Slovenian party Positive Slovenia (LZJ-PS) captured 28.51 per cent of the votes in 2011. Nevertheless, the party experienced an enormous loss of 25.54 per cent, and, thus, was not able to surpass the threshold of 5 per cent.

None of the new parties reached a vote share above 50 per cent. However, as seen in the top right in Figure 6.3 are the new parties that received a high vote share in both elections. The Bulgarian party National Movement Simeon the Second (NDSV), set up by the former Bulgarian king just a few months prior to the election, won an extraordinary victory capturing 42.74 per cent of the votes. Other similar cases with astonishing performances are Latvia's New Era (JL) in 2001 and Unity (V) in 2010, Citizens for European Development of Bulgaria (GERB) in Bulgaria in 2009 and Lithuania's Labour Party (DP) in 2004. New parties average vote share in the first election is 13.21 per cent, while the mean vote share of the new parties that decided to reenter is 8.15. Moreover, 13 out of the 37 new parties that decided to reenter received a higher vote share in the second election, where 5 had a considerable change, 8 had a modest change, while the remaining 24 parties received a lower vote share in the second election.

In Figure 6.4, the distribution of the new parties' positions is reported in a two-dimensional space. The new parties' positions are located between -18.42 and 21.71 on the economic dimension and between -33.06 and 39.47 on the social dimension. However, as seen in the figure, the majority of the new parties are located between -20, and 20. The patterns in Figure 6.4 confirm the assumption that, due to the specific content of the left-right dimension in CEE (Ibenskas and Polk 2017, 19), most of the parties in CEE are right-oriented on the social dimension as well as left-oriented on the economic dimension (Engler, Pytlas, and Deegan-Krause 2019, 1315). It is evident that most of the political issues in the countries do not necessarily align with either a cultural or an economic dimension, as they commonly do in Western European countries. This is seen by the large fraction of new parties located in the upper-left quadrant. Moreover, these findings highlight the importance of measuring parties' positions in CEE on both economic and social issues as opposed to a general left-right

dimension, which would not necessarily give a representative picture of the new parties' positions. Among the observations seen in Figure 6.4, there are some outliers with more extreme values on either or both the dimensions. An example is the Bulgarian party Attack (Ataka) which is socially right and economically left. This is in line with literature highlighting the importance of measuring parties' positions in CEE on both economic and social issues as compared to the general left-right dimension (e.g. Engler, Pytlas, and Deegan-Krause 2019; Ibenskas and Polk 2019).

Figure 6. 4 Distribution of new parties' positions of the economic and social left-right.

Note: All party labels are not included due to space limitations. See Appendix B for complete list of new parties. *Source*: Own compilation of data from MARPOR (Volkens et al. 2019).

For comparison, Figure 6.5 provides an overview of the established parties' positions on the economic and social left-right. It is evident that that the patterns of Figure 6.5 are similar to those in Figure 6.4 of the new parties, with a large fraction of the established parties being positioned in the upper-left quadrant, indicating that they are right leaning on the social dimension and economically left. However, a large portion is also located in the bottom-left quadrant which demonstrates that several of the existing parties are left-oriented on both the economic and the social dimension.
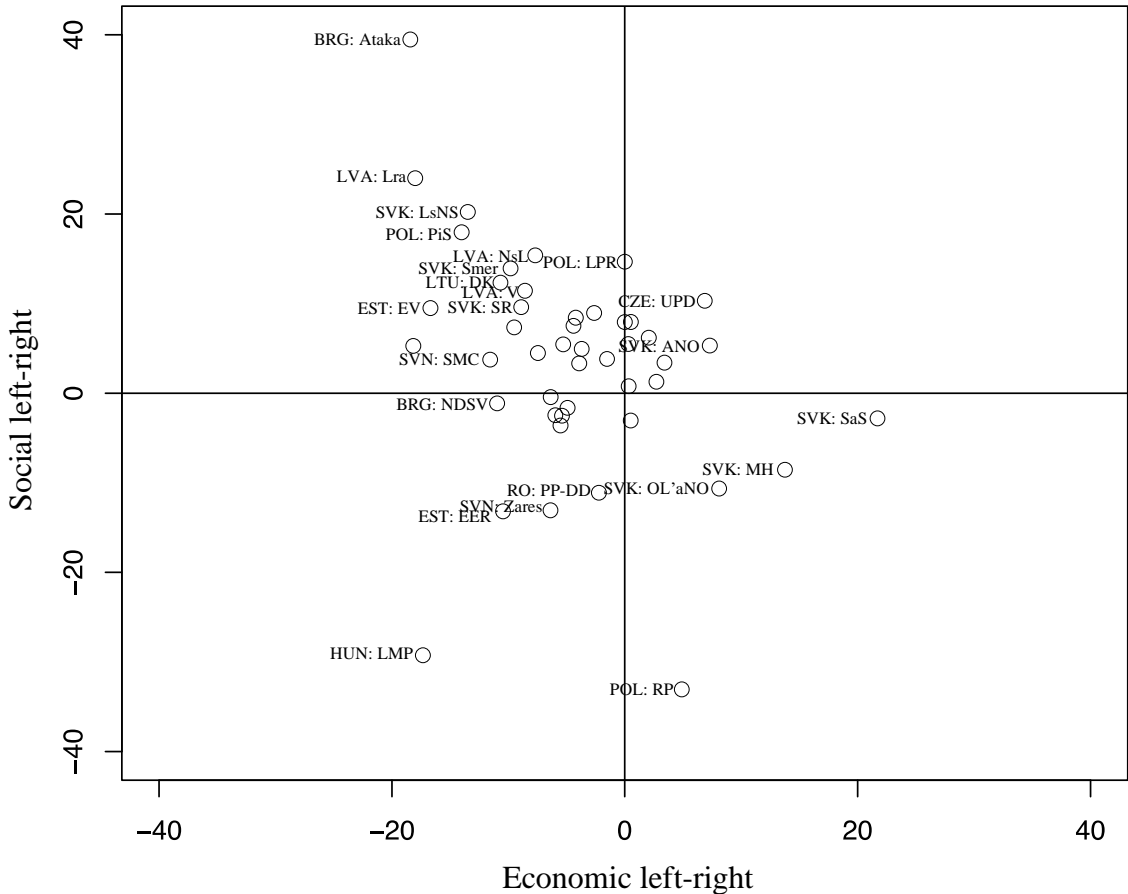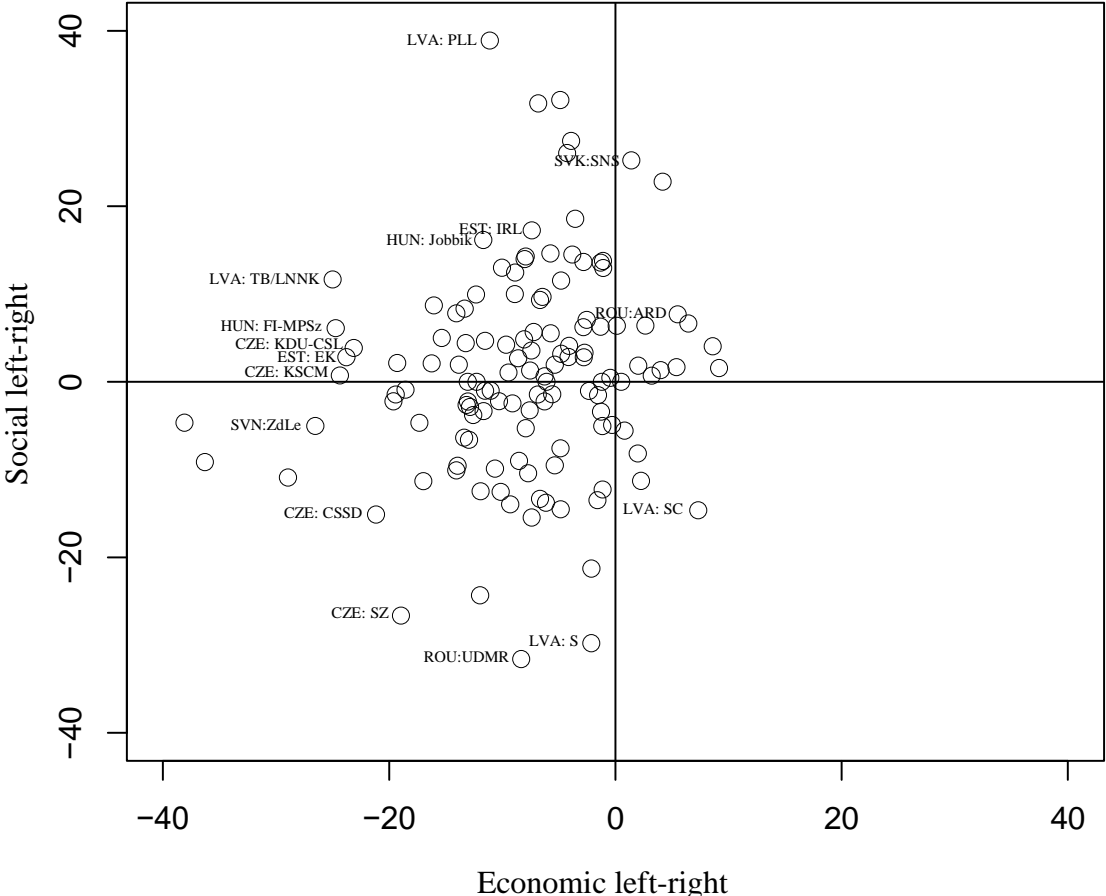

