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Ezrow, Lawrence and Böhmelt, Tobias and Lehrer, Roni

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Lawrence Ezrow
University of Essex
Department of Government
Wivenhoe Park
Colchester CO4 3SQ
United Kingdom
ezrow@essex.ac.uk

Tobias Böhmelt
ETH Zurich, Switzerland
and
University of Essex
Department of Government
Wivenhoe Park
Colchester CO4 3SQ
United Kingdom
tbohmelt@essex.ac.uk

Roni Lehrer
University of Mannheim
Collaborative Research Center SFB 884:
Political Economy of Reforms
L13, 17
68131 Mannheim
Germany
rlehrer@mail.uni-mannheim.de

Hugh Ward
University of Essex
Department of Government
Wivenhoe Park
Colchester CO4 3SQ
United Kingdom
hugh@essex.ac.uk

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Previous research suggests that political parties respond to left-right policy positions of successful foreign political parties that have recently governed ("foreign leaders"). We evaluate whether this is an effective electoral strategy: do political parties gain votes in and office after elections when they respond to successful foreign parties? We argue that following foreign leaders allows parties to better identify the position of their own (domestic) median voter position, which increases their electoral support. The analysis is based on spatial-econometric and instrumental-variable model specifications of parties' vote shares and whether they obtained office. The results suggest that following foreign leaders is a beneficial election strategy in national elections. The findings have implications for our understanding of political representation, parties' election strategies, and for policy diffusion.

Understanding *national* election outcomes leads scholars to focus on *national-level* factors. A plausible strategy for political parties is, for example, to adopt policy stances that are close to the *median voter* in order to gain votes and, eventually, win office (Dow 2001, 2011; Downs 1957; Erikson et al. 2002; McDonald and Budge 2005; Budge et al. 2012; Soroka and Wlezien 2010). A country's *economic performance* affects how incumbents perform in elections (Duch and Stevenson 2008; Lewis-Beck 1988; Paldam 1991; Powell and Whitten 1993). Studies of *governing experience* find that governing parties shift position more than opposition parties (Bawn and Somer-Topcu 2012; Greene 2015; Schumacher et al. 2015). There are several additional studies on domestic these emphasize that parties respond to *rival parties*, and more strongly so to those from the same *party family* (Adams and Somer-Topcu 2009; Williams 2015; Williams and Whitten 2015). Abou-Chadi and Orlowski (2016) contend that the *competitiveness of the election* influences parties' electoral strategies, with close elections pressuring the big parties to moderate. Against this backdrop of factors that plausibly affect party strategies and election outcomes, other scholars have shown that parties cope with uncertainty by employing heuristics or decision rules in the context of national-level party competition (Budge 1994; Laver 2005; Somer-Topcu 2009, 2015; see also Budge et al. 2010).

Böhmelt et al. (2016) present evidence that *international factors* influence electoral strategies, contending that "party policy diffusion" occurs as parties learn from and emulate foreign incumbent parties' policies. Ultimately, parties' policy positions at home are influenced by political parties abroad. We extend this research to argue that parties emulate and learn from foreign leaders (recent incumbent parties) in order to be more successful themselves. An effective electoral strategy is thus to "follow the foreign leader".

We claim that in their pursuit of a competitive party platform in national elections, parties learn from and emulate others that have succeeded in winning office in foreign countries. Focusing on the policies of foreign incumbents is a useful heuristic, helping parties to make complex decisions under bounded rationality. In particular, we present theoretical and empirical results, which suggest that following foreign leaders allows parties to better identify the position of their own domestic median voter position. Proximity to the median voter position in turn increases their electoral support (Ezrow 2010). Hence, it is not only domestic, but also *transnational* influences that help to explain (a) the policy positions political parties adopt to compete and succeed in elections and (b) their degree of success in national elections. Inspired by the policy diffusion literature (see Gilardi 2010, 2012), our understanding of parties' election strategies is significantly increased by considering this "foreign factor" (foreign incumbents' policy positions) that influences a focal party's electoral success.

To this end, we combine the literatures on party competition and policy diffusion to evaluate whether following foreign incumbents is indeed a useful heuristic in an uncertain context, and whether it actually helps parties to be more successful in national elections (or not). The empirical results suggest that parties that are influenced by foreign incumbents perform better in elections than parties that are not. We estimate parameters of a spatial econometric model and an instrumental-variable model, in a two-stage approach that explicitly accounts for the sequence of decisions and events. In particular, this empirical setup allows us to model party position as a function of learning from and emulating foreign parties (i.e., we explicitly model this endogenous aspect of party position). We obtain evidence that political parties that follow successful foreign incumbent will increase their vote share and likelihood of gaining office.

Identifying the "follow-the-foreign-leader" electoral strategy is important for several reasons. First, it contributes to numerous studies on political parties' election strategies (Adams and Merrill 2009; Alvarez et al. 2000a, 2000b; Meguid 2005, 2008; Schofield 2003, 2004; Schofield et al. 1998a, 1998b; Schofield and Sened 2006; Spoon 2011; in the U.S., see Burden 2001; Erikson and Wright 1997; Erikson et al. 2002; Ansolabehere et al. 2001; Canes-Wrone et al. 2002; Shor and Rogowski forthcoming). With the following research, we identify a new international factor that influences domestic-level election outcomes: the policies of foreign incumbent parties. Second, this finding has normative implications for how democracy works. If parties are supposed to "channel" the median voter preference, then this international effect of foreign incumbent parties introduces an alternative channel and may be relevant to theorists of democracy who highlight the role of public opinion in emphasizing parties' policy positions in elections (Powell 2000). Third, with respect to policy diffusion, there is anecdotal evidence that parties borrow ideas from abroad so as to compete domestically (Dolowitz, Greenwold, and Marsh 1999), yet our study is one of the first to provide systematic evidence, while controlling for potential confounding factors relating to background similarities between parties' positions. Many scholars, particularly on the welfare state, seek to understand how international factors influence domestic public policy outputs like tax rates or social spending, but very few actually explore how domestic politics are affected or emerge in the first place (Kayser 2007). The implication is that one causal mechanism for understanding public policy diffusion is that it occurs through political parties – before legislating and implementing policies – that learn from or emulate successful foreign parties in national elections.

Theoretical Argument

Why Following the Foreign Leader Can Be an Effective Strategy

We assume that parties seek office and that they face uncertainty in elections and difficulty in calculating optimal strategies, and that they might rely on heuristics to deal with these circumstances of complexity and uncertainty. That is, office-seeking parties could employ the heuristic of learning from and emulating the policies of foreign incumbent parties. Hence, foreign office-holders serve as an available precedent for a focal party when developing its electoral strategy in order to win office. The question remains, however, as to whether and why following the foreign leader would be an effective vote- and office-seeking strategy.

As supported in earlier work, the search for office is the search for the political center-ground (see Downs 1957; Huber and Powell 1994; Stimson, Mackuen, and Erikson 1995; Powell 2000; McDonald and Budge 2005).[1] Furthermore, parties must also allow for where other parties

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[1] Analyses of party strategies in Western Europe regularly find parties to be vote-maximizing and center-oriented (e.g., Ezrow 2010). Accordingly, parties are characterized as tailoring their ideologies in an attempt to appeal to a broader spectrum of the electorate. Hence, increasing vote share, *ceteris paribus*, enhances a party's position for post-election coalition negotiations. Even in instances where vote-share maximization does not constitute the end goal in itself, a credible assumption is that as a policy-seeking party's electoral strength increases, it gains more leverage to pull the governing coalition's policy in its preferred direction. For example, Adams and Merrill's (2009) study of party strategies in multiparty systems concludes that parties are motivated to adjust their policies in response to their beliefs about the median voter's position, rather than in response to the diversity of voter ideologies. Be it for reasons of power, policy, or both, elections thus provide parties with incentives to respond to the preferences of the median

are placed in the political space. Adams (2001), Adams and Merrill (2009), Adams and Somer-Topcu (2009), and Williams (2015) present theoretical arguments and empirical evidence that policy-seeking parties in multiparty systems are responsive to other parties that are competing with them in elections. This effect applies to all rival parties and also, seemingly even more so, to parties near to them in the ideological space (ideologically proximate parties). To summarize, research has accumulated to suggest that appealing to the center ground helps.

