Reining in the Rascals: Challenger Parties' Path to Power

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Challenger parties (i.e., parties without prior government experience) have transformed politics in Europe and beyond, some eventually joining governing coalitions. However, the process by which challenger parties gain access to power remains unclear. We argue that holding elected office in itself improves challenger parties' chances of entering government. We find support for this expectation in cross-sectional, national-level data. To establish causality, we apply a regression discontinuity design to an original dataset of more than 2,500 elections and 15,000 committee assignments from local governments in Denmark. We show that legislative incumbency increases challenger parties' access to government in the following electoral term. Lastly, using data from candidate surveys, we show that incumbent challenger parties take more moderate positions and use more mainstream language, consistent with a moderation mechanism. Our findings shed new light on the causes of challenger party success and, more broadly, the centripetal forces driving party system change.

In countries across the world, established parties and politicians are giving way to populist and other antiestablishment insurgents, disrupting once-stable national party systems. In European politics, where antiestablishment parties have a long pedigree, some have eventually joined government. Recent examples include Finland's Finns Party, Austria's Freiheitliche Partei Österreichs, Greece's Syriza, and the Czech Republic's ANO 2011. All of these challenger parties started out as fiercely antiestablishment but eventually entered government, in some cases as a coalition partner with dominant parties.[1] However, while there is an extensive literature on how challenger parties capture voters and gain political representation (e.g., Rydgren 2008), we know surprisingly little about how they make the leap from representation in parliament to inclusion in coalition government. This shortcoming in our understanding of both government formation and challenger party success leaves us in the dark as to how the political disruptions caused by challenger parties reverberate in the halls of government.

In this article, we advance our understanding of challenger parties' path to power by examining a hitherto overlooked factor: legislative incumbency (i.e., representation in the legislature from which the government is formed in the preceding electoral term). We argue that legislative incumbency makes it more likely that challenger parties are included in the governing coalition, in part by making these parties more moderate in terms of policy positions and policy focus. This implies that challenger parties are first excluded but later welcomed into governing coalitions, explaining the tension in the existing literature between those who find that office- and policy-maximizing motives will lead dominant parties to include challenger parties in government coalitions (de Lange 2012) and those who find that "party stigma" leads dominant parties to exclude (some) challenger parties by default (Twist

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1. Drawing on the framework of De Vries and Hobolt (2020), we refer to these parties as "challenger parties," characterized by being previously unencumbered by government experience at the national level. Conversely, we refer to parties with national government experience as "dominant parties."

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2019; Van Spanje and Azrout 2019). We argue that both perspectives are right but that their predictive power depends on challenger parties' incumbency status.

We are among the first to explore this legislative incumbency effect on government participation and the first to suggest that this effect is conditional on challenger party status. Importantly, this legislative incumbency effect is distinct from other, well-documented types of incumbency advantage. It is different from a purely electoral incumbency advantage (i.e., incumbent legislators receiving more votes than nonincumbents; Gelman and King 1990) and from the well-documented incumbency advantage in government formation, whereby parties with a record of joint coalition membership are more likely to form a similar government (Martin and Stevenson 2010).

The effect we identify is also distinct from differences in willingness to join government across party types. Prior research has established that challenger parties are on average less likely to join government, ascribed to different preferences with respect to the office/policy tradeoff (Bäck and Dumont 2007) or higher uncertainty of electoral prospects (Grotz and Weber 2016). As we show below, we recover this pattern in our data. However, since the effect we identify occurs within the group of challenger parties, it is not itself reducible to an effect of party type.

Challenger parties have typically entered the party system at the political extremes, predominantly radical right, radical left, and green party families (De Vries and Hobolt 2020). Although nothing definitionally precludes centrist challenger parties, our argument focuses on the typical case of extreme challenger parties, and our subnational analysis relies on two extreme challenger parties. Hence, the dynamic we highlight may not extend to centrist challenger parties. We revisit this important scope condition in the concluding section.

As a first step toward empirically exploring our theoretical argument, we show that across Western Europe, challenger parties are much more likely to join a government coalition if they are legislative incumbents. However, while in line with our expectations, this cross-sectional analysis is subject to confounding. Hence, to obtain a credible estimate of the legislative incumbency effect for challenger parties, we focus on local governments in Denmark, where we are able to implement a close elections regression discontinuity design (Elklit, Elmelund-Præstekær, and Kjær 2017). In doing so, we build on earlier work that uses local government formation processes to emulate the national level (Bäck 2008; Debus and Gross 2016; Skjæveland and Serritzlew 2010; Skjæveland, Serritzlew, and Blom-Hansen 2007). We define challenger and dominant parties according to their status at the national level and use local-level data to study the effect of legislative incumbency on government participation.

We identify a large effect of legislative incumbency: for challenger parties, legislative incumbency increases the probability of joining a coalition government by about 20 percentage points. Consistent with our theoretical argument, we also find that there is no equivalent incumbency effect for dominant parties. Using data from voting advice applications (VAAs), we then show that compared to nonincumbents, challenger parties with incumbent elected officials take more moderate policy positions and use language more similar to that of dominant parties. Taken together, our results suggest a mainstreaming process: holding elected office moderates challenger parties, making them more acceptable as government coalition partners. Finally, we also show that in our setting, holding office does not increase the chance that a party runs again, its vote share, or its chance of being represented at the next election. We can therefore rule out that our findings are driven by selection out of local government, electoral performance, or legislative representation. Instead, it seems to be what happens in the legislature that changes challenger parties' path to power.

This article advances the literature on how extreme parties enter the political mainstream and the broader literature on government coalition formation by providing causally credible evidence on the mainstreaming effect of legislative incumbency for challenger parties. In particular, our study provides a missing piece of the puzzle of why we frequently see challenger parties being excluded from government formation processes and why some do eventually escape this exclusion. More broadly, our findings have important implications for the dynamics of party system change. They suggest that legislative incumbency creates a "centripetal" force in multiparty systems: new parties enter the scene at the fringes of the political spectrum but find themselves gradually drifting toward the center over the course of holding elected office. Their original positions can then be captured by newcomers, and the process can start over. We revisit the normative implications of this centripetal dynamic in the concluding section.

The article also provides new data that can be used to analyze coalition formation processes and incumbency effects. We present and make available one of the largest datasets on coalition formation processes to date. Naturally, our regression discontinuity design only exploits a subset of this data, but researchers can use the complete dataset to answer other substantive questions about coalition formation. We also extend the analytical method for calculating electoral closeness under proportional representation presented in Luechinger, Schelker, and Schmid (2024) to account for party alliances. This extension of Luechinger et al. can be used to implement regression discontinuity designs in similar institutional settings.

LEGISLATIVE INCUMBENCY, MAINSTREAMING, AND COALITION GOVERNMENTS

How do challenger parties find a path to executive power? Challenger parties are typically shut out—even stigmatized—in the government coalition formation process (Twist 2019; Van Spanje and Azrout 2019). However, in this article, we argue that legislative experience can help challenger parties in the government coalition formation process. In particular, we argue and demonstrate that when they get legislative experience, these parties go through a mainstreaming process that renders them more palatable as coalition partners.

The notion of political parties drifting toward the political mainstream is a perennial theme in political science. Indeed, Michels's ([1915] 1999) foundational work on the sociology of political parties highlights how the practice of representative democracy shaves the edges off notionally radical socialist parties. This theme recurs in subsequent comparative work on the "inclusion-moderation" hypothesis, which posits that radical parties and individuals moderate as a result of their inclusion in pluralist political processes (Schwedler 2011). Building on these earlier arguments, we conceptualize "mainstreaming" as a process by which challenger parties adapt to the norms, policy positions, and policy focus of dominant parties (Akkerman, de Lange, and Rooduijn 2016).

This mainstreaming reflects two distinct but parallel processes. First, while holding elected office, challenger parties' platforms will face scrutiny from dominant parties, which may in turn cause them to jettison the most extreme or infeasible elements of those platforms. Second, challenger party representatives are likely to adopt the norms, rhetoric, and mannerisms of their dominant party colleagues and thus prioritize office and policy objectives at the potential expense of votes (Bergman et al. 1999). Both of these mechanisms reflect learning on the part of challenger parties about how to effectively run government. Moreover, both of these dynamics will move challenger parties holding elected office in the direction of a more moderate profile.

We expect that such moderation will in turn improve a party's chances of entering government. This expectation is in line with several classic theories of coalition formation: Axelrod's (1970) theory of minimal connected winning coalitions predicts that the parties will be ideologically "connected" in the sense that all members will be adjacent to each other in the policy dimension. Similarly, the theory of "minimal range coalitions" predicts that the winning coalition government will be the minimal winning coalition with the narrowest range in policy space (de Swaan 1973). These policy-oriented theories of coalition formation share the assumption that actors enter into government motivated by a desire to enact their preferred policies once in office. This means that parties prefer to go into a coalition with ideologically similar parties. Consistent with this logic, prior research has found that right-wing parties are indeed likely to be included when they are ideologically proximate to the mainstream right (de Lange 2012; Twist 2019). In addition to these more policy-oriented explanations, we also expect—although this is difficult to observe—that the communicative and collaborative style of legislative incumbent challenger parties will align more with dominant parties, which should make it easier to reach a coalition agreement with the other dominant parties in the legislature.

Figure 1 presents a stylized illustration of our argument. Challenger parties elected in election t moderate in the process of holding elected office. Entering election $t + 1$ as incumbents, they are more likely to enter a governing coalition following the election compared to the nonincumbent counterfactual. By virtue of our regression discontinuity design, we are able to compare otherwise identical elected and nonelected challenger parties at part a with respect to their government coalition viability in part c. We theorize that the effect of legislative incumbency on mainstreaming is driven

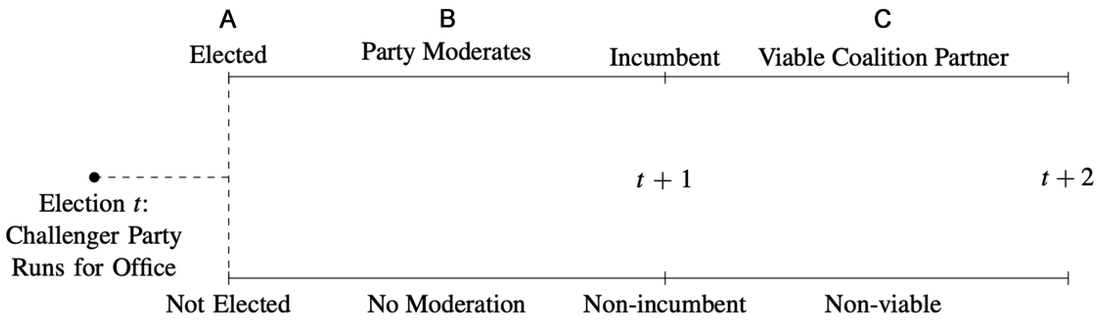

Figure 1. Illustration of theoretical argument.

by positional moderation on the part of incumbent challenger parties at part b.

Hypotheses

Theorizing moderation as the causal mechanism has important implications for when and where we should expect legislative incumbency to matter. Specifically, because incumbency causes challenger parties to adopt the moderate traits of dominant parties, we should expect it to have an effect for challenger parties only. Compared to challenger parties, dominant parties tend to have a longer record of representation and, by definition, have already been shaped by government experience, so any additional moderating effects of incumbency on them will be negligible. Hence, we expect legislative incumbency to moderate and, in turn, improve the odds of joining government, only for challenger parties. We summarize these divergent expectations for challenger and dominant parties in hypotheses 1 and 2.

> **H1.** For challenger parties, legislative incumbency increases the likelihood of joining a government coalition.

> **H2.** For dominant parties, legislative incumbency has no effect on the likelihood of joining a government coalition.

Finally, in line with our theoretical argument, we expect that challenger parties will moderate once they become legislative incumbents. This is less easily observable than government participation, especially to the extent that this moderation takes the form of changes in mannerisms or stricter adherence to tacit behavioral norms. However, moderation is observable in the form of stated policy positions and language use. Hypothesis 3 captures this expectation.

> **H3.** Incumbent challenger parties moderate their policy positions, and how they present these policies, compared to nonincumbent challenger parties.

Crucially, hypothesis 3 distinguishes our argument of why legislative incumbency matters for challenger parties from a potential alternative explanation. Specifically, legislative incumbency may increase challenger parties' chances of joining government simply because dominant parties familiarize themselves with the elected officials of the challenger party. As they become more familiar, challenger party incumbents may then become more palatable as governing partners from the perspective of dominant parties. In this desensitization account, dominant parties come to have more positive perceptions of challenger parties through "mere exposure" alone (Zajonc 1968).

We cannot entirely rule out a role for desensitization. Indeed, desensitization on the part of dominant parties likely plays some mediating role in the legislative incumbency effect for challenger parties. However, by examining hypothesis 3 we can substantiate that at least part of the effect is in fact driven by challenger party moderation.

We conceive of moderation as a process that operates at the individual as well as the party level: incumbency softens up the individual incumbent but also changes party positions and organizational practices that persist in the face of individual-level turnover. However, though analytically distinct, assessing the relative importance of these levels is difficult. Estimating the effect conditional on individuals leaving office before election $t + 1$ is uninformative, as the decision to leave office is downstream from being elected in t, creating post-treatment bias. This problem does not arise at the party level, as challenger parties contest elections independently of whether they are incumbents. Therefore, we evaluate the effect of incumbency at the party level.

We evaluate the hypotheses in three steps. First, we examine hypothesis 1 using both observational data on national governments as well as quasi-experimental data on local governments in Denmark. Second, we examine hypothesis 2 using the data on local governments, since there are too few cases of national-level nonincumbent dominant parties to meaningfully test this hypothesis at the national level. Lastly, since neither the national nor local government data includes detailed information on party positions, we test hypothesis 3 by collecting granular data on party position-taking and rhetoric from VAAs in local elections in Denmark.

Existing evidence

How do our hypotheses fit with the prior literature on government coalition formation? Canonical studies of coalition formation focus on the strategic incentives of a set of forward-looking players who are motivated by both office- and policy-seeking motives (Axelrod 1970; de Swaan 1973; Laver and Schofield 1998; Riker 1962). Some more recent work has argued and demonstrated that even though parties tend to be forward-looking, the electoral and governmental record of the parties plays a role in who is allowed to form a government. Among these, one set of studies examines the effects of electoral gains and losses on inclusion in government (Mattila and Raunio 2004), defections from a government coalition (Tavits 2008), or coalition history more generally (Martin and Stevenson 2010). Another set of studies examine the role of government incumbency and find that former coalition

partners tend to find each other again after a new election (Bäck and Dumont 2007; Martin and Stevenson 2001; Warwick 1996).

While there has thus been some interest in how parties' governmental and electoral history shape government coalition formation, only two studies have examined the impact of parties' legislative history. First, Grotz and Weber (2016) show that small parliamentary newcomers face a disadvantage in government formation, while this is not the case for larger newcomers. Second, Meriläinen and Tukiainen (2022) identify a legislative incumbency advantage in coalition bargaining using data from Finnish local governments. While both these studies are consistent with our hypotheses, they are not definitive tests. Specifically, Grotz and Weber (2016) do not explore whether the disadvantage small parliamentary newcomers face changes over time, and Meriläinen and Tukiainen (2022) do not examine whether incumbency affects dominant and challenger parties differently.

CHALLENGER PARTY ENTRY ACROSS WESTERN EUROPE

We conduct an initial test of hypothesis 1 by examining how legislative incumbency and inclusion in coalition government are associated in national party systems across Western Europe. To do so, we combine the full list of challenger parties (800 in total) from De Vries and Hobolt (2020) with data on elections and cabinets from the Parliaments and Governments Database (ParlGov; Döring and Manow 2019). In total, our dataset contains information on 19 Western European countries in the period 1950–2017.

As shown in figure 2a, challenger parties are not a new phenomenon in European politics, but they are growing in number. Whereas there were on average fewer than two challenger parties who gained seats in parliament per election in the 1950s, this number has risen to more than four in recent decades.

Figure 2b compares legislative incumbents and nonincumbents in terms of the probability of joining government. As shown, it is exceptionally rare for challenger parties to enter government in their first legislative term. This probability more than doubles once a challenger party obtains representation for the second time. In fact, we can only identify nine challenger parties that have entered the governing coalition upon their first representation in parliament. In contrast, we find 45 challenger parties that have joined the government after their first term in the legislature. Moreover, as also shown in figure 2b, we find little to no extra benefit of additional terms in parliament, consistent with an effect of legislative incumbency per se rather than general parliamentary seniority. In sum, in line with our hypotheses, we find that legislative incumbency is associated with an increase in the probability of a challenger party accessing government.

