

Explaining policy position choice of Europarties: The effect of legislative resources

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Abstract

While Europarties have received increasing attention in recent years, little is known about how they arrive at a common policy position given their strong internal ideological heterogeneity. In order to explain position formation within Europarties, we argue that national parties compete with each other in an attempt to upload their own policy position to their Europarty. We hypothesize that their ability to succeed in these attempts depends on their legislative resources. The argument is tested based on an analysis of position formation within the four major Europarties for all EP elections between 1979 and 2004. The empirical results confirm that position choice is skewed towards parties with a large seat share which has important implications for political representation in Europe.

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Introduction

How do Europarties choose their policy positions? While political parties in the European Union have received increasing scholarly attention in recent years, little is known about position formation within Europarties. Europarties are transnational party federations of national parties that organize legislative activity on the European level.¹ They coordinate the activities of their national member parties and their associated party group in the European Parliament (EP) by setting and coordinating the EU policy agenda.² Like their national member parties, Europarties have their own statutes, their own budgets and their own secretariats that are legally independent from their national party members and the EP party group.³ As the competences of the European Union (EU) and in particular the powers of the European Parliament have increased over time, these federations have developed into genuine European parties.⁴ In their role as transnational parties, Europarties have adopted their own election manifestos in the run-up to the European Parliament elections ever since its first direct election in 1979. These party manifestos guide legislative activity of the Europarties and their associated party groups in the European Parliament. Based on the general policy guidelines set out in the party programmes, MEPs are regularly receiving voting

¹Throughout this article we use the terms ‘Europarties’ and ‘European parties’ exchangeably to denote the transnational party federations at the European level and to distinguish them from national parties and the political groups in the European Parliament. See also Simon Hix, ‘The transnational party federations’, in John Gaffney, eds, *Political Parties and the European Union* (London: Routledge, 1996), pp. 308-331; Simon Hix and Christopher Lord, *Political Parties in the European Union* (Houndmills: Macmillan, 1997); Matt Gabel and Simon Hix, ‘Defining the EU Political Space: An Empirical Study of the European Elections Manifestos, 1979-1999’, *Comparative Political Studies*, 35 (2002), 934-964; Karl Magnus Johansson and Tapio Raunio, ‘Regulating Europarties: Cross-party coalitions capitalizing on incomplete contracts’, *Comparative Political Studies*, 11 (2005), 515-534.

²Gabel and Hix, ‘Defining the EU Political Space: An Empirical Study of the European Elections Manifestos, 1979-1999’, p. 936.

³Hix and Lord, *Political Parties in the European Union*, p. 63.

⁴Simon Hix and Bjorn Høyland, *The Political System of the European Union*, 3rd edn (Houndmills: Palgrave Macmillan, 2011), p. 141.

instructions and they can be punished by their party groups for not adhering to them.⁵ The importance of their policy platforms is furthermore reflected in the requirement that new members must officially agree to follow the party policy laid down in the manifesto.⁶

Even though national parties join Europarties according to their ideological orientation and policy proximity to Europarties⁷, national member parties vary greatly in their specific policy position. The European People's Party (EPP) for instance comprises christian-democratic as well as conservative parties whereas the Party of European Socialists (PES) incorporates socialist and social-democratic parties such as the British Labour Party, the French Socialists and the German Social Democratic Party. The Europarties are therefore characterized by a high degree of internal ideological divergence. Accordingly, Hix has concluded that the Europarties have been deeply divided with regard to drafting common election manifestos.⁸ For instance, in the run-up to the first EP election, the adoption of the EPP election manifesto was extensively delayed by a disagreement between the Dutch CDA and the German CDU/CSU over the role of Christian principles in the common Europarty programme.⁹ Similarly, Külahci demonstrates in an empirical analysis of tax harmonization policy of the PES in the late 1990s that the PES was unable to act and position itself cohesively on this issue due to diverging economic interests, differences in domestic institutional settings and substantive ideological diversity among its national member parties.¹⁰ Despite these differences, the national parties however have to arrive at a common position in order to speak with one single voice at the European level. In order to understand party competition in the EU, we therefore not only have to study the interaction between different Europarties, but also their internal functioning. In

⁵Gail McElroy, 'Committees and Party Cohesion in the European Parliament', *Österreichische Zeitschrift für Politikwissenschaft*, 37 (2008), 357-374.

⁶Gail McElroy and Kenneth Benoit, 'Party Policy and Group Affiliation in the European Parliament', *British Journal of Political Science*, 40 (2010), 377-398, p. 380.

⁷McElroy and Benoit, 'Party Policy and Group Affiliation in the European Parliament'.

⁸Hix, 'Political Parties and the European Union', p. 316.

⁹Hix, 'Political Parties and the European Union', pp. 316-317.

¹⁰Erol Külahci, 'Europarties: Agenda-Setter or Agenda-Follower? Social Democracy and the Disincentives for Tax Harmonization', *Journal of Common Market Studies*, 48 (2010), 1283-1306.

particular, we need to shed light on how these ideologically diverse national member parties coordinate and arrive at a common position adopted in the election manifesto of the Europarty. In this article, we therefore seek to address the question of how policy position choice within Europarties can be explained.

Very little is known about how these national member parties come to an agreement when drafting the Europarty's election manifesto. Even though Europarties and their political groups in the European Parliament have received increasing scholarly attention in the past decade, position formation within Europarties remains largely understudied. By contrast, considerable attention has been paid to the cohesion of the EP political groups and to voting behavior of individual MEPs.¹¹ In an attempt to go beyond the focus on mere voting cohesion, McElroy and Benoit furthermore studied the decision of national parties to join political groups in the European Parliament.¹² They found that national parties are primarily driven by the desire to maximize the congruence between their own ideal point and the policy position of the EP party group. However, they only studied the decision of national parties to join a EP party group, but it remains unclear how the policy positions of European parties are formed. Several other scholars have empirically mapped the policy positions of European parties and have analyzed the dimensionality of the European political space using manifesto data, expert surveys, roll-call analysis or cross-national survey data.¹³ However, these studies merely provide

¹¹Fulvio Attin, 'The voting behaviour of the European Parliament members and the problem of the Europarties', *European Journal of Political Research*, 18 (1990), 557-579; Amie Kreppel and George Tsebelis, 'Coalition formation in the European Parliament', *Comparative Political Studies*, 32 (1999), 933-966; Simon Hix, 'Legislative Behaviour and Party Competition in the European Parliament: An Application of Nominat to the EU', *Journal of Common Market Studies*, 39 (2001), 663-688; Simon Hix, 'Parliamentary behavior with two principals: Preferences, parties, and voting in the European Parliament', *American Journal of Political Science*, 46 (2002), 688-698; Simon Hix and Abdul Noury, 'After Enlargement: Voting Patterns in the Sixth European Parliament', *Legislative Studies Quarterly*, 34 (2009), 159-174.

¹²Gail McElroy and Kenneth Benoit, 'Party Policy and Group Affiliation in the European Parliament'.

¹³Matt Gabel and Simon Hix, 'Defining the EU Political Space: An Empirical Study of the European Elections Manifestos'; Jacques Thomassen, Abdul Noury and Erik Voeten, 'Political competition in the European Parliament: Evidence from roll call and survey analyses', in Gary Marks and Marco R. Steenbergen, eds, *European integration and political conflict* (Cambridge: Cambridge University Press, 2004), pp. 141-164; Hix, Noury and Roland, 'Power to the Parties: Cohesion and competition

policy position estimates for Europarties, but they do not explain how these policy positions come about. More specifically, we still know little about how the diverse national member parties come to an agreement concerning the common policy position that the Europarty adopts in its election manifesto.

One could for instance argue that Europarties adopt policy positions that reflect the central tendency of their national party members. Empirical evidence however suggests otherwise. Figure 1 plots the policy positions of the four Europarties indicated by the dashed lines, the distribution of the ideal points of their national member parties indicated by the solid lines and the median position of the national member parties indicated by the dotted lines. The policy position estimates were extracted from their election manifestos adopted for the 2004 EP election.¹⁴ The figure illustrates that the Europarties do not simply adopt a policy platform that reflects the median position of their national member parties. The policy positions of the European People's Party (EPP) and the Party of European Socialists (PES) are shifted to the right whereas the position of the European Green Party (EGP) is located further to the left than its median national party member. Only the European Liberal, Democrat, and Reform Party (ELDR) adopts a policy position in line with the median position of its member parties. Hence, national member parties are not equally represented in their Europarty. This has important implications for democratic representation on the one hand¹⁵ and voting behavior of MEPs on the other hand.¹⁶

FIGURE 1 ABOUT HERE

in the European Parliament, 1979-2001'; Gail McElroy and Kenneth Benoit, 'Party groups and policy positions in the European Parliament', *Party politics*, 13 (2007), 5-28; Tim Veen, 'Positions and salience in European Union politics: Estimation and validation of a new dataset', *European Union Politics*, 12 (2011), 267-288; Gail McElroy and Kenneth Benoit, 'Policy positioning in the European Parliament', *European Union Politics*, 13 (2012), 150-167.

¹⁴See page 14 for further information about how these policy position estimates have been obtained.

