

The Missing Left? The Programmatic Response of Social Democratic Parties to the Great Recession

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Abstract

The European economic crisis has also led to a crisis of social democracy as governments implemented austerity policies that undermined the welfare state. How did social democratic parties respond to this challenge? This paper examines the programmatic response of social democratic parties to the Great Recession in 11 Western European countries. It uses an original dataset that records the salience that parties attribute to different issues and the positions that they adopt with regards to these issues during electoral campaigns and compares the platforms of social democratic parties before and after 2008. For this purpose, the paper disentangles economic issues into three different categories and shows that this is necessary in order to understand party competition during the Great Recession: while social democratic parties shifted to the left with regards to issues relating to welfare and economic liberalism, they largely accepted the need for budgetary rigour and austerity policies.

Keywords: Party systems, elections, party change/adaptation, economic issues, Europe.

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1 Introduction

The Great Recession was the deepest economic crisis in advanced capitalist countries since the Great Depression.¹ In Europe this economic crisis also led to a crisis of social democratic parties, which struggled to respond to the economic malaise.² Prior to 2008 they had mostly shifted towards the centre and embraced Third Way policies, as suggested by Tony Blair and Gerhard Schröder (1999). However, the Great Recession that begun in 2008 raised new doubts about the merits of this shift. The break-down of the international financial system exposed the vulnerability of the existing economic system and created high unemployment and inequality. Moreover, in the wake of the European sovereign debt crisis governments across the continent implemented austerity policies, undermining the European welfare state that social democratic parties had built in the post-war era (Korpi, 1983; Stephens, 1979). How have social democratic parties responded to this crisis?

To answer this question, the paper examines empirically whether and to what extent social democratic parties changed their economic positions during the Great Recession. Although it is too early to tell what the long-term political consequences of the crisis will be, the purpose of studying this response is to understand how economic crises influence party competition in the short- and medium-term. The starting point for this analysis are two conflicting findings in the literature. First, some authors have found that parties hardly change their positions over time (e.g. Budge, 1994; Budge et al., 2001). In particular, social democratic are portrayed as parties with a strong ideology and close ties to social movements that prevent them from responding to changes in the economy (Adams, Haupt, and Stoll, 2009). In contrast, other authors argued that social democratic parties have radically changed their positions in the last few decades. In response to globalisation, they shifted to the right resulting in a “neoliberal convergence” of centre-left and centre-right parties (e.g. Pierson, 2001; Ross, 2000; Mishra, 1999).

In this paper, I test which of these expectations holds with evidence from the Great Recession. I use an original dataset based on media analysis in 11 countries that allows me to compare the salience that parties attribute to different issues and the positions that they adopt with regards to these issues during electoral campaigns before and after 2008. Conceptualising the Great Recession as a critical juncture (Capoccia and Kelemen, 2007), the paper finds evidence that social democratic parties did shift their positions towards the left during the crisis, which is contrary to common perceptions in the media (Münchau, 2015; The Economist, 2016) and emerging research (English et al., 2016). However, their positions diverged with respect to different issue categories. On the one hand, social

¹The Great Recession is defined here as the economic crisis that begun in September 2008, when the US investment bank Lehman Brothers collapsed. It conceptualises both the 2008 financial crisis and the Euro crisis as one economic recession.

²I refer to ‘centre-left’, ‘moderate left’, and ‘social democratic’ parties interchangeably.

democratic parties defended the welfare state and opposed economic liberalism after the 2008 financial crisis, which partly reverted their own Third Way. On the other hand, many parties also supported the reduction of government deficits and taxes during the crisis, i.e. they joined the chorus of austerity that became the dominant tune during the Euro crisis. Hence, social democratic parties adopted positions with regards to the three different issue categories, which do not neatly align on a single left-right dimension. This suggests that party competition with regards to the economy cannot be represented on a single dimension during the Great Recession (Otjes, 2016).

To make these arguments, the paper proceeds in six steps. First, I briefly review the existing literature. Second, I set out my expectations about the response of social democratic parties to the Great Recession and formulate my hypotheses. Afterwards, I introduce my dataset and explain the methods that I use to analyse party competition. In section 5 and 6, I proceed to present my empirical results. Combining descriptive analysis with regression analysis, I first examine the salience that social democratic parties attributed to economic issues during the crisis. Then, I analyse the position that these parties adopted with regard to economic issues. Finally, section 7 concludes.

2 Party Positions, Issue Salience, and the Economy

There is a large literature that studies the platforms on which political parties compete. Influenced by the median-voter theorem Downs (1957), many scholars view parties as vote-seeking (Huber and Powell, 1994; Stimson, Mackuen, and Erikson, 1995; McDonald and Budge, 2005). They argue that there is a close link between the positions that parties take and the preferences of the electorate. Consequently, party elites systematically respond to variations in the distribution of voters' preferences, which is a process that Stimson, Mackuen, and Erikson (1995) called "dynamic representation."³ However, given that large shifts in the distribution of voters' preferences are rare, the programmes of parties remain relatively stable over time. As a result, many scholars shifted their attention towards studying salience (Budge et al., 2001; McDonald and Budge, 2005; Bélanger and Meguid, 2008). They focused on "issue emphasis" (Budge and Farlie, 1983) because "[v]arying emphases on issues are by and large the only way that parties express their policy differences" (Budge et al., 2001, p.82). Based on the notion of "issue ownership" (Petrocik, 1996), parties are attributed different levels of competence in different policy areas and they have an interest to selectively emphasise those areas in which they outshine their competitors (Budge, 1982). However, the voters' prioritisation of different issues can

³There is some evidence for the plausible alternative hypothesis that parties respond to fluctuations in the preferences or priorities of their constituencies and not the entire electorate (e.g. Ezrow and Hellwig, 2014; Klüver and Spoon, 2016).

change between elections (Petrocik, 1996; Petrocik, Benoit, and Hansen, 2003; Bélanger and Meguid, 2008). Thus, parties are expected to change the salience that they attribute to different issues even if they hardly change their positions over time.

The conclusion that the positions of parties are relatively stable is shared by another strand of the literature, which views parties as policy-seeking (Strom, 1990; Müller and Strøm, 1999; Wittman, 1973). From this perspective, the positions of parties reflect the beliefs of their elites, which, in turn, are shaped by the parties' core ideologies. Providing actors with a general frame of reference, ideologies allow them to understand and interpret events (Christenson, 1972). Assuming that these ideologies are sticky (Hall, 1997), parties are not expected to radically change their positions, either. In particular, left-wing parties are resistant to change their position for two reasons (Adams, Haupt, and Stoll, 2009). First, left-wing parties are historically more ideological than other parties. They were born from the labour movement in the 19th century (Sassoon, 1996; Lindemann, 1983) and remained committed to engineering social change even after they had abandoned their revolutionary ambitions (Przeworski and Sprague, 1986). Second, social democratic parties have close ties to trade unions and social movements that restrict their ideological flexibility even if these ties have weakened in the last few decades (Kitschelt, 1994; Piazza, 2001).

However, the problem with many of these studies is that they examine party competition in a vacuum and ignore the role of contextual factors. Only recently authors have begun to explicitly study the importance of economic conditions for party competition (Ward et al., 2015; Ward, Ezrow, and Dorussen, 2011; Haupt, 2010; Adams, Haupt, and Stoll, 2009). Much of this research studies the effect of globalisation on political parties and it is closely related to research in political economy, which has argued that globalisation constrains state intervention in the economy (Berger, 2000; Strange, 1996). Paradoxically, this literature has also singled out social democratic parties to make their case (Scharpf, 1987; Garrett and Lange, 1991; Pontusson, 1995; Ward, Ezrow, and Dorussen, 2011). Assuming that globalisation makes it increasingly difficult for social democratic parties to correct undesirable market outcomes, they abandoned their core ideologies and increasingly embraced orthodox policies (Glyn, 2001; Callaghan, 2000; Ladrech and Marlière, 1998). Thus, globalisation diminished the policy differences between the left and paved the way for a "neoliberal convergence" of mainstream parties (Mishra, 1999; Pierson, 1994, 2001; Ross, 2000). Although some authors dispute this "neoliberal convergence" hypothesis (Allan and Scruggs, 2004; Burgoon, 2001; Boix, 1998), they often agree that globalisation forces parties to adapt their political programmes, albeit in a complex and variegated way. Political parties are seen as strategic actors that use different political programmes to respond to domestic and international economic changes (e.g. Allan and Scruggs, 2004). As a result, the literature provides two conflicting expectations about how

social democratic parties respond to economic changes: while some authors argue that party positions are stable and that parties only selectively emphasize and de-emphasize certain issues, others argue that parties actually adapt their programmes in response to the domestic and international economic context. Which of these conclusions holds up when we consider the response of social democratic parties to the Great Recession?

3 The Programmatic Response of Social Democratic Parties to the Great Recession: Some Expectations

The Great Recession has been a structural break for the development of the advanced economies. It was triggered by the mortgage crisis in the United States and became a full blown financial crisis in September 2008, when the investment bank Lehman Brothers collapsed. This bankruptcy sent shock waves through the international financial system and created a deep economic recession across almost all advanced capitalist countries. Europe was hit especially hard because in 2010 the ‘American’ financial crisis turned into a ‘European’ sovereign debt crisis. The political repercussions of this crisis are still uncertain, but it is already becoming clear that the Great Recession was a critical juncture that has changed long-term trends of political conflict in Europe (Hernández and Kriesi, 2016).

One important trend prior to the Great Recession was the increasing importance of non-economic or cultural issues for party competition (Franklin, Mackie, and Valen, 1992; Kitschelt, 1994; Kriesi et al., 2008; Hooghe and Marks, 2009). Yet, the crisis increased economic grievances throughout Europe and presented all political actors with an acute set of economic problems. Given that materialist concerns become more important for the electorate during times of economic hardship (e.g. Margalit, 2013; Singer, 2011), I expect that all political parties attempted to capture the public mood and increased the salience of economic issues after 2008 (hypothesis 1a). Still, it is likely that the crisis did not effect all parties equally because parties ‘own’ different political issues (e.g. Petrocik, 1996; Green and Hobolt, 2008; Wagner and Meyer, 2014). Although the economy is usually addressed by all parties, social democratic parties are historically strongly associated with issues relating to social solidarity. Therefore, I also expect that social democratic parties increased the salience of economic issues more than other parties did during the crisis, as expressed in hypothesis 1b.

