# ISSUE ENTREPRENEURSHIP AND MULTIPARTY COMPETITION

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#### Abstract

How do issues enter the political arena and come to affect party competition? This study extends the literature on issue evolution from the US context to multiparty systems. While traditional models assume opposition parties to be the agents of issue evolution, this study argues that within multiparty competition not all parties in opposition have an incentive to change the issue basis of political competition. The central propositions of our issue entrepreneurship model are two-fold: first, political parties are more likely to become issue entrepreneurs when they are losers on the dominant dimension of contestation. We focus on three components of political loss in multiparty systems relating to the office seeking, voting-seeking and policy-seeking objectives of parties. Second, parties will choose which issue to promote on the basis of their internal cohesion and proximity to the mean voter on that same issue. We test these propositions by examining the evolution of the issue of European integration in 14 European party systems from 1984 to 2006. The time-series cross-section analyses lend strong support to our model.

Key Words: Issue entrepreneurship, Issue evolution, Multiparty systems, Political parties.

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## Introduction

To speak of politics is to speak of political issues, almost invariably. We speak of them as if we knew of them. But we truly do not. We do not know why they arise, why one question rather than another comes to seem important, why it happens at a particular time, rather than another; why some last, why some do not. (Carmines & Stimson, 1989: 3)

The above quote by Edward Carmines and James Stimson highlights the importance of understanding when and why issues arise and alter the nature of party and electoral competition. While recently much scholarly attention has been devoted to the questions of why parties compete on different dimensions and why parties and policy makers are more or less responsive to voters on these dimensions (see for example Adams et al. 2006; Ezrow 2007; Meguid 2008; Soroka and Wlezien 2010; Dolezal et al. 2014), the precise mechanisms underlying changes in the dimensional structure of competition have received much less attention, especially within multiparty systems. To date, most studies examining how issues emerge stem from the US context. Carmines and Stimson's (1986, 1989, 1993) seminal work outlines a model of issue evolution driven by the electoral competition between two parties, where the party that is in the minority, and thus occupies a disadvantageous position within the system, has an incentive to change the issue basis of party competition and "upset the dominant party alignment" (Carmines and Stimson 1993, 154). Similarly, Riker uses the metaphor of the market to explain why losers in the political game will try to find some alternative that beats the current winner (Riker 1982). The model of issue evolution has been successfully applied to explain the rise of issues, such as slavery (Riker 1982), racial segregation (Carmines and Stimson 1986), abortion (Adams 1997) and "culture wars issues" (Lindaman and Haider-Markel 2002) in the US context. But this still leaves the question of how this model can be applied to explain issue evolution in more institutionally complex systems in which parties face two, three or even more rivals.

The aim of this study is to explore how issues evolve and become politicized in West European polities characterized by multiparty competition and coalition governments. Studying the dynamics of issue competition within Western Europe is ever more important as scholars have argued that since the 1970s party and electoral competition is increasingly structured by a diversity of policy issues rather than long-established societal cleavages (Franklin, et al 1992; Mair 1997). We explore the dynamics of issue competition by examining which parties are the agents in the politicization of issues. Importantly, we introduce the concept of *issue entrepreneurship* which allows us to understand the dynamics of party competition within multiparty systems.

Issue entrepreneurship refers to a strategy by which parties mobilize issues that have been largely ignored in party competition and adopt a policy position on the issue that is substantially different from the mainstream status quo. Such a strategy is inherently risky since the mobilization of such issues may destabilize parties internally, put off certain voters and jeopardize future coalition negations. However, issue entrepreneurship also carries the potential of reshaping political competition and thus reaping electoral success. In line with the theories of issue evolution we expect those parties that occupy losing positions on the dominant dimension of political competition to act as issue entrepreneurs and thus to play a key role in the politicization of issues. While in a two-party system losers can be easily classified as the party that is in opposition, the distinction between political winners and losers is less clear-cut in multiparty systems which are usually governed by coalition governments. In order to deal with these complexities, we develop a conceptualization of "political loss" based on political parties' office-, vote- and policy-seeking objectives. Specifically, we focus on three components of "political loss": inexperience in government, electoral defeat and positions on the main dimension of party competition that are far from the mean voter. Parties that are "winners" in multiparty systems are those that routinely alternate between government and opposition and occupy winning and majoritarian positions within the system. Due to their overall advantageous position, they have an incentive to reinforce existing patterns of political competition and the policy issues underlying them. Consequently,

they are not likely issue entrepreneurs. In contrast parties that have never held political office, have experienced electoral defeat and/or occupy a non-majoritarian position on the dominant dimension of political conflict are likely issue entrepreneurs. Due to their losing positions in the political system, they have an incentive to mobilize issues that could disturb the political equilibrium in order to potentially reap electoral benefits.

This model of issue entrepreneurship can potentially be applied to the dynamics of issue evolution on a large range of issues. In this study, we test our theoretical conjectures by examining the dynamics of issue competition regarding the European Union (EU). The EU issue provides an excellent testing ground for three reasons. First, given that every EU member state is confronted with issues arising from European integration we can test the issue entrepreneurship model in a wide variety of political contexts. Second, our model aims to explain the politicization of issues that cannot neatly be subsumed by the dominant dimension of conflict and EU integration is a primary example of such an issue (Kriesi et al. 2006, 2008). Third, we can utilize two rich data sources on party and voter attitudes towards European integration, namely the Chapel Hill Expert Surveys and the Eurobarometer Surveys, which allow us to inspect the dynamics of issue competition. We employ time-series cross-section analysis to test our theoretical propositions. Our findings lend strong support to our model by showing that political losers are most likely to act as issue entrepreneurs, but that they only mobilize a previously ignored issue when this is seen as a vote-maximizing strategy and when the party is united on the issue.

This paper proceeds as follows. The first section briefly reviews the literature on issue evolution and introduces our theory of issue entrepreneurship. Next, the case selection, data and methods are elaborated. Thereafter, the results of the empirical analysis are presented. Finally, the study concludes by highlighting the implications of the findings.

