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# *International Treaty Ratification and Party Competition: Theory and Evidence from the EU's Constitutional Treaty*[1]

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# International Treaty Ratification and Party Competition: Theory and Evidence from the EU's Constitutional Treaty

**Abstract**

What explains a party's dual decision to endorse or not endorse a referendum on an international treaty and to support or oppose that treaty in a referendum campaign? Treating referendums as second-order elections with an uncertain outcome we propose a probabilistic game of electoral competition between government and opposition, wherefrom we derive a number of hypotheses regarding the impact of timing, public opinion and political capital. Data on the position of 175 parties in 24 member states of the European Union (EU) on the appropriate ratification instrument for the EU's Constitutional Treaty and their substantive position with respect to the Treaty itself allow us to test these expectations against empirical evidence. The results of a multinomial logistic regression model provide solid support for our theoretical reasoning.

The last two decades have seen a substantial number of facultative referendums for the ratification of international treaties. The most prominent examples are the referendums for the ratification of institutional reforms in the European Union (EU). In 2005 and 2006, for example, France, Poland, the United Kingdom, and several other countries either held or planned to hold referendums on the EU's Constitutional Treaty (also known as the Treaty Establishing a Constitution for Europe [TECE]). Interestingly, other EU member countries, among them Austria, Belgium, and Sweden, decided not to submit the treaty to a popular vote. Even more variation exists when looking at party positions: in Spain all political parties represented in the national parliament called for

a referendum, while in Latvia all political parties backed ratification in parliament. In fifteen member states political parties were split on this issue. Across Europe, about half of the parties that favored a referendum also supported the treaty, whereas the other half opposed it. What explains this variation across party positions with respect to the desirability of an international treaty *per se* as well as of a non-required referendum as an instrument of its ratification?

We approach this question by thinking of referendums as second-order type of elections with an uncertain outcome (as opposed to the less volatile outcome of parliamentary ratification). Accordingly we develop an original game-theoretic model of treaty ratification between government and opposition that builds on the basic premise that political parties are both policy- and vote- seeking (Strom and Müller 1999). This model allows us to formulate a series of hypotheses that are empirically testable. Most importantly, we expect the timing of a referendum in the electoral cycle to have a major impact on parties' decision-making. Specifically, we hypothesize that parties are least prone to support a referendum on an international treaty in the middle of the electoral cycle. Moreover, we expect that parties are more likely to support a referendum if public opinion is skeptical of the treaty that has to be ratified.

We test these expectations against a data set that includes the positions of 175 parties on whether to support a referendum on the EU's Constitutional Treaty (signed in October 2004) and on whether to back or reject the treaty in a referendum campaign. The fact that the timing of ratification falls randomly within the electoral cycle of the EU member countries constitutes a useful quasi-experimental feature of our research design (by dint of the exogenous variation generated in our domestic politics explanatory variables). Using multinomial logistic regression analysis, we find solid support for our theory.

In developing this set of arguments we build on a series of recent studies that speak to the question of why sometimes political parties call for optional referendums on salient issues (Schneider and Weitsman 1996; Hug 2004; Closa 2007; Hug and Schulz 2007; Tridimas 2007; Finke and König 2009). Hug (2004) offers a game-theoretic model that stresses variation in the institutional setting. His conclusion is that "the government should never call a referendum on a voluntary basis,"a result that he himself calls "disconcerting." Tridimas (2007) comes close to the idea behind this paper by modeling referendums as part of the competition between the incumbent and the opposition. However, the real question in his paper is how much effort the government is willing to invest to get a successful referendum outcome, being that in his model the opposition is assumed to always take a position against the policy agreement under discussion. This assumption restricts the range of empirical cases to which his model is applicable.

Finke and König (2009) also develop a model that considers domestic party competition. Whereas they aim to predict whether a referendum is convened in a country pure and simple, our interest lies in simultaneously explaining policy positions and choices of ratification instruments at the party level. Dür and Mateo (2011) provide a verbal argument and test it by looking at *party* positions on whether to hold a referendum on the Constitutional Treaty. In contrast to the current paper, they assume that ideology predetermines a party's position on the treaty to be ratified. Moreover, in Dür and Mateo (2011) the only factor influencing the probability of success of a referendum is popular opinion on the treaty. We, on the other hand, conceptualize referendums as second-order elections in which citizens also use their vote as a signal to their government about issues not related to the international treaty.

The paper speaks to the literature dealing with ratification failure and involuntary defection (Putnam 1988). Our results suggest that involuntary defection is more likely if

a country has to ratify a controversial international treaty late in the electoral cycle. It is at this stage that parties are most likely to call for a referendum, while at the same time voters are most likely to reject the treaty in a popular vote because of the government's low expected level of political capital.

We also contribute to the growing literature on second-order elections. For some time scholars have debated the extent to which voters use electoral contests of secondary importance to send signals to their government.[4] Schmitt (2005) empirically establishes a curvilinear effect of the time elapsed between any European Parliament election and a national parliamentary election on the degree of vote share congruence both at the party and the country level and presents this as evidence of strategic voting. Our results suggest that parties take such a curvilinear effect for granted in their decision-making process. In the same vein, Ray (2003a) uncovers a positive relationship between incumbent support and pro-EU attitudes that appears primarily when referendums are held on the reform of European institutions or during European Parliament election years. Both our theoretical and empirical results essentially replicate a similar effect in the case of referendums for the ratification of international treaties and also generalize the analysis to a wider range of second-order electoral contests.

## A Partisan Model of Treaty Ratification

### Basic Set-up

The multi-level process of international treaty negotiation, ratification, and implementation is remarkably complex and strategically intertwined. In this paper we focus on the ratification subgame seeking to explain variation in party stances with respect to

[4]For the case of referendums see Schneider and Weitsman (1996); Svensson (2002); Garry, Marsh, and Sinnott (2005); and Hobolt (2009). For the case of European elections see Reif and Schmitt (1980) and Marsh and Mikhaylov (2010).

the use of popular referendums as ratification mechanisms. Our interest primarily lies in cases of international treaty ratification where the government may strategically exercise the option of submitting the international agreement to a popular vote. In these cases, opposition parties can also position themselves strategically with respect to the use of referendums for purely rhetorical reasons, that is, without actually having referendum initiation powers. Incumbent and opposition parties then play a reputational game of electoral competition embedded within a probabilistic voting framework. This novel theoretical approach highlights the domestic strategic contours of treaty ratification by allowing for the probabilistic occurrence of failed referendums (as in the case of the French and Dutch rejections of the EU's Constitutional Treaty).

Consider what happens once the negotiation stage of a major (that is, far-ranging and politically salient) international treaty has been successfully completed. Let $x_c \in X \subset \mathbb{R}$ ($X$ closed and compact) denote the unidimensional outcome of international treaty negotiations for deeper integration, coordination, or policy centralization. Without loss of generality assume that the treaty negotiation outcome $x_c$ lies to the right of the *status quo* ($x_c > x_{SQ}$) in terms of further widening and deepening of existing cooperation arrangements. Even though the dimensionality of deep far-ranging treaties is effectively higher, this is not cause for major theoretical concern as this parsimonious framework constitutes a partial equilibrium analysis of the ratification stage, where there is a binary 'accept-or-reject' outcome, taking the policy content $x_c$ of the negotiated treaty as given. Therefore, the independence of ratification decisions across countries is subsumed by the partial equilibrium approach of the model. However, this assumption is empirically tenuous as clearly in some cases politicians do take note and react to the ratification strategies of their counterparts in other member-states. Moreover, even though we choose to examine the domestic context of ratification in isolation, it is still the case that a new

integration agreement may only take effect once it has been successfully ratified by all countries involved. While the utility losses of failed ratification in any one country are certain, since the entire agreement will collapse, the domestic policy gains of successful ratification are diluted by the risk of international agreement failure. This implies that the parameters of the ratification subgame are conditional on the timing of the decision within the overall sequence of ratification by all member-states.[5]

Citizens care both about the location of policy along the cooperation dimension and the valence of parties.[6] Valence here refers to the electorate's changing perceptions of the competence and overall performance of a party - in other words its reputation - and is independent of ideology or any specific policy area; instead, it is influenced by the process and the outcome of ratification. Hence, the space of electoral competition becomes effectively two-dimensional. This set-up is akin to valence models that have been increasingly applied to the study of electoral competition in first-order national elections (Schofield 2005; Ashworth and Bueno de Mesquita 2009). We find it apt to extend a similar framework to the analysis of second-order elections, such as referendums and European Parliament elections. We assume that party positions and actions in the ratification process are observed by both domestic (voters) and international (treaty cosignatories) audiences. Moreover, we model valence gains and losses as zero-sum for both the incumbent and the opposition insofar as they accrue to the existing level of relative political capital enjoyed by the government. Relative political capital ($\delta$) in this sense (that is, as a state variable of accumulated valence) connotes the overall level of trustworthiness and popular approval enjoyed by the incumbent *vis-à-vis* the opposition and *vice versa*.

[5]Below we discuss the difficulty of empirically capturing these time sequencing and spatial dependence effects.

[6]For a similar combination of issue voting and second-order concerns in an analysis of referendums see Hobolt (2009).

Plausibly enough democratic political elites are motivated by both office and policy. How important these two objectives are relative to each other depends on the salience of the valence component to voters ($\gamma$). This salience factor inheres in the political climate at the time of ratification, namely the level of polarization (both rhetorical and legislative) and the moment in the electoral cycle. The relative salience variable will also be conditioned by institutional and structural features of the party system that make it either more adversarial (for example, United Kingdom) or consensual (for example, Switzerland).

One very interesting aspect in the study of international treaty ratification is that its timing falls randomly within the domestic electoral cycle of each signatory country. This allows for a quasi-experimental empirical design that explains a substantial part of the cross-country variation in party-level ratification strategies by controlling for domestic explanatory variables in isolation from the international context.[7] In our model we focus mostly on relative incumbent popularity (or relative political capital) and relative political salience and treat them both as state variables that tend to decrease over the length of the term and are subject to stochastic shocks around that trend. This exogenous variation with respect to the electoral cycle proves to be very useful for the empirical identification of our research question.

Save for a high level of infringement upon national sovereignty imposed by the integration treaty, referendums will remain second-order in nature, meaning that they will often evolve into popularity contests. To varying degrees substantive debates over integration policy are shrouded by domestic electoral motivations and strategic posturing

[7] Of course within reasonable time constraints the incumbent may either choose to a) hold a referendum at the same time as a parliamentary election, b) leave the issue of ratification to a government with renewed political mandate, c) schedule the timing of the referendum ahead of its cosignatories, or d) procrastinate. These are interesting examples of endogenous timing and electioneering that we choose not to account for explicitly in this paper. In contrast to extant work on endogenous election timing, we treat the timing of the ratification process as exogenous.

subject to the various audience costs and benefits associated with different ratification outcomes. The incumbent's perceived suitability to handle the exigencies of government is always on the line at every popular vote.[8] Partisan supporters will always welcome every opportunity to reward the incumbent at the ballot, while its opponents will snatch at the chance of voicing their disapproval by all democratic means possible. Probabilistic voting allows us to derive the joint effects of relative government popularity ($\delta$) and relative policy salience ($\gamma$) on the probability that the referendum goes through. It also captures the common uncertainty and converging beliefs among political elites about the outcome of a mass vote. This way voting equilibria are implicitly 'black-boxed' into a probability function enabling us to focus on the strategic properties of the ratification subgame.

We effectively restrict the zone of acceptable agreements at the intergovernmental negotiation table to those that are weakly preferred to the *status quo* by both the incumbent and the average voter (see assumption 1 in the appendix).[9] Therefore, neither the office-seeking (those interested in aggregate welfare maximization) nor the policy-seeking (those weighting particularistic interests more heavily) factions of the incumbent party will have reason to object to the treaty. However, in the case of multi-party coalition governments, different possibilities may arise with respect to partisan constraints on the government's integration and ratification policy. The complexity of such considerations (for example, the degree of policy coordination in the context of a pre- or

[8]That being said, it remains the case that party positions on foreign affairs and international cooperation do have an impact on national elections. On the national electoral effects of European integration politics and referendums see, for example, de Vries (2007; 2009).

[9]The fact that the proposed treaty is generally welfare-improving for the country as a whole is common knowledge. One may otherwise consider an extension of the model that allows for asymmetric information and signaling of the exact policy effects of the treaty to the electorate. In fact, Sattler and Urpelainen (2011) estimate a random utility model using microlevel data on two repeated referendums on European integration to account for the political determinants of public support for integration in an environment of incomplete information about the policy effects of a treaty.

post- electoral coalition pact) may give rise to seemingly anomalous cases of coalition government splits over the choice of ratification instruments.[10]

Opposition policy preferences along the international cooperation dimension are presumably not constrained by such conditions. Opposition rhetoric is on the most part assumed to be both purposive and reflective of the underlying preferences of the party base. For the purposes of the benchmark model laid out below we consider the case of an opposition party with relatively moderate views on integration policy, that is, $x^O \in [x_{SQ}, x_c]$. In the appendix we also discuss the cases of extreme (pro- or anti-) opposition views on integration and their implications for our theoretical results.[11]

We provide the full mathematical derivation of the probabilistic model expounded above in the online appendix (see proposition 1). We also show that in the case of independently and uniformly distributed random variables, the probability of successful ratification by referendum takes the following form (where $\mu > 0$ captures the aggregate level of uncertainty over the incumbent's relative popularity):

$$P(\gamma, \delta, \Delta W) = \frac{1}{2} + \mu \left( \frac{\Delta W}{\gamma} + \delta \right). \tag{1}$$

In other words, popular governments and desirable international treaty agreements will tend to be more successful in a popular referendum, while the prominence of domestic electoral factors and political issues will tend to precipitate negative referendum outcomes. The intuition for the first two partial effects is quite straightforward. The

[10] In the Netherlands, for example, the party of the Prime Minister (Christian Democratic Appeal) was opposed to holding a referendum on the EU's Constitutional Treaty. The party's coalition partners joined parts of the opposition in endorsing one.

