Is the Incumbent Curse the Incumbent's Fault? Strategic Behavior and Negative Incumbency Effects in Young Democracies

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Scholars of US politics have carefully studied the "incumbency advantage," parsing out the mechanisms that allow elected officeholders to increase their chances of reelection and carefully estimating incumbency effects based on strong research designs (Erikson 1971, Alford and Hibbing 1981, Gelman and King 1990, Gelman and Huang 2008, Butler 2009, Lee 2008, Cattaneo, Frandsen and Titiunik 2015). The wisdom accumulated over decades of exhaustive study suggests that congressional representatives, governors, senators, mayors, and state legislators enjoy clear advantages derived from holding office. Similarly, positive incumbency effects among national legislators have been uncovered in Canada, Germany, and the United Kingdom (Hainmueller and Kern 2008, Freier 2015, Kendall and Rekkas 2012, Eggers et al. 2015). In the post-war era, Italian MPs also seem to enjoy a large incumbency

advantage in securing renomination, though not necessarily reelection; even then, the small group of politicians lucky enough to survive one or two electoral rounds usually go on to build unassailable advantages in obtaining re-election (Golden and Picci 2015).[1]

In stark contrast, evidence from Brazil, India, Rumania or Zambia suggests that holding elected office can be the kiss of death for politicians and parties in developing countries (cf. Klašnja 2015*b*,*a*, Uppal 2009, Brambor and Ceneviva 2012, Macdonald 2014). Rather than paving the way to future victories, winning office today *diminishes* the probability that the same party will hold office tomorrow, especially at low administrative levels (e.g., municipalities or subnational legislatures). This *incumbency curse* is ubiquitous enough to be dismissed as mere coincidence; it is also extremely surprising because it obtains in countries where incumbent politicians arguably have access to discretionary resources with which to buy votes. If anything, we would have expected incumbent parties to enjoy even larger advantages in such settings.

Why are incumbents in young democracies cursed? The most convincing explanation emphasizes the role of rent-seeking on the part of politicians, which induces voters to throw them out of office before they become entrenched (Klašnja 2015*b*,*a*). Alternatively, the incumbency curse may result from voters' "balancing" behavior (Erikson 1988). Without contesting the importance of these explanations, in this paper we explore the possibility that close elections might induce strategic players to behave in ways that worsen these negative incumbency effects. This is an important point because causal estimates of incumbent effects are based on regression discontinuity (RD) designs, which require restricting the sample of observations to close elections, i.e. elections where some politicians "barely win" (or "barely lose"). If districts with close elections are indeed subject to idiosyncratic dynamics,

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[1]Golden and Picci (2015) actually find a negative incumbency effect on re-election for Italian MPs, but this effect is conditional on being renominated. This may bias the results because incumbents are much more likely to seek re-election than runner-ups — i.e., only high-quality runner-ups run again in the next election; see Magalhaes (2015).

RD designs may exaggerate the magnitude of the incumbent curse. Specifically, we posit that the existence of an incumbent curse in young democracies may be exaggerated by two mechanisms. A *Duvergerian coordination* mechanism involves strategic behavior on the part of opposition voters and/or partisan elites. In this account, close elections are different because they suggest that the incumbent is beatable provided that second-loser supporters coordinate behind the first loser.[2] This mechanism cannot obtain in bipartisan systems, such as the US, but arguably plays an important role in multi-party contexts. We hasten to add that Duvergerian coordination cannot produce a negative incumbent effect *on its own*, as it requires that voters show some preference against incumbents; we argue, however, that in a setting characterized by a dominant party, Duvergerian coordination may well worsen the incumbency curse for that party's candidates.

Alternatively, a *strategic elite behavior* mechanism may operate in multi-tiered systems in which incumbents at one level coexist with incumbents at a different level — for example, wherever mayors coexist with governors. In such settings, higher level incumbents can have strong incentives to behave strategically toward lower-level incumbents that won, and/or copartisan candidates that barely lost, a close election. For instance, governors may withdraw funds from districts where a copartisan was defeated in a close election, hoping to weaken the opposition and to recapture the district in the next election. Such behavior could wipe out any advantages derived from incumbency at the local level or worsen incumbent disadvantages produced by other mechanisms.

Political scientists have explored both of these *strategic behavior* mechanisms in other contexts, but to our knowledge they have not invoked them in relation with the incumbent curse. To frame the importance of our contribution, we hasten to clarify that our arguments do not threaten the causal interpretation of RD estimates, nor in fact the prevailing "rent-seeking" explanation about the incumbency curse. Rather, our point is that if close elections

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[2]Following Cox (1997), the first loser is the runner up while the second loser is the party that finishes in the third place.

induce players to behave strategically — if high-level politicians strategically target funds for, and voters strategically abandon second-loser parties in, close districts — RD estimates will be a composite of the *direct* (presumably positive, though potentially negative) effects of incumbency and the *indirect* (certainly negative) effects of third-party interventions. This is problematic because most researchers are interested in the direct effects of incumbency (such as name recognition, public visibility, or the ability to implement public policies), but to the extent that close elections invite strategic behavior this effect cannot be disentangled from indirect effects that disadvantage incumbents. In other words, if a researcher finds that the *estimated* effect of incumbency is zero, this need not mean that the direct effect of incumbency is indeed nil; it could also mean that the *potentially* positive effect of incumbency induces strategic actors to behave in ways that counteract it. Similarly, an estimated negative effect may capture a direct incumbency disadvantage exaggerated by indirect effects derived from strategic behavior. Just as incumbency in the United States comprises *personal*, *partisan*, and *quality* advantages (Erikson and Titiunik 2015), the incumbent curse may conflate several mechanisms that end up negating potential incumbency advantages or worsening actual disadvantages.

We examine these claims with data from mayoral and legislative elections in Mexico between 2000 and 2015. Elected politicians in Mexico cannot stand for immediate re-election, which eliminates the possibility of *personal* incumbency effects and helps us test our claims in a relatively simple scenario in which only *partisan effects* might obtain. We begin by presenting strong evidence of an *incumbent party curse* for each of Mexico's three main political parties, though only in mayoral elections; in federal elections, the net effect of incumbency seems to be nil. We then examine whether these results are consistent with either the *Duvergerian coordination* or the *strategic elite behavior* mechanisms. We find some empirical support for both, though the evidence is far from overbearing. Consistent with the hypothesis of *Duvergerian coordination*, (i) incumbent parties lose votes between elections; (ii) second-loser parties tend to lose votes following a close election as well; and

(iii) the incumbency curse appears to be greater for the erstwhile hegemonic party, which is consistent with a stylized narrative in which opposition voters might coordinate to support the strongest alternative to the hegemonic party. At the same time, the difference in vote shares at $t+1$ between the first-loser and winner at t is not reliably positive. Consistent with the *strategic elite behavior* argument, having a copartisan governor reduces the magnitude of the incumbent curse for one of three major parties, though paradoxically it seems to worsen it for another. We conclude with a discussion of the implications of our argument for the external validity of RD results.

1 Incumbency effects in Mexican elections

The Mexican case is especially well suited for our purposes because the country's constitution bars all elected officials, including mayors and legislators, from seeking re-election at the end of their terms.[3] This guarantees that we can interpret any incumbency effects we might find as *partisan* rather than *personal*, which simplifies our task since we can downplay re-election incentives and/or unobservable quality differences among individual politicians. Political parties in Mexico are relatively strong, even at the local level, and have ample capacity to mobilize their supporters and influence the behavior of mayors and legislators elected under their labels. This is especially true for the erstwhile dominant party, the *Partido Revolucionario Institucional* (PRI), but also applies to the right-wing *Partido Acción Nacional* (PAN). The country's other major party, the left-wing *Partido de la Revolución Democrática* (PRD), has a somewhat looser organization but also enjoys a highly recognizable label. As Klašnja and Titiunik (2015) point out, the fact that strong parties can discipline lame-duck incumbents and force them to behave as good party agents should allow them to reap the benefits of incumbency even when re-election is not possible. *Prima facie*, this suggests that

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[3]Starting in 2018, mayors and national congressional representatives will be limited to two and four consecutive terms, respectively.

Mexican parties should enjoy an incumbency *advantage* — or at least a less pronounced incumbency disadvantage than their counterparts in countries like Brazil, where parties are much weaker both ideologically and organizationally.

We consider two different levels of analysis: municipalities (1997–2010) and federal districts (2000–2012). Municipalities comprise the lowest administrative level in Mexico's federal regime. Each of the country's 2,400+ municipalities elects a mayor by plurality rule every three years.[4] Municipal elections may or may not be concurrent with federal contests, depending on the state to which the municipality belongs. In order to elect representatives to the federal Congress, Mexico is divided into 300 single-member plurality districts, which we observe in each of five federal election rounds (every three years from 2000 to 2012).[5] We only examine the incumbency effect for *local executives* and *federal legislators*. Ideally, we would also consider incumbent party effects among *state executives* (governors), *state legislators*, and *local legislators* (namely, councilors or *regidores*). However, close gubernatorial elections are too sparse to allow any meaningful statistical analysis,[6] district-level data on elections for state legislators are not always available (plus the use of compensatory seats in these elections undermines the validity of RD designs),[7] and Mexican voters lack a separate

[4]The only exception is the state of San Luis Potosí, which used *ballotage* between 1997 and 2003.

