HOW INSIDER PARTIES INTERACT WITH OUTSIDER PARTIES
A Dynamic Model of European Party Systems

PROF. RICHARD ROSE FBA
CSPP U of STRATHCLYDE RSC EUROPEAN U. INSTITUTE
prof_r_rose@yahoo.co.uk

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2. **OVERVIEW**

**OBJECT**
To model how the dynamic interaction of Insider and Outsider parties affects party systems and government

**PARTIES**
Seek votes & office within a liberal democratic framework

Insider Club of parties has oligopolistic control and responsible for government (cf. Mair)

PARTY SYSTEM
Competitive exchange of votes and government offices within and between Insider and Outsider groups of parties

Open to entrants, departures, mergers

All parties subject to dynamic political, social & economic environment

METHOD:
Define above terms and their systemic relationship

Universe: 29 old and new European democracies. Elections over two decades; six latest up to 12/2018.

Measures: Party: Wins 2 or more seats in at least one election
Insider: Participates in government at least one year in past two decades.
3. **PARTY SYSTEM IN A STABLE EQUILIBRIUM**

*H 1 If changes occur in the environment, rational party leaders adapt to maintain oligopolistic control of government (Schumpeter, 1952)

Stable equilibrium not static. Consistent with:
- Low volatility (Lipset-Rokkan freezing hypothesis)
- High volatility (USA, UK)

Key empirical proposition: Control of government rotates between a fixed set of Insider parties.
- Fits 5 of 18 Old Democracies, eg, Germany, Malta, Portugal
- Totally rejected in New Democracies: fits 0 of 11
CAUSES OF PARTY SYSTEM CHANGE

H 2  If Insider parties become introverted (responsibility for government crowds out responsiveness to changes in electoral, their vote falls.

*Vote falls in 16 of 18 Old Democracies over two decades.
  Down more than 20% in 4 countries, e.g., Spain, France
  Down more than 10% in 7 countries, eg, Sweden, Germany
  Insignificant (less than 5%) in 5 e.g. Norway
  Insignificantly up in 2 countries eg Malta

*In Eastern Europe the legacy of transformation in 1990s has been an obstacle to the creation of stable party systems (Rose & Munro, 2009 Part One).

H 3  If Insider support falls, political entrepreneurs form new parties

In old democracies, an average 5 new parties formed
  Range: 0 Norway to 17 in Spain and France

In new democracies, an average of 15 new parties formed
5. **SELECTIVE ADAPTATION**

**H 4** To maintain control of government, Insider parties will selectively expand their oligopoly to include an Outsider party

Gatopardismo:: Selective adaptation is intended to lead to new stable equilibrium while leaving important things the same. Cf. Lampedusa, *The Leopard*.

**H 4a** If an Outsider party wins enough votes to affect control of government, it is accepted as an Insider party.

Happens in one-third of Old Democracies, e.g. Austria

In default of stable equilibrium, happens in all New Democracies
6. WHAT HAPPENS TO OUTSIDERS THAT DON’T BECOME INSIDERS?

H 5a  (Flash party) If an Outsider party does not win enough seats to part of government, it drops out.

H 5b  (Satisficing party) If seats in Parliament are sufficient to satisfy a party, it will be a long-term Outsider

Old Democracies
Satisficing parties in 16 of 18 countries, eg, SNP, Die Linke
Flash parties in 11 countries; 44% of all Outsiders in two decades

New parties (37%): Fought latest election, not first election

New Democracies
Satisficing parties in only 3 of 11 countries
Flash parties a majority of outsiders (32 of 60)
New parties: Two-fifths of outsiders

NB: Absorbed parties (29) almost as numerous as Flash parties
7. DEMOCRATIC CARTEL

PARIAH PARTY: Insider parties treat an Outsider party as ineligible to participate in a government coalition.

H 6 If an Outsider party expresses values deemed inconsistent with liberal democracy, Insiders will form a coalition to exclude it.

NB: Definition subjective, disputed (Sweden), changeable (e.g. Finland)

Applies in Belgium, France, Germany, Ireland

Disputed in Austria, Sweden

Changeable:
  In past: Austria, Netherlands.
  In future: Ireland? Others: ?????
8. TRANSFORMATION OF PARTY SYSTEM

Transformation defined: Outsider parties gain chief offices of state.

H 4 The more voters feel Insider parties are collectively unresponsive, the more likely the vote for Outsider parties rises to the point it claims the chief office of state (prime minister, president)

Examples: France. Greece. Italy. Hungary. Poland

NB: Transformation a one-off event. Dynamic consequences

*New normal: stable, adaptive equilibrium:

Democratic: Greece. Poland?
Undemocratic: Hungary

*Churning: Volatility within and between Outsiders and Insiders:

Short term: France. Italy.

Long term: Eastern European party systems lacking two or more stable Insider parties

*Stabilizing Politically significant growth in vote for stable Insider parties

*Destabilizing: Spain
9. **EMPIRICAL CONCLUSIONS**

Avoid empirically false theoretical assumptions

*The Insider share of vote is similar across Europe. NB: It varies widely

*There is a steady trend down in the Insider vote and a trend up in the vote for Outsider parties. NB: Three categories of party systems: Substantial, if unsteady movement up, down or no significant change.

**Differences in Party System Dynamics**

*Stable equilibrium: e.g. Malta

*Selective co-option of Outsiders: Nordic countries. Austria

*Democratic cartel: Germany, Ireland, Sweden

*Transformation: France, Greece, Italy
9. EMPIRICAL CONCLUSIONS

Configurative Methods and Models

*Models identify what change has to be explained, past/ present

*The future of national party systems involves uncertainties, not statistical risk in the absence of enough cases and the failure of ceteris paribus conditions to be meet over decades or centuries.

*Models can identify what has to change for a future change in a national party system and evidence can be used to evaluate vulnerability to change:
   E.g. Spain is more vulnerable than Germany to system change.

   Ireland is more vulnerable than Hungary to cartel break down