

Facing the populists: the effect of populist challengers on mainstream parties' welfare state positions

Andrea Celico

Universidad de Navarra

May 25th, 2024, Prague

Contacts: acelico@unav.es

Motivation

- ▶ Social protection and redistribution are frequently core elements of populists' campaigns;
 - **Larger redistribution:** PiS Family 500+ program in Poland; 5MS “Reddito di cittadinanza” in Italy; Podemos (Spain) or Syriza (Greece) redistributive and anti-austerity agendas;
 - **Exclusionary welfare:** welfare should target exclusively natives (e.g. Danish DF; Dutch PVV; French FN; Swedish SD; Austrian FPÖ; German AfD etc.)
- ▶ Populist parties can influence welfare state policy:
 - Directly: shaping policy actions when in government or exploiting veto powers within government coalitions (Guriev and Papaioannou, 2022);
 - Indirectly: shifting established parties positions (Haegel and Mayer, 2018), even when not in government.

Background:

Populists and welfare state policy:

- ▶ **Economic dimension:** Overly expansive redistribution policies (Dornbusch and Edwards, 1991; Mudde, Cas and Kaltwasser, 2017) and unconditional commitments (Morelli et al., 2021)
- ▶ **Cultural dimension** (*Welfare-chauvinism*): Welfare state access should be guaranteed only to natives and it should not bear the cost of non-natives' social protection (Andersen and Bjørklund, 1990; Mudde and Kaltwasser, 2013)

Mainstream parties' adjustments to populists' electoral success:

- ▶ Non-populist parties imitate populists' platforms (Guiso et al., 2017);
- ▶ Anti-multiculturalism and anti-immigration positions of populist parties are "contagious" (Abou-Chadi and Krause, 2020; Van Spanje, 2010; Wagner and Meyer, 2017);
- ▶ Associations between competition with a populist party and changes in mainstream parties' welfare state positions (Krause and Giebler, 2020);

Research question

How mainstream parties respond to populists' electoral success in terms of their welfare state policy positions ?

Economic dimension: do parties respond with shifts favoring larger/smaller social expenditure?

Cultural dimension: do parties respond with shifts favoring inclusive/exclusive welfare state?

- ▶ Level of analysis: 23 European democracies national elections (1970-2020);
- ▶ Methodology: Regression Discontinuity Design;
- ▶ Variable of interest: programmatic shift of party positions across subsequent elections
- ▶ Mainstream parties: All parties that participated in at least 3 elections with an average vote share of 8%.
- ▶ Populists' electoral success: a populist party passing the national electoral threshold and obtaining representation

Populist parties

Populism as a “thin ideology” (Mudde, 2004) encompassing four dimensions:

- ▶ A notion of the people as homogeneous and invisible;
- ▶ A unique general will among the people;
- ▶ Identification of a corrupt elite;
- ▶ Manichean confrontation between the elite and the people;

Populist parties: sourced from a combination of PopuList (Rooduijn et al., 2019) and RFPOPI (Celico et al., 2024) datasets

Why should mainstream parties shift their programmatic positions?

Demand side:

- ▶ The success and consolidation of a populist party is a signal of a change in public opinion preferences (Downs et al., 1957);

Supply side:

- ▶ The entry of a new party can shift other parties' positions *per se*, independently from public opinion changes (Downs et al., 1957);
- ▶ A populist party obtaining parliamentary representation may constitute a threat to mainstream parties:
 - Representation provides parties with larger resources and media coverage (Abou-Chadi and Krause, 2020), increasing their chances of survival within the party system (Dinas et al., 2015), and pushing mainstream parties to adjust.

