Elections, Party Positions and Economic Policy

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1 Chapter 1. Introduction

1.1. Research Questions

Over the past decades, party policies and electoral results have changed in similarly across European countries. These changes include the emergence of new radical parties and views at both ends of the political spectrum, increasing vote shares for populist parties and declining support for well-established mainstream parties. The aim of this thesis is to describe and explain these recent developments in party competition and voting behavior, focusing, first, on mainstream party behavior and, second, on the rise of political parties and ideologies outside the mainstream. Our analysis places the spotlight on four research questions, the choice of which is by no mean random, as we conceive them to be the most relevant in explaining the changes in the European political realm.

First, we examine the strategic positioning of mainstream parties, i.e., established parties with long participation in elections, with governing experience and a decisive role in party systems. A vast literature has demonstrated that these parties react to shifts in voter preferences (e.g., Adams et al., 2004; Adams et al., 2006; Downs, 1957; McDonald and Budge, 2005). As mainstream parties cover a wide range of issues in their political agendas, it is reasonable to assume that they also respond to various economic, social or political factors. One such factor may be globalization; a phenomenon that has been on the rise over the past half century, marking the same period that vote shares of radical right parties have been steadily increasing across Europe. The present thesis seeks to shed light on the co-movement of these two forces in light of party competition. Thus, the first research question examines how mainstream parties strategically adjust their political agenda in response to the multi-faceted phenomenon of globalization.

A growing literature has examined the effect of economic globalization on party's positions and government's economic and social policies (e.g., Adam and Kammas, 2007; Adams et al., 2009; Dreher et al., 2006b; Ezrow and Hellwig, 2014; Garrett, 1998; Leibrecht et al., 2011; Rodrik, 1998a; Sen and Barry, 2018; Ward et al., 2015). Most of the existing findings give support to the so-called *compensation effect of globalization*, according to which globalization increases the demand for social security against the external risk and leads to the adoption of more redistributive policies with increasing social spendings by political parties. Interestingly, the study of Adams et al. (2009) shows that although global economic conditions do affect policy positions of well-established parties, the effect is conditional on the measure of economic globalization employed. Our first research question extends this literature by examining the effect of all aspects of globalization – economic, social and political – on mainstream party positioning, considering globalization as a multifaceted phenomenon that goes beyond the traditional indices of trade or capital openness, including social and political aspects in addition to economic ones (Clark, 2000; Dreher, 2006a).

Following the rationale of the spatial theory of party competition as proposed by Downs (1957), we argue that mainstream parties respond to voter's demand, resulting from all aspects of globalization, by taking up positions closer to their preferences, which are usually considered as left-wing positions. Moreover, given the ideological principles of political parties and their target groups of voters, we consider that the effect of globalization could be different between left- and right-wing mainstream parties. Our findings show that mainstream right parties move leftward in response to economic and social globalization, while mainstream left parties do not alter their position. Regarding political globalization, evidence suggests a positive spillover effect from parties' positions of the same party family in other countries. Overall, the findings indicate that mainstream parties have converging policy platforms, at least in many issues of globalization, due to right-wing party moderation.

Given these findings, it is natural to move one step further and examine the causal effect of radical right success, as expressed by parliamentary representation, on mainstream party policy positions. This is related to a more recent strand of the literature, examining the behavior of mainstream parties and focusing on the effect of electorally successful radical right parties, which have entered the national parliaments of many European democracies, on mainstream parties' positions on immigration (e.g., Abou-Chadi, 2016; Abou-Chadi and Krause, 2020; Hjermitslev, 2022; Meijers and van der Veer, 2019; Wagner and Meyer, 2017; Valentim and Widmann, 2023). A large body of this literature finds evidence for the existence of an accommodation effect, according to which mainstream parties respond to radical right success by adopting more anti-immigration policy positions, i.e., accommodating the core-issue positions of the radical right (e.g., Abou-Chadi and Krause, 2020; Bale et al., 2010; Han, 2015; Schumacher and van Kersbergen, 2016). Some scholars, however, have called into question the above-mentioned effect, underlining that the degree to which mainstream parties' shifts towards anti-immigration positions attributed to the radical right might be overstated (Akkerman, 2015; Alonso and Fonseca, 2012; Meyer and Rosenberger, 2015). Hence, although the existing findings reveal that radical right parties pose a significant electoral threat to mainstream parties and do affect political competition in the country, the way that mainstream parties react to this electoral threat is still an open field of research.

Our second research question contributes to this field of research, by examining the causal effect of radical right success not only on mainstream parties' positions on immigration, but also on mainstream parties' overall ideological position which includes issues they own and are less, or not at all, addressed by radical right parties. In addition, unlike existing studies, it extends the analysis to the years of the most recent and persistent fourth wave of the radical right in Europe (Mudde, 2019), including all general elections from 1960 to 2020. We argue that mainstream parties choose to confront the successful radical right party by accentuating

issues that are central in their political agenda and in which they have a competitive advantage, rather than by shifting towards the core-issue positions of the radical right competitor and further increasing the salience of the issue, in which the latter has an undoubtful advantage. Our findings confirm this argument, showing that mainstream right parties respond to the threat of the radical right by shifting their overall ideological position towards the center, but without shifting their position on immigration. Instead, mainstream left parties have been found to respond by taking up pro-immigration policy positions but without altering their overall ideological position. In total, these findings indicate that that electoral success of the radical right is a parallel trend rather than the driving force behind the general rightward shift and the mainstreaming of anti-immigration policy positions.

Then, our research focus shifts to the political phenomenon of populism.

Since the turn of the twenty-first century, the increasing support for populist parties has been constantly involved in the political debate, spurring several studies to examine the growth of populism, seeking patterns and determinants of it (e.g., Algan et al., 2017; Brückner and Grüner, 2020; Evans and Ivaldi, 2021; Gozgor, 2022; Guiso et al., 2019; Rodrik, 2018). A key feature in the literature is that populism is a reaction to imperfections of the political and/or economic market, while among the proposed causes of the increasing support for populist parties, financial shocks and rising economic uncertainty have a prominent role. For example, cross-country studies suggest that job insecurity and stricter employment protection breed populist vote shares (Bergh and Kärnä, 2022; Gozgor, 2022), while the regional-level study of Algan et al. (2017) documents a strong relationship between unemployment and voting for populist parties during the European economic crisis. However, studies so far either treat left- and right-wing populist parties as a homogeneous group, or focus only on right-wing populism, leaving a gap in the literature on the left-right political distinctions of populism.

Although the rhetoric of populism revolves around the notion of 'the pure people' which need to be defended from the economic and political 'corrupt elite' (Kaltwasser, 2018; Mudde, 2007), the study of March (2017) points out the existence of substantial differences in the perceived goals of each group that depend on the party's host ideology, and which make the distinction between left- and right-wing populism crucial. Having this in mind, the third research question of the present thesis treats populism as a multidimensional phenomenon that occurs at both ends of the political spectrum and contributes to the literature in two dimensions. First, it provides a comprehensive and multidimensional classification method that identifies left-leaning and right-leaning populist parties. Second, given the classification of populist parties, it examines how economic insecurity, as expressed by regional unemployment rate, has affected electoral support for left- and right-wing populist parties, and how this effect changes – if indeed it does – across countries with different types of welfare state.

Building on the 'economic insecurity hypothesis', according to which conditions of economic uncertainty increase the demand for more social spending and promote the support for leftist parties (Hibbs, 1977), we argue that higher unemployment rates in a region boost support for left-wing populist parties, which promote issues of redistribution and social protection, in that region. Accordingly, we argue that there is no corresponding effect on support for right-wing populist parties, since the latter have ambiguous economic positions in their political agenda and treat these issues as secondary importance (Van Hauwaert and Van Kessel, 2018). Finally, we consider this effect to be more pronounced in countries with a weak, less generous, welfare state, where the demand for social protection and redistribution will be stronger. The estimated results give support to our arguments, indicating that higher regional unemployment rates strengthen the support only for left-wing populist parties in that region, and that this effect is indeed more pronounced in countries with a less generous welfare state.

As a final step, we turn our focus to the individual level and explore the characteristics and attitudes that best explain a radical ideological profile at any end of the left-right political spectrum. Although the relationship between radical voting and socioeconomic conditions, such as unemployment, inequality and immigration, has been examined by several scholars (e.g., Algan et al., 2017; Evans and Ivaldi, 2021; Georgiadou et al., 2019; Roumanias et al., 2022; Stockemer, 2017), little is known about individual level factors that explain support for radical left and/or radical right political ideologies. An important exception is the study of Rooduijn et al. (2017) that examines the profile of radical voters, suggesting that there are substantial differences between voters of the radical left and those of the radical right. Radical ideologies, however, are not always expressed through voting. Individuals holding a radical, left or right, ideology are likely not to identify themselves with a political party and to express their discontent with the existing political scene, and/or their opposition to the current democratic institutions, by abstaining from elections (Dalton, 2000; Wattenberg, 2002). Therefore, the analysis of radicalization should go beyond the voting behavior, focusing on the expression of radical ideologies regardless of party affiliation.

Our last research question contributes to this field of research, exploring the profile of individuals who hold a radical, left or right, ideology, as reflected by their self-placement on the left-right political spectrum. Given the normative distinction in the two groups of radical ideologies and following the findings so far, we argue that the notion of common characteristics between radical left and radical right ideologies is not always hold, at least when it comes to background characteristics of individuals who express them. Our evidence confirms this argument, indicating significant distinctions between people holding a radical left and those holding a radical right ideology, which lie mainly in education level, experience of unemployment, and trust in national institutions.

1.2. Summary of Research Methodology

The main objective in the first two research questions is to provide evidence about how dynamics of party competition have changed over time, focusing on the well-established mainstream parties' positioning. Following the recommendations of existing studies (see e.g., Budge, 2013; Dalton, 2021), as main indicator of policy tendencies in party competition, we use the party's overall ideological position, which captures a wide range of topics and cleavages structuring political scene in a country. More specifically, we use the *rile* left-right index provided by the Manifesto Project database, reported as CMP/MARPOR, which is derived by the party's policy positions in a wide range of categories, such as economic, societal, cultural and environmental, based on the party's election program.

First, we empirically evaluate how different aspects of globalization – economic, social and political – have affected mainstream parties' overall ideological positions, based on a panel dataset of 36 political parties in 18 Western European countries over the period 1970-2015. To capture all the dimensions of globalization, we use the KOF indices of economic, social, political and overall globalization (Dreher, 2006a; Dreher et al., 2008a; Gygli et al., 2019). The panel model is estimated with two-way fixed effects and robust clustered standard errors, including a set of control variables related to economic, demographic and political factors that may influence a party's position and accounting for differences between left- and right-wing mainstream parties. The estimated results suggest that an increase in economic or social globalization leads mainstream right parties to adopt a more left-wing overall ideological position while leaves the corresponding position of mainstream left parties unaffected. Furthermore, we find that mainstream parties respond to the average trend of foreign parties' positions of the same ideological bloc, indicating an indirect effect of political globalization. In sum, these findings give support to the main argument of the first research question, namely

that globalization, as a multifaceted phenomenon, do affect mainstream parties' positions and causes a party system convergence towards the center-left.

Second, we examine how mainstream parties strategically adjust their policy positions in response to the entry of a radical right party in parliament, in a sample of 29 European democracies for all general elections between 1960 and 2020. We do so, using a regression discontinuity design, based on nationwide electoral thresholds, that allows us to estimate the causal effect of radical right parliamentary representation on mainstream parties' positions, ruling out voter preferences and/or other unobserved factors as potential confounders. The use of nationwide electoral thresholds enables us to compare cases where radical right parties with similar vote shares are electorally successful in some countries while they fail to achieve the same amount of success in others due to the country's electoral laws. Moreover, considering that the electoral threat posed by a radical right party is weighing more on mainstream right parties, the entire empirical analysis is conducted for each party family separately, accounting for potential different responses between mainstream left and mainstream right parties. The estimated results suggest that mainstream right parties respond to the threat of the radical right by shifting their overall ideological position towards the center, but without shifting their position on immigration, avoiding a further increase in the salience of the issue. On the other hand, mainstream left parties respond to radical right success, by taking up pro-immigrant positions, but without altering their overall ideological position. Overall, these findings confirm the main argument outlined in the second research question, namely that electoral success of the radical right is not the driving force behind the general shift of political discourse to the right but rather a by-product of it.

Then, to evaluate the third research question, we move from the macro to the meso-level analysis, focusing on the European Union's NUTS-2 statistical regions, which capture within-country variations, such as variation in income, employment and inequality, and are

particularly important from a policy perspective since they are treated as territorial-government divisions and are used for regional policies (Geddes et al., 2013). Hence, we apply regional-level panel data techniques to estimate the effect of regional unemployment on populist parties' votes shares, accounting for differences between left- and right-wing populist parties and controlling for a range of economic, demographic and political factors that may influence party electoral performance in a region as well as for a range of unobservable fixed and time-varying characteristics. The empirical results suggest that higher rates of unemployment in a region lead to higher vote shares only for left-wing populist parties in that region. In addition, results show that this effect is conditional on the type of a country's welfare state, as measured by the generosity and institutional framework of the pension, unemployment benefit, and sick pay insurance systems, implying that the estimated relationship is more pronounced in countries with a less generous welfare state. In total, findings are in line with our theoretical priors, which are based on the idea that economic insecurity increases the demand for high, even excessive, levels of redistribution.

Finally, the fourth research question turns the research focus of the thesis to the micro-level, examining individuals' characteristics and attitudes that are associated with the expression of a radical left or a radical right ideology. To do so, we employ a supervised machine learning approach, which allows us to identify those factors that are most relevant with the radical, left or right, ideologies, pulling together various dimensions of an individual's profile. Since ideological orientation is affected by several factors, our empirical analysis in this part of thesis does not aim to establish causality, but to identify those factors that have the best explanatory power for radical, left or right, ideological self-placement. First, the analysis produces results for radical left and radical right ideological profiles separately, while then it evaluates to what extent individuals holding a radical ideology at either end of the left-right political spectrum come together or divergent in terms of their background characteristics and

attitudes. Overall findings indicate significant distinctions between radicals on the left and radicals on the right, and thus tend to reject the notion that individuals with a radical left and those with a radical right ideology share similar characteristics and attitudes.

The rest of the thesis is structured in four chapters, each one dealing with one of the above research questions, and a final chapter with the main concluding remarks which discusses the implications for policy making. Every chapter consists of a detailed theoretical framework, the outline of the data, the empirical design and the methods employed in the analysis, the empirical findings, and finally a conclusion section.

2   Chapter 2. How Do Mainstream Parties Respond to Multifaceted Globalization?

2.1. Introduction

The way political parties select their policy positions has been the focus of debate in both economics and political science. A vast literature has indicated that parties in industrialized democracies adjust their positions in response to voters' preferences (e.g., Adams et al., 2004; Downs, 1957; McDonald and Budge, 2005). However, apart from voter preferences, other factors related to the economy and society can influence party competition. One such prominent factor is economic integration, which is typically conceptualized as trade openness, foreign direct investments and capital mobility. Adams et al. (2009) and Haupt (2010) find a significant effect of global economic conditions on parties' ideological position, however, they show that convergence or divergence of party positions is conditional on the measure of economic globalization employed. Similarly, Ezrow and Hellwig (2014) find that parties are less responsive when the economy is more integrated with the rest of the world.[1]

Nevertheless, economic integration, is only one aspect of a multifaceted phenomenon, i.e. globalization, a concept which goes beyond the traditional indicators of trade or capital openness and includes social and political aspects.[2] Following Clark (2000, p.86), the term globalization "describes the process of creating networks of connections among actors at multicontinental distances, mediated through a variety of flows including people, information, and ideas, capital and goods".[3] Of equal importance, of course, is the so-called 'social

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[1] Ezrow and Hellwig (2014) focus on the constraints that globalization places on the parties' responsiveness to voter preferences. They show that parties are less responsive to left-right shifts in the median voter position when economic integration is high.

[2] And even though there are not many studies examining party convergence in the face of globalization, there are some anecdotal evidences and some formal studies concerning the support of pro-economic integration policies. For example, it is widely documented (e.g., Hooghe et al., 2002) that there is a consensus among centre left and right parties over the support for European Integration.

[3] See also Scholte (2008).

globalization', which refers to the spread of ideas, information, culture and people from different countries, and 'political globalization', which captures the foreign government influence on domestic government and participation of the country in international agreements, organizations and missions (Dreher, 2006a). In the present study, we examine the impact of all components of globalization, using the overall KOF index of globalization, which combines a wide set of indices for economic, social and political globalization, on parties' ideological position.[4] To our knowledge, this is the first research study that undertakes this task.

The present chapter is related to several studies that examine the effect of economic globalization on party positions (Ezrow and Hellwig, 2014; Sen and Barry, 2020; Ward et al., 2015). However, it is different in several dimensions. Firstly, in contrast to these studies, our focus is on every dimension of globalization, as it reflects not only the integration of the economy but also the integration of population, culture, ideas, and politics. Secondly, we examine the influence of globalization on the overall ideological position of parties and not only on their economic positions. Even though economic issues are important when shaping the electoral platforms, most of the times additional social issues enter in the pre-electoral political debate and shape the final electoral outcomes. For that reason, we consider the position of parties in many dimensions and not only their economic platforms (as, for example, in Sen and Barry, 2018). Furthermore, our analysis, in contrast to the existing literature, allows us to determine which parties change their position and converge, by flexibly accounting for different left- and right-wing parties' behavior.

Even though globalization can have a direct effect on policy positions, it can also have an indirect effect by creating common ideological trends among parties in different countries

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[4] The KOF index for economic globalization includes trade flows, portfolio, foreign direct investment, tariff and barriers to trade and capital controls. Social globalization index measures international connections among individuals and information flows. Finally, political globalization accounts for the number of foreign embassies, international NGOs and membership in international organizations (Dreher, 2006a; updated in Dreher et al., 2008a; revised version in Gygli et al., 2019). Potrafke (2015) surveys the vast literature that uses the KOF index.

(Kayser, 2009). As a corollary, we expect parties to be influenced by ideologically similar parties in other countries. Recent studies, in the so-called policy diffusion literature, have provided strong evidence that parties are responsive to changes in the policy positions of foreign parties (Böhmelt et al., 2016; Ezrow et al., 2017) and other studies have shown that parties respond to domestic rival parties of the same party family (Adams and Somer-Topcu, 2009; Williams, 2015). Our analysis seeks to complement these studies by evaluating whether parties respond to policy positions of foreign parties of the same ideological bloc.

The empirical analysis relies on a panel dataset of 36 political parties in 18 Western European countries, over the 1970-2015 period.[5] Our model specification considers a range of unobservable characteristics by using party-level fixed effects to account for different constitutional and historical characteristics that led to the creation of each party. Moreover, we add a set of control variables related to economic, demographic and political factors that may influence party position.

To explain the relationship between party's ideological position and globalization we use as dependent variable a multidimensional left-right index of party ideological position, taken from the Manifesto Project (CMP/MARPOR) database. As a proxy of globalization, we use the overall KOF Globalization Index (Dreher, 2006a; revised in Gygli et al., 2019) but we also examine the robustness of our results by using the separate sub-indices of KOF for economic, social and political globalization.

The main findings can be summarized as follows: globalization creates a convergence of party positions, with right-wing parties moving leftward. This effect exists if we examine the overall index, but also the economic and social globalization sub-indices respectively. This is consistent with the idea that globalization makes the positions of left-wing parties more

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[5] As an additional analysis, we extend our panel data to include more political parties until the vote share exceed 70% of votes in every country and our results remain the same.

attractive to voters (Walter, 2010), either because globalization increases the income volatility (e.g. Rodrik, 1998) or because it makes voters more susceptible to foreign cultures and ideas.[6] Compared to previous studies (e.g. Dorussen and Nanou, 2013; Sen and Barry, 2020; Ward et al., 2015), which have found evidence of party positions convergence in the face of higher economic integration, our study has as an additional advantage the ability to identify the direction of this convergence, namely to the left. We also complement this literature by showing that party positions convergence is not driven only by globalization that reflects the economic integration but also by the integration of population, culture, ideas, and politics.

Finally, we obtain evidence of foreign party position influence. Specifically, we find a negative relationship between domestic parties and foreign parties of the same family, suggesting that parties move towards the opposite direction of the position of foreign similar parties. We regard this relationship as a strategic response of parties, which move towards the opposite direction as a way to capture more votes and not to move away from the domestic political center.

The rest of the chapter is organized as follows. Section 2.2 discusses the main testable hypotheses. Section 2.3 describes the data and introduces the empirical specification. Section 2.4 presents the empirical results. Finally, Section 2.5 provides some concluding remarks.

2.2. Theoretical Considerations and Testable Hypotheses

An extensive literature examines the effect of deeper economic integration on social and economic policies. Even though, findings are sometimes ambiguous, most studies show that globalization results in higher government spending (Dreher, 2006b; Garrett, 1998; Rodrik, 1998b), lower taxation on capital (Adam et al., 2015; Adam and Kammas, 2007) and more

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[6] Our results are also consistent with the Partisan Theory literature (e.g., Alesina, 1987; Chappell and Keech, 1986; Hibbs, 1977) where numerous studies show that left- and right-wing parties have different response to economic conditions such as inflation, unemployment and economic integration.

redistributive policies (Bergh and Nilsson, 2010; Leibrecht et al., 2011; Meinhard and Potrafke, 2012).

In general, these findings are based on the so-called *compensation effect of globalization*, i.e., the idea that globalization creates insecurities, increasing the demand for insurance against external risk, and, hence, governments respond to this demand by expanding social spending (Burgoon, 2012; Rodrik, 1998a). According to this view, then, globalization increases the demand for social security, through an increase in government spending and more redistributive policies. These policies are considered, most of the times, as left-wing policies.

Since the driving force of the compensation effect is voter demand, we should expect similar demand-driven changes in the pre-electoral positions of political parties. If redistributive policies become more popular to voters due to globalization, it should be expected that political parties will respond by adopting these policies in their pre-electoral programs. Furthermore, in an integrated world, with high cross-country informational flows, ideas in one country may be transmitted to its "neighbors". In other words, as voters become globally interconnected, they observe policies in other countries that are taken to compensate people from the possible cost of globalization, e.g., redistributive policies, transfers, labor market policies, and they demand similar policies in their country.[7] This latter (second order) effect intensifies the compensation effect of globalization.

What the above considerations reveal, is that globalization is expected to make left-wing policies more attractive. Following the idea that left-wing parties are inherently ideologically distant from right-wing parties and appeal to a different social group of voters (e.g., Boix, 1998; Hibbs, 1989; Hwang and Lee, 2014; Potrafke, 2017), it is expected that left-wing parties are to

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[7] For example, Meinhard and Potrafke (2012) have shown that social globalization has a positive influence on government spending, because people observe the government size in other countries and demand more expenditure in their country and government respond to this demand.

gain popularity. The basic model of party competition, however, suggests that office-seeking parties compete for votes and adopt policy positions that reflect voters' preferences (Downs, 1957). Hence, the natural response by the (rational) right-wing parties is to move leftward so as not to lose support.[8] Consequently, there are good reasons to expect that globalization has a significant effect on the party's ideological position; this effect is conditioned by the ideological group to which the party belongs. As globalization erodes the support for (pro-market) right-wing parties, the latter respond by adopting positions closer to their rivals, i.e., pro-redistributive (left-wing) parties.

The compensation effect of globalization is one channel through which globalization affects the political positions of parties (Garrett and Mitchell, 2001). The literature, so far, has established that government policies can also be affected by the so-called *discipline effect* of globalization (Dreher et al., 2008b): globalization restrains governments by inducing increased budgetary pressure. Hence, deeper integration is expected to reduce the tax burden on the relative mobile factor of production (e.g., Onaran et al., 2012) and reduce welfare state expenditure and transfers (e.g. Bove et al., 2017). And if the *discipline effect* on government policies is valid, a similar effect in party positions is also anticipated, i.e., parties will adopt policy positions that are typically considered right-wing policy positions such as lower expenditure and lower taxation on capital. Thus, there should be a convergence to the right, i.e., the exact opposite of what the compensation effect predicts.[9]

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[8] It is obvious that in the above analysis we do not have in mind the standard two- party downsian competition, where both parties in equilibrium support the policy preferences of the median voter. In contrast we have a multiparty system, with some form of proportional representation. Even though, in this framework it is difficult to establish an equilibrium set of policy positions (see for example Lin et al., 1999), casual observation suggests that parties occupy certain positions in the issue space, and, although, there might be shifts in party positions, there is no leapfrogging in the issue space in search for votes (Mueller, 2003). In this setting besides two (or more) major parties that are office motivated, there are a number of niche and ideological parties, which do not respond to the wishes of the decisive voter, but to a large extend affect the behavior of the mainstream office-seeking parties (see for example Matakos and Xefteris, 2017).

[9] On the other hand, if both hypotheses are at work, it is possible that the net effect of the compensation and discipline effect will cancel each other out, leaving an overall zero net effect on party positions.

Yet, a number of studies have shown that in a partially integrated world, governments, and similarly parties, are still able to overcome the constraints set by international forces (see for example Adam and Kammas, 2007). Ward et al. (2015) show that as parties face constraints from globalization they tend to politicize issues that politicians have more control over. This tendency becomes more pronounced when globalization constraints imply policies that seriously damage the popularity of parties. Hence, given these considerations, we should expect that the compensation effect will be more pronounced. The following hypothesis summarizes the above argument:

H1: Globalization creates party convergence to the left due to the right-wing party moderation.

Extending the above hypothesis, we should expect that all dimensions of globalization will be equally responsible for this leftward change of the right-wing parties. Thus, we should expect that the above proposition will hold equally when we employ each separate index (economic, social, political) of globalization as independent variable.

Higher integration between countries, however, might have additional effects. Besides making parties converge to their domestic rivals, it also creates transnational ideological links, between parties of the same family. To put it another way, we expect that, in a globalized world, parties respond to the position of ideologically similar parties in other countries. According to Böhmelt et al. (2016), parties learn from and emulate the policy positions of parties of foreign countries. This creates party position diffusion across countries, where parties replicate the policy proposals of foreign (successful) parties.

However, political competition in a multi-party system may create a different response. Even though learning dynamics imply party policy diffusion, it might as well be the case that changes in foreign party position may result in another exernality. Consider, for example, the effect of a shift to the right by foreign right-wing parties. The associated cost of moving closer

to the median voter's position for the mainstream domestic right-wing party is now lower: as long as right-wing voters associate the policy position of the domestic party with the position of foreign parties, there are fewer voter transitions from the mainstream right-wing party to other, smaller, right-wing parties. Thus, the domestic party can increase its vote share by "free-riding" on the policy position change of (same family) foreign parties. Franzese and Hays (2008) show that positive externalities from foreign parties result in a negative correlation between party positions across countries.[10]

Interestingly, this latter case implies that ideological cycles may emerge, i.e., swings over time of the popular opinion between right and left policy positions.[11] For example, Williams (2015) argues that policy-seeking parties in multiparty systems respond to all rivals and even more to ideologically similar parties. Given that our research interest focuses on mainstream parties, political dynamics might motivate parties to remain close to the political center even if foreign parties of the same family adopt more extreme positions.[12] This is especially true, in our sample, which includes, predominantly, European countries with proportional political systems, where parties want to maximize their overall vote share, rather than simply win the majority. Although it is not clear on theoretical grounds whether political dynamics are more pronounced than learning dynamics, we also test the following hypothesis:

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[10] Franzese and Hays (2006) show a negative spatial lag exists in the case of European labor market spending policies, as domestic governments free-ride on the spending of foreign governments. Similarly, Gilardi (2010) shows that policy-makers learn selectively from the experience of other governments. Hence, one cannot rule out a more strategic response as the one highlighted in text.

[11] We should note that the strategic response to foreign parties may coexist with policy diffusion due to globalization. However, the latter effect may be captured by the KOF index, whereas the former is captured by the political position of parties in other countries.

[12] The way that parties place themselves in the political space depends crucially on the political system. Thus, the political center grounds may be different across countries. According to our data the average position of parties of the same family varies across countries; for right-wing parties this value ranges from -11 to +20 and for left-wing parties from -25 to -7. Since the positions of similar parties differ from country to country, the definition of the political center is also country specific. Thus, a centrist position of a mainstream party in one country, might be considered as extreme in another one.

H2: Political parties may moderate their behavior in response to the adoption of more extreme platforms by foreign parties of the same family; a party may be able to maintain its association with hardline policies of the party family while actually moderating its policies to appear more attractive to centrists or coalition partners.

At first sight the above two hypotheses may appear conflicting. However, they are not; the first predicts a general trend of the average right-wing party to the left, whereas the second predicts negative diffusion effects among foreign parties of the same ideological bloc. The first hypothesis explains parties' response to globalization, which shapes the domestic demand for policies, predicting that parties converge to the left. While, the second hypothesis explains the transnational influence among political parties of the same family who compete in different political systems with different center grounds.

In sum, we argue that globalization is associated with party convergence to the left because it enhances the demand for left-wing policy positions. Possibly, this convergence may follow a cyclical pattern in an attempt of parties to distinguish themselves from foreign parties of the same family who adopt more extreme positions. In the following sections, we evaluate the validity of the above hypotheses through an empirical analysis in a panel data set.

2.3. Data and Empirical Specification

2.3.1. Measuring party position

We constructed a panel dataset, from 1970 to 2015. For each of the 18 Western European countries in our sample, we include two mainstream parties from each country (i.e., a total of 36 parties): a party from the left and a party from the right of the political spectrum. We do so for two reasons. First, we want to take into account only mainstream parties, as their

pre-electoral promises are more credible than those of smaller parties (Adams et al., 2006).[13]

Electoral programs of mainstream parties consist of feasible positions as they are more likely to enter the government, and thus are subject to (post) electoral control (Dorussen and Nanou, 2013). Second, we want to include well-established parties, i.e., parties that have participated in at least four national elections in the 1970-2015 period. Parties with a long electoral history are expected to select strategically their positions, by taking into account the future effect of their choice, in contrast with parties that have participated only in one or two elections, which are expected to be more short-sighted.

Given these two requirements, the parties of the extreme left and the extreme right are not included in any country, as at least for the period under consideration, they received a low vote share and are not regarded as mainstream parties. Thus, all included country-party pairs are centrist parties, either center-left (which typically coincide with Social democratic parties) or center-right parties (which typically coincide with Christian democratic parties).[14,15] In order to ensure that party selection is not driving our results, as a robustness check, we carry out an additional analysis including more parties in the sample. Specifically, we include parties until the combined vote share exceeds 70% of the total votes in every country. This implies that there is a greater number of parties in some countries than in others, but guarantees that an important part of the electorate was represented in every country.

Our analysis focuses only on European countries that have a long record of free and fair elections. We do so to maintain a homogenous sample of cases subject to comparable party systems and relatively common political ideology (Dorussen and Nanou, 2013). Based on data

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[13]Adams et al. (2006) show that mainstream parties respond to the environmental incentives while "niche" parties (e.g., Green, Communist) have a low responsiveness due to their strict policy beliefs.

[14] In the case of Great Britain and France we use the Conservative parties as the respective Christian democratic parties have participated at most once in elections.

[15] Data for party's ideological bloc are based on the Manifesto Project classification of party. All the included parties and descriptive statistics of the variables employed are presented in Appendix (see Table A2-1, A2-2).

availability of the Manifesto Project our sample consists of 18 European countries.[16] From this sample, former communist countries have been excluded as they have election data only after the 1990s. Moreover, Greece, Portugal, and Spain are included in the sample for the years after the restoration of democracy (i.e., after 1974 for Greece, 1975 for Portugal and 1977 for Spain).

Following the existing literature (e.g. Adams et al., 2009; Haupt, 2010; Ward et al., 2011), our dependent variable, i.e. the party's overall position on the ideological scale (left-right), is taken from the Manifesto Project database known as CMP/MARPOR.[17] This database uses content analysis of election programs to calculate each party's overall ideological position, using information about a broad number of issues, i.e., the degree of preference for state intervention in the economy, the views about education and labor issues, social policies, nationalism, and traditional values, etc. The categorization is based on each party's election program.[18] Since this index is only available for election years, our final dataset is by construction unbalanced, as it includes (irregular) election dates for each country. The associated variable, namely *Party's Ideological Position*, ranges from -100 (extreme left) to +100 (extreme right).[19] In general, an increase in *Party's Ideological Position* indicates a move towards the right, which is equivalent with the adoption of policies in favor of market deregulation, retrenchments in crisis, reduction of the welfare state and/or favor mentions for traditional values and national way of life. Instead, a reduction in the index is associated with

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[16] We do not include Malta and Cyprus due to lack of data on party's position before 1996.

[17] The additive left-right index, called *rile* by the Manifesto Project, subtracts the percentage of 13 aggregated left categories from 13 aggregated right categories (Budge et al., 2001).This index has been characterized as more reliable than any single coding category in the Manifesto Project (Mikhaylov et al., 2012). For the detailed methodology of the Manifesto Project, see Budge et al. (2001), Klingemann et al. (2006), Volkens et al. (2016).

[18] Imbeau (2009) and Osterloh and Debus (2012) provide evidence for a close link between the electoral program of a party and the policies that adopted by that political party after the elections.

[19] This measure indicates the left-right position as given in Laver and Budge (1992) and is constructed by subtracting the aggregated categories related with left positions from the aggregated categories related with right positions. It includes quasi-sentences about welfare state, education, economic planning, market regulation, traditional moral values, nationalism and labor groups.

policies promoting market regulation, expansion of welfare state, favorable measures to labor groups, state intervention in the economy and internationalism.

A simple inspection of differences in the index between parties within a country shows interesting trends, which appear to verify our priors. Maybe the most revealing of these cases is the case of Greece. A country that in the 1970s had a very low level of globalization, that eventually increased over time. As the process of European Integration moved on, in the mid-1990s the right-wing party of New Democracy, in an attempt to counteract the high popularity of the Greek Socialist Party (PASOK), adopted policy positions in favor of higher spending and expansion of the welfare state. This occurred, as the ruling PASOK was taking a pro-European Integration agenda and New Democracy was trying to attract those voters that supported the compensation effect of globalization view. This resulted in a convergence between the two parties, after a period of increased polarization, especially in the period of the Greek accession in the EU (then EEC) in the early 1980s.

The party convergence in Greece, evidently, was taking place due to the process of European integration and the straitjacket of the Euro adoption criteria. Yet, even after the adoption of the Euro, similar examples of policy convergence exist. France, especially over the recent years, stands out as an obvious case of party convergence, and of course, the process of European integration and increasing globalization has been considered as the main force behind these changes (see e.g., Meunier, 2004). Mainstream socialists and the moderate right have taken a policy stance defending the globalization process, but at the same time supporting policies that favor state intervention have been advocated by both parties (*Ibid.*).

In Denmark, the convergence of the mainstream right and left parties was evident, especially after 1987 (Carter, 2013). In a party system which favors coalition governments, this convergence was to be expected. After a period or radicalization of right-wing parties, during

the early 1980s, the (right-wing) government, even before the 1987 general elections, continued the pro-welfare state policies and increased the size of the public sector (Borre, 1988). In fact, as voters strongly favor the support for the welfare state, Danish parties typically adopt this position as a way to ensure electoral success (Nielsen and Kesting, 2003). The welfare state, of course, is the way voters insure themselves against the perils of increased economic integration; and in the period under consideration, economic integration was on the rise.

Interestingly, a similar picture arises in Finland, for almost the whole period under study. A highly fragmented political system gave rise to coalition governments, where consensus among parties is high, and all parties are converging to the center (Arter, 2009). Also, voters value highly the welfare state as a means of insurance against market risk, creating the same dynamics as in Denmark.

Finally, convergence for the mainstream right and left parties in Spain, in the early 1990s, is also documented (Carter, 2013). And the underlying forces are similar to those in Greece: as the governing socialist parties PSOE was trying to meet the "convergence criteria" for entry in the European Monetary Union, the People's Party (PP) concentrated on criticizing the government while displaying moderation in social issues(Vallès, 1994).[20]

2.3.2. Measuring globalization

To proxy globalization, we use the KOF globalization indices, originally introduced by Dreher (2006a).[21] Specifically, we use the overall index of globalization, which covers the economic, social and political dimensions of globalization. As robustness, we also use each of the three sub-indices. The main advantage of the overall index lies in the fact that it considers all aspects of globalization in the economic, social and political fields. This comes into sharp contrast with

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[20] In the appendix in Figure A2-1, we present graphically the party positions over time for the above five cases and verify the trends highlighted in the main text.

[21] Dreher (2006a), updated in Dreher et al. (2008a) and revised in Gygli et al. (2019).

other conventional measures, e.g., trade openness or capital account restrictions, which typically account only for the degree of economic integration. As "globalization is a process that erodes national boundaries, integrates national economies, cultures, technologies, governance and produce complex relations of mutual interdependence" (Dreher et al., 2008a), this is the best measure for the issue at hand.

Specifically, the three sub-indices included in the overall index of globalization are: (i) *Economic Globalization*, which measures actual trade flows, foreign investment, income payments to foreign nationals and absence of restrictions on trade and capital flows; (ii) *Social Globalization*, which measures the communication among people from different countries, information flows and cultural proximity. This index is compiled by computing telecommunication traffic, the stock of foreign population, internet users, international newspaper trade and international trade in books; finally, (iii) *Political Globalization*, which accounts for the degree of international political integration, through the number of international agreements and embassies in a country.[22,23] Then, our main measure of globalization is the index that combines all three above categories, denoted as *Globalization*, and takes values from 1 to 100, with higher values denoting higher globalization.

Since, according to our first hypothesis, we expect a different response to globalization from the left- and right-wing parties, we also interact *Globalization* with a dummy variable, which takes the value of *1* when the Manifesto Project categorizes the party as a party that belongs to the left-wing party family. Then, the effect of globalization on the position of the right-wing parties is given by the sign of the variable *Globalization.* On the other hand, the effect for the position of left-wing parties is given by the sum of the coefficient of *Globalization* and the coefficient of the interaction term.

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[22] For more information see Dreher (2006a).
[23] As the KOF indices are highly correlated, in the robustness analysis we use each of them in a separate regression.

