

How Economic Integration Affects Party Issue Emphases*

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Abstract

The economic dimension has typically been considered the primary dimension of political party competition. However, parties often rally voters on the basis of non-economic issues. In this paper we argue that integration into global markets and into the European Union (EU) constrains parties' abilities to credibly differentiate themselves on economic issues. Given these constraints, and voters' awareness of them, parties activate other, non-economic issues along which to differentiate themselves and compete. Using data across 49 countries between 1961 and 2010, this study shows that increased economic integration is associated with increased emphasis on non-economic issues during election campaigns. This effect persists over time and remains robust to a number of alternative explanations and modeling strategies. We also explore the proposed causal mechanisms and show that integration is indeed associated with convergence of party positions on economic issues and that all types of parties – not just new and niche parties – respond to integration by politicizing non-economic issues. Finally, we leverage the latest round of EU enlargement to causally identify the effect of integration on party strategies.

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While party competition in modern democracies is usually portrayed in terms of socio-economic conflict, elections are often not about economic interest-based issues. The Finnish 2011 elections were dominated by nationalism and language policy,¹ and the Canadian 2008 elections by green issues (Jones 2008). Religious values and nationalism topped the agenda in the 2005 Polish elections (Millard 2007), and relations with Hungary in the 2010 Slovak elections.² The 2011 Swiss elections were fought over immigration, environmental and energy security, and relations with the European Union (EU) (Mueller and Dardanelli 2013). When are parties, then, more likely to politicize non-economic issues, i.e., concerns beyond the traditional left-right economic interest-based questions?

Throughout this paper, we unveil the role of supranational constraints imposed upon domestic policy spaces in shaping the patterns of party competition. In particular, we build on the existing arguments that globalization and Europeanization have (1) constrained the choices over economic policies that governments (and parties) can make (Garrett and Mitchell 2001; Huber and Stephens 2001; Milner and Judkins 2004) and, as a consequence, (2) voters are less likely to base their decisions on economic policies (Hellwig 2001, 2008, 2014a, 2014b; Hellwig and Samuels 2007; see also Lobo and Lewis-Beck 2012). Given this, we argue that economic integration forces parties to politicize non-economic issues that politicians have more control over and that are more likely to draw voter attention. We test the theoretical predictions from our *strategic politicization hypothesis* with a times-series cross sectional (TSCS) dataset covering political parties in 49 countries from 1961 to 2010. We find, in accord with our expectations, that when economic integration deepens (either in terms of increased economic globalization or European integration), parties are more likely to politicize non-economic issues in their electoral campaigns. The effect persists over time and remains robust to a number of alternative explanations and modeling techniques. We further show that this effect holds for all parties, not just new and niche (sometimes called “new politics”) parties, and it is likely to emerge because integration is associated with convergence

¹ Staalsen, Atle. 2011. “Languages top election issue in Finland.” *Barents Observer*, April 14.

² Batora, Josef. 2010. “Hungary is the main issue in the Slovakian election.” *Toute l’Europe*, November 6.

of party positions on the economic position as suggested by our theory. Finally, in order to causally identify the effect of integration on the politicization of non-economic issues, we leverage the latest round of EU enlargement with a difference-in-differences estimation strategy. We find that EU accession increased the share of non-economic issues in party manifestos by 8-10 percentage points. In the case of a hundred page manifesto, this means that about ten pages spent on economic issues before the accession were repurposed for non-economic issues after the accession.

The results of this study contribute to the literature on the effects of international economic integration on domestic politics (see Kayser 2007 for a review) by showing how it affects party competition. This complements the existing studies that have explored whether globalization affects party position-taking (including the convergence or divergence of party positions) or cleavage structures in mostly West European democracies (Adams, Haupt and Stoll 2009; Burgoon 2012; Haupt 2010; Kriesi et al. 2008; 2012; Milner and Judkins 2004; Steiner and Martin 2012; Ward, Ezrow and Dorussen 2011). We complement this literature by showing that globalization has the potential to affect not just parties' economic policies, but also to completely reshape the nature of the party competition by shifting the focus from economic interest-based to non-economic (including value-based and cultural) issues.

Our research relates to, but is distinctly different from studies that examine the emergence of European and/or global integration versus national demarcation as a potent political issue (Kriesi et al. 2008; 2012). As Hellwig (2014a, 8) notes, these works do not “examine the influence of economic globalization per se, but instead [use] “globalization” as a summary term to characterize the new set of political issues facing democracies in Western Europe at the end of the twentieth century.” Our goal, on the other hand, is to see how globalization as an exogenous factor affects how much parties emphasize economic vs. other issues in their campaigns. Furthermore, we present a supply side model, in which exogenous factors impact elite actors' strategies, whereas they focus on the demand-side, arguing that the economic consequences of integration affect voters' political preferences by creating new

economic winners and losers. To summarize, our unique contributions include (1) a novel theoretical argument connecting globalization to the salience of non-economic issues, and (2) a systematic empirical test – including causal identification and exploration of causal mechanisms – using decades of data from 49 countries across the world.

Globalization and Party Strategies: A Theory

The primary dimension of party competition in modern democracies is the economic interest-based left-right dimension (Benoit and Laver 2006). It centers on the proper role of state intervention in the economy - social protectionism versus free market liberalism. However, parties also compete on non-economic issues. Sometimes these issues form a clear and coherent second dimension that is based on social values and centers around debates over traditional morality and minority rights (Tavits and Letki 2014; Tavits and Potter 2014). But the non-economic issues can also include a broader set of concerns (that do not necessarily fall under a coherent dimension) including environmental protection, political corruption, law and order, nationalism, foreign relations, national defense, military interventions, etc. In fact, while the economic dimension is relatively uniform across countries, the particular non-economic issues that emerge in different countries (or even in different elections within the same country) can vary significantly (Benoit and Laver 2006; Marks et al. 2006; Rohrschneider and Whitefield 2012). Our goal here is to understand why party competition sometimes shifts from this primary dimension to non-economic concerns. Why do election campaigns sometimes focus on values, minority rights, nationalism, environmental protection and the like, and other times not?³

Our central argument is that globalization and economic integration significantly increase parties' incentives to focus on non-economic issues in their campaigns. We start with the theoretical notion that globalization and economic integration have constrained domestic parties' ability to significantly alter economic policy. This, in turn, affects the range of

³ To be clear, we do not treat issue emphasis as a zero-sum game. That is, *increased* emphasis on non-economic issues does not presume *decreased* emphasis on economic issues. We are interested in understanding the fluctuation in the salience of non-economic issues rather than the relative emphasis on economic vs. non-economic issues.

economic policy positions that parties can credibly offer to voters and thereby undermines parties' ability to effectively differentiate themselves to the electorate on the economic dimension. At the same time, globalization has also altered the way voters evaluate macroeconomic outcomes and reduced the salience of economic interests in voters' decisions. Both of these developments limit the number of votes that can be won along the traditional dimension, and generate pressures for parties to shift competition to a new issue domain in order to (a) better differentiate themselves from their competitors and (b) capitalize on the non-economic concerns that now drive voter decisions. In sum, we expect the salience of non-economic issues in party competition to increase as a result of increased economic integration. In what follows, we present our argument in greater detail.

