The Consequences of Repeatedly Losing on Legitimacy Beliefs

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Abstract

Modern democracies are dependent on regular elections and citizens' legitimacy beliefs. We already know that electoral losers are less satisfied with democracy than electoral winners. Some studies also find that repeatedly losing has even more negative effects. These studies have been limited to cross-sectional data and satisfaction with democracy as an indicator of legitimacy beliefs. However, theory suggests not only inter-temporal change, and thus the use of panel data, but also that repeatedly losing has different attitudinal consequences than losing once in a while. It should corrode political system support, and thus more stable legitimacy beliefs. In this paper, we extend existing research and evaluate the consequences of repeatedly losing on both, satisfaction with democracy and institutional trust, based on high-quality six-wave panel data over three elections. Using a difference-in-differences identification strategy, the findings contradict previous empirical research but support the underlying theory: Repeated losers do not differ from occasional losers in levels of satisfaction with democracy but they do have between 3.5 and 5.5 percent less trust in political institutions. It suggests that repeatedly losing after two and three elections corrodes citizens' support of regime institutions, one of the attitudinal pillars of a stable democracy. These findings extend existing theoretical and empirical research and highlight the importance of regular alternations in power and governments' responsiveness to electoral losers.

Introduction

A voter's reaction to the electoral outcome is crucial for the functioning, stability and the very existence of electoral democracy. In fact, democratic systems depend on the premise that voters accept the election's outcome and recognize the legitimacy of the electoral process and the political system – independent of whether they won or lost (Nadeau & Blais, 1993; Riker, 1983). Based on previous studies, we already know that winners and losers of the electoral competition differ significantly in terms of important political support attitudes, such as satisfaction with democracy (Anderson, Blais, Bowler, Donovan, & Listhaug, 2005), trust in institutions (Moehler, 2009) and political trust more generally (Anderson & LoTempio, 2002). Extensions of this work have also investigated the effects of repeatedly losing on satisfaction with democracy. In their seminal study on loser's consent, Anderson and colleagues (2005) find that losers' levels of satisfaction with democracy drop more after the second electoral defeat, and thus "after the first opportunity to win back power" (Anderson et al. 2005, p. 63). Several other studies support this finding and show that there is indeed a substantial difference in satisfaction with democracy between repeated and occasional losers after two elections (Anderson & LoTempio, 2002; Chang, Chu, & Wu, 2014).

These previous studies on repeatedly losing only consider the negative consequences for satisfaction with democracy. However, theory suggests that different kinds of legitimacy beliefs should be differently affected by an occasional defeat than by repeated defeats. Lijphart (Lijphart, 1968, 1999) famously argued that being more permanently excluded from political power gradually erodes citizens' support for the political system[1]. Drawing on Easton's (1965) conceptualization of political support and more recent research on the difference between measures of political system support, we argue that satisfaction with democracy is only

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[1] We use the terms political legitimacy beliefs and political system support interchangeably.

negatively affected by a one-time electoral defeat, yet trust in political institutions should also be negatively affected by repeatedly losing. Losers of a single election might be emotionally hurt and they will therefore express their discontent with the way democracy works, i.e. its performance. However, being more permanently excluded from power makes repeated losers question the political regime more fundamentally, as expressed through lower levels of trust in political institutions.

We test these expectations using unique multi-wave panel data and a difference-in-differences identification strategy. We rely on a set of high-quality data from the Dutch LISS (Longitudinal Internet Studies for the Social sciences) panel. The data cover a total of three national elections and a period of six years (2007-2012) during which electoral volatility was high. We evaluate both the effects on satisfaction with democracy and trust in political institutions. With this, the paper differs from existing studies in two central aspects: firstly, we theorize and test the differential effects of repeatedly losing on satisfaction with democracy and trust in political institutions; previous research only considered the former. Secondly, instead of cross-sectional data, we employ multi-wave panel data that allows modelling individual-level change over time without making strong assumptions about voters' behavior.

Since the data cover three national elections, we can test our hypothesis three times, involving two-time losers as well as triple-losers. Across these comparisons, the results confirm previous findings in that repeatedly losing is qualitatively different from losing once in a while. However, and in strong contrast to previous empirical results, our results also show that repeated losers do not differ from occasional losers in their levels of satisfaction with democracy, and only in their levels of institutional trust. Repeated losers (of two or three elections) report levels of institutional trust that are between 3.5 and 5 percent lower than those

of occasional losers. This is no small effect, given that institutional trust is usually thought to be very stable over time. It suggests that repeatedly losing has no negative effects on evaluations of the regime's performance but it erodes support for the regime's institutions, more generally. Although this finding is worrying in itself, it is entirely in line with classic theory on repeatedly losing.

