Should I Stay or Should I Go?
A Theory of Factional Splits and Party Evolution

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Abstract

Party systems frequently experience fragmentation through factional splits, often followed by mergers. While some splits are driven by anticipated gains in autonomous influence, others are expected to be costly. We develop a dynamic theory of intra-party bargaining that explains such damaging splits. In our model, factions may initiate damaging splits today precisely because they anticipate reuniting tomorrow. These splits can take systematically different forms. Some are *unilateral*: a faction accepts short-run losses to improve its relative position and secure greater influence when the party re-forms. Others are *consensual*: factions forgo the short-run efficiency gains of unity because temporary separation helps the camp reach new voters and strengthens it in the long run. These dynamics overturn standard intuitions: electoral systems that reward larger parties and egalitarian internal rules—typically thought to promote unity—can instead encourage fragmentation.

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1. Introduction

Political parties are rarely monolithic actors. Rather, they comprise factions—organized around ideological currents, regional constituencies, or competing leaders—that often reorganize through splits and mergers. Recent cases abound: In Japan, the 2017 split of the Democratic Party produced the Constitutional Democratic Party, reshaping the structure of the opposition. In Brazil, political survival pressures led the Brazilian Labour Party and *Patriota* to merge in 2023, forming the Democratic Renewal Party (PRD), immediately altering the balance of power on the right. Such episodes show how factional realignments can fundamentally reshape the structure of political competition, a pattern echoed by systematic evidence of more than two hundred post-war schisms and frequent mergers in Europe (Ibenskas, 2019), as well as studies documenting instability in Latin America and Eastern Europe (Mainwaring, 1999; Tavits, 2008). Figure 1, reproduced from Chiru et al. (2020), illustrates the frequency of such events across 35 democracies around the world, showing that both splintering—i.e., factions exiting a parent party to form a new organization—and mergers—i.e., different parties combining into a single organization—are far from exceptional.

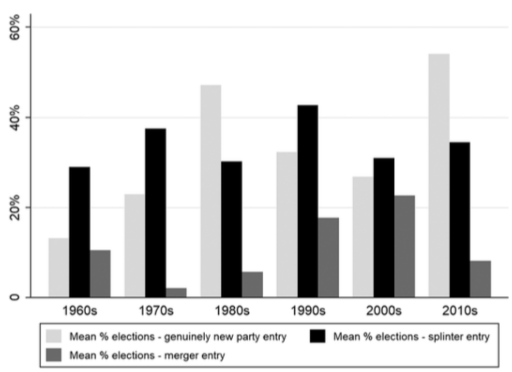

Figure 1 – Frequency of splinter, merger, and genuinely new parties (1945–2015). On average, splinter parties entered parliament in 34% of the elections.

Sometimes, these realignments follow an intuitive logic. A faction breaks away because it expects to be more successful on its own, attracting new supporters and obtaining sufficient independent influence to redefine the ideological landscape or shift the broader political equilibrium in the country. This was the case of the UK Social Democratic Party (SDP), formed in the early 1980s by a group of Labour moderates who sought to appeal to centrist voters. The splinter helped reshape British party competition and the SDP later morphed into the Liberal Democrats, which is, to this day, a rare example of a stable third party in a first-past-the-post electoral system.

Other times, factional departures are more puzzling. A group may initiate a split despite anticipating little independent success. In 2017, for instance, Pierluigi Bersani and other left-wing politicians left Italy's *Partito Democratico* to form a new party, *Articolo 1*. The move weakened the center-left camp and failed to generate a viable alternative. It is tempting to attribute such outcomes to miscalculation. Yet in this case the costs were widely anticipated.[1] Bersani himself framed the split as an investment in future influence rather than immediate returns.[2]

This paper develops a unified framework to understand these dynamics. Our model captures the intuitive cases—parties staying united to reap joint returns, or a faction splitting when it expects more power alone—and rationalizes the puzzling ones: damaging splits in which parties break despite short-term losses. We show these damaging splits emerge as part of a reversal equilibrium, where parties choose to separate today only to re-merge later. We characterize when a split is consensual and when it instead erupts amid open conflict within the parent party. These results capture important episodes in the evolution of real-world parties, which we further discuss in the paper.

Our theory builds on two key ingredients. First, factions possess distinct identities and, as a result, different bases of electoral support (Clarke, 2020). Even under a common party label, such independent support is central to each faction's success. As Clarke (2020, p. 456) puts it, "party sub-branding is a crucial element in the factional politics of resource capture." Voters evaluate each faction's credibility, competence, and ideological appeal. These features produce distinct constituencies that both underpin the party's success and determine each faction's influence in internal negotiations, as well as its outside option if running alone.

Second, a split from the main party can substantially affect each faction's electoral standing. A faction may be more appealing to ideologically aligned voters when running independently, or

[1] In a public interview, Bersani explained the necessity of establishing a separate political entity despite grim electoral prospects: https://www.ilfattoquotidiano.it/2017/02/28.

[2] Bersani acknowledged the short-run cost: "It's legitimate to think that we are barking at the moon, there are no tangible results yet. We're doing this more for future memory than for the concrete present." Party national assembly, November 16, 2019 (minute 9): https://www.youtube.com/watch?v=T5rrWSuyH6M.

benefit from greater visibility or clearer messaging (Lo, Proksch and Slapin, 2016). Conversely, voters may be skeptical of the motives underlying the split or find the faction's new independent image less appealing. These shifts in support generate the dynamic strategic logic driving our results.

In the model, two factions from the same left-wing party, a unified right-wing party, and a mass of potential voters interact over two periods. The electorate is divided between the two ideological camps, with each potential voter belonging to either the left- or the right-wing camp. At the start of period one, each faction decides whether to break away and form an independent party. Potential voters within each camp then decide whether to support one of the parties in their camp or to abstain.[3] Institutional features common to most political systems, such as disproportional electoral rules, tend to favor larger political actors. To capture this, we assume in our model that, holding fixed electoral support, a unified party secures more total political power than two separate ones. For the factions, then, running together creates an efficiency advantage.

When factions remain united, they bargain over the division of the joint spoils (offices or cabinet positions, positions on electoral lists, agenda control). Which faction gets to propose an allocation of the spoils is determined probabilistically, with probabilities tied to relative support in the electorate (i.e., the votes the faction is expected to bring to the united party). By contrast, when factions run independently each converts its support directly into political power but forgoes the gains from unity.

As discussed above, splitting affects each faction's electoral appeal—formally, its electoral valence. In addition, broader ideological trends, such as shifts in the distribution of left- and right-wing potential voters, determine how favorable the environment is to each ideological camp in each period, influencing electoral outcomes whether factions run jointly or separately. After the first election, the game moves to period two. If factions enter period two divided, they may

[3]As we explain in more detail in Section 3, the assumption that potential voters do not support parties outside their ideological camps allows us to isolate the effect of factions' strategic behavior from changes in incentives across periods due to exogenous factors, but it is not crucial for our mechanism. Furthermore, this formulation captures common settings in which splits and mergers reorganize competition primarily *within* each ideological camp, rather than through vote switching *across* camps.

re-merge by mutual consent and bargain again; otherwise they compete separately in the second election.

In a one-shot setting, our model delivers intuitive results. Factions split if and only if separation increases their combined political power relative to remaining united. When unity yields a clear premium—through a strong effect of disproportionality or because a split would damage both factions' electoral appeal—factions can always agree on a division of the surplus that sustains unity. By contrast, when separation expands the camp's electoral reach enough to outweigh the gains from unity, no internal transfer can prevent fragmentation. Thus, in static terms, splits arise only when division creates surplus. In the dynamic game, however, factions may split even when separation destroys surplus: dynamic incentives open the door to statically inefficient splits.

First, and most strikingly, the model rationalizes splits that harm both factions and, with them, the ideological camp as a whole. In this case, a split is not only statically, but also dynamically inefficient for the factions. These equilibria follow a "bigger fish in a smaller pond" logic. A faction may choose to split even when this reduces its *absolute* electoral support, if the split improves its *relative* position upon reunification. Although both factions suffer absolute losses, one may be harmed less than the other. By increasing its relative weight within a diminished party, the splinter faction strengthens its bargaining position and ultimately secures a larger share of the (smaller) pie once the party re-forms. Because these dynamic gains come at the expense of the other faction, such splits are never consensual: they can only be initiated unilaterally. Empirically, this logic implies that we should observe attempts at appeasement by the disadvantaged faction—seeking to forestall both immediate losses and future bargaining setbacks—followed by conflict between the new parties. As we discuss below, these implications are consistent with the dynamics observed in several cases in which splits weakened the ideological camp as a whole.

The emergence of these inefficient splits depends critically on expectations about the camp's future prospects: incentives to initiate damaging fragmentation arise only when ideological attitudes in the electorate are expected to become sufficiently favorable over time, so that anticipated future gains outweigh the losses from disunity today. In the model, this corresponds to a positive ideological trend that increases the camp's electoral prospects in the second period. Absent these expectations, factions can always sustain unity through internal transfers. The model thus highlights a form of *dynamic resource curse*: the prospect of abundant future resources can itself trigger inefficient fragmentation, even when unity is mutually beneficial. This dynamic also echoes empirical patterns whereby party splits often emerge not during decline, but at moments of rising popularity (Lupu, 2016; Ibenskas, 2019).

We next examine a different class of splits, in which separation expands the camp's electoral support but not by enough to compensate for the efficiency gains from unity, so that fragmentation remains statically inefficient. In contrast to splits that alienate supporters from the ideological camp, such support-building splits can be consensual, when factions temporarily split in anticipation of a future reunion into a *stronger* party. Under this collusive "smaller fish in a bigger pond" logic, a faction may accept a weaker relative position to help expand the camp, ultimately securing a smaller share of a larger pie. Because the split is dynamically optimal for both sides, our model suggests it should involve little open conflict and limited efforts to prevent separation. As we show below, this logic is often observed in fragmented party systems, where ideologically proximate actors separate to cultivate distinct electoral constituencies before reuniting under a strengthened common label.

The model also sheds light on how electoral institutions influence party evolution. The classic Duvergerian intuition maintains that electoral system disproportionality encourages cohesion, since larger parties benefit from an efficiency premium—the bonus of running together rather than separately (Duverger, 1951). In static terms, this logic holds in our framework: stronger returns to unity make fragmentation easier to deter through internal bargaining. Dynamically, however, this same premium creates incentives to incur short-run losses in order to use a split to reshape factional support and capture the larger gains from reunification in the future. Thus, disproportional electoral systems can open the door to inefficient, temporary fragmentation. This result complements the findings in Matakos et al. (2024), where parties under winner-biased rules select more ideologically diverse candidate lists, weakening intraparty cohesion even absent fragmentation.

Finally, we analyze how *intra-party* institutions shape incentives for unity and fragmentation. Internal rules—such as leadership selection procedures or candidate nomination methods—

determine how factions' electoral support translates into bargaining power within the party (Hirano and Snyder, 2019; Hazan and Rahat, 2010). More egalitarian arrangements make power less sensitive to differences in factional size, allowing even small factions to retain influence; less egalitarian rules amplify disparities in control. In the model, this is captured by the sensitivity of the proposer recognition probability to each faction's relative support. We show that the impact of such rules on stability crucially depends on the effect of a split on the camp as a whole: when splits are damaging, greater internal power sharing deters fragmentation; when splitting expands the camp, the same rules can instead encourage separation. As discussed below, this conditional effect helps reconcile the mixed empirical evidence on how intra-party institutions shape party cohesion (Burden, 2004; Ceron, 2015; Ascencio, 2024).

2. Related Literature

Our theory is based on the premise that parties are internally divided into competing factions. The formal literature has increasingly acknowledged the importance of factions to understand political parties' nomination processes (Caillaud and Tirole, 2002; Hirano, Snyder Jr and Ting, 2009; Crutzen, Castanheira and Sahuguet, 2010; Bangum et al., 2025), intra-party power sharing (Invernizzi, 2023; Invernizzi and Prato, 2025), and competition, both over resources (Persico, Pueblita and Silverman, 2011) and ideology (Izzo, 2024). We share with this literature the focus on within-party actors, political factions. We show how considering factional incentives to cultivate their power leads to unexpected predictions on party evolution.

Of course, our proposed mechanism is one among many forces shaping party evolution. Existing research emphasizes how electoral institutions and shifts in voter preferences shape party systems (Golder, 2006*b*,*c*; Blais and Indridason, 2007; Rokkan and Lipset, 1967; Pedersen, 1979; Taagepera and Grofman, 2003; Invernizzi, 2024). Our framework takes these forces as part of the environment and studies how they interact with factions' dynamic incentives. In our model, factions strategically reorganize to obtain power and influence, and are sometimes willing to pay a short-run cost in order to improve their future standing. Our results thus clarify when statically inefficient fragmentation and split–merge cycles can arise as rational political strategies rather than miscalculations.

A related literature explains party formation and change through elite coordination. This approach models parties as instruments created by office- or policy-motivated politicians to coordinate electoral competition or policy commitments (Downs, 1957; Aldrich, 1995; Snyder and Ting, 2002; Levy, 2004). The frameworks adopted in these existing studies are largely static: fragmentation arises only when separation is immediately advantageous. By contrast, we model party formation and dissolution as a dynamic process in which factions strategically exit—even at a short-run cost—to influence future allocation of power within or across parties.

Related models emphasize *party entry* as a driver of party system evolution (Kselman, Powell and Tucker, 2016; Bol et al., 2019). Closest to our model, Forand and Maheshri (2015) consider party systems dynamics under different electoral systems, where adjustment is driven by exogenous shocks to voter preferences and institutional frictions affecting new entrants. Our focus on factions' strategic incentives to reshape their future influence generates novel results, such as equilibrium reversals of splits and re-mergers.