Globalization restricts economic policy choices

Globalization is defined as “the integration of national economies into an international one” (Milner and Judkins 2004, 100). The question of whether economic integration significantly constrains governments' room to maneuver in macroeconomic policy areas has been a heated debate among political scientists (see Burgoon 2012, Haupt 2010, Kriesi et al. 2012, and Ward et al. 2011 for reviews). Still, there seems to be a general agreement that (a) economic integration and the resulting increased factor mobility has switched the balance of power between the state and the market in favor of the latter (Strange 1996), and (b) by participating in the global economy, national governments have increasingly lost control over traditional levers of macroeconomic policy (Hellwig 2008, 2014a; Milner and Judkins 2004; see also Ward et al. 2011 for a review). For example, research shows that globalization has significantly constrained both corporate and income tax policy choices (Ganghof 2006; Plümper, Troeger and Winner 2009) and governments' use of regulatory policies (Wilson and Wildasin 2004). Such “loss of control” is particularly explicit in the context of European integration (often referred to as an “intense case of globalization” (Haupt 2010; McNamara 2003; Notermans 2001; Scharpf 2002)). As the European Union has evolved from a steel and coal community to a common market and currency union, more and more policy decisions

are being made in Brussels rather than in parliaments around Europe.

Both the “neo-liberal pressures of open economy” (Haupt 2010, 7) and the constraints set by supranational bodies such as the EU (but also the IMF, OECD, the World Bank, etc.) are further argued to lead to the convergence of party positions on the economic dimension (Huber and Stephens 2001; Steiner and Martin 2012). As Ward et al. (2011, 509) report, politicians themselves have argued “that globalization constrains their policy options.” The effect of the legal constraints on restricting the set of economic policy offerings available to parties is clear and straightforward: if a supranational body sets the policy, parties are no longer free to offer alternatives to that policy. The pressures of open economy, on the other hand, can lead to party convergence in two different ways. First, globalization can motivate parties to converge on neo-liberal ideological positions because of pressures to adopt capital-friendly and deregulatory policies in order to remain competitive (Milner and Judkins 2004; see also Adams et al. 2009; Burgoon 2012; Haupt 2010 for summaries of this argument). Alternatively, others argue that globalization actually increases demand for welfare state policies in order to compensate voters for increasing risks generated by open markets (see Burgoon 2012 for a review). The prediction here is still convergence, but on a leftist rather than rightist position. For the purposes of our argument, the direction of the convergence does not really matter. What matters is the pressure to converge and the restrictions it sets on parties’ ability to differentiate themselves from – and effectively compete against – their rivals on economic issues.

Some studies have also proposed, however, that economic integration pushes parties farther apart on the economic dimension, thereby implying an increased, not decreased salience of this issue dimension in the context of globalization (Garrett and Mitchell 2001; Swank 2002). Polarization is argued to result because economic integration is likely to create “winners” and “losers” whose political preferences become increasingly different. The latter demand more redistribution while the former prefer the opposite (Burgoon 2012; Steiner and Martin 2012). This, in turn, prompts parties to offer increasingly divergent policy choices

to voters on the economic dimension.

While the convergence/divergence debate is not settled, recent empirical evidence is slightly more in favor of the convergence hypothesis. Steiner and Martin (2012) show convincingly that party polarization on economic issues is lower the more integrated the economy, and they also review additional empirical evidence that leads to a similar conclusion. The evidence in favor of convergence is even more compelling with regard to European integration. Mair (2000) was one of the first to notice the effect of increasing Europeanization on parties, arguing that integration constrains the freedom of movement of national governments, and that this was in effect hollowing out competition among parties with any governmental ambitions. Nanou and Dorussen (2013) provide robust evidence for the convergence hypothesis on the economic dimension: they find that party positions diverge less in EU members, and that the convergence effect occurs in left, right, mainstream, and fringe parties.

To summarize, compelling arguments and evidence suggests that globalization (and Europeanization) restrict the set of policy offerings that parties can choose from on the economic dimension. This, in turn, makes it difficult for parties to distinguish themselves from their rivals and compete effectively on this policy dimension. To be clear, we do not deny that there may still be important differences between parties on economic issues, and we do not argue that the economic dimension should or will disappear entirely. We are simply arguing that there are strong reasons to believe that globalization constrains parties policy choices on the economic dimension, which motivates them to pursue other vote-getting strategies.

Globalization alters voter decision-making

In addition to restricting party policy choices on the economic dimension, globalization also affects voter behavior in ways that are likely to encourage parties to de-emphasize economic policies in their platforms and find alternative ways to attract voters. This argument builds on the work of Timothy Hellwig, who has shown that, in the context of globalization, voters are less likely to be mobilized on the basis of economic policy (Hellwig 2008, 2014a; 2014b; Hellwig and Samuels 2007). He argues that globalization's constraints on governments' room

to maneuver significantly alter voters' perceptions and evaluations about parties, and the policy areas that voters evaluate when casting their vote. These constraints lead voters to question the credibility of government control over macroeconomic policies. Accordingly, he finds that voters reduce the salience of economic policy in their decision making process. Lobo and Lewis-Beck (2012) describe a similar dynamic with regard to European integration, and Kriesi et al. (2008) argue that globalization has decreased the salience of the class-cleavage at the voter level.

This voter-level dynamic provides additional, if not alternative, incentives for parties to refocus their campaigns by putting less emphasis on the economic dimension. That is, even if one remains skeptical about the convergence hypothesis laid out above, the changing voter behavior described by Hellwig may in itself be sufficient to motivate changes in party issue emphasis. There is simply very little payoff to investing scarce campaign resources in promoting party positions on issues that are not likely to affect voter decisions. Other research further suggests that economic integration, and the inability of national policy makers to influence economic outcomes, is likely to discourage people from turning out to vote altogether (Steiner 2010; Steiner and Martin 2012). This, again, implies that investing in economic policy-based campaigning in the context of globalization may hurt rather than help parties.

Parties strategically politicize non-economic issues

Because economic integration pushes parties to be increasingly similar in terms of their economic policy offerings, and pushes voters to either ignore economic considerations in their vote choice or stay at home altogether, we argue that a potentially viable survival strategy for parties is to politicize non-economic issues. The strategy of shifting competition to a new issue domain allows parties to better distinguish themselves from each other and thereby avoid losing voters to indifference.⁴ This strategy is rational also because, as Hellwig

⁴ Note that this strategy is somewhat similar to what Miller and Schofield (2003) call the “flanking moves” when explaining the evolution of party competition in the U.S. These are moves that parties can pursue in order to attract disaffected voters and that result in shifts in emphasis from one issue domain to another.

(2008, 2014a) suggests, voters are increasingly likely to consider non-economic issues when evaluating parties as economic integration deepens.⁵ Furthermore, parties can credibly claim to still have control over these issues even in the context of globalization.

