

# What Moves Parties?

## The Role of Public Opinion and Global Economic Conditions in Western Europe

James Adams

*University of California, Davis*

Andrea B. Haupt

*DePaul University*

Heather Stoll

*University of California, Santa Barbara*

Do Western European political parties adjust their ideological positions in response to shifts in public opinion and to changing global economic conditions? Based on a time-series, cross-sectional analysis of parties' ideological dynamics in eight Western European democracies from 1976-1998, the authors conclude that both factors influence parties' ideological positions but that this relationship is mediated by the type of party. Specifically, they find that parties of the center and right react to both public opinion and the global economy, whereas parties of the left display no discernible tendency to respond to public opinion and also appear less responsive to global economic conditions. The findings on leftist parties' distinctiveness support arguments about these parties' long-term policy orientations as well as about their organizational structures. The authors also find little support for neoliberal convergence arguments.

**Keywords:** *political parties; party positions; public opinion; representation; spatial modeling; globalization; neoliberal convergence*

The study of the factors that influence political parties' policy behavior has been the focus of three different research traditions. One tradition, tracing theoretical roots back to Downs (1957) and empirical roots to Miller

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and Stokes (1963) and others (e.g., Erikson, MacKuen, & Stimson, 2002; McDonald & Budge, 2005), explores how politicians adjust their ideological positions in response to voters' preferences. Another tradition, associated with political economists such as Hibbs (1977), Garrett (1998), and Pierson (2001), postulates that party elites respond to both domestic and global economic conditions. A third tradition studies how the type of party—from the party family in Przeworski and Sprague (1986) and Kitschelt (1994) to the party's ideological or niche character in Meguid (2005)—shapes its behavior. These three research traditions have evolved largely independently of each other.

To date, there exist few comparative empirical studies that apply these perspectives to the dynamics of Western European political parties' ideological positions. Moreover, to our knowledge, no extant study explores how public opinion, global economic conditions, and party type jointly influence parties' ideological positions. That is what we do here. Specifically, we present a time-series, cross-sectional analysis of the relationship between these variables in an effort to answer three questions. First, do Western European political parties systematically adjust their ideological positions in response to public opinion shifts? Second, do Western European parties adjust their positions in response to changing global economic conditions? Third, are the answers to the first two questions mediated by the type of political party? Specifically, do parties of the left react differently to public opinion and the global economy than do other types of parties? Our study of eight Western European party systems over the period 1976 to 1998 produces three central findings. In answer to the first question, we find that parties of the center and right adjust their ideologies in response to public opinion shifts. In answer to the second question, we conclude that parties of the center and right also react to global economic conditions. However, in answer to the third question, we conclude that parties of the left are markedly different: They do not systematically respond to public opinion, and they also appear less responsive to global economic conditions, a finding that contradicts arguments about neoliberal convergence.

These findings have important implications for political representation, for the comparative political parties and globalization literatures, and for spatial models of elections. With respect to the model of dynamic representation developed by Stimson, MacKuen, and Erikson (1995), which analyzes how American parties respond to public opinion, our findings suggest that when we export this representational model outside of the United States, we must account for the possibility that parties of the left behave differently than other types of parties. This finding also supports the seminal

arguments developed by Przeworski and Sprague (1986) and Kitschelt (1994) that parties of the left are policy-seeking organizations whose organizational structures restrict their ideological flexibility. With respect to the political economy literature on globalization, our results reveal heterogeneous responses to different aspects of economic openness, which highlights the need for further research exploring globalization's impact on political parties, particularly parties of the center and right. Finally, with respect to spatial models of elections, our economic effects result suggests that parties' strategies are influenced by global economic conditions that are not directly tied to the current distribution of voters' ideological preferences. This finding may facilitate the development of more nuanced spatial models, particularly by the growing group of scholars who incorporate non-policy-related considerations into the spatial modeling framework.

## **The Literature and Hypotheses**

We seek to evaluate hypotheses about the relationship between parties' ideological positions on one hand and public opinion, global economic conditions, and party type on the other. Of course, we recognize that numerous additional factors plausibly influence parties' ideological positions.<sup>1</sup> However, given the limits of our data, we focus on these three independent variables.

### **Political Parties, Public Opinion, and the Economy**

Spatial modelers and students of political representation typically emphasize the linkages between party policy behavior and citizens' policy preferences. According to this perspective, one might expect parties' ideological positions (and ultimately government policy outputs) to reflect the beliefs of some specified voting constituency and that, consequently, shifts in citizens' preferences will prompt corresponding shifts in parties' ideological positions. Stimson et al. (1995) made prominent this notion of "dynamic representation." Erikson et al. (2002), for instance, conclude that American political elites systematically adjust their policy behavior in response to variations in the public mood, whereas Adams, Clark, Ezrow, and Glasgow (2004, 2006) and McDonald and Budge (2005) report similar conclusions for Western European parties. We therefore take as our starting point a straightforward hypothesis, one that has extensive empirical support: Political parties systematically adjust their ideological positions in

response to shifts in public opinion. We label this the *Public Opinion Effects Hypothesis* (Hypothesis 1).

Although spatial modelers and students of political representation emphasize the links between party positions and citizens' preferences, literatures in comparative politics and international relations identify an additional set of independent variables: international economic conditions related to globalization.<sup>2</sup> It is generally agreed that the increasing internationalization of the economy—typically conceptualized in terms of increased levels of total trade, foreign direct investment, and financial market integration (Garrett & Mitchell, 2001, p. 145)—interferes with domestic policy making. For example, capital mobility curbs a state's ability to pursue independent monetary policies, such as controlling domestic interest rates (Cohen, 1996), and increases the influence of holders of private financial assets (Pierson, 2001).<sup>3</sup> Yet scholars disagree about the overall consequences of globalization (e.g., Burgoon, 2001) as well as about its impact on the mandates that parties seek.<sup>4</sup> Some scholars argue that globalization motivates parties to converge on neoliberal ideological positions and specifically that it prompts parties of the left to move rightwards (e.g., Mishra, 1999); others dispute this argument (e.g., Garrett, 1998).<sup>5</sup> These studies on the effects of globalization motivate our second hypothesis—namely, that political parties systematically adjust their ideological positions in response to changes in the global economy. We term this the *Economic Effects Hypothesis* (Hypothesis 2).

## The Possibility of Leftist Exceptionalism

These arguments, however, share a common flaw. To paraphrase Kitschelt (1994, p. 281), political parties are not prisoners of their social and economic environments. Instead, parties strategically choose how to appeal for popular support, choices that depend on their internal deliberative processes. We might thus legitimately ask if all parties respond similarly to changes in their environments. For example, recent work suggests that ideological niche parties, such as Ecological and Radical Right parties, behave quite differently than mainstream parties do (e.g., Adams et al., 2006; Meguid, 2005). Following a venerable tradition in comparative politics, this article focuses on parties of the left (e.g., Kalyvas, 1996; Kitschelt, 1994). Note that by “left,” we refer to the “old” left, specifically to parties from the Social Democratic and Communist *familles spirituelles* (von Beyme, 1985).<sup>6</sup> Do parties of the left react differently to changes in public opinion and globalization than other parties do? Drawing inspiration from

Przeworski and Sprague's (1986) ground-breaking study of electoral socialism, we argue that there are two good reasons to believe that they do.

