

## Institutional incentives for strategic voting and party system change in Portugal

Gschwend, Thomas

Veröffentlichungsversion / Published Version

Zeitschriftenartikel / journal article

Zur Verfügung gestellt in Kooperation mit / provided in cooperation with:

SSG Sozialwissenschaften, USB Köln

### Empfohlene Zitierung / Suggested Citation:

Gschwend, T. (2007). Institutional incentives for strategic voting and party system change in Portugal. *Portuguese Journal of Social Science*, 6(1), 15-31. [https://doi.org/10.1386/pjss.6.1.15\\_1](https://doi.org/10.1386/pjss.6.1.15_1)

### Nutzungsbedingungen:

Dieser Text wird unter einer Deposit-Lizenz (Keine Weiterverbreitung - keine Bearbeitung) zur Verfügung gestellt. Gewährt wird ein nicht exklusives, nicht übertragbares, persönliches und beschränktes Recht auf Nutzung dieses Dokuments. Dieses Dokument ist ausschließlich für den persönlichen, nicht-kommerziellen Gebrauch bestimmt. Auf sämtlichen Kopien dieses Dokuments müssen alle Urheberrechtshinweise und sonstigen Hinweise auf gesetzlichen Schutz beibehalten werden. Sie dürfen dieses Dokument nicht in irgendeiner Weise abändern, noch dürfen Sie dieses Dokument für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, aufführen, vertreiben oder anderweitig nutzen.

Mit der Verwendung dieses Dokuments erkennen Sie die Nutzungsbedingungen an.

**gesis**  
Leibniz-Institut  
für Sozialwissenschaften

### Terms of use:

This document is made available under Deposit Licence (No Redistribution - no modifications). We grant a non-exclusive, non-transferable, individual and limited right to using this document. This document is solely intended for your personal, non-commercial use. All of the copies of this documents must retain all copyright information and other information regarding legal protection. You are not allowed to alter this document in any way, to copy it for public or commercial purposes, to exhibit the document in public, to perform, distribute or otherwise use the document in public.

By using this particular document, you accept the above-stated conditions of use.

Mitglied der  
  
Leibniz-Gemeinschaft

## Institutional incentives for strategic voting and party system change in Portugal\*

Thomas Gschwend *University of Mannheim*

### Abstract

*Looking more closely at the way people form expectations about the possible outcome of the election in their electoral district I will provide evidence for the first time that strategic voting can be observed and predicted even in PR systems with large districts magnitudes, such as in Portugal. Employing district-level data from 1975–2002 I estimate that a party, who is expected to win no seat, will be strategically deserted on average by about 3 per cent of the voters. This number does systematically vary with the district magnitude of each district. Nevertheless even in Portugal's largest electoral district, Lisbon, strategic voting can be observed to have a systematic impact on parties vote shares. Moreover there is evidence that strategic voting can partly account for the majoritarian trend that can be observed within the Portuguese party system.*

### Keywords

elections  
proportional  
representation  
strategic voting  
party systems  
electoral behaviour

### Relevance of strategic voting in Portugal

Do voters in Portugal try to avoid wasting their vote on uncompetitive parties? The Portuguese electoral system is known to be one of the most disproportional PR list systems in Europe (Freire 2006). Thus, votes of large parts of the electorate are apparently cast for parties that do not gain representation in parliament. This has, of course, important implications for the responsiveness of the political system. The signal voters can send by casting their votes for particular parties might be seriously biased in the aggregate after the translation into legislative seats. Only certain parties will be able to influence both agenda and the policy-making process in parliament and, therefore, are able to make transparent these signals.

Although we know that naively applying behavioural theories without reference to the institutional embeddedness of the act of voting is misconceived, for the case of Portugal it seems safe to assume that most voters cast a *sincere* vote—that is, they vote for their most preferred party. These voters are motivated by expressive concerns, to make their votes count instead of ensuring that their votes actually count. Conversely, *strategic* voters in Portugal trying to avoid wasting their vote cast their votes for another party than their most preferred one if they thus expect it to be more likely to influence the outcome of the race in their electoral district.

\* The author wishes to thank André Freire, José Pereira and Ana Espírito Santo for providing the data and helpful comments as well as Anne Hasel for research assistance.

They make sure that their vote counts, as opposed to being merely counted by casting a sincere vote. Even a small number of strategic voters in PR systems might have a large impact on the election outcome in their electoral district, though. Moreover, a small number of voters might also determine the fate of a particular coalition government. Over time, strategic voting might also cause small parties to eventually fall by the wayside. Thus studying strategic voting seems to be *a priori* relevant for the study of party systems and its consolidation even in PR systems such as in Portugal.

### **The incentive structure**

What are the incentives that the electoral systems provide to voters to deviate from their most preferred party? In general, in PR systems even marginal parties have chances to gain seats and to represent the opinions of their voters. Therefore, such an electoral system does not provide strong incentives for marginal party supporters to cast a strategic vote. The comparative literature on electoral systems argues, going back at least to Leys (1959) and Sartori (1968), that the smaller the district magnitude is—that is, the fewer seats are awarded at the electoral district level—the stronger the incentives to vote strategically. Although this hypothesis is developed to assess the incentives across a variety of electoral systems, it should also apply to electoral systems that do not award the same number of seats at every electoral system.

