



Incumbency effects in government and opposition: Evidence from Germany

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ARTICLE INFO

Article history:

Received 3 May 2013

Received in revised form 24 July 2014

Accepted 24 July 2014

Available online 1 August 2014

JEL classification:

H10

H11

H77

Keywords:

Incumbency advantage

Regression discontinuity design

Federal elections

State elections

ABSTRACT

Do district incumbents in an election have an advantage, and if so, do these advantages depend on which party is in government? We estimate the incumbency effect for the direct district candidates in German federal and state elections using a regression discontinuity design (RDD). When studying the heterogeneity in these effects, we find that incumbents from both large parties, the center-right CDU and the center-left SPD, have an advantage only if the SPD is in government. This effect is robust and shows even in state elections that are unrelated to federal elections.

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1. Introduction

There are still new and interesting questions regarding the incumbency advantage in elections to be investigated. For instance, how does the incumbency effect for district representatives differ by the party in government? In this paper, we use data from German federal and state elections to assess this potential heterogeneity in the incumbency effects of district representatives. We find that an incumbency advantage (for both parties) is only observable when a specific party is in government. We show that this is not merely a time effect, but also observable in state elections that are unrelated to federal elections, as German states have their own parliaments, their own district candidates and their own governments.

In a two-party system, incumbency effects for one party's candidates are always the mirror image of the other: if candidates of one party have an incumbency advantage, that is, their candidates do relatively better if this party already won the last election, then their candidates do relatively worse in districts where the other party won the last election.¹ This constitutes a fundamental problem in the identification of heterogeneous incumbency effects by specific parties.² One can, however, investigate whether incumbency effects

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¹ Even though the German system is not a pure two-party system, the district candidates come to an overwhelming degree from the two largest parties, and hence, in the RDD analysis, we come close to this two-party situation. However, when we discuss potential mechanisms that may explain our results, we also find that competition from a third party ("the left") may be of importance. To that degree, it will be important that the German case is not a two-party example.

² In Section 2, we provide a more formal treatment as to which incumbency effect can be identified.

exist in specific periods, but not others, whether there is *heterogeneity* in the incumbency effect across time. And if so, whether this timing is systematically related to which party was in government.

We estimate the average incumbency effects as well as heterogeneous effects (by party in government) for direct candidates of German federal elections between 1976 and 2009 and state elections between 1994 and 2009. Direct candidates in the German electoral system are part of the respective parliament that in turn elects the government. The overall distribution of seats between the parties is (mostly) decided in a second ballot, that is unrelated but cast simultaneously to the election of the district representative. In state elections, district candidates are part of the *Landtag*, the state parliament; in federal elections, they are part of the *Bundestag*. When we use the party in government, we always refer to the government on the respective level. We use a regression discontinuity design (RDD) and make use of the fact that district candidates are elected by a first-past-the-post system and estimate the effect from observations when a candidate just lost or just won an election. This makes the variation in incumbency status arguably as good as random, as we confirm through a battery of validity checks.

The contribution of this study is twofold. First, we confirm average incumbency effects for German federal elections and we are first to analyze the incumbency advantage also in the context of German state elections. Second, we identify important heterogeneity in those incumbency effects. The candidates of both parties, the center-right Christian Democrats (CDU)³ and the center-left social democrats (SPD)⁴ only have an incumbency advantage when the SPD is in government. This effect shows not only in the federal elections, but also in state elections which are held independent. We explore whether the effect might be driven purely by the SPD because of the increased competition from the left side of the political spectrum. We find three facts in favor of this hypothesis: (1) the effect exists only after reunification, (2) the effect is stronger in the formerly socialist East than in the West and (3) the vote share of “the left”⁵ party is directly affected by an SPD incumbent if the SPD is also the governing party.