Finally, politicizing non-economic issues is a strategy that is available not only to certain types of parties, but one that a variety of parties can take advantage of. The diversity of non-economic issues potentially available to be politicized guarantees that parties of different stripes are able to find some issues that best highlight their strengths and over which they can claim “issue ownership” (Budge et al. 2001; Petrocik 1996). For example, while conservative and Christian Democratic parties may find it beneficial to emphasize moral issues, other rightist parties can focus on nationalism or immigration, and leftist parties on environmental protection, multiculturalism, or the opposing sides of the non-economic issues emphasized by the Right. The overall effect of this party strategy at the level of the party system is that competition becomes increasingly focused on non-economic issues as economic integration increases. To clarify, we do not argue that globalization *forces* parties to change their campaigns. Instead, we argue that globalization merely *increases parties incentives* to talk about non-economic issues. Parties may respond differently to the constraints of globalization, but the universal applicability of the strategy we outlined here implies that whatever other strategies specific (types of) parties may pursue, it is this strategy that is likely to have the most significant effect on party competition at the system level - an outcome of interest here.

So far, our argument focuses on the (strategic) behavior of existing parties. If we focus on the nature of campaigns on the aggregate party system level, a parallel dynamic can be at play that further contributes to an increase in the politicization of non-economic issues.

⁵ Alternatively, it is also possible that voter evaluations are becoming increasingly based on valence issues - party competence and leader charisma - as the salience of economic evaluations decreases (see Abney et al. 2013; Clarke et al. 2004). At the level of parties and party systems, this implies that the constraint on parties’ ability to compete on economic issues resulting from globalization does not necessarily prompt them to politicize non-economic issues instead. This expectation is not borne out by our data. Parties can focus on valence in combination with (rather than instead of) competing on non-economic issues. We leave a close examination of this possibility for future studies.

Specifically, economic integration and the corresponding convergence of the economic policy positions of existing parties together with the reduced voter attention to the economic issues, can encourage new, niche parties to emerge. Literature on new party entry has frequently highlighted the relevance of “available issues” or the “slack in the issue agenda available for parties with which to construct viable identities or niches” (Lowery et al. 2013, 382) in determining entry decisions (Hug 2001). Because of the convergence and shifting voter attention, economic integration brings about just such slack: it provides an opportunity for new parties to enter by politicizing a non-economic issue.

Furthermore, while existing parties certainly can increase the emphasis they put on non-economic issues, they may be somewhat constrained in their choices on whether and which non-economic issues they can credibly own. This is especially relevant if, together with increased emphasis, parties also attempt to shift their positions on the non-economic issues. Tavits (2007), for example, shows that parties are punished electorally for changes on “principled” (i.e., non-economic and value-based) issues. New parties are less constrained in that regard. Rather than changing the focus of their campaigns, they simply enter the electoral arena with a new issue and automatically own it. Indeed, we often see new parties emphasizing single, non-economic issues such as nationalism, environmentalism, regionalism, law and order, corruption, and so on. The emergence and success of the green and radical right parties is an obvious example of this dynamic. Their presence in the electoral arena is likely to affect the overall nature of the campaign by increasing the volume of non-economic issues even if the emphasis of the existing mainstream party policies does not change (Kriesi et al. 2008). This argument, however, is not limited to the green and radical right parties. New parties of all sorts tend to campaign more on non-economic issues. To bring a few examples, Alternative for Germany, launched in 2013, campaigned on an anti-EU platform; the Pirate Party of Iceland, created in 2012 (and which immediately gained seats in parliament), stands for direct democracy and freedom of information; the Freedom and Solidarity party of Slovakia (created in 2009) campaigned on an anti-corruption platform; several re-

cently emerged parties in Spain run on regionalism and separatism. The platforms of all of these parties contribute toward the overall heightened emphasis on non-economic issues in respective elections.

To summarize, we propose that economic integration constrains parties' ability to offer distinct policies and attract votes based on economic issues. This incentivizes them to politicize non-economic issues. It also incentivizes new parties to emerge and compete on non-economic issues. The end result of these parallel dynamics is that the more integrated the economy, the more the party competition in any given election is based on non-economic policies.⁶

Data and Measures

At the country-level, our theory leads to the following hypothesis: the more integrated the economy, the more *party competition* is based on non-economic issues. We start by testing this hypothesis using country-election level of analysis. We then explore the causal mechanisms by analyzing whether globalization (1) is associated with party convergence on economic issues, and (2) affects the issue emphasis of all parties and not just certain types (e.g., new and niche) parties. Finally, we estimate the causal effect of integration on issue emphasis by leveraging the EU enlargement and difference-in-differences analysis.

Our study includes data from 49 countries from 1961 to 2010.⁷ Our data covers Western

⁶ We have provided two plausible mechanisms for how and why globalization affects party issue emphasis. From Kriesi et al. (2008), one can derive yet another one. In accordance with our expectations, these authors report that in four of the six West European countries that they study, a non-economic "cultural" cleavage is now the dominant one. Their argument is more nuanced, but they stress that the driving force of the political transformations that they describe is the emergence and behavior of the radical right, whose messages are increasingly appealing to the "losers" of globalization. As described above, we acknowledge the role of radical right and other niche parties. However, our theoretical argument suggests and empirical evidence demonstrates that these parties are not the main drivers of our results. Furthermore, Kriesi et al. (2008) are describing a long-term phenomenon of cleavage change, while our argument implies and our difference-in-differences analysis demonstrates a much more dynamic and immediate effect of economic integration on the issue emphasis of all types of parties.

⁷ The full list of countries includes: Albania, Armenia, Australia, Austria, Azerbaijan, Belarus, Belgium, Bosnia-Herzegovina, Bulgaria, Canada, Croatia, the Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Great Britain, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, South Korea, Latvia, Lithuania, Luxembourg, Macedonia, Mexico, Moldova, the Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Russia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, and the United States.

Europe, North America, Israel, Turkey, Australia, Japan, and New Zealand for the entire time period, as well as most of the Central and Eastern European (CEE) countries, and South Korea, after their transitions to democracy. This sample is based on the Comparative Manifesto Project (CMP) data (Volkens et al. 2014), which we use to measure our dependent variable as explained below. Understanding the effect of economic integration on party competition is relevant in any democracy, which makes including a wide set of countries - established democracies as well as new and less developed ones - appropriate for our purposes.

Dependent Variable

Our dependent variable - *Politicization of non-economic issues* - requires measuring the extent to which party competition in a given election emphasizes non-economic issues. The CMP allows us to measure this idea with its coding of party election platforms. As the authors note, “the *main* information” obtained from their data is “the relative emphasis parties give to the different messages they wish to transmit to electors” (Klingemann et al., 2006, 116). This makes the CMP data uniquely suitable for our purposes.⁸

The CMP database counts, for each party in each election, the proportion of rhetoric devoted to fine-grained political issues.⁹ Specifically, it introduces a method of splitting the manifestos into statements (‘quasi-sentences’), and allocating them to particular issue categories. Then, the percentages of quasi-sentences devoted by a party to each issue category from the total quasi-sentences in a manifesto are calculated. The CMP dataset divides issues into 56 categories, further grouped into seven major policy areas.

⁸ Unfortunately, we were unable to use data about salience of different issues from expert surveys because these data are limited to a few countries and a couple of recent years only.

