The process of decentralization has attracted significant scholarly attention over the past decade. With countries from around the globe transferring administrative, political, and fiscal competencies to subnational governments, social scientists have explored the effect of these reforms on outcomes ranging from macroeconomic performance, corruption, and political participation to ethnic conflict.¹

Far less is known, however, about the effects of decentralization on the electoral fortunes of political parties. Theories about the strategic adoption of decentralization provide some insights,² but no study has examined whether governing parties are rewarded or punished for their adoption of decentralization reforms. More research has been conducted on other political actors,³ but it still remains unclear how changes in decentralization affect the performance of ethnoterritorial parties at both the newly weakened national level and the newly strengthened subnational level.⁴

This paper aims to fill these gaps. Using an original dataset of multi-level electoral results across the subnational regions of eleven Western European countries from 1970 to 2006, I examine the effects of changes in the level of decentralization on the vote shares of supporters of decentralization: the governing parties adopting the reforms and the ethnoterritorial parties demanding them. Consistent with the logic of decentralization as appeasement and the resulting vote switching of pro-decentralization supporters, I find that governing parties enacting significant decentralization programs gain voters in national elections while ethnoterritorial parties lose voters. Token decentralization, on the other hand, fails to appease pro-decentralization voters. Under these circumstances, mainstream parties lose support. In subnational elections, the analyses reveal that strong decentralization causes ethnoterritorial parties to gain voters relative to pre-reform national election vote shares. Extensive decentralization reforms have no statistically significant effect on governing party vote shares in the subnational elections.

This set of findings reveals that the electoral effect of decentralization is more nuanced than previous literature implies; its impact on vote share depends on both
the extent of the reforms and the identity of the party in question. In addition, these results provide compelling evidence suggesting that mainstream parties are not pursuing extensive administrative, fiscal, and political decentralization as means to bolster their subnational presence. Rather, the act of giving away powers to lower governments appears to be an attempt by governing parties to maintain or improve their national standing.

The Electoral Effects of Decentralization’s Structural Changes

Over the past forty years, waves of decentralization have swept across countries in Europe, Latin America, Africa, and Asia. Countries have reallocated responsibilities, resources, and decision-making authority on administrative, fiscal, and political matters from the central government at the national level to the subnational level. The type and degree of this competency transfer have varied across countries and even subnational regions. In Western Europe, for instance, levels of decentralization have increased in most countries since the 1970s, but the nature and extent of those reforms have differed wildly from no change in Iceland to the creation of subnational assemblies with directly elected officeholders and significant administrative, policy-making, and tax-raising powers in regions of Belgium, Spain, Italy, and the United Kingdom.

Despite the widespread adoption of decentralization reforms, little is known about the effects of these institutional changes on the parties that advocated for and adopted them. Scholars focused on party-system characteristics have established that decentralization leads to the proliferation of parties and subsequently the greater heterogeneity of parties’ vote shares across districts in national-level elections. However, no study to date has disaggregated the analysis to determine whether governing parties that adopt decentralization are rewarded electorally—either in national or subnational elections.

Predictions about the electoral effects of decentralization on governing parties can be derived from the growing literature on the strategic causes of decentralization. According to a dominant view within this literature, decentralization reforms are designed to consolidate the electoral power of governing parties at the subnational level; these reforms are adopted by parties with weak national electoral support, who want to ensure their future support and power. If governing parties are able to accurately anticipate the effects of their institutional decisions, the party’s electoral base should shift, along with significant governmental competencies, to the subnational level. Extrapolating from these arguments about the adoption of decentralization, one expects governing parties to lose votes at the national level following decentralization and perhaps gain votes, or at least not lose them, at the newly strengthened subnational level, relative to past national and subnational elections, respectively.

More is known empirically about the effects of decentralization on other political parties. Consistent with the findings of the ethnic conflict literature, some scholars have argued that decentralization reforms do not quash but rather exacerbate regional parties’ political power. Brancati finds that regional parties of all political stripes—a group which includes, but is not limited to, ethnoterritorial parties—have higher vote
levels in national elections in decentralized countries than in centralized countries as well as in countries with higher rather than lower levels of decentralization. Her argument is that decentralization, which multiplies the number of subnational offices, increases the likelihood of non-national parties gaining seats and thus drives up their voter support for all offices. Although Brancati does not test statistically the effects of decentralization changes, the logic of this office multiplication argument suggests that regional party vote shares in national and subnational elections will increase as the level of decentralization increases in a given country or region.13

The Electoral Implications of Decentralization as Voter Appeasement

While differences exist within the aforementioned literature, this group of scholars shares a common perspective of decentralization as a series of structural changes. Whether focusing on governing parties or smaller, regionally concentrated ones, this literature assumes that the main effect of decentralization on parties comes from the multiplication of important offices. But this is not the only, or necessarily the most critical, dimension of decentralization for electoral politics. Decentralization is also a substantive policy goal prized by certain parties and their voters. In particular, ethnoterritorial parties—those parties embracing “a nationalism based on ethnic distinctiveness and territorial claims within established states”14—are strong ideological proponents of decentralization.15 They campaign for greater regional autonomy, with their demands ranging from recognition of their cultural and linguistic differences to political and fiscal decentralization. Examples of ethnoterritorial parties include the Volksunie in Belgium, the Südtiroler Volkspartei in Italy, the Bloque Nacionalista Galego in Spain, and the Scottish National Party in the United Kingdom.

If decentralization reforms are not just an apolitical institutional rearrangement, but also a policy demand of voters, as is often the case in Western Europe, the impact of these reforms is not limited simply to an increase in the number of important competitive offices. As implied by Levi and Hechter, and Meguid, decentralization becomes another form of appeasement strategy in national-level electoral competition.16 Consistent with the Downsian logic of issue-based party competition,17 I argue that governing parties that face threatening ethnoterritorial parties in national elections will advocate and implement decentralization to attract their pro-decentralization voters and thus undermine their electoral threat.