[11] Note that the model assumes that public policy preferences over the proposed treaty are formed independently of the positions of political elites. Ray (2003b), however, shows that party positions do conditionally influence voter opinions about European integration. Moreover, Hobolt (2006) examines how changes in party strategies - in terms of issue framing and campaigning - affect referendum outcomes. Finally, Gabel and Scheve (2007) provide an empirical identification strategy for the causal estimation of the effect of elite communications on public opinion with respect to support for European integration.

partial effect with respect to the relative salience parameter should be viewed in light of assumption 1 in the appendix (that is, $\Delta W(x_c, x_{SQ}) \geq 0$). In other words, conditional on the assumption that the treaty would be unequivocally endorsed by a popular majority based on its intrinsic policy merits, then it would be in increasing jeopardy of not being ratified by referendum as the vote is further overshadowed by domestic electoral issues. For the rest of the analysis we will employ the simple specification of the probability function provided above (equation 1). In the online appendix, we derive more general conditions that are necessary for our comparative statics predictions to hold; namely the average welfare differential of treaty implementation for swing voters needs to be non-negative (assumption 2).

We now consider the strategic interaction between the incumbent ($I$) and the main opposition party ($O$) with respect to the process of treaty ratification. What our game-theoretic approach captures quite clearly is the strategic interplay between incumbent constitutional prerogatives and opposition rhetorical actions. We start with a normal-form specification of the game, where the incumbent needs to decide whether to 'call' ($C$) a binding non-required referendum for treaty ratification[12] or 'not call' ($NC$), that is, $A^I = \{C, NC\}$. If the government calls, then it essentially opts for a lottery outcome where the treaty may be ratified by a majority of the electorate with some probability parametrically specified by the probabilistic voting subgame. Failure to pass implies that the whole ratification process is stalled and the agreement may have to be renegotiated at the intergovernmental level. Hence the *status quo* level of integration and cooperation ($x_{SQ}$) constitutes the reversion point. If the incumbent does not call a referendum, then

[12]In many countries referendums on international treaties are not formally binding. However, the distinction between consultative and binding referendums seems irrelevant *de facto* as it is hard to imagine a government acting against the will of its people as expressed in a referendum. That is, the audience costs of overruling a majority of voters are considered prohibitive. On this point see Setälä (1999); Tridimas (2007:677); Hobolt (2009:10); and Trechsel (2010:1062).

the treaty is ratified by a parliamentary majority commanded by the government. Of course levels of party cohesion and parliamentary voting thresholds vary across political systems; yet our assumption here of certain parliamentary ratification is plausible within the context of parliamentary European democracies (especially those with single-party majority government).

While the incumbent naturally always comes out in favor of the treaty agreement it negotiated itself multilaterally, the opposition's strategic posture is more nuanced as it needs to decide where it stands both with respect to the treaty itself and the mechanism of ratification. It may choose to 'endorse' a referendum and 'come out against' the treaty ($EN$), to 'endorse' and 'come out in favor' ($EY$), and finally 'not to endorse' a referendum in the first place ($NE$), that is, $A^O = \{EN, EY, NE\}$. Note that failure to endorse a referendum need not be qualified by a specific stance with respect to the content of the treaty itself as it implies tacit consent to the ratification of the treaty and its continued acceptance in the future as part of the country's international commitments.[13]

Let us next lay out the payoff structure along the valence dimension. We essentially posit that the outcome of a second-order type of election such as a referendum will impinge upon the relative political capital of the major political parties in a similar manner as a mid-election poll. Party positions with respect to the ratification of an international treaty with salient and far-ranging repercussions for domestic policy will influence public perceptions of their electability and competence depending on the outcome of the vote. In the event of successful ratification by referendum, the incumbent ($I$) derives a relative valence gain $b \in (0, 1)$ for reflecting majority will through a process of direct democracy. The same applies to the opposition ($O$) if it comes out in favor of the treaty.

[13]However, if supermajority rules are in place for parliamentary ratification (depending on the assessed compatibility of the treaty with a country's constitutional order), then the opposition's action space has to be qualified even further, in order to account for its position *vis-à-vis* the treaty in the parliamentary ratification process.

On the other hand, $c$ (normalized to unity) denotes the relative loss in popularity for going against the popular will of the *ex post* majority. It will be borne by either of the mainstream parties as long as they position themselves *ex ante* on the opposite side of the referendum outcome. Finally, $d \in (0, 1)$ captures the audience net reward (punishment) of giving (not giving) voters a direct say in the treaty ratification process by way of popular consultation. We surmise that the magnitude of parameter $d$ can be put down to two sets of factors. First, it can be viewed as a direct function of a country's constitutional tradition in direct democracy (measured for example by the total number of past referendums on national and/or international issues). Second, there is a treaty-specific aspect to the $d$ variable, whereby its magnitude is contingent upon the popularity of the proposed international agreement. The electorate will be a lot more eager to be directly consulted on an agreement viewed as highly controversial, politicized, and unpopular. When the electorate does (not) expect to be directly consulted on grave issues of foreign policy orientation, then we expect $d$ to be relatively high (low). Therefore, we postulate that the magnitude of the democratic legitimacy variable $d$ is an inverse function of the average popularity of the treaty $\Delta W$, that is, $d'(\Delta W) < 0$. Note that while parameters $b$ and $c$ are contingent upon the outcome of the popular vote, parameter $d$ is not. Moreover, the asymmetry between reputational gains and losses ($b < c = 1$) is justified for two reasons: (a) failure of ratification will cause negative integration externalities on the other member states or treaty cosignatories so that the opprobrium of international audiences (directed primarily against the incumbent government)[14] may weigh in on the party's decision-making calculus in the shape of negative reputation costs, and (b)

[14] A characteristic example of this is the run of events that led to the resignation of the Papandreou government in Greece in November 2011 following the Prime Minister's unilateral decision to call for a national referendum on the EU bailout and austerity package. This caused an ireful response on the part of the country's EU partners in the G20 summit meeting in Cannes, France, as it was perceived as a reckless political gamble jeopardizing the future of the Euro.

standard loss aversion arguments apply (losing hurts more than winning helps).

The probabilistic nature of referendums gives rise to risky alternatives (lotteries) that depend on the outcome of the vote. The lottery associated with the policy component of the utility function is $\Pi = (x_c, P; x_{SQ}, 1-P)$, whereby the treaty is implemented (subject to successful ratification in all countries) at point $x_c \in X$ with the probability $P(\gamma, \delta, \Delta W)$ of a 'Yes' vote and the *status quo* level of integration prevails with the probability $1 - P(\gamma, \delta, \Delta W)$ of a 'No' vote. Lotteries over the orthogonal valence payoffs will depend on the pure strategy response of the opposition to the incumbent's choice to initiate a referendum $\left(\alpha^I = \{C\}\right)$: (i) if the opposition chooses to endorse a referendum publicly calling for a 'No' vote ($\alpha^O = \{EN\}$), then the incumbent is faced with the lottery over valence payoffs $\mathcal{L}^I_{EN} = (1+b, P; -(1+b), 1-P)$ with an expected value of $EV\left(\mathcal{L}^I_{EN}\right) = (2P-1)(1+b)$, (ii) if the opposition chooses to endorse a referendum publicly calling for a 'Yes' vote ($\alpha^O = \{EY\}$), then the incumbent is faced with the lottery over valence payoffs $\mathcal{L}^I_{EY} = (0, P; 0, 1-P)$, where $EV\left(\mathcal{L}^I_{EY}\right) = 0$, and (iii) if the opposition chooses not to endorse a referendum publicly ($\alpha^O = \{NE\}$), then the incumbent is faced with the lottery over valence payoffs $\mathcal{L}^I_{NE} = (b, P; -1, 1-P)$ with an expected value of $EV\left(\mathcal{L}^I_{NE}\right) = P(1+b) - 1$. Since competition along the orthogonal dimension of political capital accumulation is modeled as zero-sum, the corresponding valence lotteries faced by the opposition are simply the same with the payoff signs reversed, that is, $\mathcal{L}^O_{\alpha^O} = -\mathcal{L}^I_{\alpha^O}, \forall \alpha^O \in \{EN, EY, NE\}$. Note that in the case of $\left(\alpha^I, \alpha^O\right) = (C, EY)$ the electoral fortunes of the two mainstream parties are tied together as their relative gains and losses cancel each other out.

The normal form of the ratification game shown in Table 1 encapsulates all the above features of the model while remaining agnostic about the sequencing of political moves by the major political actors. This is generally the case in games of cheap talk and

rhetoric, where the sequence of moves tends to be unstructured and unspecified. The simultaneous-form version of the game allows us not to eliminate any plausible equilibria as a result of restrictive and possibly erroneous sequencing assumptions. Quasi-linear utility with respect to integration policy and valence implies that parties $I$ and $O$ will be risk-neutral with respect to changes in political capital (hence the expected value calculation of the valence gambles); on the other hand, risk attitudes towards changes in policy remain ambiguous. Note that for very high values of salience $\gamma$ the game essentially amounts to one of pure conflict as the policy component becomes less relevant.

An examination of the Nash equilibria of the game clarifies what we mean by the strategic interplay between incumbent constitutional prerogatives and opposition rhetoric. Essentially the policy component of utility is determined by the incumbent's choice of ratification instrument, while the political 'stakes' of the referendum are set by the opposition's strategic posturing. If $O$ opts for the polarizing strategy of endorsing a referendum in opposition to the treaty ($EN$), then it does so with the intention of upping the stakes (or else widening the spread of lottery outcomes). At the other end, the strategy of supporting treaty ratification by referendum ($EY$) neutralizes the stakes, since $EV\left(\mathcal{L}^I_{EY}\right) = 0$. The lottery $\mathcal{L}^I_{NE}$ resulting from no endorsement ($NE$) lies in the middle in terms of its spread of potential payoffs. In sum, we postulate that in the process of treaty ratification the main opposition party is in control of the political stakes of the zero-sum valence dimension of electoral competition.

However, in this benchmark version of the ratification game, where the opposition has moderate policy preferences $\left(x^O \in [x_{SQ}, x_c]\right)$ and no referendum initiation prerogatives *per se*, its policy stance along the integration dimension $\left(x^O\right)$ has no strategic relevance. In other words, the opposition's strategic posturing in the process of international treaty ratification is invariant with respect to its intrinsic policy preferences. Even if $O$ is nega-

tively predisposed towards the new integration agreement, that is, $\Delta u\left(x_c, x_{SQ}; x^O\right) < 0$, it may well choose to come out in favor of its ratification by referendum ($EY$) as long as the average voter is sufficiently pro-integration and the overall political climate is conducive enough for popular ratification. This apparent paradox is a direct implication of the constitutional allocation of referendum initiation prerogatives, which in the benchmark model rest wholly with the majority party.

### Comparative Statics and Electoral Cycles

We proceed to analyze the comparative static predictions of the model with respect to exogenous changes in the underlying domestic-level parameters $\delta$, $\gamma$, $\Delta W\left(x_c, x_{SQ}\right)$, and $\Delta u\left(x_c, x_{SQ}; x^j\right)$. We apply the properties of monotone comparative statics (Ashworth and Bueno de Mesquita 2006) in order to extract a number of interesting theoretical predictions from our model. More specifically, we seek to predict the direct partial effect of each parameter on the relative odds between any two actions for each player by deriving its effect on that player's utility differential for all other actions by the opponent. If the sign of the utility differential partial derivatives remains weakly the same across the opponent's action space, then one can unambiguously predict a monotonic partial effect on the relative odds between any pairs of actions. This analysis is in accordance with the multinomial logistic regression model to be employed in the empirical section of the paper.[15]

The formal derivation of the comparative statics properties of the model is presented in the appendix. In regards to our first parameter of interest, government popularity $\delta$, we know from above that it is positively related to the probability of a 'Yes' vote,

[15] If not for consistency purposes, it would be trivial to extend the model to a symmetric $3 \times 3$ game by adding a strictly dominated option of calling a referendum and rejecting the treaty to the incumbent's action space.

that is, $\frac{\partial P(\cdot)}{\partial \delta} > 0$. Taking partial derivatives of the utility differentials (see equations 5 in the appendix) for both the incumbent and the opposition leads us to the theoretical prediction that an increase in the incumbent's stock of relative political capital is associated with: i) a positive net effect on the relative odds of endorsing a referendum and supporting the treaty vs. not endorsing a referendum for opposition parties (or calling vs. not calling a referendum for incumbents), ii) a negative net effect on the relative odds of endorsing a referendum and opposing the treaty vs. not endorsing a referendum, and iii) a positive net effect on the relative odds of endorsing a referendum and supporting the treaty vs. endorsing a referendum and opposing the treaty. The magnitude of these effects is secondarily contingent on the variable $\gamma$. All in all, mainstream opposition parties will not want to position themselves against popular incumbents, so they will either choose to wage their battle in the parliamentary arena or, unless locked in an anti-integration stance, openly endorse both the treaty and its ratification by popular vote.[16]

The comparative statics behavior of the model with respect to the relative salience parameter $\gamma$ is more complicated simply due to the fact that $\gamma$ enters both as a multiplicative factor and through the referendum success probability function $P(\cdot)$ in the utility differentials. An increase in $\gamma$ has a twofold effect on parties' strategic calculus: i) as shown before, it leads to a decrease in the probability of successful ratification by referendum, that is, $\frac{\partial P(\cdot)}{\partial \gamma} \leq 0$ ('voter signaling' effect), and ii) it raises the relative weight of the domestic political stakes of the ratification gamble ('reputational' effect). The 'voter signaling' effect captures the degree to which voters seek to signal their (dis)satisfaction

[16]Extending this argument to multi-party systems like most in Europe entails qualifying the concept of relative government popularity by the number of effective parties. The political stakes of the reputational gamble inherent in the ratification game very much depend on the political setting, that is, whether it is an adversarial two-party or a more consensual multi-party system. Undoubtedly the valence dimension of this political contest will be more pronounced in the former setting, where the identity of the two main party rivals is more clear.

with the government's performance to date *ex ante* (before the outcome of the vote is known), thereby inducing favorable changes in government policy. From the point of view of parties, the 'reputational' effect reflects the present discounted value (in terms of future electability) of changes in their stock of relative political capital *ex post* (after the outcome of the vote is known).[17] The combination of these two opposing effects on the behavior of the conditional utility differentials implies a strong non-monotonic relationship between $\gamma$ and the relative odds of any two actions. We find that these two effects intensify (or weaken respectively) at different rates throughout the electoral cycle thus giving rise to strong non-monotonicities for different subintervals of $\gamma$; more specifically, the 'voter signaling' effect will tend to be stronger towards the earlier part of the electoral cycle as long as there remains enough time for corrective action on the part of the government, while the 'reputational' effect will tend to predominate towards the end of the cycle as politicians are bound to put more weight on the electoral impact of fluctuations in their stock of political capital the closer they get to an electoral campaign.