Figure 6. 5 Distribution of established parties' positions of the economic and social left-right. *Note*: All party labels are not included due to space limitations. See Appendix E for complete list of established parties. *Source*: Own compilation of data from MARPOR (Volkens et al. 2019).

The established parties' positions are located between -38.42 and 9.16 on the economic dimension and between -31.59 and 38.88 on the social dimension. The mean position of the established parties on the economic dimension is -8.14, while the mean of the positions on the social dimension are 1.13. However, the standard deviation of the established parties' positions on the social dimension is 11.68 which indicates that there is a relatively high variation among the observations. Furthermore, the descriptive analysis show that the number of competitors each new party is faced with varies. Table 6.1 and Table 6.2 provides an overview of the number of competitors each new party has on the economic and the social dimension, respectively. On the economic dimension, the mean number of competitors is 2.65, while the mean number of competitors on the social dimension is approximately 2.26.

Table 6. 1 Competitors on the economic dimension

0	1	2	3	4	5	6	7
SVK:SaS	BRG:DSB	BRG:NDSV	BRG:GERB	POL:PO	SVN:SMS	LVA:JL	LTU:NS-SL
	BRG:ABV	BRG:Ataka	BRG:RZS			SVN:Zares	
	BRG:BBZ	EST:EV	CZE:VV			SVN:LZJ-PS	
	CZE:TOP09	LVA:NsL	CZE:ANO11				
	CZE:UPD	LTU:LRLS	EST:EER				
	POL:RP	POL:LPR	HUN:LMP				
	LVA:Lra	SVK:ANO	LVA:V				
	SVK:MH	SVK:OL'aNO	LVA:ZRP				
	SVK:LsNS	SVK:SR	LTU:DP				
		SVK:S	LTU:TT-LDP				
		SVN:SMC	LTU:TPP				
			LTU:DK				
			POL:PiS				
			ROU:PP-DD				
			SVK:Smer				
			SVK:SDKU-DS				
			SVN:NSI				
			SVN:DL				
			SVN:ZaAB				

Note: Number of competitors each new party has on the economic dimension. Country and new party abbreviation. *Source*: Own compilation of data from MARPOR (Volkens et al. 2019).

Table 6. 2 Number of competitors on the social dimension

0	1	2	3	4	5	6
BRG:Ataka	BRG:ABV	BRG:NDSV	BRG:DSB	CZE:TOP09	LTU:NS-SL	SVN:LZJ-PS
HUN:LMP	EST:EER	CZE:ANO11	BRG:GERB	CZE:VV	SVN:SMS	
LVA:Lra	LVA:ZRP	CZE:UPD	BRG:RZS	EST:EV	SVN:DL	
POL:PiS	LTU:TT-LDP	LVA:V	BRG:BBZ	LVA:JL		
POL:LPR	ROU:PP-DD	LVA:NsL	SVK:Smer	SVN:Zares		
POL:RP	SVK:MH	LTU:DP	SVK:Sas	SVN:SMC		
SVK:OL'aNO	SVK:LsNS	LTU:TPP	SVN:NSI	SVN:ZaAB		
	POL:PO	LTU:LRLS				
		LTU:DK				
		SVK:ANO				
		SVK:SDKU-DS				
		SVK:SR				
		SVK:S				

Note: Number of competitors each new party has on the social dimension. Country and new party abbreviation. *Source*: Own compilation of data from MARPOR (Volkens et al. 2019).

6.1.1 Mapping new parties' electoral success, reentry, and policy positions

Descriptive patterns of the new political parties presented in the first subchapter show some interesting findings. The analysis reveals that new parties in CEE indeed are very successful in their first election. A considerable fraction of the new parties received modest share of the votes in both their first and second election, however, there are some extraordinary cases. 13 out of the 46 new parties received a vote share above 15 per cent (almost 30 per cent of the observations), and 8 new parties reached a vote share above 20 per cent in their first election. In comparison, 9 new parties received a vote share above 15 per cent, while 5 new parties received a vote share above 20 per cent in the second election. The performance of the new parties in CEE is remarkable compared to those in Western Europe, where the entry and success of new parties has happened more gradually. As previously mentioned, on average, only one new party participated in each election in established Western democracies between 1945 and 1991 (Hug 2001). Nonetheless, the political landscape is quite different in CEE, with multiple

new parties constantly emerging every election (Tavits 2008a). Moreover, almost all new parties reentered electoral competition. Of the 46 new parties, 37 decided to reenter electoral competition.

The mapping of the new parties in CEE countries suggests, in line with prior research, that it is important to measure parties' positions in CEE on both economic and social issues instead of using a general left-right dimension. Moreover, the descriptive findings demonstrate that new parties are faced with considerable competition in proximity of their ideological space. The number of competitors do, however, vary among the new parties. On the economic dimension, the mean number of competitors is 2.65, while the mean number of competitors on the social dimension is 2.26 (see Table 6.1 and 6.2). In line with the theoretical expectation, it is reason to believe that this may influence the new parties' electoral trajectory.

Table 6. 3 Summary of variables and expectations

Variables	Expectations
Financial deposit	-
Party funding	+
Economic competitor	-
Social competitor	-
Government status	-
District magnitude	+
Unemployment	+
Economic dimension	-/+
Social dimension	-/+

6.2 Heckman's selection model: new party reentry and electoral success

Referring to my theoretical argument, I anticipate that competition from other established parties will negatively affect both new parties' decision to reenter and their subsequent electoral success. For this purpose, I investigate whether and how new parties' decision to reenter elections and their subsequent electoral success are influenced by institutional and ideological variables. As noted earlier, previous research on new parties indicates that the study of new party performance needs to account for selection bias that may arise because some of the variables could affect both new party entry as well as their electoral success (e.g. Golder 2003; Hug 2000). To account for potential selection bias, I make use of Heckman's selection model.

Table 6.5 presents the results of the Heckman's selection model for the dependent variables *reentry* (selection equation of the model) and *electoral success* (outcome equation of the model). To determine whether selection bias is a problem, the probability of reentering elections is estimated as a function of the original control variables and additional identifying variables, which in this case is *party funding* and *financial deposit*. I expect, in line with prior research, that parties are more likely to reenter if they do not need to provide a financial deposit and if state funding is available (e.g. Cox 1997; Hug 2000, 2001; Tavits 2008a). These variables are assumed not to influence electoral success.

As a general robustness check, I include models with the exclusion restrictions separately. As seen in the selection equation in Table 6.5, Model 1 exclusively includes the variable *party funding*, while Model 2 only contains the variable *financial deposit*. Lastly, Model 3 consists of both the exclusion restrictions. Potential collinearity issues make it somewhat difficult to identify the statistical significance of individual variables in the first stage, which is substantively interesting in my research and separating the variables may help understand the effect of each variable more appropriately. The purpose of the first stage is to elucidate whether selection bias is a problem by including exclusion restrictions. The Pearson correlation coefficients between the different independent variables do not indicate correlation. However, neither of which reaches the level of statistical significance, thus making it difficult to draw causal conclusions. Table 6.4 provides an overview of pairwise correlation coefficients.