The electoral institutions in Portugal are particularly interesting in that regard. Since 1975 the range of the district magnitude has been rather wide. Across all 20 electoral districts and all elections between 1975 and 2002 the district magnitude ranges from a minimum of three (Portalegre since 1985, Beja since 1999 and Évora since 2002) to a maximum of 58 (Lisbon in 1976). Given the Leys-Sartori conjecture is supported, we should expect to find more strategic voting the smaller the district magnitude. Nevertheless, the literature claims that strategic voting supposedly fades out when district magnitude is greater than five because the informational requirements for voters become too high in order to realise the incentives that are provided in districts with a large district magnitude (Cox 1997: 100; Cox and Shugart 1996; Sartori 1968: 279). Simply put, it is (too) difficult for voters to figure out which party is marginal. Thus they cannot systematically try to avoid wasting their vote. Evidence to support this claim is stemming from Japanese and Colombian district-level results (Cox 1997: Chapter 5, Cox and Shugart 1996) as well as electoral returns in Spanish districts (Cox 1997: 115–117, Gunther 1989). At first sight, this argument seems plausible. Nevertheless the question, then, is, why forming expectations suddenly becomes so difficult that, according to this line of reasoning, one expects some strategic voting in districts with magnitude four but no longer in districts with district magnitude six and higher.

My argument will be that the literature does not provide sufficiently solid microfoundations for macro-level relationships between electoral system characteristics and implications of the nature of party systems, such as conditions under which certain parties are strategically deserted.

To understand the influence of institutional incentives that are at work, one has to look more closely at the decision-making process of voters.

### Micro-foundation and the role of expectations

Following the wasted-vote logic, strategic voters in Portugal vote for another party than their most preferred one if they thus expect it to be more likely to influence the outcome of the race in their electoral district. Thus, besides party preferences the main factor that proves to be important for an individual's decision-making process are subjective expectations-whether a vote for someone's most preferred party will be wasted. If we are willing to assume that voters try to maximise their expected utility from voting then we can conceptualise the expected utility in the following way: every voter derives a higher utility from voting for a particular party the more this party is preferred over any other party, assuming that this party gains a seat in the voter's electoral district in the first place. However, without gaining any seat in the voter's electoral district, the utility derived from a wasted vote for this party will be much smaller-or even zero-if the voter is not expressively motivated.<sup>1</sup> Since not all parties will necessarily gain a seat in the voter's electoral district, the additional utility a voter derives from voting for a party that gains a seat in the voter's electoral district is uncertain. Thus the expected utility a voter derives from voting for a party is the product of the utility, given that this party will gain at least a seat in the voter's electoral district, weighted by the voter's expectation that this party will actually gain at least a seat.

How do voters form these expectations? There are at least two conceivable processes: on the one hand, independent of which party is most preferred, the larger the district magnitude the lower the threshold for any party to gain seats and thus the higher their supporters expectation that their vote will not be wasted (Sartori 1968: 279)-consequently, voters should be more aware that they potentially waste their vote in smaller districts than in larger districts because parties, and the media are more likely to highlight this effect in smaller than in larger districts.

On the other hand, independent of the district magnitude of voters' electoral district, even inattentive voters – as 'cognitive misers' (Fiske and Taylor 1991) – are likely to employ heuristics, such as the *electoral history heuristic* (Gschwend 2004) to generate reasonable expectations whether their most preferred party is able to win a seat in their electoral district. Although the process of expectation formation is unobservable, this heuristic implies that voters' expectation whether their most preferred party will gain a seat in their electoral district in the upcoming election should be much higher if this party has previously gained a seat in this district. The consequences of employing this heuristic to generate expectations are independent from characteristics of the electoral district. It should not be harder for voters in Lisbon (large district) than for voters in Beja (small district), since they only care about the prospects of their most preferred party. Thus, contrary to the reasoning in the literature (Cox and

1 The voter could derive a non-zero utility from wasting the vote simply for expressive reasons, i.e., because he or she feels good about voting for (e.g., in order to build or maintain a firm political identification that simplifies the political realm) or against a particular party.

Shugart 1996: 311; Cox 1997: 100), voters might even cast a strategic vote in large districts, given that they expect their most preferred party not to gain representation in their electoral district.

To sum up, there is a process at the district level, which characterises the nature of the district race. The potential for any vote to be wasted is *a priori* higher in smaller districts than in larger ones. Thus, political parties and the media should be all the more motivated to make voters aware of the wasted-vote context in smaller districts. Thus, this process facilitates voters to form clear expectations. Although the average voter might be more aware of the possibility to waste their vote, there is a second process at the individual-level. Voters have to assess whether their most preferred party will gain a seat in their electoral district in the upcoming election. Since both processes operate at different levels simultaneously, they presumably interact.

Because these processes are unobservable, I will focus on their observable implications at the district-level in order to derive hypotheses about their consequences for what is politically relevant: party vote shares and ultimately, party system change. If voters expect their most preferred party to gain no seat, they should desert this party and vote strategically for another party in order to avoid wasting their vote. Thus, above and beyond the normal level of support one otherwise expects, *parties in danger of not winning representation should get punished by strategic desertion and lose votes to parties that are expected to gain seats*. Moreover, both processes, which facilitate voters to form expectations about the possibility of wasting their vote on their most preferred party, should interact. Thus, *parties in danger of not winning representation should get punished more by strategic desertion and consequently perform worse the smaller the district magnitude is. Conversely, parties not in danger of losing representation will benefit from strategic voting in such districts*. In addition to the votes of their loyal supporters, these parties are favoured by strategic voters who try to avoid wasting their vote.

### **Party vote shares and strategic voting**

Since I traced observable implications of the unobservable expectation formation process to the district-level to predict party vote shares, I will use district level results for all parties from 1975–2002 in order to test my hypotheses (see Table 1).

