Austerity and Niche Parties:
The Electoral Consequences of Fiscal Reforms

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Abstract

Austerity policies — policies of sharp reductions of a government's budget deficit involving spending cuts and tax increases — are claimed to boost support for radical political parties. We argue, counter to popular claims, that austerity measures actually reduce support for radical and niche parties. Austerity policies force traditional left-right politics to the forefront of political debate with the traditional mainstream parties having a stronger ownership over those issues. We systematically explore the impact of austerity measures on the electoral fortunes of niche parties in 16 developed countries over a 35-year period, while controlling for a number of socio-economic variables. We find that austerity policies that rely on tax increases affect radical parties on the left and the right in different ways than fiscal adjustments based on spending cuts.

Keywords: Austerity, economic voting, niche parties, fiscal policy, financial crisis

On occasions, and particularly in times of economic crisis, governments have to engage in painful fiscal consolidations. Fiscal adjustment policies have at times drawn sharp responses from citizens who have flocked to the streets in protest. Many have argued that hard economic times and drastic deficit reduction policies influence behavior at the ballot box, often with voters punishing the incumbents cutting the state's budget but also in the form of withdrawing support for mainstream political parties in favor of, e.g., nationalist and radical parties.[1] A strong showing of extremist parties in the 2014 European Parliament elections sent shock waves through several European countries. The French Prime Minister Manuel Vals described the unprecedented electoral performance of the French National Front in the European elections as an "earthquake" (**?**). The National Front also performed well in the 2012 French presidential elections, obtaining more votes than ever before with nearly 18 percent of the ballots cast in the first round (**?**). The electoral victory of Greece's radical left Syriza party in the national elections of January 2015 started what could be a remarkable year for radical parties in which the anti-immigrant and anti-European Union UK Independence Party won 12.6% of the vote in May, the far-right Danish People's Party won 21.1% of the vote in June, and with the anti-austerity Podemos party of Spain making a strong showing in the polls ahead of the election scheduled in December.

Arguments about the relationship between austerity measures and political extremism often appear informed by the success of Syriza in the 2015 Greek parliamentary election. Syriza claimed 149 of 300 parliamentary seats, which led observers to conclude that the incumbent parties paid the price for the financial crisis and the painful fiscal adjustment policies.[2] Voters were seen as deserting the traditional mainstream parties in protest and voting for fresh, anti-system parties promising to break with the existing political and economic order. Syriza's young leader Alexis Tsipras explicitly blamed Greece's "humiliation and misery" on harsh austerity measures in his election campaign. On election night, Tsipras interpreted his electoral victory as the end of "the vicious circle of austerity" in Greece (**?**).

While the narrative about the relationship between austerity and the success of the radical left in Greece is certainly plausible, it is not clear whether the Greek lesson is generalizable. Greece's experience was rather unique. Greece was, e.g., severely affected by the sovereign debt crisis. The country also has an authoritarian past and the Communist Party of Greece is a long-standing party; hence, Greek voters may be more receptive to radical left ideologies. Even if we accept the premises that the state of the economy and the austerity measures did spur voters to hold the government accountable, we are still left with a puzzle. Why did voters throw their support in such numbers behind the radical left and not behind a more moderate alternative? More generally, how might the calculus of

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[1]See, e.g., **?** who finds that government parties are suffer electorally for fiscal adjustment policies and that parties with little parliamentary or government experience benefit.

[2]Within three years Syriza went from garnering 16.8 percent of the vote in 2012 to 36.3 percent in the national elections of January 2015. The poor performance of the Greek economy and disillusionment with the incumbent government, which presided over a six-year economic recession resulting in 25 percent unemployment and 35 percent of the population living in poverty is often emphasized as the backdrop to Syriza's success (**?**).

voters change when facing fiscal retrenchment policies?

In this paper, we examine the claim that austerity policies — marked reductions in the budget deficit involving spending cuts and tax increases — affect voters' behavior at the ballot box. While austerity politics have coincided with declining trust in political institutions and mainstream political actors, and increasing support for radical and niche political parties in recent years, it does not necessarily follow that fiscal adjustment policies explain the political outcomes. The link between economic factors (e.g., unemployment), and support for radical parties has, of course, been well documented[3] but the relationship between the adoption of austerity measures and support for radical parties may well be spurious as austerity policies tend to be adopted in times of economic hardship. Austerity policies have sometimes met with significant public protests (**?**) but these protests do not necessarily translate into support for radical parties. Some voters may punish ruling parties for implementing austerity policies by voting for mainstream opposition parties. That is why governments forced to implement unpopular fiscal retrenchment policies have sought to cast their actions in the light of stepping up to the plate to deal with economic problems that are not of their own making, sometimes blaming the international economy or international actors (e.g., the International Monetary Fund), while in other cases casting the blame on previous governments.

We argue, counter to the common wisdom, that austerity measures reduce support for non-mainstream, or niche parties.[4] As scholars have yet to reach a consensus regarding a definition of niche parties it is important to be clear about which parties we consider niche parties. Here they include radical left and radical right parties as well as Green parties and special issue parties — the niche party label here is largely synonymous with non-mainstream parties.[5] We argue that austerity policies force traditional left-right politics to the forefront of the political debate. At a fundamental level austerity politics involve deciding whether to cut back government spending or to raise taxes. Different views about the role of the state in the economy have long shaped political competition and, consequently, the traditional mainstream parties have ownership over economic issues. In contrast, while radical and populist parties, whether on the left or the right, may seek to lay claim to economic issues, their support has often relied on emphasizing other niche issues, such as the environment on the left and nationalism on the right. Furthermore, many

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[3]See, for instance, **?**.

[4]It bears noting that there is not yet significant academic literature on the subject and the 'common wisdom' referred to primarily appears in journalistic accounts and public commentary. See, e.g., in the mainstream media (www.nytimes.com/2015/01/26/world/europe/greek-election-syriza.html, www.reuters.com/article/2015/03/08/us-spain-podemos-iglesias-idUSKBN0M40H020150308), in consulting (www.stratfor.com/weekly/europe-unemployment-and-instability), and in opinion pieces (www.cnn.com/2012/02/13/opinion/greece-politics-opinion). While our focus is on niche parties, appendix B shows that our conclusions remain intact when we restrict our attention to radical parties.

[5]We make no claims that our categorization of parties into the niche party family is better or more appropriate than those that already exist in the literature but simply note that the parties we consider niche parties are also considered niche parties according to several other — but not necessarily all — definitions of niche parties. This justifies our use of the niche party label. Crucially, though, our categorization of parties is motivated by theoretical concerns.

niche parties are not seen as viable alternatives as government parties and frequently lack executive experience.[6] This further reduces their appeal in situations in which the ability to influence government policies is perhaps of greater importance than in normal economic times. Finally, we argue that austerity policies may affect the electoral performance of niche parties on the left and the right differently, depending on whether fiscal adjustment policies are based upon spending cuts or tax increases. We examine the impact of austerity policies on the success of niche parties in 16 developed countries over a 35-year period.

This study makes three contributions to comparative politics scholarship. First, we propose a theory about the relationship between austerity policies — spending cuts and tax increases — and voting for niche parties, including radical left and right parties. The literature on economic voting typically focuses on *economic outcomes* rather than *policies*. If we are interested in testing whether voters hold incumbents responsible for their policy choices, austerity policies are an ideal place to start given their visibility. Systematic analyses of the implications of different types of fiscal adjustment policies are, however, scarce. A majority of earlier studies focus on individual countries or only a handful of countries.[7] **?** find that fiscal spending cuts increase social unrest (e.g., demonstrations). **?** explore the effect of deficit reduction policies for the re-election prospects of incumbent governments.

Second, we engage the debate on economic determinants of electoral outcomes by examining whether and how voters punish national political elites for harsh economic measures.[8] Specifically, our article sheds light on the debate concerning the ability of voters to be informed and responsive to economic policies, such as fiscal policies.[9]. As **?** reminds us, "budget information is as 'public' as GDP or unemployment. It is also nontrivial." Consequently, it seems natural to expect that policies involving tax increases or spending cuts will have a non-negligible impact on voting behavior.

Third, this study sheds light on how support for niche parties depends not only on economic and social circumstances but also on political context. There is an extensive literature on radical right parties (**???????**) and an emerging scholarship exploring support for radical left parties in Europe (**???**) and Latin America (**??**). This study, however, explores the determinants of electoral support of both radical left and radical right as well as niche parties. The extreme right is claimed to be "the most successful party family in postwar Western Europe" (**?**, 1) experiencing revival since the 1980s (**?**, 4). Although the radical left had been discredited following the collapse of communism in Eastern Europe in the early 1990s, political ideologies of the extreme left have recently re-emerged with the rise of populist parties and anti-globalization movements (**?**). The recent global financial crisis also provided favorable environment for radical left parties (**?**). The average support for parliamentary radical left parties in Europe during the period 2000-11 was 8.3 percent,

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[6]There are some exceptions, such as the German Greens who have been members of government coalitions.
[7]See **?**.
[8]For economic voting, see, for instance, **???**.
[9]See, e.g., **?**

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which is comparable to 9.6 percent support for radical right parties (**?**, 2). The broader category of niche parties has received much less attention. And yet the literature on postmodernization posits a link between economic considerations and support for niche parties. Most prominently, **?** argues that greater economic affluence has reduced the salience of the traditional left-right cleavage in favor of postmaterialist values such as gender equality, the environment, and democratic participation. Economic challenges may turn the tide against niche parties championing such 'well-being values'.

Fiscal Austerity

The legacy of the Great Depression in the 1920s and 1930s, that sharpened political polarization and fed political extremism, has fueled concerns that the Great Recession, which began in 2007 and whose impact continues to be felt, may have created similar conditions for the rise of radical political parties, social unrest, and political instability (**??**). There is some evidence that the Great Recession has resulted in popular protests and greater success of populist and radical parties. However, most of the systematic analysis thus far has focused on economic voting, exploring whether voters hold governments accountable, and, if so, whether there is an ideological component in their responses. **?**, e.g., find that voters punished incumbents but that the overall reaction by the electorate was muted. **?**'s (**?**) analysis of 28 advanced democracies shows that voters consistently punish incumbents for bad economic conditions, regardless of the party's ideology.[10] A number of studies have examined electoral outcomes in individual countries after the onset of the Great Recession but the only study to examine the fortunes of radical and non-mainstream parties systematically in a cross-national context finds that these parties benefitted (**?**). These studies explore the electoral impact of the financial crisis and poor *economic conditions*.[11]

Austerity policies are designed to reduce a government's debts and deficits, while putting the public debt on a sustainable path.[12] While it can be debated whether the government can be held accountable for the economic conditions that require fiscal austerity, voters are able to attribute responsibilities for the decisions to adopt austerity policies and the particular measures.[13] More importantly, as austerity measures involve fundamental decisions about the role of the state in the economy — whether to reduce the size of government or to finance government expenses via additional taxation — they frame political discourse along what, in most advanced democracies, is the primary axis of political cleavages, namely the socio-economic or the left-right dimension.