Table 6. 4 Pearson correlation coefficients

Variable	Reentry	Financial deposit	Party funding	Economic competitor	Social competitor	Government status	District magnitude	Vote share	Unemployment	Economic dimension	Social dimension
Reentry	1.00										
Financial deposit	-0.23	1.00									
Party funding	0.09	-0.18	1.00								
Economic competitor	0.11	-0.26	-0.22	1.00							
Social competitor	0.11	-0.14	0.00	0.45	1.00						
Government status	0.36	-0.08	-0.18	0.19	0.37	1.00					
District magnitude	0.11	0.19	0.08	-0.35	-0.18	0.16	1.00				
Vote share	0.46	-0.12	-0.11	0.09	-0.09	0.24	0.09	1.00			
Unemployment	0.25	-0.23	-0.07	0.12	-0.15	0.15	0.20	0.36	1.00		
Economic dimension	-0.16	0.08	0.03	-0.28	0.10	0.19	0.32	-0.27	0.25	1.00	
Social dimension	0.15	0.26	-0.10	-0.17	-0.08	-0.12	0.07	0.23	0.06	-0.33	1.00

Table 6.5 on the following page provides the results of the Heckman's selection model which will be discussed in order. First, I examine the variables expected to influence new parties' decision to reenter electoral competition, which is found in the selection equation of the model. Second, I discuss the variables expected to influence new parties' electoral success as seen in the outcome equation.

There are several interesting findings that need to be commented. In Model 1, *party funding* has a predicted sign indicating that reentry is more likely if a new party receives funding from the state. As shown by previous research, the access to financial resources is found to be significantly related to the entry of new parties (e.g. Tavits 2008a). However, the variable does not reach statistical significance and the t-value is negligible. In Model 2, the second exclusion restriction, *financial deposit*, is included exclusively. The variable has a negative effect in the predicted direction and is statistically significant at 10 per cent level. The results of the variable suggest that if a new party needs to provide a financial deposit in order to compete in elections, it is less likely to reenter electoral competition. Among the new parties that need to provide a financial deposit is the Bulgarian party Bulgaria without Censorship (BBZ), the Czech parties Public Affairs (VV) and Dawn of Direct Democracy (UPD), the Latvian party Zatlers' Reform Party (ZRP), and Lithuanian party National Resurrection Party (TPP), to name a few.

In Model 3, both the exclusion restrictions are included. Recall that exclusion restrictions are meant to influence the probability of an observation appearing in the sample but thought not to influence the dependent variable in the second stage, which in this case is the electoral success of new parties. They are considered as necessary to generate credible estimates, and a rule of thumb is that there should be at least one variable which appears in selection equation to correct for potential selection bias (Sartori 2003). As seen in Model 3, the statistical significance of *financial deposit* disappears at the expense of including the variable *party funding*. However, the t-value of the former remains relatively high (-1.62) with the same predicted sign, which further illustrates the importance of the variable in the model. The variable *party funding* also has the same predicted sign. However, the statistical significance of the variable remains the same.

Table 6. 5 Analysis of new party reentry and electoral success: Heckman's selection model

	Model 1	Model 2	Model 3
Selection equation (probit)			
Intercept	-5.70	2.27	-3.34
	(8.39)	(1.61)	(8.65)
Party funding	5.84	-	-1.42
	(8.37)		(8.73)
Financial deposit	-	-1.56*	5.28
		(0.86)	(8.65)
Economic competitor	1.31	0.01	3.38
	(2.91)	(0.31)	(3.05)
Social competitor	-6.36	-0.05	-7.57
	(2.33)	(0.26)	(2.66)
Unemployment	-8.42	-0.09	-5.78
	(8.61)	(0.09)	(9.96)
Government status	1.03	6.68	1.04
	(1.16)	(865.88)	(1.29)
District magnitude	1.73	0.01	2.44
	(5.36)	(0.01)	(5.84)
Economic dimension	-4.82	-0.05	-3.92
	(4.53)	(0.05)	(4.71)
Social dimension	1.75	0.03	3.40
	(2.50)	(0.03)	(2.86)
Outcome equation (OLS)			
Intercept	-18.60	-4.07	-4.62
	(15.65)	(6.41)	(6.68)
Economic competitor	-0.02	-0.34	-0.30
	(2.09)	(1.14)	(1.15)
Social competitor	-0.31	0.11	0.09
	(1.81)	(1.05)	(1.15)
Unemployment	1.04	0.93**	0.94**
	(0.63)	(0.38)	(0.38)
Government status	15.97	4.21	4.50
	(10.38)	(3.61)	(3.73)
District magnitude	0.04	0.02	0.02
	(0.05)	(0.03)	(0.03)
Economic dimension	-0.81*	-0.52**	-0.53**
	(0.43)	(0.22)	(0.22)
Social dimension	0.16	0.05	0.06
	(0.23)	(0.13)	(0.13)
Inverse Mills ratio	26.61	2.42	3.28
	(17.52)	(5.36)	(5.98)
Sigma	14.75	7.45	7.47
Rho	1.80	0.33	0.44
Adj. R^2	0.19	0.06	0.07
N	46	46	46
Censored	9	9	9
Observed	37	37	37

Notes: ***$p \leq 0.01$, **$p \leq 0.05$, *$p \leq 0.1$. The table denotes the coefficients. Standard erros are in brackets.

As seen in all three models in the selection equation, *social competitor* has a negative effect on *reentry*, as predicted. The expectation was that the success of new parties depends on whether they are confronted with a competitor with similar policy positions. The variable indicates that new parties are less likely to reenter electoral competition the more competitors there are on the social dimension. The variable *economic competitor* does, however, show the opposite. This means that the number of competitors on the economic dimension does not negatively affect the reentry of new parties, rather the more competitors, the greater the likelihood of reentry. An interesting finding is that the coefficient of the ideological variables changes when both the exclusion restrictions are included. The probit coefficient of both *economic competitor* and *social competitor* is insubstantial in Model 2. In this model, only *financial deposit* is included. However, in Model 3 the effect of the coefficient is stronger. Yet, it is important to keep in mind the interpretation of probit coefficients are not as intuitive as other regression analyses. I will discuss this more in the following subchapter. Nonetheless, it is important to note that neither of the variables reach statistical significance.

The outcome equation in Table 6.5 presents the analysis of the *success* of new parties measured by their vote share percentage. Here the patterns are reversed compared the ones found in the selection equation in terms of having competitors with similar policy positions. As seen in Model 2, one-unit increase in *economic competitor* leads to a 0.34 decrease in new party success, while a one-unit change in the independent variable leads to a 0.30 decrease in Model 3. On the other hand, the variable *social competitor* does not have the predicted sign in Model 2 and 3. The effect of *social competitor* in these two models is however weak with a coefficient of 0.11 and 0.09, respectively. In Model 1, *social competitor* has a positive effect on the dependent variables, as predicted, indicating that a change from 0 to 1 in the variable results in a decrease in the electoral success of new parties by 0.31, all other variables held constant.

As seen in Model 1, *economic dimension* is the only variable that is statistically significant, albeit at a 10 per cent level. The effect of the variable indicates that being economically left-leaned is positively correlated with electoral support of new parties. Nonetheless, this may be due to the specific sample under study. The sample is both small and several of the new parties are left-leaned on the economic dimension with a mean position of -4.38. The standard deviation for the variable is 8.41, indicating that the observations are relatively spread out on

the economic dimension. Put differently, the new parties' positions are not exclusively positioned on the left of the economic axis.

In Model 2, the effect of *unemployment* is positive and statistically significant at 5 per cent level. The findings indicate a positive correlation between increasing unemployment rates and votes for new political parties. As anticipated, when the unemployment rate increases the higher vote shares a new party will receive. This is in line with the theory on economic voting stating that the electorate tend to reward new parties when economic conditions are bad (e.g. Kramer 1971; Lewis-Beck 1988). In other words, voters will resort to new parties when the existing elite does not satisfy their demands. As previous literature has shown, economic hardship can be expected to undermine existing party loyalties and encourage the electorate to support both opposition parties and new parties (Tavits 2005, 286-287). As a statement, voters vote for new parties instead of the existing elite during difficult economic circumstances such as increased unemployment.