As it has been argued in the previous section, globalization is also anticipated to work through the transmission of foreign parties' positions. Therefore, besides *Globalization*, we also include the variable *FPosition* in the empirical model. Following Böhmelt et al. (2016, 2017), we calculate this variable as

$$FPosition_{jit} = \sum_{k \neq i}^{N} w_{ik} position_{jkt-1} \tag{1}$$

This variable calculates the weighted average of the positions of parties in all countries *k*, except *i*, at time *t-1* that belong to the same ideological group *j* (i.e., left or right). Given the structure of our dataset, we use the position of other parties *j* in the year before the last election in their country, i.e., before year *t* that corresponds to the year of national elections in country *i*. The weight, w_{ik}, is the inverse of the distance of GDP per capita between country *i* and *k* .[24]

2.3.3. Other control variables

The rest of the independent variables follow the existing literature (see e.g., Dreher et al., 2008b; Meinhard and Potrafke, 2012). Hence, we use the growth rate of GDP per capita (*Growth*). The sign of this variable is a priori ambiguous; low growth rates may lead parties to move leftward to fight recession, but on the other hand leftist positions consistent with expansionary fiscal spending are more likely to come up at times of economic prosperity, i.e., when growth rates are high (Dreher 2006a; Ezrow and Hellwig, 2014). The second control variable is the inflation rate (*Inflation*) as measured by the GDP deflator. According to the Partisan Cycles literature (e.g., Alesina, 1987; Chappell and Keech, 1986; Herwartz and

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[24] To examine the robustness of our results, we have also calculated the average of positions of foreign incumbent parties (*FIPosition*) to control if successful foreign parties are more influential. This variable is the weighted average of similar foreign parties that were part of the government or government coalition during the last election year in their countries and it is used in estimates presented in Table 3 (column 3). The data in incumbency status come from ParlGov database. Moreover, we have calculated the simple average of parties' positions and found similar results, in terms of sign and statistical significance, with those of our main specification. The only difference is that the estimated coefficient of the weighted average (using as weights the distance of GDP per capita) is higher than the corresponding coefficient of the simple average. These results are available upon request.

Theilen, 2014; Hibbs, 1977), higher rates of inflation affect mainly right-wing parties by moving them rightward in order to control inflation and leave left-wing parties uninfluenced. For this reason, we also include the interaction term between inflation and left-wing parties (*Inflation xLeft*). To take into account the level of development in each country, a country's relative income (*Relative income*) is included in the set of regressors. This variable is measured as the proportion of a country's GDP per capita in relation to the average (sample) GDP per capita. We also include a demographic variable, the age dependency ratio (*Dependency ratio*), which is measured by the number of persons in the age group 0-15 and 65+, as a ratio of the working age population. A higher rate of the inactive population leads parties to adopt policies with higher social spending, i.e., left-wing policies (Leibrecht et al., 2011).[25]

To control the degree of political competition within each country, we control for the effective number of parties (*Eff_No_parties*). This variable is constructed by weighting the number of parties in the legislature by their vote share.[26] The inclusion of this variable in the model captures the effect of changes in the electoral system across time (Dorussen and Nanou, 2013).[27] In general, proportional systems tend to have more parties, and the strategy of mainstream parties depends crucially on the number of competing parties. However, we do not have a- priori expectations on the sign of this variable. Finally, we include a dummy variable for the incumbent party in each country-year (*Incumbent)*, which is coded as *1* for those parties that participate in the government or government coalition.

Accordingly, the baseline model is formulated as follows:

$$Position_{jit} = b_0 + b_1 Globalization_{it} + b_2 leftxGlobalization_{it} +$$

$$+ b_3 FPosition_{jit-1} + b_4 X_{it} + \gamma_j + \mu_i + \delta_t + \varepsilon_{jit} \tag{2}$$

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[25] All the above controls are taken from the World Bank's Development Indicator Database.
[26] As taken from Armingeon et al. (2016).
[27] The corresponding effect across countries is captured by the fixed effects estimator.

where, X_{it} is the vector of control variables, γ_j, μ_i, δ_t are party, country and time fixed effects, respectively, and ε_{jit} is the error term.[28,29] The party fixed effect is equivalent to a dummy variable for left-wing parties. All the regressions are estimated with robust clustered standard errors in order to control for both heteroskedasticity and correlation of the error terms (Beck and Katz, 1995). We are interested in the change in party positions after an increase in globalization. The effect of *Globalization$_{it}$* on *Position$_{jit}$* is then computed as:

$$\frac{dPosition_{jit}}{dGlobalization_{it}} = b_1 + b_2 * Left$$

For right-wing parties, the effect is simply b_1. On the other hand, for left-wing parties the dummy variable *Left* is equal to 1, thus the effect is b_1+b_2.[30]

As a robustness test, we also examine a dynamic model, by adding a lagged dependent variable, which captures the position of the party at the previous national election, as we expect a high degree of correlation with its current ideological position (see e.g., Adams et al., 2009; Haupt, 2010; Ward et al., 2011).[31] Note that in our dataset the time length (T) of our panel is

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[28] To decide between the use of fixed effects or random effects we applied the standard Hausman test which showed that the appropriate specification is the fixed effects model. Moreover, a standard F-test indicated that all included fixed effects are statistically significant.

[29] Ward et al. (2015) also examines the effect of EU accession relying on information from EU treaties and find that both integration into global markets and European Union accession have similar effects on party economic positions. It should be noted that the overall KOF Globalization Index, which is the main independent variable in our model, fully captures the effect of EU accession since it includes data on the number of multilateral treaties signed by each country. Thus, the inclusion of a dummy of EU membership would cause multicollinearity in our model. In addition, a dummy of EU membership is highly correlated with the country fixed effects for many countries that are EU members before 1970 (e.g., Belgium, France, Germany, Italy, Luxembourg, the Netherlands). At the same time, time fixed effects also capture the effect of EU deepening.

[30] This formulation is consistent with a number of similar studies (see the discussion in Potrafke, 2017). At this point, it should be noted that there are two things we need to test. First, a simple *t-test* should be used to determine whether b$_2$ is statistically significant. If the coefficient turns out statistically significant, we have evidence that the effect of globalization on the positions of the left-wing parties is different from that on the right-wing parties. Second, we should test whether the combined effect b_1+b_2 is significant. To do so, we use an *F-test*, which is presented in the bottom line in each table. In our setting, this determines whether the globalization exerts a statistically significant effect on the left-wing parties' positions. Potrafke (2017) points out that the results of the above model are easier understood with the presentation of marginal effects. This is what we do in Figure 2-1.

[31] As an electoral period is in most cases 4 years, it is natural to assume that a single lag is enough to capture the dynamics of the party's ideological positions.

higher than the number of cross units, i.e., parties (N). Hence, the 'Nickell bias' (Nickell, 1981) is negligible as it diminishes with increasing time periods (Beck and Katz, 2011).

2.4. Empirical Findings

In this section, we present the main results, and a series of robustness tests to verify their validity.

2.4.1. Baseline results

The main results are reported in Table 2-1. In the first two columns, we estimate a two-way fixed effects model including only our main variables of interest, namely *Globalization, Globalization x Left,* and *FPosition*. Then, column (3) presents the baseline model, where all control variables are included.

The results in these three columns verify the validity of our two hypotheses. First of all, globalization appears to exert a negative effect on the position of the right parties, i.e., the coefficient *Globalization* is negative and statistically significant. Following the definitions of our variables, this suggests that right-wing parties tend to adopt more left-wing positions in the face of increased *Globalization.* On the contrary, there is no associated change in the political position of the left-wing parties: the coefficient of the interaction of *Globalization* with the dummy of the left-wing parties produces a positive coefficient. The overall effect of *Globalization* on the position of the left-wing parties is given by the sum of the coefficients of *Globalization* and *Globalization x Left.* The last line on the Table, denoted as "*F-test for $b_1+b_2=0$*", gives the p-value of the null hypothesis: that the effect of globalization on the position of left-wing parties is zero. As can be verified, the null hypothesis is never rejected at all conventional levels of statistical significance.

Table 2-1 Mainstream party's position in response to globalization: Baseline results

	D.V: Party's Ideological Position (rile)					
	(1)	(2)	(3)	(4)	(5)	(6)
Globalization	-0.823***	-0.857***	-0.915**			
	(-2.825)	(-2.961)	(-2.349)			
Globalization x Left	0.484**	0.489**	0.572*			
	(2.151)	(2.353)	(1.817)			
FPosition$_{t-1}$		-0.499*	-0.544**	-0.541**	-0.515*	-0.444*
		(-1.860)	(-2.060)	(-2.117)	(-1.969)	(-1.833)
Growth rate			-0.266	-0.248	-0.184	-0.227
			(-0.516)	(-0.493)	(-0.350)	(-0.432)
Relative income			-14.040**	-14.949**	-9.753	-9.194
			(-2.080)	(-2.459)	(-1.658)	(-1.526)
Inflation			0.661**	0.967***	0.676**	1.291***
			(2.256)	(3.070)	(2.090)	(4.079)
Inflation x Left			-0.148	-0.334	0.035	-0.876***
			(-0.420)	(-1.082)	(0.089)	(-3.080)
Dependency ratio			-0.598*	-0.584*	-0.583*	-0.613
			(-1.820)	(-1.855)	(-1.772)	(-1.669)
Eff. No. parties			0.642	0.373	0.974	0.608
			(0.629)	(0.378)	(0.912)	(0.627)
Incumbent Party			2.090*	2.197*	1.884	1.552
			(1.706)	(1.787)	(1.588)	(1.270)
Economic global.				-0.787***		
				(-2.833)		
Econ global. x Left				0.504**		
				(2.142)		
Social global.					-0.481*	
					(-1.980)	
Social global. x Left					0.532*	
					(1.951)	
Political global.						-0.077
						(-0.437)
Politic. global. x Left						0.050
						(0.294)
Number of parties	36	36	36	36	36	36
Observations	421	414	392	392	392	392
R-squared (within)	0.20	0.22	0.28	0.28	0.28	0.26
F-test for $b_1+b_2=0$	0.19	0.15	0.17	0.16	0.79	0.84

Notes: All regressions include two-way fixed effects and are estimated with robust clustered standard errors. *t* - statistics in parentheses. *, **, *** denote statistical significance at 10%, 5%, 1%.

It is also worth noting that the above-estimated effect is quantitatively significant. The estimated coefficient suggests that one standard deviation increase in globalization is associated with an approximately, one standard deviation leftward movement for right-wing parties and with no movement for left-wing parties.[32] Overall, these findings are consistent with previous studies, which have argued that left-wing parties are less responsive to globalization than right-wing parties (Adams et al., 2009; Haupt, 2010).

To have a visual interpretation of the above results, in Figure 2-1, we present the marginal effects from a change in the globalization index on the predicted value of the dependent variable, for right-wing (solid line) and left-wing (dashed line) parties, with the associated confidence intervals.[33] The graph shows clearly the convergence to the left: a change of the globalization index results in a decrease in the predicted position of the right-wing parties, i.e. they turn to the left, approaching the position of the left-wing parties. On the other hand, the predicted change in the position of the left-wing parties is statistically non-significant. This result is in line with Potrafke (2017), who argues that partisan effects on implemented policies have disappeared mainly after the end of the Cold War. Given that mainstream parties, which are the main contenders in the elections for the reference period, converge to their positions, moderate partisan effects are expected.

Regarding the second hypothesis, Table 2-1 provides evidence supporting the view that domestic parties respond to the ideological shifts of their neighbors. This suggests that free-riding on foreign parties' positions may be important.

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[32] Specifically, a one standard deviation increases in overall globalization index (i.e., 11.6) leads right-wing parties to a 11-point leftward movement in the 0 to 100 scale. According to Table A2-2, this is equivalent to approximately a change equal to 2/3 of standard deviation of right-wing parties' positions.
[33] We use the results of the main model, i.e., column (3) in Table 1 to draw this graph.
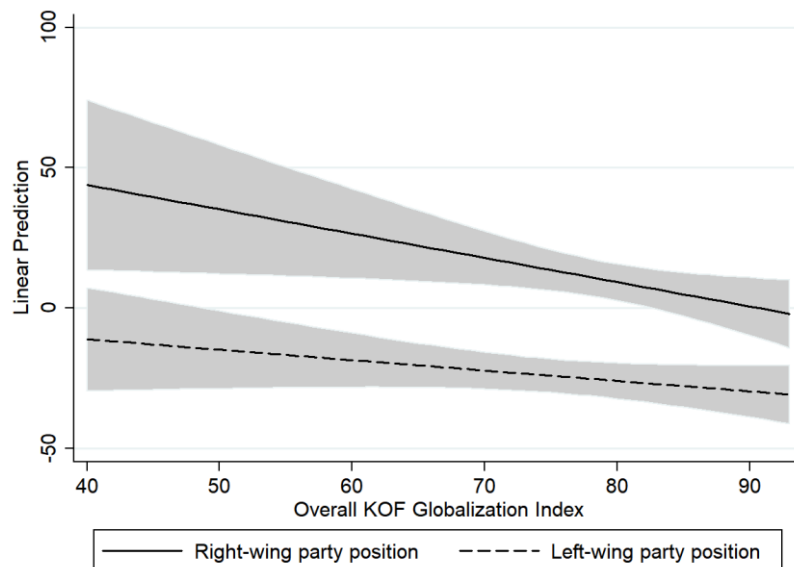
Figure 2-1 Marginal effects of globalization on mainstream party's position

Notes: The figure plots the marginal effects of globalization for left-wing and right-wing parties as predicted in model 3 of Table 1. The shaded bars indicated 95% confidence intervals.

Concerning the rest of the control variables, the coefficient of the country's relative income is negative and statistically significant, indicating that a higher level of development results into parties' taking more left-wing positions. This result may be due to the financial flexibility of the state budget and due to higher demand for social expenditure on behalf of voters. In contrast, the inflation rate seems to have a positive and statistically significant effect (at the 5% level of statistical significance). To fight high inflation, the government must adopt right-wing policies. It should be noted, however, that the interaction term of inflation rate with left-wing parties is negatively signed but statistically significant only in column (6). This provides some weak evidence in favor of the view that inflation has a greater effect on right-wing parties (Hibbs, 1987). Furthermore, *Dependency ratio* is negative and statistically significant at 10% level giving support to the view that a higher rate of the dependent population leads parties to adopt policies in favor of this group, i.e., welfare state expansion. Finally, the variable *Incumbent* is positive and statistically significant, implying that incumbent

parties tend to adopt more right-wing positions. The rest of the controls in Table 2-1 do not have a statistically significant effect on party positions.

In the next three columns, we examine the effect of the three components of our main control variable, *Globalization*, on the dependent variable. As all three components are highly correlated, we include each one of them in a separate regression. According to columns (4) to (6), economic and social globalization mainly drive the results of the party convergence to the left.[34] Political globalization, in contrast, does not significantly affect the dependent variable.[35]

2.4.2. Sensitivity analysis

In the Tables that follow we perform a series of robustness tests. First, our aim is to confirm that the existence of cross-sectional dependence does not cause problems in our estimates. In general, cross-sectional dependence is likely to appear in panel datasets, due to common shocks or unobservable factors that become part of the error term or due to pair-wise dependence in the disturbances (De Hoyos and Sarafidis, 2006).[36] Thus, we re-estimate the main specification using Driscoll and Kraay estimator (see Driscoll and Kraay 1998), which is robust to general forms of cross-sectional and temporal dependence (Hoechle, 2007).[37] The estimated results are

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[34] Each component of globalization may lead to party convergence for different reasons. For example, economic globalization makes the position of mainstream left-wing parties more attractive to voters who demand more left policies, such as state intervention and social sending expansion (Rodrik, 1998). Social globalization, on the other hand, facilitates the transmission of ideas, making the society more open to foreign cultures. Therefore, right-wing parties relax their ideological position to appear more sensitive to social issues. As these are different effects which create similar forces, the more appropriate measure is the overall index of globalization, which we use in the robustness analysis that follows.

[35] The political globalization index accounts for the degree of integration of the country with the international community. As such, it measures the number of embassies in the country, participation in UN missions, number of NGOs in the country etc (see Gygli et al., 2019). Given that these issues are not typically included in the party manifestos, it is natural that this aspect of globalization is the least related to the position of parties. Of course, we should note that this variable is not related to the degree of responsiveness to the position of foreign parties (i.e., *FPosition*).

[36] The Pesaran test for serial dependence, yields a value of -3.57 rejecting the null hypotheses of serial independence at the 1% level of statistical significance (Pesaran, 2021). Thus, there is sufficient evidence suggesting the presence of serial dependence.

[37] Estimated results are based on a four-lag correction for autocorrelation including two-way fixed effects, however, results are robust to decrease the lag structure to three, two or one lags; estimates of other lag structures are available upon request. We have estimated the baseline model with Panel Correct Standard Errors (PCSE) as well, which is a parametric method to correct contemporaneous cross-sectional dependence. The results are available upon request.

presented in column (1) of Table 2-2. The main findings of Table 2-1 remain qualitatively unaltered, as all variables appear to have similar coefficients, sign, and statistical significance.

In column (2) we estimate the baseline specification with the inclusion of a lagged dependent variable as in Ward et al. (2011). Given the structure of our dataset, this is the position of each party at the previous election year. Interestingly, this variable does not turn out significant (see column 1). Given that previous studies (Adams et al., 2009; Haupt, 2010; Ward et al., 2011) have found a significant degree of persistence in party positions, we explore this issue further. Hence, we try to identify if any of control variables including the lagged dependent variable have a different effect on left- and right-wing parties by estimating a Seemingly Unrelated Regressions (SUR) model. The advantage of this strategy is that it allows the coefficients of all independent variables to vary and at the same time allow the residuals across equations to be correlated. Specifically, we estimate one equation for left-wing (column 3) and one equation for right-wing parties (column 4). As can be seen, globalization exerts a significant negative effect on the position of the right-wing parties while left-wing parties seem to be unaffected by all control variables (including globalization) and their position in the previous elections. Instead, right-wing parties seem to be positively affected by their previous position, exhibiting persistence in their electoral programs. These results, then, give further support to our main findings.

Table 2-2 Mainstream party's position in response to globalization: Robustness tests_1

	Driscoll-Kraay	Dynamic Model	SUR Model Left Parties	SUR Model Right Parties
	(1)	(2)	(3)	(4)
Globalization	-0.915***	-0.763*	-0.025	-0.751**
	(-3.077)	(-1.983)	(-0.071)	(-2.370)
Globalization x Left	0.572***	0.390		
	(2.974)	(1.335)		
$FPosition_{t-1}$	-0.544***	-0.378	0.560	0.818
	(-3.123)	(-1.274)	(0.847)	(1.284)
Growth rate	-0.266	-0.757	-0.654	-0.708
	(-0.455)	(-1.421)	(-1.187)	(-1.451)
Relative income	-14.040*	-11.127*	-5.677	-10.159
	(-1.979)	(-1.934)	(-0.790)	(-1.574)
Inflation	0.661*	0.658**	0.032	0.911**
	(1.698)	(2.413)	(0.079)	(2.570)
Inflation x Left	-0.148	-0.376		
	(-0.447)	(-1.163)		
Dependency ratio	-0.598**	-0.499*	0.152	-0.876***
	(-2.528)	(-1.712)	(0.427)	(-2.758)
Eff. No. parties	0.642	0.638	2.407*	0.645
	(0.698)	(0.588)	(1.666)	(0.519)
Incumbent Party	2.090*	1.867	3.109	1.481
	(1.955)	(1.546)	(1.557)	(0.699)
Previous Position		0.110	0.014	0.320***
		(1.498)	(0.196)	(4.354)
Number of parties	36	36	18	18
Observations	392	377	180	180
R-squared (within)	0.28	0.28	0.46	0.63
F-test for $b_1+b_2=0$	0.21	0.11		

Notes: Column (1) presents estimates with Driscoll and Kraay standard errors, including two-way fixed effects and are based on four lags; nevertheless, the results are robust to decrease the lag structure to three, two or one lags. Column (2) presents a dynamic model with a lagged dependent variable. Both columns (3) and (4) present SUR estimates including a lagged dependent variable. t - statistics in parentheses. *, **, *** denote statistical significance at 10%, 5%, 1%.

In the following table (Table 2-3) we provide additional robustness tests. In the first two columns, we examine if our results are robust to the exclusion of country groups. First, in column (1), we exclude Southern European countries (Greece, Portugal and Spain) which have a greater time variation in globalization compared to other countries of the sample. Additionally, these countries were dictatorships at the beginning of the 1970s and experienced

sharp increases in globalization after the 1980s, especially after joining the European Community. Thus, it is worth checking if the joint exclusion of these countries affects our results. Second, in column (2) we verify whether our results hold when we exclude the parties from non-EU countries. Both columns give support to our main findings indicating that the exclusion of these country groups does not affect our results.

As the effect of the position of foreign parties is different from existing studies, we examine the validity of this result under an alternative specification. Instead of the variable $FPosition_{t-1}$, we constructed a variable where we use the same weights, however, this time we use the position of foreign incumbent parties of the same family. The results are presented in column (3). As the reader can verify, there is no qualitative change in our main results.

Even though we are able to determine the direction of party position convergence, one interesting robustness test is provided by using the difference in the ideological position of right-wing and left-wing parties as the dependent variable. Then, a negative sign on the variable *Globalization* is a further indication of party position convergence. The results are presented in column (4). Once again, the coefficient of *Globalization* is negative. However, it loses some of its statistical significance, as the estimated effect is significant at 10% level of statistical significance.[38] Even though this is an informative exercise about the robustness of our results, it does not allow us to determine the direction of convergence, i.e., which party family responds more to globalization.

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[38] We should note, however, that this may be due to the lower number of observations, as we now use one observation per country and election date.

Table 2-3 Mainstream party's position in response to globalization: Robustness tests_2

	Excluding Southern EU Countries (1)	Excluding non-EU Countries (2)	Foreign incumbent (3)	Change in Position (4)	Time Difference (1990) (5)	Globalization Difference (6)	Alternative dependent (CHES) (7)
Globalization	-1.068**	-0.752*	-0.937**	-0.680*	-0.929**	-0.986**	-0.057**
	(-2.350)	(-1.857)	(-2.344)	(-1.684)	(-2.396)	(-2.446)	(-2.41)
Globalization x Left	0.567*	0.574*	0.713**		0.566*	0.564*	0.054***
	(1.793)	(1.713)	(2.077)		(1.800)	(1.784)	(3.18)
FPosition$_{t-1}$	-0.426	-0.536*			-0.517*	-0.519*	0.071
	(-1.557)	(-1.834)			(-2.016)	(-1.963)	(0.54)
Growth rate	-0.013	-0.344	-0.236	-0. 351	-0.277	-0.247	-0.036**
	(-0.022)	(-0.634)	(-0.436)	(-0.472)	(-0.531)	(-0.465)	(-2.59)
Relative income	-12.533*	-9.787	-13.503*	-4.448	-14.052**	-14.660**	-0.025
	(-2.009)	(-1.426)	(-2.003)	(-0.659)	(-2.052)	(-2.073)	(-0.03)
Inflation	0.655	0.827**	0.568*	0.621*	0.614**	0.648**	0.001
	(1.454)	(2.670)	(1.770)	(1.672)	(2.107)	(2.063)	(0.01)
Inflation x Left	-0.217	-0.218	0.071		-0.145	-0.145	-0.011
	(-0.598)	(-0.589)	(0.181)		(-0.409)	(-0.404)	(-0.22)
Dependency ratio	-0.637*	-0.609*	-0.657**	-1.142*	-0.623*	-0.614*	-0.093
	(-1.937)	(-1.720)	(-2.036)	(-1.677)	(-1.868)	(-1.838)	(-0.05)
Eff. No. parties	-0.889	1.160	0.989	1.406	0.514	0.540	0.139***
	(-0.668)	(1.253)	(0.923)	(0.0.507)	(0.496)	(0.522)	(3.63)
Incumbent Party	2.224	2.033*	1.753		2.078*	2.142*	
	(1.415)	(1.702)	(1.475)		(1.711)	(1.777)	
FIposition (incumbent)			-0.574**				
			(-2.659)				
Interaction effect for 1990					0.267		
					(0.992)		
Interaction effect for low globalization (<76.5)						0.216	
						(0.595)	
Number of parties	30	32	36	36	36	36	28
Observations	312	356	399	195	392	392	182
R-squared (within)	0.30	0.30	0.28	0.37	0.28	0.28	0.26
F-test for b$_1$+b$_2$=0	0.14	0.48	0.34		0.15	0.15	0.88

Notes: All regressions include two-way fixed effects and are estimated with robust clustered standard errors. t - statistics in parentheses. *, **, *** denote statistical significance at 10%, 5%, 1%.

Globalization for many scholars is equivalent to Americanization (see for example Giddens, 2003). This is perhaps due to the way globalization takes shape, especially since the US has been rising as the only superpower, with a dominant economic and cultural position. The cultural dimensions of the KOF index indeed include some issues of Americanization. Following this interpretation, it is highly likely that the political polarization in the US after 1990 has reversed the process of reduced polarization in the rest of the countries. Therefore, we re-estimate the baseline model but this time we allow the coefficient of Globalization to be different before and after 1990.[39] Interestingly, political polarization in Western countries does not appear to follow a different trend after 1990, as the interaction effect for 1990 is not statistically significant (column 5). Hence, our results can have an alternative interpretation; Americanization has decreased the political polarization in the Western countries, even though the US has been witnessing growing polarization among the two major parties, especially after 1990. Thus, it is implied that the cultural hegemony of the US has an effect on foreign countries irrespective of the political conditions in the US.

In a similar vein and as further robustness, we examine whether the effect of globalization on party positions differs across country-years of high and low globalization. We assume that observations with above average globalization index, are instances of high globalization. Once again, the interaction effect is not statistically significant (column 6), providing evidence that the estimated results are the same both when globalization is high and when it is low.

Finally, in column (7), we re-estimate the baseline specification using an alternative measure of party ideological position. As Bakker et al. (2015) noted, there are only a very few datasets providing information about ideological party positions for long-time series and cross-national data. Although it was quite difficult to find an alternative measure for party positions

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[39] We have also split the sample in the two subperiods, before and after 1990. A simple Chow test did not reject the hypothesis that the coefficients are equal in the two subperiods. All results are available from the authors.

for all the countries and years included in our sample, to have as many countries/years as in our baseline model, we combine the datasets of Chapel Hill Expert Survey (CHES) with the expert survey by Ray (1999). The combination of these two datasets enables us to go further back in time and have party ideological positions in four-year intervals from 1984 to 2010.[40] A substantive difference between our main dependent variable and the alternative is that the former provides information about party position at every election year while the latter provides information about party ideological position at fixed years regardless of the time of the elections in each country. As can be seen, our first hypothesis is again verified: globalization leads to party convergence at the left. Still, using this data, we cannot find evidence about the effect of foreign parties. Of course, this can be attributed to the fact that our sample is much smaller, but most importantly to the fact that we do not have data at the time of the elections but on four-year intervals, which may include more than one electoral period, and more than one change in the party manifestos.

In Table 2-4 we present an additional robustness test, by performing a Jackknife type of analysis. We estimate our baseline model excluding one party each time. In this way, we are able to examine whether our results are driven by an outlier party. Columns (1) and (3) display the minimum and maximum values, respectively, of the coefficients of each independent variable. Columns (2) and (4) present the political party that has the corresponding minimum and maximum value respectively, while column (5) presents the estimated coefficient of our baseline model (as in column 3, Table 2-1). Regarding the effect of *Globalization*, and *FPosition*, the exclusion of no single party drives the results. Obviously, all the estimated coefficients in Table 2-1 belong to the interval between their max and min value and the Jackknife exercise suggests that no single party drives the main results.

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[40] The years where the surveys were conducted are 1984, 1988, 1992, 1996, 1999, 2002, 2006, 2010 and the countries included are 14 out of 18 used in our sample, excluding Iceland, Luxembourg, Norway and Switzerland.

Table 2-4 Jackknife estimates: Excluding one party at a time

	Min coef.	Political Party	Max coef.	Political party	Estimated coef.
	(1)	(2)	(3)	(4)	(5)
Globalization	-1.119***	Centre-right (Portugal)	-0.739*	Centre-right (Finland)	-0.919**
Globalization x Left	0.400	Centre-right (Finland)	0.718**	Centre-left (Austria)	0.572*
$FPosition_{t-1}$	-0.648**	Centre-right (Belgium)	-0.428*	Centre-right (Austria)	-0.547**
Growth rate	-0.467	Centre-left (Portugal)	0.083	Centre-left (Finland)	-0.263
Relative income	-19.285*	Centre-right (Luxembourg)	-11.890*	Centre-right (Finland)	-14.114**
Inflation	0.543*	Centre-right (Iceland)	0.803***	Centre-left (Finland)	0.659**
Inflation x Left	-0.334	Centre-left (Portugal)	-0.002	Centre-left (Austria)	-0.152
Dependency ratio	-0.778**	Centre-left (Finland)	-0.313	Centre-right (Finland)	-0.598*
Eff. No. parties	0.075	Centre-left (Portugal)	1.070	Centre-left (Belgium)	0.645
Incumbent Party	1.484	Centre-left (Great Britain)	2.560*	Centre-left (Finland)	2.410*

Notes: Columns (1) and (3) present the min and max value (respectively) of coefficients of the independent variables according to Jackknife estimates. Columns (2) and (4) present the political party that has the corresponding value and Column (5) presents the estimated coefficients of our baseline model (see Table 2-1) in order to verify that they belong in the interval between their min and max value. All regressions include two-way fixed effects and are estimated with robust clustered standard errors. *, **, *** denote statistical significance at 10%, 5%, 1%.

Finally, in Table 2-5, we estimate the baseline model including additional parties for each country to ensure that our results were not driven by the choice of parties included in our sample. In columns (1) and (2), we include additional parties in our dataset until the combined vote share exceeded 70% of the votes in every country. [41] This, of course, implies a greater number of parties in some countries than in others but guarantees that a representative part of the electorate is taken into account. We estimate the model at both party level (column 1) and

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[41] We would like to thank an anonymous referee for this suggestion.

aggregate party family (i.e., left and right) level within each country-election year (column 2).[42]

Finally, in column (3), we further extend the sample by including parties that have participated at least once in government over the sample period (extending the sample to a total of 79 parties).[43] Interestingly, all of our main results remain the same. Policy convergence towards the left is again verified. Additionally, we should note that the estimated coefficients of our extended dataset belong to overlapping confidence intervals with those in Table 2-1.

Table 2-5 Mainstream party's position in response to globalization: More parties included

	Party level	Party Family (aggregate) level	Party level
	(1)	(2)	(3)
Globalization	-0.775**	-0.643**	-0.612*
	(-2.144)	(-2.319)	(-1.870)
Globalization x Left	0.645**	0.606***	0.562**
	(2.503)	(2.964)	(2.464)
FPosition		-0.298*	
		(-2.000)	
Growth rate	0.109	0.103	0.121
	(0.288)	(0.249)	(0.343)
Relative income	-9.475*	-4.956	-9.734**
	(-1.796)	(-0.743)	(-1.997)
Inflation	0.439	0.523***	0.515*
	(1.432)	(2.803)	(1.884)
Inflation x Left	0.409	0.213	0.294
	(1.103)	(0.591)	(0.863)
Dependency ratio	-0.276	-0.359*	-0.306
	(-1.196)	(-1.712)	(-1.292)
Eff. No. parties	0.986	1.812*	1.418*
	(1.134)	(1.866)	(1.778)
Incumbent Party	0.408		0.341
	(0.368)		(0.319)
Number of parties	68	68	79
Observations	708	411	800
R-squared (within)	0.19	0.31	0.18
F-test for $b_1+b_2=0$	0.59	0.88	0.81

Notes: All regressions include two-way fixed effects and are estimated with robust clustered standard errors. *t* - statistics in parentheses. *, **, *** denote statistical significance at 10%, 5%, 1%.

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[42] We do so by calculating the vote share for each party family.
[43] All parties included satisfied our initial condition of participating in at least four national elections.

2.5. Conclusions

Since the mid-20th century, globalization has significantly increased especially in European countries, affecting the economic, social and political conditions in many levels. As the pace of globalization is quite intense, it is important to determine its effect on the strategic choices of political parties that seek to participate in the government. This chapter explores the relationship between different dimensions of globalization – economic, social and political – and the ideological positions that parties strategically select in their electoral programs. We do so through a panel dataset of 18 Western European countries over the period 1970-2015, using fixed-effects estimates and robust clustered standard errors.

Considering the ideological principles of political parties and their target groups of voters, the analysis accounts for potential differences in responsiveness to globalization among left- and right-wing parties. Three main findings derive from the empirical analysis. First, parties are found to respond differently to globalization depending on their ideological bloc, causing a party system convergence towards left. Specifically, right-wing parties adopt more left positions in an increase of globalization, whereas left-wing parties do not alter their position. Secondly, economic and social globalization are found to be equally influential for parties' ideological positions.

Third, the empirical analysis gives support to another argument that allows us to better understand the role of competition among parties. According to this, political parties respond to the average trend of foreign parties' positions of the same ideological bloc, but they do not emulate them. The same result appears even when we account for the average of foreign incumbent parties. Thus, these findings indicate a positive spillover from parties of the same family in other countries.

Appendix A2

Table A2-1 Mainstream parties included in the empirical analysis

Country	Left-wing Parties	Average Vote Share	Right-wing Parties	Average Vote Share
Austria	Social Democratic Party (*SPO*)	40.54	People's Party (*OVP*)	35.62
Belgium	Socialist Party (*PS*)	16.09	Christian People's Party (*CVP*)	18.64
Denmark	Social Democratic Party (*SD*)	31.56	Christian People's Party (*KrF*)	2.68
Finland	Social Democrats (*SSDP*)	23.92	Christian Democrats (*SKL*)	3.49
France	Socialist Party (*PS*)	27.02	Union for French Democracy (*UDF*)	13.76
Germany	Social Democratic Party (*SPD*)	36.56	Christian Democratic Union (*CDU/CSU*)	41.71
Great Britain	Labor Party	35.31	Conservative Party	38.41
Greece	Panhellenic Socialist Movement (*PASOK*)	34.53	New Democracy (*ND*)	39.36
Iceland	Social Democratic Alliance (*S*)	18.46	Independence Party (*D*)	34.61
Ireland	Labor Party	11.87	Family of Irish (*FG*)	30.54
Italy	Socialist Party (*PSI*)	11.39	Christian Democrats (*DC*)	35.42
Luxembourg	Socialist Workers' Party (*SAP*)	24.49	Christian Social People's Party (*CSV*)	33.72
Netherlands	Labor Party (*PvdA*)	26.47	Christian Democratic Appeal (*CDA*)	25.65
Norway	Labor Party (*DNA*)	35.41	Christian People's Party (*Krf*)	9.66
Portugal	Socialist Party (*PS*)	34.52	Centre Social Democrats (*CDS-PP*)	11.28
Spain	Socialist Workers' Party (*PSOE*)	36.85	People's Party (*PP*)	29.18
Sweden	Social Democratic Labor Party (*SAP*)	40.30	Christian Democratic Community (*KD*)	6.15
Switzerland	Social Democratic Party (*SPS/PSS*)	21.61	Christian Democratic People's Party (*CVP/PDC*)	17.79

Note: Designations are taken from the Manifesto Project Database.

Table A2-2 Descriptive Statistics

Variable	Mean	St. Dev.	Min	Max	Source
Party's position	-5.89	20.43	-63.38	78.85	Manifesto Project
Centre-left parties	-18.31	15.28	-63.38	43.24	Manifesto Project
Centre-right parties	7.18	16.65	-24.37	78.85	Manifesto Project
Overall globalization index	75.24	11.62	45.29	92.57	KOF: Dreher (2006a) & Gygli et al. (2019)
Economic globalization index	73.04	14.11	41.75	98.88	KOF: Dreher (2006a) & Gygli et al. (2019)
Social globalization index	70.80	14.22	37.3	90.21	KOF: Dreher (2006a) & Gygli et al. (2019)
Political globalization index	84.69	14.31	40.77	99.41	KOF: Dreher (2006a) & Gygli et al. (2019)
$FPosition_{t-1}$	-7.50	11.83	-31.91	16.34	Own calculation
Growth rate of GDP per capita	1.88	2.76	-7.91	10.07	World Bank
Relative income	1.04	0.49	0.29	3.4	Own calculation
Inflation rate	5.54	5.50	-5.2	24.61	World Bank
Dependency ratio	52.59	5.26	43.43	72.7	World Bank
Incumbent Party	0.57	0.50	0	1	ParlGov
Effective No. parties	4.65	1.59	2.27	10.29	Armingeon et al. (2016)
$FIPosition_{t-1}$	-5.60	7.99	-24.07	8.89	Own calculation

Figure A2-1 Right-wing mainstream party's position over time: Examples of five European countries
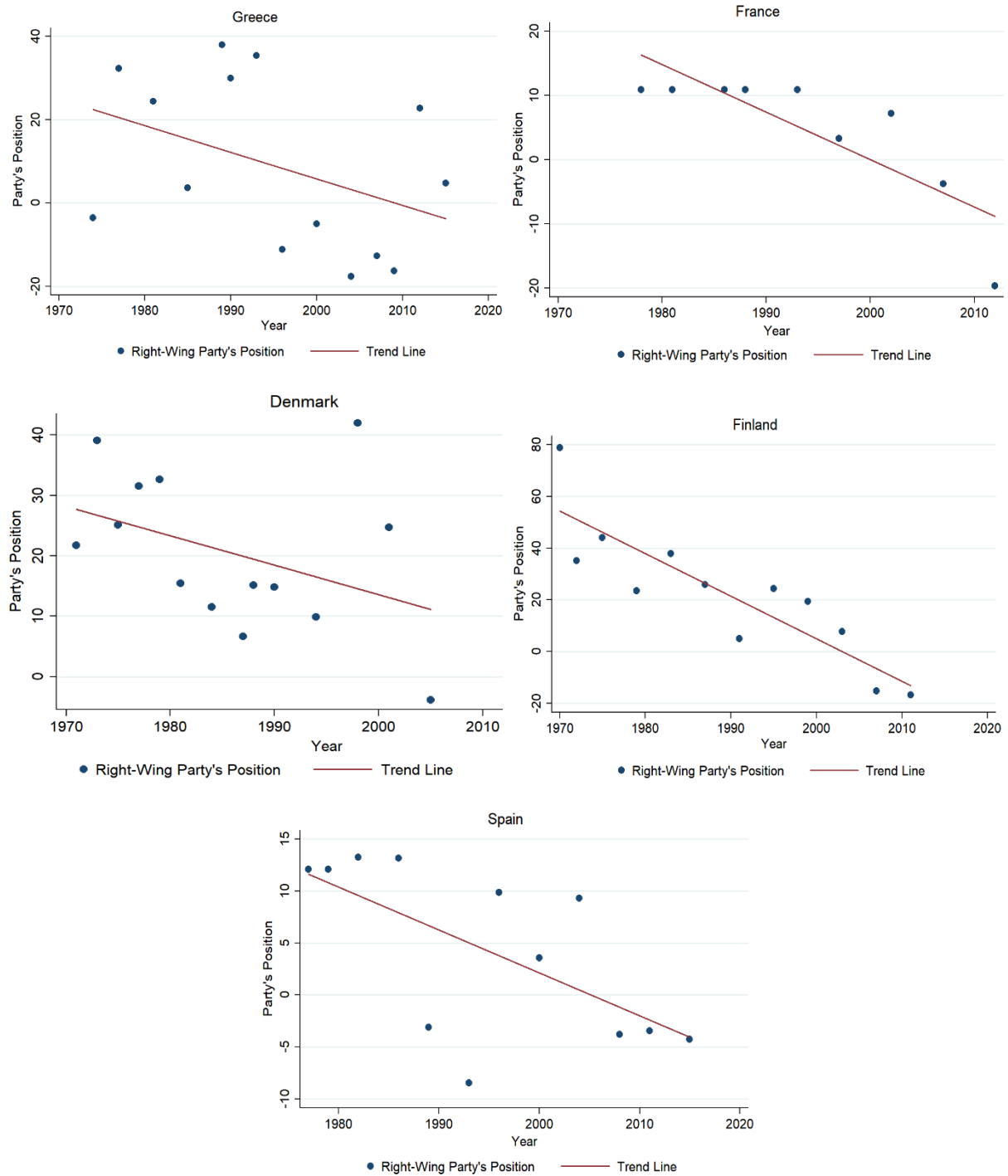
Notes: The dots in each panel present the overall (election year) policy positions for each right-wing party, following the party family definition we use in Chapter 2. The straight line is a linear trend line.