If policy proximity to the median voter allows parties to compete in national elections more successfully, and median voter positions are similar across countries, then following foreign leaders helps parties to estimate more accurately where their own median voter is located under uncertainty – and this makes parties more successful competitors in their elections. Below, the argument for this expectation is developed, and then a statistical model is introduced that highlights why following foreign incumbents is a more reliable heuristic than alternative competing heuristics such as one that would factor in *all* foreign party positions: in essence, this model suggests that parties can more precisely estimate the position of foreign parties that are incumbents compared to other foreign parties.

Political parties frame success in terms of attaining office. Although a number of factors affect their chances of achieving the goal of gaining office – either on their own as a single-party government or as part of a coalition – theory and empirical evidence point out that *the search for office is the search for the political center ground*. Parties do indeed respond to the preferences of the median voter, making this factor one of the strongest and most robust predictors in the research on party incentives and behavior (Downs 1957; Huber and Powell 1994; Stimson,

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voter. The above considerations lead to the expectations that political parties are also responsive to rival parties' policy positions.

Mackuen, and Erikson 1995; Powell 2000; McDonald and Budge 2005; Adams and Merrill 2009). All this applies under the assumption that the election context is characterized by uncertainty, though, and that parties may find it difficult to develop optimal election strategies (Budge 1994; Laver 2005; Budge et al. 2010).

We contend that following the foreign leader can help parties to identify the position of their own domestic median voter and thus to win office. Parties that occupy left-right policy positions close to the median voter tend to gain more votes in elections (Ezrow 2010). Political parties that have recently governed (foreign leaders) will have performed well in their elections and their policies will proxy policies that are popular with the median voters in foreign countries. This argument assumes that although parties have opinion polls and focus groups at their disposal, they still face considerable *uncertainty* about where to locate, and that there are cognitive constraints for processing that information (Simon 1955; Budge 1994; Bendor, Mookherjee, and Ray 2005; Bendor et al. 2011). Computational models also emphasize that successful strategies for locating in the multidimensional political space push parties toward the center, though not necessarily as far as complete convergence (Laver and Sergenti 2012). Among their problems in navigating the complex trade-offs they face is locating where the center-ground is and what the median voter wants.

To cope with this uncertainty, Budge (1994; see also Budge et al. 2010), Laver (2005), and others argue that parties use heuristics, i.e., cognitive shortcuts (see Tversky and Kahneman 1982: 164) as a guide to where to locate. In seeking to assess whether a specific policy (position) will help attaining office, party strategists relying on a heuristic would, for example, base their decision of whether to take over that specific policy (position) or not on the number of instances they can recall when foreign incumbents successfully adopted this policy as part of their

platforms. In turn, to increase their own chances of gaining office, they would then try to resemble those foreign incumbents more closely, which increases the chances of adopting that foreign party's policy (positions). There are, then, strong grounds from cognitive psychology and behavioral economics that parties will follow foreign leaders. Heuristics exist in a competitive environment. They are born by individual users located within, in our case, party institutional structures and their standard operating procedures. If a heuristic is not successful, the careers of those who bear them will not flourish and operating procedures and, eventually, even structures may change. Parties that are unsuccessful over long periods in attaining office may split, or cease to exist. Unless there are reasons for thinking that following the foreign leader is likely to increase parties' chances of attaining office, the grounds for postulating that parties use this heuristic is weak.

Against this background, we contend that this heuristic will work reasonably well if the position of the median voter is similar across countries. [2] Empirically, as outlined below, we focus on parties in 26 established European countries. As we show, here the range of median voter positions is actually quite low. In addition, there are several reasons to suggest that this is likely to be the case. First, countries may face similar economic circumstances due to the coordination of their business cycles and/or a common degree of exposure to globalization. Ideas diffuse between countries via trade links, media ties, or their interaction in international institutions. Exposure to similar policies may lead to the electorate developing similar views about policies' success or failure (see, e.g., Soroka and Wlezien 2010). Broad ideological

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[2] As we will clarify further below, this heuristic would also work reasonably well if parties knew about and could take account of systematic differences between median positions and variance in the random component of such differences was low.

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developments like neo-liberalism spread – in part because they are intimately connected with, and born by, policy packages and their associated advocacy coalitions. In turn, public opinion may, in effect, diffuse – though the main mechanism is unlikely to be direct contact between ordinary citizens.

Ultimately, if the median voter in country C is close to that of the median in country K, parties in C may learn from the policies of incumbents in K. Following the foreign leader increases the chances of parties in C adopting policies close to their domestic median, because the foreign incumbent is likely to be near its own median and the positions of the two medians are similar.[3]

Eliminating Competing Heuristics

Thus far, we have argued that parties follow foreign leaders to better approximate their own median voter position because median voter positions are similar across countries. The second part of our theory about following foreign incumbents is that this heuristic, compared to alternative heuristics, produces more reliable (statistical) inferences for a focal political party about the location of its own median voter position. Specifically, we demonstrate that it is better to weigh information about incumbents more heavily not only because they are more successful *per se*, but because their positions are known with greater precision. In principle, information about unsuccessful foreign parties would be equally valuable in seeking your own median if this

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[3] Following foreign leaders is then analogous to relying on many polls of public opinion, rather than just one poll, when the center-ground of politics is similar across a group of countries. We return to this assertion that median voter positions are similar across countries in the empirical section below.

were not the case. Assuming that parties are likely to estimate the positions of foreign leaders with less measurement error than when the positions of other foreign political parties, it pays to weight information about foreign incumbents more heavily when estimating the position of your median.

First, imagine focal party i seeks to make best use of information it has about foreign parties in order to derive *statistical inferences* about the position of its own median. Party i has "hard data" on foreign party j's vote share. It also can estimate j's left-right position – although the measurement is not exact this time, because it is a question of making judgements from what you know of the party program using background knowledge.[4] If party i is willing to assume a function mapping the difference between j's position and its country K's median into its vote share, it can make an inference about where K's median is. First, i inverts the vote function to capture the distance to the median from party j's vote share.[5] It is reasonable to assume that i would know whether j was to the left or to the right of the median as this is how parties are characterized both by laymen and experts. If j is a party to the left, an estimate of the position of the median in K is party j's estimated position *plus* the inferred distance to that median position; if it is a party of the right, the estimate is j's inferred position *minus* the distance to the median. Now i has in hand an estimate of the median voter position in country K. To calculate the

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[4] And this is in this respect analogous to the problems expert political scientists face in placing parties. For example, Benoit, Laver, and Mikhaylov (2009) discuss the uncertainty surrounding estimating party-policy positions in detail.

[5] Although vote choice may also be determined by considerations about which coalitions are likely to form after elections, these are secondary to spatial proximity considerations (Bargsted and Kedar 2009).

position of its own median voter in country *C*, it has to allow for any *systematic difference* between the politics of the two countries and the general positions their voters take. Suppose that *i* could use historical and contextual knowledge to do this. Thus, in effect, party *i* could derive a series of unbiased estimates of its own median position – one for each other party that it observes. The efficient way to use these observations is *to take their weighted average*, because this is the maximum-likelihood estimate allowing for random errors in the observations. Observations are weighted downwards if they are of higher variance. We now write a formal version of this argument.