### **Theory of Issue Entrepreneurship**

This study sets out to explore the conditions under which issues that have previously been ignored in party competition become politicized. The work on issue evolution by Carmines and Stimson (1986, 1989, 1993) and on issue manipulation and heresthetics by William Riker (1982, 1986, 1996) provide important stepping stones for understanding the way in which issues evolve. Both approaches stress the importance of strategic politicians. Carmines and Stimson (1986, 1989, 1993) sketch a sequence of how political elites set in motion a process of electoral and party system change. Borrowing conceptual tools from the biological notion of natural selection, their theoretical framework describes issue evolution as the struggle among rival parties or candidates regarding which issues should dominate the political agenda. Politicians act as strategic agents that compete over the public attention for issues. Parties want to associate themselves with winning issues, and thus if a party finds itself confronted with a streak of losses it will attempt to redirect political competition. In this understanding of party competition, issues are likely introduced by parties that occupy losing positions within the system as they have an incentive to unseat the existing political equilibrium in order to reap electoral gains (see Carmines and Stimson 1993). This logic is also at the heart of what Riker (1996, 9-10) coins "heresthetics". Heresthetics refers to a political strategy by which parties structure political competition in such a way that they gain leverage from competing on a pre-existing dimension on which advantages are already held or by introducing an issue dimension that allows them to reshuffle the current structure of party competition to their advantage. Building on this work, we expect political parties that do not occupy a winning position in the political system to play a crucial role in the politicization of previously ignored issues.<sup>2</sup>

Political losers have incentives to promote previously ignored issues, or issues with the potential to destabilize the political equilibrium, in order to improve their electoral fortunes.<sup>3</sup> One

<sup>&</sup>lt;sup>2</sup>Whereas many studies have examined issue competition - that is why parties decide to compete on certain issues and ignore others (see e.g. Green-Pedersen and Mortensen 2010) - few studies have focused on issue evolution - that is when and why previously ignored issues enter the political arena - in multiparty systems.

<sup>&</sup>lt;sup>3</sup> Note that it is virtually impossible to distinguish a previously ignored and not divisive issue from an entirely new issue. Although entirely new issues that have not previously been in play in party competition are quite rare, they may emerge from time to time.

way in which a party can politicize an issue is to adopt a polarizing position on that issue. When parties are in perfect agreement on an issue, it is less likely to become important in political debate (Rabinowitz and MacDonald 1989; Carmines and Stimson 1989). We coin the term issue entrepreneurship to denote the party strategy of active mobilization of a previously ignored and not divisive issue by adopting a policy position on that issue that is substantially different from the status quo position of the mainstream. To establish which parties are likely issue entrepreneurs, we must first establish which parties should be classified as political losers in multiparty systems. The work of Carmines and Stimson and Riker was developed in a two-party system and suggests that political losers are those parties that currently do not occupy political office. When we apply these ideas to multiparty system contexts, this distinction becomes less clear-cut. Within multiparty competition parties aim to satisfy three goals: office, policy, and votes (see Müller and Strøm 1999). A key distinction between two-party and multiparty systems is that the maximization of votes will not automatically ensure office. Indeed, most multiparty systems are governed by a coalition of parties and some parties routinely alternate between government and opposition while others may never enter government coalitions (Hobolt and Karp 2010). In order to deal with these complexities, we define political losers on the basis of three components: office-holding experience, distance to average party position on the dominant dimension of party competition and electoral defeat. These components coincide with the three chief goals of party behavior within multiparty competition: votes, policy and office.

Firstly, government experience captures parties' office-seeking incentives. Parties that have previously held political office are more likely to become members of future government coalitions as they have built a reputation for being good coalition partners, for abiding coalition accords and for working effectively with other parties (Warwick 1996; Laver and Schofield 1998; Sartori 2005; Tavits 2008). In other words, previous coalition membership indicates that parties

One can think of an issue like stem cell research in US party competition for example (Hillygus and Shields 2008). In this case, in line with our issue entrepreneurship model, one would expect that parties that are "losing" on the dominant dimension of party competition would aim to mobilize this issue and take a divergent stance than the political mainstream as this will more likely bring electoral success. Yet, we acknowledge that we are not able to distinguish a previously ignored and not divisive issue from and an entirely new issue. We thank an anonymous reviewer for pointing this out to us.

have a high coalition potential, and entering into coalitions with them in the future is less costly (Sartori 2005). Following the work of Carmines and Stimson and Riker we know that issue entrepreneurship always is a risky strategy for parties. It may alienate more voters than it attracts. Within a multiparty context, this risk is exacerbated by the fact that introducing a previously ignored issue may not only distance voters, but may also jeopardize future coalition negotiations. As a consequence, it is primarily parties that have low coalition potential, and thus little to lose in terms of alienating potential coalition parties, who are expected to engage in such a strategy. Issue entrepreneurship is simply too risky strategy for all other parties. We can thus formulate our first hypothesis concerning office experience.

H1a: Parties that have not previously been in government are more likely to adopt an issue entrepreneurial strategy than parties that are currently in office or have previously held office, all else being equal.

Second, we focus on parties' vote-seeking objectives. A clear indication of political loss in the electoral arena is election defeat, that is to say vote loss in previous elections. According to Müller and Strøm (1999) parties' chief objective is to maximize their vote share in an election, as this may eventually allow them to gain access to office, and enact their policy objectives. Party leaders that have experienced electoral defeat will also be under pressure to change strategy, for example by introducing new issues that have the potential to be a vote winner in the next election. In contrast, parties that have performed well in the last election have an incentive to reinforce existing patterns of political competition and the issues underlying them. Electoral winners will therefore seek to mobilize "issues of the past" as these contributed to their profitable position within the system in the first place (Carmines and Stimson 1993, 154), whereas electoral losers will more inclined to engage in issue entrepreneurship. This leads to our electoral defeat hypothesis.

H1b: Parties that have experienced electoral defeat are more likely to adopt an issue entrepreneurial strategy than parties that had electoral success, all else being equal.