Another parameter of interest is the aggregate welfare differential of treaty ratification *vis-à-vis* the *status quo* ($\Delta W(x_c, x_{SQ})$). All else equal, we consider exogenous changes in the aggregate policy desirability $\Delta W$ of the new integration agreement holding its policy content $x_c$ fixed at the level predetermined in the context of intergovernmental bargaining. We find that this variable affects the utility differentials in two ways. First, higher utility gains from treaty ratification imply a higher probability of a 'Yes' vote, that is, $\dfrac{\partial P(\cdot)}{\partial \Delta W} > 0$. This would tend to suggest that incumbent parties would be more likely to call for a referendum and opposition parties to endorse one. On the other hand, the more controversial and unpopular the proposed treaty, the higher is public demand for direct consultation on the issue. Bypassing popular consultation through parliamentary

[17] Again this reasoning only applies to mainstream parties with reasonable prospects of attaining office. Relative salience may well vary across more extreme, non-electable, or purely policy-driven fringe parties.

means on highly controversial international issues stands to be quite costly for politicians across the board.

Taking partial derivatives of the utility differentials (equations 5 in the appendix) for both the incumbent and the opposition leads us to the theoretical prediction that the net effect of $\Delta W$ on the relative odds of endorsing a referendum and supporting the treaty vs. not endorsing a referendum for opposition parties (or calling vs. not calling a referendum for incumbents respectively) is ambiguous. On the other hand, the net effect on the relative odds of endorsing a referendum and opposing the treaty vs. not endorsing a referendum is negative for opposition parties (trivially so for incumbents). Finally, the net effect of public support for the treaty on the relative odds of endorsing a referendum and supporting the treaty vs. endorsing a referendum and opposing the treaty is positive for opposition parties (again trivially so for incumbents). As before, all of the above partial effects are secondarily contingent on the relative salience variable $\gamma$.

In terms of parties' ideological preferences along the integration dimension, the ratification game in Table 1 would lead us to expect that *ceteris paribus* the more valuable the proposed new treaty is along the policy dimension relative to the *status quo* (that is, the higher is $\Delta u\left(x_c, x_{SQ}; x^j\right)$), the more hesitant parties are to risk failure of ratification by submitting it to a popular vote. This, in turn, implies lower relative odds of endorsing a referendum and supporting the treaty vs. not endorsing a referendum, lower relative odds of endorsing a referendum and opposing the treaty vs. not endorsing a referendum, and finally higher relative odds of endorsing a referendum and supporting the treaty vs. endorsing a referendum and opposing the treaty. Note that in cases where referendum initiation prerogatives only lie with the party holding the majority of seats in parliament opposition policy preferences are expected to have no effect on equilibrium outcomes, while this is no longer the case under alternative constitutional provisions,

whereby either a minority or a parliamentary supermajority is required for a referendum to take place.[18]

Finally, in countries where instruments of direct democracy are more highly valued *per se*, that is, in countries with higher values of $d$, we should expect both incumbent and opposition parties to be more eager to endorse ratification by referendum regardless of their position on the issue in hand.

In Table 2 we present a list of the proposed parameters of our model along with their predicted effects on the relative odds between any two pairs of actions with respect to the choice of ratification instrument and endorsement of the proposed treaty.

## Empirical Analysis

We test our argument with respect to political parties' decisions both to endorse or not a referendum and to support or not the EU's Constitutional Treaty. This treaty (signed in October 2004) offers a unique opportunity to test our argument in a large-N study, as political parties in all but one EU member countries simultaneously had to decide whether or not to support a referendum.[19] While a substantial number of referendums on other international treaties have been held,[20] the case of the Constitutional Treaty has the advantage that we do not only select cases in which a call for a referendum can

[18] See the appendix subsection on alternative constitutional provisions for referendum initiation for further details.

[19] We exclude Ireland from the analysis as referendums on EU treaty changes have been considered mandatory in Ireland ever since a ruling of the Supreme Court in 1987.

[20] No fewer than forty seven referendums have been held on European integration since the 1960s. Going beyond the EU, in 2010 Slovenia convened a referendum on a border deal with Croatia and Iceland one on loan agreements with the Netherlands and the United Kingdom. Several countries also convoked referendums on membership in the North Atlantic Treaty Organization (NATO), amongst them Spain (1986), Slovenia (2003), and Georgia (2008). A further group of countries, including Croatia, Lithuania, Serbia, and Ukraine have witnessed debates about referendums on NATO membership. Outside of Europe, Costa Rica held a popular vote on the ratification of the Central America Free Trade Agreement in 2007 and Taiwan one on membership in international organizations in 2008.

be observed but all cases in which potentially such a call could be observed. While this also applies to the Treaty of Lisbon (signed in 2007), collusion among governments at the European level with the aim of avoiding referendums had a strong exogenous impact on party positioning in that case. Our database thus includes information on 175 parties that were represented in the national parliaments of twenty four EU member countries in 2003 and/or 2004.

## The Data

Our dependent variable (*Party position*) is a nominal variable that combines the positions of a party with respect to the Constitutional Treaty and the desirability of a referendum. It is coded 1 for parties that did not endorse a referendum ($NE$), 2 for parties that endorsed a referendum and opposed the Treaty ($EN$), and 3 for parties that endorsed a referendum and supported the Treaty ($EY$). The data for this variable come from Dür and Mateo (2011), who use a variety of sources, including party websites and direct contacts with party members, to gather the necessary evidence. According to this data set, of the 175 parties included in the analysis, 75 (42.9%) opposed a referendum, 46 (26.3%) supported a referendum but opposed the Treaty, and 54 (30.9%) supported both a referendum and the Treaty.[21]

A first variable that is emphasized by the model is the incumbent's stock of relative political capital ($\delta$) (*Political capital*). We use two proxies for this variable. On one hand, we rely on Eurobarometer data on whether respondents "tend to trust [the national government] or not to trust it"from a survey carried out in February and March 2004 (Eurobarometer 2004b). We assume that responses to the question on trust in gov-

[21]We excluded the Bündnis Zukunft Österreich from the Dür and Mateo data set as this party was formally launched only in 2005.

ernment are highly influenced by respondents' evaluation of the current government.[22] As a cross-check, we have also used data from the European Election Study from June 2004. This survey included a question asking respondents: "if there was a general election tomorrow, which party would you vote for?". We calculate a variable that accounts for the relative loss in popular support for the government by subtracting the difference between the vote share of the government and the largest opposition party in the last elections before 2004 from the difference in support for the government and the largest opposition party in the 2004 survey. For Belgium and Malta we use the results from the 2004 European Parliament elections, as the European Election Study does not contain data on this question for these countries.

A referendum's timing within the electoral cycle is another variable stressed by the model (*Timing*). We measure this variable in days remaining in the electoral term as of 1 January 2004.[23] While in some countries governments can decide (or are forced) to call elections early, in general the length of the electoral term as written down in the constitution seems to be a good proxy for the actual length of term. The 1 January 2004 cut-off date is based on the reasoning that it was around that time that most parties took a decision on whether to support a referendum (the parties moving first took a decision in mid 2003, those moving last in mid 2004).[24] Since none of the countries in the sample experienced an election in the fall of 2003 and only three did in the first half of 2004, the results that we get for this variable are not sensitive to the precise cut-off date chosen.

[22] The results remain essentially the same when using change in trust between Spring 2003 and Spring 2004.

[23] We divide this number by 100 to be able to present coefficients within two decimal places.

[24] Alas it is prohibitively difficult to have systematic data concerning the exact date on which individual parties decided to favor or oppose a referendum. This makes a quantitative test of the argument stipulating strategic interdependence across parties in different countries impossible. Beyond the case of Jacques Chirac's *Union pour un Mouvement Populaire* (Closa 2007), however, we have little reason to suspect a diffusion effect influencing parties' decision-making.

The *Timing* variable also proxies for the idea of relative valence salience ($\gamma$), that is, the relative weight of government popularity in voters' and parties' decision-making calculus. This parameter plays a crucial role in the two second-order voting effects discussed above, namely the 'voter signaling' effect and the 'reputational' effect. We expect the former to be strongest towards the early to middle part of an incumbent party's term, at which point it already has an established record in office, yet there is still enough time left for it to alter its policies and general strategy in response to some discontent signaled by the public. We expect the latter to predominate as another election round nears closer, putting increasingly more weight on the political stakes of domestic electoral competition along the orthogonal valence dimension. We take account of our theoretical expectation of a non-monotonic influence of $\gamma$ on parties' decision-making by also including the square of *Timing* in our empirical model.

Moreover, our model draws attention to the aggregate welfare gains of ratification $\Delta W$ (*Welfare*). The proxy we use to capture this variable is public support for the Treaty as measured by a Eurobarometer poll from January 2004 (Eurobarometer 2004a) that asked respondents to state whether they agreed or disagreed with the statement that "the European Union must adopt a Constitution."[25] While this question does not directly ask respondents about their evaluation of the Constitutional Treaty (which at that time was not yet finalized), the responses give an indication of the support that the project had among voters.[26] We chose the January 2004 poll because it is the first that provides comparable data for both the old and the new EU member states that joined in 2004 and it was taken at the time when parties decided whether to call a

[25]The variable included in the model is the proportion of supporters among the respondents that indicated an opinion.

[26]In fact, at the country level responses to this poll are highly correlated with responses to the following question, which was asked in November 2004: "Based on what you know, would you say that you are in favor of or opposed to the draft European Constitution?" ($r = .75$) (Eurobarometer 2005).

referendum. The model assumption that $\Delta W\left(x_c, x_{SQ}\right) \geq 0$ is corroborated by the fact that the minimum value of public support for the Treaty was reported to be 51% in the United Kingdom.

According to our argument, a party's positioning on whether to request a referendum and on which position to take in a referendum campaign also depends on the party's policy benefits from ratifying the Treaty ($\Delta u\left(x_c, x_{SQ}; x^j\right)$) (*Party benefit*). In most models below we rely on data obtained by hand-coding parties' programs for the 2004 European Parliament elections to operationalize this variable (Braun, Salzwedel, Stumpf, and Wüst 2007). More specifically, we use a measure of a party's general stance with respect to European integration that is an aggregate of nine different coding categories.[27] The advantage of these data is that they reflect party positions from 2004 when parties concretized their stance with respect to the Constitutional Treaty. We manage to find values for this variable for 169 of the 175 parties included in our analysis (in two cases we use the position of the European party family as a proxy for the position of the national party). We cross-check our results with the help of the Chapel Hill expert survey from 2002 (Hooghe, Bakker, Brigevich, de Vries, Edwards, Marks, Rovny, Steenbergen, and Vachudova 2010). This variable ranges from 1 (strongly opposed) to 7 (strongly in favor). For some parties that were not included in the 2002 Chapel Hill survey we rely on the 2006 survey (which includes more parties) and, if the party was also not included in the 2006 survey, we use the mean for the European party family. Even after doing so, we have missing data for ten parties. The correlation between the Veen and Hooghe et al. data is 0.57.