While Downs’s argument suggests that policy convergence alone might be sufficient to bring about vote switching, I argue that the success of the governing party’s cooptation strategy is aided by three additional factors. First, the mainstream party has more governing credibility than the typically smaller ethnoterritorial party; voters who care about the successful enactment of this institutional change are more likely to favor the pro-decentralization party with legislative experience and governmental status. Second, ethnoterritorial parties, unlike the more comprehensive mainstream parties, are typically voted for on the basis of the regional autonomy issue.18 Once
the decentralization demand of these voters is satisfied through the implementation of decentralization reforms, the utility of continuing to support the single-issue ethnoterritorial party in national elections is significantly reduced. Third, many of the ethnoterritorial party supporters only recently began to support these parties. As shown by Meguid, across Western Europe, large percentages of these voters initially defected from the governing party to the ethnoterritorial party on the basis of the regional autonomy issue. It follows from these three reasons that once decentralization is enacted and there is no further instrumental need to support the ethnoterritorial party, a significant number of ethnoterritorial party voters will return to a mainstream party professing similar policy preferences to them on a range of other issues.20

The expected effects of decentralization reform on party fortunes, therefore, differ from those expressed by or derived from the existing literature. Rather than decentralization being a means for governing parties to shore up their subnational support, governing parties transfer power to the subnational level in order to bolster their national-level support. Decentralization should therefore lead to higher governing party vote shares in national elections.

The success of the appeasement strategy hinges on the nature of the decentralization policy enacted. I argue that voter defection rates are a product of both the change in the degree of decentralization and the resulting level of decentralization given to the region. The governing party is expected to gain support in national elections when decentralization reforms are enacted, but only when they result in a high level of decentralization.21 If, on the other hand, the government implements reforms that only bring the region up to a low level of decentralization (i.e., token decentralization, with perhaps no directly elected subnational governments or subnational governments without significant independent fiscal or policy-making powers), governing party vote share will not increase in national elections and may even decrease as disgruntled pro-decentralization supporters abandon it for the ethnoterritorial party. In other words, an interactive relationship is predicted, whereby the effect of decentralization reforms (i.e., the change in degree of decentralization) on vote change depends on the resulting level of decentralization in the region.

If the government’s reforms result in significant levels of decentralization, ethnoterritorial parties should see a decrease in their electoral support at the national level as (some of) their voters flow to the governing party. This decline in vote could obtain even if ethnoterritorial party voters do not defect to the governing party; if ethnoterritorial voters originally participated in national elections only to demand decentralization, its implementation may lead them to abstain. Recent work on the differential effects of decentralization on voter participation offers support for this additional mechanism. Pallarés and Llera find that, after significant decentralization, ethnoterritorial partisans turn out to national elections at lower rates than before.22 Of course, if decentralization reforms only bring the country up to a low level of decentralization, it is unlikely that ethnoterritorial party voters will defect to the governing party. After token decentralization, ethnoterritorial party vote share in national elections may increase, driven in part by the flow of aggrieved pro-decentralization voters from other parties, including the governing party.
The predicted effects of decentralization on subnational electoral support are less obvious. The implementation of significant decentralization schemes places competing pressures on the vote share of ethnoterritorial parties. The creation or further endowment of subnational governments meets voter policy goals and may satisfy some voter demand for the policy positions of ethnoterritorial parties. On the other hand, the decision to increase regional autonomy reinforces regional identities and validates the ethnoterritorial party’s claim to be the natural party of the region. Benefitting from this primed regional identity as well as being rewarded for demanding and delivering decentralization, ethnoterritorial parties are likely to be seen as the most credible and trustworthy options to govern the subnational offices.

The exact balance between these negative and positive influences on vote share is unclear a priori. Findings of differential ethnoterritorial partisan turnout and vertical split-ticket voting across national and subnational elections in Western Europe suggest that the vote-boosting effects of significant decentralization may outweigh the vote-suppressing ones, but whether this second trend extends to ethnoterritorial party supporters remains a question. If it does, we would expect such parties, following significant decentralization, to perform better in subnational elections than national elections pre-reform. The theoretical story makes no strong predictions about the subnational effect on ethnoterritorial party vote share when reforms result only in limited decentralization.

How does decentralization affect the subnational support of governing parties? Whereas significant decentralization allows governing parties to attract ethnoterritorial party voters in national-level elections, these reforms are not necessarily designed to provoke sizeable voter defection to or from the governing party at the subnational level. With the decentralization-adopting mainstream party concerned primarily with boosting its national vote, its performance at the subnational level is an afterthought.

That said, if significant reforms do have a systematic effect, it is likely to be negative. First, motivated by a desire to shore up their national support, governing parties may adopt policies that disadvantage them at the subnational level. Second, these national parties often do not have the regional credibility and commitment of their ethnoterritorial party opponents. Scholars agree that most governing parties who decentralized powers in Western Europe implemented these reforms reluctantly, with their partisans not necessarily natural advocates of decentralization. It follows that the governing parties may lose vote share in subnational elections relative to their pre-reform national electoral standing. The mechanism behind this is either that their pro-decentralization supporters vote for the more-credible regionalist party or that governing party supporters, who are less enthusiastic about decentralization, abstain from subnational elections.