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[10]For a discussion of fiscal adjustment policies in the wake of the global financial crisis, see also **?**.

[11]The term "austerity," as used in much of the literature, is ambiguous and politically loaded. Here, we use austerity as a neutral term to denote fiscal adjustments or reductions in the fiscal deficit. We do not impart any normative judgment of austerity policies, either positive or negative.

[12]Austerity policies should increase the competitiveness of the economy and boost confidence of consumers and producers incentivizing them to spend and invest more, so that economic growth could be restored.

[13]Governments may also face external constraints on their decisions to adopt fiscal adjustment policies. The International Monetary Fund provides financial assistance to countries in crisis in exchange for fiscal consolidation.

It is also important to recognize that fiscal adjustment policies are not implemented only in times of crises. Countries aspiring to join the European Monetary Union engaged in deficit reduction policies in order to satisfy the convergence criterion related to the fiscal targets set out in the Treaty of Maastricht. International bond investors can also "force" countries to adopt austerity policies by imposing higher borrowing costs in sovereign debt markets. Austerity policies can affect a broad segment of the population in a highly visible manner, create losers, and heighten distributional conflict, thus these policies tend to be the matter of intense political debates. If austerity policies are accompanied by expansionary monetary policy or wage agreements with trade unions in exchange for low tax increases, they may reduce the negative impact of spending cuts on the population (**?**). The system of automatic stabilizers and developed social security systems mitigated the impact of fiscal adjustments in the European countries with corporatist arrangements during the recent global financial crisis (**?**).

A few studies have focused on how austerity policies affect re-election chances of incumbent parties. **?** do not find evidence of voters punishing incumbent governments for deficit reduction measures. Instead, they find that voters seem to reward incumbent governments that implement fiscal adjustment policies. This finding is in line with earlier studies (e.g., **?**) showing that voters punish governments for fiscal profligacy. Similarly, **?** demonstrate that deficits associated with expansive fiscal policies of governments are punished by voters.[14] These findings provide an interesting contrast with the literature on economic voting that suggests that voters punish governments for poor economic performance. Given the visibility of austerity measures and the costs they impose on groups of voters, one might expect voters to react more strongly when economic outcomes can be traced directly to the incumbent government.[15]

From an electoral standpoint, the attractiveness of austerity programs might vary with the specific fiscal adjustment measures — tax hikes or expenditure cuts. The assumption is that different fiscal adjustment measures have different implications for party support because tax increases have been shown to slow down economic growth more than spending cuts. The conventional wisdom is that fiscal austerity is always associated with economic recession but Alesina and his colleagues find (**???**) that spending cuts centered on government wages and transfers can be "expansionary," i.e., spur economic growth.[16] Specifically, spending cuts can boost competitiveness of domestic exporters and investments of private firms (**??**). In contrast, tax increases tend to be associated with severe and prolonged recessions.

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[14]The existing empirical literature finds limited evidence of political business cycles, i.e., pre-electoral fiscal manipulation (**??**). See also **?**.

[15]While both arguments focus on how economic factors affect vote choice, incumbent governments may have a hard time distancing themselves from austerity policies that they have implemented. By contrast, incumbents may sometimes be able to credibly argue that a poor economic situation is the result of their predecessors' policy choices. The latter argument may also be used to justify the need for austerity policies.

[16]For a criticism of "expansionary" austerity, see **?**.

Austerity and Support for Niche Parties

Whether and how austerity measures affect the support for niche parties has not examined in a systematic manner. The seemingly contradictory findings in the literature regarding the support for incumbent parties suggest that a closer look at the dynamics of party support in times of austerity is warranted. Scholars have examined how the effects of austerity are conditioned by incumbency and party ideology.[17] This research, however, explores whether voters engage in prospective evaluations of potential government parties, that is, whether voters turn to more fiscally conservative parties in times of economic crisis. Economic crisis may, e.g., bring recognition of the need to balance the government budget with the electorate taking a turn to the right.[18] But it is equally plausible, as we have hinted at above, that economic crisis inflates the salience of socio-economic issues, the primary dimension of ideological conflict in developed democracies.[19]

The exaggerated importance of left-right politics plays into the hands of parties that have ownership of the issue area (**?**). Niche parties, including radical parties on the left and the right, have typically built their support on issues that are not seen as intrinsically linked to the basic socio-economic dimension. This is not to say that the radical parties cannot be placed on the left-right ideological spectrum — in most cases they can — but their identities tend to be more closely linked to other issues. Radical right parties, e.g., tend to have a nationalist bent, taking a hard position on issues of immigration while the radical left has historically been defined by its anti-establishment platforms.[20] In contrast, mainstream parties, the traditional parties of government, are usually defined by their positions on the left-right spectrum. Given the heightened salience of the traditional socio-economic issues, niche parties are expected to suffer when austerity measures are implemented, while the parties capable of credibly claiming issue ownership ought, on average, to benefit.

Niche parties may be expected to campaign on economic issues when incumbents are forced to adopt austerity policies and there is evidence to suggest that is the case. **?** examine how issue congruence between parties and voters is affected by the economy and find that while voters become more concerned by the economy those concerns are not fully reflected in the parties' campaign rhetoric. Moreover, and contrary to their expectations, government parties, if anything, are more responsive to voters' concerns.[21] Interestingly, **?**

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[17]See, e.g., **?**.

[18]This view has been noticeable in the coverage of the media, see, e.g., discussion in **?**. Examining elections during and after the Great Depression and the Great Recession, **?** finds that while right parties appear to be more successful in the immediate aftermath of a crisis those effects are not long lasting. Examining over 800 elections between 1870 and 2014, **?** find that far-right parties are the biggest beneficiaries of financial crises. **?**, however, argues that electoral results are better explained by retrospective evaluations.

[19]**?** and **?** show that the salience of the economy increases when economic fundamentals are poor.

[20]Radical parties on the left and on the right are, of course, not homogeneous. **?**, e.g., distinguishes between neofascist and populist radical right parties while **?** note the differences between traditional and 'new left' radical left parties.

[21]In addition to parties shifting their attention to or from the economy, parties may also change how they campaign on issues. **?** find, e.g., that the amount of negative campaign sentiments increases when the economy is performing poorly but less so for incumbent parties.

find little evidence of niche parties shifting their attention to economic issues in response to the economy. **?**'s (**?**) work offers an explanation of why this might the case, arguing that the success of small parties depends on the balancing vote-seeking incentives and maintaining their identity. On a similar note, **?** find it is difficult for parties to influence issue ownership and that voters' perceptions are moderated by their prior party preferences. Furthermore, **?** find that parties with limited resources, as is typical of niche parties, are more likely to stay away from issue that other parties campaign on. Thus, while campaign rhetoric and strategies are likely to matter, these findings suggest that extent to which niche parties shift their attention to the economy is more limited than one might expect as they have both an incentive to retain their identity and perceptions of issue ownership are difficult to change in the short run.[22]

The second reason niche parties are at a disadvantage is that the stakes in the elections in periods when the economy is in need of reforms are potentially higher than in normal times. Membership in the cabinet offers a greater opportunity to shape policy and when voters expect the government to enact consequential reforms in the near future, they will be more likely to cast their support behind parties that have a realistic possibility of entering government. In good economic times voters may feel less constrained by such considerations. In other words, when governments are not expected to enact substantial government spending cuts and tax reforms, voters can afford to cast votes for parties that will have limited role in shaping policy (but may be able to bring some attention to other issues). Niche parties that are seen as improbable coalition partners are likely to be negatively affected when government membership is seen to carry a premium.

It should be noted, however, that the macro-economic consequences of fiscal austerity (e.g., inflation or unemployment) may be less apparent in the short run and voters' responses may reflect the debates surrounding the austerity measures as well as their immediate experiences (e.g., reductions of in social transfers, wage and employment cuts in the public sector, or fewer government services). The impact of spending cuts may be substantial, especially in the presence of endowment effects (**?**).[23] The political costs of spending cuts may also vary depending on how extensive they are: Cutbacks may affect a relatively small proportion of voters or target programs that affect the majority of the population. However, even if spending cuts affect broad swathes of the electorate, many voters may not be affected immediately. For example, cuts in health care spending will generally only be felt by voters when they need to use the health care services.[24] Likewise, tax increases can be very general in nature (e.g., sales taxes hikes), or they may affect only small sections of the population

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[22]Certain niche parties, e.g., Communist parties, will face less of a trade-off between emphasizing economic issues and maintaining their own identity. On average, however, niche parties' rhetoric is likely to be constrained by issue ownership and the importance of maintaining their core constituents as discussed above.

[23]"The endowment effect," or status quo bias, refers to people valuing things more when they are in their possession than when they are not. Thus, the abolishment of government services carries a greater utility loss than the utility gain from establishing the same service.

[24]This is not to discount the possibility that such spending cuts gain visibility, e.g., through media coverage of patients suffering, longer waiting times for basic services, and so on.

(e.g., high income earners).[25]

Thus, we expect fiscal adjustment policies will not, on average, translate into substantial increase in support for niche parties. Instead, voters shift their focus to the traditional left and right parties that have a track record of managing the economy.

Hypothesis 1 *Austerity measures reduce the electoral support of niche parties.*

Austerity policies involve reductions in government expenditures or increases in taxes, or both, which provides us with additional leverage to examine the implications of the ideology of the incumbent parties for support for niche parties. The greater salience of socio-economic issues recasts the electoral competition in terms of the mainstream left against the mainstream right. On the socio-economic dimension, parties are defined in terms of their attitudes towards public spending and the role of the government in the economy. Parties on the left are seen as favoring greater provision of social services, while parties on the right are viewed as favoring small government. When the economic circumstances necessitate austerity, left parties should, therefore, prefer tax increases to spending cuts, whereas right parties should have the opposite fiscal policy preferences. Therefore, we expect voters to assess the government parties' choice of austerity measures in terms of whether they reflect the parties' general ideological orientation. In other words, core supporters of left parties who observe a left-wing government cutting public spending may interpret such a policy as a move to the right, or as the party betraying 'the cause'. Witnessing a left government implementing tax increases, the same voters may not approve of the policy but if they accepts the need to reduce budget deficit, then at least the party is adopting a policy in line with its ideological orientation. The voters can at minimum console themselves by considering the counterfactual of what a right government might have done.