[5]In Mexico's hybrid electoral system, these 300 SMDs are nested within five proportional-representation districts where 200 additional representatives are elected. Voters cast a single ballot for SMD candidates; these ballots are aggregated at the PR district level to determine a number of additional seats (Calvo and Abal Medina 2002). Note that we also collected data from the 1997 and 2015 elections in order to identify the incumbents of the 2000 elections and examine how winning a seat in 2012 affected electoral results in 2015.

[6]There are less than a hundred gubernatorial elections in the period under study, compared to about 1,500 legislative district elections and upwards of 8,000 mayoral elections.

[7]Many Mexican states have a hybrid electoral system in which the "best losers" in SMD

ballot to elect local councilors.

Even before proceeding to the RD analysis of close elections we need to impose a number of mild but necessary restrictions on the universe of observations. This ensures that we will only compare sufficiently similar observations with close elections. First, we restrict the analysis to Mexico's three main parties (PAN, PRI and PRD); we ignore incumbency effects for minor parties, as well as those observations in which there was an alliance between two major parties (PAN–PRD, PAN–PRI or PRI–PRD). Second, we exclude approximately three-fourths of municipalities in the state of Oaxaca that hold nonpartisan elections. Finally, we only include federal districts whose boundaries did not change as a result of redistricting over the period under study.[8] After setting these restrictions, our population comprises 8,338 elections at the municipal level and 1,230 district-level elections. Table A1 in the online appendix presents summary statistics for the main variables of interest.[9]

We begin by estimating *incumbent party effects* at the municipal and district levels.

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elections still receive compensatory seats. This means that candidates who "barely lose" a single-member election are likely to become incumbents anyway.

[8]This means that we lose most federal district observations corresponding to 2006, because most single-member district boundaries were redrawn in 2005.

[9]We have also estimated all models on a restricted sample of twenty states in which local and federal elections were *not* concurrent between 2000 and 2015: Aguascalientes, Baja California, Baja California Sur, Chiapas, Chihuahua, Coahuila (with the exception of the extraordinary election of 2009), Durango, Guerrero, Hidalgo, Michoacán, Nayarit, Oaxaca, Puebla, Quintana Roo, Sinaloa, Tamaulipas, Tlaxcala, Veracruz (since 2003, when elections ceased to be concurrent), Yucatán and Zacatecas. The rationale for this restriction is to ensure that our estimates of municipal incumbency effects will not be conflated with coattail effects. In general, results based on the full sample and the sample of non-concurrent elections are similar; we note when this is not the case (see fn. 18).

A preliminary look at the data suggests that incumbent parties enjoy obvious electoral advantages, as 55% of all *municipalities* are won by candidates that belong to the party of the departing incumbent. Similarly, the party that holds an *electoral district* is able to reclaim it in the following election 73% of the time. However, these inferences change substantially once we control for the party's vote share in the previous election and include state and year fixed effects. Including these controls produces a *negative* (and statistically significant) estimate of the incumbency effect in municipal elections for Mexico's three main parties: the estimated effects are -11.1 (SE: 1.4) percentage points for the PAN, -13.8 pp. (SE: 1.3) for the PRI and -6.2 pp. (SE: 1.3) for the PRD.[10] In practical terms, if we hold a party's previous vote share constant at 40%, the PAN's probability of victory drops from 0.35 when it is not the incumbent to 0.24 when it controls the municipal government, the PRI's chances of victory decrease from 0.56 to 0.43, and the PRD's from 0.30 to 0.24. At the district level, the point estimates are positive for all parties, but rather small in magnitude (1.1, 3.0 and 0.2 pp. for the PAN, PRI and PRD, respectively); furthermore, none of them are statistically significant.

These statistics are still inappropriate estimates of the *incumbent party effect* because controls for previous vote share and state and year effects do not necessarily secure exogenous assignment of the party membership of mayors and legislators. As is now the norm in similar studies, we leverage a regression discontinuity (RD) design to make credible inferences

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[10]We estimate, for every party, $\text{winner}_{i,t}^e = \theta \cdot \text{vote share}_{i,t-1}^e + \beta \cdot \text{party incumbent}_{i,t}^e + \mu_s + \delta_t + \varepsilon_{i,t}^e$, where s, i and t index states, municipalities (or districts), and election years, respectively, e indicates the election type (municipality or federal district) and *party incumbent$_{i,t}^e$* is a dummy that takes the value of 1 if the party of interest controlled the municipality or legislative district i at time t, and 0 otherwise. Thus, the parameter of interest is β; state (μ_s) and year (δ_t) effects and the party's vote share in the previous election are included to approximate conditional independence, but our estimate of β is based on the entire universe of observations, not just those with close elections.

about the causal impact of incumbency on electoral outcomes. The logic behind RD is that treatment assignment depends on whether an observed *running variable* surpasses some pre-established threshold. The intuition is that while the running variable increases smoothly through the threshold, the probability of receiving the treatment of interest experiences a sharp "jump" at the discontinuity. Here, the treatment of interest is *party incumbency* (at either the municipal or district level) and the running variable is the party's *margin of victory* in the previous election. The discontinuity occurs when *margin of victory* equals 0: around this threshold, we can assume that the assignment of mayors (legislators) into "winner" or "loser" status is exogenous, conditional on the running variable: Even though parties that win and lose elections are not strictly comparable (winners are, on average, electorally stronger than losers), the change in the running variable in the region around the discontinuity is small relative to the change in the probability of receiving treatment.[11]

The RD design requires that we restrict the sample in two additional ways. Following Klašnja and Titiunik (2015), we restrict the analysis to those observations in which the party of interest finished in the first or second place in the municipal (or district) election that took place at t. That is, for every election type (municipal or district), we create four separate samples: one for whichever party was the municipality's incumbent at t; one with the elections in which the PAN finished in the first or second place at t; another one for the PRI; and a fourth one for the PRD. This means that we omit from the comparison set those observations where a party "barely lost" the election but actually finished in the third

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[11]See Skovron and Titiunik (2015) for a discussion. An alternative interpretation of the RD is that treatment assignment can be considered "as if" random, in the sense that candidates who "barely won" an election are undistinguishable (on average) from candidates that "barely lost" the election. That is, the only difference between the two candidates is that one was luckier on election day, for example due to a random shock (Skovron and Titiunik 2015).

place.[12] Second, we must choose a bandwidth for the analysis, i.e. decide which observations are "close enough" to the threshold of interest to warrant inclusion in the analysis, and which ones should be dropped from the sample because they are too far away from the discontinuity. We use the state-of-the-art algorithm proposed by Calonico, Cattaneo and Titiunik (2014), which automatically selects the bandwidth that minimizes the asymptotic mean squared error of the RD point estimates.[13]

The outcome of interest is the electoral performance of mayoral and legislative candidates in the next election. Specifically, *winner* is an indicator that takes value 1 if the party of interest won the largest plurality in the municipality or district at $t+1$. Table 1 presents results based on the RD design. In line with findings reported by Klašnja and Titiunik (2015), the *incumbent party effect* is negative at the municipal level: the incumbent party is less likely to win the next mayoral election by approximately 23–29 percentage points.[14] This can be seen in Figure 1a, which shows that the probability of an incumbent victory

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[12]Note that these samples *do* include observations in which another party finished in the first or second place. For example, a municipal election in which the PT (a left-wing party) came first and the PRI second is included in the PRI sample, though not in the PAN or PRD samples.

[13]The effects of interest are estimated nonparametrically by fitting a separate polynomial regression at each side of the discontinuity and weighting observations according to their distance to the threshold. Note that the mean squared error of the estimates depends on the distribution of the dependent variable, and thus changing the outcome of interest will change the corresponding bandwidth (and, with it, the actual sample on which the effect is estimated). This is not problematic as long as the researcher uses the same specification in all analyses (Skovron and Titiunik 2015). We always employ a local linear regression for the running variable and a triangular kernel that gives more weight to observations closer to the threshold; we always report the bias-corrected versions of the standard errors.

[14]Table A2 in the Appendix provides estimates of incumbent effects on samples of concurrent

Table 1: RD estimates of the effect of incumbency on a party's probability of winning at $t+1$.

party	(a) Mayors				(b) Legislators			
	estim.	SE	bwd.	N	estim.	SE	bwd.	N
Incumbent	−0.29	0.03**	0.12	4053	−0.14	0.10	0.08	406
PAN	−0.27	0.04**	0.13	2656	−0.05	0.08	0.15	502
PRI	−0.29	0.03**	0.13	4699	−0.12	0.09	0.11	503
PRD	−0.23	0.04**	0.14	2178	−0.04	0.15	0.11	248

Note: In the party-specific models, samples are restricted to observations in which the party finished in the first or second place in the election held at t; the running variable is the corresponding party's *margin of victory* in the election held at t and the outcome is victory at $t+1$. In the incumbent model, participation at $t-1$ identifies the incumbent at t, with *margin of victory* at t the running variable and victory at $t+1$ the outcome variable (to identify incumbents, we restrict the sample to parties that participated in at least three consecutive reelections, which explains why the "incumbent" sample is smaller than the PRI sample). * p-val. < 0.10. ** p-val. < 0.05.

decreases sharply at the discontinuity. In contrast, Table 1b provides no evidence of an incumbent party curse in congressional elections, and Figure 1b shows no "jump" in the probability of winning a legislative seat at the discontinuity. Admittedly, the pool of close legislative elections is much smaller than that of close mayoral elections, and thus we expect standard errors to be wider in the former. Nonetheless, the estimated magnitude of the local average treatment effect is smaller in legislative than in mayoral elections, and visual inspection of Figure 1b suggests that, with the possible exception of the PRD, the effect of interest is indeed zero rather than a large but imprecisely estimated quantity.[15] In short,

and non-concurrent elections, which are very similar.

