

# 11 Social Democracy and Party Competition

## Mapping the Electoral Payoffs of Strategic Interaction

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*Herbert Kitschelt and Philipp Rehm*

### 11.1 Introduction

Explaining the electoral success of political parties is a daunting undertaking. Complexity of each actor's decision-making situation and limited knowledge about the parameters that affect the outcomes of each strategy haunt efforts to identify optimal strategies. Theory building shares this predicament with the players, reflected in the current state of the art to examine the electoral consequences of strategic interaction among competing parties. In this chapter, we explore three avenues to shed some light on the relationship between social democratic parties' strategic interaction with competitors and their respective electoral payoffs.

We start from premises of spatial theories of party competition but hypothesize only behavioral relations between party choices and electoral outcomes, not strategic equilibrium configurations. Nevertheless, we find that the electoral payoffs of certain strategy configurations look like Nash equilibria, but then pose the puzzle that many parties do not follow them. We proceed in three steps. First, holding all other parties' positions constant, do party positions closer to the center of a policy dimension – where empirically most voters are located – pay off in electoral terms? And does this effect vary across relevant dimensions of party competition?

Second, we examine the relations between social democratic parties and their competitors more closely. Being close to concentrations of voters should boost a party's electoral take – provided competitors are not fishing in the same waters. Hence, does distance of parties from competitors improve their electoral fortunes? Taking spatial considerations of the first two steps together, are parties electorally better off if they place themselves closer to the center of the policy space, while simultaneously facing only distant competitors?

The third step is the most complicated one as it seeks to identify the electoral consequences of two focal parties – a moderate left (social

democratic) and a moderate right (conservative or Christian Democratic or People's) party – simultaneously choosing positions in a multiparty field. Party strategists (and analytic observers) may study these electoral consequences not just for the individual parties but also for “fields” or “sectors” of multiple political parties with different, but overlapping and adjoining policy appeals. A party's strategy may have rather different electoral payoffs for the party itself than the field of competitors in which it is situated.

Section 11.2 will detail our theoretical considerations and tentative hypotheses. Section 11.3 introduces our data sources, before exploring our questions itemized earlier, in successive order (Section 11.4). Section 11.5 concludes with speculations about how to improve this altogether quite unsatisfactory exploration.

## 11.2 Theoretical Considerations

Ideally, party strategists would like to know what their own party's electoral payoffs will be given a range of strategies from which their party may choose and a range of choices from which their competitors may select in an otherwise stable environment, for example, characterized by a fixed voter preference distribution. Also, ideally, the resulting electoral payoff matrix for all parties will yield for each party a unique choice that results in a strategy configuration such that no individual party can improve on the outcome by unilaterally changing its strategy (Nash equilibrium).

Even in a simple world of two parties and one policy dimension, deriving an equilibrium of party strategies rests on a large number of additional assumptions (Grofman 2004). Once one or several complicating considerations – such as multiple policy dimensions, voter abstention, different time horizons over which utilities are maximized, heterogeneous objectives (vote, office, or policy), or differential voter distributions on dimensions – are factored in, the aspiration to find a unique or very small set of strategy equilibria come to naught. The possibility of entry of new parties and multiparty competition thwarts the identification of unambiguous analytical equilibrium strategies for parties to maximize their votes in most circumstances.

Political scientists have pursued at least three strategies to cope with this situation. The first is to extent formal models by one complication at a time and – with further model restrictions – derive strategic equilibria, such as Roemer's (2001) Party-Unity Nash Equilibrium (PUNE) in two-dimensional spaces. But also in this model an overwhelming number of empirically implausible assumptions is still needed despite strenuous

formal complexity.<sup>1</sup> A second strategy is to impose behavioral features of voters on models, and measure these as empirical input in the prediction of optimal party positions, such as estimations of voters' discounting of party positions, their affective party identification, and their propensities to abstain from voting (Adams et al. 2004). But the critical moving parts driving predictions here are the contingent behavioral regularities the variance of which would need to be theorized to generate a satisfactory explanatory account.

A third strategy is to abandon the equilibrium expectation and to run simulations of parties' behaviors in agent-based models with constructed actor rationales and preference spaces (Laver 2005; Laver and Sergenti 2011). These simulations are instructive, when plausible assumptions yield verisimilitude, that is, outcome patterns approximating real life data. But often enough even small changes in the model constructions lead to vast changes in the simulation runs.

All of these are reasonable, instructive, and worthwhile attempts to cope with a difficult intellectual challenge, and we do not have to offer a superior alternative. Instead, we pursue here a fourth strand of literature one might call "behavioral party competition theory." It uses a loose set of spatial assumptions about how voters value congruence of preferences with their parties of choice in order to study observable patterns of party strategizing. This channel of investigation has been mostly applied to studying the parties' choices of strategies contingent upon other parties' strategies and movements in public opinion in the policy space. For example, do parties adjust their strategies to mean voter movements or those of their own electorates, and which parties follow one or the other benchmark?<sup>2</sup> And how do parties react to other parties' positional changes over time?<sup>3</sup>

Relative few studies, however, have examined the relationship of strategy choice to electoral outcomes, and particularly the electoral payoffs for each party that result from their simultaneous choice of strategic appeals.<sup>4</sup> And these existing studies analyze a focal party's electoral payoffs contingent upon the presence or absence of competitors, conceived as party families, but not based on the strategic positions of such competitors that results in a particular configuration of strategies with the focal party in

<sup>1</sup> In this regard, see Brady and Sniderman's (2008) review of Roemer et al.'s (2007) application of the PUNE approach to two-dimensional party competition.

<sup>2</sup> See Adams et al. (2004), Adams et al. (2006), Bischof and Wagner (2020), and Böhmelt et al. (2016).

<sup>3</sup> See Adams and Somer-Topcu (2009a), Abou-Chadi (2016), and Abou-Chadi and Krause (2020).

<sup>4</sup> See Adams and Somer-Topcu (2009b) and Abou-Chadi and Wagner (2019, 2020).

the competitive systems. Our first two empirical steps adopt this common framework as well: Examine how a focal party's electoral payoffs vary with its strategic choices, without examining modifications of other parties' strategic choices. Our final step, however, attempts to inch toward exploring the electoral consequences of strategic interaction among parties.

To explore the questions outlined earlier, we rely on behavioral spatial theory of party competition to derive a small set of guiding hypotheses. Spatial theories of voting have to make many simplifying assumptions. Among the most important ones for our application are the following:

- Political space
  - Political competition occurs in a low-dimensional issue space. We assume a two- or three-dimensional space (Kitschelt and Rehm 2014). For some purposes, the second and third dimensions can be folded together, but not for others.
  - An "economic" dimension of distributive choices (G1: "greed"), advocating more or less redistributive government intervention, correcting spontaneous results of market processes in terms of actors' income and wealth.
  - A "societal" dimension of sociopolitical governance (G2: "grid") determining how much priority and respect policy accords to individual citizens' autonomy in terms of rights and liberties, whether they concern due process (civil liberties), kinship/family relations, or forms of political and cultural expression.
  - A "citizenship" dimension (G3: "group") defining criteria to qualify for membership in the polity either in terms of very broad, thin universalistic criteria ("cosmopolitan") or in terms of narrower, denser, more specific particularistic criteria ("parochial").
  - The first dimension is typically the most salient dimension, but the robustness of electoral payoffs across dimensions should be explored.
- Voters
  - Voters are roughly normally distributed on each dimension. There may be no unique median voter in multidimensional spaces, but there is a sort of median "yolk," a small area in a multidimensional space around the midpoint of all dimensions, where many voters on all dimensions are located.
  - Voters' positions in the policy space are exogenous to party positions.
  - Voters choose parties that are spatially close to them (on issues that matter to them).
- Parties
  - Parties know voters' positions.
  - Parties know other parties' positions.