The question then is how the choice of austerity measures by incumbents and the (in)consistency of this choice with the incumbents' ideology affects the vote for niche parties. When the incumbents' choice of austerity measure is consistent with their ideology, the incumbents' traditional supporters have little reason to change their voting behavior and desert the party. However, when parties opt for austerity measures that are inconsistent with their usual ideological positions, there is more scope for punishment by voters. Whereas some voters may accept the deficit reduction policies as necessary, others would want to punish the incumbent party for not implementing their preferred type of austerity policy.

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[25]Another factor that may influence how austerity measures affect electoral outcomes is related to the role of the EU as an advocate for budget restraint, particularly during the recent sovereign debt crisis in the Eurozone. Voters may perceive the adoption of austerity measures as being imposed by the EU, which may lead them to view Euroskeptic parties more favorably. Radical left and radical right parties stand to gain from this perception as they tend to be Euroskeptic (**?**) — although their reasons for opposing EU membership differ (**?**). In contrast, mainstream parties are usually not opposed to European integration. While this is a plausible scenario, our argument suggests that fiscal austerity policies increase the salience of economy — the issues that fall squarely into the fold of traditional left-right politics — through the immediate distributional consequences of these policies on different groups in the electorate, Overall, economic issues will have greater traction among voters than the sovereignty or identity constraints imposed by the European integration.

The second group of voters has two choices. They can vote for a mainstream party at the other end of the left-right spectrum. But those parties would have been liable to adopt the same policies that the incumbent government did. Voting for a party that would have adopted similar policies does not send a clear signal of the voter's dissatisfaction with the incumbent party. Moreover, casting a vote for a mainstream party with real chances of ending up in government after the election can prove to be a risky strategy. The alternative is to cast a vote for a niche party, which may be a more attractive option for two reasons.[26] First, voting for a radical party on the same side of the left-right dimension sends a less ambiguous signal to the incumbent parties. Such a vote can be interpreted as an endorsement of policies consistent with the voter's ideology even though by voting for a radical party the voter does withdraw support from the incumbent party. Second, the voter does not risk giving her support to mainstream parties on the opposite side. For example, voting for a radical left wing party — often the principal competitor of social democratic parties — the voter may be comforted by the fact that she is wasting her vote (in some instances) rather than casting a vote for a potential government party whose policies she doesn't support.

In sum, spending cuts will have a different impact on the electoral success of niche parties on the left and the right. We expect niche parties on the left to perform better when left-wing governments implement austerity measures that take the form of spending cuts. In the same vein, we expect niche parties on the right to perform better when right-wing governments raise taxes.

Hypothesis 2 *Austerity measures implemented by left-wing governments in the form of spending cuts reduce the negative effect on the support niche parties.*

Hypothesis 3 *Austerity measures implemented by right-wing governments in the form of tax increases reduce the negative effect on the support niche parties.*

While these hypotheses have not been examined previously, Green parties, e.g., have been found to benefit when the incumbent government is left-wing.[27] Similarly, the protest appeal of the radical left is undermined when the executive is held by a right-wing party (**?**). These findings have typically been interpreted in terms of a shift in the ideological preferences of voters but they are also consistent with a more general version of our argument. Incumbent parties are invariably forced to make decisions that some of their supporters dislike. Voters on the left, who normally support the incumbent left government parties, will seek out other parties on the left to signal their disapproval. But when the incumbents are right-wing parties, the core left electorate faces no such conflict.

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[26]Our argument is different from the protest thesis, according to which voters' displeasure with incumbent parties is revealed by voting for more extreme parties often lacking ideology or serious political program (Merkl and Weinberg 2003). In our framework, voters punish traditional parties for implementing a policy inconsistent with the party's ideological stance, rather than expressing their democratic dissatisfaction with traditional politics.

[27]See, e.g., **?**

In sum, we expect core supporters of mainstream left- and right-wing parties to punish their parties for implementing austerity measures that contradict these parties' core ideological platform. Thus, mainstream right wing parties, committed to shrinking the state, will not be punished by their core supporters for spending cuts. However, tax hikes implemented by mainstream right parties are politically costly because these measures go against the parties' basic ideology. The effects of ideologically inconsistent austerity policies may, however, benefit some niche parties more than others. Support for radical right parties is often motivated more by anti-immigrant attitudes (**?**) than the parties' economic programs (**?**) whereas left niche parties' platforms are often grounded in economic policies with a radical bent (e.g., communist parties's dismissal of values and structures of the capitalist system) (**?**). Radical right parties have, however, sometimes been successful among former mainstream left voters (**??**), which suggests that radical right parties might be the beneficiaries when left incumbents adopt spending cuts. However, we find no evidence for this in our data, suggesting, perhaps, that while radical right parties have threatened the mainstream left by adopting moderate economic policies, the impetus of voters who usually support the center left (e.g., working class constituents that perceive immigrants and ethnic minorities as a threat to their jobs) to vote for right parties is more closely linked to sociocultural issues such as immigration.[28]

Empirical Analysis

We constructed a panel dataset of elections in 16 OECD countries between 1978 and 2013.[29] We examine the effects of austerity on support for niche parties with a series of regression models. In addition to the control variables discussed below, we include country level fixed effects in order to account for heterogeneity across countries.[30] This implies that the estimated effects of austerity are driven by variation *within* rather than across countries.[31]

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[28]Spending cuts by both left and non-left incumbent governments are statistically insignificant but appear to reduce support for right niche parties. The results are available upon request.

[29]The countries included in our dataset are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom. Data on fiscal adjustments is only available until 2009 for six of the countries: Australia, Canada, Finland, Japan, the Netherlands, and Sweden

[30]This obviates the need to control for a variety of factors that may be important determinants of the vote shares of radical parties, e.g., the type of electoral system, if they are constant over time within country.

[31]**?** point out that the dependent variable is censored, i.e., radical parties can never receive less than zero votes and use a Tobit model. Tobit models with fixed effects generates biased estimates. We, however, also estimated our models using Tobit models with random effects and found substantively similar results to the OLS models with fixed effects. We conducted numerous other robustness checks, yielding substantively similar findings, considering panel corrected standard errors, Prais regressions, and lagged dependent variables. The results are available upon request.

Dependent Variable: Niche Party Support

Our dependent variables are based on the vote shares of niche parties. We consider both the total vote share of all niche parties as well as the vote shares of left- and right-leaning niche parties separately. The data on election results and party families come from the Parliaments and Governments Database.[32]

The first step in constructing our dependent variables is to determine which parties to classify as niche parties. An agreement on how to define niche parties has yet to emerge.[33] **?** and **?** provide a useful discussion of alternative definitions and characteristics of niche parties as well as of how to measure a party's 'nicheness'. Empirical measures must, however, reflect the theoretical concepts under study. The crux of our argument is that mainstream parties benefit from their ownership of socio-economic issues, by virtue of their policy platforms and experience. This is particularly pronounced when fiscal austerity increase the economy's salience. Niche parties, in our account, are, thus, broadly defined in terms of not being mainstream parties. Our classification of niche parties encompasses the parties most commonly identified in the literature as niche parties.[34] We include Green parties (**??**), Communist parties (**?**), and radical right and nationalist parties (**???**).[35] We also include "special issue" parties — parties that typically campaign on a single issue — among niche parties. The classification of the agrarian party family has been the most contested. Agrarian parties have typically been excluded from the niche party family in spite of occupying the 'rural niche'. It is important to note that agrarian parties held positions in the government in several countries; hence they can sometimes be viewed as mainstream parties if we apply this criterion. Consequently, we don't consider agrarian parties to be niche parties.[36]

In addition to calculating the total vote share of niche parties, we also calculate the total vote share of niche parties on the left and the right separately.[37] Communist and Green parties were classified as left niche parties while radical right wing parties were considered right niche parties. For party families whose left-right orientation was more

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[32]See http://www.parlgov.org/.

[33]**?** and **?** provide a useful discussion of the different definitions in the literature.

[34]As we point out above, the classification of niche parties is not intended to supplant existing definition of niche parties but is simply motivated by our theoretical argument where issue ownership over the traditional left-right dimension is of primary importance.

[35]**?**'s (**?**) definition of niche parties also excludes parties whose principal campaign issues include socio-economic issues. Consequently, this rules out the possibility that some parties (e.g., communist parties) may be able to carve out a niche within the socio-economic issue dimension, which is inconsistent with our theoretical argument that emphasizes both issue ownership and governing potential.

[36]Among the countries in our sample only Sweden and Finland featured agrarian parties that have successfully led governments and scored low on the 'nicheness' index (**?**). However, in our robustness checks, we applied various definitions of niche parties, which considered special issue, agrarian and ethnic/regional parties as niche parties in addition to the Green, radical right, and communist parties. We further estimated models, in which Social-Democratic, Conservative, Liberal, and Christian-Democratic parties were conceived as mainstream parties, while all other parties as niche. The results remained substantively similar.

[37]Note that in calculating niche party vote share we include all niche parties whether or not they were members of the incumbent government.

variable, the parties were classified as left or right parties on the basis of the measure of left-right positions according to expert surveys as reported in the ParlGov dataset. The average vote share for the left niche parties was 10.5 percent over 150 elections, with the left niche vote share ranging from 0.4 percent and 31.8 percent of the vote. The right niche parties received an average of 7.0 percent of the vote in 95 elections, receiving between 0.2 percent and 30.6 percent of the vote.

Explanatory Variable: Austerity

The principal explanatory variable is the fiscal adjustment policy, often referred to as "fiscal austerity." We use the austerity measure developed by **?**, **?**, and **?**. They construct multi-year fiscal plans on the basis of detailed analysis of how austerity has been implemented in each country. The authors adopt the "narrative" approach (**?**), that consults the official fiscal plans of individual countries to identify the size, timing, and motivation for fiscal austerity episodes taken or announced by the government.[38] As austerity programs can consist of both spending cuts (e.g., cuts in government wages, social security and welfare as well as cuts of non-wage government consumption and subsidies) and tax increases (e.g., taxes on labor including household income taxes and social security taxes as well as indirect taxes and taxes on business), **?** also provide a disaggregation of the fiscal plans in terms of tax-based and expenditure-based measures.[39] We examine the effects of total austerity — the combination of expenditure and tax measures — as well as of the two types of austerity measures separately.