Salience Hypothesis I (H1a): Social democratic parties increased the salience of economic issues in response to the crisis.

Salience Hypothesis II (H1b): Social democratic parties increased the salience of economic issues more than other parties did.

In response to the economic turmoil, I also expect that social democratic parties changed their positions on economic issues. Many studies that found that the positions of parties are relatively stable focused their analysis on long-term trends during periods of relative economic stability. In contrast, a growing literature in political economy has emphasized the importance of crises as critical junctures (Capoccia and Kelemen, 2007; Collier and Collier, 1991). Politics may appear stable during “normal times” due to path-dependency (Pierson, 2000), but crises shake the foundations of existing social systems. The resulting uncertainty allows policy entrepreneurs to engineer institutional change (Capoccia, 2015) and often leads to institutional, political, and policy change with significant legacies (Gourevitch, 1986). They create the perfect pre-conditions for paradigm change, as outlined by Hall (1993), because the uncertainty opens up windows of opportunity, during which ideas can serve as explanations of “what went wrong, and how to fix it” (Blyth, 2002, 32). For social democratic parties, the Great Recession should have been such a critical event because it provided them with a golden opportunity to renew their traditional socio-economic programme, as expressed in hypothesis 2a. In fact, I expect that social democratic parties shifted to the left more than other parties did during the crisis. While other parties might have also responded to shifts in public opinion, they were either constrained by their own ideology (e.g. right-wing and liberal parties) or they already had positions further on the left prior to the Great Recession (e.g. far left parties). Hence, I expect that the effect of the crisis should have been particularly large for social democratic parties (hypothesis 2b).

Position Hypothesis I (H2a): Social democratic parties responded to the crisis by moving to the left on economic issues.

Position Hypothesis II (H2b): Social democratic parties responded to the crisis by moving to the left on economic issues more than other parties did.

However, the impact of the crisis was not uniform across all economic issues. First, the crisis was widely narrated as a crisis that resulted from excessive liberalisation of the financial system (e.g. Financial Crisis Inquiry Commission, 2011; Blanchard, Dell’ariccia, and Mauro, 2010; Bean, 2010). This presented centre-left parties with a window of opportunity to oppose economic liberalism and distance themselves from the causes of the Great Recession. Similarly, low-income households, which social democratic parties claim to represent, were particularly at risk during the Great Recession due to the increase in unemployment and economic uncertainty. Thus, the Great Recession also provided social democratic parties with an opportunity to renew their defence of the welfare state. Yet, with regards to macroeconomic policies, social democratic parties had less lee-way

to change their policies. Most governments stimulated the economy immediately after the financial crash in 2008 (Hall, 2013; Raess and Pontusson, 2015), but leading policy makers soon began to demand austerity when the financial crisis turned into a sovereign debt crisis (e.g. Trichet, 2010). As Matthijs and McNamara (2015) critically point out, conventional wisdom held that this crisis was caused by excessive government debt and ‘irresponsible’ behaviour by the debtor countries. Therefore, social democratic parties in these countries were often forced to accept austerity measures in return for bail-out packages from the European Union and the International Monetary Fund (e.g. PASOK in Greece, PS in Portugal, and PSOE in Spain).

Parties in creditor countries or outside the Eurozone also largely accepted this shift to austerity. For example, the German SPD already supported the introduction of a constitutional debt brake in 2009 and promised to reduce government debt as one of the key pillars of its economic programme in 2013 (Social Democratic Party of Germany, 2013). Similarly, the Labour party in the UK accepted the need for fiscal consolidation. The party opposed the austerity cuts by the Conservative government in their form and shape, but it adopted a fiscal commitment prior to the 2015 election promising to “balance the books and deliver a surplus on the current budget and falling national debt in the next Parliament” (Balls, 2014). Consequently, we need to disentangle issues that relate to the government’s budget from other economic issues that relate to welfare or economic liberalism. In particular, I expect that left-wing parties did not shift to the left with regards to budgetary issues during the crisis, but that they addressed these issues more often in order to signal economic competence (Kraft, 2016) and to appeal to voters who favour balanced budgets. In this way, they attempted to present themselves as economically competent and responsible in the face of mounting attacks from other political parties. These expectations are summarised in hypotheses 3a and 3b.

Programmatic Differentiation Hypothesis (H3a): Social democratic parties increased the salience of issues relating to budgetary rigour in response to the crisis.

Programmatic Differentiation Hypothesis (H3b): Social democratic parties did move to the left on issues relating to budgetary rigour in response to the crisis.

Still, there are reasons to believe that the expected shifts by social democratic parties, as expressed in hypotheses 1 to 3, did not happen in all countries equally. In particular, the depth and length of the crisis should have influenced the response of left-wing parties to the Great Recession. In countries that escaped the crisis relatively unscathed, left-wing parties had less reason to increase the salience of economic issues and change their position with regards to issues like welfare and economic liberalism. Importantly, while they might have also shifted to the left in the immediate aftermath of financial crisis, I expect that they moderated their positions again as the impact of the

recession waned in their country. Therefore, in countries that were hit especially hard by the economic crisis, we can expect that parties altered their positions on the economy more fundamentally, which is formulated in hypothesis 4.

Economic Conditionality Hypothesis (H4): The depth and length of the economic crisis influenced the effect of the crisis: in countries where the economic crisis was severe, social democratic parties change salience and positions more than in countries where it was less severe.

4 Data and Methods

In order to analyse the programmatic response of social democratic parties to the Great Recession, I study the platforms on which parties compete before elections. Electoral campaigns provide a good indicator of party positions because parties have to develop a coherent programme prior to elections and, thus, their positions crystallise. In this paper I use a new and original dataset that is an update to the dataset used by Kriesi et al. (2008, 2012). This data was collected by the POLCON project to study the political consequences of the Great Recession. It measures party positions by analysing how they are represented by the mass media during electoral campaigns. This type of data is appropriate for studying the response of parties to the crisis for three reasons. First, the data allows me to analyse both the salience that parties attribute to economic issues and the positions that they take towards these issues, which are important aspects of party competition in the 21st century. Second, the data shows the positions that parties adopt in public discourse and, thus, reflects the positions of parties with regards to the most important issues of the day. This should make any changes induced by the crisis more visible than in other sources. Finally, the data enables me to disentangle economic issues into different issue categories, which I argue is necessary in order to understand party competition in the context of the economic crisis.

Unfortunately, the data also comes with short-comings. Most importantly, media biases might misrepresent some actors and provide limited information about small parties and non-salient issues. Alternative data sources avoid such biases. In particular, the Comparative Manifesto Project (CMP/MAPOR) (Volkens et al., 2016) has created a large database that is commonly used to study party positions. However, the data cannot be used in this paper because the coding scheme does not capture positive and negative stances for all issues that are relevant for my analysis, which would directly allow for the calculation of positions (Gemenis, 2013; Dolezal et al., 2014). Most importantly, the CMP data does not include separate codes for fiscal policy and does not allow me to disentangle economic issues as described above. Therefore, and as suggested by Helbling

and Tresch (2011), I use media analysis in order to study parties' positions on sub-issues instead.

Specifically, the following analysis is based on the detailed coding of newspapers during 31 election campaigns in 11 different Western European countries. These countries include seven Northern European countries (Austria, France, Germany, Ireland, Netherlands, Switzerland, and the United Kingdom) and four Southern European countries (Greece, Italy, Portugal, and Spain). In each country I use the last election prior the beginning of the crisis in 2008, against which I compare all electoral campaigns that have occurred from 2009 to 2015.⁴ The newspapers that were used for this analysis are listed in appendix B and the detailed list of the electoral campaigns and their classification is included in appendix C.

From each newspaper, a representative sample of relevant articles that were published two months before each national election was coded by means of core sentence analysis (see Kleinnijenhuis and Pennings, 2001; Kriesi et al., 2008, 2012). This type of relational content analysis reduces each grammatical sentence to all its core sentences, which describe a relationship between an actor (the subject) and issues (the objects). The relationship between these actors and issues is then quantified on a scale ranging from -1 to $+1$.⁵ In total, the resulting dataset contains nearly 81,159 core sentences and for each election I have on average 2136 core sentences. The actors mentioned in the newspapers are coded based on their party affiliation, while the issues were coded inductively and classified into more than 200 categories. From these categories, I created three meta-categories about the economy, as shown in appendix D: (1) issues that relate to the welfare state and redistribution; (2) issues that relate to economic liberalism, and (3) issues that relate to the budget of the government. Following Kriesi et al. (2008), I assume that all other issues are embedded in a second, cultural dimension of political conflict or in none of the two dimensions.⁶

In order to test my hypotheses, I use the data to compute two key measures for each party for the individual issue categories: salience and left-right position. Salience for each party on an individual issue is simply measured by the share of core sentences that any party devotes to a given issue compared to all core sentences coded for that party during the election campaign. The left-right position for a party on a given issue is the average

⁴Elections that occurred in 2008 are excluded from the analysis due to their proximity to the breakdown of Lehman Brothers in September 2008.

⁵For a detailed explanation of this approach, see appendix A.

⁶This approach excludes economic issues that have a European dimension from the analysis (e.g. Eurobonds or support for the European Stability Mechanism). These issues became more important during the crisis, but they were not politicised in the same way across all countries included in this study. Importantly, in some countries European integration is still more associated with cultural issues than with economic issues (Otjes and Katsanidou, 2016), which makes an analysis of European issues more difficult.

direction of all statements about that particular issue, which ranges from -1 to $+1$, where -1 is the left end of the spectrum and $+1$ is the right end of the spectrum. Afterwards, I also calculate the salience and left-right position for every party on the aggregate level, i.e. for all economic issues. The salience of all economic issues for a party is simply the sum of the salience in all three issue categories. The aggregate left-right position for any given party is calculated as the mean of all statements from the three economic categories, weighted by the salience of the individual categories.