The first reason is that leftist parties are historically more ideological than other parties. There are two closely related ways of seeing this. To begin, Przeworski and Sprague (1986) argue that by trading their barricades for the "paper stones" that were ballots (p. 1), parties of the left aspired to engineer radical social transformations via the electoral process. Policy seeking instead of office seeking by this account, they had little incentive to respond to short-term shifts in public opinion. Although leftist (and particularly Social Democratic) parties have engaged in more office-seeking behavior in the postwar period (e.g., Kitschelt, 1994), it is plausible that this historical focus on policy has not been completely crowded out. Moreover, Przeworski and Sprague emphasize that political actors shape both collective identities and the conflicts that structure political competition. Thus, parties of the left might forgo ideological shifts that could confer short-term electoral advantages, because they instead aim to influence voter preferences in the long run. In other words, parties of the left aim to shape public opinion rather than to be shaped by it.<sup>7</sup> For example, leftist parties currently face incentives to forge new coalitions in light of the obsolescence of class in traditional Marxist terms, which likely entails shaping voters' policy preferences, even if today's more heterogeneous environment precludes forging a collective identity rivaling the strength of class in its heyday (Kitschelt, 1994).

A second reason why parties of the left may react differently to public opinion and the global economy is organizational: their formal ties to social groups such as trade unions and socialist societies. Particularly, trade unions and leftist parties have enjoyed a relationship long characterized by interdependence (Western, 1999).<sup>8</sup> From one perspective, these ties historically helped to keep the working-class identity salient when parties of the left strategically pursued what Przeworski and Sprague label "supra-class" strategies, facilitating their ideological flexibility. However, from another perspective, these same ties constrained the left's flexibility in that they kept its appeals from being broadened too far beyond the working class. The fact that the ties bound more than they facilitated ultimately gave rise to what Przeworski and Sprague call the "dilemma of electoral socialism." Despite the recent erosion of leftist parties' ties to social groups such as unions (e.g., Poguntke, 2002), what remains might still inhibit their flexibility relative to their competitors, who have generally lacked ties of comparable strength.<sup>9</sup>

A third reason for leftist parties' distinctiveness pertains to other aspects of their organizational structures. Parties of the left enrolled dues-paying members on a large scale and formalized the participation of member-activists in internal deliberations, a form of party organization that became known as the mass party (Duverger, 1963). Specifically, member-activists were empowered by the party conference and other executive bodies to significantly influence leadership selection, candidate selection, and party policy. By contrast, the competing form of party organization on the center and right, the cadre party, privileged elites instead of members and lacked participatory bureaucracy. Today, leftist parties' organizational structures remain distinct from those of center and right parties despite their movement toward the more bourgeois "catch-all" (Kirchheimer, 1966) structure.<sup>10</sup> Consequently, the party organizations literature suggests that left parties—still relatively institutionalized, member centered, activist privileging, and tied to social groups—are less dynamically responsive to changes in their environments than other types of parties are. Kitschelt (1994) explicitly makes this claim about social democratic parties, arguing that they have been unable to take advantage of social changes that have made economics less salient in political competition due to their "inherited organizational structures that reinforce stability, but undercut strategic flexibility . . . imped[ing] the choice of new and electorally beneficial strategic stances" (pp. 207-208).

In toto, these arguments suggest one version of the leftist exceptionalism hypothesis: Left parties are less dynamically responsive to short-term shifts in public opinion than other types of parties are. We label this the *Leftist Exceptionalism Hypothesis—Public Opinion Effects* (Hypothesis 3a). These same considerations suggest a second version: Left parties are also less responsive to short-term changes in international economic conditions related to globalization, contra the neoliberal convergence argument, a proposition that we label the *Leftist Exceptionalism Hypothesis—Economic Effects* (Hypothesis 3b). From another perspective, however, the neoliberal convergence argument suggests a very different version of this second leftist exceptionalism hypothesis: Parties of the left actually experience greater pressure to adjust their positions in response to changes in the global economy than do parties of the center and right that have already embraced aspects of neoliberalism. This argument implies that contrary to Hypothesis 3b, leftist parties may be more responsive to globalization than are other types of parties, in spite of their less flexible organizational structures. The empirical analyses we report go some ways toward resolving these conflicting arguments.

## Variable Operationalization and Measurement

We now turn to empirical tests of our hypotheses. Our dependent variable is a party's left–right ideological shift between the previous and the current election. Our measure of this variable is constructed using estimates of party left–right positions from the Comparative Manifesto Project (henceforth, CMP), which allows us to map parties' ideological positions over time in several Western European democracies. The CMP data are described in detail elsewhere (see Appendix A in Budge, Klingemann, Volkens, Bara, & Tanenbaum, 2001), so here we simply note that the heart of the project is a content analysis of political party manifestos.<sup>11</sup> We also note that we have rescaled the CMP's left–right positional scores from the original –100 to +100 scale to the 1 to 10 scale that is used for respondent self-placement on the left–right dimension in the Eurobarometer surveys. The CMP measure of party positioning generally corresponds to alternative measures (such as those based on expert placements, parliamentary voting analyses, and election survey respondents' party placements), which gives us confidence in its longitudinal and cross-national reliability (Gabel & Huber, 2000; Hearl, 2001; McDonald & Mendes, 2001).

Nevertheless, in light of criticism that the CMP conflates the emphasis that a party places on an issue with its position on that issue (see, e.g., Laver & Garry, 2000), we check the sensitivity of our conclusions to the measure of party positioning. We do this by using one of Laver and Garry's measures of parties' left–right positions as an alternative to the CMP. These measures are derived by subtracting the number of left references from the number of right references in the party manifestos—the same approach used by the CMP—and then dividing the difference by the total number of left and right references. Laver and Garry obtain the underlying data used in the prior calculation in three distinct and novel ways: from a new, explicitly positional human coding of manifestos; from an analogous computer coding of manifestos; and by taking only the explicitly positional portions of the CMP's coding of manifestos.<sup>12</sup> We obtain data on party placements constructed using the third of these approaches from Huber (n.d.).<sup>13</sup>

We next construct measures of several independent variables to test our hypotheses. To evaluate the Public Opinion Effects Hypothesis (Hypothesis 1), we operationalize a public opinion shift variable as the change in mean citizen left–right self-placement in the country between the previous and the current election. Our data on individuals' left–right self-placements come from the Eurobarometer surveys, which have been administered in 11 Western European democracies since the 1970s.<sup>14</sup> Huber (1989) reports

empirical analyses suggesting that Eurobarometer respondents' left-right self-placements are meaningfully related to their preferences along specific dimensions of policy controversy, with the exceptions of respondents in Belgium, Ireland, and Germany.<sup>15</sup> Accordingly, we exclude these three countries from the analyses we report.