The data on austerity is available on a yearly basis (the magnitude of austerity measures in a given year). Elections, on the other hand, are held at various times throughout the year. Thus, large spending cuts or tax hikes may be undertaken in a given election year but if the election takes place in early January, e.g., there are good reasons to think that austerity will have little impact on the outcome of the election as voters may not have felt the full impact of reduced government services or higher tax bills. To address this issue we weigh the austerity in a given year by the length of the time period of interest. For example, when considering austerity in the year leading up to an election in year t we calculate $\frac{d}{365}A_t + \left(1 - \frac{d}{365}\right)A_{t-1}$ where d is the day of the election and A_t is austerity in year t. Thus, if an election was held on September 30th 2001 then the one year austerity measure for that year is equals $\frac{273}{365}A_{2001} + \left(1 - \frac{273}{365}\right)A_{2000}$. Austerity in the two years prior to the election is calculated in an analogous manner.[40]

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[38]This approach contrasts with previous studies that used changes in fiscal variables.

[39]The authors corrected the budget primary expenditures and total revenues for the economic cycles (that is, economic booms and recessions).

[40]The rationale behind our decision to adjust the austerity measures in this manner is that voters may respond when they feel the effects of the austerity measures. Alternatively, voters may react to the announcement — as opposed to the implementation — of austerity measures. If so, austerity in a given year would be relevant regardless of when during the year an election is held. Put differently, the announcement of austerity measures precedes their implementation. Typically, implementation lags significantly behind announcement as austerity

Control Variables

Explanations for political extremism fall into two broad groups: demand and supply side theories.[41] Economic performance is one of the principal demand-side factors shaping success of niche parties — in particular radical niche parties. Historically, communist and radical left parties have been successful in countries at low levels of economic development (**?**) and experiencing high unemployment (**?**). Worsened economic conditions (e.g., high inflation) during the Great Depression in the 1920s have also been linked to the rise of fascist and other anti-system parties (**???**). Voters punish governments that pursue inflationary policies (**??**). Following this literature, we thus include ΔGDP, inflation, and unemployment rate as economic controls. ΔGDP is the annual percentage change in GDP. We transform rate of INFLATION r using $\frac{r}{1+r}$ to guard against heteroskedastic error (**?**). UNEMPLOYMENT RATE is the rate of annual unemployment as a percent of the civilian labor force. Our economic control variables come from the Organization for Economic Cooperation and Development database.[42]

We include YEARS IN OFFICE to account for the number of years since the government parties first entered office. The longer the government has been in office, the more likely voters are to hold it accountable, which may affect electoral success of parties with extreme electoral platforms. We also include an indicator variable, NICHE PARTY IN GOV'T, coded one when one or more of the incumbent parties were niche parties, as government participation may affect the success of niche parties.[43] Finally, to allow for the possibility of a time trend in the support for radical parties we include YEAR in our models, which takes the value zero in 1978 (and increases by one each year).

Empirical Results

The first set of results, presented in Table **??**, show the effect of the measures of austerity on the support for niche parties. As hypothesized, austerity reduces the support for niche parties. The first two columns focus on the aggregate measure of austerity that includes spending cuts and tax increases, one and two years prior to the election. The effect of the austerity measures appears to be smaller when focusing on the two year period. As the two year austerity measure is the sum of austerity over that period the difference can be interpreted in two ways. First, voters may be more sensitive to the adoption of an austerity plan than its duration. In other words, their reactions may be partly shaped by the debates surrounding the austerity program,. Second, voters may simply pay greater attention to current conditions than those earlier in the electoral term.

The second two columns examine whether reducing government expenditures and

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measures are usually adopted as a part of budgetary planning.

[41]See **?** and **?**.

[42]See http://stats.oecd.org/.

[43]Excluding observations where niche parties were incumbents yields substantively similar results.

TABLE 1: SMALL CAPS SUPPORT FOR NICHE PARTIES
—FIXED EFFECTS MODELS—

	(1)	(2)	(3)	(4)
AUSTERITY (TOTAL: 1 YR.)	-3.04***			
	(0.8)			
AUSTERITY (TOTAL: 2 YR.)		-1.87***		
		(0.5)		
AUSTERITY (SPEND: 1 YR.)			-3.29**	
			(1.3)	
AUSTERITY (SPEND: 2 YR.)				-1.65**
				(0.7)
AUSTERITY (TAX: 1 YR.)			-2.62	
			(1.8)	
AUSTERITY (TAX: 2 YR.)				-2.33*
				(1.3)
UNEMPLOYMENT RATE	0.46**	0.52**	0.47**	0.50**
	(0.2)	(0.2)	(0.2)	(0.2)
Δ GDP	0.26	0.30	0.27	0.29
	(0.2)	(0.2)	(0.2)	(0.2)
YEARS IN OFFICE	-0.27	-0.22	-0.27	-0.23
	(0.2)	(0.2)	(0.2)	(0.2)
INFLATION	63.4***	60.5***	62.9***	61.0***
	(20.8)	(20.8)	(21.0)	(20.9)
YEAR (1978=0)	0.40***	0.40***	0.40***	0.40***
	(0.07)	(0.07)	(0.07)	(0.07)
NICHE PARTY IN GOV'T	-5.24***	-5.06***	-5.26***	-5.03***
	(1.7)	(1.6)	(1.7)	(1.7)
CONSTANT	3.44	3.00	3.39	3.15
	(3.2)	(3.2)	(3.2)	(3.2)
OBSERVATIONS	160	160	160	160
R^2	0.70	0.71	0.70	0.71

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

raising taxes has different effects on support for niche parties. We find that both spending cuts and tax increases appear to reduce support for niche parties although the results are weaker statistically. The effect of tax increases in the year prior to the elections is in the hypothesized direction but fail to reach statistically significance at conventional levels.

The substantive effects of spending cuts is twice as large as that of tax increases when considering the year prior to the election but somewhat smaller when considering the two years preceding elections. The greater uncertainty surrounding the estimates of the effects of tax increases suggests, perhaps, that the effects of tax increases may depend on the specific tax policies adopted. Tax increases that are progressive in nature and primarily target the incomes of the wealthier strata of the population may have smaller effects than tax increases that affect broad swathes of the population. Overall, we find strong indications that austerity measures reduce support for niche parties. This finding is in line with our theoretical argument: the adoption of austerity measures reinforces the salience of the traditional socio-economic cleavages that have been the domain of the mainstream parties.

Unemployment and inflation have a positive effect on the support of niche parties. This is in line with the literature on economic voting suggesting that voters hold incumbents accountable for poor economic performance. But these results also confirm that distinguishing between economic outcomes and economic policies is important. Economic outcomes (inflation, unemployment, growth) facilitate retrospective evaluations while austerity policies invite prospective evaluations.[44] Austerity measures may not invite particularly positive evaluations but given their distributional consequences, voters must assess austerity policies against the counterfactual of how other parties might deal with an unsustainable budgetary situation. Moreover, voters may see austerity policies as painful but necessary corrective measures. (**?**) finds that voters in the U.S. tend to approve of fiscal adjustments and deficit reduction policies. Similarly, **?** show that incumbents that pursue austerity policies, particularly spending cuts, are rewarded — and not punished — by voters at the ballot box.

In table 2 we examine whether the effects of austerity measures depend on the ideological orientation of the incumbent government. To ease interpretation of the results we create separate variables for austerity for left and non-left incumbents. That is, the variable AUSTERITY BY LEFT GOV'T is the amount of austerity in the year preceding the election if a left government was in office but equals zero else. The variable AUSTERITY BY OTHER GOV'T is constructed in the same manner, that is, equaling the austerity policies if the government was not a left government. The austerity variables for right and non-right governments are constructed in the same manner. This allows the effect of austerity on niche party support to be read directly from the regression table, i.e., the coefficient for AUSTERITY BY LEFT GOV'T is the effect of a change in austerity on niche party support when a left government was in office and AUSTERITY BY OTHER GOV'T is the effect when

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[44]We focus on austerity measures taken in the year prior to an election. The benefits of the adopted austerity measures may not materialize immediately — in the short run austerity will always be painful for some voters.

TABLE 2: SUPPORT FOR NICHE PARTIES & INCUMBENCY
—FIXED EFFECTS MODELS—

	(1)	(2)
AUSTERITY BY LEFT GOV'T (TOTAL: 1 YR.)	1.55	
	(2.7)	
AUSTERITY BY OTHER GOV'T (TOTAL: 1 YR.)	-3.46***	
	(0.8)	
AUSTERITY BY RIGHT GOV'T (TOTAL: 1 YR.)		-2.07
		(1.4)
AUSTERITY BY OTHER GOV'T (TOTAL: 1 YR.)		-3.37***
		(0.9)
LEFT GOV'T (%YR)	-2.86**	
	(1.3)	
RIGHT GOV'T (%YR)		-0.47
		(1.2)
UNEMPLOYMENT RATE	0.47**	0.45**
	(0.2)	(0.2)
Δ GDP	0.20	0.26
	(0.2)	(0.2)
YEARS IN OFFICE	-0.29	-0.26
	(0.2)	(0.2)
INFLATION	58.4***	62.0***
	(20.7)	(21.0)
YEAR (1978=0)	0.39***	0.39***
	(0.07)	(0.07)
NICHE PARTY IN GOV'T	-5.23***	-5.37***
	(1.6)	(1.7)
CONSTANT	4.63	3.81
	(3.2)	(3.3)
OBSERVATIONS	160	160
R^2	0.72	0.71

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

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the incumbent was not a left government.[45]

The first column of Table **??** shows that when non-left governments pursue fiscal adjustments, support for niche parties declines. In contrast, fiscal adjustments by left governments result in slightly higher support for niche parties although the effect is not statistically significant at the conventional levels. The second column shows that this is not true of right governments. Niche party support declines when right governments implement austerity although not significantly.

We hypothesized that the particular *type of austerity* interacts with the incumbent's ideological orientation. Supporters of the left are likely to be frustrated and vote for niche parties, when left governments engage in spending cuts. Voters on the right are similarly expected to be more dismayed by tax increases than by spending cuts. When the actions of government parties contradict their core values, voters wishing to hold the parties accountable face a difficult choice: either they can switch their vote to an opposition party on the opposite side of the ideological spectrum, or they can vote for a radical party.