More broadly, our work relates to the literature studying how electoral institutions shape parties' internal cohesion and the composition of their candidate teams. Classic work emphasizes that electoral rules affect the incentives to cultivate a personal rather than party reputation, thereby reshaping intraparty incentives and the costs of maintaining unity (Carey and Shugart, 1995).[4] Others highlight how institutional constraints can generate cohesive behavior even when underlying preferences diverge (Hazan, 2003; Diermeier and Feddersen, 1998). Within this tradition, Matakos et al. (2024) develop a model in which disproportional rules strengthen parties' incentives to broaden electoral appeal by recruiting ideologically more heterogeneous slates, and they provide causal evidence from Finnish municipal elections using council-size thresholds as shifts in expected disproportionality. By contrast, Carroll and Nalepa (2020) demonstrate that candidate-centered systems can increase preference cohesion, as leaders facing higher discipline costs recruit more ideologically aligned members. Rather than treating the party as an organizational unit that adjusts its internal cohesion, we take organized factions as the primary strategic actors and study their decision to exit and re-enter political parties. In doing so, we show how

[4]See also Fiva, Izzo and Tukiainen (2024), who analyze a similar trade-off in which, depending on the electoral environment, the party leadership may find it optimal to either dampen or accentuate internal competition in order to maximize members' effort.

the same electoral efficiency premium that discourages fragmentation in static settings can, in a dynamic environment, generate incentives for temporary splits and re-mergers.

In our model, factions that remain within the same party bargain over the division of the resources they expect the party to gain in the upcoming election. Our bargaining protocol follows classic models of legislative bargaining such as Baron and Ferejohn (1989) with random recognition rule. In our setting, the probability of recognition is tied to a faction's relative electoral strength, capturing the well-documented link between electoral support and internal influence (Diermeier, Eraslan and Merlo, 2003; Warwick and Druckman, 2006; Golder, 2006*a*). Our "dynamic resource-curse" result—that the expectation of abundant future resources can make separations unavoidable—parallels Powell (2006)'s account of war as a commitment problem, where exogenous power shifts can undermine credible agreements even under complete information. In our model, factions may *endogenously* engineer such shifts by undertaking statically inefficient splits to improve their future bargaining position. Our mechanism thus complements other sources of bargaining failure, such as asymmetric information (Fearon, 1995*a*), by showing that inefficient fragmentation can arise even under complete information.

3. A Model of Party Evolution

Consider a game between two leftist factions, A and B, a (non-strategic) unified right-wing party, R, and a unit mass of citizens. At the start of the first period, the two factions belong to the same party L, and each faction chooses whether to remain in L or initiate a split. If the party remains united, the factions bargain over the division of the political resources expected from the upcoming election (e.g., list positions, offices, or patronage opportunities). If a split is initiated, the L party dissolves and the factions form separate parties.

Citizens decide whether and how to vote based on ideology and on each party/faction's valence, which captures its electoral appeal or brand strength. Crucially, a split within the left-wing camp affects the factions' valences. Substantively, separation may enhance a faction's visibility or ideological clarity, increasing its appeal, or instead undermine credibility by signaling division or opportunism. The electoral result determines the allocation of power and resources across parties. The game then proceeds to a second period, in which factions who previously separated may choose to reunite if they both wish to do so before another round of internal bargaining and a second election take place.

Voters

Citizens belong to one of two groups: left-wing $\theta = \ell$, or right-wing, $\theta = r$. In period t, a share λ_t of voters are left-wing, and the remainder $1 - \lambda_t$ are right-wing. The parameter $\lambda_t \in [\lambda_l, \lambda_u]$, with $0 < \lambda_l < \lambda_u < 1$, evolves over time to capture ideological trends.

Each citizen decides whether to vote and, if so, which party to support. Voting yields a participation utility $k \in \mathbb{R}$, capturing the expressive benefit (if $k > 0$) or cost (if $k < 0$) of turnout. In addition, by casting a ballot for party j, voter i of group θ receives a payoff $v^j_{i,\theta}$. For voter i of group $\theta \in \{\ell, r\}$, voting for party j thus yields utility $v^j_{i,\theta} + k$, while payoff from abstention is normalized to 0.

Right-wing citizens never support left-wing parties. Formally, we assume $v^A_{i,r} = v^B_{i,r} = -\infty$. The valence a right-wing citizen attaches to party R is instead $v^R_{i,r} \sim g_R$, where g_R is a continuous distribution with support on $\mathbb{R}$, mean $\bar{v}^R$ and CDF G_R. Thus, a right-wing citizen r votes for R if $v^R_{i,r} + k > 0$, and abstains otherwise.

Symmetrically, left-wing citizens never support the right-wing party, so $v^R_{i,\ell} = -\infty$. Instead, for each left-wing voter and each faction $j \in \{A, B\}$, valence is independently drawn as $v^j_{i,\ell} \sim g_j$, with mean $\bar{v}^j$ and CDF G_j.[5]

Upon observing $v^A_{i,\ell}$ and $v^B_{i,\ell}$, a left-wing citizen chooses whether and how to vote. If the factions remain united, a left-wing citizen votes for the party if and only if $\max\{v^A_{i,\ell}, v^B_{i,\ell}\} + k > 0$. This formulation captures the observation that, even within a unified party, factions retain distinct identities (e.g., via primaries or caucuses). Thus, each voter's support accrues to the preferred faction within the party, while the ballot is cast under the common party label. If the factions run separately, a left-wing citizen chooses A if $v^A_{i,\ell} > \max\{v^B_{i,\ell}, -k\}$ chooses B if $v^B_{i,\ell} > \max\{v^A_{i,\ell}, -k\}$, and abstains otherwise.

We note that this setup, where a left-wing citizen would never support a right-wing party and vice-versa, guarantees that the factions' relative size does not change with the ideological trend λ_t. This choice isolates the paper's central mechanism—strategic changes in relative factional

[5] We make no further assumptions on g_j beyond continuity and full support on $\mathbb{R}$; the results are invariant to their specific form.

leverage induced by organizational decisions—from mechanical changes in relative faction size driven by aggregate ideological trends.

The Effect of a Split

A split between factions affects their electoral appeal. Specifically, if a split occurs, the mean of each faction j's valence distribution g_j shifts from $\bar{v}^j$ to $\bar{v}^j + \delta_j$, where $\delta_j \in \mathbb{R}$.[6] Thus, δ_j captures in reduced form the *net* electoral effect of separation on faction j's valence among ideologically aligned citizens. We treat δ_j as a primitive because multiple mechanisms can operate simultaneously in practice. For example, a split may increase a faction's electoral appeal due to increased visibility or ideological clarity, or create reputation costs if voters perceive divisions as opportunistic. The *net effect* δ_j reflects their combined impact on expected support. A positive δ_j indicates that the gains outweigh the costs, while $\delta_j < 0$ indicates that the costs dominate. Our goal is to trace how any such electoral shift feeds back into dynamic bargaining incentives within the party.

The effect of a split on expected valence is assumed to persist over time: if a split occurs in period 1, expected valences in period 2 are $\bar{v}_A + \delta_A$ and $\bar{v}_B + \delta_B$. As discussed below, full persistence is stronger than necessary and is imposed for clarity of exposition; all results go through so long as the split's electoral consequences remain sufficiently large at the next bargaining round (e.g., under gradual depreciation of the split's effects).

The Political System

Parties value votes because they translate into political power, which in turn brings rents and influence over policymaking. Let a party's vote share in period t be $S_t \in (0, 1)$—where S_t is determined in equilibrium by the voters' decision— and let its political power be given by $f(S_t)$, where f is continuously differentiable and strictly increasing ($f' > 0$): more votes translate into more power and higher rents.[7]

Electoral institutions shape *how* votes translate into power. As we discuss in more detail below, most electoral systems include disproportional features that tend to favor larger parties.

[6] The shift affects only the mean of the valence distribution; its shape remains unchanged.

[7] Small parties can sometimes exert disproportionate power—especially in bargaining environments like coalition formation—but these are context-specific exceptions. Our assumption abstracts from such nuances to capture the broader relationship between support and political strength.

To capture these features, we assume that f is convex:

$$f(S' + S'') > f(S') + f(S'').$$

In our setting, this convexity creates an "efficiency premium" for running together: *everything else being equal* (i.e., net of the effect of the split on the factions' support) — the united party's political power is higher than the sum of the factions' if they run separately. Below, we further discuss interpretations and scope conditions for this assumption.

Factions' Payoffs and the Bargaining Protocol

For clarity of exposition, it is useful to introduce some new notation. Let ω_t^e be a state variable taking value 1 if the party experienced a split at any point before the period-t election, and 0 otherwise. Because the electorate is a continuum, realized vote shares coincide with their expected values. Define faction j's vote share at time t under state ω_t^e as $S_t^j(\lambda_t, \bar{v}^j + \omega_{e_t}\delta_j)$.

Factions care about political power. When the factions remain united, they jointly generate power $f\left(S_t^A(\lambda_t, \bar{v}^A + \omega_t^e \times \delta_A) + S_t^B(\lambda_t, \bar{v}^B + \omega_t^e \times \delta_B)\right)$, which is divided between them. Faction j's payoff in period t is then

$$x_t^j\, f\left(S_t^A(\lambda_t, \bar{v}^A + \omega_t^e \times \delta_A) + S_t^B(\lambda_t, \bar{v}^B + \omega_t^e \times \delta_B)\right), \tag{1}$$

where $x_t^j \in [0, 1]$ denotes its share of party resources.

The allocation x_t^j is determined through internal bargaining. We assume each faction's probability of being recognized as the proposer at time t is a function of its relative strength in the party, i.e., the share of votes it is expected to contribute to the united party in the upcoming election (conditional on the party remaining united in period t). This can be interpreted, for example, as capturing the probability that faction j controls the party leadership (e.g., via a primary) and therefore sets the bargaining agenda.

Formally, let ω_t^b be a binary indicator taking value 1 if the party experienced a split at any time before the period-t bargaining stage, and 0 otherwise. [8] Define faction j's relative strength

[8] We introduce separate notation for ω_t^b and ω_t^e because the party may enter period t united with no prior split, in which case the proposer is selected under $\omega_t^b = 0$, but split before the election as a consequence of failed bargaining, and thus $\omega_t^e = 1$.

in the party at time t as

$$\rho_t^j \equiv \frac{S_t^j(\lambda_t, \bar{v}^j + \omega_t^b \times \delta_j)}{S_t^A(\lambda_t, \bar{v}^A + \omega_t^b \times \delta_A) + S_t^B(\lambda_t, \bar{v}^B + \omega_t^b \times \delta_B)} \tag{2}$$

Faction j is recognized as the proposer in period t with probability $\pi^j(\rho_t^j)$, where $\pi^j : [0,1] \to [0,1]$ is increasing in the faction's relative electoral strength (the relative size ρ).[9] Because the proposer determines the allocation of party resources subject to acceptance, recognition confers an advantage in the division of the surplus. Consequently, changes in a faction's relative electoral support translate directly into changes in its bargaining power. The recognized proposer chooses whether to exit the party, or offer a resource allocation $(x_t^j, 1 - x_t^j)$. If an offer is made, the receiver decides whether to accept and remain within the party or to split and form a new party.

Conversely, if faction j runs independently in period t, its period-t payoff is simply

$$f\left(S_t^j(\lambda_t, \bar{v}^j + \delta_j)\right). \tag{3}$$

Factions are forward-looking and, for notational simplicity, we assume no discounting.

The timing of the game is as follows:

Period 1:

1. **Recognition.** One faction $j \in \{A, B\}$ is recognized as proposer with probability $\pi_j(\rho_1^j)$.

2. **Bargaining or exit.**

   2.1. The recognized proposer chooses either (i) to propose an allocation of party resources, or (ii) to exit the party, triggering a split.

   2.2. If an allocation is proposed, the receiver chooses whether to accept (the party remains united) or reject (the party splits).

3. **Election.** The first-period election takes place and payoffs are realized.

Period 2:

[9] In Section 7, we link party 'egalitarianism' to the responsiveness of π^j to ρ_t^j, providing comparative statics for how internal rules (e.g., primaries, nomination procedures, leadership selection) shape party stability.

1. If the factions remained united in period 1, the game repeats as in Period 1.
2. If the factions split in period 1, they first decide whether to re-merge. If both agree, the game proceeds as in period 1; otherwise they compete separately in the second-period election.[10]

3.1. Discussion of the Assumptions

Before concluding this section, we briefly discuss some of our modeling choices and assumptions.

First, we model political power as a *convex* function of electoral support. A linear f would describe a perfectly proportional system in which each vote yields the same marginal return. Convexity instead captures the disproportionality of many real-world electoral systems, where thresholds, seat premia, apportionment rules such as D'Hondt, and winner-take-all components systematically favor larger parties. These features amplify the gains from unity and are well represented by a convex votes–to–power mapping. At the same time, as emphasized in work modeling disproportionality with an S-shaped votes–to–seats relationship (e.g., Matakos, Troumpounis and Xefteris 2016), the advantage to size is not monotone in marginal returns. At very high vote shares, the marginal seat gain often flattens due to finite house size, upper apportionment caps, and diminishing returns in plurality districts already won. In other words, the vote-to-power mapping is convex for parties whose vote share is not too large, eventually flattening and thus generating a region of concavity at very high vote shares. Accordingly, our analysis targets precisely the region where parties remain competitive, and political power is sensitive both to ideological trends and to the electoral consequences of fragmentation. This excludes parties that would capture the entire pie regardless of splits or ideological shifts, and it also rules out factions strong enough to secure all power on their own, for which the efficiency premium from unity—and hence the strategic tradeoffs we study—would disappear.