Both *unemploymen*t and *economic dimension* remain statistically significant at 5 per cent level in Model 3. The more economically left-leaned a new party is and the higher unemployment rate, the higher vote share the new party will receive. The t-value of both variables increase in Model 3 compared to Model 2, which may indicate that the inclusion of these variables is of importance. In addition, the overall model performance improves: the adjusted R-squared increases from 0.06 in Model 2 to 0.07 in Model 3, suggesting that the latter is to prefer. In contrast to R-squared, the adjusted R-squared adjusts for number of variables in the regression. Hence, it increases only when an additional variable adds to the explanatory power of the model. Nonetheless, the change is not substantial, and the independent variables are only able to explain 7 per cent of the variability in the outcome variable. Moreover, the ease of winning a seat, represented by the average district magnitude, have a positive effect on both reentry and electoral success, which is line with prior research, but the variable does not reach statistical significance and the t-values are negligible. *District magnitude* correlates with *economic competitor and economic dimension*, albeit a modest correlation at -0.35 and -0.33, respectively. Thus, the null effect is not predominantly a product of multicollinearity.

The results of Table 6.5 unexpectedly show that variable *government status*, in fact, has a positive effect on both *reentry* and *electoral success*. However, it is not statistically significant. The expectation was that the variable should affect new party reentry negatively since previous research has argued that government participation can constitute a shock when new parties take on this responsibility too early (e.g. Deschouwer 2008; Deegan-Krause and Haughton 2018). Additionally, government parties are also found to bear the costs of ruling in terms of losing more votes than the other parties (Tavits 2008b, 55). As a consequence of this, the variable was also expected to negatively affect the electoral success of new parties. The new parties may suffer vote loss as a result of lack of governmental experience. Yet, as seen in all models, the results demonstrate that government status is positively correlated with both the reentry and the electoral support of new parties. Contrary to previous literature, the findings indicate that new parties' participation in government one year prior to the second election does not affect their *reentry* or *electoral success* negatively. Despite the fact that the variable is not statistically significant in either of the models, the t-value of the variable *government status* is 1.54 in Model 1 and 1.21 in Model 3, suggesting that there may potentially be an effect.

As previously mentioned, rho is the correlation between the errors in the selection equation and the outcome equation. In Model 1, the rho is outside the admissible range for a correlation, [-1,1]. However, this can occur when a Heckman's selection model is modeled with a two-step estimator as in this thesis. Rho is calculated through a special approximation and, thus, it is not limited to [-1,1] (Greene 1981; Greene 2012, 916). Nonetheless, if one uses the maximum likelihood estimator instead of the two-step estimator the rho should be between [-1,1]. Recall that as rho increases, so too will the statistical significance of the inverse Mills ratio. There is some evidence of selection bias in Model 1, however, the results just missed statistical significance (p-value 0.11). Errors are naturally tied up with model specification. Consequently, alternative specifications change the errors, which thereby changes the rho. In Model 1, *party funding* is the only exclusion restriction included. The rho is lower in both Model 2 and 3, thus the inverse Mills ratio does not reach statistical significance. Nevertheless, as Certo (2016) points out, one should be careful dismissing potential selection bias despite an insignificant inverse Mills ratio.

With a sample of 46 parties in 10 countries, I am aware that my model might suffer from over-fitting if too many variables are included. However, efforts have already been taken to keep the model as parsimonious as possible by excluding variables such as *party system* and *ethnic fragmentation*. The main issue with a low number of observations is interpretation of results, in particular p-values and confidence intervals. For the ones that are not statistically significant, I merely discuss the trends. Yet, there is a need to interpret the results carefully due to the relatively low sample in this thesis, and it is important to bear in mind that association is not equivalent to causation (Schrodt 2014, 297). Nonetheless, the lack of statistical significance and/or null findings are still important and worthwhile to discuss.

6.2.1 Marginal effects of new party reentry

As previously mentioned, the interpretation of coefficients in a probit model is not as straightforward as other regression techniques. An alternative would be to compute marginal effects (e.g. Fernihough 2019; Liao 1994). I make use of marginal effects in this thesis to assess the effect of the variables in the probit more properly. For binary variables, the marginal effects report how predicted probabilities change as the binary independent variables change from 0 to 1. For continuous variables, the technique measures the amount of change in *Y* when the continuous independent variables change by one-unit, holding all other variables at their means (Williams 2020, 1).

When fitting models, it is important to be cautious about not including too many variables to avoid too few degrees of freedom. Both Akaike Information Criterion (AIC) and Bayesian Information Criterion (BIC) work as an indicator to detect the most appropriate model. By introducing a penalty term of the number of parameters, one can assess the quality of a model through comparison of related models. The latter is more restrictive than the former (Lander 2017, 311). Much like the likelihood ratio test, AIC and BIC penalizes model complexity.

Table 6.6 shows the marginal effects of the probit model which models reentry into electoral competition as a function of covariates. The overall model performance does not improve in Model 3 when all variables are included according to AIC and BIC. Nonetheless, the log likelihood is closer to 0 in the Model 3. The log likelihood is always negative, with higher values – closer to 0 – indicating a better fit (UCLA 2020b). Similarly, when all the variables are included the residual deviance decrease, indicating a better fit. However, recall that the reason for separating the variables into several models, is to assess the effect of the exclusion restriction more properly due to potential collinearity problems. Consequently, assessing the model performance is not of particular importance.

As seen in Table 6.6 on the following page, a one-unit change in the variable *economic competitor* leads to a 0.02 increase in the probability of reentry, which means that the average predicted probability of new party reentry increases with 2 percentage points when a new party is faced with competitors on the economic dimension. In contrast, a one-unit change in *social competitor* leads to a 0.02 decrease in the probability of reentry. This means that the average predicted probability of new party reentry decreases with 2 percentage points when a new party is faced with competitors on the social dimension. However, the size of the effects is insubstantial and does not reach the level of statistical significance.

Table 6. 6 Factors explaining new party reentry

	Probit 1	Probit 2	Probit 3
Financial deposit	-	-0.23**	-0.20*
		(0.09)	(0.08)
Party funding	0.47*	-	0.46*
	(0.05)		(0.18)
Economic competitor	0.01	0.00	0.02
	(0.05)	(0.05)	(0.05)
Social competitor	-0.02	-0.01	-0.02
	(0.04)	(0.04)	(0.04)
Government status	0.34**	0.31**	0.33**
	(0.08)	(0.07)	(0.07)
District magnitude	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)
Unemployment	-0.00	-0.02	-0.01
	(0.01)	(0.02)	(0.02)
Economic dimension	0.01	-0.01	-0.01
	(0.01)	(0.01)	(0.01)
Social dimension	0.00	0.01	0.01
	(0.00)	(0.01)	(0.01)
AIC	58.64	57.23	59.77
BIC	70.64	69.23	72.11
Log likelihood	-16.18	-15.47	-15.00
Residual deviance	5.44	5.28	5.17
N	46	46	46

Note: ***$p \leq 0.01$, **$p \leq 0.05$, *$p \leq 0.1$. Probit calculated with average of the sample marginal effects. Standard errors are in brackets.

The data reveals, in line with prior research, that *party funding* has a positive effect on new party *reentry* and is statistically significant at 10 per cent level. *Financial deposit* has a negative effect on *reentry*, as anticipated, statistically significant at 5 per cent level. As shown in Probit 3, a change from 0 to 1 in the variable *financial deposit* led to a 0.20 decrease in probability of reentry, while a change from 0 to 1 in the variable *party funding* led to a 0.46 increase in

probability of reentry. This means that there is a 20 per cent lower probability of reentry for parties that have to pay financial deposits, compared to those who do not, and a party that receives party funding has a 46 per cent higher probability of reentering than a party that does not receive party funding. Further, the average change in probability of new party reentry increases by 33 percentage points when *government status* changes from 0 to 1 and is statistically significant at 5 per cent level. This means that the probability of new party reentry increases by 33 percentage points if they were in government one year prior to the second election.

It is however important to note that some of the variables have limited variation, thus making it difficult to explain any variation in the dependent variable. Table 6.7 and 6.8 provides an overview of the number of new parties re-running for different values of the variables *party funding* and *government status*. Table 6.7 shows that out of the 37 new parties that reentered, 35 received funding, while 2 did not. Moreover, of the 9 new parties that did not reenter, 8 parties received state funding. As seen in Table 6.8, among the 37 new parties that reentered elections, 14 were in government one year prior the second election, while 23 parties were not. Furthermore, the 9 new parties that did not reenter elections were not in government one year prior to the second election. Of the 14 parties that joined government, only 5 were formal partners. Recall that I coded a new party 1 if it joined government as either a formal partner or a support party, and 0 if otherwise.