Following the presumed logic laid out previously, voters can only form expectations about the possibility that their vote might be wasted if the party they prefer has contested the same electoral district in the previous election. Thus, my theory cannot predict party vote shares for the first election a party does contest a particular electoral district. Nevertheless, I will end up with  $N = 1477$  cases of parties contesting one of 20 electoral districts. Even a party's election result of the first time it contests a particular district is relevant in two ways for my analysis, though.

First, what would happen if voters do not care about forming expectation and try to avoid wasting their votes? They simply cast their votes for the party they favour most. The observational implication of this at the

Party	1975	1976	1979	1980	1983	1985	1987	1991	1995	1999	2002
PS	20	20	20	2	20	20	20	20	20	20	20
FRS				18							
UEDS			18								
PPD+PPD/PSD	20	20	2	2	20	20	20	20	20	20	20
CDS+CDS-PP	20	20	2	2	20	20	20	20	20	20	20
AD			18	18							
PPM	12	20			16		20	20		13	16
CDU							20				
PCP-PEV								20	20	20	20
APU			20	20	20	20					
PCP	20	20									
MDP+MDP/CDE	20						20				
BE										20	19
BE-UDP											1
UDP	10	19	20	20	17	20	20	2	20		
PSR			20	20	17	20	19	20	20		
PCTP/MRPP			20	20	20	20	20	20	20	20	20
PCP-ML		14									
MRPP		20									
PDC – RIGHT		17	17	19	19	20	20				
MPT – RIGHT									5	20	19
PPM-MPT – RIGHT									6		
PDA – RIGHT				6	3			11	3	1	
PNR – RIGHT											6
PSN – RIGHT								19	13	15	
POUS – LEFT			5	20	20	20	7			6	8
OCMLP – LEFT			5	5	13						
PRD – LEFT						20	20	20			
PCR – LEFT						17	17				
AOC – LEFT		18									
FEC – LEFT	12										
FER – LEFT								5			
FSP – LEFT	15	18									
LCI – LEFT	4	18									
LST – LEFT					19						
MES – LEFT	14	20									
PH – LEFT										7	18
UDPSR – LEFT					3						
PRT – LEFT		4									
PT – ?				20							
PUP – ?	7										
PG – ?									8		
MUT – ?									4		

Table 1: Number of electoral districts a party did contest.

district level would be that party vote shares are predictable by past performances in that district. Thus, I take a party's previous vote share in a given district as a measure of the normal vote baseline (NORMAL VOTE) a party could reasonably expect. Such a measure of the latent level of sincere party support is necessary to not falsely overestimate the effect of strategic voting for (or against) a party in a given district. At the same time, it is a very conservative measure since it assumes that everybody voted sincerely the previous time. This measure, therefore, potentially underestimates the number of strategic votes.

Second, in order to form an expectation of whether a vote for the most preferred party is wasted, a typical voter following the electoral history heuristic will look back at the previous election result: how many seats did a party get previously? The voter will be more likely to cast a strategic vote if their most preferred party did not get any seat the last time in a given district. Thus, in order to test the hypothesis that parties expected to be in danger of not winning representation should get deserted by strategic voters, we include a dummy variable (EXPECTATION) that scores '1' in a given district if a party had gained no seat in the previous election in that district. The distribution of this variable across parties is shown in Table 2.

There is considerable variance across parties. Apart from the 18 districts the AD did contest in 1980, all parties in Portugal have at least once contested an electoral district without winning a single seat there before. Parties in such districts are likely to be strategically deserted at the next election by some of their supporters because they expect their vote to be wasted. Conversely, there are apparently several parties who have never managed to win even a single seat in an electoral district. The support of these parties should diminish over time, or their supporters derive a particular high utility based on either expressive motifs or to secure side-benefits (such as financial compensation), from wasting their vote on these parties.

To test the second hypothesis that parties in danger of not winning representation perform worse while parties who are expected to gain seats should benefit from strategic voting, the smaller the district magnitude is, one has to account for the size of the district magnitude ( $M$ ) in the model. It is likely that the marginal impact of district magnitude  $M$  on party vote shares at the district level diminishes if  $M$  gets larger (Monroe and Rose 2002; Taagepera and Shugart 1989). Therefore, I logistically transform the district magnitude ( $\log(M)$ ) to account for that. To test for the conditionality of the hypothesised strategic desertion effect a product term with EXPECTATION will be necessary.

Finally, I also include time fixed-effects (YEARS) into the model since I will combine party vote shares from all elections to be as encompassing as possible and, at the same time, without violating the unit homogeneity assumption for pooling data.

The standard dependent variable in the literature, the effective number of parties, as an aggregate measure of the nature of district party competition,

Party	No. electoral districts party did won a seat previous election [EXPECTATION = 0]	No. electoral districts party did not won a seat previous election [EXPECTATION = 1]	Sum
AD	18	0	18
APU	36	24	60
BE	1	18	19
CDS	51	53	104
CDS-PP	17	23	40
FSP	0	15	15
LCI	0	4	4
MES	0	14	14
MPT	0	24	24
OCMLP	0	10	10
OCP	9	11	20
PCP-PEV	19	41	60
PCR	0	17	17
PCTP/MRPP	0	160	160
PDA	0	12	12
PDC	0	92	92
PH	0	7	7
POUS	0	66	66
PPD	17	3	20
PPD/PSD	122	2	124
PPM	0	97	97
PRD	18	22	40
PS	181	1	182
PSN	1	27	28
PSR	0	116	116
UDP	4	124	128
TOTAL	494	983	1,477