First, I use these measures descriptively to compare the strategies of left-wing parties before and after the beginning of the crisis. In each section, I start by analysing the aggregate changes, but afterwards I also analyse the changes with respect to each individual issue category in order to examine the sources of the aggregate changes. Second, I also use regression analysis to test whether the effects of the crisis are statistically significant. For this purpose, my unit of the analysis is a given party for each national election campaign. For example, for the German SPD I have three observations, one for each German election that is included in my dataset. In total, this gives me a dataset with 198 observations across 11 countries. I analyse this data by using time-series-cross-sectional analysis, but since I only have a few observations for each party, my data is heavily “cross-sectional dominant” (Stimson, 1985). The dependent variable for my analysis are (1) the salience that parties attribute to economic issues and (2) the left-right position that parties take on these issues. My key independent variable are party family (operationalised as shown in appendix E) and a dummy variable that equals one when the election occurred after 2008 and zero otherwise. The effect of the crisis on any given party family is then tested through an interaction effect between these two variables. To test the conditionality of the crisis effect, I use a three-way interaction term between party family, my dummy variable, and different economic indicators. Finally, I also include other control variables that could potentially explain party positions on economic issues, including unemployment, GDP growth, and government status as well as country fixed effects. Other confounding variables are not included in the regression model shown here due to the small number of observations.⁷ Note that in order to test the effect of time-invariant variables in my model (like party family) I use a random error model.⁸ Moreover, I use generalised least square (GLS) regressions because it can be shown that a GLS estimator is more efficient than an ordinary least square (OLS) estimator, when there is a certain degree of correlation between the residuals in a regression model (Greene, 2012, p. 372).⁹

⁷In other models a range of other variables was included (e.g. Eurozone membership, being a recipient of bail-outs, the presence of far right and far left parties, or the type of economic system). None of these variables turned out to be significant.

⁸For a detailed overview of this kind of model and its assumption, see (Greene, 2012, p. 370-385).

⁹As a robustness check, I repeated the analysis using an OLS estimator. The results are virtually identical to the ones shown here.

5 Social Democratic Parties and the Crisis: Changes in Issue Emphasis

In response to the Great Recession political parties were forced to address ‘old’ economic issues (like unemployment) more resolutely, but they also had to find answer to ‘new’ issues (like bank bailouts or the stability of the financial system). As a result the salience that mainstream parties attribute to economic issues increased during the crisis in almost all countries (figure 1). This change was large in countries that were hit particularly hard by the crisis (e.g. Italy, Spain, and Portugal), but the salience of economic issues also dramatically increased in other countries (Austria, Switzerland, and the UK). Moreover, this increase in salience was largely systemic, i.e. changes in salience were not idiosyncratic to individual party families. Instead, the salience of economic issues in the media increased for all party families and, in particular, mainstream parties moved in tandem in response to the crisis. Therefore, descriptively it is difficult to distinguish between an effect at the party level and an effect at the level of the party system.

– Insert figure 1 about here –

In order to test whether the differences between party families are statistically significant, I use regression analysis, as described above. The results of this analysis are shown in model 1 of table 1. They indicate that far right parties as well as green parties consistently emphasise economic issues less than the moderate right (the baseline). Moreover, the crisis had a positive and statistically significant impact on salience, as indicated by the coefficient for the crisis dummy variable. Yet, all the interaction terms between party families and this dummy are small and not statistically significant, which indicates that the crisis did not systematically alter the pattern of party competition with regards to salience. In particular, the salience of economic issues for moderate left-wing parties and moderate right-parties increased in tandem in response to the economic crisis, which is evidence against hypothesis 1b. Similarly, there is no evidence that the response of social democratic parties to the crisis was influenced by the strength of the crisis. The three-way interaction term in the second model in table 1 is not statistically significant, which indicates that the response of social democratic parties was similar in all countries independent of the depth of the crisis.

– Insert table 1 about here –

Still, it is important to disaggregate these changes into the three categories identified above. Figure 2 plots the salience of these issues separately for social democratic parties. It indicates that the crisis did not systematically change party competition for welfare and economic liberalism. Generally, the salience of issues relating to the welfare state is higher in Northern than in Southern European countries, which is confirmed by country fixed

effects in model 3 that are not shown in the table. Except in Italy, this general divide between Northern and Southern Europe survived the Great Recession, which suggests that differences in salience between countries might reflect deeper structural differences between Northern and Southern Europe (e.g. different welfare state traditions or patterns in media coverage).¹⁰ The same holds for the second category economic liberalism: while some social democratic parties increased the salience of these issues, their sister parties in other countries decreased the salience. Thus, there is not a single pattern that captures changes in salience across all countries considered here; instead, the salience of individual issue categories followed distinctive patterns in each country. This is confirmed by the regression analyses in model 3 and 4 of table 1. However, model 5 of the same table shows that this is not true for the third category. The results indicate that moderate right-wing parties addressed issues relating to budgetary rigour more than other parties before 2008 but that social democratic parties, liberal, and far left parties increased the salience of budgetary rigour after 2008. As shown in figure, the salience of budgetary issues increased for moderate centre-left parties in nearly all countries, as expected by hypothesis 3a. This suggests that social democratic parties increasingly spoke about budgetary issues during the crisis, but in the absence of evidence about the positions of social democratic parties it is not clear whether this happened because social democratic parties opposed or supported budgetary rigour. Therefore, I now turn towards analysing the positions of social democratic parties.

– Insert figure 2 about here –

6 Social Democratic Parties and the Crisis: Changes in Issue Positions

The economic crisis did not only change the salience of economic issues, but it also influenced the positions that parties took on these issues. Figure 3 compares the left-right position before and after 2008 for the centre-left and centre-right parties. It illustrates that every social democratic party shifted to the left after 2008, except the Labour Party in Ireland and the PvdA in the Netherlands. On average, these parties shifted their aggregate left-right position by 0.15 points. Furthermore, in most countries the moderate right as well as other parties (not shown in figure 3) moved in the opposed direction as social democratic parties. Hence, there is evidence that both hypotheses 2a and 2b are true: the crisis led to a divergence between mainstream parties and, thereby, partly reversed the neoliberal convergence among mainstream parties that had occurred prior to the crisis.

¹⁰Parties are clustered according to these changes in appendix H.

– Insert figure 3 about here –

In order to test whether these differences are statistically significant, I again resort to regression analysis. The results in model 1 of table 2 show that the moderate left- and right-wing parties indeed had programmes that were very similar prior to the crisis because the coefficient for moderate left-wing parties is not statistically significant when the moderate right is used as the reference category. The differences between mainstream parties on economic issues had all but eroded and only far left parties presented programmes that were significantly different from the mainstream in economic terms. However, the Great Recession changed this picture. As indicated by the interaction term, social democratic parties shifted to the left and competed on a programme that was different from the programme of the moderate right. This is true even when controlling for other factors that could potentially influence a party’s position on the left-right dimension of political conflict, including economic conditions and potential constraints from government responsibility. As a result, there is strong evidence that the Great Recession ended the neoliberal convergence, i.e. that parties distinguished themselves again by different economic positions, as predicted by partisan theory (e.g. Hibbs, 1977).

– Insert table 2 here –

Model 2 in table 2 examines whether these changes were conditional on the depth of the crisis. As described above, it uses unemployment as a measure for the depth of the crisis and tests whether the level of unemployment affected the response of social democratic parties. Given that the three-way interaction term is not statistically significant, this does not seem to be the case.¹¹ Social democratic parties shifted strongly to the left in both debtor and creditor countries and, thus, there is no evidence for hypothesis 4. Instead, the crisis was apparently deep enough to act as a critical juncture for social democratic parties in all the countries studied here. Still, it remains unclear whether this shift occurred with respect to all the issues category identified above.

Figure 4 plots the attitudes towards these issues on a scale from -1 to +1, where +1 means that a party is completely opposed to welfare, completely in favour of economic liberalism or completely in favour, of budgetary rigour, respectively. The graph shows that many moderate left-wing parties had been strongly pro welfare even before 2008, but as the welfare state came under attack during the economic crisis, social democratic parties defended it even more resolutely. Only the Dutch PvdA and the Italian PD shifted to the right and adopted a more ambiguous position towards the welfare state during the crisis. This picture is similar for the position of social democratic parties towards economic liberalism, except that many social democratic parties had more ambiguous

¹¹Interaction terms with other economic variables that measure the depth of the crises differently were estimated in separate models. None of them were statistically significant.

positions towards economic liberalism before the crisis. Reflecting the policies of the Third Way, social democratic parties in Italy, Switzerland, Greece, Portugal, and the UK were in favour or had an ambivalent position towards economic liberalism prior to 2008. The social democratic parties in the other countries were not clearly opposed to it, either. However, after 2008 social democratic parties shifted strongly towards the left, thereby moving closer to their core ideology again. Thus, most social democratic parties campaigned again *for* the welfare state and *against* economic liberalism during the crisis.¹²

– Insert figure 4 about here –

The positions of social democratic parties with regards to fiscal policy do not follow the same pattern. Instead, many social democratic parties changed their positions on budgetary rigour in the opposite direction. Many parties already had an ambivalent position towards fiscal policies before the crisis, but they became more supportive of budgetary rigour during the crisis, including the centre-left parties in Austria, Ireland, Italy, the Netherlands, and Switzerland. The centre-left in France and Portugal were the only parties that had a weakly negative position towards budgetary rigour, but their position was still a lot further to the right compared to their positions on welfare and economic liberalism, as shown in figure 4. Mirroring the positions of the political right, they campaigned for lower government budget deficits and government debt, and contrary to existing evidence from parliamentary speeches (Maatsch, 2014), this happened in both creditor and debtor countries.