The effect of repeatedly vs. occasionally losing on legitimacy beliefs

Focusing on democratic losers rather than winners is important because of the central role of losers' consent for the peaceful transition of power, their subsequent acceptance of decision-making, and the connected longevity of democratic systems. As Nadeau and Blais (1993) note, accepting the outcome of an election and perceiving the system as legitimate do not seem problematic for those who won the electoral competition, as they are presumably very satisfied with the process that led to the victory of 'their' party or candidate. Losers' support, however, is less evident. A famous recent example of such a case is Donald Trump when he stated just a couple of weeks before the U.S. presidential election that he would question the legitimacy of the result, if he lost: 'I will totally accept the results of this great and historic presidential election − if I win.' (NBC News, 20th October 2016[2])

Loser's support requires that they recognize the legitimacy of a system and a procedure that has led to an unfavorable outcome. Nevertheless, it is this consent that is vital for electoral democracy. If losers deny the system's legitimacy, they might not voluntarily turn over power or adhere to decisions and laws of the new government. In such a case, the rule of law could

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[2] https://www.nbcnews.com/politics/2016-election/trump-commits-accepting-election-results-if-i-win-n670196 (last accessed 1st September 2017)

still be enforced with coercion and democracies could rely on coercive power in order to discourage undesired behavior. However, such a development would be alarming, as it is in sharp contrast to the principles of democracy, which, in fact, seeks to minimize coercion (Levi, 1997). Obtaining loser's consent is therefore "one of the central, if not *the* central, requirement of the democratic bargain" (Anderson et al., 2005, p. 2; emphasis in original). Therefore, the study of electoral losers' political attitudes following one or more electoral defeats is important for our understanding of what keeps democratic systems healthy and alive.

A larger body of literature has already made great headway in explaining individual-level change in legitimacy beliefs through electoral outcomes. While elections generally increase various types of legitimacy beliefs (Adam, 2014; Berinsky, 2002; Blais & Gélineau, 2007; Bowler & Donovan, 2002; Daniller, 2016; Hooghe & Stiers, 2016), a support gap between the winners and the losers of the electoral competition has been extensively documented in the existing literature (see for example Anderson et al., 2005; Anderson & Guillory, 1997; Curini, Jou, & Memoli, 2012; Dahlberg & Linde, 2016; Singh, Karakoç, & Blais, 2012).

Different possible mechanisms can explain this gap. On the one hand, the gap could originate from loser's deterioration of legitimacy beliefs after the election. Esaiasson (2011) summarizes three reasons why losers' system support could decline after the electoral competition. First, building on an instrumental perspective on voting and assuming that citizens vote for the party that is ideologically closest to them, losers' support should decline after the election because losers gain (or expect to gain) less utility from the system than voters who supported the winning candidate or party. Second, losers' support could decline because, as Pierce, Rogers, & Snyder (2016) show, losing hurts emotionally at least in the short run. Third, losers might adjust their level of support in reaction to the electoral loss for reasons of cognitive consistency

(Anderson et al., 2005; Daniller, 2016; Esaiasson, 2011). For these reasons, losers' support could drop following an election.

On the other hand, the winner-loser gap could also result from winners gaining system support rather than losers losing it. Voting can increase contentment with democracy because it promises the chance of getting one's preferred policies implemented (Kölln, 2016). From this instrumental perspective, it follows logically that electoral winners experience this effect more strongly than electoral losers. But similar to above, an emotional mechanism could also be responsible for a positive change in attitudes amongst winners (Singh, 2014). Electoral winners could experience positive effects due to their emotional investment in the competition, similar to the "home team effect" (Holmberg, 1999, p. 117-119). According to these proposed mechanisms, the winner-loser gap could originate from mostly a change in either losers' attitudes or winners' attitudes. Finally, both processes could be simultaneously at work where winners win and losers lose.

Existing empirical findings appear to be more in line with the second reasoning, however. Blais and Gélineau (2007), for instance, show that satisfaction with democracy increases more among the winners of the electoral process and less among the losers. This finding is supported by Esaiasson (2011) who investigated the mechanism behind the winner-loser gap in 38 national elections. Relying on several pre-post-election designs, Esaiasson shows that the winner-loser gap is often the result of winners becoming more satisfied with democracy while losers' levels of satisfaction remain at minimum stable.

While this reasoning has proven valid for winning/losing in a single election, we still know relatively little about the consequences of several electoral outcomes. Existing research

suggests that the findings from a single election might not apply when being excluded from political power more permanently (Lijphart, 1999). The reasons behind that is fairly intuitive: If certain groups within society feel that they are continuously and systematically excluded, this lack of power-sharing arrangements gradually erodes their support for the political system (Lijphart, 1968). We argue that repeatedly and consecutively losing in elections resembles – or at least might be experienced as – a form of exclusion because these voters and their opinions are not immediately represented by governmental action. And this, even though they cast a vote. This objective, but probably more so subjective, exclusion from political power over several electoral cycles should depress legitimacy perceptions of continuous losers.

The studies by Anderson et al. (2005), Anderson and LoTempio (2002) and Chang and colleagues (2014) provide first evidence for this claim, as they show that repeatedly losing is qualitatively different from occasionally losing in terms of satisfaction with democracy. According to their results, it is the second consecutive electoral loss that ignites further disappointment: "repeatedly losing frustrates voters to an ever greater degree" (Anderson et al., 2005, p. 63). Chang et al. (2014) qualify this finding and demonstrate that the experience of having won, as opposed to being a current winner, is important for satisfaction with democracy. According to their results, having first lost and then won and the reverse are empirically indistinguishable from each other. However, both are different from a scenario in which a voter has repeatedly lost. This suggests that the repeated character of elections matters and produces different results for citizens' levels of satisfaction with democracy.