Table 2: Crucial districts across parties.

does not directly reflect my predictions—namely the amount of strategic voting that favours or penalises certain parties. This might be the primary reason why previous studies about strategic voting in Portugal failed to provide any evidence of strategic voting (Jalali 2002, cited in Freire 2006). Thus, contrary to previous research, a more appropriate candidate for a dependent variable,  $Y$ , is the district-level share of parties contesting a particular district. The general specification of the model is as follows:

$$Y = b_0 + b_1 \cdot \text{NORMAL VOTE} + b_2 \cdot \log(M) + b_3 \cdot \text{EXPECTATION} + b_4 \cdot \log(M) \text{ EXPECTATION} + \text{YEARS} + e$$

If parties are expected to not gain any seat, that is if the EXPECTATION scores '1' we get:

$$Y = (b_0 + b_3) + b_1 \cdot \text{NORMAL VOTE} + (b_2 + b_4) \cdot \log(M) + \text{YEARS} + e$$

Independent Variables	Dependent variable: party vote shares					
	Restricted model			Full model		
	Coeff.	Std. Err.	p-value	Coeff.	Std. Err.	p-value
NORMAL VOTE	0.894	0.019	0.000	0.881	0.020	0.000
ln(M)	***			-0.009	0.004	0.026
EXPECTATION	-0.027	0.008	0.000	-0.050	0.013	0.000
EXPECTATION x ln(M)	***			0.008	0.004	0.031
YEARS						
1976	0.004	0.005	0.450	0.004	0.005	0.379
1979	-0.023	0.006	0.000	-0.023	0.006	0.000
1980	-0.001	0.003	0.765	-0.001	0.003	0.837
1983	0.001	0.005	0.858	0.001	0.005	0.886
1985	-0.019	0.003	0.000	-0.020	0.003	0.000
1987	-0.001	0.004	0.813	-0.001	0.004	0.743
1991	0.006	0.004	0.171	0.006	0.004	0.156
1995	-0.003	0.010	0.737	-0.003	0.010	0.730
1999	-0.001	0.004	0.874	-0.001	0.004	0.868
Constant	0.031	0.008	0.000	0.054	0.013	0.000
N	1477			1477		
# Clusters	286			286		
R <sup>2</sup>	0.905			0.906		
Root MSE	0.051			0.051		

Table 3: Strategic desertion of party vote shares.

Table 3 shows the estimation OLS estimation results. All standard errors are clustered by party and electoral district to account for the non-independence in the data structure.

To evaluate the unconditional effect of expectations on the amount of strategic desertion of parties I first present the results of a restricted model, excluding the characteristics of the district magnitude. Not surprisingly, there is some kind of continuity when predicting a party's vote share at the district level. At the electoral district level, apparently the strength of a party in the previous election is a reliable predictor of future election results. On average a given party can rely on almost 90 per cent of its previous support for the next election.

Moreover, as expected the coefficient of EXPECTATION is negative. This indicates that parties in districts where they have not won any seat in the previous election are predicted to lose on average almost 3 per cent compared to those districts where their voters could expect the party to gain representation. Every party has die-hard supporters. Nevertheless above and beyond the normal vote baseline, these results indicate that on average three out of 100 of a party's potential supporters behave strategically and desert their party if they expect their vote to be wasted.

The impact of strategic voting is also conditional on the size of the electoral district. The estimation result of the full model does make transparent the empirical evidence to support this claim. As expected, the interaction

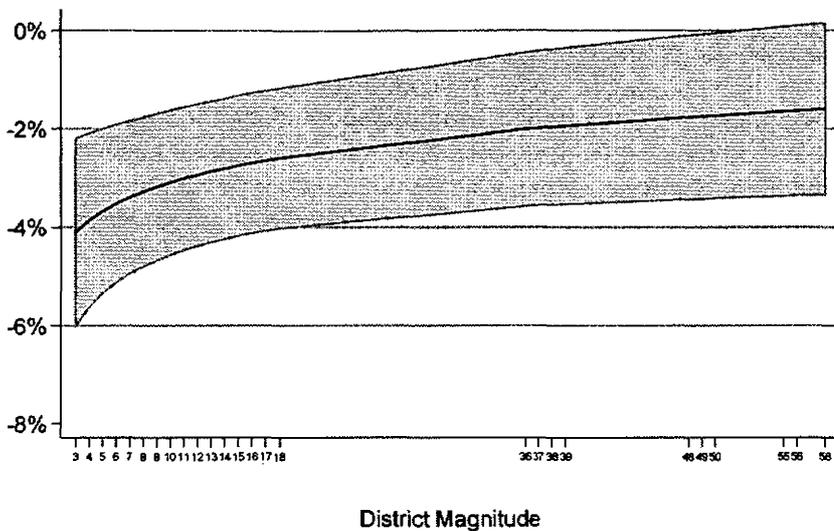


Figure 1: The conditionality of the strategic desertion effect.

effect of EXPECTATION and district magnitude is significant. Thus the strategic desertion effect depends on the magnitude of the electoral district. To make transparent the conditionality and the size of this effect I calculate the causal effect of EXPECTATION depending on the district magnitude, as the difference of the predicted vote shares in a given electoral district a party has to expect if it failed to gain a seat in the previous election as compared to a situation where this party did gain a seat in the previous election, that is

$$Y(\text{EXPECTATION} = 1) - Y(\text{EXPECTATION} = 0) = b_3 + b_4 \cdot \log(M)$$

Figure 1 makes transparent the conditionality of the strategic voting effect. The area between the 95 per cent-confidence intervals is shaded.