⁹ Use of the CMP dataset is not without some controversy. A number of criticisms have been raised, including the lack of uncertainty measures (Benoit, Laver and Mikhaylov 2009), coder subjectivity (Laver and Garry 2000), the lack of a way to account for neutral positions on issues, the skewing of left-right positioning (McDonald and Mendes 2001), and inadequate scaling techniques (Lowe et al. 2011). While numerous replication and validation studies have indicated that CMP performs quite well against other accepted methods such as expert surveys and that it adequately reflects real-world observation of party positions (Volkens 2007), we are able to sidestep most of these concerns as we are not interested in the dataset’s ability to place parties in left-right positions. Rather, our focus is on issue emphasis, which is the original and primary purpose of the CMP dataset, leaving the analysis presented here immune to most, if not all, of the significant criticisms of the CMP measure. Additionally, the CMP is the most comprehensive database with the best coverage across cases and years and remains widely utilized by scholars of comparative political parties.

Among those 56 categories, we identify 34 of them as unrelated to economic policy.¹⁰ We determined that any categories explicitly mentioning economics, government intervention in the economy, or social groups defined in economic terms constitute economic policy categories. All other categories are coded as non-economic; they include issues such as nationalism, foreign policy, minority groups in society, European integration, and education.¹¹ After identifying our non-economic categories, we created a non-economic percentage variable for each observation in the CMP data.¹² We then aggregated non-economic percentages by election.¹³

The resulting variable, *Politicization of non-economic issues*, gives the percentage of manifestos dedicated to non-economic issues in each of the elections covered by the CMP data. SI section 2 presents descriptive statistics for all variables included in our study. As Table SI.2 indicates, not only is there substantial variation in this variable, but also, parties put a non-trivial amount of emphasis on non-economic issues.

Independent Variables

We rely on two different indicators to capture economic integration at the global and European level.¹⁴

¹⁰ The CMP data also includes a series of subcategories specifically designed to capture issues unique to the CEE countries. We created an alternative measure of non-economic politicization accounting for these subcategories. Using this alternative non-economic variable with the CEE subcategories does not change our results.

¹¹ A complete list of the categories coded as non-economic can be found in the Supplementary Information (SI) section 1.

¹² As we explained in footnote 3, our theory does not claim that an increase of non-economic issue emphasis necessarily implies a decrease of economic issue emphasis. Regarding manifestos in particular, there are two ways in which one need not imply the other. First, manifestos do not have a set length. Parties can extend the length of their manifesto to accommodate increased emphasis on one set of issues. Our main results are robust to controlling for manifesto length. Second, parties' manifestos are not solely dedicated to economic and non-economic issues; un-codable quasi-sentences often make up a sizeable portion of a manifesto. Parties can reduce these non-issue quasi-sentences in their manifestos in order to politicize non-economic issues while keeping their politicization of economic issues constant. Still, as a robustness test, we created a version of the dependent variable measuring the emphasis parties put on non-economic issues *relative* to economic issues. We re-ran our main models using this variable as the outcome and controlled for manifesto length, to account for the possibility that rather than removing emphasis from economic issues, parties simply extend the length of their manifestos to put emphasis on non-economic issues. The substantive results of these analyses are similar to the ones presented here.

¹³ The results are substantively similar if each party's emphasis score is weighted by their vote share.

¹⁴As a robustness test, we also used a third, very crude measure of globalization – trade. This measure is the sum of imports and exports as a percentage of GDP. We used two alternative data sources: (1) the

Economic globalization is measured using the economic globalization sub-index of the KOF Globalization Index (Dreher et al. 2008). The index was constructed by performing a principal component analysis on several indicators of economic globalization, including those measuring (a) actual trade and investment levels, and (b) legal restrictions to trade and investment. The KOF indices' thorough conceptualization of globalization as well as the breadth of information included in the measure has led to its wide use in the literature (Burgoon 2012; Lupu and Pontusson 2011; Ward, Ezrow and Dorussen 2011).¹⁵

European integration is measured with information about the EU's competency from Börzel (2005). Relying on the information from the different treaties of the EU,¹⁶ Börzel measures the degree of EU authority over 18 different policy areas in four main categories: external relations, justice and home affairs, socio-cultural affairs, and economic affairs. Each of the 18 policy areas receives two scores per treaty era: a level score, which measures the breadth of the EU's authority, and a scope score, which measures how policy making authority is split between national and European authorities. We used the EU competency in economic affairs and performed principal component analysis to create a measure (principal component score) of the extent of European economic integration in any country at any given election year. Note that this variable is slower-moving and has less variation over time than the other globalization measure. There are essentially only six possible values this variable can take: the non-EU score of "0," which applies to about 60% of observations in our main model, and a score for each of the five treaty eras. All observations of EU member states since 2003 or since accession (whichever comes later) take the highest possible score; 42 observations fall into this category. For these reasons we face an uphill battle for finding

World Bank's World Development Indicators (WDI) database, and (2) the Penn World Tables. Our results remain substantively similar when these trade measures are used as indicators of globalization.

¹⁵ In addition to economic globalization, KOF also produces measures for social and political globalization. The overall "KOF Globalization Index" sums economic, social, and political globalization with different weights (36% to economic, 37% to social, and 26% to political). We also ran models with this variable in place of the KOF economic globalization index; this did not change our results.

¹⁶ These include the Treaty of Rome (1958-1986), the Single European Act (1987-1992), the Treaty of Maastricht (1993-1998), the Amsterdam Treaty (1999-2002), and the Treaty of Nice (2003-2010).

a significant relationship and this offers a “difficult test” of our relationship.¹⁷

We also include a number of control variables to account for possible confounding effects. These include *Income inequality*, *Ethnic fractionalization*, *Religiosity*, *Effective number of electoral parties (ENEP)*, *Economic growth*, *Population*, and *Advanced democracies*. We discuss the rationale for including each of these variables and their measurement in SI.2. One possible alternative explanation merits further attention. The sizable literature inspired by the post-materialist thesis (Inglehart 1990) proposes that economic and security situations in citizens’ formative years impact their values, which in turn, impact the issues citizens care about when voting. The relevant implication of this argument for our theory is that parties might be changing the issues they emphasize in elections due to increased (or decreased) relevance of post-materialist values to citizens. However, a large literature has also questioned Inglehart’s findings both on theoretical and empirical grounds (Clarke and Dutt 1991; Davis and Davenport 1999). One of the main criticisms is that the standard measure of post-materialism seems to shift based on current conditions, meaning that it is at best measuring both citizens’ values and their view of the current economic, political, and security situation in their country. Given this, the relationship between post-materialism and issue emphasis is unclear: changes in current conditions maybe be driving both (measured) post-materialism and parties’ strategic issue emphasis, parties’ strategic issue emphasis may be driving citizens’ reported levels of post-materialism, or increased post-materialism may cause parties to emphasize new issues. Thus, while it is possible that post-materialism is causing issue emphasis change, it is not currently something that can convincingly be tested. In contrast, our theory focuses on globalization’s effect on parties’ strategic choices. Our explanation does not suffer from the same direction of causation problem because there is no plausible story that parties’ electoral strategies are causing globalization. Furthermore, we specifically test the *causal* effect of globalization later in the paper. This test allows us to

¹⁷ We also considered three other measures of European integration. One was a factor based on all 18 of Börzel’s competency areas; another was based on Hooghe and Marks (2001) measures of European Community/Union competency; and the third one on scoring of EU competency provided by Jolly (2006). Our main results are robust regardless of the measure used.

rule out possible confounders, such as post-materialism. We also account for some aspects of post-materialism by controlling for level of democracy and economic performance (see SI.2) in our main cross-national analysis.