The position of the median voter in country *I* is denoted by M_I. Then, for any pair of countries *I, X:*

$$M_I = M_X + \Delta_{IX} + \delta_{IX} \tag{1}$$

where Δ_{IX} is the systematic part of the difference in median positions between M_I and M_X and $\delta_{IX} \sim N(0, \sigma_{IX\delta}^2)$ is the random component of this difference. Let the focal party be *i* in country *C*. Party *i* observes (n-1) other parties and, by assumption, *i* knows that (1) for each other party *j* in country *K* its vote share, v_{jk}, as well as (2) party *j*'s left/right position subject to some degree of random measurement error. Specifically,

$$\hat{p}_{jK} = p_{jK} + \varepsilon_{jK} \tag{2}$$

where p_{jK} is party *j*'s position, $\hat{p}_{jK}$ is *i*'s estimate of *j*'s position and $\varepsilon_{jK} \sim N(0, \sigma_{ij\varepsilon}^2)$ is a random variable representing measurement error, which we assume to be uncorrelated with p_{jK}. Third, *i* knows whether *j* belongs to the left party family, in which case $p_{jK} \le M_K$ and indicator variable $L_{jK} = 1$, or whether *j* is a member of the right party family block, in which case $p_{jK} > M_K$ and L_{jK}

= –1. Finally, (4) party *i* knows the vote function mapping party positions relative to the country median into party vote totals, which is assumed to be a symmetric, linear function [6] where

$$v_{jK} = \alpha - \beta(|M_K - p_{jK}|) = \alpha - \beta L_{jK}(M_K - p_{jK}) \tag{3}$$

Rearranging the third equation leads to:

$$M_K = (\alpha + \beta L_{jK} p_{jK} - v_{jK}) / \beta L_{jK} \tag{4}$$

Substituting for p_{jK} in equation (4) from equation (2):

$$M_K = (\alpha + \beta L_{jK} \hat{p}_{jK} - v_{jK}) / \beta L_{jK} - \varepsilon_{jK} \tag{5}$$

Substituting from equation (5) into equation (1) and denoting the observation party *i* derives about M_C from information on party *j* in system K by M_{CjK}:

$$M_{CjK} = \Delta_{CK} + (\alpha + \beta L_{jK} \hat{p}_{jK} - v_{jK}) / \beta L_{jK} - \varepsilon_{jK} + \delta_{CK} \tag{6}$$

Thus, focal party *i* has (n-1) unbiased observations of M_C. For instance, for observation j_K, we obtain:

$$\begin{aligned}
E(M_{CjK}) &= \Delta_{CK} + (\alpha + \beta L_{jK} E(\hat{p}_{jK}) - v_{jK}) / \beta L_{jK} - E(\varepsilon_{jK}) + E(\delta_{CK}) \\
&= \Delta_{CK} + (\alpha + \beta L_{jK} p_{jK} - v_{jK}) / \beta L_{jK} \\
&= \Delta_{CK} + M_K \\
&= E(M_C)
\end{aligned} \tag{7}$$

Note that the variances of these observations differ, however. Assuming that δ_{CK} and ε_{jK} do not covary, the variance of observation j_K is $\sigma_{jK\varepsilon}^2 + \sigma_{CK\delta}^2$. By a standard result, the maximum likelihood estimate of M_C is the weighted mean of these (n-1) observations, where the weight on observation j_K is proportional to the inverse of the variance, i.e., $1 / (\sigma_{jK\varepsilon}^2 + \sigma_{CK\delta}^2)$. Thus, party *i* ought to give more weight to parties for which is it is liable to make smaller measurement errors

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[6] The argument easily generalizes to allow for a random component representing other unmeasured influences on the vote so long as it is linear on either side of the median.

in estimating their positions. It should also give more weight to other systems where there is smaller variance in the random component of the difference between the medians in its system and the other system(s).

There are two forms of randomness in the observations: measurement error about other parties' positions and randomness in the difference between median positions across countries. The former is the key aspect for our purposes. Party i should weigh what it knows from parties less heavily if its estimates of their positions are more prone to error. We submit that this would be the case for parties *that are not foreign incumbents*. More is likely to be known about parties that govern, from media coverage, from their record in office, and from programmatic statements made in coalition bargaining and in governing (Dahlberg 2013; Fortunato et al. forthcoming).[7]

Although this statistical inference procedure looks disarmingly simple on paper, we doubt if party leaders and officials actually carry it out in full. It is simply too demanding in terms of information needed about other parties and about the systematic component of differences between medians. An approximation to it, albeit a crude one, is *to follow foreign incumbents*, and political parties will: i) modify their own party positions weighting evidence from foreign incumbents' positions strongly and other party positions not at all; ii) ignore systematic differences between median positions; iii) ignore the variance in the random component of median positions when weighting observations. If two countries C and K tend to have similar

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[7] We do not deny that there may be other factors that influence what is known, such as cultural similarity, geography, and so on. However, our empirical focus is on 26 established European democracies, which makes any cultural or geographic distances relatively and comparatively small. In addition, using geographic information, we demonstrate below that median voter positions in Europe do indeed approximate each other and cluster in space.

median voter positions and the random component of median positions is low variance, one median voter will approximate that of the other country and, hence, be near to foreign incumbents' positions. However, ignoring systematic differences between median positions (item ii) leads to bias that is equal to the weighted sum of terms Δ_{CK} over other parties and the systems in which they are located. For most countries C, there will be some countries, say J, whose median voter is systematically to the left of their own (Δ_{CJ} is negative) and others, say K, where the median voter is systematically to the right (Δ_{CK} is positive). Thus if C's median voter systematically tends to be at or near the center of other countries' medians, the bias could be quite low, as positive and negative terms cancel. However, ignoring systematic differences could lead to large errors if C's median was systematically much to the left or right of other countries' medians. Based on the statistical model, we contend that the basis of the competitive advantage of the follow-the-foreign-leader heuristic is that it is likely to position parties nearer their own median than other possible heuristics such as weighting all foreign parties equally.

Although following foreign leaders may seem plausible and reasonable ex-ante, it could nevertheless be misleading. Kahneman and Frederick (2002) emphasize that relying on heuristics can lead to poor decision making, in part, because potentially relevant and available information is deliberately ignored. This can bring about biased and misleading conclusions (see also, e.g., Adams et al. forthcoming). With respect to following foreign incumbents, it is thus easy to see why learning from them *could lead to biases* relative to best-response strategies, because it ignores information that is relevant to making more satisfactory inferences. On the other hand, parties have other information at hand to estimate where the center-ground is, deriving from domestic sources, and bias from following the foreign leader will be reduced to the extent that domestic sources predominant and give sound guidance. Moreover, like other heuristics,

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following the foreign leader economizes on costs of gathering and processing information. Even if, in principle, parties could gather the information on the systematic and random components on differences between medians necessary to make better inferences, it might not actually pay them to do so.

In sum, the above discussion leads to the following hypothesis:

Follow the Foreign Leader Hypothesis: Political parties that respond to the left-right position of political parties that were recently governing coalition members in foreign countries will be more successful electorally.

Research Design

Data and Methodology

Our empirical analysis is based on time-series cross-section data comprising information on 215 parties in 26 established European democracies between 1977 and 2010. Our substantive interest lies in explaining parties' electoral success in light of learning and emulation from foreign incumbent parties and several alternative determinants of election outcomes. It seems plausible that parties first decide whether or not to emulate a foreign incumbent and then seek to change their party positions, i.e., moving closer to the median voter, in order to do well in the next election. Thus, there is a two-stage data generating process: first, there is the impact of a party learning from and emulating a foreign leader on its own policy position; second, conditional on learning from and emulating foreign incumbents, the distance to the median voter and, in turn, how well a party does in the next election is affected. Based on such a two-stage

process, we model the way in which learning from and emulating foreign incumbents affects the outcome of electoral campaigns *indirectly*, operating through its impact on party positions.