In Portugal's smallest electoral districts we find that more than four out of 100 supporters of any given party desert this party if they expect their votes to be wasted. The share of strategic voters for any given party will diminish the larger the district magnitude gets. Nevertheless, even in Lisbon, the largest electoral district in Portugal with a district magnitude of 48 (at the moment), the model will predict a small but systematic share of voters to cast a strategic vote.

Therefore, contrary to previous studies, there is conclusive evidence that there is some systematic strategic voting at the electoral district-level. Some Portuguese voters apparently try to avoid wasting their votes on small parties that are not expected to gain at least a seat in the voters' electoral district. The systematic desertion of small parties at the electoral district is a proposed individual-level mechanism. The consequences of this mechanism for party system change at the macro-level will be discussed in the next section.

## Party system change and strategic voting

What are the consequences of strategic voting for the party system in Portugal? While the first democratic elections in Portugal have seen a rather fragmented party system accompanied with high cabinet instability, various observers agree that since 1987 there has been a majoritarian trend in the Portuguese party system since 1987 along with increasingly stable governments (Lobo 2001, Magone 1999, Freire 2006, Magalhães 2003). At first sight, institutional effects cannot explain this trend. As the electoral system has not changed much. Moreover, the electoral districts remained the same although the respective district magnitudes varied slightly over time. The size of parliament shrunk from 250 seats to 230 (since 1991). Thus, given the stability of the institutional context, no large 'mechanical' effect is to be expected that may explain this majoritarian trend. Nevertheless, strategic voting—as this paper argues—crucially depends on 'psychological' effects: that is, how voters form expectations about the outcome of an election. In order to help producing a majoritarian trend, instrumental voters need to perceive the same parties as viable and, at the same time, expect their most preferred party to have little prospect of gaining representation or becoming part of the next government. Instead of wasting their votes on their most preferred party, instrumentally motivated voters try to make their vote count and cast a vote strategically for a less preferred but viable party. Thus, if strategic voting has the potential to at least partly explain why, since 1987, fewer parties earn more votes and small parties eventually winnow out, voters need to form similar expectations of which parties will gain seats in their district or who will be likely to be part of the next government. Using district-level data does not allow addressing this without making large assumptions. This should be done with individual-level data. The question whether voters strategically try to avoid wasting their vote are more likely to influence the race in their electoral district has been addressed above.

Although voters are apparently more likely to expect their votes to be wasted the smaller the magnitude is in their electoral district, the difference between large and small magnitudes is less interesting than the effect of expectations itself. Thus, in the following section I will focus on the effect of EXPECTATION at the district level: that is, the effect that parties which had gained no seat in the previous election will lose votes in the subsequent election. The proposed underlying mechanism generating this effect is that voters expect those parties to be unable to win a seat in their electoral district. A first indication that strategic voting could be a candidate to explain why there has been a majoritarian trend in the Portuguese party system since 1978, the effect of EXPECTATION should be higher since 1987 compared to previous elections. This can be tested by including the dummy variable 1987 AND LATER into the model, scoring 1 for every observation since 1987 and 0 otherwise, together with a product term with EXPECTATION. Consequently, if strategic voting of this type is higher since

Independent variables	Dependent variable: party vote shares					
	Baseline Model			Full Model		
	Coeff.	Std. Err.	p-value	Coeff.	Std. Err.	p-value
NORMAL VOTE	0.895	0.020	0.000	0.871	0.020	0.000
EXPECTATION	-0.011	0.006	0.059	0.003	0.008	0.727
1987 AND LATER	0.025	0.006	0.000	0.020	0.008	0.013
EXPECTATION × 1987 AND LATER	-0.028	0.006	0.000	-0.023	0.008	0.004
LEARNING				0.005	0.002	0.012
EXPECTATION × LEARNING				-0.004	0.002	0.020
CONTAMINATION				0.033	0.006	0.000
EXPECTATION × CONTAMINATION				-0.030	0.006	0.000
CONSTANT	0.013	0.006	0.022	-0.002	0.008	0.825
N	1477			1477		
# Clusters	286			286		
R <sup>2</sup>	0.905			0.907		
Root MSE	0.051			0.051		

Table 4: Strategic desertion and party system change.

1987, I expect the interaction effect  $EXPECTATION \times 1987 \text{ AND LATER}$  to be significantly negative. Moreover, as before, one still has to control for the share of the vote (NORMAL VOTE) a party could normally expect to gain in order to not falsely overestimate the effect of strategic voting. Thus, the model to analyse the impact of strategic voting for party system change becomes:

$$Y = b_0 + b_1 \cdot \text{NORMAL VOTE} + b_2 \cdot \text{EXPECTATION} + b_3 \cdot \text{1987 AND LATER} + b_4 \cdot \text{EXPECTATION} \times \text{1987 AND LATER} + e$$

Table 4 shows the OLS estimation results. All standard errors are clustered by party and electoral district to account for the non-independence in the data structure.