Modeling

Our data are set up as country-election year panels. The time-series cross-sectional nature of the data makes the use of ordinary least squares regression problematic. Furthermore, our panels are unbalanced and dominated by cross-sectional units: there are 49 groups with an average of 8 observations per group. Due to the natural hierarchies in the data, we choose to employ linear multilevel model, which allows us to explicitly model random intercepts at the level of the country. While the intercept term in traditional linear regression represents the underlying value taken by the dependent variable when all explanatory variables are held at zero, the random intercepts in our model indicate that - for any given country - there are different baseline propensities that modify this traditional observation-level intercept. This method separates random error into a within-country and across-country component and allows accounting for unobserved heterogeneity across countries induced by unmeasured country-level factors.¹⁸

Note that the coefficients retrieved from a random intercept model represent a combined within-country and cross-country effect. Our theory, indeed, implies that the effect should work on both levels: non-economic issues are more likely to be politicized (1) in more integrated than in less integrated countries, and (2) within the same country when integration deepens. Formally, this multilevel linear model with random intercepts can be specified as follows:

¹⁸ The linear multilevel model with random intercepts is similar to a linear random effects model. We also ran alternative models with country-level fixed effects, which returned substantively similar results and are presented in SI.3. The results also remain unchanged if we cluster standard errors by country to account for heteroskedasticity. Finally, SI.3 also presents the results of ordinary least squares models with a lagged dependent variable to account for potential time dependence within panels. Note that such modeling is similar to fixed effects in that it implies that the coefficient for our independent variable represents solely within-country effects.

$$\textit{Politicization of non-economic issues}_{ct} = \gamma_c + \beta \textit{Economic integration}_{ct} + [\textit{controls}]_{ct} + \epsilon_{ct}$$

where c indexes countries, t indexes elections, and γ_c refers to country-level random intercepts across which we will retrieve measures of variance σ_c , *Economic integration* is one of our two independent variables, *controls* is our set of control variables, and ϵ_{ct} represents the error term.

Results and Interpretation

Table 1 presents the estimates of two different multilevel random intercept models: one for each of our two different measures of economic integration. Table 1 also reports measures of variance at each level in the model. These results provide confirmatory evidence in support of our hypothesis. In both models, the coefficient on our measures of economic integration is statistically significant and has a positive relationship with our dependent variable, *Politicization of non-economic issues*.

In order to get a better sense of the substantive effect of these findings, we now consider the effects of changes in our key explanatory variables on the expected percentage of manifestos dedicated to non-economic issues while holding all other variables at their means or modes. Increasing the level of *Economic globalization* from one standard deviation (SD) below to one SD above the mean is associated with about a six percentage point increase in the share of non-economic issues in party manifestos. This is a substantively interesting effect size, as it represents a substantial shift in a country's political discourse. The case of Austria corresponds well with this scenario. The country had a globalization score around a standard deviation below the mean in 1970. This had increased to a standard deviation above the mean by about 2000. Our data confirms that political discourse in the country changes in tandem with this sharp increase in economic globalization. We see that the share of party manifestos devoted to non-economic issues in Austria rises from 49% in 1970 to 61% in 2002. One could argue that the rise of the Green Party and the Freedom Party of Austria (FPÖ) over this period, rather than the change in political discourse of mainstream parties, account for the increase in the share of non-economic issues. Admittedly, the Austrian Green

Party has continued to increase its vote share since they first entered the National Council in 1986. Also, the vote share of FPÖ grew from 5.5% in 1970 to 10% in 2002. However, mainstream parties also exhibit increasing trends in emphasis on non-economic issues. For example, the share of non-economic issues in the manifesto of the Social Democratic Party (SPÖ) increased from 40% to 61% from 1970 to 2002 and that of the Austrian People's Party (ÖVP) increased by about 11 percentage points over the same period.

As for the effect of Europeanization, for countries not in the EU, we expect 56% of political discourse to be focused on non-economic issues. Increasing integration to the level of the Single European Act era, the expected percentage of manifesto statements dedicated to non-economic issues is about 60; at the highest level of integration, equivalent to the Nice Treaty era, this increases to about 62%.¹⁹ A different way to get at the substantive effect of European integration is to look at the predictions for the ten countries that joined the EU in the Nice Treaty era before and after accession (i.e., from no integration to the highest level of integration). To do so, we estimated two distributions of expected level of non-economic politicization for the countries that joined the EU in 2004 in their first election after joining the EU: one where the EU integration variable is set to the post-accession (i.e., Nice era) value, and another where it is kept at the pre-accession (i.e., minimum) level. The results of this simulation are displayed in Figure 1. We see that the mean expectation for the Nice treaty distribution is about 5 percentage points higher than the non-EU distribution. Note also that the median level of non-economic politicization under the Nice treaty is about 58% (versus 53% before the EU membership). This indicates that after the EU accession, non-economic issues are taking up a sizable majority of parties' attention in the countries that joined. Altogether, this simulation lends further credence to our claim that European integration has altered party competition among its member states.

In sum, we see a similar pattern across two different measures of economic integration:

¹⁹ Note that our list of non-economic issues includes two items on "European Community." Including these items in the measure of the dependent variable does not drive the results: the effect of *European integration* remains positive and statistically significant if these EU-related items are excluded from the measure of the dependent variable.

a standard deviation increase or decrease in globalization is associated with about a two to three percentage point change in the amount of manifesto space dedicated to non-economic issues. Given that countries can often experience changes in their level of globalization that span more than two standard deviations on our globalization measure, this suggests that the substantive effect of globalization on issue saliency could be as high as seven percentage points. Considering how crowded the political agenda is in modern democracies, this is a quite large effect. The reported results are also remarkably robust. As we have described in footnotes throughout the text and in SI.2 and SI.3, we performed dozens of alternative analyses using different modeling techniques and different measures of the dependent and independent variables, all of which confirmed the significant effect of economic integration on politicization of non-economic issues.

Notice that the coefficient for *Advanced democracies*, though positive, is statistically insignificant in both of our models (in Table 1). As we discussed above, the level of democracy most likely captures not only the level of development but also (together with economic performance, see SI.2) the level of post-materialism, i.e., the extent to which individual values center on post-materialist issues of self-expression and autonomy as opposed to the material issues of physical and economic security (Inglehart 1990). The fact that the hypothesized effect of economic integration produces a statistically and substantively significant coefficient in the presence of this powerful control variable, speaks to the notable importance of integration on affecting party competition. This finding is also in line with the suggestion by Kriesi et al. (2012) that the effect of globalization on party competition is distinct from that of post-materialism.²⁰

Testing the Mechanism

We now turn to testing two steps in our causal mechanism more directly. We explore whether globalization leads to party convergence on economic issues, and whether all parties are compelled to respond to globalization by increasing their focus on non-economic issues.

²⁰ We also explored long-term effects of economic integration on the nature of the party competition. The details of these analyses are presented in SI.4.