However, we argue that an alternative hypothesis is more plausible. While existing studies standardly use satisfaction with democracy to evaluate the consequences of (repeatedly) losing, following Lijphart (1968, 1999) suggests that this might not be true for repeated losers. He

argues that a more permanent exclusion from power – as in the case of repeated losers – would have negative effects on citizens' *political system support*. Satisfaction with democracy is certainly one measure of political system support. Despite recurring cautionary notes against its true meaning, it is still considered an important measure that is said to be referring to citizens' evaluations of regime performance, which also fluctuates more over time (see Canache, Mondak, & Seligson, 2001; Linde & Ekman, 2003; van Ham, Thomassen, Aarts, & Andeweg, 2017). Trust in political institutions, on the other hand, is another indicator of political system support and measures more basic support that is less prone to change over time. Following David Easton's (1965) conceptualization of political support, political trust represents, compared to satisfaction with democracy, a very stable and more persistent kind of support for the political system (Grönlund & Setälä, 2007; Marien, 2011b). It is therefore regularly thought of as measuring citizens' support of the regime's institutions (van Ham et al., 2017). Moreover, on the aggregate- and individual-level, trust in political institutions has also been found to be very stable over time (Marien, 2011a; Turper & Aarts, 2017). We contend that this difference in meaning and over-time stability of different measures of political system support should also have consequences for how they change among repeated electoral losers, compared to one-time losers.

Specifically, and in contrast to existing findings, we expect that trust in political institutions should be lower among repeated losers, while satisfaction with democracy should not. As mentioned above, losers of a single election might be emotionally hurt and will therefore express their discontent with the way democracy works, i.e. its performance. And since satisfaction with democracy is said to pertain to evaluations of the regime's performance, it should not be affected by repeated defeats. Rather, repeatedly losing should only continue to affect how citizens evaluate the regime's institutions. Previous studies already show that a one-

time electoral defeat as negative consequences for citizen's trust in institutions. Leaning on Lijphart (1968, 1999), we expect that repeatedly losing also dampens evaluations of the regime's institutions because of increasing skepticism towards them. Being more permanently excluded from power should make repeated losers question the political regime more fundamentally, as expressed through lower levels of trust in its political institutions. Repeatedly losing is no longer about a streak of bad luck in a competition but it signifies something more fundamental, something that corrodes the fundamental beliefs in the political system, such as the support of the regime's institutions. Therefore, our hypothesis is as follows:

H: Compared to one-time losers, repeated losers have lower levels of trust in political institutions, while no such difference exists for satisfaction with democracy.

Data, Measurement, and Method

Data

One of the central limitations of existing studies exploring the effects of repeatedly losing is data availability. To our knowledge, all previous work is based on cross-sectional and/or re-called voting behavior (Anderson et al., 2005; Chang et al., 2014; Curini et al., 2012), and so is heavily constrained in its causal identification. The studies make strong assumptions to overcome the constraint. Anderson et al. (2005), for example, need to assume stable voting behavior in order to test the effects of party-voters' satisfaction with democracy over decades. However, assuming that people are loyal voters is a strong supposition, especially in today's rapidly changing political landscape where electoral volatility is high (Dassonneville and Hooghe, forthcoming). And while Chang et al. (2014) also need to rely on cross-sectional CSES data, they additionally draw on a question of re-called voting behavior from the election before the last. By doing that, the authors have to assume that respondents correctly recall their

voting behavior from as long as up to 8-10 years ago. Both, the use of cross-sectional data and re-called voting behavior from a long time ago, require strong assumptions that are difficult to test. It means that these design and data limitations are not ideal for testing theories of individual-level change over time.

To overcome these constraints, we use high-quality six-wave panel data. It allows us to study individual-level change over the course of six years and three consecutive national elections. The data stem from the Dutch LISS (Longitudinal Internet Studies for Social Sciences) panel, 2007-2012, which is administered by CentERdata (Tilburg University, The Netherlands). It is a web-based panel survey derived from a probability sample of households drawn from the population register by Statistics Netherlands. Within households, all persons aged 16 or above are invited to participate in the study. In this paper, we analyse data from the annual Politics & Values module between 2007 and 2012.[3] Due to the high-quality sampling and data collection process of the LISS panel, the data do not require any weighting. Table 1 summarizes the characteristics of the data across the six waves in our analysis. National elections were held in November 2006, June 2010 and September 2012 and we can hence investigate post-electoral legitimacy beliefs in three consecutive electoral cycles.

(Table 1)

Besides the availability of unique panel data, there is another good reason to study repeatedly losing in the Netherlands: It is likely that the Dutch case represents the "most difficult scenario" or "least likely case" for finding differences in legitimacy beliefs between all-times losers and occasional losers (Gerring, 2007). Several studies show that the size of the winner-loser gap in

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[3] For more information, please visit: https://www.lissdata.nl/lissdata/about-panel

satisfaction with democracy is moderated by political institutions (Anderson & Guillory, 1997; Bernauer & Vatter, 2012). In fact, they show, that the winner-loser gap tends to be smaller in consensual systems. In these systems, even electoral losers are provided with substantial rights to participate in decision-making, as these systems are characterized by strong power sharing institutions (such as balanced bicameralism, federalism, proportional representation, etc.). Following Lijphart (1999), the Netherlands represents a classic example of a consensus democracy with one of the world's lowest electoral thresholds, high probabilities of multiparty coalition governments, and strong features of a power-sharing executive. Based on previous findings, we speculate, that the power-sharing setup of consensus democratic institutions does not only reduce the differences between winners and losers, the same reasoning might even apply to the difference between occasional and all-time losers. While all-time losers are presumably fully excluded in majoritarian systems, their chances of being represented in some way should be higher in consensus democracies, such as the Netherlands. Hence, the Dutch case is arguably biased *against* the detection of significant differences in perceived legitimacy between different types of losers. This means that if we still find an effect, similar effects are likely to be found also in systems that are more majoritarian in nature.