In table **??** we examine the possibility that incumbents of different ideological stripes fare differently depending on their chosen austerity measures. We consider the effects of spending cuts and tax increases separately for left and right incumbents. The results are in line with our predictions. The first column examines how left incumbency conditions the effect of spending cuts and tax increases. As before, greater spending cuts reduce the support for niche parties in the absence of a left government (-3.91). When the incumbent government is from the left side of the political spectrum, the effect of spending cuts is almost the exact opposite (+3.62). The effect of tax hikes on the support of niche parties is estimated to be negative although it fails to reach the conventional levels of statistical significance. More importantly, while the magnitude of the effect of tax increases is smaller for left incumbents it remains negative and voters do not appear to increase their support for niche parties if a left government is in office.

Turning to right incumbent governments, we find the opposite pattern — the change in support for niche parties as a result of spending cuts is not reversed when the right parties are the incumbents. When it comes to raising taxes, a similar pattern as with left incumbents and spending cuts is observed although the effects of tax increases hikes does not attain a statistical significance at the conventional levels. Under a government of the left or the center, tax increases have a negative effect on radical support but when the right has been in office, the negative effect is largely wiped out (-.31 compared with -5.08).

The results above suggest that the effects of austerity measures are conditioned by the

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[45]It is a simple matter to verify that this is equivalent to including interaction terms between left and right governments in the respective regressions. When an interaction term is included, the coefficients for austerity and the coefficient for the interaction term need to be added to gauge the effect of austerity when a left (right) incumbent was in office. A slight complication is that the ideological orientation of the government may have changed during the year of the election. However, there are only nine such cases in our sample and in seven of those cases the government occupied office for over 90% of the year. In creating the austerity measures, the ideological orientation was thus determined by the government occupying office for most part of the year.

TABLE 3: SUPPORT FOR NICHE PARTIES: AUSTERITY TYPE & INCUMBENCY
—FIXED EFFECTS MODELS—

	(1)	(2)
AUSTERITY BY LEFT GOV'T (SPEND: 1 YR.)	3.62	
	(3.9)	
AUSTERITY BY OTHER GOV'T (SPEND: 1 YR.)	-3.91***	
	(1.3)	
AUSTERITY BY LEFT GOV'T (TAX: 1 YR.)	-0.94	
	(4.2)	
AUSTERITY BY OTHER GOV'T (TAX: 1 YR.)	-2.71	
	(2.0)	
AUSTERITY BY RIGHT GOV'T (SPEND: 1 YR.)		-3.73
		(2.4)
AUSTERITY BY OTHER GOV'T (SPEND: 1 YR.)		-2.74*
		(1.4)
AUSTERITY BY RIGHT GOV'T (TAX: 1 YR.)		-0.31
		(2.5)
AUSTERITY BY OTHER GOV'T (TAX: 1 YR.)		-5.08*
		(2.6)
LEFT GOV'T (%YR)	-2.90**	
	(1.3)	
RIGHT GOV'T (%YR)		-0.39
		(1.2)
UNEMPLOYMENT RATE	0.46**	0.46**
	(0.2)	(0.2)
Δ GDP	0.19	0.27
	(0.2)	(0.2)
YEARS IN OFFICE	-0.29	-0.25
	(0.2)	(0.2)
INFLATION	55.4***	56.8***
	(21.1)	(21.6)
YEAR (1978=0)	0.39***	0.38***
	(0.07)	(0.07)
NICHE PARTY IN GOV'T	-5.17***	-5.42***
	(1.7)	(1.7)
CONSTANT	4.95	4.10
	(3.2)	(3.3)
OBSERVATIONS	160	160
R^2	0.72	0.71

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

ideological composition of the government. By separating the measure of support for niche parties into left and right niche parties, we can examine the nature of this conditional effect further. One channel through which austerity politics may influence the support of radical parties highlights that voters dissatisfied with the austerity measures seek to punish the incumbent. Those who do not support the government parties can continue to vote for their preferred parties. The former supporters of the government parties, however, face a dilemma if they wish to hold the government accountable for its policies. Some may opt to vote for the mainstream opposition parties. Others, however, may hesitate to throw their support behind parties that are credible candidates for office and may prefer to express their dissatisfaction in a more symbolic way by voting for niche parties that are either unlikely to enter government or would only be considered a viable coalition partner by their ideological neighbors. For example, supporters of an incumbent Social-democratic government may be reluctant to vote for a Christian Democratic party that has a chance of forming a coalition and, thus, might prefer to cast a vote for a radical left party or another niche party on the left. In this case a Communist or a left-leaning Green party might be a more palatable option than a party on the far-right given the relative ideological proximity of these parties to the Social-democrats.

Table 4 examines this possibility. The first column shows the support for niche parties on the left. As hypothesized, the effect of spending cuts on left niche party support depends on the partisanship of the incumbent. When a center or a right government cuts spending voters reduce their support for the radical left (+3.43% pts.). On the other hand, spending cuts undertaken by left governments increase the vote share of radical left parties (+3.43% pts.). The results with regard to tax increases (column 2) are less supportive of the argument. Tax hikes increase the support of the radical right for both left and right incumbent governments but the effects are not statistically significant. Taken together these results suggest that the voters on the left and the right respond differently to austerity policies, with voters on the left being more substantially more responsive. This finding is consistent with **?**, i.e., that voters are more likely to respond to policy choices of left incumbents.

We perform several robustness checks. First, **?** advocate the use of Tobit models to deal with censoring in the data. We, therefore, also estimated Tobit models with random effects. The results (see Appendix A) are substantively similar to the fixed effect regressions. In Appendix B, we consider several alternative specifications of niche parties beyond our primary specification (i.e., Communist, Green, radical right, and special issue parties). The first set of result in the Appendix also considers agrarian parties to be niche parties. The second set of results simply considers all parties except social democratic, conservative, liberal, and Christian democratic parties as niche parties. Parties left of the midpoint of the left-right dimension were considered left parties and were considered right parties otherwise. Finally, as radical parties may be of special interest, the last set of results considers the support for radical parties, which are classified as communist and radical right parties

TABLE 4: SUPPORT FOR LEFT & RIGHT NICHE PARTIES
—FIXED EFFECTS MODELS—

	(1)	(2)
	LEFT NICHE	RIGHT NICHE
AUSTERITY BY LEFT GOV'T (SPEND: 1 YR.)	3.43 (3.1)	
AUSTERITY BY OTHER GOV'T (SPEND: 1 YR.)	-3.73*** (0.9)	
AUSTERITY BY RIGHT GOV'T (TAX: 1 YR.)		0.29 (1.7)
AUSTERITY BY OTHER GOV'T (TAX: 1 YR.)		1.72 (1.6)
LEFT GOV'T (%YR)	-2.73*** (1.0)	
RIGHT GOV'T (%YR)		-0.65 (0.8)
UNEMPLOYMENT RATE	0.41** (0.2)	-0.065 (0.1)
Δ GDP	0.24 (0.2)	-0.012 (0.2)
YEARS IN OFFICE	-0.15 (0.1)	-0.093 (0.1)
INFLATION	38.9** (16.4)	18.9 (14.9)
YEAR (1978=0)	0.21*** (0.06)	0.19*** (0.05)
NICHE PARTY IN GOV'T	-2.41* (1.3)	-2.21* (1.2)
CONSTANT	3.23 (2.5)	1.70 (2.3)
OBSERVATIONS	160	160
R^2	0.63	0.67

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

along with special issue parties whose position on the 0-10 left-right dimension is less than three or greater than seven.

To summarize, in line with our expectations the results suggest that austerity measures do not increase the popularity of niche or radical parties. Instead, fiscal austerity reduces support for parties on the extremes of the political spectrum because it austerity elevates economic issues to the forefront of the political agenda, which plays into the hands of the parties that have a longstanding claim to ownership of these issues. There are, however, exceptions to this pattern. Government parties, especially on the left of the ideological spectrum, that adopt austerity measures contradicting their traditional positions on the role of the state may drive their voters into the arms of radical parties.

Conclusion

Since the onset of the Great Recession, politics has increasingly been characterized by frustration with the established political order and waning trust in both institutions of government and political parties. This, in turn, it has been argued, has opened up space for niche parties on the fringes of the political spectrum to appeal to voters using populist appeals and calls for democratic reform. Elections in some advanced democracies (e.g., in Greece) that took place in the wake of harsh austerity measures being implemented by their governments have been cited as examples of a fiscal squeeze driving voters into the arms of radical parties. In this paper, we have challenged the view that austerity politics and the rise of niche and radical parties are inextricably linked. In fact, the opposite is true: austerity reduces support for niche parties, including radical parties. This, of course, is not to deny the possibility that crises may open the political space up to non-mainstream parties but rather that the electoral fortunes of niche and radical parties will have different channels. Our results could be taken to suggest that when governments face the music and take actions to address fiscal imbalances, this will stem the tide of defections to extreme parties and shore up support for the mainstream parties. Greece, and perhaps Le Pen's France, may simply be exceptions to the rule as analyzing the effects of austerity measures over a thirty-five year period, we find little to suggest that niche and radical parties benefit from crises induced fiscal adjustment policies. Therefore, we do not find support for Blyth's (**?**, 15) provocative claim: "Populism, nationalism, and calls for the return of God and gold are what unequal austerity generates."

We started our analysis of political extremism with Greece. Some aspects of Greece's political experience appear to generalize. The success of radical-left Syriza was shaped by several rounds of austerity measures aimed at reducing Greece's budget deficit that included a freeze and cuts on public-sector wages and a variety of tax increases by Panhellenic Socialist Movement (PASOK) led by George Papandreou first in 2010. While the January 2015 election, in which Syriza won a plurality of the vote, represents the apex of the party's

success, the party's fortunes had turned earlier. Syriza had already supplanted PASOK as the main party on the left and the country's second largest party in the two elections in 2012. Syriza's transition to a major party took place in circumstances in which PASOK, the traditional mainstream left party, implemented significant cuts in spending as mentioned above. During the term leading up to the 2015, PASOK was a partner in the government coalition, which made it hard for the party to distance itself from the government's austerity measures and to present itself as an alternative to those policies. Thus, PASOK's history and presence in government helps explain Syriza's success in January 2015.