Strategic voting seems to be of more importance in elections held since 1987, while the role expectations play for the vote shares of parties that have not been able to win at least one seat in the previous election in a particular district is only marginally significant and small in absolute terms (about one percentage point) before 1987. Compared to elections up to 1985, the effect of strategic voting increases about 2.8 per cent. Since 1987, averaged across all parties that have not been able to win at least one seat in the previous election, one has to expect that those parties be strategically deserted by almost 4 per cent of their voters – almost four times the respective effect in elections up to 1985.<sup>2</sup>

How can this be explained? All political actors have to learn how to most effectively play the rules of the game defined by the electoral system. Parties might consider bargaining for particular pre-electoral coalitions at

2 Since 1987 averaged across all parties which have not been able to win at least one seat in the previous election one has to expect that those parties get strategically deserted by almost four percent of their voters (1.1 percentage points up to 1985 + an estimated increase of 2.8 percentage points results in an estimated effect of 3.9 percentage points) almost four times (3.9/1.1 = 3.5) the respective effect in elections up to 1985.

the district-level if they have otherwise no chance of gaining a seat there. They can also fine-tune their campaigns-sending district-specific signals to their supporters. The media also has to learn how to cover interesting developments and tight races at the district-level in addition to the campaign dynamics on the national scene. This way, the media can facilitate the formation of common voters' expectations for every electoral district in which party can be deserted and is expected to gain seats. Finally, voters themselves have to learn how to avoid wasting their votes and, in order to do that, need to form expectations about the likely outcome of the district race. Thus, parties, the media and voters have to learn the implications of the electoral rules-and this, presumably, takes a while. The more often a party competes in an electoral district, the easier it should be for voters to form expectations whether or not a vote for this party is wasted. Although it might take a while (for instance, supporters of PCP took longer because of their strong social-structural anchoring (Gunther and Montero 2001: 141) than those supporting the CDS. Small party supporters eventually learn that their votes are going to be wasted if their most preferred party has little chance of gaining at least a seat in the electoral district. Thus, in general, I expect *parties where voters had the opportunity to learn forming expectations about the parties' electoral success to be more strategically deserted if those parties failed to gain representation in the previous election than in districts where voters did not have the opportunity to learn forming expectations.*

To operationalise this learning process as an opportunity to form common expectations, indicated by the variable `LEARNING`, I simply count the number of elections a party has competed in a particular electoral district. The *District Learning Hypothesis*, then, is tested by also including the product term with `EXPECTATION` in the model. Consequently, I expect a significantly negative interaction term `EXPECTATION × LEARNING`.

Besides a district-specific learning effect that increases the substantive impact of strategic voting, the context of a particular parliamentary election might also facilitates strategic voting if voters can easier form expectations and distinguish parties that are able to win seats in an electoral district from those parties that do not. In presidential election years, the electoral context of a campaign should be different from other election years. Presidential elections are held as a two-round majoritarian system; consequently supporters of small parties will have to eventually vote for another candidate anyway, since their party's presidential candidate – if there is any – will have no chance to advance successfully to the second round of the election. For voters this can have two effects. First, some small party supporters might change their party preferences in favour of one of the main parties. This is not an unlikely scenario, particularly for many Portuguese voters given their relative weak ideological polarisation along the left-right cleavage compared to voters in other countries (Gunther and Montero 2001). Second, and less drastically, even if voters do not change their party preferences, their expectation formation process might nevertheless be particularly biased to reflect the strengths of parties at the

national level rather than the strengths of parties on the district level, which is relevant for the distribution of parliamentary seats. The media may also systematically facilitate processes, since the focus of their presidential election campaign coverage and the commentators will be on the major parties' candidates making it particularly hard for small parties to stay on-message even in the coverage of the parliamentary election campaign. Under the pressure of a presidential election, parties might also be more likely to think harder about their local campaign strategies or be more likely to form pre-electoral coalitions with other parties on the same ideological aisle (Freire 2006; Lobo 2001).

Given that presidential and parliamentary elections are held close together, the majoritarian tendency that is a concomitant phenomenon of a presidential election campaign should 'contaminate' (Shugart and Carey 1992: 239–242) the context of a parliamentary election for parties, the media and voters. This contamination effect should facilitate voters to form common expectations. Therefore, I expect *parties in 'contaminated' parliamentary elections to be more strategically deserted if those parties failed to gain representation in the previous election than in elections, where presidential and parliamentary elections are further apart*. In order to operationalise the contamination effect, I generate a dummy variable, CONTAMINATION, scoring 1, if presidential and parliamentary elections are held in the same election year. In those years, contamination should be greatest – no matter whether presidential or parliamentary elections are held first: the context through which voters form their expectations is contaminated in either case. The *Contamination Hypothesis*, then, is tested by also including the product term with EXPECTATION into the model. Consequently, I expect a significantly negative interaction term EXPECTATION × CONTAMINATION.

Both hypotheses relate strategic voting to party system change because they enable voters to form common expectations at the district level of which parties will be able to gain seats and which might partially explain why fewer parties earn more votes and small parties eventually winnow out. If those hypothesised factors account completely for the increased importance of strategic voting since 1987, then the interaction effect of EXPECTATION × CONTAMINATION should no be longer significant. In order to estimate a full model, I simply add the variables needed to test those two additional hypotheses to the baseline model. Consequently the full model becomes:

$$\begin{aligned}
 Y = & b_0 + b_1 \cdot \text{NORMAL VOTE} + b_2 \cdot \text{EXPECTATION} + b_3 \cdot \text{1987 AND LATER} \\
 & + b_4 \cdot \text{EXPECTATION} \times \text{1987 AND LATER} + b_3 \cdot \text{LEARNING} \\
 & + b_4 \cdot \text{EXPECTATION} \times \text{LEARNING} + b_3 \cdot \text{CONTAMINATION} \\
 & + b_4 \cdot \text{EXPECTATION} \times \text{CONTAMINATION} + e
 \end{aligned}$$

The OLS estimation results are presented in Table 4. Again, all standard errors are clustered by party and electoral district to account for the non-independence in the data structure.

