Supplementary Materials 2 – Theoretical and Empirical Extensions: The Role of Information Relevance, Costs, and Incentives

Our core theoretical argument and central empirical finding highlight that parties learn from or emulate the policies of other, foreign parties they regard as successful, because this is a useful heuristic. The natural tradeoff that accompanies our core claim is that it may be oversimplified, however. Accordingly, in these Supplementary Materials 2, we expand the theoretical and empirical purview by analyzing the role of information as it pertains to learning and emulation. Specifically, we focus on the incentives for gathering information, information costs, and information relevance.

Incentives for Gathering Information

Below, we will consider the *relevance* of information and the *costs* of gathering it, but the (electoral) incentives to gather it in the first place crucially matter as well. Theorizing party strategy under assumptions of bounded rationality, Budge (1994) argues that parties that have gained office in the last election do not employ a similar heuristic to parties that lose: winners stick closely to what succeeded last time, and losers are more risk averse (see also Somer-Topcu 2009).

If subscribing to this, winners have fewer incentives to look abroad than losers. Instead, they look to their own, past strategies (see also Cahill and Adams 2015). On the other hand, if successful, precisely because their strategy has been to emulate/learn from parties abroad, we would expect these parties to be at least as likely to do so in the future as opposition parties. To win office, party leaders often have to compromise between what the median voter wants and the policies that their activists and the internal "selectorate" desire (Wittman 1983). For policy-

concerned activists, the priority they put on their party winning office (and their willingness to compromise on policy) may well decline if their party has been in office recently. To the extent that the leadership responds to activists' views, they may have less of an incentive to look abroad and more of an incentive to focus on pleasing activists.

Information Costs

Transaction costs of gathering information about foreign parties matter for resource-constrained parties. Historically, these costs increased with *geographical distance*, while this is likely to be less important with modern communications.[1] That said, the *economic power* of country *b* might influence whether a party *i* in country *a* learns or emulates from the success of a party *j* in country *b*. Some suggest that this is more likely when *b* is more powerful than *a*. For instance, if *b* is powerful, there is likely to be greater coverage in *a*'s media of news from *b*, including national election coverage. Environmental and product standard legislation in *b* may also have become the *de facto* standard for *a*'s companies if they wish to access *b*'s large market (Vogel 1995).[2]

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[1] We present such analyses in the Supplementary Materials 3 and, in fact, they show that geographical distance hardly matters in our (European) context.

[2] If such legislation is influenced by a governing party in *b*, after some lag, parties in *a* may build relevant policies into their programs to try assist exporters by making domestic standards consistent. In the security domain, parties in *a* may adopt defense policies of influential parties in *b* with a view to maintaining alliance ties with a powerful country. Bilateral security ties between

While these considerations propose that small countries follow large countries, there are equally compelling arguments for why parties in small countries look, instead, to other small countries for useful information. For the same reasons that corporatist arrangements are common to small, open countries, political parties might also emulate and learn from parties in similar countries (and similarly, we expect parties in large countries to follow parties in large countries). Small, open economies face different economic challenges than powerful economies, because they are reliant on export markets over which they have little control. In addition, they are often price-takers that cannot influence world prices for their exports and because they have little in-fluence over world interest rates. Katzenstein (1985) argues that the lack of external control led to (several forms of) corporatist politics in countries with small open economies. While subse-quent research suggests that pressures from globalization have called some aspects of Katzen-stein's (1985) argument into question, there has been an adaptation of corporatist mechanisms, and this group of countries remains distinct (Huo and Stephens 2015). It may still be the case that policies of parties in other small, open countries are more relevant sources of information.

Information Relevance

Finally, parties may be more likely to learn from or emulate policies of other parties when they come from a *culturally similar* country as, being grounded in similar values, they are more likely to be electorally appealing. Simmons and Elkins (2004: 176) eloquently summarize this point when stating that "[t]he policies of culturally similar countries are perceived to (and in

states form a network over which information is revealed and positive externalities between states' defense policies are created (Kinne 2013).

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fact may) contain highly relevant information on the appropriateness of a particular policy in a specific context of shared values." Consistent with these arguments, discursive institutionalism (Schmidt 2008) emphasizes that conveying ideas is dependent on common cognitive and normative framings, i.e., it is difficult to distill the relevant information from a party in a radically different political culture.