Second, we assume that factional bargaining takes place *before* the election, and that factions commit to the division of party resources they expect to obtain after the election. This captures an important class of settings in which key intra-party allocations are negotiated *ex ante.*

[10] In the baseline model, re-merger is institutionally feasible whenever both factions consent; Section 6 relaxes this by introducing merger frictions (a probability that re-merger is feasible) and shows that temporary, statically inefficient splits emerge in equilibrium as long as re-merger is sufficiently likely.

For instance, in all governments formed by Italy's Christian Democracy (DC), the allocation of cabinet positions resulted from negotiations tied to factional strength—a measure derived from faction membership—conducted during party congresses held *prior* to general elections (Venditti, 2016).[11] Similar principles have been applied in Austria and Japan (Ennser-Jedenastik, 2013; Adachi and Watanabe, 2007). Moreover, certain allocation decisions must necessarily be settled ex ante: factions, for example, negotiate the composition of electoral lists before elections, effectively determining the expected distribution of seats (Bangum et al., 2025). At the same time, one can imagine contexts in which bargaining occurs only after electoral outcomes are known, at which point factions decide whether to accept the proposed division or exit the party. Incorporating this possibility would require adding a third period to the model: a split after the first-period election would affect factions' electoral support in the second, but any benefits from re-merging may materialize only in the third. While this extension would add complexity, it would not alter the qualitative mechanism and results our model uncovers, which hinge on factions' incentives to manipulate future bargaining power.

Third, in our setup, factions face no uncertainty over the consequences of a split for their electoral support (δ_A and δ_B), or the evolution of the electorate's ideological tastes (λ_2). We impose this assumption in order to more clearly illustrate the mechanism behind the results (excluding the possibility of mistakes), and show that dynamic incentives may generate splits in equilibrium even if factions can perfectly anticipate that this will be costly in the short run (i.e., the split is statically damaging). Importantly, however, introducing a small amount of uncertainty would not alter our qualitative conclusions. In concluding the paper, we discuss how a large amount of uncertainty may enrich our dynamics.

Finally, we assume that the effect of a split on the factions' expected valence is fully persistent into the next period, even if factions reunite. This captures the idea that organizational ruptures durably reshape voter perceptions: voters lost after a damaging split are difficult to recover, while newly attracted supporters tend to remain attached after re-merger. This intuition is consistent with evidence that voting generates preference updating in favor of the supported parties or candidates, contributing to persistence in voter behavior (see Callander and Carbajal 2022;

[11] On average, about 508 days elapsed between an Italian general election and the following DC national congress.

Beasley and Joslyn 2001; Mullainathan and Washington 2009). A complementary interpretation is organizational: splits and re-mergers may mobilize or demobilize activists, alter member effort, or reshape campaign investments in ways that outlast formal reunification and affect subsequent electoral performance. Although one could allow these effects to depreciate over time—for instance by modeling gradual recovery of voter perceptions or member mobilization—, our results require only that persistence be sufficiently strong. More generally, the parameter δ_j should be interpreted as a reduced-form, net effect of separation, incorporating any loss of the party-level valence component when factions separate.

4. Analysis

The Electorate. We begin by characterizing voters' behavior. At time t, a mass $1 - \lambda_t$ of potential voters belongs to the right-wing ideological camp. A right-wing citizen votes for R if $v_{i,r}^R + k \geq 0$, and abstains otherwise. Thus, the measure of votes for R in period t is

$$N_t^R = (1 - \lambda_t)\Big(1 - G_R(-k)\Big). \tag{4}$$

Left-wing voters choose whether to support faction A, faction B, or abstain. This decision rule applies both when factions run separately and when they are united. Each faction's vote share equals the mass of left-wing voters times the probability that the faction is worth voting for *and* is more appealing than its rival. Formally:

$$N_t^A = \lambda_t \int_{-k}^{\infty} g_A(x)\, G_B(x)\, dx, \qquad N_t^B = \lambda_t \int_{-k}^{\infty} g_B(x)\, G_A(x)\, dx, \tag{5}$$

where g_j and G_j denote the density and CDF of the valence of faction $j \in \{A, B\}$, respectively. As mentioned above, recall that under a united left-wing party, each left-wing voter ℓ votes for L if and only if $\max\{v_{i,\ell}^A, v_{i,\ell}^B\} > -k$. This implies that, when the factions run together in the same party, the measure of votes for the party is given by $N_t^A + N_t^B$, as characterized above.

We now examine how a split—which shifts expected valences by (δ_A, δ_B)—can affect support.

Lemma 1. *Suppose $\delta_A = \delta_B = \delta$. Then*

$$\frac{\partial N_t^A}{\partial \delta} > 0 \quad \textit{and} \quad \frac{\partial N_t^B}{\partial \delta} > 0.$$

Hence, a positive (negative) shift, $\delta > 0$ ($\delta < 0$), in expected valences increases (decreases) the support of both factions simultaneously.

Lemma 1 highlights that the impact of a split on the two factions' electoral bases is not necessarily zero-sum. The clearest illustration is the case when a split uniformly improves (or worsens) both factions' appeal—for instance, by clarifying the ideological profile of the left camp (or by confusing voters). In this case, support for each faction will rise or fall together. This is because a faction's realized support depends on two factors: how the faction's valence compares to the cost of voting, and how the faction's valence compares to the other's. As the faction's own (expected) valence increases, the faction will be able to mobilize some of the voters that would have otherwise abstained. In addition, this increase influences the voters' decision of *which* faction to support. When both factions' (expected) valences increase by the same amount, the redistributive effect is a net zero, and both factions build support by mobilizing abstainers. Only when the split has asymmetric effects on expected valences will one faction gain at the expense of the other, and the overall effect may see one faction's support increase while the other decreases.

Factions. We now turn to the factions' strategic problem. Recall that we denote by $S_t^j(\lambda_t, \bar{v}_j)$ faction j's vote share at time t when no split has occurred; and by $S_t^j(\lambda_t, \bar{v}_j + \delta_j)$ the vote share when a split has occurred in or before period t.

To ensure that both ideological trends and organizational splits have meaningful effects on party performance, we impose two technical assumptions. Intuitively, these assumptions guarantee that changes in electoral support (whether from splits or ideological shifts) translate into non-negligible changes in political power.

Assumption 1 (Non-triviality of splits)**.** *The effect of a split is sufficiently large even under the most favorable trend, i.e.:*

$$\left| f\left(S_t^A(\lambda_u, \bar{v}_A) + S_t^B(\lambda_u, \bar{v}_B)\right) - f\left(S_t^A(\lambda_u, \bar{v}_A + \delta_A) + S_t^B(\lambda_u, \bar{v}_B + \delta_B)\right) \right|$$

is sufficiently large.

Assumption 2 (Non-triviality of ideological trends)**.** *Splits do not make ideological trends irrelevant, i.e.: for all* $\delta_A, \delta_B \in \mathbb{R}^2$*,*

$$f\Big(S_t^A(\lambda_l, \bar{v}_A + \delta_A) + S_t^B(\lambda_l, \bar{v}_B + \delta_B)\Big) \quad \textit{is sufficiently small,}$$

and

$$f\Big(S_t^A(\lambda_u, \bar{v}_A + \delta_A) + S_t^B(\lambda_u, \bar{v}_B + \delta_B)\Big) \quad \textit{is sufficiently large.}$$

For instance, the function $f(x) = \frac{x}{1-x}$ with $\lambda_l \to 0$ and $\lambda_u \to 1$ satisfies both assumptions.

4.1. Benchmark: Why inefficient splits never occur in static settings

We start with a static benchmark and then examine how dynamic considerations may alter the results. A one-period game captures factions' immediate incentives, and provides a baseline against which to interpret the richer dynamics of the two-period setting. We consider a period t that begins with the factions in the united party.

We begin by analyzing the bargaining stage. If faction j is selected as the proposer, it either chooses to initiate a split, or makes the lowest acceptable offer to $-j$, if one exists. This lowest acceptable offer is such that $-j$ is indifferent between accepting and remaining in the party, and rejecting and running independently. Thus, if an offer is made and accepted in equilibrium, x_t^{-j} satisfies

$$x_t^{-j} f\left(S_t^A(\lambda_t, \bar{v}^A) + S_t^B(\lambda_t, \bar{v}^B)\right) = f(S^{-j}(\lambda_t, \bar{v}_{-j} + \delta_{-j})) \tag{6}$$

If the right-side exceeds the left-hand side at $x_t^{-j} = 1$, then no offer exists that the proposer can make and the receiver would accept. Otherwise, an acceptable offer exists, in which case the proposer is the residual claimant and can capture any surplus from unity. If that surplus exceeds the proposer's outside option, the proposer makes the offer and the party remains united. Otherwise, the proposer initiates a split.

Building on this, our first proposition characterizes necessary and sufficient conditions for a split to emerge in equilibrium in this benchmark model.

Proposition 1. *A split emerges if and only if*

$$f(S^A(\lambda_t, \bar{v}_A + \delta_A)) + f(S^B(\lambda_t, \bar{v}_B + \delta_B)) > f(S^A(\lambda_t, \bar{v}_A) + S^B(\lambda_t, \bar{v}_B)). \tag{7}$$

The static benchmark predicts that whether factions remain together or separate depends on the net effect of splitting on their combined support relative to the convex efficiency gains from unity. The logic is straightforward. When condition (7) does not hold, a split *destroys* surplus in period t. Either a split directly harms the camp's support, $S^A(\lambda_t, \bar{v}_A + \delta_A) + S^B(\lambda_t, \bar{v}_B + \delta_B) < S^A(\lambda_t, \bar{v}_A) + S^B(\lambda_t, \bar{v}_B)$, or the support increases but not enough to compensate for the lost efficiency premium of running together (given by the convexity of f). In this case, the factions can always find a bargaining agreement on how to divide the surplus to avoid a split. In contrast, when condition (7) holds, a split *creates* surplus. In this case, a split is inevitable: the size of the pie when the party remains together is never enough to compensate both factions for their outside option. Notice, this result implies that static incentives alone never produce splits that are (Pareto) inefficient. As we will see below, even in a model with no frictions such as ours, this no longer holds true in a dynamic setting.

4.2. Introducing dynamic incentives

Moving to the dynamic model, we begin by characterizing the equilibrium of the second period.

Lemma 2. *Suppose there was no split in the first period. Factions split in the second period if and only if*

$$f(S^A(\lambda_2, \bar{v}_A + \delta_A)) + f(S^B(\lambda_2, \bar{v}_B + \delta_B)) > f(S^A(\lambda_2, \bar{v}_A) + S^B(\lambda_2, \bar{v}_B)). \tag{8}$$

Suppose instead there was a split in the first period. Then, factions always re-merge in the second.

If factions do not split in the first period, a second-period split emerges entirely for static incentives, under the same conditions identified in Proposition 1. Conversely, because the effect of a split on the factions' valences is fully persistent and does not accumulate over time, if a split occurs in the first period factions always re-merge in the second to obtain the efficiency premium of running together. In Section 6, we discuss potential frictions that may make a split permanent in our setting, and their effect on the factions' dynamic incentives.[12]

Moving to the first period, it is useful to first note that, if condition (7) holds at $t = 1$ so that a first-period split is the equilibrium of the static game, a split must also immediately arise in equilibrium in the dynamic game (see Proposition A.1 in the Online Appendix). This result follows from two observations. First, in our model, factions always re-merge after a split. Second, a split is an equilibrium of the static game only if it attracts voters to the ideological camp. Thus, such a split never harms the party's future performance, and there is therefore no incentive to avoid or delay it.

For the remainder of the paper, we thus focus on the opposite case, where condition (7) fails at $t = 1$ and a first-period split would not occur in the one-shot (static) version of the game. Formally:

Assumption 3.

$$f\big(S^A(\lambda_1, \bar{v}_A + \delta_A)) + f(S^B(\lambda_1, \bar{v}_B + \delta_B)\big) < f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B)).$$

The split destroys surplus (and hence is statically inefficient), and yet under some conditions dynamic incentives make it unavoidable. Before establishing why and when such damaging splits can actually emerge, we begin with a simple but important negative result: if there is no convexity in the payoff function—that is, if f is linear—then there cannot be equilibria of the dynamic game with statically inefficient splits.

Lemma 3. *Suppose f is linear. If a split is not an equilibrium of the static game at $t = 1$, then it is not an equilibrium of the dynamic game.*

The reasoning is straightforward. There are two potential reasons why a statically damaging split might emerge in equilibrium. First, a faction may attempt to increase its relative size and thereby strengthen its bargaining position in the next period, i.e., raise the probability of being

[12] More generally, in a model with more than two periods, a split may persist beyond the first period if its effects accumulate over time or if frictions in the electoral environment limit the factions' ability to re-merge. This, however, would not alter the mechanism or the qualitative findings we uncover.

recognized as the proposer. However, when f is linear, there are no rents from being recognized as the proposer. In equilibrium, the proposer must make the receiver indifferent in the second period to keep the party together. Since, under linearity, the party's resources are exactly equal to the sum of what factions could obtain independently, there is no surplus to be extracted by the proposer. Hence, no faction has an incentive to initiate a damaging split in the first period.