- o Parties can only move incrementally in the policy space.
- o Parties mostly seek votes rather than office or policy. But where the benefits of office-seeking or policy-seeking strategies are high and/or the costs of electoral losses due to vote-seeking strategies are minimal, parties may diverge from pure vote seeking. For example, parties may want to promote a “field” of parties that together could dominate policy and/or executive government office, if the individual electoral costs for the focal party are modest.

With these assumptions made, what follows for party “strategy?” By strategy we mean *a vector of positions that parties adopt on the different policy dimensions itemized above, according more or less salience to one or the other*. In spatial theory, party strategies yield differential electoral payoffs for parties contingent upon other parties’ strategies, determining what share of voters ends up being closest to each party (capturing voters inside its Voronoi tessellation: Laver 2005; Laver and Sergenti 2011). A party’s electoral payoff, therefore, is a function of (1) the distribution of voters in the policy space, (2) its own position in the policy space, and (3) the position of other parties in the policy space. This makes electoral performance a strategic problem.

### 11.2.1 *The Electoral Payoffs of Absolute Party Positioning*

We advance two hypotheses to account for variable electoral payoffs from strategic choices. First, proximity to the center pays off. As per our (realistic) assumption that voters cluster in the middle (or core area, or “yolk”) of the policy space, taking centrist positions promises higher vote shares. *Ceteris paribus*, dipping into support in the middle tier of a policy dimension, therefore, may yield electorally favorable results, whereas at the outer periphery of the issue dimensional space, even large distances between party strategies deliver only modest electoral returns.

**Hypothesis 1:** All else equal, parties near the center of gravity (“yolk”) attract more electoral support than parties situated toward the outer periphery of that space with lower density of voters. (Median Proximity Hypothesis)

Contrary to the hypothesis, centrist strategies may backfire because positioning in the policy space is a strategic choice involving several players. For example, if many parties adopt centrist strategies in the same election, they each would only get a small slice of the “yolk” of voters. Alternatively, centrist strategies of the main players may incentivize extreme parties to move inward as well, offsetting any gains from

moderation. Centrist strategies may also lead to abstention because voters do not perceive meaningful differences between parties. Clearly, there are countervailing forces that promote a dispersion of political parties (Adams et al. 2020). This may seriously diminish the advantage of centrist political strategies (Zur 2021).

### 11.2.2 *The Electoral Payoffs of Relative Party Positioning*

Second, distance to competitors pays off. If a large share of voters is located in a centrist yolk of a multidimensional space and voters choose parties close to their personal ideal points, many parties may try to win a slice of that centrist pool. Therefore, vote-seeking parties should take into account the position of their “neighboring” parties. Consequently, parties may seek a somewhat “eccentric” programmatic position on at least one salient dimension of competition – with options G1 through G3 itemized earlier – that distinguishes them from their competitors, but still in the vicinity of a considerable vote share. The greater is a party’s Voronoi tessellation in the electoral space, that is, the space in which voters’ ideal points are closer to the focal party than to any other, the larger is the share of votes that the party is likely to receive. This is a strategy of “product differentiation” from other parties (Kitschelt 1994, chapter 4) and informs our second hypothesis.

**Hypothesis 2:** A party’s electoral success is a function of the distance between its own issue positions and that of its closest neighbors. All else equal, greater distances result in greater electoral payoffs.

### 11.2.3 *Strategic Interaction and Electoral Payoffs*

We will explore this basic setup for moderate left parties, such as Social Democrats, and moderate right parties in knowledge society democracies. Hypotheses 1 and 2 concern the electoral payoffs of party positioning, but they are only the first step of analysis, as they do not explicitly consider the strategic interaction among parties. In order to bring in how the payoffs of choices of individual parties depend on the choices of other parties, let us introduce a simple setup.

First, the multiparty systems of contemporary Western democracies is divided into two “fields” of parties, a “left” field and a “right” field. Within each field, there may be several parties that distinguish themselves in terms of extremism or centrism of positions on two or three issue dimensions. The left field incorporates parties that position themselves from the center to an extremely redistributive position on economics,

a highly libertarian position on societal governance, and an inclusive-cosmopolitan position on citizenship.<sup>5</sup> In terms of party families, this field includes more extreme parties – Radical Left (RL) socialist or post-communist parties with firmly redistributive positions and Green Left (GL) parties with highly libertarian and cosmopolitan appeals – as well as a Moderate Left (ML) with somewhat more centrist positions on all of these dimensions that typically belong to the family of social democratic or labor parties. The right field covers parties that extend from the center to the extremes in terms of affirmation of market liberalism on economic distribution, authoritarian and traditionalist positions on societal governance, and particularistic-nationalist positions on immigration and citizenship. This field encompasses a Moderate Right (MR) on all of these dimensions, consisting of party families with Conservative, Christian Democratic, Agrarian or Liberal labels, as well as Radical Right (RR) populist parties with more extreme positions on authoritarian societal governance and exclusive national citizenship, combined with somewhat heterogeneous centrist to right-wing economic positions.<sup>6</sup>

Second, consider that the largest, most important moderate parties within the left and right “fields” have a choice between a centripetal (MOD = moderate) strategy, primarily trying to attract voters from the moderate parties in the opposite field, and a somewhat more centrifugal (RAD = radical) strategy, competing against parties substantially more extreme on one or several dimensions within their own fields. With two parties – ML and MR – and two strategies – MOD and RAD – there are four possibilities:

- MOD/MOD: If both parties choose the median-yolk centrist strategy MOD, they will split the pool of voters about equally between the two fields. They follow the proximity to the center rule, albeit with some accommodation to the strategic differentiation (“eccentricity”) rule: To prevent abstention due to indifference, there will be some distance between ML and MR in the centrist yolk of the voters’ preference distribution.

<sup>5</sup> The fact that parties are situated in the same programmatic field does not imply that government coalitions are necessarily formed among such parties. Moderate parties of one field in fact often coalesce with moderate parties from the other field.

<sup>6</sup> So what about parties that are left on economics, but right on sociocultural governance and particularist-nationalist concerning citizenship? The easy answer is that by definition they do not belong to either the left or the right field, as here defined. The more complicated answer is different: There are no empirically relevant unambiguously left-authoritarian-xenophobic parties anywhere in the party systems of the Western knowledge societies. Likewise, right-libertarian parties are few and far between. “Liberals” are typically in the right field.

- RAD/RAD: ML and MR will also split the pool between the fields equally, if they both opt for the more radical, centrifugal strategies RAD.
- MOD/RAD or RAD/MOD: If one of the parties opts for the RAD, noncentrist strategy, but the other moves toward the MOD strategy, the latter will win. At the level of the “fields” of parties, then, moderate strategies tend to be the vote maximizing options for the ML and MR parties, yielding the following rank ordering of payoffs among strategy dyads from the vantage point of the party whose strategy is listed first:<sup>7</sup>

(1) MOD/RAD > MOD/MOD or RAD/RAD > RAD/MOD

These payoffs are for the entire focal party’s “field,” not the party itself. Whether the ML and MR’s moderate strategies, however, also satisfy these parties’ individual aspirations to maximize *their own vote shares*, and how big the margin is by which a MOD strategy improves on a RAD strategy for the focal party, compared to the electoral gains other parties in their own field are likely to make, depends on the precise distribution of voters within the fields as well as the strategic capacity of the more extreme parties to extract voters from their centrist neighbors.

Can the extreme parties “squeeze” the ML/MR parties in their fields by adopting more moderate positions themselves, if ML/MR choose MOD as their strategy? If so, this would limit the electoral yield of the MOD strategy for the ML/MR parties, if not make such moderate options unattractive. In limitational cases, if extreme parties can squeeze them, ML/MR parties’ choice of vote share may improve only the share of their more extreme field members and the electoral take of the field as a whole, but little or not at all the individual ML/MR parties’ vote share. By contrast, if extreme parties within their respective fields cannot squeeze their moderate field members, most of the electoral benefits of strategic moderation by ML/MR parties may accrue to the latter. Table 11.1 illustrates the different strategic situations ML/MR parties may face with fictitious electoral payoffs that may result for them contingent upon whether extreme within-field competitors cannot (Panel A) or can (Panel B) squeeze their moderate field member’s support. The first two lines of payoffs in each quadrant are for ML and MR parties as well as all of the more extreme members RL/GL and RR within their own fields. The final cursive line in each cell summarizes the total take of the left and the right fields given ML and MR strategies.