[15]The plots in Figure 1 were constructed following the automatic bin selection procedure proposed by Calonico, Cattaneo and Titiunik (forthcoming); as these authors explain, the goal is to implement an automatic bin-selection procedure that minimizes the researcher's discretion in deciding which data to show (and how to show it). Thus, the plots are merely illustrative, and they may suggest a positive (or negative) effect that is not identical to the RD estimates of Table 1. However, the plots will not show a large effect when there is none (or fail to suggest a large effect when there is one).

the incumbency curse is restricted to mayors; it does not affect national-level politicians.

2   Existing explanations of the incumbency curse

How can we account for the existence of an incumbent party curse in Mexican municipalities? And why is there no such curse at the federal level? The most prominent explanation for the incumbent party curse emphasizes the role of rent-seeking (Klašnja 2015b, Klašnja and Titiunik 2015). In many developing democracies, so the argument goes, politicians often perceive public office as an avenue for personal enrichment. If politicians get better at extracting rents throughout their tenure — which may happen if rent-extraction networks take time to build or if politicians gradually learn how to hide corrupt deals — they will have an incentive to deliver good outcomes early in their careers to improve chances of reelection, only because reelection paves the way to higher rents in the future. As this behavior blurs the distinction between bad politicians (rent-seekers) and good ones (non-rent-seekers), citizens become less prone to reelect incumbents, thus eliminating an important source of incumbency advantage and possibly even generating a disadvantage. Political parties may ameliorate this problem by selecting good candidates and monitoring their behavior, but only insofar as party labels are valuable and parties can provide their members with avenues for further political advancement (Klašnja 2015b,a). In line with these claims, Klašnja (2015a) finds that Romanian mayors become more disadvantaged as incentives to engage in corruption increase, and Klašnja and Titiunik (2015) show that in Brazil a combination of weak parties and mayoral term limits promotes moral hazard in the behavior and adverse selection in the nomination of local executives.[16]

This argument helps us understand the evidence we have unearthed. Compared to the modal Brazilian party, Mexico's three main parties have more recognizable programmatic ap-

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[16]Only the *Partido dos Trabalhadores*, a party with a strong organization, is able to avoid the incumbency curse (Klašnja and Titiunik 2015).

(a) Mayors

(b) Legislators
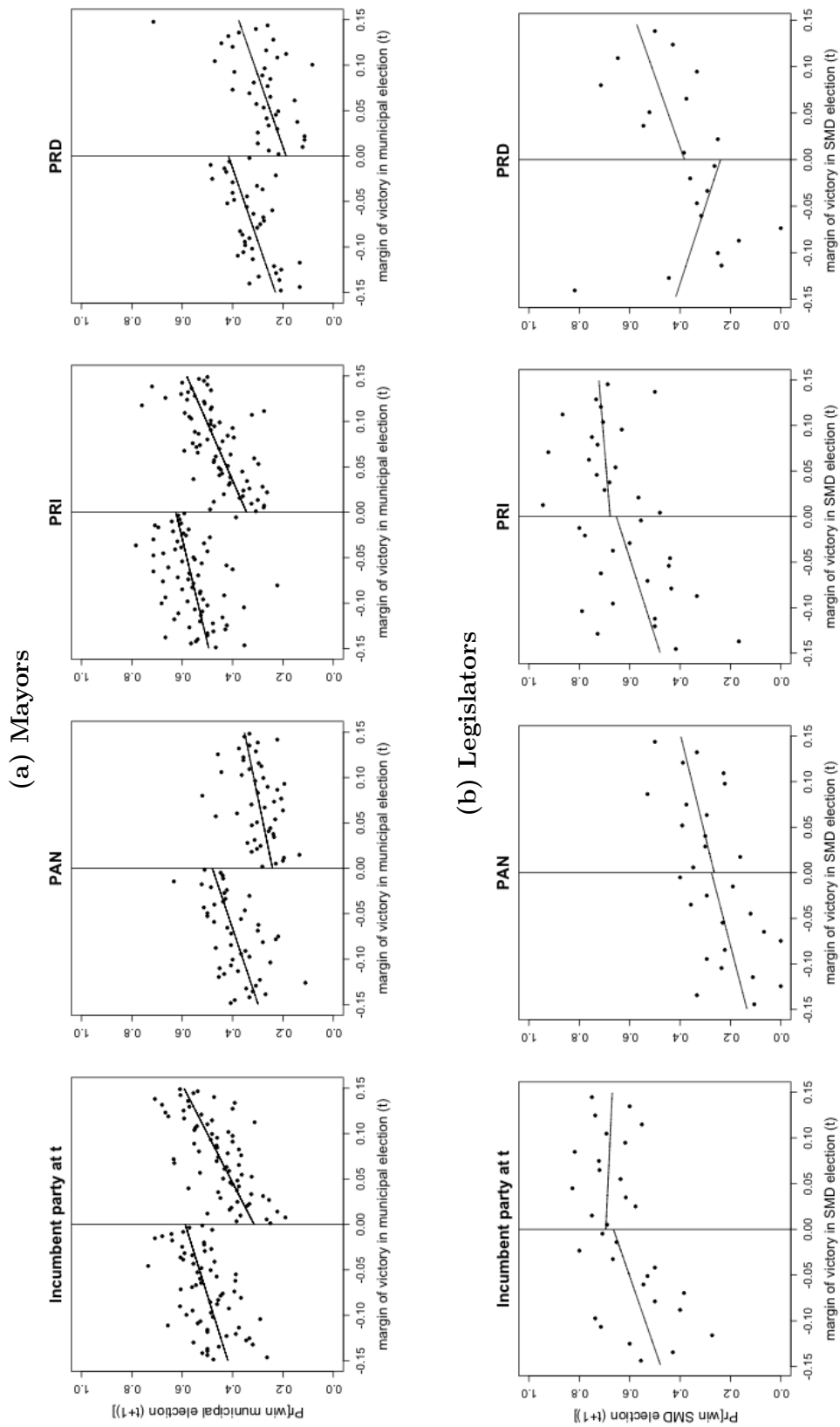
Figure 1: RD plots indicating the effect of *incumbency* on the probability of winning the next mayoral or federal election.

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peal, larger histories of institutionalization, and presumably stronger organizations (Kitschelt et al. 2010). Within Mexico, however, we would expect to see cross-level differences in the ability of different parties to deal with moral hazard and adverse selection problems. In particular, we expect parties to be better at selecting and disciplining *national legislators* than *local executives*. First, legislative behavior (especially roll-call votes) is easier to monitor than the outcomes of executive policy-making; party leaders can more easily monitor a recorded aye/nay vote than the multifaceted and complex performance of mayors. There is also ample evidence that national legislators vote cohesively (Weldon 2002, Kerevel 2010), which means that parties succeed in keeping "ideological shirking" to a minimum even when congressional representatives cannot be immediately reelected. Kerevel (2015) further shows that party leaders control access to the post-congressional positions sought by a large majority of legislators, which gives national parties leverage over the behavior of their backbenchers.

Second, national representatives comprise a relatively small set of individuals that aspire to long political careers and have in many cases already been vetted by the party (or prevailed in a primary). In contrast, available evidence suggests that parties strive more than occasionally to find battle-tested individuals that can become good agents of the party at the municipal level. We lack a definitive account of the post-mayoral careers of local politicians, but we know that many mayors of large provincial capitals use this position as a stepping stone into the national legislature. In an analysis of the careers of Mexican politicians, Camp finds that 22% of politicians born after 1960 and active in the national stage have acted as mayors at least once; this is a larger proportion than in earlier cohorts (Camp 2010, pp. 25-26). Yet between 1990 and 2013 only 1 out of every 20 mayors were eventually re-elected (after sitting at least one term out) (Tarriba 2014); the vast majority of mayors drop out of politics after their term is over.[17]

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[17]The rent-seeking explanation sees corruption as the main mechanism behind the incumbent party curse. Larreguy, Marshall and Snyder (2014) present evidence that incumbent parties in Mexico lose a sizable fraction of their municipal vote share when audit reports reveal

An alternative potential explanation of the incumbency curse focuses on "ideological balancing," i.e. voters' decision to support different parties in different policy-making arenas in order to achieve overall policy moderation (Erikson and Filippov 2001, Kern and Hainmueller 2006, Bafumi, Erikson and Wlezien 2010, Folke and Snyder 2012). Strictly speaking, ideological balancing in municipal voting would mean that citizens choose a party different than the mayor's to head local assemblies (*regidurías*) in midterm elections. This is impossible in practice, as mayors and assemblies in Mexico are elected concurrently. Arguably, ideological balancing could also mean that voters balance the partisanship of *local executives* and *national legislators*. Yet, voters cannot really expect to "balance" the policy actions of a mayor by empowering some other party at the national level, or vice versa, since the policy realms of national legislators and local mayors seldom overlap. In any case, Table A3a in the Appendix shows that barely winning a municipal election makes it less likely that a party will win a plurality of the vote in the next *federal* election in that municipality, but the magnitude of the effect is cut in half with respect to the estimates presented in Table 1.[18]

3 Why might "close elections" be different?

As we discussed in the previous section, the dominant rent-seeking explanation can be squared with both the existence of a mayoral incumbent party curse and a nil legislative incumbent party effect. Our quarrel is neither with the theoretical merits of this explanation, nor with its explanatory purchase. The problem we emphasize is that RD estimates require that we focus on close elections, and close elections are different in ways that might

mayoral malfeasance *and* these reports are covered by local media stations.