My expectations about the effects of decentralization emanate from its role as a strategy of voter appeasement. While agreeing with this article’s claim that governments can use decentralization as a policy to mollify ethnoterritorial voters, Alonso, Sorens, and Jolly offer different predictions of the strategy’s electoral effects. Alonso argues that governing parties decentralize to attract pro-decentralization voters and reinforce
the parties’ electoral support at national and subnational levels. Consequently, she would expect changes in decentralization to be positively related to governing party vote change both between national elections and between subnational and pre-reform national elections. Focusing on secessionist parties, a subset of ethnoterritorial parties, Sorens argues that decentralization will satisfy their voters’ demand, leading to secessionist party vote loss in both national and subnational elections.25 Looking at ethnoterritorial parties, but focusing only on their national election results, Jolly posits that decentralization has a more nuanced, curvilinear effect. He expects ethnoterritorial parties to have high levels of support in national elections when a country is either centralized or highly decentralized and lower levels in countries with more middling levels of decentralization. I test these hypotheses in the analyses that follow.

Data

In order to test the effects of decentralization on the electoral fortunes of its political supporters, I examine changes in the electoral trajectories of governing parties and ethnoterritorial parties across the 173 regions26 of eleven countries in Western Europe from 1970 to 2006. Following the appeasement theory logic, the analysis includes all countries in which ethnoterritorial parties contest elections at either the national or subnational level.27 In robustness checks, I extend the analyses to the full set of 259 regions from seventeen Western European countries.28 Using regions as units of analysis increases the number of observations over using countries and, more importantly, allows us to capture the wide variation in decentralization levels, and governing and ethnoterritorial party fortunes that exist within countries in Western Europe. The time period of analysis, chosen partly based on data availability, coincides with the timing of a global trend in decentralizing reforms, and many Western European countries engaged in significant changes in decentralization levels to their regions during this time period.

The goal of this paper is to understand changes in the electoral performance of governing parties and ethnoterritorial parties across and within levels of election. Consequently, there are two dependent variables for each type of party. The first is the change in the vote share of a given party from one national election to the next, “Chg vote\textsubscript{nat1-nat0}.” The second is the change in a party’s vote share between a national election and the subsequent subnational election, “Chg vote\textsubscript{sub1-nat0}.”29 This second measure allows me to compare party performance across the two levels of government and therefore directly test the claim that governing parties are willing to risk subnational electoral decline for national-level support.30 For both national- and subnational-level elections, vote shares are calculated at the regional level of aggregation. I examine the vote share of the governing party or, for countries with coalition governments, the vote share of the largest party in the coalition.31 This decision follows the logic that voters are more likely to attribute responsibility (or blame) for decentralization to the largest and most visible coalition member.
I follow the categorization of Western European ethnoterritorial parties from De Winter and Türsan, Müller-Rommel, and Gordin, who identify as ethnoterritorial those parties that combine claims of cultural, ethnic, linguistic, or territorial distinctiveness with demands for greater regional autonomy and view these issues as their primary focus. I examine the vote share of all ethnoterritorial parties contesting a national or subnational election regardless of their peak vote. For those countries in which there is more than one ethnoterritorial party contesting a given election in a region, the value of the dependent variable is the change in the sum of those parties’ vote shares.

Explanatory Variables

The main factor of interest in this analysis is the degree of decentralization in a region. Many measures of decentralization have been constructed and employed in the literature. In this analysis, I use the “Self-rule” measure of Hooghe et al. It captures the “authority exercised by a regional government over those who live in its territory” and includes measures of institutional depth, policy scope, fiscal autonomy, and representation. In other words, “Self-rule” is a combined indicator of what the literature typically conceptualizes as comprising administrative, political, and fiscal processes of decentralization. Furthermore, in contrast to other indices, this index has the desirable and unique properties of being calculated yearly and at the regional level for all regions in every country in this analysis. We can therefore capture the asymmetrical decentralization within countries as well as the cross-time changes in decentralization levels that characterize the Western European decentralization process. The values of the “Self-rule” variable range from 0 for regions in unitary countries to 15 for regions in highly federal regimes. The data are available until 2006.

To test the effects of decentralization on party performance, I look at both the change in “Self-rule” between the elections of interest and the resulting level of “Self-rule” in the second election. As discussed previously, my appeasement argument suggests that changes in the vote share of governing and ethnoterritorial parties are influenced by changes in the degree of decentralization in a region between elections, where the marginal effect of decentralization change depends on the resulting level of decentralization. To properly capture this conditional relationship, I construct interaction terms from these two variables.

Beyond decentralization, scholars have identified myriad factors that shape the change in a party’s vote share between elections. Here I focus on the most prominent ones. To account for changes in the permissiveness of the electoral environment, I include variables capturing the difference between the electoral rules employed in the elections of interest—either between national or between subnational and national elections. Given the paucity of consistent and detailed information on subnational electoral formulas across countries, I use Schakel’s trichotomous classification of election rules for both national and subnational levels: plurality (coded 0), mixed-member systems (coded .5), and PR systems (coded 1). The values of the resulting change variables
range from $-1$, indicating a shift from PR to plurality rules, to $+1$, indicating a change from plurality to PR. Assuming strategic voting, the literature suggests that smaller parties, often disadvantaged by high thresholds, will perform better as electoral thresholds decrease and worse as thresholds increase.\textsuperscript{40} Larger parties, such as the governing parties studied in this article, should experience the opposite effects.

The literature on mid-term elections and vertical policy balancing suggests that the timing of the elections, specifically the secondary, subnational elections, also matters for party vote share. Whether because voters use subnational elections as a referendum on the governing party’s national policy\textsuperscript{41} or as an opportunity to balance the policy outcomes across levels in a decentralized system,\textsuperscript{42} governing parties are expected to lose more votes the less proximal (or more nonconcurrent) the subnational election is to the previous national one. By extension, we would expect ethnoterritorial parties to perform better.\textsuperscript{43} To avoid the problems of endogenous election timing associated with some measures of nonconcurrency, I measure election timing as the number of days between the subnational election and the previous national one.