Again, these impressions can be substantiated by regression analysis. For this purpose, I repeat the analysis from above and use the party’s average position on each individual issue category as dependent variables. The results show that prior to 2008, social democratic parties had not campaigned on programmes that were significantly different from other parties. However, during the crisis social democratic parties changed their programmes with regard to both issue categories as indicated in model 3 and 4 of table 2. Reflecting the new-found scepticism of the moderate left towards (financial) markets, this shift was particularly large for economic liberalism, as suggested above. In contrast, the crisis did not lead to a differentiation between centre-left and centre-right parties with regards to budgetary policies. The crisis induced centre-right parties to shift become more ‘austere’, which is indicated by the positive and statistically significant dummy variable “Crisis Election” in model 5 of table 2. At the same time, the interaction term is not statistically significant, indicating that social democratic parties had no position on austerity that was significantly different from the position of centre-right parties after 2008. This is evidence that hypothesis 3b is true and it supports the expectation that the Great Recession did not affect all aspects of the economic programmes of social demo-

¹²Parties are clustered according to these changes in appendix I.

cratic parties equally. Contrary to the common assumption that parties bundle issues together that lead to consistent policy packages, there is evidence that social democratic parties had a differentiated response to the crisis. Importantly, by accepting the need for fiscal consolidation, they adopted positions with regard to different issue categories that are commonly considered to be on different ends of the left-right spectrum.

7 Conclusion

In conclusion, the Great Recession systematically changed the platform on which the European moderate left competed in elections. In terms of salience, social democratic parties paid more attention towards economic issues again, but this was mirrored by a general increase of salience for all parties. Centre-left parties moved in tandem with centre-right and liberal parties and emphasised economic issues more during the Great Recession. In this way, the crisis halted a previous trend that saw mainstream parties appeal to cultural issues prior to the crisis. However, in terms of positions, left-wing parties set themselves apart from other parties in response to the Great Recession. Despite the popular perception that the left was missing during the crisis, my findings show the opposite. In almost all countries studied here, social democratic parties defended the welfare state and became more sceptical of economic liberalism. In this way, the centre-left retracted large parts of its Third Way policies and reversed the neoliberal convergence that scholars had observed prior to the Great Recession. Yet, the left did not shift to the left in response to the crisis with regard to all categories. Importantly, social democratic parties accepted the need for fiscal consolidation or adopted an ambiguous position towards budgetary rigour that cannot easily be squared with their positions on welfare and economic liberalism. Instead, it created inconsistencies for social democratic parties that might explain the common perception of the missing left and its persistent electoral weakness: while they defended welfare programmes and state intervention in response to the crisis, they undermined their own platform by accepting austerity.

There are at least three implications from this finding that are worth noting. First, the Great Recession was indeed a critical juncture for party competition in Europe. While my evidence shows that parties changed the salience that they attribute to economic issues in tandem, they did change their programmes in opposite directions in response to the economic shock. This confirms that parties are strategic actors that respond to changes in their economic context. Second, the evidence also shows that parties do not always change their positions in the same direction on all issues categories. Consequently, we need to be careful when studying party programmes in aggregate terms: although it is certainly useful to rank parties based on their left-right positions, scholars also need to appreciate that parties sometimes bundle policy packages together that do not fall on the same

end of the left-right dimension. Hence, we should pay more attention towards studying the positions of parties on individual issues and analyse how the positions of parties with respect to different issues relate to each other. Finally, social democratic parties adopted a rather inconsistent programme during the Great Recession. In particular, the budgetary policies that social democratic parties have put forward can neither be easily squared with their positions on other economic issues nor with their own core ideology. Hence, we need further research to understand why social democratic parties accepted austerity in response to the crisis. This research would not only shed light on the distributive conflicts associated with fiscal policies, but it might also help us to make sense of the current crisis of social democratic parties in Europe.

8 Tables and Figures

Table 1: GLS Regression - Salience of Economic Issues by Different Party Families

| | Dependent Variable | | | | |
|--|--------------------|-------------------|---------------------|---------------------|--------------------|
| | Aggregate I | Aggregate II | Welfare | Eco Lib | Budget |
| | (1) | (2) | (3) | (4) | (5) |
| Far Right | -0.15*** (0.06) | -0.24 (0.21) | -0.05 (0.04) | -0.03 (0.04) | -0.08** (0.03) |
| Liberal | -0.05 (0.06) | -0.09 (0.18) | -0.0000 (0.04) | 0.01 (0.04) | -0.07** (0.03) |
| Moderate Left | -0.03 (0.05) | 0.05 (0.16) | 0.03 (0.03) | 0.01 (0.03) | -0.06** (0.03) |
| Far Left | 0.0004 (0.05) | 0.28 (0.19) | 0.03 (0.03) | 0.09*** (0.03) | -0.11*** (0.03) |
| Green | -0.18*** (0.06) | -0.27 (0.18) | -0.06 (0.04) | -0.05 (0.04) | -0.08** (0.03) |
| Other | -0.18*** (0.06) | 0.01 (0.19) | -0.04 (0.04) | -0.06* (0.04) | -0.08** (0.03) |
| Crisis | 0.07* (0.04) | 0.14 (0.12) | 0.02 (0.03) | 0.10*** (0.03) | -0.04* (0.02) |
| GDP Growth (t-1) | -0.01** (0.003) | 0.004 (0.02) | -0.004** (0.002) | -0.004** (0.002) | 0.001 (0.001) |
| Unemployment (t-1) | -0.002 (0.004) | 0.001 (0.004) | -0.0001 (0.002) | 0.001 (0.002) | -0.002 (0.002) |
| Government (t-1) | -0.01 (0.03) | -0.02 (0.03) | -0.04* (0.02) | 0.03 (0.02) | -0.01 (0.02) |
| Prime Minister (t-1) | -0.02 (0.04) | -0.02 (0.04) | 0.02 (0.03) | -0.03 (0.03) | -0.01 (0.02) |
| Far Right x Crisis | -0.04 (0.07) | -0.02 (0.22) | -0.04 (0.04) | -0.05 (0.05) | 0.05 (0.04) |
| Liberal x Crisis | 0.02 (0.07) | 0.19 (0.19) | 0.004 (0.04) | -0.05 (0.04) | 0.07* (0.04) |
| Moderate Left x Crisis | 0.03 (0.06) | 0.04 (0.17) | 0.01 (0.04) | -0.03 (0.04) | 0.05* (0.03) |
| Far Left x Crisis | -0.004 (0.06) | -0.25 (0.21) | -0.01 (0.04) | -0.07* (0.04) | 0.07** (0.03) |
| Green x Crisis | -0.01 (0.07) | 0.01 (0.19) | -0.02 (0.05) | -0.02 (0.05) | 0.03 (0.04) |
| Other x Crisis | 0.05 (0.07) | -0.16 (0.21) | 0.002 (0.05) | -0.01 (0.05) | 0.05 (0.04) |
| Mod Left x Unemployment (t-1) | | -0.01 (0.02) | | | |
| Crisis Elect x Unempl (t-1) | | -0.01 (0.02) | | | |
| Mod Left x Crisis Elect x Unempl (t-1) | | 0.004 (0.02) | | | |
| Constant | 0.42*** (0.05) | 0.35*** (0.12) | 0.24*** (0.03) | 0.06* (0.03) | 0.13*** (0.03) |
| Observations | 198 | 198 | 198 | 198 | 198 |
| Log Likelihood | 76.62 | 39.34 | 151.09 | 148.13 | 178.16 |
| Akaike Inf. Crit. | -95.24 | 5.32 | -244.18 | -238.26 | -298.32 |
| Bayesian Inf. Crit. | -4.31 | 133.68 | -153.24 | -147.32 | -207.39 |

*p<0.1; **p<0.05; ***p<0.01
Reference party: Moderate Right
Reference country: United Kingdom

Note: Country fixed effects and interaction terms with other party families are included in the models but not shown here.

Table 2: GLS Regression - Left Right Positions on Different Economic Issues by Party Family

| | Dependent Variable | | | | |
|--|--------------------|------------------|--------------------|--------------------|--------------------|
| | Aggregate I | Aggregate II | Welfare | Eco Lib | Budget |
| | (1) | (2) | (3) | (4) | (5) |
| Far Right | 0.20 (0.17) | -0.53 (0.61) | 0.07 (0.21) | 0.41* (0.24) | 0.14 (0.28) |
| Liberal | 0.21 (0.17) | -0.05 (0.52) | 0.12 (0.20) | 0.31 (0.23) | 0.03 (0.28) |
| Moderate Left | 0.05 (0.14) | -0.11 (0.46) | 0.07 (0.17) | 0.12 (0.19) | 0.02 (0.23) |
| Far Left | -0.38*** (0.14) | -0.70 (0.56) | -0.33* (0.17) | -0.52*** (0.20) | -0.14 (0.23) |
| Green | 0.01 (0.17) | 0.09 (0.51) | -0.25 (0.21) | 0.11 (0.24) | -0.26 (0.28) |
| Other | -0.21 (0.17) | 0.23 (0.54) | -0.24 (0.21) | 0.09 (0.24) | -0.22 (0.28) |
| Crisis Election | 0.26** (0.11) | 0.41 (0.35) | 0.27* (0.14) | 0.04 (0.16) | 0.36* (0.19) |
| GDP Growth (t-1) | 0.01 (0.01) | 0.04 (0.05) | 0.01 (0.01) | 0.01 (0.01) | -0.01 (0.01) |
| Unemployment (t-1) | 0.02** (0.01) | 0.02** (0.01) | 0.002 (0.01) | 0.03* (0.01) | -0.01 (0.02) |
| Government (t-1) | 0.08 (0.09) | 0.07 (0.10) | 0.15 (0.11) | 0.05 (0.13) | 0.19 (0.15) |
| Prime Minister (t-1) | 0.09 (0.11) | 0.10 (0.12) | -0.11 (0.14) | 0.10 (0.16) | -0.04 (0.19) |
| Far Right x Crisis | -0.23 (0.20) | 0.60 (0.64) | -0.04 (0.24) | -0.63** (0.28) | -0.21 (0.33) |
| Liberal x Crisis | -0.08 (0.20) | 0.52 (0.56) | 0.05 (0.24) | -0.03 (0.28) | -0.12 (0.33) |
| Moderate Left x Crisis | -0.47*** (0.17) | -0.29 (0.49) | -0.45** (0.20) | -0.56** (0.23) | -0.42 (0.28) |
| Far Left x Crisis | -0.38** (0.17) | 0.07 (0.60) | -0.25 (0.20) | -0.13 (0.23) | -0.83*** (0.28) |
| Green x Crisis | -0.30 (0.20) | -0.28 (0.55) | -0.15 (0.25) | -0.22 (0.28) | 0.003 (0.33) |
| Other x Crisis | 0.16 (0.21) | -0.28 (0.61) | 0.16 (0.26) | 0.01 (0.29) | 0.01 (0.35) |
| Mod Left x Unemployment (t-1) | | 0.02 (0.06) | | | |
| Crisis Elect x Unempl (t-1) | | -0.03 (0.05) | | | |
| Mod Left x Crisis Elect x Unempl (t-1) | | -0.02 (0.06) | | | |
| Constant | -0.41*** (0.14) | -0.61* (0.34) | -0.68*** (0.18) | -0.20 (0.20) | 0.35 (0.24) |
| Observations | 198 | 198 | 198 | 198 | 198 |
| Log Likelihood | -102.24 | -128.94 | -137.43 | -160.67 | -188.84 |
| Akaike Inf. Crit. | 262.47 | 341.88 | 332.86 | 379.34 | 435.67 |
| Bayesian Inf. Crit. | 353.41 | 470.24 | 423.80 | 470.28 | 526.61 |