Modeling this two-stage process is not without difficulty due to potentially long temporal lags associated with learning from and emulating other parties and translating this into a party manifesto, and since our setup does not have a binary treatment variable that divides the sample into parties that learn from and emulate foreign parties and those that do not. We address the first issue by allowing for longer temporal lags in the variable that pertains to learning from and emulating foreign incumbents (as we explain below, this will be the spatial lag in the first stage). The second problem is circumvented by modeling the effect of party policy diffusion *indirectly*. That is, our theory suggests that foreign incumbents' party policy positions indirectly affect a focal party's degree of electoral success via their influence over that focal party's policy. Hence, we treat learning from and emulating foreign incumbent parties' policy positions as an *instrumental variable* to identify the effect of a focal party's policy position – and specifically, its distance from the median voter – on electoral success, i.e., vote share and governmental participation. Spatial interdependence of observations introduces endogeneity unless it is explicitly allowed for by the estimation strategy used (Franzese and Hays 2008). In this particular circumstance, if we did not instrument parties' positions we would not address the (endogenous) pathway through which foreign incumbent policy positions affect a focal party's policy position (Böhmelt et al. 2016). The two-stage process is modeled so that we are able to make substantive statements about how increasing the policy distance between a party and the median voter affects that party's electoral success (in stage 2), conditional on whether a party learns from and emulates foreign incumbents (as estimated by the instrument in stage 1). (Furthermore, we can evaluate the extent to which neglecting this endogenous component of

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party position biases conclusions about electoral success in "regular" regression models that do not account for it.) More formally, we define the first stage of our model as follows:

$$
\begin{aligned}
\textit{Party Position}_t = \quad & \beta_0 + \beta_1[\textit{Party Position}_{t-1}] + \\
& \beta_2[\textit{Median Voter Position}_{t-1}] + \\
& \beta_3[\textit{Economic Globalization}_{t-1}] + \\
& \beta_4[\textit{Median Voter Position}_{t-1} * \textit{Economic Globalization}_{t-1}] + \\
& \beta_5[\textit{Party and Year Fixed Effects}] + \\
& \rho W y_{e-1} + \varepsilon. \quad\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad\quad (8)
\end{aligned}
$$

where *Party Position$_t$* is our dependent variable in the first stage, i.e., the focal party's policy position. For the covariates, we include a one-year temporally lagged dependent variable, items on the median voter position and economic globalization (both of them also temporally lagged by one year), their interaction, as well as a spatial lag that captures the influence of foreign incumbents' policy position from the year before their last election on a focal party's policy position. We discuss these variables' operationalizations and their data sources below. After this first stage, we then calculate the predicted values for *Party Position$_t$* and use these to estimate each party's absolute distance from the median voter. This new variable, *Instrumented Abs. Distance to Median*, comprises the information from the first stage as we directly take into account the endogeneity stemming from the *indirect effect* of learning from and emulating foreign incumbents. We use *Instrumented Abs. Distance to Median* as a predictor in the second-stage equation that models electoral success, where the latter is defined either as a party's vote share in an election or whether a party belongs to the government after an election:

$$\textit{Vote Share}_t \text{ or } \textit{Incumbency}_t = \beta_0 + \beta_1[\textit{ Vote Share}_{e-1} \text{ or } \textit{Incumbency}_{e-1}] +$$

$$\beta_2[\textit{Instrumented Abs. Distance to Median}_t] +$$

$$\beta_3[\textit{Incumbent Experience}_t] +$$

$$\beta_4[\textit{Incumbent}_{t-1}] +$$

$$\beta_5[\textit{GDP Growth}_t] +$$

$$\beta_6[\textit{ Incumbent}_{t-1} * \textit{GDP Growth}_t] +$$

$$\beta_7 [\textit{Effective Number of Parties}_t] +$$

$$\beta_8[\textit{Year Fixed Effects}] + \varepsilon. \tag{9}$$

Both equations are estimated with OLS. The second stage is an instrumental-variable

estimation that takes into account that the absolute distance to the median voter is partially

endogenous (as one of its components is driven by the learning from and emulation of foreign

incumbents) and this is corrected by the instrumental variable, $\rho W y_{e-1}$ from the first stage. It is

important to note that $\rho W y_{e-1}$ should be a strong predictor of the endogenous regressor (*Party*

Position$_t$) and only affect electoral success through that channel after controlling for other

covariates at the first stage (i.e., the median voter, economic globalization, the interaction term,

and fixed effects). The learning from and emulation of foreign incumbents' party policy

positions, as operationalized via the spatial lag $\rho W y_{e-1}$, meets both criteria. As we demonstrate

below, $\rho W y_{e-1}$ is a strong predictor in the first stage, and there are *no* theoretical reasons to

believe that foreign incumbents' policy positions as such have a *direct* effect on electoral

success. This makes the spatial lag, $\rho W y_{e-}$, a reasonable source of exogenous variation.

The two stages differ in the unit of analysis. While we rely on the party-year in the first

stage, the unit of analysis in the second stage is an election-party-year. The reason for this

approach is that while party policy diffusion can occur in non-election years, the electoral

success of a party is only observed when there actually is an election (or in the immediate post-election period). Hence, we exclude non-election years for the second stage, although the predicted values of *Party Position$_t$* are based on a model and a sample that consider the years between elections. Since party-policy positions for inter-election periods are missing in the sample pertaining to equation 8, they are interpolated. Moreover, in that eighth equation constituting our spatial learning-emulation model we include year and party fixed effects as well as a one-year temporally lagged dependent variable to address several possibilities. In order to ensure that we do in fact capture a genuine diffusion process, any unit-level effects that may shape parties' policy positions, common shocks affecting all parties in the system, and idiosyncratic path dependencies must be controlled for, and these items address this as thoroughly as possible (Franzese and Hays 2007, 2008).

Finally, and as explained below, the second stage (equation 9) builds on standard models of electoral success (e.g., Laver 2005; Adams and Somer-Topcu 2009; Adams 2012; Bawn and Somer-Topcu 2012; Somer-Topcu 2015; Williams and Whitten 2015), while including a lagged dependent variable (capturing either vote share or incumbency status at the last election), year fixed effects, and our main explanatory variable, *Instrumented Abs. Distance to Median$_t$*. We expect to find a negative and statistically significant coefficient for this instrumented variable. Conversely, we expect estimate to be insignificant for the coefficient when estimating a model with *Abs. Distance to Median$_t$*, because this variable does *not* take the instrument from the first stage and thereby does not model the endogeneity in parties' policy positions.[8]

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[8] Note that the second-stage models with *Incumbency$_t$* as the outcome variable are also based on OLS and, therefore, are linear probability models. The results do not change when using logistic regression or probit models, though. Moreover, note the difference between the lagged

The dependent variable in the first stage captures party positions in terms of "left" and "right." We use the Comparative Manifestos Project (CMP) data on party positions (Budge et al. 2001; Klingemann et al. 2006; Volkens et al. 2013), which offers reliable and accurate statements about parties' positions at the time of elections. These measures are consistent with those from other studies (Hearl 2001; McDonald and Mendes 2001; Laver, Benoit, and Garry 2003; see also Marks et al. 2007). The additive measure of left-right ideological scores reported in the CMP ranges from -100 (extreme left) to +100 (extreme right), and we recalibrated it to make it consistent with the 1-10 median voter scale (discussed below).

Coming to the explanatory variables in equation 8, we follow Adams and Somer-Topcu (2009) and Ward et al. (2011) including variables relating to the median voter, economic globalization, and an interaction between the two. Annual data on median voter preferences come from the Eurobarometer's (Schmitt and Scholtz 2005) survey item that asks respondents to place themselves on a left-right scale from 1 (left) to 10 (right). The degree to which a country is

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dependent variable ($Incumbency_{e-1}$) and $Incumbent_{t-1}$ in the second-stage models with $Incumbency_t$ as the outcome variable. While the former captures the incumbency status of a party at the last election, the latter captures the incumbency status in the year before the current election. These variables can, but do not necessarily have to overlap then. In fact, the pairwise correlation between $Incumbency_{t-1}$ and $Incumbent_{t-2}$ stands at 0.469 – far from perfect collinearity. Omitting the lagged dependent variable capturing either vote share or incumbency status at the last election in any second-stage estimation -- also in light of the potential problems in fixed effects models such as Nickell bias (Plümper, Troeger, and Manow 2005) -- does not affect the substance of our key result.

integrated in the global economy may affect parties' positions, because they fear withdrawal of investment if they adopt certain policies (Ward et al. 2011). We thus consider a lagged indicator for economic globalization that is based on the economic component of Dreher's (2006) Globalization Index. As the effects of economic globalization on parties' policy position vary conditional on the median voter position (Ward et al. 2011), we also include a multiplicative interaction term between *Lagged Median Voter* and *Lagged Economic Globalization.*

Finally, equation 8 comprises the item $\mathbf{W}y^{\text{Foreign Incumbent}}$, which is a spatial lag pertaining to all foreign incumbents' policy positions. This variable is our instrument and it captures that a party's policy position at time t is modeled as a function of foreign incumbent parties' policy positions at an earlier time $e\text{-}1$. A weighting matrix specifies the set of such parties and the relevant linkages between parties. The spatial lag is the product of a connectivity matrix ($\mathbf{W}$) and a temporally lagged dependent variable ($y_{e\text{-}1}$), i.e., $Wy_{e\text{-}1}$ is a spatial lag and ρ the corresponding coefficient. When estimating spatial lags, we use the position of parties in the year before the last election held in their country before time t (accordingly, we use subscript $e\text{-}1$).[9] In our case, each element $w_{i,j}$ of the underlying connectivity matrix for $\mathbf{W}y^{\text{Foreign Incumbent}}$ receives a value of 1 if parties i and j are not based in the same country, and if j was part of the government (or the

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[9] Our rationale is that it takes time for information about the positions of parties to influence positions. Specifically, developing party manifestos is a "time-consuming process [...] which typically takes place over a two-three year period during which party-affiliated research departments and committees draft sections of this manuscript, which are then circulated for revisions and approval upward to party elites and downward to activists" (Adams and Somer-Topcu 2009: 832).

governing coalition) during the year before the last election in its own system before time *t* (0 otherwise). The data on incumbency status come from Döring and Manow (2012).