While this cross-sectional analysis is in line with our expectations, the association could be confounded by other factors. For example, the comparison could plausibly be confounded by differences in terms of party reputations, political culture, the mood of the electorate, and a host of other country- and party-level factors. As a consequence, the association does not yield a credible estimate of the causal effect of legislative incumbency. Moreover, because of the small number of cases at the national

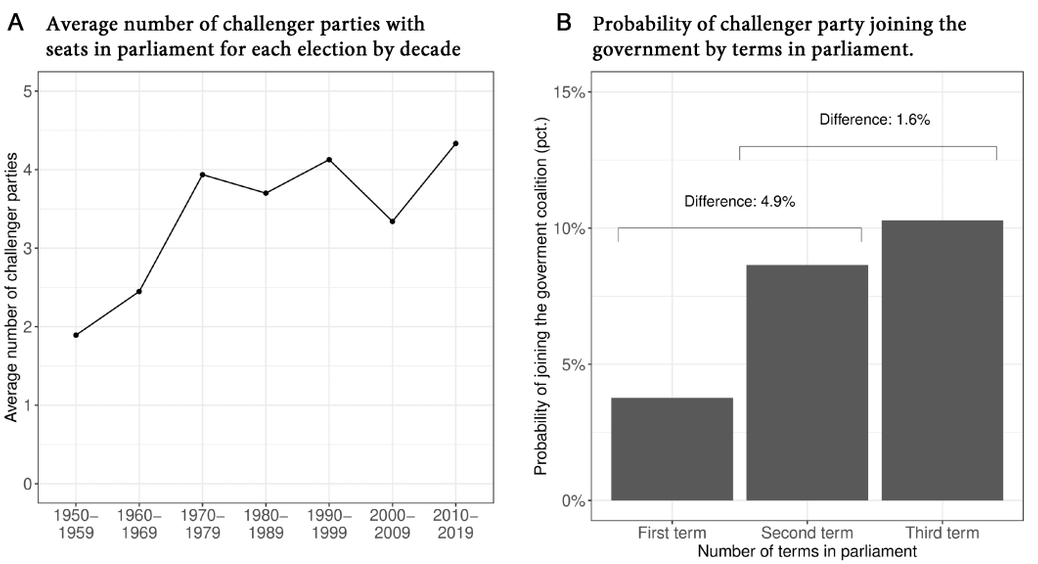

Figure 2. Challenger parties are becoming increasingly common in electoral politics across Western Europe (left panel). Yet they are unlikely to join government before having held legislative office as seen by the observed participation rates (right panel).

level, an approach based on statistical controls would inevitably run out of degrees of freedom. To properly estimate the effect of legislative incumbency, we instead turn to data from local governments, which allows for a stronger quasi-experimental design.

CHALLENGER PARTY ENTRY IN DANISH LOCAL GOVERNMENT

Studying local rather than national governments offers three immediate advantages in terms of estimating the effect of legislative incumbency for challenger parties (Downs 1998; Laver and Schofield 1998; Stefuriuc 2013, 9). First, it increases the number of cases, which enables us to use statistical methods that would be severely underpowered if applied to coalition formation at the national level. Second, political culture and institutions are important for coalition formation outcomes (Laver 1989; Laver and Schofield 1998), and by focusing on local governments within the same country that all operate under the same set of rules, we are able to limit the variation in political culture and hold the institutional context virtually constant. Third, when studying the national level, it is harder to separate a party's status as a challenger party from its probability of being part of the governing coalition. In fact, once a party becomes a part of the national government, it is, by the common conceptualization, no longer a challenger party (De Vries and Hobolt 2020). Analyzing the local level allows us to sidestep this issue, since a challenger party can obtain power locally while retaining its status as a challenger party nationally. (We revisit this question in the "Defining Challenger Parties" section.)

We focus on Denmark, whose local government system can be described as a "political system in miniature" (John 2001, 30) insofar as the party system, the electoral system, and the system for forming a government all resemble the national political system. Below, we lay out exactly why Denmark is ideally suited for studying the path to power for challenger parties.

First, local politics in Denmark is highly salient. Denmark has the most decentralized public sector in Europe, and local public spending is 32% of gross domestic product (Eurostat 2017; Sellers and Lidström 2007). The importance of local governments is manifest in local elections, which take place every four years and are heavily contested: in the 2017 election, 9,558 candidates competed for 2,432 seats, meaning that around 1 in 400 voters was running for election (Dahl and Nyrup 2021). Local elections receive much attention from national parties, the media, and the voters, and turnout is consistently high: in the 2017 election, turnout was at 70.6% (Hansen 2017). While local parties can run for office, local party systems tend to reflect the national party system: in 2017, national parties received more than 96% of all votes. The election system is proportional, and anyone able to amass 25 signatures in support of their candidacy can run in the election. Second, government formation works in the same way as government formation processes in many parliamentary democracies. Third, local politics features a number of clear cases of sizable challenger and dominant parties. We expand on these final two points in turn below.

Coalition formation in Danish local governments

In most respects, coalition formation in Danish local government mirrors government formation at the national level. Following a local election, once all seats have been allocated to parties and candidates, there are a number of important executive positions to be filled. The most important positions are the appointed chairs of the standing committees. The chair of the economic committee is the mayor, who sets the budget, coordinates between the different committees, and has administrative control of the central municipal bureaucracy. The chairs of the other standing committees also have considerable executive power over their policy domains. The chair of the school committee has administrative responsibility for the schools, the chair of the planning committee has administrative responsibility for building permits, and so on. In this way, the power held by the different chairs and the mayor resembles that of cabinet ministers with a specific portfolio (the chairs) and the coordinating prime minister (the mayor) in a national government.

There is a simple majority requirement in the investiture vote for all these positions. The whole city council votes for the mayor, while technically only the members of the standing committees can vote for their committee chair (Pedersen and Elklit 2006). In practice, the distribution of committee chairs including the mayoralty is assigned based on an organized agreement between a majority of the parties represented in the city council. This is very similar to how a government is formed in a multiparty system with positive parliamentarism: a majority of legislators work together to decide on who becomes prime minister and who gets the different cabinet posts.

There are few general rules governing the bargaining game, and no *formateur* is formally appointed to lead the negotiations. Furthermore, the process of local government formation is not controlled by national parties (Skjæveland and Serritzlew 2010). This also means that many unique coalitions are feasible, as shown by the high number of observed unique coalitions. In 2017, there were 53 different combinations of coalitions across the 98 municipalities. However, while there are many different unique coalitions, including some very ideologically diverse, on average ideologically

connected coalitions are still more common: across the 2005, 2009, and 2013 elections, only one in three coalitions were nonconnected (Hansen, Klemmensen, and Elklit 2017). Even this number is likely an undercount because the analysis in question used national position on economic issues to decide whether a coalition was ideologically connected. Accordingly, there is still a strong incentive to moderate for challenger parties seeking to join the governing coalition.

Consistent with this, there is some overlap between typical coalitions at the local level and at the national level. This is not surprising. As argued by Stefuriuc (2013), local coalitions can come to resemble national coalitions under certain conditions, in particular because the personal, ideological, and party reputations at the national level overlap with the local branches of the parties.

The absence of formal rules and central coordination by outside forces makes the government formation process in each municipality more like those that happen at the national level. Even so, there are some institutional differences. First, the positive parliamentarism principle differs from the negative parliamentarism at the national level. Second, norms about government cohesion are weaker at the local level, making highly heterogeneous coalitions more common. Third and finally, in contrast to the national level, local government formation processes face a negotiation deadline around a month after the election (Pedersen 2000). If there is no agreement, the mayor and other posts of relevance are decided by a lottery between the candidates who can muster the most votes in the city council (Indenrigs- og Boligministeriet 2021), although there are no recent cases of this.

These three institutional differences jointly create a stronger push to include more parties in the coalition. Perhaps this is also why we often see oversized coalitions in Danish local governments (Serritzlew, Skjæveland, and Blom-Hansen 2008). This difference is analytically useful insofar as it makes for more observations of challenger party inclusion in local government. However, and crucially for our purposes, this push to include more parties is not likely to differ by party incumbency status and therefore will not confound any estimate of the effect of legislative incumbency.

Defining challenger parties

For analytical purposes, we define a party as a challenger party if it has not been part of any national government during the period under consideration (i.e., 1997–2017) and as a dominant party if it has. Basing our classification on the national level only follows De Vries and Hobolt (2020), who explicitly define challenger versus dominant party type with respect to national as opposed to local government participation. As De Vries and Hobolt (2020) argue, national-level government participation is qualitatively different from either mere parliamentary influence or obtaining local governing power. Specifically, in a nationalized party system, party behavior at the national level plays a unique role in shaping parties' reputations and capacities (ibid., 22). Given the highly nationalized nature of Denmark's party system (Lago and Montero 2014), this national-level precedence also applies in our case. This is also in line with other studies of local government formation that highlight how local parties overlap with national parties when it comes to their policy positions and party reputations (Downs 1998; Stefuriuc 2013).

By the chosen definition, Danish local politics features a number of sizable challenger and dominant parties. We focus on the two most prominent challenger parties in recent years. One is the right-wing populist Danish People's Party (DPP) founded in 1995. On the other end of the political spectrum, the Red-Green Alliance (RGA) was formed as a collection of far-left socialist and communist parties in 1989. Both parties have been represented in parliament throughout the period we consider. We focus on the DPP and the RGA because they are (a) relatively electorally successful, gaining representation in several localities across multiple elections, and (b) clear cases of challenger parties at the national level, having never entered government, which allows us to present a clear test of our hypotheses.

There are other challenger parties than these two that satisfy our definition, such as the radical right Progress Party. For consistency and simplicity, we leave these cases out of the main analysis. In appendix A, we provide an overview of all parties and their history, and in appendix B, we show that the results in our main analysis do not change substantively after including these parties or by using alternative subsets of challenger parties. We compare the DPP and the RGA to five dominant parties. This group of parties consists of the Socialist People's Party, The Social Democrats, the Social Liberal Party, the Liberal Party, and the Conservative Party.

In figure 3, we show that relative to the dominant parties, challenger parties have historically been excluded from local government. As shown in panel a, challenger parties consistently obtain markedly fewer chair positions per seat compared to the remaining dominant parties. Panel b shows that the share of chair positions held by challenger parties increases over time, which is in part because the "challenger party penalty" decreases and in part because challenger parties secure more and better representation in the city councils. In appendix C, we provide further information on the type of positions challenger parties obtain and show that they often get important posts such as Chair of the Zoning Committee but that they only very rarely get the position as mayor.

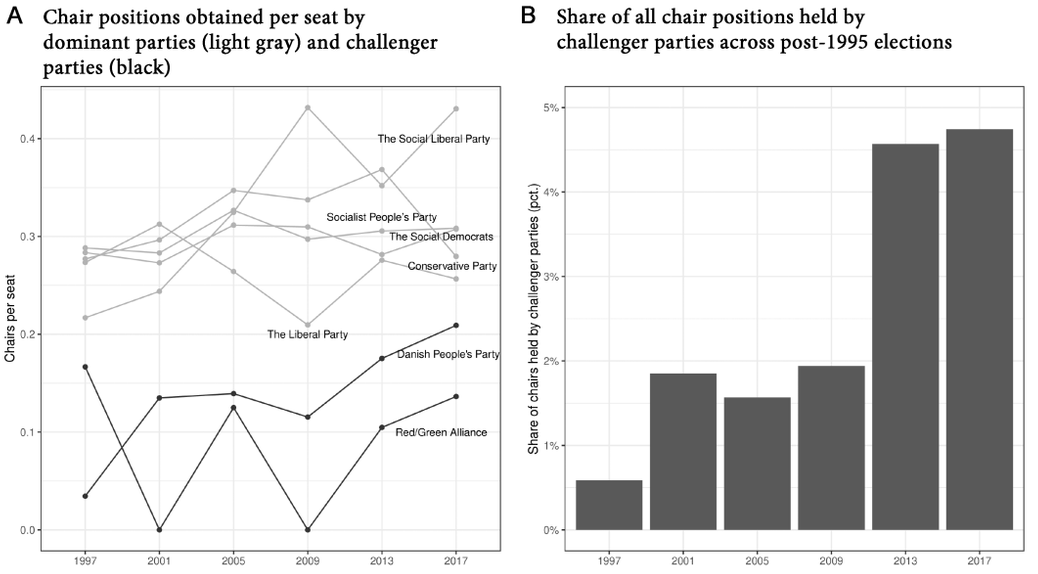

Figure 3. After entering the electoral arena, challenger parties pay a challenger party penalty, obtaining fewer chair positions per seat (left panel), but eventually gain access to power (right panel).

Existing evidence from studies of Danish local government formation

There is limited research on how challenger parties make their way into local government in Denmark, but there are a few relevant case studies. In a series of studies, Pedersen (1997, 2000) and Pedersen and Elklit (2006) examines the formation process using interviews and media coverage of the 1997, 2001, and 2005 municipal elections. He emphasizes the decentralized nature of the process and the strong norm of inclusivity when forming coalition governments. However, he also notes that parties tend to work with parties they know well and with parties they believe will be easy to work with. Furthermore, Pedersen presents examples of how larger parties reward smaller, less experienced parties with chairmanships for "good behavior" in the city council.

RESEARCH DESIGN: A CLOSE ELECTIONS REGRESSION DISCONTINUITY DESIGN

We identify the effect of legislative incumbency in Danish local government using a close elections regression discontinuity design (RDD; e.g., Eggers and Hainmueller 2009). In particular, we estimate the probability of obtaining a minister-like chair for parties with and without prior representation in the city council at the electoral cutoff that determined representation in the last election. Hence, the dependent variable is a binary variable where a party is classified as having joined the coalition only if they have obtained one chair or more. Assuming no discontinuities in the potential outcomes at this cutoff, this will give us an unbiased estimate of the causal effect of legislative incumbency, removing the concerns about confounders that were present in the national-level analysis. Using subgroup analyses, we can then test whether the effect is similar for both challenger and dominant parties.

A dataset on local coalition formation

We rely on a large, novel dataset containing complete data from more than 2,500 local elections and subsequent coalition formation processes in Denmark in the period 1971–2017. In total, the dataset covers more than 15,000 committee assignments and 22,335 party-year observations. In comparison, studies using cross-national data usually rely on far fewer observations: for example, ParlGov—the largest database on coalition formation in parliamentary systems—covers 990 elections (Döring and Manow 2019). As such, this dataset is one of the largest existing datasets on government formation. In the following analyses, we rely on data from 1997–2017, as these elections include both of the two challenger parties we focus on in our analysis. However, in the supplementary materials, we leverage the full dataset.

While not all parties field candidates in all municipalities in all elections, we create a fully balanced panel of "local parties" by scoring a party as a zero in votes, seats, and chairs if they do not run. This ensures that when estimating the effect of legislative incumbency at time t on the number of chairs at time $t + 1$, parties that did not run at $t + 1$ are still included in the analysis. Doing this is essential for the validity of our analysis. If we did not include data on these parties, we could easily end up conditioning on a post-treatment variable (e.g., fielding a candidate at $t + 1$) when analyzing the effect of legislative incumbency at time t.

We combine multiple sources to build this dataset. Most importantly, we rely on *Kommunal Aarbog* (*The Yearly Book on Municipalities*). *Kommunal Aarbog* has been published since 1929 and contains contact information for employees in the public administration in Denmark, including chairs of the municipal committees. Using this, we are able to map which positions are allocated to different parties following each election. Furthermore, we rely on *Statistiske Efterretninger om Befolkning og Valg fra Danmarks Statistik* (*Statistical Information on Population and Elections from Statistics Denmark*) to code both the results and the electoral alliances for each election. We present descriptive statistics in appendix D.

Creating a forcing variable

The assignment of seats to local city councils is based on the d'Hondt proportional divisor method. Parties can also form electoral alliances with one or more parties (Cox 1997). If parties decide to form an alliance, which they often do, seats are assigned first to alliances and then to individual parties. As a result, the number of seats assigned to a party depends on (1) the configuration of party alliances, (2) the votes cast for the different alliances, and (3) the votes cast for the different parties within each alliance. This complicates our regression discontinuity (RD) analysis, because there is not a fixed vote share at which parties obtain legislative representation across elections and municipalities.

To overcome this problem, we build on the analytical method for measuring electoral closeness presented in Luechinger et al. (2024). In particular, we extend their approach to account for electoral alliances (see also Folke 2014). This method differs from earlier approaches relying on bootstrap methods, which use simulations to assess how electorally close a party is to being in or out of office (Dahlgaard 2016; Kotakorpi, Poutvaara, and Terviö 2017). The goal is to create a forcing variable that measures the distance in votes to and from legislative representation across municipalities and elections, where a value of zero means that parties stand a 50% chance of representation (i.e., if the party is tied with another party for the marginal seat), a positive value means that parties are represented, and a negative value means that parties are not represented. To do this, we need to estimate the exact number of extra votes a party needs to win to take a seat from another party and how many of its votes a party needs to lose to give away their marginal seat. We will do this while holding the support for other parties in the municipality fixed, meaning that our forcing variable can be interpreted at the number of votes for each party relative to the cutoff, where the exact cutoff for representation varies across elections, municipalities and parties.