To evaluate the Economic Effects Hypothesis (Hypothesis 2), we develop three distinct variables that are designed to capture the multidimensional concept of globalization. The first is economic interdependence, which we operationalize as the volume of total trade (the sum of exports and imports) as a percentage of Gross Domestic Product (GDP). The second is the integration of financial markets, which erodes state authority and may thereby constrain domestic policy makers. It is operationalized as gross private capital flows as a percentage of GDP. The third variable is the importance of multinational corporations in the domestic economy, which we operationalize as new foreign direct investment as a percentage of GDP. For all three economic variables, change is measured from the current election year to the previous year (not to the previous election) following the retrospective voting literature. Our data are from both the World Bank's Development Indicators and the International Monetary Fund's International Financial Statistics.

Finally, to evaluate the two versions of the Leftist Exceptionalism Hypotheses, we construct a dummy variable for a left party that is coded 1 if the party was classified by the CMP as either a Social Democratic or Communist party and 0 if otherwise.<sup>16</sup> This allows us to contrast parties of the left to all other parties.

## Model Specifications and Data

### The Pooled Model

Our initial model specification uses the CMP measure of party position and is designed to evaluate parties' dynamic responsiveness to both public opinion shifts and changes in international economic conditions related to globalization. We label the specification in Equation 1 the *pooled model* (Model 1):

$$\begin{aligned}
 \text{party shift}_t = & \beta_0 + \beta_1 \text{left} + \beta_2 \text{public opinion shift}_t + \beta_3 \\
 & [\text{public opinion shift}_t \times \text{left}] + \beta_4 \text{party shift}_{t-1} + \beta_5 \\
 \text{change in trade}_t + & \beta_6 [\text{change in trade}_t \times \text{left}] + \beta_7 \text{change in} \\
 & \text{FDI}_t + \beta_8 [\text{change in FDI}_t \times \text{left}] + \beta_9 \text{change in} \\
 & \text{capflows}_t + \beta_{10} [\text{change in capflows}_t \times \text{left}] + \varepsilon_t
 \end{aligned} \tag{1}$$



The dependent variable in this model, *party shift*<sub>*t*</sub>, is the change in a party's left-right position in the current election compared with its position in the previous election (*t* compared with *t* - 1), as measured by the CMP. The first independent variable, *left*, is the dummy variable for left parties. The second independent variable, *public opinion shift*<sub>*t*</sub>, is the change in the mean ideological position of the citizenry from the year of the current election to the year of the previous election (*t* compared with *t* - 1). The third independent variable, *public opinion shift*<sub>*t*</sub> × *left*, interacts the public opinion shift variable with the left party dummy variable. The fourth independent variable, *party shift*<sub>*t*-1</sub>, is the party's lagged ideological shift (*t* - 1 compared with *t* - 2).<sup>17</sup> We control for this variable for both theoretical and practical reasons. Theoretically, work by Budge (1994) suggests that party elites have electoral incentives to shift their party's position in the opposite direction from their shifts in the previous election.<sup>18</sup> Practically, controlling for this variable eliminates autocorrelation that is otherwise present in the data. The fifth independent variable, *change in trade*<sub>*t*</sub>, is the change in total trade from the year of the current election to the previous year (*t* compared with *t* - 1, where *t* - 1 refers to the previous year instead of to the previous election). The sixth independent variable, *change in trade*<sub>*t*</sub> × *left*, is the interaction between the latter variable and the left dummy variable. The remaining independent variables, *change in FDI*<sub>*t*</sub> and *change in capflows*<sub>*t*</sub>, are the change in foreign direct investment and the change in capital flows, respectively, both calculated in the same way as total trade, as well as their interactions with the left dummy variable.<sup>19</sup> Note that we investigated the possibility of including party-specific intercepts in the model, but neither strong theory nor the data supported such a specification.<sup>20</sup>

Our analysis encompasses the eight Western European countries for which reliable public opinion data are available from the Eurobarometer surveys. Within this set of countries, we study all political parties analyzed by the CMP that (a) competed in at least three consecutive elections and (b) were politically significant according to the judgment of Budge et al. (2001). To elaborate, with respect to the first criterion, we require at least three consecutive party positions to measure both a party's shift between the current election *t* and the previous election *t* - 1 and its shift between elections *t* - 1 and *t* - 2. With respect to the second criterion, our goal in this article is to analyze the behavior of politically significant parties.<sup>21</sup> As part of the later sensitivity analysis, we relax this criterion and analyze all (politically significant as well as insignificant) parties that satisfy our initial criterion for inclusion. The first time period included in the analysis is the year in which the Eurobarometer survey was first administered (1976),

and the last time period is the most recent year for which the CMP data are available (1998).<sup>22</sup> An exception to this rule deserves note: We exclude parties from post-1992 Italy due to the drastic transformations in the Italian party system in the period 1992-1994, which make comparisons of parties' pre- and post-1992 positions problematic.

It is unfortunate that data on foreign direct investment and capital flows are not available for Luxembourg in its entirety as well as for Denmark in 1979 and 1980. After listwise deleting of all cases with missing data, the resulting data set contains 128 observations of 31 parties' ideological shifts over the period 1976-1998 from seven countries: Italy, Britain, Greece, Denmark, the Netherlands, France, and Spain. Prior to using listwise deletion as our missing data strategy, the data set contained 151 observations of 35 parties' ideological shifts from eight countries (including Luxembourg). We note that our substantive conclusions are not altered by the inclusion of the 23 listwise deleted cases—primarily parties from Luxembourg—as discussed in the later sensitivity analysis. We also note that our set of cases is very similar to that analyzed by Adams et al. (2004, 2006). For this pooled model, the structure of the data set is somewhere between time-series cross-sectional and panel because the parties were observed for between one and six electoral cycles (Beck & Katz, 1995). Alternatively, it can be viewed as multilevel (see, e.g., Franzese, 2005): Parties are either nested within 31 country-election cycles or party-election cycles are nested within seven countries. The complete set of political parties included in our study is listed in the appendix.

## Additional Models

*The Laver-Garry model.* In addition, we estimate the pooled model using party positional shifts based on the alternative Laver-Garry (LG) measure of party left-right positions. We label this the *pooled LG model* (Model 2). Unfortunately, using this alternative measure of parties' left-right positions greatly diminishes the size of our data set, for two reasons: first, the LG estimates are only available through the early 1990s, not through the late 1990s as with the CMP data; second, these estimates are not available for parties from either Greece or Spain. As a result, the new data set has fewer than 80 observations of party positional shifts from Britain, France, Denmark, Italy, and the Netherlands. For comparative purposes, we also re-estimate the pooled model using the original, CMP-based measure of party positions and the same reduced set of cases. This allows

us to differentiate any changes in our results due to the change in the sample from any changes in our results due to the change in the measure. We label this the *pooled CMP model, LG cases* (Model 3).