Table 6. 7 Cross table: Number of reentering new parties and party funding

	Party funding (1)	Party funding (0)	Total
Reentry (1)	35	2	37
Reentry (0)	8	1	9
Total	43	3	46

Table 6. 8 Cross table: Number of reentering new parties and government status

	Government status (1)	Government status (0)	Total
Reentry (1)	14	23	37
Reentry (0)	0	9	9
Total	14	32	46

Even though the average marginal effects presented in Table 6.6 provide some evidence for a positive correlation between new party *reentry* and the two predictor variables *government status* and *party funding*, the results must be considered carefully. As previously shown in the cross tables, the amount of variation is quite limited both in the dependent variable and the two independent variables. Consequently, I am cautious about emphasizing the statistical significance of the marginal effects as the amount of data seems to be insufficient to make strong inferences.

6.3 Summary of determinants for decisions to reenter and electoral support

The goal of this chapter was to form a foundation for the discussion of the potential determinants explaining new parties' decision to reenter and their subsequent electoral support. The effects of the determinants that were expected to explain new party reentry and electoral success were tested using a two-staged Heckman's selection model. In addition, I have demonstrated the robustness of the results by including control variables that other scholars have identified as important determinants for reentry and electoral success. The results from Table 6.5 offer partial support for the strategic entry argument (e.g. Cox 1997; Tavits 2008a). The cost of registering a party, *financial deposit*, is significantly related to new party emergence. However, *financial deposit* loses its statistical significance when controlling for the second exclusion restriction, but still has the predicted sign and a relatively high t-value. Moreover, the effects of probit coefficients were interpreted more properly by using marginal effects. As seen in Table 6.6, the change from having no public funding to having public

funding for new parties increases the probability of reentering electoral contests by 46 per cent. When a financial deposit is needed for registering a party, the probability of new parties reentering electoral competition decreases by 20 and 23 per cent, depending on the model. Additionally, the probability of reentry increases by 33 per cent when a new party were in government one year prior to the second election.

7 Discussion

New parties in the CEE region are frequently on the winning side in electoral competition and it is not unusual for new parties in the region to either form government by themselves or participate in a governing coalition shortly after their foundation. However, previous studies have found that they often do not survive subsequent elections and are often replaced by an even newer party. The trajectory of a new political party may head in several different directions. Some will merge with another party, others dissolve formally or simply fall apart, while some continue as independent parties without running for election. Consequently, new parties' success has been thoroughly researched, and scholars have devoted significant time to the growth of party births, deaths, splits, alliances, and mergers. This thesis focuses on new parties that independently competed in the second election. As few have analyzed the role of established competitors in relation to the success and entry of new parties in CEE, I seek to fill this gap by explaining the following research question:

To what extent does ideological competition from established parties affect new parties' success when choosing to compete in subsequent elections?

In order to answer the research question, I first examine whether the new parties decide to reenter electoral competition before assessing their electoral performance. The main aim of this thesis is to understand and explain how competition from other established parties influence the electoral course of new parties, and in this way, shed light on how ideological locations of parties matters in Central and Eastern European party systems. In this chapter, I discuss the findings from this thesis. I start out by discussing the implications of the established variables previously found to affect new party entry and success before elaborating on the findings regarding the main argument.

7.1 What explains new party reentry and electoral success?

As the research question of this thesis is twofold, there is a need to investigate both the *reentry* and the *success* of new parties. Literature indicates that studies of new parties and their electoral

performance may be susceptible to selection bias because the factors used to explain their entry may also explain their success (Golder 2003; Hug 2001). I empirically examine the interrelated nature of the two components by using a Heckman's selection model to control for potential selection bias. As a first step, I explore the new parties descriptively. The analysis reveals that new parties in CEE indeed are very successful in their first election with an average vote share of 13.21 per cent. The majority of the new parties decided to reenter electoral competition and the mean vote share of the new parties that decided to reenter was 8.15 per cent. Moreover, 13 out of the 37 new parties that reentered electoral competition received a higher vote share in the second election, where 5 had a considerable change and 8 had a modest change compared to the first election. The remaining 24 parties received a lower vote share in the second election.

The empirical analysis finds partial support for the theory of strategic entry (e.g. Cox 1997; Tavits 2008a) in terms of costs of registering a party. The analysis shows that when a new party need to provide a *financial deposit* in order to run in an election, they are less likely to reenter. I also consider whether *party funding* have any impact on the new parties' decision to reenter, but the results did not show any discernible effect. Furthermore, previous literature has shown that parties tend to bear the costs of ruling by losing more votes compared to other parties, and that new parties are particularly vulnerable (Tavits 2008b; Deschouwer 2008; Deegan-Krause and Haughton 2018). As new parties are commonly very successful at the beginning of their career in terms of vote share and government participation, I therefore expect that these parties would not benefit in the second election.

The empirical analysis shows some signs of a correlation between *government status* and the success of new parties. However, contrary to previous anticipations, the analysis unexpectedly show that the variable is positively correlated with the reentry and the electoral success of new parties. This means that new parties with government status prior to the second election are more likely to reenter elections and receive a higher vote share. The results may indicate two things. First, it is found that new parties attract disappointed voters. When the number of parties that have not participated in government decreases, voters run out of alternative ways to voice their discontent with government performance. Notwithstanding, voters are more willing to support a new political party at the expense of established parties. Thus, despite their previous government participation, new parties are able to attract the dissatisfied voters. Second, the coding of the variable may influence the results. 9 out of the 14 new parties that were in

government one year prior to the second election, joined as a support party, while only 5 joined as a formal partner. The two posts *formal partner* and *support party* may imply different degrees of responsibility, thereby, influencing the electorates' decision when casting a vote. Thus, the coding of *government status* may influence the results. However, it is important to note that these should not be taken as explanations of the intuition behind the results obtained by the regression analysis or as evidence of the direction of causality.

Furthermore, previous studies have found that voters tend to reward new parties when economic conditions are bad (Hanley and Sikk 2014; Tavits 2005, 2008a). The analysis confirms a significant relationship between *unemployment* and *success* of new parties. Put differently, voters seek new alternatives with new electoral promises when unemployment increases. Moreover, several researchers agree that electoral system permissiveness increases the number in parliament, and studies have found that new parties are more likely to enter the electoral race when they can convert their votes into seats more easily (Powell and Tucker 2014; Tavits 2008a; Zonz 2015). In order to capture the ease of winning a seat, I use average district magnitude. Contrary to previous research, *district magnitude* does not appear to be a significant predictor for either new party reentry or electoral success.

7.1.1 Summary

In sum, the results show no effect of electoral permissiveness on new party *reentry* or electoral *success*. I find partial support for the theory of strategic entry. *Financial deposit* is statistically significant at 10 per cent level, and the average marginal effects show that probability of new party reentry decreases by 23 per cent when a deposit is needed to run in an election. Moreover, the Heckman analysis and the average marginal effects provide some evidence for a positive correlation between new party *reentry* and the two predictor variables *party funding* and *government status*. However, I am cautious about emphasizing the effect of these two variables. As previously shown, the amount of variation is quite limited in both the dependent variable *reentry* and the two predictor variables.

7.2 Does competition from established parties matter?

In Chapter 3, I presented a theoretical argument derived from theories on spatial party competition. I expect that new parties experiencing increased competition from established parties in terms of similar policy positions are less likely to reenter electoral competition. Moreover, I expect that competition from established parties also affect new parties' vote share negatively, assuming that there does not exist a supply gap between the electorate and established parties. It is acknowledged that there exist a wide variety of different new parties – anti-establishment parties, radical right parties, green parties, all of which represent ideologies that previously have not existed in the political system in this region. Other scholars claim that several new parties lack a clear ideology (Pop-Eleches 2010; Učeň 2007). I presume, in line with previous research, that new parties also emulate mainstream ideologies and compete on already occupied territories Bolleyer 2013; Bolleyer and Bytzek 2013; Sikk 2012). The basic premise of this study is that party competition takes place in a two-dimensional space consisting of social and economic issues.