*p<0.1; **p<0.05; ***p<0.01
Reference party: Moderate Right
Reference country: United Kingdom

Note: Country fixed effects and interaction terms with other party families are included in the models but not shown here.

Figure 1: Issue Saliency of All Economic Issues by Party Family in 11 Western Europe Countries

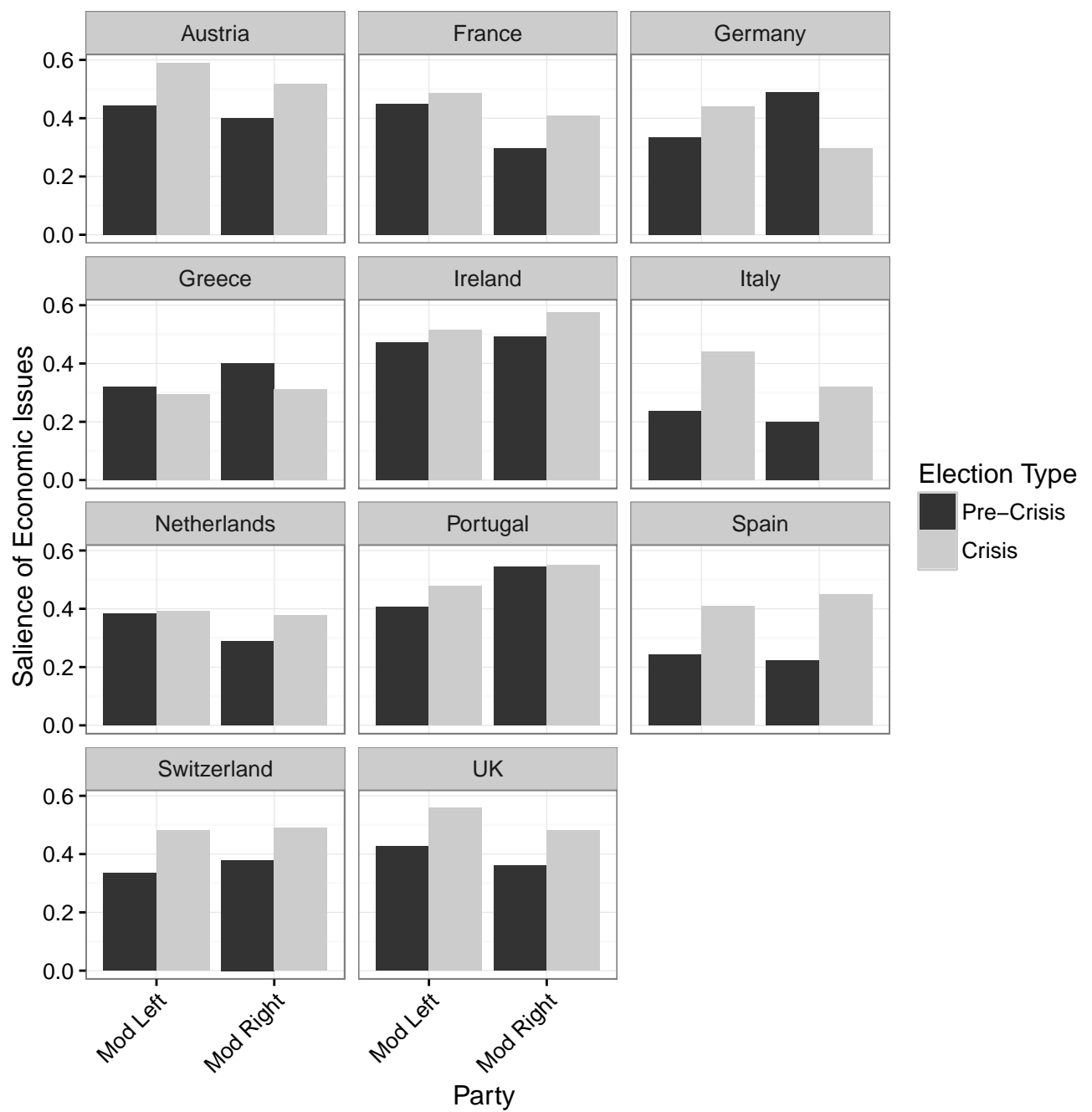


Figure 2: Salience of Different Economic Issues for Social Democratic Parties in 11 Western European Countries

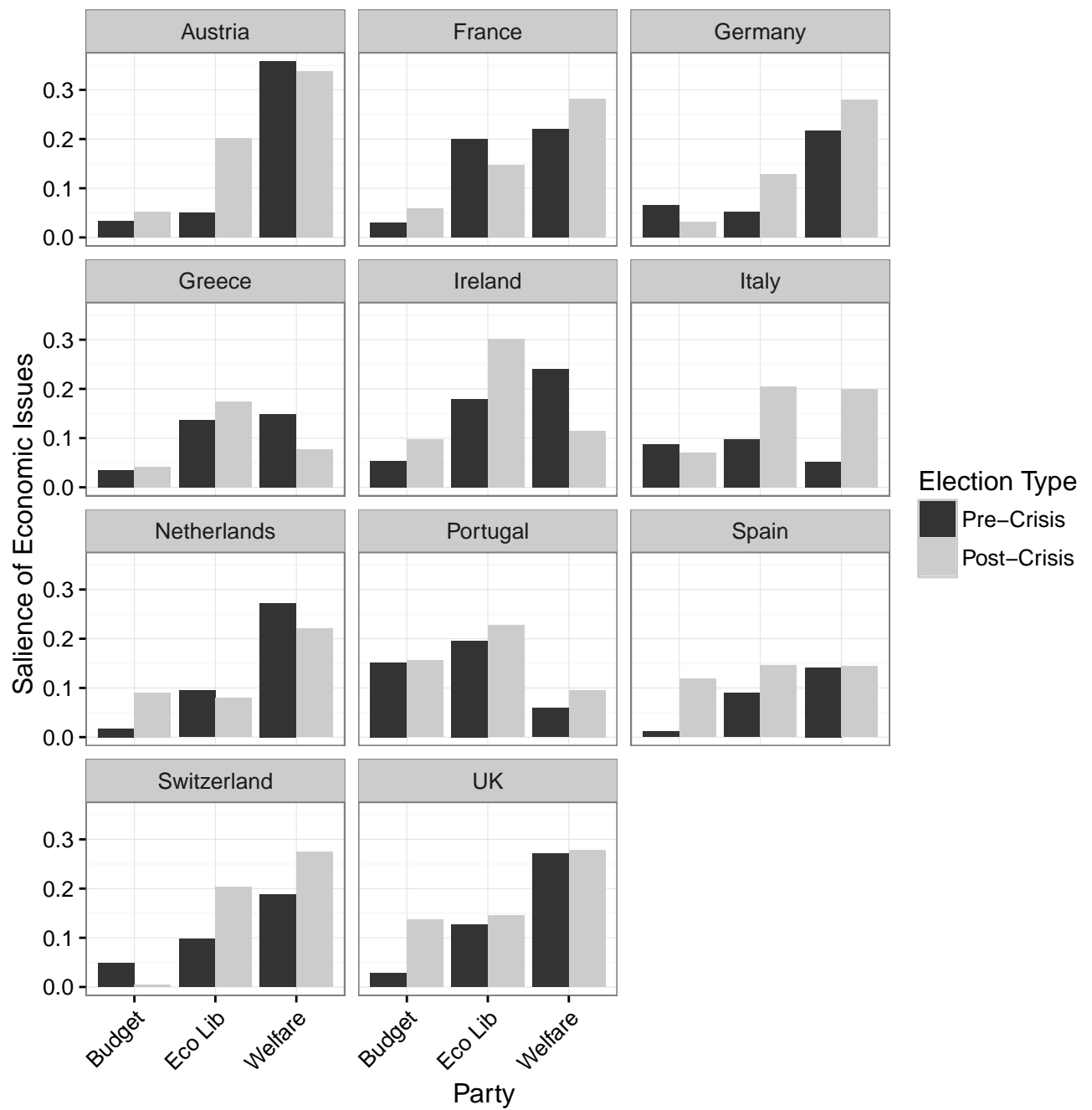


Figure 3: Average Party Positions on Economic Issues by Party Family in 11 Western European Countries