Thirdly, policy-seeking incentives are of course most easily obtained by parties that are part of the government. But even parties outside government can sometimes influence policy in multiparty systems, especially if they occupy a position closer to the median party in parliament. The further a party is removed from the average party position, the more difficult it will be for that party to form a government or rally support for its policy initiatives in parliament (e.g. Laver and Schofield 1998). Hence, parties that occupy positions far from the average party position have additional incentives to try to introduce a previously ignored issue that is not easily subsumed within dominant dimension of conflict in order to generate the possibilities of new policy coalitions on this new issue and to potentially drive wedge between existing coalition parties and divisions within parties (Jeong et al 2011; Van Der Wardt et al 2014). This leads to the policy distance hypothesis:

H1c: Parties that are far from the median party position on the dominant dimension of political conflict are more likely to adopt an issue entrepreneurial strategy than parties that occupy a position close to the median, all else being equal.

While we argue that each of these components encourages parties to engage in issue entrepreneurship, they are of course highly interrelated. Parties gain office on the basis of favorable election results, and given that they are in office they are likely not far removed from the average party position on the main dimension of political competition. In contrast, parties with no experience of office are also more likely to occupy a non-majoritarian position on the dominant dimension of political conflict. Such parties are faced by a natural electoral ceiling on the existing dominant dimension of political competition as they are far removed from the average voter and party position. Due to their disadvantageous position within political competition, political losers thus have an incentive to mobilize previously ignored issues to destabilize the current equilibrium

of party competition.<sup>4</sup>

While our expectations concerning issue entrepreneurship build on the classic work by Carmines and Stimson as well as Riker, they also deviate in important ways. According to the classic model of issue evolution in two-party systems also opposition parties would have incentives to act as issue entrepreneurs. The key difference in a multiparty context is that coalition governments create differential strategic incentives for parties. Hence in multiparty systems, even parties that are in opposition may not wish to highlight a previously ignored issue that cuts across the dominant dimension of conflict, as this could remove them from the mainstream and jeopardize their future coalition potential. For most parties with coalition potential, the possible electoral gains of issue entrepreneurship will not outweigh the potential costs associated loss of future coalition partners. However, parties without office experience and with positions removed from the mainstream, the likelihood of joining coalitions is low due to uncertainty about their behavior and the potential costs of forming a coalition (see Warwick 1996; Laver and Schofield 1998; Sartori 2005; Tavits 2008). Parties in such a situation thus have every reason to act as issue entrepreneurs as they have very little to lose in terms of existing relationships or future coalition potential.

#### **Choosing a Winning Issue**

The question now becomes which issue are issue entrepreneurs likely to mobilize? The selection of an issue is of key importance to the strategy of issue entrepreneurship as it is of no use to a party to

<sup>&</sup>lt;sup>4</sup> Our discussion of the main components of "political loss" also relates to recent work on party competition in multiparty systems which distinguishes between mainstream and so-called "niche" parties (see Meguid 2005, 2008; Adams et al 2006). In her seminal work on the electoral success of niche parties, Meguid (2005, 2008) defines niche parties as those parties that "reject the traditional class-based orientation of politics" and raise new issues that "are not only novel, but they often do not coincide with existing lines of political division" and that "differentiate themselves by limiting their issue appeals" (2005: 347-348). Adams et al (2006, 513) classify niche parties as "members of the Communist, Green, and extreme nationalist party families" in their study of how niche parties respond to public opinion. In his recent work on niche parties, Wagner (2011) has proposed that niche parties are best defined as parties that compete primarily on a small number of non-economic issues. Unlike these studies, the objective of our theoretical model is to predict the impact of specific components of "political loss" on the likelihood of becoming an issue entrepreneur, and hence it would be potentially tautologous for us to instead define party types on the basis of their issue-politics. So, while there may some overlap between our discussion of political losers as issue entrepreneurs and the conceptualization niche parties, it is important to note a key conceptual distinction. We define political loss on the basis of office-holding experience, past election results and position on the dominant dimension, rather than focus on a type of parties that belong to a certain party family or differentiate themselves in terms of single-issue appeals.

mobilize an issue on which it cannot win (Riker 1982; Vavreck 2009, 208-9). We hypothesize that issue selection for issue entrepreneurs is likely based on two factors: the degree of internal division within the party on the issue and the distance to the mean voter on the issue. The degree to which a party is internally divided over the previously ignored issue is expected to affect the extent to which a party employs an issue entrepreneurial strategy. Parties act as issue entrepreneurs by offering voters new issue options in order to reap potential electoral benefits and advance their strategic position within the system. Recent research demonstrates that the extent to which parties gain votes on the basis of the mobilization of previously ignored issue is highly conditional upon the degree of internal unity on the issue (see for example De Vries 2010). The intuition here is simple: the higher the strife over the issue within a party, the less likely it is that voters will vote for this party on the basis of this issue. When a party is internally divided, that is to say when parties provide voters with conflicting information on the issue, voters are unable to determine which of the parties closely mirrors their own position. The presentation of competing messages by party leaders and/or officials muddles the cues sent by parties regarding a particular issue to voters (see Zaller 1992; Steenbergen et al 2007). Mobilizing an issue without having a clear issue stance will then be more of an electoral liability than an asset. This may be especially the case for parties that occupy losing positions within the system. Political losers may wish to maximize their electoral success to eventually gain access to political office by introducing an issue, yet they cannot pursue this goal at any cost. Emphasizing a previously ignored issue, parties potentially jeopardize their internal cohesion. Parties thus have to be mindful towards keeping "party activists in the fold, because they are critical to the survival of the party" (Steenbergen and Scott 2004, 171). Parties that are losers on the dominant dimension of conflict are therefore likely to only introduce an issue when they are united on it in order not to further weaken their already marginal position in the party system. This reasoning is formalized in the following two hypotheses:

**H2a**: A party that is more divided on an issue is less likely to adopt an issue entrepreneurial strategy, all else being equal.

H2b: Internal division on an issue has a greater negative effect on the likelihood of party political losers adopting an issue entrepreneurial strategy compared to other parties, all else being equal.