Second, if a split increases the camp's overall support (though not enough to be statically efficient), the factions might consider initiating it to expand the camp's reach and re-merge into a stronger party tomorrow. However, under a linear f if a split increases the camp's total support then it also creates surplus, i.e., it is statically optimal and Assumption 3 is not satisfied.[13]

This result suggests a simple yet neglected relationship between electoral institutions and intra-party incentives. Constitutional design scholars typically focus on the *static* incentives that institutions produce at the party level. A powerful intuition in this literature, known as Duverger's law, states that we should expect a less fragmented party system under more majoritarian electoral rules (Duverger, 1951). While this intuition is upheld in our model if factions merely consider their static payoffs, Lemma 3 highlights that dynamic considerations may generate the opposite results, whereby the disproportionality of the electoral system is precisely what opens the door to statically (and, under some conditions, dynamically) inefficient splits.

In this vein, our model may offer some insights as to why evidence on the empirical relevance of the Duvergerian proposition is mixed (see, e.g., Cox (1997); Lijphart (1994); Diwakar (2007); Singer (2013)). Existing scholarship explains this mixed evidence by suggesting that Duverger forces may be *dampened* when voters or parties fail to act strategically (Cox, 1997), or because of societal cleavages that interact with electoral institutions (Ordeshook and Shvetsova, 1994). In contrast, our analysis emphasizes that, even if a Duvergerian logic is statically upheld, the effect of disproportionality on the effective number of parties may go in the *opposite* direction once we consider factions' dynamic incentives.

[13]More generally, note that the benefit of splitting today to re-merge into a stronger party tomorrow may arise only when f is convex. If f is linear, there is no surplus from joining forces: in equilibrium, factions receive the same payoff in the second period whether they run together or apart. They could therefore remain merged today and split tomorrow if it proved advantageous. In other words, as above, no faction has an incentive to initiate a damaging split in the first period when f is linear.

4.3. Statically Inefficient Splits Under Disproportionality

Having established this negative result, in the remainder of the paper we will focus on the case in which f is convex, and turn to the more substantive question: under what conditions can statically inefficient splits nevertheless be sustained in equilibrium under a disproportional system?

In what follows, we also seek to determine which faction is responsible for triggering a split. Is separation always driven by one of the factions? Under what conditions might the factions instead agree to separate consensually? To formalize this, we adopt the following definition:

Definition 1. *Let $\bar{U}_1^j$ denote the lowest offer faction j is willing to accept to remain within the party at time $t = 1$. We say that a split that emerges on the equilibrium path in period $t = 1$ is*

i) Unilateral and initiated by faction j if $\bar{U}_1^{-j} < 0$,

ii) Consensual if $\bar{U}_1^j > f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B))$ for both $j \in \{A, B\}$,

iii) Conflictual otherwise.

This categorization captures the idea that different types of splits may appear distinct to outside observers. When a split is consensual, we may observe little open conflict preceding the split and little discussion over how to avoid it, since both factions benefit from going their separate way. By contrast, if a split is unilateral and initiated by faction j, we might expect the other faction to make unilateral attempts at appeasement and appeals to avoid a split. The splinter cannot plausibly shift blame, as it cannot claim willingness to compromise while portraying the other side as intransigent. Finally, in a conflictual split, each faction can try to blame the other, as both can identify a non-zero offer they can pretend to make fully expecting the opponent to reject.[14]

[14]Notice that, if $\bar{U}_t^j < 0$ for both factions, clearly a split cannot emerge because no faction can profit from it. Similarly, if $\bar{U}_t^{-j} < 0$ and $0 < \bar{U}_t^j < f(S^A(\lambda_t, \bar{v}_A) + S^B(\lambda_t, \bar{v}_B))$, faction $-j$ is willing to give j the amount of resources she demands to remain within the party, so there would be no split either. Hence, for the unilateral case (i) it has to be that $\bar{U}_t^j > f(S^A(\lambda_t, \bar{v}_A) + S^B(\lambda_t, \bar{v}_B))$ for the faction initiating the split, or else we would observe unity in equilibrium.

Recall that, due to efficiency premium given by a convex f, a split may be statically inefficient even if it increases the camp's total support, whenever this increase is not large enough to compensate for the loss of the premium.

We begin with the more severe case in which the split reduces the camp's total support, and therefore is not only statically but also dynamically (Pareto) inefficient for the factions. In what follows, we denote with $\pi^j(1)$ the recognition probability of faction j following a split, and with $\pi^j(0)$ the recognition probability of faction j following no split.

Proposition 2 (Support reducing split)**.** *Suppose a split reduces the camp's support:* $S^A(\lambda_t, \bar{v}_A + \delta_A) + S^B(\lambda_t, \bar{v}_B + \delta_B) < S^A(\lambda_t, \bar{v}_A) + S^B(\lambda_t, \bar{v}_B)$*. Then, a first-period split is always unilateral. Furthermore, there exist unique* $\bar{\Delta}(\lambda_2) > 0$ *and* $\bar{\lambda} > \lambda_1$ *such that* j *initiates a first-period split if and only if*

(i) $\pi^j(1) - \pi^j(0) > \bar{\Delta}(\lambda_2)$*, and*

(ii) $\lambda_2 > \bar{\lambda}$.

Otherwise, if at least one of these conditions fails, the equilibrium features a stable merger.

The equilibrium behavior described under the conditions in Proposition 2 is the following: factions separate in the first period but re-merge in the second, consistent with Lemma 2. Thus, this result identifies an equilibrium featuring a reversal pattern: the factions break away despite the short-term cost of fragmentation, only to reunite in the second period. The logic underlying this dynamic is that of a "bigger fish in a smaller pond." Even though the split depresses the camp's total support, it may affect the factions' relative size: either one faction gains at the expense of the other, or both lose supporters but at different rates. In these cases, one faction can dynamically benefit because the split shifts relative electoral strength in its favor, thereby increasing its probability of being recognized as proposer in the second period and allowing it to secure a larger share of party resources upon reunification. Under the proposition's conditions, this faction initiates the split—paying a cost today and harming the party's future performance to improve its bargaining position and claim a larger share of a smaller pie.

The logic described above highlights why splits that damage support can only be unilateral. Since a split wastes resources overall, it is effectively zero-sum: one faction's dynamic gain comes at the expense of the other. If one faction prefers to exit—even when it could be offered the whole pie—the other strictly prefers to remain—even if this requires giving up the entire pie. Notice that this also implies that the splinter initiates separation even though doing so yields a strictly lower payoff in the first period. If it kept the party together, the splinter could claim the entire pie, which, by Assumption 3, is strictly larger than the amount of political power it can obtain by running independently.

The conditions in Proposition 2 clarify when such damaging splits can arise. Condition (i) captures the effect of the split on the splinter's bargaining power—specifically, the change in the probability of being recognized as proposer in the second period, with and without a split. A split becomes possible only if this difference is sufficiently large. Substantively, this requires that the split significantly alters the relative size of the factions, producing a sharp reconfiguration of support, and that the party's internal institutions are sufficiently responsive to such shifts.

Condition (ii) concerns the ideological trend, λ_2. The effect of λ_2 is not obvious: after all, the ideological trend influences the factions' payoffs whether they run together or apart. Yet, the analysis shows that for a damaging split to be sustainable, future prospects must be sufficiently favorable. If ideological trends are stable or adverse ($\lambda_2 \leq \lambda_1$) then, *even net of the effect of the split*, the camp's total support tomorrow will be (weakly) smaller than today. In this case, the pie that the factions bargain over shrinks over time, and they can always find an agreement on how to divide resources today that leaves both better off: compensates the would-be splinter and avoids the cost of a split. Thus, a split sustained by the "bigger fish in smaller pond" logic can never emerge when $\lambda_2 \leq \lambda_1$. Indeed, a necessary condition for such a split is that λ_2 is sufficiently large, ensuring that tomorrow's pie is valuable enough for the splinter to trade off today's static cost against the increased probability of being proposer tomorrow. Notice that, as mentioned above, a split that reduces the camp's support is (Pareto) inefficient both statically and dynamically: it destroys surplus today and, when the party reunites tomorrow, it will be weaker than it would have been absent the split. This highlights a kind of "dynamic resource curse:" the expectation of abundant resources in the future can make it strategically rational to tolerate this inefficiency.

Having characterized the conditions under which support-damaging splits emerge, we now consider cases in which separation expands the camp's overall electoral support, though not enough to compensate for the loss of the first-period efficiency premium from unity.[15]

When a split brings in new supporters but not enough to offset the convex gains from unity in the first period, the dynamic game allows for additional outcomes. Unlike in the damaging case, where a split is always unilateral, a split that builds support will sometimes be consensual and does not always require that the ideological trend becomes more favorable over time.

Proposition 3 (Support increasing split)**.** *Suppose a split increases the camp's support:* $S^A(\lambda_t, \bar{v}_A + \delta_A) + S^B(\lambda_t, \bar{v}_B + \delta_B) > S^A(\lambda_t, \bar{v}_A) + S^B(\lambda_t, \bar{v}_B)$*. Then, there exists a unique* $\tilde{\lambda}$ *such that:*

- *A first-period split occurs iff* $\lambda_2 > \tilde{\lambda}$*;*
- *If the effect of a split on the camp's support—i.e.,* $S^A(\lambda_2, \bar{v}_A + \delta_A) + S^B(\lambda_2, \bar{v}_B + \delta_B) - S^A(\lambda_2, \bar{v}_A) - S^B(\lambda_2, \bar{v}_B)$*— is sufficiently large, then* $\tilde{\lambda} < \lambda_1$*. Furthermore, if* λ_2 *is sufficiently high, then the split is consensual: each faction prefers to split even if the other offers the whole pie.*

A support-improving yet statically inefficient split arises in period 1 if and only if λ_2 is sufficiently high. Although this parallels the condition for support-damaging splits, the mechanism differs. The factions face the following trade-off. If they remain united in period 1, they avoid the static cost but must choose in period 2 between splitting to expand support (thereby forfeiting the efficiency premium) or staying united to preserve efficiency (thereby forgoing the support gain). Alternatively, they may split in period 1, incur the static cost immediately, and then re-merge in period 2, capturing both the expanded support and the efficiency premium. Because of the interaction between a favorable ideological trend and a support-building split,[16] when λ_2 is sufficiently large the dynamic surplus generated by the second strategy outweighs the initial static loss, and separation occurs in equilibrium.

[15] The second-period equilibrium outcome following unity in period 1 depends on whether a split in period 2 would be statically optimal. For a given (δ_A, δ_B), a split may be statically optimal in one period but not the other due to variation in λ_t. Proposition 3 encompasses both possibilities; the Appendix analyzes them separately.

[16] This interaction arises because the f function is convex.

This logic also clarifies why, unlike in Proposition 2, a split here may be consensual. The relevant intuition is that of a "smaller fish in a bigger pond." Because splitting is statically costly and bargaining power within the unified party is zero-sum, a consensual split requires one faction to accept both an immediate loss and a weaker future bargaining position in order to expand the camp's overall support. Anticipated reunification provides the necessary incentive: the faction trades a larger share of a smaller surplus for a smaller share of a larger one. When the support-building effect of the split is sufficiently strong, and combines with a very favorable ideological trend λ_2, the dynamic gains for both factions become large enough that the split is dynamically optimal for both, and therefore consensual. Furthermore, since separation improves the party's future outlook, the possibility of compensating a potential splinter when $\lambda_2 > \lambda_1$ does not always eliminate the incentive to split. Under some conditions, $\tilde{\lambda} < \lambda_1$.

Taken together, Propositions 2 and 3 fully characterize the equilibrium dynamics of the model. Support-destroying splits can arise only under strict conditions and are always unilateral. Splits that build support but are statically inefficient splits may occur if the future ideological trend is favorable enough, and are sometimes consensual.

5. A Typology of Splits: Examples

The results of the previous section illustrate that our model does not predict a single, uniform dynamics of partisan splits. Focusing on statically inefficient splits, one implication is common: they should occur under the anticipation of an eventual re-merger. Beyond that, however, the predicted patterns can diverge sharply depending on the strategic logic animating factional incentives.

Under the "bigger fish in a smaller pond" logic, the split is driven by internal bargaining considerations. The faction that can strengthen its bargaining position by leaving initiates the split unilaterally, even when other factions within the party would prefer unity and may attempt to avert secession through concessions. Because the mechanism is one of intraparty conflict, the model suggests that the split should be preceded and accompanied by observable tension and disagreement within the parent party. Moreover, fragmentation reduces the camp's electoral support: the act of splitting is electorally costly. Factions eventually re-merge, but in a weakened party, with the splinter returning with greater relative bargaining strength than before.

The "smaller fish in a bigger pond" logic generates different expectations. When incentives align, separation is mutually agreeable: both factions prefer a temporary split because it helps consolidate support for the camp. Accordingly, the model suggests that this type of beneficial split need not be accompanied by overt factional conflict and may instead be followed by coordination—or continued cooperation—between the newly formed political entities until re-merger becomes attractive. When the factions eventually reunite, they do so within a strengthened party. Table 1 summarizes the different predictions under the two dynamics.