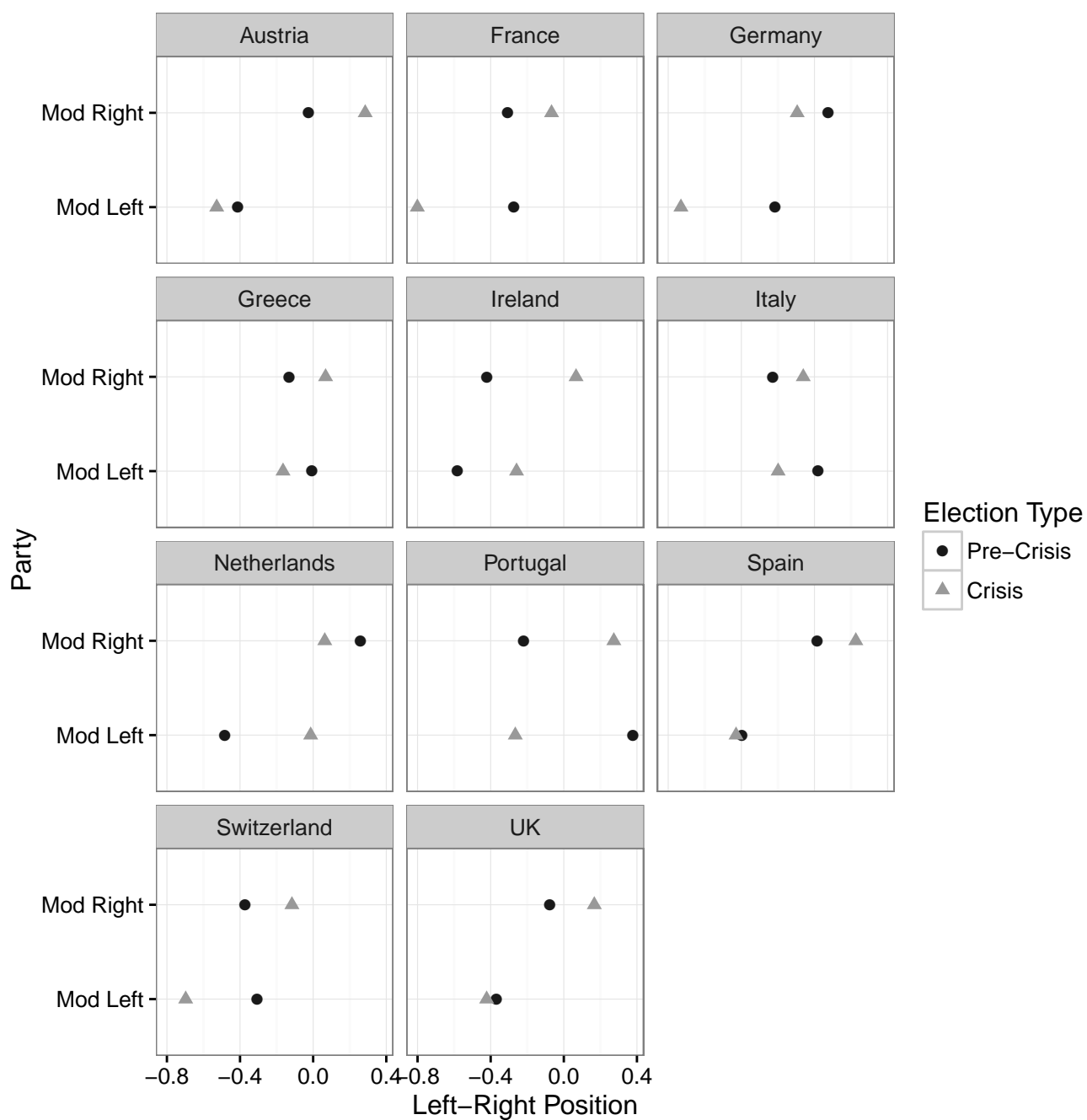
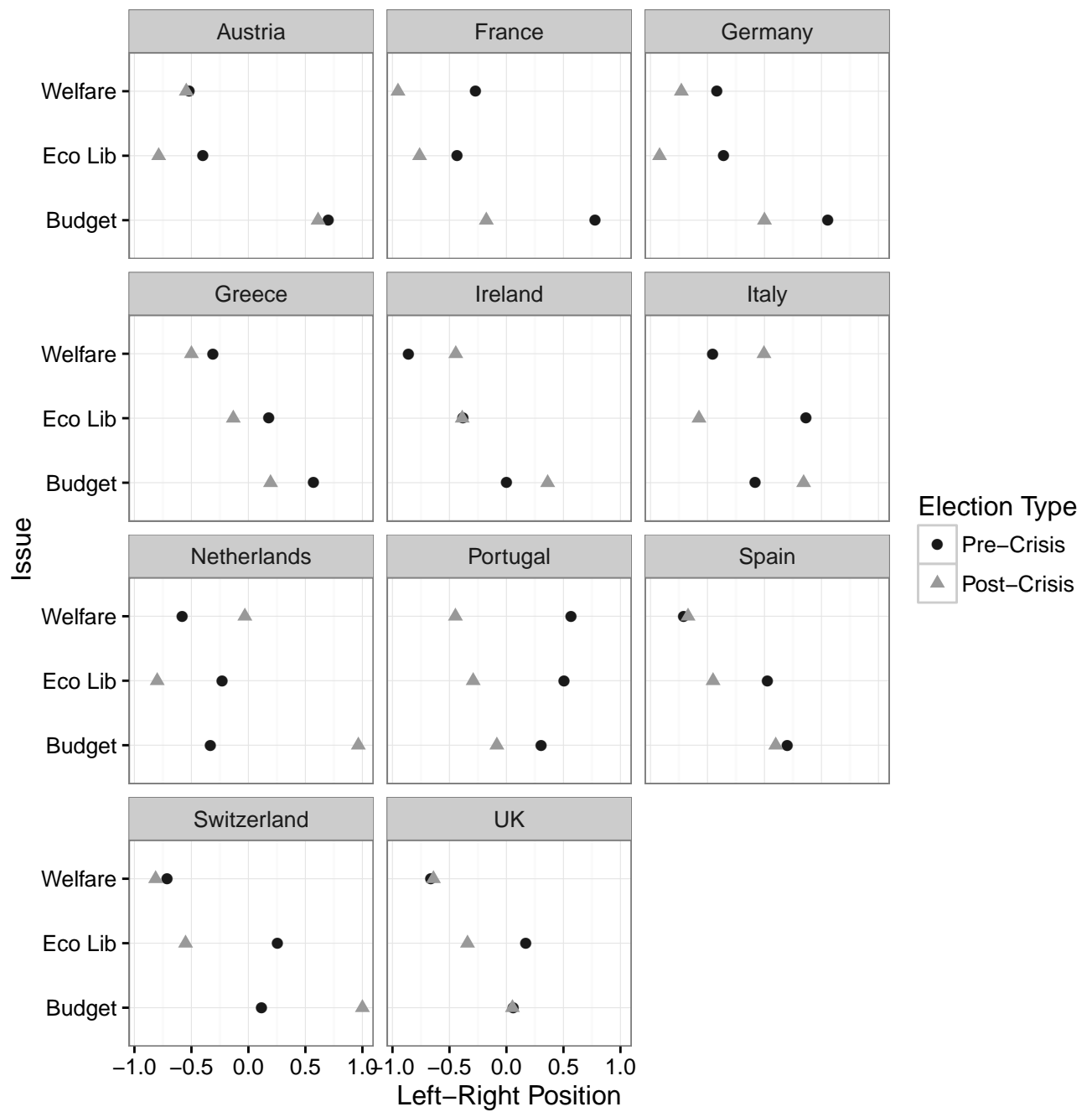


Figure 4: Average Positions of Social Democratic Parties on Different Economic Issues in 11 Western European Countries



9 Appendix

A Data and Methods

The data was collected as part of the POLCON project. For each election under study, we selected all newspaper articles that were published within two months before the national Election Day and reported on the electoral contest and national party politics more generally. Editorials and commentaries were excluded from the selection. The selection was done by an extensive keyword list including the names and abbreviations of political parties and key politicians from each party. In the case of early elections, we selected the period from the announcement of the election until Election Day. We then coded a sample of the selected articles using core sentence analysis (CSA). Following this type of relational content analysis, each grammatical sentence of an article is reduced to its most basic ‘core sentence(s)’ structure, which contain(s) only the subject, the object, and the direction of the relationship between the two. The core sentence approach was developed by Kleinnijenhuis, de Ridder, and Rietberg (1997). This type of quantitative content analysis allows us to study both issue positions and salience. The direction between actors and issues is quantified using a scale ranging from -1 to +1, with three intermediary positions. For example, the grammatical sentence “Party leader A rejects calls for leaving the Eurozone but supports a haircut on the country’s debt” leads to two coded observations (Party A +1 Eurozone membership; Party A +1 haircut).

For this paper, I only focus on relations between party actors and political issues, i.e. I neglect relations between different actors. In total, the resulting dataset contains nearly 81,159 core sentences and for each election I have on average 2136 core sentences, ranging from a minimum of 1453 core sentences for the Swiss election in 2012 to a maximum of 3944 core sentences for the Irish election in 2011. To create the dataset, we coded the function, party affiliation, and (if available) name of actors. For the present analysis, the actors were grouped according to their party affiliation. The issues were coded in even more detail (with more than 200 coded categories per election campaign). As described in the main text, the issues were aggregated into three economic categories that allow me to (a) capture party competition as described in the paper. Descriptions of the three economic categories that are used in this paper can be found in table D. The table also indicates what a positive position regarding a given issue category indicates.

Two key measures are obtained from the data. First, salience is measured by the share of core sentences on an issue category in percent of all sentences related to any issue. The left-right position for a party on a given issue is the average direction of all statements about that particular issue, which ranges from -1 to +1, where -1 is the left end of the spectrum and +1 is the right end of the spectrum. I also use these measures to calculate the salience and left-right position for every party on the aggregate level, i.e. for all economic issues. The salience of all economic issues for a party k is simply the sum of party-specific salience of all the three issue categories:

$$\text{Aggregate Salience}_k = s_{welfare,k} + s_{ecolib,k} + s_{budget,k} \quad (1)$$

where $s_{welfare,k}$ is the number of core sentences for party k about welfare while $s_{ecolib,k}$ and $s_{budget,k}$ are the number of core sentences for party k about liberalism and budgetary

rigour, respectively. The aggregate left-right position for any given party k is calculated as the mean of all statements from the three economic categories, weighted by the salience of the individual categories. It is computed as follows:

$$\text{Aggregate Left-Right Position}_k = \frac{s_{welfare,k} * \bar{x}_{welfare,k} - s_{ecolib,k} * \bar{x}_{ecolib,k} - s_{budget,k} * \bar{x}_{budget,k}}{s_{welfare,k} + s_{ecolib,k} + s_{budget,k}} \quad (2)$$

where $\bar{x}_{welfare,k}$ is the average position of party k on welfare while $\bar{x}_{ecolib,k}$ and $\bar{x}_{budget,k}$ are the average positions of party k on economic liberalism and budgetary rigour, respectively.