The distance between a party and the mean voter on an issue is also expected to affect the extent to a party employs an issue entrepreneurial strategy. This expectation is derived from spatial theories of voting where voters choose parties with the policy positions closest to their own (Downs 1957; Enelow and Hinich 1984). We expect parties to adopt an issue entrepreneurial strategy when the distance between the party's position and the mean voter position on the issue is small. Vote-seeking is among the chief objectives of political parties (Downs 1957; Müller and Strøm 1999), so they have an incentive to promote previously ignored issues if they feel that this would result in an increase of their vote share. From this perspective, those parties which positions on the new issue are closer to the mean voter position are more likely to be issue entrepreneurs. In contrast, parties may wish to downplay an issue, if their position is too far removed from the mean electorate.<sup>5</sup> This leads to the following hypothesis:<sup>6</sup>

<sup>&</sup>lt;sup>5</sup> It is important to note that there might be an issue of endogenity here. We expect that parties engage in an issue entrepreneurial strategy when they are close to the mean voter, yet it is also be possible that the mean voter position approaches the party position after the party engages in issue entrepreneurship.

<sup>&</sup>lt;sup>6</sup> The expectation outlined above is in line with the idea that parties respond to the general electorate, i.e. the mean voter (see Downs 1957). An equally compelling vision of party behavior emphasizes party responsiveness to the mean party supporter (Adams et al 2006; Ezrow et al 2011). This latter model is argued to be especially important for understanding party behavior in multiparty systems. Unlike parties in two-party, single-member plurality systems, parties operating in a multiparty system using proportional representation may seek to maximize votes not by adopting the position of the mean voter on the new issue, but by adopting a position away from the mean voter position, closer to their party supporters (Adams et al 2006; Ezrow et al 2011). This strategy can be a successful vote maximizing strategy in a multiparty system if there is polarization of voter preferences on the new issue dimension and when the positions of mainstream parties on the new policy issue converge. In this light, we would expect parties to be issue entrepreneurs when they are closer to their partisan voters on the issue. We have empirically tested this expectation, see Table 3 in the *Supporting Information*. The results, however, provide little empirical evidence for the partisan voter model compared to the mean voter model. These findings support the idea that issue entrepreneurship is a vote-seeking strategy. Put differently, issue entrepreneurs mobilize new issues in order to attract new voters, rather than rallying constituents who already support the party.

**H3**: *A party that holds a position on an issue closer to the mean voter position is more likely to adopt an issue entrepreneurial strategy, all else being equal.* 

#### **Case Selection, Data and Operationalizations**

Our theory of issue entrepreneurship presents a general model about the conditions under which previously ignored issues become politicized and thus can be applied to a large range of issues. We test our theoretical conjectures by examining the dynamics of the EU issue. The EU issue constitutes an excellent object of study for several reasons. First, every EU member state is confronted with policy issues arising from European integration and consequently, we can test the issue entrepreneurship model in a wide variety of political contexts. While countries in Western Europe are all longstanding members of the Union and have experienced a comparable impact of the EU integration process, research demonstrates that the impact of the EU issue on party competition varies substantially across the region (e.g. De Vries 2007, 2010; Hobolt 2009; Kriesi et al 2006, 2008). Second, our model aims to explain the politicization of previously ignored issues in multiparty competition. Over the past two decades, immigration and European integration are the clearest examples of politicization of issues that are not clearly aligned with the left-right dimension within European multiparty systems (e.g. Kriesi et al 2006, 2008). While EU membership is not a novel phenomenon to most West European countries, it has not traditionally been politicized by mainstream political parties (e.g. De Vries and Edwards 2009; Hooghe, et al 2002).

Third, when applying our model of issue entrepreneurship to the EU issue, we can utilize two rich data sources on party and voter attitudes towards European integration, namely the Chapel Hill Expert Surveys (henceforth, CHES) on party positioning regarding European integration and the Eurobarometer Surveys (henceforth, EB) on public opinion. These data sources provide us with empirical measures of all our key theoretical concepts. We study the extent of EU issue entrepreneurship in 14 West European countries between 1984 and 2006. This region and timeframe provides us with a unique testing ground to determine which factors account for the dynamics

in EU issue entrepreneurship. Finally, one could argue that the EU integration issue constitutes a rather conservative test of the issue entrepreneurship model within the time-span of investigation, 1984-2006. The politicization of immigration was more pronounced during this time-period and the prerogative of parties on the right extreme of the political spectrum which fits our theoretical conjectures really well. Ideally, we would be able to apply our model of issue entrepreneurship to the immigration issue, but unfortunately, we lack the appropriate longitudinal and cross-national data to do so. Yet, secondary literature on the dynamics of immigration issue in Western Europe does lend some support for issue entrepreneurship model. One of the clearest examples of party conflict over immigration is found in the Netherlands. Throughout the last three decades Dutch political competition has been characterized by a strong mobilization of immigration by far right parties, while mainstream Dutch parties have been reluctant to emphasize the issue (Pellikaan et al 2003; Adams et al 2012). Most notably after 9/11 the rightwing political outsider and entrepreneur Pim Fortuyn and his party the List Pim Fortuyn (LPF) skillfully exploited negative public sentiment about immigration and was able to attract voters from both the left and moderate right side of the political spectrum who would not have voted for the LPF due to their left-right stance (Pellikaan et al 2007; De Vries et al 2013). Against this backdrop we would expect that our issue entrepreneurship model would also apply to the immigration issue and similar issues, although this is ultimately a question for future research.