3   Chapter 3. The Effect of Radical Right Success on Mainstream Party's Positions: A regression discontinuity approach

3.1. Introduction

In recent decades many radical right parties have emerged and grown, triggering a substantial transformation of multiparty systems across European countries. Radical right parties with policy proposals at the fringes of the political spectrum have been presented in the parliaments of many democracies throughout Europe (Mudde, 2016). Examples include the Freedom party in Austria, Golden Dawn in Greece, Party for Freedom in the Netherlands, Vox in Spain, Flemish Bloc in Belgium, Jobbik in Hungary, Alternative for Germany, Sweden Democrats, Brothers of Italy, National Alliance "All for Latvia".[44] This growing success demonstrates that radical right parties has become a decisive political force in more than the half European party systems and constitute a strong competitor for mainstream parties (e.g. Meijers and van der Veer, 2019; Wagner and Meyer, 2017a).

While it is thus clear that the radical right is politically important, the consequences of its success on party competition represents a research effort that has only lately received attention.[45] A key question in this line of research is how the increasing success of radical right parties affect mainstream party's position on immigration, which constitutes the core issue of the radical right. However, results regarding the direction of this effect are mixed. On the one hand, several studies suggest that mainstream parties respond to this success with a harder line on immigration and integration issues, as an attempt to prevent vote loss to radical right parties (e.g., Abou-Chadi, 2016; Abou-Chadi and Krause, 2020; Bale et al., 2010; Han, 2015; Hjermitslev, 2022; Schumacher and van Kersbergen, 2016; Wagner and Meyer, 2017). This

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[44] Rydgren's (2018) book provides a more detailed review on radical right parties worldwide.
[45] The term 'success' or 'electoral success' implies party's entrance into parliament.

effect has been found to be significant for all mainstream parties but more pronounced for those of the mainstream right.

On the other hand, some scholars call into question the above-mentioned effect, underlining that electoral success of the radical right is not the driving force behind the accommodation of anti-immigration policies by mainstream parties, but rather a by-product of the general right-turn in European politics (Akkerman, 2015; Alonso and Fonseca, 2012; Meyer and Rosenberger, 2015). In a similar vein, recent studies point out that mainstream parties have responded to radical right success without adopting more anti-immigration positions (Heinisch et al., 2021; Meijers and van der Veer, 2019; Schwalbach, 2022; Valentim and Widmann, 2023), or even blurring their immigration positions (Han, 2022). A key argument of these findings is that radical right success creates incentives to mainstream parties to keep a distance from the radical right discourse, i.e., the disadvantages outweigh advantages offered by immigration related issues, and therefore rightward shifts in their positions cannot be attributed to the rise of the radical right. However, none of these studies have identified the causality of the above-mentioned effect.

The present chapter contributes to this research, extending the question of how mainstream parties have been causally affected by the electoral success of radical right parties not only on their policy positions related to immigration but also on positions in which they might have a competitive advantage. So far, systematic research has examined how this success has affected other party's positions, focusing solely on immigration issues. Political manifestos of mainstream parties, however, cover a variety of policy topics (Adams et al., 2006). Hence, they do not only have the option to adjust their position in the core issue of the radical right, i.e., immigration, but they can choose to accentuate other issues that are central in their political agenda. In that way, they could confront the radical right competitor, but without directly addressing immigration issues on which the latter has an undoubtful advantage.

Following this rationale, we argue that mainstream parties are more likely to respond to radical right success by shifting their overall ideological position, which includes issues they own and in which they have a competitive advantage, rather than their position on immigration issues. The term 'overall ideological position' stands for a party's position on left-right ideological scale, which captures a wide range of topics and cleavages that structure political scene in a country, and has been characterized as the best summary indicator of policy tendencies in party competition (Budge, 2013; Dalton, 2021). To our knowledge, this is the first study that examines the effect of radical right success on the mainstream party's overall ideological position.

Our empirical analysis relies on manifestos of 80 mainstream parties in 29 European democracies between 1960 and 2020. Unlike previous studies, our analysis covers a long-time period of six decades and all general elections, for which data are available, of the most recent and persistent fourth wave of the radical right in Europe (Mudde, 2019). Using data on party positions provided by Manifesto Project (CMP/MARPOR) database, we employ a regression discontinuity design based on nationwide electoral thresholds, to estimate the causal effect of radical right's parliamentary representation on mainstream parties' positions. This design allows us to rule out the possibility that shifts in party's positions are caused by changes in public opinion or other potential confounders. In addition, the use of nationwide electoral thresholds enables us to compare cases where radical right parties have similar vote shares but differ in their representation in parliament because of the country's electoral laws that determine which vote share leads a party into parliament. Finally, the entire empirical analysis is conducted for each party family separately, accounting for differences between mainstream right and mainstream left parties. This is because the presence of a radical right party in parliament poses a significant electoral threat that is weighing more on mainstream parties of the right than those of the left, and hence mainstream parties could differ in their responses.

The analysis provides two-sided evidence. First, regarding parties' overall ideological positions, estimated results suggest that radical right parliamentary representation exerts a significant causal effect only on mainstream parties of the right, which moderate their overall ideological position by moving towards the center. Second, the corresponding effect on parties' policy positions related to immigration and integration issues is found to be significant only for mainstream parties of the left, which move towards pro-immigrant positions. Taken together, results suggest that radical right success has not contributed to any shift towards anti-immigrant positions of neither mainstream right nor mainstream left parties.

Our study is related to this of Abou-Chadi and Krause (2020) that has causally identified a positive 'contagious' effect of radical right success on both mainstream left and mainstream right parties. However, it substantially differs in the following directions. First, we add to their work, by examining the effect of radical right success on mainstream party's overall ideological position, besides issue-specific position on immigration. Second, we extend the analysis to the recent years of the increasing radical right presence in the parliaments of most European countries. Third, in contrast with their findings, our results strongly indicate no 'contagious' effect of radical right success on both mainstream party families.

The main argument of our study that is supported by the estimated results is twofold. First, we argue that mainstream right parties, which are most threaten by the electoral success of a radical right party, strategically choose to compete with that party in the position in which they have a competitive advantage, i.e., by shifting their overall ideological position. At the same time, they choose not to shift their position on the core issue of the radical right party, i.e., immigration, in order to avoid further increasing the salience of this issue. Second, we argue that mainstream left parties, which appeal to a different group of voters who hold more moderate positions towards immigration, can directly oppose the radical right competitor on its core issue, by shifting towards pro-immigrant positions.

Overall, the findings reported herein provide new insights into the debate on party competition, and especially on the broader links between the radical right and mainstream parties. We empirically demonstrate that patterns of competition in European party systems has been reshaped due to radical right success and even well-established mainstream parties that usually have some form of governing experience (De Vries and Hobolt, 2020), have been causally affected by the successful radical right parties. Moreover, our findings indicate that mainstream party behavior on issues other than the radical right's core issue of immigration should be taken into account. Even though, we find no evidence that mainstream parties accommodate radical right parties' policy positions due to the latter's success, our findings do not question the general rightward orientation of mainstream parties. What our study reveals is that the shift to the right should not be attributed to the success of the radical right, but other factors, such as media systems, shifts in public opinion, or national events, should be taken into account.

The remainder of this chapter proceeds as follows. Section 3.2 provides a brief overview of the existing findings in the literature and the theoretical conceptualization on which we base our testable hypotheses. Section 3.3 outlines the data and the empirical design of the analysis. Section 3.4 presents and discusses the estimated results. Section 3.5 provides a series of robustness tests. Finally, Section 3.6 provides some concluding remarks.

3.2. Theoretical Considerations and Testable Hypotheses

3.2.1. Radical right into party competition

The emergence and rise of radical right parties have received significant attention from scholars in a wide range of disciplines, stimulating a significant body of academic research. For a long time, most of the studies in this field of research have focused on the factors that have strengthened radical right views and political parties, seeking to answer why these parties are

electorally successful in some countries while they fail to achieve the same amount of success in others (e.g., Amengay and Stockemer, 2019; Dinas et al., 2019; Edo et al., 2019; Georgiadou et al., 2018; Guiso et al., 2019; Halla et al., 2017a; Hangartner et al., 2019; Mader and Schoen, 2019). While the debate about these drivers is still ongoing, a key finding among most of these studies is that 2015 immigration crisis has fueled support for radical right parties with strong anti-immigration policies.

Indeed, radical right parties are generally characterized by their strong emphasis and extreme positions on their core issues that are related to nativism and anti-immigrant (xenophobic) views (Bursztyn et al., 2020; Mudde, 2007; Rivera Escartin, 2020).[46] Accordingly, opposing immigration has been a central pilar in the radical right parties' platforms and their vote has been shown to be above all an anti-immigration vote (Edo et al., 2019; Halla et al., 2017). Despite the fact that radical right parties hold extreme positions, with policy proposals outside the mainstream, they have experienced significant electoral success in various countries across Europe.

This increasing radical right's support and parliamentary presence has reshaped patterns of party competition in European politics (Wagner and Meyer, 2017). It is reasonable that when a new radical right party enters the national parliament, mainstream parties are faced with a new non-established competitor, and this is likely to contribute to changes in their political manifestos and policy positions (De Vries and Hobolt, 2012; Meguid, 2005). Hence, radical right party leverage over other parties' positioning has become a central theme in the recent party competition literature.[47] The main focus in this line of research lies on whether radical

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[46] In Mudde's (2007) seminal work, nativism is defined as "an ideology, which holds that the state should be inhabited exclusively by members of the native group ("the nation") and that non-native elements (persons and ideas) are fundamentally threatening to the homogeneous nation-state" (Mudde, 2007, p.19)

[47] See for instance Abou-Chadi, 2016; Abou-Chadi and Krause, 2020; Akkerman, 2015; Bale et al., 2010; Han, 2022; Meijers and van der Veer, 2019b; Meyer and Rosenberger, 2015; Schumacher and van Kersbergen, 2016; Schwalbach, 2022; Wagner and Meyer, 2017.

right parties steer mainstream parties towards certain, sometimes extremes, positions in immigration policies. The conclusions, however, about this effect have been mixed.

A large body of this literature suggests that mainstream parties respond to the radical right threat by adopting their positions on immigration issues (e.g., Abou-Chadi, 2016; Bale et al., 2010; Schumacher and van Kersbergen, 2016; van de Wardt, 2015; Wagner and Meyer, 2017). Specifically, findings of these studies indicate a positive 'contagion effect' of radical right's core issue position on the mainstream party's issue positioning, that is weighing more on the mainstream right. The key argument of this effect states that mainstream parties take up similar policy positions as those of the successful radical right party on its core issue, in order to prevent the new competitor from stealing their votes at subsequent elections. The causality of this effect is still an area of active research, as it has received very little attention with the important exception of the Abou-Chadi and Krause's (2020) empirical work.

In contrast to the above findings, other scholars suggest that the degree to which mainstream parties' shifts toward anti-immigration and xenophobe positions attributed to the radical right success, has been overstated (Akkerman, 2015; Alonso and Fonseca, 2012; Meyer and Rosenberger, 2015). Additionally, a quite recent studies and comparative analyses have found no evidence for a positive 'contagion effect', suggesting that radical right success induces mainstream parties to de-emphasize immigration issues in order to distinguish themselves from the radical right and maintain their status quo (e.g., Han, 2022; Heinisch et al., 2021; Meijers and van der Veer, 2019; Schwalbach, 2022; Valentim and Widmann, 2023). In the same vein, Merrill and Grofman (2019), employing a theoretical model, conclude that the entry of a radical right party in parliament motivate the proximate mainstream right party to moderate its stance.

Similar results are also found by studies that focus on radical right influence within parliamentary debates. For example, Schwalbach (2022), using quantitative text analysis of

parliamentary speeches in four European countries (Denmark, Sweden, Germany, the Netherlands), finds an increased polarization on immigration issues between new radical right parties and mainstream parties. While the study of Valentim and Widmann (2023), focusing on the case of Germany, suggests that radical right success has created incentives to other parties in parliament to adopt a rhetoric opposite to that of the radical right, as a way of strategically distinguishing themselves from the radical right discourse.

What the existing findings reveal, is that when a radical right party registers a sharp gain in its share of votes and enters parliament, mainstream parties realize that it is a force to be reckoned with. However, the way that mainstream parties deal with the electoral success of radical right parties is still ambiguous.

3.2.2. Mainstream party strategic responses

In the standard Downsian model of two-party competition under plurality, both parties react to shifts in public opinion, moving their positions toward the policy position espoused by the median voter, and hence there is a party convergence to the bliss point of the decisive voter (Downs, 1957). However, when more parties enter the political game, incentives to react not only to voters' preferences, but also to other parties' behavior, are created (Green-Pedersen, 2010; Williams, 2015). This is particularly the case in European democracies that have multiparty systems with some form of proportional representation and differentiated parties, such as radical right parties which hold fixed positions on their core issues (Merrill and Grofman, 2019). In this setting, there are two (or three) mainstream parties that are office motivated and a number of radical parties in the periphery of the political spectrum that may not respond to the preferences of the decisive voter but they do affect the behavior of mainstream office-seeking parties (Matakos and Xefteris, 2017).

Following this rationale, when a radical right party enters parliament, dynamics of party competition change as a new competitor enters the political game. This new competitor holds a distinctive position on its core issue and it is possible to attract voters for whom this issue is salient and it is not efficiently addressed by mainstream parties (Kitschelt and McGann, 2017). For example, a radical right party may attract voters with strong anti-immigration attitudes from mainstream right (or even mainstream left) parties, who see their preferred party as holding a moderate position on immigration. In this way, the new radical right party constitutes an electoral threat for mainstream parties and plays a decisive role for position taking.

Therefore, the election of a radical right party into parliament is expected to be an attention-grabbing development for mainstream parties, creating incentive structures and institutional constraints that affect their position.[48] The seminal work of Meguid (2005) on competition with niche parties and the subsequent contribution of Albertazzi and Vampa (2021) propose three mainstream parties' responses to new non mainstream competitors: accommodative, adversarial, and dismissive strategies. In our setting, an accommodation strategy is employed by mainstream parties that take up similar positions with those of the radical right party on its core issue. Adversarial strategy denotes the opposite response, i.e., mainstream parties move further away from their radical right competitor, adopting pro-immigrant positions, while dismissive strategy is present when they decide not to address the core issue of the radical right competitor.

As discussed above, a large body of the literature gives support to accommodation strategy, suggesting that mainstream parties will accommodate the position of radical right party on issues related to immigration as response to its success (e.g., Abou-Chadi and Krause, 2020; Hjorth and Larsen, 2022; Meguid, 2005). Time-series cross-national analyses, however,

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[48] The term "incentive structures" is used to define the set of promised rewards and/ or losses that motivate parties to perform certain behavior or make certain policy decisions.

fail to identify the electoral benefits for mainstream parties that follow this accommodation strategy, or even find that this strategy actually leads to more voters defecting to the radical right (Abou-Chadi and Orlowski, 2016; Krause et al., 2023; Meijers and Williams, 2020). Their results challenge the widespread argument that mainstream parties emulate their radical right competitor because they gain electoral benefits, or prevent electoral losses. This challenge is reinforced if we consider that mainstream parties can easily perceive the efficiency of their strategy through vote shares at elections, and hence they can evaluate which strategy is the most efficient and should be followed.

Motivated by these findings, in addition to the three above-mentioned strategic responses, we consider a fourth option for mainstream parties, a mixed strategy. This strategy first proposed by Akkerman (2015, p.1), stating that "parties not only have the options to coopt positions of successful competitors or to ignore them, they can also choose a mixed strategy". Unlike the single-minded radical right parties, mainstream parties cover a wide range of issues, following the aggregate changes in public opinion and the preferences of the median voter (Adams et al., 2006). In addition, based on issue ownership theory, parties do better when they compete on issues they own, which are less, or not at all, addressed by the rival party (Petrocik, 1996). Therefore, mainstream parties, especially those most threaten by the radical right, can follow a mixed strategy: holding on their positions in the core issue of the radical right competitor, while adapting their position in others. This results in a strategic positioning that maintain and consolidate the mainstream party's political power, and not in a strategy of political survival that might strengthen radical right parties and their ideology.

So far, studies exploring the response of mainstream parties to the rise of radical right have put the left-right dimension out of the research frame, focusing solely on issue positions related to immigration. Based on the seminal work of Downs (1957, ch.8) and subsequent studies, we consider a party's overall ideological position on the left-right scale as the most

comprehensive and important indicator of party competition (see e.g., Budge, 2013; Budge and McDonald, 2012). The reason is that party's overall ideological position summarizes a wide range of issues, covering policy tendencies over the entire party's manifesto, and it is indicative for voters to identify changes in party's policy preferences (Dalton, 2021; Downs, 1957; Fernandez-Vazquez, 2014).[49] This is particularly true for well-established mainstream parties that do not usually emphasize specific positions, instead their rhetoric extends across a wide range of categories. Consequently, mainstream parties could confront their new radical right competitor by shifting their overall ideological position that includes issues they own and in which they have a competitive advantage.[50]

However, differences in party's orientation toward the centre-left and centre-right could result in the selection of divergent strategies by the mainstream parties. Following the logic of Downsian spatial model of party competition, the electoral threat posed by the successful radical right party is expected to weigh more on mainstream parties of the right than those of the left, because its appeal is more attractive for voters on the right side of the political spectrum (Akkerman, 2015). In this regard, we expect that mainstream right parties are more likely to follow a mixed strategy, without directly addressing the core issue of the radical right, while mainstream left parties could follow an adversarial strategy, opposing the radical right party in its core issue.

More specifically, parties on the mainstream right in their attempt to confront the new electoral threat, face a positioning dilemma: to move closer to radical right competitor or to distance themselves from it. Although, the basic logic of spatial competition would expect that accommodative positional shifts should help weaken radical right parties, studies have

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[49] This is particularly true for well-established mainstream parties that they do not emphasize specific positions, instead their rhetoric extends across a wide range of categories.

[50] For example, the study of Krause and Giebler (2020) shows that electoral success of radical right parties leads all other parties to shift towards more pro-welfare positions.

empirically shown that mainstream parties make the election of radical right parties less likely when they do not shift closer to their issue positions (e.g., Abou-Chadi and Orlowski, 2016; Down and Han, 2020). We argue that mainstream right parties will strategically decide to distinguish themselves in positions that are strongly promoted by them, and in which they have a competitive advantage, in order to confront the successful radical right party and weaken it electorally. We therefore expect the following:

H1: Mainstream right parties shift their overall ideological position towards the center as a response to radical right success.

On the mainstream left, the response to radical right success is more conditional: mainstream left parties will decide to confront the radical right party only if they suffer an electoral loss due to its entry in national parliament (Albertazzi and Vampa, 2021). As it is already mentioned, radical right parties tempt voters mainly from the right side of the political spectrum, thus mainstream left parties probably do not feel threaten by the successful radical right party. But even if they see the successful radical right party as an electoral threat, they can easier distinguish themselves by opposing it at its core issue position, without escaping from their ideology and preferred positions. Hence, we expect the following:

H2: Mainstream left parties do not alter their overall ideological position as a response to radical right success.

When a radical right party enters parliament, immigration issues acquire salience, as these parties done arguable more to shift issue concerns at this direction (Bischof and Wagner, 2019). Thus, mainstream parties face an additional positioning dilemma that this time concerns an issue position in which the radical right parties have the competitive advantage and should decide how to efficiently respond to this. Mainstream parties could choose to move towards, or even accommodate, the radical right's anti-immigrant positions. However, such an

accommodation strategy could cost them support for two reasons. First, they will lose credibility and ideological consistency, which are both very important for mainstream parties, as these consist the 'brand' that tie voters to the party (Akkerman, 2015).[51] Second, they will diverge from their lasting main competitor, i.e., the mainstream party in opposition, and their own voters, who prefer more moderate stance towards immigration and/or see radical right's positions as socially unacceptable, will shift their support to the other mainstream party (Downes and Loveless, 2018).[52]

Additionally, when rival parties, in our setting mainstream parties and radical right parties, converge on policy positions, voters are less able to distinguish among what the parties have to offer (Lupu, 2013). Although policy convergence among the competing parties is often an equilibrium in spatial models (e.g., Enelow and Hinich, 1984), when it comes to policies that are core issues for the rival party, mainstream parties may have the incentives not to converge in the rival's policy positions and distinguish themselves from them. As previous studies have shown, the presence of radical right parties in parliament polarizes voters to those who identify with the new party, and move further to the ideological extremes, and those who opposite it (Bischof and Wagner, 2019; Bustikova, 2014). This implies that voters with strong anti-immigration beliefs are further encouraged to express their views and turn to the 'original' radical right party, which has a clearer and fixed position in this issue, rather than the mainstream party (Bursztyn et al., 2020; Hagemeister, 2022; Krause et al., 2023). Consequently, shifts towards the radical right party's position on its core issue could result in

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[51] Recent studies demonstrate that when a radical right party enters parliament, its supporters perceive that their views have been legitimized and are no longer stigmatized (Bischof and Wagner, 2019; Bursztyn et al., 2020; Hagemeister, 2022; Valentim, 2021). However, the same is not necessarily occur for voters of mainstream parties, who do not support such views, and for whom radical right views can remain stigmatized (Bolin et al., 2023).

[52] Chou et al. (2021), focusing on the case of Germany, find that mainstream parties that accommodate radical right positions on immigration in an attempt to attract more voters from them, alienate their own voters, and end up losing more of their own voters than they gain.

a greater loss of votes than gain for mainstream parties, and thus the latter are motivated to keep themselves distinguishable.

On the other hand, mainstream parties could decide to confront the radical right party either by taking an opposing position on its core issue, i.e., by moving towards pro-immigrant positions, or by not addressing this issue at all. Following the above rationale, we argue that both mainstream parties strategically choose to distance themselves from the radical right competitor as an attempt to have the minimum loss of votes, but they do so in different ways. As mentioned above, mainstream parties on the right side of ideological spectrum, face the most electoral threat from radical right success, since they are spatially closer to the radical right party, especially on positions related to immigration and integration issues. In this respect, mainstream right parties could decide to keep a distance from their successful competitor, by not shifting their position on issues related to immigration, aiming to avoid further increasing the salience of the issue and losing votes. At the same time, they show ideological consistency and maintain the view of the fringe party with extreme anti-immigration positions for their radical right competitor.[53] Instead mainstream left parties, might have good reasons to move towards pro-immigrant positions, since they appeal to a different group of voters with more moderate stance towards immigration, and thus an adversarial strategy could be a rational option.

What the above considerations reveal, is that mainstream parties face a real challenge when they come to compete their radical right competitor in its core-issue position. This challenge is more pronounced for mainstream right parties, for which we expect to respond to radical right success following a dismissive strategy, namely without shifting their position related to immigration and integration issues. While for mainstream left parties, we expect them

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[53] Carlsson et al. (2021), focusing on the Sweden's radical right party find that political representation has placed its views under closer scrutiny, and have made its extreme positions in immigration further stigmatized.

to either have the same response with mainstream right parties or to shift towards pro-immigrant positions, i.e., following an adversarial strategy. The above arguments are summarized by the following hypothesis:

H3: Both mainstream left and mainstream right parties do not adopt positions against immigration as a response to radical right success.

In sum, mainstream parties can respond to radical right success in many ways, pursuing accommodative, adversarial, dismissive or even a mixed strategy. So far, the effectiveness of these strategies remains debated (Wagner, 2021), and therefore there is no standard practice for effectively countering the success of radical right parties, and the way that mainstream parties decide to do this is still under investigation. In the following sections, we empirically evaluate the above testable hypotheses.

3.3. Empirical Strategy and Data

We evaluate the validity of the above hypotheses, employing a Regression Discontinuity (RD) design, an identification strategy that has been proposed by many studies on electoral competition for estimating the causal effects of political parties' parliamentary representation (e.g., Abou-Chadi and Krause, 2020; Dinas et al., 2015; Valentim, 2021). We do so, for all general elections in a sample of 29 European democracies that have multiparty systems with some form of proportional representation, over the period 1960-2020.[54]

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[54] Our sample consists of 26 European Union countries plus Norway, Iceland and Switzerland that are part of the EU's single market. The countries included are: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and Switzerland. Former communist countries in Central and Eastern Europe are included in the sample for the years after the dissolution of the Soviet Union in 1991, while Greece, Portugal, and Spain for the years after the restoration of democracy (i.e., after 1974 for Greece, 1975 for Portugal and 1977 for Spain). Countries that apply the winner-takes-all system such as the UK and France are excluded from the analysis.

3.3.1. Research design

Parties entering parliament are more likely to increase their vote shares in subsequent elections, posing a credible electoral threat to parties that have a constant parliamentary presence, such as mainstream parties (Dinas et al., 2015). In that regard, we expect that radical right parties' parliamentary representation will exert a policy-making influence on mainstream parties, causing their competitive reaction and positional shifts. A typical example is this of Germany, where the most noteworthy radical right party close to electoral threshold is the AfD party which has been running in general elections only the last decade.[55] Before the emergence of AfD, mainstream parties had little reaction to their main radical right competitor, the NPD party, which achieved mostly low vote shares far below the electoral threshold. On the contrary, after 2013 elections, both mainstream right political alliance of sister parties CDU/CSU and mainstream left party SPD pursue an adversarial strategy towards their new radical right competitor, seeking to marginalize and stigmatize it as a party with Nazi characteristics and positions (Albertazzi and Vampa, 2021).

We causally identify the effect of radical right's parliamentary representation, on mainstream parties' positions across Europe through a regression discontinuity (RD) design, which allows us to make a counterfactual comparison of mainstream parties' positional shifts when a radical right party has barely achieved parliamentary representation and when it has not. RD designs require the existence of a defined threshold (cutoff point) that determines treatment assignment: entered parliament or not. In our setting, this cutoff that assigns treatment, is the nationwide electoral threshold in a country; parties crossing that threshold at general elections will gain seats in parliament, while parties with a total vote share below that

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[55] The AfD party was founded in 2013 and narrowly missed the 5% electoral threshold at the general elections of the same year while it entered parliament at the next elections in 2017. Before the AfD party, the main radical right party was the NPD, whose vote shares were very low and well below the electoral threshold, with the exception of the late 1960s when it was very close to entering parliament.

threshold will not. Assignment of the treatment status is then a function of a known continuous covariate, namely the percentage of votes of a radical right party at a given general election.

Although a party's vote share is related to public opinion and its organizational structures and capacity, the nationwide electoral threshold constitutes an exogenous institutional cutoff point that is determined by the country's electoral system. That is the case, at least in our sample of countries with democratic election procedures, where radical right parties cannot manipulate their vote shares to be above or below the electoral threshold (Dinas et al., 2015). Along the same lines, mainstream parties do not have precise control over other parties' vote shares and entry into parliament.[56] Previous research suggests that even if mainstream parties change the electoral law, imposing a higher threshold in order to prevent a small party from entering parliament, the newly institutionalized threshold will be at a much higher level than the expected vote share of the small party.[57] Therefore, even though the nationwide threshold is endogenous in party system and determines patterns of party competition (Boix, 1999), it remains an exogenous cutoff point, and thus the probability of receiving treatment changes discontinuously.

Furthermore, RD designs have the key advantage that require mild identification assumptions compared to other approaches, such as instrumental variable (IV). One of the main assumptions is that RD designs exploit existing circumstances in which treatment assignment has a sufficient element of randomness but without being randomized (see e.g., Lee and Lemieux, 2010; Valentim et al., 2021).[58] We test this assumption of local randomization, by implementing manipulation tests which examine whether the radical right parties' vote shares

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[56] This is the case for our sample which consists of European democracies where political parties cannot perfectly predict and manipulate parties electoral fortune. Moreover, analyzing different electoral settings, the study of Eggers et al. (2015) points out that the assumptions of RD design are met in democratic countries and thus is a valid method to estimate electoral effects.

[57] Abou-Chadi and Krause (2020); Dinas et al. (2015); Eggers et al. (2015); Hainmueller and Kern (2008).

[58] More detailed description and technical features of RD designs, have already been laid out in, for example, Gelman and Imbens (2019); Hahn et al. (2001); Imbens and Lemieux (2008); Lee and Lemieux (2010).

around a close area of the nationwide electoral threshold have been manipulated (Cattaneo et al., 2019, 2018).

First, we perform binomial tests for different nested areas close to cutoff; in all tests the null hypothesis of no sorting around the cutoff is not rejected. Second, we conduct manipulation tests based on local polynomial density estimator, where again the null hypothesis of no manipulation is not rejected, implying that the assumption of continuity of the density functions for control and treatment units around the cutoff point is met.[59] In total, results offer evidence supporting the validity of RD design, indicating that treatment variation, i.e., allocation of seats, can be regarded as good as randomized for radical right parties in a neighborhood around the discontinuity threshold. This also implies that very small differences in radical right parties' vote shares are attributed to random chance, ruling out the possibility that shifts in mainstream parties' positions at the cutoff point are caused by changes in voter preferences or other unobserved factors.

Based on the continuity assumption "the only change, which occurs at the point of discontinuity, is the shift in the treatment status" (de la Cuesta and Imai, 2016, p., 377). This means that assignment to the treatment (D) is completely determined by the value of the radical right party's vote share (X) being on either side of the electoral threshold c. So, treatment status D is defined as a deterministic and discontinuous function of the assignment variable that takes the value of 1 if the radical right party has gained at least one seat in parliament at the previous election ($X_{t-1} \geq c_{t-1}$) and the value of 0 otherwise ($X_{t-1} < c_{t-1}$):

$$D_t = \begin{cases} D_t = 1 & if \ X_{t-1} \geq c_{t-1} \ \ or \ \ X_{t-1} - c_{t-1} \ \geq 0 \\ D_t = 0 & if \ X_{t-1} < c_{t-1} \ \ or \ \ X_{t-1} - c_{t-1} \ < 0 \end{cases} \qquad (1)$$

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[59] More details on the manipulation test and density plot employed are presented in Figure A3-1 in the Appendix.

It should be mentioned, however, that electoral systems in some countries of our sample allow parties to enter parliament even without crossing the nationwide threshold (Dinas et al., 2015; Valentim, 2021). This is mostly the case in countries with mixed-member electoral systems where some seats are elected using majoritarian rules, and thus a party can gain representation even if it has achieved a total vote share under the nationwide threshold.[60] The same could also happen, in cases where the effective nationwide threshold is used due to the lack of an established legal threshold.[61] Considering that, the use of a fuzzy RD regression would be appropriate. Our analysis, however, show that there is perfect compliance at either side of the cutoff point, indicating that the above cases are not noisy in our dataset, and thus the use of a Sharp RD design is suggested.[62]

Accordingly, the treatment effects are estimated in a quasi-experimental setting where treatment is determined by whether the vote share of a radical right party has exceeded the given cutoff point, achieving parliamentary representation: treated (entering parliament) or control (not entering parliament). Thus, the causal effect is defined as the difference between two potential outcomes, with changes in the outcome variable at the cutoff point to be driven only by treatment status and no other relevant confounders:

$$\tau = E[Y_m(1) - Y_m(0)] = E[Y_m(D = 1) - Y_m(D = 0)], \tag{2}$$

where $Y_m(1)$ is the potential outcome under treatment, i.e., radical right party has entered parliament at the previous election, and $Y_m(0)$ is the potential outcome under control, i.e., radical right party has not entered in parliament, for each mainstream party m.

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[60] For example, in Germany that has established a 5% nationwide threshold, a party that wins three constituency seats in the Bundestag can gain representation even if its vote share is under 5% of the total vote, while ethnic minorities have no electoral threshold. Similarly, in Austria and Denmark even one district seat is sufficient for a party to enter parliament even if it does not meet the nationwide electoral threshold.

[61] As mentioned below, in cases where a legal nationwide threshold has not been established, we make use of the effective nationwide threshold as proposed by Taagepera (2002).

[62] Estimates under a fuzzy RD design produce the same coefficients and statistical significance with those of the sharp RD design; the corresponding results are presented in the robustness section.

Then, treatment effect (τ) is estimated by the following equation which constitutes our baseline model:

$$Y_{mit} = a + \tau D_{it} + \beta_1(X_{it-1} - c_{it-1}) + \beta_2(X_{it-1} - c_{it-1})D_{it} + \gamma Z_{it} + \eta_{mit} \qquad (3)$$

In this equation, *m* refers to mainstream party, *i* to country and *t* to general election. (Y_{mit}) is the outcome variable in question at the election *t*. (X_{it-1}) is the radical right party's vote share at the previous election *t-1* centered at the corresponding electoral threshold (c_{it-1}), so the difference between these two ($X_{it-1} - c_{it-1}$) stands for the assignment variable, while (D_{it}) is the treatment status as described above. An interaction term between the assignment variable and the treatment status is included to allow units above and below the cutoff point to have different slopes. (Z_{it}) captures country's institutional factors, and more specifically the country's electoral rule, taking the value 1 if most seats are allocated under plurality and zero if the most seats are allocated under proportional representation.[63] Finally, η_{mt} is the error term.

Following the recommendations of Gelman and Imbens (2019), we use nonparametric local low order (local linear and quadratic) regressions to avoid parametric misspecification bias, using a triangular kernel which assigns more weight to observations closer to the threshold (Calonico et al., 2014; Fan and Gijbels, 1996).[64] Bandwidths are specified based on the MSE-optimal, data dependent, bandwidth choice rule as proposed in Calonico et al. (2020, 2017), while standard errors are clustered at the country level.[65] Following the suggestions of Lee and Lemieux (2010) we also test the validity of our results under parametric functional forms; results are reported in the robustness section.

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[63] Data come from the Database of Political Institutions (Cruz et al., 2021).

[64] Gelman and Imbens (2019) point out that higher order polynomials produce implicit weights that could result to noisy estimations, provide poor coverage of confidence intervals.

[65] The number and curvature of observations below and above the cutoff point differs substantially, hence two distinct optimal bandwidths at either side of the cutoff have been estimated according to Calonico et al., 2020, 2017. Results using one common MSE-optimal bandwidth provide supportive results.

3.3.2. Data and measurement

Mainstream parties

Despite its contingent nature, some scholars have attempted to identify core features of the mainstream and have focused on parties' characteristics within this construct. Most definitions are based on two components: the (perceived) ideological positioning of the parties and their electoral performance. Our categorization of mainstream parties is based on the study of Meguid (2005, p. 348) that provides the following definition, including both components: "Mainstream parties are defined as the electorally dominant actors in the center-left, center, and center-right blocs on the Left-Right political spectrum. In this classification, the center-left parties explicitly exclude left-libertarian parties, whereas the center-right categorization excludes right-authoritarian, or right-wing populist parties. The criteria generally yield two or three mainstream parties per country, one in each category".

This definition attributes to mainstream parties two main characteristics: repeated electoral success and a centrist (non-extreme) position. Accordingly, we categorize a party as mainstream if it has participated in at least four national elections and belongs to one of the following party family categories provided by the Manifesto Project (CMP/MARPOR) dataset: social democratic, liberal, conservative or Christian democratic. As in the previous chapter, in addition to the above criteria, we include parties until the combined vote share of them exceeds 70% of the votes in each country at a given election (Adam and Ftergioti, 2019). This implies that the number of mainstream parties differs for each country but guarantees that all mainstream parties are considered. Hence, our analysis includes 80 mainstream parties that are established within party systems in 29 European democracies since 1960.

Outcome variable

To test our hypotheses, we need two different continuous outcome variables. Both variables come from the most recent data provided by Manifesto Project (CMP/MARPOR) database, that provides data on all parties have won one or two seats in the respective general elections to the lower house (Lehmann et al., 2022). While the manifesto data have been the focus of debate over the past years, it remains the only dataset available for a long time-series and across several countries that provide reliable estimates of parties' policy orientations (see e.g., Budge and McDonald, 2012; Gemenis, 2013).