Convergence on economic issues

We argued that the reason why parties start emphasizing non-economic issues when economic integration increases is that integration constrains economic policy choices. We can directly test this argument by looking at the extent of convergence of party positions on economic issues. We use the Lowe et al. (2011) logit scale method to estimate party positions on economic issues from CMP data (as identified in SI.1) and apply Lachat's (2008) formula to create a measure of *Polarization on economic issues*.²¹ The larger the values of this variable, the more polarized the party positions on economic issues. We use this indicator as the dependent variable and leave the rest of the modeling strategies, including the control variables, intact. The results of these analyses are presented in the last two columns of Table 1. We see that the coefficients on both *Economic globalization* and *European integration* are negative and highly statistically significant. The more integrated the economy, the *less* polarized the party positions on economic issues, as predicted. To put this finding in context, our estimates suggest that a change from an SD below to an SD above the mean of globalization is associated with a 0.95 point decrease in polarization, a change equivalent to about two-thirds of an SD in the distribution of our polarization measure. Such a change is substantively meaningful, and can be thought of as roughly equivalent to an extreme left party adopting exactly the same economic position as a center-left party. This finding is similar to that of Steiner and Martin (2012) and suggests that as integration deepens, the economic platforms of different parties indeed start to look very much alike. Such convergence is a natural consequence of the constraints that globalization sets for parties in terms of credible economic policy positions. The room to maneuver on this primary dimension clearly becomes limited as economies integrate.

²¹ Our measure of parties' left-right positions on economic issues is calculated as the logged ratio of the sum of party manifesto shares devoted to issues typically favored by the right to the sum of shares devoted to issues favored by the left. Using the logit scale method for estimating party positions ensures that left-right positions on the economic dimension are not driven by the saliency of the economic dimension, as would occur if we simply subtracted the sum of leftist issue share from the sum of rightist issue share. Complete lists of the issue categories are presented in the SI.1.

Party-level analysis

Our analysis has so far concentrated on the level of party systems. We argued that the system-level effects that we have uncovered are the result of two possible dynamics at the party level. Specifically, economic integration may be related to the politicization of non-economic issues because (1) the existing parties start emphasizing these issues in response to integration, and/or (2) because integration incentivizes the emergence of new and niche parties, i.e., those parties whose platforms are primarily focused on non-economic concerns. We can shed some light on the extent to which either of these mechanisms is at play by looking at the party-level dynamics. By considering the share of their electoral manifesto that each individual party devotes to non-economic issues, we can explore whether integration affects this share for larger, older, mainstream parties. If not, then the emergence of new niche parties must solely account for the aggregate party system level effect uncovered in the previous section.

In order to investigate the party-level effects, we used the CMP dataset and created a party-level measure of *Emphasis on non-economic issues*. This variable adds up the share of each party’s manifesto devoted to each of the 34 non-economic issues listed in SI 1. The independent variables remain the same as in the previous analysis. In order to investigate whether different types of parties respond differently to economic integration, we also included four new party-level variables. *Niche party* is coded based on the “parfam” variable in the CMP dataset, with ecology, communist, nationalist, ethnic and special issue parties coded as “1” and the rest as “0.” *Party age* is the age of the party in years at a given election. For a party’s inaugural election, this variable is coded “0.” *Party size* measures party vote share, and *Incumbent party* is coded as “1” for those parties that held an executive office at the time of a given election. To analyze the party-level data, we use a similar multilevel linear model as in the previous section, except that this time we include random intercepts

not only at the country but also at the party level.²² Formally, this model is specified as follows:

$$\begin{aligned}
 \textit{Emphasis on non-economic}_{pct} = & \gamma_p + \gamma_c + \beta_1 \textit{Economic integration}_{ct} \\
 & + \beta_2 [\textit{Party variable}]_{pct} \\
 & + \beta_3 (\textit{Economic integration} \times [\textit{Party variable}])_{pct} \\
 & + [\textit{controls}]_{pct} + \epsilon_{pct}
 \end{aligned}$$

where p indexes parties, c indexes countries, t indexes elections, γ_p and γ_c are party-level and country-level random intercepts across which we will retrieve measures of variance σ_p and σ_c , respectively, *Economic integration* is one of our two independent variables, [*Party variable*] is a placeholder for each of the four party level variables whose conditional effect we want to explore, *controls* is our set of control variables, and ϵ_{pct} represents the error term.

As a robustness test, we first estimated a set of models with each of the economic integration variables and a full set of original and new (party level) controls. The results of these analyses are presented in Table 2. To briefly summarize, the effect of economic integration remains positive and significant in both models. This indicates that any given party is significantly more likely to emphasize non-economic issues in their manifestos as economic integration deepens.

We further explored whether this effect differs for different types of parties by estimating a series of models with interaction effects between the different measures of economic integration and the party-level controls as specified above. We here present the results using the *Economic globalization* measure to capture integration. The results are very similar when *European integration* is used. We opt for visual rather than numerical presentation of coefficient estimates and marginal effects for easier substantive interpretation. The regression output associated with the following graphs is presented in SI.5.

²² SI.5 reports the results of alternative models, one set with party-level fixed effects and another with LDV.

Figure 2 presents marginal effects plots from four analyses. The plots in the top row indicate the effect of integration on the emphasis of non-economic issues for niche vs. mainstream parties and for incumbent vs. non-incumbent parties. This effect is positive and significant for the mainstream parties, lending credence to our first (and primary) causal mechanism, i.e., that existing parties respond to economic integration by politicizing non-economic issues. Interestingly, the effect is also positive and statistically significant for niche parties. This suggests that even those parties whose campaigns are already less focused on the primary, economic left-right dimension increase their emphasis on the non-economic issues as economic integration deepens. The plot in the top right-hand corner further indicates that economic integration motivates incumbents as well as opposition parties to politicize non-economic issues in their manifestos: the effect is positive and statistically significant for both types of parties.

The plots in the bottom row of Figure 2 indicate how party age and party size condition the effect of economic integration on party strategies. The effect remains positive and statistically significant for parties of practically all ages. Most importantly, again, the effect clearly holds for older parties, which is what our first causal mechanism presumes. The effect is also significant for very young parties, including for parties in their inaugural elections (i.e., when party age is “0”), suggesting – in line with our second mechanism – that new parties, too, contribute to the overall system level effect of non-economic issue politicization. The results for party size are very similar in that parties of different sizes politicize non-economic issues in their manifestos as economic integration deepens.

To summarize, the findings in this section demonstrate that we have uncovered a robust effect that applies across different types of parties. They also lend credence to our proposed causal mechanism that emphasizing non-economic issues is a strategic response by existing as well as new parties to increased levels of economic integration.

Causal Identification: The Effect of EU Enlargement

We have found robust evidence that as economic integration deepens, election campaigns

are increasingly about non-economic issues with different types of parties emphasizing these issues in their programs. However, given that we use observational data, confounding is still a potential problem. We therefore now turn to the possibilities offered by the EU enlargement since 2004 to better causally identify the effect of integration on issue politicization. The twelve countries which joined the EU in these years experienced a clear jump from practically no integration to full integration in the span of a single year. Using this break with a difference-in-differences (DD) regression design allows us to identify the effect of a treatment (joining the EU) by comparing how outcomes (emphasis on non-economic issues) change across treated and untreated observations before and after treatment (Bechtel and Hainmueller 2011). Employing the party-level dataset, we consider all parties in countries not already members of the EU by 2004²³ for two time periods, $t = \{pre-2004, post-2004\}$. We also generate three variables to estimate the DD effect: (1) *Eventual EU member* is coded 1 for parties from those countries that will *eventually* join the EU, and 0 otherwise; (2) *Post* is coded 1 for all elections in 2004 and after; and (3) *Current EU member* is the interaction of the two previous variables, and it takes the value of 1 for the eventual EU members during the post-2004 period. It is the coefficient on this last variable that tells us the treatment effect of the EU membership. A more formal explanation of the DD regression is provided in SI.6.