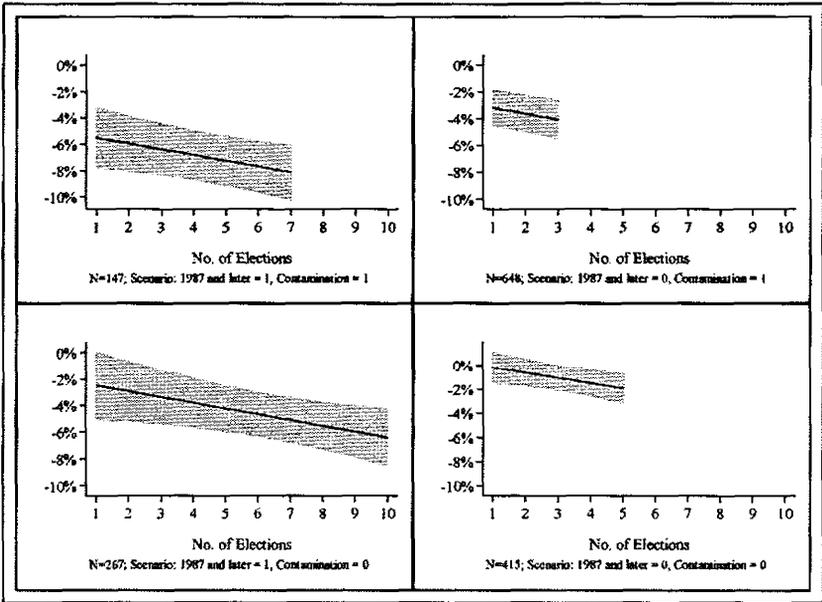


Figure 2: Strategic desertion and learning.

Table 4 makes transparent that strategic voting has at least some potential to explain why some parties will gain more votes over time while others winnow out. As expected, both hypothesised interaction effects are significantly negative. Since the substantive interpretation of the conditional effects is particularly difficult I present the size of the estimated causal effect of strategic desertion,  $Y(\text{EXPECTATION} = 1) - Y(\text{EXPECTATION} = 0)$ , based on the full model in Table 4 graphically in Figure 2. The area between the 95 per cent-confidence intervals is shaded.

The size of the causal effect of strategic desertion defines the vertical axes of all four panels in this figure—that is, the amount of strategic desertion averaged across all parties and all electoral districts a party has to expect if it failed to gain a seat in the previous election as compared to a situation where this party did gain a seat in the previous election. The size of the casual effect depends on the number of elections a party did compete in an electoral district (LEARNING) that defines the horizontal axes in all four panels. Based on the full model, four different scenarios have to be distinguished: whether one focuses on strategic voting since 1987 or before 1987 (left versus right column), or whether one is interested in effects of strategic voting in ‘contaminated’ versus other election years (upper versus lower row). Note that the number of cases differs across those four scenarios, and results are only presented if they actually occur in the data set—for instance, parties are able to compete in more successive elections at the district level since 1987 than before.

In all four panels we can see the predicted upward trend, indicating that parties have to expect a greater loss due to strategic desertion the

more often they compete there. The slope of those predicted scenarios is largest (in absolute terms) for observations in 1991 (i.e. observations in election years since 1987 in which presidential elections were also held). Based on these results, we would expect to see even stronger desertion of small parties if presidential and parliamentary elections were held in the same year sometime in the future. Furthermore, the simulated results of the lower right panel make an interesting feature of the learning effect of strategic voting transparent. In elections before 1987, where presidential elections were not held in the same year and if the number of elections a party competes is at most three, all respective 95 per cent-confidence intervals include the 0 per cent-line. Thus, the strategic desertion effect apparently takes at least four successive elections before voters learn how to avoid wasting their votes. In the period since 1987, as can be seen in the lower left panel, voters systematically desert hopeless parties in a given electoral district after the second successive competition.

To sum up, strategic voting even seems to have more impact on party vote shares since 1987. It can partially explain why-particularly since 1987-fewer parties earn more votes and small parties eventually winnow out. Nevertheless, looking at the significant  $\text{EXPECTATION} \times 1987$  AND LATER effect, neither proposed processes-a learning process at the electoral district level or a contamination effect, nor the combination of both processes does fully accounts for the majoritarian trend since 1987.

## Conclusion

Contrary to previous studies, I provide evidence for the case of Portugal that-despite weak institutional incentives-strategic voting is observable across all electoral districts. These incentives constrain an individual's decision-making process. The argument I developed here is that institutional incentives have an impact on the way voters form expectations about the outcome of upcoming elections. These incentives get channeled through the district: the situation in small districts is consequently different from large districts. Nevertheless, there is also a second process at work that has an impact on the way voters form expectations. Parties expected to be in danger of not winning representation get punished by strategic desertion – less so the larger the district magnitude is. Overall, the model predicts that almost 3 per cent of each party's vote share is lost due to strategic voting if voters do not expect a party to win at least a single seat in that electoral district. This number is highest (over 4 per cent) in Portugal's smallest electoral districts. Nevertheless, in all existing electoral districts the results indicate some non-trivial amount of loss due to strategic voting. Parties that are expected to win representation benefit from the strategic votes of those voters who try to avoid wasting their votes on their most preferred party. In this sense, these findings echo results from a comparable study on strategic voting using district-level data from Finland (Gschwend and Stoiber 2005).