The results from the descriptive analysis reveals that new parties are faced with considerable competition, defined as ideological proximity on the two dimensions. With respect to the hypothesized relationship, it is therefore reason to suspect that new parties' electoral trajectory is affected by sharing positions with the established parties. The results also show that competition between established and new parties vary. On the economic dimension, the mean number of competitors is 3, while the mean number of competitors on the social dimension is 2. Furthermore, the empirical analysis shows that increased competition on the social dimension decreases the probability of new party reentry. Contrary to the hypothesized association, increased competition on the economic dimension does not decrease the probability of new party reentry. With regards to the electoral success of new parties, the patterns are reversed – increased competition on the economic dimension decreases the vote shares for new parties, while increased competition on the social dimension does not decrease the vote shares.

Explaining this reversed relationship is beyond the scope of this thesis. However, the analysis suggests that competition takes shape in different ways. It may appear that increased competition on the economic dimension is a decisive factor in relation to the electoral success of new parties when voters cast their vote. In contrast, social issues seem to prevail in the

competition between established and new parties when the latter is considering reentering elections. The 10 CEE countries are diverse with different political histories, party systems, and political developments. Consequently, political competition is in some countries structured more around ethnicity, while economic cleavages are more salient in others. Hungary is an example of the former, while the Czech Republic is an example of the latter. This aspect is not accounted for in this thesis, consequently, it is difficult to determine whether the reversed relationship found in the empirical analysis is due to lack of data, coincidence, or if there is indeed a relationship. Nonetheless, I find no clear implications of a relationship between increased competition and the reentry and success of new parties, and the amount of data seems to be insufficient to make strong inferences.

7.3 Limitations of the analysis

The empirical results reported herein should be considered in the light of some limitations. The thesis focuses on new parties that surpassed the legal threshold. As previously stated, my case selection is not purely data driven. Theoretically, there are significant reasons for focusing on this subset of parties because these are the ones that achieved parliamentary breakthrough. Empirically, the new parties considered are the ones that change party system, government formation outcome, and policy outcomes. The trade-off with focusing on these new parties is that one turn out with a fairly low sample size, thus making it difficult to generalize and identify significant relationships from the data. One possible way to overcome this problem is to have a more inclusive approach in the first part of the analysis, i.e. to lower the threshold of electoral support and in that way increase the number of new parties to examine. Nonetheless, in order to assess the ideological positions of the new parties it is necessary to have access to secondary data such as MARPOR or expert surveys. Chapel Hill Expert Survey is more inclusive in terms of which parties they include per year since they use a 3 per cent threshold. However, they include fewer time points compared to MARPOR which contains all elections since 1991.

Moreover, the analysis has not accounted for the hierarchical structure of the data. The observations in the sample, *parties*, are nested within elections and within countries. 12 of the 37 new parties in my sample that reentered electoral competition are competing against at least one new party in the same election. Accordingly, a modelling strategy which allows to model

the effects on all three levels would be ideal. Under such circumstances, random-effects is recommended (Gelman and Hill 2007), with varying intercepts at the level of electoral periods and countries. Yet, it was decided not to implement this for two reasons. First, ten countries are, in general, considered as a too few for random-effects. Second, I included a number of variables at the level of electoral periods, which take care of variation at this level to some extent. Again, by increasing the number of observations it would be possible to model the effects on all three levels and, thus, reflect the hierarchical nature of the data structure.

Furthermore, the variability of the variables included may pose some limitations to the analysis. First, 37 out of the 46 new parties decided to reenter electoral competition, which results in a dependent variable with limited variation. Additionally, of the 46 new parties, only three parties did not receive party funding, and only two of them decided to reenter the electoral competition. In order to disclose the relationship between X and Y in a regression, it is desirable with variation in the regressors. Consequently, if there exists limited variation, the slope coefficient of the estimated regression will be imprecise. Additionally, *party funding* is also one of the exclusion restrictions in the Heckman's selection model and constitute an important part of the analysis. Recall that exclusion restrictions are meant to only influence the outcome in the first stage, but not the dependent variable in the second stage (Sartori 2003).

Model 1 show signs of a significant inverse Mills ratio, indicating that there exists sample selection bias, but the results just missed statistical significance. Model 2 and 3 do not show any sign of selection bias. Nonetheless, as mentioned in Chapter 5, an insignificant inverse Mills ratio do not necessarily mean that there exists no sample selection bias. When the exclusion restrictions are weak and/or the sample is small, Heckman's selection model is unlikely to produce a significant inverse Mills ratio. The variable *financial deposit* has a statistically significant effect at 10 per cent level in Model 2 and a fairly high t-value in Model 3, while *party funding* does not reach statistical significance and has negligible t-values in all models. The lack of variation thus makes it difficult to both assess the variables potential as an exclusion restriction as well as whether there exists a selection bias. To explore potential selection bias, and *party funding* as an exclusion restriction, there is a need to increase the number of units in future studies.

The electoral success of new parties, operationalized as vote share percentages, was analyzed with the help of linear regression in the Heckman-model. Most values on the dependent variable for this analysis are around 8 per cent, while a few are dispersed at very high levels. Consequently, future studies may log-transform the variable before running the regression to deal with the skewed distribution. Furthermore, the categories in the economic and social dimension provided by MARPOR showed to be relatively useful in detecting the overall positions of the new parties. However, this thesis was not able to detect the economic policy position of two new parties: the Latvian party Zatlers' Reform Party (ZRP) and the Polish party League of Polish Families (LPR) (see Appendix B for an overview of the new parties' policy positions). Consequently, it may be worthwhile to explore other dimensions of political competition in order to identify the locations of all new parties.

8 Concluding remarks

The aim of this thesis was to understand and explain the electoral success of new parties that decided to reenter in their second election within the framework of party competition. I have focused on the new parties that achieved parliamentary breakthrough in their first election. Explaining the electoral trajectory of this particular subset of new parties is of importance because these are the ones that change party systems, government formation outcome, as well as policy outcomes. The research question answered in the thesis is as follows:

To what extent does ideological competition from established parties affect new parties' success when choosing to compete in subsequent elections?

I built my argument on existing spatial theories of party competition as well as another prominent school of thought which claims that institutional factors are key explanations in describing the entry and electoral success of new parties. The aim of the thesis was to examine whether and how party competition from other established parties fits as an explanation for new parties' decision to reenter electoral competition and their subsequent electoral success. The argument was tested through a Heckman's selection model to correct for potential selection bias with an original dataset based on information provided by MARPOR and ParlGov.

A descriptive comparison showed that a large fraction of the new parties were faced with considerable competition from established parties in terms of having similar policy positions on the economic and social dimension. Thus, the analysis confirms that new parties indeed compete on occupied ideological territories. Moreover, the mapping of the new parties in CEE countries suggests, in line with prior research, that it is important to measure parties' positions in CEE on both an economic and a social dimension instead of using a general left-right dimension. The empirical analysis revealed that increased competition on the *social dimension* decreases the probability of new party *reentry*, while increased competition on the *economic dimension* decreased the *electoral support* of new parties. However, the empirical analysis did lend little statistical support to the hypothesized association, thus making it difficult to draw any inferences. Nonetheless, the lack of statistical significance and null findings are still

important and worthwhile to discuss, and it is difficult to dismiss potential relationships between ideological competition and new parties' decision to reenter their electoral success.

The debate about party competition in CEE has developed significantly the last quarter century. Moreover, there has been a disagreement on the level of stability in the CEE region which stems from two different research approaches highlighting different components: one focusing on the characteristics of party systems, organizations, and voting behavior, while the other focuses on the ideological structuration of party placements (Rovny and Polk 2017). As few studies have investigated the role of competition from established parties in CEE, I sought to fill this gap in the literature. The analyses conducted herein contributes to the debate about party competition in Central and Eastern Europe with a focus on competition from other established parties, thus shedding light on the ideological locations of new parties in CEE party systems.

8.1 Implications for future research

That party registering costs matter for new party reentry is as expected, and in line with existing literature and research on new parties in CEE. Although the role of competitors has been thoroughly assessed, particularly in Western Europe, there have been few systematic analyses of new parties' policy positions in relation to established parties in CEE. The results showed that they do indeed share similar policy positions with established parties and thus encounter competition, and that reentry and electoral success may be affected by competition in different ways. However, further research is required to verify whether and how competition from established parties in terms of similar policy positions influences new parties' decision to reenter and their subsequent electoral success. A necessary first step is to increase the number of cases.