Finally, we operationalize the democratic legitimacy benefits of a referendum ($d$) by way of a Eurobarometer poll from spring 2003 (Eurobarometer 2003a) that asked

[27] The variable used is the log ratio of pro- and anti- European integration statements in party programs. See Veen (2011).

respondents whether they considered it essential, useful but not essential, or useless "that all citizens of the European Union could give their opinion, by referendum, on the draft Constitution"(*Legitimacy*). The fact that this poll is from spring 2003, and thus before most political parties decided on whether to back a referendum, allows us to avoid a potential endogeneity problem that arises if parties' public support for a referendum influences public opinion on that question. The disadvantage of the wording of this question is that it refers to "*all* citizens" (emphasis added), suggesting a response on the desirability of a Europe-wide referendum (which is different from the need for a national referendum on a treaty). Despite the fact that most respondents were probably not aware of this distinction, we nevertheless decided to stick to these data. The variable is calculated as the percentage of respondents that considered a referendum essential divided by the sum of the percentages that considered a referendum essential and useless. In robustness checks, we also rely on the number of national referendums dealing with the EU before 2004 using data from Hobolt (2009). The idea behind this operationalization is that voters' desire to have a referendum should be higher in countries with a tradition of direct democracy. Moreover, we use the number of national referendums (on any issue) in a country since 1990, converted into an ordinal variable with three scores to get rid of a few extreme values (in particular Italy with 43 referendums in this period), as a further proxy.[28]

### Control Variables

The models reported below also include several control variables. The variable *Minority* takes the value 1 for parties in the Czech Republic, Denmark, and Slovenia, that is, countries in which a parliamentary minority could force the holding of a referendum on

[28]We use data from <http://www.sudd.ch/index.php>.

the Constitutional Treaty either by refusing to accept parliamentary ratification or by using constitutional provisions that allow a minority of parliament to call a referendum. *New member* is a dummy variable for countries that acceded to the EU in May 2004. Since relative valence salience ($\gamma$) is arguably conditional on how adversarial a political system is, we include a control variable that captures the competitiveness of the political system (*Competitiveness*). This variable is measured as the number of effective parties at the electoral level in the last elections prior to the start of the intergovernmental conference (Gallagher and Mitchell 2008). Finally, we include a dummy variable for left-wing and liberal parties, which tend to be more supportive of direct democracy and, therefore, of referendums than right-wing ones (*Ideology*).[29] In Table 7 in the appendix we present a summary of the variables and data sources used.

### Testing the Argument

As our dependent variable is nominal with three categories (not endorse ($NE$); endorse, treaty no ($EN$); and endorse, treaty yes ($EY$)), we use multinomial logit regression to estimate our models.[30] Multinomial logit models (Long and Freese 2006) calculate the probability of the dependent variable taking the value of one outcome category relative to the probability of it assuming another value; in our case, for example, the probability of $EN$ relative to $NE$. The coefficients that are estimated in such a model capture the increase or decrease in the log odds of being in a specific outcome category given a one-unit change in the predictor. The coefficient for the $EY$ vs. $EN$ comparison is the difference between the estimated coefficients for the $EY$ vs. $NE$ and $EN$ vs. $NE$ comparisons and thus is not listed separately in the tables below. Importantly,

[29] This variable is based on the classification in http://www.parties-and-elections.de/.

[30] Wald and likelihood-ratio tests show that no pair of alternatives in the dependent variable can be combined. Our original inclination to use a multinomial model is thus confirmed by the data.

the Hausman and Small-Hsiao tests support the independence of irrelevant alternatives assumption that underlies the multinomial logit model. Moreover, the results from a multinomial probit model are substantially the same as those reported below (see model A1 in the appendix). We also include a cluster term to take account of party clustering by country and further show in our robustness checks that the key results do not change when estimating a multilevel model with random intercepts. In most of the models we do not distinguish between incumbent and opposition parties as incumbency status has no independent effect in our strategic game.

The results are summarized in Table 3. Model 1 provides strong support for the expectations derived from our argument.[31] The more political capital a party has, the less likely it is to support a referendum but oppose the Treaty. Closeness to the next election also reduces the probability of a party endorsing a popular vote but opposing the Treaty in a referendum campaign. Moreover, $Timing^2$ is positive and highly statistically significant in the $EN$ vs. $NE$ and $EY$ vs. $EN$ comparisons. This finding supports our argument that parties are also concerned about second-order election effects, which should be highest in the middle of the electoral cycle. The larger the welfare gains to the public, the less likely a party is to call for a referendum. If a party still calls for a referendum, large welfare gains push it to support the Treaty. Equally intuitive and in line with our model is the finding that the larger *Party benefit* is, the less likely the party is to support a referendum and reject the Treaty and the more likely it is to endorse a referendum and support the Treaty. Also highly supportive are our findings for the *Legitimacy* variable: the coefficients are positive (as expected) and statistically significant in the case of the $EY$ vs. $NE$ comparison but not statistically significant for the $EN$ vs. $NE$ comparison.[32]

[31] Note that we lose six observations for *Party benefit* owing to missing data.

[32] The coefficients for this variable are not statistically significant when operationalizing it via the

Several of the control variables have the expected effects. Parties in new member countries are less likely to endorse a referendum and support the Treaty. The more competitive a party system is, the lower the probability of parties endorsing a referendum but not supporting the Treaty (the coefficient is weakly statistically significant with $p = .051$). Moreover, left and liberal parties are more likely to endorse a referendum than other parties. The coefficients for *Minority* are not statistically significant in any of the three comparisons.

### Substantive Effects

The overall explanatory power of the model is very good. Model 1 correctly predicts 71% of observations. This compares favorably with a chance result (based on the modal category in the overall data set) of 42.9%. The high percentage of correctly predicted cases is particularly noteworthy, as predicting one among three categories is more difficult than one of two in a binomial logit model. We correctly predict the positions of all parties in two countries (Austria and Latvia) and for only four countries (Czech Republic, Germany, Slovenia and Sweden) is the percentage of correct predictions smaller than 50% (see Table 4).[33]

Figures 1a and 1b offer a graphic illustration of the substantive effects of two of our variables. In the first of the two graphs we show the effect of timing on the probability of the three outcomes. The most important finding from this graph is that the probability of a party not endorsing a referendum (the bold line) follows an inverted-U shape, with this probability falling sharply in the last two years before an election. While the likelihood of a party choosing to endorse a referendum and coming out in favor of the Treaty

number of EU referendums.

[33]We also used a ROC curve to assess the fit of the model. The Area Under Curve (AUC) value of 0.999 suggests that our model performs extremely well.

remains relatively stable throughout the first few years of the electoral cycle, it declines in the last year. By contrast, the probability of a party campaigning against the Treaty increases sharply right before an election. The 95% confidence intervals (not shown in the graphs for ease of illustration) show that these changes across the electoral cycle are statistically significant. The confidence interval for the 'not endorse' curve at its peak (900 days before the next election) ranges from 0.43 to 0.91. By contrast, the confidence interval for the same curve right before an election ranges from zero to 0.01.

The second of the two figures illustrates the effect of public opinion on party positioning. Most obviously, the probability of a party not endorsing a referendum strongly increases together with public support for the Treaty, from 0.03 $[0, 0.13]$ to 0.76 $[0.51, 1.00]$. This means that parties were more likely to endorse a referendum on the Constitutional Treaty in countries with a skeptical public opinion. By contrast, the probability of a party endorsing a referendum but opposing the Treaty falls from 0.88 $[0.74, 1.00]$ to 0.02 $[0, 0.06]$ as public opinion becomes increasingly more favorable towards the Treaty. Parties endorsed a referendum and came out in favor of the Treaty in countries with a medium degree of public support for the Treaty.

### Interaction Effects

Our model suggests that the effects of both *Welfare* and *Political capital* should depend on the timing within the election cycle. We test these expectations by including interaction terms between these two variables and *Timing* in our empirical model. The results of the model including the interaction effect with *Welfare* are very supportive (Model 2 in Table 3. In Figure 2 we show the substantive effect of this interaction effect graphically.[34] It shows that the probability of *not* endorsing a referendum increases over time

[34]For the models with interaction effects, we center the interacted variables. The partial effects are calculated while keeping all other variables at their mean value or mode (for dichotomous variables).

if public support for the treaty is high (in this case the maximum). By contrast, with low public support for the treaty (the minimum value in the database), the probability of not endorsing a referendum falls very sharply around the middle of the electoral cycle. The interaction effect between *Political capital* and *Timing*, by contrast, is not statistically significant at the conventional level.

### Robustness Checks

We carry out a series of tests to check the robustness of our results (all of these results are presented in the appendix). First, we drop all 62 government parties from the model (model A2 in the appendix). The reason for doing so is that, according to our theoretical model, government parties only have two options available to them, namely to *endorse* or to *reject* a referendum. Their stance on the Treaty itself is predetermined by the fact that they actively participated in its negotiation. Including them in the multinomial model with three options may therefore bias our results for the $EY$ vs. $EN$ comparison. In fact, the results of this model come even closer to our expectation than those reported in model 1, with the coefficient for *Political capital* now positive and weakly statistically significant in this comparison.

Second, we check whether the results are robust to dropping 57 parties with extreme positions on European integration. We operationalize 'extreme position' as having a value beyond one standard deviation around the mean for *Party benefit* (Veen 2011). The reason for dropping these parties is the same as for government parties: realistically they do not have any flexibility in altering their position on the Treaty itself, as their stance is predetermined by their ideological orientation. Again the results are very stable with the exception of the coefficient for *Legitimacy*, which is no longer statistically significant (model A3 in the appendix).

Third, we estimate a model with random intercepts to more directly take account of the multilevel structure of our data, namely parties nested in countries.[35] Most of the results from this model are similar to those from the model without random effects (model A4 in the appendix). The exception is *Timing* that is no longer statistically significant in the $EN$ vs. $NE$ comparison. However, the timing of the decision whether or not to call a referendum in the electoral cycle still matters in this model, as the highly statistically significant coefficient for $Timing^2$ shows.

Fourth, we use different measures for some of our variables. On one hand, we use the data from Hooghe et al. (2010) instead of Veen (2011) to operationalize *Party benefit*. Doing so does not change the results reported above; in fact, the results are very similar to those shown in Model 1 (model A5 in the appendix). On the other hand, using an alternative measure for *Political capital* (namely approval of the government's record to date) does not change most of the results, but the coefficient for that variable is only weakly statistically significant in the $EN$ vs. $NE$ comparison (model A6 in the appendix).

Fifth, we add a measure of internal conflicts within parties as it has been argued that internally divided parties may be more likely to call for a referendum. While ideally we would have data on internal divisions on the Constitutional Treaty itself, the best data that we could find is the variable internal dissent on European integrationfrom the 2002 Chapel Hill expert survey (Hooghe et al. 2010). Alas, we are missing values for this variable for 35 parties. Nevertheless, the results are very robust to the inclusion of this variable (model A7 in the appendix). Finally, we drop Germany from our analysis as the constitution of that country makes the initiation of a referendum on an EU treaty

[35]For a detailed discussion of multilevel models with random intercepts see Gelman and Hill (2007). For this model, we use standardized variables.

particularly difficult.[36] Doing so again does not affect our results (model A9 in the appendix).

## Conclusion

We have presented a game-theoretic model of the process of ratifying an international treaty with the aim of explaining parties' simultaneous decision on whether to call for a referendum and what position to take on the treaty under discussion. The empirical examination has supported most of the model's predictions with respect to the role of the timing of the decision, the public's support for the treaty, the policy gains that parties expect from the treaty, and the public's desire for a referendum. These findings are robust to variations in data sources and estimation techniques.

The results have implications for a variety of debates. For one, our findings run counter to fears that parties may use popular votes mainly as plebiscites. On the contrary, uncertainty and concerns about second-order voting contribute to a situation in which parties are most likely to call for a referendum on an international treaty when public opinion is rather skeptical. This finding offers an explanation for the sizable number of failed referendums on European integration.

The results also speak to the literature on second-order elections. For some time scholars have debated the extent to which voters use referendums to send signals to their government.[37] Our findings add to this debate by indicating that parties base their decision on whether to call for a referendum on the assumption that voters engage in second-order voting. The fear of being punished in a referendum makes government

[36] To be precise, a referendum on an international treaty could only be called after amending Germany's Basic Law with a two-thirds majority. In the wake of the debate on the Constitutional Treaty, such a change was indeed proposed.

[37] See, for example, Franklin (2002); Svensson (2002); and Garry, Marsh, and Sinnott (2005).

parties wary of calling for a referendum even if voters are satisfied with the treaty that has to be ratified.

Finally, for the specific case of European integration, the paper's findings suggest that having the decision on whether to call for a referendum on treaty changes (or issues such as the accession of Turkey) taken at the national level is problematic. The fact that domestic political factors, such as the timing within the national electoral cycle, have an influence on whether a referendum takes place in a country and actually goes through, makes it more difficult to defend on normative grounds the application of direct democracy at the national level for the ratification of European Union treaties. It will always be difficult to insulate the international policy debate and decision-making process from domestic-level factors and contingencies that may often end up distorting popular preferences with respect to integration policy, obfuscating the interpretation of the referendum outcome, and at times derailing the overall ratification process. A European-level referendum on major decisions facing the EU may be the best instrument to deal with this problem (Rose 2011).