I combine descriptive analysis with regression analysis to study how the party-specific salience and positions that social democratic parties attribute to economic issues changed during the Great Recession. For the regression analysis, my unit of the analysis is a given party for each national election campaign in my sample. For example, for the German SPD I have three observations, one for each German election that is included in my dataset. In total, this gives me a dataset with 198 observations across 11 countries. Thus, my data for both the independent and dependent variable X and Y extends over n numbers of cross-sections and t points in time and, hence, the formal regression model can be written in the following form:

$$Y_{it} = \beta_k X_{kit} + u_{it} \quad (3)$$

where $i = 1...N$ refers to the cross-sectional unit, $t = 1...T$ refers to the time points and $k = 1...K$ are the explanatory variables. This model is appropriate for datasets, in which the number of cross-sectional units exceeds the temporal units, i.e. when the pool is “cross-sectional dominant” (Stimson, 1985). As explained in the main text, the dependent variable for my analysis are (1) the salience that parties attribute to economic issues and (2) the left-right position that parties take on these issues. My key independent variable are party family (operationalised as shown in appendix E) and a dummy variable that equals one when the election occurred after 2008 and zero otherwise. The effect of the crisis on any given party family is then tested through an interaction effect between these two variables. To test the conditionality of the crises effect, I use a three-way interaction term between party family, my dummy variable for the crisis, and different economic indicators. Finally, I also include country fixed effects and other control variables that could potentially explain party positions on economic issues. Additional confounding variables are not included in the regression model shown in the paper due to the small number of observations. However, a variety of other variables including Eurozone membership, international bail-outs, the presence of populist parties or differences in the economic system were included as control variables and did not turn out to be significant. Note that in order to test the effect of time-invariant variables in my model (like party family) I use a random error model. For a detailed overview of this kind of model and its assumption, see (Greene, 2012, p. 370-385). Moreover, I use generalised least square (GLS) regressions because it can be shown that a GLS estimator is more efficient than an ordinary least square (OLS) estimator, when there is a certain degree of correlation between the residuals in a regression model (Greene, 2012, p. 372). As a robustness check, I repeated the analysis using an OLS estimator. The results are virtually identical to the ones shown here.

B List of National Newspapers

Table 3: Western European Newspapers Used for Content Analysis

| Country | Quality Newspaper | Tabloid |
|----------------|-----------------------|-------------------|
| Austria | Die Presse | Die Kronenzeitung |
| France | Le Monde | Le Figaro |
| Germany | Süddeutsche Zeitung | Bild |
| Ireland | The Irish Times | The Irish Sun |
| Netherlands | NRC Handelsblad | Algemeen Dagblad |
| Switzerland | Neue Züricher Zeitung | Blick |
| United Kingdom | The Times | The Sun |

Table 4: Southern European Newspapers Used for Content Analysis

| Country | Left Newspaper | Right Newspaper |
|----------|----------------|----------------------|
| Greece | Ta Nea | Kathimerini |
| Italy | Le Repubblica | Corriere della Serra |
| Portugal | Público | Diário de Notícias |
| Spain | El País | El Mundo |

Note: In Northern Europe, the newspapers were selected to represent a balance between tabloid and broadsheet newspapers; in Southern Europe, the newspapers were selected to present a balance between left-right newspapers.

C List of Election Campaigns Studied

Table 5: Election Campaigns Studied

| Country | Type of Election | |
|-------------|------------------|--------------------|
| | Pre-crisis | Crisis |
| Austria | 2006 | 2013 |
| France | 2007 | 2012 |
| Germany | 2005 | 2009, 2013 |
| Greece | 2007 | 2009, 2012*, 2015* |
| Ireland | 2007 | 2011 |
| Italy | 2006 | 2013 |
| Netherlands | 2006 | 2010, 2012 |
| Portugal | 2005 | 2009, 2011, 2015 |
| Spain | 2004 | 2011, 2015 |
| Switzerland | 2007 | 2011, 2015 |
| UK | 2005 | 2010, 2015 |

**Data from both elections campaigns in that year is included in the dataset and analysed.*

D List of Economic Issue Categories

Table 6: List of Economic Issue Categories (adopted from Kriesi et al. 2008)

| Categories | Description (a position of +1 stands for...) |
|-----------------------|--|
| Opposition to Welfare | Opposition to an expansion of the welfare state; support for welfare state retrenchment; opposition to tax reforms with an explicit redistributive character; rejection of employment and health care programs |
| Economic liberalism | Opposition to market regulation, economic protectionism in agriculture and other sectors of the economy; support for deregulation, more competition, and privatization |
| Budgetary Rigour | Support for a rigid budgetary policy; reduction of the state deficit and of taxes without an explicit redistributive character |

E List of Parties by Country and Party Family

Table 7: List of Party Families

| Country | Party | Abbreviation | Party Family |
|---------|--|--------------|----------------|
| Austria | Freedom Party of Austria | FPÖ | Far Right |
| | Alliance for the Future of Austria | BZÖ | Far Right |
| | Austria People's Party | ÖVP | Moderate Right |
| | Liberal Forum | LiF | Liberal |
| | NEOS – The New Austria | NEOS | Liberal |
| | Social Democratic Party of Austria | SPÖ | Moderate Left |
| | The Greens - The Green Alternative | | Green |
| | Hans-Peter Martin's List | | Other |
| | Team Stronach | | Other |
| France | Front National | FN | Far Right |
| | Union for a Popular Movement | UMP | Moderate Right |
| | Union for French Democracy | UDF | Liberal |
| | Union of Democrats and Independents | UDI | Liberal |
| | Socialist Party | PS | Moderate Left |
| | Radical Party of the Left | PRG | Far Left |
| | French Communist Party | PCF | Far Left |
| | Europe Ecology – The Greens | ECO | Green |
| Germany | Christian Democratic Union / Christian Social Union of Bavaria | CDU/CSU | Moderate Right |
| | Free Democratic Party | FDP | Liberal |
| | Social Democratic Party of Germany | SPD | Moderate Left |
| | The Left | | Far Left |
| | Alliance '90/The Greens | | Green |
| | | | |
| Greece | The Popular Association - Golden Dawn | Golden Dawn | Far Right |
| | Independent Greeks | ANEL | Far Right |
| | Popular Orthodox Rally | LAOS | Far Right |
| | Panhellenic Citizen Chariot | | Far Right |
| | New Democracy | ND | Moderate Right |
| | Union of Centrists | | Liberal |
| | Drassi | | Liberal |
| | Democratic Alliance | | Liberal |
| | Recreate Greece | | Liberal |
| | Panhellenic Socialist Movement | PASOK | Moderate Left |
| | To Potami | | Moderate Left |
| | Democratic Left | DIMAR | Moderate Left |
| | Social Agreement for Greece in Europe | | Moderate Left |
| | Coalition of the Radical Left | SYRIZA | Far Left |
| | Communist Party | KKE | Far Left |
| | Movement of Democratic Socialists | To Kinima | Far Left |
| | | | |
| | | | |

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| Country | Party | Abbreviation | Party Family |
|-------------|--|--------------|----------------|
| | Greek Anticapitalist Left | | Far Left |
| | Popular Unity | LE | Far Left |
| | DIMAR | | Green |
| Ireland | Fianna Fáil | FF | Moderate Right |
| | Fine Gael | FG | Moderate Right |
| | Libertas Ireland | | Moderate Right |
| | Progressive Democrats | PD | Liberal |
| | Labour Party | Labour | Moderate Left |
| | Workers' Party | | Far Left |
| | Anti-Austerity Alliance–People Before Profit | AAA-PBP | Far Left |
| | Socialist Party | | Far Left |
| | United Left Alliance | | Far Left |
| | Green Party | | Green |
| | Fís Nua | | Green |
| | Sinn Féin | SF | Other |
| | Christian Solidarity Party | | Other |
| | Fathers Rights-Responsibility Party | | Other |
| Italy | National Alliance | AN | Far Right |
| | Fratelli d'Italia | | Far Right |
| | Forza Italia / The People of Freedom | FI / PdL | Moderate Right |
| | Union of the Centre | UDC+ | Moderate Right |
| | Future and Freedom | FLI | Moderate Right |
| | Civic Choice | SC | Liberal |
| | Italy of Values | IDV | Liberal |
| | Democrats of the Left / Democratic Party | DS/PD | Moderate Left |
| | Left Ecology Freedom-Italian Left | SEL | Moderate Left |
| | Party of Italian Communists | PdCI | Far Left |
| | Rifondazione | | Far Left |
| | Rivoluzione Civile | | Far Left |
| | Communist Refoundation Party | PRC | Far Left |
| | Five Star Movement | M5S | Other |
| | Lega Nord | LN | Other |
| | Fare | | Other |
| | Italian Renewal | RI | Other |
| Netherlands | Party for Freedom | PVV | Far Right |
| | Christian Democratic Appeal | CDA | Moderate Right |
| | People's Party for Freedom and Democracy | VVD | Liberal |
| | Democrats 66 | D66 | Liberal |
| | Labour Party | PvdA | Moderate Right |
| | Socialist Party | SP | Far Left |
| | GreenLeft | GL | Green |
| Portugal | Social Democratic Party | PSD | Moderate Right |