Variables and Data Sources – Second Stage

The unit of analysis in the second stage is the election-party-year. For the dependent variables in that equation and, hence, our outcomes of interest, we focus on vote share and whether a party is part of the government or not *after* an election. We capture the first outcome with the vote share data from the CMP (Budge et al. 2001; Klingemann et al. 2006; Volkens et al. 2013). After including the lagged dependent variable and accounting for missing values on our covariates, we have information on 167 election-party-years, while the vote-share item ranges between 0 and 47.261 (mean value=17.440; standard deviation=14.087). The second dependent variable is based on the incumbency-status data by Döring and Manow (2012). This variable measures in a dichotomous fashion whether a party is part of the government or not *after* an election. For the sample based on 167 election-party-years, this variable has a mean value of 0.599 with a standard deviation of 0.492. As indicated above, we include a lagged dependent variable in all second-stage models, which then capture either the vote share of a focal party or its incumbency status at the last election (not in the year before an election under study). Finally, year fixed effects control for temporal shocks in election years.

The second stage's substantive explanatory variables are based on earlier studies modeling electoral outcomes (e.g., Laver 2005; Adams and Somer-Topcu 2009; Adams 2012; Bawn and Somer-Topcu 2012; Somer-Topcu 2015; Williams and Whitten 2015). First, we incorporate information on the effective number of parties at the seats level using the formula

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proposed by Laakso and Taagepera (1979). The data for this variable are taken from the Comparative Political Data Set (Armingeon et al. 2016).

Second, we include a variable on the governing experience of a focal party since the year of its party foundation and with constant values for non-incumbency years. That is, imagine a party is formed in year 1 and is part of the government in years 2, 3, 4, 9, and 10 – but not in 1, 5, 6, 7, and 8. Our variable then simply counts the years in government since party formation, but the count remains constant at the last year of government participation for those periods in which the party is in opposition. Hence, we would get the following variable values for the simple example above: 0, 1, 2, 3, 3, 3, 3, 3, 4, and 5. This item is constructed in such a way that it does not omit what happened before a specific term. Again, we use the data on incumbency status from Döring and Manow (2012) to create this variable. Relying on the same data, we also coded a binary variable that captures whether a party was in government in the year before an election under study (1) or not (0).[10] Hence, while the first variable measures governmental experience, the second one controls for the mechanisms that incumbents may find it generally easier to win elections.

Third, taking data from the World Bank Development Indicators, we include economic growth. Specifically, we first compiled the World Bank's GDP data, which captures the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. Data are in constant 2000 US Dollars. In turn, we subtracted this variable's lagged values from its current ones to obtain the growth measure. Generally, the more favorable the economy, the better is the election outcome for the incumbent.

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[10] As indicated, the lagged dependent variable of the incumbency outcome variable captures incumbency status at the last election and, therefore, differs from this item.

Hence, we also include a multiplicative specification of this variable and the incumbency variable (*Ruled Last Year*).

Finally, our core variable of interest in the second stage (equation 9) is the absolute distance between the predicted values of *Party Position$_t$* (which is instrumented) and the position of the median voter. Using information from the Eurobarometer (Schmitt and Scholtz 2005) and the predicted party positions from the first stage, we calculated for each party its absolute distance to the median. Hence, we subtracted a party's *predicted* policy position value from the median voter's value and then calculated the absolute value. However, this item includes the indirect effect of learning from and emulating foreign incumbents. Higher values of the absolute-distance variable signify greater distances between a party and the median voter and, therefore, we expect a negative impact of this item on the dependent variables. Note that we also calculated *Abs. Distance to Median* for comparison. This variable is based on the Eurobarometer (Schmitt and Scholtz 2005) and the CMP (Budge et al. 2001; Klingemann et al. 2006; Volkens et al. 2013), and there is no first stage or predicted values of party positions that are instrumented. That is, we use the actual data from the CMP for calculating absolute distances to the median voter – not predicted values that are based on the instrument in equation 8. The corresponding variable, *Abs. Distance to Median*, then serves as a reference point, which allows us to assess the degree of bias in coefficient estimates when the instrument and, hence, learning from and emulating foreign incumbents' policy positions are *not* taken into account.

Empirical Results

We begin the empirical analysis with an assessment of whether the political center-ground, i.e., the median voter position, is similar across the group of countries in our sample. As

emphasized, we focus on a set of established democratic states within a European context, which makes it seem plausible that this condition is indeed met. Still, for a more systematic assessment, we discuss Figure 1 and Table 1. Figure 1 maps the average median voter positions of all 26 states in our sample for 1977 to 2010. While differences across countries do exist, they are rather small as the aggregated median voter position has a minimum of 4.495 and a maximum of 5.931. It is also observed that sub-regional clusters in the median voter position do exist: states in closer proximity to each other seem to have more similar median voter positions.

Figure 1. Median Voter Positions, 1977-2010
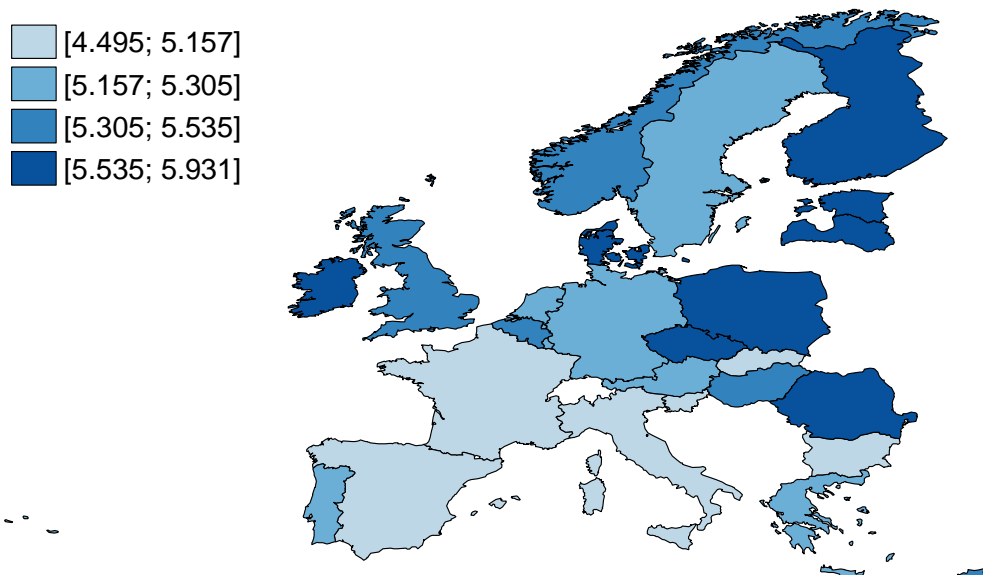
Notes. The data used for this graph are based on the Eurobarometer data described in the research design. Median voter positions are averaged across all years between 1977 and 2010, with the aggregated variable ranging in [4.495; 5.931]

Table 1. The Spatial Clustering of European States' Median Voter Positions

	Moran's I
Median Voter	0.044
	(2.633)***
Median Voter$_{t-1}$	0.043
	(2.604)***
Observations	481

Notes. Estimates based on country-year as the unit of analysis and the period 1977 to 2010; z-values in parentheses.