In order to test our model of issue entrepreneurship, our first task is to operationalize and measure the dependent variable, namely EU issue entrepreneurship of parties. As described above, we define a party as an issue entrepreneur, when it actively promotes a previously ignored issue and adopts a position that is different from that of the mean position in the party system. Our definition of issue entrepreneurship thus combines issue salience – the importance that a party attaches to the issue – and issue position – relative to the mean party position. Consequently, we need measures of both party positions on the EU dimension and the emphasis that parties place on

this dimension.7

For both position and salience measures, we rely on CHES (Ray 1999; Steenbergen and Marks 2007; Hooghe et al 2010). CHES is ideal for our purposes since it includes estimates of party positions on several issue dimensions as well as the salience that each party attaches to European integration. The dataset covers expert evaluations of national political parties in a variety of European countries, between 1984 and 2006.8 Since our theory is most appropriately applied to institutionalized party systems, where the dominant dimension of contestation is clearly established, we only include the 14 West European countries in our analysis, thus excluding the recently accessed post-communist states.<sup>9</sup> Several studies have cross-validated the measures of CHES and found that expert data outperform other data sources, such as the Comparative Manifesto Project (CMP) data and mass survey data. In their study of party positioning on European integration, Marks et al (2007) find that experts, manifestos and voter and candidate surveys provide convergent measures of EU party positions, but that expert data (CHES) is the most valid among those sources. In a similar cross-validation exercise of different EU salience measures, Netjes and Binnema (2007) also conclude that expert surveys outperform the other salience measures in terms of explanatory power. So, while the CHES data contain a shorter timeseries than the CMP data, they provide high-quality cross-national data on both party positions and salience on the European integration dimension. In order to derive at a yearly measure of EU issue entrepreneurship, we imputed the data by calculating the difference between the party placements

<sup>&</sup>lt;sup>7</sup>One possible concern is that by focusing on the EU issue our results could be driven by single-issue anti-EU parties, that is parties whose primary focus is a Eurosceptic policy position. To ensure that this is not in fact the case we have run a sensitivity analysis where we exclude such single-issue parties (Junilistan in Sweden, Rassemblement pour la France/ Mouvement Pour la France in France, United Kingdom Independence Party in the UK, Liste Dr. Hans-Peter Martin in Austria) from the analysis. Excluding these parties makes almost no difference to the results (see Table 4 in the *Supporting Information*). <sup>8</sup> Note that the 1984, 1989 and 1992 expert placements were asked retrospectively (Ray 1999). This introduces the

<sup>&</sup>lt;sup>°</sup> Note that the 1984, 1989 and 1992 expert placements were asked retrospectively (Ray 1999). This introduces the possibility that experts used their 1996 placements as proxies for their judgments in earlier years. In order to check for this we ran the models presented in Table 1 excluding the placements prior to 1996. The full and partial models yield similar results. These results are provided in Table 4, model 2, in the *Supporting Information*.

<sup>&</sup>lt;sup>9</sup> We include all Western European member states of the EU (except for Luxembourg which is not included in the Chapel Hill Expert Survey). Note that the recently accessed post-communist states are excluded for two reasons. First, since these countries only accessed the EU in 2004 we lack data for the parties in these countries over time. Second, the model we outline is most appropriate for established party systems. Although party systems and party competition are beginning to stabilize in Central and Eastern Europe, at least the first decade of democracy in the post-Communist countries was characterized by highly unstable patterns of party competition and high volatility in the party systems (see Bakke and Sitter 2005).

in the respective CHES surveys and averaging out these changes for the years in between the two data-points. This type of linear interpolation is commonly used for party and public opinion time series data when data time points are missing (see e.g. Soroka and Wlezien 2010). However, to demonstrate that the results hold even without imputation, we have run all our model on the smaller non-imputed dataset, and all our main findings hold. Model 3b in Table 1 show the results using the non-imputed dataset.

To measure *EU* issue entrepreneurship we combine a party's EU salience score with their distance to the mean party position on the EU dimension. Specifically, for each party we multiply its EU salience score with the distance between its party position and the average position of all parties in the system on the EU issue (EU issue distance). EU issue salience for each party is measured in CHES by asking experts to evaluate 'the relative importance of the issue in the party's public stance' on a five-point scale, ranging from European integration is of no importance, never mentioned by the party' (1) to 'European integration is the most important issue for the party' (5). Party positions on the European integration dimension are operationalized by using an expert question about the 'overall orientation of the party leadership towards European integration' on a 7point scale, where 1 is strongly opposed and 7 is strongly in favor. EU issue distance is measured by calculating the distance between the mean EU position of all parties in a given country and year subtracted by the EU position of each individual party. This distance variable is constructed so that positive values indicate that a party is more Euroskeptic than the mean party position and negative values indicate that a party is more pro-European than the mean party position. By combining the salience and distance measures, EU issue entrepreneurship captures the extent to which a party attaches importance to the EU issue and adopts a different (and more Euroskeptic) position than the mean party position.<sup>10</sup>

To measure our independent variables we firstly need to capture the extent to which parties

<sup>&</sup>lt;sup>10</sup> To capture a "new" position on the issue of European integration, this asymmetric measure is justified in the case of the issue of European integration, since the literature has shown that the consensus position in West European party systems is a pro-European position (e.g. De Vries and Edwards 2009; Hooghe et al 2002).

are "losers" on the dominant dimension of contestation. We hypothesized that parties in losing positions have greater incentives to challenge the existing political order by becoming issue entrepreneurs. In the issue entrepreneurship model, we outline three key components of "political loss": lack of government experience, the distance to the average party position on the dominant dimension and electoral defeat. We measure each of these components separately, and also combine them in a "political loser scale".

Government experience is captured by distinguishing between three types of office-holding experience: parties that are current members of the governing coalition (reference category), parties that are in opposition but have previously participated in a governing coalition, and parties that have never participated in a governing coalition. We also tested a different operationalization of coalition membership, namely the years in which a party has been in government within the time-span of investigation, 1984- 2006. A model utilizing this operationalization yields substantively identical results (see Table 2 in the Supporting Information). The Distance to the Mean Party on the Dominant Dimension is computed by measuring the position on the dominant dimension of contestation in Western Europe, namely the left-right dimension (McDonald and Budge 2005). We use CHES responses to the question on parties left-right stance on economic issues in a given year, where 0 denotes the extreme left and 10 the extreme right. In order to capture the distance between the mean party position and the position of a single party on the leftright dimension, we subtracted a party's left-right position from the mean left-right position of all parties in the system. Since we are interested only in the degree of the distance between the leftright position of party and the mean party, but not in the direction, i.e. not if a party is more left- or rightwing than the mean party position, we calculated absolute values. The final political loser component relates to the electoral success of a party in the previous elections. *Electoral Defeat* is measured as the change in percentage of votes a party received in election t versus election t-1, so comparing one election to the previous election. We coded this variable in such a way that higher positive values indicate electoral losses, whereas lower or negative values indicate electoral gains.