Culture is one path for information to travel between political parties; another one is given via political institutions. Political institutions (and constitutions) differ in many respects. There are, for example, majoritarian and proportional systems, and states may also be conceived of as being closer or further away from each other in a space in which these characteristics are defined. In turn, parties may have greater incentives to search for information about party programs in states that are "structurally similar" from an institutional perspective (see Cao 2012). Ultimately, this is because the road to power is conditioned by the nature of the system, e.g., considerations of potentially having to work with coalition partners are generally lower in majoritarian systems. Certainly, the costs of construal will increase when the system is less culturally familiar or less structurally similar, just as the relevance of the information is likely to be lower.

Ultimately, we test the following three additional hypotheses:

Information Incentives Hypothesis: Government and opposition parties respond differently to the left-right position of foreign political parties.

Information Costs Hypothesis: The difference in countries' economic power conditions how parties respond to the left-right position of foreign political parties.

Information Relevance Hypothesis: Structural similarity in culture and electoral system conditions how parties respond to the left-right position of foreign political parties.

The Role of Information Relevance, Costs, and Incentives: Empirical Analysis

Table 1 and Figure 1 in these Supplementary Materials 2 summarize our core findings when implementing the theoretical extensions just discussed. We present five additional models, which all introduce a conditional effect into our core models as presented in Table 3 of the main article. To this end, Models 1 and 2 in Table 1 here split the sample into parties that are in the government or in the opposition at time *t*. That is, Model 1 only analyzes those parties *i* of the party dyad *i* and *j* that are in the government at time *t*. Conversely, only the opposition parties *i* of the dyad *i* and *j* are considered for Model 2. The data on the government-opposition status of a party are reported in Döring and Manow (2012). All other settings for these models mirror the research design for Model 7 of the main article.

Second, Model 3 replaces our foreign-part spatial lags by ΔGDP: $\mathbf{W}y^{\text{Foreign Incumbent}}$ and ΔGDP: $\mathbf{W}y^{\text{Foreign Incumbent Bloc}}$. While both items still capture the rationale of our original foreign spatial lags, we now introduce the difference in countries' real GDP in 2005 prices (Gleditsch 2002). Specifically, these two spatial lags have to fulfill the condition of a foreign-incumbent party or a foreign-incumbent party from the same ideological bloc to receive a value of 1 in the elements of the weighting matrix, but we also introduce the following: for $i{\neq}j$, $w_{i,j}$=(GDP$_{\mathrm{j}}$ − GDP$_{\mathrm{i}}$) if GDP$_{\mathrm{j}}$ > GDP$_{\mathrm{i}}$ and 0 otherwise (see Ward and John 2013: 16). The elements $w_{i,j}$ of the weighting matrix are thus continuous and, given the distribution of GDP, will lead to rather small coefficient estimates in the regression. We thus multiply the coefficient estimates by 1,000,000 in Figure 1 here to facilitate interpretation.

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Third, Model 4 has a similar approach as Model 3, although we replace the distance in real GDP values by the inverse of states' cultural distance. In detail, we adopt Kandogan's (2012) revised version of Kogut and Singh's (1988) standardized measure of cultural differences. This variable is more accurate than previously used measures of culture as it moves beyond simple indicators of common religion, similar languages, or political systems. In more detail, while the degree of cultural differences is notably difficult to conceptualize, Kogut and Singh (1998) offer a simple and standardized measure of cultural differences, which is based on Hofstede's (1980) dimensions of national culture. Hofstede (1980: 25) defines culture as "the collective programming of the mind which distinguishes the members of one human group from another." A group can refer to nations, regions, ethnicities, religions, occupations, organizations, or gender. He then classified countries along four main anthropological issue areas that societies handle differently: the ways of coping with inequality, the ways of coping with uncertainty, the relationship of the individual with her primary group, and the implications of having been born as female or male. In turn, Hofstede translated these into four dimensions of national culture: *power distance*, i.e., the strength of social hierarchy; *uncertainty avoidance*, i.e., the discomfort with uncertainty and ambiguity; *masculinity vs. femininity*, i.e., preferences for achievement, heroism, assertiveness, and material rewards for success vs. cooperation, modesty, caring for the weak, and quality of life; and *individualism vs. collectivism*, i.e., preferences for a loosely-knit social framework in which individuals are expected to take care of only themselves and their families in contrast to preferences for a society in which individuals expect members of a particular in-group to look after them in exchange for loyalty.