Measurements

To distinguish between different kinds of losers, we first require an operationalization of electoral defeat/victory. This is not straightforward in a multiparty system with small differences in vote shares and multiparty coalitions. Traditionally, the literature conceptualizes winning as being in power and operationalizes it by coding winners as voters who voted for a winning party and losers as voters who voted for a party that went in the opposition after the elections. However, this may not fully do justice to the complexity of consensus democracies. A voter who voted for one of the eventual governing parties may not be entirely happy with

the electoral outcome because of the coalition deal his/her preferred party had to strike (see Campbell, 2015). Another complication arises from the existence of small or anti-establishment parties, such as the Dutch Party for the Animals or Party for Freedom, respectively. Voters who vote for such parties know that it is unlikely for their preferred party to enter government. But they might still be content with the electoral outcome simply because their preferred party gained in parliamentary strength. The standard conceptualization of winning-losing according to being in government/opposition does not allow for this possibility. We therefore use an alternative conceptualization of winning and losing through gains and losses in electoral vote shares that is better equipped to deal with a highly dispersed multi-party system such as the Netherlands during our period of investigation.

To measure winning/losing we rely on two survey questions. In all panel waves respondents were presented with the following re-called turnout question: 'Nowadays, for one or another reason, some people do not vote. Did you vote in the most recent parliamentary election, held on…?'. Likewise, respondents were also asked to re-call their voting behaviour. For our analysis, we only use the voting questions in waves following the three national elections, which means wave 1 (2007), wave 4 (2010), and wave 6 (2012). As with other surveys, voter turnout is over-reported also in the LISS panel by about 10 percentage points in each election (see Selb & Munzert, 2013). However, re-called voting behavior is remarkably accurate in the LISS panel: across the three elections the average absolute deviation ranges between 0.63 (2010) and 0.83 (2006) percentage points.

(Table 2)

Table 2 summarizes the vote shares per party for the period 2003-2012. Based on this information, we construct our variables of interest and code voters who voted for a party that gained in vote shares from one election to the next as winning voters and voters who voted for a party that lost in vote shares as electoral losers. Voters of parties that vanished are coded as electoral losers while voters of parties that entered the party space are coded as winners. This creates three binary variables, one for each of the three elections. Of the 1,877 voters that the dataset contains, 11.77 percent (N = 221) lost all three elections, 41.87 percent (N = 786) lost one of them, and 39.11 percent (N = 734) lost two elections. Of those who lost twice, 54.77 percent (N = 402) lost consecutively in 2006 and 2010, and 27.79 percent (N = 204) lost consecutively in 2010 and 2012.

For the dependent variable, we rely firstly on citizens' satisfaction with democracy, which is operationalized through a single survey item. In all six waves respondents were asked to state on an eleven-point scale: 'How satisfied are you with the way in which the following institutions operate in the Netherlands?', where 'democracy' was one of the institutions to be evaluated. The variable shows an approximately normal distribution in each of the waves. Secondly, we operationalize legitimacy beliefs with political trust. Our measurement of political trust builds on a battery of items that measure trust in different political institutions: the Dutch government, the Dutch parliament, the legal system, the police, politicians, political parties, the European parliament and the United Nations. All are measured on a scale from 0 to 10. We conducted an exploratory factor analysis of these items in every wave separately and it shows, that they form in all waves a strong and one-dimensional scale (Cronbach's Alpha for items in Wave 1= 0.931). In line with previous research (Marien, 2011a), we rely on this measurement as one latent construct that captures political trust and use the factor loadings as our second dependent variable in the analysis. The minimum and maximum value it takes on

is -3.49 (2008) and 3.00 (2007), respectively; in all waves the variable has a mean of 0 and a standard deviation of 1.

We also include a number of important attitudinal control variables in our analyses that have been found to affect perceptions of legitimacy. In particular, we control for external efficacy, internal efficacy, and political sophistication. The LISS panel includes classic external efficacy items such as "Parliamentarians do not care about the opinions of people like me", "Political parties are only interested in my vote and not in my opinion" and "People like me have no influence at all on government policy". Similarly, the survey also asked about classic internal efficacy items such as "I am well capable of playing an active role in politics", "I have a clear picture of the most important political issues in our country" and "Politics sometimes seems so complicated that people like me can hardly understand what is going on". For all six items respondents were asked to indicate whether they think the statement is true or not true. We coded individual responses to these six statements into additive indices, one for external and one for internal efficacy, where higher values mean higher levels of efficacy. Both indices range from 0 to 3. Research has also shown that political sophistication is correlated with institutional trust (Turper & Aarts, 2017). In our study it is also an additive index, constructed from respondents' reported political interest (three-point scale from 1 "very interested" to 3 "not interested") and reported educational level (six-point scale from 1 "primary school" to 6 "University"). Even though these two components are not causally related to political sophistication, studies repeatedly report strong correlations (see for instance Althaus, 2003; Highton, 2009; Lachat, 2007). Lachat (2007) also states that someone's political interest and education are both necessary conditions for political sophistication. To construct the measure of political sophistication from the LISS panel, we first reversed the coding for political interest and then collapsed the educational variable into three categories. Political sophistication was