Given the fact that we focus on three dimensions of political loss, office-, policy- and vote-seeking incentives on the dominant dimension, we created a single scale tapping into the three components of political loss outlined above. Mokken analysis shows that these items form a strong scale.

Now we turn to the measurement of the factors that determine whether a party is likely to be a 'winner' on the previously ignored issue dimension, and thus has the incentive to act as an issue entrepreneur. There are two aspects that may determine the likelihood of becoming a winner on the previously ignored issue dimension: distance to the mean voter and internal party unity on the issue. Distance to the Mean Voter on the EU Dimension is measured by calculating the distance between a party's EU position and the mean voter position on this same dimension. To compute party positions, we have used the expert responses to the EU position question from the CHES data. To capture the mean voter position on the EU in each country and year, we use EB surveys. In these surveys approximately 2000 respondents in each country and in each year were asked the following question: "Generally speaking, do you think that your country's membership of the European Community/ European Union is a good thing, a bad thing or neither good nor bad?" We use the mean score of this 3-point scale to construct the mean voter EU position. Finally, we measure Internal Dissent on the EU using CHES responses to the question on the degree of dissent in a party on European integration in a given year, ranging from 1 (complete unity) to 5 (leadership opposed by party majority). We created an interaction with political loss to capture the possible greater negative effect of internal division on the adoption of an issue entrepreneurial strategy for parties' experiencing political loss compared to other parties.

In addition to these variables, our models also include two control variables. First, we control for party size (measured as the percentage of votes obtained in the latest parliamentary elections), since it may be argued that larger parties are less likely to become issue entrepreneurs. Second, we control for general Euroskepticism in a country, since we want to control for the effect of increases in Euroskepticism over time in certain countries. Here we also use the Eurobarometer question on support for EU membership. The variable is coded as the country

mean at time t, where higher values indicate more support and lower values greater Euroskepticism. The descriptive statistics of all variables can be found in Table 2 in the Appendix. Next we turn to the statistical estimation of our models.

### Methods

Our pooled panel dataset covers a period from 1984 to 2006, with 160 parties nested within those years and 14 countries. To estimate a model with such a structure requires specific attention to both differences between countries and parties, panel differences, and time-series dependencies, autocorrelation. We estimate the model using a simple party-year panel setup, but we still need to account for the possible existence of unobserved differences between countries. We thus include country dummies to control for omitted variables that may differ between countries. We do not include fixed effects for parties, since the unobserved heterogeneity is found mainly at the country rather than the party level. Including party family dummies and other party-level controls in the model also makes no difference to the results.<sup>11</sup>

Country dummies, however, do not eliminate all problems with the panel data estimation strategy. To begin with, it is likely that the error terms have a different variance from one panel to the next, heteroskedastic error terms, and also that they are correlated across panels, that is to say serial correlation. In order to account for these problems, we have followed the strategy advocated by Beck and Katz (1995, 1996) used panel-corrected standard errors (PCSEs). A further problem arises from the potential for autocorrelation in the dependent variable. Auto- correlation exists when observations of the dependent variable are correlated across time within panels. Inspection of panel residuals suggests that they have a first-order autoregressive, AR(1), structure. This means that the residual at time t is influenced by the size of the residual at time t-1. To deal with

<sup>&</sup>lt;sup>11</sup> A possible alternative model specification would be to estimate the model as a three-level random-effects model with parties nested within years and countries, and such a model generates very similar results to our model below. Similarly, the main findings also remain the same when using party fixed-effects (see Table 4, Models 3 & 4 in the *Supporting Information*).

autocorrelation, Beck and Katz (1995) recommend adding a lagged dependent variable to the righthand side of the equation. We refrain from using this solution to alleviate the problem of autocorrelation for several reasons. First, we have no strong theoretical reason to model issue entrepreneurship in time t as a function of issue entrepreneurship at time t-1. Second, estimating such a model results in a rather large coefficient for the lagged dependent variable. Consequently, the estimated coefficients for the remaining variables fail to measure the effect of the independent variables on the level of issue entrepreneurship but explain the change in issue entrepreneurship. Third, and relatedly, Achen (2000) and Plümper, Troeger and Manow (2005) show that with trending in the independent variables and the error term, a lagged dependent variable introduces biases. Hence, to eliminate serial correlation of errors, we use instead the Prais-Winsten transformation (Greene 1992, 473) with a panel specific AR(1) error structure (Plümper, Troeger and Manow 2005, 349). Diagnostic tests indicate that our estimation strategy produces white noise residuals. Table 4 in the Supporting Information shows the robustness of the results using different sub-samples and estimation strategies. The next section discusses the empirical results.

## **Empirical Analysis**

To test our theoretical propositions, we estimate three models. Model 1 tests the hypotheses H1a through H1c about "political loss", by estimating the effect of government coalition membership, distance to the mean party position and electoral defeat on issue entrepreneurship. Model 2 tests hypotheses H2a and H3 concerning the potential for parties to become a winner on the specific EU dimension, by estimating EU issue entrepreneurship as a function of distance to the mean voter on the EU dimension as well as internal party unity on the EU dimension. Finally, the third model combines the two models of loser on traditional dimension and potential winner on new dimension. It also estimates the moderating impact of "political loss" on the effect of internal unity on issue entrepreneurship (H2b). Model 3a shows the results of this estimating using the full dataset, whereas Model 3b shows the same estimation using the smaller dataset without imputation. The

results are shown in Table 1.