¹⁵Emmanuel Sigalas, Monika Mokre, Johannes Pollak, Peter Slominski and Jozef Batora, 'Democracy Models and Parties at the EU Level. Empirical Evidence from the Adoption of the 2009 European Election Manifestos', *RECON Online Working Paper*, 13 (2010), 1-47.

¹⁶Hix, 'Parliamentary behavior with two principals: Preferences, parties, and voting in the European Parliament'; Simon Hix, 'Electoral institutions and legislative behavior: explaining voting defection in the European Parliament', *World Politics*, 56 (2004), 194-223.

How can this pattern be explained? What determines policy position choice within Europarties? We only have little descriptive and anecdotal knowledge about how the Europarties adopt a policy position when drafting their election manifestos. The election manifestos of Europarties are officially adopted by the Party Congresses which are held in the build-up to the European Parliament elections.¹⁷ The Party Congresses bring together representatives from national member parties and from the party groups in the European Parliament and the Committee of the Regions.¹⁸ Before the election manifesto is officially adopted by the Party Congresses, a working group is set up to prepare and negotiate the draft programme.¹⁹ Once the working group comes to a compromise, the election manifesto is approved by the Party Leader's meeting before it is officially adopted by the Party Congress. The Party Leader's meeting consists of the national party leaders, the prime ministers from the member parties (if they are not their party leaders at the same time), the president and vice-presidents of the Europarty, the Leader of the EP party group and the members of the European Commission that are affiliated with national party members.²⁰ However, even though we have an idea about what actors are involved in drafting the election manifesto, we do not have any systematic evidence about what factors determine the outcome of position formation. This is a more general problem of the literature on political parties as there is hardly any systematic knowledge about manifesto creation in any other political context.²¹

In this study, we therefore aim at overcoming the shortcomings of the literature by explaining policy position choice within Europarties. We argue that position formation has to be understood as a multilevel bargaining process in which policy-seeking national parties compete for influence on the position choice of their Europarty. We expect that the ability to succeed in this multilevel competition is determined by the legislative resources of national parties. The remainder of the article is structured as follows.

¹⁷Hix and Lord, *Political parties in the European Union*, p. 64.

¹⁸Hix and Lord, *Political parties in the European Union*, p. 64.

¹⁹Gabel and Hix, 'Defining the EU Political Space: An Empirical Study of the European Elections Manifestos, 1979-1999', p. 937.

²⁰Hix and Lord, *Political parties in the European Union*, pp. 65-66.

²¹McElroy and Benoit, 'Party Policy and Group Affiliation in the European Parliament', p. 379-380; Thomas Däubler, 'The Preparation and Use of Election Manifestos: Learning from the Irish Case', *Working Paper: Trinity College Dublin* (2011).

The next section develops the argument in greater detail and derives the central hypothesis that guides the empirical analysis. We then illustrate the research design of this study before presenting the empirical test of our theoretical expectations. Section five then concludes with a summary of the findings and a discussion of the broader implications for policy position choice within political parties and political representation in Europe.

Multilevel party competition and legislative resources

In order to explain how policy positions of European parties are formed, this section presents a theoretical model of preference formation within multilevel settings. We conceptualize position formation within Europarties as a two-level bargaining process in which national parties compete with each other in an attempt to upload their own policy position to their Europarty. We expect that the ability of national parties to succeed in shaping the policy preference of their Europarty is determined by their legislative resources. Legislative resources are defined as the share of seats that a national party controls in the European Parliament.

Parties are conceptualized as rational, goal-oriented and purposeful collective actors. Following the party behavior model set out by De Swaan²², we assume that parties are policy-seeking actors. Political parties are motivated by political goals that guide their behavior. They intrinsically value policy outcomes and sincerely believe in policy goals that they seek to achieve. Political parties therefore strive to maximize their influence on policy-making to bring about a policy outcome that is as close as possible to their own ideal point. The ability of a party to pursue its policy objectives depends on its capacity to shape the political decision-making process. Political parties therefore implicitly also strive for office for instrumental reasons as a means toward policy influence.²³

European Parliament elections have often been described as ‘second order’ elections which are generally viewed less important as there is ‘less at stake’ than in national

²²Abram De Swaan, *Coalition theories and cabinet formation* (Amsterdam: Elsevier, 1973).

²³Kaare Strøm and Wolfgang C. Müller, ‘Political parties and hard choices’, in Wolfgang C. Müller and Kaare Strøm, eds, *Policy, office or votes? How political parties in Western Europe make hard decisions* (Cambridge: Cambridge University Press, 1999), pp. 1-35, at p. 8.

elections which determine the composition of the domestic government.²⁴ As a result, public salience and turnout is considerably lower than in national elections. However, the powers of both the EU and the European Parliament have considerably increased over time. At the same time, the successive treaty changes have turned the European Parliament into a powerful co-legislator. Policy-seeking national parties therefore have strong incentives to influence European decision-making through the European Parliament as a large number of political decisions is taken at Brussels.

While political parties on the national level can independently choose their policy goals and single-handedly pursue their policy objectives in the domestic arena, the situation on the European level is much more complex. At the European level, national parties come together in Europarties which are transnational federations of national parties from a wide variety of member states. Even though national parties join these Europarties due to their ideological orientation and policy proximity²⁵, there is a considerable variation in terms of the ideal points of national parties within the same European party. Just think of the difference between the British Labour Party, the French Socialists and the German Social Democratic Party which are all members of the Party of European Socialists, but which vary extensively in their ideology (see also figure 1). Despite these ideological differences, national parties within the same Europarty have to settle on a common policy position to speak with one voice in Brussels and to effectively pursue their goals on the European level. Europarties have accordingly adopted their own election manifestos ever since the first direct election of the European Parliament in 1979. These party manifestos guide legislative activity of the Europarties and their associated party groups in the European Parliament. For instance, based on the policy guidelines set out in these party manifestos, MEPs regularly receive voting instructions and they can be punished for not adhering to them.²⁶ The importance of these policy platforms is furthermore reflected in the requirement that new members

²⁴Karlheinz Reif and Hermann Schmitt, 'Nine second-order national elections - A conceptual framework for the analysis of European election results', *European Journal of Political Research*, 8 (1980), 3-44; Cees van der Eijk and Mark N. Franklin, *Choosing Europe?: The European Electorate and National Politics in the Face of Union* (Ann Arbor: University of Michigan Press, 1996).

²⁵McElroy and Benoit, 'Party Policy and Group Affiliation in the European Parliament'.

²⁶McElroy, 'Committees and Party Cohesion in the European Parliament'.

must officially agree to follow the party policy laid down in the manifesto.²⁷

Given that national parties within the same Europarty differ considerably in their policy goals, the crucial question is how these very diverse national parties arrive at a common policy position at the European level. In other words, how do national parties with diverse policy preferences agree on a common position as expressed in the election manifesto of their Europarty? In order to explain policy position choice of Europarties, their preference formation is conceptualized as a two-level party competition in which the supply of legislative resources is decisive for the success of national parties.²⁸ As we have discussed earlier, we conceptualize political parties as policy-seeking actors that pursue a certain policy objective. While national parties can independently choose and pursue their own policy goals in the domestic arena, they cannot single-handedly do so on the European level. By contrast, they have to come to an agreement with other members of their Europarty concerning the policy position of their common European party federation. National parties therefore seek to influence position formation within their Europarty in order to upload their own policy preferences to their European party. The importance national parties attach to the election manifestos of their Europarties is reflected by the representatives that national parties send to negotiate the Europarty manifestos. For instance, the British labour party sent its foreign minister to lead the working group that was set up in 1998 to draft the PES election manifesto for the EP election in 1999.²⁹ Similarly, the French, German and Italian member parties also sent high-ranking officials to these working group meetings.³⁰

National parties which are members of the same European party therefore compete with each other in an attempt to upload their own individual policy preferences to the European party. What determines the ability of national parties to influence

²⁷McElroy and Benoit, 'Party Policy and Group Affiliation in the European Parliament', p. 380.

²⁸Robert D. Putnam, 'Diplomacy and Domestic Politics: The Logic of Two-Level Games', *International Organization*, 42 (1988), 427-460; Andrew Moravcsik, 'Preferences and Power in the European Community: A Liberal Intergovernmentalist Approach', *Journal of Common Market Studies*, 31 (1993), 473-524.

²⁹Gabel and Hix, 'Defining the EU Political Space: An Empirical Study of the European Elections Manifestos, 1979-1999', p. 937.