The scholarship described above assumes that the causal arrow of influence runs from national-level elections to subnational-level ones. But it is also possible in multi-level election environments for the timing of the subnational election to have an effect on party performance at the next national election. For instance, voters might be more primed to think about or respond to the results of a recent subnational election when they are casting their subsequent national-level vote than if no subnational election occurred. I test these effects on change in national election vote by constructing a dummy variable coded one if a subnational election in a region was held between the two relevant national elections and zero, otherwise.

From the literature on multi-level governance also comes the claim that ethnoterritorial party fortunes at the national level are affected by supranational challenges to state power.\textsuperscript{44} In Europe, Jolly posits that greater EU integration increases the viability of regions as independent states, thus encouraging support for those regions’ ethnoterritorial parties in national-level elections.\textsuperscript{45} To control for this effect in my national-level analyses, I include Jolly’s indicator of EU integration, “EUTREATY.” Ranging from 0 to 3, this variable captures a country’s membership in the progressively deepening EU across three important treaties. Based on Jolly’s logic, we expect a positive relationship between the level of EU integration and change in the national-level vote share of ethnoterritorial parties. While outside of Jolly’s area of study, statewide parties, according to the logic of his argument, should fare less well as the dominance of the nation-state is challenged by further EU deepening.

Lastly, following the work of Brancati, Jolly, and Sorens, I include a measure of ethnic heterogeneity in the models of ethnoterritorial party vote change.\textsuperscript{46} This variable allows us to test the sociological, or demand-based, argument that the degree of ethnic diversity in a society should be positively related to support for the ethnoterritorial party family. In the absence of regional time-series data on ethnic heterogeneity, I use van Houten and Fearon’s “Langdif” variable which captures the extent to which a region’s historical language differs from the language of the center. Across the regions of Western

\textit{Comparative Politics} July 2015
Europe, the value of this variable ranges from zero (the historical regional language is the same as that of the center) to one (there is no relationship between the two languages).47

Models and Analyses

To estimate the effect of decentralization on changes in the electoral fortunes of governing and ethnoterritorial parties, I employ seemingly unrelated regression (SUR). Unlike the alternative of estimating separate regression models for each dependent variable, this approach allows me to account for the fact that the effects of decentralization on change in governing party vote and change in ethnoterritorial party vote are not independent of each other; recall that I anticipate that loss of voters from one party may contribute to a vote gain by the other party. In the face of cross-equation correlation among disturbances, the OLS estimator no longer provides efficient estimates of the models.48 The results of Breusch-Pagan tests of equation independence support the decision to use SUR models.49

Change in National Election Vote Share

The results of the SUR analyses for vote share changes between national elections are presented in Table 1. Consistent with the focus of this analysis on the possible appeasement mechanism behind decentralization, Model 1 estimates the effects of decentralization on vote change of governing parties (column 1) and ethnoterritorial parties (column 2) in regions of the eleven Western European countries in which ethnoterritorial parties have contested elections at either the subnational or national level. To confirm the robustness of these results, given concerns about possible selection bias and the undercounting of latent decentralization demands in countries without ethnoterritorial parties contesting elections, I also ran the model on regions from the full set of Western European countries; those results are presented in Model 2.

The results of the analyses confirm that changes in decentralization have an impact on the performance of parties across national elections. Because interactive relationships are difficult to interpret directly from the individual regression coefficients, in Figure 1 I plot the conditional coefficient of the quantity of interest: the effect of change in decentralization conditional on the resulting level of “Self-rule.” Figure 1 is based on results from Model 1; a figure based on Model 2 is identical.

Consistent with the decentralization-as-appeasement theory, Figure 1 shows that mainstream parties gain votes in national elections when they implement reforms resulting in high levels of decentralization. As shown in the top panel, a positive and statistically significant effect of decentralization reforms emerges for “Self-rule” levels of 14 and higher.50 This is the level of decentralization in regions, such as the Basque Country, with directly elected subnational governments possessing substantial autonomy in administration and political and fiscal policy-making. Governing parties are punished
Table 1  Seemingly Unrelated Regression (SUR) Analyses of National-Level Change in Party Support

<table>
<thead>
<tr>
<th>Variables</th>
<th>Model 1</th>
<th>Model 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Change in Governing Party Vote Share ($Nat_f - Nat_0$)</td>
<td>Change in Ethnoterritorial Party Vote Share ($Nat_f - Nat_0$)</td>
</tr>
<tr>
<td>Self-rule$_{nat_1}$</td>
<td>0.025</td>
<td>-0.033</td>
</tr>
<tr>
<td>(0.065)</td>
<td></td>
<td>(0.034)</td>
</tr>
<tr>
<td>Chg Self-rule$_{nat_1-nat_0}$</td>
<td>-5.023***</td>
<td>0.272</td>
</tr>
<tr>
<td>(0.616)</td>
<td></td>
<td>(0.323)</td>
</tr>
<tr>
<td>Self-rule$_{nat_1} \times$ Chg</td>
<td>0.401***</td>
<td>-0.038</td>
</tr>
<tr>
<td>(1.110)</td>
<td></td>
<td>(0.580)</td>
</tr>
<tr>
<td>Subnat. Election</td>
<td>0.992*</td>
<td>0.247</td>
</tr>
<tr>
<td>(0.521)</td>
<td></td>
<td>(0.273)</td>
</tr>
<tr>
<td>EU Treaty</td>
<td>-0.475***</td>
<td>-0.051</td>
</tr>
<tr>
<td>(0.181)</td>
<td></td>
<td>(0.095)</td>
</tr>
<tr>
<td>Ethnic</td>
<td>0.660</td>
<td></td>
</tr>
<tr>
<td>Heterogeneity</td>
<td></td>
<td>(0.510)</td>
</tr>
<tr>
<td>Constant</td>
<td>-2.366***</td>
<td>0.246</td>
</tr>
<tr>
<td>(0.590)</td>
<td></td>
<td>(0.317)</td>
</tr>
<tr>
<td>$R^2$</td>
<td>0.1553</td>
<td>0.0062</td>
</tr>
<tr>
<td>N</td>
<td>1180</td>
<td>1180</td>
</tr>
</tbody>
</table>