To formalize the approach, we first need to introduce some notation. Each local election has P parties that are organized in J electoral coalitions. Each party p has V_p votes and belongs to one electoral alliance j, which may consist of one or more parties. Support for the electoral alliances are defined as $V_i = \sum_p^n V_p$, where n is the number of parties in the electoral alliance i. These parties compete for k seats in the city council. In proportional divisor systems, seats are assigned by calculating a number of quotients Q that divides the total votes of a party or electoral alliance by a set of divisors. These divisors are $j = 1, 2, \ldots, k, k+1$ in Denmark. We define $k+1$ quotients Q for each alliance i in the municipality. Seats are assigned successively to the electoral alliances based on these quotients. The alliance with the largest initial quotient Q_{i1} gets the first seat, then the alliance with the largest second quotient Q_{i2} gets the second seat, and so on until the alliance with the largest kth quotient Q_{ik} gets the final seat. We define s_{ij} as the seats an alliance has after the jth quotient. The quotients are defined as $Q_{ij} = \frac{V_i}{s_{ij-1}+1}$. Note that the first quotient is simply the votes for each alliance, because all alliances start out with zero seats. The seats are then distributed to parties p within each electoral alliance in a similar manner. Here, we use a similar notation to define a set of quotients for each party Q_{pj} with $j = 1, 2, \ldots, k, k+1$, but k now denotes the number of seats assigned to the electoral alliance. Finally, for each party p and alliance i, we denote an alliance or party d and e. d is the party or alliance assigned the final seat that party p or alliance i did not get. e is the party or alliance who would have gotten a seat if there were $k+1$ seats to distribute and party p or alliance i could not get this seat.

We can use this notation to define the distance in votes each electoral alliance and party is from winning and losing their marginal seat in the city council. In particular, we can define $WD_i = Q_{d1}{}^*(s_{ik}+1)/(s_{dk}) - Q_{i1}$ as the distance electoral alliance i is from attaining a marginal seat. Here, Q_{d1} is the vote share of the alliance d, s_{ik} is the total seats assigned to alliance i, s_d is the seat assigned to party d, and Q_{i1} is the vote total for alliance i. $LD_i = Q_{i1} - Q_{e1}{}^*(s_{ik})/(s_{ek}+1)$ is the distance electoral alliance i is from losing their marginal seat. Q_{e1} is the vote total for alliance e, and s_{ek} is alliance e's total number of seats. By subbing in the subscript i for p, we can analogously define WD_p and LD_p as the distance party i is from gaining or losing a marginal seat in their electoral alliance.

Having identified these distances, we can now derive the number of votes a party needs to get an extra seat, WT_p, or to lose a seat, LT_p. If $WD_p < WD_i$, then the shortest distance to obtaining an additional seat is within the electoral alliance and $WT_p = WD_p$. If $WD_p > WD_i$, there could potentially be a shorter distance to an extra seat from another alliance. To find out, we reallocate seats within the alliance assuming that

party i received $Q_{p1} + WD_i$ votes and that there is an extra seat to distribute. If party i gets the extra seat, then $WT_p = WD_i$. If not, we calculate the distance $WD_p|k+1$, which is the number of extra votes the party would need to obtain an extra seat in the alliance if the alliance had an extra seat to distribute. If $WD2_i > WD_p$ or $WD_p|k+2 > WD_p$, then $WT_p = WD_p$, but if not, we repeat this procedure until the party gains a seat or WD_p is smaller than the cost of obtaining the extra seats for and within the party's electoral alliance. We use a similar method to calculate the threshold at which each party p loses their marginal seat, LD_p.

Finally, we construct a forcing variable that assigns legislative incumbency by subsetting on parties that received either one or zero seats at the last election and then setting the forcing variable equal to LT_p for parties with one seat and to WT_p for parties with no seats. To normalize the forcing variable, we divide it by the size of the electorate in the municipality. Appendix E presents an example of how we construct the forcing variable based on election returns from one municipality.

Assessing the validity of the design

The key identifying assumption in a RDD is that potential outcomes are continuous at the cutoff (Lee 2008). This assumption is violated if parties sort around the cutoff. For example, if more politically astute parties are able to select into holding office, conditional on being at the cutoff, our estimated effect will be biased upward. However, this type of sorting is unlikely. As discussed above, the exact cutoff for assignment of representation is different from election to election and depends on the exact vote totals of the other parties. Even if local politicians or municipal electorates could select into exact vote shares for their own party, they would be hard-pressed to know exactly how many votes this party would need in order to gain representation in the city council. This is because the exact number of votes needed depends on the complete distribution of votes across parties and electoral coalitions, which is unknowable before the election. Consistent with this, figure 4 shows that there is no evidence of sorting when examining the density of the forcing variable.

The lack of evidence of sorting in figure 4 is supported by the fact that a formal McCrary test of a discontinuity in the density at the cutoff comes out insignificant ($p > .6$). We also find no discontinuity in predetermined variables that measure different features of the local party or the municipality the party is running in. This includes whether the party was in the governing coalition at the previous election, the size of the city council, the number of parties running, population, and other background variables. We present these analyses in appendix F. Overall, we find no evidence that parties are able to self-select into (or out of) representation around the cutoff, suggesting that we can use our RDD to estimate the causal effect of representation.

THE EFFECT OF LEGISLATIVE INCUMBENCY ON GOVERNMENT ENTRY

We now turn to evaluating hypotheses 1 and 2 by using our close election RDD to estimate the effect of legislative incumbency on government entry for challenger and dominant parties. Following Cattaneo, Idrobo, and Titiunik (2020), we use local-polynomial point estimation. This entails running weighted least squares (WLS) regressions of the forcing variable on the likelihood of joining a coalition above and below the cutoff, using the difference in model expectations of the WLS regression estimates at the cutoff as the estimator. (For a recent validation of this approach in the context of close elections, see de Magalhaes et al. [2020].) We use a triangular

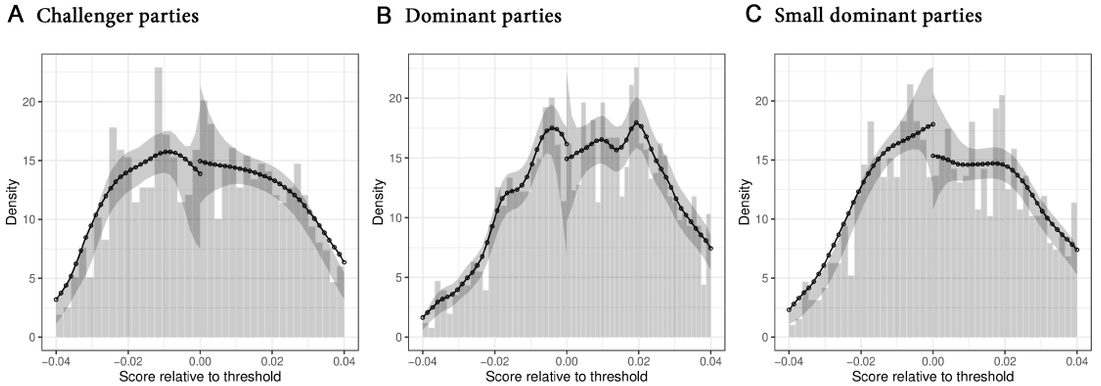

Figure 4. Density of the forcing variable for challenger parties, dominant parties, and small dominant parties (see definition of small dominant parties below). For dominant parties, we only include elections after 1995 so that the election period for the challenger parties who only ran after 1995 and dominant parties are similar. The bands are 95% confidence intervals.

kernel and estimate our model within the mean square error (MSE) optimal bandwidth, using the vote share.

Consistent with hypothesis 1, we find that legislative incumbency increases the probability that challenger parties enter the governing coalition in the subsequent election by 17 percentage points. This is by all accounts a very large effect. Notably, this overall effect is constrained by the fact that, in many cases, there is no incentive for the largest party to include the challenger party (or other parties) in the governing coalition because they have a single-party majority. In appendix G, we show that if we exclude coalition formation processes that feature a single-party majority, the effect doubles to around 35 percentage points. Panel a of figure 5 also plots the relationship between our forcing variable and the predicted probability of joining the coalition in the subsequent election. It confirms our formal analysis visually: there is a marked discontinuity in the probability of government entry at the cutoff where legislative incumbency is assigned.

We now turn to hypothesis 2, expressing the expectation that the effect of legislative incumbency is muted for dominant parties. To explore whether this is the case, we estimate the effect of incumbency on the probability of joining the governing coalition for all dominant parties. We also present a separate, more focused test that only includes two smaller, clearly dominant parties (the Conservative Party and the Social Liberals). We restrict our analyses to years where both challenger parties also ran for office (i.e., from 1997 onward) and use the same specification as for challenger parties. Results are reported in the second and third rows of table 1. The relationship between the forcing variable for the dominant parties and the probability of government entry is also visualized in panels b and c of figure 5.

As expected, we find no effect of legislative incumbency on government entry for dominant parties. If anything, the effect is in the opposite direction of what we find for challenger parties, although this is not statistically significant. The effect

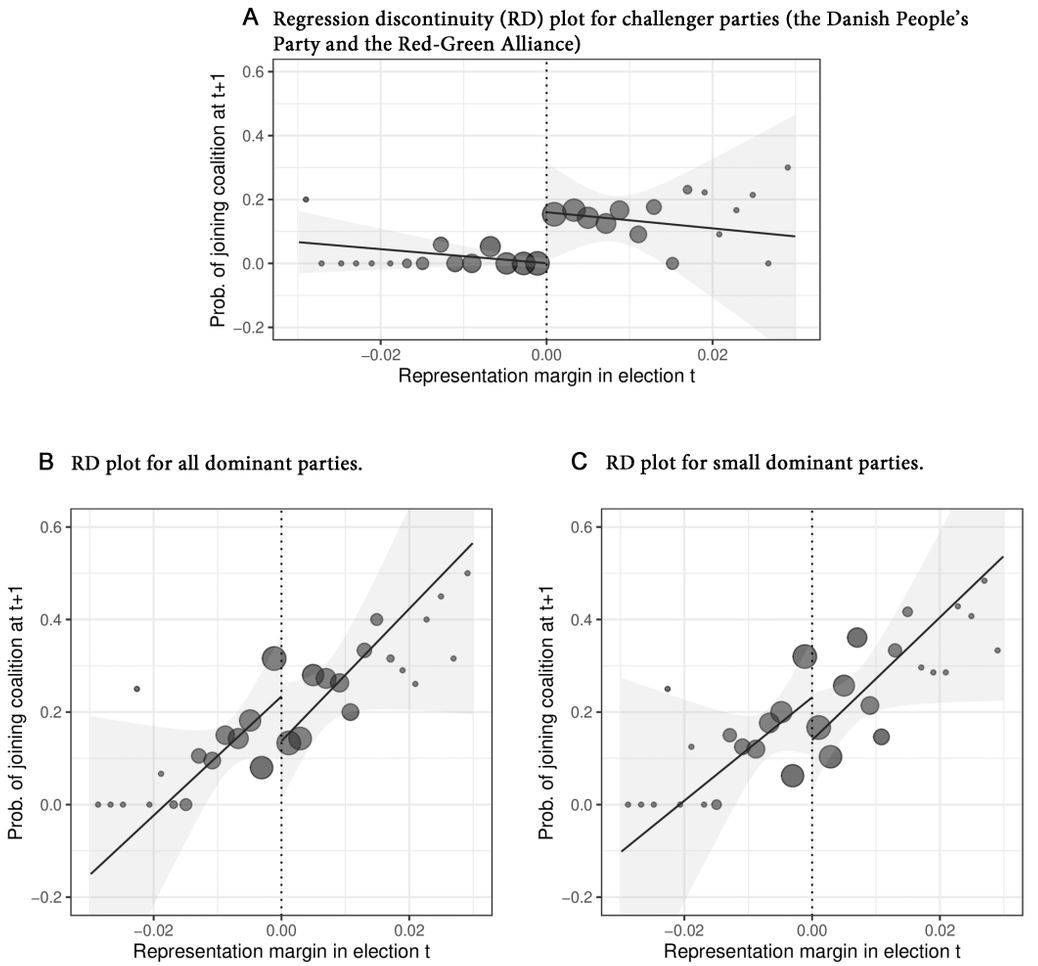

Figure 5. Prior representation increases the probability of joining the governing coalition for challenger parties (top panel) but not for dominant parties (bottom panels). Points represent binned means of the dependent variable, with point size determined by the weight the point has in the estimation of the effect. The bands represent 95% confidence intervals.

Table 1. RD Effect of Being Elected at t on Being in Coalition at $t+1$ for Groups of Parties

Party Group	Estimate	p Value	95% CI	h	Observed Control	Observed Treatment
Challenger	.173	.029	[.018; .329]	.0175	126	106
Dominant	−.111	.283	[−.313; .091]	.0158	213	250
Small dominant	−.122	.294	[−.349; .105]	.017	187	172

Note. Running variable is party's margin to get represented in the city council; outcome is joining the coalition (dummy = 1) or not (dummy = 0) in the following election. Estimate is the average treatment effect at the cutoff estimated with local linear regression with triangular kernel and MSE-optimal bandwidth. Columns 3–7 report heteroskedasticity-robust p values, 95% heteroskedasticity-robust confidence intervals, main optimal bandwidth (h), control observations within bandwidth, and treated observations within bandwidth.

for challenger parties is significantly larger than the effect for dominant parties ($p < .05$). This suggests that having held office in the prior electoral term is not a general prerequisite for being admitted into the governing coalition: the benefit of legislative incumbency accrues to challenger parties only.

Overall, our analyses suggest that at the cutoff, a challenger party without legislative incumbency has almost no chance of being included in the governing coalition, whereas a dominant party without incumbency has a roughly 20% chance. This massive difference disappears for incumbents, where both challenger and dominant parties that secured one seat at the last election have just shy of a 20% chance of being included in the governing coalition.

Alternative explanations

The lack of an effect among dominant parties helps rule out a number of potential alternative explanations for our findings. Most prominently, these findings suggest that the incumbency effect for challenger parties cannot be explained by parties becoming more experienced and skilled at legislative negotiations by virtue of holding elected office. If experience were driving our results, we would expect similar effects for the small dominant parties. A concern in this regard could be that the dominant parties have been around longer, and therefore, they might have experience from prior election periods that substitute for legislative incumbency. To address this issue, we look at whether there is an incumbency effect for dominant parties who have not been represented in a municipality for the two preceding election periods (i.e., eight years before the election that assigns incumbency). We also do not find any incumbency effect for this subgroup of dominant parties (see app. H). Furthermore, in the same appendix, we run a similar analysis for challenger parties (i.e., removing challenger parties with prior experience) to ensure that we only include parties that are "pure" challenger parties both on the local and national levels. A related concern is that our findings are somehow confounded by dominant parties being more likely to hold chairmanships at the election $t - 1$ (Bäck and Dumont 2007; Martin and Stevenson 2001). However, appendix I shows that our findings do not change even if we exclude parties with prior coalition experience.

Another important alternative explanation is that challenger parties enjoy particularly large electoral incumbency advantages in terms of vote shares or representation, and this gives the challenger parties a better platform from which to negotiate (an advantage often also present at the local level, see, e.g., Dahlgaard 2016; Trounstine 2011). However, we do not find any incumbency effect on electoral support for either challenger parties or dominant parties. We also find no evidence that legislative incumbency increases the probability that a challenger party runs again or that legislative incumbency increases the probability of future representation (for these analyses, see app. J). As such, our findings cannot be explained by challenger parties getting an electoral advantage from legislative incumbency that they can utilize at the negotiating table. Finally, since incumbency does not affect the probability that a challenger party will secure representation in the city council, we can also rule out that the incumbency effect on government participation is simply the result of incumbent challenger parties being unavailable to take part in a coalition.

Auxiliary analyses and robustness tests

To further unpack our findings, in appendix K, we examine which type of committee chairs challenger parties obtain. We find the largest effects for the employment and zoning/planning committees, generally regarded as the more powerful committees. This suggests that the challenger parties are not given purely symbolic posts but do in fact obtain real executive power. In appendix L, we present treatment effects for individual parties. We see that only the two challenger parties, the DPP and the RGA experience large and positive effects of legislative incumbency. In appendix M, we also show that there are no longer-term effects of legislative incumbency. In

appendix N, we use an alternative dependent variable, the share of chairs held by the party, and find that challenger parties obtain 3 percentage points more chairs as an effect of legislative incumbency, with no statistically significant effect for dominant parties.