Measuring shifts in parties' positions

Objective: the shift in party positions between election $t - 1$ and election t

Inputs from CMP:

- ▶ *per504* (Welfare state expansions);
- ▶ *per505* (Welfare state limitations);
- ▶ *per608* (Multiculturalism: negative)

$$\Delta \text{Welfare size}_{i,t} = \left(\log \frac{\text{per504}+0.5}{\text{per505}+0.5} \right)_{i,t} - \left(\log \frac{\text{per504}+0.5}{\text{per505}+0.5} \right)_{i,t-1}$$

$$\Delta \text{Chauvinism}_{i,t} = \left(\left| \log \frac{\text{per504}+0.5}{\text{per505}+0.5} \right| \times \log(\text{per608} + 0.5) \right)_{i,t} - \left(\left| \log \frac{\text{per504}+0.5}{\text{per505}+0.5} \right| \times \log(\text{per608} + 0.5) \right)_{i,t-1}$$

▶ Summary statistics

▶ Distribution by ideology

Identification: close election RDD

The idea: Rule out public opinion effects by comparing mainstream parties that competed with a populist party that closely failed to win a seat with mainstream parties that competed with a populist that closely obtained a seat.

- ▶ **Cut-off:** national electoral thresholds ▶ Effective thresholds;
- ▶ **Assignment var.:** difference between vote share and electoral threshold for a populist party at $t - 1$ (x_i);
- ▶ **Treatment status:** populist party presence in parliament after election $t - 1$ (D_i);

$$\Delta Y_i = \alpha + \tau D_i + f(x_i) + Z_i + \epsilon_i \quad \forall x_i \in (-h, h) \quad (1)$$

Identification assumptions:

- ▶ Continuity assumption: within a small interval around the cutoff parties are similar except for their treatment status;
- ▶ Local randomization: mainstream parties cannot perfectly control or predict populists' electoral result: ▶ Manipulation test
 - Electoral fraud;
 - Threshold manipulation;

Results: main RDD estimates

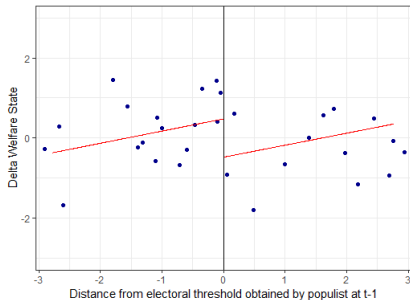
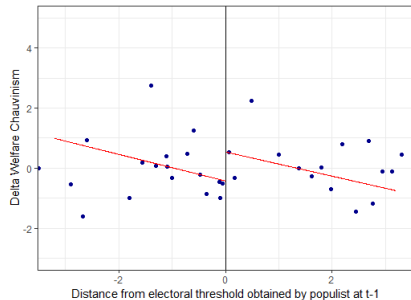
 Δ Welfare size Δ Welfare chauvinism

Figure: Mainstream parties' positions adjustment

Results: RDD estimates

Estimation Variable	Local			
	Δ Welfare Size		Δ Welfare chauvinism	
Polynomial order	1	2	1	2
LATE	-0.862** (0.368)	-1.899*** (0.301)	1.451*** (0.366)	1.818*** (0.251)
Bandwidth	2.696	3.209	3.016	2.764
N_-/N_+	58/65	66/93	63/85	58/76

Note: Robust standard errors are in parentheses, clustered at the national election level. P-values: ***p < 0.01, **p < 0.05, *p < 0.1.

Table: RDD local estimates

Further tests:

- ▶ Cutoff Sensitivity
- ▶ Placebo cutoffs
- ▶ Robustness checks
- ▶ Jackknife analyses

Results: RDD estimates by ideology group

Estimation Variable	Local			
	Δ Welfare Size		Δ Welfare chauvinism	
Polynomial order	1	2	1	2
Subgroups estimations				
LATE Left-wing	0.268 (0.587)	-0.038 (0.719)	1.869** (0.758)	2.201*** (0.621)
Bandwidth	2.540	4.078	3.084	3.718
N_-/N_+	20/32	28/57	27/44	27/57
LATE Right-wing	-2.030*** (0.555)	-3.108*** (0.918)	1.319*** (0.461)	1.834*** (0.561)
Bandwidth	2.240	3.378	2.171	3.506
N_-/N_+	31/24	36/47	31/24	36/49

Note: Robust standard errors are in parentheses, clustered at the national election level. P-values:
***p < 0.01, **p < 0.05, *p < 0.1.