*The pooled levels model.* Because working with change variables introduces various econometric complications, we also estimate a version of the pooled model in which the variables are operationalized as the observed value in the election year instead of changes. In other words, the dependent variable in this model is a party's left-right position in an election year as measured by the CMP. The independent variables are the mean citizen left-right position in the election year; the party's left-right position in the previous election; total trade, gross private capital flows, and foreign direct investment, all as a percentage of GDP in that election year; and a dummy variable for left parties (i.e., Social Democratic or Communist parties), which is interacted with all of the above except for the lagged party position. The cases for this analysis consist of the 35 parties as well as the elections from the 1976-1998 time period for each party for which the CMP coded two consecutive manifestos. We thus have 188 observations of parties' positions in elections, although when we listwise delete the cases with missing data, we are left with 166 observations. We label this version of the pooled model the *pooled levels model* (Model 4). The testable hypotheses described apply to this model as well, with the appropriate terminological alterations to reflect the use of variables measured as levels instead of changes.

*The mainstream party models.* Finally, we note that the empirical tests outlined combine mainstream Social Democratic parties with ideological, niche Communist parties, both of which are subsumed within the category of "parties of the left." Similarly, our category of nonleftist parties includes both ideological Radical Right parties and mainstream Christian Democratic parties. The question thus arises: To what extent do large, mainstream parties that regularly participate in government behave differently from small, more ideological parties that have few realistic prospects of being in government?<sup>23</sup> To address this question, we extend recent work by Meguid (2005) and Adams et al. (2006), who present theoretical and empirical arguments that ideological, niche parties such as Ecological, Communist, and Radical Right parties differ from mainstream parties. Specifically, we create an additive version of the pooled model specification by dropping both the left party dummy variable and all interaction terms involving this variable from Equation 1. We then estimate this new

model separately for two types of parties: mainstream parties of the left (i.e., Social Democratic parties) and mainstream, nonleftist (center and right) parties (i.e., parties of the Liberal, Conservative, Christian Democratic, and Ethnic/Regional families). We label the resulting two models the *Social Democratic* and *Mainstream Nonleft* models, respectively (Models 5 and 6). We also note that we confine our analysis solely to parties that have participated in government during the period studied as part of the later sensitivity analysis.

## Results

Table 1 reports the results for Models 1 through 6. Although autocorrelation is not an issue for any of the models, several other Ordinary Least Squares assumptions are often violated in the context of panel and time-series cross-sectional data structures like ours, which can result in biased and inconsistent standard errors. Of these assumptions, we should be concerned about heteroskedasticity and within-country (but not cross-country) contemporaneous correlation of the errors.<sup>24</sup> Accordingly, we use a country–election cycle clustered estimator, which is robust to both correlation within country–election cycles and heteroskedasticity.<sup>25</sup>

## Discussion of Public Opinion Effects

First, we find strong evidence that nonleftist parties (i.e., center and right parties) respond to public opinion in a manner consistent with the Public Opinion Effects Hypothesis (Hypothesis 1). For the pooled model (Model 1), the estimated coefficient on the public opinion shift variable is positive and statistically significant. Moreover, the estimated value of this coefficient, 1.0, indicates that this public opinion effect is substantively significant: *Ceteris paribus*, center and right parties shift their ideological positions by approximately 1 unit along the 1–10 left–right scale in response to a 1-unit shift in mean citizen position along the same scale. This estimate mirrors those reported in Adams et al. (2004, 2006). Second, we find strong support for the public opinion version of the Leftist Exceptionalism Hypothesis (Hypothesis 3a). For the pooled model (Model 1), the coefficient on the interaction term between the public opinion shift and leftist party dummy variable,  $\beta_3$ , is estimated to be negative and is statistically significant. Moreover, this coefficient estimate (–0.83) is of a similar magnitude—but of the opposite sign—as the coefficient on the public opinion shift main

Table 1  
Results for Models 1–6

	Model 1		Model 2		Model 3		Model 4		Model 5		Model 6	
	Pooled		Laver-Garry		Pooled		Pooled		Social		Mainstream	
	Coefficient	SE	Coefficient	SE	Project Laver-Garry Cases	SE	Levels	SE	Democratic	SE	Nonleft	SE
Intercept	-0.018	0.10	0.066	0.24	0.016	0.13	1.1	0.88	0.29**	0.11	-0.059	0.086
Left	0.27*	0.12	0.59*	0.28	0.23	0.16	1.7*	0.88				
Public	1.0***	0.20	2.2***	0.66	1.2***	0.35	0.37**	0.17	0.44	0.26	1.1***	0.19
opinion shift <sub>i</sub>												
Public opinion	-0.83***	0.27	-1.8*	0.97	-0.69	0.35	-0.54***	0.19				
shift <sub>i</sub> × Left												
Party shift <sub>t-1</sub>	-0.49***	0.088	-0.39***	0.080	-0.44***	0.11	0.57***	0.050	-0.54**	0.17	-0.38***	0.099
Change in trade <sub>i</sub>	-0.0017	0.014	-0.015*	0.019	-0.022	0.0086	-0.0074*	0.0038	-0.0050	0.013	-0.0022	0.014
Change in trade <sub>i</sub> × Left	-0.0067	0.014	-0.0059	0.030	0.0083	0.0098	0.010**	0.0044				
Change in fdi <sub>i</sub>	0.12***	0.035	0.081	0.093	0.095	0.061	0.10*	0.058	0.083	0.064	0.13***	0.035
Change in $FDI_i \times$ Left	-0.096**	0.041	-0.024	0.17	-0.016	0.062	0.14**	0.063				
Change in capflows <sub>i</sub>	-0.024**	0.012	-0.068*	0.032	-0.047*	0.021	-0.021*	0.012	-0.040*	0.021	-0.023*	0.012
Change in capflows <sub>i</sub> × Left	0.0021	0.012	-0.020	0.057	-0.0092	0.021	0.025**	0.012				
N	128		73		73		166		37		68	

(continued)

Table 1 (continued)

	Model 1		Model 2		Model 3		Model 4		Model 5		Model 6	
	Pooled Coefficient	SE	Pooled Laver-Garry Coefficient	SE	Pooled Comparative Manifesto Project Laver-Garry Cases Coefficient	SE	Pooled Levels Coefficient	SE	Social Democratic Coefficient	SE	Mainstream Nonleft Coefficient	SE
C - 1	30		17		17		38		30		30	
Root Mean Squared Error	0.60		1.0		0.57		0.62		0.55		0.59	
R <sup>2</sup>	.36		.37		.38		.65		.40		.40	

Note: The dependent variable is the party's left-right ideological shift between the previous and current election, except for Model 4, where it is the party's ideological position in the current election. For Model 4, the independent variables are also election year values instead of changes, as discussed in the text.  
\*\*\**p* = .01. \*\**p* = .05. \**p* = .10. (two-sided tests).

effect term,  $\beta_2$  (1.0). Given that the effect of public opinion shifts on leftist parties is the sum of the coefficients  $\beta_2$  and  $\beta_3$ , it follows that the estimated effect of public opinion shifts on leftist parties' ideological positions is small ( $1.0 + -0.83 = 0.17$ ). Hence, leftist parties appear unresponsive to public opinion shifts.