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| | | "O" | | |
|---|---|---|---|---|
| | | $EN$ | $EY$ | $NE$ |
| **"I"** | **C** | $Eu\left(\Pi;x^I\right)+\gamma EV\left(\mathcal{L}^I_{EN}\right),$ $Eu\left(\Pi;x^O\right)-\gamma EV\left(\mathcal{L}^I_{EN}\right)$ | $Eu\left(\Pi;x^I\right)+\gamma EV\left(\mathcal{L}^I_{EY}\right),$ $Eu\left(\Pi;x^O\right)-\gamma EV\left(\mathcal{L}^I_{EY}\right)$ | $Eu\left(\Pi;x^I\right)+\gamma\left(EV\left(\mathcal{L}^I_{NE}\right)+d\right),$ $Eu\left(\Pi;x^O\right)-\gamma\left(EV\left(\mathcal{L}^I_{NE}\right)+d\right)$ |
| | **NC** | $u\left(x_c;x^I\right)-\gamma d,$ $u\left(x_c;x^O\right)+\gamma d$ | $u\left(x_c;x^I\right)-\gamma d,$ $u\left(x_c;x^O\right)+\gamma d$ | $u\left(x_c;x^I\right),$ $u\left(x_c;x^O\right)$ |

Table 1: Ratification Game with Simple Majority Referendum Initiation Provisions

| Parameter | Variable | Predicted effect | | |
|---|---|---|---|---|
| | | $EN$ vs. $NE$ | $EY$ vs. $NE$ | $EY$ vs. $EN$ |
| $\delta$ | Relative political capital | - | + | + |
| $\gamma$ | Relative valence salience | | Non-monotonic | |
| $\Delta W\left(x_c,x_{SQ}\right)$ | Aggregate welfare gains of ratification | - | +/- | + |
| $\Delta u\left(x_c,x_{SQ};x^j\right)$ | Integration policy party preferences | - | - | + |
| $d$ | Democratic legitimacy benefits of referendum | + | + | 0 |

Table 2: List of Model Parameters, Variables, and Predicted Effects

| | Model 1 | | Model 2 | | Model 3 | |
|---|---|---|---|---|---|---|
| | *EN/NE* | *EY/NE* | *EN/NE* | *EY/NE* | *EN/NE* | *EY/NE* |
| Political capital | -0.06*** | -0.04* | -0.03 | -0.01 | -0.06** | -0.04* |
| | (0.02) | (0.02) | (0.03) | (0.02) | (0.03) | (0.02) |
| Timing | -1.95*** | -0.41 | -0.01*** | -0.01*** | -0.00 | 0.00 |
| | (0.50) | (0.31) | (0.00) | (0.00) | (0.00) | (0.00) |
| Timing$^2$ | 0.11*** | 0.02 | 0.00*** | 0.00*** | 0.00*** | 0.00 |
| | (0.03) | (0.02) | (0.00) | (0.00) | (0.00) | (0.00) |
| Welfare | -0.20*** | -0.07 | -0.33*** | -0.21*** | -0.19*** | -0.07 |
| | (0.07) | (0.07) | (0.07) | (0.06) | (0.06) | (0.07) |
| Party benefit | -0.11*** | 0.01 | -0.11*** | 0.01 | -0.11*** | 0.01 |
| | (0.03) | (0.01) | (0.03) | (0.01) | (0.03) | (0.01) |
| Legitimacy | -0.02 | 0.07** | -0.09** | -0.02 | -0.02 | 0.06* |
| | (0.03) | (0.03) | (0.04) | (0.05) | (0.03) | (0.03) |
| Minority | 1.04 | 1.67 | 1.76 | 1.88 | 1.25 | 1.76 |
| | (1.41) | (1.36) | (1.10) | (1.21) | (1.18) | (1.10) |
| New member | -1.61** | -1.35** | -1.78*** | -1.69*** | -1.18 | -0.80 |
| | (0.68) | (0.59) | (0.63) | (0.60) | (0.83) | (0.72) |
| Competitiveness | 0.26 | -0.04 | -0.28 | -0.69** | 0.12 | -0.11 |
| | (0.19) | (0.21) | (0.33) | (0.32) | (0.19) | (0.21) |
| Ideology | 0.32 | 1.03*** | 0.25 | 0.90* | 0.16 | 0.96** |
| | (0.58) | (0.39) | (0.65) | (0.49) | (0.58) | (0.41) |
| Political capital*Timing | | | 0.00*** | 0.00*** | | |
| | | | (0.00) | (0.00) | | |
| Welfare*Timing | | | | | -0.00 | -0.00 |
| | | | | | (0.00) | (0.00) |
| Constant | 26.45*** | 3.10 | 8.93* | 5.30 | 15.84*** | 0.68 |
| | (5.66) | (4.91) | (4.71) | (5.16) | (4.39) | (4.67) |
| N (clusters) | 169 (24) | 169 (24) | 169 (24) | 169 (24) | 169 (24) | 169 (24) |
| Pseudo $R^2$ | 0.38 | 0.38 | 0.40 | 0.40 | 0.46 | 0.46 |
| BIC | 338.39 | 338.39 | 315.22 | 315.22 | 337.58 | 337.58 |

Estimated coefficients from a multinomial logistic regression.
Robust standard errors in parentheses; *** p<0.01, ** p<0.05, * p<0.1.

Table 3: Explaining Party Positions on the Ratification of the Constitutional Treaty

| Countries | Parties | Correct | % | Countries | Parties | Correct | % |
|---|---|---|---|---|---|---|---|
| Austria | 4 | 4 | 100 | Latvia | 9 | 9 | 100 |
| Belgium | 10 | 5 | 50 | Lithuania | 8 | 5 | 63 |
| Cyprus | 7 | 5 | 71 | Luxembourg | 6 | 3 | 50 |
| Czech Republic | 5 | 2 | 40 | Malta | 2 | 1 | 50 |
| Denmark | 8 | 7 | 88 | Netherlands | 9 | 8 | 89 |
| Estonia | 6 | 4 | 67 | Poland | 7 | 5 | 71 |
| Finland | 7 | 5 | 71 | Portugal | 6 | 4 | 67 |
| France | 8 | 7 | 88 | Slovenia | 5 | 2 | 40 |
| Germany | 6 | 2 | 33 | Slovakia | 8 | 6 | 75 |
| Greece | 4 | 2 | 50 | Spain | 12 | 10 | 83 |
| Hungary | 4 | 3 | 75 | Sweden | 7 | 2 | 29 |
| Italy | 12 | 11 | 92 | United Kingdom | 9 | 8 | 89 |
| **Overall** | **169** | **120** | **71** | | | | |

Table 4: Number of parties per country, and number and percentage correctly predicted

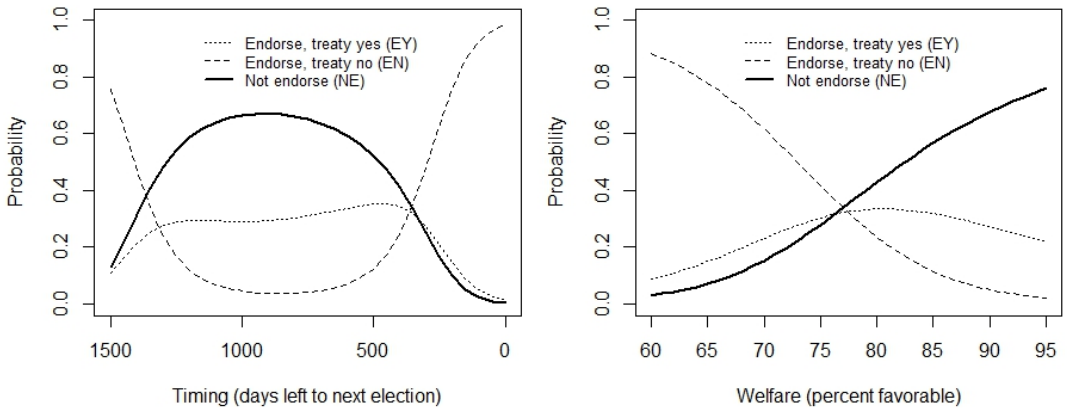


Figure 1: Partial Effects for Electoral Cycle and Public Opinion

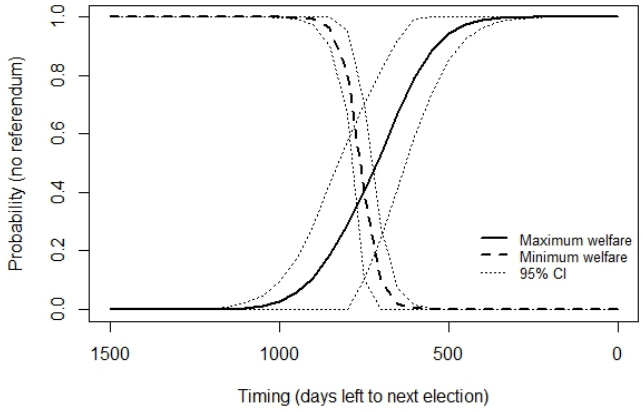


Figure 2: Partial Effects for Model with Interaction Term

# Appendix I: Theory

## A Probabilistic Model of Referendum Voting

Let the country's electorate be represented by a continuum of mass one. Each voter $j$ will vote for the referendum option ('Yes' or 'No') that maximizes his/her quasi-linear utility with respect to integration policy and the incumbent's relative political capital. For reasons of analytical parsimony we rule out voter abstention as a possibility. The two dimensions of electoral competition are assumed orthogonal. Integration policy preferences are represented by a quasi-concave Euclidean utility function $u : X \times X \to \mathbb{R}$ that maps ideal positions $x^j$ (levels of integration) and policy proposals $x$ into real payoffs. This implies that preference profiles over a continuum of policy alternatives increasing in the depth of integration will be single-peaked.

For a continuous population of mass one we can define a Benthamite aggregate welfare function as the (unweighted) average policy-derived utility, that is, $W(x) := \int_X u\left(x; x^j\right) f_x\left(x^j\right) dx^j \equiv u\left(x; \overline{x}\right)$. For any generic distribution function $F_x(\cdot)$ average utility will be distinct from the utility of the median voter, that is, $u\left(x; \overline{x}\right) \neq u\left(x; F_x^{-1}\left(\frac{1}{2}\right)\right)$. Furthermore, as political parties pursue both policy-seeking and office-seeking objectives, their policy preferences are equivalent to those of some particular individual generically distinct from the average voter. Again, by the 'continuum of mass one' property of the model, one can capture interparty ideological divergence along the integration dimension through distinct partisan-weighted aggregate utility functions as follows:

$$W^i(x) := \int_X u\left(x; x^j\right) g^i\left(x^j\right) f_x\left(x^j\right) dx^j \equiv u\left(x; x^i\right), i = I, O.$$

Throughout the model we make use of the following intuitive assumption about the content of the negotiated agreement in light of unanimity voting requirements and veto rights:

**Assumption 1** *$\Delta W(x_c, x_{SQ}) \geq 0$ and $\Delta u\left(x_c, x_{SQ}; x^I\right) > 0$.*

In the run-up to a referendum, each voter $j$ receives a private and independently distributed signal $\widehat{\delta}^j$ of the incumbent's political capital (or else popularity) relative to its main opposition rival at that particular moment in the electoral cycle.[38] We assume that $\widehat{\delta}^j = \delta + \eta^j + \varepsilon$, where $\delta \in \mathbb{R}$ is the true underlying level of relative political capital, $\eta^j$ is an ideological bias term independently distributed according to a regular

[38] We posit that the underlying stochastic process of relative political capital accumulation is subject to a downward stationary trend and the stochastic white noise component of the process captures unexamined positive or negative shocks to a government's popularity (for example, political scandals, economic crises, etc.).

distribution function, and $\varepsilon$ is an independent white noise disturbance term (with zero mean, finite variance, and no serial correlation) that captures aggregate uncertainty over the true value of this latent and unobservable state variable. The $\eta^j$ variable captures the fact that political information is subjectively perceived, distorted, and filtered through individual ideological prisms (for example, partisan media outlets). Voters base their decision both on the merits of the issue at hand and the weighted relative popularity of the incumbent responsible for the negotiation of the agreement. Parameter $\gamma > 0$ captures the relative salience of the orthogonal valence dimension.[39] Parties across the spectrum then arrive at the common belief that voter $j$ will vote in favor of treaty ratification *if and only if*

$$\Delta u\left(x_c, x_{SQ}; x^j\right) + \gamma\widehat{\delta}^j = \Delta u\left(x_c, x_{SQ}; x^j\right) + \gamma\left(\delta + \eta^j + \varepsilon\right) > 0, \qquad \text{(Yes)}$$

where $\Delta u\left(x_c, x_{SQ}; x^j\right)$ denotes the relative policy desirability of the treaty *vis-à-vis* the *status quo* for voter $j$. Since the decision is dichotomous, voting will be sincere.

As is typical in probabilistic voting models, politicians are only aware of the (twice continuously differentiable and of full support) joint distribution function $F(\cdot,\cdot)$ of private types $\left(x^j, \eta^j\right) \in X \times \mathbb{R}$ across the population but not their individual realization. Let $f(\cdot,\cdot) > 0$ be the corresponding joint density function and $f_x(\cdot)$, $f_\eta(\cdot)$ the respective marginal density functions.[40] Individual types are thus treated as measurable random variables and the referendum outcome becomes probabilistic. To arrive at the probability of a successful referendum in such a model, we first need to define the vote share in each country as the fraction of votes in favor of the treaty barring abstentions. This is equivalent in our model to the total fraction of voter type pairs $\left(x^j, \eta^j\right)$ that satisfy condition Yes above. Formally, expected vote share is given by

$$VS(\varepsilon;\gamma,\delta) = \iint\limits_{(Yes)} f\left(x^j,\eta^j\right) dx^j d\eta^j = \int\limits_X \int\limits_{-\frac{\Delta u^j}{\gamma}-\delta-\varepsilon}^{+\infty} f\left(x^j,\eta^j\right) d\eta^j dx^j$$

Note that the vote share becomes a strictly increasing and (twice) continuously differentiable function of the aggregate uncertainty disturbance term $\varepsilon$, that is, $VS$ :

[39] Within the framework of an underlying probabilistic voting model, this relative salience variable is assumed to be common for both voters and parties as they will tend to converge to a similar assessment of the domestic political environment.