then constructed as a simple additive index of the two. Across survey waves, the variable ranged from 2 to 6 with means of around 3.9 and standard deviations of around 1.1. Finally, we also include a measure of ideology – respondents' absolute distance from the mid-point (=5) on the left-right scale. The measure ranges from 0 to 5. The reasoning behind that is that people who place themselves more on the fringes of the ideological scale are likely different in their voting behavior as well as legitimacy beliefs. Table A.1 in the appendix summarizes all main variables.

Method

For the empirical analysis, we consider each of the three elections as an intervention or treatment in voters' over-time development of political system support. More concretely, we define our treatment as the *additional* consecutive electoral defeat. It means our data allow testing the hypothesis of repeatedly losing three times: (Test 1) losers of the 2006-election that lost a second time in 2010, (Test 2) losers of the 2010-election that lost a second time in 2012, and (Test 3) losers of the 2006- and 2010-election that lost a third time in 2012. Since survey responses were always collected in December of each year, yet national elections were held throughout the year, we have for every treatment a pre- and post-measure of legitimacy beliefs. Given our definition of the treatment, the fact that we are lacking survey data from before the 2006-election does not pose any problems for our design. The treatment of an additional consecutive defeat only happened to voters in 2010.

For our empirical analysis, we rely on Bechtel and Hainmueller (2011) and employ a difference-in-differences identification strategy of the following form. First consider the case of a repeated defeat in the 2010 election, i.e. Test 1.

Let $i = \{1,\ldots, N\}$ be voters for years $t = \{2007, 2008, 2009, 2010, 2011, 2012\}$ and D_{it} a binary *RepeatedLosing* indicator coded as 1 when voters lost again between the current and previous period and 0 if they only lost the first election. It means that we are comparing groups of losers, that either lost twice in a row or only the first election.

The outcome variable is legitimacy beliefs. Let Y_{dit} be the potential outcomes where Y_{1it} and Y_{0it} denote levels of legitimacy beliefs for voter i at time t and when exposed to the additional electoral defeat or the control condition between the current and previous period, respectively.

Our interest is the effect of repeatedly losing on legitimacy beliefs for the two consecutive elections held in 2006 and 2010. It is defined as the average treatment effect on the treated (ATT) given by $\alpha = E[Y_{1i,2010} - Y_{0i,2010} | D_i = 1]$. It measures the average difference in legitimacy beliefs between the post-treatment legitimacy beliefs with and without treatment. However, we cannot observe $E[Y_{0i,2010} | D_i = 1]$ and so identify this missing potential outcome based on difference-in-differences' assumption of parallel trends. We assume that $E[Y_{0i,2010} - Y_{0i,2009} | D_i = 1] = E[Y_{0i,2010} - Y_{0i,2009} | D_i = 0]$, which means that in the absence of repeatedly losing the average level of legitimacy beliefs amongst respondents that lost twice would have followed a similar trend as the average level of satisfaction with democracy amongst respondents that only lost the first time. Based on this assumption, the ATT is defined from observable outcomes as $\alpha = \{E[Y_{i,2010} | D_i = 1] - E[Y_{i,2009} | D_i = 1]\} - \{E[Y_{i,2010} | D_i = 0] - E[Y_{i,2009} | D_i = 0]\}$. We can then estimate α using a fixed-effects model with clustered standard errors by respondent to account for potential auto-correlation and heteroscedasticity.

Secondly, we repeat the procedure for the consecutive elections held in 2010 and 2012 (Test 2). Thirdly, and following the same rationale we also identify the effects of repeatedly losing

in three consecutive elections, held in 2006, 2010 and 2012 with the same difference-in-differences regressions that estimate the ATT comparing levels of legitimacy beliefs for respondents who lost in in 2006, 2010 and 2012, as compared to respondents who only lost twice (in 2006 and 2010). This is our third test case (Test 3).

Results

We begin with Test 1 and the consequences of repeatedly losing in the 2006- and 2010-election. Table 3 shows the results for both, satisfaction with democracy and political trust. The models show the difference-in-differences estimates for legitimacy beliefs for different kinds of losers. Model I shows the baseline model and that satisfaction with democracy amongst repeated losers did not significantly differ from losers of the 2006-election alone. While the coefficient is negative, it is not statistically significant at conventional levels. This does not change once we move to Model II, in which we control for important attitudinal compounders. Here again, the estimated ATT is negative but not statistically significant. In stark contrast to that are the results of Model III and IV where trust in political institutions was the dependent variable. As can be seen in Table 3, repeatedly losing in the 2006- and 2010-election does have a negative effect on institutional trust compared to only losing in the 2006-election. More precisely, we find that repeatedly losing decreases institutional trust by 0.215 on average. This corresponds to a decrease of 3.5 percent, and it only marginally decreases in Model IV when we introduce our control variables. This in itself is no small effect but it is even more noteworthy, given what we know about the attitude's stability over time. In sum, these results on our first test case are supportive of our hypothesis that repeatedly losing negatively affects political trust yet not satisfaction with democracy.