[18]Further results, available upon request, show that the effect is driven by states where municipal and federal elections are concurrent; in non-concurrent states, the effect is sometimes negative, but its magnitude is far smaller. This suggests that federal candidates may be unsuspecting victims of the mayor's incumbent curse.

make it harder for the incumbent party to win.[19] Specifically, we claim that close elections activate two mechanisms — *Duvergerian coordination* and *strategic elite targeting* — that may either weaken potential incumbency advantages or exaggerate already existing incumbency disadvantages, in either case helping us account for the mayoral incumbent curse. These mechanisms should not be confused with potential "self-sorting" at the discontinuity, which we are able to dismiss; in fact, self-sorting occurs *before* the election in which incumbency is determined, while our mechanisms can only operate *after* the election has been decided.[20] We now discuss the *Duvergerian coordination* and *strategic elite targeting*

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[19]Fowler (2015) remarks on the idiosyncratic character of close elections by noting that voters update information about the quality of a politician from their knowledge that an incumbent has already won in the past — and thus was at some point deemed better than her adversary. Under these circumstances, the informational advantage that incumbents enjoy disappears if voters are reminded that an incumbent barely won her original election, as this suggests that victory was the result of chance rather than superior quality. Note, however, that this mechanism is best able to account for a *personal*, rather than a *partisan*, incumbency curse.

[20]Self-sorting obtains when politicians systematically win close elections because they anticipate the exact number of votes they need to barely win; this invalidates claims of comparability between candidates that barely win and those that barely lose (Caughey and Sekhon 2011). Eggers et al. (2015) question the generalizability of self-sorting to settings outside US congressional elections, including Mexican municipalities. Table A5 and Figures A1 and A2 in the Appendix show that pre-treatment variables such as the party's incumbency status at t, its *vote share* at $t-1$, the municipality's (or district's) *population* and its *poverty* level are generally well balanced at the discontinuity, implying that the RD effects cannot be attributed to self-sorting. Only 3 out of 30 outcomes (the PAN's probability of victory in the municipal election held at $t-1$, the PRD's vote share at $t-1$ in municipal elections, and the PAN's vote share at $t-1$ in SMD elections) are slightly

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mechanisms in more detail.

3.1   Duvergerian coordination

It is well known that first-past-the-post systems tend to produce two-party competition in single-member districts (Duverger 1951/1967, Cox 1997). Under these conditions, a previous "barely won" election leaves incumbents and potential challengers with the knowledge that the next electoral victory will be hard fought, yet well within reach. Voters and elites that supported the loser have no other option than multiplying their effort on behalf of their favorite party if they are to defeat the incumbent; the incumbent's supporters will also be motivated to turn in to defend a hard-earned seat. Finding that incumbents *systematically* lose in strict two-party races can only be interpreted as evidence of an anti-incumbent bias. Now consider circumstances in single-member districts with multi-party competition, where voters, party leaders, and aspiring candidates may find it difficult to coordinate on supporting an alternative to the incumbent. Specifically, imagine a three-way race election at time t where the top two vote-getters end up with relatively similar vote shares. Party elite and citizen supporters of the winning and runner-up ("first loser") parties will still have an additional incentive to turn out to secure victory at $t+1$, but supporters of the second-loser party now understand that voting for their preferred candidate may be a wasted vote, especially if the second loser's vote share at t was much lower than the first loser's vote share. In other words, a close election at t can push second-loser supporters to coordinate around the first loser at $t+1$ in order to beat the party in power. Under these circumstances, finding that incumbents *systematically* lose can be interpreted as evidence of an anti-incumbent bias, but can also obtain if strategically-minded supporters of the second loser have a second-order preference for the first loser, for example if the incumbent is a dominant party resisted by an ample swath of the electorate. Moreover, while the incumbency curse in a two-party

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unbalanced.

Table 2: Effect of *close elections* on the electoral performance of the third-placed party ("second loser"). Outcome is the change in *vote share* of the second loser from t to $t+1$ (i.e., negative values indicate that the second loser *lost* votes).

	Incumbent sample	PAN sample	PRI sample	PRD sample
(a) Close vs. not close				
constant	0.01**	−0.01*	0.01**	0.03**
	(0.00)	(0.00)	(0.00)	(0.00)
close election	−0.02**	−0.01**	−0.02**	−0.02**
	(0.00)	(0.00)	(0.00)	(0.01)
bandwidth	0.12	0.13	0.13	0.14
(b) Absolute *margin of victory* at t				
constant	−0.01**	−0.02**	−0.02**	0.00
	(0.00)	(0.00)	(0.00)	(0.00)
$|margin\ of\ victory|_t$	0.08**	0.04**	0.10**	0.14**
	(0.01)	(0.02)	(0.01)	(0.02)
Num. obs.	6318	4061	6852	2924

Note: Close election is a dummy that takes the value of 1 if the observation falls within the bandwidth identified in Table 1a, and 0 otherwise.

setting often implies that the incumbent loses some of its previous supporters,[21] a process of Duvergerian coordination could exaggerate an incumbency curse in a multi-party setting even if the incumbent manages to retain all of its electoral support between t and $t+1$.

Based on this argument, we claim that first-loser victories at $t+1$ following close elections at t would be aided by changes in the behavior of opposition voters, particularly among second-loser supporters. A first implication of this claim is that we should observe, at a minimum, systematic decreases in the vote share of second losers when we compare close to non-close elections. Evidence consistent with this expectation appears in Table 2, which

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[21]Strictly speaking, this is not necessary: the incumbent may manage to retain all its previous support and still lose if turnout increases but new voters go massively to the runner-up. However, existing explanations tend to assume that some voters do get disenchanted with the incumbent and support the opposition as a result.

examines changes in the electoral performance of second losers at $t+1$ depending on the closeness of the election at t. In Panel (a), we regress the change in vote share of the second loser from t to $t+1$ on an indicator coded "1" when the election at t was close (we define an election as "close" if the winner's margin of victory fell within the bandwidth reported in Table 1a). The effect of this variable is negative and statistically significant in all samples.

Panel (b) takes an alternative approach, regressing the same outcome (vote share of second losers at $t+1$) on the absolute value of the *margin of victory* of the party of interest at t. The absolute margin of victory ranges from 0 to 1, with values near 0 indicating an extremely close election; thus, a *positive* estimate for this variable means that second-losers lose fewer votes at $t+1$ following a lopsided contest at t. We find evidence consistent with this expectation across the board. Furthermore, the negative estimates for the intercepts confirm that second losers lose votes in extremely close elections; as the margin of victory approaches 0, these losses fluctuate between 1 and 2 percentage points, a relatively small amount that can still help defeat an incumbent if these votes add to the tally of the first loser in the previous election.

The effect we see in Table 2 is certainly consistent with the notion of Duvergerian coordination in multi-party competition, but it does not establish it as a coherent account of the mayoral incumbent curse. To get there, we would need to ascertain (i) that a majority of second-loser voters throw their support behind the first loser, and (ii) that they do so based on an actual second-order preference for the first loser, as opposed to mere anti-incumbent behavior which obtains regardless of the *identity* of the first loser.[22] Unfortunately, these are not empirical questions that we can fully settle with the aggregate data that we have

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[22]Along similar lines, Kendall and Rekkas (2012) find that Liberal Party incumbents in Canada increase their vote share at the expense of minor parties while Conservatives increase their vote share at the expense of minor parties *and* Liberals. Thus, the effect of incumbency on *vote share* is strong for both parties, but the effect of incumbency on the *probability of winning* is much larger for the Conservatives.