To test the robustness of our findings, we first look at whether our RD results are sensitive to our choice of optimal bandwidth. The identified effects for challenger parties are very stable across different choices of bandwidth and only become statistically insignificant at very small bandwidths (i.e., .002). These analyses are presented in appendix O. We then examine placebo cutoffs in appendix P and only find a significant effect around the true cutoff for challenger parties. For the small dominant parties, we do find a significant effect at a placebo cutoff; however, this is to be expected when examining a large number of placebo cutoffs. Finally, we examine different local-polynomial models and types of kernels to construct the weights in appendix Q and examine whether our findings are sensitive to the inclusion of controls in appendix R. Most importantly, parties may have different profiles and reputations across time that may affect the likelihood of joining a coalition. We control for this by adding year fixed effects. Again, we find that our findings are robust to these specification choices. In appendix S, we show that individual reelection rates do not differ appreciably across challenger and dominant parties, ruling out that our result can be confounded by differences in individual-level incumbency.

Finally, as mentioned, we consider other demarcations of challenger and dominant parties in appendix B and show that the main result persists when considering a broader group of challenger parties. This is the case when we (i) include all 14 challenger parties identified in our data, (ii) include only the nine parties that have gained representation in parliament for at least two periods, and (iii) include only the three most prominent challenger parties apart from DPP and RGA. We have omitted these additional challenger parties from the main analyses to get a cleaner comparison between small dominant and challenger parties, but we show that the coalition formation dynamics for these parties match our expectations. Appendix B also shows that results for dominant parties are robust to including the Christian Democrats and Center Democrats (which served in government shortly before our definitional cutoff) as well as excluding the Socialist People's Party (which did not become a formal part of government until 2011).

INCUMBENCY AND CHALLENGER PARTY MODERATION

In this section, we test hypothesis 3, namely that incumbent challenger parties take more moderate positions compared to nonincumbent challenger parties. Specifically, we show that challenger parties with prior representation take less extreme policy positions and employ language more similar to dominant parties, both patterns consistent with the moderation account.

Since the national and local level datasets explored above do not have detailed data on party position-taking, we rely on a rich dataset on candidate positions and platforms in the 2013 and 2017 nationwide local elections. Fielded by the online political news site *Altinget* starting with the 2013 elections, these candidate surveys were developed as inputs to a VAA. Because only candidates with survey responses could be recommended in the VAA, candidates faced a strong incentive to participate. The full dataset contains responses from 9,073 candidates in the 2013 elections and 9,544 candidates in the 2017 elections. In both elections, only around a dozen candidates nationwide failed to complete the VAA survey, yielding response rates of 99% in both years. Since the VAAs were custom-developed for local elections, the questions cover municipal policy issues. Hence, party position estimates derived from these VAAs are likely to track between-party policy differences at the local level.

We measure moderation in the VAA data in two ways. First, we consider the policy positions taken by parties in candidate surveys. In each set of elections, candidates express their policy preferences on survey questions about municipal policy issues on a Likert-type agree-disagree scale. The questions cover municipal public policy debates such as taxation level, public service provision, and infrastructure. To simplify the analysis, we reduce each candidate's responses to a single scale using a multidimensional item response theory method (Chalmers 2012). In appendix T, we show that party-level estimates exhibit high convergent validity, with our party-level position estimates correlating very strongly with expert party position estimates drawn from the Chapel Hill Expert Survey (Bakker et al. 2020). We aggregate candidate-level responses to obtain a party-level estimate for each municipality in each election. For each party-municipality-election, we then define its extremity as the absolute difference between the party's position and the average position across all parties in the municipality. Hence, this measure classifies parties as more extreme if their candidates take positions far to the left or right of the municipality average.

Second, we consider open-ended text responses in the same candidate survey, where candidates are asked to describe their electoral platforms. Using these open-ended responses, we can assess whether incumbent challenger parties use less distinct language compared to those without prior representation. We rely on the approach introduced in Peterson and Spirling (2018), who propose using misclassification rates in a supervised

learning model to learn about textual distinctiveness. We fit a supervised learning model predicting party labels from electoral platforms. If the model is more likely to erroneously classify incumbent challenger parties as dominant parties, this tells us that the language used by those parties is relatively more similar to dominant parties' language. We implement this approach by fitting a support vector machine (SVM) model to the full set of 8,751 candidate platforms. We label each platform according to whether the candidate represents a challenger or dominant party. The SVM model then predicts party type based on word frequencies. To ensure that the model does not simply capture party labels used in the platforms themselves, we remove party names in the preprocessing stage, but otherwise include platforms as is.

While the dataset is rich at the candidate level, it nevertheless covers only two elections, far less than the full dataset in the main analysis. Since the RDD is very demanding in terms of statistical power (Schochet 2009), this leaves us with insufficient power for such a design. Instead, we present estimates from two-way fixed effects models to obtain generalized difference-in-differences estimates of the effect of incumbency on moderation for challenger and dominant parties. These estimates control for time-invariant features of municipalities that may affect both challenger party incumbency rates and moderation. We present these estimates for both types of parties and moderation measures in figure 6.

The left panel of figure 6 shows the estimated effect of incumbency on positional extremity for challenger and dominant parties. As shown, incumbent challenger parties take far less extreme positions than nonincumbent challenger parties do. The difference is statistically ($p < .001$) and substantively significant: the $-.78$ estimate corresponds to nearly one third of the full observed range of extremity across all parties. For dominant parties, the effect is 78% smaller in absolute terms and is the opposite of the expected direction (i.e., incumbent dominant parties are in fact slightly more positionally extreme).

The right panel of figure 6 presents results for the text-based measure, showing the effect of incumbency on the average probability of being classified as a challenger party for challenger and dominant parties. The SVM model generally predicts party type very well, with a precision of .99 and a recall rate of .95. In other words, challenger parties use sufficiently different language from dominant parties on average that party type can be predicted with high accuracy based on word use alone. However, incumbent challenger parties do not use unique language to the same extent and are considerably less likely to be classified as challenger parties based on their election platforms. As shown in figure 6, incumbent challenger parties are around 7 percentage points less likely to be correctly classified as challenger parties based on word use, a highly statistically significant difference. Substantively, this shows that incumbent challenger parties are more likely to employ language similar to that of dominant parties. For dominant parties, the coefficient is 93% smaller in absolute terms and not statistically significant.

All in all, these analyses demonstrate that incumbent challenger parties take more moderate policy positions and use language more similar to that of dominant parties. Moreover, consistent with the main results, this association is present only for challenger parties. While we are unable to assess the role of alternative causal mechanisms in a similar manner, this evidence indicates that moderation plays a substantial role in explaining the effect of legislative incumbency.

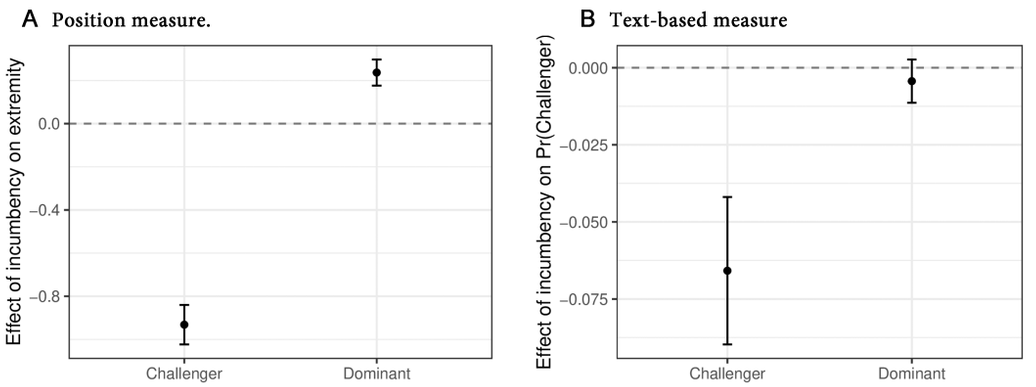

Figure 6. Tests comparing moderation of incumbent versus nonincumbent parties for challenger parties and dominant parties. All estimates from two-way fixed effects models regressing the dependent variable on incumbency status with municipality and year fixed effects. Extremity (left panel) is measured as each party's absolute deviation from the municipality-level mean across parties. Predicted classification as challenger party (right panel) is based on an SVM model trained on party platforms expressed on voting advice applications. Standard errors are clustered at the municipality level.

CONCLUSION

On the rise for decades, challenger parties are now an entrenched feature of most European party systems. Once political outsiders, many of these have assumed real political power by joining a national governing coalition. How does this transition happen? In this article, we have investigated a hitherto overlooked factor for explaining challenger parties' access to governing coalitions: legislative incumbency. We theorize that in holding elected office, challenger parties learn about the ins and outs of running government and, in doing so, develop a more moderate profile, which in turn makes them more viable coalition partners. We find support for this theory. First, comparing challenger parties across Western Europe, we find that legislative incumbents are noticeably more likely to enter the governing coalition. Then, using a RDD applied to rich data from local governments in Denmark, we show that legislative incumbency significantly increases challenger parties' chances of entering government. Lastly, we show that incumbent challenger parties take relatively more moderate positions and use language relatively closer to that of dominant parties. This suggests that moderation is a key mechanism driving the mainstreaming effect of legislative incumbency among challenger parties.

To be sure, the sharp causal identification of our RDD comes at a cost of generality. Specifically, we study relatively professionalized parties, and our estimates are local to parties with moderately high levels of electoral support around the electoral threshold. We cannot presume to generalize to parties without these characteristics, such as very extreme challenger parties with support far below the threshold. Moreover, our argument implicitly pertains to extreme challenger parties only, and our subnational analysis relies on data from two extreme challenger parties. Since positional moderation is by definition not an issue for centrist challenger parties, gaining a deeper understanding of how centrist challenger parties gain access to government power is an important task for future research.

These caveats notwithstanding, the overall pattern emerging from our findings is one of a centripetal party system: new parties emerge at the periphery, but as they amass a record of representation, they are gradually pulled toward the mainstream. This in turn frees up space for new challengers to emerge and for the process to repeat itself.

For challenger parties themselves, this centripetal dynamic is double-edged: while entering the mainstream brings opportunities for government power, mainstreamed challenger parties may face second-order electoral difficulties as they come to occupy a more crowded political space and find themselves with a less distinct party reputation. This was the case for the Finns Party, operating in a largely similar institutional environment (Dehdari et al. 2022).

What are the normative implications of this dynamic? To a first approximation, they are largely positive: our results suggest that multiparty parliamentary democracies are quite flexible in including and mainstreaming new, initially extreme voices. Indeed, our findings are consistent with the logic of the inclusion-moderation hypothesis, presented above. This in turn implies that inclusion of challenger parties in the legislative process is a stabilizing factor. In liberal normative theory, stability is generally held to be self-evidently desirable: Rawls (1999) underpins his conceptions of justice with (among others) the argument that it promotes stability. From this standpoint, then, the centripetal dynamic we describe here is a normatively desirable one. In terms of policy implications, our findings also suggest that measures designed to bar challenger parties from holding elected office, such as restrictions on ballot access, will be counterproductive insofar as they will impede the moderating effects of holding elected office.

From another perspective, our study offers less straightforwardly sanguine implications. Radical political movements often espouse the notion that mainstream parties, though once well-intentioned, have been coopted by the establishment. Narrowly speaking, our findings are in fact consistent with this allegation: from the perspective of citizens with strongly anti-establishment attitudes, the mainstreaming process undergone by challenger parties confirms their suspicions that representative democracy is "rigged." Hence, while the centripetal dynamic of challenger party mainstreaming is a stabilizing force for the party system itself, it may fuel discontent and estrangement among the former supporters of challenger parties, who see their once-preferred parties jettison their original ideas. Understanding this interaction between mass and party system-level dynamics is an important task for future research.

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Appendix: For Online Publication

Contents

A Overview of parties

Below we provide information on the national and local level incumbency status of the different parties, we mention in the article. We do not have data for whether a party was elected in local elections before 1921 and we do not have data on whether a party entered local government before 1970 (which is when our dataset starts). NA indicates that the party has not been part of government as of 2022.

Table A1: Overview over parties mentioned in the article

Party	**Founded**	**First elected to parliament**	**First entered national government**	**First elected in local elections**	**First entered local government**
The Alternative	2013	2015	NA	2017	2017
The Center Democrats	1973	1973	1982	1974	1974
The Christian Democrats	1970	1973	1982	1974	1974
Common Course	1986	1987	NA	1989	NA
Communist Party	1919	1932	NA	1933	1970
Conservative Party	1915	1918	1940	1921	1970
The Danish People's Party	1995	1998	NA	1997	1997
The Green Party	1983	NA	NA	1985	NA
Humanist Party	1987	NA	NA	1989	NA
The Justice Party	1919	1926	1957	1925	NA
Left Socialists	1967	1968	NA	1970	NA
Liberal Alliance	2007	2007	2016	2009	2013
The Liberal Party	1870	1872	1901	1921	1970
The New Right	2015	2019	NA	2017	NA
The Progress Party	1972	1973	NA	1974	1974
Red/Green Alliance	1989	1994	NA	1993	1997
The Social Democrats	1871	1884	1924	1921	1970
The Social Liberal Party	1905	1906	1909	1921	1970
Socialist People's Party	1959	1960	1966	1962	1970

B Other demarcations of challenger and dominant parties

RGA and DPP are not the only challenger parties in Danish electoral history. Most of these parties, such as Hard Line (Stram Kurs) or the National Socialist Movement of Denmark, did not gain much, if any, electoral success, and we are therefore unable to test the mechanism on these parties.

However, there are other challenger parties of interest for our analysis. Below we explore the mechanism using alternative demarcations of challenger parties. We do so in three ways. First, we include all possible challenger parties running nationwide in Danish local elections, meaning that we exclude parties that only are running in one or a few municipalities and dominant parties. Second, we only include the subset of challenger parties that have been electorally successful in national politics over a sustained period of time. We define this as parties that have gained representation in parliament for two electoral periods or longer. Third, we look into the case of the Christian Democrats, the Center Democrats, and the Progress Party, which are the most prominent challenger parties in the time period covered in our dataset aside from RGA and the DPP. All three parties were elected to parliament for the first time in the 1973 general election, also known as Jordskredsvalget (the Landslide Election). They were all excluded from the governing coalition until 1982, and thus "true" challenger parties until 1982. However, in 1982 the Christian Democrats and the Center Democrats formed a government together with the Liberal Party and the Conservative People's Party, leaving only the Progress Party as a challenger party, while the other two changed status from challenger to dominant parties.

In table B1 we show the parties included across the different subsets and the results for each subset are seen in B2. We find that challenger parties consistently experience a large and statistically significant incumbency effect independent of the demarcation. Furthermore, we only find an effect of incumbency for subset 3 in the period before 1982, where the Christian Democrats and the Center Democrats were still challenger parties. Thus, these extra tests provide strong evidence in favor of our theory.

Table B1: Parties included in the three groups of challenger parties

Party	First year	Last year	G1	G2	G3
Dansk Folkeparti (the Danish People's Party)	1997	2017	✓	✓	
Enhedslisten (Unity List)	1993	2017	✓	✓	
Nye Borgerlige (the New Right)	2017	2017	✓		
Retsforbundet (the Justice Party)	1970	1989	✓	✓	
De Grønne (the Green Party)	1989	1989	✓		
Liberal Alliance (Liberal Alliance)	2009	2017	✓	✓	
Det Humanistiske Parti (Humanist Party)	1989	1989	✓		
Danmarks Kommunistiske Parti (Communist Party)	1970	1985	✓	✓	
Centrum-Demokraterne (the Center Democrats)	1974	1981	✓	✓	✓
Fælles Kurs (Common Course)	1989	1989	✓		
Kristeligt Folkeparti (the Christian Democrats)	1974	1981	✓	✓	✓
Venstresocialisterne (Left Socialists)	1970	1985	✓	✓	
Fremskridtspartiet (the Progress Party)	1973	2001	✓	✓	✓
Alternativet (the Alternative)	2017	2017	✓		

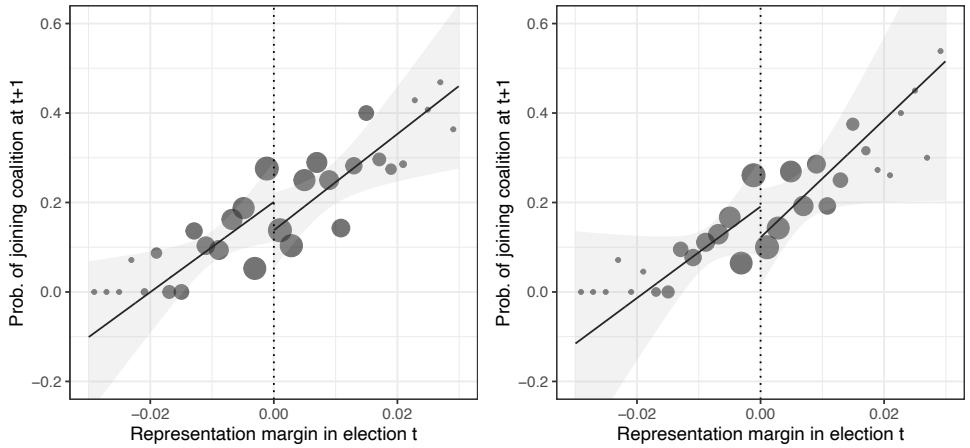
Table B2: RD effect of being elected to city council at t-1 on being in coalition at t for the different demarcations of challenger parties

Time period	Estimate	p-value	95% CI	h	Obs. control	Obs. treatment
Group 1	0.0673	0.0346	[0.005;0.13]	0.0211	887	636
Group 2	0.0699	0.0319	[0.006;0.134]	0.0209	867	623
Group 3 (Whole period)	0.0843	0.0174	[0.015;0.154]	0.0218	618	525
Group 3 (Before 1982)	0.122	0.0541	[-0.002;0.246]	0.0187	210	238
Group 3 (After 1982)	0.0376	0.463	[-0.063;0.138]	0.0142	216	188

Note: Running variable is party's margin to get represented in the city council in the last election, outcome is joining the coalition (dummy = 1) or not (dummy = 0) in this election. Estimate is the average treatment effect at the cutoff estimated with local linear regression with triangular kernel and MSE-optimal bandwidth. Column 3-7 report 95% heteroskedasticity-robust confidence intervals, heteroskedasticity-robust p-value, main optimal bandwidth, control observations within bandwidth, and treated observations within bandwidth.