The outcome variable is the same as with our other party-level models. We cluster the standard errors by party to account for serial correlation within parties and for heteroskedasticity. We fit our models using data covering all parties in countries which had not already joined the EU by 2004 in the time period 1990 through 2010.²⁴ We consider the time period of 1990 through 2010 for two reasons. First, this is when most of the countries joining the EU in 2004 first established democracy, and second, by keeping the time period more condensed

²³ In other words, we exclude Austria, Belgium, Denmark, Finland, France, Greece, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom.

²⁴ We include Bulgaria and Romania in the group of countries which joined the EU in 2004 despite the fact that they did not join until 2007. We do this because we see no reasons to expect the EU effect to change in the three years between these enlargements. However, our results are robust to the exclusion of Bulgaria and Romania.

in this model, we make it less likely that our effects are driven by long term time trends.

Models 1-3 in Table 3 show the results of our main DD models of the change in emphasis on non-economic issues caused by joining the EU in 2004. In Model 1, which contains no control variables, joining the EU in 2004 increases emphasis on non-economic issues by about 7.67 percentage points. The inclusion of time-invariant controls, which are unaffected by treatment since they do not change over time, affords us more precision in our estimates. Turning to Model 2, which includes three such controls, *Advanced*, *Ethnic Fractionalization* and *Niche Party*, the effect of EU ascension in 2004 is now 9.58 percentage points of manifesto quasi-sentences. This is a sizable effect - if we were to conceptualize a party having a 100 page manifesto, our estimates suggest that going from no EU membership to a membership in a highly integrated EU will lead to about nine and a half pages more of a manifesto being dedicated to non-economic issues. Finally, Model 3 includes our full battery of control variables and still returns a statistically significant effect of about 6.78 percentage points.

Model 4 in Table 3 assesses the strength of our assumption of parallel trends. It reports the results of a placebo test, in which we divide our data into two time periods at 1999 (i.e., variable *Post* indicates elections held in 1999 and after) instead of 2004, recode all of the 2004 EU countries as having joined the EU in 1999, and restrict the dataset only to observations between 1990 and 2003. This ensures that none of the countries in the placebo test are fully exposed to the treatment. We leave all other variables at their original values. We see that there is no reliable treatment effect for EU membership in this placebo test - the estimated effect is 1.45 percentage points, but the effect is statistically insignificant. This gives us confidence in our assumption that in the absence of EU membership, the trends in non-economic issue politicization would be the same in the treatment and control groups.

Taken together, these models illustrate the magnitude of the effect our independent variables can have on parties' issue salience decisions. This evidence suggests that joining the EU led parties to increase their share of manifesto space dedicated to non-economic issues by seven to ten percentage points compared to what we would have expected had they

not joined the EU. This is a substantively large increase, particularly in such a short time frame, which further serves to support the theory proposed in this paper.

Conclusion

The primary dimension of political competition in modern democracies is generally accepted to be the left-right economic dimension, based on divisions over social welfare and free market liberalism. But parties do not compete exclusively on these issues, or on issues that are easily categorized along this dimension. Following from the established arguments that globalization and Europeanization have constrained domestic governments' choices on economic policies and diminished voters' likelihood to base their electoral decisions on economic policies, we have sought to test the theory that increasing global integration leads to parties politicizing issues that do not necessarily lie on this dominant economic axis. We argue that parties' incentive to activate non-economic policy dimensions follows from their inability to differentiate themselves along the economic dimension given supranational constraints imposed on economic policies, and from the voters' increasing interest in non-economic policy dimensions. Concurrently, as voters turn their attention from the economic dimension to non-economic issues, new niche parties may seize the opportunity and enter the electoral arena with platforms focusing on non-economic issues not yet activated by the mainstream parties.

We test our theory across 49 countries between 1961 and 2010 and find positive and statistically reliable effects from both of our main independent variables. We therefore conclude that economic globalization and European integration increase both the extent to which any given election is fought over non-economic issues and the extent to which any given party stresses these issues in their manifestos, documents which serve as a blue-print for parties' electoral strategies. These effects are robust and persist over time, and as the case of the EU enlargement illustrates, the effects can be attributed directly to integration. Regardless of whether manifestos are intended for voters, journalists, or party members, it is clear that parties are trying to send more messages about non-economic issues in integrated

contexts, as our theory predicts.

Our results have implications for party competition, policy choices, and voter behavior. The results contribute to our understanding of party competition by showing that (a) party strategies are affected not only by domestic but also international factors, (b) party competition is not restricted to the traditional left-right economic dimension but is sometimes driven by non-economic issues instead, and (c) parties' toolkit includes not only manipulating their *positions* on different issues but also politicizing certain issues while de-emphasizing others (Tavits and Letki 2014; Tavits and Potter 2014). We also contribute to the literature on the effects of international economic integration by showing that it can alter the nature of party competition and issue salience in significant ways, in effect shifting competition from economic concerns to non-economic dimensions.

Based on our findings, an important direction for future studies will be to consider which non-economic issue politicization strategies will be the most effective in a given context. We have argued and shown that parties strategically emphasize non-economic issues in globalized contexts. However, there will still be winning and losing parties even if all parties strategically emphasize non-economic issues. Going forward, it will be important to understand which non-economic issues are most appealing to voters in a given context, why parties choose to emphasize certain non-economic issues over others, and why certain issues are more effective vote winners for some parties than for others.

From a policy perspective, our results suggest that in highly integrated contexts parties might invest little effort into crafting and implementing economic policies. This occurs because parties increasingly value non-economic issues in their campaigns. In so far as governing parties' behavior in office matters for their campaigns, the implication of our theory is that these parties are likely to put more effort into fulfilling their non-economic issue promises with fewer attempts to solve economic problems. An important extension of our study would be to look at party behavior and choices beyond elections, for example, in the form of parliamentary debate and proposed legislation. Information that is being

collected as part of the Comparative Agendas Project will be particularly helpful in that regard. Furthermore, since many of the non-economic issues pertain to values, an increased emphasis on those issues in policy-making may also affect the nature of the political discourse. Because it is more difficult to compromise on values than interests (Tavits 2007), future studies may want to explore whether the predicted change in issue emphasis also brings about more political conflict and stalemate.

Regarding voter behavior, our findings imply that voters in integrated contexts are likely to increasingly face competitive pressures when casting their ballot. In typical circumstances, voters' decisions are based on a comparison of their own ideal policies and parties' ideal policy on a single dimension. However, as globalization increases, and parties politicize more issues, voters' calculations become more complex because they will be confronted by an increasingly disparate set of messages from parties. Voters who care strongly about multiple issues, or have preferences that are not captured by a single party, will face a difficult trade-off when casting their ballot. Future work may want to examine more closely the behavior of such cross-pressured voters. Their choices have the potential of generating shifts in party support bases. That is, parties may be able to attract those voters who in the sole domination of the economic dimension would have voted for rival parties or stayed home altogether.

