

Fragility of Losers' Consent: Political Institutions and Polarization*

Satoshi Kasamatsu[†]

Daiki Kishishita[‡]

January 29, 2026

Abstract

Losers' consent — the willingness of electoral losers to accept election outcomes — is central to democratic legitimacy, yet it is fragile. This paper explores how political institutions shape losers' consent and policy polarization by modeling losers' consent as a strategic choice of belief distortion by the electoral loser. We develop a two-period model of electoral competition with partially policy-motivated parties, where the implemented policy is a convex combination of the winner's and loser's platforms. The weight placed on the winner captures the degree of institutional disproportionality. While electoral outcomes provide information about voter preferences, losers may strategically reject this information to preserve anticipatory utility. We show that while denial is never optimal under purely material payoffs, it emerges endogenously for any positive weight on anticipatory utility. Crucially, institutional disproportionality fosters denial as long as the level of denial is not perfect. This denial, in turn, fuels policy polarization. Consequently, although disproportional institutions have a direct moderating effect on platforms, they indirectly increase polarization by encouraging denial. These findings highlight the importance of accounting for psychological biases when evaluating the design of political institutions.

Keywords: Losers' consent; Electoral competition; Anticipatory utility; Motivated reasoning; Political institution

JEL classification: D72; D83; D91

*We would like to thank Emre Aytimur and seminar participants at University of Leicester and Tohoku Gakuin University for their helpful comments. This study was financially supported by the JSPS KAKENHI Grant Number 22K13368 and JSPS Topic-Setting Program to Advance Cutting-Edge Humanities and Social Sciences Research Grant Number JPJS00123811919.

[†]Faculty of Economics, Musashi University. 1-26-1, Toyotamakami, Nerima-ku, Tokyo, Japan 176-0011. E-mail: kasamatsu00@gmail.com

[‡]Graduate School of Economics, Hitotsubashi University. 2-1 Naka, Kunitachi, Tokyo, Japan. 186-8601. E-mail: daiki.kishishita@gmail.com