*** p<0.01

Table 2. Follow the Foreign Leader – Foreign Emulation Model

	Model 1
Constant	-1.798
	(0.883)**
Lagged Party Position	0.751
	(0.013)***
Lagged Median Voter	0.501
	(0.159)***
Lagged Economic Globalization	0.032
	(0.011)***
Lag Median Voter *	-0.007
Lagged Economic Globalization	(0.002)***
$\mathbf{W}\mathbf{y}^{\text{Foreign Incumbent}}$	0.004
	(0.001)***
Observations	2,718
R^2	0.877
RMSE	0.324

Notes. Table entries are OLS regression coefficients; standard errors in parentheses; year- and party-fixed effects included, but omitted from presentation; the scale for party position is recalibrated from the left-right estimates reported by the CMP to fit on the 1-10 median voter scale; all explanatory variables are one-year lags; spatial lag captures foreign incumbent parties' policy positions of the year before the last election.

* p<0.10; ** p<0.05; *** p<0.01

As a more systematic test for the regional clustering in median positions, we calculated Moran's *I* using the median voter (in current and temporally lagged values) and an underlying non-standardized connectivity based on geography as ties linking units, i.e., the inverse of the capital-to-capital distance (Gleditsch and Ward 2001). This test statistic is a measure of spatial autocorrelation and appropriate for our purposes as we are not interested in whether there is a genuine diffusion effect for states' median voter positions, but merely want to find out whether there is spatial clustering or not (Buhaug and Gleditsch 2008). In general, Moran's *I* values range in [-1; +1], with negative values indicating negative spatial autocorrelation (dispersion) and positive values pertaining to positive spatial autocorrelation (clustering). Table 1 shows that there is a strong, positive, and statistically highly significant geographic clustering: median voter positions in countries that are geographically closer to each other do merge and approach each other; dispersion, conversely, does not exist. Ultimately, we conclude from these two empirical examinations that there is evidence suggesting that median voter positions in our sample do indeed cluster in space; hence, the central assumption behind our theoretical framework is met.

Table 2 summarizes our findings for the first stage. It is important that $\mathbf{W}y^{\text{Foreign Incumbent}}$ is a strong predictor of a party's policy position and the model as a whole should predict parties' policy positions reasonably well to meet two of the requirements for a good instrument. In fact, we obtain a positive and significant effect of this variable, which demonstrates that parties do indeed learn from and emulate foreign incumbents' electoral strategies and incorporate them in their own party manifestos. In substantive terms, the coefficient estimate points to a short-term effect of 0.08 (0.004*22.30, where the second number is the average number of neighbors for this spatial lag). The asymptotic long-term effect is 0.34 (which is calculated when taking the temporally lagged dependent variable into account). These estimates, 0.08 and 0.34, are

statistically significant. In our data, the average party left-right policy position is 5.322 in the first stage's sample. If all foreign incumbent parties would then adopt an average left-right position of 6.322 in the year before the last election, the effect on a focal party would be a rightward shift of 0.08 in the short-term and 0.34 in the long-term. Alternatively, when raising $\mathbf{W}y^{\text{Foreign Incumbent}}$ from one standard deviation below its mean to one standard deviation above its mean, *Party Position* increases by 0.36 in the short run (90 percent confidence interval in [0.167; 0.558]). This result mirrors the findings in Böhmelt et al. (2016). All other covariates' effects are similar as well: the more the median voter is to the right, the more right-wing a political party will position itself; economic globalization also leads to party shifts toward the right, although this diminishes with higher values on the median voter variable.

Table 3. Follow the Foreign Leader – Models on Vote Share

	Model 2	Model 3	Model 4	Model 5
Constant	4.134	4.664	2.140	3.075
	(3.172)	(3.142)	(2.320)	(2.359)
Lagged Dependent Variable	0.909	0.903	0.899	0.889
	(0.030)***	(0.030)***	(0.038)***	(0.038)***
Abs. Distance to Median	-0.772		-0.737	
	(0.667)		(0.673)	
Instrumented Abs. Distance to Median		-1.287		-1.317
		(0.667)*		(0.656)**
Experience			0.029	0.030
			(0.038)	(0.038)
Ruled Last Year			-2.870	-2.800
			(1.143)**	(1.123)**
GDP Growth			-0.001	-0.001
			(0.000)**	(0.000)**
Ruled Last Year * GDP Growth			0.001	0.001
			(0.000)**	(0.000)**
Effective Number of Parties			-0.351	-0.394
			(0.370)	(0.368)
Observations	167	167	167	167
R^2	0.869	0.871	0.874	0.877
RMSE	5.106	5.066	4.992	4.943

Notes. Table entries are coefficients; standard errors in parentheses; year-fixed effects included, but omitted from presentation.

* p<0.10; ** p<0.05; *** p<0.01

The third table summarizes our results for equation 9 and is based on vote share as the outcome variable. The models in this table differ in whether we consider *Abs. Distance to Median* (Models 2 and 4) or *Instrumented Abs. Distance to Median* (Models 3 and 5), and in whether we include the control covariates (Models 4 and 5) or omit them (Models 2 and 3). Table 3 strongly supports the argument that *foreign incumbents indirectly affect focal parties' electoral outcomes*. The item *Abs. Distance to Median* is negatively signed and statistically *insignificant* in Models 2 and 4. However, *Instrumented Abs. Distance to Median*, i.e., the variable that is based on the predicted values of parties' policy positions from the first stage using $\mathbf{W}\mathbf{y}^{\text{Foreign Incumbent}}$ as the instrument, is statistically significant at conventional levels. Increasing *Instrumented Abs. Distance to Median* by one unit leads to a decrease in a party's vote share by 1.287 (Model 3) to 1.317 (Model 5) percentage points. We conclude that the instrumental-variable estimate (*Instrumented Abs. Distance to Median*) is both statistically significant and larger in magnitude than the non-instrumented *Abs. Distance to Median* item. Thus, taking the influence of foreign incumbents *systematically* into account helps to explain electoral success and we provide evidence for the theorized indirect effect. That is, the non-instrumented estimate of distance from the median produces estimation bias due to endogeneity. Of course, when subscribing to the claim that foreign incumbent party positions influence a focal party's position, the non-instrumented *Abs. Distance to Median* will be influenced by information on foreign incumbent position. However, the results in Models 2 and 4 are biased,

because they are based on model specifications that do not model this indirect effect explicitly and systematically.

To provide a more intuitive interpretation, Figure 2 highlights why it is more difficult to assess the relationship between the absolute distance to the median and vote share when endogeneity is not taken into account. This figure plots the predicted values of vote share on (1) the instrumented and (2) the non-instrumented versions of the absolute distance to the median voter. The curve based on the instrument (*Instrumented Abs. Distance to Median*) is initially steeper and lower for all but small values of the distance to the median voter, stressing that there is a stronger effect on vote share than for the "regular," non-instrumented variable (*Abs. Distance to Median*) that does not account for endogeneity. As a result, the average vote share loss of a party that moves away from the median voter is larger when considering the influence of foreign incumbents in the first stage. On average, the difference between the instrumented and non-instrumented scenarios is 0.04 percent in vote share, meaning that a party can gain an additional 0.04 percent in votes when learning from and emulating foreign incumbents.[11]