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Table 1: Economic integration, party polarization on economic issues, and politicization of non-economic issues

	Model 1: DV: Politicization	Model 2: DV: Politicization	Model 3: DV: Polarization	Model 4: DV: Polarization
Economic Globalization	0.182*** (0.040)		-0.029*** (0.006)	
European Integration		0.398*** (0.100)		-0.070*** (0.014)
Religiosity	-0.367 (0.687)	-0.368 (0.697)	-0.128 (0.090)	-0.074 (0.083)
Ethnic Fractionalization	2.740 (5.937)	4.324 (6.056)	-0.511 (0.708)	-1.227* (0.649)
ENEP	0.209 (0.322)	0.581* (0.311)	0.122** (0.048)	0.076* (0.043)
Economic Growth	-0.019 (0.067)	-0.004 (0.066)	0.006 (0.010)	0.001 (0.009)
Population (in Millions)	0.050** (0.022)	0.050** (0.022)	-0.006** (0.003)	-0.004* (0.002)
Inequality	0.187* (0.096)	0.169* (0.087)	-0.002 (0.014)	-0.014 (0.012)
Advanced Democracies	2.007 (2.387)	2.186 (2.405)	1.276*** (0.290)	1.009*** (0.261)
Intercept	35.092*** (6.345)	44.998*** (6.427)	2.979*** (0.861)	1.855** (0.788)
Adj. R ²	0.298	0.310	0.111	0.098
$\hat{\sigma}_y$	7.07	7.48	1.12	1.10
$\hat{\sigma}_{\text{country}}$	6.50	6.91	0.71	0.68
N	339	388	339	388
N_{country}	47	49	47	49

Note: Cell entries represent unstandardized coefficient estimates with standard errors in parentheses. The dependent variable is *Politicization of non-economic issues* for models 1 and 2, and *Polarization on economic issues* for models 3 and 4. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 2: Economic integration and politicization of non-economic issues, party-level analysis

	Model 1: Globalization	Model 2: EU
Economic Globalization	0.183*** (0.028)	
European Integration		0.346*** (0.066)
Niche Party	3.009*** (0.845)	2.842*** (0.815)
Incumbent Party	-0.711 (0.634)	-0.493 (0.616)
Party Age	-0.009 (0.015)	0.011 (0.014)
Party Size	-0.068** (0.029)	-0.099*** (0.028)
Religiosity	-0.881 (0.548)	-1.100* (0.554)
Ethnic Fractionalization	2.548 (5.737)	5.875 (5.873)
ENEP	0.022 (0.195)	0.353* (0.183)
Economic Growth	-0.007 (0.044)	0.031 (0.041)
Inequality	0.075 (0.064)	0.069 (0.056)
Population (in Millions)	0.053** (0.022)	0.055** (0.022)
Advanced Democracies	3.306 (2.275)	4.250* (2.302)
Intercept	43.855*** (5.022)	53.772*** (4.999)
$\hat{\sigma}_y$	10.57	11.05
$\hat{\sigma}_{\text{party}}$	6.65	6.44
$\hat{\sigma}_{\text{country}}$	6.37	6.65
N	2190	2468
N_{party}	675	739
N_{country}	47	48

Note: Cell entries represent unstandardized coefficient estimates with standard errors in parentheses. The dependent variable is *Emphasis on non-economic issues*. * $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$

Table 3: The effect of joining the European Union, difference-in-differences estimation

	Model 1: No Controls	Model 2: Static Controls	Model 3: All Controls	Model 4: Placebo
Eventual EU Member	-4.722*** (1.134)	-0.757 (1.324)	1.274 (1.626)	0.857 (1.900)
Post	-4.566*** (1.429)	-5.867*** (1.277)	-4.826*** (1.357)	0.782 (1.205)
Current EU Member	7.667*** (1.823)	9.577*** (1.713)	6.779*** (1.865)	1.446 (1.871)
Advanced		8.291*** (1.482)	8.729*** (1.834)	9.581*** (2.047)
Ethnic Fractionalization		7.246** (2.893)	8.671*** (3.187)	6.170* (3.562)
Religiosity			0.074 (0.416)	0.103 (0.463)
ENEP			0.026 (0.221)	0.072 (0.236)
Economic Growth			-0.004 (0.046)	-0.020 (0.046)
Population			0.000 (0.000)	0.000 (0.000)
Inequality			0.259*** (0.095)	0.268** (0.111)
Niche Party		3.850*** (1.080)	3.124** (1.260)	3.609** (1.442)
Party Size			-0.023 (0.044)	-0.013 (0.054)
Party Age			0.012 (0.022)	0.000 (0.025)
Incumbent Party			-1.747* (0.991)	-2.015* (1.189)
Intercept	58.114*** (0.825)	50.642*** (1.662)	38.315*** (5.442)	37.912*** (6.340)
Adj. R^2	0.027	0.084	0.102	0.104
N	1081	1081	943	750
N_{party}	509	509	462	410
$N_{country}$	32	32	32	32

Note: Cell entires represent unstandardized coefficient estimates with standard errors clustered at the party level in parenthesis. The dependent variable is *Emphasis on non-economic issues*. * $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$

Figure 1: Distributions of expected values of politicization of non-economic issues for countries joining the EU in 2004 with and without EU membership

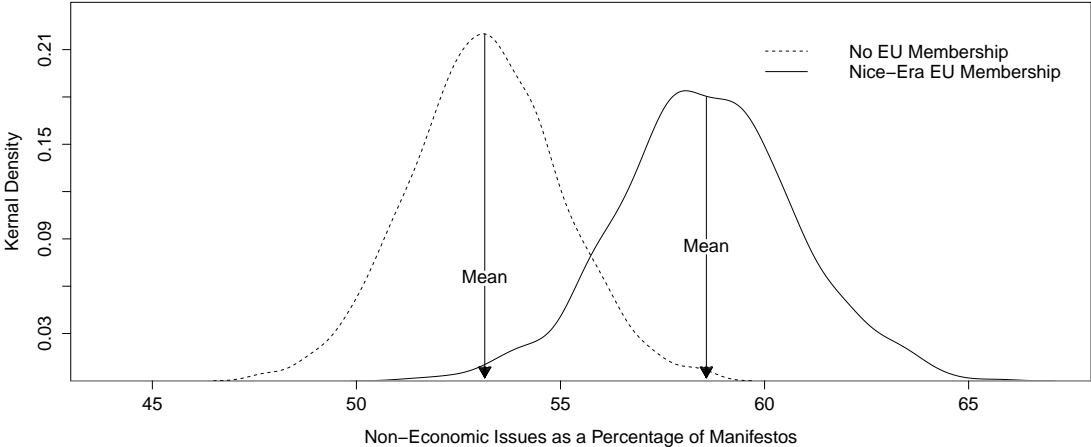


Figure 2: Marginal effects of economic globalization for different types of political parties