	Model 1: Political losers		Model 2: Winning issues			Model 3a: Loss and dissent			Model 3b: No imputation			
	Coeff.	PCSE		Coeff.	PCSE		Coeff.	PCSE		Coeff.	PCSE	
Intercept	-0.60	0.27	**	8.53	0.46	***	6.39	0.58	***	1.30	0.90	
Party size	-0.09	0.01	***	-0.05	0.01	***	-0.14	0.00	***	-0.12	0.01	***
EU support	-0.02	0.07		-2.14	0.14	***	-2.29	0.14	***	-2.92	0.30	***
Political loser component	nts											
No government experience Gov't experience	1.33	0.11	***	-	-		-	-		-	-	
(opposition)	0.01	0.05		-	-		-	-		-	-	
Distance to mean party (LR)	0.19	0.02	***	-	-		-	-		-	-	
Electoral defeat	0.04	0.00	***	-	-		-	-		-	-	
Winning issue												
Distance to mean voter (EU)	-	-		-2.87	0.10	***	-3.06	0.11	***	-4.02	0.15	***
Internal dissent (EU)	-	-		-0.31	0.07	***	0.22	0.16		2.74	0.29	***
Political loser index (LR)	-	-		-	-		1.41	0.14	***	5.14	0.21	***
Political loser*Dissent	-	-		-	-		-0.29	0.06	***	-1.61	0.11	***
N (observations, groups)	2690, 16	50		2535, I	64		2473, 1	60		720, 152		

#### Table 1: Explaining EU Issue Entrepreneurship

**Notes**: Table entries are Prais-Winsten regression coefficients correcting for panel-specific autocorrelation in error terms over one period (AR1) with panel corrected standard errors in parentheses and country dummies (not shown due to space limitations). Model 3b is the same as model 3a, but without imputed party expert data. Hence this model only contains data from years with CHES surveys, 1984, 1988, 1992, 1996, 1999, 2002 & 2006.

\*\*\* significant at  $p \le 0.01$ ; \*\* significant at  $p \le 0.05$  (two-tailed).

Model 1 demonstrates that parties with no coalition experience are significantly more likely to become issue entrepreneurs. In contrast, parties in opposition with previous coalition experience are no different from parties that are currently members of a governing coalition (reference category). Next, the results also lend credence to the idea that being a losing party in terms of policy-seeking goals matters for issue entrepreneurship. The distance to the mean party position on the left-right dimension has a negative and significant effect. Finally, we also find that electoral defeat has a significant effect on the likelihood of becoming an issue entrepreneur. The greater the electoral loss a party experienced compared to the previous election, the greater the degree of issue entrepreneurship. These findings are in line with our first hypotheses (H1a-c).<sup>12</sup> Overall, Model 1 shows that being a loser on the dominant dimension of contestation in terms of parties' office-, policy- and vote-seeking objectives makes it much more likely that a party becomes an issue entrepreneur, even when controlling for party size.<sup>13</sup>

The next question addressed in Model 2 is whether promoting the EU dimension is perceived as a potentially winning strategy. In the theory section, we argued that this depends primarily on the distance to the mean voter on the EU dimension (H3) and the degree of internal unity, or lack of dissent, on this dimension (H2a). As hypothesized, we find that parties closer to the mean voter on the EU dimension are more likely to become EU issue entrepreneurs. This suggests that parties indeed care about attracting new voters when they embark on an issue

<sup>&</sup>lt;sup>12</sup> As a possible alternative operationalization of the vote-seeking component of political loss, we ran the model using the distance to the mean voter on the left-right dimension. The idea here is that parties which are further removed from the mean voter position on the dominant dimension have trouble appealing to the majority of voters that hold centrist positions. Due to their disadvantageous position on the dominant dimension these parties experience a ceiling in their vote maximization. As a result, they have an incentive to introduce a new issue dimension. This operationalization yields almost identical results to those reported here in Table 1, for these results see Table 1 Models 3 and 4 in the Supporting Information. The only result that changes compared to the model we present here is that the distance to the mean party on the dominant dimension fails to reach statistical significance when distance to the mean voter on left-right is included. This is, however, most likely due to multicollinearity in the model, as *Distance Mean Party Position on the Dominant Dimension* and *Distance to the Mean Voter on the Dominant Dimension* and *Distance to the Mean Voter on the Dominant Dimension* and *Distance to the Mean Voter on the Dominant Dimension* are unsurprisingly highly correlated – at r=0.59 significant at  $p \leq 0.01$  level. Thus when we exclude the variable tapping into the distance to the mean voter from the model, the variable capturing distance to the mean party position does gain statistical significance. Due to this multicollinearity problem, we feel more comfortable operationalizing political loss on a vote-seeking dimension by a measure tapping into vote loss between the current and previous elections.

<sup>&</sup>lt;sup>13</sup>These results are also robust if we include party family dummies in the model, but for the sake of parsimony we have left these dummies out of the models shown here.

entrepreneurship strategy. The model also shows that parties that are not internally united on the EU dimension are less likely to adopt a strategy of issue entrepreneurship. Our propositions are thus corroborated also when controlling for country-level Euroskepticism, which unsurprisingly is positively associated with issue entrepreneurship on the EU dimension.

The final model combines the degree to which a party can be classified as a political loser in terms of office-, policy- and vote-seeking incentives on the dominant dimension and as a potential winner on the previously ignored issue in a single model. In order to circumvent multicollinearity and ease interpretation, we created a single scale tapping into the three components of political loss, namely government coalition membership, distance to mean party position, and electoral loss. Moreover, the model also includes an interaction between internal dissent and degree of the three components of "political loss" to test the hypothesis that the effect of internal dissent on EU entrepreneurship is moderated by the extent to which parties are losers on the traditional dimension (H2b). The results in Table 1 show that a significant interaction between political loss and internal dissent exists which is in the expected direction, thus indicating that issue entrepreneurship is decided by both a party's position on the current dominant dimension and the potential to win votes on the basis of the previously ignored issue. We see these results both when using the imputed dataset (Model 3a) and when using the smaller dataset without imputation (Model 3b). However, to interpret how being a political losers conditions the effect of internal dissent on issue entrepreneurship, it is not sufficient to simply look at significance of the interaction term since there is no way of knowing from the information presented in Table 1 what the impact of the condition is when its value is greater than zero (see Brambor et al 2006). Instead, we graphically illustrate how the marginal effect of internal dissent on the EU on issue entrepreneurship changes across different levels of the "political loser scale" in Figure 1. The decreasing slope in Figure 1 demonstrates that internal dissent only has a negative effect on EU entrepreneurship for parties that stand to lose on the current dimension. For winning parties, internal dissent on the new issue does not affect their likelihood of mobilizing that issue. In other

words, while political losers are generally more likely to mobilize a previously ignored issue, they are less likely to do so if they are internally divided on that issue. This makes sense, since it could be too much of a risk to promote a previously ignored issue for parties that are already marginal on the existing dimension of party competition, unless the party leadership is strongly united (H2b).