A major alternative argument to the one proposed here would be if the voters do not react strategically to the institutional incentives of the electoral system, but merely the party elites. Strategic behaviour of parties is all the more likely if, on the one hand, there are strong party organisations firmly anchored in Portuguese society and, on the other hand, if voting behaviour is easily predictable at the district level. While the latter seems to be the case given the high coefficient of the normal vote baseline in the model, the former criteria seems not to hold. There is a proliferation of parties which come and go, rename themselves or coalesce with others. Clearly a more detailed study at the party level is needed in order to estimate the impact of strategic party behaviour. Nevertheless, the amount of strategic voting estimated here is a conservative since the strategic behaviour of party elites-building pre-electoral coalitions in order to maximise their prospects of getting seats in a particular district-does pre-empt strategic behaviour on side of the voters, since a vote for a pre-electoral coalition of parties is more likely not to be wasted.

Beside the theoretical interest in the evidence of strategic voting, particularly in an institutional context such as in Portugal, with large electoral districts, what is the impact of strategic voting for the party system? Particularly striking is the majoritarian trend in the Portuguese party system since 1987. The results are consistent with predictions that are generated by two different mechanisms: on the one hand, small parties winnow out, particularly in electoral districts where voters had the opportunity to learn forming expectations about the parties' electoral success because the party is regularly competing there. On the other hand, small parties winnow out and get particularly hurt by contamination effects associated with the majoritarian character of the presidential electoral campaigns when parliamentary and presidential elections are held in the same year. Nevertheless, more research is needed, particularly through making creative use of survey data to better account for the majoritarian trend of the party system. Strategic voting has only some potential to partly explain the concentration of the party system in Portugal since 1987.

## References

- Cox, G. W. (1997), *Making votes count: strategic coordination in the world's electoral systems*, Cambridge: Cambridge University Press.
- Cox, G. W. and Shugart, M. S. (1996), 'Strategic voting under proportional representation', *Journal of Law, Economics & Organization* 12: 299–324.
- Fiske, S. T. and Taylor, S. E. (1991), *Social cognition*, New York, NY: McGraw-Hill.
- Freire, A. (2006), 'The party system of Portugal', in Niedermayer, Oskar, Stöss, R. and Haas, M. (eds), *Die Parteiensysteme Westeuropas*, VS Verlag für Sozialwissenschaften, Wiesbaden.
- Gunther, R. and Montero, J. R. (2001), 'The anchors of partisanship: a comparative analysis of voting behaviour in four Southern European countries', in Diamandouros, N. P., Gunther, R. (eds), *Parties, politics, and democracy in new Southern Europe*, Baltimore, MD: The Johns Hopkins University Press, pp. 83–152.

- Gschwend, T. (2004), *Strategic voting in mixed-electoral systems*, Reutlingen: SFG-Elsevier.
- Gschwend, T. and Stoiber, Michael (2005), 'Strategic voting in proportional systems: the case of Finland', Working Paper, University of Mannheim.
- Gunther, R. (1989), 'Electoral laws, party systems, and elites: the case of Spain', *American Political Science Review* 83: 835–58.
- Jalali, V. C. (2002), 'The evolution of the Portuguese party system in comparative European perspective since 1974', Unpublished doctoral thesis, Oxford University.
- Lobo, M. C. (2001), 'The role of political parties in Portuguese democratic consolidation', *Party Politics*, 7: 643–53.
- Leys, C. (1959), 'Models, theories and the theory of political parties', *Political Studies* 7: 127–46.
- Magalhães, P. C. (2003), 'Elections, parties and policy-making institutions in democratic Portugal', in Pinto, A. C. (ed.), *Contemporary Portugal: politics, society and culture*, New York, NY: Social Science Monographs, pp. 183–202.
- Magone, J. M. (1999), 'Party system installation and consolidation', in Broughton, D. and Mark, D. (eds): *Changing party systems in Western Europe*, London: Pinter, pp. 232–54.
- Monroe, B. L. and Rose, A. G. (2002), 'Electoral systems and unimagined consequences: partisan effects of districted proportional representation', *American Journal of Political Science* 46: 67–89.
- Sartori, G. (1968), 'Political development and political engineering', *Public Policy* 17: 261–98.
- Shugart, M. S. and Carry J. M. (1992), *Presidents and assemblies: constitutional design and electoral dynamics*, Cambridge: Cambridge University Press.
- Taagepera, R. and Shugart, M. S. (1989), *Seats and votes: the effects and determinants of electoral systems*, New Haven, CT: Yale University Press.

### Suggested citation

- Gschwend, T. (2007), 'Institutional incentives for strategic voting and party system change in Portugal', *Portuguese Journal of Social Science* 6: 1, pp. 15–31, doi: 10.1386/pjss.6.1.15/1

### Contributor details

Thomas Gschwend, (Ph.D., State University of New York at Stony Brook, 2001) is Senior Research Fellow at the Mannheimer Zentrum fuer Europaeische Sozialforschung (MZES), University of Mannheim (Germany) where his research focuses on comparative politics, public opinion, political psychology as well as political methodology. He is particularly interested in the processes by which institutions pre-structure an individual's decision-making process and its consequences for voters, party strategies and election outcomes. His work is published among others in the *British Journal of Political Science* and the *European Journal of Political Research*. Contact details: Thomas Gschwend, Mannheimer Zentrum für Europäische, Sozialforschung (MZES), University of Mannheim, 68131 Mannheim, Germany.  
E-mail: Thomas.Gschwend@mzes.uni-mannheim.de