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| Country | Party | Abbreviation | Party Family |
|-------------|---|--------------|----------------|
| | People's Party for Freedom and Democracy | CDS | Moderate Right |
| | New Democracy Party | PND | Moderate Right |
| | People's Monarchist Party | PPM | Moderate Right |
| | Hope for Portugal Movement | MEP | Liberal |
| | Socialist Party | PS | Moderate Left |
| | Nós, Cidadãos! | Nos | Moderate Left |
| | Portuguese Communist Party | PCP | Far Left |
| | Left Bloc | BE+ | Far Left |
| | Portuguese Workers' Communist Party | PCTP | Far Left |
| | Portuguese Labour Party | PTP | Far Left |
| Spain | People's Party | PP | Mod Right |
| | Union, Progress and Democracy | UPyD | Liberal |
| | Spanish Socialist Workers' Party | PSOE | Mod Left |
| | United We Can / Unidos Podemos | Podemos | Far Left |
| | Ciudadanos | | Liberal |
| | United Left | IU | Far Left |
| | Republican Left of Catalonia - Catalonia Yes | ERC | Other |
| | Democratic Convergence of Catalonia / Convergence and Union | CDC/CiU | Other |
| | Popular Unity Candidacy | CUP | Other |
| | Basque Nationalist Party | PNV | Other |
| | Together for Yes | JxS | Other |
| | Galician Nationalist Bloc | BNG | Other |
| | Commitment Coalition | CC | Other |
| | Amaiur | | Other |
| | Asturias Forum | Foro | Other |
| Switzerland | Swiss Nationalist Party | PNOS | Far Right |
| | Swiss People's Party | SVP | Far Right |
| | Christian Democratic People's Party | CVP | Moderate Right |
| | Conservative Democratic Party | BDP | Moderate Right |
| | Ring of Independents | LDU | Liberal |
| | Free Democratic Party | FDP | Liberal |
| | Social Democratic Party | SPS | Moderate Left |
| | Swiss Party of Labour | AL | Far Left |
| | Green Party | | Green |
| | Green Liberal Party | GLIB | Green |
| UK | UK Independence Party | UKIP | Far Right |
| | Conservative and Unionist Party | | Moderate Right |
| | Liberal Democrats | LibDem | Liberal |
| | Labour Party | | Moderate Left |
| | Green Party of England and Wales | | Green |
| | Scottish National Party | SNP | Other |

F Nominal Changes by Party Families in Response to the Crisis

Table 8: Average Changes in Aggregate Salience and Left-Right Position by Party Family across 11 Western European Countries

| Party Family | Salience | | | Left-Right Position | | |
|--------------|------------|--------|--------|---------------------|--------|--------|
| | Pre-Crisis | Crisis | Change | Pre-Crisis | Crisis | Change |
| Far Left | 0.36 | 0.40 | 0.04 | -0.63 | -0.72 | -0.09 |
| Mod Left | 0.37 | 0.46 | 0.09 | -0.24 | -0.41 | -0.17 |
| Mod Right | 0.37 | 0.43 | 0.06 | -0.13 | 0.07 | 0.20 |
| Far Right | 0.24 | 0.27 | 0.03 | -0.09 | -0.05 | 0.03 |

G Nominal Changes of Social Democratic Parties in Salience and Left-Right by Issue Categories in Response to the Crisis

Table 9: Changes in Salience and Position by Social Democratic Parties on Welfare

| Country | Salience | | | Left-Right Position | | |
|-------------|------------|--------|--------|---------------------|--------|--------|
| | Pre-Crisis | Crisis | Change | Pre-Crisis | Crisis | Change |
| Austria | 0.36 | 0.34 | -0.02 | -0.52 | -0.55 | -0.03 |
| France | 0.22 | 0.28 | 0.06 | -0.27 | -0.95 | -0.68 |
| Germany | 0.22 | 0.28 | 0.06 | -0.42 | -0.73 | -0.31 |
| Greece | 0.15 | 0.08 | -0.07 | -0.31 | -0.50 | -0.19 |
| Ireland | 0.24 | 0.12 | -0.13 | -0.86 | -0.44 | 0.41 |
| Italy | 0.05 | 0.20 | 0.15 | -0.45 | -0.00 | 0.45 |
| Netherlands | 0.27 | 0.22 | -0.05 | -0.58 | -0.03 | 0.55 |
| Portugal | 0.06 | 0.10 | 0.04 | 0.57 | -0.45 | -1.01 |
| Spain | 0.14 | 0.14 | 0.00 | -0.71 | -0.67 | 0.04 |
| Switzerland | 0.19 | 0.28 | 0.09 | -0.71 | -0.81 | -0.10 |
| UK | 0.27 | 0.28 | 0.01 | -0.66 | -0.64 | 0.02 |

Table 10: Changes in Saliency and Position by Social Democratic Parties on Economic Liberalism

| Country | Saliency | | | Left-Right Position | | |
|-------------|------------|--------|--------|---------------------|--------|--------|
| | Pre-Crisis | Crisis | Change | Pre-Crisis | Crisis | Change |
| Austria | 0.05 | 0.20 | 0.15 | -0.40 | -0.79 | -0.39 |
| France | 0.20 | 0.15 | -0.05 | -0.43 | -0.76 | -0.33 |
| Germany | 0.05 | 0.13 | 0.08 | -0.36 | -0.92 | -0.56 |
| Greece | 0.14 | 0.17 | 0.04 | 0.18 | -0.13 | -0.31 |
| Ireland | 0.18 | 0.30 | 0.12 | -0.38 | -0.39 | -0.01 |
| Italy | 0.10 | 0.21 | 0.11 | 0.37 | -0.57 | -0.94 |
| Netherlands | 0.09 | 0.08 | -0.01 | -0.23 | -0.80 | -0.57 |
| Portugal | 0.20 | 0.23 | 0.03 | 0.51 | -0.29 | -0.80 |
| Spain | 0.09 | 0.15 | 0.06 | 0.03 | -0.45 | -0.48 |
| Switzerland | 0.10 | 0.20 | 0.11 | 0.25 | -0.55 | -0.81 |
| UK | 0.13 | 0.15 | 0.02 | 0.17 | -0.34 | -0.51 |

Table 11: Changes in Saliency and Position by Social Democratic Parties on Budgetary Rigour

| Country | Saliency | | | Left-Right Position | | |
|-------------|------------|--------|--------|---------------------|--------|--------|
| | Pre-Crisis | Crisis | Change | Pre-Crisis | Crisis | Change |
| Austria | 0.03 | 0.05 | 0.02 | 0.70 | 0.61 | -0.09 |
| France | 0.03 | 0.06 | 0.03 | 0.78 | -0.18 | -0.95 |
| Germany | 0.07 | 0.03 | -0.03 | 0.56 | 0.00 | -0.56 |
| Greece | 0.03 | 0.04 | 0.01 | 0.57 | 0.29 | -0.28 |
| Ireland | 0.05 | 0.10 | 0.04 | 0.00 | 0.36 | 0.36 |
| Italy | 0.09 | 0.04 | -0.05 | -0.08 | 0.17 | 0.25 |
| Netherlands | 0.02 | 0.09 | 0.07 | -0.33 | 0.96 | 1.30 |
| Portugal | 0.15 | 0.16 | 0.00 | 0.30 | -0.08 | -0.39 |
| Spain | 0.01 | 0.12 | 0.11 | 0.20 | 0.10 | -0.10 |
| Switzerland | 0.05 | 0.00 | -0.05 | 0.12 | 0.50 | 0.38 |
| UK | 0.03 | 0.14 | 0.11 | 0.06 | 0.05 | -0.01 |

H Observed Shifts in Salience by Issue Categories by Social Democratic Parties

Figure 5: Observed Shifts in Salience by Issue Category for the Moderate Left in Different Countries

| | Welfare | Economic Liberalism | Budgetary Rigour |
|-----------|---|--|--|
| + | France, Germany, Italy, Portugal, Switzerland | Austria, Germany, Greece, Ireland, Italy, Spain, Switzerland | Austria, France, Ireland, Netherlands, Spain, UK |
| \approx | Austria, Spain, UK | Netherlands, Portugal, UK | Greece, Portugal, Italy |
| - | Greece, Ireland, Netherlands | France | Germany, Switzerland |

Changes in salience are coded in the following way: + = sncrease in issue salience; \approx = approximately the same level of salience; - = decrease in salience.

I Observed Shifts in Positions by Issue Categories by Left-Wing Parties

Figure 6: Issue Positions of the Moderate Left on Welfare Before and After the Crisis in Different Countries

| | | After the Crisis | | |
|-------------------|------------|---|--------------------|--------|
| | | Pro | Ambivalent | Contra |
| Before the Crisis | Pro | Austria, France, Germany, Greece, Ireland, Spain, Switzerland, UK | Italy, Netherlands | |
| | Ambivalent | | | |
| | Contra | Portugal | | |

Issue positions are coded in the following way: -1 to -0.25 = pro welfare; -0.25 to 0.25 = ambivalent; 0.25 to 1 = contra welfare.

Figure 7: Issue Positions of the Moderate Left on Economic Liberalism Before and After the Crisis in Different Countries

| | | After the Crisis | | |
|-------------------|------------|------------------|------------|--|
| | | Pro | Ambivalent | Contra |
| Before the Crisis | Pro | | | Italy, Switzerland |
| | Ambivalent | | Greece | Portugal, UK |
| | Contra | | | Austria, France, Germany, Netherlands, Spain |

Issue positions are coded in the following way: -1 to -0.25 = contra economic liberalism; -0.25 to 0.25 = ambivalent; 0.25 to 1 = pro to economic liberalism.

Figure 8: Issue Positions of the Moderate Left on Budgetary Rigour Before and After the Crisis in Different Countries

| | | After the Crisis | | |
|-------------------|------------|-----------------------------|-----------------------------------|--------|
| | | Pro | Ambivalent | Contra |
| Before the Crisis | Pro | Austria | Germany, Greece, France, Portugal | |
| | Ambivalent | Ireland, Italy, Switzerland | UK, Spain | |
| | Contra | Netherlands | | |

Issue positions are coded in the following way: -1 to -0.25 = contra budgetary rigour; -0.25 to 0.25 = ambivalent; 0.25 to 1 = pro budgetary rigour.

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