Table 3: Exploring the mechanisms behind negative incumbency effects: Duvergerian coordination.

party	outcome	estim.	SE	bwd.	N
Incumbent	v. share	−0.04	0.01**	0.11	3665
Incumbent	winner (rival)	0.23	0.03**	0.12	3992
Incumbent	v. share (rival)	0.05	0.01**	0.12	3923
PAN	v. share	−0.05	0.01**	0.14	2882
PAN	winner (rival)	0.36	0.04**	0.09	1960
PAN	v. share (rival)	0.05	0.01**	0.09	2042
PRI	v. share	−0.03	0.01**	0.15	5014
PRI	winner (rival)	0.22	0.03**	0.13	4601
PRI	v. share (rival)	0.05	0.01**	0.10	3800
PRD	v. share	−0.05	0.02**	0.10	1813
PRD	winner (rival)	0.28	0.04**	0.14	2178
PRD	v. share (rival)	0.05	0.01**	0.13	2125

Note: All outcome variables correspond to municipal elections. For every party, the sample is restricted to those observations in which the party finished in the first or second place in the municipal election held at t. *winner (rival)* and *v. share (rival)* refer to the party of interest's main *rival*; they indicate whether it won a plurality of votes at $t+1$ as well as its vote share in that election, respectively. The running variable is the corresponding party's *margin of victory* in the municipal election held at t. * p-val. < 0.10. ** p-val. < 0.05.

compiled; appropriate tests would require individual-level data on vote and turnout choices as well as on the preference profiles of voters.

We can at most ascertain whether the aggregate patterns that we observe suggest Duvergerian coordination. Regarding point (i), we can test whether the vote share won by the first-loser in a previous election tends to be larger than the absolute value of the vote share lost by the erstwhile winner, which would be consistent with the expectation that a majority of second-loser voters support the first loser. To do so, Table 3 displays estimates of the incumbent party effect on three additional outcomes: the party's own vote share at $t+1$, the probability that the party's *main rival* will emerge victorious at $t+1$ (*winner rival*), and the vote share of the party's main rival at $t+1$ (*vote share rival*).

A few results are worth noting. First, the effect of winning a close election at t on a party's own vote share at $t+1$ is decidedly negative, and the effect of winning a close election at t on

the probability that the first loser will win is clearly positive. Second, a party's incumbency curse coincides with an increase in votes for its main rival, as across the board the effect of incumbency on the vote share of the erstwhile first loser is positive.[23] Furthermore, in the incumbent and PRI samples the vote share won by the previous first-loser is larger than the vote share lost by the previous winner. The magnitude of the difference ($+0.05$ vs -0.04 and $+0.05$ vs -0.03) is consistent with the magnitude of the vote share loss of second losers documented in Table 2, though we hasten to add that a bootstrap estimation indicates that these differences are not statistically significant at conventional levels.[24] Thus, we are still uncertain on whether the migration of voters that we alluded to in point (i) occurs in large enough quantities to overwhelm any potential incumbent advantages.

Regarding point (ii), the extent to which second-loser supporters would be willing to vote strategically has not to our knowledge been inspected in local elections in Mexico. There is evidence of the existence of Duvergerian dilemmas and strategic considerations for opposition voters in federal elections during Mexico's transition to democracy (Magaloni 1996, Greene 2008). The stylized story is that voters opposed to the hegemonic PRI could have coordinated in support of either the leftist PRD or the rightist PAN, but remained hopelessly divided because of uncertainty about which of these parties had a better chance of defeating the PRI. A similar dilemma may obtain in local elections, where the PRI controlled throughout the period under inspection a large majority of municipalities (about 58%).[25] Again, we cannot

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[23]This outcome is tautological in strict two-party contests since a party's win at $t+1$ is the mirror image of the other's loss. The outcome is not tautological in multi-party systems.

[24]To obtain these estimates, we sampled (with replacement) from the entire dataset, ran the corresponding RD models, and calculated whether the rival's vote share increase was larger then the party of interest's decrease. We replicated the procedure 250 times.

[25]Out of 8,338 municipal elections that we inspect, the PRI captured the mayor's position 4,810 times, as opposed to 1,854 victories by the PAN and 1,300 by the PRD.

Table 4: Duvergerian coordination in Mexican municipal elections: Effect of PRI *incumbency* on the electoral performance of the PAN and PRD.

outcome	estim.	SE	bwd.	N
(a) PAN is the main competitor				
PRI winner	−0.35	0.04**	0.10	1920
PAN winner	0.27	0.04**	0.11	2088
(b) PRD is the main competitor				
PRI winner	−0.28	0.05**	0.14	1867
PRD winner	0.21	0.04**	0.14	1860

Note: All outcome variables correspond to municipal elections. The sample is restricted to observations in which either the PRI and the PAN or the PRI and the PRD, finished in the first two places in the municipal election held at t. Estimates report the effect of the PRI's *incumbency* on its electoral performance and that of its main rivals in the election held at $t+1$. The running variable is the PRI's *margin of victory* in the municipal election held at t. * p-val. < 0.10. ** p-val. < 0.05.

design an appropriate test without access to individual-level data on political preferences and voting behavior at t and $t+1$. As an imperfect alternative, we estimate the PRI incumbent effect on its own chances of winning and on the chances of winning of its closest competitor in two sub-samples: those municipalities where the PAN is the PRI's main competitor and those in which the PRD is the main competitor. Finding a much larger incumbent curse for the PRI than for the PRD and PAN in these samples would be consistent with the notion that second losers are much more likely to support the first loser when the PRI is the incumbent than when the PRI is the challenger, a behavior that we would expect if "opposition" (i.e., non-PRI voters) are more likely to have a genuine second-order preference for another opposition party beyond any pro- or anti-incumbent impulse they might hold.

Table 4 presents the results. The findings are similar to those of Table 3 in that the PRI has a much lower chance of winning the municipality when it is the incumbent. When the PRI barely wins against the PAN, its probability of winning the next election decreases by 35pp; in contrast, the probability that the PAN will win the next election increases by 27pp (the bootstrapped p-value for the difference between 35pp and 27pp is 0.02). Because

in this sample the incumbent can only be from either the PAN or the PRI, we can also interpret the latter result as meaning that an incumbent PAN sees its chances of recapturing a municipality decrease by 27pp. Similarly, in municipalities where the main competition occurs between PRD and PRI, the PRI is 28pp less likely to recapture a municipality it controls, while the PRD is 21pp less likely to win again (in this case, the bootstrapped p-value is 0.12).

Summing up, these results show two things. First, and in line with the literature, we confirm that an incumbency disadvantage exists *independently* of strategic coordination. Second, we also unearth evidence that suggests that anti-incumbent behavior is much more drastic when the incumbent is the erstwhile dominant party, a behavior that is likely aided by Duvergerian coordination among PAN and PRD supporters. That is, while voters are generally willing to reject whichever party won a municipal election by a small margin, they seem particularly wary of being governed by a PRI mayor.

3.2   Strategic elite targeting

Consider now the possibility of *strategic elite targeting.* Political elites other than mayors also have a stake in what happens in local elections, and may intervene strategically in mayoral elections with an eye to promoting their own careers in other arenas. For example, Brollo and Nannicini (2012) present a model of targeting of discretionary transfers among Brazilian municipalities in which the ability of mayors to claim credit for transfers received from the *federal* government creates strong incentives for the country's president to allocate transfers to those municipalities where an allied mayor has won by a narrow margin, and to simultaneously punish opposition mayors who have also won by a narrow margin. Similarly, Magaloni (2006) argues that during the early 1990s the Mexican PRI allocated the discretionary benefits of the poverty-alleviation program PRONASOL in ways that punished opposition-controlled municipalities and bolstered PRI-controlled municipalities that were vulnerable to opposition capture.

In Mexico's current context, we would expect the country's governors to intervene actively to recover (keep) municipalities that their party lost (won) by a small margin. We remain agnostic about the form such intervention may take, as it could include a combination of mobilization of clientelistic networks, appeals to party supporters, targeted expenditures over which the governor's party could claim credit, or other related activities that we cannot readily measure. The argument, however, simply calls for a comparison of the effect of close mayoral races at t on the electoral performance of Party X at $t+1$ in municipalities where party X was one of the top two competitors at t and either party X controlled the state's governorship or party X's main rival controlled the governorship. If our argument about *strategic elite behavior* holds, the negative incumbency effect should be attenuated (or even disappear) in the presence of a copartisan governor, as the governor should be able to reverse negative outcomes for her party in close elections to a degree that could not be matched by opposition governors.[26] To see why, imagine that a governor successfully bolsters the fortunes of copartisan mayors that barely won their municipalities and improves the chances of his party in contesting municipalities that copartisan candidates barely lost. This kind of behavior need not eliminate the party's incumbent curse, but should certainly make it smaller in comparison with the party's curse in states that it does not control.

A look at Table 5 suggests that a copartisan governor effect exists, but is restricted to the PRI. As before, all parties are cursed regardless of whether a copartisan controls the

[26]Note that we can only examine whether the negative incumbency effect becomes weaker (or disappears) in the presence of a copartisan governor. We cannot tell if this behavior obtains because governors overwhelmingly support copartisan mayors that barely won, because they overwhelmingly support party candidates in municipalities that were barely lost, because they overwhelmingly punish opposition mayors that barely won, or because of a combination of these behaviors. We measure governor copartisanship at $t+1$ rather than t because it is the governor at the time of this second election that may affect the electoral outcome at the municipal level.