Table: RDD local estimates

► Sensitivity

Results: positional distances

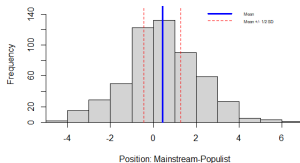


Figure: Distances: Welfare size

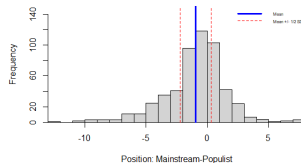


Figure: Distances: Welfare chauvinism

Estimation Variable	Local			
	Welfare size dist.		Welfare Chauvinism dist.	
Polynomial order	1	2	1	2
LATE	-0.624*** (0.100)	-0.666*** (0.084)	-3.121*** (0.067)	-2.912*** (0.179)
Bandwidth	3.134	4.568	1.800	3.915
N ₋ /N ₊	27/83	28/120	17/41	27/101

Note: Robust standard errors are in parentheses, clustered at the national election level. P-values:
***p < 0.01, **p < 0.05, *p < 0.1.

Table: Mainstream - populist positional distances

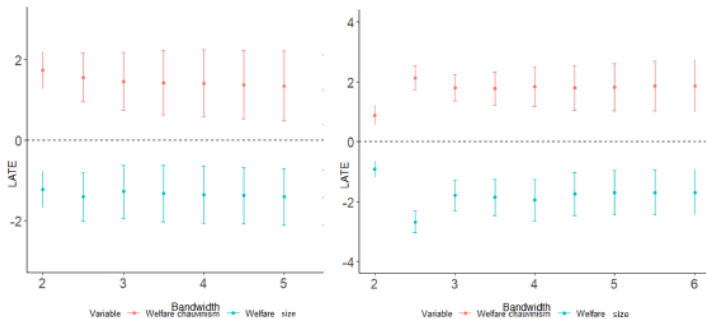
Conclusions

- ▶ Populists success is a supply-side mechanism influencing party competition;
- ▶ After competing with a populist, mainstream parties' positions shift in favor of smaller and more exclusionary welfare state;
- ▶ After competing with a populist, positions distances between mainstream parties and populists parties shrink (regarding social protection)

Caveats:

- ▶ The RDD in this paper captures the effect of “weak” populists;
- ▶ Literature and models of promissory representation suggest that parties will stick to their electoral commitments, this paper can't currently verify if parties' positional shifts translate into tangible policy actions.

Bandwidth sensitivity



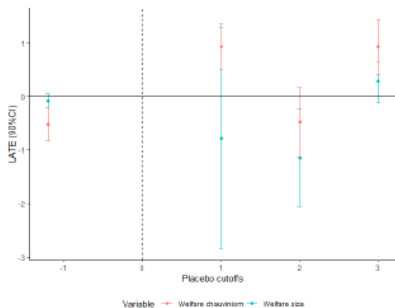
(a) Linear polynomial

(b) Quadratic polynomial

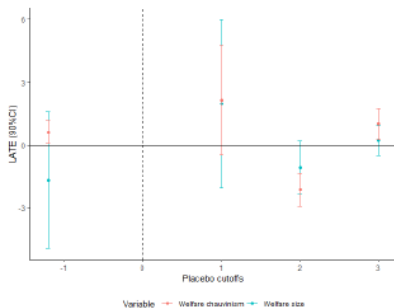
Figure: Alternative bandwidths sensitivity