[40] Assuming that ideal policy types $x^j$ and ideological bias types $\eta^j$ are independent across the population would simplify the calculation of a closed-form solution for the probability of a 'Yes' vote, as marginal densities would be separable. However, this assumption is not necessary for our results. In fact, the observation that Eurosceptics tend to be clustered in the two extremes of the spectrum should make it more apposite to assume correlated types across the traditional ideological (left/right) and the integration dimensions.

$\mathbb{R}^2 \times \mathbb{R}_{++} \longrightarrow (0,1)$ and

$$VS'(\varepsilon;\gamma,\delta) = \int_X (-)(-) f\left(x^j, -\frac{\Delta u^j}{\gamma} - \delta - \varepsilon\right) dx^j > 0.$$

By the Inverse Function Theorem, inverse function $VS^{-1} : (0,1) \times \mathbb{R} \times \mathbb{R}_{++} \longrightarrow \mathbb{R}$ exists and is also strictly increasing and continuously differentiable. Partial differentiation with respect to parameters $\delta$ and $\gamma$ yields the following: $\frac{\partial VS(\varepsilon;\gamma,\delta)}{\partial \delta} = \int_X (-)(-) f\left(x^j, -\frac{\Delta u^j}{\gamma} - \delta - \varepsilon\right) dx^j > 0$ and $\frac{\partial VS(\varepsilon;\gamma,\delta)}{\partial \gamma} = -\frac{1}{\gamma^2}\int_X \Delta u^j f\left(x^j, -\frac{\Delta u^j}{\gamma} - \delta - \varepsilon\right) dx^j \leq 0$. Moreover, the vote share is (weakly) decreasing with respect to the relative salience parameter $\gamma$ *if and only if* the expected aggregate welfare differential of swing voters, that is, those who are indifferent between voting 'Yes' or 'No' in a referendum (condition Yes just binds), is non-negative. So we need the following to hold:

**Assumption 2** $\int_X \Delta u^j f\left(x^j, -\frac{\Delta u^j}{\gamma} - \delta - \varepsilon\right) dx^j \geq 0.$

This is a generalization of assumption 1 above. Finally, partial differentiation of identity $VS^{-1}(VS(\varepsilon;\gamma,\delta);\gamma,\delta) = \varepsilon$ with respect to $\gamma$ and $\delta$ implies that $\frac{\partial VS^{-1}}{\partial \gamma} = -\left(VS^{-1}\right)' \times \frac{\partial VS}{\partial \gamma} \geq 0$ and $\frac{\partial VS^{-1}}{\partial \delta} = -\left(VS^{-1}\right)' \times \frac{\partial VS}{\partial \delta} < 0$.

We may now provide a general proof of proposition 1 below:

**Proposition 1** *The probability of successful ratification by referendum $P(\gamma,\delta,\Delta W)$ is decreasing in the relative salience of valence $(\gamma)$ and increasing in the relative political capital of the incumbent $(\delta)$ and the aggregate welfare differential of achieving a higher level of international cooperation $(\Delta W)$.*

*Proof.* Winning a referendum by majority vote is tantamount to a vote share of at least 50% (where ties are assumed to happen with zero probability). Hence, the probability $P$ of a successful referendum vote is calculated as follows:

$$\begin{aligned} P(\gamma,\delta) &= \Pr\left(VS(\varepsilon;\gamma,\delta) > \frac{1}{2} | \varepsilon \text{ is independent white noise with zero mean and finite variance}\right) \\ &= \Pr\left(\varepsilon > VS^{-1}\left(\frac{1}{2};\gamma,\delta\right) | \varepsilon \sim F_\varepsilon(\cdot), \text{ where } F'_\varepsilon > 0, \forall \varepsilon\right) \\ &= 1 - F_\varepsilon\left(VS^{-1}\left(\frac{1}{2};\gamma,\delta\right)\right) \end{aligned}$$

Again, partially differentiating the above expression gives us $\frac{\partial P(\gamma,\delta)}{\partial \gamma} = -F'_\varepsilon\left(VS^{-1}\left(\frac{1}{2};\gamma,\delta\right)\right) \times \frac{\partial VS^{-1}\left(\frac{1}{2};\gamma,\delta\right)}{\partial \gamma} \leq 0$ and $\frac{\partial P(\gamma,\delta)}{\partial \delta} = -F'_\varepsilon\left(VS^{-1}\left(\frac{1}{2};\gamma,\delta\right)\right) \times \frac{\partial VS^{-1}\left(\frac{1}{2};\gamma,\delta\right)}{\partial \delta} > 0$. We have thus

shown that for any generic distribution functions $F(\cdot,\cdot)$ and $F_{\varepsilon}(\cdot)$ and if assumption 2 holds, then the probability of successful ratification via referendum is weakly decreasing in the relative salience of the valence dimension and strictly increasing in the incumbent's relative popularity.

In the simple case where all three variables are independently and uniformly distributed, that is, $x^j \sim U[0,1]$, $\eta^j \sim U\left[-\frac{1}{2\theta}, \frac{1}{2\theta}\right]$, and $\varepsilon \sim U\left[-\frac{1}{2\mu}, \frac{1}{2\mu}\right]$, where $\theta > 0$ and $\mu > 0$ capture the levels of ideological dispersion and aggregate uncertainty (or else the instantaneous volatility of political capital around its trend) respectively, calculations are simplified in the following manner:

$$VS(\varepsilon;\gamma,\delta) = \int_0^1 \int_{-\frac{\Delta u^j}{\gamma}-\delta-\varepsilon}^{\frac{1}{2\theta}} \theta d\eta^j dx^j = \int_0^1 \theta\left(\frac{1}{2\theta} + \frac{\Delta u^j}{\gamma} + \delta + \varepsilon\right) dx^j = \frac{1}{2} + \theta\left(\frac{\Delta W}{\gamma} + \delta + \varepsilon\right)$$

$$\begin{aligned} P(\gamma,\delta,\Delta W) &= \Pr\left(VS(\varepsilon;\gamma,\delta) > \frac{1}{2} | \varepsilon \overset{i.i.d.}{\sim} U\left[-\frac{1}{2\mu}, \frac{1}{2\mu}\right]\right) = \Pr\left(\varepsilon > -\frac{\Delta W}{\gamma} - \delta\right) \\ &= \frac{1}{2} + \mu\left(\frac{\Delta W}{\gamma} + \delta\right). \end{aligned}$$

For the rest of the analysis we will employ the simple specification of the probability function provided above (equation 1 in the text).

## Nash Equilibria of the Ratification Subgame

We now present the formal exposition of the Nash equilibria of the game. We make the assumption of symmetric valence payoffs mainly for reasons of notational parsimony, which can also be rationalized by the fact that this is a partial equilibrium setting, whereby the incumbent has no control over the content of the new treaty and, therefore, is not primarily judged on its ability to negotiate a favorable agreement.[41] To solve for the Nash equilibria of the strategic-form game in Table 1 we derive the pure-strategy best-response correspondences with respect to the probability of popular ratification $P(\gamma,\delta,\Delta W) \in (0,1)$. Define such correspondences as $BR^i : A^j \times (0,1) \rightrightarrows A^i, i = I, O, i \neq j$, where the $A$'s denote the action sets of each player. Then for each action taken by the opposition the incumbent's best response as a function of the probability

[41] Presumably, however, the incumbent party should be expected to incur higher costs (benefits) of being on the losing (winning) side of a popular vote, as it reflects badly (well) on a) the popular perception of its performance to date and b) its reputation for 'getting things done', that is, its ability to mobilize its party resources and rank-and-file with the goal of 'selling' the treaty. Luxembourgian Prime Minister Juncker, for example, threatened to resign in the event of a 'No' vote in the referendum on the Constitutional Treaty. Choosing either assumption has no effect on the qualitative nature of the results.

of a 'Yes' vote is the following:

$$BR^I\left(\alpha^O\right)=\begin{cases}\{C\} & \textit{iff } P\left(\gamma,\delta,\Delta W\right)>\frac{G\left(x^I\right)+(1+b-d)}{G(x^I)+2(1+b)}\\ \{NC\} & \textit{iff } P\left(\gamma,\delta,\Delta W\right)<\frac{G\left(x^I\right)+(1+b-d)}{G(x^I)+2(1+b)} & ,\alpha^O=\{EN\}\\ \{C,NC\} & \textit{iff } P\left(\gamma,\delta,\Delta W\right)=\frac{G\left(x^I\right)+(1+b-d)}{G(x^I)+2(1+b)}\\ \{C\} & \textit{iff } P\left(\gamma,\delta,\Delta W\right)>\frac{G\left(x^I\right)-d}{G(x^I)}\\ \{NC\} & \textit{iff } P\left(\gamma,\delta,\Delta W\right)<\frac{G\left(x^I\right)-d}{G(x^I)} & ,\alpha^O=\{EY\}\\ \{C,NC\} & \textit{iff } P\left(\gamma,\delta,\Delta W\right)=\frac{G\left(x^I\right)-d}{G(x^I)}\\ \{C\} & \textit{iff } P\left(\gamma,\delta,\Delta W\right)>\frac{G\left(x^I\right)+(1-d)}{G(x^I)+(1+b)}\\ \{NC\} & \textit{iff } P\left(\gamma,\delta,\Delta W\right)<\frac{G\left(x^I\right)+(1-d)}{G(x^I)+(1+b)} & ,\alpha^O=\{NE\}\\ \{C,NC\} & \textit{iff } P\left(\gamma,\delta,\Delta W\right)=\frac{G\left(x^I\right)+(1-d)}{G(x^I)+(1+b)}\end{cases}\tag{2}$$

The above probability threshold values make use of some new notation $G\left(x^j\right)=\frac{\Delta u\left(x_c,x_{SQ};x^j\right)}{\gamma},j=I,O$ for the salience-weighted utility differential from adopting the proposed treaty. Similarly for given incumbent pure strategies the opposition's best responses are:

$$BR^O\left(\alpha^I\right)=\begin{cases}\{EN\} & \textit{iff } P\left(\gamma,\delta,\Delta W\right)\in\left(0,\min\{\frac{d+b}{1+b},\frac{1}{2}\}\right)\\ \{EN,NE\}\\ \textit{or } \{EN,EY\} & \textit{iff } P\left(\gamma,\delta,\Delta W\right)=\min\{\frac{d+b}{1+b},\frac{1}{2}\}\\ \{NE\} & \textit{iff } P\left(\gamma,\delta,\Delta W\right)\in\left(\min\{\frac{d+b}{1+b},\frac{1}{2}\},\max\{\frac{1-d}{1+b},\frac{1}{2}\}\right) & ,\alpha^I=\{C\}\\ \{EN,NE\}\\ \textit{or } \{EN,EY\} & \textit{iff } P\left(\gamma,\delta,\Delta W\right)=\max\{\frac{1-d}{1+b},\frac{1}{2}\}\\ \{EY\} & \textit{iff } P\left(\gamma,\delta,\Delta W\right)\in\left(\max\{\frac{1-d}{1+b},\frac{1}{2}\},1\right)\\ \{EN,EY\} & & ,\alpha^I=\{NC\}\end{cases}\tag{3}$$

Define pure-strategy Nash equilibria as pairs of pure strategies that are mutual best responses, that is, $\left(\alpha^{I*},\alpha^{O*}\right)$ such that $\alpha^{I*}\in BR^I\left(\alpha^{O*}\right)$ and $\alpha^{O*}\in BR^O\left(\alpha^{I*}\right)$. Then the best-response correspondences in (2) and (3) give rise to the following pure-strategy

Nash equilibria profile with respect to the exogenously determined probability $P(\gamma, \delta)$:

$$\left(\alpha^{I*}, \alpha^{O*}\right) = \begin{array}{ll} (C, EN) & \textit{iff } P(\gamma, \delta, \Delta W) \geq \frac{G\left(x^I\right)+(1+b-d)}{G(x^I)+2(1+b)} \textit{ and } P(\gamma, \delta, \Delta W) \leq \min\{\frac{d+b}{1+b}, \frac{1}{2}\} \\ (C, EY) & \textit{iff } P(\gamma, \delta, \Delta W) \geq \frac{G\left(x^I\right)-d}{G(x^I)} \textit{ and } P(\gamma, \delta, \Delta W) \geq \max\{\frac{1-d}{1+b}, \frac{1}{2}\} \\ (NC, EN) & \textit{iff } P(\gamma, \delta, \Delta W) \leq \frac{G\left(x^I\right)+(1+b-d)}{G(x^I)+2(1+b)} \\ (NC, EY) & \textit{iff } P(\gamma, \delta, \Delta W) \leq \frac{G\left(x^I\right)-d}{G(x^I)} \end{array} \tag{4}$$

A close examination of the above best-response correspondences reveals the existence of multiple equilibria at various points in the parameter space.[42] Whenever pure-strategy Nash equilibria do not exist, there are always corresponding mixed-strategy Nash equilibria. Overall the expectation derived from this model is that the incumbent party ($I$) is more likely to initiate a referendum ($C$) and the opposition ($O$) more prone to positively endorse it ($EY$) when the commonly perceived probability of a 'Yes' vote is relatively high. Whenever the domestic political climate appears to be highly polarized (that is, high $\gamma$) and the incumbent's gains from closer international cooperation relatively low, (that is, low $\Delta u\left(x_c, x_{SQ}; x^I\right)$), then the main opposition party is more likely to adopt a more confrontational and polarizing stance by calling for a negative popular vote ($EN$), thereby inducing a midterm assessment of government performance through a second-order type of election. However, it rarely appears to be the case that such partisan policy confrontation takes place at the ballot box rather than the parliamentary arena.[43] The adversarial outcome $(C, EN)$ arises as an unlikely equilibrium prediction, supported by a small range of parameter configurations that eventually vanishes for infinitesimal levels of the reputational gain from reflecting majority will ($b$). Finally, the possibility of pure strategy randomization (that is, the section of the parameter space that only supports unique mixed-strategy Nash equilibria) is decreasing in $b$ relative to $d$, becoming non-existent for $b \in [1-2d, 1)$. Note that $(C, NE)$ can never arise as a pure-strategy Nash equilibrium as there is no feasible parameter configuration that satisfies both $P(\gamma, \delta, \Delta W) \geq \frac{G\left(x^I\right)+(1-d)}{G(x^I)+(1+b)}$ and $\frac{d+b}{1+b} \leq P(\gamma, \delta, \Delta W) \leq \frac{1-d}{1+b}$ given that $G\left(x^I\right) > 0$. The same applies for $(NC, NE)$, that is, the outcome where neither the government nor the opposition favor popular ratification, since for any parameter configuration $O$ will want to rhetorically endorse a referendum, in order to reap the strictly positive reputational reward of appearing more democratic ($d > 0$).