³⁰Gabel and Hix, 'Defining the EU Political Space: An Empirical Study of the European Elections Manifestos, 1979-1999', p. 937.

the policy position that their European party adopts? Drawing on insights from the literature on coalition governments, we argue that the legislative resources, that is, the share of parliamentary seats a national party wins crucially determines its success. Coalition theorists have argued that the payoffs that political parties gain from coalition governments crucially depend on the resources a party brings to the coalition.³¹ Gamson³² reasoned that ‘any participant will expect others to demand from a coalition a share of the payoff proportional to the amount of resources which they contribute to a coalition’ which has been famously denoted as ‘Gamson’s law’.³³ Even though

³¹William A. Gamson, ‘A Theory of Coalition Formation’, *American Sociological Review*, 26 (1961), 373-382; Eric C. Browne and Mark N. Franklin, ‘Aspects of Coalition Payoffs in European Parliamentary Democracies’, *American Political Science Review*, 67 (1973), 453-469; Paul V. Warwick and James N. Druckman, ‘Portfolio Salience and the Proportionality of Payoffs in Coalition Governments’, *British Journal of Political Science*, 31 (2001), 627-649; Paul V. Warwick and James N. Druckman, ‘The portfolio allocation paradox: An investigation into the nature of a very strong but puzzling relationship’, *European Journal of Political Research*, 45 (2006), 635-665; Hanna Bäck, Henk Erik Meier and Thomas Persson, ‘Party size and portfolio payoffs: The proportional allocation of ministerial posts in coalition governments’, *Journal of Legislative Studies*, 15 (2009), 10-34.

³²Gamson, ‘A Theory of Coalition Formation’, p. 376.

³³Coalition theorists have also offered alternative approaches to study payoff allocation in coalition governments. Among them the most popular is the game-theory approach and, particularly, the non-cooperative ‘Baron-Ferejohn model’ (David P. Baron and John A. Ferejohn, ‘Bargaining in Legislatures’, *American Political Science Review*, 83 (1989), 1181-1206.) However, most of these models cannot account for the allocation of payoffs since they imply a proposer premium irrespective of the distribution of seats among coalition parties. (Daniel Diermeier, ‘Coalition government’, in Barry R. Weingast and Donald A. Wittman, eds, *The Oxford Handbook of Political Economy* (Oxford: Oxford University Press, 2006), pp. 162-179, at p. 172.) Other approaches have assigned a crucial role to the median parliamentary party in the government formation process. (Duncan Black, *The theory of committees and elections* (Cambridge: Cambridge University Press, 1958); Michael Laver and Kenneth A. Shepsle, *Making and breaking governments: Cabinets and legislatures in parliamentary democracies* (Oxford: Cambridge University Press, 1996).) In addition, several alternative bargaining power indices have been suggested that focus not on size, but on the extent to which a party is pivotal to winning coalitions. (See e.g. Dennis Leech, ‘An Empirical Comparison of the Performance of Classical Power Indices’, *Political Studies*, 50 (2002), 1-22.) We have however opted to rely on Gamson’s law due to its intuitive nature, its parsimony and its empirical superiority. (See also Guillaume R. Fréchette, John H. Kagel and Massimo Morelli, ‘Gamson’s Law versus non-cooperative bargaining theory’, *Games and Economic Behavior*, 51 (2005), 365-390; Paul V. Warwick and James N. Druckman, ‘The portfolio allocation paradox: An investigation into the nature of a very strong but puzzling relationship’.) Warwick and Druckman have demonstrated that ‘seat share is by far the strongest determinant of

Europarties do not constitute traditional government coalitions which are the focus of previous coalition research, they are alliances of national parties that share a variety of features with government coalitions. National parties come together in Europarties to achieve common legislative objectives, just like national parties come together in a coalition government in order to be able to govern together. Similarly, national parties demand payoffs for their participation in Europarties, just like national parties demand payoffs from their participation in coalition governments. Europarties can therefore be conceptualized as transnational coalitions of national parties that demand payoffs for their participation. Gamson's law therefore offers important insights to understand payoff allocation in Europarties.

Payoffs are goods that are distributed among coalition partners and used by them to advance their individual objectives.³⁴ In line with the policy-seeking party model, we assume that the crucial payoffs for national parties on the European level consist of policy prerogatives.³⁵ National parties pursue their own policy objectives and try to upload their individual policy goals to their Europarty. They seek to adopt a common Europarty position that is as close as possible to their own preferred position. In an unidimensional policy space, the utility for national parties declines with the distance between the Europarty position and their own policy stance. The utility function is portfolio allocations' and we therefore rely on the well-established relationship between payoffs and seat share to explain position formation within Europarties. (Paul V. Warwick and James N. Druckman, 'The portfolio allocation paradox: An investigation into the nature of a very strong but puzzling relationship', pp. 653-654.)

³⁴Browne and Franklin, 'Aspects of Coalition Payoffs in European Parliamentary Democracies', p. 453.

³⁵See also Ian Budge and Michael Laver, 'The Policy Basis of Government Coalitions: A Comparative Investigation', *British Journal of Political Science*, 23 (1993), 499-519; Paul V. Warwick, 'Coalition Policy in Parliamentary Democracies', *Comparative Political Studies*, 34 (2001), 1212-1236. While most other studies of payoff allocation at the national level have focused on ministry portfolios as the crucial payoffs, (e.g. Warwick, 'The portfolio allocation paradox: An investigation into the nature of a very strong but puzzling relationship'; Hanna Bäck, Marc Debus and Patrick Dumont, 'Who gets what in coalition governments? Predictors of portfolio allocation in parliamentary democracies', *European Journal of Political Research*, 50 (2011), 441-478), the decisive payoffs on the European level are policy prerogatives as elections to the European Parliament do not result in a government formation so that there are no portfolios to allocate.

formulated as follows:

$$U_j = -(P_{NATj} - P_{EUR})^2 \quad (1)$$

where U_j is the utility for a national party j . P_{NATj} is the position of national party j on the unidimensional policy scale and P_{EUR} is the location of its Europarty on the ideological scale. Thus, the utility rises as the policy distance between a national party and its Europarty decreases and reaches its maximum at zero indicating absolute congruence between the Europarty and the preferred position of the national party.

We furthermore assume that the crucial resources that a national member party provides to its Europarty is its share of seats in the European Parliament.³⁶ The seat share reflects the degree of legislative support that national member parties can deliver to their Europarty for the achievement of the common policy objective.³⁷ The strength of a Europarty, or more precisely its associated Party Group in the European Parliament, crucially depends on the number of seats it controls in the Parliament. As decisions in the European Parliament are taken by majority vote, the ability of Europarties to achieve their policy goals in the European Parliament depends on their seat share. The powers of the European Parliament have considerably increased over time and have turned the EP into a veritable co-legislator on the European level. Policy-seeking parties can therefore influence the EU legislative process through the European Parliament in order to achieve a policy outcome that is as close as possible to their preferred policy position. The ability to shape EU policy-making through the EP crucially depends on the share of seats that parties control in the European Parliament. The higher the share of seats that a national party controls, the larger its impact on the position that the EP takes on policy initiatives and ultimately on the

³⁶Gamson, 'A Theory of Coalition Formation', pp. 374-376; Browne and Franklin, 'Aspects of Coalition Payoffs in European Parliamentary Democracies', p. 457; Warwick and Druckman, 'The portfolio allocation paradox: An investigation into the nature of a very strong but puzzling relationship', pp. 653-654.

³⁷Warwick and Druckman, 'The portfolio allocation paradox: An investigation into the nature of a very strong but puzzling relationship', p. 636.

policy outcomes. National member parties that won a large number of parliamentary seats therefore provide the Europarty with considerable legislative resources that are necessary for the achievement of the common policy objective. During the bargaining stage at the European level, it is therefore decisive how many seats national parties can bring to the negotiation table when it comes to settling on a common policy position for their European party. As Euromanifestos are drafted in the run-up to the European Parliament elections, it is decisive how many seats a national party currently controls. National parties that already gained a large number of seats in the last election have demonstrated their ability to win a large number of parliamentary mandates for their Europarty. The prospects of winning a similarly large number of seats in the upcoming election are therefore promising and they therefore wield greater power over the drafting of the Europarty manifesto. Hence, the larger the share of parliamentary seats a national party currently controls, the higher the policy payoffs a national party can gain from the negotiations with other members of the same Europarty.³⁸

$$P_{EUR} = \sum_{j=1}^J P_{NATj} * \alpha_j, \quad \text{with } \sum_{j=1}^J \alpha_j = 1 \quad (2)$$

Formula 2 illustrates our theoretical model.³⁹ We expect that the policy position P_{EUR} that a Europarty adopts is the result of multilevel negotiations in which J national member parties attempt to upload their position to their Europarty. The policy position choice of a Europarty P_{EUR} corresponds to the sum of the weighted preferences of national member parties. The preferences of national member parties P_{NATj} are

³⁸In a similar vein, studies of the EU legislative process have shown that large member states are generally more successful in achieving their policy goals in the EU due to their voting power in the Council, e.g. Fiona Hayes-Renshaw and Helen Wallace, *The Council of Ministers*, 2nd edn (Basingstoke: Palgrave Macmillan, 2006); Jonas Tallberg, 'Bargaining Power in the European Council', *Journal of Common Market Studies*, 46 (2008), 685-708.