<sup>7</sup> These preference rankings of ML and MR parties constitute a restatement of Downs’s median voter theorem in the strategic interaction of two parties in a unidimensional space with no entry of parties or abstention of voters, and a whole range of other simplifying assumptions (cf. Grofman 2004).



Table 11.1 *Strategic position of moderate left (ML) and right parties (MR), electoral payoffs for outbound extreme parties in the left and right fields (RL, RR)*

Panel A. RL or RR parties cannot “squeeze” ML or MR, if latter choose moderate strategy

		Strategic position of the Moderate Right (MR)	
		MOD	RAD
Strategic position of Moderate Left (ML)	MOD	ML 30 / MR 30	ML 37 / MR 24
		RL 20 / RR 20	RL 23 / RR 16
	RAD	Left 50 / Right 50	Left 60 / Right 40
		=> Nash equilibrium	
RAD	ML 24 / MR 37	ML 30 / MR 30	
	RL 16 / RR 23	RL 20 / RR 20	
	Left 40 / Right 60	Left 50 / Right 50	

Panel B. RL or RR parties “squeeze” ML or MR, if latter choose moderate strategy

		Strategic position of the Moderate Right (MR)	
		MOD	RAD
Strategic position of Moderate Left (ML)	MOD	ML 24 / MR 24	ML 32 / MR 25
		RL 26 / RR 26	RL 28 / RR 15
	RAD	Left 50 / Right 50	Left 60 / Right 40
		=> Nash equilibrium	
RAD	ML 25 / MR 32	ML 30 / MR 30	
	RL 15 / RR 28	RL 20 / RR 20	
	Left 40 / Right 60	Left 50 / Right 50	
		=> Nash equilibrium	

If ML and MR parties maximize their field’s return, the (hypothetical) result of strategic interaction looks like a Nash equilibrium. Both ML and MR will choose MOD and divide the voter pie equally. Any party’s choice of RAD would be to the field’s detriment, as it would result in a clear victory of the opposite side, if that chooses MOD. When we deal with real numbers, based on observed elections, later, the entries in the quadrants, of course, represent only averages of heterogeneous individual election observations. Let us therefore call what looks like Nash equilibria, when aggregated, just “quasi-Nash” equilibria to highlight the artificiality of the average account.

Examining the individual ML and MR level of parties' electoral payoffs, in panel A extreme parties within each field are highly constrained in benefiting from their moderate field members' choice of MOD strategy. This configuration leads to the same ML/MR strategy choice as at the field level: The quasi-Nash equilibrium is a MOD/MOD strategy dyad. When extreme parties in each field are strategically immobile, more than half of the aggregate field benefits of strategic moderation is reaped by the moderate parties themselves. Thus, for example, when MR (ML) chooses MOD, the benefit for ML (MR) of moving from RAD to MOD is 6 (going from 24 to 30), while the benefit of the more extreme parties by attracting some of ML's (MR's) more extreme former voters is 4.

The situation is quite different in panel B. Again, the field-level payoffs are the same as in panel A. But now extreme parties are flexible and "move in" on more centrist ML and MR parties, were the latter to choose MOD strategies. Thus, with MR choosing MOD, for ML to go from RAD to MOD increases the left field by +10, but more than the entire gain is pocketed by the extreme RL parties, not ML. Even if a less extreme numerical example was chosen, moderate parties might think twice about moving to more centrist positions when most of the electoral field gains flow to more extreme parties in the same field. In this extreme example of panel B, what also evaporates is the quasi-Nash equilibrium at MOD/MOD. There is no unique Nash equilibrium, but two equilibria: The strategic interaction may reach either the RAD/MOD or MOD/RAD equilibrium, from which no party can unilaterally improve.<sup>8</sup>

Therefore, in our hypothetical examples, the optimal strategies depend on whether the situation resembles panel A or B in Table 11.1. In panel A – when the middle parties (ML and MR) can move toward the center without their more extreme parties in the same field following them – the unique Nash equilibrium is MOD/MOD. In panel B – when the middle parties lose vote shares toward their field competitors when becoming more moderate – the two equilibria are MOD/RAD and RAD/MOD. Even the dominated strategy RAD/RAD may happen if parties play mixed strategies in the two Nash equilibria scenario of panel B.

Given that the payoffs in individual cells of Table 11.1 are averages of many observations of party dyads, it cannot be asserted for any individually observed dyad that parties chose their optimal strategies. But if

<sup>8</sup> So this payoff matrix looks like a battle-of-the-sexes game, albeit with asymmetrical payoffs for the strategic actors in each equilibrium.

parties are generally following a vote maximizing strategy, more observations should be clustered in the MOD/MOD cell for both party- and field-level payoff. There may be a second cluster in the RAD/MOD or MOD/RAD cell at the individual party level, if that turns out to deliver more favorable electoral results for the RAD choosing ML or MR party, as depicted in panel B, or at least incur only small electoral losses for such parties so as to suggest that often enough parties may choose this dyad under uncertainty over the precise outcomes.

What should not occur, if parties behave according to this simple spatial theory, however, is a high concentration of observations in the asymmetrical RAD/MOD and MOD/RAD dyads, if these dyads empirically deliver – on average – highly unfavorable electoral returns to whichever party – ML or MR – happens to choose RAD. As will emerge later in this chapter, many social democratic parties choose this unfavorable dyad RAD/MOD with detrimental electoral consequences. This fact will require additional theorizing and empirical investigation to probe into the reason for these anomalies.

### 11.3 Data and Concept Operationalization

We rely on two data-sources for our analysis: ParlGov (Döring and Manow 2019) election results and all available waves from the Chapel Hill Expert Survey (CHES) (Bakker et al. 2015, 2020; Polk et al. 2017). CHES data are available for years 1999, 2002, 2006, 2010, 2014, 2017, and 2019. We use the mean values of expert assessments as measures of party positions, and we carry forward these values between the survey years, and up to 2020 in some cases. (In a few instances, we also carry them backward.) Thus, we have annual data on party positions from 1999 to 2020. We derived a concordance of ParlGov party codes to CHES party codes and merged the party position data into the election result data.

Our unit of analysis is the country-election-year or party-election-year. To maximize observations in the analyses involving positional data, we also keep years 1999 and 2019, even if they are not election years (because these are the earliest and most recent observations from the CHES data).

We use ParlGov's mapping of parties into party families, though we adjust that mapping to the common party family list employed in the Beyond Social Democracy project. As is common, we classify as left parties those coded as communist (RL), ecological (GL), or social democratic (SD or ML) parties. We classify as right parties those coded as agrarian/Christian Democratic/conservative and liberal

moderate right (MR),<sup>9</sup> or as radical right (RR). Parties not coded into one of these six party families are dropped from the analysis.<sup>10</sup>

We keep the identity of the main social democratic party in a country constant for 1999–2019. The main party on the left (ML) is the social democratic party with the largest cumulative vote share over 1999–2019. In some of our positional analyses, we are interested in a social democratic party's "main competitor on the right," which we define as the closest party in the moderate right party family, conditional on it having at least a 10% vote share.<sup>11</sup> Most of the time, the closest sizeable party to the right of the social democratic party is a moderate right party and a few times even a radical right party, depending on the issue dimension. But since voter flows to- and from social democratic parties are primarily to MR (and GL) parties – not RR parties – we decided to focus on MR parties in the analysis of close relevant competitors on the right. Finally, in some of the positional analyses, we focus on "main parties." These are parties that were at least once the largest party in their family during years 1999–2019.<sup>12</sup> The main party on the left is invariably a party belonging to the social democratic family. On the right, however, the identity of the "main" moderate right party (MR) is more diverse and volatile over time, as some right-wing party fields are quite fragmented and several parties qualify for center-right main standard bearer status at different times. As a consequence, the major moderate right party may not be the most moderate in the field.