We note that we obtain similar results when using the LG estimates of parties' left-right positions to construct the dependent variable instead of the CMP estimates (Model 2), in spite of the greatly reduced sample size. In fact, when comparing these results (Model 2) to those obtained when using the CMP estimates in conjunction with the same reduced set of cases (Model 3), we find even stronger support for our hypotheses from the LG estimates than from the CMP estimates. Moreover, we again draw similar conclusions when using the election year values of all variables instead of changes (Model 4), although leftist parties are perversely estimated to shift in the opposite direction to public opinion in this model.

The coefficient estimates on both the public opinion shift variable and this variable interacted with the left party dummy variable in Models 1 through 4 are important for another reason—namely, they suggest that the statistical association we observe between public opinion shifts and ideological shifts by center and right parties reflects a causal process in which the parties respond to public opinion rather than one in which public opinion responds to the parties. To see this, note that to the extent that citizens adjust their ideologies in response to parties' ideological shifts, this should inflate the coefficient estimates on the public opinion shift variable for all parties. Yet the coefficient estimates for left parties are near 0 in all four models, whereas the coefficient estimates for other types of parties are large and positive. These estimates are not consistent with a causal process in which public opinion systematically responds to shifts in party ideologies.

When we break down the parties by separating them into two groups—the Social Democratic parties on one hand (Model 5) and the mainstream nonleft (i.e., centrist and right) parties on the other (Model 6)—we obtain results that continue to support the substantive conclusions reported. First, we see that for mainstream parties of the center and right, the estimated coefficient on the public opinion shift variable is again both positive and statistically significant. Moreover, its magnitude (1.1) implies that public opinion shifts are associated with ideological shifts of similar size by these parties. Second, for Social Democratic parties, the public opinion shift variable is statistically insignificant and the magnitude of the coefficient (0.44) is estimated to be far smaller than that of the coefficient for mainstream center and right parties (1.1). Hence, Social Democratic parties display

little responsiveness to public opinion relative to mainstream center and right parties.

## Discussion of Economic Effects

Consistent with the Economic Effects Hypothesis (Hypothesis 2), we find evidence that center and right parties systematically adjust their positions in response to changes in some economic conditions relating to globalization. In the pooled model (Model 1), the coefficients on both the foreign direct investment and capital flows change variables are statistically significant. The estimates imply that center and right parties shift to the right when foreign direct investment increases and to the left in response to increases in capital flows. Although these parties are predicted to shift leftward in response to increases in trade, this response is not statistically significant. Second, we also find support for the economic effects version of the Leftist Exceptionalism Hypothesis (Hypothesis 3b) that left parties are less responsive to short-term changes in global economic conditions than are other types of parties, contra the neoliberal convergence argument. In the pooled model (Model 1), the coefficient on the interaction term between foreign direct investment change and the left party dummy variables,  $\beta_8$ , is statistically significant at conventional levels. Moreover, the sign on this coefficient estimate ( $-0.096$ ) is the opposite from that on the foreign direct investment change main effect term,  $\beta_7$  ( $0.12$ ). Hence, although nonleftist parties are predicted to shift  $0.12$  units to the right on the 1 to 10 left–right dimension in response to an additional 1 percentage point increase in foreign direct investment, leftist parties are predicted to barely respond (specifically, to shift only  $0.12 - 0.096 = 0.024$  units to the right, because the effect of changes in foreign direct investment on leftist parties is the sum of the coefficients  $\beta_7$  and  $\beta_8$ ). Leftist parties are also predicted to be less responsive to increases in capital flows than are nonleftist parties but more responsive to increases in trade; however, the two types of parties' responses to these latter aspects of the global economy do not differ statistically. Note that both of these factors are predicted to induce a leftward shift in leftist parties' positions. In toto, then, we generally find that left parties are less responsive to the global economy than are their competitors—a behavior that is inconsistent with the neoliberal convergence argument.<sup>26</sup> Moreover, some of the directions in which globalization is estimated to move parties do not support arguments about neoliberal convergence.

Using the LG estimates to construct our measure of the dependent variable (Model 2) and then comparing these results to those obtained from the



measure based on the CMP estimates and the same set of cases (Model 3), we find that the Economic Effects hypothesis is supported at close to conventional levels of significance in both models, although the Leftist Exceptionalism hypothesis is not. However, in light of the similarity of the results obtained from the two models that use the different measures, we conclude that the differences in the results obtained relative to the original Model 1 are due to the differences in the sample, not due to the differences in the measures of parties' left-right positions. When using the election year values of the variables instead of changes (Model 4), we find even stronger support for our hypotheses. Nonleftist parties are responsive to all three dimensions of the global economy at close to conventional levels of statistical significance. Furthermore, leftist parties are estimated to be significantly less responsive to each global economic dimension. We note, however, that increases in both capital flows and trade are now predicted to induce parties of the left to shift their positions rightward, while increases in foreign direct investment are conversely predicted to induce a leftward shift. The same factors are predicted to induce shifts in the opposite directions for parties of the center and right.

We again obtain similar findings when we break the parties into two groups. First, when confining the analysis to mainstream parties of the center and right (Model 6), there is only one difference in the results worth noting: The capital flows change variable narrowly falls short of attaining conventional levels of statistical significance using a two-sided test. Second, as before, we see that Social Democratic parties display no statistically significant tendency to respond to globalization-related changes in economic conditions (Model 5). Furthermore, the magnitude of the social democratic parties' response is substantially less than the magnitude of the mainstream nonleft's response for the latter's statistically significant economic factor, foreign direct investment, although the Social Democrats are estimated to be slightly more responsive than the mainstream nonleft to the remaining two statistically insignificant economic factors. Together, these results imply that social democratic parties are generally less responsive to the global economy than the more organizationally flexible mainstream center and right parties, a finding that mirrors our finding with respect to public opinion.