Table 1 – Contrasting split dynamics under two strategic logics

Model implication	Bigger fish in a smaller pond	Smaller fish in a bigger pond
Core logic	Exit as a bargaining instrument to improve intra-camp leverage	Temporary separation to expand camp-wide support
Initiation	Unilateral: initiated by the faction that gains bargaining power from leaving	Consensual (when incentives align): both factions prefer separation
Pre-split politics	Possible appeasement attempts from other factions; conflict	Limited overt conflict and no attempts to avoid split
Immediate post-split relations	Conflictual interaction across factions/parties	Cooperation between successor entities is plausible
Electoral effect on the ideological camp	Negative: fragmentation is electorally costly	Positive: separation helps consolidate support for the camp
Re-merger outcome	Reunification into a weakened party; splinter returns with greater relative bargaining strength	Reunification into a strengthened party; factions reunite from a position of improved camp-wide support

The unilateral logic of a "bigger fish in a smaller pond" split is illustrated by the 2017 exit of *Articolo 1* from Italy's Democratic Party (PD). Then-party leader Matteo Renzi openly sought to prevent the breakup: "I am appealing to the (*faction*) leaders: stop the division machine. Do not leave." He even offered the internal confrontation demanded by the minority: "I want to avoid a split: if the minority tells me, either Congress or split, I say Congress."[17] Here, "Congress" refers to convening a party congress—effectively opening the way to alter the internal balance of power and division of resources to appease the minority faction. Despite this, Pierluigi Bersani and his allies proceeded with the split. As noted above, and consistent with the theory, the split was widely regarded as costly for both the splinters *and* the left-wing camp as a whole, and temporary. Indeed, evidence indicates that the split hurt both factions' electoral appeal: even combined, their vote shares fell short of the PD's support in prior elections.[18] Consistent with our expectations, *Articolo 1* dissolved and rejoined a weakened PD in 2023 from a position of greater strength, a development that Bersani himself had anticipated already when the split was first unfolding. Notably, the PD's current leader, Elly Schlein, comes from the same left wing of the party as the *Articolo 1* faction and received that group's explicit support in the leadership contest.

A similar dynamic characterized the 2008 split of the *Pro-Park Alliance* from South Korea's Grand National Party (GNP). The conflict began when the party's ethics rules caused Park Geun-hye's loyalists to be excluded from the party's internal nomination process ahead of the legislative elections. Facing the threat of exit from pro-Park loyalists, in an attempt to prevent a rupture, the GNP revised its ethics rules to allow some pro-Park candidates to run under the party's banner.[19] Despite this concession, many of Park's supporters left the party to form a new organization named after her.[20] Park herself remained within the GNP, arguably not to damage the legitimacy

[17]See *Sky TG24*, 17 February 2017: https://tg24.sky.it/politica/2017/02/17/pd-renzi-no-scissione-congresso-elezioni?.

[18]In the last election before the split (2013), the PD (in coalition with other left-wing parties) obtained roughly 29% of the votes. Immediately after the split in 2018, the PD (plus its coalition) and *Articolo 1* (plus its coalition) obtained a combined vote share of roughly 26%. We can't attribute this difference to the split directly, but the evidence is at least consistent with our expectations.

[19]See *Korea JoongAng Daily*, 4 February 2008: https://koreajoongangdaily.joins.com/2008/02/04/politics/Park-accepts-compromise-on-GNP-ethics-rule/2885947.html.

[20]See *Korea JoongAng Daily*, 19 March 2008: https://koreajoongangdaily.joins.com/2008/03/19/politics/Spurned-by-party-Park-loyalists-walk-out-of-GNP/2887637.html.

of her future claims to leadership, but publicly condemned the process and boycotted campaign events for party candidates, telling the splinters: "Come back after surviving."[21] Consistent with our expectations, the split led the GNP to suffer significant electoral losses.[22] The pro-Park lawmakers then used this weakeness to strengthen their leverage: they were later readmitted under favorable terms, and the reunification paved the way for Park's rise to the presidency in 2012.

These examples stand in stark contrast with cases aligned with a "bigger pond" logic. An example of a support-building, consensual split sustained by this logic is the exit of *Thjodvaki* from Iceland's People's Party in 1994. The disagreement with the parent party was limited: after the split, the two groups continued to cooperate closely, even running joint lists in several local coalitions. To use our terminology, this split appeared to be the result of a consensual separation between the factions. Indeed, the party's official history later described *Thjodvaki* as "founded in 1994 with the stated goal of unifying Icelandic social democratic parties."[23] The split thus represented a consensual attempt to enlarge the ideological camp rather than a struggle for internal power. While it is hard to isolate the effect of the split, evidence suggests the strategy was successful: in the last elections before the split (1991), the Social Democratic Party obtained 15.5% of the votes. In the first election immediately after the split (1995), the combined vote shares of the two parties increased to 18.6%. The two organizations eventually re-merged into a strengthened unified party that built on the expanded support of its predecessors, the Social Democratic Alliance.

A similar dynamic appears to be unfolding in Greece with the recent exit of a group led by former Prime Minister Alexis Tsipras from *Syriza*. Upon announcing his departure, Tsipras told his colleagues: "We will not be rivals. And perhaps soon we will travel together again to more beautiful seas."[24] This rhetoric of future cooperation suggests a form of collusive separation,

[21] See *The Korea Times*, 9 April 2008: https://www.koreatimes.co.kr/southkorea/20080409/pro-park-winners-seek-to-rejoin-gnp.

[22] The party experienced a major setback in the 2010 local elections, recording a severely disappointing performance. See the *BBC*, 3 June 2010: https://www.bbc.com/news/10211824

[23] See the historical summary of the Social Democratic Alliance: https://xs.is/sogulegt-agrip-flokksins. The same cooperative intent was echoed in *Thjodvakabladid* (March 20, 1996). https://timarit.is/page/3646355.

[24] See *Euronews*, 7 October 2025: https://www.euronews.com/2025/10/07/former-greek-pm-tsipras-quits-parliament-amid-new-party-speculation.

aimed at strengthening the broader left rather than producing an enduring rupture. Consistent with this interpretation, *Syriza*'s current leader, Socrates Famellos, reacted respectfully, stressing that although they hold "different perspectives on how to get rid of the government of Kyriakos Mitsotakis and his centre-right New Democracy party, we will not be opponents."[25] As with the Icelandic case, the move appears consensual and guided by a "bigger pond" logic: political observers in Athens expect Tsipras to pursue a more centrist, progressive orientation, distancing himself from *Syriza*'s hard-left profile, a move that would allow both parties to more effectively mobilize different segments of the electorate and thus increase the camp's total base.[26]

While these examples are not meant as decisive evidence for our theory, they show how the model helps organize thinking about real-world partisan splits, and elucidate the forces and mechanisms that can drive them.

6. Extensions and Robustness

Before moving to analyzing the model's comparative statics, we discuss the robustness of our results to relaxing some of our model's assumptions.

In our model, we focus on a world that is essentially frictionless: factions are always free to re-merge in the same party if they wish to do so, there are no restrictions to the internal bargaining process, and no uncertainty over the consequences of a split or the ideological trends in the electorate. Our results then demonstrate that, even absent such frictions, statically and dynamically inefficient splits may occur. Here we discuss how introducing these frictions affects of our results— some weaken the conditions for dynamic splits, while others reinforce them.

Credible commitment to re-merge. First, one may imagine that the opportunity for splintering factions to re-merge and form a viable united party may require the appropriate political conditions to materialize. For example, the factions may lack the material resources needed for a merger, or unanticipated political scandals may make the merger non-viable. In our model, we

[25]See *Balkan Insight*, 8 October 2025: https://balkaninsight.com/2025/10/08/greeces-leftist-ex-pm-alexis-tsipras-leaps-into-political-unknown/.

[26]See *Euractiv*, 8 October 2025: https://www.euractiv.com/news/former-greek-pm-tsipras-resigns-from-parliament-fuels-new-party-speculations/.

can capture these frictions by assuming that, in period $t = 2$, the game can either be in state m, or in state $\emptyset$, where m denotes the state where the merger is possible, i.e., factions are free to merge if they both agree. Let p be the probability that the state is m, then we have:

Proposition 4. *There exists a $\bar{p} > 0$ such that a statically inefficient split never emerges in equilibrium when $p < \bar{p}$.*

This results is intuitive, but highlights an important property of the dynamic incentives we uncover. In the baseline model, a statically inefficient split emerges in equilibrium when the factions anticipate sufficient gains, to be realized tomorrow by re-merging in a united party. In that model, a commitment to re-merge is always credible because of the efficiency gains from unity (i.e., the convexity of f). Proposition 4 then highlights that, in a world with frictions that may render the anticipation of a re-merger less credible, a statically inefficient split only emerges if these frictions are sufficiently small.

Ego rents and the indivisibility of the party's spoils. Second, our baseline model assumes no restrictions on how factions divide the spoils: the proposer can, in principle, offer the entire pie to the other faction. This ignores the possibility that some spoils are indivisible and directly attached to the leading faction (the proposer). For instance, beyond the division of resources, leadership roles carry ego rents that the proposer may be unable to cede, especially if the party constitution regulates leadership selection.

In our model, we can capture this observation by assuming that there is an upper bound $\bar{x} < 1$ to the share of resources that the proposer can offer to the veto player in each period. Mechanically, this can generate inefficient splits in equilibrium even in the static setting, because the factions may be willing but unable to implement a Pareto-efficient allocation. Dynamically, this indivisibility increases the value of being recognized as the proposer in the second period, and thus increases the benefit (cost) of a split for the faction whose relative size would increase (decrease). The effect of this indivisibility mirrors the comparative statics on the party's internal institution we describe in the next section. First, suppose the split damages the camp's overall support, and is thus sustained by a "bigger fish in a smaller pond" logic. As we established above, this split is always unilateral, and emerges in the baseline model despite the "losing" faction's willingness to offer the entire pie to the splinter. Then, the presence of the upper bound $\bar{x}$ can only make a split *easier* to sustain, by increasing the gains for the faction that can capitalize on the split to consolidate its bargaining position. In contrast, the effect may go in the opposite direction when the split is statically inefficient but helps build support for the camp. In this case, the split can become harder to sustain, as the indivisibility increases the "losing" faction's willingness to concede in the first period to avoid the dynamic cost.

Uncertainty. Finally, to avoid the possibility of inefficient splits being the result of a strategic mistake, in the baseline model we assume that the factions can perfectly anticipate the consequences of a split (i.e., they know δ_A and δ_B), as well as the ideological trends in the electorate (i.e., λ_1 and λ_2). In our model, payoffs are continuous in these parameters, therefore it is intuitive that uncertainty would not change the qualitative results, as long as it is not too large. When more substantial, uncertainty may even generate inefficient splits where none would emerge in the baseline model, for example if the expected value of λ_2 is below the relevant cutoffs but the variance is large enough that the chances of its realization being above the cutoff is significant.

More interesting, however, is to consider how the players' strategic incentives may change if uncertainty is coupled with heterogeneous priors, especially on the effects of a split. Suppose for example that a faction is convinced that its outside option, i.e., the expected success from running alone, is better than what the opponent recognizes. Here, a faction may initiate a split to demonstrate its strength and improve its future bargaining position as a potential veto player. Such a split would be temporary and may even be statically inefficient when the expected increase in the faction's support does not offset the efficiency premium from running together. This dynamic echoes results in the conflict literature, where inefficient war can emerge from private information about the parties' strength (Fearon, 1995*b*).

7. Intra-Party Institutions

We now leverage our theoretical results to study how institutional features regulating competition within parties influence party stability and fragmentation. A prominent argument in the literature is that increasing intra-party power sharing should strengthen party unity. For instance, introducing primaries may build consensus among party members and legitimize the chosen candidate in the eyes of those not selected. We show, however, that this intuition only holds under certain conditions, depending on how a split affects the total support of the camp.

How do we capture the internal organization of a party? In our model, the factions' relative support ρ^j affects their recognition probability π^j—and therefore their power within the party. In a fully egalitarian institution, $\pi^j = 1/2$ regardless of factions' relative strength. By contrast, in a less egalitarian party, the responsiveness of π^j with respect to ρ^j is high: as factions' relative support changes, so does their bargaining power. Thus, we adopt the following definition:

Definition 2. *Let $\eta = \frac{\partial \pi^j}{\partial \rho^j}$. For any two $\eta' > \eta'' > 0$, we say that the party organization is more egalitarian under η'' than under η'.*

In what follows we will impose the following functional form for the recognition probability:

$$\pi^j(\rho^j) = \frac{1}{2} + \phi\rho^j, \tag{9}$$

where the parameter ϕ is appropriately bounded to ensure the probability of recognition is between zero and one. Clearly, given our functional form, the parameter ϕ captures how responsive the recognition probability is with respect to factional support. Higher values of responsiveness (higher values of ϕ) correspond to a less egalitarian party organization. The next result shows how this parameter affects party stability.

We first consider the case of splits that reduce the camp's total support.

Proposition 5. *Suppose that the split reduces the camp's total support: $S^A(\lambda_t, \bar{v}_A + \delta_A) + S^B(\lambda_t, \bar{v}_B + \delta_B) < S^A(\lambda_t, \bar{v}_A) + S^B(\lambda_t, \bar{v}_B)$. Then, making the party organization more egalitarian weakly decreases the likelihood of a split.*

Recall that, from Proposition 2, when a split decreases the camp's support it emerges unilaterally in equilibrium only if there exists a player j for which the difference $\pi^j(1) - \pi^j(0)$ is positive and sufficiently large. For any split that increases j's relative size, this difference is increasing in ϕ.

Thus, fixing the effect of a split on the factions' relative support, making the party more egalitarian (i.e., decreasing ϕ) can only make this condition harder to sustain. Intuitively, the incentive to split comes from a faction's desire to strengthen its relative standing within the party. As ϕ increases, these incentives become stronger, making damaging splits more sustainable and party unity harder to preserve.

Proposition 5, however, does not imply that egalitarian institutions always promote party stability. Whether power sharing prevents fragmentation crucially depends on the effect of the split on total support. Accordingly, the next result shows that egalitarian institutions can be harmful to party stability when splits attract supporters to the ideological camp (yet are statically inefficient).