Notes: *** p ≤ .01, ** p ≤ .05, * p ≤ .1. Standard errors are in parentheses.

electorally, on the other hand, if they implement reforms that result in less significant levels of decentralization; the relationship is negative and statistically significant for “Self-rule” levels of 11 and lower.51 Regions with such “Self-rule” scores range from those without subnational representation up to subnational units lacking authoritative competencies over fiscal or other major policy areas.

The effect of decentralization on ethnoterritorial parties is the opposite. As predicted by the appeasement theory and shown in the lower panel of Figure 1, voter support for ethnoterritorial parties decreases when reforms result in a high level of decentralization; the negative effect of change in decentralization levels is statistically significant for “Self-rule” levels of 10 and higher.52 These are levels equivalent to those seen, for example, in Wallonia, Belgium since 1989. While the plot shows a positive effect of token decentralization on changes in ethnoterritorial party vote share, the effect is not statistically significant.

These results provide evidence in favor of the appeasement-based argument that decentralization affects party vote by encouraging the flow of issue-based voters away
from the ethnoterritorial party and to the governing party. The plots in Figure 1 further reveal that the net effect of this pro-decentralization voter movement on a party’s overall election result becomes apparent at somewhat different levels of decentralization for the different parties; governing parties only experience an overall increase in voter support under highly federal systems, whereas ethnoterritorial parties witness net vote loss starting at lower levels of decentralization. Further individual-level testing is necessary, but this pattern is consistent with the observation that, in contrast to ethnoterritorial party voters, not all governing party voters are supporters of decentralization. Whereas
pro-decentralization voter flight from ethnoterritorial parties leads directly to a decline in those parties’ election results, an increase in governing party vote only becomes apparent at high levels of decentralization, when the attraction of new pro-decentralization voters offsets and surpasses the number of defecting anti-decentralization voters.

That their supporters have a range of preferences on the decentralization issue is one reason why governing parties are sometimes reluctant to pass significant decentralization reforms. A second reason, which affects even those governing parties originally dominated by pro-decentralization voices, emanates from the long-term costs of such reforms: while significant decentralization may attract ethnoterritorial voters in national elections, it ultimately weakens the importance of the very national government that the governing parties seek to control. Unfortunately for the governing party, the results presented in Figure 1 suggest that a half-hearted decentralization strategy will result in both the loss of governmental competencies and the loss of current pro-decentralization voters.

The results summarized in Figure 1 offer less support for the competing hypotheses.53 In contrast to the claim that the multiplication of offices accompanying decentralization encourages regional party support at the national level, the vote share of ethnoterritorial parties, a subset of all regional actors, does not increase with decentralization. A more direct test of Brancati’s longer-run hypothesis—an OLS model of the level of ethnoterritorial party vote—similarly finds no support for her claim about the positive relationship between level of decentralization and party vote level. Jolly’s expectations of a curvilinear relationship likewise do not bear out. While change in decentralization boosts ethnoterritorial party vote share at low levels of decentralization, we do not see the positive relationship he predicts also emerge at high levels of decentralization. The explanatory power of Jolly’s argument does not improve if I directly model the curvilinear effect in an OLS regression of ethnoterritorial party vote level; in analyses not shown here, I continue to find no support for his claim.

At first glance, the regression results seem to be consistent with competing claims about the effect of decentralization on governing party vote. Following the negative expectations of Sorens, O’Neill, and Escobar-Lemmon, governing parties can indeed lose votes in national elections after decentralization reforms. However, their sub-nationally focused office multiplication story cannot be reconciled with the details of my results. These authors expect vote loss to accompany significant decentralization reforms, but, as shown in Figure 1, governing party vote loss only occurs with changes leading to token levels of decentralization. In part because of the countries they seek to explain, these authors do not anticipate and cannot account for why, with changes leading to significant levels of decentralization, governing parties gain votes.54

If the statistical analyses reveal the significance of decentralization for party vote change—and the relevance of the appeasement theory in particular—they offer mixed support for the explanatory power of other predictors. Consistent with the underlying logic of Jolly’s argument, the further deepening of the European Union reduces support for the nationally oriented governing parties. In contrast, governing parties do considerably better as electoral rules become more permissive; note that this effect runs counter to the literature’s expectation. Turning from the results of both models to just Model 1, we also find
that the timing of subnational elections significantly affects the national fortunes of governing parties. Consistent with a balancing story, the holding of subnational elections between national ones boosts the vote share of the (typically) subnationally weaker governing parties in the subsequent national election. The effects of electoral rule changes, the timing of subnational elections, EU deepening, and the degree of ethnic heterogeneity are not statistically significant for ethnoterritorial parties in either Model 1 or 2.