▶ Back

Placebo cutoffs



(a) Linear polynomial



(b) Quadratic polynomial

Figure: Placebo cutoffs

▶ Back

Robustness checks

Variable	Δ Welfare Size		Δ Welfare chauvinism	
	1	2	1	2
Polynomial order				
1) RDD features				
Alternative kernel: Epanechnikov	-1.350*** (0.389)	-3.477*** (0.258)	1.650*** (0.446)	2.297*** (0.35)
Alternative bandwidth selector: MSE-two	-1.278*** (0.329)	-1.613*** (0.375)	0.585* (0.334)	1.28*** (0.181)
2) Observations close to cut-off				
Radius around cutoff = 0.1	-1.635** (0.667)	-4.008*** (0.882)	-0.586 (0.642)	2.476*** (0.887)
Radius around cutoff = 0.2	-7.021*** (1.841)	-1.666** (0.963)	5.144 (8.532)	3.371*** (0.986)
Radius around cutoff = 0.3	-1.799 (1.496)	-3.166*** (0.645)	2.249** (0.665)	1.382* (0.707)
3) Alternative definitions				
Legal thresholds	-0.496 (0.329)	-0.889** (0.415)	0.232 (0.150)	0.913*** (0.271)
Mainstream party (10% v.s. in 4 el.)	-1.193 (0.505)	-2.308*** (0.708)	1.941*** (0.493)	2.212*** (0.533)
Populist party (RFPOPI \geq 8)	-1.136*** (0.339)	-1.634*** (0.385)	1.607*** (0.351)	1.784*** (0.386)
Δ Welfare Size (per504)	-0.702*** (0.069)	-1.265*** (0.131)	-	-
Δ Welfare chauvinism (Schumacher and Van Kersbergen)	-	-	1.753 (2.069)	4.530*** (1.346)

Note: Robust standard errors are in parentheses, clustered at the national election level. P-values: ***p < 0.01, **p < 0.05, *p < 0.1.

Manipulation test

Assignment Manipulation test - CAT;JAN;MA (2018)

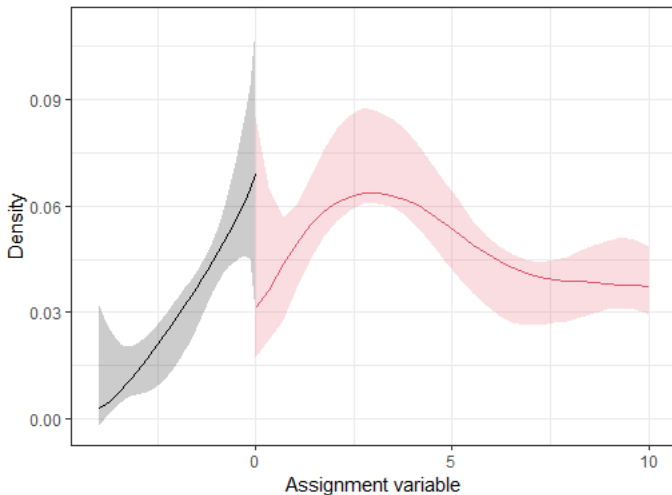


Figure: Assignment variable's manipulation test

Jackknife analysis

Estimation Country	Linear			Quadratic		
	Coef.	Std.Err	P-val	Coef.	Std.Err	P-val.
Austria	-1.18	0.34	0.00	-1.85	0.28	0.00
Bulgaria	-0.97	0.34	0.00	-1.93	0.26	0.00
Czech Republic	-1.84	0.28	0.00	-1.98	0.36	0.00
Denmark	-1.20	0.34	0.00	-1.73	0.36	0.00
Estonia	-1.21	0.33	0.00	-1.94	0.31	0.00
Finland	0.16	0.37	0.66	-0.48	0.31	0.13
France	-1.12	0.34	0.00	-1.88	0.32	0.00
Germany	-1.35	0.46	0.00	-2.27	0.53	0.00
Greece	-1.11	0.34	0.00	-1.90	0.30	0.00
Ireland	-1.76	0.14	0.00	-2.02	0.18	0.00
Italy	-0.54	0.49	0.28	-1.90	0.30	0.00
Latvia	-0.95	0.35	0.01	-1.90	0.30	0.00
Luxembourg	-1.16	0.34	0.00	-2.01	0.34	0.00
Netherlands	-0.86	0.32	0.01	1.53	0.26	0.00
Norway	-0.96	0.47	0.04	-5.75	1.74	0.00
Poland	-0.99	0.34	0.00	-1.87	0.30	0.00
Portugal	-1.06	0.34	0.00	-1.90	0.29	0.00
Romania	-1.15	0.34	0.00	-1.91	0.29	0.00
Slovakia	-1.11	0.34	0.00	-1.87	0.32	0.00
Slovenia	-1.08	0.34	0.00	-1.90	0.30	0.00
Spain	-1.10	0.34	0.00	-1.87	0.32	0.00
Sweden	-1.93	0.31	0.00	-2.80	0.25	0.00
Switzerland	-1.11	0.34	0.00	-1.90	0.30	0.00