To test the first two hypotheses, we need data on mainstream party's overall ideological position on the left-right scale which is considered as the most important indicator of party competition that summarizes issues and cleavages that structure political landscape in a country (Downs, 1957; Dalton, 2021; De Vries et al., 2013). For that reason, we use as an outcome variable the *rile* left-right index provided by CMP/MARPOR, which is a composite measure of left-right placement that incorporates party's policy positions in a wide range of issues and is less sensitive to systematic errors than other issue-level measures (Mikhaylov et al., 2012).[66] As Budge (2013) states "its most important aspect is that parties mostly present policies in Left-Right terms and that *rile* is the best summary indicator of policy tendencies over the whole of the party programme". In addition, it simplifies the complex political world, reducing party's views on tens of issues to a single dimension that constitutes a benchmark, helping voters to evaluate political parties and to identify changes in parties' policy preferences (e.g., Dalton, 2021; Downs, 1957; Fernandez-Vazquez, 2014; Nasr, 2020).

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[66] Rile index is constructed by subtracting the sum of 13 categories related with left positions from the sum of 13 categories related with right positions. It includes quasi-sentences about welfare state, education, economic planning, market regulation, traditional moral values, nationalism and labor groups (Budge et al., 2001). For the detailed methodology of the Manifesto Project, see Budge et al. (2001), Klingemann et al. (2006) and Volkens et al. (2016).

While *rile* theoretically ranges from -100 (extreme left) to +100 (extreme right), for ease of interpretation, we have converted the scale on a range from -50 to +50, with higher values indicate a more right-wing position and lower values indicate a more left-wing position.[67] Following the suggestions of Budge and Meyer (2013), we use data based on the original scaling of *rile*, instead of other scaling alternatives.

To evaluate our third hypothesis, it is necessary to assess mainstream party's position on immigration. Although CMP/MARPOR dataset does not include an index directly referring to immigration policy positions, it does provide indices that address multiculturalism, representing appeals to immigration and immigrant integration issues, both of which are salient issues in the radical right's agenda. These indices are *per607* ('Multiculturalism: Positive') and *per608* ('Multiculturalism: Negative') that can be used to construct a new index and are not components of the rile index. The same indices have been used by relevant studies in the literature and thus our results can be directly compared with theirs (se e.g., Han, 2015; Abou-Chadi, 2016; Abou-Chadi and Krause, 2020). Following the approach detailed in Lowe et al. (2011), we construct a measure of logit scale based on the above-mentioned manifesto's indices, to estimate party's position on multiculturalism. This measure is calculated as follows:

$$Multiculturalism = log\frac{per608 + 0.5}{per607 + 0.5}$$

where, a positive coefficient indicates shifts against multiculturalism, i.e., anti-immigrant positions, while a negative coefficient indicates shifts in favor of multiculturalism, i.e., pro immigrant positions. Lowe et al. (2011) characterize the logit scale as "superior" and demonstrate, through direct comparison, that logit scale should be used in place of scaling

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[67] Our scale is the original scale divided by two and with a mean on zero. According to the categories that constitute rile index a shift towards the right is equivalent with policies in favor of market deregulation, retrenchment in time of crisis, reduction of the welfare state and/or favor mentions for national way of life and traditional values, whereas a shift towards the left is associated with policies promoting market regulation, welfare state expansion, state intervention in the economy and internationalism.

procedures used previously, such as the "salience" and "relative proportional difference" approaches.[68] In addition to this measure, we have calculated the log scale of policy importance as proposed in Lowe et al. (2011), which reveals the relative importance parties attach to immigration issues. This measure is defined as:

$$Multiculturalism\ Importance\ =\ log\frac{per608 + per607 + 1}{per608 + per607}$$

In the Appendix, we replicate the baseline estimations using as outcome variable the multiculturalism importance index and the relative proportional difference of Manifesto Project indices as proposed by (Kim and Fording, 2003).

Cutoff point

As a treatment assignment rule, we use the nationwide electoral threshold, which is an institutional cutoff point, exogenous to the outcome variable, that shows how large a party must be, in terms of voting support, to achieve minimal representation (one seat) in national assembly. This means that when a party achieves a vote share above the nationwide electoral threshold in a given general election, it gains parliamentary representation. According to Taagepera (2002) the electoral threshold of representation reflects the degree of institutional constraints in a country and it is defined as the vote level at which parties have a 50-50 chance to win their first seat. For example, if electoral systems were perfectly proportional, a party's vote share would reflect its share of seats in parliament.

Some of the countries in our sample have established a nationwide electoral threshold of representation through electoral laws, but others not. A strand of the literature that examines the effects of parties' electoral success takes into account only countries with a legally defined

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[68] We do not use as main outcome variable the 'relative proportional difference' of position proposed by Kim and Fording (2003) due to the strict boundaries of the scale, which do not correspond to party's positions that are conceptualized in a left-right continuum. Furthermore, as Lowe et al (2011) point out this scaling procedure has a major problem that the quantity being estimated is not respected in the party's position measure.

fixed threshold (e.g., Dinas et al., 2015; Valentim, 2021). Building on the study of Abou-Chadi and Krause (2020), we also include elections in countries without a legally defined threshold. For these cases we have calculated the effective electoral threshold at nationwide level using the formula proposed by Taagepera (2002).[69] In Table 3-1, we report the list of countries included in the analysis and the corresponding legally defined or estimated effective nationwide thresholds. Threshold data are own elaborations based on electoral laws provided by Electoral System Change in Europe (ESCE) and official national sources. Since effective thresholds are determined by factors of the country's electoral system, we implement additional estimations as a robustness test, excluding these cases to ensure that results are not driven by endogeneity.

Assignment variable

The radical right party's vote share at the previous election centered at the nationwide electoral threshold is used as an assignment variable. Since observations near the cutoff are necessary, we use precise percentages of votes below and above the electoral threshold. Data on radical right parties' vote shares have been collected for all general elections since 1960 by the ParlGov database, which provides information for parties participating in general elections regardless of their parliamentary success, and by official sources from each country.[70]

The categorization of radical right parties has been extensively discussed in the literature and is often contested. We classify radical right parties, based on existing definitions and studies (e.g., Akkerman et al., 2016; Bustikova, 2014; Heinisch et al., 2021; Mudde, 2007) and based on the dataset compiled by Rooduijn et al. (2019) which provides, inter alia, an overview of far-right parties in Europe. The complete list of radical right parties of each country can be found in Table A3-1 in the Appendix. Countries that offer no case of radical right party

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[69] The theoretical formula proposed by Taagepera (2002) is the following: $T = \frac{75\%}{((M+1)*\sqrt{E})}$, where E is the number of electoral districts of a magnitude M, which is equal to M=S/E and S is the total number of seats in the assembly.
[70] ParlGov provides data on party's vote shares for parties winning at least 1% of votes in general elections. For parties with a vote share less than 1%, we have used electoral results provided in national commission sources.

in any election are listed in the table, but are excluded from the analysis since they have no

observations in any of the treatment tests. It should be noted that electoral thresholds vary

widely over time and across countries, from a minimum of 0.64 per cent in Italy before 1994

to 5 per cent in Czech Republic, Germany, Iceland, Slovakia, etc. (see Table 3-1). For that

reason, radical right parties' vote shares have been centered at the respective nationwide

electoral threshold, in order to ensure comparability across cases (countries/ elections).

Table 3-1 Nationwide thresholds of representation in European countries, 1960-2020

Country	Elections	Threshold	
		Effective	Fixed
Austria	1960-1970	1.16	
	1971-1990[a]	3.3	
	1994-2020		4
Belgium	1961-1991	1.69	
	1995-1999	1.97	
	2003-2019	1.55	
Bulgaria	1991-2017		4
Croatia	1992		3
	1995		5
	2000-2015	1.58	
	2016-2020		5
Cyprus	1996-2011		1.79
	2016		3.6
Czech Republic	1990-2017		5
Denmark	1960-2019		2
Estonia	1995-2019		5
Finland	1962-2019	1.35	
	2015-2019	1.31	
Germany	1961-2021		5
Greece	1974-1990	1.58	
	1993-2019		3
Hungary	1990		4
	1994-2018		5
Iceland[*]	1963-1983	3.12	
	1987-1999	3.05	
	2003-2017		5

(continued)

Table 3-1. (continued)

Country	Elections	Threshold Effective	Threshold Fixed
Ireland[*]	1961-1973	2.61	
	1977	2.56	
	1981-1997	2.32	
	2002-2011	2.35	
	2016	2.38	
Italy	1963-1992	0.64	
	1994-2013		4
	2018		3
Latvia	1993		4
	1995-2018		5
Lithuania	1992		4
	1996-2018		5
Luxembourg	1964-1968		2.5
	1974-1979		2.38
	1984		2.2
	1989-2013		2.34
Malta[*]	1998-2008	2.31	
Netherlands	1963-2017		0.67
Norway	1961-1969	1.94	
	1973-1981	1.88	
	1985	1.86	
	1989-2001	1.78	
	2005-2017		4
Poland	1991	0.92	
	1993-2019		5
Portugal	1975	1.31	
	1976	1.25	
	1979-1987	1.25	
	1991-2019	1.36	
Romania	1992-1996		3
	2000-2016		5
Slovakia	1990		3
	1992-2016		5
Slovenia	1992-1996		≈3
	2000-2018		4
Spain	1977-2019	1.35	
Sweden	1960-1968	1.54	
	1970-2018		4
Switzerland	1963-1975	1.67	
	1979-2019	1.69	

Notes: Own elaborations based on information provided by Electoral System Change in Europe (ESCE), and official sources of each country. Effective nationwide thresholds are calculated based on the number of electoral districts and total seats in parliament in each election. [a] There are unclarities regarding district magnitude; Taagepera's (2002) actual threshold of representation T_a is used. [*] No radical right parties have been identified in these countries, and hence there are no observations in any of the treatment tests.

3.4. Empirical Results

Descriptive analysis of party's electoral performance makes clear that mainstream parties have experienced a decline in their electoral support while radical right parties have been grown into a considerable political competitor in most European countries. Figure 3-1 shows these trends for mainstream right, mainstream left and radical right parties between 1960 and 2020. On average, vote shares of 80 European mainstream left and mainstream right parties have decreased since1960s (Panel A and Panel B), while support for radical right parties has steadily increased over this period (Panel C). These trends provide a first insight that prompts us to examine how and to what extent mainstream parties have been affected by the rise of radical right contenders.
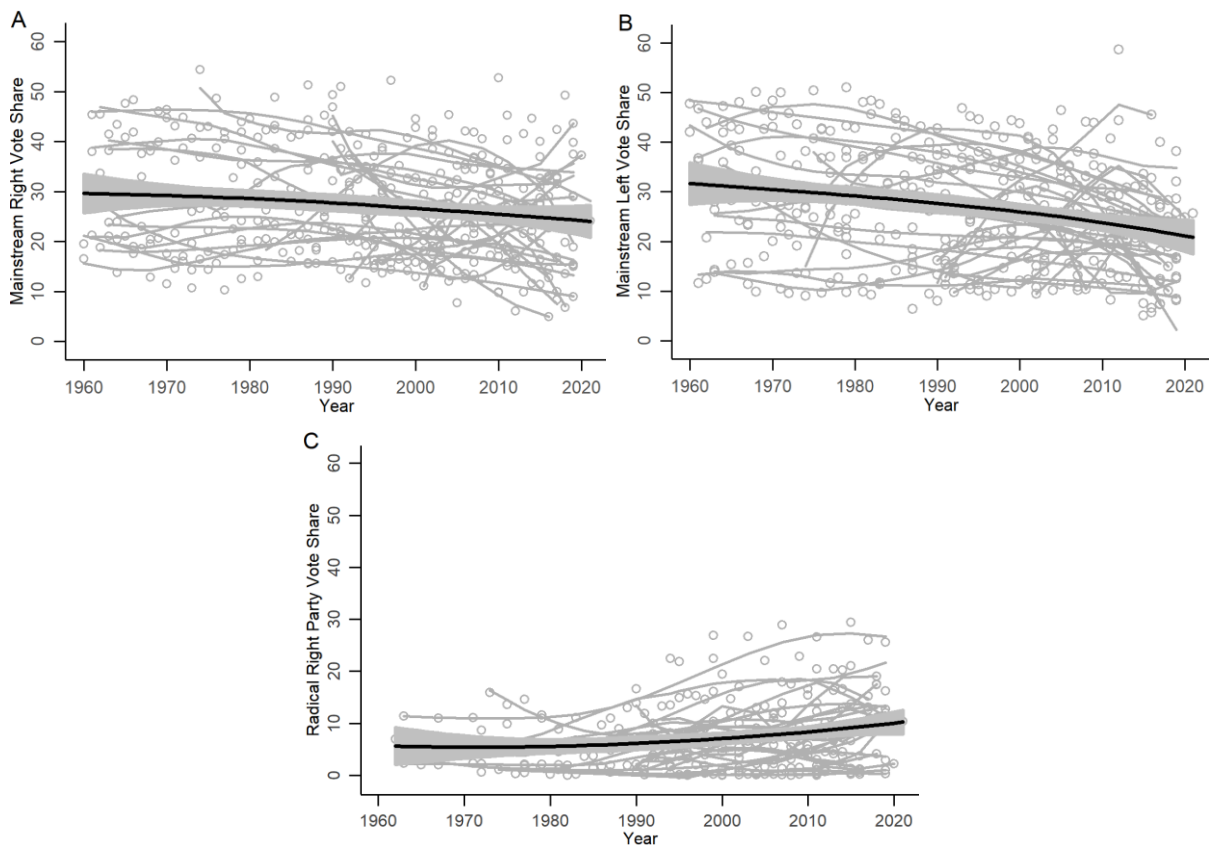
Figure 3-1 Electoral performance of party-families in Europe, 1960-2020

Notes: Panel A shows smoothed time trends in mainstream right parties' vote shares for 29 European countries along with a locally polynomial estimate of the average trend with 95% confidence intervals. Panel B and Panel C show the same for mainstream left and radical right parties' vote shares respectively.

Concurrently, time trends on parties' manifestos reveal on average a slight leftward shift on both mainstream left and mainstream right parties' overall ideological positions after the 1990s (Panel A and B of Figure 3-2). Mainstream left parties present a similar slight leftward shift in their positions on multiculturalism which stabilizes in the early 2000s (Panel D of Figure 3-2). On the contrary, a rightward shift in mainstream right parties' positions on multiculturalism is depicted after 2000 (Panel C of Figure 3-2). This is in line with previous research, indicating that mainstream right parties have adopted an increasingly hard line on immigration and integration issues especially in the last two decades (e.g., Alonso and Fonseca, 2012; Bale et al., 2010; Akkerman, 2015).
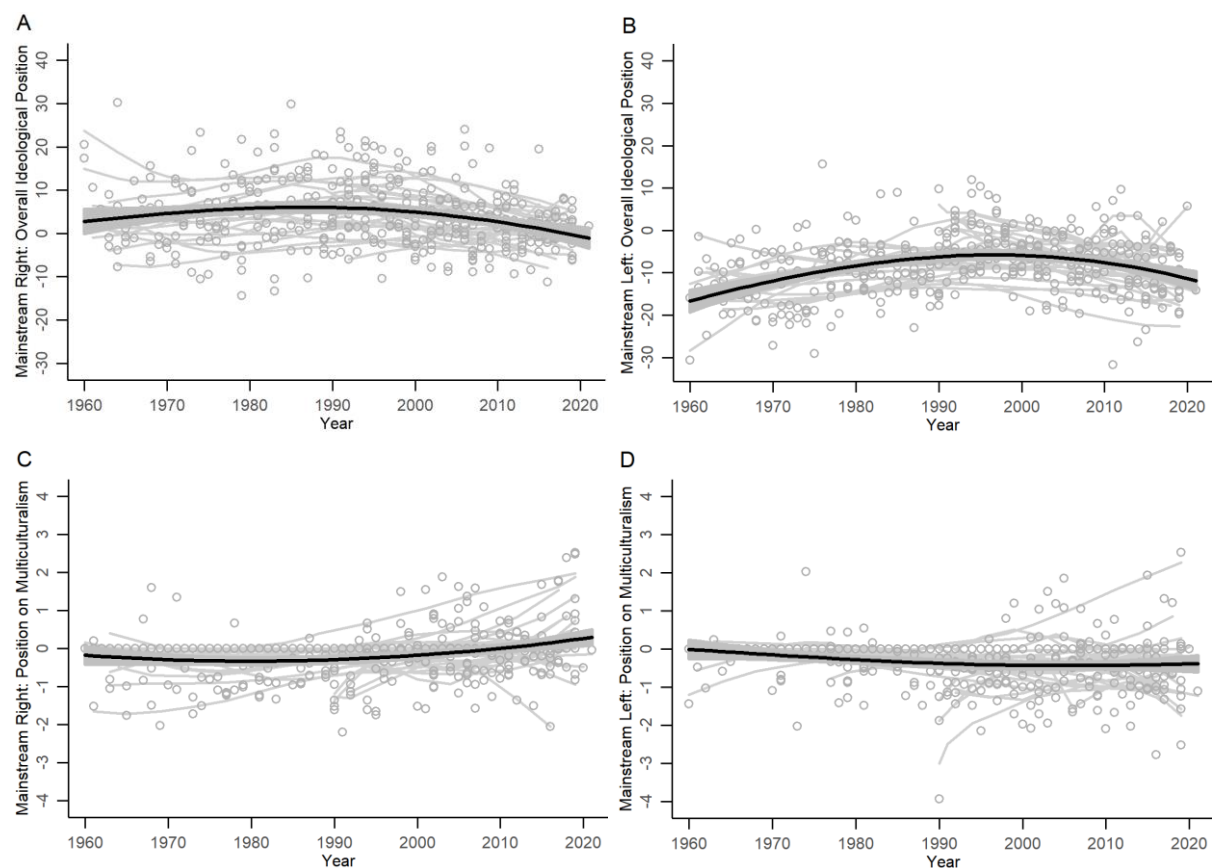
Figure 3-2 Mainstream party's positions, 1960-2020

Notes: Panel A and Panel B show smoothed time trends in overall ideological positions of mainstream right and mainstream left parties respectively, for 29 European countries along with a locally polynomial estimate of the average trend with 95% confidence intervals. Panel C and Panel D show the same for mainstream right and mainstream left parties' positions on multiculturalism respectively.

However, it would be premature to conclude that the above-mentioned shifts are attributed to radical right success and not to other factors, e.g., changes in public opinion, realignment of party's core values, economic fluctuations, social changes etc. To draw reliable and substantial conclusions about the causal effect of radical right success on mainstream party's positions, we make use of a Sharp regression discontinuity (RD) design as described in the previous section. First, we check whether the application of a RD design is valid through a graphical representation of the relationship between mainstream party's position at election t (outcome variable) and radical right success at election t-1 (assignment variable).
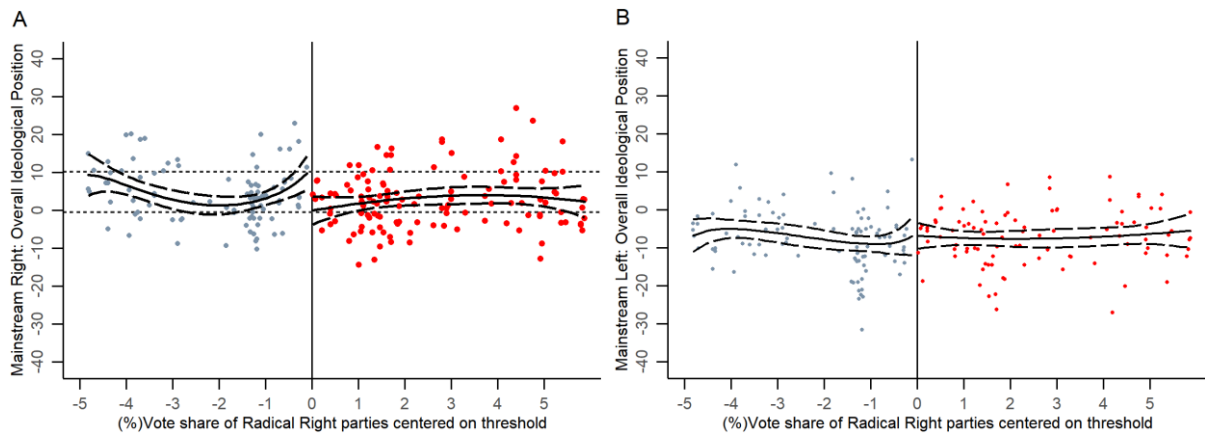
Figure 3-3 Mainstream party's overall ideological position as a function of radical right success at the previous election
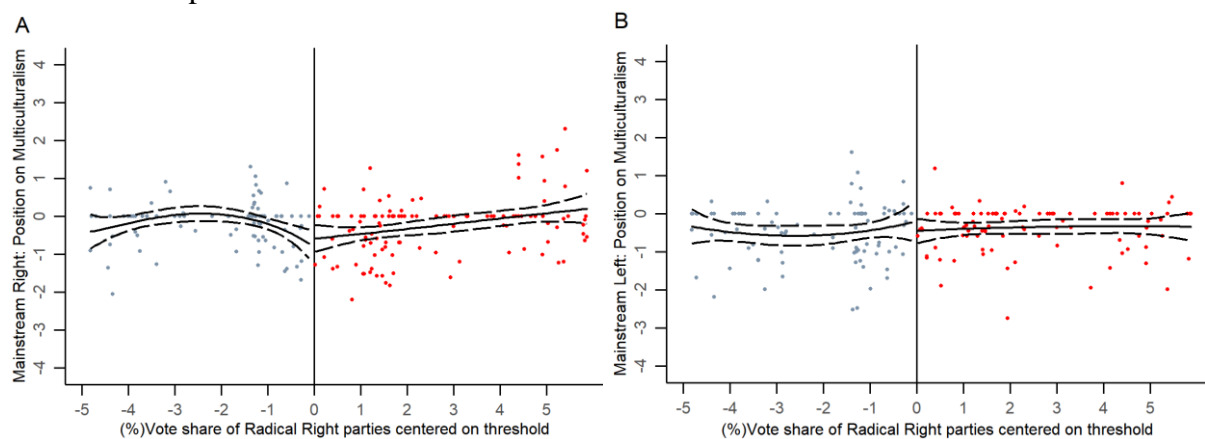
Figure 3-4 Mainstream party's position on multiculturalism as a function of radical right success at the previous election

Notes on Fig. 3-3 and Fig. 3-4: Radical right parties below the cutoff point, i.e., zero, have not gain any seat in parliament, while those above did. The solid curves present second order polynomials estimated separately at each side of the cutoff. The dashed curves denote the 95% confidence intervals. Figures cover the area suggested by the MSE-optimal bandwidth choice rule (Calonico et al., 2020, 2017). The dashed parallel lines in Panel A of Fig.3-3 indicate the difference between the two subsamples.

Figure 3-3, above, shows a clear 'jump' for the mainstream right parties' overall ideological positions at the cutoff point (Panel A), indicating that when a radical right party crosses the nationwide threshold of representation, there is a shift in the overall ideological position of mainstream right parties towards the center of the political spectrum. Contrarywise, no 'jump' in the respective position of mainstream left parties is depicted in Panel B of Figure 3-3. Regarding mainstream parties' positions on multiculturalism, Figure 3-4 provides weak evidence that shifts in these issue positions depend on the parliamentary representation of radical right parties.

Although graphical representation is helpful and informative, it is not sufficient to conclude whether a causal effect is present or not. To do so, we employ non-parametric models of the sharp RD design, using local polynomial regressions, triangular kernel and optimal bandwidth selectors (Calonico et al., 2020, 2017). The baseline results are reported in Table 3-2 and Table 3-3. In each table, columns (1)-(2) and (5)-(6) present results of the baseline model for mainstream right and mainstream left parties respectively, using two distinct optimal bandwidths at either side of the cutoff, while estimates in the rest columns make use of one common optimal bandwidth on both sides. In all columns a covariate that captures the level of proportionality of the country's electoral system is used.

First, Table 3-2 presents sharp RD estimates for the average treatment effect of radical right success at the previous election on mainstream parties' overall ideological positions. Results in columns (1) to (4) verify our expectations that parties of the mainstream right strongly react to radical right success, by moderating the position in which they have a competitive advantage. More specifically, the coefficients of all point estimators (conventional, bias-corrected and robust) are negative, statistically and quantitatively significant, indicating that mainstream right parties move their overall ideological position towards the center as a strategic response to the presence of a radical right party in parliament. Regarding the overall

ideological position of the mainstream left parties, seems to be unaffected, since all the coefficients in columns (5) to (8) are statistically insignificant. In total, Table 3-2 reports supportive results for the first two hypotheses (H1 and H2).

Second, Table 3-3 presents estimates of the corresponding effect on mainstream parties' positions on multiculturalism, which is related to immigration and integration issues. Interestingly, none of the coefficients in columns (1) to (4) turns out to be statistically significant, indicating that shifts in mainstream right party's position on multiculturalism are neither affected nor attributed to the radical right success. This does not imply that mainstream right parties have not adopted a harder line on immigration over the past years as depicted in Figure 3-2, but it reveals that radical right success is not the driving force behind this shift. The corresponding effect on mainstream left parties seems to be negative and statistically significant, implying that radical right success leads mainstream left parties towards pro-immigrant positions (columns 5-8). Overall, results in Table 3-3 are supportive of our third hypothesis (H3) but contrary to the previous findings of Abou-Chadi and Krause (2020). This disagreement stems from differences in our argument and line of reasoning. In contrast to their study, we argue that mainstream right parties do not shift their position on the core issue of the radical right, so as not to further increase the salience of the issue, in which the latter has an undoubtful advantage. Instead, mainstream left parties, appealing to a different group of voters, can directly oppose the radical right party, by proposing a slightly more moderate position on immigration issues.

Table 3-2 Mainstream party's overall ideological position: Baseline results

	Mainstream Right Parties				Mainstream Left Parties			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Conventional	-9.525***	-11.794***	-7.797***	-10.764***	-3.248	-5.755	-2.374	-6.834
	(-3.375)	(-3.596)	(-2.817)	(-3.085)	(-0.632)	(-0.826)	(-0.479)	(-0.956)
Bias-corrected	-11.747***	-12.47***	-9.267***	-11.713***	-6.217	-7.472	-6.029	-9.320
	(-4.163)	(-3.802)	(-3.349)	(-3.357)	(-1.209)	(-1.072)	(-1.218)	(-1.304)
Robust	-11.747***	-12.47**	-9.267**	-11.713**	-6.212	-7.472	-6.029	-9.320
	(-3.875)	(-3.077)	(-3.173)	(-2.702)	(-0.949)	(-0.912)	(-0.922)	(-1.142)
Polynomial	1	2	1	2	1	2	1	2
Obs. left (N<c)	85	85	85	85	90	90	90	90
Obs. right (N≥c)	213	213	213	213	172	172	172	172
Eff. obs. left (N<c)	48	50	49	50	43	51	44	51
Eff. obs. right (N≥c)	78	109	61	62	119	103	25	44
BW est. left (h_l)	1.89	2.65	-	-	1.34	2.19	-	-
BW est. right (h_r)	3.73	5.48	-	-	9.39	7.22	-	-
BW est. common (h)	-	-	2.37	2.63	-	-	1.36	2.18
Covariates	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: Local polynomial regression discontinuity estimates, using triangular kernel and MSE-optimal bandwidth selection procedures as proposed by Calonico et al. (2020, 2017). In columns (1)-(2) and (5)-(6) two distinct common bandwidths below and above the cutoff are used while in columns (3)-(4) and (7)-(8) one common bandwidth on both sides is used (for more details, please see Calonico et al., 2017; Cattaneo et al., 2020). Three different procedures in computing RD point estimators are applied (conventional, bias-corrected, robust). Covariates capture the country's electoral rules. Standard errors are clustered at the country level. t - statistics in parentheses. *, **, *** denote statistical significance at 10%, 5%, 1%.

Table 3-3 Mainstream party's position on multiculturalism: Baseline results

	Mainstream Right Parties				Mainstream Left Parties			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Conventional	-0.193 (-0.842)	-0.038 (-0.113)	0.072 (0.235)	0.157 (0.341)	-0.584* (-2.001)	-1.088** (-2.325)	-0.580 (-1.622)	-1.132** (-2.355)
Bias-corrected	-0.190 (-0.829)	-0.027 (-0.080)	0.155 (0.508)	0.153 (0.332)	-0.905*** (-3.109)	-1.347*** (-2.880)	-0.935*** (-2.616)	-1.363*** (-2.835)
Robust	-0.190 (-0.694)	-0.027 (-0.066)	0.155 (0.419)	0.153 (0.280)	-0.905** (-2.329)	-1.347** (-2.135)	-0.935** (-2.159)	-1.363** (-2.139)
Polynomial	1	2	1	2	1	2	1	2
Obs. left (N<c)	85	85	85	85	90	90	90	90
Obs. right (N≥c)	213	213	213	213	172	172	172	172
Eff. obs. left (N<c)	49	48	48	49	32	47	34	48
Eff. obs. right (N≥c)	103	117	55	59	97	110	23	36
BW est. left (h_l)	2.27	2.05	-	-	1.22	1.56	-	-
BW est. right (h_r)	5.23	6.11	-	-	6.54	8.65	-	-
BW est. common (h)	-	-	2.04	2.23	-	-	1.26	1.72
Covariates	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: Local polynomial regression discontinuity estimates, using triangular kernel and MSE-optimal bandwidth selection procedure as proposed by Calonico et al. (2020, 2017). In columns (1)-(2) and (5)-(6) two distinct common bandwidths below and above the cutoff are used while in columns (3)-(4) and (7)-(8) one common bandwidth on both sides is used (for more details, please see Calonico et al., 2017; Cattaneo et al., 2020). Three different procedures in computing RD point estimators are applied (conventional, bias-corrected, robust). Covariates capture the country's electoral rules. Standard errors are clustered at the country level. t - statistics in parentheses. *, **, *** denote statistical significance at 10%, 5%, 1%.

3.5. Robustness

To assess the validity of our results, in the following section, we perform a number of robustness and placebo tests. First, in Figures 3-5 and 3-6, we test the sensitivity of our estimates to a variety of bandwidths, ranging from 1.5 to 10.5 per cent, that are not ruled out by a specific selection procedure. Panel A of Figure 3-5 shows that the effect of radical right success on mainstream right parties' overall ideological position remains negative and statistically significant for any bandwidth, lying between -14 and -7. Correspondingly, the effect on mainstream left parties remains negative and statistically insignificant across all bandwidths, as all the confidence intervals include the value of zero (Panel B).
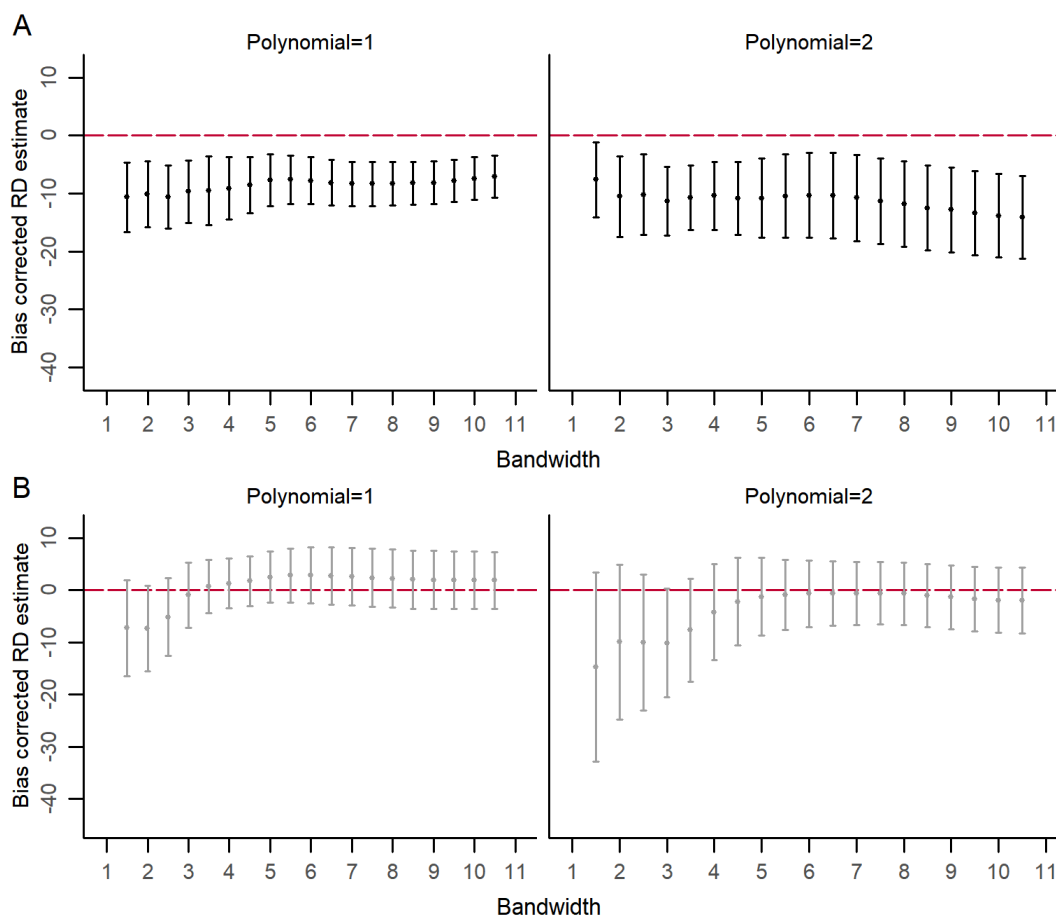
Figure 3-5 Estimates with varying bandwidth: Party's overall ideological position

Notes: Local polynomial RD estimates, using triangular kernel, with 95% confidence intervals and a variety of bandwidths (from 1.5 to 10.50). Bias-corrected point estimators are reported. Statistically significant coefficients in black. Panel A: Mainstream right parties. Panel B: Mainstream left parties.

In Figure 3-6, we do the same for parties' positions on multiculturalism. In line with results in Table 3-3 the effect on mainstream right parties remains statistically insignificant for any bandwidth, while the effect on mainstream left parties is significant only for the first three (four) levels of bandwidths in the first (second) order polynomial regression. In sum, estimates in both figures give support to our Hypotheses (1, 2 and 3), indicating that results are robust across different bandwidths and are not driven by a specific bandwidth selection procedure.
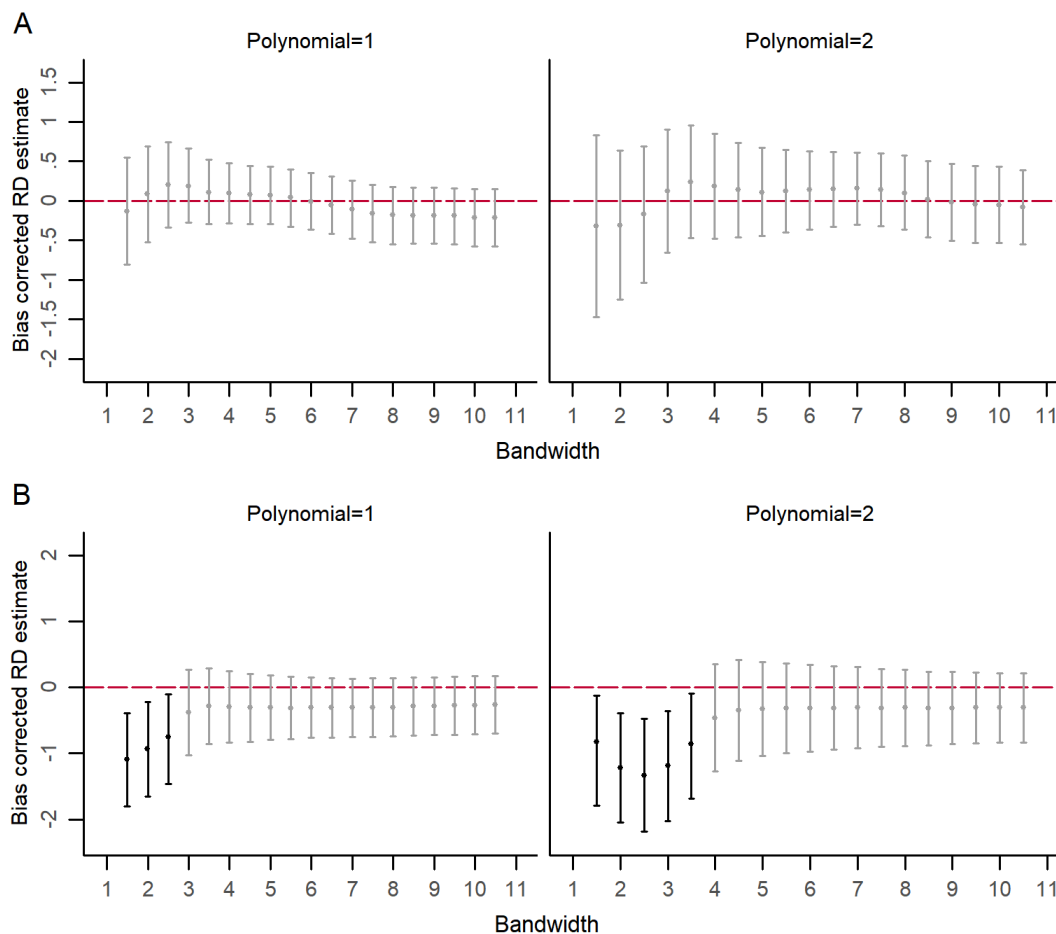
Figure 3-6 Estimates with varying bandwidth: Party's position on multiculturalism

Notes: Local polynomial RD estimates, using triangular kernel, with 95% confidence intervals and a variety of bandwidths (from 1.5 to 10.50). Bias-corrected point estimators are reported. Statistically significant coefficients in black. Panel A: Mainstream right parties. Panel B: Mainstream left parties.

In Tables 3-4 and 3-5, we examine the validity of the baseline estimates under alternative specifications, using as dependent variable the mainstream party's overall ideological position and mainstream party's position on multiculturalism, respectively. In both

tables Panel A refers to mainstream right parties and Panel B to mainstream left parties. In the first two columns of both tables, we estimate the baseline model without covariates while in columns (3) and (4) we apply a fuzzy RD design in which treatment status is instrumented by the probability of a radical right party entering parliament.[71] Results in columns (1) to (4) of both tables, remain the same as our baseline estimates in Tables 3-2 and 3-3.