We approximate the three policy dimensions by the following CHES survey items:

- G1: LRECON (ideological stance on economic issues), with 0 = extreme left, 5 = center, and 10 = extreme right.
- G2: GALTAN (position of the party in terms of their views on social and cultural values), with 0 = Libertarian/Postmaterialist, 5 = center, and 10 = Traditional/Authoritarian.

<sup>9</sup> In the ParlGov classification, the liberal family turns out to be an excessively heterogeneous grouping that for the purposes of this project was split up, with a larger subset of parties merged with MR, a small social liberal subset joining ML or GL sets, and some dropped as unclassifiable.

<sup>10</sup> These are typically small parties, with some exceptions. The Italian Five Star Movement is probably the largest party we drop from the analysis because it is coded in ParlGov as belonging to no party family.

<sup>11</sup> The exception to this rule is Portugal, where we designate the Partido Social Democrata as the main competitor on the right, even though it is coded as a liberal party in ParlGov.

<sup>12</sup> However, we manually reclassify parties as not being main parties despite fulfilling this criterion if they were very minor, short lived, or otherwise clearly not important in the party system.

- G3: IMMIGRATE\_POLICY (position on immigration policy), with 0 = Strongly favors a liberal policy on immigration and 10 = Strongly favors a restrictive policy on immigration.<sup>13</sup>
- G2/3, the average of G2 and G3.

We ran all of our data inquiries on a pooled set of sixteen countries, but also separately on the subgroups of countries with different clusters of political economic institutions and performance variables and party system characteristics. We were particularly concerned about the robustness of findings in the nine Northwest European countries in the dataset, sharing highly advanced knowledge economies, encompassing and moderately redistributive welfare states, as well as fragmented, differentiated party systems with a substantial presence of all the relevant party families. Fewer data points are available for the set of Mediterranean polities which include France because of the genesis of features of the party system, particularly the left's division between socialists and communists, and the relative weakness of green and left-libertarian parties. For Anglo-Saxon party systems, we really have only Britain and its few datapoints can be checked against the rest of the set whether they provide systematic outliers or confirm general patterns. It turns out that in no case the disaggregation into subgroups makes a substantive difference for our findings.

## 11.4 Findings

### 11.4.1 *Social Democratic Electoral Success as a Function of Absolute Positioning*

As a first step, we explore how parties' vote shares vary with positions they taken on issue dimensions, using the CHES data and items described earlier. It explores whether proximity to the center of the policy dimensions makes a difference for party performance. Are parties closer to the center region of the scale more successful? Figure 11.1 presents the electoral performance of parties (y-axis) in relation to their strategic positions on different policy dimensions, as measured by CHES scores in a recent twenty-year window ( $N = 98$ ). The figure also depicts a quadratic fit line that indicates the relationship between party positions and electoral payoffs for the full set of observations.

<sup>13</sup> This item was included in the CHES data starting in 2006. We extrapolate it backwards up to 1999, assuming that party positions on immigration between 1999 and 2005 were the same as in 2006.

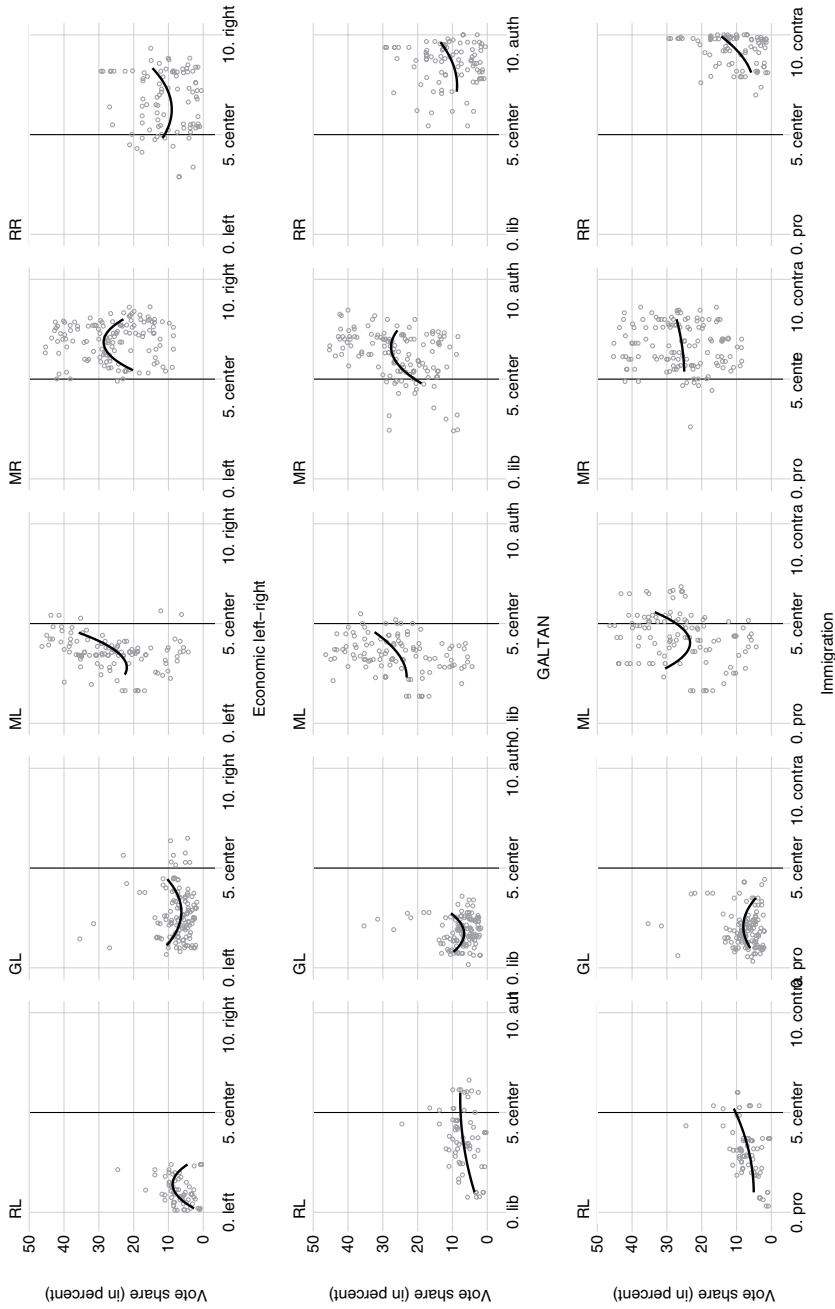


Figure 11.1 Parties' positions relative to mean of the scale and their electoral payoff

Let us start with social democratic parties (ML). Their electoral pay-offs are roughly associated with the parties' distance from the center of the policy scale on two of the three dimensions. The highest scoring parties take positions slightly left of center on economic distribution and GALTAN. On immigration, however, the electoral best performers are directly in the center, or slightly to the right of the scale. At the same time, some social democratic parties perform well with a decidedly cosmopolitan position on immigration. Proximity to the center is an asset, with some minor qualification for the immigration dimension.

In a curvilinear pattern, positions of the moderate right (MR) on economic distribution and GALTAN are electorally most profitable at a modest distance from the center beyond which they tail off. This probably reflects that the median voter in most countries and times empirically tends to be located somewhat to the right of the median economic left-right and GALTAN scale point 5.0. Overall, on these dimensions, most MR parties, therefore, are probably no further from the median voter than their ML competitors.