Our findings suggest that average incumbency effects may not be the whole story. If incumbency effects are significantly heterogeneous, average effects may be uninformative about the potential mechanisms for why incumbents seem to have an advantage. For instance, it is unlikely that the effect in our paper, that only exists if the SPD is in government, is purely driven by, say, name recognition, media coverage or general pork barrel spending in the districts (see, e.g., for instance Cover, 1977; Krehbiel and Wright, 1983; Cain et al., 1984; Cox and Katz, 1996; Bickers and Stein, 1996; Levitt and Wolfram, 1997; Ansolabehere et al., 2000; Cox and Katz, 2002; Ansolabehere et al., 2006 and Stratmann, 2013). Also, the literature that has documented how incumbency effects relate to the role of advertisement, to campaign spending and/or to legal restrictions to campaign contributions or ballot access (see Stratmann, 2005, 2006, 2009, 2010; Houser et al., 2011; Fink, 2012) has not considered how those influences may differ by which party holds the government. While we highlight one potential driver, namely political competition, that may explain the type of heterogeneity that we find, our results also indicate that further research should explore how the above mechanisms of incumbency effects interact differently with party government status.

Our paper is further linked to two incumbency-related strands of literature: to the empirical estimation of incumbency effects in general and to papers that try to investigate the heterogeneity of incumbency effects. A large strand of literature in political science investigates the issue of incumbency empirically.⁶ Lee (2008) was first to use an RDD to estimate the causal effect of incumbency on subsequent election outcomes. Using data from the US House of Representatives, he finds a sizable incumbency effect of a 45 percentage point higher probability of winning the next election.⁷

There is also some empirical literature on incumbency effects for Germany. Hainmueller and Kern (2005, 2008) use an RDD and federal election data to show an average incumbency effect of 1–2 percentage points (in vote share). Our work is closely related to theirs, but we use slightly different time periods and investigate the heterogeneity of the effects with respect to the party in government.⁸ For local mayors in Germany, Freier (2011) estimates an effect of 38–40 percentage points in the probability of winning. Meanwhile, there is no empirical study that we know of that investigates the incumbency effect in German state elections.⁹ Also note, that we estimate party incumbency effects (as does the entire literature that uses RDD) as opposed to the individual legislator incumbency advantage that is common in the political science literature.¹⁰

Finally, our paper is related to the literature that tries to identify heterogeneity in incumbency effects. A number of studies, for example, have investigated heterogeneity over time and found that incumbency advantages seem to increase over past periods.¹¹ This is of particular interest to our results as we also found larger incumbency effects in the later periods. In another related paper, Snyder and Hirano (2009) investigate the heterogeneity of incumbency advantages regarding competitiveness and budget size and find sizable differences. To the best of our knowledge, the heterogeneity that we investigate – the governing party – is not studied in any existing rigorous empirical research design.

³ *Christlich Demokratische Union* (CDU) and its Bavarian branch *Christlich-Soziale Union* (CSU) are referred to as Christian Democrats or CDU for simplicity.

⁴ *Sozialdemokratische Partei Deutschlands* (SPD).

⁵ *Die Linke* (in English: the left) was previously called *Partei des Demokratischen Sozialismus* (PDS). ‘The Left’ is used for simplicity.

⁶ See for instance Mayhew (1974), Jacobson (1987), Gelman and King (1990), King and Gelman (1991), Ansolabehere et al. (2000) and Ansolabehere and Snyder (2004). Also see the papers mentioned above.

⁷ Empirical studies that use close elections as a source of exogenous variation are not without controversy. Caughey and Sekhon (2011) and Grimmer et al. (2011) report that those candidates in the US House that barely lost and those that barely won are by no means identical on average. Snyder et al. (2011) as well as Eggers et al., forthcoming argue in response that this critique is confined to the particular setting of the U.S. House elections and the imbalance may be a rare statistical artifact. Interestingly, they also show that in German federal and local elections the close election RDD approach is valid. To further underscore these findings, we provide several validity tests to show that our design does not suffer from problems.

⁸ Hainmueller and Kern use data for the time period between 1961 and 1998. However, they exclude 1976 and 1980 because of redistricting issues.

⁹ Note that there are also a number of papers that highlight the importance of partisan effects in Germany (see Potrafke, 2011, 2012).

¹⁰ We discuss the distinction further in the empirical part. For a more detailed discussion on the differences, see Caughey and Sekhon (2011).

¹¹ See Cox and Katz (2002), Jacobson (1987), Mayhew (1974), Ansolabehere et al. (2001) and Krehbiel and Wright (1983).

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