³⁹It has to be noted that this formula does not constitute the basis for the calculation of the policy positions of Europarties, but that it simply summarizes our theoretical model according to which the policy position of a Europarty P_{EUR} can be explained by the policy preferences of its J national member parties P_{NATj} weighted by their legislative resources α_j . The policy positions of Europarties are measured independently on the basis of a content analysis of their election manifestos as outlined in detail in the next section.

weighted by their legislative resources α_j . The legislative resources of a national party correspond to its share of the aggregated number of EP seats that all national member parties bring to its Europarty. Policy preferences of national parties with a high degree of legislative resources α_j have a larger impact on the policy position of the Europarty P_{EUR} . The policy position of a Europarty does therefore not correspond to the average position of its national parties. National member parties do not have an equal weight in the multilevel negotiations, but their success depends on their legislative resources, that is, the number of EP seats they control relative to the other member parties. Policy position choice of Europarties is therefore skewed towards national parties that gain a large number of parliamentary seats. Hence, the distance between an ideal point of a national party and the policy position of its Europarty is negatively associated with its legislative resources. National member parties with a high seat share are located closer to the ideal point of their Europarty than national parties that only won a small number of parliamentary seats.

Hypothesis:

The higher the legislative resources of a national party, the smaller the distance between its own national policy position and the policy position adopted by its European party.

Research design

In this section, we illustrate how we constructed the dataset that was used to empirically test our theoretical expectations. We first explain how we measured policy positions of European and national parties as well as the distance between these position estimates. Afterwards we will discuss how the explanatory and control variables were operationalized.

Measuring policy positions of parties and their distances

To measure policy positions of European and national parties, we rely on the Euromanifesto dataset.⁴⁰ European parties as well as most of their national member parties have adopted election manifestos for all European Parliament elections ever since its first direct election in 1979. Party manifestos have been used by a wide variety of scholars to estimate policy positions of political parties as political parties clearly spell out their ideological stance on a variety of policy issues in their manifestos.⁴¹ The most widely used dataset on policy positions is the Comparative Manifesto Project (CMP) which analyzes national party manifestos in a wide variety of countries from 1945 until 2004 by means of manual hand-coding.⁴² The CMP developed a classification scheme with fifty-six categories grouped into seven policy domains. Where possible, directly opposing pro and contra categories were specified. The Euromanifesto project (EMP) applies the CMP approach to election manifestos issued by European and national parties for European Parliament elections by manually coding the manifestos according to a coding scheme similar to the one developed by the CMP. Human coders first divided the election programmes in so-called ‘quasi sentences’ which contain an

⁴⁰Andreas M. Wüst and Andrea Volkens, ‘Euromanifesto Coding Instructions’, *Mannheimer Zentrum für europäische Sozialforschung Working Paper*, 64 (2003); Daniela Braun, Maike Salzwedel, Christian Stumpf and Andreas M. Wüst, *Euromanifesto Documentation* (Mannheim Center for European Social Research, 2004).

⁴¹E.g. Michael Laver and John Garry, ‘Estimating Policy Positions from Political Texts’, *American Journal of Political Science*, 44 (2000), 619-634; Ian Budge, Hans-Dieter Klingemann, Andrea Volkens, Judith Bara and Eric Tanenbaum, *Mapping Policy Preferences: Estimates for Parties, Electors and Governments 1945-1998* (Oxford: Oxford University Press, 2001); Gabel and Hix, ‘Defining the EU Political Space: An Empirical Study of the European Elections Manifestos, 1979-1999; Michael Laver, Kenneth Benoit and John Garry, ‘Extracting policy positions from political texts using word as data’, *American Political Science Review*, 97 (2003), 311-331; Hans-Dieter Klingemann, Andrea Volkens, Judith Bara, Ian Budge and Michael McDonald, *Mapping Policy Preferences II: Estimates for Parties, Electors, and Governments in Eastern Europe, European Union and OECD 1990-2003* (Oxford: Oxford University Press, 2006).

⁴²Budge, Klingemann, Volkens, Bara and Tanenbaum, *Mapping Policy Preferences: Estimates for Parties, Electors, and Governments 1945-1998*; Klingemann, Volkens, Bara, Budge and McDonald, *Mapping Policy Preferences II: Estimates for Parties, Electors, and Governments in Eastern Europe, European Union and OECD 1990-2003*.

argument understood as ‘the verbal expression of one political idea or issue’.⁴³ In a second step, these quasi sentences were allocated to the appropriate categories specified in the coding scheme developed by the EMP.

In order to compute policy position estimates, we draw on the widely-used so-called ‘RILE’ procedure. As discussed above, the Euromanifesto project divided all EP election manifestos into ‘quasi-sentences’ and allocated them to predefined policy categories. Some of these categories are considered to indicate left-winged policy positions and some are classified as right-winged issues. The ‘RILE’ scaling technique yields policy position estimates from these coded manifestos based on the following procedure: First, the percentages of left and right categories of the total number of coded quasi-sentences are computed. Then, the percentage of left sentences is subtracted from the percentage of right sentences. Negative scores represent left positions and positive scores represent right positions. At the extreme, a party devoting its entire program to left-wing issues would score -100; similarly a totally right-winged program would receive a score of +100. An example: Imagine a party manifesto would contain 200 quasi-sentences, out of which 100 (50 per cent) are allocated to left categories and 40 (20 per cent) are allocated to right categories. This manifesto would receive a score of -30 (i.e. 20 - 50). Concerning the European dimension, we rely on the ‘pro-anti European integration scale’ constructed by subtracting the percentage of anti EU sentences from the percentage of pro EU sentences. In this case, positive scores represent a pro-integration attitude while negative values represent an anti-integration position.⁴⁴

There are however also alternative approaches to measure policy positions of which expert surveys are the most prominent.⁴⁵ There is a vibrant discussion in the literature

⁴³Wüst and Volkens, *Euromanifesto Coding Instructions*, p. 4.

⁴⁴ We hereby draw on the RILE scale developed by Andreas Wüst and the pro-anti European integration dimension computed by the Euromanifesto project. Braun, Salzwedel, Stumpf and Wüst, *Euromanifesto Documentation*.

⁴⁵E.g. Kenneth Benoit and Michael Laver, ‘Benchmarks for Text Analysis: A Reply to Budge and Pennings’, *Electoral Studies*, 26 (2007), 130-135; Marco R. Steenbergen and Gary Marks, ‘Evaluating expert judgements’, *European Journal of Political Research*, 46 (2007), 347-366; McElroy and Benoit, ‘Party groups and policy positions in the European Parliament’; Liesbet Hooghe, Ryan Bakker, Anna Brigevid, Catherine de Vries, Erica Edwards, Gary Marks, Jan Rovny and Marco Steenbergen,

about the quality of manifesto data and expert surveys for the measurement of policy positions as each approach is associated with certain advantages and disadvantages.⁴⁶ We have decided to use Euromanifesto data for theoretical and empirical reasons: First, from a theoretical point of view, this study analyzes preference formation of Europarties with regard to the drafting of common Europarty election manifestos. We explicitly conceptualize preference formation as a two-level party competition in which national parties compete with each other in an attempt to influence the policy position that the Europarty adopts in its election manifesto in the run-up to the European Parliament elections. Hence, from a theoretical perspective, the election manifestos adopted by the Europarties and their national member parties are therefore the ideal data source for our analysis. Second, from an empirical point of view, it is crucial that the estimates measure policy positions at the time of the European Parliament elections to have simultaneous position estimates for the time when national parties negotiate the adoption of their Europarty manifestos. As the expert surveys are only available for a limited number of time points and also not simultaneously for national parties and their Europarties, we decided to rely on the Euromanifesto data which provides us with simultaneous policy position estimates for all Europarties and all their national member parties for all EP elections in 1979, 1984, 1989, 1994 and 2004. However, in order to test the robustness of our results, we performed the following robustness check based on the Chapel Hill expert survey data:⁴⁷ First, we computed the Europarty position based on the average position of its national member parties as estimated by the expert survey. Second, we computed the Europarty position based on the average position of its national member parties weighted by the relative seat share of these parties in

‘Reliability and Validity of Measuring Party Positions: The Chapel Hill Expert Surveys of 2002 and 2006’, *European Journal of Political Research*, 49 (2010), 684-703; McElroy and Benoit, ‘Policy positioning in the European Parliament’.

⁴⁶See also Kenneth Benoit and Michael Laver, ‘Estimating Party Policy Positions: Comparing Expert Surveys and Hand Coded Content Analysis’, *Electoral Studies*, 26 (2007), 90-107; Gary Marks, Liesbet Hooghe, Marco R. Steenbergen and Ryan Bakker, ‘Crossvalidating data on party positioning on European integration’, *Electoral Studies*, 26 (2007), 23-38.

⁴⁷Marco R. Steenbergen and Gary Marks, ‘Evaluating expert judgements’; Hooghe, Bakker, Brigeovich, de Vries, Edwards, Marks, Rovny and Steenbergen, ‘Reliability and Validity of Measuring Party Positions: The Chapel Hill Expert Surveys of 2002 and 2006’. We thank the anonymous reviewer for this suggestion.

line with our theoretical model summarized in formula 2. Finally, we compared these estimates to the Europarty position estimates derived from the Euromanifesto data. The results indicate that the average expert survey position of national parties weighted by their relative seat share as suggested in our theoretical model better predicts the Euromanifesto positions than the simple average expert survey positions of national parties. The expert survey data therefore supports our findings and the validity of the Euromanifesto position estimates.