Furthermore, the findings in this thesis are the result of the adopted theoretical and methodological approach. This thesis has assumed that new parties compete on occupied ideological territories, acknowledging that new parties are diverse. Consequently, the new parties have been measured on two broad ideological dimensions. There is no agreement on how the competitive space should be configured and there are numerous methods to capture the

policy positions of political parties on specific dimensions of political competition. The categories included in the two dimensions in this thesis were valuable in detecting the overall positions of the new parties. However, a suggestion to further research would be to apply different policy dimensions and scale building techniques in an attempt to illuminate the findings in this thesis, and lastly, to measure the salience the parties attach to the different issues to get a more nuanced depiction. I believe that relying on party-specific factors, such as ideological policy positions of new parties, is a fruitful step in explaining their reentry decision and electoral success, thus improving the understanding of party system change and stability in the CEE region.

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Appendix

Appendix A: Operationalizations, expected effect, and data source

Theoretical approach	Variables	Operationalization	Expected effect	Data source
Institutional				
	– District magnitude	Average district magnitude	+	Bormann and Golder (2013).
	– Party funding	0 no funding 1 funding	+	Ibenskas (2019a).
	– Financial deposit	0 no financial deposit 1 financial deposit	-	Ibenskas (2019a).
	– Government status	0 not in government 1 in government	-	Döring and Manow (2019).
Economic condition				
	– Unemployment	Annual change of unemployment rate	+	International Monetary Fund (2020)
Ideological				
	– Economic competitor	Count variable, 0-7	-	Own calculations
	– Social competitor	Count variable, 0-6	-	Own calculations
	– Economic dimension	Percentage measure, [-100,100]	-/+	MARPOR (Volkens et al. 2019)
	– Social dimension	Percentage measure, [-100,100]	-/+	MARPOR (Volkens et al. 2019)

Note: Operationalizations, expected effect, and data sources of all variables.

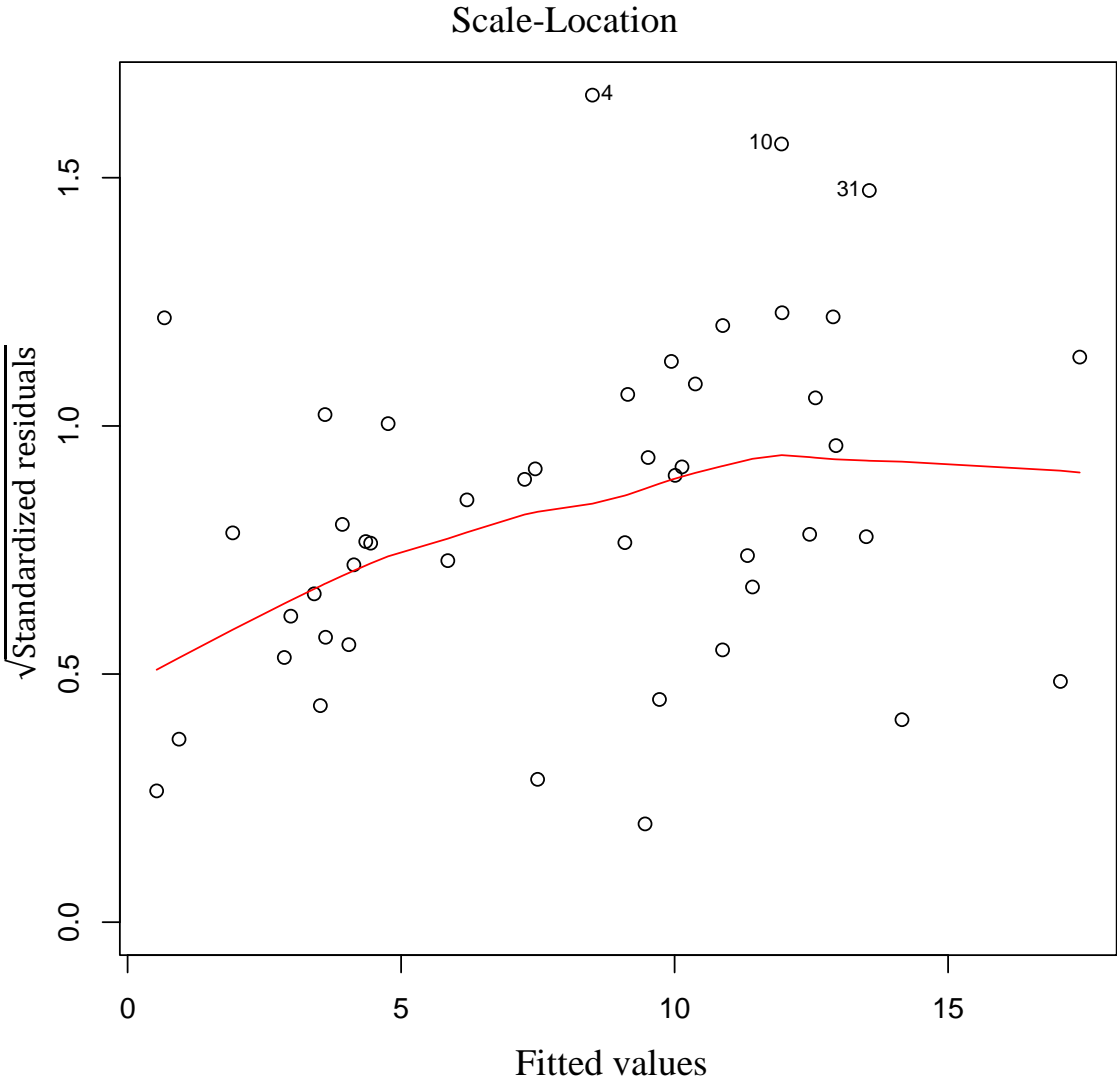# Appendix B: Descriptive statistics of new parties in CEE