In columns (5) and (6) of both tables, we test whether our results are affected by the inclusion of new democracies in post-communist Europe. To do so, we re-estimate the baseline specification excluding Central and Eastern European (CEE) countries.[72] Once again, results remain qualitatively unaltered, except the bias-corrected estimator of the mainstream right party's position on multiculturalism, in the first order polynomial regression, which is negative and statistically significant at 10% level (column 5 in Table 3-5). However, all hypotheses are still verified. As a further robustness test, we restrict our analysis to cases (countries/elections) with a legally defined nationwide threshold. Regarding the overall ideological positions of both parties, results remain the same, except the robust point estimator in second order polynomial regression in Panel A, which is just below the conventional 10% level of statistical significance (columns 7-8 in Table 3-4). Contrary to the baseline results, but still consistent with hypothesis 3, the corresponding effect on parties' positions on multiculturalism is statistically insignificant for both mainstream right and left parties (columns 7-8 in Table 3-5).

Since the early 2000s, several radical right parties have experienced increased support and their core-issues started forcefully entering the political debate. A typical example is the French National Front (FN) party, whose candidate, Jean-Marie Le Pen, finished a strong second in the 2002 presential elections, and it has emerged as a sort of benchmark party for the

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[71] The first stage results of the fuzzy RDD are not reported due to space constraints and are available upon request.
[72] CEE countries in our sample are the following: Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia.

rest radical right parties in Europe. Additionally, the terrorist attacks of September 11, 2001 played a role in the radical right mainstreaming (Mudde, 2019). It is thus likely that the effect of radical right success on mainstream parties' positions, especially on those related to immigration, to be stronger or even different after 2000. We test this, in columns (9) and (10), by limiting our analysis to the years between 2000 and 2020. Interestingly, treatment effects remain unalerted for both positions of mainstream right parties. The only change seen is in the positions of the mainstream left parties, which now appear to be shifting their overall ideological position to the left, but without shifting their position on multiculturalism. Evidence here indicates that even in periods of increasing success of radical right parties, the latter does not constitute the driving force behind the observed rightward shifts of mainstream parties.

Finally, in columns (11) and (12), we restrict our sample to those of Abou-Chadi and Krause (2020), excluding general elections before 1980 and the countries of Belgium, Cyprus, Hungary, Iceland, Lithuania and Malta. As the reader can verify, there is no qualitative change in our main results regarding mainstream right parties. Again, the only change concerns the mainstream left parties that appear the same shifts as in columns (9) and (10).

Table 3-4 Mainstream party's overall ideological position: Robustness tests

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Without covariates		Fuzzy RD design		Excluding CEE countries		Cases with legally fixed threshold		Time restriction: 2000-2020		Sample: Abou-Chadi and Krause (2020)	
Panel A: MR Parties												
Conventional	-9.603***	-12.20***	-9.525***	-11.79***	-10.11***	-13.91***	-5.941**	-8.841*	-4.991*	-7.291**	-6.508**	-8.077**
	(-3.449)	(-3.739)	(-3.375)	(-3.596)	(-2.699)	(-3.054)	(-2.055)	(-2.325)	(-1.699)	(-1.965)	(-2.091)	(-1.992)
Bias-corrected	-11.73***	-12.87***	-11.75***	-12.47***	-12.30***	-14.48***	-7.770***	-8.829*	-6.647**	-8.353**	-8.031***	-10.05**
	(-4.211)	(-3.944)	(-4.163)	(-3.802)	(-3.283)	(-3.178)	(-2.689)	(-2.880)	(-2.264)	(-2.251)	(-2.581)	(-2.479)
Robust	-11.73***	-12.87***	-11.75***	-12.47**	-12.30***	-14.48***	-7.770**	-8.829	-6.647**	-8.353*	-8.031***	-10.05**
	(-3.869)	(-3.227)	(-3.875)	(-3.077)	(-2.814)	(-2.912)	(-2.316)	(-1.405)	(-2.055)	(-1.699)	(2.699)	(-2.296)
Obs. (N<c) – (N≥c)	85-213	85-213	85-213	85-213	53-153	53-153	56-137	56-137	60-118	60-118	64-167	64-167
BW est. (h_l) – (h_r)	1.89-3.53	2.63-5.78	1.89-3.73	2.65-5.48	2.38-3.38	3.85-7.23	2.04-3.89	2.41-6.96	2.45-4.91	2.92-7.23	1.97-5.14	2.12-5.53
Panel B: ML Parties												
Conventional	-3.485	-6.011	-3.248	-5.755	-6.434	-2.833	-9.823	-6.631	-5.597	-9.579	-7.912	-12.555*
	(-0.682)	(-0.850)	(-0.632)	(-0.826)	(-1.253)	(-0.416)	(-1.392)	(-0.804)	(-1.023)	(-1.529)	(-1.260)	(-1.812)
Bias-corrected	-6.507	-7.692	-6.212	-7.472	-8.044	-4.042	-11.075	-9.556	-8.273	-13.605**	-11.888*	-16.756**
	(-1.274)	(-1.087)	(-1.209)	(-1.072)	(1.566)	(-0.593)	(-1.569)	(-1.158)	(-1.512)	(-2.172)	(-1.894)	(-2.419)
Robust	-6.507	-7.692	-6.212	-7.472	-8.044	-4.042	-11.075	-9.556	-8.273	-13.605**	-11.888*	-16.756**
	(-0.996)	(-0.922)	(-0.949)	(-0.912)	(-1.361)	(-0.431)	(-1.291)	(-1.063)	(-1.307)	(-2.011)	(-1.704)	(-2.341)
Obs. (N<c) – (N≥c)	90-172	90-172	90-172	90-172	55-114	55-114	57-103	57-103	59-98	59-98	65-133	65-133
BW est. (h_l) – (h_r)	1.36-9.32	2.19-7.03	1.34-9.39	2.19-7.22	2.43-8.84	2.99-4.75	1.83-8.96	2.89-5.45	2.47-9.98	3.57-8.78	1.57-8.44	2.62-9.33
Polynomial	1	2	1	2	1	2	1	2	1	2	1	2
Covariates	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: Local polynomial regression discontinuity estimates, using triangular kernel and MSE-optimal bandwidth selection procedure with two distinct common bandwidths below and above the cutoff (Calonico et al., 2020, 2017; Cattaneo et al., 2020). Three different procedures in computing RD point estimators are applied (conventional, bias-corrected, robust). Covariates capture the country's electoral rules. Standard errors are clustered at the country level. t - statistics in parentheses. *, **, *** denote statistical significance at 10%, 5%, 1%.

Table 3-5 Mainstream party's position on multiculturalism: Robustness tests

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Without covariates		Fuzzy RD design		Excluding CEE countries		Cases with legally fixed threshold		Time period: 2000 – 2020		Sample: Abou-Chadi and Krause (2020)	
Panel A: MR Parties												
Conventional	-0.169	0.026	-0.193	-0.034	-0.403	-0.149	-0.095	0.076	-0.133	-0.023	-0.326	-0.307
	(-0.711)	(0.077)	(-0.842)	(-0.113)	(-1.688)	(-0.299)	(-0.341)	(0.225)	(-0.490)	(-0.058)	(-1.347)	(-1.103)
Bias-corrected	-0.168	0.053	-0.190	-0.027	-0.433*	-0.055	0.010	0.098	-0.015	-0.054	-0.360	-0.262
	(-0.706)	(0.157)	(-0.829)	(-0.080)	(-1.688)	(-0.111)	(0.036)	(0.289)	(-0.056)	(-0.136)	(-1.488)	(-0.939)
Robust	-0.168	0.053	-0.190	-0.027	-0.433	-0.055	0.010	0.098	-0.015	-0.054	-0.360	-0.262
	(-0.592)	(0.131)	(-0.694)	(-0.066)	(-1.390)	(-0.095)	(0.029)	(0.277)	(-0.042)	(-0.134)	(-1.272)	(-0.801)
Obs. (N<c) – (N≥c)	85-213	85-213	85-213	85-213	53-153	53-153	56-137	56-137	60-118	60-118	64-167	64-167
BW est. (h_l) – (h_r)	2.21-5.19	2.2-6.11	2.26-5.23	2.1-5.82	2.59-5.07	1.97-6.32	2.91-3.58	2.49-5.01	3.10-6.62	3.72-5.2	2.35-4.45	2.39-6.06
Panel B: ML Parties												
Conventional	-0.615**	-1.125**	-0.584**	-1.088**	-0.693**	-0.866**	0.319	-0.376	0.259	-0.077	-0.010	-0.172
	(-2.012)	(-2.342)	(-2.005)	(-2.325)	(-2.281)	(-2.302)	(0.692)	(-0.729)	(0.719)	(-0.163)	(-0.037)	(-0.450)
Bias-corrected	-0.928***	-1.443***	-0.905***	-1.347***	-0.836***	-1.053***	0.344	-0.737	0.342	-0.432	0.059	-0.325
	(-3.039)	(-3.004)	(-3.109)	(-2.880)	(-2.749)	(-2.798)	(0.746)	(-1.430)	(0.948)	(-0.917)	(0.225)	(-0.852)
Robust	-0.928**	-1.443**	-0.905**	-1.347**	-0.836**	-1.053**	0.344	-0.737	0.342	-0.432	0.059	-0,325
	(-2.258)	(-2.224)	(-2.329)	(-2.136)	(-2.290)	(-2.454)	(0.572)	(-1.261)	(0.734)	(-0.943)	(0.225)	(-0.775)
Obs. (N<c) – (N≥c)	90-172	90-172	90-172	90-172	55-114	55-114	57-103	57-103	59-98	59-98	65-133	65-133
BW est. (h_l) – (h_r)	1.2-6.57	1.57-8.68	1.22-6.54	1.56-8.65	2.96-4.31	3.78-6.17	1.86-7.66	1.89-7.95	2.99-9.89	2.45-10.9	2.54-6.71	2.21-9.09
Polynomial	1	2	1	2	1	2	1	2	1	2	1	2
Covariates	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: Local polynomial regression discontinuity estimates, using triangular kernel and MSE-optimal bandwidth selection procedure with two distinct common bandwidths below and above the cutoff (Calonico et al., 2020, 2017; Cattaneo et al., 2020). Three different procedures in computing RD point estimators are applied (conventional, bias-corrected, robust). Covariates capture the country's electoral rules. Standard errors are clustered at the country level. t - statistics in parentheses. *, **, *** denote statistical significance at 10%, 5%, 1%.

The non-parametric approach of the RD design identifies a local average treatment effect among a subsample around the cutoff point, so the estimates are restricted to a subset of data points on either side of the threshold that are thought to be good counterfactuals. In order to ensure that our findings are not driven by a specific bandwidth selection, in Table 3-6, we estimate the baseline model using a parametric approach with a global polynomial fitting that allows to identify the treatment effect among the whole sample. For each regression, the optimal order of polynomial has been selected based on the Akaike Information Criterion (AIC) which captures the tradeoff between bias and variance, as suggested in Lee and Lemieux (2010).

In columns (1) and (2) we present the results for mainstream right parties using as an outcome variable the overall ideological position and the position on multiculturalism respectively, while in columns (3) and (4) the corresponding results for mainstream left parties are presented. As in the baseline non-parametric model, all the regressions include as independent variables the treatment status, the assignment variable, an interaction term between these two, allowing for different slopes above and below the cutoff point, and a covariate for the level of proportionality of the country's electoral system. In all columns, estimates for the treatment effect provide similar coefficients, in terms of sign and statistical significance, with those of our baseline results, giving further support to our testable hypotheses.

Table 3-6 Parametric estimates: Global polynomial regression

	Mainstream right parties		Mainstream left parties	
	Overall ideological position	Position on multiculturalism	Overall ideological position	Position on multiculturalism
	(1)	(2)	(3)	(4)
Treatment Effect	-13.965*** (-3.32)	-0.010 (-0.04)	-3.929 (-0.70)	-0.458* (-1.71)
Polynomial	3	2	3	2
Obs. total	298	298	298	298
Bandwidth	global	global	global	global
Covariates	Yes	Yes	Yes	Yes

Notes: Akaike Information Criterion (AIC) has been applied to compare 1st to 4th order polynomial models. For each regression with a different outcome variable, the optimal order of polynomial, i.e., this with a significant lower AIC score, has been selected and presented in each column. Standard errors are clustered at the country level. t - statistics in parentheses. *, **, *** denote statistical significance at 10%, 5%, 1%.

As already discussed, RD designs build on the continuity assumption, according to which the only change at the cutoff point should be the shift in the treatment status, i.e., the entrance of radical right parties into parliament (de la Cuesta and Imai, 2016). To further ensure that this assumption, and hence the causal inference of our results, is hold, we implement three placebo tests. First, in Table 3-7, we control for potential discontinuities away from the cutoff, at points where the treatment status does not really change. Following the suggestions of Imbens and Lemieux (2009), we re-estimate the baseline model at the median of the two subsamples on either side of the true cutoff value. In columns (1)-(2) and (5)-(6), we estimate the treatment effect for the subsample to the left of the true cutoff, while in columns (3)-(4) and (7)-(8) we do the same for the subsample to the right of the true cutoff point.[73] As it is expected, we find no discontinuity in the mainstream parties' positions at the artificial cutoffs, as the treatment effect is insignificant across all estimators.

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[73] Since the curvature of observations below and above the artificial cutoff points does not differ, we use one MSE-optimal common bandwidth instead of two distinct bandwidths.

Table 3-7 Continuity-based analysis for artificial cutoff points

	Overall Ideological Position				Position on Multiculturalism			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel A: MR Parties								
Conventional	-0.802	-1.983	-4.606	-12.672	-0.106	0.003	-0.629	-0.094
	(-0.564)	(-0.903)	(-1.314)	(-1.156)	(-0.538)	(0.011)	(-1.482)	(-0.122)
Bias-corrected	-1.155	-2.077	-5.512	-14.61	-0.023	0.126	-0.643	0.051
	(-0.812)	(-0.945)	(-1.572)	(-1.332)	(-0.117)	(0.433)	(-1.516)	(0.062)
Robust	-1.155	-2.077	-5.512	-14.61	-0.023	0.126	-0.643	0.051
	(-0.721)	(-0.714)	(-1.309)	(-1.115)	(-0.081)	(0.401)	(-1.259)	(0.051)
Eff. obs. (N<c) - (N≥c)	14-23	14-23	35-27	27-21	14-25	14-28	48-35	33-26
BW est. (h)	0.562	0.558	2.362	1.507	0.643	0.788	3.234	2.329
Panel B: ML Parties								
Conventional	-4.075	-3.702	0.279	1.746	-0.829	0.176	0.007	0.026
	(-1.377)	(-1.551)	(0.049)	(0.247)	(-0.125)	(0.288)	(0.021)	(0.036)
Bias-corrected	-2.869	-2.359	1.062	1.843	0.028	0.181	0.031	0.085
	(-0.969)	(-0.988)	(0.188)	(0.261)	(0.042)	(0.295)	(0.092)	(0.213)
Robust	-2.869	-2.359	1.062	1.843	0.028	0.181	0.031	0.085
	(-1.629)	(-1.195)	(0.149)	(0.233)	(0.045)	(0.288)	(0.073)	(0.105)
Eff. obs. (N<c) - (N≥c)	12-23	13-28	24-16	29-23	13-23	13-28	25-16	26-17
BW est. (h)	0.510	0.794	1.650	2.603	0.598	0.785	1.847	2.032
Cutoff point	-1.3	-1.3	5.64	5.64	-1.3	-1.3	5.64	5.64
Polynomial	1	2	1	2	1	2	1	2
Covariates	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: Local polynomial RD estimates, using triangular kernel and MSE-optimal bandwidth selection procedure (Calonico et al. 2017, 2020). Covariates capture the country's electoral rules. Standard errors are clustered at the country level. t - statistics in parentheses. *, **, *** denote statistical significance at 10%, 5%, 1%.

Next, in Table 3-8, we perform two additional placebo tests. In columns (1) to (4) we further ensure that the estimated changes in the mainstream parties' positions are driven only by the success of radical right parties, and no other relevant confounders. Although radical left parties enter in parliament more rarely, we replicate our analysis with the assignment to the treatment being by whether a radical left party crossed the electoral threshold, and entered parliament at the previous election, or not. As can be seen, estimates provide no evidence for a causal effect of radical left success on the positions of either mainstream right parties or mainstream left parties. Only the bias-corrected point estimator in the first order polynomial regression (column 3 in Panel B) is positive and just above the conventional 10% level of

statistical significance, providing some weak evidence that radical left success leads

mainstream left parties to more anti-multiculturalism positions.

Table 3-8 Radical left success and placebo outcomes

	Radical left success at t-1				Placebo outcomes			
	Overall ideological position		Position on multiculturalism		Voter turnout t-1		Country's electoral rule	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel A: MR Parties								
Conventional	0.795 (0.185)	2.491 (0.557)	0.141 (0.469)	-0.095 (-0.412)	-2.006 (-0.187)	-4.474 (-0.344)	-0.057 (-0.743)	-0.151 (-1.051)
Bias-corrected	0.882 (0.205)	3.335 (0.746)	0.026 (0.085)	-0.135 (-0.587)	-3.845 (-0.358)	-3.467 (-0.267)	-0.084 (-1.092)	-0.064 (-0.445)
Robust	0.882 (0.183)	3.335 (0.749)	0.026 (0.099)	-0.135 (-0.519)	-3.845 (-0.305)	-3.467 (-0.235)	-0.084 (-0.624)	-0.064 (-0.465)
Eff. obs. (N<c) - (N≥c)	80-94	73-82	70-79	70-79	41-85	44-119	15-61	49-91
BW est. (h)	2.54	1.88	1.74	1.75	1.7-4.8	2.1-7.7	0.9-2.4	2.1-4.4
Panel B: ML Parties								
Conventional	-3.313 (-1.037)	-5.151 (-1.145)	0.415 (1.311)	0.484 (1.326)	1.056 (0.093)	4.295 (0.303)	-0.122 (-0.967)	-0.011 (-0.188)
Bias-corrected	-4.683 (-1.466)	-4.821 (-1.071)	0.569* (1.796)	0.577 (1.583)	-0.603 (-0.053)	8.573 (0.605)	-0.061 (-0.482)	0.056 (0.926)
Robust	-4.683 (-1.264)	-4.821 (-0.934)	0.569 (1.538)	0.577 (1.497)	-0.603 (-0.045)	8.573 (0.588)	-0.061 (-0.410)	0.056 (0.507)
Eff. obs. (N<c) - (N≥c)	66-59	68-59	65-51	76-67	48-77	47-89	52-94	51-72
BW est. (h)	1.75	1.77	1.56	2.34	2.7-5.3	2.2-6.4	2.1-4.7	1.9-4.3
Polynomial	1	2	1	2	1	2	1	2
Covariates	Yes	Yes	Yes	Yes	Yes	Yes	No	No

Notes: Local polynomial regression discontinuity estimates, using triangular kernel and MSE-optimal bandwidth selection procedure (Calonico et al. 2020, 2017). Covariates capture the country's electoral rules. Standard errors are clustered at the country level. t - statistics in parentheses. *, **, *** denote statistical significance at 10%, 5%, 1%.

In the last four columns of Table 3-8, we test whether placebo outcomes jump at the

threshold. In columns (5) and (6), we use the voter turnout at the election preceding the

parliamentary entry of a radical right party, expecting that parliamentary representation at time

t does not affect voter turnout at time *t-1*.[74] Then in columns (7) and (8), we use a variable for the level of proportionality of the country's electoral system, which was used as a covariate in the baseline model capturing the country's institutional factors. Results show that there is no significant effect on any of the placebo outcomes.

In the Appendix we perform two final robustness tests. First, we additionally show that our estimates about mainstream parties' policy positions on multiculturalism hold equally across alternative measures of policy positions, such as the relative proportional difference of Manifesto Project indices as proposed by (Kim and Fording, 2003) and the multiculturalism importance index (see Table A3-2). Lastly, we perform a Jackknife type analysis to examine whether our results are driven by a single country, by estimating the baseline model for every outcome of interest, excluding one country each time (see Table A3-3). Results suggest that no single country drives our main findings, giving further support to our testable hypotheses.

3.6. Conclusions

In this chapter we explore the causal effect of radical right's parliamentary representation on political competition as expressed by mainstream party's strategic positioning. Focusing on manifestos data of 80 mainstream parties in 29 European countries between 1960-2020, we empirically evaluate this effect on mainstream parties' overall ideological position and position on multiculturalism, which concerns immigration and integration issues, through a Regression Discontinuity (RD) design based on nationwide electoral thresholds. This design allows us to identify the mainstream parties' positional shifts that are actually caused by the radical right success and not by changes in public opinion or any other unobserved factors.

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[74] Data on voter turnout come from the Voter Turnout Database published by the International Institute for Democracy and Electoral Assistance (IDEA).

A steadily growing literature has focused on the systematic effect of radical right parties on party competition with several studies suggesting that the electoral success of the radical right leads mainstream parties to adopt restrictive immigration positions. Our study contributes to this literature by extending the analysis to the recent years of the persistent success of the radical right and empirically challenging the widespread view that mainstream parties confront radical right success by accommodating their core-issue policy positions. Our argument is that electoral success of the radical right is a parallel trend rather than the driving force behind the general rightward shift and the mainstreaming of anti-immigration policy positions.

Our findings show that radical right's parliamentary representation causally affects mainstream parties' positions but the dynamics of radical-mainstream competition are not uniform since mainstream parties differ in their responses. Mainstream right parties respond to the electoral threat of the radical right by shifting their overall ideological position, which includes issues they own, to the opposite direction of the radical right party, namely towards the center. Concurrently, no evidence has been found for a causal effect on mainstream right party's position in issues related to immigration and integration, since the latter, following a dismissive strategy, namely they do not shift their position on multiculturalism. An alternative interpretation of these results is that mainstream right parties confront the radical right competitor by shifting their position in issues in which they have a competitive advantage and without addressing the core issue of the radical right as an attempt not to further increase the salience of the issue.

On the other hand, mainstream left parties do not shift their overall ideological position in response to radical right success, but, following an adversarial strategy, they directly oppose the successful radical right party by taking up pro-multiculturalism positions. Overall, findings in this chapter demonstrate that radical right success does affect mainstream parties' positioning but it does not cause shifts towards anti-multiculturalism positions from either the mainstream

right or mainstream left parties. These results are consistent with studies that call into question the accommodation effect, underlining that electoral success of the radical right is not the driving force behind the mainstream parties' shifts towards anti-immigration policies, but rather a by-product of a general shift of European political space to the right, especially on immigration issues (Akkerman, 2015; Alonso and Fonseca, 2012; Meyer and Rosenberger, 2015).

Appendix A3

We testing the manipulation of the running variable, implementing a nonparametric restricted manipulation test, using a local-polynomial density estimator to examine whether radical right parties' vote shares have been manipulated (Cattaneo et al., 2018). Bandwidths have been employed based on mean square error (MSE) of the difference of the density estimators. The manipulation test based on robust bias-correction is $T_q(\hat{h}_{l,diff,p}, \hat{h}_{r,diff,p}) = -0.220$ with a p-value of 0.826, which indicates that we do not reject the null hypothesis according to which the density of the running variable is continuous at the cutoff. Results provide no statistical evidence of systematic manipulation of the running variable and provide further empirical evidence in favor of the RD design in this application.
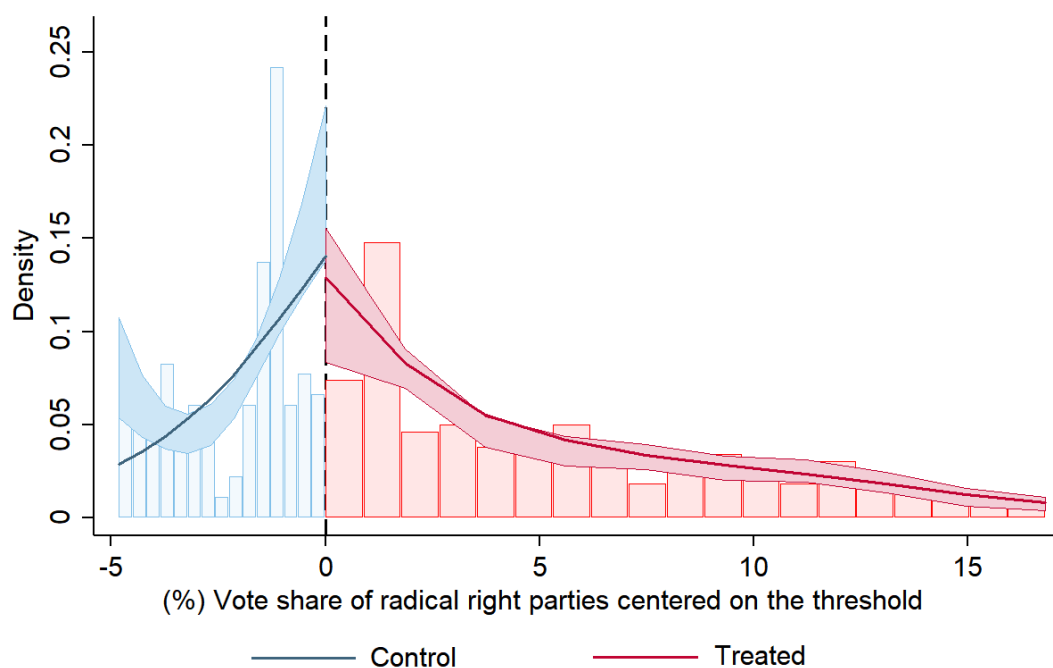
Fig. A3-1 Manipulation test plot with 95% confidence intervals.

Notes: Both manipulation test and plot have been constructing using a q=3 polynomial with MSE optimal bandwidths, based on the difference of two density estimators, for a restricted model with polynomial order of two (p=2). Y-axis illustrates the estimated density while x-axis the vote share of radical right parties at the previous election centered at the electoral threshold.

Table A3-1 List of radical right parties for the period 1960-2020

Country	Party abbreviation	Party name in English
Austria	FPÖ	Freedom Party of Austria
Belgium	VB	Flemish Interest
Bulgaria	Ataka	Attack
	BNRP	Bulgarian National Radical Party
Croatia	HDSSB	Croatian Democratic Alliance of Slavonia and Baranja
	HSP	Croatian Party of Rights
	HSP-HKDU	Croatian Party of Rights - Croatian Christian Democratic Union
	HSP-ZDS	Croatian Party of Rights - Zagorje Democratic Party
Cyprus	ELAM	National Popular Front
Czech Republic	SPR-RSC	Rally for the Republic - Republican Party of Czechoslovakia
	RMS	Republicans of Miroslav Sládek
	NS	National Party
	S -JB	Sovereignty - Jana Bobosikova Bloc
	UPD	Dawn of Direct Democracy
	SPD	Freedom and Direct Democracy
Denmark	FrP	Progress Party
	DF	Danish Peoples Party
Estonia	EKo	Estonian Citizens
	Isamaaliit	Pro Patria Union
	Isamaa	Pro Patria and Res Publica Union
Finland	SKS	Finnish People's Blue-whites
	UV|SIN	New Alternative | Blue Reform
Germany	NPD	National Democratic Party
	Rep	The Republicans
	AfD	Alternative for Germany
Greece	LAOS	Popular Orthodox Rally
	LS-CA	Peoples Association - Golden Dawn
	KE	Party of Hellenism
Hungary	MIEP	Hungarian Justice and Life Party
	Jobbik	Jobbik Movement for a Better Hungary
Iceland	None	None
Ireland	None	None
Italy	MSI	Italian Social Movement
	AN	National Alliance
	LN	(Northern) League
Latvia	TB	For Fatherland and Freedom
	TB/LNKK	Union "For Fatherland and Freedom"
	NA/TB/LNKK	National Association "All for Latvia!" – "For Fatherland and Freedom/LNNK"
Lithuania	JL	Young Lithuania
	LLaS	Lithuanian Liberty Union
Luxembourg	AR|ADR	Action Committee Pensions | Alternative Democratic Reform Party
Malta	None	None

Netherlands	SGP	Political Reformed Party
	LPF	Pin Fortuyn List
	PVV	Party for Freedom
Norway	FrP	Progress Party
Poland	UPR|KNP	Real Politics Union | Congress of the New Right
	LPR	League of Polish Families
	KE	Kukiz'15
Portugal	PNR	National Renewal Party (Rise up)
	Chega	Enough!
Romania	PUNR	Romanian National Unity Party
	PRM	Greater Romania Party
Slovakia	SNS	Slovak National Party
Slovenia	SNS	Slovenian National Party
Spain	AN18	National Alliance July 18
	UN	National Union
	MFE	Falangist Movement of Spain
	FEA	Authentic Spanish Falange
	DN	National Democracy
	Vox	Voice
Sweden	SD	Sweden Democrats
Switzerland	SVP-UDC	Swiss People's Party

Table A3-2 Estimates using alternative measures for party's position on multiculturalism

	Mainstream Right Parties				Mainstream Left Parties			
	Relative proportional difference of *per608* & *per607*		Multiculturalism importance		Relative proportional difference of *per608* & *per607*		Multiculturalism importance	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Conventional	-0.439	-0.178	-0.448	-0.378	-0.451	-0.692	-0.448	-0.378
	(-1.296)	(-0.402)	(-1.065)	(-0.720)	(-1.412)	(-1.336)	(-1.065)	(-0.720)
Bias-corrected	-0.517	-0.034	-0.549	-0.359	-0.434	-0.911*	-0.549	-0.359
	(-1.524)	(-0.078)	(-1.304)	(-0.685)	(-1.359)	(-1.757)	(-1.304)	(-0.685)
Robust	-0.517	-0.035	-0.549	-0.359	-0.434	-0.911	-0.549	-0.359
	(-1.242)	(-0.060)	(-1.038)	(-0.594)	(-1.072)	(-1.411)	(-1.038)	(-0.584)
Polynomial	1	2	1	2	1	2	1	2
Eff. obs. (N<c)-(N≥c)	29-79	29-79	41-130	50-120	41-65	40-72	41-130	50-120
BW est. (h_l) - (h_r)	2.7-7.1	2.6-7.5	1.4-7.2	2.7-6.3	2.5-6.9	2.3-8.8	1.4-7.2	2.7-6.3
Covariates	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: Local polynomial regression discontinuity estimates, using triangular kernel and MSE-optimal bandwidth selection procedure (Calonico et al. 2017, 2020). Covariates capture the country's electoral rules. Standard errors are clustered at the country level. t - statistics in parentheses. *, **, *** denote statistical significance at 10%, 5%, 1%.

Table A3-3 Jackknife analysis: Excluding one country at a time.

Countries	Mainstream Right Parties				Mainstream Left Parties			
	Overall ideological position		Position on multiculturalism		Overall ideological position		Position on multiculturalism	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Austria	-11.81***	-12.61***	-0.176	-0.011	-6.048	-7.811	-1.000***	-1.340***
	(-4.140)	(-3.781)	(-0.763)	(-0.031)	(-1.061)	(-1.103)	(-3.276)	(-2.843)
Belgium	-9.190**	-9.203**	-0.231	-0.503	-13.42**	-14.91**	-0.221	-0.869**
	(-2.519)	(-2.114)	(-0.814)	(-1.623)	(-2.700)	(-2.568)	(-0.666)	(-2.176)
Bulgaria	-11.90***	-13.05***	-0.210	-0.045	-6.677	-8.016	-0.860***	-1.317***
	(-4.208)	(-3.909)	(-0.902)	(-0.136)	(-1.382)	(-1.162)	(-2.939)	(-2.840)
Croatia	-11.89***	-12.25***	-0.197	-0.027	-6.413	-7.881	-0.941***	-1.455***
	(-4.231)	(-3.770)	(-0.855)	(-0.081)	(-1.055)	(-1.003)	(-2.916)	(-2.811)
Cyprus	-11.88***	-12.45***	-0.175	-0.072	-6.217	-7.472	-0.905***	-1.347***
	(-4.200)	(-3.805)	(-0.747)	(-0.211)	(-1.209)	(-1.072)	(-3.109)	(-2.880)
Czech Republic	-11.95***	-13.51***	-0.216	0.001	-6.382	-8.012	-0.843***	-1.365***
	(-4.152)	(-4.233)	(-0.949)	(0.001)	(-1.297)	(-1.173)	(-2.869)	(-2.881)
Denmark	-11.41***	-12.27***	-0.172	-0.237	-4.959	-6.338	-1.091***	-1.279***
	(-4.117)	(-3.694)	(-0.756)	(-0.611)	(-0.755)	(-0.853)	(-3.124)	(-2.627)
Estonia	-11.87***	-12.38***	-0.187	0.009	-5.393	-6.031	-0.958***	-1.139**
	(-4.209)	(-3.786)	(-0.814)	(0.027)	(-0.886)	(-0.824)	(-3.141)	(-2.460)
Finland	-11.27***	-11.61***	-0.147	-0.198	-3.386	-5.553	-0.816***	-1.444***
	(-3.952)	(-3.325)	(-0.634)	(-0.504)	(-0.693)	(-0.737)	(-2.759)	(-2.998)
Germany	-13.48***	-15.08***	-0.152	-0.023	-6.983	-8.851	-1.202***	-1.611***
	(-5.679)	(-6.625)	(-0.591)	(-0.066)	(-1.329)	(-1.251)	(-5.254)	(-3.618)
Greece	-9.292***	-8.694*	0.0843	0.397	0.229	3.283	-0.735**	-1.767***
	(-2.593)	(-1.789)	(0.401)	(1.355)	(0.075)	(0.718)	(-1.966)	(-2.577)
Hungary	-12.82***	-12.44***	-0.267	0.054	-6.571	-9.583	-0.595**	-1.024**
	(-4.807)	(-4.003)	(-1.023)	(0.146)	(-0.981)	(-1.263)	(-2.518)	(-2.530)
Iceland*	-11.75***	-12.47***	-0.190	-0.027	-6.217	-7.472	-0.905***	-1.347***
	(-4.162)	(-3.802)	(-0.829)	(-0.080)	(-1.209)	(-1.072)	(-3.109)	(-2.880)
Ireland*	-11.75***	-12.47***	-0.190	-0.027	-6.217	-7.472	-0.905***	-1.347***
	(-4.162)	(-3.802)	(-0.829)	(-0.080)	(-1.209)	(-1.072)	(-3.109)	(-2.880)
Italy	-12.53***	-12.99***	-0.199	-0.094	-5.792	-8.343	-0.764***	-1.354***
	(-4.488)	(-4.036)	(-0.844)	(-0.287)	(-1.202)	(-1.229)	(-2.668)	(-2.842)
Latvia	-11.83***	-12.49***	-0.195	0.048	-6.717	-5.694	-0.906***	-1.434***
	(-4.085)	(-3.714)	(-0.814)	(0.141)	(-1.369)	(-0.826)	(-2.982)	(-2.936)
Lithuania	-11.63***	-13.37***	-0.250	-0.001	-5.255	-7.015	-0.674**	-1.320***
	(-3.863)	(-3.919)	(-1.078)	(-0.003)	(-1.101)	(-1.022)	(-2.292)	(-2.808)
Luxembourg	-11.77***	-12.90***	-0.188	0.007	-6.423	-7.034	-0.864***	-1.351***
	(-4.213)	(-3.930)	(-0.821)	(0.021)	(-1.305)	(-1.027)	(-2.966)	(-2.895)
Malta*	-11.75***	-12.47***	-0.190	-0.027	-6.217	-7.472	-0.905***	-1.347***
	(-4.162)	(-3.802)	(-0.829)	(-0.081)	(-1.209)	(-1.072)	(-3.109)	(-2.880)
Netherlands	-12.13***	-12.59***	-0.031	-0.038	-4.204	-7.099	-0.828***	-1.329***
	(-4.286)	(-3.856)	(-0.140)	(-0.117)	(-0.904)	(-1.052)	(-2.833)	(-2.856)

Norway	-12.49***	-13.31***	-0.120	0.231	-5.591	-7.925	-0.942***	-1.319***
	(-4.407)	(-3.987)	(-0.496)	(0.664)	(-1.063)	(-1.126)	(-3.093)	(-2.840)
Poland	-11.63***	-13.15***	-0.178	-0.003	-4.781	-6.032	-1.062***	-1.328***
	(-4.085)	(-3.854)	(-0.780)	(-0.010)	(-1.069)	(-0.867)	(-3.387)	(-2.850)
Portugal	-12.08***	-12.51***	-0.168	0.084	-7.016	-9.189	-0.927***	-1.297***
	(-4.363)	(-3.832)	(-0.729)	(0.241)	(-1.182)	(-1.328)	(-3.109)	(-2.677)
Romania	-11.12***	-13.62***	-0.171	0.020	-4.402	-6.501	-0.744***	-1.397***
	(-3.939)	(-4.227)	(-0.722)	(0.054)	(-1.014)	(-0.945)	(-2.607)	(-2.975)
Slovakia	-11.99***	-13.05***	-0.187	-0.420	-6.425	-7.999	-0.770**	-1.349***
	(-4.070)	(-3.756)	(-0.805)	(-1.129)	(-1.238)	(-1.141)	(-2.502)	(-2.823)
Slovenia	-11.67***	-10.95***	-0.161	-0.068	-6.107	-7.175	-1.218***	-1.468***
	(-4.116)	(-3.300)	(-0.661)	(-0.196)	(-1.211)	(-0.987)	(-3.999)	(-3.189)
Spain	-12.10***	-13.02***	-0.239	-0.089	-5.751	-7.431	-0.922***	-1.473***
	(-4.197)	(-3.852)	(-1.030)	(-0.279)	(-1.179)	(-1.059)	(-3.014)	(-2.834)
Sweden	-12.00***	-12.70***	-0.168	0.005	-5.538	-7.605	-0.983***	-1.374***
	(-4.205)	(-3.779)	(-0.722)	(0.015)	(-0.991)	(-1.075)	(-3.299)	(-2.915)
Switzerland	-10.36***	-13.66***	-0.022	-0.350	-4.722	-3.153	-1.110***	-1.214**
	(-3.666)	(-3.983)	(-0.091)	(-0.907)	(-0.622)	(-0.323)	(-3.011)	(-2.487)
Polynomial	1	2	1	2	1	2	1	2
Covariates	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: All columns present local polynomial RD estimates, using triangular kernel and MSE-optimal bandwidth selection procedure with two distinct bandwidths below and above the cutoff (Calonico et al., 2017, 2020; Cattaneo et al., 2020). Bias-corrected point estimators are reported. Standard errors are clustered at the country level. t - statistics in parentheses. *, **, *** denote statistical significance at 10%, 5%, 1%.