In order to study policy position formation within European parties, we concentrate on the four major parties on the European level as they have dominated politics in the EU:⁴⁸ the European People's Party (EPP), the Party of European Socialists (PES), the European Liberal, Democrat, and Reform Party (ELDR) and the European Green Party (EGP). The European People's Party is the largest political group in the European Parliament that currently controls 271 of its 736 seats. The European People's Party incorporates 48 Christian Democratic and Conservative parties from the 27 EU member states. The Party of European Socialists brings together the Socialist, Social Democratic and Labour Parties of the European Union. The PES is currently represented by 184 Members of the European Parliament (MEPs) and it is composed of 33 national parties. The third largest political force in the European Parliament is the European Liberal, Democrat, and Reform Party with 72 of the 736 seats. It brings together 54 liberal parties from various European countries. The European Green Party has currently the smallest number of representatives in the European Parliament as only 47 Members of the European Parliament belong to the European Green Party which comprises 38 green parties from various European countries. All together the dataset includes 286 observations that constitute national member parties that aim to shape the election manifestos adopted by the four major Europarties across the six European Parliament elections between 1979 and 2004.

As a measure for the absolute distance between the ideal point of national member parties and the policy position adopted by their European party ($P_{EUR} - P_{NAT_j}$) we computed the Euclidean distance between these two positions. We analyze the

⁴⁸Hix, 'The transnational party federations'; Hix and Lord, *Political parties in the European Union*, pp. 29-39, pp. 167-197; Gabel and Hix, 'Defining the EU Political Space: An Empirical Study of the European Elections Manifestos, 1979-1999'.

distance between European parties and their national members on the left-right scale for two reasons. First, several scholars have empirically evaluated the policy space at the European level and have concluded that it is characterized by a unidimensional left-right space.⁴⁹ Second, even though some other scholars disagree and suggest that the European political space is characterized by a two dimensional space consisting of a left-right and a pro-anti European integration dimension⁵⁰, there is hardly any variation on the pro-anti European integration dimension.⁵¹ This is particularly the case as we focus on the four major European parties that largely agree on the scope of European integration as compared to Eurosceptic parties. Figure 2 illustrates the absolute ideological distance between national parties and their Europarty on the left-right scale. However, in order to check the robustness of our results across a different conceptualization of the dimensionality of the European political space, we repeat our analysis for the two-dimensional space composed of the left-right and pro-anti European integration dimension. We measured the distance between national parties and their Europarties on the left-right and pro-anti European integration based on the two-dimensional Euclidean distance.

FIGURE 2 ABOUT HERE

Measuring independent variables

We measure the legislative resources of a national party by the number of EP seats that it won in the last European Parliament election relative to other member parties of the same Europarty. We therefore use the lagged legislative resources of national parties

⁴⁹Kreppel and Tsebelis, 'Coalition formation in the European Parliament'; George Tsebelis and Geoffrey Garrett, 'Legislative Politics in the European Union', *European Union Politics*, 1 (2000), 9-36; Gabel and Hix, 'Defining the EU Political Space: An Empirical Study of the European Elections Manifestos, 1979-1999'; Hix, Noury and Roland, 'Power to the Parties: Cohesion and competition in the European Parliament, 1979-2001'.

⁵⁰Hix and Lord, *Political parties in the European Union*; McElroy and Benoit, 'Party groups and policy positions in the European Parliament'.

⁵¹See also Andreas Warntjen, Simon Hix and Christophe Crombez, 'The party political make-up of EU legislative bodies', *Journal of European Public Policy*, 15 (2008), 1243-1253, p. 1248.

to predict their influence on policy position choice of Europarties.⁵² The number of parliamentary seats simultaneously captures the overall weight of a national party's member state in the European Parliament as well as the relative importance of a national party in its home country as the number of seats of a party is determined by its domestic vote share and the number of seats allocated to its home country in the European Parliament. The vote share of national parties in their home country or the absolute number of seats are by contrast not sufficient to measure the supply of legislative resources to their Europarty. For instance, a national party from Malta could win 100 per cent of the national votes, but would still provide less seats to its Europarty than a German party winning only 10 per cent of the national votes since Malta only has six seats while Germany has 99 seats in the EP. Similarly, as the EPP overall currently controls 271 seats while the EGF is currently only represented by 58 MEPs, a national member party of the EPP that won 20 seats is less important to its Europarty than a Green party that only won ten seats since the Green party provides about 17 per cent of all its Europarty seats while the conservative party only provides 7 per cent of all the EPP seats.

To obtain the number of seats relative to other member parties of the same Europarty α_j of a national party j , we divided the number of seats x_j obtained by party j by the total number of seats gained by all members of the same Europarty. To ease interpretation of the regression coefficients, we then multiplied the estimate with 100 so that the measure of legislative resources ranges from 0 to 100.

⁵²We also tested the robustness of the results by repeating the analysis with the number of seats a national party obtains in the upcoming election as a measure of the expected number of seats. The results are substantially the same. The number of seats won in national elections is by contrast not a good measure as many voters systematically vote differently in elections to the European Parliament than they would vote in the case of national elections. Eric Oppenhuis, Cees van der Eijk and Mark Franklin, 'The Party Context: Outcomes', in Cees van der Eijk and Mark Franklin, eds, *Choosing Europe? The European electorate and national politics in the face of Union* (University of Michigan Press, 1996), pp. 287-305; Simon Hix and Michael Marsh, 'Punishment or Protest? Understanding European Parliament Elections', *Journal of Politics*, 69 (2007), 495-510. In addition, taking the number of seats won in national elections does not capture the different number of seats that are allocated to member states in the European Parliament.

$$\alpha_j = \frac{x_j}{\sum_{j=1}^J x_j} * 100$$

As the proximity model of voting predicts that European parties adopt a policy position based on the distribution of policy preferences of their supporters, we control for the distance between the ideal point of national parties and the median policy position of the potential European electorate.⁵³ We measure the location of the median ideal point drawing on survey data gathered from the European Election Studies (EES) for the European Parliament elections between 1989 and 2004. For the 1979 and 1984 elections we rely on the Eurobarometer 12 and 22.⁵⁴ These surveys included several questions about electoral participation and voting behavior in European Parliament elections. One of the questions refers to the classical left-right individual self-placement. This variable ranges from 0 (extreme-left) to 10 (extreme-right) and is available for all European Parliament elections. The EES furthermore comprises a question that measures the attitude of citizens towards European integration. This variable ranges from 1 (unification has already gone too far) to 10 (integration should be pushed further).⁵⁵ Unfortunately this question is only included in the last two EES waves (1999 and 2004) which causes a significant reduction in the number of cases. We transform these two scales so that they correspond to the ideal point scales of political parties.⁵⁶

⁵³Lawrence Ezrow, Catherine De Vries, Marco Steenbergen and Erica Edwards, ‘Mean voter representation and partisan constituency representation: Do parties respond to the mean voter position or to their supporters?’, *Party Politics*, 17 (2011), 275-301.

⁵⁴In 1979 and 1984 a set of questions was added to the regular Eurobarometer that was conducted in the aftermath of the European Parliament elections. These questions were later included in the European Election Studies. The EES data is publicly available at the European Election Studies website (www.ees-homepage.net) and the Eurobarometer data can be accessed on the GESIS website (www.zacat.gesis.org).

⁵⁵More precisely, the wording of the question is the following: ‘Some say European unification should be pushed further. Others say it has already gone too far. What is your opinion? Please indicate your views using a 10-point-scale. On this scale, 1 means unification ‘has already gone too far’ and 10 means it ‘should be pushed further’. What number on this scale best describes your position?’

⁵⁶One could argue that party proximity could also be a good measure to identify the potential electorate. However, the same citizen can be close to different parties and it is therefore not clear how multiple party identifications affect vote choice. At the same time, the level of response is lower,

The median ideological position of the potential electorate of a European party is calculated as the median policy position of citizens that voted for this party.⁵⁷ Thus, for each Europarty we have calculated the median ideal point of its potential electorate on the left-right scale for each election and on the pro-anti European integration dimension for the 1999 and 2004 election. In order to measure the distance between a national party and the median position of the potential European electorate of its Europarty, we then computed the Euclidean distance on the left-right scale and in the two-dimensional policy space.

We also include several additional control variables in the analysis. To control for potential learning effects due to prior experience in negotiating policy positions of European parties, we control for the duration of EU membership of a national party's home country measured by the number of years between its accession and the date of the election. We use the logged number of years as it is plausible to assume that the size of the learning effect decreases with an increase in number of years of EU membership. In addition, we control for the salience of European Parliament elections in different member states of the EU. If European Parliament elections are particularly salient in a member state, national parties from this country might on average have stronger incentives to influence position formation of their Europarty as their domestic constituents more closely monitor the election campaign than national parties from countries where EP elections hardly raise any public interest. We would therefore expect that the policy distance to Europarties decreases on average with the salience of EP elections in the home countries of national member parties. It has to be noted however that national parties from the same country might place different emphasis on EP elections despite the high salience of EP elections to their electorate. We measure the salience of EP elections by the difference in turnout between the European and the national elections.⁵⁸ European elections are generally regarded as 'second-order' elections which, just like many local and regional elections, lack salience and therefore decreasing the number of respondents especially for small parties.