Syriza's success in the September 2015 election may represent a bigger challenge to our argument. After heated debates and negotiations, the Syriza-led government eventually found itself forced to adopt harsh austerity measures to secure a fresh bailout from the "Troika,". As the austerity measures included a healthy dose of spending cuts, it remains to be seen whether the radical left Syriza will suffer political and fiscal challenges. It is worth noting, however, that other niche parties did not record significant gains in the election. Furthermore, it has been argued that Syriza of September 2015 is substantially different from Syriza of January 2015. Nearly one-third of Syriza's members abstained on or voted against legislation required to meet the terms of the bailout agreement. Then, ahead of the September election, the party had effectively relieved itself of its leftmost elements.[46] Thus, by the second election of 2015 Syriza appeared far less radical and more 'mainstream' than only a few months earlier. However, if Syriza's current policies are closer to that of the mainstream, then the results of the recent election may seem at odds with our findings: austerity measures should reduce support for niche parties but in Syriza's instance the decision to cut public spending in effect cancelled out any such electoral gains. Our results suggest that niche parties should have gained electorally for that reason but the absence of credible alternatives to Syriza on the left may explain why Syriza managed to hold on to its support. One of its potential competitors, PASOK, was already tainted by its role in negotiating the first round of austerity measures and Popular Unity, founded by members of Syriza's Left Platform splinter, had failed in its strong opposition to the new bailout deal.

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[46]Earlier, the most left-leaning members of the Greek cabinet were ousted. The 'Left Platform' faction of Syriza then split from the party — perhaps avoiding being pushed out — after opposing the bailout conditions.

Appendix A

Following **?**, who in the context of studying the support of radical parties, point out that radical party support is censored at zero and suggest using Tobit models to account for the nature of the data. Vote shares, of course, cannot be censored at zero as it is not possible for a party to receive less than zero votes if one considers vote share a function of the latent support for radical, or here, niche, parties. We reestimate the models presented in the paper using Tobit models. In short, it makes virtual no difference substantively whether one estimates the models using OLS or Tobit.

TABLE 5: SUPPORT FOR NICHE PARTIES BY TYPE OF AUSTERITY
—TOBIT RANDOM EFFECTS MODELS—

	(1)	(2)	(3)	(4)
AUSTERITY (TOTAL: 1 YR.)	-2.84***			
	(0.8)			
AUSTERITY (TOTAL: 2 YR.)		-1.74***		
		(0.5)		
AUSTERITY (SPEND: 1 YR.)			-2.97**	
			(1.2)	
AUSTERITY (SPEND: 2 YR.)				-1.46**
				(0.7)
AUSTERITY (TAX: 1 YR.)			-2.62	
			(1.8)	
AUSTERITY (TAX: 2 YR.)				-2.31*
				(1.2)
UNEMPLOYMENT RATE	0.38**	0.43**	0.39**	0.41**
	(0.2)	(0.2)	(0.2)	(0.2)
Δ GDP	0.19	0.23	0.20	0.21
	(0.2)	(0.2)	(0.2)	(0.2)
YEARS IN OFFICE	-0.28	-0.24	-0.28	-0.24
	(0.2)	(0.2)	(0.2)	(0.2)
INFLATION	57.2***	54.4***	56.9***	55.2***
	(19.9)	(19.9)	(20.0)	(19.9)
YEAR (1978=0)	0.38***	0.38***	0.38***	0.38***
	(0.07)	(0.07)	(0.07)	(0.07)
NICHE PARTY IN GOV'T	-4.76***	-4.60***	-4.77***	-4.55***
	(1.6)	(1.6)	(1.6)	(1.6)
CONSTANT	4.75	4.38	4.73	4.53
	(3.7)	(3.7)	(3.7)	(3.7)
σ_u	8.33***	8.41***	8.34***	8.38***
	(1.6)	(1.6)	(1.6)	(1.6)
σ_e	5.66***	5.63***	5.66***	5.63***
	(0.3)	(0.3)	(0.3)	(0.3)
OBSERVATIONS	160	160	160	160
LOG LIKELIHOOD	-529.2	-528.8	-529.2	-528.7

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

TABLE 6: SMALL CAPS Support for Niche Parties & Incumbency
—TOBIT RANDOM EFFECTS MODELS—

	(1)	(2)
AUSTERITY BY LEFT GOV'T (TOTAL: 1 YR.)	1.55	
	(2.6)	
AUSTERITY BY OTHER GOV'T (TOTAL: 1 YR.)	-3.27***	
	(0.8)	
AUSTERITY BY RIGHT GOV'T (TOTAL: 1 YR.)		-2.58*
		(1.3)
AUSTERITY BY OTHER GOV'T (TOTAL: 1 YR.)		-3.09***
		(0.9)
LEFT GOV'T (%YR)	-3.12**	-2.25*
	(1.3)	(1.2)
UNEMPLOYMENT RATE	0.39**	0.41**
	(0.2)	(0.2)
Δ GDP	0.13	0.15
	(0.2)	(0.2)
YEARS IN OFFICE	-0.30*	-0.25
	(0.2)	(0.2)
INFLATION	52.0***	52.0***
	(19.6)	(19.9)
YEAR (1978=0)	0.37***	0.37***
	(0.07)	(0.07)
NICHE PARTY IN GOV'T	-4.73***	-4.57***
	(1.6)	(1.6)
CONSTANT	5.94	5.37
	(3.6)	(3.6)
σ_u	8.14***	8.09***
	(1.5)	(1.5)
σ_e	5.54***	5.60***
	(0.3)	(0.3)
OBSERVATIONS	160	160
LOG LIKELIHOOD	-525.8	-527.3

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

TABLE 7: SUPPORT FOR NICHE PARTIES: AUSTERITY TYPE & INCUMBENCY
—TOBIT RANDOM EFFECTS MODELS—

	(1)	(2)
AUSTERITY BY LEFT GOV'T (SPEND: 1 YR.)	3.64	
	(3.8)	
AUSTERITY BY OTHER GOV'T (SPEND: 1 YR.)	-3.62***	
	(1.3)	
AUSTERITY BY LEFT GOV'T (TAX: 1 YR.)	-0.94	
	(4.0)	
AUSTERITY BY OTHER GOV'T (TAX: 1 YR.)	-2.69	
	(1.9)	
AUSTERITY BY RIGHT GOV'T (SPEND: 1 YR.)		-3.25
		(2.3)
AUSTERITY BY OTHER GOV'T (SPEND: 1 YR.)		-2.45*
		(1.4)
AUSTERITY BY RIGHT GOV'T (TAX: 1 YR.)		-0.38
		(2.4)
AUSTERITY BY OTHER GOV'T (TAX: 1 YR.)		-4.96**
		(2.5)
LEFT GOV'T (%YR)	-3.15**	
	(1.3)	
RIGHT GOV'T (%YR)		-0.69
		(1.2)
UNEMPLOYMENT RATE	0.38**	0.37*
	(0.2)	(0.2)
Δ GDP	0.12	0.20
	(0.2)	(0.2)
YEARS IN OFFICE	-0.29*	-0.26
	(0.2)	(0.2)
INFLATION	49.5**	51.7**
	(19.9)	(20.4)
YEAR (1978=0)	0.37***	0.37***
	(0.07)	(0.07)
NICHE PARTY IN GOV'T	-4.67***	-4.93***
	(1.6)	(1.6)
CONSTANT	6.22*	5.50
	(3.6)	(3.7)
σ_u	8.17***	8.32***
	(1.5)	(1.6)
σ_e	5.52***	5.62***
	(0.3)	(0.3)
OBSERVATIONS	160	160
LOG LIKELIHOOD	-525.4	-528.3

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

TABLE 8: SUPPORT FOR LEFT & RIGHT NICHE PARTIES
—TOBIT RANDOM EFFECTS MODELS—

	(1) LEFT NICHE	(2) RIGHT NICHE
AUSTERITY BY LEFT GOV'T (SPEND: 1 YR.)	3.52 (3.0)	
AUSTERITY BY OTHER GOV'T (SPEND: 1 YR.)	-3.45*** (0.9)	
AUSTERITY BY RIGHT GOV'T (SPEND: 1 YR.)		-0.78 (1.6)
AUSTERITY BY OTHER GOV'T (SPEND: 1 YR.)		-0.64 (0.8)
LEFT GOV'T (%YR)	-2.93*** (1.0)	
RIGHT GOV'T (%YR)		-0.85 (0.8)
UNEMPLOYMENT RATE	0.35** (0.1)	-0.036 (0.1)
Δ GDP	0.17 (0.2)	-0.044 (0.2)
YEARS IN OFFICE	-0.17 (0.1)	-0.096 (0.1)
INFLATION	35.0** (15.3)	10.7 (13.9)
YEAR (1978=0)	0.20*** (0.05)	0.16*** (0.05)
NICHE PARTY IN GOV'T	-2.02 (1.2)	-2.32** (1.1)
CONSTANT	4.35* (2.6)	2.65 (2.5)
σ_u	4.99*** (1.0)	4.93*** (0.9)
σ_e	4.36*** (0.3)	3.94*** (0.2)
OBSERVATIONS	160	160
LOG LIKELIHOOD	-483.7	-469.0

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Appendix B

The results reported in the body of the manuscript define niche parties as parties belonging to the Green party, radical right party, and communist party families as well as special issue parties. **?** note that some agrarian parties have the characteristics of niche parties. While the agrarian parties in our sample should probably not be considered niche parties — as discussed above — nevertheless, as a robustness check, we reestimate our models coding agrarian parties as niche parties. As with special issue parties, the midpoint of the 0-10 left right dimension is used to classify whether the agrarian parties are left niche or right niche parties. The results are reported in tables **??-??**. In short, the results are nearly identical.

The next set of results defines niche parties as any party not belonging to the conservative, social democratic, liberal and Christian democratic party families. The midpoint of the 0-10 left-right issue dimension is used to classify the niche parties as left or right parties. The results are reported in tables **??-??**. Again, there are no noteworthy differences in the results.

Finally, we consider the support of radical parties as much of the literature has focused on the relationship between austerity and political extremism. We define radical parties as parties belonging to the Communist and Populist/Radical Right party families as well as special issue parties and green/ecological parties that are considered extreme in terms of their socio-economic ideology. Parties whose positions is below three or above seven on the 0-10 left-right dimension are considered extreme. The results are reported in tables **??-??**. Yet again, the results remain essentially the same.