These dimensions of national cultures are rooted in people's values, where values are "broad preferences for one state of affairs over others […] they are opinions on how things are and they

also affect our behavior" (Hofstede, 1985, p. 347). As such, by explicitly taking into account the values held by the majority of the population in each of the surveyed countries, these dimensions can effectively capture differences between countries in their norms, perceptions, and ways to deal with conflicting situations. Higher cultural distance pertains to higher divergence in opinions, norms, or values. Kogut and Singh (1988) then developed a composite index based on the deviation from each of Hofstede's (1980) four dimensions of national culture. Kandogan (2012) revised the original variable by moving beyond the assumption in Kogut and Singh (1988) that the covariance between the four different dimensions of culture is 0.

In light of this, the elements $w_{i,j}$ of Culture: $\mathbf{W}y^{\text{Foreign Incumbent}}$ are the *inverse* of the cultural distance between two parties $i{\neq}j$ if and only if parties i and j are not based in the same country, and if j has recently been part of the government (or the governing coalition) during the year before the last election in its own system before time t (0 otherwise). Similarly, the weighting matrix's values of Culture: $\mathbf{W}y^{\text{Foreign Incumbent Bloc}}$ are the inverse of the cultural distance between two parties $i{\neq}j$ if and only if parties i and j are not based in the same country but belong to the same ideological bloc, and if j has recently been part of the government (or the governing coalition) during the year before the last election in its own system before time t (0 otherwise). To avoid very small coefficients in Figure 1 of the Supplementary Materials 2, we multiplied the estimates by 100,000.

Finally, System: $\mathbf{W}y^{\text{Foreign Incumbent}}$ and System: $\mathbf{W}y^{\text{Foreign Incumbent Bloc}}$ pertain to our foreign-party spatial lags, which we modified so that values of 1 in the weighting matrix are only assigned to parties from the same electoral system (i.e., majoritarian, proportional, or mixed). The data on electoral systems are taken from Bormann and Golder (2013).

Table 1. The Diffusion of Domestic Party Policy Positions – Multiple Spatial Lag Models

	Model 1 – Government	Model 2 – Opposition	Model 3 – ΔGDP	Model 4 – Culture	Model 5 – Elect. System
Constant	-3.687	-1.055	-0.648	-0.730	-0.974
	(1.762)**	(1.123)	(0.843)	(0.833)	(0.835)
Lagged Party Position	0.647	0.744	0.738	0.738	0.739
	(0.024)***	(0.017)***	(0.013)***	(0.013)***	(0.013)***
Lagged Median Voter	0.767	0.378	0.373	0.315	0.353
	(0.300)**	(0.207)*	(0.158)**	(0.161)*	(0.158)**
Lagged Economic Globalization	0.050	0.020	0.023	0.019	0.024
	(0.022)**	(0.014)	(0.011)**	(0.012)*	(0.011)**
Lag Median Voter *	-0.009	-0.005	-0.005	-0.004	-0.005
Lagged Economic Globalization	(0.004)**	(0.003)*	(0.002)**	(0.002)*	(0.002)**
$\mathbf{W}y^{\text{Domestic}}$	0.006	0.005	0.005	0.005	0.006
	(0.003)**	(0.002)***	(0.002)***	(0.001)***	(0.002)***
$\mathbf{W}y^{\text{Domestic Bloc}}$	0.008	0.003	0.002	0.002	0.002
	(0.005)	(0.003)	(0.002)	(0.002)	(0.002)
$\mathbf{W}y^{\text{Foreign Incumbent}}$	0.005	0.003			
	(0.002)**	(0.002)*			
$\mathbf{W}y^{\text{Foreign Incumbent Bloc}}$	0.001	-0.000			
	(0.001)	(0.000)			
ΔGDP: $\mathbf{W}y^{\text{Foreign Incumbent}}$			-8.22e-10		
			(0.000)		
ΔGDP: $\mathbf{W}y^{\text{Foreign Incumbent Bloc}}$			6.02e-10		
			(0.000)		
Culture: $\mathbf{W}y^{\text{Foreign Incumbent}}$				3.27e-08	
				(0.000)*	
Culture: $\mathbf{W}y^{\text{Foreign Incumbent Bloc}}$				4.30e-09	
				(0.000)	
System: $\mathbf{W}y^{\text{Foreign Incumbent}}$					0.001
					(0.000)***
System: $\mathbf{W}y^{\text{Foreign Incumbent Bloc}}$					-0.001
					(0.001)
Observations	1,067	1,651	2,718	2,718	2,718
Year and Party FEs	Yes	Yes	Yes	Yes	Yes
R^2	0.818	0.909	0.878	0.878	0.878
RMSE	0.348	0.296	0.323	0.323	0.323