⁵⁷James M. Enelow and Melvin Hinich, *The spatial theory of voting* (Cambridge: Cambridge University Press, 1984).

⁵⁸Data for the European elections stems from the European Parliament (www.europarl.europa.eu). The national turnout for each country and year is gathered from the IDEA website (www.idea.int/vt/).

turnout is generally low.⁵⁹ It is argued that there is ‘less at stake’ in second-order elections than in first order elections (typically national parliamentary elections). As a consequence, there are lower incentives for people to vote in these contests so that turnout is generally lower than in national elections.⁶⁰ We moreover take into account whether national parties are in government at the national level by including a dummy variable that was coded based on data gathered from the Political Data Yearbook published by the European Journal of Political Research. National parties that form the government in their home country are not only represented through their Members of the European Parliament, but they are also represented through their ministers in the Council of the EU and their heads of government in the European Council. As members of the Council at both levels, national government parties can crucially affect the agenda of the EU and the outcomes of legislative processes. They can therefore determine the policy issues on which Europarties have to position themselves and due to their voting power in the Council, they can also offer legislative support to Europarties with regard to upcoming policy initiatives. In addition, they can furthermore rely on an extensive network of preparatory bodies and therefore enjoy important information advantages over national opposition parties. It is therefore crucial to control for government participation. Table 1 provides summary statistics of all variables in the model.

TABLE 1 ABOUT HERE

Data Analysis

In order to test our theoretical expectations, the special structure of the data has to be taken into account. National parties are members of European parties and seek to shape the policy position that their European party adopts in the run-up to the European Parliament elections. More specifically, every national party is a member of one particular European party and competes with other members of the same European party in shaping the election manifesto adopted by the Europarty for a specific European Parliament election. For instance, the German Social Democratic

⁵⁹Van der Eijk and Franklin, *Choosing Europe? The European Electorate and National Politics in the Face of Union*.

⁶⁰Hix and Marsh, ‘Punishment or Protest? Understanding European Parliament Elections’.

Party (SPD) and the Spanish Socialist Workers' Party (PSOE) are both members of the Party of European Socialists (PES) and they therefore compete in shaping the policy position that the PES adopts in its election manifesto. In addition, European parties compete every five years in European-wide elections to the European Parliament. For each of these elections, all four major European parties adopt a new election manifesto which their national member parties seek to influence. Position formation in the run-up to the European parliament elections might vary considerably with contextual characteristics specific to each particular election. For instance, the ability of national member parties to influence policy position choice within European parties might be affected by the number of EU member states or the issues on the political agenda during a specific election campaign. The election-specific context might therefore facilitate or hamper the ability of national parties to shape the election programme of their European party.

National parties are therefore clustered within the four major European parties and each specific election year so that the observations are not completely independent as assumed by ordinary regression. In order to take into account the clustering of the data, we estimate ordinary least squares regression with clustered robust standard errors.⁶¹ As national parties are clustered at the same time in Europarties as well as in election years, we created a cluster variable that takes this twofold clustering into account. The data structure leads to 24 clusters based on four Europarties (EPP, ELDR, PES, EGP) and six elections (1979, 1984, 1989, 1994, 1999, 2004). In addition to the clustering, the dataset is also characterized by a time component as six succeeding elections are analyzed. In order to control for potential autocorrelation induced by the time-series structure of the data, we include the lagged dependent variable.⁶² However, as incorporating lagged dependent variables is also associated with a number

⁶¹Christopher Zorn, 'Comparing GEE and Robust Standard Errors for Conditionally Dependent Data', *Political Research Quarterly*, 59 (2006), 329-341; Mahmood Arai, *Cluster-robust standard errors using R*, URL (consulted March 2011): <http://people.su.se/~ma/clustering.pdf>

⁶²Nathaniel Beck and Jonathan N. Katz, 'What to do (and not to do) with Time-Series Cross-Section Data', *American Political Science Review*, 89 (1995), 634-647; Nathaniel Beck and Jonathan N. Katz, 'Nuisance vs. Substance: Specifying and Estimating Time-Series-Cross-Section Models', *Political Analysis*, 6 (1996), 1-36; Nathaniel Beck, 'Time-series-cross-section data: What Have We Learned in the Past Few Years?', *Annual Review of Political Science*, 4 (2001), 271-293.

of problems, we have also estimated the model without the lagged dependent variable.⁶³ As the results are substantially the same, we only present the full model including the lagged dependent variable.⁶⁴

Unfortunately, we can only compute the ideological distance between the potential European electorate and the national parties on the left-right scale for all elections to the European Parliament. As mentioned previously, the self-placement of voters on the pro-anti European integration dimension is only available for the 1999 and 2004 election. Including the ideological distance on the pro-anti European integration dimension thus considerably decreases the number of observations. We therefore also estimated the OLS regression excluding the ideological distance between national parties and voters on the European dimension to test whether the effects detected in the smaller sample also hold across a larger number of cases. As the results are substantially the same, we only present the complete models including all variables.

TABLE 2 ABOUT HERE

Table 2 presents the results of the regression analysis. The first model reports the results of the analysis of the distance between European and national parties on the left-right scale. The second column contains the results of the analysis based on the distance in the two-dimensional left-right and pro-anti EU space. As theoretically expected, the legislative resources of national parties are negatively associated with the distance between the ideal point of national parties and the policy position of their Europarty.

⁶³Thomas Plümper, Vera E. Tröger and Philip Manow, ‘Panel data analysis in comparative politics: Linking method to theory’, *European Journal of Political Research*, 44 (2005), 327-354.

⁶⁴We refrain from using multilevel modeling as it is widely acknowledged that a minimum of 30 second level units is necessary. For a discussion, see Cora J. M. Maas and Joop J. Hox, ‘Robustness issues in multilevel regression analysis’, *Statistica Neerlandica*, 58 (2004), 127-137. Similarly, we also refrain from presenting a Tobit regression which should be used when the dependent variable is censored. Even though our dependent variable does not contain values below 0, it is not censored as it is empirically impossible that our distance measure takes on values that are smaller than 0. However, in order to test the robustness of our results, we also estimated a Tobit regression and the results are substantially the same. As recommended by Long and Freese, we compared the model fit of both the OLS and the Tobit model specification drawing on the Bayesian information criterion (BIC) which indicates that the OLS model should be preferred over the Tobit model. J. Scott Long and Jeremy Freese, *Regression models for categorical dependent variables using STATA* (College Station: Stata Press, 2003), pp. 112-113.

Across both models, legislative resources have a statistically significant negative effect on the ideological distance between a national party and its Europarty. More precisely, if legislative resources increase by one unit, the distance between a national party and its Europarty decreases by 0.161 units in the left-right and by 0.331 units in the two-dimensional space. National parties with a large number of parliamentary seats are therefore particularly successful in pulling the Europarty position towards their ideal points. Hence, the higher the legislative resources of a national party, the stronger its ability to determine position formation within its Europarty. By contrast, the distance between the policy position of a national party and the median position of the potential European electorate does not have a statistically significant effect in any of the model specifications. Similarly, the duration of EU membership, the salience of European Parliament elections and being in government at the domestic level do not have a systematic effect on the ability of national parties to shape position formation within their Europarty. The lagged dependent variable has a statistically significant positive effect indicating that national parties which fail to shape the election manifesto of their Europarty at t_0 , will most likely also not be successful in determining its policy position choice at t_1 .

FIGURE 3 ABOUT HERE

In order to illustrate the effect of legislative resources on the ideological distance between national parties and their Europarty, we simulated predicted values as suggested by King, Tomz and Wittenberg.⁶⁵ Figure 3 displays the simulated predicted distance in the (a) left-right and (b) the two-dimensional space as legislative resources change while holding all other variables constant. The point estimates of the predicted values are indicated by the solid lines and the 95 per cent confidence intervals are illustrated by the dashed lines. The predicted distance between Europarties and their national member parties in the left-right and the two-dimensional space constantly decreases with an increase in legislative resources of national parties while other variables are held constant. Thus, legislative resources have a steady positive effect on the ability of national parties to influence policy position choice within their European

⁶⁵Gary King, Michael Tomz and Jason Wittenberg, 'Making the most of statistical analyses: Improving interpretation and presentation', *American Journal of Political Science*, 44 (2000), 341-355.

party.⁶⁶

TABLE 3 ABOUT HERE

In order to test the robustness of the findings, we estimated three further model specifications (see table 3). First, we included a dummy variable for party family to check whether the effect of legislative resources on policy position choice of Europarties might differ across different party families. The results confirm the previous analysis as legislative resources also have a statistically significant effect on policy position choice if we control for party family. Second, one might also argue that the size of the country could be driving the effect of legislative resources in the sense that parties from large member states dominate position formation. However, country size is already implicitly included in the model as the number of EP seats a national party can win depends on the size of the country. The allocation of EP seats to member states is more or less proportional to their population. National parties from large member states such as Germany (99 seats) can therefore win more seats than parties from small member states such as Malta (6 seats). The legislative resources of national parties therefore already implicitly take into account country size. However, in order to test the robustness of the findings, we estimated an additional model specification controlling explicitly for country size measured by the population in hundred thousand inhabitants. Even when additionally controlling for population size, the direction and by and large also the size of the effect of legislative resources remains constant. Hence, the effect of legislative resources is not driven by the size of the country, but legislative resources have instead an independent effect on position formation. It has to be noted, however, that the effect of legislative resources is only statistically significant in the left-right space and not in the two dimensional space which might be an artifact of the smaller number of cases ($N=94$) and the relatively high correlation between legislative resources and