Figure: Jackknife analysis - Δ Welfare size

Jackknife analysis

Estimation Country	Linear			Quadratic		
	Coef.	Std.Err	P-val	Coef.	Std.Err.	P-val.
Austria	1.93	0.33	0.00	2.25	0.30	0.00
Bulgaria	1.94	0.33	0.00	2.23	0.31	0.00
Czech Republic	1.89	0.33	0.00	2.17	0.26	0.00
Denmark	1.90	0.32	0.00	2.15	0.33	0.00
Estonia	1.74	0.29	0.00	2.02	0.27	0.00
Finland	1.03	0.33	0.00	1.60	0.28	0.00
France	1.96	0.33	0.00	2.28	0.31	0.00
Germany	2.44	0.39	0.00	2.95	0.40	0.00
Greece	1.97	0.33	0.00	2.28	0.31	0.00
Ireland	2.19	0.22	0.00	2.47	0.24	0.00
Italy	1.96	0.34	0.00	2.25	0.33	0.00
Latvia	1.99	0.33	0.00	2.28	0.31	0.00
Luxembourg	1.96	0.33	0.00	2.28	0.32	0.00
Netherlands	1.81	0.33	0.00	2.22	0.32	0.00
Norway	2.11	0.43	0.00	2.45	0.41	0.00
Poland	1.97	0.33	0.00	2.27	0.31	0.00
Portugal	1.99	0.33	0.00	2.28	0.31	0.00
Romania	1.99	0.33	0.00	2.28	0.32	0.00
Slovakia	1.97	0.33	0.00	2.28	0.31	0.00
Slovenia	1.97	0.33	0.00	2.28	0.31	0.00
Spain	1.92	0.33	0.00	2.28	0.31	0.00
Sweden	2.17	0.36	0.00	2.78	0.33	0.00
Switzerland	2.11	0.34	0.00	2.28	0.31	0.00

Figure: Jackknife analysis - Δ Welfare chauvinism

Effective thresholds of representation

From Taagepera (2002): “an average threshold of representation at which parties have a 50–50 chance to win their first seat.”

- ▶ The “effective” minimum national threshold of representation (T);
- ▶ The number of seats in the assembly (S);
- ▶ Number of electoral districts (E);