Another factor comes into play to account for the fact that in the subset of highly fragmented Northwest European party systems (Scandinavia, Low Countries, Austria, Germany, and Switzerland), both ML and MR parties tend to reach their optimal electoral returns a modest distance away from the midpoint of the scale (thus generating a curvilinear fit line of the relationship between strategic appeal and electoral returns of ML and MR parties): With a multitude of more extreme competitor in the ML or MR parties' own broad left and right fields, the electoral costs of moderate field members moving toward the center may be particularly high, as more extreme parties may attempt to squeeze them and attract some of the moderate parties' supporters. This is a point further explored in our second and third empirical steps.

The immigration dimension offers a slightly different pattern: MR parties with sharply rightist (exclusionary, xenophobic) positions can expect similar electoral returns as MR parties with more moderate positions. This pattern is likely to reflect a rightward skew or simply a greater dispersion of public opinion on this dimension. Also for Social Democrats, there is no optimal distance on the left of the scale midpoint here: The relatively more restrictive their announced positions are on immigration, the better they perform in elections.

Being close to the scale midpoints electorally pays off for ML and MR parties. For the electoral performance of the peripheral parties of the left and right (RL, GL, and RR), by contrast, proximity to the center does not matter much. Here the effort to occupy positions on their side of the conflict dimensions, whether it is economics (RL), GALTAN (GL), or

immigration citizenship (RR), take precedence. On average, and without inspecting the precise interaction between more extreme and more moderate parties in each field, as long as the former stay sufficiently far away from the midpoint of the issue dimension scales, their electoral performance shows relatively little variance contingent upon their precise position.

On the extreme right, RR parties exhibit two (mild) modes of electoral support with somewhat different economic appeals – a moderately and a radically pro-market appeal. But they benefit from adopting the most extreme anti-immigration positions. On the left, radical socialist or formerly communist parties (RL) perform well with rather extreme redistributive positions on the economic dimension, albeit better with somewhat less extreme appeals on GALTAN and immigration. By contrast, green and left-libertarian parties (GL) are electorally most successful by approving distinctively radical libertarian GALTAN societal governance positions as well as cosmopolitan immigration positions.

At least on the economic and the sociopolitical governance dimensions, the results speak directly to the hypothesis that “inbound” political parties closest to the center of the scale should care about capturing densely populated centrist spaces of the popular preference distribution.<sup>14</sup> While the electoral payoffs of “inbound” moderate left and moderate right parties are quite sensitive to their distance from the scale midpoints, this does not apply to the more “outbound” parties in each bloc capturing voters in the peripheries of the three-dimensional space. Because voters are less densely packed there, small variance in parties’ positions is unlikely to leave a big impact on their respective electoral returns.

These patterns are consistent with Adams et al.’s (2006) findings that only moderate left and moderate right “mainstream” parties follow median voter movements. Extending the argument to electoral outcomes, we observe here that more centrist positions on at least two of the three dimensions also pay off in better electoral results for the centrist ML and MR parties of left and right fields, whereas both appear to thrive on somewhat more rightist immigration positions. By contrast, left and right peripheral parties in the multidimensional space receive lower electoral support, but in low-population density areas of the competitive space also show little elasticity of voter support contingent upon their party positions.

<sup>14</sup> While we cannot precisely match distributions from CHES expert surveys with EES mass surveys in this paper, in all EES surveys covering roughly the same period included in the CHES data the population preference distributions on the three dimensions are single-peaked with the greatest density of respondents in a “yolk” close to the midpoints of the respective dimensional scales.



#### 11.4.2 *Social Democratic Electoral Success as a Function of Distance to Competitors*

Hypothesis 2 states that parties benefit from “eccentricity” (Laver and Sergenti 2011), that is, occupying positions that are relatively far removed from those of other competitors. To explore this, Figure 11.2 depicts the electoral return of Social Democrats, on the vertical y-axis, as a function of the distance between Social Democrats and different types of competitors, scored on the horizontal x-axis, together with a quadratic fit line. Once again, we report raw distances based on the parties’ CHES scores on the three dimensions.

We find that spatial distance of “neighboring” more extreme parties from Social Democrats within their own field payoffs for Social Democrats’ electoral performance. For peripheral parties in the left field (RL and GL), this applies on all three issue dimensions. Notably, the electoral gains for Social Democrats are most steeply positive when they enjoy greater distance to the green and left-libertarian parties’ positions on sociopolitical governance (GALTAN) and on immigration. Social Democracy also reaps payoffs, the further RL parties are away from the social democratic position on the economic-distributive dimension.

One would expect a more complicated electoral payoff situation from the relationship of ML strategies to the main MR party’s appeals. After all, both ML and MR fight for the dense voter distribution in the centrist multidimensional “yolk.” With regard to economic distribution, great distance of ML from MR or even RR does not pay off electorally, as it probably would indicate in many instances not so much that MR or RR parties are distant from the scale midpoint, but that the Moderate Left creates distance by sacrificing proximity from the densest voter distribution in the “yolk.” With regard to the non-economic GALTAN and immigration dimensions, a curvilinear relationship with best payoffs at intermediate distance emerges: Moderate left parties may want to approach their MR competitors too closely to thrive electorally, but they may also want to avoid too large a distance from these competitors. Besides, ML parties would probably have to achieve such large distances at the expense of locating their appeals close to the rich, dense center “yolk” of voter preferences. The dilemma of proximity to the scale midpoint and benefits of eccentricity – distance from MR and RR parties – comes to the fore.

Probably for reasons of high population density in the center of the economic issue space, the curvilinear slope of the fit line indicating ML parties’ electoral payoffs contingent upon strategy distances to MR parties is much flatter than those observed in the social democratic parties’ relations with peripheral “outbound” families inside their own left field.