Table 5: Exploring the mechanisms behind negative incumbency effects: strategic elite behavior (outcome is *winner*).

party	governor	estim.	SE	bwd.	N
Incumbent	copartisan	−0.28	0.04**	0.13	2260
Incumbent	opposition	−0.33	0.05**	0.12	1377
PAN	copartisan	−0.27	0.07**	0.15	847
PAN	opposition	−0.26	0.05**	0.12	1519
PRI	copartisan	−0.27	0.04**	0.11	2561
PRI	opposition	−0.36	0.05**	0.16	1281
PRD	copartisan	−0.33	0.08**	0.14	596
PRD	opposition	−0.15	0.06**	0.13	1101

Note: All outcome variables correspond to municipal elections. For every party, the sample is restricted to those observations in which the party finished in the first or second place in the municipal election held at t. The estimated effect is based on the automatic bandwidth selection procedure proposed by Calonico, Cattaneo and Titiunik (2014). Reported are the bias-corrected versions of the standard errors. * p-val. < 0.10. ** p-val. < 0.05.

governor's office. However, we estimate a much larger incumbent party curse for the PRI in states governed by non-PRI governors. The difference is by no means inconsequential, as the PRI is about 9 percentage points even less likely to recapture a municipality it barely won in a non-PRI state than in a state governed by the PRI (compare the respective coefficients: −0.36 against −0.27). This difference is statistically significant under the reasonable assumption that the samples of municipalities from states governed by the PRI and states governed by a different party are independent. Yet, if we build bootstrapped standard errors around the difference in the size of the incumbent curse in states with and without PRI governors, the difference becomes much less reliable (p-value = 0.22). Bootstrapped standard errors would be more appropriate under the assumption that states governed by the PRI and by other parties are affected by common dynamics.

The case of the PRD presents an obvious anomaly within the *strategic elite behavior* argument that we presented, as the incumbent curse for PRD-governed municipalities is much stronger in magnitude when there is a copartisan governor, which runs counter to our expectations (the bootstrapped p-value for the difference between −0.33 and −0.15 is 0.06).

This finding only makes sense within an expanded *strategic elite behavior* argument if an authority beyond the state level becomes involved in selective targeting at the municipal level, as in Brollo and Nannicini's argument. In Mexico's case, this would occur for example if federal resources systematically failed to find their way into *states* governed by the PRD, thus preventing the party's governors from helping their mayors, or if federal resources were systematically delivered to non-PRD mayors in PRD-governed states. An alternative explanation — that PRD governors are deliberately sabotaging their party's chances to win local contests — seems to us to be too far-fetched.[27]

4 Discussion

A number of recent RD studies have uncovered negative incumbency effects in local politics in young democracies, prompting speculation about the existence of an incumbent curse. We have indeed documented an *incumbent partisan curse* in mayoral elections in Mexico, but failed to find a similar curse in federal legislative elections; this combination of results is consistent with existing accounts about rent-seeking (Klašnja 2015*a*, Klašnja and Titiunik 2015). However, we have also argued that these designs depend on the inspection of close elections that are necessarily idiosyncratic. This may be problematic because close elections invite voters and higher-level politicians to behave strategically in ways that may negate the *direct* effects of incumbency if these happened to be positive or, at any rate,

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[27]What happens in states governed by a party that is not the mayor's party or the main local competitor of the mayor's party? We lack clear-cut expectations about the size of the incumbent curse in this scenario, as the governor may abstain from intervening in favor or against the mayor's party, but may also have reasons to prefer the mayor's party over its local competitor depending on which party is the governor's main rival at the *state* level. In any case, we uncover effects of similar size for the three parties: PAN: -0.33 (SE: 0.10) ($N=290$); PRI: -0.35 (SE: 0.04) ($N=1920$); PRD: -0.32 (SE: 0.08) ($N=369$).

exaggerate a negative incumbency effect. In line with these claims, we find that the vote share of second-loser parties tends to decrease, oftentimes significantly, following a close election, which suggests the operation of a *Duvergerian coordination* mechanism. We have also found suggestive evidence that the incumbent curse affects the PRI more severely than other parties, which we interpret as an indication that supporters of second-loser candidates tend to have a second-order preference for parties other than the PRI. We find as well that the incumbent curse that affects the PRI appears to be reduced in states where PRI mayors coexist with PRI governors, which suggests the operation of *strategic elite targeting* whereby higher-level politicians purposefully help their copartisans that have barely won or lost an election; in this case, however, the result is only statistically significant when we consider observations from states governed by the PRI to be independent of observations from states governed by some other party, which may be a tall assumption. Furthermore, we also find that in the case of the PRD the incumbent curse is stronger in the presence of a copartisan governor, a finding that does not seat well with our argument of strategic elite targeting.

The mechanisms we have highlighted are more likely to appear in districts where incumbents were elected in close elections, which adds to the known limits to external validity of causal inferences based on RD. To be clear, we do not argue that Duvergerian coordination or strategic elite targeting fully explain the existence of an incumbent curse. We claim that these mechanisms tend to appear in districts with close elections; in the extreme, these mechanisms appear *only* in this kind of districts, which would certainly destroy any claim to external validity of inferences produced by RD designs. Even if the consequences are less drastic, our argument implies that estimated causal effects are a composite of the *direct* effect of incumbency on the outcome and the *indirect* effect of the third-party interventions. This is problematic because most researchers are interested in the *direct* effect of incumbency (such as name recognition, public visibility, or the ability to implement public policies), but to the extent that close elections invite strategic behavior this effect cannot be disentangled from others in an RD study. In other words, if a researcher were to find that the effect of

incumbency is negative, this might not reflect the fact that the direct effect of incumbency is indeed negative; instead, it may well be that strategic actors choose to behave in ways that counteract a *potentially* positive incumbency effect. Alternatively, the *Duvergerian coordination* and *strategic elite targeting* mechanisms may worsen an already negative incumbency effect. This seems to be the case in Mexico: while our results show that all major parties are disadvantaged in terms of incumbency, voters' willingness to coordinate against the PRI disadvantages this party even further, especially when there is no copartisan governor to counteract this effect.

How likely is it that these mechanisms also operate elsewhere? Why are negative incumbency effects more likely to appear in young democracies? Our paper cannot provide a general answer to these questions, but we can provide some intuitions. The country we have analyzed provides an ideal scenario to estimate incumbent *partisan* effects on account of the re-election prohibition by which politicians must abide. But the mechanisms we have emphasized simply require multi-party competition at the local level and a very large disparity in the relative power of municipal vis-à-vis state governments, aspects that certainly characterize party politics in other contexts. For example, power disparities between municipal and state governments exist in other young democracies, such as Brazil or Argentina, where governors control enough resources to overwhelm incumbent mayors from opposition parties and limit their ability to deploy all of the advantages of holding local office. In contrast, we would be hard-pressed to find similarly large power asymmetries in established democracies: a city mayor in Germany or the United States has certainly less economic capacity and a smaller constituency than a state executive, but can rely on a predictable and relatively efficient court system, for example, to counter "overreach" into her jurisdiction. Duvergerian coordination effects, in contrast, are likely to exist in any context that features multiparty competition; mayoral races in the US tend to involve two candidates, so we would not expect to see these coordination dilemmas, but many other young and established democracies feature multiparty competition at this level.

Regression discontinuity designs are invaluable tools in the search for identification of causal effects based on observational data, but they can only estimate an *overall* causal effect that may result from a combination of multiple mechanisms. Disentangling the effects of these different mediating mechanisms places an unusually heavy burden on researchers, as it forces them to satisfy a stringent *sequential ignorability* assumption (Imai et al. 2011). In the case at hand, this requires not only that incumbency status be defended as exogenously assigned, as in an RD, but also that whatever mechanisms are posited to intermediate the causal effect of incumbency on the probability of winning are assigned exogenously. This is, needless to say, a tall task; for example, we would need to somehow defend the assignment of copartisan governors to districts where a party barely won the previous election as random, and do the exact same thing to districts where the party barely lost the previous election. Sometimes researchers are imaginative enough to find a design that satisfies these conditions — Klašnja (2015*a*) provides an ingenuous combination of two separate discontinuities — but this is the exception rather than the rule. Nonetheless, scholars often can (and should) use observational data at hand to determine whether the effect of interest is more likely to result from certain mechanisms rather than others. In particular, examining some implications of the existence of *Duvergerian coordination* or *strategic elite behavior* requires little in terms of additional data collection. We thus hope that future researchers will examine whether positive or negative incumbency effects are consistent with these (or other) mechanisms.

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Online Appendix

Table A1: Descriptive statistics.