[42] In this case the equilibria are not strict, which means that they do not consist of strict best responses. For at least one player not all possible deviations leave him strictly worse off.

[43] In light of our assumption about party cohesion and simple majority rules and the assertion that voters only care about policy outcomes insofar as they are excluded from the ratification process, the rhetorical intensity of the main opposition party in parliament has no effect on the payoffs of the game or the hypothetical outcome of the referendum vote; parliamentary debate is deemed to be insulated from external audiences.

## Comparative Statics and Utility Differentials

A close examination of the normal form of the simple majority ratification game depicted in Table 1 yields the following expressions for the utility differentials of both parties $I$ and $O$, where $\Delta U^i\left(a^i, a^{i\prime}|a^j\right) = U^i\left(a^i|a^j\right) - U^i\left(a^{i\prime}|a^j\right), a^i \in A^i, \forall i = I, O, i \neq j$:

$$\begin{aligned}
\Delta U^I\left(C, NC|EY\right) &= \Delta u\left(x_c, x_{SQ}; x^I\right) P\left(\gamma, \delta, \Delta W\right) \\
&\quad - \left[\Delta u\left(x_c, x_{SQ}; x^I\right) - \gamma d\right] \\
\Delta U^I\left(C, NC|NE\right) &= \left[\Delta u\left(x_c, x_{SQ}; x^I\right) + \gamma\left(1+b\right)\right] P\left(\gamma, \delta, \Delta W\right) \\
&\quad - \left[\Delta u\left(x_c, x_{SQ}; x^I\right) + \gamma\left(1-d\right)\right] \\
\Delta U^I\left(C, NC|EN\right) &= \left[\Delta u\left(x_c, x_{SQ}; x^I\right) + 2\gamma\left(1+b\right)\right] P\left(\gamma, \delta, \Delta W\right) \\
&\quad - \left[\Delta u\left(x_c, x_{SQ}; x^I\right) + \gamma\left(1+b-d\right)\right] \\
\Delta U^O\left(EN, NE|C\right) &= -\gamma\left(1+b\right) P\left(\gamma, \delta, \Delta W\right) + \gamma\left(b+d\right) \\
\Delta U^O\left(EY, NE|C\right) &= \gamma\left(1+b\right) P\left(\gamma, \delta, \Delta W\right) - \gamma\left(1-d\right) \\
\Delta U^O\left(EY, EN|C\right) &= 2\gamma\left(1+b\right) P\left(\gamma, \delta, \Delta W\right) - \gamma\left(1+b\right) \\
\Delta U^O\left(EN, NE|NC\right) &= \gamma d \\
\Delta U^O\left(EY, NE|NC\right) &= \gamma d \\
\Delta U^O\left(EY, EN|NC\right) &= 0
\end{aligned} \tag{5}$$

## Equilibria under Extreme Policy Positions

Even for some prior ideological commitment to a stated and commonly known pro- or anti- integration stance we assume that moderate opposition parties $\left(x^O \in [x_{SQ}, x_c]\right)$ may freely and costlessly switch positions as dictated by the strategic contours of the game; to boot, voters are arguably only aware of openly stated positions, that is, ideal points $x^j$, not the full ranking of policy alternatives, that is, utility functions $u\left(\cdot,\cdot\right)$. However, when parties have an established reputation of extremist views with respect to say European integration, then a directional assessment on the part of voters allows them to impose 'rhetorical consistency' costs on the opposition in the form of dwindling political capital. This implies that a position in favor or against the new treaty that runs counter to the party's established reputation becomes non-credible and thus strictly dominated. In the remainder of this subsection we consider the following two cases: i) integration-skeptic parties $\left(x^O < x_{SQ}\right)$ and ii) pro-integration parties $\left(x^O > x_c\right)$. In both cases we make the simplifying assumption of infinite rhetorical costs (which discontinuously drop to zero within the interval of moderate ideological preferences $[x_{SQ}, x_c]$).

For anti-integration opposition parties $\left(x^O < x_{SQ}\right)$ it is no longer a credible option to come out in favor of the new treaty $(EY)$ because of the irreparable damage done to their long-term reputation. That essentially locks them in an anti-integration ideological

position, which they may either choose to defend in a popular vote ($EN$) or in parliament ($NE$). In game-theoretic terms, the elimination of a strictly dominated strategy renders the ratification subgame a $2 \times 2$ normal-form game. A straightforward recalculation of best responses gives rise to the following set of pure-strategy Nash equilibria:

$$\begin{aligned} \left(\alpha^{I*}, \alpha^{O*}\right) = \quad & (NC, EN) \quad \textit{iff } P\left(\gamma, \delta, \Delta W\right) \in \left[0, \tfrac{G\left(x^I\right)+(1+b-d)}{G(x^I)+2(1+b)}\right] \\ & (C, EN) \quad \textit{iff } P\left(\gamma, \delta, \Delta W\right) \in \left[\tfrac{G\left(x^I\right)+(1+b-d)}{G(x^I)+2(1+b)}, \tfrac{b+d}{1+b}\right] \\ & (C, NE) \quad \textit{iff } P\left(\gamma, \delta, \Delta W\right) \geq \max\left\{\tfrac{G\left(x^I\right)+(1-d)}{G(x^I)+(1+b)} \cdot \tfrac{b+d}{1+b}\right\} \end{aligned} \tag{6}$$

As is evident from the above characterization of pure-strategy Nash equilibria, an increase in the probability of successful ratification by referendum has opposite effects on the two parties' equilibrium choice of ratification mechanism. The more likely the treaty is to pass a popular vote, the keener is the incumbent to call a referendum ($C$) in the first place and the more inclined is the opposition not to endorse one ($NE$). Note that in contrast to the equilibrium correspondence in equation 4 of the original $2 \times 3$ game it is now possible for $(C, NE)$ to become a pure-strategy Nash equilibrium for a high enough probability of successful ratification by referendum. This refers to cases of integration-skeptic opposition parties that would rather fight out their cause in parliament (without losing face to their core supporters) than lose a highly skewed popular contest.

In the case of strongly pro-integration opposition parties $\left(x^O > x_c\right)$ coming out against the new treaty becomes a strictly dominated strategy. This leads to the following set of pure-strategy Nash equilibria:

$$\begin{aligned} \left(\alpha^{I*}, \alpha^{O*}\right) = \quad & (NC, EY) \quad \textit{iff } P\left(\gamma, \delta, \Delta W\right) \in \left[0, \tfrac{G\left(x^I\right)-d}{G(x^I)}\right] \\ & (C, EY) \quad \textit{iff } P\left(\gamma, \delta, \Delta W\right) \geq \max\left\{\tfrac{G\left(x^I\right)-d}{G(x^I)} \cdot \tfrac{1-d}{1+b}\right\} \end{aligned} \tag{7}$$

We find that strongly pro-integration opposition parties never favor parliamentary ratification as part of a pure-strategy Nash equilibrium. Of course mixed-strategy equilibria may arise for a certain range of probabilities *if and only if* $G\left(x^I\right) < \frac{d(1+b)}{b+d}$.

## Alternative Constitutional Provisions for Referendum Initiation

As explained before, the strategic interplay between the incumbent party's prerogatives for referendum initiation and the opposition's rhetorical powers should be examined within the context of specific institutional rules for referendum initiation. The benchmark model is predicated on the presumption that only the incumbent has referendum initiation prerogatives, which is the most common rule amongst parliamentary democra-

| | | "O" | | |
|---|---|---|---|---|
| | | $EN$ | $EY$ | $NE$ |
| "I" | **C** | $Eu\left(\Pi;x^I\right)+\gamma EV\left(\mathcal{L}^I_{EN}\right),$ $Eu\left(\Pi;x^O\right)-\gamma EV\left(\mathcal{L}^I_{EN}\right)$ | $Eu\left(\Pi;x^I\right)+\gamma EV\left(\mathcal{L}^I_{EY}\right),$ $Eu\left(\Pi;x^O\right)-\gamma EV\left(\mathcal{L}^I_{EY}\right)$ | $Eu\left(\Pi;x^I\right)+\gamma\left(EV\left(\mathcal{L}^I_{NE}\right)+d\right),$ $Eu\left(\Pi;x^O\right)-\gamma\left(EV\left(\mathcal{L}^I_{NE}\right)+d\right)$ |
| | **NC** | $Eu\left(\Pi;x^I\right)+\gamma\left(EV\left(\mathcal{L}^I_{EN}\right)-d\right),$ $Eu\left(\Pi;x^O\right)-\gamma\left(EV\left(\mathcal{L}^I_{EN}\right)-d\right)$ | $Eu\left(\Pi;x^I\right)+\gamma\left(EV\left(\mathcal{L}^I_{EY}\right)-d\right),$ $Eu\left(\Pi;x^O\right)-\gamma\left(EV\left(\mathcal{L}^I_{EY}\right)-d\right)$ | $u\left(x_c;x^I\right),$ $u\left(x_c;x^O\right)$ |

Table 5: Ratification Game with Minority Referendum Initiation Provisions

cies in Europe. In a few countries, however, government majority in parliament is either oversufficient (minority provisions) or insufficient (supermajority provisions).

In countries like Denmark and Slovenia the parliamentary vote threshold for referendum initiation is low enough such that even minority opposition parties have such prerogatives. In this case, the specification of the normal-form game of ratification changes (see Table 5 below) with the main difference from the benchmark model in Table 1 being that the incumbent no longer possesses full control over the policy component of the ratification gamble, even though the opposition retains its influence over the political stakes of the valence component. Guaranteed parliamentary ratification of the treaty now only ensues when both mainstream parties opt against the referendum option.

The normal form of the minority ratification game depicted in Table 5 above gives us the following expressions for the utility differentials of both parties $I$ and $O$:

$$\begin{aligned}
\Delta U^I\left(C,NC|EY\right) &= \gamma d \\
\Delta U^I\left(C,NC|NE\right) &= \left[\Delta u\left(x_c,x_{SQ};x^I\right)+\gamma\left(1+b\right)\right]P\left(\gamma,\delta,\Delta W\right) \\
&\quad -\left[\Delta u\left(x_c,x_{SQ};x^I\right)+\gamma\left(1-d\right)\right] \\
\Delta U^I\left(C,NC|EN\right) &= \gamma d \\
\Delta U^O\left(EN,NE|C\right) &= -\gamma\left(1+b\right)P\left(\gamma,\delta,\Delta W\right)+\gamma\left(b+d\right) \\
\Delta U^O\left(EY,NE|C\right) &= \gamma\left(1+b\right)P\left(\gamma,\delta,\Delta W\right)-\gamma\left(1-d\right) \\
\Delta U^O\left(EY,EN|C\right) &= 2\gamma\left(1+b\right)P\left(\gamma,\delta,\Delta W\right)-\gamma\left(1+b\right) \\
\Delta U^O\left(EN,NE|NC\right) &= \left[\Delta u\left(x_c,x_{SQ};x^O\right)-2\gamma\left(1+b\right)\right]P\left(\gamma,\delta,\Delta W\right) \\
&\quad -\left[\Delta u\left(x_c,x_{SQ};x^O\right)-\gamma\left(1+b+d\right)\right] \\
\Delta U^O\left(EY,NE|NC\right) &= \Delta u\left(x_c,x_{SQ};x^O\right)P\left(\gamma,\delta,\Delta W\right) \\
&\quad -\left[\Delta u\left(x_c,x_{SQ};x^O\right)-\gamma d\right] \\
\Delta U^O\left(EY,EN|NC\right) &= 2\gamma\left(1+b\right)P\left(\gamma,\delta,\Delta W\right)-\gamma\left(1+b\right)
\end{aligned} \tag{8}$$

| | | "O" | | |
|---|---|---|---|---|
| | | $EN$ | $EY$ | $NE$ |
| "I" | **C** | $Eu\left(\Pi;x^I\right)+\gamma EV\left(\mathcal{L}^I_{EN}\right),$ $Eu\left(\Pi;x^O\right)-\gamma EV\left(\mathcal{L}^I_{EN}\right)$ | $Eu\left(\Pi;x^I\right)+\gamma EV\left(\mathcal{L}^I_{EY}\right),$ $Eu\left(\Pi;x^O\right)-\gamma EV\left(\mathcal{L}^I_{EY}\right)$ | $u\left(x_c;x^I\right)+\gamma d,$ $u\left(x_c;x^O\right)-\gamma d$ |
| | **NC** | $u\left(x_c;x^I\right)-\gamma d,$ $u\left(x_c;x^O\right)+\gamma d$ | $u\left(x_c;x^I\right)-\gamma d,$ $u\left(x_c;x^O\right)+\gamma d$ | $u\left(x_c;x^I\right),$ $u\left(x_c;x^O\right)$ |