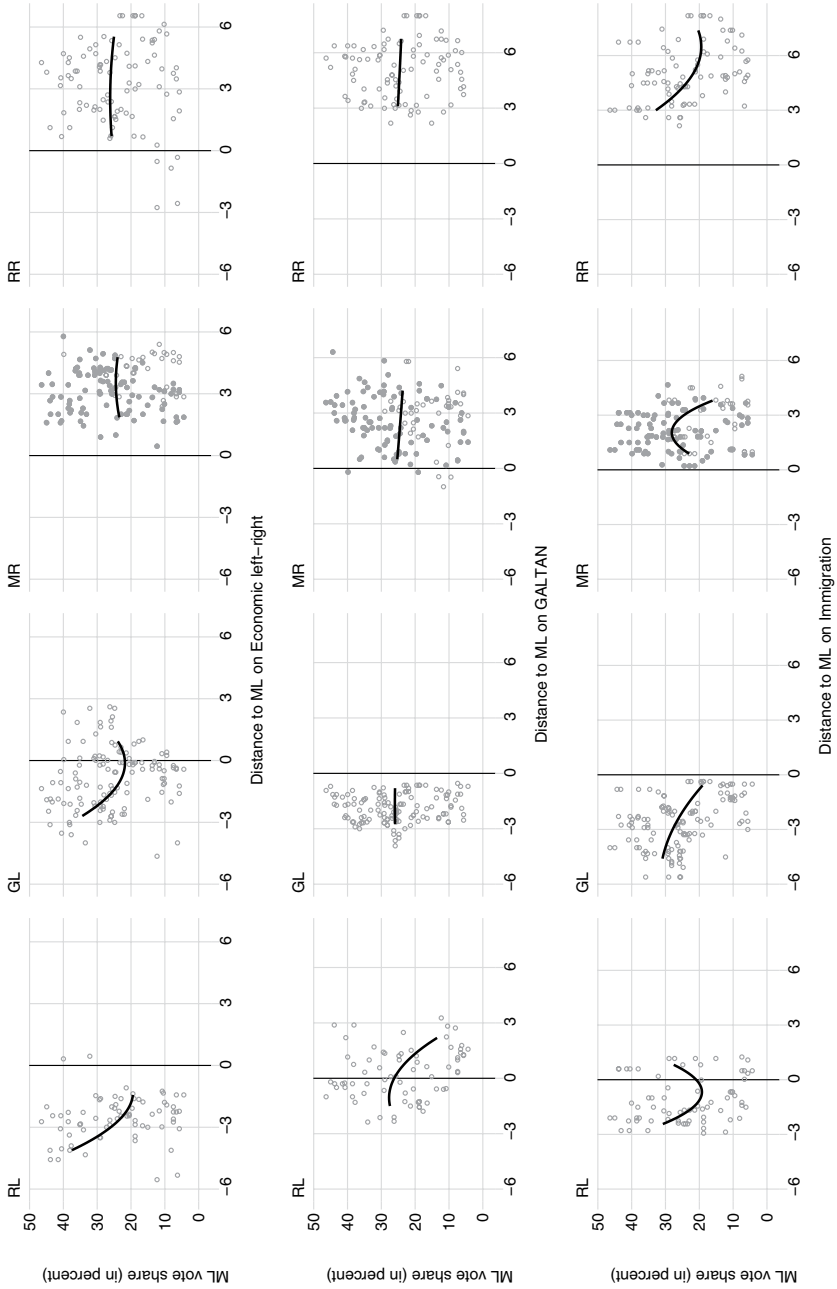


Figure 11.2 Parties' positions relative to ML (Social Democracy) and ML's vote share

The same might apply to the ML-MR strategic configuration on the GALTAN dimension, where the relationship between distance of MR parties and social democratic party performance is flat to negative. On both dimensions, in the center of the political space, the great density of the centrist voter “yolk” between the two moderate major parties is too attractive to let eccentricity considerations gain too much weight. The Moderate Left benefits from a modicum of distance from the MR, but only within rather tight limitations.

This pattern is even more pronounced with regard to the immigration dimension. Here the policy distance between ML Social Democrats and RR parties is very substantial even at the observed minimum (5 units). As a consequence, further increasing the distance between ML and RR parties beyond that minimum improves social democratic electoral performance initially in only mild fashion, but then reverses into electoral losses with further increases in distance. Very large distances indicate that Social Democrats have abandoned the center to center-right area of the policy dimension where most voters are located in most elections and instead pursue a strident pro-immigration appeal that is popular only to electoral minorities.

In sum, the data suggest that, for social democratic parties, being close to the center pays electorally, as does taking eccentric positions. If an inbound party (ML or MR) moves toward the center, they increase distance to their field competitors (GL and RL or RR, respectively), but they decrease distance to each other. This poses the interesting question whether centrality or eccentricity is more important for social democratic parties. In preliminary empirical explorations, we find that proximity to the scale centers has a substantively greater influence on electoral payoffs for social democratic parties than eccentricity from other parties.<sup>15</sup>

#### 11.4.3 *Social Democratic Electoral Success as a Result of Strategic Interaction between Moderate Left (ML) and Moderate Right (MR) Parties*

The analysis has so far ignored the strategic interaction between political parties in the issue space, but simply used other parties’ positions as constraints for a social democratic party’s electoral payoff contingent upon

<sup>15</sup> We inspected the three-way relationship between distance of social democratic parties from each scale mid-point, distance from a particular competitor party family, and electoral payoffs with raw data. We also estimated the Social Democrats’ predicted electoral performance as a function of their proximity (to the scale centers) and their eccentricity (distances from other parties). Undertaking both analyses, for the universe of up to 110 observations covered in this study, centrality has a substantively greater influence on electoral payoffs compared to eccentricity.

another party's choice. Next, we explore the electoral payoffs of individual parties and whole left and right partisan fields as a consequence of their *joint strategic choices*, laid out in the discussion of the theory section surrounding Table 11.1. Which dyads of strategic choices by the dominant moderate left (ML) and moderate right (MR) parties within each left and right field yield the highest payoffs for each of them and for each field? Are there quasi-Nash equilibria strategy dyads, and how often do observable party dyads appear to diverge from them? And if social democratic ML or conservative MR parties choose strategies that are manifestly non-quasi-Nash equilibria, when examining the average electoral payoffs of a strategy dyad, are there systematic factors that may account for this divergence of parties from what appears – on average – to be a party's best strategic alternative?

This is uncharted territory, as far as we can tell, and our dataset contains only a small number of observations.<sup>16</sup> We therefore approach these questions in the simplest possible way: we only analyze the two large center parties (ML and MR), and we characterize “strategies” (i.e., their position-taking) in binary terms: “radical” (RAD) versus “moderate” (MOD). A moderate position is within a 3-point range (on the 0–10 CHES scales) of a party system's mean position on a given dimension.<sup>17</sup> A radical position lays outside that range. Of course, this is an arbitrary definition – both in terms of how to define the origin around which the moderate range is constructed and in terms of the width of the range of moderate vs. radical positions – and we therefore have explored a variety of alternative definitions, with largely similar results. One advantage of the three-point cutoff is that it generates somewhat evenly populated numbers of observations across cells in  $2 \times 2$ -tables with four dyads (RAD/RAD; RAD/MOD; MOD/RAD; MOD/MOD).<sup>18</sup>

<sup>16</sup> A total of 110 observations is available of which 60 occur in the set of Northwest European countries and 35 in the Mediterranean countries and the rest distributed across Ireland and Britain. Results are robust to constraining the observations to the Northwest European democracies.

<sup>17</sup> The mean position is the vote-share weighted average CHES position of parties in a given country-election.

<sup>18</sup> In robustness tests, we operationalized different cutoffs between moderate and radical strategies. 2-point and 4-point ranges around the constructed mean voter position yield lop-sided distributions, generating either large proportions of radical strategies (narrow 2-point definition of strategic moderation) or small proportions (wide 4-point definition of strategic moderation). Alternatively, each set of ML and MR strategies over the full range of observations can be divided at their midpoint into moderate and radical strategies. Or the midpoint division can be based on the distribution of ML and MR strategies in each country. We do not report these results in detail, because none of these specifications yields patterns of findings that substantively diverge from the master case, strategy dyads defined by 3-point positional ranges around the constructed mean voter position in each election.

Table 11.2 provides the payoffs for each MOD-RAD strategic dyad, where the binary strategies are based on the economic dimension.<sup>19</sup> The table contains three panels, distinguished by different samples. Each panel shows the  $2 \times 2$  table payoffs twice: on the left side for the main centric parties (ML and MR), and on the right side for the entire left and right field, respectively. Cells report vote shares (for ML/MR in the left table, for Left/Right in the right table), above number of observations in the cell.<sup>20</sup> Each panel also reports column and row totals in terms of number of observations ( $N$ ) – these are the same in the payoff table for ML/MR on the left side, and for Left/Right on the right side.

Panel A in Table 11.2 displays the average vote share for MOD/RAD combinations, calculated for all cases in our sample. In panels B and C, payoffs are averaged across cases with “large” and “small” social democratic parties, respectively (averaging more/less than 25% of vote share in the 1980s;  $N = 72$  and  $38$ , respectively).

Building on the proximity and eccentricity hypotheses, ML (MR) parties should perform best, if they position themselves close to the centrist yolks in voters’ preference distribution, albeit at some distance from their MR (ML) competitors, that is, MOD/RAD is best for ML and RAD/MOD best for MR. But these strategy dyads do not constitute quasi-Nash equilibria. The losers having opted for RAD strategies may invariably have incentives to defect from this dyad and opt themselves for MOD strategies. Once a MOD/MOD dyad is reached, parties cannot improve on their average returns reported in Table 11.2 by unilaterally choosing a different strategy.

Examining the right-hand payoff matrices in panels A through C, which report the sum of the vote share for the entire left and right fields, this logic is uniformly borne out both for ML and MR parties. Left fields win their highest vote shares in MOD/RAD dyads, while the opposite RAD/MOD combination is particularly beneficial for right fields. But the quasi-Nash equilibria are, as expected, invariably MOD/

<sup>19</sup> We focus on reporting results here on the economic dimension, the dimension that matters most in all elections as the “party system agenda” (Green-Pedersen 2019) salient to all parties, and most certainly for ML and MR parties. While results on immigration policy strategy, as reported above in Figures 11.1 and 11.2, appeared to be marginally different from those on the other issue dimensions (economic distribution, GALTAN), this is not the case in the analysis of strategic interaction.