	(a) Municipalities ($N = 8338$)				(b) Congressional SMDs ($N = 1230$)			
Dependent variables	mean	SD	min.	max.	mean	SD	min.	max.
winner (t+1) (Incumbent)	0.52	0.50	0	1	0.65	0.48	0	1
winner (t+1) (PAN)	0.23	0.42	0	1	0.22	0.41	0	1
winner (t+1) (PRI)	0.53	0.50	0	1	0.58	0.49	0	1
winner (t+1) (PRD)	0.14	0.35	0	1	0.17	0.37	0	1
vote share (t+1) (Incumbent)	0.41	0.15	0	1	0.40	0.10	0.05	0.83
vote share (t+1) (PAN)	0.25	0.18	0	0.78	0.27	0.13	0.01	0.59
vote share (t+1) (PRI)	0.42	0.13	0	1	0.38	0.12	0.07	0.83
vote share (t+1) (PRD)	0.17	0.17	0	1	0.19	0.15	0.01	0.66
Explanatory variables								
winner (t) (Incumbent)	0.49	0.50	0	1	0.57	0.49	0	1
winner (t) (PAN)	0.22	0.42	0	1	0.33	0.47	0	1
winner (t) (PRI)	0.58	0.49	0	1	0.47	0.50	0	1
winner (t) (PRD)	0.16	0.36	0	1	0.19	0.40	0	1
margin of victory (t) (Inc.)	0.01	0.21	−1	1	0.03	0.18	−0.66	0.63
margin of victory (t) (PAN)	−0.20	0.24	−1	0.58	−0.09	0.20	−0.63	0.51
margin of victory (t) (PRI)	0.05	0.19	−1	0.97	−0.02	0.18	−0.59	0.63
margin of victory (t) (PRD)	−0.27	0.25	−1	1	−0.20	0.22	−0.74	0.56
copartisan governor (t+1) (Inc.)	0.51	0.50	0	1	0.58	0.49	0	1
copartisan governor (t+1) (PAN)	0.20	0.40	0	1	0.22	0.41	0	1
copartisan governor (t+1) (PRI)	0.64	0.48	0	1	0.56	0.50	0	1
copartisan governor (t+1) (PRD)	0.14	0.34	0	1	0.18	0.39	0	1

Table A2: RD estimates of the effect of incumbency on a party's probability of winning at $t+1$, distinguishing between concurrent or non-concurrent elections.

party	(a) Mayors				(b) Legislators			
	estim.	SE	bwd.	N	estim.	SE	bwd.	N
(a) Full sample								
Incumbent	−0.29	0.03**	0.12	4053	−0.14	0.10	0.08	406
PAN	−0.27	0.04**	0.13	2656	−0.05	0.08	0.15	502
PRI	−0.29	0.03**	0.13	4699	−0.12	0.09	0.11	503
PRD	−0.23	0.04**	0.14	2178	−0.04	0.15	0.11	248
(b) Non-concurrent states only								
Incumbent	−0.31	0.04**	0.12	2576	−0.19	0.12	0.10	253
PAN	−0.26	0.05**	0.14	1552	−0.17	0.14	0.12	197
PRI	−0.28	0.03**	0.18	3599	−0.17	0.10	0.13	319
PRD	−0.22	0.05**	0.13	1477	0.28	0.26	0.07	99
(c) Concurrent states only								
Incumbent	−0.26	0.05**	0.11	1429	−0.09	0.14	0.09	206
PAN	−0.26	0.06**	0.13	1179	0.04	0.12	0.15	283
PRI	−0.26	0.05**	0.12	1630	−0.09	0.15	0.09	197
PRD	−0.30	0.09**	0.08	421	−0.13	0.24	0.09	90

Note: For every party, the sample is restricted to those observations in which the party finished in the first or second place in the election held at t. The running variable is the corresponding party's *margin of victory* in the election held at t. * p-val. < 0.10. ** p-val. < 0.05.

Table A3: Exploring the mechanisms behind negative incumbency effects: Balancing in *federal* elections.

| party	outcome	(a) Municipalities				(b) SMDs			
		estim.	SE	bwd.	N	estim.	SE	bwd.	N
Incumbent	winner	−0.17	0.04**	0.10	2671	−0.14	0.10	0.08	406
Incumbent	v. share	−0.03	0.01**	0.13	3315	−0.05	0.02**	0.08	412
Incumbent	winner (rival)	0.15	0.04**	0.11	2954	0.02	0.09	0.10	498
Incumbent	v. share (rival)	0.04	0.01**	0.09	2531	−0.04	0.02**	0.15	662
PAN	winner	−0.12	0.04**	0.14	2231	−0.05	0.08	0.15	502
PAN	v. share	−0.01	0.01	0.13	2092	−0.04	0.02*	0.10	356
PAN	winner (rival)	0.11	0.04**	0.13	2147	−0.05	0.09	0.15	502
PAN	v. share (rival)	0.04	0.01**	0.10	1708	−0.01	0.02	0.16	538
PRI	winner	−0.10	0.03**	0.14	3868	−0.12	0.09	0.11	503
PRI	v. share	−0.02	0.01**	0.12	3477	−0.01	0.02	0.09	444
PRI	winner (rival)	0.12	0.04**	0.10	2965	0.07	0.08	0.12	548
PRI	v. share (rival)	0.03	0.01**	0.09	2688	−0.00	0.02	0.12	566
PRD	winner	−0.13	0.06**	0.08	1176	−0.04	0.15	0.11	248
PRD	v. share	−0.03	0.02	0.08	1112	−0.03	0.05	0.10	230
PRD	winner (rival)	0.13	0.06**	0.10	1386	0.08	0.15	0.11	247
PRD	v. share (rival)	0.02	0.01	0.10	1373	0.07	0.03**	0.07	188

Note: All outcome variables correspond to federal elections, though the variables may be measured at the municipal level (panel (a)) or the district level (panel (b)). For every party, the sample is restricted to those observations in which the party finished in the first or second place in the election held at t. *winner (rival)* and *v. share (rival)* refer to the party of interest's main *rival*; they indicate whether it won a plurality of votes at $t+1$ as well as its vote share in that election, respectively. The running variable is the corresponding party's *margin of victory* in the election held at t. * p-val. < 0.10. ** p-val. < 0.05.

Table A4: Exploring the mechanisms behind negative incumbency effects: strategic elite behavior (outcome is *winner*) (federal elections).

party	outcome	(a) Municipalities				(b) SMDs			
		estim.	SE	bwd.	N	estim.	SE	bwd.	N
Incumbent	copartisan	-0.13	0.05**	0.08	1171	-0.12	0.11	0.08	239
Incumbent	opposition	-0.10	0.07	0.11	1034	-0.03	0.17	0.09	146
PAN	copartisan	-0.24	0.08**	0.14	620	-0.36	0.21*	0.09	95
PAN	opposition	-0.02	0.05	0.13	1287	0.04	0.10	0.13	298
PRI	copartisan	-0.04	0.04	0.12	2311	-0.03	0.10	0.11	335
PRI	opposition	-0.19	0.07**	0.13	813	-0.34	0.17*	0.08	110
PRD	copartisan	-0.04	0.10	0.11	353	-0.12	0.25	0.10	84
PRD	opposition	-0.12	0.07*	0.09	663	0.66	0.28**	0.05	58

Note: All outcome variables correspond to federal elections, though the variables may be measured at the municipal level (panel (a)) or the district level (panel (b)). For every party, the sample is restricted to those observations in which the party finished in the first or second place in the federal election held at t. The running variable is the corresponding party's *margin of victory* in the federal election held at t. * p-val. < 0.10. ** p-val. < 0.05.

Table A5: Balance checks.

party	outcome	(a) Municipalities				(b) SMDs			
		estim.	SE	bwd.	N	estim.	SE	bwd.	N
Incumbent	vote share (t-1)	0.01	0.01	0.13	4181	−0.02	0.01	0.10	498
Incumbent	population (log)	−0.07	0.08	0.12	3837	−0.03	0.04	0.13	619
Incumbent	poverty	0.09	0.06	0.10	3620	0.18	0.17	0.09	424
PAN	winner (t-1)	−0.08	0.04*	0.08	1871	−0.06	0.09	0.13	437
PAN	vote share (t-1)	−0.01	0.01	0.10	2250	−0.04	0.02**	0.14	466
PAN	population (log)	0.02	0.12	0.11	2167	−0.03	0.03	0.14	478
PAN	poverty	0.03	0.07	0.12	2546	−0.08	0.15	0.12	423
PRI	winner (t-1)	−0.01	0.03	0.15	5053	−0.04	0.08	0.14	620
PRI	vote share (t-1)	−0.00	0.01	0.14	4818	0.00	0.02	0.11	497
PRI	population (log)	−0.11	0.08	0.12	4007	−0.02	0.04	0.10	472
PRI	poverty	0.03	0.05	0.13	4698	0.06	0.14	0.14	623
PRD	winner (t-1)	−0.02	0.04	0.12	1947	−0.08	0.14	0.12	273
PRD	vote share (t-1)	−0.03	0.02*	0.10	1739	−0.01	0.04	0.12	273
PRD	population (log)	0.06	0.11	0.12	1826	0.05	0.06	0.08	189
PRD	poverty	−0.09	0.09	0.10	1718	0.21	0.24	0.10	227