(Table 3)

The data also allow us to test our hypothesis on the 2010- and 2012-election. Table 4 reports again the estimated difference-in-differences. As can be seen in Model 1 and Model 2, the losing twice has again a negative effect on satisfaction with democracy but it is, yet again, not statistically significant. Repeated losers in the 2010- and 2012-election do not show significantly lower levels of satisfaction with democracy in 2012 than those individuals who only lost once, i.e. the 2010-election. Models III and IV show, however, this time that this is also true for trust in political institutions: both estimates are negative and not statistically significant at conventional levels.

(Table 4)

For this test case, the idiosyncrasies of Dutch politics at the time have to be borne in mind. The 2012-election was an early election, only two years after the previous one. Between 2010 and 2012, a minority government ruled that was only tolerated and at times supported by the right-wing PVV with Geert Wilders as its leader. The PVV withdrew its support after disagreement with the two governing parties (VVD and CDA) over austerity measures, following the financial crisis. In the subsequent 2012-election, the VVD could further increase its vote share by 6.1 percent to 26.6 percent, while both the CDA and PVV were the losers of the election (see Table 2). These special circumstances of an early election following a minority government might have also affected voters' legitimacy beliefs in different ways than at other times. We can see in the results some indication for that because Models III and IV show for the post period estimate a positive and statistically significant effect of 0.20 and 0.16, respectively. It means that all voters showed an increase in trust in political institutions

following the 2012-election. We speculate that this increase in trust could have been the result of the governmental crisis, its causing issue of the European debt crisis, and how the governing parties handled both. In sum, these results mean that Test 2 does not unequivocally support our hypothesis because repeatedly losing in the 2010- and 2012-election did not have negative effects for citizens' satisfaction with democracy but neither had it negative effects on their trust in political institutions.

(Table 5)

Finally, our data also allow testing the combination of all three electoral results, and thus the effects of repeatedly losing in three consecutive elections (2006, 2010, 2012) compared to losing twice (2006 and 2010). Table 5 reports the difference-in-differences estimates of losing three times for both dependent variables. Just like in the previous test cases, also here the results show no statistically significant differences in levels of satisfaction with democracy. Both estimates in Model I and Model II are again negative but fail to reach statistical significance at conventional levels. Model I also shows that levels of satisfaction with democracy increase for all voters, following the election, as indicated by a positive and statistically significant estimate. However, this effect disappears in Model II when we control for other attitudes. In comparison, the results in Model III and IV show that voters' trust in political institutions increases substantially, following the 2012-election, similar to what Test 2 already reported. More importantly, however, the difference-in-differences estimates also show that losing three times has negative and statistically significant effects on trust in political institutions. Similar to Test 1, the effect sizes are not small either with estimates of 0.286 and 0.242, respectively. Three-time losers in the 2012-election reported levels of institutional trust that were about a quarter of a unit lower compared to those of two-time losers, which corresponds to a difference of

about 5 %. It means that Test 3 supports again our hypothesis that repeatedly losing (also in three consecutive elections) has negative effects on institutional trust yet not on satisfaction with democracy. This lends further support to our argument that repeatedly losing erodes evaluations of the regime's institutions because repeated losers start questioning the entire system after having repeatedly lost. In contrast, the more performance-related political support attitude, satisfaction with democracy, is not affected by repeatedly losing because it reflects more short-term and instantaneous attitudes.

Assumption and robustness tests

One of the core assumptions of difference-in-differences as an identification strategy is that of parallel trends. Above, we assumed for Test 1, for example, that $E[Y_{0i,2010} - Y_{0i,2009} | D_i = 1] = E[Y_{0i,2010} - Y_{0i,2009} | D_i = 0]$, which means that in the absence of repeatedly losing the average level of legitimacy beliefs amongst respondents that lost twice would have followed a similar trend as the average level of satisfaction with democracy amongst respondents that only lost the first time. In order to test this assumption and to lend credibility to our identification strategy, we estimated our difference-in-differences models for the period immediately before the second election, i.e. 2008-2009. The results show that for both groups the trends are almost identical, both in terms of satisfaction with democracy and trust in political institutions. The difference-in-differences estimates are both not statistically significant and either very close to zero (-0.079) when satisfaction with democracy is the dependent variable or exactly zero when trust in political institutions is the dependent variable. Full tables are presented in Table A.2 in the appendix. These placebo tests increase our confidence in the results and suggest that in the absence of a second electoral defeat both groups would have followed a similar trend.

Finally, we also tested whether our results are robust to a different operationalizations of electoral victory/defeat. Above we argued that the traditional operationalization in the literature through being in government/opposition has its drawbacks and might not capture the essence of a consensus democracy such as the Netherlands. Therefore, we operationalized winning/losing through electoral vote share gains and losses. However, if we follow the traditional operationalization, then Test 1 and Test 2 both entirely support our hypothesis that repeatedly losing negatively affects institutional trust but not satisfaction with democracy. Test 3, on the other hand, does not unequivocally support our hypothesis with this operationalization: difference-in-differences estimates for satisfaction with democracy are again, and as expected, not statistically significant, but also the estimates for institutional trust fail to reach statistical significance at conventional levels. These findings can be interpreted as failing to show robust results. However, it could also mean that the two operationalizations through either vote share gains/losses or being in government/opposition capture slightly different things or causal mechanisms.