Change in Vote Share between the Subnational and National Elections

What effect does decentralization have on party vote share in subnational-level elections relative to the prior national ones? The results of the analyses are reported in Table 2. The first set of columns contains the results of the main model (Model 3); the results based on data from all Western European countries are in the second set of columns (Model 4). In Figure 2, I plot the marginal effects of change in decentralization on party vote share based on the results of Model 3.55

Table 2  Seemingly Unrelated Regression (SUR) Analyses of Change in Party Support across Multiple Levels (Subnational1−National0)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Model 3</th>
<th>Model 4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Change in</td>
<td>Change in</td>
</tr>
<tr>
<td></td>
<td>Governing</td>
<td>Ethnoterritorial</td>
</tr>
<tr>
<td></td>
<td>Party Vote</td>
<td>Party Vote</td>
</tr>
<tr>
<td></td>
<td>Share</td>
<td>Share</td>
</tr>
<tr>
<td>(Sub1 − Nat0)</td>
<td>(Sub1 − Nat0)</td>
<td>(Sub1 − Nat0)</td>
</tr>
<tr>
<td>Self-rule_{sub1}</td>
<td>−0.234***</td>
<td>−0.006</td>
</tr>
<tr>
<td></td>
<td>(0.089)</td>
<td>(0.069)</td>
</tr>
<tr>
<td>Chg Self-rule_{sub1−nat0}</td>
<td>1.359</td>
<td>−0.342</td>
</tr>
<tr>
<td></td>
<td>(1.017)</td>
<td>(0.768)</td>
</tr>
<tr>
<td>Self-rule_{sub1−nat0} × Chg</td>
<td>−0.115</td>
<td>0.063</td>
</tr>
<tr>
<td></td>
<td>(0.090)</td>
<td>(0.068)</td>
</tr>
<tr>
<td>Chg E Rules_{sub1−nat0}</td>
<td>−5.723***</td>
<td>−1.069</td>
</tr>
<tr>
<td></td>
<td>(1.037)</td>
<td>(0.783)</td>
</tr>
<tr>
<td>Time_{sub1−nat0}</td>
<td>−0.001***</td>
<td>−0.000</td>
</tr>
<tr>
<td></td>
<td>(0.000)</td>
<td>(0.000)</td>
</tr>
<tr>
<td>Ethnic Heterogeneity</td>
<td>7.469***</td>
<td>6.312***</td>
</tr>
<tr>
<td></td>
<td>(0.884)</td>
<td>(0.677)</td>
</tr>
<tr>
<td>Constant</td>
<td>0.470</td>
<td>0.407</td>
</tr>
<tr>
<td></td>
<td>(1.086)</td>
<td>(0.821)</td>
</tr>
<tr>
<td>R²</td>
<td>0.0496</td>
<td>0.0843</td>
</tr>
<tr>
<td>N</td>
<td>954</td>
<td>954</td>
</tr>
</tbody>
</table>

Notes: *** p ≤ .01, ** p ≤ .05, * p ≤ .1. Standard errors are in parentheses.
Turning first to the ethnoterritorial parties, the lower panel of Figure 2 shows that these parties benefit subnationally from reforms leading to significant levels of decentralization. Consistent with the idea that regionally primed voters find ethnoterritorial parties to be the most credible and trustworthy regional actors, ethnoterritorial party vote share increases in subnational elections, relative to their vote share at the pre-reform national level, when the reform leads to significant

**Figure 2** Marginal Effects of Change in Self-Rule on Change in Party Vote Share (Subnational\(_1\)–National\(_0\)), Conditional on the Resulting Level of Self-Rule

Note: The conditional coefficient is plotted for the levels of Self-rule observed in the data.
political and/or fiscal decentralization; the effect is statistically significant for “Self-rule” levels greater than or equal to 10. This is equivalent, for instance, to the level of decentralization in Wallonia, Belgium starting in 1989. The effect of reforms leading to more token decentralization is negative, but not statistically significant.

In keeping with the idea that governing parties are not designing decentralization schemes with an eye towards their own subnational level performance, the relationship between reforms and governing party vote share in subnational elections is less strong. Looking at the top panel in Figure 2, the coefficient of the “Change in Self-rule” variable is positive when decentralization reforms are minimal and negative when decentralization is more substantial; the signs of these marginal coefficients indicate that governing parties are losing support in subnational elections when they transfer significant competencies to these lower units and gain votes relative to national elections when they engage in token decentralization. But the impact of decentralization on governing party vote share fails to meet conventional levels of statistical significance for all levels of “Self-rule.”

The statistical results paint an asymmetrical picture of the subnational effects of decentralization. Consistent with the expectations of both an appeasement argument and the office-multiplication stories of Brancati and Escobar-Lemmon, ethnoterritorial parties are rewarded at the subnational level following significant decentralization. However, from the regression results, we cannot conclude with certainty that governing parties lose or gain support subnationally for adopting extensive decentralization reforms. While this finding suggests, contra my expectation, that governing parties are not being punished subnationally for decentralization, it also highlights that the electoral rewards of extensive decentralization cannot be found at the subnational level. Thus, if parties can accurately anticipate the effects of their institutional decisions, this result challenges the core claim of other scholars that decentralization is adopted in part or solely for its subnational benefits. Decentralization, as hypothesized by the appeasement theory, appears to be a nationally focused strategy.

Turning to the other predictors of change in party vote, time between elections (“Time_{sub1-nat0}”) has a negative effect on governing party vote share as expected by the balancing and referendum theories: a governing party loses more support at the subnational level the farther removed that election is from the previous national one. Surprisingly, we also find the same relationship, although less strong and only in Model 4, for ethnoterritorial parties. Consistent with expectations, as the permissiveness of the electoral rules increases relative to the national level and smaller parties now have a greater probability of obtaining seats, governing parties perform worse electorally. The effect of this variable is not statistically significant for ethnoterritorial parties. Lastly, we see from Table 2 that ethnic heterogeneity influences ethnoterritorial party vote shares at subnational levels. As the distinctiveness of the regional language increases, ethnoterritorial parties gain support in subnational elections relative to national ones.
Conclusion

The spread of decentralization around the globe has sparked a wave of scholarship on the causes and (some of) the effects of this transfer of competencies to the subnational level. While little has been written on the electoral implications of decentralization for its political supporters and adopters, the prevailing belief from the decentralization origins literature is that these reforms should alter party performance because they increase opportunities for office attainment and the controlling of important competencies at the subnational level. The evidence presented here calls into question the primacy of this explanation and suggests that another dimension of decentralization—decentralization as a national-level strategy of issue appeasement—should not be ignored. As shown by my analyses, governing parties across Western Europe are being rewarded in national elections, and not in subnational ones, for giving away significant powers to subnational governments. Conversely, ethnoterritorial parties are gaining voters in subnational elections and losing them in national ones, when reforms lead to significant decentralization. These conclusions imply that, rather than using decentralization to increase their chances of subnational office, governing parties are transferring power to the subnational level in order to secure their support at the national level.