[*] No radical right parties have been identified in these countries, and hence there are no observations in any of the treatment tests. Results are exactly the same to the baseline estimates in Tables 2 and 3.

4 Chapter 4. Economic Insecurity, Welfare State and the Rise of Populism

4.1. Introduction

Populism is on the rise all over Europe for more than a decade now, as populist parties and politicians are gaining momentum in many countries. Prominent examples of parties that are considered to be populist are both right-leaning parties, such as National Front (NF) in France,[75] Golden Dawn in Greece, Alternative for Germany (AfD) in Germany, but also left-leaning parties such as Podemos in Spain and ANO in the Czech Republic. Even more, some populist parties have formed governments in European countries, as in Greece where two populist parties, the left-wing Syriza and the right-wing ANEL, formed a government coalition in January 2015 elections; similar examples are Italy, with the Five Star Movement (M5S) and the Lega Nord,[76] the case of Austria with FPO and the populist-led governments in Hungary with Fidesz, in Poland with the Law and Justice (PiS) party and in Slovakia with OLaNO.

Until recently, populism was a rather common phenomenon in less developed countries especially those in Latin American, where it was considered as a protest against rising inequality and failed institutions, ultimately leading to excessive redistributive policies (Leon, 2014; Matsen et al., 2016; Remmer, 2012). The rhetoric, though, of populist parties in more developed countries is not restricted to issues of redistribution but has extended to other issues, such as globalization, economic liberalization, and European integration. This 'broad-shouldered' rhetoric has shaped various trends of populist parties that are concentrated on different facets of society (Devinney and Hartwell, 2020).

The present chapter seeks to examine the forces that lead to the rise of populism in Europe, accounting for differences between left- and right-wing populism. As such it can be

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[75] National Front changed its name to "National Rally" in 2018.
[76] Lega Nord was rebranded as "Lega" in 2018 national election without changing its official name in the party's statute.

considered to be in line with a series of studies examining the causes of the increasing support for populist parties (Algan et al., 2017; Brückner and Grüner, 2020; Dijkstra et al., 2020; Evans and Ivaldi, 2021; Milner, 2021; Roumanias et al., 2022). A key feature in all these studies is that populism is the result of imperfections in the political and/or economic market. In other words, corrupt politicians and adverse economic conditions make voters lose their trust in mainstream parties and turn to those with opportunistic policies without reference to a general plan. However, most of the existing studies either treat left- and right-wing populist parties as a homogeneous group, or focus only on one type of populist party, typically that of the right while few recent studies account for left-right divisions in populist parties (Bergh and Kärnä, 2022; Gozgor, 2022).

We consider populism as a multidimensional phenomenon that occurs at both ends of the political spectrum and we aim to examine the determinants of the demand for populist platforms in Europe by accounting for ideological heterogeneity across populist parties. The rhetoric of these parties revolves around the concept of 'the pure people' which need to be defended from the economic and political 'corrupt elite' (Kaltwasser, 2018). However, the way populist parties perceive each group differs depending on their host ideology (March, 2017). Having this in mind, we employ a principal component analysis, to distinguish left- from right-wing populist parties according to their positions in three key political dimensions: sociocultural, economic and Euroscepticism (e.g., Inglehart and Norris, 2016; Meijers and Zaslove, 2020a). The analysis uses data on political platforms of 267 parties in 28 EU countries since 1990 and categorizes a total of 80 parties as populist left and populist right. Following previous studies, we expect the ideology of populists of the left to be associated with pro-working class redistribution and socio-economic inclusivity, whereas the ideology of populists of the right to be linked to authoritarianism and nativism (March, 2017; Mudde, 2007; Mudde and Rovira Kaltwasser, 2018). In addition, both categories of populist parties are expected to

have a high score in anti-elite rhetoric more than the average of all political parties in the country. Thus, our study contributes to the literature on populism by providing a new classification for an extended sample of parties and time.

Given the categorization of the parties, we explore how economic insecurity as expressed by regional unemployment rate has affected regional variation in the vote shares of populist parties at both ends of the political spectrum. Hence our study is related to the literature that examines the relationship between regional economic insecurity and support for far right parties (e.g., Georgiadou et al., 2018; Halla et al., 2017; Steinmayr, 2020). Following our argument, as set out in the following section, we expect economic insecurity to exert a different effect on the two types of populist parties. Building on the hypothesis that economic insecurity leads to an increase in demand for expansion of social protection (Hibbs, 1877), we expect the support for left-wing populist parties to increase in times of higher unemployment, since the latter focus on issues of income redistribution. We also expect this effect to be more pronounced in countries with low generosity of welfare state, i.e., in countries where the state fails to secure individuals against the risks of unemployment and economic distress. Instead, for right-wing populist parties we expect no significant effect on their vote shares, since these parties treat economic and redistributive issues as secondary importance and have ambiguous economic positions in their political agenda (Van Hauwaert and Van Kessel, 2018).

Our unit of analysis is at the meso-level, i.e., European Union's NUTS 2 statistical regions. Sub-national regions at the NUTS-2 level, are particularly important from a policy perspective because they often exist as territorial-government divisions and are used for regional policies (Geddes et al., 2013). In addition, regional data can better capture within-country variation and concurrently are appropriate to provide comparable information across Europe since regions are units of comparable size. Thus, the empirical analysis relies on a panel dataset of 80 parties in 250 regions of 28 EU member states, covering all national elections

between 2000-2018.[77] To our knowledge this is the first study in the literature that undertakes a comparative analysis on the causes of the left- and right-wing populism at the regional level, covering a wide range of parties and elections in all EU countries.

Using the above-mentioned panel model, we estimate the effect of unemployment rates, at region level, on vote shares of left- and right-wing populist parties, controlling for economic, demographic and political factors that may influence party electoral performance at regional level. In addition, it takes into account a range of unobservable fixed and time-varying characteristics, by using time effects, region and country fixed effects, and their interactions. The results obtained verify our argument. Specifically, we find that an increase in regional unemployment, which is employed as a proxy of economic insecurity, has a significant effect on the vote shares of left-wing populist parties in that region, but not on those of right-wing populist parties. In addition, we find that this effect is present in countries with a weak welfare state, while in countries with a more generous welfare state, there is no associated relation between economic insecurity and populist voting shares.

The rest of the chapter is structured as follows. In Section 4.2, we set out the main theoretical considerations and present our testable hypotheses concerning the factors fueling left- and right-wing populism. Then, in Section 4.3 we discuss our classification of populist parties, the data, and the empirical strategy. In Section 4.4, we present the estimated results and several robustness tests. Finally, in section 4.5 we summarize and discuss our findings.

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[77] Even though we categorize political parties for the 1990-2018 period, the availability of the data on unemployment restricts our panel data sample only to the years from 2000 onward. Thus, when we undertake the analysis of the determinants of populism, we restrict our attention to this latter period. Even though this reduces the number of years available, the post 2000 period is the years that we have witnessed the largest increases in voting for populist parties.

4.2. Theoretical Considerations and Testable Hypotheses

For several years, less developed democracies, especially in Latin America, have experienced rising populism (Burgess, 2003; Matsen et al., 2016; Remmer, 2012). However, over the last decades, in the light of the economic recession, political discontent, and social exhaustion, there has been a similar trend in Europe and other developed countries. When examining the factors that determine the increasing appeal of populist parties, several authors have highlighted the role of economic shocks and increasing uncertainty (Gozgor, 2022; Guiso et al., 2019; Milner, 2021; Rodrik, 2018). The theoretical justification for this argument rests on the premise that when voters face increased economic uncertainty, they vote against the 'establishment' in an attempt to punish 'the corrupt politicians'.[78]

Even though this relationship has been voiced many times in the literature, different explanations have been attributed to this and findings are still inconclusive. A strand of the literature focuses on economic crisis, suggesting that people feeling most hurt of the crisis will vote against the elites and their representatives, who see them as responsible and unscathed from the crisis (Algan et al., 2017; Funke et al., 2016; Passari, 2020; Roumanias et al., 2022; Stockemer, 2017). Some studies have shown that job insecurity and higher unemployment result in increased support for right-wing populist parties (Gozgor, 2022; Guiso et al., 2019; Lechler, 2019) while others have found evidence for the opposite effect, i.e., unemployment is positively related only to left-wing populism (Bergh and Kärnä, 2022). Finally, Margalit (2019) find that economic insecurity explains only marginally populist voting share and that in contrast, the rise of populism is the outcome of dissatisfaction with social and cultural change.

What is not explicitly addressed in the above analyses is the ideological heterogeneity among populist parties and differences in the institutional framework across EU countries. Even though the theme of the 'corrupt elite' is common across all populist parties, there are differences in the perceived goals of this elite group. On the one end of the spectrum, some parties consider the corrupt elite to be the wealthy or the 'capitalists', whereas at the other end there are parties that consider the elite to be a group of people with the goal of eroding the national identity of the country. This difference appears to depend on the host ideology of the parties (March, 2017; Mudde, 2016). The former group of parties is most often left-wing populist parties with a socio-economically focused host ideology and a political agenda that

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[78] Theoretical work has showed that economic downturns reinforce populist support (e.g., Acemoglu et al., 2013; Binswanger and Prüfer, 2012; Prato and Wolton, 2018).

evolves around issues of redistribution, social protection, nationalization and social inclusivity (March, 2017). Conversely, the latter set of parties have a host ideology that is centered on nationalism and can be considered as right-wing populist parties. The right-wing populist agenda, in contrast, pays particular attention to socio-cultural issues, immigration controls, religious and racial discrimination, etc. (Brückner and Grüner, 2020). What the above considerations reveal, is that economic insecurity is expected to be associated with the support for left-wing populist parties rather than right-wing populist parties.

In a similar vein, we expect that the above-mentioned effect will be conditioned on the country's type, weak or strong, of welfare state, as measured by the generosity and institutional framework of the pension, unemployment benefit, and sick pay insurance systems (Scruggs, 2007). An increase in economic insecurity in a country with a welfare system that provides generous support to the less fortunate will not necessarily imply an increasing support to parties that favor further redistribution. Instead, it could make the sustainability of the welfare state, and its ability to provide the existing levels of support the main topic of the public debate. Accordingly, the effect of economic insecurity could be stronger in countries with a weak welfare state, that is, to increase the demand for welfare state expansion and hence the support for left-wing populist parties promoting high levels of redistribution.

If we take into account the distinction between populist parties and countries' welfare states, several interesting conclusions emerge. First, high unemployment rates in a region promotes the demand for protection against job losses through labor market tightening and enhances the need for welfare state expansion. Thus, we expect that higher levels of regional unemployment will increase the electoral support for left-wing populist parties in that region that support high, even excessive, levels of redistribution. Second, we argue that demand for higher redistribution will be more pronounced in countries where the welfare state has a more limited role. Accordingly, if the welfare state can effectively secure individuals in times of economic insecurity the support for non-established left-wing populist parties might not come up or be less pronounced.

Right-wing populists on the other hand are more diverse when it comes to economic issues, ranging from pro-market neoliberal parties to protectionist/authoritarian parties (Otjes and Louwerse, 2015). Economic issues for the right-wing populists are a secondary issue that is integrated into their political agenda only through the lens of immigration (Van Hauwaert and Van Kessel, 2018). Moreover, the rhetoric of right-wing parties revolves around non-

economic issues (Norris and Inglehart, 2019). Then, we should expect that the rise of right-wing populists is not driven by economic uncertainty, but it is more of a socio-cultural issue. Factors such as increasing immigration, multiculturalism, secularization, or even increasing rights to less privileged groups might be equally driving right-wing populist rhetoric.

With the above in mind, we have the following testable hypotheses:

Hypothesis 1: Support for left-wing populist parties in a region tends to be higher as economic insecurity in that region increases.

Hypothesis 2: Support for right-wing populist parties in a region is not enhanced by levels of economic insecurity in that region.

Hypothesis 3: The effect of economic insecurity is more pronounced in countries with a limited welfare state.

4.3. Measurement and Empirical Strategy

4.3.1. Identifying populist parties

To assess the key factors leading to populist party support, it is necessary to first determine which parties can be categorized as such. Despite the increasing number of studies on measuring populism, the classification of populist parties according to their ideology, i.e., in the division between left-wing and right-wing populist parties is still an area of active research. We add to this research field, by properly combining data and populism indices from different sources to provide a comprehensive classification of populist parties.[79] Thus, our classification approach aims not only at identifying populist parties in Europe but also at distinguishing the left-leaning from the right-leaning populist parties, covering a wide range of parties in all 28 EU member states.

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[79] Jolly et al. (2022); Timbro Authoritarian Populism Index (2019); Meijers and Zaslove (2020b) – POPPA dataset.

Following Inglehart and Norris (2016) and Meijers and Zaslove (2020), we identify populist parties based on a principal component analysis using data on the positioning of political parties on political ideology, policy positioning, and European integration. This approach allows us to detect the common underlying variations of the set of party positioning in different dimensions, and hence classify parties as left- or right-populist based on their position on a wide range of cultural, social, economic, and EU-related issues.

Principal component analysis is ideal in our setting, as it allows us to combine a variety of party's positions as resulted from their political platforms into a single dimension. Specifically, we use a principal-component rotation method that converts the set of indicators, i.e., party's positions, into an endogenously determined number of uncorrelated dimensions. Then the full set of indicators is categorized into subsets/dimensions, by selecting the corresponding indicators that explain as much of the variance of each dimension as possible.

To this end, we use the ideological indicators of EU parties as taken from the 1999-2019 Chapel Hill Expert Survey (CHES) trend file (Jolly et al., 2022). The CHES, estimate party positions of a total of 268 political parties in 28 EU countries, on various issues on a range of items as traditional/authoritarian values, civil liberties, immigration, Eurosceptic attitudes, as well as their position on economic issues such as market regulation, redistribution, and state intervention. Out of the 32 ideological indicators of the CHES, we use the sixteen indicators that are considered by the literature to summarize populist ideology (see e.g. Inglehart and Norris, 2016).[80] We transform all ideological variables to have a common, scale and standardize all factor scores to have a zero mean and one standard deviation. According to

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[80] We carry out the principal component analysis for years after 2014, as the indices included in our analysis are available only in the 2014 and 2019 expert surveys. Our classification is found to be also consistent with other classifications that cover a smaller sample of countries (e.g. Inglehart and Norris, 2016; Van Kessel, 2015). Finally, for parties that have been founded in recent years and/or are missing from CHES database, we use the secondary sources of Populism and Political Parties Expert Survey (POPPA) and the Timbro Authoritarian Populism index for their classification. In the following section, we perform a robustness test, excluding parties for which data in CHES are not available and the estimated results remain qualitatively unaltered.

our principal component analysis, three underlying dimensions turn out to have the most variance explained by the 16 observed indicators, i.e., having an eigenvalue of more than one (1.00).[81] The indicators for each dimension, then, are presented in Table 4-1. The first dimension consists of eight indicators that can be considered to measure sociocultural attitudes, whereas the second dimension consists of four indicators that appear to measure economic positions. Lastly, the four indicators that have high loadings on the third dimension are the positions related to European integration.

Table 4-1 Dimensions of party positioning: Principal component Analysis.

CHES Variable name	Description (After rescaling)	Factor1 Sociocultural dimension	Factor2 Economic dimension	Factor3 Eurosceptic dimension
Spendvtax	Favors increase taxes and public services		0.917	
Deregulation	Favors market regulations		0.930	
Redistribution	Favors wealth redistribution		0.908	
Econ_interven	Favors state intervention		0.940	
Galtan	Favors traditional/authoritarian values	0.931		
Civlib_laworder	Supports tough law and order measures	0.893		
Sociallifestyle	Opposes liberal social lifestyles	0.912		
Religious_principle	Supports religious principles in politics	0.862		
Immigrate_policy	Favors restrictive immigration policy	0.861		
Multiculturalism	Against multiculturalism	0.868		
Ethnic_minorities	Opposes rights for ethnic minorities	0.824		
Nationalism	Promotes nationalism	0.873		
EU_position	Opposed to European integration			0.934
EU_benefit	Supports that country has not benefited from being a member of the EU			0.924
EU_ep	Opposes the power of the European parliament			0.841
EU_budgets	Opposes EU authority over member states' budgetary policies			0.898

Notes: CHES data on 16 indices of political party positions in 28-EU countries are used. Factors that have been extracted from the principal component method with varimax rotation and Kaiser normalization are presented with the factor loading, used as weights to calculate each party's score.

Our next step, then, is to construct scores for the total of 245 EU parties in each of the three dimensions. We do so by calculating the weighted mean of the scores of the indicators

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[81] More specifically, we construct all possible combinations of the 16 indicators. Then, a subset of the indicators is considered as a factor of our analysis when the eigenvalue is greater than unity. This eigenvalue, then, measures how much of the variance of the observed indicators is explained by each dimension.

included in each dimension.[82] Moreover, as we want to differentiate between left- and right-wing populist parties, we do not treat each dimension's score in the same manner. More specifically, and always according to the discussion in the previous section, we consider left-wing populist parties to be in favor of multiculturalism, immigration, and high levels of redistribution (Otjes and Louwerse, 2015). In contrast, right-wing populist parties are assumed to be opposed to multiculturalism, immigration and promote nationalism and religious principles in politics (Mudde, 2007; March, 2017). According to Huber and Schimpf (2017), right-wing populists are not associated with a particular position on economic issues and thus could be characterized as either pro- protectionism or pro-market.

In Table 4-2, we provide an overview of our classification, listing the names of parties, which are classified as left- or right-populist, as well as their scores on the related dimensions (sociocultural, economic, Eurosceptic, and anti-elite) where data are available. In particular, parties are defined as *Right-populist* if they have scored more than 80 points on the 100-point sociocultural scale and as *Left-populist* if they have a score of more than 80 points on the economic scale.[83] Both right- and left-wing populist parties have a high score on the anti-elite scale more than the average of all political parties in the country.[84] Finally, we compare our classification with this used in Inglehart and Norris (2016) and Van Kessel (2015). Out of 80 populist parties in our classification, 40 are also defined as populist in Inglehart and Norris (2016), and 35 in Van Kessel (2015). However, it should be mentioned that these studies have

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[82] With the weights given by the factor loadings, see Table 4-1.

[83] OLaNO, PVV and UKIP stand out in our analysis: even though the score we computed is slightly lower than our threshold of 80 in sociocultural scale, they have been characterized as right-populist by several studies (e.g., Inglehart and Norris, 2016; Van Kessel, 2015). For this reason, and given that they have a high anti-elite score, we classify them as populists. However, in the following section we examine the robustness of our estimates, excluding them from our sample; results remain again qualitatively unaltered.

[84] This dual condition is warranted as "one cannot categorize a particular party as populist solely based on anti-establishment rhetoric" (Hawkins and Rovira Kaltwasser, 2017).

been conducted for years prior to our study and examine a smaller number countries, and hence political parties.

Table 4-2 Classification of populist parties in EU countries based on factor analysis

Country	Party abbrev.	Sociocultural scale	Economic scale	Eurosceptic scale	Anti-elite rhetoric	Classified as
Austria	FPO*	89.29	43.80	90.04	84.89	Right-Populist
Austria	Team Stronach *	58.08	2.82	89.66	84.14	Left-Populist
Belgium	VB*	92.29	48.68	71.24	91.79	Right-Populist
Belgium	FN*					Right-Populist
Belgium	PVDA	14.47	99.44	72.37	87.50	Left-Populist
Bulgaria	ATAKA[*, #]	99.44	99.81	83.65	97.39	Right-Populist
Bulgaria	BBT[#]	91.54	79.14	56.20	89.74	Right-Populist
Bulgaria	IMRO-BNM[#]	97.56	85.90	72.74	90.11	Right-Populist
Bulgaria	NFSB[#]	94.17	77.26	74.25	86.94	Right-Populist
Bulgaria	RZS*					Right-Populist
Bulgaria	Will					Right-Populist
Croatia	HDSSB[#]	94.55	67.86	59.21	73.13	Right-Populist
Croatia	HL-SR	26.13	84.02	60.34	83.77	Left-Populist
Croatia	HSP[#]	96.43	55.83	79.51	72.20	Right-Populist
Croatia	HSP-AS [*, #]	96.80	54.70	67.86	82.46	Right-Populist
Croatia	ZZ					Left-Populist
Cyprus	ELAM					Right-Populist
Cyprus	AKEL	23.87	81.02	66.35	69.22	Left-Populist
Czech Republic	ANO2011*	41.92	26.50	54.70	83.02	Left-Populist
Czech Republic	SPD					Right-Populist
Czech Republic	SPO					Left-Populist
Czech Republic	USVIT [*, #]	84.40	50.56	86.65	96.83	Right-Populist
Denmark	DF [*, #]	83.27	58.08	87.41	74.81	Right-Populist
Estonia	EKR					Right-Populist
Finland	Change2011					Right-Populist
Finland	PS [*, #]	93.80	70.11	85.15	93.84	Right-Populist
France	FN [*, #]	85.53	48.31	96.05	97.95	Right-Populist
France	LFI					Left-Populist
France	MPF [#]	84.02	20.11	97.18	77.24	Right-Populist
Germany	AfD [#]	80.00	7.71	91.54	97.95	Right-Populist
Germany	NPD [#]	93.42	57.71	93.80	93.47	Right-Populist
Germany	The Left *	38.53	97.18	66.73	66.98	Left-Populist
Greece	ANEL [*, #]	98.31	69.74	76.88	94.22	Right-Populist
Greece	LAOS [#]	97.93	61.47	65.23	91.79	Right-Populist
Greece	KKE	39.29	99.06	94.92	98.32	Left-Populist

(continued)

Table 4-2 (continued)

Country	Party abbrev.	Sociocultural scale	Economic scale	Eurosceptic scale	Anti-elite rhetoric	Classified as
Greece	SYRIZA *, #	14.85	91.54	75.38	88.25	Left-Populist
Greece	XA #	99.81	98.68	85.53	100.00	Right-Populist
Hungary	Fidesz *, #	91.92	64.85	75.00	51.31	Right-Populist
Hungary	JOBBIK *, #	99.06	87.41	87.78	93.10	Right-Populist
Ireland	PBPA	15.60	90.41	94.17	94.59	Left-Populist
Ireland	SF *	44.17	87.03	77.26	86.01	Left-Populist
Ireland	SP	17.48	89.29	93.05	89.18	Left-Populist
Italy	FdI #	90.41	55.45	81.02	65.86	Right-Populist
Italy	LN *, #	80.26	23.87	95.30	89.18	Right-Populist
Italy	M5S #	20.86	40.04	97.56	100.00	Left-Populist
Italy	PaP					Left-Populist
Italy	RC	3.57	95.30	86.28	95.34	Left-Populist
Latvia	NA #	87.78	44.17	34.02	55.41	Right-Populist
Latvia	LKS	57.33	82.52	81.77	96.27	Left-Populist
Lithuania	DK #	87.03	78.38	71.62	95.71	Right-Populist
Lithuania	LLRA	81.02	79.51	45.68	66.79	Right-Populist
Lithuania	TT *	87.41	76.50	62.97	80.22	Right-Populist
Luxembourg	ADR *, #	92.67	43.05	59.96	91.79	Right-Populist
Luxembourg	DL	7.33	98.31	71.99	91.79	Left-Populist
Malta	MPM					Right-Populist
Netherlands	LPF *					Right-Populist
Netherlands	LN *					Right-Populist
Netherlands	FvD					Right-Populist
Netherlands	PVV *, #	74.62	34.40	98.31	96.27	Right-Populist
Netherlands	SP	38.91	93.80	88.53	70.34	Left-Populist
Poland	K15					Right-Populist
Poland	PiS *, #	95.68	90.04	57.33	78.92	Right-Populist
Poland	SRP *					Right-Populist
Portugal	BE	2.44	93.42	78.38	80.22	Left-Populist
Romania	PNGCD					Right-Populist
Romania	PP-DD *, #	94.92	88.16	62.59	88.62	Right-Populist
Slovakia	KDH *, #	95.30	57.33	41.17	41.98	Right-Populist
Slovakia	LSNS*					Right-Populist
Slovakia	OLaNO *	76.13	28.76	69.36	87.87	Right-Populist

(continued)

Table 4-2. (continued)

Country	Party abbrev.	Sociocultural scale	Economic scale	Eurosceptic scale	Anti-elite rhetoric	Classified as
Slovakia	Smer-SD *	88.53	97.56	1.32	40.86	Right-Populist
Slovakia	Sme Rodina					Right-Populist
Slovenia	NSI #	85.90	17.86	6.95	63.62	Right-Populist
Slovenia	SDS #	88.16	18.23	4.32	70.71	Right-Populist
Slovenia	SNS *					Right-Populist
Slovenia	ZL	1.69	87.78	80.26	72.57	Left-Populist
Spain	Podemos #	18.98	96.05	69.74	99.25	Left-Populist
Spain	Vox					Right-Populist
Sweden	SD *, #	90.79	49.44	94.55	90.49	Right-Populist
UK	UKIP *, #	76.88	2.07	98.68	94.96	Right-Populist

Notes: The Table presents populist parties according to our classification methodology which covers parties in all 28 EU countries. Parties for which data are not available, i.e., no score is displayed in the table, are classified using the Populism and Political Parties Expert Survey (POPPA) and the Timbro Authoritarian Populism Index. *, # denotes that the party is considered as populist in Van Kessel (2015) and Inglehart and Norris (2016), respectively.

4.3.2. Measuring party support

We measure the support for populist parties by their electoral performance, i.e., actual regional vote shares received by each party, at national elections. We consider that actual voting data is a more reliable indicator of party support than self-reported information on voting polls or voting intention surveys for two reasons. First, self-reporting survey data might be subject to reporting biases and thus vote shares of populist parties could be under- or even over-reported. For example, the study of Valentim (2021) shows that only around 80% of the official vote for extreme right parties reported in the post-electoral surveys while the corresponding vote share of extreme left parties was over-reported.[85] Accordingly, the under-report of voting for populist right parties is likely to happen because people avoid reporting what is perceived as less socially acceptable and being stigmatized, and are, therefore, less willing to reveal their voting

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[85] Accordingly, following the study of Valentim (2021) we believe that vote share of populist left parties is more likely to be over reported in self-reported surveys.

intensions (Zaller, 1992).[86] Second, survey data are typically conducted to provide a good estimate of the electoral result at the country level. By any means, this does not imply that the results of the survey across regions provide good estimates for each region. For example, sampling from some regions may be limited as those are considered outliers compared to the result at the national level.

Hence, we use data on electoral performance come from the Constituency-Level Electoral Archive (CLEA) database which provides actual voting data at a constituency level (Kollman et al., 2019). Specifically, we use a party's vote share which is measured as the fraction of votes received by a particular party in a given region at a given national election. For our analysis, parties' vote shares had to be transformed from constituency level to NUTS-2 level regions, by combined vote shares over the relevant constituencies.[87]
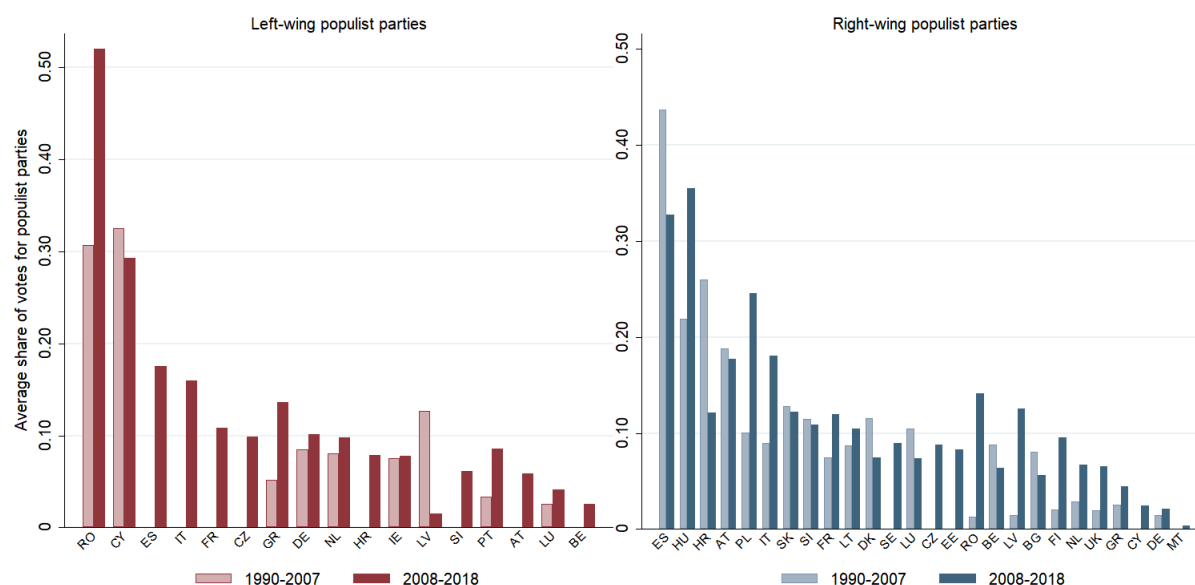

Figure 4-1 Average populist vote by country and over time, 1990-2007 vs 2008-2018

Notes: Average share of votes is calculated for each country and populist party category, i.e., left- and right-wing, over two time periods 1990-2007 and 2008-2018. The left panel represents the average vote share for left-populist parties. The right panel represents the average vote share for right-populist parties. Source: Authors' calculations based on European electoral data.

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[86] The social desirability bias might be equally responsible for overreporting the true voting intention for populist parties, as e.g., the idea of accepting the existence of wide-spread corruption might be socially desirable, or underreporting, e.g., when populist views are associated with negative views against a certain group (e.g., immigrants).

[87] In regions, where no populist party contested in a given election, data on the dependent variable were treated as missing values.

Support for populist parties exhibits variation both across countries and time. Figure 4-1 provides a snapshot of this variation, showing the average vote share for left- and right-wing populist parties by country, before and after the great recession, i.e., the sub-periods 1990-2007 and 2008-2018. Interestingly, it appears that even though support for right-wing populist parties is spread all over Europe, left-wing populist parties are typically observed in Southern and South-Eastern Europe. The average support for left-wing populist parties has exhibited a clear increase in the post-crisis period, and even many left-populist parties were emerged after 2008 (for example Italy, Greece, Spain). One potential explanation for this might be country-specific characteristics and/or the inefficiencies of the government observed in these countries (Adam et al., 2011).

4.3.3. Explanatory variables

To correctly specify our model, we use a set of socio-economic variables at the NUTS-2 level, taken from the Eurostat's regional database, and political indicators at the country level from Comparative Political Data Set (CPDS). Following the hypotheses set out in Section 4-2, we focus on the regional unemployment rate as the main variable of interest.

More specifically, as main independent variable, we use the unemployment rate (*Unemployment)*, i.e., the number of unemployed people aged 15 and above as a percentage of the labor force, at the level of NUTS-2 regions. We consider the unemployment rate to be the relevant measure of the economic cycle and economic insecurity among the voting population that is available across all EU regions for a long time period. The additional advantage of this variable stems from the fact that unemployment data and projections are known and always available to voters, and policies to fight unemployment are an integral part of the electoral campaigns across all countries.

The rest of the control variables we employ are: the tertiary education attainment (*Tertiary Education*) which is measured by the percentage of 20 to 65-year-olds that have completed at least a short-cycle tertiary education; the average household income in purchasing power standards (*Household Income*), including every form of income (e.g., wages and salaries, self-employed income, investment gains, social benefits). The latter variable is intended to capture the level of income of each region. We expect a negative sign for both variables, implying that higher levels of education or incomes in a region lead to lower support for populist parties.

To take into account the electoral and party system within each country, two political indicators are included in the set of regressors.[88] To control for the degree of political competition and changes in the country's electoral system across time we employ the effective number of parties (*Effective Number of Parties*) as in chapter 2 (Adam and Ftergioti ,2019). Finally, we include an index that measures the ideological gap between new and old governments (*Government Gap*). In general, a high ideological difference between the incoming and the outcoming governments indicates party-switching, and hence political instability, which could provide a breeding ground for the rise of populist parties. However, we do not have a-priori expectations on the sign of these variables. Descriptive statistics of all the variables employed in the analysis are presented in Table A4-1 in the Appendix.

4.3.4. Empirical specification

The main challenge in our empirical analysis is to include all the potential determinants of the voting share as controls in the empirical specification. To this end, using regional NUTS-2 data comes both as a curse and as a blessing. Regional (NUTS 2) data for several variables are not available. On the other hand, important determinants of voting shares, e.g., general economic

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[88] Data sourced from Armingeon et al. (2020).

climate, institutional factors, the structure of the political system, etc., are expected to work at the country level. We include simple and interaction regional- and country-level fixed effects ensuring that a wide list of these factors are taking into account and that the model is correctly specified. To be more specific, our main model has the following form:

$$VotePop_{jrtp} = b_0 + b_1 Unemployment_{jrt} + b_2 Unemployment_{jrt} x LeftPop_{pt} +$$

$$+ b_3 LeftPop_{pt} + b_4 X_{jrt} + \gamma_r + \delta_p + \lambda_t + \mu_j + \theta_{rp} + z_{jt} + \varepsilon_{jrtp} \qquad (1)$$

Where (j, r, t, p) identify the country, the NUTS-2 region, election year, and populist party respectively. The outcome variable *VotePop$_{jrtp}$* is the share of votes received by populist party p, in region r, at election t. *LeftPop$_{pt}$* is a dummy for populist left parties. Vector *X$_{jrt}$* includes the rest of the control variables. The term γ_r are regional fixed effects which accounts for any unobserved factors that might affect each NUTS-2 level region e.g., regional political climate, μ_j is the country-level fixed effect, which accounts for country characteristics that are fixed in time, e.g., country's institutions. The variable λ_t is the time fixed effects which control for exogenous effects common to all regions in a given election t; therefore, our empirical strategy accounts also for unobserved differences across regions, such as common economic and demographic trends. The variable δ_p is party fixed effects which control for fixed characteristics of the party, e.g., name, history, etc.

Most importantly, we also include interaction effects the θ_{rp}, z_{jt}. The first interaction effect, corresponds to fixed party-region effects, i.e., factors that are specific to each party and region. Such variables might be ties of the party's leader to a specific region, the role of specific candidates in a certain region, etc. While, variable z_{jt}, controls for time-varying country specific effects. These effects capture all macroeconomic and political variables at the country level that change over time and may affect voting intension, e.g., openness, growth, urbanization, voting rules, the average size of jurisdictions, etc. Finally, ε_{jrtp} is the error term.

All regressions are estimated with robust clustered standard errors at the region level, in order to control for both heteroskedasticity and correlation of the error terms.

The inclusion of the above fixed effects makes us confident that there are no confounding variables that affect our main relationship. Furthermore, as we are employing regional data only during election years, there is no reason to believe that there are reverse causality problems. Therefore, estimations of equation (1) can derive the causal effect of unemployment on populist parties' vote shares. The effect of an increase in unemployment on populist party's vote share is computed as:

$$\frac{dVotePop_{jrtp}}{dUnemployment_{jrt}} = b_1 + b_2 xLeftPop$$

For right-wing populist parties, the effect is given by the coefficient b_1 and presented in the Tables in the following section as *Unemployment*. While for left-wing populist parties the dummy *LeftPop* is equal to 1, thus the effect is the sum of $b_1 + b_2$.[89] According to our testable hypotheses, we expect that $b_1 \leq 0$, whereas $b_1 + b_2 > 0$ and higher, in absolute value, in countries with a less generous welfare state.

4.4. Empirical Findings

In this section, we examine the validity of our testable hypotheses. Regressions in all Tables include the maximum set of fixed effects as described in the previous section.[90] Table 4-3 presents the main results regarding the first two hypotheses. In the first two columns, we

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[89] In every regression we apply a t-test to see whether the b_2 is significant different from zero. If it is statically significant then we have evidence that effect on the vote shares of the left-wing populist parties is different from that on the right-wing populist parties. We also test whether the combined effect $b_1 + b_2$ is significant, using an F-test that determines whether unemployment exerts a statistically significant effect on left-wing populist parties.
[90] We have also experimented by excluding various fixed effects from the model and all variables appear similar coefficients, sign, and statistical significance to the baseline results presented here; estimations are available upon request.

estimate the empirical specification without including the interaction term with the dummy for left-wing populist parties. In column (1), we include only the *Unemployment* variable, while in column (2), we add the rest of control variables. Estimates in both columns show that unemployment turns out insignificant when we consider populist parties as a homogeneous entity. This effect, however, is not verified when we apply our classification method and categorize parties as left- and right-wing populist parties. This is done in the next columns (3)-(7).

First, in column (3), we estimate the baseline model including only the main variable of interest, i.e., *Unemployment*, and the interaction term, i.e., *Unemployment x LeftPop*. Then, in column (4) we estimate the baseline model, including the set of control variables, as presented in equation (1). The coefficient of *Unemployment* is negative and statistically significant when it comes to right-wing populist parties, suggesting that adverse economic conditions in the labor market in a region decrease the support for right-wing populist parties in that region. This effect gives support to our second hypothesis and is consistent with previous findings (e.g., Van Hauwaert and Van Kessel, 2018).

On the contrary, when it comes to left-wing populists the result changes: the effect of unemployment on the vote share of left-wing populist parties is positive, higher in absolute value, and the null hypothesis of a zero effect is rejected at the 1% level of statistical significance, indicating that the effect is statistically significant. This suggests that support for left-wing populist parties is higher in regions with increased economic insecurity as expressed by regional unemployment rates. This evidence is in line with the first hypothesis and our reasoning of left-behind regions, where people vote for populist parties that advocate their interests, especially those related to income and employment.