Furthermore, two parties which are classified as challenger parties according to our decision rule, Christian Democrats and Center Democrats, served in government shortly before 1997, the early cutoff in our data. Accordingly, they could arguably be considered dominant parties in practice. In Figure B1, we show that our results for dominant parties are unchanged when reclassifying these two parties as dominant parties. This alternative classification has no bearing on our main result for challenger parties, as this relies only on the Red/Green Alliance and the Danish People's Party.

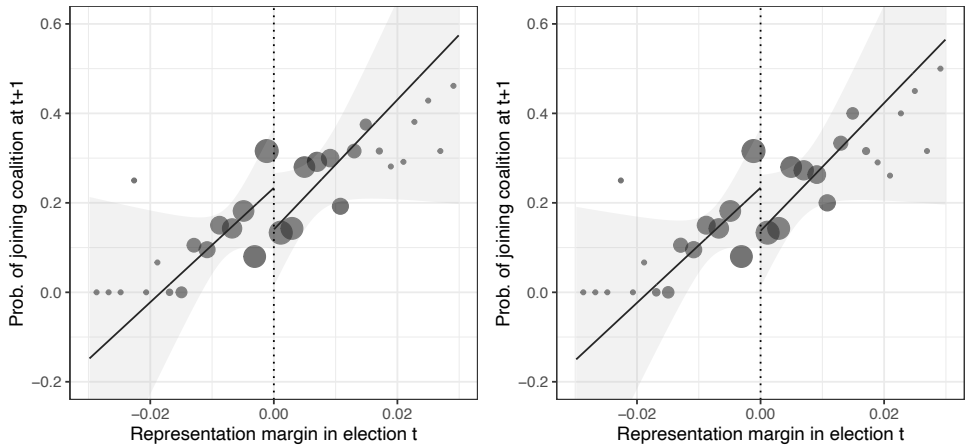
Similarly, the Socialist People's Party is classified as a dominant party throughout, although it did not become a formal part of government until 2011. In Figure B2 we show that the result is robust to excluding the Socialist People's Party from the set of dominant parties.



(a) RD plot for all dominant parties, including Christian Democrats and Center Democrats.

(b) RD plot for small dominant parties, including Christian Democrats and Center Democrats.

Figure B1: Main results for dominant parties, with demarcation of dominant parties expanded to include Christian Democrats and Center Democrats. Points represent binned means of the dependent variable, with point size determined by the weight the point has in the estimation of the effect. The bands represent 95 percent confidence intervals.



(a) RD plot for all dominant parties, excluding the Socialist People's Party.

(b) RD plot for small dominant parties, excluding the Socialist People's Party.

Figure B2: Main results for dominant parties, with the Socialist People's Party not counted as a dominant party. Points represent binned means of the dependent variable, with point size determined by the weight the point has in the estimation of the effect. The bands represent 95 percent confidence intervals.

C Distribution of type of chairs by party group

Figure C1 shows how chairs are distributed by party type. We see that challenger parties never - or almost never - obtain the most important position, namely the mayor. However, they do obtain important portolios such as chair of the Zoning Committee and the Committee of Social Affairs.

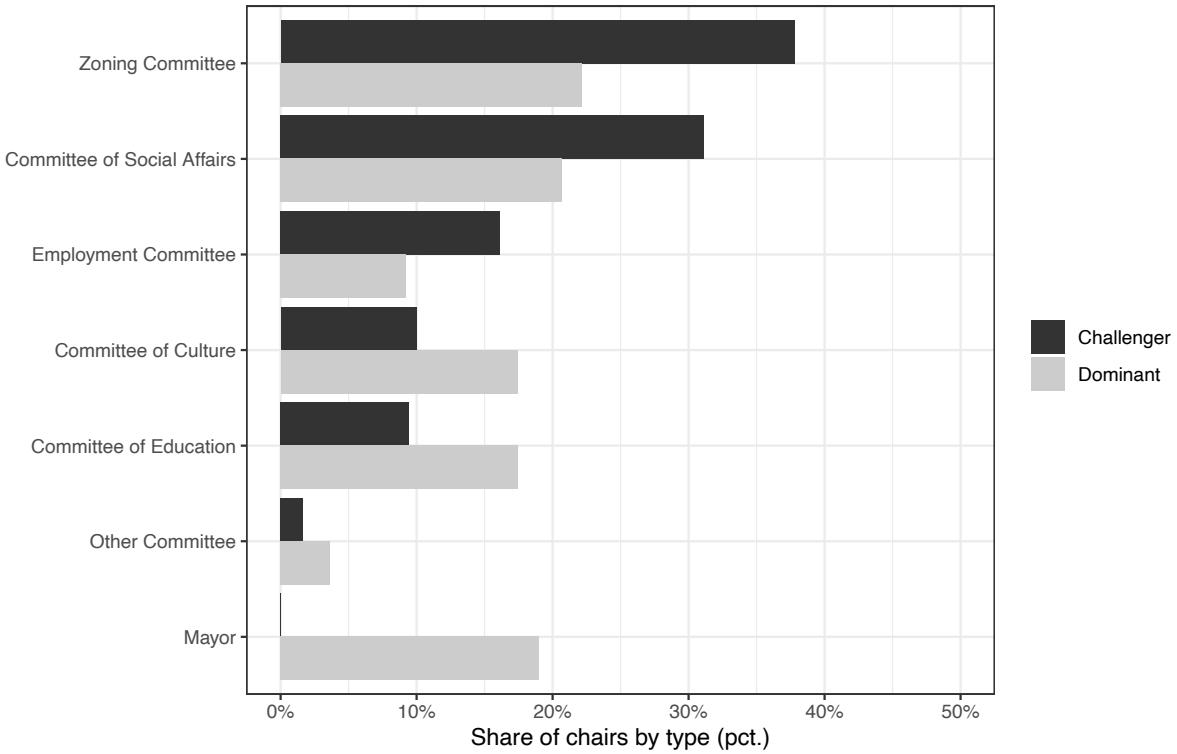


Figure C1: Do challenger parties and dominant parties get different chairs? Challenger parties never - or almost never - get the position as a mayor, but they do obtain the chair in the Zoning Committee and Committee of Social Affairs.

D Descriptive statistics

Below the descriptive statistics are seen for the variables included in the main analysis and the variables used for the balance tests.

Table D1: Descriptive statistics

	Observations	Mean	Median	SD	Min	Max
Year	22355	1990.04	1989.00	13.32	1970.00	2017.00
Coalition membership in t+1	17301	0.36	0.00	0.48	0.00	1.00
Vote share	22346	0.13	0.07	0.13	0.00	0.73
Dist. to threshold (gain)	22346	0.03	0.03	0.02	0.00	0.43
Dist. to threshold (loss)	15105	0.03	0.02	0.02	0.00	0.19
Coalition membership (t-1)	16050	0.38	0.00	0.49	0.00	1.00
Mandates per party	22355	2.29	1.00	2.85	0.00	20.00
Mandates in the municipality	22355	18.96	17.00	4.93	9.00	31.00
Chairmen per party	22355	0.65	0.00	1.26	0.00	12.00
Chairmen in the municipality	22329	5.46	5.00	1.77	1.00	15.00
Number of parties running	22355	8.66	8.00	2.68	2.00	20.00
Population	7991	38930.06	28376.00	44692.00	1793.00	335684.00
Area (sq km)	7991	308.08	196.00	307.32	9.00	1488.00
Share immigrants (pct.)	7986	2.44	1.98	1.87	0.08	13.44
Operating expenses per person (DKK)	5916	34261.37	36811.00	8981.09	21140.00	76351.00
Expenses to service per person (DKK)	7991	134965.83	127280.00	41088.21	75714.00	349000.00
Average taxes per person (DKK)	7991	37801.79	32262.00	15148.77	17786.00	91231.00

E An example of how we construct the forcing variable.

Table E2 shows results for the 2017 municipal election in the municipality Albertslund. 12 parties ran for office organized in six electoral alliances. The table shows votes for each party, each electoral alliance, vote shares and how the 21 seats in the city council were assigned across parties.

Table E2: Results of the 2017 Municipal Election in Albertslund Municipality

Parties	V_p	V_i	Vote share	Seats	T_p
A - Socialdemokratiet	5819	7032	41,9%	9	-
F - SF	1213		8,7%	2	-
C - Det Konservative Folkeparti	964	3871	6,9%	2	-
I - Liberal Alliance	260		1,9%	0	-1.38 %
O - Dansk Folkeparti	1805		13,0%	3	-
V - Venstre	842		6,1%	1	2.60 %
B - Radikale Venstre	628	2852	4,5%	1	0.71 %
Ø - Enhedslisten	1588		11,4%	2	-
Å - Alternativet	636		4,6%	1	0.76 %
N - Nationalpartiet	56	56	0,4%	0	-3.82 %
P - Stram Kurs	23	23	0,2%	0	-4.10 %
Æ - Albertslund Lokalliste	50	50	0,4%	0	-3.86 %
Total:	13884	13884	100 %	21	

How can the method laid out above be used to score these parties on our forcing variable? Here, we go through the calculations we make for each party, across elections for party I and V. The remaining scores for this election are presented in the final column, and can be calculated using a similar method.

For party I the distance to securing a seat in its electoral alliance is $WD_I = Q_{d1} * (s_{Ik} + 1)/(s_{dk}) - Q_{I1} = 1805 * (1)/(4) - 260 = 191.25$. We sub in results for party O in the place of party d, because party O won the final seat in this electoral alliance. To see this note that $Q_{O6} = 1805/4 > Q_{V6} = 842/2 > Q_{C6} = 964/3$. If party I got 192 more votes they would be represented, because $Q_{I6} = 260 + 192 = 452 > Q_{O6} = 451.25$. Now, there could be a shorter way to win the seat if more votes for I meant that the electoral alliance got an extra seat which then went to party I. The distance to securing a sear for I's electoral alliance is $WD_{CIOV} = Q_{d1} * (s_{CIOVk} + 1)/(s_{dk}) - Q_{CIOV1} = 7032 * (6+1)/(10) - 3871 = 603.9$, where we sub in the alliance AF for d, because alliance AF won the final seat. (To see this, note that Q_AF21 is the largest of the Q_21 quotients.) It would thus take considerably more votes for I to get an extra seat from another electoral alliance (i.e., 604) than it would to get an extra seat from another party in the electoral alliance (192). Party I would therefore score -192 on the threshold variable in Albertslund in 2017. After dividing by the total number of votes in the municipality this comes out to -1.38 percent.

For party V the distance to losing a seat in its electoral alliance is $DL_V = Q_V - Q_{e1} * (s_{Vk})/(s_{ek} + 1) = 842 - 1805 * (1)/(4) = 390.85$. We sub in results for party O in the place of e, because O would have gotten a potential $(k+1=)$ seventh seat assigned to the alliance. This can be verified by calculating Q_7 for all parties. To see how this works, note that if V got 391 fewer votes, then O's quotient $Q_{C6} = 1805/4 = 451.25$ would have been slightly larger than V's $Q'_{V6} = 842 - 391 = 451$

and V would have lost their only seat. Could V be even closer to losing representation? The distance to losing a seat for V's electoral alliance is $DL_{CIOV} = Q_{CIOV} - Q_{e1} * (s_{CIOVk})/(s_{ek} + 1) = 3871 - 7032 * (6)/(12) = 355$, where we sub in alliance AF in the place of e, because they would have won a potential 22nd seat, which can be verified by calculating the quotient Q_{22} for all alliances. If V got 355 fewer votes, V's electoral alliance would thus lose a seat. This is a shorter distance than the 520 votes V would need to lose a seat within the alliance, but V would not be the party to give up a seat within the alliance. To see this we recalculate Q_{pj} for all parties assuming that V got $(842 - 355 =)487$ votes. This still give V 2 seats. However, we now know that if V loses more than 355 seats there will only be five seats to distribute in the electoral alliance, which might also move the within-alliance threshold for when V loses a seat. To calculate this we estimate DL_V under the assumption that k is five, which means that party e is now the party that got the sixth and final seat. This is party C, which means that $DL_V = Q_V - Q_{e1} * (s_{Vk})/(s_{ek} + 1) = 842 - 964 * (1)/(2) = 360$. V would therefore score 360 on the threshold variable, and after dividing by the total number of votes this comes out to 2.60 percent.

F Balance tests

We verify that treatment and control units' characteristics are continuous around the cut-off for being represented in the city council, since marked differences on pre-treatment covariates can challenge the local randomization assumption (Caughey and Sekhon 2011). To do so, we estimate the effects of incumbency on a list of characteristics using the same RD design and estimation choices as in the paper.

The results are presented in the table below. First, we include variables concerning the election itself, such as the year of election, the lagged dependent variable, seats in the city council, number of chairmen, and the number of parties. Thereafter, we include background variables relating to the characteristics of the municipality, such as population, area, share of immigrants, and economic variables. Overall, the tests provide strong evidence for balance, particularly for challenger parties. There is some evidence of imbalance for small dominant parties ($p < 0.1$ for population, area, and taxes), and we control for these variables in Appendix R.

Table F1: RDD Balance Tests

Variable	Group	Estimate	Std.error	p-value
Year	Challenger Parties	-0.39	1.90	0.84
	Dominant Parties	0.25	1.59	0.88
	Small Dominant	2.40	2.02	0.24
Previously in coalition	Challenger Parties	-0.05	0.07	0.41
	Dominant Parties	-0.12	0.11	0.29
	Small Dominant	-0.10	0.10	0.31
Seats in the council	Challenger Parties	-0.80	1.44	0.58
	Dominant Parties	-0.91	0.99	0.36
	Small Dominant	-1.23	1.28	0.34
Number of chairmen	Challenger Parties	0.34	0.45	0.45
	Dominant Parties	-0.05	0.35	0.88
	Small Dominant	-0.13	0.41	0.74
Number of parties	Challenger Parties	-0.30	0.70	0.67
	Dominant Parties	-0.52	0.49	0.29
	Small Dominant	-0.36	0.60	0.55
Population	Challenger Parties	-10099.46	7626.61	0.19
	Dominant Parties	-7567.53	6099.04	0.21
	Small Dominant	-11872.57	6746.70	0.08
Area (sq km)	Challenger Parties	26.21	98.57	0.79
	Dominant Parties	-103.50	59.97	0.08
	Small Dominant	-116.09	69.44	0.09
Share immigrants (pct.)	Challenger Parties	-0.30	0.37	0.43
	Dominant Parties	-0.09	0.38	0.81
	Small Dominant	-0.03	0.45	0.95
Operating expenses per person (DKK)	Challenger Parties	-1059.57	3593.75	0.77
	Dominant Parties	-1168.02	3177.48	0.71
	Small Dominant	4407.05	4023.23	0.27
Expenses to service per person (DKK)	Challenger Parties	-3139.42	2733.92	0.25
	Dominant parties	-1223.92	2565.93	0.63
	Small Dominant	2582.58	2562.75	0.31
Average taxes per person (DKK)	Challenger Parties	-7006.56	13386.60	0.60
	Dominant Parties	16002.93	10662.18	0.13
	Small Dominant	21819.73	11131.46	0.05

G Influential parties only

Below we only look at parties, which have a Shapley-Shubik Index (SSI) over 0. Building on Von Neumann, Morgenstern and Kuhn (1953), Shapley and Shubik developed a method of calculating how probable it was that a party is pivotal. The SSI reflects the proportion of all possible permutations of the parties in a council in which a specific party adds the votes necessary for a majority, when the parties contribute with their votes in turn. The SSI value is related to the size of the party, but the relationship is not strictly proportional. In other words, if a party has an SSI of 0 there are no theoretical coalitions where the party's votes are necessary to form a majority coalition. It is not surprising to see that the effect is much larger, when we only include parties that have a chance of becoming necessary for forming a coalition.