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[11] We discuss in the concluding section that although the statistically significant effects are modest in size, there are several interesting *conditions* to explore under which they may vary considerably. For example, following the foreign leader could arguably be a more effective strategy for a focal party that looks to a foreign incumbent that competes in countries with similar electoral systems.
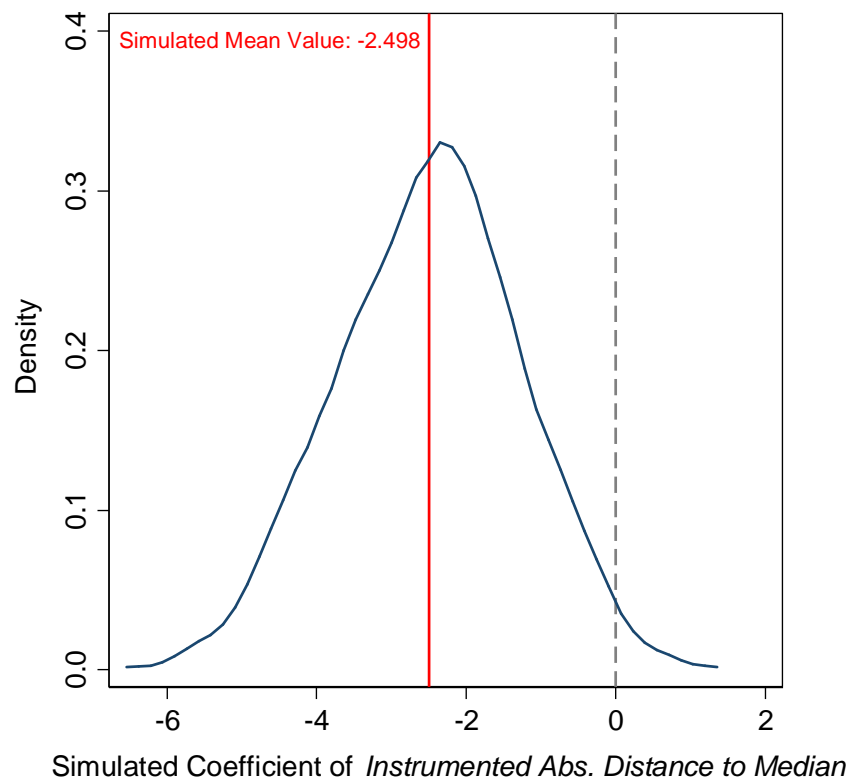
Figure 2. Running Line Smooth of Vote Share on *Instrumented Abs. Distance to Median* and *Abs.*

Distance to Median
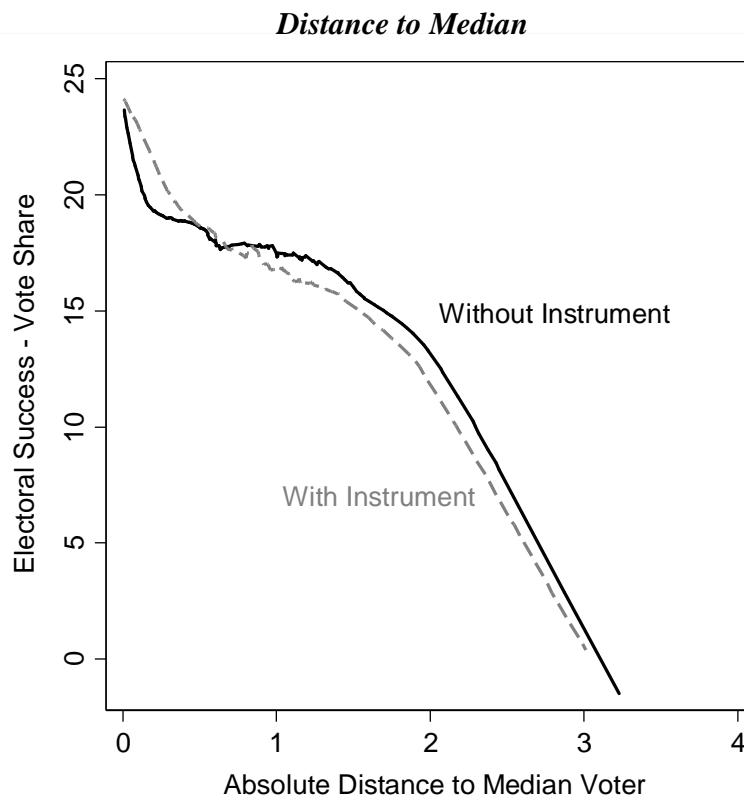
Notes. Graph based on Models 4 and 5 and, therefore, includes the influence of the other covariates.

Figure 3. Follow the Foreign Leader – Simulated Coefficient (Model 5)

Notes. Graph shows distribution of simulated coefficient estimate of *Instrumented Abs. Distance to Median*. Mean point estimate for is at -2.498 (standard deviation at 1.216). Estimates are based on simulations (*N*=1,000 of simulated parameters), while holding all other variables at their median values. Vertical grey dashed line marks simulated coefficient value of 0.

In addition, Figure 3 summarizes the simulated coefficient estimate of *Instrumented Abs. Distance to Median* using the approach suggested in King, Tomz, and Wittenberg (2000). As the coefficient is a simulated parameter, we present a density plot that captures its distribution. The graph demonstrates that the simulation does not question our conclusion on the statistical significance of the variable, emphasizing that learning from and emulating foreign incumbents does *indirectly* improve the chances of electoral success – indirectly as learning and emulation first affect the policy position of the focal party as such. This interpretation is further supported when comparing the average distance of a party to the median voter in the instrumented case with the

non-instrumented scenario: for the former, the average distance is 0.884, while it is 0.904 for the

latter.

Table 4. Follow the Foreign Leader – Models on Incumbency

|	Model 6	Model 7	Model 8	Model 9
Constant	0.635	0.677	0.035	0.114
	(0.257)**	(0.252)***	(0.171)	(0.171)
Lagged Dependent Variable	0.438	0.429	0.271	0.253
	(0.072)***	(0.070)***	(0.095)***	(0.094)***
Abs. Distance to Median	-0.085		-0.074	
	(0.055)		(0.054)	
Instrumented Abs. Distance to Median		-0.136		-0.138
		(0.054)**		(0.052)***
Experience			0.005	0.004
			(0.003)	(0.003)
Ruled Last Year			0.142	0.154
			(0.102)	(0.099)
GDP Growth			0.001	0.001
			(0.000)	(0.000)
Ruled Last Year * GDP Growth			0.001	0.001
			(0.000)*	(0.000)*
Effective Number of Parties			0.017	0.016
			(0.028)	(0.028)
Observations	167	167	167	167
R^2	0.290	0.309	0.327	0.351
RMSE	0.414	0.409	0.403	0.396

Notes. Table entries are coefficients; standard errors in parentheses; year-fixed effects included, but omitted from presentation.

* p<0.10; ** p<0.05; *** p<0.01

Coming to the second dependent variable, the incumbency status of a party after an

election, Table 4 demonstrates that our main argument also applies to other electoral success

measures: the findings in Table 4 are qualitatively identical to those in Table 3. Similar to the

latter table, it is only *Instrumented Abs. Distance to Median* that exerts a strongly negative and

statistically significant impact on incumbency; while *Abs. Distance to Median* is negatively

signed as well, it is not statistically significant at conventional levels. In substantive terms, Table 4 suggests that increasing *Instrumented Abs. Distance* by one unit and, thus, raising the distance to the median voter by one point, leads to a decrease of about 14 percentage points that a focal party will be part of the government in the next election. Again, taking the influence of foreign incumbents from the first stage into account thus helps to explain electoral success and we do indeed obtain evidence for the indirect effect we argue for.