TABLE 9: SUPPORT FOR NICHE PARTIES
—NICHE=RADICAL RIGHT, COMMUNIST, GREEN, SPECIAL ISSUE, AGRARIAN—
—FIXED EFFECTS MODELS—

	(1)	(2)	(3)	(4)
AUSTERITY (TOTAL: 1 YR.)	-3.08***			
	(0.8)			
AUSTERITY (TOTAL: 2 YR.)		-1.92***		
		(0.5)		
AUSTERITY (SPEND: 1 YR.)			-3.22**	
			(1.2)	
AUSTERITY (SPEND: 2 YR.)				-1.68**
				(0.7)
AUSTERITY (TAX: 1 YR.)			-2.85	
			(1.8)	
AUSTERITY (TAX: 2 YR.)				-2.42*
				(1.2)
UNEMPLOYMENT RATE	0.37*	0.42**	0.37*	0.41*
	(0.2)	(0.2)	(0.2)	(0.2)
Δ GDP	0.15	0.19	0.16	0.17
	(0.2)	(0.2)	(0.2)	(0.2)
YEARS IN OFFICE	-0.28	-0.23	-0.28	-0.24
	(0.2)	(0.2)	(0.2)	(0.2)
INFLATION	61.7***	58.5***	61.4***	59.0***
	(20.7)	(20.6)	(20.8)	(20.7)
YEAR (1978=0)	0.37***	0.37***	0.37***	0.37***
	(0.07)	(0.07)	(0.07)	(0.07)
NICHE PARTY IN GOV'T	-4.92***	-4.65***	-4.93***	-4.64***
	(1.6)	(1.6)	(1.6)	(1.6)
CONSTANT	7.06**	6.61**	7.03**	6.77**
	(3.2)	(3.2)	(3.2)	(3.2)
OBSERVATIONS	160	160	160	160
R^2	0.80	0.80	0.80	0.80

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

TABLE 10: SUPPORT FOR NICHE PARTIES & INCUMBENCY
—NICHE=RADICAL RIGHT, COMMUNIST, GREEN, SPECIAL ISSUE, AGRARIAN—
—FIXED EFFECTS MODELS—

	(1)	(2)
AUSTERITY BY LEFT GOV'T (TOTAL: 1 YR.)	0.86	
	(2.7)	
AUSTERITY BY OTHER GOV'T (TOTAL: 1 YR.)	-3.51***	
	(0.8)	
AUSTERITY BY RIGHT GOV'T (TOTAL: 1 YR.)		-2.18
		(1.4)
AUSTERITY BY OTHER GOV'T (TOTAL: 1 YR.)		-3.44***
		(0.9)
LEFT GOV'T (%YR)	-3.40***	
	(1.3)	
RIGHT GOV'T (%YR)		0.053
		(1.2)
UNEMPLOYMENT RATE	0.38*	0.37*
	(0.2)	(0.2)
Δ GDP	0.085	0.15
	(0.2)	(0.2)
YEARS IN OFFICE	-0.28	-0.27
	(0.2)	(0.2)
INFLATION	55.3***	60.0***
	(20.4)	(20.9)
YEAR (1978=0)	0.36***	0.37***
	(0.07)	(0.07)
NICHE PARTY IN GOV'T	-4.97***	-5.07***
	(1.6)	(1.6)
CONSTANT	8.33***	7.12**
	(3.2)	(3.3)
OBSERVATIONS	160	160
R^2	0.81	0.80

Standard errors in parentheses

$* \ p < 0.10$, $** \ p < 0.05$, $*** \ p < 0.01$

TABLE 11: SUPPORT FOR NICHE PARTIES: AUSTERITY TYPE & INCUMBENCY
—NICHE=RADICAL RIGHT, COMMUNIST, GREEN, SPECIAL ISSUE, AGRARIAN—
—FIXED EFFECTS MODELS—

	(1)	(2)
AUSTERITY BY LEFT GOV'T (SPEND: 1 YR.)	3.02	
	(3.9)	
AUSTERITY BY OTHER GOV'T (SPEND: 1 YR.)	-3.91***	
	(1.3)	
AUSTERITY BY LEFT GOV'T (TAX: 1 YR.)	-1.73	
	(4.2)	
AUSTERITY BY OTHER GOV'T (TAX: 1 YR.)	-2.82	
	(1.9)	
AUSTERITY BY RIGHT GOV'T (SPEND: 1 YR.)		-3.60
		(2.4)
AUSTERITY BY OTHER GOV'T (SPEND: 1 YR.)		-2.77*
		(1.4)
AUSTERITY BY RIGHT GOV'T (TAX: 1 YR.)		-0.67
		(2.5)
AUSTERITY BY OTHER GOV'T (TAX: 1 YR.)		-5.19**
		(2.6)
LEFT GOV'T (%YR)	-3.44***	
	(1.3)	
RIGHT GOV'T (%YR)		0.12
		(1.2)
UNEMPLOYMENT RATE	0.37*	0.38*
	(0.2)	(0.2)
Δ GDP	0.074	0.15
	(0.2)	(0.2)
YEARS IN OFFICE	-0.28	-0.27
	(0.2)	(0.2)
INFLATION	52.3**	55.3**
	(20.9)	(21.5)
YEAR (1978=0)	0.36***	0.36***
	(0.07)	(0.07)
NICHE PARTY IN GOV'T	-4.86***	-5.11***
	(1.6)	(1.6)
CONSTANT	8.67***	7.42**
	(3.2)	(3.3)
OBSERVATIONS	160	160
R^2	0.81	0.80

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

TABLE 12: SUPPORT FOR LEFT & RIGHT NICHE PARTIES
—NICHE=RADICAL RIGHT, COMMUNIST, GREEN, SPECIAL ISSUE, AGRARIAN—
—FIXED EFFECTS MODELS—

	(1)	(2)
	LEFT NICHE	RIGHT NICHE
AUSTERITY BY LEFT GOV'T (SPEND: 1 YR.)	3.30 (3.1)	
AUSTERITY BY OTHER GOV'T (SPEND: 1 YR.)	-3.59*** (0.9)	
AUSTERITY BY RIGHT GOV'T (TAX: 1 YR.)		-0.046 (1.7)
AUSTERITY BY OTHER GOV'T (TAX: 1 YR.)		1.46 (1.6)
LEFT GOV'T (%YR)	-2.83*** (1.0)	
RIGHT GOV'T (%YR)		-0.28 (0.8)
UNEMPLOYMENT RATE	0.42** (0.2)	-0.17 (0.1)
Δ GDP	0.25 (0.2)	-0.15 (0.2)
YEARS IN OFFICE	-0.14 (0.1)	-0.11 (0.1)
INFLATION	39.9** (16.4)	16.1 (15.4)
YEAR (1978=0)	0.21*** (0.06)	0.16*** (0.05)
NICHE PARTY IN GOV'T	-2.34* (1.2)	-2.05* (1.2)
CONSTANT	3.10 (2.5)	5.29** (2.4)
OBSERVATIONS	160	160
R^2	0.63	0.77

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

TABLE 13: SUPPORT FOR NICHE PARTIES & INCUMBENCY
—NICHE=NOT CONSERVATIVE, SOCIAL DEMOCRATIC, LIBERAL, & CHRISTIAN DEMOCRATIC PARTIES—
—FIXED EFFECTS MODELS—

	(1)	(2)	(3)	(4)
AUSTERITY (TOTAL: 1 YR.)	-3.10***			
	(0.8)			
AUSTERITY (TOTAL: 2 YR.)		-1.94***		
		(0.5)		
AUSTERITY (SPEND: 1 YR.)			-3.39***	
			(1.3)	
AUSTERITY (SPEND: 2 YR.)				-1.76**
				(0.8)
AUSTERITY (TAX: 1 YR.)			-2.59	
			(1.9)	
AUSTERITY (TAX: 2 YR.)				-2.28*
				(1.3)
UNEMPLOYMENT RATE	0.34	0.40*	0.35	0.39*
	(0.2)	(0.2)	(0.2)	(0.2)
Δ GDP	0.20	0.23	0.21	0.22
	(0.2)	(0.2)	(0.2)	(0.2)
YEARS IN OFFICE	-0.30	-0.25	-0.30	-0.25
	(0.2)	(0.2)	(0.2)	(0.2)
INFLATION	59.3***	56.0***	58.6***	56.4***
	(21.4)	(21.3)	(21.5)	(21.4)
YEAR (1978=0)	0.36***	0.36***	0.36***	0.36***
	(0.08)	(0.07)	(0.08)	(0.07)
NICHE PARTY IN GOV'T	-4.97***	-4.70***	-4.98***	-4.70***
	(1.7)	(1.6)	(1.7)	(1.6)
CONSTANT	8.07**	7.63**	8.01**	7.74**
	(3.3)	(3.3)	(3.3)	(3.3)
OBSERVATIONS	160	160	160	160
R^2	0.77	0.78	0.77	0.78

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

TABLE 14: SUPPORT FOR NICHE PARTIES & INCUMBENCY
—NICHE=NOT CONSERVATIVE, SOCIAL DEMOCRATIC, LIBERAL, & CHRISTIAN DEMOCRATIC PARTIES—
—FIXED EFFECTS MODELS—

	(1)	(2)
AUSTERITY BY LEFT GOV'T (TOTAL: 1 YR.)	0.57	
	(2.8)	
AUSTERITY BY OTHER GOV'T (TOTAL: 1 YR.)	-3.49***	
	(0.8)	
AUSTERITY BY RIGHT GOV'T (TOTAL: 1 YR.)		-2.21
		(1.5)
AUSTERITY BY OTHER GOV'T (TOTAL: 1 YR.)		-3.44***
		(0.9)
LEFT GOV'T (%YR)	-3.19**	
	(1.3)	
RIGHT GOV'T (%YR)		0.049
		(1.2)
UNEMPLOYMENT RATE	0.36*	0.34
	(0.2)	(0.2)
Δ GDP	0.13	0.19
	(0.2)	(0.2)
YEARS IN OFFICE	-0.30	-0.29
	(0.2)	(0.2)
INFLATION	53.3**	57.6***
	(21.2)	(21.6)
YEAR (1978=0)	0.35***	0.36***
	(0.07)	(0.08)
NICHE PARTY IN GOV'T	-5.02***	-5.12***
	(1.6)	(1.7)
CONSTANT	9.26***	8.13**
	(3.3)	(3.4)
OBSERVATIONS	160	160
R^2	0.78	0.77