<sup>20</sup> We have calculated confidence intervals around the electoral payoffs of ML (social democratic) and MR parties but do not display them to prevent clutter. As a rule of thumb, with cells containing more than ten observations, average electoral performance scores in a strategic configuration have 90% confidence intervals of about 2–3% above and below the reported value so that performance differences of 4–5% between strategic configurations approach conventional statistical significance.

Table 11.2 *Payoff matrix for moderate (MOD) and radical (RAD) strategies of moderate left (ML) and moderate right (MR) parties (dimension: economic redistribution)*

Panel A: Entire sample

		MR			Right				
		MOD	RAD		MOD	RAD			
ML	MOD	28/30 N = 19	31/30 N = 26	N = 45	Left	MOD	44/51 N = 19	50/43 N = 26	N = 45
	RAD	18/21 N = 35	30/29 N = 30	N = 65		RAD	35/59 N = 35	46/49 N = 30	N = 65
		N = 54	N = 56	N = 110			N = 54	N = 56	N = 110

Panel B: Sample with ML > 25 pre-1990s

		MR			Right				
		MOD	RAD		MOD	RAD			
ML	MOD	36/35 N = 11	31/30 N = 26	N = 37	Left	MOD	47/50 N = 11	50/43 N = 26	N = 37
	RAD	26/22 N = 8	31/29 N = 27	N = 35		RAD	39/51 N = 8	46/49 N = 27	N = 35
		N = 19	N = 53	N = 72			N = 19	N = 53	N = 72

Panel C: Sample with ML < 25 pre-1990s

		MR			Right				
		MOD	RAD		MOD	RAD			
ML	MOD	17/24 N = 8	N = 0	N = 8	Left	MOD	40/52 N = 8	N = 0	N = 8
	RAD	16/20 N = 27	20/26 N = 3	N = 30		RAD	34/61 N = 27	45/51 N = 3	N = 30
		N = 35	N = 3	N = 38			N = 35	N = 3	N = 38

Note: Cell entries are vote percentages for row/column. Left payoffs matrix is for ML vs. MR, right payoff matrix is for entire Left vs. entire Right field. Grayed cells are Nash equilibria.

MOD dyads.<sup>21</sup> If all ML and MR parties cared only about the electoral payoffs of their whole fields and had perfect foresight, and the payoff profiles were not just averages, but applied to each and every

<sup>21</sup> Also, as expected, the RAD/RAD dyads are not as good as the MOD/MOD dyad payoffs for the two camps but also not as bad as the respective losers in the incongruent dyads MOD/RAD and RAD/MOD.

election observation, then a vote-seeking ML/MR party would never enter any dyad but MOD/MOD. But, at first brush surprisingly, *most* of the empirically observable strategy dyads are actually not quasi-Nash equilibria (91 of 110), with the predator/sucker RAD/MOD and MOD/RAD dyads accounting for over half of the total ( $N = 61$ ). Is there any way for theory to account for this striking anomaly?

There are at least three sources of error that may partially account for this result. These are theoretically uninteresting and may occur simply because of measurement flaws as well as limited information of the strategic actors. But they should not produce a particular clustering of observations in dyad configurations that are no field-level quasi-Nash equilibria. First, empirical determination of radical and moderate strategies involves a high level of measurement error. Second, political players face uncertainty about the distribution of preferences and the choices of competing players and therefore may choose strategies erroneously. Third, there is heterogeneity among the observations, while the cell scores only report averages. Examined one by one, in some instances the strategic dyad may in fact have been the optimal electoral choice in that situation.

The manifest concentration of strategies in the “asymmetrical” RAD/MOD and MOD/RAD strategy dyads, however, requires something more than reliance on ignorance and measurement error. The first of these explanations is consistent with spatial theory spelt out earlier, the second is not. First, as indicated in panel B of Table 11.1, RAD strategies may turn out to be electorally optimal for ML or MR parties, albeit much more rarely for their respective fields. This actually may explain the frequency of MOD/RAD dyads in Table 11.2, panel A. The quasi-Nash equilibrium for ML and MR strategy choice is actually MOD/RAD or RAD/MOD. Even in the face of worse performance of the right field of parties, MR parties perform, on average, as well with RAD strategies as with MOD strategies.

But in panel A, the hypothesis that parties maximize their individual party’s vote, not their field’s vote, does not account at all for the social democratic parties’ frequent choice of radical strategies. If Social Democrats were to maximize their individual party’s vote share, they should most of the time prefer MOD and not RAD strategies, judged by the average payoffs of the different strategy dyads. So it is puzzling that the majority of Social Democrats’ strategy choices is RAD ( $N = 65$ ) and more than half of those end up in the RAD/MOD strategy dyad cell ( $N = 35$ ) that appears to be particularly disadvantageous from the point of view of electorally maximizing the Social Democrats’ vote share.

Why do Social Democrats so spectacularly opt for a strategy that most of the time does not yield electoral benefits either for their individual

parties or for the whole left field in which they are embedded? Beyond measurement error and decision-making uncertainty, two complementary systematic, strategic considerations come into play both of which presume a different utility function of Social Democrats than just maximizing their electoral share. One has to do with maximizing the Social Democrats' weight within the left field, the other with the party's bargaining power over policy and executive office.

First, social democratic parties may be the dominant party within the left field, commanding substantially more than half of its total vote of 35–50% of the electorate, or they may be just the largest of several players, including also green and left-libertarian and radical left parties. Where the latter is the case, Social Democrats may figure that radical strategies may attract almost as many or more voters from their more extreme within-field competitors than moderate strategies might deliver from MR parties, netting out for the votes that Social Democrats then might lose to their more extreme left field GL and RL competitors. So relatively small social democratic parties are more likely to take on the gamble of a radical strategy in the expectation of party electoral gain or at most minor loss. By contrast, large social democratic parties may fear that moderate strategies will make them gain few, but critical votes in the center, but lose a lot of within-field votes to the more extreme GL and RL. The empirical implication of this spatial theoretical consideration is that (1) for the most part smaller social democratic parties should be the ones choosing RAD rather than MOD strategies and ending up in the RAD/MOD predicament. Furthermore, (2) when Social Democrats get into RAD/MOD, the losses compared to MOD/MOD should be substantially larger for the larger parties than the smaller parties.

Second, the utility function of social democratic parties may not simply concern vote maximization but also bargaining power over the capture of executive office (cabinet positions) and policy: office-seeking and policy-seeking benefits. While these benefits are affected by a party's electoral size, what may be more important is its location and proximity to capturing a large share of the centrist voter "yolk" in a low-dimensional space, thereby making moderate strategy attractive, even if it incurs electoral loss. But these bargaining power benefits will incur to Social Democracy only if the entire left field (ML, GL, and RL) is very large and near capturing a substantial share of the median yolk.<sup>22</sup> At a minimum, such a powerful left field may have to exceed 40% of the total electoral vote. The empirical

<sup>22</sup> Of course, there will be instances where GL parties can enter coalition agreements with centrist MR parties. The GL is not a complete captive of Social Democratic strategy choices. But these instances are rare.



implication of this consideration is that Social Democrats are expected to be more willing to embrace radical strategies, when the left field is smaller than 40%. In that case, marginal increases of the field – due to Social Democrats' moderate strategies – are unlikely to significantly boost the Social Democrats' bargaining power over office and policy. This effect should occur independent of the size of the social democratic party which may sometimes, albeit not always, be collinear to left field size.