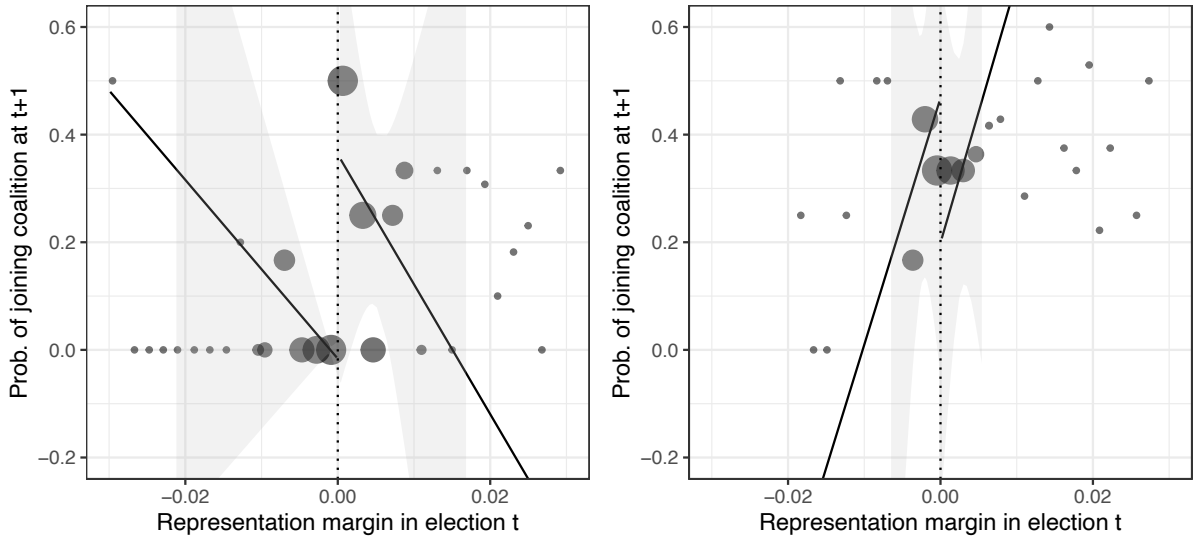
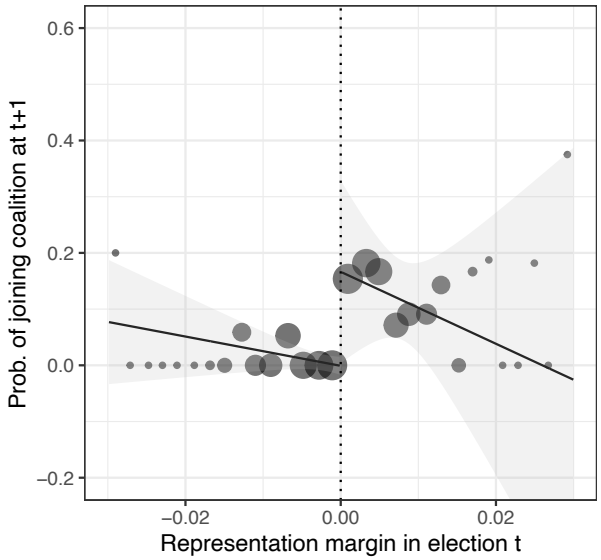


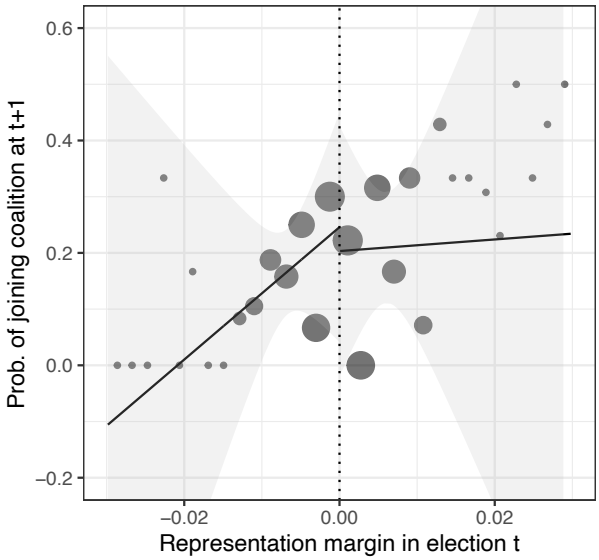
Figure G1: Prior representation increases the probability of joining the governing coalition for challenger parties (left panel), but not for mainstream parties (right panel), including only parties with an SSI > 0. Points represent binned means of the dependent variable, with point size determined by the weight the point has in the estimation of the effect.

H New parties

An issue with the RD design is that it has a short memory. Therefore, there can be parties that have experience in the city council from elections prior to the treatment, meaning that they may have been represented historically, then failed to enter the city council, and then entered again. In that case we would not be comparing parties with similar experience, and this may be problematic since these parties could have an advantage in the coalition formation process. This is particularly likely to be the case for dominant parties which have a longer electoral history. To rule this out we run two separate analyses for challenger parties (panel A below) and dominant parties (panel B below). In each of these analyses we exclude parties that have been represented in the two last elections before the treatment. We find that the results are similar for these parties with no recent prior experience. It should be noted that we use the same RD design and estimation strategy as in the main paper.



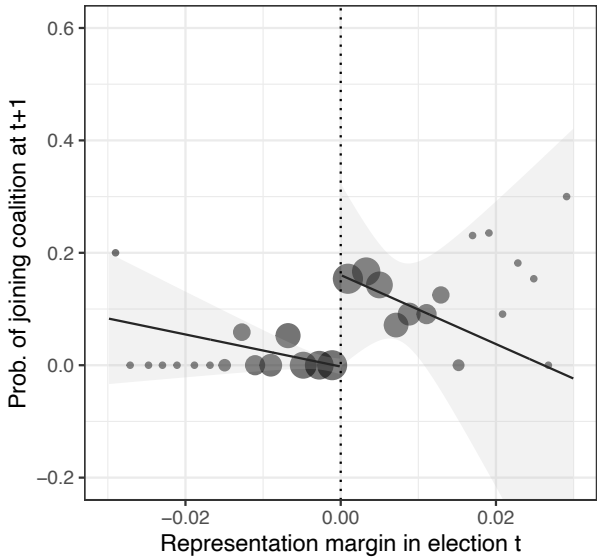
(a) Regression discontinuity plot for challenger parties post-1995, while only including parties that had not been represented in the city council in $t-1$ and $t-2$.



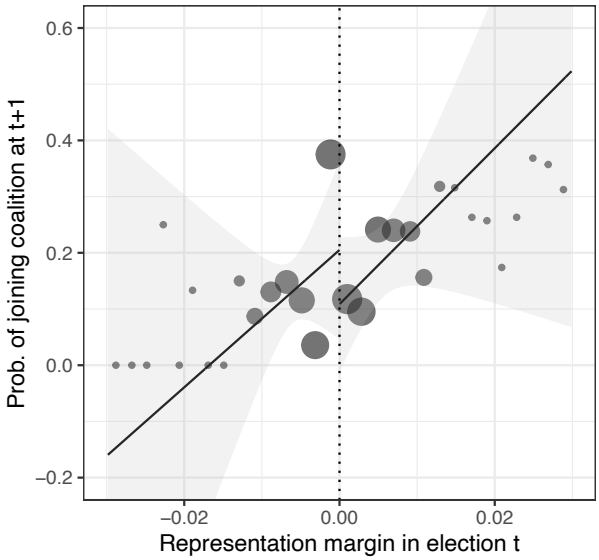
(b) Regression discontinuity plot for all dominant parties post-1995, while only including parties that had not been represented in the city council in $t-1$ and $t-2$.

I Not in coalition before

The literature suggests that being in a coalition is a good predictor of who will be in the next coalition (Bäck and Dumont 2007; Martin and Stevenson 2001; Warwick 1996). Furthermore, only incumbent parties can be in the coalition in the last election. This alternative mechanism may affect our estimate and, therefore, poses a challenge to our argument. To address this concern, we run an analysis where we exclude parties that were a part of the governing coalition in the last election. As seen below the results are robust to excluding these parties. We use the same RD design and estimation strategy as in the main paper.



(a) Regression discontinuity plot for challenger parties post-1995, while only including parties that was not a part of the coalition in the last election.



(b) Regression discontinuity plot for all dominant parties post-1995, while only including parties that was not a part of the coalition in the last election.

J Exploring alternative causal paths

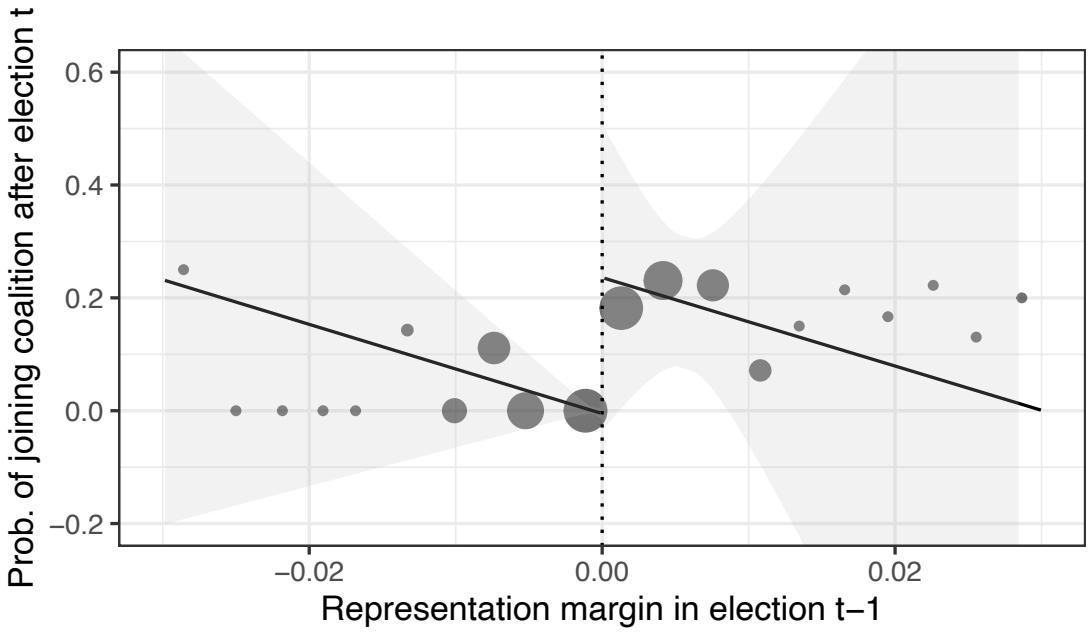
Following Lee (2008)'s pioneering work, is has been well established that barely winning or losing an election can have an effect on subsequent electoral outcomes. Our conclusion rests on the assumption that downstream effects on electoral outcomes cannot explain why challenger parties *are more* likely to join a coalition in the subsequent election, while *this is not* the case for dominant parties. For example, being represented may increase the vote share, the number of mandates, or whether a party runs in the following election only for challenger parties.

In this appendix, we rule out such concerns by showing that these factors cannot explain the effect of incumbency on the likelihood of joining a coalition in the subsequent election. We do so in two ways. First, we alter the analysis, so it is retrospective, meaning that we use the election where parties form the coalition as t, while the previous election, t-1, is used as the treatment. In that way, we only compare parties that are elected to the city council in election t, but where some did not gain a mandate in the last election (the untreated) while others were represented (the treated). Second, we run the RDD on a range of potential alternative explanations, showing that none of these are significant. Lastly, we also control for these and other variables in Appendix R, albeit it is generally not recommended to try to fix imbalances using covariates (Cattaneo, Idrobo and Titiunik 2020). Taken together these results indicates that subsequent electoral outcomes cannot account for our main conclusion, namely that incumbency increases challenger parties' access to government through moderation.

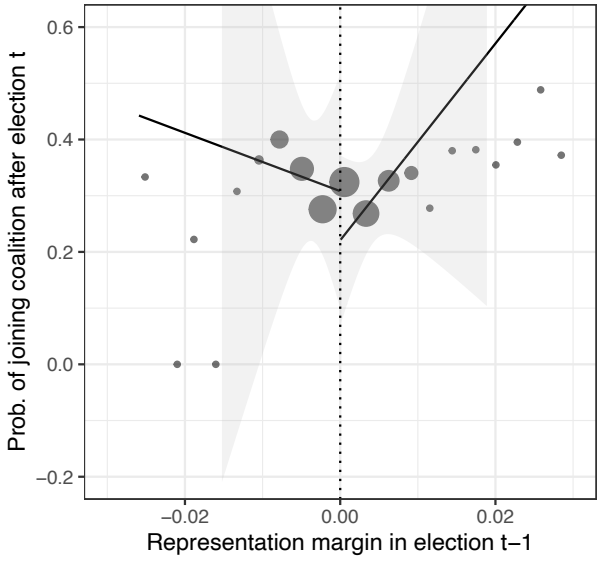
J.1 Retrospective analysis

In the following analysis we change the set-up of the analysis, so period t is the period where the coalition is formed, while $t-1$ is the election where the treatment is assigned. Although this may seem like semantics, it has an important implication, namely that we only include parties represented in election t. Therefore, the untreated parties are parties *not elected* to the city council in $t-1$, who *are elected* to the city council in t while the treated parties are elected to the city council in both period $t-1$ and t. This rules out any effect incumbency may have on re-election. Again, we find that challenger parties experience a large and significant effect of prior representation, while this is not the case for dominant parties. This provides strong support of the moderation thesis.

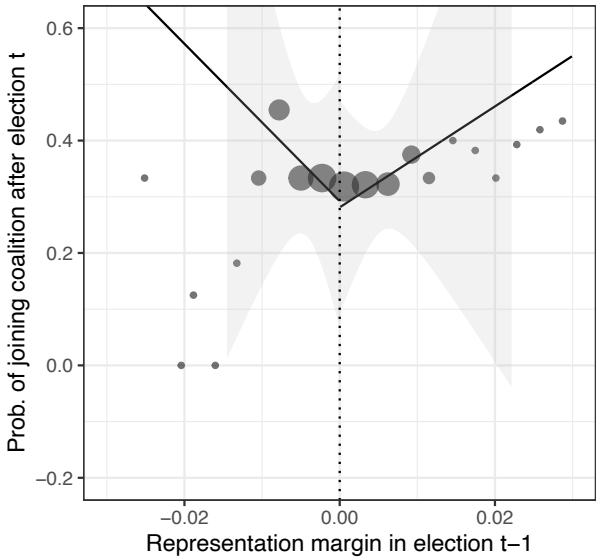
This is only one of several alternative statistical set-ups. For example, we could filter out parties that do not make it into the city council in t+1 in the original design or extrapolate missing observations. The results are consistent independent of design.



(a) Regression discontinuity (RD) plot for challenger parties (the Danish People's Party and the Red/Green Alliance).



(b) RD plot for all dominant parties



(c) RD plot for small dominant parties

Figure J1: Prior representation increases the probability of joining the governing coalition for challenger parties (top panel), but not for dominant parties (bottom panels). Points represent binned means of the dependent variable, with point size determined by the weight the point has in the estimation of the effect.

Table J1: RD effect of being elected to city council at t-1 on being in coalition at t for groups of parties

Party group	Estimate	p-value	95% CI	h	Obs. control	Obs. treatment
Challenger	0.257	0.0749	[-0.026;0.54]	0.0121	35	56
Dominant parties	-0.111	0.499	[-0.431;0.21]	0.00986	80	149
Small Dominant	0.0221	0.904	[-0.338;0.382]	0.0118	66	120

Note: Running variable is party's margin to get represented in the city council in the last election, outcome is joining the coalition (dummy = 1) or not (dummy = 0) in this election. Estimate is the average treatment effect at the cutoff estimated with local linear regression with triangular kernel and MSE-optimal bandwidth. Column 3-7 report 95% heteroskedasticity-robust confidence intervals, heteroskedasticity-robust p-value, main optimal bandwidth, control observations within bandwidth, and treated observations within bandwidth.

J.2 Tests of alternative outcomes

In the following, we present the results for alternative treatment outcomes that could be affected by the treatment, namely prior representation in the city council. To do so, we estimate the effects of incumbency on a list of variables using the same RD design and estimation choices as in the paper. The results are provided in the table below.

With the exception of *Parties running in t+1*, we find no - or only a very small - difference for all variables. Hence, more parties - in addition to the challenger party - seem to enter the following election when a challenger party is elected to the city council. This may be because people with alternative views see an opening when one challenger party is elected, feel vindicated, and decide to run (Valentim 2018) or it may be a form of resistance to the challenger party. While this is an interesting finding that deserves further scrutiny, it cannot explain why challenger parties are more likely to enter the governing coalition. If anything, we would need to see the opposite pattern where fewer parties are running, making challenger parties more palatable.