## Substantive Significance

We next consider the substantive significance of the public opinion and global economic effects that we have identified.<sup>27</sup> We do so with reference

to the pooled levels model (Model 4) because changes in election year values are readily interpretable. One way of defining a reasonable change in a quantitative variable is a movement across its interquartile range (i.e., from its first to its third quartile). For the public opinion variable, this is a rightwards shift of 0.77 units on the 1 to 10 left–right scale. Model 4 predicts that parties of the left will shift 0.13 units to the left in response to such a change in mean citizen left–right placement, whereas other parties are predicted to shift 0.28 units to the right. For the total trade, foreign direct investment and capital flows variables, the interquartile ranges are increases of 29, 14, and 3.1 percentage points, respectively. Parties of the left are accordingly predicted to shift 0.086 units to the right on the 1 to 10 left–right scale in response to such a change in total trade, 0.054 units to the right in response to such a change in capital flows, and 0.10 units to the left in response to such a change in foreign direct investment. Conversely, parties of the center and right are predicted to shift 0.21 units to the left; 0.29 units to the left, and 0.32 units to the right, respectively. In summary, then, for parties of the center and the right, the substantive significance of a change in public opinion approximately equals that of a change in global economic conditions. By contrast, our estimates suggest that neither public opinion nor global economic conditions exert substantively significant effects on left parties’ ideological positions but that public opinion has the slightly more important effect of the two.

## Sensitivity Analysis

Finally, we performed additional analyses to evaluate whether our results were sensitive to alternative model specifications, alternative measures of our independent and dependent variables, and alternative sets of the cases included in the analysis.

We initially explored alternative model specifications. First, we estimated versions of Models 1, 4, 5, and 6 that included fixed effects for countries. These specifications generated parameter estimates nearly identical to those reported in Table 1, supporting the substantive conclusions that we report. Second, to address the possibility that political parties adjust their positions in response to the results of previous elections (see Adams et al., 2004; Budge, 1994; Laver, 2005), we controlled for past election results in Model 1. All of our substantive conclusions were again supported.

Next, we re-estimated the parameters of the pooled model (Model 1) using a second alternative measure of parties’ positional shifts: Gabel and Huber’s (2000) “vanilla” method of estimating party left–right positions.

Note that our analysis based on this alternative measure was again conducted on a sharply reduced data set because the Gabel-Huber estimates were unavailable for many of our cases. Nevertheless, all of our hypotheses were again supported except for the economic effects version of the Leftist Exceptionalism Hypothesis (Hypothesis 3b), which barely missed attaining statistical support. We attribute this to the change in the sample instead of the measure, however, because we obtained similar results when using the CMP measure and the same reduced set of cases. We note as well what seems to be an error in the CMP's party family coding for the Dutch D66 party. Changing this coding to liberal (and hence nonleftist) from Social Democratic (and hence leftist) based on the party's affiliation with the Liberal International and re-estimating Models 1, 5, and 6 affected our conclusions in two ways. First, the economic effects version of the Leftist Exceptionalism Hypothesis (Hypothesis 3b) no longer attained statistical support in the pooled model (Model 1), although parties of the left were always estimated to be less responsive to the global economy than nonleftist parties. Second, Social Democratic parties were more responsive to public opinion in Model 5, although still far less responsive than the mainstream nonleft in Model 6. We further used a 3-year running average of the global economy variables instead of the election year value in the pooled levels model (Model 4), which led us to broadly similar conclusions: Leftist parties were always estimated to be less responsive to the global economy than nonleftist parties, although the differences (i.e., the economic effects version of the Leftist Exceptionalism Hypothesis, Hypothesis 3b) narrowly fell short of attaining conventional levels of statistical support.

Finally, we varied the cases included in the analysis. Restricting the data set to parties competing along the classic left—right dimension (e.g., eliminating the parties from the National/Radical Right and Ethnic/Regional party families) and re-estimating the affected models (Models 1, 4 and 6) generated results that supported all of our central conclusions. Using multiple imputation by AMELIA II instead of listwise deletion as a missing data strategy (Honaker & King, n.d.; Honaker, King, & Blackwell, n.d.; King, Honaker, Joseph, & Scheve, 2001), which allows us to include both the Luxembourgian parties and additional Danish elections, again supported the conclusions reported with the following exceptions. In Model 4, the economic effects version of the Leftist Exceptionalism Hypothesis fell short of attaining conventional levels of statistical support, although parties of the left were always estimated to be less responsive to changes in the global economy than nonleftist parties. In Models 5 and 6, Social Democratic parties displayed greater responsiveness to both public opinion

and the global economy but were still generally less responsive than mainstream parties of the center and right. Next, instead of confining the analysis to politically significant parties, we used all parties that met our remaining selection criteria to estimate Model 1. Although parties of the left were generally estimated to be less responsive to the global economy than nonleftist parties were, the economic effects version of the Leftist Exceptionalism Hypothesis (Hypothesis 3b) no longer attained statistical support. All other conclusions were supported. Finally, we confined our analysis to parties that participated in government during the period studied and re-estimated Model 1. Again, the economic effects version of the Leftist Exceptionalism Hypothesis no longer attained statistical support, but our conclusions otherwise remained supported.

In toto, these results suggest that the organizational and ideological roots of the left's inflexibility weigh more heavily on its dynamic responsiveness to public opinion than the global economy. However, they might still explain why parties of the left are less responsive to the global economy than neoliberal convergence arguments predict.

## Conclusion

We have reported empirical analyses on the links between parties' ideological positions, public opinion, and economic conditions related to globalization in eight Western European democracies. Basing our analyses on the CMP's measure of party positions and the Eurobarometer surveys of citizens' ideological self-placements, we find that parties of the left are markedly different from their competitors: They appear unresponsive to short-term public opinion shifts and less responsive to short-term changes in the global economy. When confining our analysis to mainstream parties, we find that the mainstream left (i.e., Social Democratic parties) is still less responsive than the mainstream nonleft. These findings support the arguments of Przeworski and Sprague (1986) and Kitschelt (1994), that parties of the left are ideologically inflexible relative to their competitors due to their policy-seeking orientation, ties to social groups, and organizational structures. The findings also contradict the straightforward arguments about neoliberal convergence.

From an empirical standpoint, our findings are relevant to the literature on dynamic representation. Our work suggests that the U.S. pattern of dynamic representation generalizes to parties of the center and right in Western Europe but not to parties of the left. Our findings also relate to

important spatial modeling literature that seeks to move beyond policy considerations (e.g., Adams, Merrill, & Grofman, 2005; Budge, 1994; Schofield & Sened, 2005). More specifically, they relate to the computational spatial modeling literature of Laver (2005) and Kollman, Miller, and Page (1992). These studies, which use the intuitively plausible assumption that different parties use different decision rules for selecting their policy strategies, offer important insights on parties' ideological dynamics. However, to date, few empirical studies have evaluated whether real-world parties' decision rules do in fact differ from each other (but see Adams et al., 2006; Meguid, 2005; Muller & Strom 1999). In this regard, our leftist party exceptionalism result supports the perspective that the decision rules that political elites use to formulate positions vary with the type of party.