⁶⁶Potentially, it is also possible that there is a reciprocal relationship between policy positions of Europarties and those of national parties. In addition to the suggested bottom-up relationship in which national parties influence policy position choice of Europarties, one could also advocate a top-down relationship in which Europarties could shape position formation of their national party members. We have therefore conducted a Granger causality test in order to shed light on the direction of the relationship. This test indicates that the Europarties' policy positions do not 'Granger-cause' the national parties' policy positions ($F = 0.104$, $Prob > F = 0.747$). Conversely, national parties' policy positions do 'Granger-cause' Europarties' policy positions ($F = 17.26$, $Prob > F = 0.000$).

population size in that sample ($r=0.59$). Third, as it might be the case that some national party manifestos are only drafted once the Europarty has already adopted its election manifesto, we rerun the analysis based on policy position estimates for national parties obtained from their party manifestos from the previous European Parliament election. We essentially arrive at the same findings no matter whether we use the election manifestos of national parties drafted for the same or the previous European Parliament election.⁶⁷

Conclusion

While political parties in the EU have received increasing attention in the past decade, we know little about how Europarties arrive at their policy positions expressed in their election manifestos. In an attempt to overcome the shortcomings of the literature, this study has analyzed position formation within Europarties. We have argued that national parties compete with each other in an attempt to upload their own policy position to their European party in order to decrease the ideological distance between their nationally adopted policy platform and the Europarty position. We have hypothesized that the ability of national member parties to shape policy position choice of their Europarty is determined by their legislative resources, that is, the share of seats in the European Parliament. We tested our theoretical expectations based on an empirical analysis of position formation within the four major Europarties for all European Parliament elections between 1979 and 2004. The results confirm our theoretical expectation indicating that the policy positions of Europarties do not reflect the average positions of their national member parties or the European electorate, but that they are instead skewed towards national parties with a high degree of legislative resources.

⁶⁷In order to further test the robustness of the results, we have also estimated OLS regression models with fixed effects for elections and Europarties to control for election-specific and Europarty-specific explanatory factors. These additional model specifications similarly confirm our findings. In addition, we have also tested whether preference formation in the run-up to the 2004 European Parliament election follows a different pattern due to the Eastern enlargement by including a fixed effect for the 2004 election. The analysis indicates that there is no systematic difference between the 2004 election and the previous elections with regard to policy position choice within Europarties.

The findings have important implications for our understanding of party competition and political representation in the EU in particular and for position formation within political parties in general. Previous literature on party politics in the EU has largely focused on the competition of political parties in the legislative arena.⁶⁸ However, in order to fully comprehend how party competition works in the EU, we have to understand position formation within Europarties. Europarties have developed from loose umbrella organizations into veritable transnational parties that structure the activities of their party groups in the European Parliament. National parties can therefore not pursue their own individual policy objective, but they have to arrive at a common position with national parties from other member states that belong to the same Europarty. Thus, the entire scope of political competition among national parties does not openly unfold in the legislative arena, but it is channeled and settled beforehand through internal position formation within Europarties. While this study has shed light on the formation of policy positions within Europarties, it is largely unknown how policy disagreement within Europarties occurs in the first place. Future research should therefore investigate why national parties within the same Europarty have diverging preferences and whether policy disagreement varies across different policy fields.

The analysis indicated that policy position choice of Europarties is biased towards national member parties with high legislative resources. This has important implications for political representation in the EU. National parties are not equally represented by their Europarties, but these are dominated by parties with a lot of legislative resources. This means that national parties from small member states are systematically disadvantaged in the political arena at the European level. As they cannot deliver a large number of EP seats, their position is less likely heard than the voice of national parties from large member states as they can provide the Europarty with a considerable number of parliamentary seats. Europarties are therefore more responsive to policy

⁶⁸E.g. Hix, 'Parliamentary behavior with two principals: Preferences, parties, and voting in the European Parliament'; Hix, 'Electoral institutions and legislative behavior: explaining voting defection in the European Parliament'; Anne Rasmussen, 'Party soldiers in a non-partisan community? Party linkage in the European Parliament', *Journal of European Public Policy*, 15 (2008), 1164-1183; McElroy and Benoit, 'Party Policy and Group Affiliation in the European Parliament'.

preferences of citizens from large member states while citizens from small member states are less likely to be represented. Our results concerning the role of small states in position formation of Europarties correspond to the findings in the broader literature on EU decision-making processes. Tallberg for instance finds that the three big member states - France, Germany and the UK - crucially determine the outcome of European Council summits that set the broader agenda for policy-making in the EU.⁶⁹ Similarly, Hayes-Renshaw and Wallace note that large member states generally have more power in the Council than small states. Our findings therefore further corroborate previous analyses as large member states not only dominate the formal legislative process through their voting power in the Council and their large seat share in the European Parliament, but they also dominate position formation within Europarties⁷⁰. Citizen preferences from small member states have therefore not only a much smaller chance to affect legislative outcomes in the EU, but they are also disadvantaged when it comes to shaping the position of Europarties.

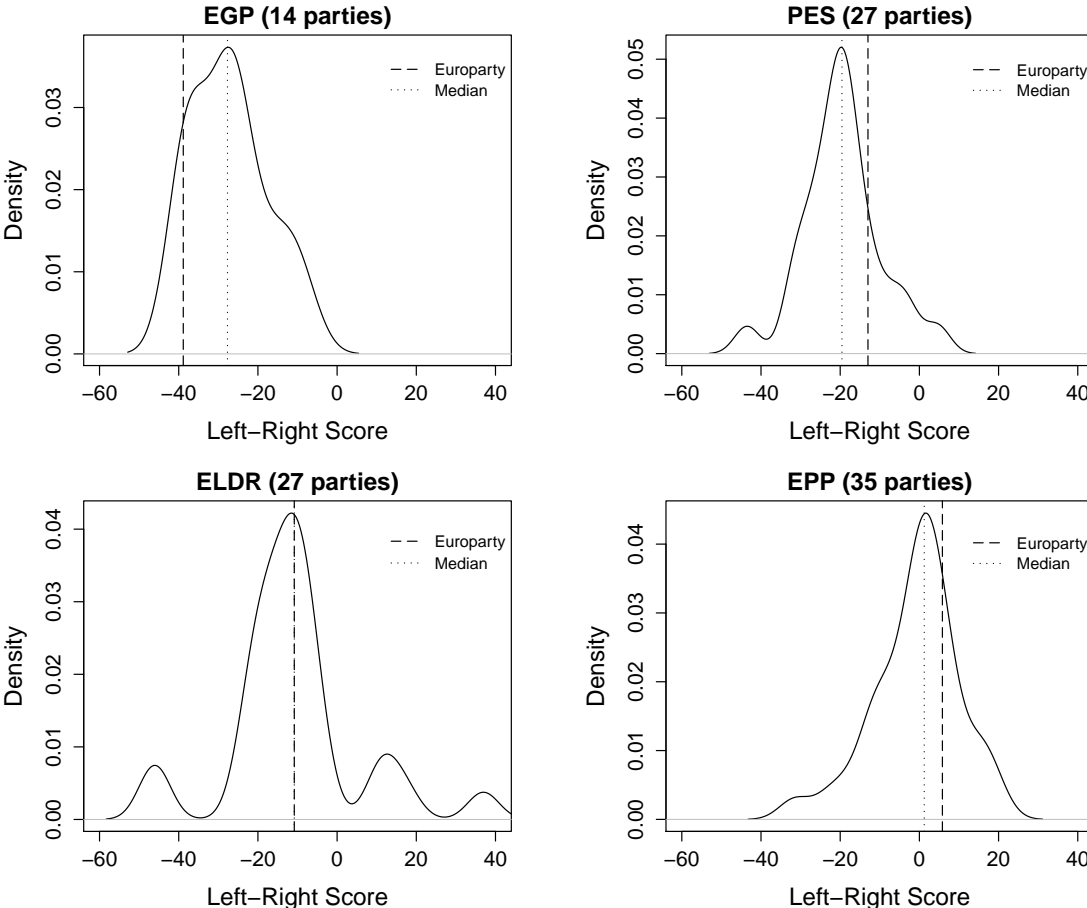
Finally, the findings of this study also have important implications for our understanding of policy position formation within political parties more generally. We have demonstrated that policy position choice within Europarties can be conceptualized as a multilevel competition among national member parties which compete with each other in an effort to upload their own policy preference to their European party. We believe that policy position choice within national parties in strongly federalist countries can be conceptualized in a similar fashion. National political parties in strongly federalist systems are composed of regional parties or party associations that have a major impact on the decisions taken by the national leadership. We expect that regional parties or party associations similarly engage in a two-level competition concerning the adoption of the national election manifesto in which their legislative resources are decisive for their success. This study can therefore shed light on the manifesto creation of political parties more generally.