Table J2: RDD Alternative Paths

Variable	Group	Estimate	Std.error	p-value
Mandates in t+1	Challenger Parties	0.169	0.279	0.546
	Dominant Parties	-0.193	0.283	0.495
	Small Dominant	-0.211	0.222	0.343
Share of mandates in t+1	Challenger Parties	0.00976	0.011	0.373
	Dominant Parties	-0.0198	0.0197	0.315
	Small Dominant	-0.00599	0.0136	0.66
Elected in t+1	Challenger Parties	-0.071	0.197	0.718
	Dominant Parties	0.0198	0.133	0.882
	Small Dominant	-0.044	0.171	0.797
Vote share in t+1	Challenger Parties	0.000688	0.00786	0.93
	Dominant Parties	-0.00688	0.0139	0.622
	Small Dominant	0.00423	0.00837	0.613
Votes in t+1	Challenger Parties	-164	363	0.651
	Dominant Parties	56.2	215	0.793
	Small Dominant	-313	248	0.207
Runs again in t+1	Challenger Parties	-0.0907	0.131	0.489
	Dominant Parties	-0.0765	0.102	0.452
	Small Dominant	-0.0202	0.112	0.857
In electoral alliance in t+1	Challenger Parties	-0.0932	0.113	0.409
	Dominant Parties	-0.0168	0.0598	0.779
	Small Dominant	0.00812	0.0712	0.909
Parties running in t+1	Challenger Parties	1.64	0.891	0.0653
	Dominant Parties	-0.0671	0.675	0.921
	Small Dominant	-0.0347	0.795	0.965

K Effect by type of committee

The table below shows the RD treatment effect for challenger parties on gaining the chairmanship for different types of committees. We use the same RD design and estimation choices as in the paper. We find that the effect is largest for the Zoning Committee and the Employment Committee. These are some of the more influential and important committees, meaning that challenger parties are not assigned to minor positions when they enter the coalition.

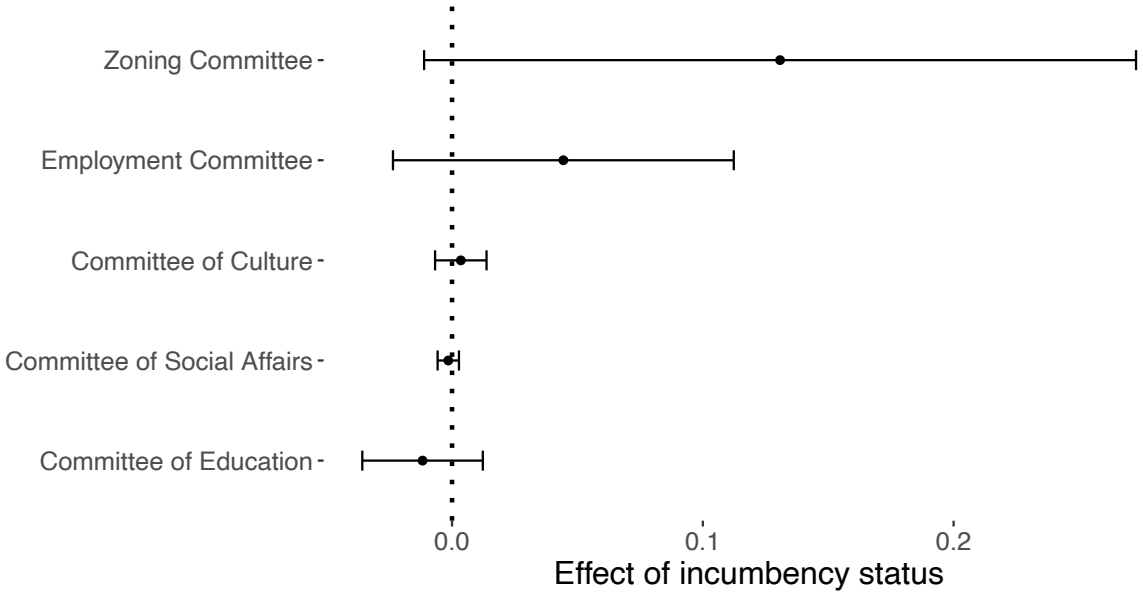


Figure K2: Does experience matter for the type of committee the challenger party gets control over? The RD treatment effect of incumbency status on gaining the chairmanship of different types of committees using the robust specification.

L Effect by party

The table below shows the RD treatment effect for all parties in the period 1995-2017 (except for the two major parties, where there are not enough cases). We use the same RD design and estimation choices as in the paper. We see that the Red/Green Alliance and the Danish People's Party face a large incumbency advantage if they were elected in the last city council, albeit it is just outside normal levels of statistical significance for both parties. There is no effect - or even a negative effect - for all other parties.

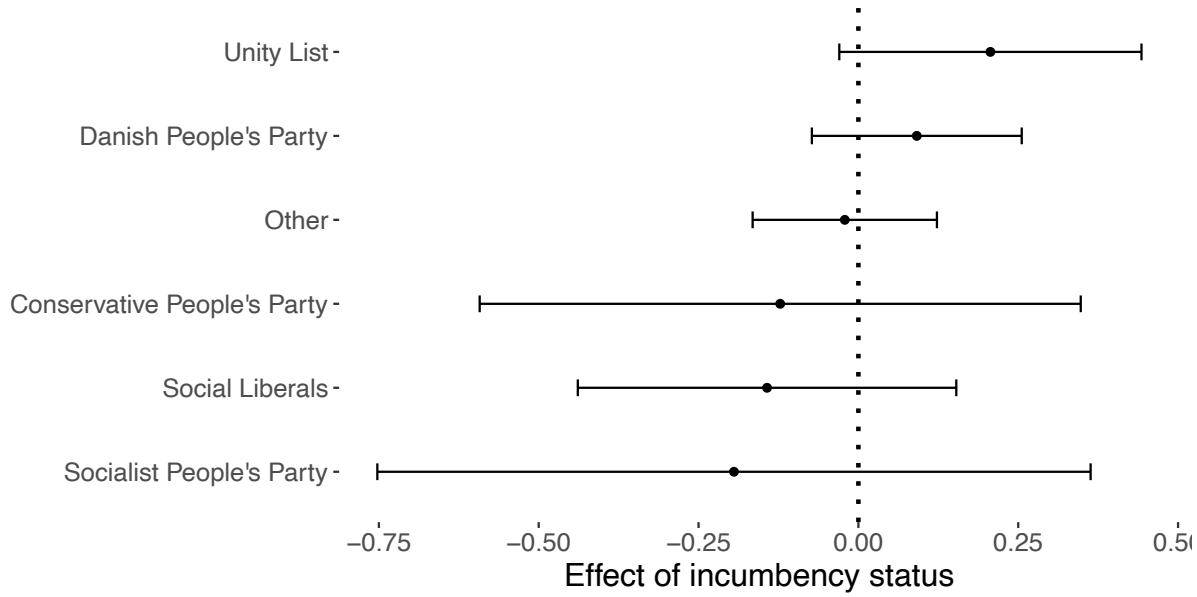
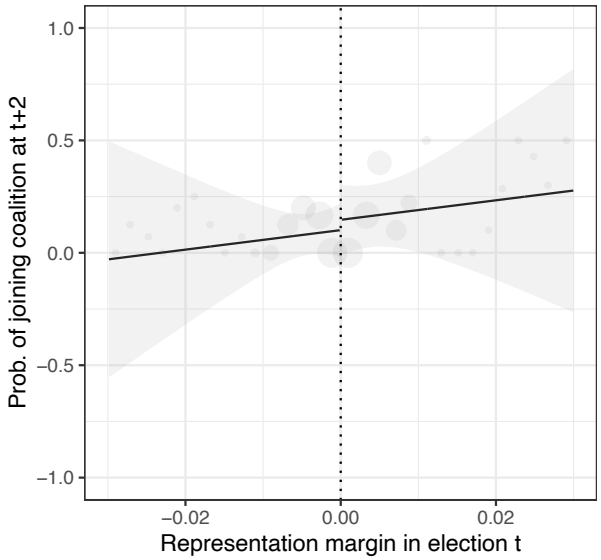


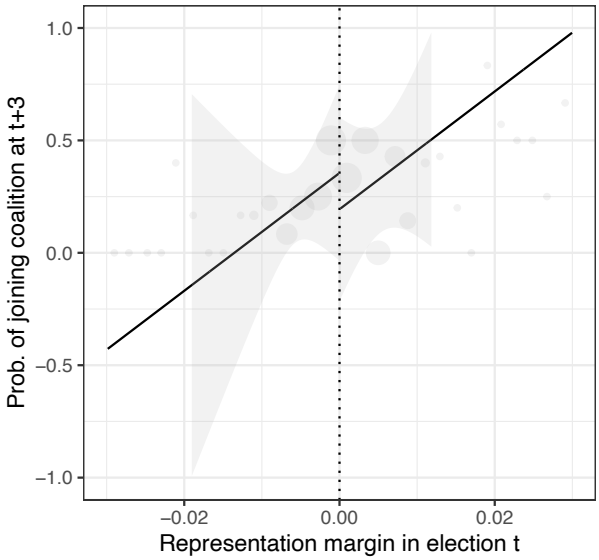
Figure L3: Does experience matter for different parties? The RD treatment effect of incumbency status on entering a governing coalition for Danish parties. Local parties are parties, which do not run nationwide but only in one or a few regionally clustered municipalities.

M Additional effects of incumbency in later elections

In this appendix we explore the longer term effect of incumbency on joining the governing coalition. We use the same RD design and estimation choices as in the paper. The figure on the left show the effect of incumbency on joining a coalition two elections after being represented and the figure on the right shows the effect of incumbency on joining a coalition three elections after being represented. We see that the positive effect of incumbency on joining the coalition only last for one election. Thus, there are no longer term effect of incumbency on joining the coalition for challenger parties.



(a) Regression discontinuity plot for challenger parties (the Danish People's Party and the Red/Green Alliance). The cut-off is whether the party was represented at t, while the dependent variable is joining coalition at $t+2$



(b) Regression discontinuity plot for challenger parties (the Danish People's Party and the Red/Green Alliance). The cut-off is whether the party was represented at t, while the dependent variable is joining coalition at $t+3$

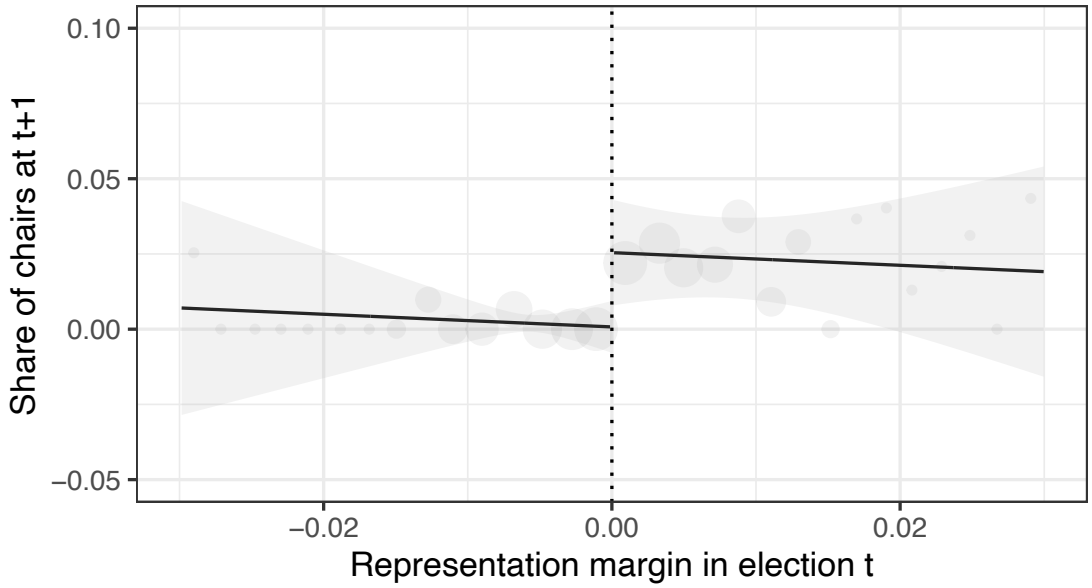
N Share of chairs as alternative dependent variable

In the main text we operationalize joining a coalition as a binary variable, since our theory is on whether a party joins a coalition or not. Yet, one may also be interested in the effect on the share of chairs. Below we run the main analyses with the share of chairs as the dependent variable. We find that the results are qualitatively identical to the main results, namely that challenger parties obtain more chairs as a function of incumbency, while this is not the case for dominant parties. The point estimates are naturally much smaller, as the mean of the dependent variable is shifted downwards.

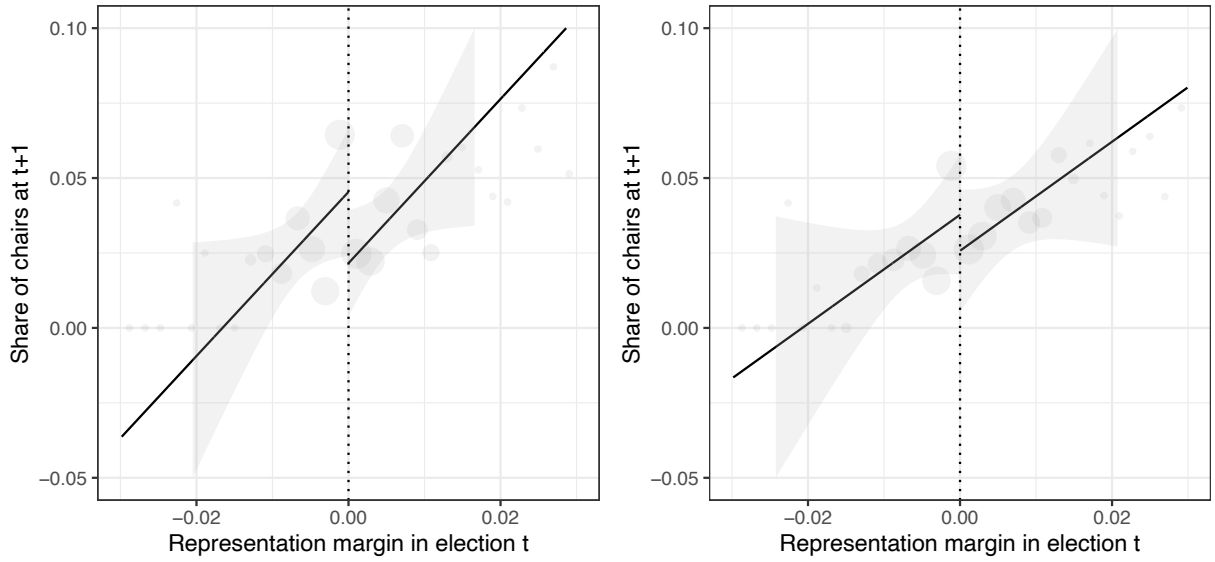
Table N3: RD effect of being elected to city council at t on being in coalition at t+1 for groups of parties

Party group	Estimate	p-value	95% CI	h	Obs. control	Obs. treatment
Challenger	0.0259	0.035	[0.002;0.05]	0.0159	115	97
Dominant	-0.0292	0.206	[-0.074;0.016]	0.0131	181	206
Small dominant	-0.0155	0.509	[-0.061;0.03]	0.015	164	154

Note: Running variable is party's margin to get represented in the city council, outcome is share of chairs in the following election. Estimate is the average treatment effect at the cutoff estimated with local linear regression with triangular kernel and MSE-optimal bandwidth. Column 3-7 report 95% heteroskedasticity-robust confidence intervals, heteroskedasticity-robust p-value, main optimal bandwidth, control observations within bandwidth, and treated observations within bandwidth.



(a) Regression discontinuity (RD) plot for challenger parties (the Danish People's Party and the Red-Green Alliance).



(b) RD plot for all dominant parties.

(c) RD plot for small dominant parties.

Figure N5: Prior representation increases the probability of obtaining extra chairs for challenger parties (top panel), but not for dominant parties (bottom panels). Points represent binned means of the dependent variable, with point size determined by the weight the point has in the estimation of the effect. The bands represent 95 percent confidence intervals.

O Bandwidth tests

While we use the the MSE optimal bandwidth in our main analysis, we may be interested in the sensitivity to the window choice to demonstrate that conclusions are not driven by the chosen bandwidth. We explore this in the graphs below. Naturally, the bandwidths are very large at very small bandwidths due to few observations and imprecise estimates. As the figures show, the conclusions drawn in the article do not vary based on the choice of bandwidth, since we find a large, significant effect for challenger parties across the range of bandwidths, while there is no effect for dominant parties.