The regression results also remind us that, as a party strategy, decentralization is not without risks. The governing party is only rewarded nationally for reforms that lead to very high levels of decentralization. Token appeasement is not sufficient to satisfy pro-decentralization voters. Consistent with my appeasement argument, where decentralization reforms confer limited competencies to subnational governments, governing parties lose, not gain, votes at the national level.

The results of this aggregate-level analysis suggest that voters are aware of and respond electorally to the policy decisions made by governing parties. While a lack of data prevents us from directly testing the individual-level vote-switching mechanism behind the appeasement theory in cross-national models, my predictions are supported by analyses from a variety of countries. In the context of Spain, Pallarés and Keating record significant vertical split-ticket voting, whereby voters support different parties at different levels of government. Their survey of the literature reveals that, with significant political and fiscal decentralization to Spain’s Autonomous Communities, a pattern has emerged in which voters support mainstream parties in national elections and vote for the ethnoterritorial parties at the subnational level. Consistent with my aggregate-level findings, ethnoterritorial parties in Spain perform better in subnational than national elections, while mainstream parties do worse.

Survey evidence about the effects of token decentralization is scarcer. However, research on the limited decentralization of executive powers to the Welsh Assembly after 1999 provides some support for the idea that voters are less likely to reward governing parties creating insufficiently decentralized systems. In the first national election post-decentralization, the decentralization-adopting Labour government lost votes in Wales while the ethnoterritorial party, Plaid Cymru (PC), gained support to achieve its highest vote share ever.
That said, in this particular case, the punishment mechanism for inadequate decentralization seems to be concentrated at the national level. Wyn Jones and Scully find that, despite limited decentralization, Labour lost support and the PC gained support at the subnational level relative to the national level, with national-level Labour voters likely to defect to the PC in the Welsh Assembly elections. With Welsh voters approving a referendum in 2011 calling for the transfer of more significant policy-making competencies to the Welsh Assembly, time will tell if substantial decentralization encourages Welsh ethnoterritorial voters to abandon their party at the national level.

This analysis of the electoral effects of decentralization for its adopters and other political supporters fills an important void in the existing literature. It highlights the electoral reward and punishment mechanisms associated with issue appeasement, even in the particular case where parties compete over institutional change. This paper also speaks to the heated debate about decentralization as a strategy in ethnic conflict resolution. The findings here suggest that decentralization, at least in Western Europe, does not exacerbate ethnic divisions—as measured by support for ethnoterritorial parties—but rather may remove ethnic conflict from national-level electoral politics. However, these results do not indicate the end of ethnoterritorial or regionalist politics and tensions. While more research is needed, this article suggests that ethnic-based politics are just relocated to the semi-autonomous subnational arenas in which ethnoterritorial parties are now electorally dominant. Such questions and propositions invite future research.

NOTES

Previous versions of this article were presented at the Political Institutions and Methodology Colloquium at Emory University and the 2011 meetings of the Midwest Political Science Association (Chicago, IL) and the American Political Science Association (Seattle, WA). I thank panelists and audience members for their useful comments and suggestions. I am also grateful to Kevin Clarke, Michael Delgado, Bonnie Field, and Gretchen Helmke for helpful conversations about this project. I thank Arjan Schakel for sharing his data. I would like to thank Chitralekha Basu, Peter Haschke, Matt Jacobsmeier, Patrick Kuhn, and Jessica Stoll for their research assistance.


5. While each scholar maintains his or her own definition of decentralization, this statement captures the common understanding of the phenomenon shared by many. See O’Neill; Rodden; Tulia G. Falletti, “A Sequential Theory of Decentralization: Latin American Cases in Comparative Perspective,” *American Political Science Review*, 99 (August 2005), 327–46. I define the more specific form of political decentralization as the reallocation of political and legislative powers over a set of policy areas from the central government at the national level to directly elected subnational assemblies. Following the definition given by Treisman, 2000, 837, fiscal decentralization is “the allocation of greater revenue-raising authority and/or expenditure responsibilities to subnational levels of government.”

6. According to Hooghe, Marks, and Schakel, Trentino-Alto Adige and Northern Ireland were the only regions in Western Europe to experience declines in the authority of their subnational governments during this time period. Liesbet Hooghe, Gary Marks, and Arjan H. Schakel, *The Rise of Regional Authority: A Comparative Study of 42 Democracies* (New York: Routledge, 2010).

7. Prior to 2011, only Scotland received this level of decentralization in the UK.


9. While Alonso examines decentralization’s effects, she is interested in accounting for the combined vote changes of all major statewide parties—both pro- and anti-decentralization.

10. See O’Neill; Escobar-Lemon; and Sorens, 2009.

11. There is no explicit discussion in this literature about how parties decide which competencies to transfer, but the underlying assumption (and in O’Neill’s case, explicit claim) is that these reforms involve extensive fiscal and political decentralization.