Proposition 6. *Suppose the split is beneficial to the camp as whole:* $S^A(\lambda_t, \bar{v}_A) + S^B(\lambda_t, \bar{v}_B) < S^A(\lambda_t, \bar{v}_A + \delta_A) + S^B(\lambda_t, \bar{v}_B + \delta_B)$*. Then, there exist parameter values under which making the party organization more egalitarian increases the likelihood of a split.*

When the split helps build support for the ideological camp, the "losing" faction pays a cost in terms of *both* first-period payoff *and* future bargaining power in order to strengthen the camp. However, the cost is higher when the party is less egalitarian, as in this case bargaining power is more valuable. Thus, a less egalitarian structure makes the faction less willing to "take one for the team," and more willing to do whatever it takes to avoid a split (i.e., compensate the other faction with a larger share of the pie today). As a consequence, the conditions to sustain a split become *harder* to satisfy.

Overall, these results may help explain why institutional reforms increasing intra-party power sharing can sometimes stabilize parties by reducing damaging splits, yet in other cases exacerbate fragmentation when splits expand the camp. In this sense, they align with the heterogeneity observed in different empirical settings. For instance, scholars specializing in Southern U.S. politics have argued that Democrats endorsed primaries to maintain their one-party dominance by averting factional defections (Key, 1949). Conversely, other researchers have posited that introducing primaries might actually exacerbate internal conflicts (Burden, 2004).

8. Conclusion

Party systems routinely experience major reorganizations, with splits and mergers often at the core of political change. This paper develops a theory of when factions within the same party choose to split and when we should instead expect unity.

Our analysis shows that party evolution cannot be understood through static logic alone. In a one-shot world, factions split only when separation increases their total support enough to offset the efficiency premium of unity. Yet once we allow factions to look ahead, the calculus changes: fragmentation may arise even when destroying value in the short run.

Two distinct dynamics illustrate this logic. According to the *bigger fish in a smaller pond* logic, a faction splits precisely because doing so weakens its rival even more, thereby improving its future bargaining position once the party reunites. In contrast, the *smaller fish in a bigger pond* equilibrium captures cooperative cycles in which factions willingly incur present costs to expand their shared ideological camp, anticipating a re-merger into a stronger, more successful party. Both dynamics highlight that parties can fragment and recombine not out of error or conflict, but as part of a calculated strategy of political cultivation.

These dynamic forces also lead us to reconsider familiar patterns. Institutions that increase the efficiency premium of unity such as disproportional electoral systems — which in static settings should deter fragmentation — can, in the dynamic game, make splitting more attractive by magnifying future rewards. Analogously, more egalitarian internal rules can either stabilize or destabilize parties depending on which logic guides the cycle.

Our model predominantly concentrates on factions within parties, but its insights naturally extend to the behavior of parties within pre-electoral coalitions. Just as an intraparty split may either strengthen or weaken a faction's appeal, a party's decision to exit an alliance can similarly fortify or diminish its electoral prospects. By emphasizing actors' dynamic incentives rather than solely their static payoffs, our framework sheds light on the recurrent formation and dissolution of alliances in multi-party systems, where temporary exits, strategic distancing, and subsequent reunifications often emerge as equilibrium responses to shifting political opportunities.

Throughout the analysis, we treat changes in factions' electoral appeal following a split in reduced form. In practice, these effects are shaped by broader political conditions—such as media environments, ideological polarization, party reputations, and voter beliefs about unity and competence—that lie outside the scope of our model. Endogenizing these mechanisms is a natural extension, but would not alter the core dynamic logic identified here. Incorporating these upstream determinants of electoral appeal into a dynamic framework represents a promising direction for future research.

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A. Appendix

A.1. Proofs

Proof of Lemma 1. Starting from

$$N_t^A = \lambda_t \int_{-k}^{\infty} g_A(x)\, G_B(x)\, dx, \qquad N_t^B = \lambda_t \int_{-k}^{\infty} g_B(x)\, G_A(x)\, dx,$$

suppose a split shifts both factions' mean valences by δ. Using the change of variable $\tau = x - \delta$, we obtain

$$N_t^A(\delta) = \lambda_t \int_{-k-\delta}^{\infty} g_A(\tau)\, G_B(\tau)\, d\tau, \qquad N_t^B(\delta) = \lambda_t \int_{-k-\delta}^{\infty} g_B(\tau)\, G_A(\tau)\, d\tau.$$

Let $s_A(\tau) = g_A(\tau)G_B(\tau)$ and $s_B(\tau) = g_B(\tau)G_A(\tau)$. Since s_A and s_B do not depend on δ, applying Leibniz's rule yields

$$\frac{\partial N_t^A}{\partial \delta} = \lambda_t\, s_A(-k-\delta) > 0, \qquad \frac{\partial N_t^B}{\partial \delta} = \lambda_t\, s_B(-k-\delta) > 0.$$

Thus, an increase in both factions' expected valence strictly increases both N_t^A and N_t^B. □

Proof of Proposition 1. Suppose that factions are together at the beginning of period t. Because bargaining is over an infinitely divisible object, in equilibrium the receiver must accept an offer when indifferent. Thus, receiver j accepts an x_t^j offer if and only if

$$x_t^j \times f(S^A(\lambda_t, \bar{v}_A) + S^B(\lambda_t, \bar{v}_B)) \geq f(S^j(\lambda_t, \bar{v}_j + \delta_j)). \tag{10}$$

First, notice that if the condition fails at $x_j = 1$, i.e.,

$$f(S^j(\lambda_t, \bar{v}_j + \delta_j)) > f(S^A(\lambda_t, \bar{v}_A) + S^B(\lambda_t, \bar{v}_B)). \tag{11}$$

then the receiver rejects any offer in equilibrium: prefers to split even when offered the entire pie. Thus, a split always occurs in equilibrium. Suppose instead the condition is satisfied at $x_t^j = 1$. Then, there exists a feasible offer that the receiver would accept.

In this case, a split occurs if and only if the proposer prefers to split rather than making the lowest acceptable offer. Solving for the x_t^j that satisfies condition (10) with equality, we obtain that proposer $-j$ prefers to split if and only if

$$f(S^{-j}(\lambda_t, \bar{v}_{-j} + \delta_{-j})) > f(S^A(\lambda_t, \bar{v}_A) + S^B(\lambda_t, \bar{v}_B)) - f(S^j(\lambda_t, \bar{v}_j + \delta_j)).$$

This condition is equivalent to:

$$f(S^A(\lambda_t, \bar{v}_A + \delta_A)) + f(S^B(\lambda_t, \bar{v}_B + \delta_B)) > f(S^A(\lambda_t, \bar{v}_A) + S^B(\lambda_t, \bar{v}_B)), \tag{12}$$

which is independent of the identity of the proposer.

Since condition (11) implies condition (12), a split emerges in equilibrium if and only if (12) holds: when satisfied, either the receiver rejects any offer (if 11 holds) or the proposer prefers to split (if 11 fails). □

Remark 1. *The effect of a split on each faction's measure of votes is time-independent:*

$$\frac{N^j(\lambda_1, \bar{v}_j + \delta_j)}{N^j(\lambda_1, \bar{v}_j)} = \frac{N^j(\lambda_2, \bar{v}_j + \delta_j)}{N^j(\lambda_2, \bar{v}_j)}, \tag{13}$$

for $j \in \{A, B\}$.

Proof. From the characterization of voting behavior, faction j's votes can be written as $N_t^j = \lambda_t \int_{-k}^{\infty} g_j(x) G_{-j}(x) dx$. The integral depends on the valence distributions but not on λ_t. Therefore:

$$\frac{N^j(\lambda_t, \bar{v}_j + \delta_j)}{N^j(\lambda_t, \bar{v}_j)} = \frac{\lambda_t \int_{-k}^{\infty} g_j(x; \bar{v}_j + \delta_j) G_{-j}(x) dx}{\lambda_t \int_{-k}^{\infty} g_j(x; \bar{v}_j) G_{-j}(x) dx},$$

where λ_t cancels, leaving a ratio that is independent of t. □

Remark 2. *If total left-wing votes increase after a split, so that* $N^A(\lambda_t, \bar{v}_A + \delta_A) + N^B(\lambda_t, \bar{v}_B + \delta_B) > N^A(\lambda_t, \bar{v}_A) + N^B(\lambda_t, \bar{v}_B)$ *for* $t \in \{1, 2\}$, *then the combined vote shares of the two factions in both periods also increase:*

$$S^A(\lambda_t, \bar{v}_A + \delta_A) + S^B(\lambda_t, \bar{v}_B + \delta_B) > S^A(\lambda_t, \bar{v}_A) + S^B(\lambda_t, \bar{v}_B) \quad \text{for } t \in \{1, 2\}.$$

Conversely, if total votes decrease after the split, the combined shares decrease as well.

Proof. Let N_t^L denote total left-wing votes and N_t^R denote right-wing votes. Since a split does not affect the right-wing party, N_t^R is unchanged by a split. The combined left-wing vote share is:

$$S_t^A + S_t^B = \frac{N_t^L}{N_t^L + N_t^R}.$$

This expression is strictly increasing in N_t^L. Therefore, if a split increases total left-wing votes, it also increases the combined left-wing vote share.

By Remark 1, the proportional effect of a split on each faction's votes is independent of λ_t. Hence, if total left-wing votes increase after a split in period 1, the same is true in period 2. □

A.2. Dynamic Model — Preliminaries

For notational convenience in the proofs that follow, we define the *efficiency premium* from unity under different configurations:

- Γ_λ: the power differential between unity and separation when no prior split has occurred:

$$\Gamma_\lambda \equiv f\Big(S_t^A(\lambda, \bar{v}_A) + S_t^B(\lambda, \bar{v}_B)\Big) - \Big[f\Big(S_t^A(\lambda, \bar{v}_A + \delta_A)\Big) + f\Big(S_t^B(\lambda, \bar{v}_B + \delta_B)\Big)\Big].$$

- $\widetilde{\Gamma}_\lambda$: the power differential between unity and separation following a split:

$$\widetilde{\Gamma}_\lambda \equiv f\Big(S_t^A(\lambda, \bar{v}_A + \delta_A) + S_t^B(\lambda, \bar{v}_B + \delta_B)\Big) - \Big[f\Big(S_t^A(\lambda, \bar{v}_A + \delta_A)\Big) + f\Big(S_t^B(\lambda, \bar{v}_B + \delta_B)\Big)\Big].$$

By convexity of f, we have $\widetilde{\Gamma}_\lambda > 0$ always. The sign of Γ_λ depends on the net effect of a split on electoral support: $\Gamma_\lambda > 0$ when splits reduce total support (unity dominates). When instead a split increases total support, Γ_λ may be positive or negative depending on whether the effect is strong enough to compensate for the loss of the convexity gain under unity.

Suppose A is recognized as the proposer in the first period. Let $\bar{U}^j$ denote the lowest offer that j would be willing to accept in order to keep the party together in the first period.[27] Then, a period-1 split occurs under two possible scenarios:

1. $\bar{U}^B > f\big(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_b)\big)$
2. $\bar{U}^B < f\big(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_b)\big)$ and $\bar{U}^A > f\big(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_b)\big) - \max\{0, \bar{U}^B\}$.

The first case refers to the situation where the receiver would rather split than stay in the party and get the entire pie. The second case refers to the situation where any allocation that satisfies the receiver's participation constraint fails to satisfy the constraint for the proposer.

In order to compute $\bar{U}^A$ and $\bar{U}^B$, the next result considers the second-period equilibrium outcome.

Proof of Lemma 2. The first part follows from the proof of Proposition 1. Consider next the second part of the statement. If a split occurred in period 1, the factions remain split in period 2 if and only if at least one of them prefers to do so rather than re-merge and bargain over the second-period pie. Given the equilibrium bargaining outcome, the expected payoff from re-merging for faction j is equal to

$$\pi_j(1)\Big[f\Big(S_2^A(\lambda_2, \bar{v}_A+\delta_A)+S_2^B(\lambda_2, \bar{v}_B+\delta_B)\Big)-f\Big(S_2^{-j}(\lambda_2, \bar{v}_{-j}+\delta_{-j})\Big)\Big]+(1-\pi_j(1))f\Big(S_2^j(\lambda_2, \bar{v}_j+\delta_j)\Big)$$

The payoff from remaining split is equal to

$$f\Big(S_2^j(\lambda_2, \bar{v}_j + \delta_j)\Big)$$

Re-arranging, a re-merge occurs if and only if:

$$\widetilde{\Gamma}_{\lambda_2} \geq 0,$$

[27] More precisely, $\bar{U}^j$ is the first-period payoff that j obtains from the allocation $(x_j, 1 - x_j)$ that makes j indifferent between accepting and rejecting the offer.

which is always true by convexity of f. $\square$

Building on the previous result, moving forward we consider two cases. Case 1: $\Gamma_{\lambda_2} > 0$, so that a merger in period 1 is stable in period 2; and Case 2: $\Gamma_{\lambda_2} < 0$ so that a merger in period 1 is followed in equilibrium by a split in period 2.