Figure 4. Running Line Smooth of Government Participation on *Instrumented Abs. Distance to Median* and *Abs. Distance to Median*
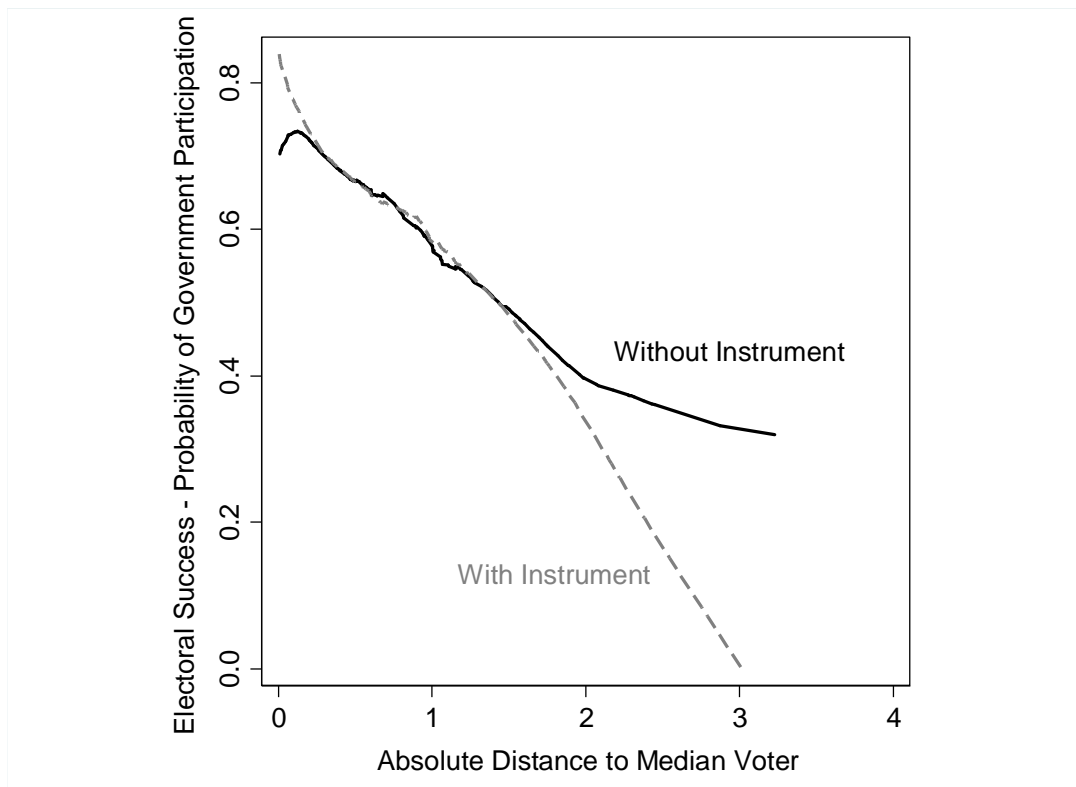
Notes. Graph based on Models 8 and 9 and, therefore, includes the influence of the other covariates

Figure 5. Follow the Foreign Leader – Simulated Coefficient (Model 9)

Simulated Coefficient of *Instrumented Abs. Distance to Median*
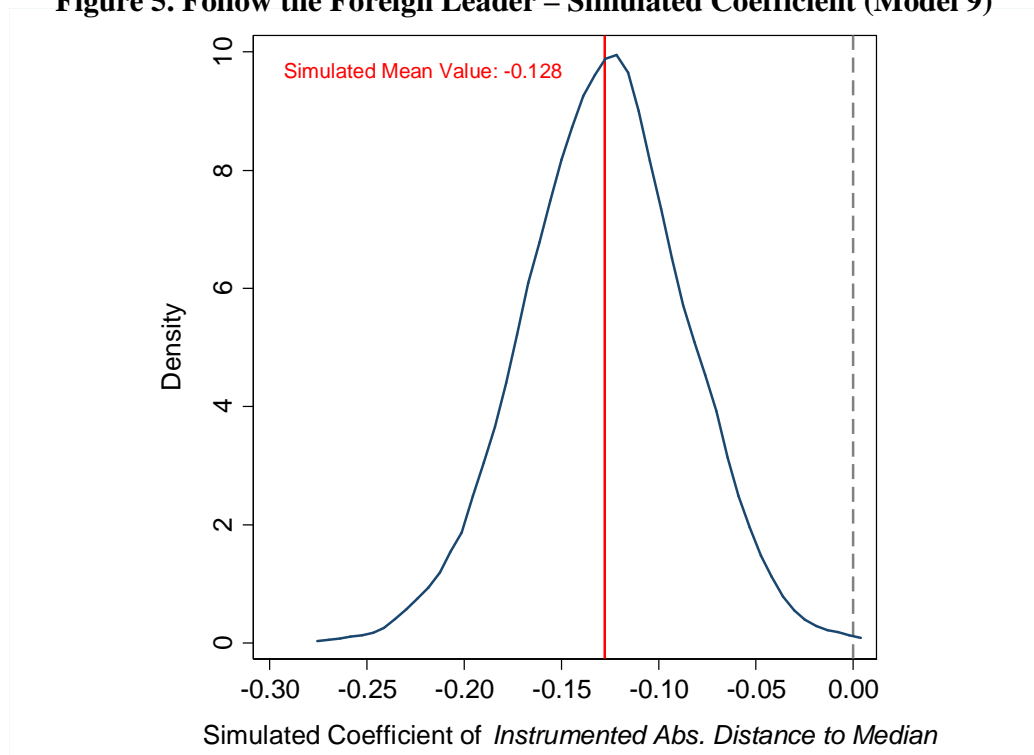
Notes. Graph shows distribution of simulated coefficient estimate of *Abs. Distance to Median*. Mean point estimate for is at -0.128 (standard deviation at 0.041). Estimates are based on simulations (*N*=1,000 of simulated parameters), while holding all other variables at their median values. Vertical grey dashed line marks simulated coefficient value of 0.

Similar to Figure 2 above, Figure 4 plots the relationship between the absolute distance to the median and incumbency status when the instrument is taken into account and not. The curve based on the instrument (*Instrumented Abs. Distance to Median*) is again steeper, demonstrating that there is a stronger effect on the probability to be part of the government than in the case of the "regular" non-instrumented variable (*Abs. Distance to Median*). This difference becomes particularly evident for absolute median distances great than 2. The average loss of a party that moves away from the median voter is therefore more substantive when considering the influence of foreign incumbents in the first stage. On average, the difference between the instrumented and non-instrumented scenarios is 0.002 percent in the likelihood of being part of the next government,

meaning that a party can increase its chances of office when learning from and emulating foreign incumbents. Figure 5 then displays our estimation of the distribution of the simulated coefficient estimate of *Instrumented Abs. Distance to Median* in Model 9. Again, the simulation does not question our conclusion on the statistical significance of our core variable of interest. We thus conclude that learning from and emulating foreign incumbents *indirectly* improves the chances of being part of the government.

In terms of the control variables in Tables 3 and 4, most of them are statistically insignificant at conventional levels. The only exception is essentially the interaction *Ruled Last Year * GDP Growth*. Our models find strong and robust support that parties that ruled in the year before tend to be more successful in the next election – either in terms of vote share or the chances to be part of the government – in times of a flourishing economy, i.e., when GDP grows.

Conclusion

Our study extends earlier research on party competition and policy diffusion. The arguments and empirical analyses support the *Follow the Foreign Leader Hypothesis* that political parties will be more electorally successful when they respond to the left-right positions of political parties which were recently governing coalition members in foreign countries.

There are several interesting questions to explore in future research. These will identify *conditions* under which following foreign leaders is a stronger or weaker electoral strategy. For example, electoral systems are thought to produce similar electoral incentives for political parties (see, e.g., Cox 1990; Dow 2001, 2011). Accordingly, following the foreign leader could arguably be a more effective strategy for parties that compete under similar electoral arrangements. Taking over party policy positions in order to be electorally more effective may also be more or less successful along more narrowly defined issue dimensions than the left-right, such as

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immigration, the environment, or European integration. Finally, it is within the reach of this framework to examine whether there are subsamples of parties for which this strategy is more effective. For example, it would useful to examine whether following foreign incumbent parties is equally effective for: governing and opposition parties, parties with governing experience and without it, younger and older parties, and so on.

Our theoretical arguments and empirical support for the *Follow the Foreign Leader Hypothesis* are relevant to parties' election strategies (e.g., Alvarez et al. 2000), because they imply that parties learning from and emulating the policies of parties in other states can benefit in their elections at home. Our findings are also relevant for scholars of policy diffusion (e.g., Elkins and Simmons 2005; Gilardi 2010, 2012). According to several prominent studies of political representation, the average party position in a country election year will influence public policy outputs (Kang and Powell 2012; see also McDonald and Budge 2005; Budge et al. 2012). This latter finding that parties' positions feed through to public policy -- combined with our central conclusion that parties respond to the policies of governing parties in other countries (to compete in their own elections) -- suggests that policy diffusion occurs, at least in part, *through political parties*. Party policy diffusion is thus particularly relevant to the extensive literature on the diffusion of public policy outputs (e.g., Elkins and Simmons 2005; Dobbin, Simmons, and Garrett 2007). We conclude that following foreign leaders abroad helps parties compete in elections at home.

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