From a theoretical standpoint, our conclusion that at least some political parties systematically adjust their ideological positions in response to changes in global economic conditions is relevant to the spatial modeling literature. Spatial modelers frequently assume that party elites single-mindedly pursue votes, an assumption that does not square with our finding that parties respond to fluctuations in economic conditions independently of public opinion effects. However, our findings do square with an important subfield in spatial modeling: that of policy-seeking parties (Strom, 1990; Wittman, 1973). Thus, a possible explanation for our findings—one that is consistent with the arguments of Przeworski and Sprague (1986)—is that parties' positions reflect (at least in part) party elites' sincere beliefs and that changing global economic circumstances alter these beliefs. Our results also contribute to an important debate in the political economy literature: They demonstrate that globalization does not have the uniform impact that neoliberal convergence arguments suggest. For example, our finding that parties of the center and right shift leftward in response to increases in capital flows suggest that the political dynamics resulting from economic openness are more multifaceted than often assumed. So, too, does our finding that parties of the center and right are generally more responsive to global economic conditions than the left is.

Finally, our findings raise important questions and challenges for future research. One such challenge is to explain the behavior of parties of the center and right in response to globalization, a perspective that moves away from the literature's current focus on parties of the left (and particularly on Social Democratic parties). Furthermore, the past decade, which has seen globalization greatly accelerate, falls outside of the scope of our analysis, because our data only extend to the mid-1990s for many countries. An obvious question is whether the patterns that we have identified will continue to

hold in the late 1990s and 2000s. We note several interesting recent examples of ideological flexibility on the part of the left (such as Blair's New Labour) that suggest that they may not. As data become available, scholars should certainly re-evaluate our findings. Finally, our finding that parties of the left are unresponsive to shifts in public opinion and less responsive to the forces of globalization than their competitors, at least for the period that we study, raises the question: If not public opinion and the global economy, which factors do move parties of the left? We suspect that satisfactory answers to this question may require qualitative analyses of the priorities and the decision-making processes of the left's party elites and activists; alternatively, it is possible that left-wing parties do not respond to the policy preferences of the electorate as a whole—which is the perspective that we advance in this article—but instead respond to the views of subconstituencies within the electorate, such as their supporters (e.g., Dalton, 1985; Ezrow, De Vries, Steenbergen, & Edwards, 2007). Finally, we emphasize that we have focused on parties' responses to short-term fluctuations in public opinion and global economic conditions; it is possible that parties of the left (as well as other types of parties) respond more strongly to long-term trends (see, e.g., Nelson & Way, 2007). Such a long-term perspective would mesh with Przeworski and Sprague's (1986) portrayal of parties of the left as organizations committed to enduring political and economic transformation.

## Appendix

### Parties Included in the Empirical Analysis

Country	Party	Party Family
Denmark	Socialistisk Folkeparti	Communist
	Socialdemokratiet	Social Democratic
	Det Radikale Venstre	Liberal
	Konservative Folkeparti	Conservative
	Venstre	Liberal
France	Fremskridtspartiet	Ethnic/Regional
	Parti Communiste Français	Communist
	Union pour la Démocratie Française	Conservative
	Parti Socialiste	Social Democratic
	Front National	National
Greece	Rassemblement pour la République	Conservative
	Kommounistiko Komma Elladas	Communist
	Panhellinio Socialistiko Kinema	Social Democratic
	Nea Dimokratia	Christian Democratic

*(continued)*

## Appendix (continued)

Italy	Partido Comunista Italiano	Communist
	Partito Socialista Italiano	Social Democratic
	Alleanza Nazionale	National
	Democrazia Cristiana	Christian Democratic
	Partito Liberale Italiano	Liberal
Luxembourg	Parti Ouvrier Socialiste	Social Democratic
	Parti Démocratique	Liberal
	Parti Chrétien Social	Christian Democratic
	Parti Communiste Luxembourgeois	Communist
The Netherlands	Christen-Democratisch Appel	Christian Democratic
	Volkspartij voor Vrijheid en Democratie	Liberal
	Democraten '66	Social Democratic
	Partij van de Arbeid	Social Democratic
Spain	Centró Democrático y Social	Liberal
	Izquierda Unida	Communist
	Partido Socialista Obrero Espanol	Social Democratic
	Partido Popular	Conservative
	Convergència i Unió	Conservative
United Kingdom	Labour	Social Democratic
	Conservative	Conservative
	Liberal Party/Liberal Democrats	Liberal

Note: Designations are taken from the Comparative Manifesto Project, specifically from the third and fourth digits of the party identification code.

## Notes

1. These factors include the policy preferences of party activists and leaders (e.g., Aldrich, 1983); political institutions such as the voting system used to allocate seats in parliament (e.g., Cox, 1997); the number of political parties (e.g., Cox, 1990); party leaders' images with respect to valence characteristics such as competence, integrity, and charisma (e.g., Schofield & Sened, 2005); and other features of parties' environments such as the available media technology and prevailing character of politics (e.g., Kirchheimer, 1966).

2. The political economy literature's earliest focus was on domestic economic variables. For example, Hibbs (1977) famously argued that parties of the left and right have differing preferences over the unemployment and inflation trade-off embedded in the Phillips curve. However, we do not address the influence of domestic economic factors on parties' positions in this article for two reasons: first, the attention that these factors have already received; and second, the endogeneity issues raised. To elaborate on the latter, it is unclear if political parties shift their ideological positions in response to unemployment and/or inflation or if parties' positional shifts instead cause unemployment and/or inflation. This cause-and-effect concern is less salient with respect to globalization-related factors, because parties' current policies plausibly only have quite modest effects on short-term changes in capital flows, trade, and

foreign direct investment. In particular, European economic integration has moved economic openness beyond the control of national policy makers.

3. Similarly, foreign direct investment is indicative of the multinationalization of production and hence linked to investors' threats to exit, whereas an increase in trade is associated with an increase in the competitive pressures on corporations.

4. We note the unfortunate thinness of the literatures linking globalization and, more broadly, international economic conditions to party positions. Milner and Judkins (2004) and Haupt (2007) are some of the few examples of the latter camp of which we are aware; examples of the former are discussed later.

5. The neoliberal convergence argument seems to imply that parties of the center and right will either hold their existing positions or move rightward as well; however, due to the previously mentioned thinness of the literature on this topic, which is especially pronounced with respect to nonleftist parties, we are unaware of any extant studies that explicitly make such predictions.

6. We explicitly do not mean the newer left libertarian (i.e., New Left and Ecology parties; Kitschelt, 1988). Our typology, in accordance with much of the comparative literature on political parties, emphasizes ideological similarity and common historical origins (Mair & Mudde, 1998). The substantial difference in the organizational structures of old and new parties of the left is an additional reason for focusing solely on the former (see, e.g., Harmel, 2002, on the distinctive "new politics" structure of Ecology parties). We also note that the empirical analysis that follows contains no cases of left libertarian parties. Accordingly, our results pertain to the left as we have defined it here.

7. See Iversen (1994) for some interesting empirical evidence in support of this argument about opinion leadership.

8. At the extreme, for example, leftist parties enrolled no members themselves, instead relying on the affiliated organization to mobilize supporters. An example is prewar Belgian leftist parties (Scarrow, 2000, p. 92).

9. For example, although Kalyvas (1996) argues that Christian Democratic parties' loose ties with both the church and trade unions set them apart from conservative parties (pp. 1-2), his central contention about the formation of confessional parties is that they "from their inception detached themselves from the church" (p. 18).