Regarding the rest of the control variables in column (4), the coefficient of the region's *Household Income* is negative, but quantitatively very small and statistically insignificant at all relevant levels of statistical significance. The coefficient of *Tertiary Education*, on the other hand, turns out negative and statistically significant, suggesting that higher shares of the population with tertiary education in a region result in lower shares of populist support in that region. This is consistent with the idea that the cure to populism might be a better educational system (Magni, 2017). Similarly, the coefficient of the *Effective Number of parties* is negative and statistically significant, indicating that as the number of parties competes in the elections increases, populist parties decrease their popularity. Finally, the variable *Government gap* exerts a positive and significant coefficient, implying that a higher ideological gap between old and new governments, which could imply political instability in the country, results in increasing support for populist parties.

To get a better idea of the quantitative nature of our results, we estimate the marginal effects of a change in unemployment rates on vote shares of left- and right-wing populist parties. Figure 4-2 presents the marginal effects from a change on the unemployment rate on the predicted value of supporting left-wing (dashed line) and right-wing (solid line) populist parties with the associated confidence intervals, keeping all the other variables at their mean value. The marginal effect plot shows that an increase in the regional unemployment rate from 10% to 15% contributes more than a 0.05-point increase in the expected voting share of left-wing populist parties and a decline in 0.03-point in the voting share of right-wing populist parties.
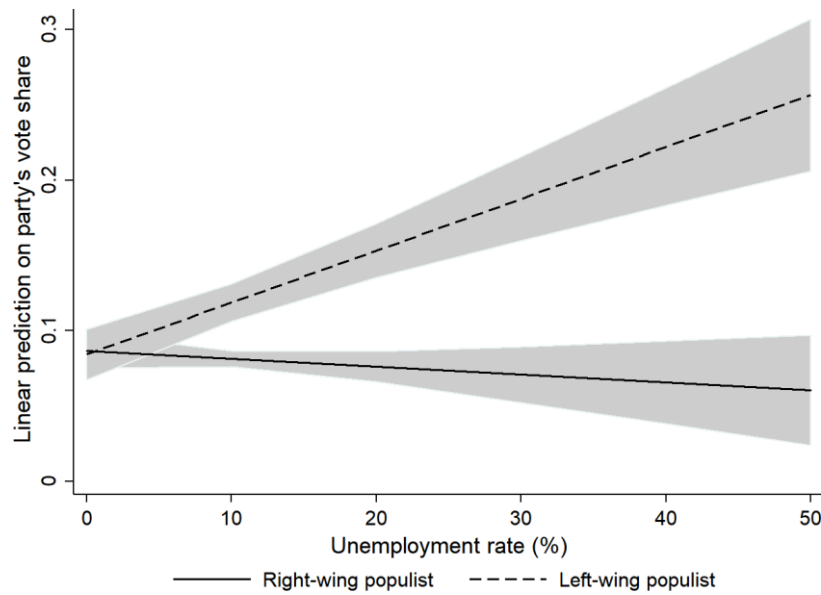
Figure 4-2 Marginal effects of unemployment on support for populist parties

Notes: Figures plot the marginal effects of unemployment for left- and right-wing populist parties as predicted in column (4) of Table 4-3. The shaded bars indicated 95% confidence intervals.

In the rest of the columns of Table 4-3, we perform a series of robustness tests. First, in column (5) we explore further the effect of unemployment by estimating the baseline model with a long-term unemployment rate.[91] Both coefficients have the same sign and statistical significance as those in column (4). Thus, long-term unemployment also positively affects support for left-wing populist parties and negatively affects support for right-wing populist parties, having a slight greater effect as both coefficients are slightly higher in absolute values.

Next, in column (6), the baseline model is estimated using different proxies for the region's income and educational level. More specifically, instead of using the household income, we use a dummy variable that takes the value of 1 if there was a positive change in the region's growth rate. The coefficient of this variable turns out positive but statistically insignificant. On the other hand, the coefficient of tertiary education as a share of the labor

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[91] Long-term unemployment could be considered a more restrict measure of economic insecurity. Short-term unemployment could be associated with increased job re-allocation, while long-term unemployment could involve higher economic and social exclusion.

force is still negative and significant at the 10% level of statistical significance. Regarding the main variable of interest, the results remain the same in terms of sign and statistical significance, further verifying our hypotheses. Even though our findings concerns only EU countries, they can be considered to be consistent with the findings of Rodrik (2021) in the case of the USA.

Finally, in column (7), we include an additional variable that is mainly considered to be a determinant of the vote share of right-wing populist parties, i.e., the share of immigrants to the total population. For right-wing populists, economic issues are typically integrated into their political agenda only through the lens of immigration (Van Hauwaert and Van Kessel, 2018). On the other hand, studies have shown that most left-wing populist parties do not have a clear position in favor or against immigration (e.g., Edo et al., 2019). To proxy immigration, we have taken data from the Eurostat's regional database on the number of the foreign population, i.e., not having the citizenship of any EU country, aged 15-64 as a percentage of total population at the NUTS-2 level (*Immigration*). Unfortunately, data for *Immigration* are only available after 2006. Thus, we restrict our regression analysis to this period. As can be seen, the coefficient of *Immigration*, is positive and statistically significant at the 10% level when it comes to right-wing populist parties, while there is no associated effect for left-wing parties. This indicates that right-wing populist parties receive higher vote shares in regions with higher levels of non-EU immigrants. The main result, however, regarding the effect of unemployment remains robust.

Table 4-3 Fixed Effects regressions predicting populist party vote share: Main results

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Unemployment	0.001	-0.001	-0.002***	-0.002***		-0.002***	-0.003***
	(0.011)	(-0.306)	(-3.388)	(-3.591)		(-3.478)	(-4.872)
Unemployment x LeftPop			0.005***	0.005***		0.005***	0.005***
			(7.559)	(7.506)		(7.329)	(6.86)
Household Income		-0.001		-0.001	-0.001		0.001
		(-0.417)		(-0.227)	(-0.686)		(0.182)
Tertiary Education		-0.002***		-0.002***	-0.002***		-0.003***
		(-3.136)		(-3.522)	(-3.229)		(-3.809)
Effective Number of Parties		-0.008***		-0.007***	-0.007***	-0.007***	-0.022***
		(-3.383)		(-2.98)	(-3.087)	(-3.237)	(-8.597)
Government Gap		0.017***		0.016***	0.018***	0.001	0.124***
		(3.906)		(3.852)	(5.084)	(0.098)	(82.583)
Long Term Unemployment					-0.003***		
					(-4.226)		
Long Term Unemployment x LeftPop					0.006***		
					(8.058)		
Growth						0.004	
						(0.701)	
Tertiary Education (%) of labor force						-0.001*	
						(-1.831)	
Immigration							0.478*
							(1.896)
Immigration x LeftPop							-0.238
							(-0.709)
Observations	2225	2204	2225	2204	2094	2210	1369
R-squared	0.55	0.56	0.58	0.58	0.58	0.58	0.63
F-test for Unemployment b1+b2=0	-	-	0.01	0.01	0.01	0.01	0.01

Notes: All regressions include the maximum set of fixed effects and are estimated with robust clustered standard errors. t - statistics in parentheses. *, **, *** denote statistical significance at 10%, 5%, 1%.

As a next step, we examine our third hypothesis, namely that the identified effect of economic insecurity on the support for populist parties is more pronounced in countries with a weak welfare state. To categorize countries into those with a weak or strong welfare state, we employ the index of Scruggs (2007), which computes the generosity of the welfare state by using data about the generosity and institutional framework of the pension, unemployment benefit, and sick pay insurance systems. Based on the data of the Comparative Welfare Entitlements Dataset (Scruggs et al., 2014) we calculate the average, over the 2000-2015 period, index for each country. Then, we split the sample into countries with high and countries with low generosity of the welfare state.[92] In Table 4-4, we present the results from this exercise, replicating the baseline estimates for each subsample, separately.

What the estimates indicate is that our baseline results hold for countries with a low generosity of the welfare state (see columns 1 to 4). In fact, for this group of countries, the estimated effects of unemployment are the same in size, sign and statistical significance as those for the full sample in Table 4-3. However, this is not the case for countries with a generous welfare state (see columns 5-8). The estimated effect of changes in the unemployment rate on the vote share of left-wing populist parties in most instances loses its statistical significance. Only in column (6), it turns out statistically significant at the 10% level but with an almost zero coefficient, just one-fifth of the corresponding coefficient in Table 4-3.

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[92] Unfortunately, there are some missing data in the dataset. First, for all Eastern European countries there were no data available for the generosity of the pension system. Thus, to be consistent across countries, we compute for all countries the index only for unemployment benefit and sick pay insurance systems. For all countries that have all data available the generosity index with all components has a very high correlation, more than 80%, with the index for only the two programs. Moreover, there were no data available for Croatia, Cyprus, Luxembourg, Romania and Malta. Given the categorization of the rest of the countries we decided to include Cyprus to the low generosity and Luxembourg to the high generosity group. For the rest of the countries, we had no a-priori categorization, so we decided to drop them from the sample.

Table 4-4 Fixed Effects regressions: Generosity of Welfare State

	Countries with low generosity of the welfare state				Countries with high generosity of the welfare state			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Unemployment	-0.002*** (-2.947)	-0.003*** (-3.554)		-0.002*** (-2.895)	-0.001 (-1.391)	-0.001 (-0.327)		-0.001 (-1.482)
Unemployment x LeftPop	0.005*** (6.876)	0.005*** (6.613)		0.005*** (6.687)	0.002 (1.491)	0.001* (1.919)		0.002 (1.463)
Household Income		0.001 (0.499)	0.001 (0.03)			-0.001*** (-2.884)	-0.001*** (-3.221)	
Tertiary Education		-0.003*** (-3.868)	-0.003*** (-3.983)			-0.001 (-1.165)	-0.001 (-0.541)	
Effective Number of Parties		-0.005** (-2.423)	0.009*** (3.804)	0.005* (1.823)		0.014*** (8.127)	0.014*** (9.361)	0.012*** (11.282)
Government Gap		0.003** (5.501)	0.051*** (-10.828)	0.030*** (-8.976)		0.015*** (8.205)	0.016*** (8.524)	0.014*** (7.991)
Long Term Unemployment			-0.004*** (-4.097)				-0.001 (-1.04)	
Long Term Unemployment x Left			0.006*** (7.811)				0.002 (1.263)	
Growth				0.005 (1.314)				0.001 (0.041)
Tertiary Education				-0.001** (-2.426)				0.001 (-0.525)
Observations	1221	1212	1134	1214	919	916	884	919
R-squared	0.56	0.57	0.57	0.57	0.61	0.61	0.62	0.61
F-test for Unemployment b1+b2=0	0.01	0.01	0.01	0.01	0.14	0.06	0.21	0.15

Notes: All regressions include the maximum set of fixed effects and are estimated with robust clustered standard errors. t - statistics in parentheses. *, **, *** denote statistical significance at 10%, 5%, 1%.

Overall, estimates in Table 4-4 indicate that our baseline results are more pronounced in countries with a less generous welfare state, in which the increase in economic insecurity leads to arise in populism. This is because, in countries with a more generous welfare state, economic uncertainty is resolved through the existing institutional structure. In contrast, in countries with a less developed welfare state, economic uncertainty results in an increased demand for redistribution and welfare state expansion. Therefore, left-wing populist party rhetoric, which focuses on high, even excessive, levels of redistribution are more effective in voicing this demand.

In the following table, i.e., Table 4-5, we provide a series of additional robustness tests. In column (1), we exclude from estimates, France and Cyprus, which are the two countries in our sample with a presidential system. Kapstein and Converse (2008) show that presidential democracies are more durable, at least during the economic crisis than parliamentary democracies.[93] Hence, we want to verify that our results are not affected by the pooling of these systems. The results in column (1) show that the exclusion of the presidential democracies does not affect our baseline results.

In the next three columns (2)-(4), we exclude from our analysis several parties that could drive the results. First, in column (2), we exclude catch-all populist parties. These parties are not always ideologically coherent, but instead their political manifesto has issues that might equally categorize them as left- or right-wing populists. These parties are the Italian M5S, the Czech ANO 2011, and the Austrian Team Stronach. In column (3), we exclude the three parties that scored less than 80% on the sociocultural scale but have a high anti-elite rhetoric, i.e., OLaNO, PVV, and UKIP. Finally, in column (4), we exclude parties that are not included in the CHES database, i.e., they were recently established or there were missing data, and hence not

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[93] Linz (1990) in contrast argues that a presidential system is more dangerous for young democracies. As the sample of countries does not have any young presidential democracies it is natural to not consider this case here.

included in the principal component analysis either. To classify these parties, we have used the POPPA and the Timbro Authoritarian Populism indices.[94] We, thus, want to make sure that our results are not driven by these parties. In all three cases, the thrust of our main argument remains and our first two hypotheses are verified. The estimated coefficients turn out exactly as in Table 4-3, with the same sign, size, and statistical significance, indicating that our results are not driven by the inclusion of these parties.

In the rest columns in Table 4-5, we examine the robustness of results regarding our third hypothesis. This hypothesis allows us to determine the main common driving force behind the increasing support towards populist parties. For this reason, instead of splitting countries according to welfare state generosity, we split the countries according to the type of welfare state. Following the literature, on types of the welfare state (e.g., Esping-Andersen, 1990) we expect that countries in Southern Europe have a welfare state with a more limited role. Their welfare state is characterized by an important role of the family and religion rather than the state in providing social insurance (Gal, 2010). Thus, in column (5) we estimate our model only for Southern European countries (i.e., Spain, Portugal, Italy, Cyprus, Malta, and Greece). Then, in column (6), we also include in this group the UK and Ireland, i.e., the two countries with a liberal welfare system, which is, typically, characterized by limited welfare support to individuals (Esping-Andersen, 1990). To our understanding, these two groups stand out from the other European countries in our sample, which have a more extensive welfare state support system.

Our findings are again supportive of our testable hypotheses. When we consider Southern European countries, or Southern countries plus countries with a liberal welfare state, we find a positive association between unemployment and support for left-wing parties. In

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[94] Our classification for populist parties is consistent with those provided by POPPA and Timbro index for years before 2014.

contrast, the support for right-wing populist parties falls when unemployment increases. On the other hand, when we consider the rest of the countries (see column 7), i.e., excluding from the sample all the Southern European countries, we fail to find any association between unemployment and populist support.

A final robustness test is provided in column (8). If the driving force behind the rise of populism is economic insecurity, then we should expect that our results should also hold in the post-2008 period, i.e., the period when there was a sharp increase in economic uncertainty. The estimated results in column (8) indeed give support to this view. The positive association of unemployment with left-wing populist party voting share is verified, as once again the coefficient enters with a positive sign, and it is significant at the 1% level of statistical significance. Similarly, for the right-wing populist parties, all our basslines results equally hold.

Table 4-5 Robustness Tests

	(1) Excluding France and Cyprus	(2) Excluding catch-all populist parties	(3) Excluding OLaNO, PVV and UKIP	(4) Excluding parties not in CHES	(5) Including only Southern countries	(6) Including only Southern, UK & Ireland	(7) Excluding Southern countries	(8) After 2008
Unemployment	-0.002***	-0.002***	-0.003***	-0.003***	-0.003***	-0.003***	-0.001	-0.003***
	(-3.748)	(-3.124)	(-3.928)	(-4.085)	(-3.627)	(-3.490)	(-1.142)	(-4.254)
Unemployment x LeftPop	0.005***	0.004***	0.004***	0.004***	0.004***	0.005***	0.002	0.005***
	(7.411)	(7.391)	(7.223)	(7.007)	(5.511)	(6.027)	(1.538)	(6.869)
Household income	0.001	0.001	0.001	-0.001	0.001	0.001	-0.001	-0.001
	(0.379)	(0.163)	(0.083)	(-0.200)	(0.975)	(0.440)	(-1.568)	(-0.067)
Tertiary Education	-0.002***	-0.002***	-0.001**	-0.002***	-0.004***	-0.004***	-0.001	-0.003***
	(-3.458)	(-2.885)	(-2.329)	(-3.405)	(-2.967)	(-4.355)	(-1.483)	(-3.723)
Effective Number of Parties	-0.006***	-0.007***	-0.007***	-0.043*	0.082***	0.028***	-0.008***	0.003
	(-3.950)	(-3.246)	(-3.245)	(-1.938)	(3.974)	(3.970)	(-3.434)	(1.637)
Government Gap	0.021***	0.020***	0.021***	-0.003	0.022***	0.022***	0.020***	0.030***
	(4.586)	(4.317)	(4.376)	(-0.757)	(7.065)	(7.073)	(3.766)	(7.823)
Observations	2044	2140	1973	1856	648	841	1556	1358
R-squared	0.58	0.63	0.57	0.70	0.63	0.65	0.53	0.60
F-test for Unemployment b1+b2=0	0.01	0.01	0.01	0.01	0.01	0.01	0.13	0.01

Notes: The table reports the results of the baseline model (column 4, Table 4-3). All regressions include the maximum set of fixed effects and are estimated with robust clustered standard errors. t - statistics in parentheses. *, **, *** denote statistical significance at 10%, 5%, 1%.

4.5. Conclusions

In this chapter, we have explored how the success of populist parties has been influenced by economic insecurity which has been constantly involved in the political debate over the last decades, accounting for differences between left- and right-wing populist parties. Our analysis contributes to the comparative study of European electoral populism in two ways. First, it provides a comprehensive classification of populist parties, by applying a principal component analysis to all European parties, and accordingly, classifying populist left and populist right parties. Second, given the classification of parties, it employs a meso-level analysis, using panel, sub-national, regional data at NUTS-2 level for 80 populist parties in 28 EU member states between 2000 and 2018.

Overall, the findings reported herein indicate that support for left- and right-wing populist parties is driven by different factors, suggesting that there is not a single form of populism but rather a political left-right differentiation of it. Specifically, our baseline results suggest that an increase in the unemployment rate in a given region leads to a higher electoral support only for left-wing populist parties in that region. Following the economic insecurity hypothesis, we attribute this effect to the increasing demand for economic insurance resulting from unemployment risk. This interpretation is further supported by our findings, demonstrating that in countries with a well-developed, more generous, welfare state, there is no associated increase in populist support due to rising unemployment. Finally, regarding right-wing populist parties, their vote shares decrease in regions with higher unemployment rates while increase in regions with higher immigration flows.

Appendix A4

Table A4-1. Descriptive Statistics

Variable Name	Obs.	Mean	St. Dev.	Range	Min	Max
Populist Vote	2265	0.11	0.13	0.666	.001	0.667
Unemployment	2225	10.02	6.30	32.3	1.7	34
Long-term Unemployment	2115	5.15	4.37	21.3	0.4	21.7
Household Income in PPS	2260	29915	33936	348296	855	349151
Growth Dummy	2265	0.72	0.45	1	0	1
Tertiary Education	2228	24.57	8.84	60.8	5	65.8
Tertiary Education of Labor force	2228	86.87	3.26	23.7	71.2	94.9
Immigration	1373	0.04	0.03	0.178	0.001	0.179
Effective Number of Parties	2265	5.03	1.58	11.25	2.03	13.28
Government Gap	2255	0.83	0.89	3	0	3
LeftPop	2265	0.29	0.45	1	0	1

5   Chapter 5. Mapping the Radical Left-Right Ideological Self-placement

5.1. Introduction

Ideological radicalization, either left or right, is one of the fastest expanding areas of research, having connections with studies in economics, social and political sciences. As already mentioned in the previous chapters, during the past decades Europe has witnessed an increased radicalization in the ballot with several countries recording a surge in the share of votes for radical right parties. In addition, many radical left movements, anti-globalization in particular, have also gained support (Visser et al., 2014). A steadily growing number of studies has focused on how changes in the economic environment and associated macroeconomic measures, such as unemployment, inflation and immigration, affect voting behavior (e.g., Algan et al., 2017; Auberger, 2012; Evans and Ivaldi, 2021; Georgiadou et al., 2018; Sears and Funk, 1990; Stockemer, 2017). While fewer studies have examined the relationship between individual's characteristics and vote for radical parties (e.g., Carlsson et al., 2021; Rooduijn et al., 2017). Although radical voting is well studied, the literature so far provides limited insights into the comparative analysis of individual-level factors that are associated with the expression of radical, left or right, ideologies regardless of whether (or which party) the individual has voted in the elections.

Many scholars argue that political parties lose their anchoring role and voters are no longer so loyal to a party, but remain loyal to their ideological beliefs (Dalton, 2000; Economou et al., 2013; Wattenberg, 2002). This could be attributed to fatigue from the existing parties, and/or a general political discontent. Indeed, while voting behavior is rapidly changing, there are no sizeable shifts in the ideological self-placement at the extremes of the left-right scale over the past three decades. In addition, personal, social and economic experiences could contribute to reshaping the profile of individuals who place themselves at the two edges of the

ideological spectrum, i.e., radical left or radical right. In the present chapter, we expand on the existing literature by exploring the ideological profiles of individuals holding a radical left ideology and those holding a radical right ideology, identifying the potential distinctions and similarities between them. We do so, using a novel dataset comprising merged data from 55 Eurobarometer surveys in all EU countries since 1990 with over 800,000 observations and employing a supervised machine learning approach; to our knowledge this is the first study that undertakes this task.

Radical ideologies at both ends of the political spectrum are increasingly prevalent in Europe, fueling the intuition that both groups of radicalism have similar grounds. Although radical ideologies on both sides seem similar at first glance, empirical evidence show that they differ in many aspects (Rooduijn et al., 2017). The radical right is often associated with immigration, religion and terrorism (e.g., Economou and Kollias, 2015; Papastathis and Litina, 2018), while the radical left is mostly linked with socioeconomic inequalities and minorities (e.g., Visser et al., 2014). Building on the conventional view that the radical left and the radical right stand at opposite ends of the widespread left-right continuum, and with our focus on the individual side, we explore the individual's factors that are associated with the radical left and the radical right ideological self-positioning. Then we examine to what extent individuals holding a radical ideology at either end of the left-right spectrum come together or divergent in terms of their background characteristics and attitudes.

Our analysis relies on data from 55 Eurobarometer survey waves, covering about 800,000 respondents in 28 EU countries from 1991 to 2018. Considering the radical left and the radical right as distinct ideologies, three different outcome variables are used: i) the radical left versus any other ideological self-placement, ii) the radical right versus any other ideological self-placement, and iii) the radical left versus radical right ideological self-placement. As covariates, we focus on demographics, socioeconomic characteristics and

attitudes that can be broadly grouped into four categories. The first category is related to demography and education. The second refers to financial expectations, satisfaction with life and national institutions. The third includes individual's major concerns about the country, and finally the fourth captures attitudes towards EU and its institutions.

We employ a supervised machine learning approach to identify the subsets of variables from each category that best explain the radical left and the radical right political self-placement. Best subset selection has been made by regularized regressions, applied to each category of variables separately, as well as across all variables employed in the analysis. Our aim is not to make a strong case for causal inference, since ideological orientation is multi-causal and multi-faceted, but to identify individual level factors that have the best explanatory power for the radical ideological self-placement. In this setting, the use of a machine learning approach seems appropriate, since it allow us to pull together various dimensions of individuals' profile and find what are those that best explain a radical left, and correspondingly a radical right, ideological profile. After deriving the optimal models that achieve a good predictive performance, we estimate them using time-series cross-sectional regressions with time and country fixed effects, controlling for unobservable differences between countries and over time, as well as time-varying country fixed effects which allow time effects to be disperse across countries.

Our findings suggest that distinctions in the ideological profiles of the radical left and the radical right do exist. Individuals who place themselves on the radical left are more likely to live in larger cities, have completed tertiary education, be unemployed, tend not to trust the national government and have concerns about unemployment. On the other hand, those who place themselves on the radical right are more likely to live in rural areas, have not attend tertiary education, tend to trust the national government and have concerns about crime and terrorism. Despite differences, however, both radical ideologies have been found to be

associated with Eurosceptic views but these views are expressed in different forms for each radical ideological group. Overall, our findings tend to reject the notion of similar characteristics and attitudes shared by radicals at both edges of the ideological spectrum.

The rest of the chapter is organized as follows. Section 5.2 briefly reviews the literature and discusses the main theoretical considerations. Section 5.3 introduces the empirical approach and outlines the data. Section 5.4 presents the empirical results. Finally, section 5.5 provides some concluding remarks.

5.2. Related Literature and Theoretical Considerations

Since the French Revolution, the idea of a political left-right divide has been used to map a political space made of ideas and people holding opposing positions. This conceptualisation, however, has not been uncontested. Researchers have long debated whether such a single dimension is sufficient to illustrate the structure of political choices (e.g., Ashton et al., 2005; Caughey et al., 2019; Heath et al., 1994). Other scholars suggest instead that the left-right dimension is as an appropriate measure of political ideology across countries (e.g., (Bartolini and Mair, 1990; Huber, 1989). Indeed, the left-right dimension is common in all advanced democracies and, although its concrete meaning could differ across countries (Benoit and Laver, 2006), a majority of individuals in democracies have political orientations that can be placed on the left-right scale (e.g., Dalton et al., 2011). In addition, studies have shown that people do rely on the left-right continuum to understand politics, despite the diversity of contents that can be traced to the opposite poles of that dimension across countries (e.g., Feldman and Johnston, 2014).

Consequently, to capture political ideologies and voter's behavior, social scientists often relied on the so-called left-right scale. Self-placing on this left-right continuum enables

people to make choices according to their basic dispositions and to sort the political world into *us* and *them* (Jacoby, 1991; Sears and Funk, 1990). In addition, empirical studies on electoral behavior have shown that individuals' left-right self-placement is a major predictor of their voting choices and that, in fact, its importance has been increasing in many countries over recent decades (Franklin et al., 2009; Gunther et al., 2007; Knutsen, 1997; Van Der Brug and Van Spanje, 2009).

Self-placement on the left-right scale seems to be particularly relevant to understand radical political views, since party support seems to be strongly affected by the political competition. Visser et al. (2014) show that support for radical left ideology is better approached by ideological self-placement than party support as the latter is influenced by political, supply-centered explanations. In addition, Piketty (2018) argues that without a strong egalitarian-international platform, it is difficult to unite ideological views based on political parties from all origins. The reason is that political parties are classified as left or right not only based on their ideological positions but also based on the positions of their opponents in the electoral completion. As a result, individuals who vote for a radical left (right) party in their country might not share similar ideologies.

When studying the correlates of radical ideology, it is crucial to distinguish between the two dimensions of radicalism: the radical left and the radical right. Unlike, the center-left and the center-right where differences have blurred over the years, the radical left and the radical right have some intertemporal differences (March, 2011; Wagner and Meyer, 2017). The radical left advocates reducing the skewed socioeconomic structure of contemporary capitalism and inequalities, as well as criticizes the *neo-liberal* character of politics and economic globalization and/or EU integration (Ramiro, 2016). The radical right instead defends national

homogeneity with limited immigration, opposing both economic and social globalization (Carlsson et al., 2021).[95]

In recent years, there has been a substantial increase in research on the determinants of political ideology with a focus on radical voting. Studies have associated radical ideology with a variety of individuals' characteristics. Visser et al. (2014) document that the unemployed and people with a lower income are more likely to support a radical left ideology. Particularly relevant seems also the role of education. Existing findings indicate a positive relationship between higher educated individuals and voting for the radical left (Häusermann and Kriesi, 2015; Wagner and Meyer, 2017).[96] The study of Rooduijn et al. (2017) suggests that this relationship occurs in two distinct ways that are conditional on egalitarian and altruistic attitudes. First, the level of education is related to competence of individuals and can mitigate the external risk concerns arising from globalization, which is perceived by people on the radical left with a more cosmopolitan view than that perceived by the radicals on the right. Second, education promotes fundamental values such as equality, democracy and economic egalitarianism, but without implying that value differences between the educational groups reflect to economic differences between the groups (Stubager, 2008). Hence, we expect that more educated individuals, focusing on inegalitarian aspects of globalization, are more likely to support a radical left ideology, namely economic egalitarian for all national and social groups.

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[95] Moreover, radical distinctions may emerge by the deeper historical roots of the *left* and the *right* where the major and broad difference between them is based on social and economic equality. The radical left stands for the equality of all people and their right to equal opportunities (egalitarianism). In contrast, the radical right rejects such universal concept of equality by defending only the rights of the natives.
[96] Studies using voting data have also demonstrated similar findings. Lubbers and Scheepers (2010) find that unskilled and higher educated individuals are more likely to support a radical left party while men and individuals with lower education are more likely to support a radical right party. What they find common for supporters in both party families is their distrust in the EU and its institutions. Similarly, Ramiro (2016) finds that people who are dissatisfied with democracy, higher educated, less religious and having a negative view of the EU membership of one's country, are more likely to support a radical left party.

On the other hand, radical-right ideologies are more strongly associated with issues related to immigration, terrorism and religion. De Vries et al. (2013), examining changes in the formation of individuals' left-right self-placement in the Netherlands, find that self-placement towards the right is increasingly related to anti-immigrant attitudes rather than redistributive attitudes.[97] Papastathis and Litina (2018), focusing on the right-wing political landscape in Greece, find that religiosity is an important determinant of radical right ideology. Similarly, Economou and Kollias (2015), focusing on 12 EU countries, show that terrorist attacks affect individuals' ideological self-placement, pointing out a shift towards the extreme right of the political spectrum.[98]

However, another strand of the literature shows that people who hold radical ideologies – at either end of the political spectrum – share a certain level of distrust in important institutions (e.g., Brigevich, 2020; Draca and Schwarz, 2021; Fagerholm, 2018; Halikiopoulou et al., 2012; van Elsas et al., 2016). In the European context, the similarities between the radicals at the two ends of the ideological spectrum have been found to lie in their Eurosceptic views, but with the nature of Euroscepticism to differ between the two groups. The key finding of these studies is that the anti-EU stance of radicals on the left is driven by concerns about economic and redistributive issues, while radicals on the right are motivated by cultural issues and are strongly reject the European integration. Additionally, as van Elsas and van der Brug (2015) point out that Eurosceptic views have increased significantly among individuals of the radical right over the past three decades, while the corresponding developments on the radical left are mixed.

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[97] However, their reference period (1980-2006) concerns years before the outbreak of economic crisis, and as they point out in their analysis, the effect of immigration and redistributive attitudes on the left-right identification is equalized in the late 2000s.

[98] The findings by Economou and Kollias (2015) could be seen as a lower-bound estimate of the effect of terrorist attacks on radical self-placement as their data refer to the period 1985-2010 while the rise of terrorist activity in Europe is observed after 2014.

Finally, the horseshoe theory, which is attributed to the French writer Jean-Pierre Faye, has recently entered public and political debate, suggesting that both ends of the political spectrum, i.e., the radical left and the radical right, share similar beliefs and characteristics. However, based on the normative distinction in the two groups of radical ideologies and following the findings so far, we expect that the notion of common characteristics and beliefs between radical left and radical right ideologies will not hold when it comes to background characteristics of individuals who express these ideologies. We evaluate the validity of our expectations through an empirical analysis in the following sections.

5.3. Empirical Approach and Data

To explore the profile of individuals who report a radical left or a radical right ideology, we employ a machine learning approach which allows us to identify those characteristics and attitudes that are relevant with the radical left and the radical right ideological self-placement, pulling together a variety of dimensions of individual's profile. We do so, using Eurobarometer survey data that covers 800,000 individuals in 28 EU countries from 1991 to 2018.[99]

5.3.1. Empirical approach

We exploit a supervised machine learning approach, using the regularized regression method, to identify the most robust predictors of the radical left and radical right political self-placement in the left-right ideological scale. The aim of the machine learning method employed here is to reduce the number of variables of our dataset by obtaining a set of principle variables and returning the optimal selected model. We achieve this by estimating a number of regressions

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[99] The countries included in the analysis are the following: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.

including all possible combinations of explanatory variables and selecting the statistically optimal model.

Although we consider a rich set of explanatory variables, all of them correspond to potentially relevant socioeconomic personal characteristics and attitudes that are related to the literature on ideological preferences. The inclusion of non-relevant variables could lead to misleading and meaningless results. We implement the regularized regression to each group of our explanatory variables in order to consider different aspects of a person's radical ideological profile in more detail (Becker et al., 2017). Although the analysis of groups allows us to see how well different groups of variables perform relatively to each other, we also use the same method for all explanatory variables together; thereby, all variables 'compete' each other in a single model selection procedure.

We estimate regularized regressions that penalizes the absolute size of coefficient estimates, using a rigorous Least Absolute Shrinkage and Selection Operator (LASSO) model with data-driven penalization that allows for heteroskedastic and clustered standard errors. The lasso operator is a regression method that uses regularization and yields interpretable models with high accuracy (Ahrens et al., 2020; Hastie et al., 2015; Tibshirani, 1996). A detailed description of the estimation method is provided in the studies of Belloni et al. (2016, 2014, 2013, 2012). At this point, we should mention that the first-step results derived by lasso cannot possibly infer causality.

Given the normative distinction between radical left and radical right ideologies, we expect that predictions for ideological self-placement on these two ends (left and right) could be different. Our interest is in distinguishing the radical left from any other self-positioning, correspondingly the same for the radical right, as well as to find distinctions between radical left and radical right. For that reason, the above-mentioned penalized regression method is

implemented for three models with different outcome variables; one for the radical left versus not radical left, one for the radical right versus not radical right and one for the radical left versus the radical right.

Every optimal selected model resulting from regularized lasso method is estimated using OLS regressions with robust standard errors clustered at the country level in order to control for both heteroscedasticity and correlation of the error terms.[100] Additionally, every regression includes time and country fixed effects as well as the interaction of these two, which allows time effects to be disperse across countries. Finally, to ensure that the country samples are representative of the population, each sample is weighted according to a national demographic weight. Since sample size across countries are approximately the same (i.e., 1000 individuals per country), population size weighting factors are used to ensure that each country is representative to its population size.

5.3.2. Data

Our analysis requires information on individuals' left-right ideological self-placement, personal characteristics and attitudes. This information is provided by the standard Eurobarometer series survey that is conducted on a biannual basis, asking identical or equivalent questions to 1,000 respondents in all EU Member States over a long time period. Using data from 55 standard Eurobarometer surveys, we have constructed a time-series cross-sectional dataset for 28 EU countries over the period 1991-2018 with over 800,000 observations.[101, 102]

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[100] Estimates using logistic regressions produce similar results in terms of sign statistically significance.

[101] With the exception of the United Kingdom with separate samples for Great Britain (1000) and Northern Ireland (300), Germany with separate samples for the Eastern (500) and the Western part (1000), and Luxembourg, Cyprus (Republic), and Malta with 500 interviews each.

[102] In detail, the sample size is formulated as follows: from 1991 to 1994 is about 27000 observations per year, from 1995 to 2003 is about 32000 observations per year while from 2004 to 2018 is about 55000 observations per year. These variations are due to the inclusion of new countries in the EB surveys. Specifically, Austria and Sweden participate in EB surveys after 1994 while post-communist countries, which are currently EU members,

In each standard Eurobarometer survey only those countries which are members of the EU are included.[103] Hence, our country sample contains only European Union (EU) Member States and this helps as to maintain a homogenous sample of cases subject to comparable political ideology and institutions at both national and EU level. Additionally, since our analysis includes attitudes towards the European Union and the EU institutions, it is essential to include countries that are EU members.

In order to evaluate how the profile of individuals who hold a radical ideology has evolved since the 1990s, we require a longitudinal dataset, which includes consistent measures over time. Thus, we develop a large dataset, merging data from 55 (biannual) EB surveys in 28 EU countries from 1991 to 2018, that captures a wide range of consistently asked questions over years and across countries. The resulting dataset contains a plenty of identical questions on ideological self-placement, demographic characteristics, personal attitudes and traits, covering, to the best of our knowledge, the most extensive and recent sample of countries and years. Descriptive statistics and analytical description of the variables employed are presented in Appendix (see Table A5-1, A5-2). [104]

Outcome variable

We proxy individual's radical left and radical right political ideology based on Eurobarometer data on the respondent's left-right political self-placement. The left-right dimension has been characterized as an appropriate and comparable measure of political ideology across European countries that captures a variety of issues (e.g., Bartolini and Mair,

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as well as Cyprus and Malta participate after 2004. However, the number of observations reported to the empirical estimations is lower due to missing values (including *don't know/refusal* responses) and measures availability for each year and country (e.g., question about people's main concerns for the country has been surveyed after 2003). Moreover, questions on left-right self-placement were not surveyed in the standard EB waves from 2011 (second wave) to 2013 and for this reason we include two special EB waves (2012-wave 1 and 2013-wave 1) where data on left-right placement are available using the same scale (1-10) and asking the same question with standard EB.
[103] Namely, countries are starting to participate in the surveys the year of their EU accession.
[104] The key variables that result from these questions have been re-scaled and harmonized based on coding, labels, variables and values names over time.

1990; Huber, 1989). The use of such a single left-right dimension has two main advantages, allowing it to obscure differences between countries and make cross-national comparisons of individuals possible. First, it is common in all advanced democracies where individuals can readily place themselves on a left-right scale to express their political ideology. Second, it remains the most significant cleavage over time and serves as a basic reference point for individuals' ideology.

The Eurobarometer survey question on left-right self-placement is included in nearly every Eurobarometer wave and is measured on a scale ranging from 1 (extreme left) to 10 (extreme right). Specifically, respondents answer on the direct question "In political matters people talk of the 'left' and the 'right'. How would you place your views on this scale?". This question does not impose a specific meaning of left-right ideology, allowing respondents to decide themselves what they perceive as left or right (Bischof and Wagner, 2019). But it attributes a shifting meaning of the left-right concept, taking into account the shifts in the issue content of political debates across countries and over time, which is an important advantage for studies examining summary ideological differences among citizens (De Vries et al., 2013; Lachat, 2018). Thus, we consider this measure to be the most appropriate for our analysis that seeks to identify the underlying ideological division between individuals, without imposing assumptions about the dynamics of the political ideology nor its changes over time. In addition, given that both the question and its scale range are identical from 1991 to 2018 across all EU countries, the use of this Eurobarometer survey measure enables us to conduct our analysis for a large sample of countries and an extended period of time.