⁶⁹Jonas Tallberg, 'The agenda-shaping powers of the EU Council Presidency', *Journal of European Public Policy*, 10 (2003), 1-19; Tallberg, 'Bargaining Power in the European Council'.

⁷⁰Hayes-Renshaw and Wallace, *The Council of Ministers*, p. 252.

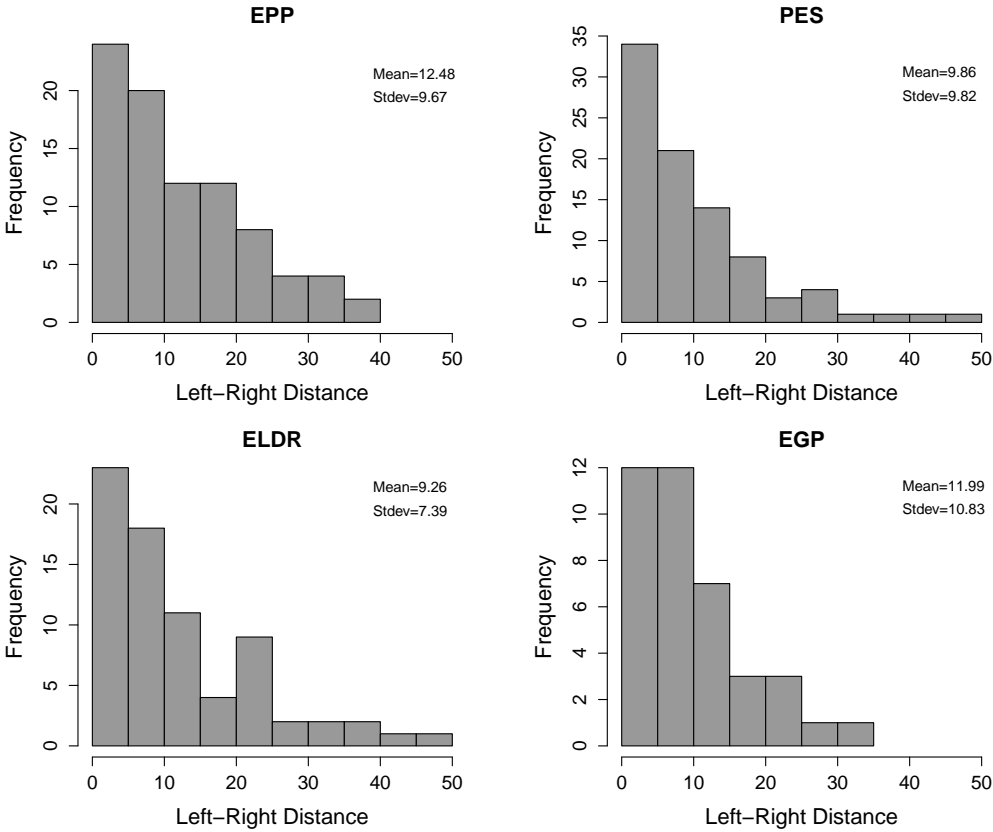
Figures

Figure 1: Europarty positions and distribution of positions of their national member parties in 2004



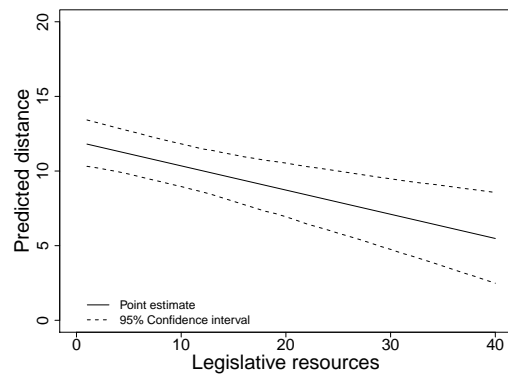
Note: EGP = European Green Party, PES = Party of European Socialists, ELDR = European Liberal Democrat and Reform Party, EPP = European People's Party

Figure 2: Absolute distance between national parties and their Europarty on the left-right scale, 1979 - 2004

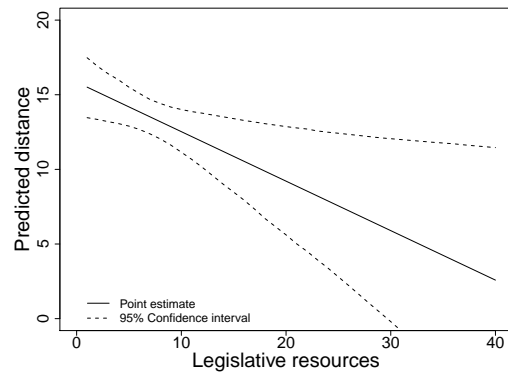


Note: EGP = European Green Party, PES = Party of European Socialists, ELDR = European Liberal Democrat and Reform Party, EPP = European People's Party

Figure 3: The effect of legislative resources



(a) Left-right space



(b) Two-dimensional space

Tables

Table 1: Summary statistics of variables

Variable	N	Mean	Std. Dev.	Min	Max
Dependent variables					
Distance: Europarty & national party					
- Left-right	286	11.110	9.796	0.000	47.986
- Two-dimensional	286	14.236	10.666	0.000	66.201
Explanatory variable					
Legislative resources	192	9.896	12.697	0.000	77.778
Control variables					
Distance: National party & potential voters					
- Left-right	281	69.151	13.315	20.348	103.801
- Two-dimensional	170	83.169	12.193	47.955	117.966
Duration of EU membership	249	3.091	0.751	1.099	3.850
Saliency of EP elections	280	21.184	17.173	-15.140	52.620
Government participation	282		Yes: 46.10%, No: 53.90%		
Lagged DV (Left-right)	164	11.304	9.749	0.000	47.986
Lagged DV (Two-dimensional)	164	14.488	11.250	0.000	66.201

Table 2: OLS regression with clustered standard errors

Variables	Left-right space	Two dimensional space
Legislative resources	-0.161*** (0.041)	-0.331** (0.138)
<i>Control variables</i>		
Distance to potential electorate	0.057 (0.110)	-0.007 (0.134)
Duration of EU membership	1.564 (1.030)	1.105 (1.749)
Saliency of EP elections	0.049 (0.030)	0.063* (0.028)
Government participation	2.014 (1.334)	1.311 (2.109)
Lagged dependent variable	0.292*** (0.092)	0.269* (0.116)
Constant	-2.478 (8.740)	6.984 (12.909)
N / Clusters	157 / 18	94 / 8
R ²	0.20	0.21

*** $p \leq 0.01$, ** $p \leq 0.05$, * $p \leq 0.10$

Table 3: Alternative model specifications

Variables	Party family		Country size		Lagged national position	
	Left-right	Two dimensions	Left-right	Two dimensions	Left-right	Two dimensions
Legislative resources	-0.172*** (0.044)	-0.344** (0.138)	-0.113** (0.048)	-0.320 (0.204)	-0.213*** (0.036)	-0.356*** (0.084)
<i>Control variables</i>						
Distance to potential electorate	0.047 (0.111)	0.010 (0.170)	0.033 (0.113)	-0.008 (0.133)	0.116 (0.107)	0.152 (0.113)
Duration of EU membership	0.764 (1.022)	0.144 (1.551)	2.344** (0.838)	1.201 (1.462)	0.085 (0.862)	0.110 (0.979)
Salience of EP elections	0.048 (0.029)	0.062 (0.035)	0.083** (0.039)	0.066 (0.044)	0.048 (0.034)	0.069 (0.044)
Government participation	2.197 (1.362)	2.027 (2.076)	2.067 (1.453)	1.268 (1.956)	2.349** (1.022)	1.494 (1.225)
Country size			-0.006* (0.003)	-0.001 (0.006)		
Lagged dependent variable	0.289*** (0.093)	0.291* (0.138)	0.276*** (0.091)	0.266* (0.116)	0.134** (0.052)	0.318** (0.097)
<i>Party family dummies</i>						
(Post-)Communists	-2.142 (3.213)	15.801** (6.022)				
Social Democrats	-2.796 (1.907)	-3.050 (2.521)				
Liberals	0.732 (2.069)	0.108 (1.975)				
Christian Democrats	0.203 (2.191)	-2.584 (2.069)				
Conservatives	0.873 (2.175)	-0.798 (2.636)				
Agrarian parties	-6.283** (2.658)	-9.317** (3.342)				
Regional parties	-4.555 (2.983)	-8.727* (4.090)				
Constant	1.863 (9.968)	9.943 (17.070)	-2.987 (8.362)	6.838 (12.901)	1.594 (7.995)	-3.438 (8.940)
N / Clusters	157 / 18	94 / 8	157 / 18	94 / 8	157 / 18	94 / 8
R ²	0.23	0.30	0.21	0.21	0.15	0.32

*** $p \leq 0.01$, ** $p \leq 0.05$, * $p \leq 0.10$, Reference category for the party family dummies are Green Parties.