12. See, for example, Roeder; Horowitz.

13. Escobar-Lemon, 2003, offers a similar story about small, regionally concentrated parties being supportive of decentralization because of its effect on their subnational office attainment.


19. Ibid.

20. This strategy to attract pro-decentralization voters is less likely to work on voters who profess strong, non-instrumental attachments to the ethnoterritorial party.

21. Ethnoregionalist parties vary somewhat in the level of decentralization they demand. Given the lack of comprehensive cross-national, time-series data on individual ethnoregionalist parties’ preferences, I adopt a simpler and less discretionary approach of conceptualizing and testing for appeasement: I argue that higher levels of decentralization are preferable to lower levels and will result in more ethnoregionalist party voter defection.
European Regions (MEDER), a database that I constructed from opsephos.adam-carr.net. Subnational election results are taken from the Multi-Level Elections Database of election returns, the European Election Database, and Adam Carr and Party Systems: A Study of Twenty-Seven Democracies, 1945–1994; Octavio Amorim Neto and Gary Cox, Politics and Society in Western Europe

led to a loss of 80 exteme data availability problems. The addition of regional GDP per capita and unemployment measures... Quality of Government,

Hourge et al., for which national and subnational election data were available.


26. Following Hourge et al. and the NUTS classification, subnational regions are defined as the territorial units situated between the local and national governments with an average population size greater than 150,000. Where there are multiple tiers of government, I use the highest regional tier as defined by Hourge et al., for which national and subnational election data were available.

27. These are Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Spain, Switzerland, and the UK.

28. The additional countries are Austria, Greece, Iceland, Luxembourg, Portugal, and Sweden. Ireland is excluded because its extreme reorganization of subnational units during these decades renders the construction of region panels, and thus cross-time analyses, infeasible.

29. In order to capture whether the governing party adopting decentralization is punished or rewarded after implementation, I examine subnational elections that are held strictly after, but not simultaneous with, national elections.

30. This measure also allows me to include in the analysis the electoral effect of initial decentralization reforms on the first subnational election held in a given region.


32. De Winter and Türsan; Müller-Rommel; Jorge P. Gordin, “The Electoral Fate of Ethnoregionalist Parties in Western Europe,” Scandinavian Political Studies, 24 (June 2001), 149–70.

33. Following the literature, regional versions of mainstream parties, such as the CSU in Germany or the PS/SP in Belgium, and regional versions of niche parties, including the Flemish Greens (AGALEV), are not coded as ethnoterritorial.

34. National election results come from Danièle Caramani, Elections in Western Europe Since 1815 (London: MacMillan Reference, 2000). For more recent elections and parties gaining less than Caramani’s 5 percent threshold of inclusion, I supplement with data from other sources, including official governmental election returns, the European Election Database, and Adam Carr’s Electoral Archives, available at http://psephos.adam-carr.net. Subnational election results are taken from the Multi-Level Elections Database of European Regions (MEDER), a database that I constructed from official governmental and secondary sources. A list of the ethnoterritorial parties is available from the author.


36. Hourge et al.

37. Ibid, 8.

38. Efforts to examine the effects of regional economic conditions on change in vote were frustrated by extreme data availability problems. The addition of regional GDP per capita and unemployment measures led to a loss of 80–93 percent of the observations.

39. Schakel.


43. This follows from the fact that ethnoterritorial parties generally are not participants in governing coalitions.


45. Jolly does not explore the effect of EU deepening on subnational election results.


47. The van Houten and Fearon measure comes from Sorens, 2008.

48. I also conducted numerous robustness checks, including employing OLS models with country clusters and robust standard errors, using alternate measures of decentralization and EU deepening, and aggregating data up to the NUTS1 level, this last specification to allay concerns about any untreated spatial dependence between observations. The results prove largely consistent with the results of the main models and continue to support the appeasement theory over the office multiplication story. See the Supplementary Appendix on the author’s website.

49. The test results indicate that we can reject the null hypothesis that the residuals of the two constituent equations are independent for all models.

50. These levels were seen in 12.9 percent of the observations.

51. These decentralization levels were observed in 70.9 percent of region-election years.

52. These levels of “Self-rule” were seen in 57.5 percent of observations.

53. Alonso’s governing party hypothesis is an exception.

54. Although O’Neill doubts that her subnationally focused decentralization story would apply to countries with ethnoterritorial parties, Sorens (2009) applies this logic to Western Europe.

55. The plots based on the results of Model 4 are largely identical, the only difference being that the conditional effect of “Self-rule” on governing party vote is marginally significant (p values between 0.082 and 0.097) for “Self-rule” levels of 5 through 9.

56. These levels of “Self-rule” occurred in 61.9 percent of the observations.

57. In Model 4, the conditional effect is positive for “Self-rule” values of 5 through 9, decentralization levels similar to those in French regions since 1981. The result does not support the vote-boosting prediction of the office multiplication story, however; proponents of that theory are only considering the adoption of significant political and fiscal decentralization, not the token levels of reform found to be marginally statistically significant in Model 4.

58. The fact that decentralization has different electoral effects in national than subnational elections can perhaps account for Sorens’ 2004 finding of no relationship between decentralization and secessionist party vote. Sorens pooled subnational and national election results, and it is likely that the opposite effects of the reform in each arena, as shown by my analyses, cancelled each other out.

59. That said, recall that governing party subnational loss is not required for the appeasement logic to hold; the mainstream party is thought to view such vote loss as being simply acceptable in justifying its national-level tactic.

60. See O’Neill; Escobar-Lemmon; Sorens, 2009; Alonso.

61. Data on subnational electoral behavior are largely lacking from cross-national or national surveys in Western Europe.


63. My regression results similarly reveal a negative relationship for governing parties, although it does not meet conventional levels of statistical significance.