Case 1: $\Gamma_{\lambda_2} > 0$ **(Merger stable in period 2)**

Let $\bar{U}^j_{stable}$ denote $\bar{U}^j$ in this case. $\bar{U}^j_{stable}$ solves:

$$\bar{U}^j_{stable} + \\
\pi^j(0)\Big(f\big(S^A(\lambda_2, \bar{v}_A) + S^B(\lambda_2, \bar{v}_B)\big) - f\big(S^{-j}(\lambda_2, \bar{v}_{-j} + \delta_{-j})\big)\Big) + \big(1 - \pi^j(0)\big) f\big(S^j(\lambda_2, \bar{v}_j + \delta_j)\big) = \\
f\big(S^j(\lambda_1, \bar{v}_j + \delta_j)\big) + \\
\pi^j(1)\Big(f\big(S^A(\lambda_2, \bar{v}_A + \delta_A) + S^B(\lambda_2, \bar{v}_B + \delta_B)\big) - f\big(S^{-j}(\lambda_2, \bar{v}_{-j} + \delta_{-j})\big)\Big) + \big(1 - \pi^j(1)\big) f\big(S^j(\lambda_2, \bar{v}_j + \delta_j)\big)$$

which re-arranges to

$$\bar{U}^j_{stable} = f(S^j(\lambda_1, \bar{v}_j + \delta_j)) + \pi^j(1)\widetilde{\Gamma}_{\lambda_2} - \pi^j(0)\Gamma_{\lambda_2}. \tag{14}$$

Depending on the parameter values and the exact form of f, this quantity may be positive or negative. Thus, a first-period split emerges if any of the following conditions holds:

1. $\bar{U}^B_{stable} < 0$ *and* $U^A_{stable} > f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B))$: The receiver would accept any non-negative offer, but the proposer prefers to split. Plugging in the values of U^A_{stable} and U^B_{stable}, the conditions reduce to:

$$f(S^B(\lambda_1, \bar{v}_j + \delta_j)) + \pi^B(1)\widetilde{\Gamma}_{\lambda_2} - \pi^B(0)\Gamma_{\lambda_2} < 0, \tag{15}$$

for the receiver and, for the proposer:

$$f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B)) + \pi^A(0)\Gamma_{\lambda_2} < f(S^A(\lambda_1, \bar{v}_A + \delta_A)) + \pi^A(1)\widetilde{\Gamma}_{\lambda_2}. \tag{16}$$

2. $\bar{U}^B_{stable} \in (0, f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B)))$ *and* $\bar{U}^A_{stable} > f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B)) - \bar{U}^B_{stable}$: The receiver demands a positive share, and the proposer prefers to split rather than pay it. Plugging in the values of $\bar{U}^j_{stable}$, the conditions reduce to:

$$0 < f(S^B(\lambda_1, \bar{v}_j + \delta_j)) + \pi^B(1)\widetilde{\Gamma}_{\lambda_2} - \pi^B(0)\Gamma_{\lambda_2} < f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B)), \tag{17}$$

for the receiver and, for the proposer:

$$\Gamma_{\lambda_1} + \Gamma_{\lambda_2} - \widetilde{\Gamma}_{\lambda_2} < 0 \tag{18}$$

3. $\bar{U}^B_{stable} > f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B))$: the receiver rejects any feasible offer. Plugging in $\bar{U}^B_{stable}$, the condition is

$$f(S^B(\lambda_1, \bar{v}_j + \delta_j)) + \pi^B(1)\widetilde{\Gamma}_{\lambda_2} - \pi^B(0)\Gamma_{\lambda_2} > f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B)). \tag{19}$$

Case 2: $\Gamma_{\lambda_2} < 0$ **(Split occurs in period 2 absent prior split)**
Let $\bar{U}^j_{split}$ denote $\bar{U}^j$ in this case. This quantity solves:

$$\bar{U}^j_{split} = f(S^j(\lambda_1, \bar{v}_j + \delta_j)) + \pi^j(1)\widetilde{\Gamma}_{\lambda_2}. \tag{20}$$

This quantity is always positive by the convexity of f, thus first-period split emerges if either of the following sets of conditions holds:

1. $\bar{U}^B_{split} < f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B))$ *and* $\bar{U}^A_{split} > f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B)) - \bar{U}^B_{split}$: There exist feasible offers the receiver would accept, but the proposer prefers to split than to make an acceptable offer. Plugging in the values of $\bar{U}^j_{stable}$, the conditions reduce to:

$$f(S^B(\lambda_1, \bar{v}_B + \delta_B)) + \pi^B(1)\widetilde{\Gamma}_{\lambda_2} < f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B)) \tag{21}$$

for the receiver and, for the proposer:

$$\Gamma_{\lambda_1} - \widetilde{\Gamma}_{\lambda_2} < 0 \tag{22}$$

2. $\bar{U}^B_{split} > f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B))$. The receiver rejects any feasible offer. Plugging in $\bar{U}^B_{split}$, the condition reduces to

$$f(S^B(\lambda_1, \bar{v}_B + \delta_B)) + \pi^B(1)\widetilde{\Gamma}_{\lambda_2} > f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B)). \tag{23}$$

A.3. Dynamic Model — Proofs of main results

Proposition A.1. *If $f(S^A(\lambda_1, \bar{v}_A + \delta_A)) + f(S^B(\lambda_1, \bar{v}_B + \delta_B)) > f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B))$, then a split always emerges in equilibrium in the first period.*

Proof. We show that if a split is statically optimal at $t = 1$, it emerges in equilibrium in the first period of the dynamic model. Suppose A is recognized as the proposer.

Case 1: $\Gamma_{\lambda_2} > 0$. A merger in period 1 remains stable in period 2. From the preliminaries, if $\bar{U}^B < 0$, the proposer prefers a split iff:

$$\pi^A(1)\widetilde{\Gamma}_{\lambda_2} - \pi^A(0)\Gamma_{\lambda_2} > \Gamma_{\lambda_1} + f(S^B(\lambda_1, \bar{v}_B + \delta_B)).$$

Since $\bar{U}^B < 0$ requires $f(S^B(\lambda_1, \bar{v}_B + \delta_B)) < (1 - \pi^A(0))\Gamma_{\lambda_2} - (1 - \pi^A(1))\widetilde{\Gamma}_{\lambda_2}$, substituting this upper bound yields the sufficient condition $\widetilde{\Gamma}_{\lambda_2} - \Gamma_{\lambda_2} - \Gamma_{\lambda_1} > 0$, which holds since $\widetilde{\Gamma}_{\lambda_2} - \Gamma_{\lambda_2} > 0$ and $\Gamma_{\lambda_1} < 0$. Thus, a split always occurs if $\bar{U}^B < 0$.

If $\bar{U}^B \in (0, f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B)))$, the proposer prefers a split iff:

$$\widetilde{\Gamma}_{\lambda_2} - \Gamma_{\lambda_2} > \Gamma_{\lambda_1}.$$

Since the split is statically optimal at $t = 1$, the RHS is negative. Furthermore, by Remark 2 if the split is statically optimal it must increase total support, so the LHS is positive. Thus, the condition holds and a split always occurs if $\bar{U}^B \in (0, f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B)))$.

Finally, if $\bar{U}^B > f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B))$, the receiver initiates a split. Thus, for any value of $\bar{U}^B$ a split occurs in equilibrium in the first period.

Case 2: $\Gamma_{\lambda_2} < 0$**.** A merger in period 1 would result in a split in period 2. From the preliminaries, if $\bar{U}^B < f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B))$, a split occurs in equilibrium if and only if

$$\widetilde{\Gamma}_{\lambda_2} > \Gamma_{\lambda_1}.$$

The LHS is positive by convexity; the RHS is negative since the split is statically optimal. The condition always holds.

If $\bar{U}^B > f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B))$, the receiver rejects any offer and a split always occurs in equilibrium. Thus, for any value of $\bar{U}^B$ a split occurs in equilibrium in the first period. $\square$

Proof of Lemma 3. Suppose f is linear, so $f(S' + S'') = f(S') + f(S'')$. This implies $\widetilde{\Gamma}_\lambda = 0$ for all λ: there is no efficiency premium from unity.

Case 1: $\Gamma_{\lambda_2} > 0$**.** From the preliminaries, $\bar{U}^B_{stable} = f(S^B(\lambda_1, \bar{v}_B + \delta_B)) - \pi^B(0)\Gamma_{\lambda_2}$. It is easy to verify that none of the split conditions can hold. First, notice that $\bar{U}^B > f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B))$ cannot hold in this case. Thus, we must only consider the other two cases:

- Suppose $\bar{U}^B < 0$. Under a linear f, condition (16) reduces to $\Gamma_{\lambda_1} + f(S^B(\lambda_1, \bar{v}_B + \delta_B)) + \pi^A(0)\Gamma_{\lambda_2} < 0$. Since $\Gamma_{\lambda_2} > 0$ by assumption and $\Gamma_{\lambda_1} > 0$ (the split is not statically optimal in period 1), this fails.

- Suppose $\bar{U}^B \in \Big(0, f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B))\Big)$. Under a linear f, condition (18) reduces to $\Gamma_{\lambda_1} + \Gamma_{\lambda_2} < 0$, which cannot hold since both terms are positive.

Case 2: $\Gamma_{\lambda_2} < 0$**.** From the preliminaries, $\bar{U}^B_{split} = f(S^B(\lambda_1, \bar{v}_B + \delta_B))$. In this case as well, it is easy to verify that none of the split conditions can hold. As above, notice that $\bar{U}^B > f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B))$ cannot hold in this case since the split reduces total support. Thus, a split emerges if and only if (22) holds. The condition reduces to $\Gamma_{\lambda_1} < 0$, which is false since the split is not statically optimal in period 1. $\square$

Proof of Proposition 2. Since the split reduces total support, by Remark 2 we have $\Gamma_{\lambda_2} > 0$ (Case 1 in the preliminaries).

First, we show that a split never occurs in equilibrium if $0 < \bar{U}^B_{stable} < f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B))$. Since the split reduces support, $\Gamma_{\lambda_1} > 0$ and $\Gamma_{\lambda_2} - \widetilde{\Gamma}_{\lambda_2} > 0$, so condition (18) cannot hold.

Next, we show that receiver-initiated splits (the last case in the preliminaries) are always unilateral. When $\bar{U}^B_{stable} > f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B))$, the receiver rejects any offer, including the entire pie, and a split occurs regardless of the proposer's preferences. Such a split is always unilateral if $\bar{U}^B_{stable} > f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B))$ implies $\bar{U}^A_{stable} < 0$. $\bar{U}^B_{stable} > f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B))$ can be rewritten as $\Gamma_{\lambda_1} + \Gamma_{\lambda_2} - \widetilde{\Gamma}_{\lambda_2} + f(S^A(\lambda_1, \bar{v}_A + \delta_A)) + \pi^A(1)\widetilde{\Gamma}_2 - \pi^A(0)\Gamma_{\lambda_2} < 0$, while $\bar{U}^A_{stable} < 0$ reduces to $f(S^A(\lambda_1, \bar{v}_A + \delta_A)) - \widetilde{\Gamma}_{\lambda_2} + \pi^A(1)\widetilde{\Gamma}_2 < 0$. Recall that, because the split reduces support, Condition (18) fails, i.e., $\Gamma_{\lambda_1} + \Gamma_{\lambda_2} - \widetilde{\Gamma}_{\lambda_2} > 0$. Thus, $\Gamma_{\lambda_1} + \Gamma_{\lambda_2} - \widetilde{\Gamma}_{\lambda_2} + f(S^A(\lambda_1, \bar{v}_A + \delta_A)) + \pi^A(1)\widetilde{\Gamma}_2 - \pi^A(0)\Gamma_{\lambda_2} < 0$ requires $f(S^A(\lambda_1, \bar{v}_A + \delta_A)) - \widetilde{\Gamma}_{\lambda_2} + \pi^A(1)\widetilde{\Gamma}_2 < 0$, as claimed.

It follows that support-reducing split is never consensual: it is either unilaterally initiated by the proposer (case 1) or unilaterally initiated by the receiver (case 3). We consider each case in turn.

Proposer-initiated split (case 1). Setting $\pi^A = 1 - \pi^B$ and rearranging, a proposer-induced split emerges iff

$$\pi^A(1)\widetilde{\Gamma}_{\lambda_2} > f(S^B(\lambda_1, \bar{v}_B + \delta_B)) + \widetilde{\Gamma}_{\lambda_2} - (1 - \pi^A(0))\Gamma_{\lambda_2}$$

and

$$\pi^A(1)\widetilde{\Gamma}_{\lambda_2} > \Gamma_{\lambda_1} + f(S^B(\lambda_1, \bar{v}_B + \delta_B)) + \pi^A(0)\Gamma_{\lambda_2}$$

Furthermore, notice that since the split is damaging to the camp as a whole, we have that $\Gamma_{\lambda_1} > 0$ and $\widetilde{\Gamma}_{\lambda_2} < \Gamma_{\lambda_2}$, and thus the first condition is never binding. Thus, a proposer-induced equilibrium emerges if and only if

$$\pi^A(1)\widetilde{\Gamma}_{\lambda_2} > \Gamma_{\lambda_1} + f(S^B(\lambda_1, \bar{v}_B + \delta_B)) + \pi^A(0)\Gamma_{\lambda_2}. \tag{24}$$

Recall that a support-reducing split implies $\widetilde{\Gamma}_{\lambda_2} < \Gamma_{\lambda_2}$, therefore the condition requires $\pi^A(0) < \pi^A(1)$, and establishes a lower bound on the difference $\pi^A(1) - \pi^B(0)$. Set this difference to 1, the condition becomes

$$\widetilde{\Gamma}_{\lambda_2} > \Gamma_{\lambda_1} + f(S^B(\lambda_1, \bar{v}_B + \delta_B)). \tag{25}$$

The LHS is continuously increasing in λ_2, and the condition is never satisfied at $\lambda_2 = \lambda_1$ but always satisfied as $\lambda_2 \to \lambda_u$ by Assumption 2. Thus, there exists a unique threshold in λ_2 s.t. the condition is satisfied iff λ_2 is above the threshold.