Note: For every party, the sample is restricted to those observations in which the party finished in the first or second place in the election held at t. *winner (t-1)* not reported for the incumbent party because by definition the incumbent party at t was the winner at $t-1$. The running variable is the corresponding party's *margin of victory* in the election held at t. * p-val. < 0.10. ** p-val. < 0.05.
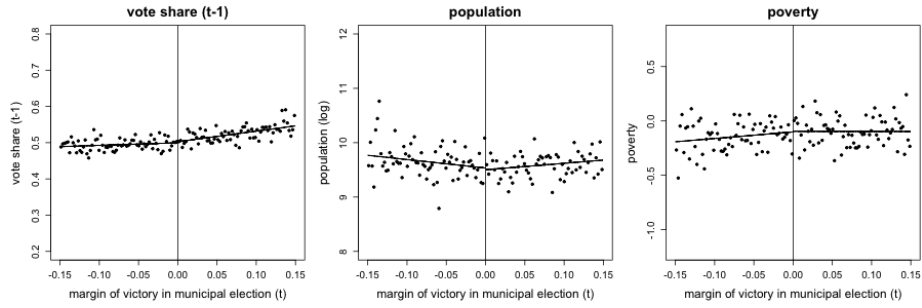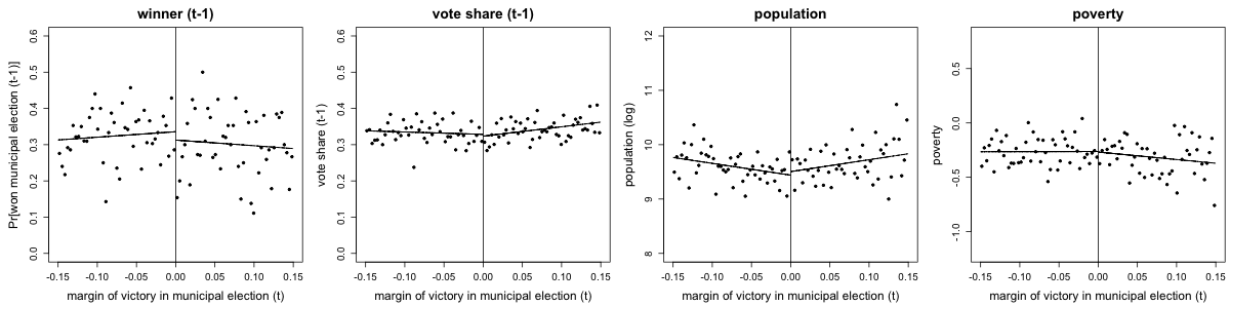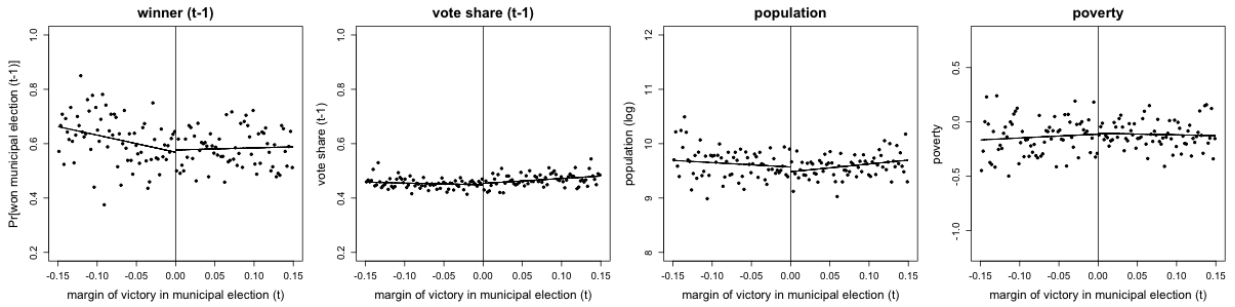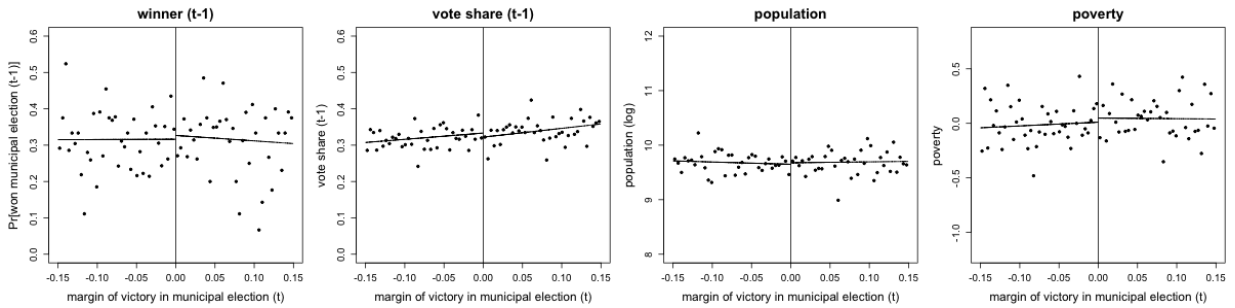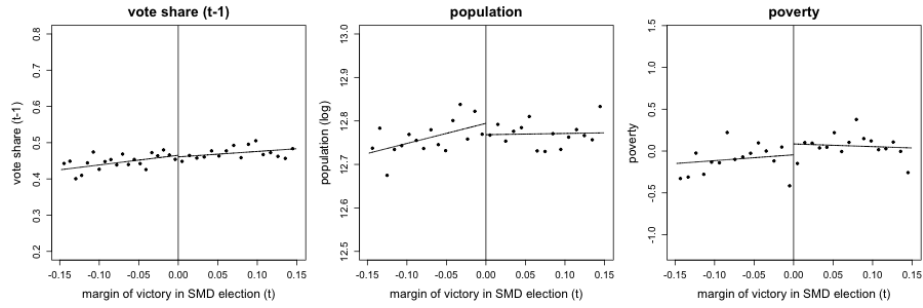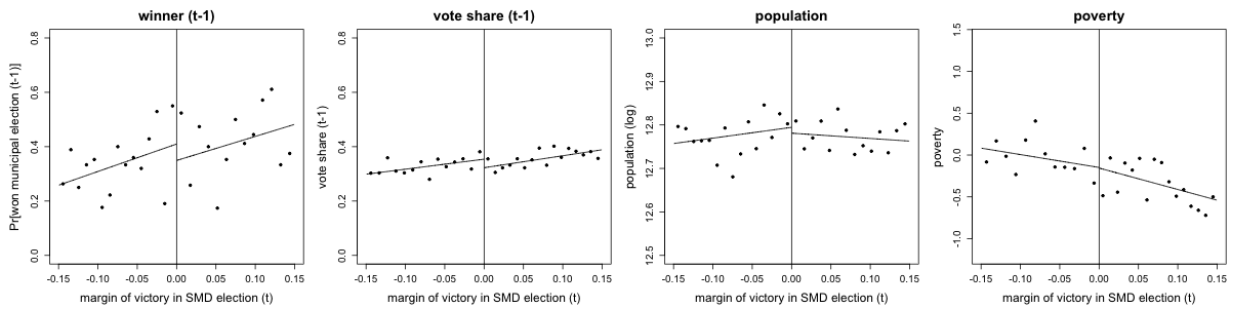
Figure A1: Balance checks. RD plots of the effect of *incumbency* on the allocation of pre-treatment covariates (municipal elections; full sample).
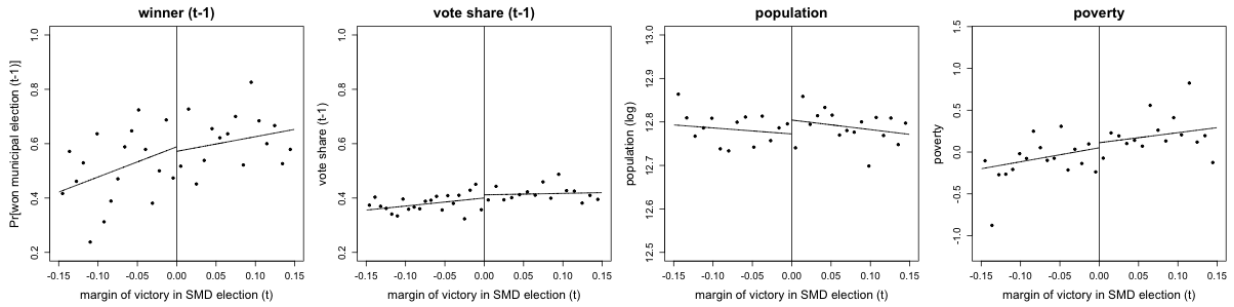
(a) Incumbent party at t

(b) PAN

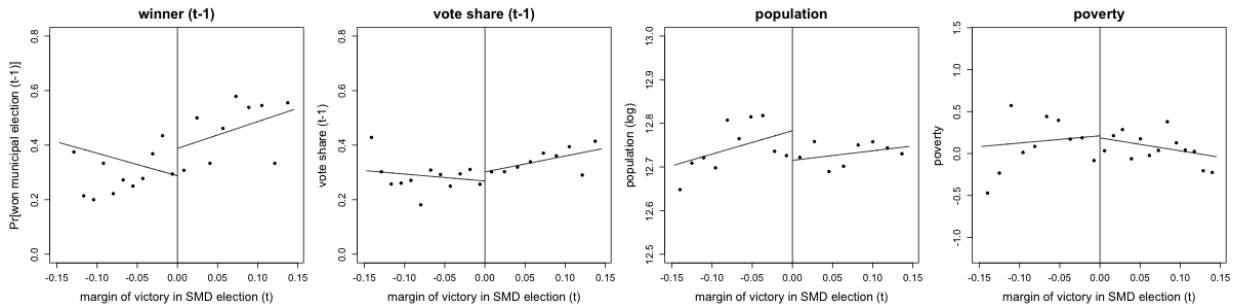
(c) PRI

(d) PRD

Figure A2: Balance checks. RD plots of the effect of *incumbency* on the allocation of pre-treatment covariates (SMD elections; full sample).