$$T = \frac{75\%}{\left[\left(\frac{S}{E} + 1 \right) \times \sqrt{E} \right]}$$

▶ Back

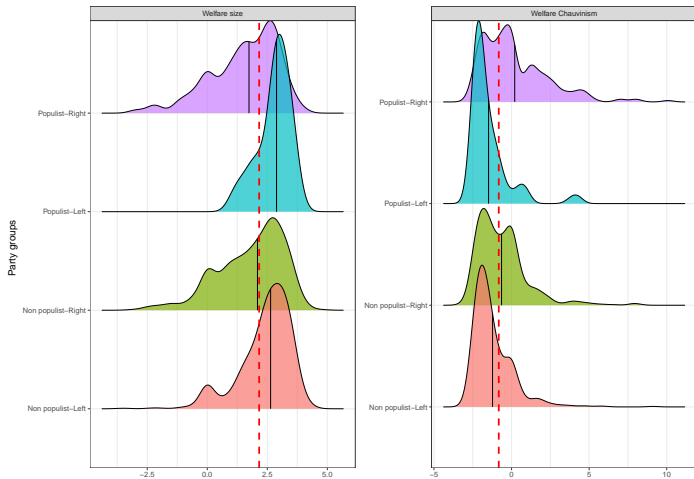
Variables' descriptives

Variable	Nr. Obs.	Mean	Median	SD	Min	Max
Welfare expansions	586	2.171	2.478	1.251	-2.625	4.768
Welfare chauvinism	586	-0.825	-1.236	1.761	-3.305	9.105
Δ Welfare expansion	500	0.059	0.017	1.325	-6.276	5.330
Δ Welfare chauvinism	500	0.161	0.00	1.719	-7.171	9.718
Margin of repr./non-repr. (lag)	563	8.436	6.870	9.547	-4.000	38.740
Left-Right Ideology	628	4.998	4.891	1.953	0.750	8.496

Summary statistics

[▶ Back](#)

Variables' descriptives



Distribution of party preferences by group

- Abou-Chadi, Tarik and Werner Krause**, “The causal effect of radical right success on mainstream parties’ policy positions: A regression discontinuity approach,” *British Journal of Political Science*, 2020, 50 (3), 829–847.
- Andersen, Jørgen Goul and Tor Bjørklund**, “Structural changes and new cleavages: The progress parties in Denmark and Norway,” *Acta Sociologica*, 1990, 33 (3), 195–217.
- Calico, Andrea, Martin Rode, and Ignacio Rodriguez-Carreño**, “Will the real populists please stand up? A machine learning index of party populism,” *European Journal of Political Economy*, 2024, 82.
- Dinas, Elias, Pedro Riera, and Nasos Roussias**, “Staying in the first league: Parliamentary representation and the electoral success of small parties,” *Political Science Research and Methods*, 2015, 3 (2), 187–204.
- Dornbusch, Rudiger and Sebastian Edwards**, “The macroeconomics of populism,” in “The macroeconomics of populism in Latin America,” University of Chicago Press, 1991, pp. 7–13.
- Downs, Anthony et al.**, “An economic theory of democracy,” 1957.
- Guiso, Luigi, Helios Herrera, Massimo Morelli, and Tommaso Sonno**, “Populism: Demand and supply,” 2017.
- Guriev, Sergei and Elias Papaioannou**, “The political economy of populism,” *Journal of Economic Literature*, 2022, 60 (3), 753–832.

- Haegel, Florence and Nonna Mayer**, "So Close, yet so Far: The French Front National and Les Républicains (2007–2017)," in "Trumping the Mainstream," Routledge, 2018, pp. 222–245.
- Krause, Werner and Heiko Giebler**, "Shifting welfare policy positions: the impact of radical right populist party success beyond migration politics," *Representation*, 2020, 56 (3), 331–348.
- Morelli, Massimo, Antonio Nicolò, and Paolo Roberti**, "A commitment theory of populism," 2021.
- Mudde, Cas**, "The populist zeitgeist," *Government and Opposition*, 2004, 39 (4), 541–563.
- **and Cristóbal Rovira Kaltwasser**, "Exclusionary vs. inclusionary populism: Comparing contemporary Europe and Latin America," *Government and opposition*, 2013, 48 (2), 147–174.
- Mudde, Cas and Cristóbal Rovira Kaltwasser**, *Populism: A very short introduction*, Oxford University Press, 2017.
- Rooduijn, M., S. Van Kessel, and C. Froio**, "The PopuList: An Overview of Populist, Far Right, Far Left and Eurosceptic Parties in Europe.," 2019. Available at <http://www.popu-list.org>".
- Spanje, Joost Van**, "Contagious parties: Anti-immigration parties and their impact on other parties' immigration stances in contemporary Western Europe," *Party Politics*, 2010, 16 (5), 563–586.

Taagepera, Rein, "Nationwide threshold of representation," *Electoral studies*, 2002, 21 (3), 383–401.

Wagner, Markus and Thomas M Meyer, "The radical right as niche parties? The ideological landscape of party systems in Western Europe, 1980–2014," *Political Studies*, 2017, 65 (1-suppl), 84–107.