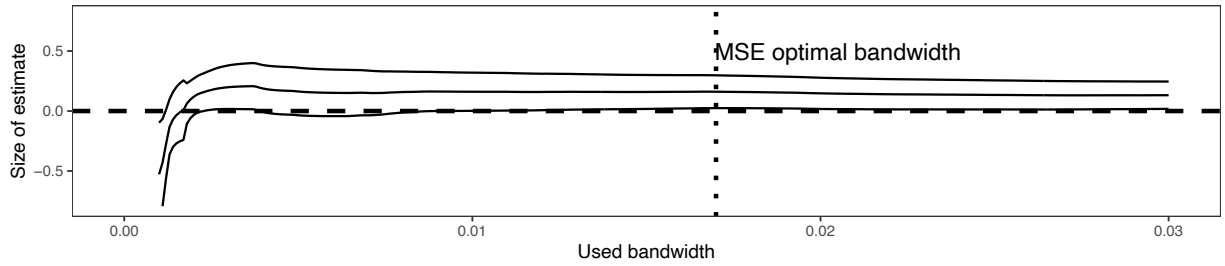


Figure O1: Bandwidth tests for challenger parties. We report the conventional estimate and standard error. The lines are 95 percent confidence intervals

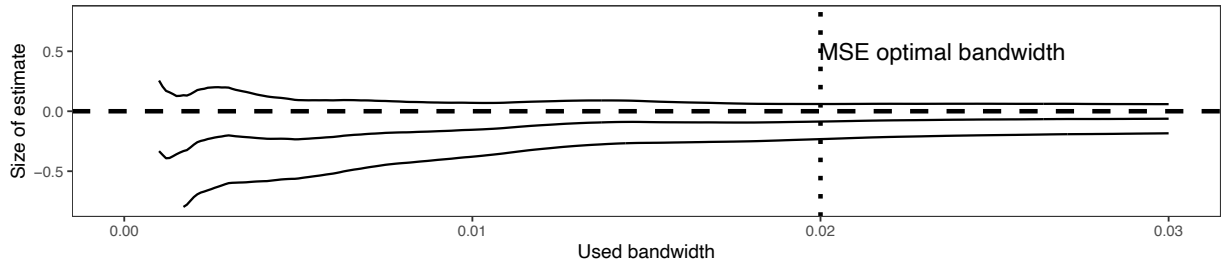


Figure O2: Bandwidth tests for dominant parties. We report the conventional estimate and standard error. The lines are 95 percent confidence intervals

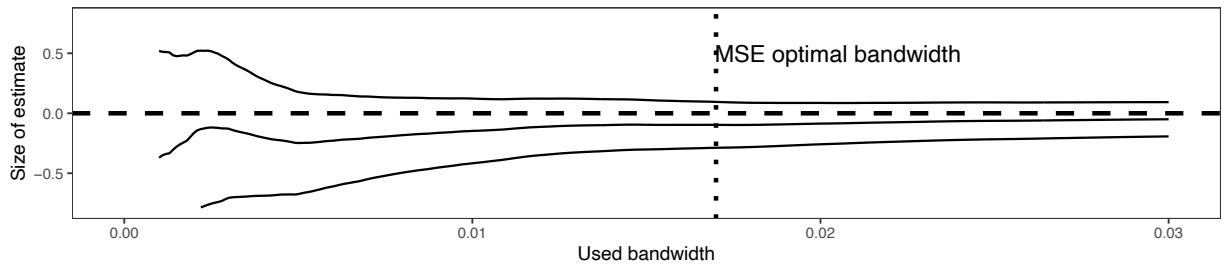


Figure O3: Bandwidth tests for small dominant parties. We report the conventional estimate and standard error. The lines are 95 percent confidence intervals

P Placebo cut-offs

The graphs below chooses artificial cut-off values and analyzes the outcome of interest. We vary the cut-off from -1% to 1% of the votes. At these artificial cutoffs we use the same methods used to conduct the analysis as those used in the paper. The expectation is that no effect should be found at any of the artificial cutoffs (Cattaneo, Idrobo and Titiunik 2020). Rightly so, we only find the effect for challenger parties around the cut-off, while the placebo cut-offs essentially are zero. We do, however, find a positive effect for both small dominant and dominant parties around 0.25% of the votes. We have no reason to suspect that this is anything but a statistical fluke. To substantiate this, we calculated the share of cut-offs that were significant for small dominant parties and dominant parties, which were respectively 3.5% and 3.5%, and thus not more than what we would expect by chance (5%).

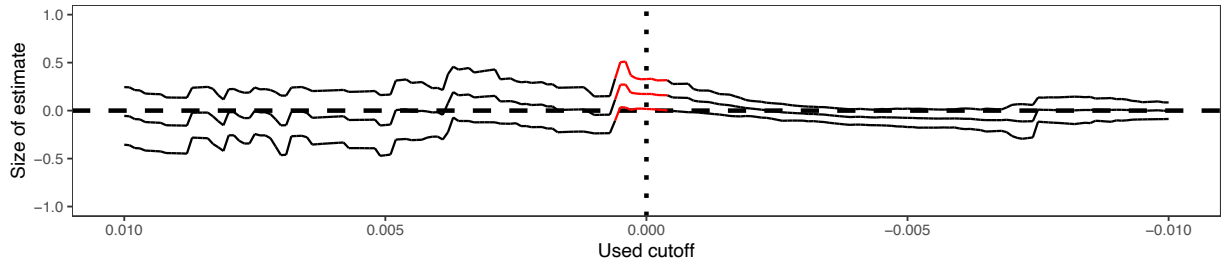


Figure P1: Placebo tests for challenger parties. The lines are 95 percent confidence intervals.

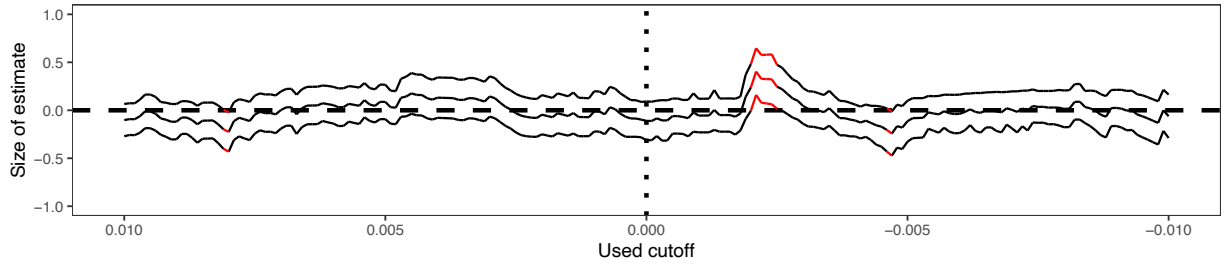


Figure P2: Placebo tests for dominant parties. The lines are 95 percent confidence intervals.

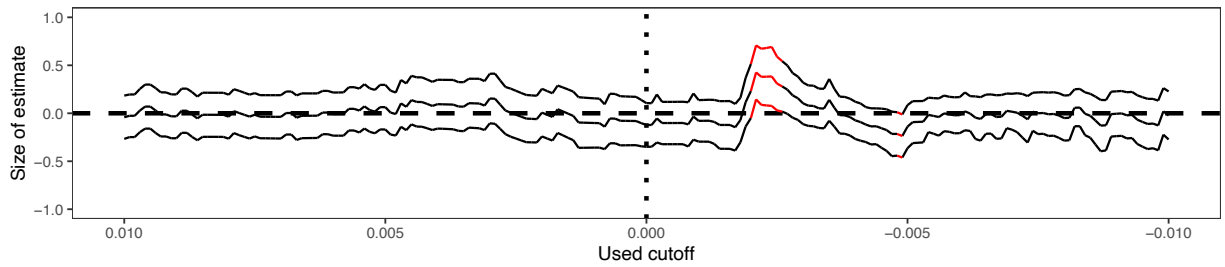


Figure P3: Placebo tests for small dominant parties. The lines are 95 percent confidence intervals.

Q Using alternative specifications

In the main specifications, we follow the most recent literature by presenting local linear estimates combined with triangular kernels (Cattaneo, Idrobo and Titiunik 2020). This avoids multiple inference problems of higher order polynomials (Gelman and Imbens 2019) and reduce bias relative to local constant models (Fan and Gijbels 1996). In this appendix we present the results using alternative specifications. The substantive conclusions derived from all alternative specifications are similar to those presented in the paper.

First, we present the results estimated using local constant and quadratic (local) specifications in addition to the linear specification used in the paper. Here, we maintain the triangular kernel, optimal MSE bandwidth, and robust inference methods used in the paper. The results are seen in Table Q1. Afterwards, we use different kernel functions to construct the local-polynomial estimator. Again, we maintain the remaining specifications used in the paper, meaning that we use the linear specification and the optimal MSE bandwidth. The results are seen in Table R1.

Table Q1: RD effect of being elected to city council at t on being in coalition at t+1 for groups of parties

Polynomial order	Party Group	Estimate	p-value	95% CI	h	Obs. control	Obs. treatment
0	Challenger Parties	0.14	0.029	[0.014;0.265]	0.0124	91	73
0	Dominant Parties	-0.109	0.213	[-0.281;0.063]	0.00557	80	84
0	Small Dominant	-0.109	0.295	[-0.312;0.095]	0.00568	61	60
2	Challenger Parties	0.176	0.0644	[-0.011;0.362]	0.0194	140	121
2	Dominant Parties	-0.152	0.304	[-0.441;0.138]	0.0179	236	278
2	Small Dominant	-0.15	0.348	[-0.464;0.164]	0.0212	224	226

Note: Running variable is party's margin to get represented in the city council, outcome is joining the coalition (dummy = 1) or not (dummy = 0) in the following election. Estimate is the average treatment effect at the cutoff estimated with the polynomial specified in polynomial order using triangular kernel and MSE-optimal bandwidth. Column 4-8 report 95% heteroskedasticity-robust confidence intervals, heteroskedasticity-robust p-value, main optimal bandwidth, control observations within bandwidth, and treated observations within bandwidth.

Table Q2: RD effect of being elected to city council at t on being in coalition at t+1 for groups of parties

Kernel	Party Group	Estimate	p-value	95% CI	h	Obs. control	Obs. treatment
Epanechnikov	Challenger Parties	0.175	0.0335	[0.014;0.336]	0.016	117	97
Epanechnikov	Dominant Parties	-0.0988	0.307	[-0.288;0.091]	0.0163	214	252
Epanechnikov	Small Dominant	-0.113	0.332	[-0.34;0.115]	0.0156	171	158
Uniform	Challenger Parties	0.199	0.0272	[0.022;0.375]	0.0121	88	71
Uniform	Dominant Parties	-0.0946	0.434	[-0.331;0.142]	0.0121	135	131
Uniform	Small Dominant	-0.116	0.205	[-0.296;0.063]	0.0154	207	246

Note: Running variable is party's margin to get represented in the city council, outcome is joining the coalition (dummy = 1) or not (dummy = 0) in the following election. Estimate is the average treatment effect at the cutoff estimated with the polynomial specified in polynomial order using triangular kernel and MSE-optimal bandwidth. Column 4-8 report 95% heteroskedasticity-robust confidence intervals, heteroskedasticity-robust p-value, main optimal bandwidth, control observations within bandwidth, and treated observations within bandwidth.

R Including control variables

While we show in Appendix F that the treatment and control units are balanced, some readers may still want to see the results with covariate-adjustment. It should be noted that it is not possible to fix a RD design in which predetermined covariates are discontinuous at the cutoff by using covariate-adjustment. Instead, the main justification for including covariates is generally efficiency gains (Cattaneo, Idrobo and Titiunik 2020).

In the fist model we include year dummies to control for "Year" (the results are also robust to including year as a trend). In the second model, we include electoral controls (Mandates in the municipality, the Number of Chairmen, and the Number of Parties). In the third model, we include a range of background variables (Population, Area, Share of Immigrants, Operating Expenses per Person, Expenses to Service per Person, and Average Taxes per Person), and in the fourth model we include Lead Variables (Mandates in t+1, Share of Mandates in t+1, Elected in t+1, Voteshare in t+1, Votes in t+1, In an Electoral Alliance in t+1, Number of Parties Running in t+1).

The inclusion of control variables generally renders very similar results to the main specifications, albeit the estimation becomes somewhat more efficient. The only marked difference is the model including background variables, where the MSE-optimal bandwidth is much smaller, causing the results to the estimates to be somewhat larger, albeit in the direction expected in our hypotheses.

Table R1: RD effect of being elected to city council at t on being in coalition at t+1 for groups of parties

Controls	Party Group	Estimate	p-value	95% CI	h	Obs. control	Obs. treatment
Year	Challenger Parties	0.233	0.00244	[0.082;0.384]	0.0167	118	103
Electoral variables	Challenger Parties	0.19	0.0155	[0.036;0.345]	0.0171	125	106
Background variables	Challenger Parties	0.323	0.0014	[0.125;0.52]	0.0112	48	53
Lead variables	Challenger Parties	0.188	0.0143	[0.038;0.338]	0.0173	125	106
Year	Dominant Parties	-0.113	0.301	[-0.326;0.101]	0.0139	189	224
Electoral variables	Dominant Parties	-0.0989	0.362	[-0.311;0.114]	0.0143	193	230
Background variables	Dominant Parties	-0.355	0.0904	[-0.767;0.056]	0.00712	82	76
Lead variables	Dominant Parties	-0.143	0.126	[-0.326;0.04]	0.0159	214	250
Year	Small Dominant	-0.129	0.34	[-0.394;0.136]	0.0132	147	137
Electoral variables	Small Dominant	-0.119	0.3	[-0.344;0.106]	0.017	187	172
Background variables	Small Dominant	-0.76	0.00107	[-1.216;-0.305]	0.00643	56	43
Lead variables	Small Dominant	-0.131	0.261	[-0.359;0.097]	0.0142	155	147

Note: Running variable is party's margin to get represented in the city council, outcome is joining the coalition (dummy = 1) or not (dummy = 0) in the following election. Estimate is the average treatment effect at the cutoff estimated with the polynomial specified in polynomial order using triangular kernel and MSE-optimal bandwidth. Column 4-8 report 95% heteroskedasticity-robust confidence intervals, heteroskedasticity-robust p-value, main optimal bandwidth, control observations within bandwidth, and treated observations within bandwidth.

S Re-election of individual candidates

The table below show the re-election rates for the elected candidates based on data from Statistics Denmark. As can be seen from this table there are not large differences across the parties. The large dominant parties in the top row have slightly higher reelection rates, but comparing the small dominant and the challenger parties they are all pretty similar. In fact, both of the challenger parties we focus on in the paper have reelection rates below the candidate average across all parties. This suggests that the differential effects of legislative incumbency is not caused by differences in the extent to which candidates from dominant and challenger parties are themselves legislative incumbents.

Table S1: Percent of Elected Candidates Who are Reelected

Party	**Mean**
Social Democratic Party	0.50
Socialist Peoples Party	0.35
Liberal Party	0.46
Social Liberals	0.39
Conservative Party	0.41
Danish People's Party	0.42
Red/Green Alliance	0.34
Candidate average	0.45

T Validation of VAA party position estimates

In Figure T1, we show how party-level position estimates from our Voting Advice Application (VAA) data compare to estimates from an expert survey, the 2019 Chapel Hill Expert Survey (CHES) (Bakker et al. 2020).

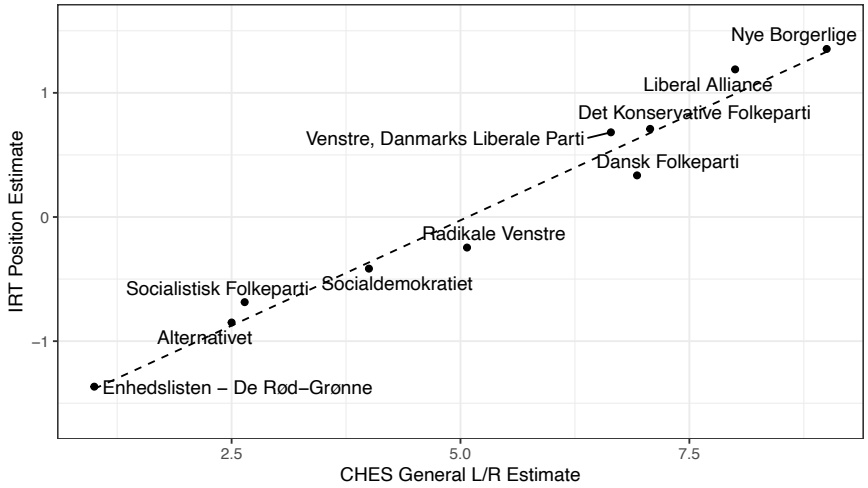


Figure T1: Party position estimates based on the 2019 Chapel Hill Expert Survey (CHES) vs. party positions based on IRT model estimates from candidate surveys. The dashed line represents the line of best fit.

We aggregate all our municipality-year-specific observations to one set of party-level observations and compare these to expert estimates of parties' general left-right positions (`lrgen`) in the 2019 CHES data. We use the 2019 CHES data rather than 2014 because the former contains an estimate for *Nye Borgerlige*, making for a more high-powered test of how well the estimates correspond. As Figure T1 shows, the two sets of estimates correspond very closely: the R^2 between the two is .97.

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