We also tested our hypothesis across operationalizations of the main independent variable with a different modelling strategy. Instead of fixed effects we tested them again with first differences. The results show for all three test cases that trust in political institutions is negatively and substantially affected by repeatedly losing; effect sizes range between -0.125 and -0.371. For satisfaction with democracy, four out of our six tests, return estimates that are supportive of our hypothesis. Only the estimates in Test 1 and Test under the government/opposition operationalization do not support our hypothesis. It again suggests that the two operationalizations could be measuring slightly different causal mechanisms. But it also indicates that repeatedly losing has different attitudinal effects because it increases skepticism toward the regime's institutional setup rather than with the regime's performance.

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Discussion

In their groundbreaking study on loser's consent, Anderson and colleagues (2005) suggested that while losing once in a while should not damage citizen's legitimacy beliefs, losing twice starts a process of erosion of perceptions of legitimacy among losers. Any attempt to investigate this claim so far has – to the best of our knowledge – relied on cross-sectional and/or recall data as well as only on satisfaction with democracy as an indicator of legitimacy beliefs. We attempt to fill this lacuna by investigating the effect of repeatedly losing in the Dutch national elections in 2006, 2010 and 2012, based on high-quality six-wave panel data. These data provided us with the unique opportunity to test our hypothesis on a total of three test cases within the same country, using a difference-in-differences identification strategy.

We theorized and tested the differential effects on satisfaction with democracy and institutional trust as two different indicators of legitimacy beliefs. While satisfaction with democracy relates to evaluations of the regime's performance, institutional trust pertains to evaluations of the regime's institutions. This difference between the indicators, we argued, should have consequences for the kinds of effects we can expect from repeatedly losing. Specifically, and in contrast with previous research findings, satisfaction with democracy should not be affected by repeatedly losing because of its performance-related meaning, which means that is more prone to change in the short-term. Institutional trust, however, is a more fundamental attitude towards the regime and lower levels reflect skepticism toward how the political is setup, rather than its performance. Therefore, repeatedly losing should only have consequences for institutional trust, yet not for satisfaction with democracy.

Our results return for two out of three test cases supportive evidence for our hypothesis. Two-time losers in the 2010-election as well as three-time losers in the 2012-election were both less trusting in the political institutions while, at the same time, showing no differences in their levels of satisfaction with democracy compared to their counterparts of occasional losers. Effect sizes are not small either with between 0.2 and 0.29, which corresponds to differences of between 3.5 and 5.49 percent. This is even more noteworthy given the relative stability of institutional trust over time. Our results thus indicate that repeatedly being excluded from the benefits of electoral victory corrodes citizens' belief in the righteousness of political institutions. It appears as if repeated defeats spur skepticism for the regime's institutions and their setup rather than the system's performance.

It might be worrisome that we found first evidence for the importance of losing occasionally in a country that essentially represents the prototype of a consensus democracy. Although we would need to replicate our findings in a more majoritarian system in order to gain more external validity, by documenting these effects in a "least likely case", we suspect that they should also hold in systems that are less encompassing for democratic minorities.

Moreover, our robustness tests also indicate that the traditional operationalization of winning/losing through the party's position in government/opposition might capture a different causal mechanism behind winning/losing than an operationalization that considers gains/losses in party vote share. We also invite future research on the differences in operationalizations and on causal mechanisms.

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Tables

Table 1. Panel wave characteristics.

Wave	1	2	3	4	5	6
Fieldwork period	Dec-07 – Mar-08	Dec-08 – Jan-09	Dec-09 – Feb-10	Dec-10 – Jan-11	Dec-11	Dec-12
Gross N	8,204	8,289	9,398	7,328	7,372	6,692
Net N	6,811	6,027	6,386	5,394	5,934	5,732
Response rate (%)	83.0	72.8	68.0	73.6	80.5	84.9

Table 2. Electoral outcomes Dutch general elections 2003-2012.

Note: electoral results marked with an '*' indicate the governing parties following the election.

	2003	2006	2010	2012
CDA	28.6*	26.5*	13.6*	8.5
PvdA	27.3	21.2*	19.6	24.8*
VVD	17.9*	14.7	20.5*	26.6*
SP	6.3	16.6	9.8	9.7
LPF	5.7			
GL	5.1	4.6	6.7	2.3
D66	4.1*	2	7	8
CU	2.1	4*	3.2	3.1
SGP	1.6	1.6	1.7	2.1
PvdD	0.5	1	1.3	1.9
PVV		5.9	15.5*	10.1
50+				1.9

Table 3. The effect of losing twice (2006 and 2010)

	satisfaction with democracy		political trust	
	I	II	III	IV
Losing twice	-0.061	-0.011	-0.215**	-0.202**
(ref losing once)	(0.144)	(0.15)	(0.072)	(0.073)
post period	0.17	0.114	0.095	0.084
	(0.102)	(0.11)	(0.051)	(0.052)
external efficacy		0.192**		0.109**
		(0.066)		(0.037)
internal efficacy		0.003		0.014
		(0.087)		(0.041)
political sophistication		0.173		0.018
		(0.185)		(0.083)
distance from center		0.047		0.057
		(0.079)		(0.043)
intercept	6.153***	5.240***	0.055***	-0.228
	(0.02)	(0.807)	(0.01)	(0.367)
fixed effects	x	x	x	x
N	6177	5249	5919	5063