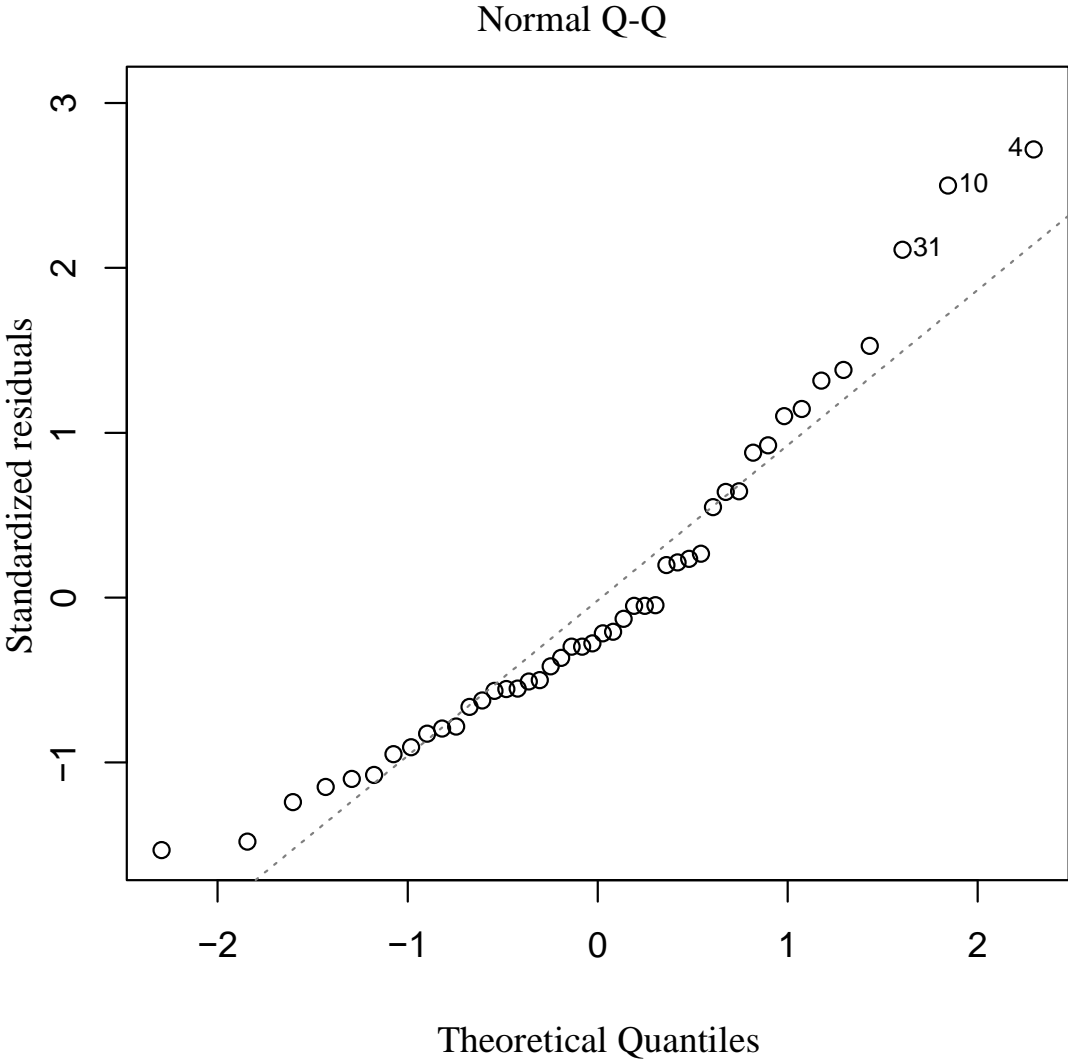| Country	Party Name English	First entry	Vote Share	Economic dimension	Social dimension
BRG	National Movement Simeon the Second	2001-06-18	42.74	-10.97	-1.14
BRG	National Union Attack	2005-06-25	8.14	-18.42	39.47
BRG	Democrats for a Strong Bulgaria*	2005-06-25	6.44	0.33	0.77
BRG	Citizens for European Development of Bulgaria	2009-07-05	39.72	-4.40	7.52
BRG	Order, Law and Justice	2009-07-05	4.13	2.06	6.19
BRG	Bulgaria Without Censorship*	2014-10-05	5.69	0.51	-3.06
BRG	Alternative for Bulgarian Revival	2014-10-05	4.15	-2.63	8.95
CZE	Tradition, Responsibility, Prosperity 09	2010-05-29	16.71	2.71	1.28
CZE	Public Affairs*	2010-05-29	10.88	-3.92	3.32
CZE	ANO 2011	2013-10-26	18.66	-18.17	5.28
CZE	Tomio Okamura's Dawn of Direct Democracy*	2013-10-26	6.89	6.87	10.31
EST	Estonian Greens	2007-03-04	7.14	-10.46	-13.18
EST	Free Party	2015-03-01	8.69	-16.69	9.50
HUN	Politics Can Be Different	2010-04-11	4.15	-17.34	-29.25
LTA	New Era	2002-10-05	23.98	-7.46	4.48
LTA	Unity	2010-10-02	31.90	-8.57	11.43
LTA	Zatlers' Reform Party	2011-09-17	21.01	0.00	7.94
LTA	Latvian Association of Regions	2014-10-04	6.71	-18.00	24.00
LTA	For Latvia from the Heart	2014-10-04	6.90	-7.69	15.38
LTU	New Union (Social Liberals)	2000-10-08	19.64	-6.37	-0.44
LTU	Labour Party	2004-10-10	28.44	-4.21	8.42
LTU	Coalition of Rolandas Paksas 'For Order and Justice'	2004-10-10	11.36	-5.97	-2.46

LTU	National Resurrection Party*	2008-10-12	15.09	-1.53	3.82
LTU	Liberals Movement of the Republic of Lithuania	2008-10-12	5.73	0.31	5.49
LTU	The Way of Courage*	2012-10-14	7.99	-10.68	12.34
POL	Civic Platform	2001-09-23	12.68	-5.29	5.44
POL	Law and Justice	2001-09-23	9.50	-14.02	17.96
POL	League of Polish Families	2001-09-23	7.88	0.00	14.67
POL	Palikot's Movement*	2011-10-09	10.02	4.90	-33.06
ROU	People's Party - Dan Diaconescu*	2012-12-09	13.99	-2.22	-11.11
SVK	Direction-Social Democracy	2002-09-20	13.46	-9.81	13.92
SVK	Alliance of the New Citizen	2002-09-20	8.01	7.30	5.31
SVK	Slovak Democratic and Christian Union - Democratic Party	2002-09-21	15.09	0.52	7.94
SVK	Freedom and Solidarity	2010-06-12	12.14	21.71	-2.82
SVK	Most-Hid	2010-06-12	8.12	13.75	-8.55
SVK	Ordinary People and Independent Personalities	2012-03-10	8.56	8.10	-10.65
SVK	Kotleba – People's Party Our Slovakia	2016-03-05	8.04	-13.48	20.22
SVK	We are family	2016-03-05	6.63	-8.90	9.60
SVK	Network*	2016-03-05	5.61	-9.50	7.34
SVN	New Slovenian Christian People's Party	2000-10-15	8.64	-3.70	4.94
SVN	Party of Slovenian Youth	2000-10-15	4.34	-4.92	-1.64
SVN	For Real	2008-09-21	9.37	-6.38	-13.07
SVN	Zoran Janković's List - Positive Slovenia	2011-12-04	28.51	-5.40	-2.52
SVN	Gregor Virant's Civic List	2011-12-04	8.37	3.41	3.41
SVN	Party of Miro Cerar	2014-07-13	34.49	-11.57	3.74
SVN	Alliance of Alenka Bratusek	2014-07-13	4.38	-5.52	-3.61

Note: * = new parties that did not reenter.

Appendix C: Homogeneity of variance assumption

Scale-Location

Appendix D: Normal distribution assumption

Normal Q-Q

Appendix E: List of established parties

BRG	–	Coalition for Bulgaria (KzB	DL)
	–	United Democratic Forces (ODS)
	–	Movement for Rights and Freedoms (DPS)
	–	Bulgarian People's Union (BNS)
	–	Blue Coalition (SK)
	–	Reformist bloc (RB)
	–	Bulgarian Socialist Party-Bulgarian Left (BSP	Bulgarian Left)
CZE	–	Green Party (SZ)
	–	Communist Party of Bohemia and Moravia (KSCM)
	–	Czech Social Democratic Party (CSSD)
	–	Civic Democratic Party (ODS)
	–	Christian and Democratic Union - Czech People's Party (KDU-CSL)
	–	Mayors and Independents (STAN)
EST	–	Social Democratic Party	Moderates (SDE | M)
	–	Estonian Center Party (EK)
	–	Estonian Reform Party (Ere)
	–	Pro Patria and Res Publica Union (IRL)
	–	Estonian People's Union (ERa)
HUN	–	Hungarian Socialist Party (MSZP)
	–	Fidesz – Hungarian Civic Union - Christian Democratic People's Party (Fi+KDNP)
	–	Movement for a Better Hungary (Jobbik)
LVA	–	Greens' and Farmers' Union (ZZS)
	–	Latvian Way (LC)
	–	For Human Rights in a United Latvia (PCTVL)
	–	Latvia's First Party (LPP)
	–	People's Party (TP)
	–	For Fatherland and Freedom/LNNK (TB/LNNK)
	–	Harmony (S)
	–	For a Good Latvia (PLL)

LTU	– Social Democratic Coalition (LSDP-89)
	– Lithuanian Centre Union (LCS)
	– Lithuanian Liberal Union (LLiS)
	– Lithuanian Christian Democratic Party (LKDP)
	– Homeland Union (TS-LK)
	– Lithuanian Peasants Party (LVP)
	– Election Action of Lithuania's Poles (LLRA)
	– Union of Peasants and New Democracy Party (LVLS)
	– Lithuanian Social Democratic Party (LSDP)
POL	– Self-Defense of the Polish Republic (SRP)
	– Polish People's Party (PSL)
	– German Minority (MN)
	– Democratic Left Alliance (SLD)
ROU	– Social Liberal Union (USL)
	– Right Romania Alliance (ARD)
	– Democratic Alliance of Hungarians in Romania (UDMR)
SVK	– Party of the Democratic Left (SDL)
	– Communist Party of Slovakia (KSS)
	– Christian Democratic Movement (KDH)
	– Movement for a Democratic Slovakia (HZDS)
	– Party of the Hungarian Coalition (MK)
	– Slovak National Party (SNS)
SVN	– Slovenian Democratic Party (SDS)
	– United List of Social Democrats (ZL-SD)
	– Liberal Democracy of Slovenia (LDS)
	– Slovenian People's Party (SLS)
	– Slovenian National Party (SNS)
	– Democratic Party of Pensioners of Slovenia (DeSUS)
	– United Left (ZdLe)

Note: Party abbreviation in brackets.