10. That is, emulating their competitors in a "contagion from the right" (Epstein, 1967), from the 1960s onwards parties of the left (and especially Social Democratic parties) professionalized the party staff, strengthened the top (elected) leadership, and weakened ties with previously privileged interest groups. The end result has been described as an empowerment of ordinary members at the expense of activists (Mair, 1994), which nevertheless leaves members playing important roles (Scarrow, 2000). Moreover, "the remains of the classic mass party model are . . . evident" in that "the influence of the sub-leadership stratum has not been completely eroded," especially with respect to leadership selection (Scarrow, Webb, & Farrell, 2000, p. 149).

11. Specifically, the coders match up quasi-sentences in the party's electoral platform (manifesto) with a category of policy (e.g., welfare, defense, law and order, etc.) and take the percentages of quasi-sentences in each category as a measure of the party's priorities.

12. Note that they find high correlations between their three resulting left-right scales, as well as between these scales and party left-right positions obtained from expert surveys.

13. As part of a later sensitivity analysis, we also calculate parties' positional shifts using yet another measure of parties' left-right positions: the "vanilla" measure of Gabel and Huber (2000; obtained from Huber, n.d.), which is constructed by using principal factor analysis to



extract a single dimension from the Comparative Manifesto Project's (CMP) data. Because this method is unfortunately both mute on the substantive content of the left–right dimension and dependent on the cases included in the analysis, as Laver and Garry (2000, p. 627) note, our preference is for the Laver-Garry approach.

14. The Eurobarometer surveys contain the same item each year in each country, asking approximately one thousand respondents per country to place themselves on a scale ranging from 1 (*extreme left*) to 10 (*extreme right*).

15. Huber concludes that in these countries, respondents' ideological self-placements denote the left–right positions of the parties that they support, not their positions on specific policy dimensions.

16. We note that there are no Ecology parties in our data set (see Note 6).

17. We note that omitting the lagged dependent variable from the various models somewhat reduces the empirical support for the economic effects version of the Leftist Exceptionalism Hypothesis but otherwise leaves our substantive conclusions unaltered. These models, as well as all other models discussed but not reported here, can be found in a supplemental paper available from <http://www.ucsb.edu/polsci/faculty/hstoll>.

18. Budge (1994) argues that party elites may pursue this strategy of policy alternation, because they recognize the need to satisfy both the moderate and the radical wings of their parties.

19. Because we have no theoretical reason to believe that the effect of any one global economy variable is conditional on the value of any other, we do not include interaction terms between these variables in Model 1, despite their implicit presence there (Braumoeller, 2004). In other words, the difference between our situation in Model 1 and the situation of most researchers estimating interaction models is the fact that we have reason to believe that the coefficients on the implicit interaction terms are 0, in large part because one of our conditioning variables is a dummy variable.

20. The Breusch-Pagan Lagrange Multiplier test modified for unbalanced panels suggests that party-specific intercepts are called for and thus that either a random or fixed effects version of Model 1 should be fit. However, the left party dummy variable is time invariant, which precludes the use of party-fixed effects. A random effects model can still be used, but it is difficult to justify such a model specification outside of the panel data world (see Beck & Katz, 1996). Moreover, the variance of the unit-specific residuals in the random effects model is estimated to be effectively 0. Similarly, a likelihood ratio test comparing the random effects and fully pooled models does not reveal a statistically significant improvement in fit. Based on these results, we also fit fully pooled versions of the other models.

21. That is, we took as our cases those parties included in the CMP that appeared in the initial country-by-country graphs of parties' ideological positions over time in Budge et al. (2001, chapter 1). We viewed a party's inclusion in these graphs as *prima facie* evidence that these authors judged the party to be politically significant. In fact, most of the omitted parties were very small (they typically received less than 3% of the vote). The one exception that we made to this rule was to include the Danish Progress Party in spite of its omission. We did this because Progress received over 10% of the national vote in one election, so it seemed unreasonable to consider it a politically irrelevant party. The CMP itself uses Sartori's (1976) two-fold criteria of relevance (either coalition or blackmail potential) as its selection procedure.

22. Note that Eurobarometer surveys were not administered in Greece and Spain until they joined the European Community in 1981 and 1986, respectively.

23. We thank an anonymous reviewer for raising this point.

24. Beck and Katz (1995) identified the potential problem of cross-country contemporaneous correlations in the context of political economy data, where links between economies

make this sort of correlation likely. However, there are few electoral equivalents of global economic shocks (World War II might be one example), which suggests that this problem is not likely to surface in our data set. Furthermore, even if we did worry about cross-country contemporaneous correlation, it would be difficult to obtain good estimates of it with few common time periods across countries and  $T < N$ . However, given our research question and the two-way (i.e., country–party) instead of the more typical one-way (e.g., country) cross-sectional structure of our data set, it is reasonable to expect within-country contemporaneous correlation of the errors: specifically, correlation between the parties competing in a single country–election cycle.

25. Note that the degrees of freedom used in  $t$  tests when this estimator is used is  $C - 1$ , where  $C$  is the number of clusters (here, country–election cycles). We note that the other three commonly used robust standard errors—the heteroskedastic consistent, Beck and Katz’s (1995) panel corrected, and the panel heteroskedastic—support similar substantive conclusions. The complete variance-covariance matrix of the coefficients for Model 1 is reported in the supplemental paper (see Note 17); the variance-covariance matrices for the other models are available on request.

26. With respect to the reliability of the CMP codings, two anonymous referees have raised interesting questions about whether the substantive conclusions we report on left parties’ unresponsiveness to the global economy reflect considerations related to “issue ownership”—that because left parties do not typically emphasize global economic issues in their policy platforms, we should not expect this pattern to change in the face of economic globalization. With respect to this issue, we note that the CMP codings of party programs do not merely register favorable references to economic globalization but also register favorable references to policies or goals such as the nationalization of industry, government regulation of business, and measures such as tariffs and quotas. To the extent that economic globalization influences leftist parties’ policy objectives, standard arguments about neoliberal convergence imply that leftist parties will make fewer positive references to these types of policies and objectives in the face of economic globalization. The fact that we do not observe this pattern supports our hypothesis that leftist parties are unresponsive to changes in global economic conditions, compared to other types of parties.

27. See the supplemental paper referenced in Note 17 for more details regarding the substantive significance of the variables.

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**James Adams** is a professor in political science at the University of California, Davis. He has published in the areas of spatial modeling, voting behavior, and political representation.

**Andrea B. Haupt** is an assistant professor in political science at DePaul University. She received her PhD from the University of California, Santa Barbara, in 2007. Her research interests are in comparative politics and in political economy, with a focus on Western Europe, political parties, and the politics of the welfare state.

**Heather Stoll** is an assistant professor in political science at the University of California, Santa Barbara. Her research interests range from comparative politics to political methodology.