Panels B and C of Table 11.2 test the first of the two strategy considerations Social Democrats may undertake, namely the parties' relative size compared to other leftist within-field competitors.<sup>23</sup> As a simple operationalization, here social democratic parties that were smaller or larger than 25% of the average vote in the 1990s are separated. In panel B, including strategy dyads where Social Democrats were clearly dominant parties as late as the 1990s, the incidence of the parties choosing radical strategies and ending up in the dreaded RAD/MOD configuration is quite low. This compares to panel C, with all strategy dyads involving social democratic parties that were already smaller than 25% in the 1990s, by contrast, the incidence of radical strategy choice, and of arriving in the RAD/MOD dyad, is much higher. Moreover, comparing the electoral losses Social Democrats incur on average by moving from MOD strategy to RAD strategy are much greater for large than for small social democratic parties. This differential in losses is actually a multiple of the differential in average electoral votes obtained by the large and the small social democratic parties and therefore not simply a general size effect.

The numbers are quite impressive: Of thirty-eight strategy dyads that involve small social democratic parties, twenty-seven end up in the RAD/MOD cell (71%). The equivalent number for the seventy-two strategy dyads with large social democratic parties is eight RAD/MOD events (11%). Moreover, while for small social democratic parties the average electoral difference in yield of MOD to RAD strategies is only 1% (see left payoff matrix in panel C; from 17% to 16%), the equivalent strategic gap among large social democratic parties (panel B) amounts to a whopping 10% of the vote (from 36% to 26%).<sup>24</sup>

Exploring the hypothesis that Social Democrats take bargaining power, not just electoral payoffs, into account when choosing strategies yields

<sup>23</sup> These panels do not, however, permit the same kind of analysis for large and small MR parties. The division of party strategy dyads relies here exclusively on size differences among social democratic ML parties. An equivalent analysis for MR parties will not be undertaken here.

<sup>24</sup> Table 11.2 operationalizes party strategies based on economic left–right positions. We find very similar patterns when we use GALTAN, immigration, or general left–right positions instead.

dyad electoral payoff patterns similar to those obtained when splitting the strategy dyads into those with large and small social democratic parties and are therefore not displayed here. Where the left party fields are larger than 40% so that Social Democrats as the most centrist force in that field may gain considerable additional bargaining power over policy and executive cabinet office by winning even small new increments of centrist voters from the MR, few social democratic parties choose RAD strategies. By contrast, where the left fields are small, and therefore marginal changes of the Social Democrats' electoral payoffs do not much alter their bargaining power, there RAD strategies can be found frequently.<sup>25</sup>

### 11.5 Conclusion

In terms of spatial theory of party competition, the electoral payoffs of different party strategies – based on proximity to the center, distance to competitors, and the interaction of key strategic players in a multidimensional space – look very much like what the theory would predict. Inconsistent with theory, however, parties often choose (or end up in) strategic locations and strategy dyads that are unfavorable to them. Fortunately, at least some of this variance in the choice of party strategies can be explained in terms of the relative field and party-level electoral payoffs that sometimes makes it more attractive to pursue purely self-regarding party strategies, sometimes more field-regarding strategies. Endogenizing this choice, for smaller moderate left parties – and for smaller fields far below capturing majority support of the electorate – the costs of not pursuing a self-regarding electoral party strategy are relative minor or zero, while the benefits of opting for a field strategy – in terms of office and policy seeking – are marginal or nonexistent. Moreover, there may be other than electoral benefits of a radical strategy that come into focus, when electoral losses are mild. A more radical party strategy may rally party activists, or at least craft a compromise between otherwise centrifugal forces of ideological fundamentalism and technocratic pragmatism among the various activist groups contributing to a political party. These organizational and identity nurturing benefits of strategic radicalism in social democratic parties have not been examined in this chapter.

Of course, our findings rest on a still precarious empirical foundation. The small number of observations gives us little statistical leverage.

<sup>25</sup> Also in this test, the result applies to all dimensions of strategic choice, whether it is economic distribution, GALTAN, immigration, or general left–right positioning. There is no perfect collinearity between social democratic party size and left field size. It is therefore worth checking the strategic implications of party and field size separately.

The measurement errors in observing strategies and comparing strategy scores across observations are large. We do not have matching population surveys for each observed instance of party competition to ascertain the precise distribution of voters that affects where vote-seeking parties may want to position themselves. Furthermore, the analysis is purely comparative-static and has not explored a dynamic format to explore how earlier strategy choices may affect later electoral payoffs, and vice versa. More observations (and more sensitive, precise measures) would be needed to explore lags, or a difference-in-difference set up, exploring whether changes in party strategies from one electoral contest to the next result in changes of electoral payoffs, controlling for relevant confounders.

Maybe the greatest handicap of the small number of available observations is that it is difficult to explore the many contingencies upon which the electoral payoff matrices of strategic dyads may depend. As a rough first cut, we could only explore here the size of strategic parties and configuration of party fields (and some geographical disaggregation in robustness checks not displayed in the main text). But the analysis fails to incorporate the consideration of economic conditions in interaction with government incumbency of different parties that surely make a difference for the electoral payoffs of strategy dyads. And there are likely a host of additional theoretically relevant factors that influence electoral payoffs.

What, then, if any, concrete and practical implications follow for the fortunes of social democratic and other parties from the tentative results of the strategic competition analysis? Our analysis confirms a critical finding running through most of the chapters in Parts I and II of this volume, namely, that the contest for votes in the center of the political space remains critical for Social Democrats. Depending on strategic choice, this is where they are likely to lose or gain significant numbers of voters for themselves and the entire left field. At the same time, and seconding the individual-level voter analysis in Polk and Karreth's chapter in this section, in many instances it is far from obvious that moderate social democratic strategies are always optimal from the perspective of vote-seeking, self-regarding social democratic parties. Whatever voters Social Democrats may attract from the moderate right with moderate strategies may be compensated by losses to more extreme radical left or green and left-libertarian competitors within the same field, if not simultaneously, then in subsequent elections. But at the same time, it is only moderate strategies that can grow the left field and give Social Democrats additional bargaining powers over government cabinets and authoritative policy choices, at least where the left field of parties is already large relative to the full voter distribution.

The dilemma to choose between field and party regarding electoral strategies is thus particularly cruel for large social democratic parties. They have

the most to win – in terms of bargaining power for the left field over office and policy – from opting for moderate strategies, but also the most to lose, in terms of votes hemorrhaging toward more extreme parties within their own fields, when they choose moderate strategies. Examples are the Danish or German Social Democrats in recent elections: By opting for moderate strategies, they won votes only marginally or even lost some, remaining far below their historic long-term averages, while their more extreme competitors, particularly those combining libertarian-cosmopolitan with redistributive preferences, won additional vote shares.

As a further investigation into this topic, one might explore whether erstwhile large social democratic parties of the post-World War II era that begin to shrink progressively and irreversibly from the 1990s on, also begin to become more tempted to pursue radical party strategies, maneuvering them often into the electorally unfavorable RAD/MOD strategy dyad configuration, as their electoral pull wanes and as they decline to the status of mid-sized parties (<25%) for which small or even moderate improvements of vote share make little difference for their bargaining power over government office or policy.

For small social democratic parties in weak left fields, the strategic dilemma is much less stark. A perfect example may be the Swiss Social Democrats. Over the past decade plus, the party has chosen a comparatively radical strategy. This strategy has resulted in some vote loss, but a mild loss compared to what large social democratic parties have sustained, and one that has barely affected the Swiss party's bargaining power over office and policy, given the small size of the Swiss left field.

The incentives to choose moderate strategies will be smallest for social democratic parties in large left fields in which such parties have shrunk to the status of relatively small parties, when compared to their historical averages. This applies foremost to the Scandinavian Social Democrats, as well as the German and Austrian parties. In all these countries, parties routinely commanded near or above 40 percent of electoral support and often captured the median voter on one or all dimensions. But in all of these instances, these parties have descended to the level of relatively small parties in still large left fields. It will be most interesting and consequential to see how social democratic politicians in these party systems will cope with the stark choices they are facing in a fundamentally altered landscape of party competition.