Furthermore, it should be noted that we rely on data on left-right self-placement rather than data on voting self-reported or party voting intention for two reasons. First, self-reported data regarding voting for radical, left or right, parties has been found to be under- or over-reported (Valentim, 2021). That is because, respondents are affected by social norms and tend

to report what they perceive as a socially desirable answer, avoiding to being stigmatized (Zaller, 1992). Second, individuals who hold a radical, left or right, political ideology are likely not to identify themselves with any political party or abstain from the elections, expressing their discontent with the existing political scene or even their opposition to the current democratic system. As Inglehart (1984) stated, political party identification could be something similar to left-right self-placement but "it is clear that for a substantial share of the public at least the terms 'Left' and 'Right' have a meaning that goes beyond outdated stereotypes [of political parties]". Hence, the use of the left-right political self-placement has the added advantage of allowing to include non-voters in our analysis, who tend to be underrepresented in election surveys.

Our analysis is focused on two main group of respondents, and particularly those belonging to the radical fringes, left or right, based on their self-report on the left-right scale. We combined scores 1 and 2 to represent a radical left ideology, and scores 9 and 10 to indicate a radical right ideology.[105] Following existing studies, variable for radical left takes the value 1 if the individual has reported 1 or 2 on the left-right scale, while variable for the *radical right* ideology which takes the value 1 if the individual has reported 9 or 10 (e.g., Visser et al., 2014; Rooduijn et al., 2017). Thus, we end up with three dummy outcome variables: i) holding a radical left ideology versus not holding a radical left ideology, ii) holding a radical right ideology versus not holding a radical right ideology and iii) holding a radical left ideology versus holding a radical right ideology.

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[105] Visser et al (2014), using data from ESS, identify as radicals of the left individuals located between 0 and 2 on a 11-point-scale ranging from 0 to 10. Respondents in the Eurobarometer, however, could place themselves on a smaller (by one unit) scale to indicate their left-right ideology. Thus, the value of 2 on their scale corresponds to the value of 2.8 on our scale which falls outside the set of values since respondents could only use integers to indicate their political ideology. Therefore, we conclude not to include the score of 3 in our measurement of holding a radical left ideology, and correspondingly the score of 8 for radical right ideology. By excluding these categories (3 and 8) we have greater certainty that we are actually dealing with radicals of the left and the right and not with people who might hold a relatively moderate left or right ideology.

Figures 5-1 presents a map of the share of individuals place themselves on the radical left, i.e., reported 1 or 2 on the left-right ideological scale, across 28 EU countries. Darker colors identify countries with a higher percentage, on average between 1991 and 2018, of people holding a radical left ideological position. As can be seen, higher percentages are reported in Southern countries. Accordingly, Figure 5-2 illustrates the share of individuals with a radical right ideology, i.e., reported 9 or 10 on the left-right ideological scale, across 28 EU countries. The countries with the darkest color that have the higher percentages of people, who place themselves on the radical right, are the Eastern countries.
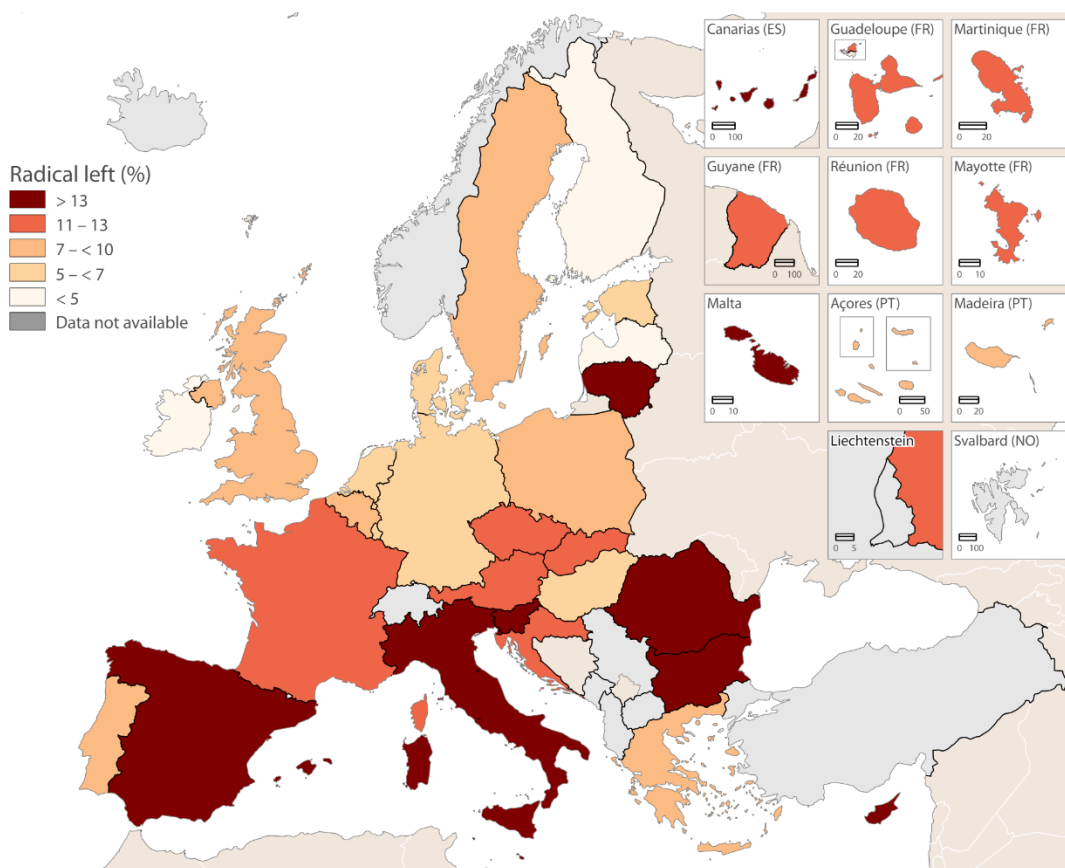

Figure 5-1 Map of radical left ideological self-placement (%), on average between 1991 and 2018, across European Union countries
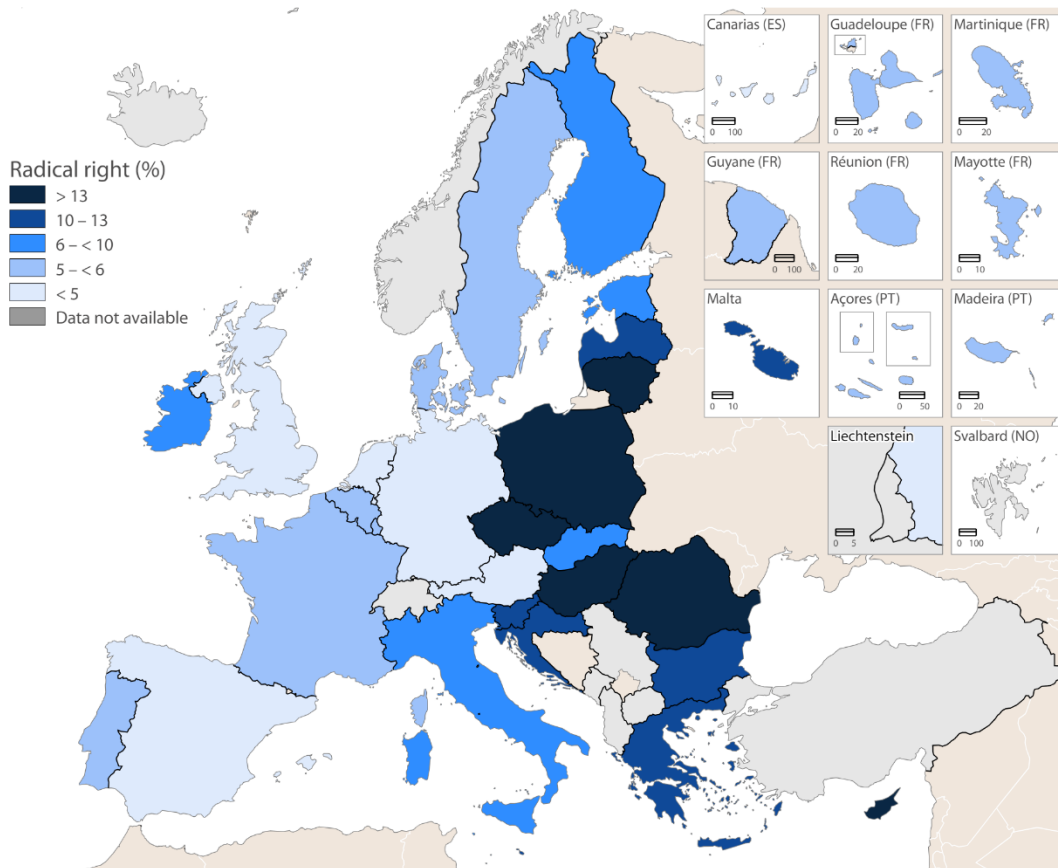
Figure 5-2 Map of radical right ideological self-placement (%), on average between 1991 and 2018, across European Union countries

Set of explanatory variables

We seek to capture the prominent explanatory factors behind the radical left and radical right ideological self-placement that have been proposed by existing studies. Hence, we look at a wide range of explanatory variables that can be relevant for the outcome variable. More specifically, with our focus on socio-economic characteristics and attitudes, we look at four groups of variables: demography, education and occupational status; financial expectations, satisfaction with national institutions and life; major concerns about country; attitudes towards European Union and its institutions. We discuss each group of variables below.

Group 1: Demography, education and occupational status

There is a general consensus that radical political groups differ from other political groups in terms of demographics. For instance, it has been argued that people on the radical left tend to

be younger and more educated than those on the radical right, while both radical ends tend to be disproportionally female (Givens, 2004). Also, socio-economic strata such as unskilled and unemployed might feel disadvantaged on the labor market, and therefore could be more likely to hold a radical ideology.

We try to capture the above-mentioned characteristics as follows. We include variables for gender, marital status (married and not married), age (measured in years) and age squared to take into account possible curvilinear effects. Furthermore, we include the highest level of education attained by a respondent (a dummy for attending secondary education and a dummy for attending tertiary education) and the employment status (four dummy variables for being unemployed, unskilled, retired and student). Finally, we include the type of the community where a respondent life (a dummy for rural area and a dummy for large city).

Group 2: Financial expectations, satisfaction with national institutions and life
Radical ideologies could be related also with those "left behind" to express their dissatisfaction with current national institutions and/or their lives. Generally, people's discontent as well as low levels of expectations about personal situation could lead to frustration and helpless, providing breeding ground for holding a radical ideology at any end of the ideological continuum. To capture expectations about one's personal situation the next year, we use three different measures; expectations for financial situation, expectations for personal job situation, and expectations for life in general. In addition, we use measures about a respondent's satisfaction with his/her life and democracy in the country. Finally, we include a measure for trust in the national government, accounting attitudes towards political representatives.

Group 3: Major concerns about country
Even if the profiles of left and right radicals share some similarities, they probably express a different opinion about country's main concerns. One possible distinction could be that

economic concerns are more related with radicals on the left, whereas cultural related concerns are more relevant to those on the right. To reflect people's main concerns of their country, we rely on eight different issues related to economic and societal situation, these are: crime, economic situation, inflation, unemployment, taxation, pensions, immigration and terrorism.

<u>Group 4: Attitudes towards EU and EU institutions</u>

One of the most explored predictors for radical ideologies of recent years is Euroscepticism. Low levels of satisfaction and/or trust in European Union and its institutions might lead to the adoption of a radical ideology at any end of the ideological continuum as a way of expressing general discontent with the way the "EU system" works. We control for Eurosceptic attitudes with the inclusion of six variables related to the broader concept of European Union. Firstly, we include three variables of trust in EU; European Central Bank (ECB); European Commission; and European Parliament. Secondly, we include a measure for satisfaction with the democracy in the European Community and a variable about respondent's positive image of the European Union. Thirdly, a measure for respondent's attitude towards Euro is included, i.e., if a respondent is against or in favor of a common European currency. Lastly, a variable which measures if a respondent feels that his/her voice counts in the EU is also included.

5.4. Empirical Results

To explore a variety of factors that could form a radical, left or right, ideological profile, as a first step we apply a regularized regression method for model selection, including a subset of most important predictors of the outcome variable for each group of variables but also across all variables. Then, we estimate the resulting optimal models using OLS regressions with robust clustered standard errors at the country level, including time, country and time-varying country fixed effects.

First, we examine the relative importance of variables within each category as predictors of the radical left and radical right ideological self-placement, by regressing every outcome of interest, i.e., radical left and radical right, on the variables of each group. Table 5-1 presents the baseline results for the profile of radical left individuals. More specifically, columns (1) to (4) present estimates of the optimal specifications for each of the four groups of explanatory variables separately. In column (5) all the 'best' subset of variables selected from the four groups of regressors in the previous columns are combined into a joint estimation. Finally, column (6) presents estimates of the optimal model, resulting by a full specification including all group of variables employed in the analysis, and thus allowing all variables to 'compete' against each other. Following the same logic, Table 5-2 presents the corresponding results for the profile of individuals holding a radical right ideology.

In both Tables 5-1 and 5-2, the highest values of R-squared are achieved in the last two columns (5) and (6) indicating these models are better fitted. It should be mentioned, however, that given the large number of observations and the fact that there are many relevant predictors to explain the radical, left or right, ideological self-placement, values of R-squared are low but still significantly different from zero, indicating that our models have statistically significant explanatory power. Therefore, focusing on the combined selected subsets from each group of variables that gives the highest R-square (column 5 in Tables 5-1 and 5-2), we conclude to some remarkable results which are discussed below.

As far as the demographic characteristics are concerned, results suggest that males, unmarried individuals and those living in a large city/town are more likely to fit into the radical-left ideological profile. Accordingly, males and those living in rural areas are more likely to fit into the radical-right profile. In addition, individuals that place themselves on the radical left tend to have completed tertiary education while those on the radical right tend to have completed only secondary education. This is in line with previous studies, that find a positive

relationship between higher educated individuals and radical left political beliefs (e.g., Rooduijn et al., 2017 Häusermann and Kriesi, 2015; Meyer, 2017). Finally, retired or unemployed people are more likely to fit into a radical left ideology while in keeping with the existing findings, there is no clear relationship between unskilled individuals and expression of a radical ideology at any end (e.g., Visser et al., 2014).

Regarding the second group of variables, we would expect dissatisfaction with life or with country's democracy, to be positively linked with radical views at both ends. Estimated results, however, show that they are positively associated only with the radical left. This means that an individual who feels less satisfied with his/her life or with the democracy in the country is likely to fit into a radical left ideology. As expected, trust in the national government is negatively associated with the radical left ideology but, interestingly, is positively associated with the radical right ideology. Given that radicals of the right defend nation and its components (e.g., national economy, natives' interests), they are likely to perceive the national government as an institutional component of the nation and not as a specific political representative.

Regarding the third group of variables, estimates show that neither economic nor cultural concerns are positively associated with individuals on the radical left. Instead, but in line with previous findings, cultural concerns about crime and terrorism are positively associated with radicals on the right (Economou and Kolias 2015). However, such an effect is not found for concerns about immigration. Lastly, a somehow an unexpected finding is that welfare state concerns about unemployment are not associated with the radical left ideology, but are negatively associated with the radical right.

Finally, results in Tables 5-1 and 5-2 indicate that both radical left and radical right ideological self-placement is associated with Euroskeptic views. However, these views differ for each radical ideological group. Individuals on the radical left are associated with less trust

in the European Central Bank, which is an economic institution of the EU, while those on the radical right are associated with a negative image of the European Union and a negative stance towards a European Monetary Union with a single currency (i.e., Euro). The latter indicates that attitudes are against the Euro, are associated with individuals on the radical right.

Table 5-1 Predictors of radical left ideology: Model selection approach

	Best subsets per group				Combined	
	(1)	(2)	(3)	(4)	(5)	(6)
Group 1						
Gender	0.007**				0.005**	
	(0.003)				(0.003)	
Age						
Age^2						
Marital status	-0.011***				-0.011***	-0.011***
	(0.001)				(0.001)	(0.002)
Rural area	-0.005*				-0.008**	-0.008**
	(0.003)				(0.003)	(0.003)
Large city	0.009***				0.009***	0.009***
	(0.003)				(0.002)	(0.003)
Lower secondary education						
Tertiary education	0.008***				0.017***	0.017***
	(0.003)				(0.004)	(0.005)
Unemployed	0.0320***				0.021***	
	(0.003)				(0.003)	
Retired	0.011*				0.017**	0.015**
	(0.006)				(0.007)	(0.007)
Unskilled worker						
Student						
Group 2						
Expectations for financial situation						
Expectations for life in general						
Expectations for job situation						
Satisfied with life		-0.020***			-0.014**	-0.018***
		(0.005)			(0.005)	(0.006)
Trust in National Government		-0.017***			-0.013***	-0.013***
		(0.004)			(0.005)	(0.005)
Satisfaction with country's democracy		-0.028***			-0.022**	-0.023***
		(0.006)			(0.008)	(0.006)

(continued)

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Table 5-1. (continued)

	Best subsets per group				Combined	
	(1)	(2)	(3)	(4)	(5)	(6)
Group 3						
Major country's concern: Crime			-0.018** (0.009)		-0.021** (0.008)	-0.019** (0.007)
Major country's concern: Economy			-0.010** (0.003)		-0.010*** (0.003)	
Major country's concern: Inflation						
Major country's concern: Taxation			-0.015** (0.007)		-0.014 (0.009)	
Major country's concern: Unemployment						
Major country's concern: Terrorism			-0.022*** (0.004)		-0.021*** (0.003)	-0.019*** (0.003)
Major country's concern: Immigration						
Major country's concern: Pensions						
Group 4						
Satisfaction with democracy in EU				-0.016*** (0.007)	-0.005 (0.008)	
Positive image for the EU						
Trust in the European Union						
Trust in European Commission						
Trust in European Parliament						
Trust in European Central Bank				-0.033*** (0.006)	-0.024*** (0.007)	-0.026*** (0.008)
My voice counts in the EU						
In favor of Euro						
Observations	712647	318387	551807	321161	235928	251969
R-squared	0.020	0.022	0.018	0.020	0.029	0.026
Year dummy	Yes	Yes	Yes	Yes	Yes	Yes
Country dummy	Yes	Yes	Yes	Yes	Yes	Yes
Country x Year	Yes	Yes	Yes	Yes	Yes	Yes

Notes: The dependent variable is the radical left ideological self-placement. Empirical models have been selected using regularized regression method on the set of predictors. All regressions include two-way fixed effects, their interaction term and are estimated with robust clustered standard errors. Standard errors in parentheses. *, **, *** denote statistical significance at 10%, 5%, 1%.

Table 5-2 Predictors of radical right ideology: Model selection approach

	Best subsets per group				Combined	
	(1)	(2)	(3)	(4)	(5)	(6)
Group 1						
Gender	0.010***				0.012***	0.012***
	(0.002)				(0.003)	(0.002)
Age						
Age^2						
Marital status						
Rural area	0.006**				0.005**	
	(0.002)				(0.002)	
Large city	-0.006**				-0.004	
	(0.004)				(0.002)	
Lower secondary education	0.013***				0.011***	0.008***
	(0.003)				(0.002)	(0.002)
Tertiary education	-0.011***				-0.006**	
	(0.002)				(0.002)	
Unemployed						
Retired						0.013*
						(0.005)
Unskilled worker	0.003*				0.004	
	(0.005)				(0.005)	
Student	-0.016***				-0.010**	-0.007**
	(0.003)				(0.004)	(0.003)
Group 2						
Expectations for financial situation						
Expectations for life in general						
Expectations for job situation						
Satisfied with life		-0.012**			-0.004	
		(0.005)			(0.004)	
Trust in National Government		0.011			0.019**	0.019**
		(0.008)			(0.009)	(0.007)
Satisfaction with country's democracy		-0.014**			-0.004	
		(0.005)			(0.005)	

(continued)

Table 5-2. (continued)

	Best subsets per group				Combined	
	(1)	(2)	(3)	(4)	(5)	(6)
Group 3						
Major country's concern: Crime			0.016*** (0.003)		0.013*** (0.003)	0.015*** (0.003)
Major country's concern: Economy			-0.007*** (0.003)		-0.004 (0.003)	
Major country's concern: Inflation						
Major country's concern: Taxation			0.013* (0.005)		0.010 (0.008)	
Major country's concern: Unemployment			-0.012*** (0.003)		-0.010** (0.004)	-0.011*** (0.003)
Major country's concern: Terrorism			0.010*** (0.002)		0.010*** (0.003)	0.009** (0.004)
Major country's concern: Immigration						
Major country's concern: Pensions						
Group 4						
Satisfaction with democracy in EU						
Positive image for the EU				-0.008** (0.003)	-0.010*** (0.003)	-0.009** (0.003)
Trust in European Union						
Trust in European Commission						
Trust in European Parliament				-0.009** (0.003)	-0.013** (0.006)	-0.011** (0.004)
Trust in European Central Bank						
My voice counts in the EU						
In favor of Euro				-0.019*** (0.005)	-0.020*** (0.006)	-0.020*** (0.005)
Observations	719502	318387	551807	482592	259813	422948
R-squared	0.028	0.037	0.034	0.035	0.048	0.042
Year dummy	Yes	Yes	Yes	Yes	Yes	Yes
Country dummy	Yes	Yes	Yes	Yes	Yes	Yes
Country x Year	Yes	Yes	Yes	Yes	Yes	Yes

Notes: The dependent variable is the radical right ideological self-placement. Empirical models have been selected using regularized regression method on the set of predictors. All regressions include two-way fixed effects, their interaction term and are estimated with robust clustered standard errors. Standard errors in parentheses. *, **, *** denote statistical significance at 10%, 5%, 1%.

As a final step, we explore the distinctions between the profile of individuals holding a radical left ideology and those holding a radical right ideology. In Table 5-3, we replicate our analysis using as outcome variable the dummy for radical left versus radical right. Following the same reasoning as above, we interpret our results focusing on the combined selected subsets from each group of variables in column (5) that gives us the highest R-square. First, men and individuals living in rural areas are less likely to place themselves on the radical left than on the radical right. Instead, women and those living in large cities are more likely to express radical left ideologies versus radical right ideologies. Second, unemployed people are more likely to have a radical left orientation instead of a radical right orientation. The same occur for students and people with a tertiary education, while there are no differences between those completed lower secondary education. Third, individuals who tend to trust the national government are less likely to place themselves on the radical left than the radical right.

Furthermore, individuals who express concerns about country's unemployment are more likely to support a radical left ideology versus a radical right ideology, while the opposite occurs for those expressing concerns about terrorism and crime. In the previous Tables 5-1 and 5-2 both radical left and radical right ideological self-placement were found to be associated with Eurosceptic attitudes. As it turns out, there are indeed differences in their Euroscepticism. Those who do not trust the European Central Bank, which is an economic institutional component of the European Union, are more likely to place themselves on the radical left, while those who have a negative image of EU and are against Euro are more likely to place themselves on the radical right. To conclude, our findings tend to reject the notion of similar characteristics shared by radicals on the left and radicals of the right.

Table 5-3 Predictors of radical left versus radical right ideology

	Best subsets per group				Combined	
	(1)	(2)	(3)	(4)	(5)	(6)
Group 1						
Gender	-0.021**				-0.028***	-0.028***
	(0.010)				(0.008)	(0.009)
Age						
Age^2						
Marital status						
Rural area	-0.032**				-0.033***	-0.038***
	(0.014)				(0.012)	(0.013)
Large city	0.042***				0.034***	0.036***
	(0.011)				(0.009)	(0.010)
Lower secondary education	-0.022				-0.023	-0.036*
	(0.014)				(0.015)	(0.018)
Tertiary education	0.057***				0.043**	0.028*
	(0.019)				(0.018)	(0.015)
Unemployed	0.064***				0.025**	0.023*
	(0.013)				(0.011)	(0.012)
Retired						
Unskilled worker						
Student	0.085***				0.058**	
	(0.029)				(0.027)	
Group 2						
Expectations for financial situation						
Expectations for life in general						
Expectations for job situation						
Satisfied with life						
Trust in National Government		-0.071***			-0.098***	-0.104***
		(0.015)			(0.024)	(0.021)
Satisfaction with country's democracy						

(continued)

Table 5-3. (continued)

	Best subsets per group				Combined	
	(1)	(2)	(3)	(4)	(5)	(6)
Group 3						
Major country's concern: Crime			-0.093*** (0.032)		-0.093*** (0.031)	-0.084*** (0.029)
Major country's concern: Economy						
Major country's concern: Inflation						
Major country's concern: Taxation						
Major country's concern: Unemployment			0.042*** (0.012)		0.042*** (0.014)	0.049*** (0.013)
Major country's concern: Terrorism			-0.084*** (0.018)		-0.073*** (0.016)	-0.067*** (0.017)
Major country's concern: Immigration						
Major country's concern: Pensions						
Group 4						
Satisfaction with democracy in EU						
Positive image for the EU				0.027* (0.015)	0.032** (0.015)	0.023 (0.016)
Trust in European Union						
Trust in European Commission						
Trust in European Parliament						
Trust in European Central Bank				-0.078*** (0.014)	-0.065*** (0.014)	
My voice counts in the EU						
In favor of Euro				0.065*** (0.019)	0.066*** (0.019)	0.591*** (0.065)
Observations	123221	102923	97906	77470	69500	86862
R-squared	0.094	0.091	0.103	0.096	0.13	0.12
Year dummy	Yes	Yes	Yes	Yes	Yes	Yes
Country dummy	Yes	Yes	Yes	Yes	Yes	Yes
Country x Year	Yes	Yes	Yes	Yes	Yes	Yes

Notes: The dependent variable is the radical left versus the radical right ideological self-placement. Empirical models have been selected using regularized regression method on the set of predictors. All regressions include two-way fixed effects, their interaction term and are estimated with robust clustered standard errors. Standard errors in parentheses. *, **, *** denote statistical significance at 10%, 5%, 1%.

5.5. Conclusions

In this chapter, we explore the profile of individuals holding a radical left ideology and those holding a radical right ideology, seeking to identify the potential distinctions and similarities between these two radical ideologies. To do so, we employ a supervised machine learning approach that explores the role of more than 30 indicators, capturing four broad categories related to individuals' characteristics and attitudes: demographics, attitudes towards national institutional and life in general, mayor concerns about country's conditions and attitudes towards European Union and its institutional components. The machine learning approach has been applied to a cross-section time-series dataset comprising merged data from 55 Eurobarometer surveys in 28 EU countries, covering more than 800,000 respondents over the period 1991-2018.

Our analysis, evaluates the four groups of variables in isolation, considering one category at a time, and against each other, i.e., all together. Our findings suggest that having completed tertiary education, living in a large city/town, being unemployed or retired, feeling less satisfied with life and democracy, not trusting the national government and the European Central Bank are associated with a radical left ideological profile. On the other hand, living in a rural area, not having attended tertiary education, having concerns about crime and terrorism, tending to trust the national government but not trusting the European parliament and being against Euro are associated with a radical right ideological profile.

Finally, our findings indicate significant distinctions between people holding radical ideologies. Individuals that are unemployed, do not live in a rural area, have concerns about unemployment, distrust the national government but are not against the Euro are more likely to express a radical left than a radical right ideology.

Appendix A5

Table A5-1. Descriptive Statistics

Variable Name	Obs.	Mean	St. Dev.	Range	Min	Max
Radical left	890341	0.10	0.29	0/1	0	1
Radical right	890341	0.06	0.24	0/1	0	1
Group 1: Demography, education and occupational status						
Gender	1191095	0.48	0.50	0/1	0	1
Age	1190922	45.51	18.45	84	15	99
Marital Status	1176493	0.61	0.49	0/1	0	1
Lower secondary education	1168778	0.27	0.44	0/1	0	1
Tertiary education	1168778	0.24	0.43	0/1	0	1
Unemployed	1189079	0.07	0.25	0/1	0	1
Retired	1189079	0.23	0.42	0/1	0	1
Unskilled	1189079	0.05	0.22	0/1	0	1
Student	1189079	0.10	0.30	0/1	0	1
Rural area	993151	0.33	0.47	0/1	0	1
Large city	993151	0.26	0.44	0/1	0	1
Group 2: Financial expectations, satisfaction with national institutions and life						
Expectations for financial situation	852855	0.23	0.42	0/1	0	1
Expectations for life in general	814751	0.31	0.46	0/1	0	1
Expectations for job situation	691703	0.23	0.42	0/1	0	1
Satisfied with life	982630	0.80	0.40	0/1	0	1
Trust in National Government	799863	0.35	0.48	0/1	0	1
Satisfied with country's democracy	748263	0.54	0.50	0/1	0	1
Group 3: Major concerns about country						
Major country's concern: Crime	770965	0.17	0.37	0/1	0	1
Major country's concern: Economy	770965	0.27	0.44	0/1	0	1
Major country's concern: Inflation	770965	0.19	0.39	0/1	0	1
Major country's concern: Taxation	770965	0.08	0.27	0/1	0	1
Major country's concern: Unemployment	770965	0.40	0.49	0/1	0	1
Major country's concern: Terrorism	770965	0.09	0.29	0/1	0	1
Major country's concern: Migration	770965	0.15	0.35	0/1	0	1
Major country's concern: Pensions	770965	0.11	0.31	0/1	0	1

Satisfied with democracy in the EU	616684	0.52	0.50	0/1	0	1
Positive image for the EU	814556	0.44	0.50	0/1	0	1
Trust in European Union	747457	0.49	0.50	0/1	0	1
Trust in European Commission	700395	0.57	0.49	0/1	0	1
Trust in European Parliament	736294	0.60	0.49	0/1	0	1
Trust in European Central Bank	679613	0.57	0.50	0/1	0	1
My voice counts in the EU	627794	0.40	0.49	0/1	0	1
In favor of Euro	999177	0.65	0.48	0/1	0	1

Table A5-2. Description of variables employed in the analysis

Variable Name	Question	Categories in our dataset	Years
	In political matters people talk of "the left" and "the right". How would you place your views on this scale?	Scale ranging from (1) extreme left to (10) extreme right.	1991-2018[1]
Radical left		(1) score 1 or 2 (0) score >2	
Radical right		(1) score 9 or 10 (0) score <9	
Gender	**Gender of respondent**	(1) male (0) female	1991-2018
Age	**How old are you?**	Exact age in years ranging from 15 years old to 99 years old	1991-2018
	Which corresponds best to your own current situation?		
Marital Status		(1) married/living as married (0) not married/living as married	1991-2018
	Which corresponds best to your educational level?		
Lower secondary education		(1) lower secondary education (0) not lower secondary education	1991-2018
Tertiary education		(1) tertiary education (0) not tertiary education	1991-2018

	What is your current occupation?		
Unemployed		(1) Yes (0) No	1991-2018
Unskilled		(1) Yes (0) No	1991-2018
Retired		(1) Yes (0) No	1991-2018
Student		(1) Yes (0) No	1991-2018
	Would you say you live in a...?		
Rural area		(1) rural area/village (0) not rural area/village town	1991-1994(w1), 1998(w2), 2001-2018
Large city		(1) large town/city (0) not large town/city	1991-1994(w1), 1998(w2), 2001-2018
Expectations for financial situation	Will the next twelve months be better when it comes to your financial situation of your household?	(1) better (0) not better	1991(w2), 1993(w2), 1996-2018[2]
Expectations for life in general	Will the next twelve months be better when it comes to your life in general?	(1) better (0) not better	1996-2018[2]
Expectations for job situation	Will the next twelve months be better when it comes to your personal job situation?	(1) better (0) not better	1996-2018[2]
Satisfied with life	On the whole, are you satisfied, fairly satisfied, not very satisfied, or not at all satisfied with the life you lead?	(1) fairly satisfied or very satisfied (0) not very satisfied or not at all satisfied	1991-1995(w1), 1998(w1), 1999(w2)-2002, 2003(w2), 2004(w2), 2005-2018
Trust in National Government	For the following institutions, please tell me if you tend to trust it or not to trust it	(1) tend to trust (0) tend not to trust	1997(w2), 1999(w1), 2001-2002(w1), 2003-2018
Trust in European Union	For the following institutions, please tell me if you tend to trust it or not to trust it	(1) tend to trust (0) tend not to trust	1997(w2), 1999(w1), 2001-2002(w1), 2003-2018
Satisfied with country's democracy	On the whole are you satisfied, fairly satisfied, not very satisfied, or not at all satisfied with the way democracy works (in your country)?	(1) fairly satisfied or very satisfied (0) not very satisfied or not at all satisfied	1991-1995(w1), 1997-2007, 2009-2018[3]
Major country's concern:	What do you think are the two most important issues facing (our country) in the moment?		

Crime		(1) mentioned (0) not mentioned	2003-2018
Economy		(1) mentioned (0) not mentioned	2003-2018
Inflation		(1) mentioned (0) not mentioned	2003-2018
Taxation		(1) mentioned (0) not mentioned	2003-2018
Unemployment		(1) mentioned (0) not mentioned	2003-2018
Terrorism		(1) mentioned (0) not mentioned	2003-2018
Migration		(1) mentioned (0) not mentioned	2003-2018
Pensions		(1) mentioned (0) not mentioned	2003-2018
Satisfied with democracy in the EU	On the whole are you satisfied, fairly satisfied, not very satisfied, or not at all satisfied with the way democracy works in the European Community?	(1) fairly satisfied or very satisfied (0) not very satisfied or not at all satisfied	1993-1995(w1), 1997-2007, 2009-2018[3]
Positive image for the EU	In general, does the EU conjure up for you a positive or negative image?	(1) positive (0) negative	2000-2018[4]
Trust in:	Please tell me if you tend to trust or tend not to trust these European institutions:		
European Commission		(1) tend to trust (0) tend not to trust	1999-2018[5]
European Parliament		(1) tend to trust (0) tend not to trust	1999-2018[5]
European Central Bank		(1) tend to trust (0) tend not to trust	1999-2018[5]
My voice counts in the EU	Do you tend to agree or tend to disagree with the statement "My voice counts in EU"?	(1) tend to agree (0) tend not to agree	2004-2018[6]
In favor of Euro	Please tell me whether you are for or against the statement: A European Monetary Union with one single currency, the Euro?	(1) in favor (0) against	1991-2018[7]

Notes: The latest data refers to the first wave (w1) in 2018. [1] Question is included in the following waves: 1991-2011(w1), 2012(w1), 2013(w1), 2014-2018, where 2012(w1) and 2013(w1) correspond to special Eurobarometer. [2] Question is not included in the first waves (w1) from 1996 to 2003 and in the 2015(w1). [3] Time period 1997-2007 refers to the following waves: 1997(w2), 1998(w1), 1999-2000, 2001(w1), 2002(w2), 2003-2005(w1), 2006(w1), 2007(w2); time period 2009-2018 refers to the following waves: 2009(w2), 2010(w1), 2011(w2), 2012-2014, 2015(w2)-2018. [4] Excluding 2000(w2) and 2001(w2). [5] Excluding 2015(w1). [6] Excluding 2006(w2), 2009(w2). [7] Excluding 1995(w2), 1996(w1), 1997(w1).

6 Chapter 6. Concluding Remarks

The Dynamics of political competition have changed over the last decades, especially in the European context where new parties and ideological views outside the mainstream have emerged. While an extensive literature has established that political parties respond to shifts in voters' preferences (e.g., Downs, 1957; Somer-Topcu, 2009) the need to look into other factors that have reshaped patterns of party competition and voting behavior in Europe has arisen. The present thesis seeks to provide new insights into the research on the dynamics of European politics. First, Chapters 2 and 3 focus on the behavior of well-established mainstream parties, exploring how prominent factors such as multi-faceted globalization and electorally successful radical right parties have affected mainstream party's policy positions in contemporary European democracies. Then, Chapters 4 and 5 seek to shed light on economic and individual factors that fuel support for non-established political parties and ideologies, focusing on the meso- and micro level of analysis.

Chapter 2 examines the effect of different aspects of globalization, economic, social and political, on mainstream parties' positions, accounting for differences between left- and right-wing mainstream parties. Findings demonstrate that mainstream left and mainstream right parties have converging policy platforms, at least in many issues of globalization. This could leave space for radical parties to maneuver in the political spectrum and express their views against certain dimensions of globalization. As Potrafke (2017) noted the rise of radicals in post-crisis Europe, e.g., in Greece, Hungary, and Italy, can, to some extent, be attributed to the policy convergence of the mainstream parties, which left a large part of the ideological spectrum to be served by the radicals. Although this prediction is beyond the scope of the present thesis, we recognize that the rise and success of radical parties, especially those of the right, is evident in many European democracies, where they have become politically important and thus, they may affect mainstream parties' policy positions.

In Chapter 3, we examine the causality of this relationship through a regression discontinuity design, focusing on the radical right parties that have entered parliaments in many European countries. Overall, the findings suggest that the success of radical right parties does causally affect mainstream parties' overall ideological positions, but the dynamics of radical-mainstream competition differs between left- and right-wing mainstream parties. In contrast to existing findings, our evidence demonstrates that radical right success does not cause shifts towards anti-immigration policy positions, indicating that the radical right is not the driving force behind the adoption of anti-immigration policies by mainstream parties. Overall, the estimated results provide a new perspective on the debate about the rise and electoral success of the radical right and the literature on party competition.

Then, Chapter 4 deals with another prominent phenomenon, the rise of populist parties across Europe, examining the determinants that have boosted voting support for such parties. Focusing on the meso-level, the empirical analysis produces suggestive results for policy making. More specifically, our findings suggest that higher levels of economic insecurity in a region, as expressed by the regional unemployment rates, lead to an increase in vote shares of left-wing populist parties in that region, and that this effect is more pronounced in countries with a weak, less generous, welfare state. Given that globalization results in greater economic uncertainty, then individuals' risk aversion is expected to rise in the years to come, and thus from a policy perspective, an expansion of the welfare state to meet the demand arising from increased economic uncertainty might be a solution to rising populism. Furthermore, our results suggest that right-wing populism is not fueled by economic factors, but instead appears to be a more complex phenomenon, driven by sociocultural factors and therefore might be outside the scope of economic policy-makers.

Finally, in Chapter 5, the research focus turns to the micro-level, exploring the profile of individuals who hold a radical left and those who hold a radical right ideology. Using a

supervised machine learning approach, we provide a detailed descriptive analysis that identifies individuals' characteristics and attitudes that best explain the expression of radical ideologies. In addition, the analysis produces results that underline significant distinctions between the radical left and the radical right ideological self-placement. Overall, we derive important insights in the study of radicalism as expressed at both ends of the ideological spectrum. If we consider the adoption of radical ideologies as an expression of political discontent, then these results are rather suggestive for policy making.

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