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

TABLE 15: SUPPORT FOR NICHE PARTIES: AUSTERITY TYPE & INCUMBENCY
—NICHE=NOT CONSERVATIVE, SOCIAL DEMOCRATIC, LIBERAL, & CHRISTIAN DEMOCRATIC PARTIES—
—FIXED EFFECTS MODELS—

	(1)	(2)
AUSTERITY BY LEFT GOV'T (SPEND: 1 YR.)	2.48	
	(4.0)	
AUSTERITY BY OTHER GOV'T (SPEND: 1 YR.)	-4.07***	
	(1.3)	
AUSTERITY BY LEFT GOV'T (TAX: 1 YR.)	-1.78	
	(4.3)	
AUSTERITY BY OTHER GOV'T (TAX: 1 YR.)	-2.50	
	(2.0)	
AUSTERITY BY RIGHT GOV'T (SPEND: 1 YR.)		-4.08
		(2.5)
AUSTERITY BY OTHER GOV'T (SPEND: 1 YR.)		-2.85*
		(1.5)
AUSTERITY BY RIGHT GOV'T (TAX: 1 YR.)		-0.23
		(2.6)
AUSTERITY BY OTHER GOV'T (TAX: 1 YR.)		-5.11*
		(2.7)
LEFT GOV'T (%YR)	-3.23**	
	(1.3)	
RIGHT GOV'T (%YR)		0.15
		(1.2)
UNEMPLOYMENT RATE	0.35	0.36
	(0.2)	(0.2)
Δ GDP	0.13	0.21
	(0.2)	(0.2)
YEARS IN OFFICE	-0.30	-0.29
	(0.2)	(0.2)
INFLATION	49.9**	52.0**
	(21.7)	(22.2)
YEAR (1978=0)	0.35***	0.34***
	(0.07)	(0.08)
NICHE PARTY IN GOV'T	-4.91***	-5.16***
	(1.6)	(1.7)
CONSTANT	9.56***	8.42**
	(3.3)	(3.4)
OBSERVATIONS	160	160
R^2	0.78	0.78

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

TABLE 16: SUPPORT FOR LEFT & RIGHT NICHE PARTIES
—NICHE=NOT CONSERVATIVE, SOCIAL DEMOCRATIC, LIBERAL, & CHRISTIAN DEMOCRATIC PARTIES—
—FIXED EFFECTS MODELS—

	(1)	(2)
	LEFT NICHE	RIGHT NICHE
AUSTERITY BY LEFT GOV'T (SPEND: 1 YR.)	3.30 (3.1)	
AUSTERITY BY OTHER GOV'T (SPEND: 1 YR.)	-3.59*** (0.9)	
AUSTERITY BY RIGHT GOV'T (TAX: 1 YR.)		0.24 (1.8)
AUSTERITY BY OTHER GOV'T (TAX: 1 YR.)		1.52 (1.7)
LEFT GOV'T (%YR)	-2.83*** (1.0)	
RIGHT GOV'T (%YR)		-0.32 (0.9)
UNEMPLOYMENT RATE	0.42** (0.2)	-0.20 (0.1)
Δ GDP	0.25 (0.2)	-0.10 (0.2)
YEARS IN OFFICE	-0.14 (0.1)	-0.13 (0.1)
INFLATION	39.9** (16.4)	13.4 (16.1)
YEAR (1978=0)	0.21*** (0.06)	0.15*** (0.06)
NICHE PARTY IN GOV'T	-2.34* (1.2)	-2.09* (1.2)
CONSTANT	3.10 (2.5)	6.34** (2.5)
OBSERVATIONS	160	160
R^2	0.63	0.74

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

TABLE 17: SUPPORT FOR NICHE PARTIES & INCUMBENCY
—NICHE=RADICAL RIGHT, COMMUNIST, RADICAL GREEN, RADICAL SPECIAL ISSUE—
—FIXED EFFECTS MODELS—

	(1)	(2)	(3)	(4)
AUSTERITY (TOTAL: 1 YR.)	-2.86***			
	(0.8)			
AUSTERITY (TOTAL: 2 YR.)		-1.75***		
		(0.5)		
AUSTERITY (SPEND: 1 YR.)			-2.95**	
			(1.3)	
AUSTERITY (SPEND: 2 YR.)				-1.44*
				(0.7)
AUSTERITY (TAX: 1 YR.)			-2.69	
			(1.8)	
AUSTERITY (TAX: 2 YR.)				-2.38*
				(1.3)
UNEMPLOYMENT RATE	0.47**	0.52**	0.48**	0.50**
	(0.2)	(0.2)	(0.2)	(0.2)
Δ GDP	0.30	0.33	0.30	0.31
	(0.2)	(0.2)	(0.2)	(0.2)
YEARS IN OFFICE	-0.26	-0.21	-0.26	-0.22
	(0.2)	(0.2)	(0.2)	(0.2)
INFLATION	65.6***	62.8***	65.4***	63.5***
	(20.8)	(20.8)	(21.0)	(20.9)
YEAR (1978=0)	0.40***	0.40***	0.40***	0.40***
	(0.07)	(0.07)	(0.07)	(0.07)
NICHE PARTY IN GOV'T	-4.91***	-4.65***	-4.91***	-4.64***
	(1.6)	(1.6)	(1.6)	(1.6)
CONSTANT	3.17	2.77	3.15	2.97
	(3.2)	(3.2)	(3.2)	(3.2)
OBSERVATIONS	160	160	160	160
R^2	0.70	0.70	0.70	0.71

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

TABLE 18: SUPPORT FOR NICHE PARTIES & INCUMBENCY
—NICHE=RADICAL RIGHT, COMMUNIST, RADICAL GREEN, RADICAL SPECIAL ISSUE—
—FIXED EFFECTS MODELS—

	(1)	(2)
AUSTERITY BY LEFT GOV'T (TOTAL: 1 YR.)	1.48	
	(2.7)	
AUSTERITY BY OTHER GOV'T (TOTAL: 1 YR.)	-3.40***	
	(0.8)	
AUSTERITY BY RIGHT GOV'T (TOTAL: 1 YR.)		-2.25
		(1.5)
AUSTERITY BY OTHER GOV'T (TOTAL: 1 YR.)		-3.22***
		(0.9)
LEFT GOV'T (%YR)	-3.16**	
	(1.3)	
RIGHT GOV'T (%YR)		-0.15
		(1.2)
UNEMPLOYMENT RATE	0.41**	0.40*
	(0.2)	(0.2)
Δ GDP	0.23	0.29
	(0.2)	(0.2)
YEARS IN OFFICE	-0.29	-0.27
	(0.2)	(0.2)
INFLATION	59.8***	64.3***
	(20.8)	(21.2)
YEAR (1978=0)	0.36***	0.36***
	(0.07)	(0.07)
NICHE PARTY IN GOV'T	-4.95***	-4.98***
	(1.6)	(1.6)
CONSTANT	4.84	3.74
	(3.2)	(3.3)
OBSERVATIONS	160	160
R^2	0.70	0.69

Standard errors in parentheses

$* \ p < 0.10$, $** \ p < 0.05$, $*** \ p < 0.01$

TABLE 19: SUPPORT FOR NICHE PARTIES: AUSTERITY TYPE & INCUMBENCY
—NICHE=RADICAL RIGHT, COMMUNIST, RADICAL GREEN, RADICAL SPECIAL ISSUE—
—FIXED EFFECTS MODELS—

	(1)	(2)
AUSTERITY BY LEFT GOV'T (SPEND: 1 YR.)	3.54	
	(4.0)	
AUSTERITY BY OTHER GOV'T (SPEND: 1 YR.)	-3.48***	
	(1.3)	
AUSTERITY BY LEFT GOV'T (TAX: 1 YR.)	-0.89	
	(4.2)	
AUSTERITY BY OTHER GOV'T (TAX: 1 YR.)	-3.28*	
	(2.0)	
AUSTERITY BY RIGHT GOV'T (SPEND: 1 YR.)		-3.22
		(2.5)
AUSTERITY BY OTHER GOV'T (SPEND: 1 YR.)		-2.48*
		(1.4)
AUSTERITY BY RIGHT GOV'T (TAX: 1 YR.)		-1.23
		(2.5)
AUSTERITY BY OTHER GOV'T (TAX: 1 YR.)		-5.06*
		(2.6)
LEFT GOV'T (%YR)	-3.19**	
	(1.3)	
RIGHT GOV'T (%YR)		-0.13
		(1.2)
UNEMPLOYMENT RATE	0.39*	0.40*
	(0.2)	(0.2)
Δ GDP	0.21	0.30
	(0.2)	(0.2)
YEARS IN OFFICE	-0.29	-0.27
	(0.2)	(0.2)
INFLATION	57.9***	60.6***
	(21.2)	(21.8)
YEAR (1978=0)	0.36***	0.36***
	(0.07)	(0.08)
NICHE PARTY IN GOV'T	-4.86***	-5.03***
	(1.6)	(1.6)
CONSTANT	5.17	4.07
	(3.3)	(3.4)
OBSERVATIONS	160	160
R^2	0.70	0.69

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

TABLE 20: SUPPORT FOR LEFT & RIGHT NICHE PARTIES
—NICHE=RADICAL RIGHT, COMMUNIST, RADICAL GREEN, RADICAL SPECIAL ISSUE—
—FIXED EFFECTS MODELS—

	(1)	(2)
	LEFT NICHE	RIGHT NICHE
AUSTERITY BY LEFT GOV'T (SPEND: 1 YR.)	3.65 (3.1)	
AUSTERITY BY OTHER GOV'T (SPEND: 1 YR.)	-3.69*** (0.9)	
AUSTERITY BY RIGHT GOV'T (TAX: 1 YR.)		0.26 (1.7)
AUSTERITY BY OTHER GOV'T (TAX: 1 YR.)		1.84 (1.6)
LEFT GOV'T (%YR)	-2.89*** (1.0)	
RIGHT GOV'T (%YR)		-0.51 (0.8)
UNEMPLOYMENT RATE	0.35** (0.2)	-0.062 (0.1)
Δ GDP	0.26 (0.2)	-0.0074 (0.2)
YEARS IN OFFICE	-0.15 (0.1)	-0.099 (0.1)
INFLATION	39.2** (16.4)	20.1 (14.9)
YEAR (1978=0)	0.18*** (0.06)	0.19*** (0.05)
NICHE PARTY IN GOV'T	-2.30* (1.2)	-2.04* (1.1)
CONSTANT	3.53 (2.5)	1.55 (2.3)
OBSERVATIONS	160	160
R^2	0.59	0.67

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$