Table 6: Ratification Game with Supermajority Referendum Initiation Provisions

On the other hand, the political system of a country such as Belgium contains supermajority parliamentary provisions for referendum initiation. This implies that both the incumbent and the main opposition party (depending on seat allocation) need to concur for an international treaty to be submitted to a popular vote.[44] In this case, electoral competition along the policy dimension is captured by the model specification in Table 6 below:

The normal form of the supermajority ratification game depicted in Table 6 above gives us the following expressions for the utility differentials of both parties $I$ and $O$:

$$\begin{aligned}
\Delta U^I\left(C,NC|EY\right) &= \Delta u\left(x_c,x_{SQ};x^I\right)P\left(\gamma,\delta,\Delta W\right)\\
&\quad-\left[\Delta u\left(x_c,x_{SQ};x^I\right)-\gamma d\right]\\
\Delta U^I\left(C,NC|NE\right) &= \gamma d\\
\Delta U^I\left(C,NC|EN\right) &= \left[\Delta u\left(x_c,x_{SQ};x^I\right)+2\gamma\left(1+b\right)\right]P\left(\gamma,\delta,\Delta W\right)\\
&\quad-\left[\Delta u\left(x_c,x_{SQ};x^I\right)+\gamma\left(1+b-d\right)\right]\\
\Delta U^O\left(EN,NE|C\right) &= \left[\Delta u\left(x_c,x_{SQ};x^O\right)-2\gamma\left(1+b\right)\right]P\left(\gamma,\delta,\Delta W\right)\\
&\quad-\left[\Delta u\left(x_c,x_{SQ};x^O\right)-\gamma\left(1+b+d\right)\right]\\
\Delta U^O\left(EY,NE|C\right) &= \Delta u\left(x_c,x_{SQ};x^O\right)P\left(\gamma,\delta,\Delta W\right)\\
&\quad-\left[\Delta u\left(x_c,x_{SQ};x^O\right)-\gamma d\right]\\
\Delta U^O\left(EY,EN|C\right) &= 2\gamma\left(1+b\right)P\left(\gamma,\delta,\Delta W\right)-\gamma\left(1+b\right)\\
\Delta U^O\left(EN,NE|NC\right) &= \gamma d\\
\Delta U^O\left(EY,NE|NC\right) &= \gamma d\\
\Delta U^O\left(EY,EN|NC\right) &= 0
\end{aligned} \tag{9}$$

As a final note, we remark some of the changes in the comparative statics behavior of

[44] A special case is Estonia, where a failed referendum leads to the dissolution of parliament and new elections. This increases the stakes of referendum initiation for all parties.

the model compared to the results presented in Table 2 as a consequence of alternative constitutional provisions for referendum initiation (see utility differentials in equations 8 and 9 above). The effect of the aggregate welfare differential variable ($\Delta W$) on the relative odds of $EN$ vs. $NE$ is ambiguous for $I$ both in the minority and supermajority cases and strictly negative for $O$ unless $\Delta u^O$ is very high. The partial effect of government popularity ($\delta$) on the relative odds of $EN$ vs. $NE$ is also ambiguous under both sets of provisions unless $\Delta u^O > 2\gamma\,(1+b)$, in which case the effect becomes - counterintuitively so - positive. Finally, we need to distinguish between the policy preferences of $I$ and $O$ with respect to their effect on the choice of $EY$ vs. $EN$, which remains strictly positive for $\Delta u^I$ and becomes zero for $\Delta u^O$.

## Appendix II: Additional Empirical Results

| Variables (parameter) | N | Mean | SD | Min | Max | Source |
|---|---|---|---|---|---|---|
| Party position | 175 | 1.88 | 0.85 | 1 | 3 | Dür and Mateo 2011 |
| Political capital ($\delta$) | 175 | 38.92 | 15.98 | 7.6 | 78.1 | Eurobarometer 2004b |
| Timing ($\gamma$) | 175 | 8.09 | 3.70 | 0.7 | 15.6 | www.parties-and-elections.de |
| Welfare ($\Delta W$) | 175 | 83.92 | 8.77 | 63.0 | 94.6 | Eurobarometer 2004a |
| Party benefit ($\Delta u$) | 169 | 13.10 | 22.86 | -61.4 | 58.5 | Veen 2011 |
| Legitimacy ($d$) | 175 | 74.41 | 13.57 | 40.7 | 94.7 | Eurobarometer 2003 |
| Minority | 175 | 0.11 | 0.32 | 0 | 1 | verfassungsvergleich.de |
| New member | 175 | 0.37 | 0.48 | 0 | 1 | Own data |
| Competitiveness | 175 | 5.07 | 1.72 | 2.0 | 8.9 | Gallagher and Mitchell 2008 |
| Ideology | 175 | 0.46 | 0.50 | 0 | 1 | www.parties-and-elections.de |

Table 7: Descriptive Statistics and Data Sources (Model 1)

| | Model A1 | | Model A2 | | Model A3 | |
|---|---|---|---|---|---|---|
| | EN/NE | EY/NE | EN/NE | EY/NE | EN/NE | EY/NE |
| Political capital | -0.05*** | -0.03* | -0.06** | -0.03 | -0.08*** | -0.05** |
| | (0.01) | (0.02) | (0.03) | (0.02) | (0.02) | (0.02) |
| Timing | -1.46*** | -0.37 | -2.02*** | -0.60 | -2.42*** | -0.53 |
| | (0.36) | (0.25) | (0.62) | (0.39) | (0.79) | (0.40) |
| $\text{Timing}^2$ | 0.08*** | 0.02 | 0.12*** | 0.03 | 0.15*** | 0.03 |
| | (0.02) | (0.02) | (0.04) | (0.03) | (0.05) | (0.03) |
| Welfare | -0.15*** | -0.06 | -0.19*** | -0.07 | -0.14 | -0.03 |
| | (0.05) | (0.05) | (0.07) | (0.08) | (0.09) | (0.06) |
| Party benefit | -0.08*** | 0.01 | -0.09*** | 0.03 | -0.11** | 0.02 |
| | (0.02) | (0.01) | (0.03) | (0.02) | (0.05) | (0.02) |
| Legitimacy | -0.02 | 0.05** | -0.02 | 0.10** | -0.04 | 0.05 |
| | (0.02) | (0.02) | (0.04) | (0.05) | (0.03) | (0.03) |
| Minority | 0.84 | 1.32 | 0.97 | 0.96 | 0.09 | 1.33 |
| | (1.04) | (1.07) | (1.37) | (1.25) | (1.60) | (1.46) |
| New member | -1.39*** | -1.07** | -1.07 | -1.44* | -1.00 | -1.47** |
| | (0.51) | (0.48) | (0.81) | (0.74) | (0.95) | (0.63) |
| Competition | 0.22* | -0.02 | 0.36 | 0.19 | -0.00 | -0.21 |
| | (0.13) | (0.16) | (0.24) | (0.32) | (0.29) | (0.25) |
| Ideology | 0.20 | 0.82*** | 0.78 | 1.75*** | 0.95 | 1.38*** |
| | (0.40) | (0.30) | (0.61) | (0.61) | (0.77) | (0.38) |
| Constant | 20.36*** | 2.82 | 24.47*** | 0.04 | 24.71*** | 1.99 |
| | (4.20) | (3.77) | (6.86) | (5.89) | (8.35) | (4.59) |
| Observations | 169 | 169 | 109 | 109 | 118 | 118 |
| Pseudo R2 | | | 0.39 | 0.39 | 0.31 | 0.31 |
| BIC | 338.68 | 338.68 | 248.67 | 248.67 | 237.81 | 237.81 |

Robust standard errors in parentheses; *** p<0.01, ** p<0.05, * p<0.1.

Table 8: Robustness Checks, Models A1-A3

| | Model A4 | | Model A5 | | Model A6 | |
|---|---|---|---|---|---|---|
| | EN/NE | EY/NE | EN/NE | EY/NE | EN/NE | EY/NE |
| Political capital | -3.96*** | -2.42*** | -0.10*** | -0.04* | -0.05* | -0.04* |
| | (1.29) | (0.75) | (0.02) | (0.02) | (0.03) | (0.02) |
| Timing | -1.15 | -1.57 | -1.95*** | -0.49 | -2.16*** | -0.57* |
| | (0.96) | (0.96) | (0.51) | (0.34) | (0.66) | (0.33) |
| Timing$^2$ | 9.39*** | -0.73 | 0.11*** | 0.03 | 0.12*** | 0.03 |
| | (2.32) | (1.48) | (0.03) | (0.02) | (0.04) | (0.02) |
| Welfare | -4.64*** | 0.11 | -0.14** | -0.07 | -0.20*** | -0.06 |
| | (1.17) | (1.00) | (0.07) | (0.07) | (0.07) | (0.07) |
| Party benefit | -5.59*** | 0.93 | -1.77*** | 0.19 | -0.12*** | 0.01 |
| | (1.10) | (0.64) | (0.34) | (0.24) | (0.03) | (0.01) |
| Legitimacy | -1.00 | 1.83** | -0.05 | 0.06* | -0.03 | 0.06* |
| | (0.78) | (0.85) | (0.04) | (0.04) | (0.03) | (0.03) |
| Minority | 0.51 | 0.51 | -1.53 | 1.58 | 1.14 | 1.87 |
| | (0.66) | (0.74) | (1.57) | (1.39) | (1.25) | (1.21) |
| New member | -2.41** | -1.84*** | -1.39* | -1.44** | -1.53** | -1.56*** |
| | (0.95) | (0.69) | (0.76) | (0.62) | (0.67) | (0.55) |
| Competitiveness | 0.85 | -1.25 | -0.21 | -0.01 | 0.30 | -0.03 |
| | (0.81) | (0.89) | (0.23) | (0.21) | (0.21) | (0.23) |
| Ideology | 0.22 | 1.18** | -0.62 | 1.14*** | 0.15 | 0.95** |
| | (0.61) | (0.52) | (0.67) | (0.40) | (0.57) | (0.39) |
| Country level variance | 3.58 | 3.58 | | | | |
| | -1.78 | -1.78 | | | | |
| Constant | -4.16*** | -0.54 | 35.93*** | 3.56 | 27.81*** | 4.28 |
| | (0.86) | (0.46) | (8.12) | (4.47) | (6.89) | (4.93) |
| N (clusters) | 169 (24) | 169 (24) | 165 (24) | 165 (24) | 169 (24) | 169 (24) |
| Pseudo $R^2$ | | | 0.4 | 0.4 | 0.38 | 0.38 |
| BIC | 338.68 | 338.68 | 321.59 | 321.59 | 338.64 | 338.64 |

Estimated coefficients from a multinomial logistic regression.
Robust standard errors in parentheses; *** p<0.01, ** p<0.05, * p<0.1.

Table 9: Robustness Checks, Models A4-A6

| | Model A7 | | Model A8 | |
|---|---|---|---|---|
| | EN/NE | EY/NE | EN/NE | EY/NE |
| Political capital | -0.11** | -0.13*** | -0.06*** | -0.04* |
| | (0.05) | (0.04) | (0.02) | (0.02) |
| Timing | -3.32*** | -1.41*** | -2.10*** | -0.39 |
| | (1.01) | (0.44) | (0.56) | (0.32) |
| Timing$^2$ | 0.21*** | 0.11*** | 0.12*** | 0.02 |
| | (0.07) | (0.03) | (0.04) | (0.02) |
| Welfare | -0.24*** | -0.09* | -0.22*** | -0.06 |
| | (0.08) | (0.05) | (0.07) | (0.07) |
| Party benefit | -0.16*** | 0.02 | -0.11*** | 0.02 |
| | (0.05) | (0.02) | (0.03) | (0.01) |
| Legitimacy | -0.05 | 0.07* | -0.03 | 0.07** |
| | (0.04) | (0.04) | (0.03) | (0.03) |
| Minority | -0.84 | 2.77** | 1.05 | 1.74 |
| | (1.41) | (1.27) | (1.41) | (1.36) |
| New member | 0.16 | -1.48* | -1.49** | -1.43** |
| | (1.18) | (0.83) | (0.69) | (0.61) |
| Competitiveness | -0.20 | -0.40* | 0.32* | -0.06 |
| | (0.29) | (0.23) | (0.19) | (0.21) |
| Ideology | 1.51** | 1.24** | 0.19 | 1.11*** |
| | (0.77) | (0.52) | (0.59) | (0.41) |
| Cohesiveness | -0.75* | 0.15 | | |
| | (0.40) | (0.38) | | |
| Constant | 42.21*** | 10.11 | 28.49*** | 2.66 |
| | (12.28) | (6.54) | (6.13) | (4.90) |
| N (clusters) | 136 (24) | 136 (24) | 163 (24) | 163 (24) |
| Pseudo $R^2$ | 0.49 | 0.49 | 0.49 | 0.49 |
| BIC | 241.82 | 241.82 | 323.69 | 323.69 |

Estimated coefficients from a multinomial logistic regression.
Robust standard errors in parentheses.
*** p<0.01, **p<0.05, * p<0.1.

Table 10: Robustness Checks, Models A7-A8