Standard errors in parentheses
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 4. The effect of losing twice (2010 and 2012)

	satisfaction with democracy		political trust	
	I	II	III	IV
Losing twice	-0.11	-0.087	-0.188	-0.176
(ref losing once)	(0.201)	(0.216)	(0.098)	(0.103)
post period	0.263	0.211	0.199**	0.163*
	(0.139)	(0.147)	(0.069)	(0.072)
external efficacy		0.174		0.184***
		(0.099)		(0.054)
internal efficacy		-0.001		0.001
		(0.138)		(0.059)
political sophistication		-0.092		0.021
		(0.27)		(0.139)
distance from center		0.032		-0.024
		(0.139)		(0.061)
intercept	5.895***	6.148***	0.014	-0.163
	(0.023)	(1.231)	(0.012)	(0.631)
fixed effects	x	x	x	x
N	4641	3941	4402	3773

Standard errors in parentheses
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 5. The effect of losing three times (2006, 2010 and 2012)

	satisfaction with democracy		political trust	
	I	II	III	IV
Losing three times	-0.319	-0.269	-0.286**	-0.242**
(ref losing twice)	(0.171)	(0.186)	(0.081)	(0.086)
post period	0.329**	0.251	0.233***	0.186*
	(0.111)	(0.121)	(0.056)	(0.06)
external efficacy		0.157		0.198***
		(0.079)		(0.046)
internal efficacy		0.025		-0.016
		(0.11)		(0.051)
political sophistication		-0.034		0.002
		(0.221)		(0.129)
distance from center		0.015		-0.037
		(0.114)		(0.056)
intercept	6.210***	6.156***	0.190***	0.077
	(0.044)	(1.052)	(0.021)	(0.616)
fixed effects	x	x	x	x
N	1190	1096	1144	1053

Standard errors in parentheses
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Appendix

Table A.1. Descriptives.

Variable	Obs.	Mean	Std. Dev	Min.	Max
Satisfaction with democracy 2007	6,381	6.200	1,693	0	10
Satisfaction with democracy 2008	5,250	6.127	1.713	0	10
Satisfaction with democracy 2009	4,488	6.061	1.759	0	10
Satisfaction with democracy 2010	3,746	6.208	1.778	0	10
Satisfaction with democracy 2011	3,570	5.860	1.878	0	10
Satisfaction with democracy 2012	3,422	5.928	2.040	0	10
Political trust 2007	6,059	-0.000	0.975	-3.225	2.995
Political trust 2008	5,113	0.000	0.979	-3.448	2.842
Political trust 2009	4,285	0.000	0.980	-3.182	2.576
Political trust 2010	3,603	0.000	0.972	-3.386	2.782
Political trust 2011	3,358	0.000	0.979	-2.991	2.387
Political trust 2012	3,309	0.000	0.981	-2.595	2.615
External efficacy 2007	6,726	1.020	1.152	0	3
External efficacy 2008	5,485	1.118	1.190	0	3
External efficacy 2009	4,736	0.998	1.144	0	3
External efficacy 2010	3,390	1.035	1.174	0	3
External efficacy 2011	3,814	0.959	1.151	0	3
External efficacy 2012	3,612	0.917	1.145	0	3
Internal efficacy 2007	6,726	1.236	1.018	0	3
Internal efficacy 2008	5,485	1.209	1.018	0	3
Internal efficacy 2009	4,736	1.207	1.020	0	3
Internal efficacy 2010	3,990	1.210	1.024	0	3
Internal efficacy 2011	3,814	1.228	1.020	0	3
Internal efficacy 2012	3,612	1.265	1.029	0	3
Political sophistication 2007	6,307	3.961	1.076	2	6
Political sophistication 2008	5,267	3.909	1.107	2	6
Political sophistication 2009	4,544	3.871	1.120	2	6
Political sophistication 2010	3,870	3.910	1.132	2	6
Political sophistication 2011	3,686	3.909	1.137	2	6
Political sophistication 2012	3,474	3.938	1.116	2	6
Distance from center 2007	5,836	1.688	1.297	0	5
Distance from center 2008	4,752	1.684	1.280	0	5
Distance from center 2009	3,921	1.691	1.275	0	5
Distance from center 2010	3,467	1.853	1.302	0	5
Distance from center 2011	3,186	1.792	1.297	0	5
Distance from center 2012	3,115	1.759	1.285	0	5
Losing twice in 2006 and 2010 (ref. lost once in 2006 but won in 2010)	1,734	0.451	0.498	0	1
Losing twice in 2010 and 2012 (ref. lost once in 2010 but won in 2012)	1,097	0.453	0.498	0	1

Losing three times in 2006, 2010 and 2012 (ref. lost twice in 2006 and 2010 but won in 2012)	623	0.355	0.479	0	1

Table A.2. Assumption test of parallel trends.

	satisfaction with democracy	political trust
	I	II
Losing twice	-0.079	0
(ref losing once)	(0.07)	(0.034)
post period	-0.001	-0.011
	(0.053)	(0.024)
intercept	6.201***	0.047***
	(0.008)	(0.004)
fixed effects	x	x
N	6875	6694

Standard errors in parentheses
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$