Receiver-initiated split (case 3). The receiver rejects any offer iff:

$$f(S^B(\lambda_1, \bar{v}_B + \delta_B)) + \pi^B(1)\widetilde{\Gamma}_{\lambda_2} - \pi^B(0)\Gamma_{\lambda_2} > f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B)).$$

Rearranging, this becomes $\pi^B(1)\widetilde{\Gamma}_{\lambda_2} > \Gamma_{\lambda_1} + f(S^A(\lambda_1, \bar{v}_A + \delta_A)) + \pi^B(0)\Gamma_{\lambda_2}$, which is equivalent to (24) with π^A replaced by π^B. The same threshold logic applies. □

Proof of Proposition 3. As above, we split the proof according to the two cases discussed in the preliminaries, $\Gamma_{\lambda_2} > 0$ and $\Gamma_{\lambda_2} < 0$.

Case 1: $\Gamma_{\lambda_2} > 0$**.**

In this case, $\bar{U}^B_{stable}$ may fall into one of three ranges: a) $\bar{U}^B_{stable} \leq 0$, b) $\bar{U}^B_{stable} \in \Big(0, f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B)\Big]$, c) $\bar{U}^B_{stable} > f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B)$.

Recall that $\bar{U}^B_{stable} = f(S^B(\lambda_1, \bar{v}_B + \delta_B)) + \pi^B(1)\widetilde{\Gamma}_{\lambda_2} - \pi^B(0)\Gamma_{\lambda_2}$. Furthermore, $\frac{\partial \widetilde{\Gamma}_{\lambda_2}}{\partial \lambda_2} > 0$ given convexity. Thus, $\frac{\partial \bar{U}^B_{stable}}{\partial \lambda_2}$ is increasing in $\pi^B(1)$ and always positive at $\pi^B(1) = \pi^B(0)$ because the split increases total support. This implies that there exists a $\hat{\pi}^B < \pi^B(0)$ s.t. $\frac{\partial \bar{U}^B_{stable}}{\partial \lambda_2} > 0$ for $\pi^B(1) > \hat{\pi}^B$ and $\frac{\partial \bar{U}^B_{stable}}{\partial \lambda_2} < 0$ otherwise (notice, $\hat{\pi}^B$ may be negative if Γ is decreasing in λ_2). We will consider the two cases separately.

First, suppose $\pi^B(1) > \hat{\pi}^B$. Notice that, by Assumption 2, $\bar{U}^B_{stable} \in (0, f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B)))$ at $\lambda_2 = \lambda_l$. Thus, in this case there exists a unique cutoff $\lambda^\dagger$ s.t. $\bar{U}^B_{stable} \in (0, f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B))]$ when $\lambda_2 < \lambda^\dagger$ and $\bar{U}^B_{stable} > f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B)$ otherwise. Notice that when $\bar{U}^B_{stable} > f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B)$, a split always occurs in the first period. Suppose instead $\bar{U}^B_{stable} \in (0, f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B)]$. Then, the proposer prefers to split iff:

$$\Gamma_{\lambda_1} < \widetilde{\Gamma}_{\lambda_2} - \Gamma_{\lambda_2}. \tag{26}$$

The RHS is increasing in λ_2 (since the split increases support) and the condition is satisfied as $\lambda_2 \to \lambda_u$ by Assumption 1. Thus, there exists a unique $\hat{\lambda}^p$ such that the proposer wants a split iff $\lambda_2 > \hat{\lambda}^p$. This bound may be smaller or larger than λ_1, depending on the effect of the split and the curvature of f. Pulling together the two ranges of $\bar{U}^B_{stable}$, if $\pi^B(1) > \hat{\pi}^B$, then a split occurs if and only if $\lambda_2 > \min\{\lambda^\dagger, \hat{\lambda}^p\}$.

Next, suppose $\pi^B(1) < \hat{\pi}^B$, so that $\bar{U}^B_{stable}$ is decreasing in λ_2. In this case, there must exist a (potentially non-interior) $\lambda^\ddagger$ s.t. $\bar{U}^B_{stable} \in (0, f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B)))$ for $\lambda_2 < \lambda^\ddagger$ and $\bar{U}^B_{stable} < 0$ otherwise. From the previous analysis, when $\bar{U}^B_{stable} \in (0, f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B)))$ there exists a unique $\hat{\lambda}^p$ such that a first-period split occurs iff $\lambda_2 > \hat{\lambda}^p$, i.e., (26) is satisfied. Suppose instead $\bar{U}^B_{stable} < 0$. Then, the receiver would accept any offer but the proposer still triggers a split iff

$$\pi^A(1)\widetilde{\Gamma}_{\lambda_2} - \pi^A(0)\Gamma_{\lambda_2} > \Gamma_{\lambda_1} + f(S^B(\lambda_1, \bar{v}_B + \delta_B)), \tag{27}$$

which we can rewrite as

$$\pi^B(0)\Gamma_{\lambda_2} - \pi^B(1)\widetilde{\Gamma}_{\lambda_2} + \widetilde{\Gamma}_2 - \Gamma_2 - \Gamma_{\lambda_1} > f(S^B(\lambda_1, \bar{v}_B + \delta_B)), \tag{28}$$

First, suppose that $\hat{\lambda}^p < \lambda^\ddagger$. In this case, condition (28) is always satisfied at $\lambda_2 > \lambda^\ddagger$. To see this, notice that $\lambda_2 > \lambda^\ddagger$ implies $\pi^B(0)\Gamma_{\lambda_2} - \pi^B(1)\widetilde{\Gamma}_{\lambda_2} > f(S^B(\lambda_1, \bar{v}_B + \delta_B))$, and $\lambda_2 > \hat{\lambda}^p$ implies $\Gamma_{\lambda_1} < \widetilde{\Gamma}_{\lambda_2} - \Gamma_{\lambda_2}$. In turn, these two conditions imply (28) holds. Thus, if $\pi^B(1) < \hat{\pi}^B$ and $\hat{\lambda}^p < \lambda^\ddagger$, then a first period split occurs iff $\lambda_2 > \hat{\lambda}^p$.

Finally, suppose $\pi^B(1) < \hat{\pi}^B$ and $\hat{\lambda}^p > \lambda^\ddagger$. This implies that a split in the first period never occurs when $\lambda_2 < \lambda^\ddagger$. From the previous analysis, if $\lambda_2 > \lambda^\ddagger$ then a first period split occurs iff

$$\pi^B(0)\Gamma_{\lambda_2} - \pi^B(1)\widetilde{\Gamma}_{\lambda_2} + \widetilde{\Gamma}_2 - \Gamma_2 - \Gamma_{\lambda_1} > f(S^B(\lambda_1, \bar{v}_B + \delta_B)). \tag{29}$$

Recall that when $\pi^B(1) < \hat{\pi}^B$, we have that $\bar{U}^B_{stable} = f(S^B(\lambda_1, \bar{v}_B + \delta_B)) + \pi^B(1)\widetilde{\Gamma}_{\lambda_2} - \pi^B(0)\Gamma_{\lambda_2}$ is decreasing in λ_2. Furthermore, recall that because a split increases total support, $\widetilde{\Gamma}_2 - \Gamma_2$ is increasing in λ_2. Therefore, LHS of (29) is increasing in λ_2. By Assumption 2, (29) never holds at $\lambda_2 = \lambda_l$ and always holds at $\lambda_2 = \lambda_u$. Thus, there exists a unique $\tilde{\lambda}^p < \hat{\lambda}_p$ s.t. a split in the first period occurs iff $\lambda_2 > \tilde{\lambda}^p$. Pulling together these cases, if $\pi(1) < \hat{\pi}$, a first-period split occurs iff $\lambda_2 > \max\{\min\{\lambda^\ddagger, \hat{\lambda}^p\}, \tilde{\lambda}^p\}$.

Case 2: $\Gamma_{\lambda_2} < 0$.

Here, the split's benefit is large enough that staying together in period 2 eliminates the surplus. In this case, a split always occurs on the equilibrium path; the question is whether it happens in period 1 or period 2.

First, suppose $\bar{U}^B_{split} < f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B))$. Setting $\pi^A = 1 - \pi^B$, the proposer triggers a split iff:

$$\Gamma_{\lambda_1} < \widetilde{\Gamma}_{\lambda_2}. \tag{30}$$

The RHS is continuously increasing in λ_2. Since the split increases total support the condition is satisfied when $\lambda_1 = \lambda_2$. Thus, there exists a unique $\tilde{\lambda}^p < \lambda_1$ such that the proposer triggers a split iff $\lambda_2 > \tilde{\lambda}^p$.

Finally, a split always occurs in the first period when $\bar{U}^B_{split} > f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B))$, i.e.,

$$\Gamma_{\lambda_1} < \pi^B(1)\widetilde{\Gamma}_{\lambda_2} - f(S^A(\lambda_1, \bar{v}_A + \delta_A)). \tag{31}$$

The RHS is increasing in λ_2 and the condition holds as $\lambda_2 \to \lambda_u$. Thus, there exists a threshold $\tilde{\lambda}$ such that the condition holds iff $\lambda_2 > \tilde{\lambda}$.

Since the RHS of (30) exceeds the RHS of (31), we have $\tilde{\lambda}^p < \tilde{\lambda}$. Furthermore, notice that there exists a third value $\tilde{\lambda}^c$ such that $\Gamma_{\lambda_1} < \pi^A(1)\widetilde{\Gamma}_{\lambda_2} - f(S^B(\lambda_1, \bar{v}_B + \delta_B))$ iff $\lambda_2 > \tilde{\lambda}^c$. This cutoff guarantees that A prefers to split even if they can keep the entire pie, and is by definition larger than $\tilde{\lambda}^p$, but may be larger or smaller than $\tilde{\lambda}$. Therefore:

- When $\lambda_2 < \tilde{\lambda}^p$: the party remains merged in period 1 and splits in period 2.
- When $\lambda_2 \in (\tilde{\lambda}^p, \max\{\tilde{\lambda}^c, \tilde{\lambda}\})$: a conflictual split emerges in period 1.
- When $\lambda_2 > \max\{\tilde{\lambda}^c, \tilde{\lambda}\})$: a consensual split emerges in period 1.

□

Proof of Proposition 4. A statically inefficient split emerges in equilibrium only if the anticipated gains from re-merging in period 2 outweigh the first-period costs. When re-merging is possible only with probability p, the expected continuation value from splitting is reduced.

Consider the proposer's condition for a split in Case 1 ($\Gamma_{\lambda_2} > 0$). With probability p of re-merging, the condition becomes:

$$p \cdot \widetilde{\Gamma}_{\lambda_2} > \Gamma_{\lambda_1} + f(S^B(\lambda_1, \bar{v}_B + \delta_B)) + \pi^A(0)\Gamma_{\lambda_2}.$$

The RHS is strictly positive since $\Gamma_{\lambda_1} > 0$ (the split is statically inefficient). As $p \to 0$, the LHS approaches zero while the RHS remains bounded away from zero. Thus, there exists $\bar{p} > 0$ such that for all $p < \bar{p}$, the condition fails. The same logic applies to receiver-initiated splits and to Case 2 ($\Gamma_{\lambda_2} < 0$). □

Proof of Proposition 5. By Proposition 2, a damaging split is never consensual. Consider a receiver-initiated split (the proposer case is analogous). Suppose A is recognized in period 1. The receiver triggers a split iff:

$$f(S^B(\lambda_1, \bar{v}_B + \delta_B)) - f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B)) + \pi^B(1)\widetilde{\Gamma}_{\lambda_2} - \pi^B(0)\Gamma_{\lambda_2} > 0.$$

Substituting the functional form $\pi^B(\rho^B) = \frac{1}{2} + \phi\rho^B$:

$$f(S^B(\lambda_1, \bar{v}_B + \delta_B)) - f(S^A(\lambda_1, \bar{v}_A) + S^B(\lambda_1, \bar{v}_B)) + \phi \left[\rho^B(1)\widetilde{\Gamma}_{\lambda_2} - \rho^B(0)\Gamma_{\lambda_2}\right] > 0.$$

Necessary condition for this to be satisfied is that $\rho^B(1)\widetilde{\Gamma}_{\lambda_2} - \rho^B(0)\Gamma_{\lambda_2} > 0$, since the split reduces the camp's total support. Under this condition, decreasing ϕ (more egalitarian organization) weakens the second term, making the condition harder to satisfy. Thus, a more egalitarian party organization weakly decreases the likelihood of a split. □

Proof of Proposition 6. Consider a split that increases total support but is statically inefficient. Sufficient condition for a split to emerge in equilibrium in the first period is that the receiver (B) rejects any offer:

$$\Gamma_{\lambda_1} < \pi^B(1)\widetilde{\Gamma}_{\lambda_2} - \pi^B(0)\Gamma_{\lambda_2} - f(S^A(\lambda_1, \bar{v}_A + \delta_A)). \tag{32}$$

Substituting the functional form, we can rewrite this as

$$\Gamma_{\lambda_1} < \phi \left[\rho^B(1)\widetilde{\Gamma}_{\lambda_2} - \rho^B(0)\Gamma_{\lambda_2}\right] - f(S^A(\lambda_1, \bar{v}_A + \delta_A)).$$

Recall that $\Gamma_1 > 0$ by assumption. Thus, the condition can only be satisfied if $\rho^B(1)\widetilde{\Gamma}_{\lambda_2} - \rho^B(0)\Gamma_{\lambda_2} > 0$. Thus, making the party more egalitarian (decreasing ϕ) can only make the condition easier to satisfy. □