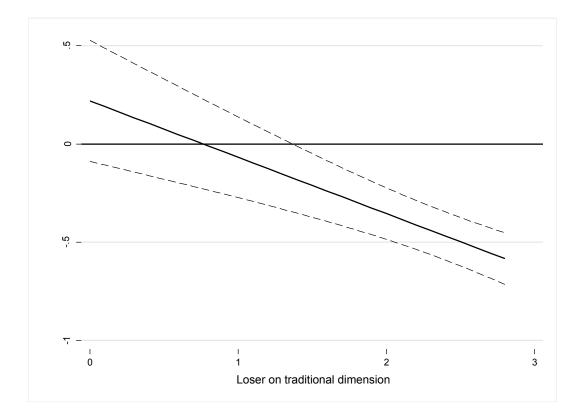


Figure 1: Marginal Effect of Internal Dissent on EU Issue Entrepreneurship, Modified by Political Loss

**Notes**: The figure shows the marginal effect of EU internal dissent on EU issue entrepreneurship, modified by the 'political loser' status on the left-right dimension (95% confidence intervals shown with dashed lines). The marginal effects are based on Model 3a in Table 1.

# Discussion

This study presents a theory of issue entrepreneurship in multiparty systems, which models when and why parties put previously ignored issues onto the political agenda. Our model builds on the core idea of the classic theories of issue evolution and issue manipulation by Carmines and Stimson as well as Riker, namely that parties become issue entrepreneurs when they are losers on the dominant dimension of contestation. Yet, this study extends this intuition to a multiparty setting, where the issue strategies of parties are also influenced by considerations about the potential for future coalition formation. To capture this strategic environment, our model does not simply distinguish between parties in office and in opposition, but identifies three component of "political loss" that make parties more likely to engage in issue entrepreneurship, namely lack of government experience, a non-mainstream position on the main dimension of political conflict, and electoral defeat. Whereas opposition parties in general will be cautious about engaging in issue entrepreneurial strategies, as it may harm their future coalition changes, we hypothesize that parties which lack such coalition potential have strong incentives to upset the existing equilibrium by highlighting a previously ignored issue, because they are less constrained by office-seeking motivations. Moreover, our model presents specific hypotheses about the conditions under which parties will choose to promote a specific issue, highlighting the importance of vote-seeking and policy-seeking considerations based on mean voter distance and internal cohesion.

We have tested these propositions by examining the dynamics of the EU issue in Western European party systems across three decades, and the findings lend strong support to our model. The empirical analysis highlights three important findings. First, we find that parties that lack office-holding experience, hold non-mainstream policy positions and have suffered electoral defeat are most likely to act as issue entrepreneurs. Second, parties only highlight a previously ignored issue when it is conceived as a potentially winning strategy. Specifically, parties only promote a previously ignored issue when their policy position is close to the mean voter position and when their position is characterized by a lack of internal dissent. Third, political losers are generally more likely to mobilize a previously ignored issue, but are less likely to do so if they are internally divided. From a strategic point of view this is very plausible as such parties only want to promote previously ignored issues from which they can gain electoral leverage and display unity in terms of policy. Consequently, it would simply constitute too much of a risk to promote a previously ignored issue for those parties that already occupy a marginal position on the existing

dimension of political conflict, unless the party leadership is strongly united.

The results presented here also give rise to important avenues for future research. We demonstrate that the dimensional basis of party competition is never a stable equilibrium, but always under pressure of the actions of issue entrepreneurs, and this raises further questions about the nature of party competition. How do mainstream parties respond to the strategies of issue entrepreneurs? When do new issues become mainstream issues? Notwithstanding the importance of these topics for future research, this study has provided important new insights into our understanding of the dynamics of the dimensional structure of party competition within multiparty systems. By developing a theory of issue entrepreneurship that allows political scientists to understand the politicization of previously ignored issues in a variety of institutional contexts and by testing the theoretical conjectures based on data about the politicization of the EU issue in Western Europe, this study has important implications for our understanding of the way issues evolve. The application of our issue entrepreneurship model to the EU issue has shown that parties in losing positions on the dominant dimension of political competition play a crucial role in instigating dimensional change. The main theoretical implication is not confined to the particular case of issues relating to the EU, but should also hold for other important issues that have gained political prominence, such as the immigration issue. This is a topic for future research.

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# Appendix

Table 2 below presents descriptive statistics of all variables included in the analyses. Note that we have also provided a *Supporting Information* document, detailing the results of a variety of robustness checks.

Variable	N	Mean	Mean SD		Max	
Issue entrepreneurship	2848	-0.6	6	-16	16	
Party size	2812	11.2	13	0	51	
EU support (country mean)	2853	2.5	0	2	3	
No government experience	2853	0.5	0	0	1	
Coalition experience (opposition)	2853	0.3	0	0	1	
Distance to mean party (LR)	2853	2.1	1	0	7	
Electoral defeat	2710	0.0	4	-20	23	
Distance to mean voter (EU)	2602	0.9	0	0	2	
Internal dissent (EU)	2853	2.1	1	0	5	
Political loser index (LR)	2710	2.5	1	0	4	

 Table 2: Descriptive Statistics