Notes. Table entries are coefficients; standard errors in parentheses; year and country fixed effects included in all models, but omitted from presentation; the scale for party position (dependent variable) is recalibrated from the left-right estimates reported by the CMP; all explanatory variables are one-year lags, the spatial lags capture parties' policy positions of the year before the last election.
* $p<0.10$; ** $p<0.05$; *** $p<0.01$

Figure 1. Short-Term and Asymptotic Long-Term Spatial Effects of $\mathbf{W}y^{\text{Foreign Incumbent}}$
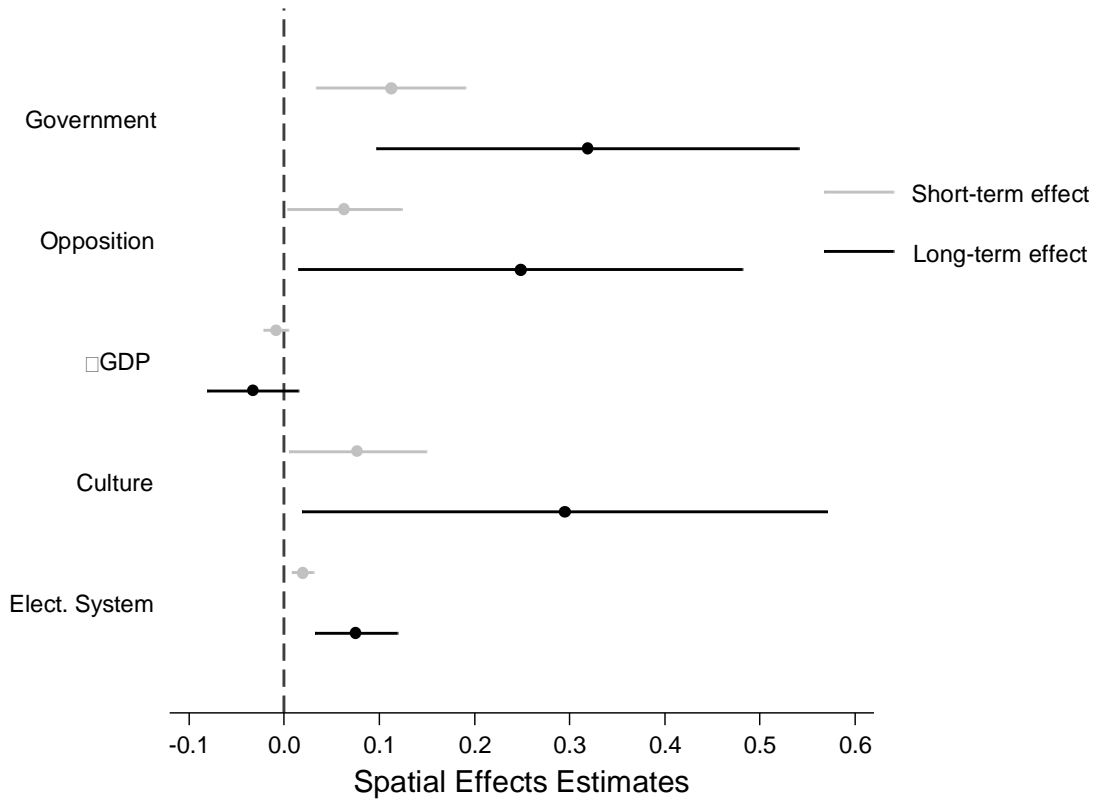
Notes. The horizontal bars are 90 percent confidence intervals and the vertical dashed line represents a spatial effect of 0. Estimates are based on models in Table 1. Effects for *Joint Culture* and *GDP Difference* have been multiplied by 100,000 and 1,000,000, respectively, to facilitate interpretation.

The results are summarized in Table 1 and Figure 1 (substantive short-term and long-term effects of the modified core variable, $\mathbf{W}y^{\text{Foreign Incumbent}}$), and two core findings emerge from there. On one hand, the results for the non-modified variables, including the domestic-level spatial lags, remain unchanged compared to Tables 2 and 3 in the main text. On the other hand, even when considering the conditional effects for our foreign-party spatial lags, our main conclusion that parties *learn from and emulate foreign successful parties* does generally hold. That is, $\mathbf{W}y^{\text{Foreign Incumbent}}$ is still associated with a positive and statistically significant estimate in Models 1 and 2 above, which implies that being in power or the opposition does not affect a party's ra-

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tionale to learn and emulate. Note, however, that $\mathbf{W}y^{\text{Foreign Incumbent}}$ in the opposition model has a somewhat smaller effect than in Model 1 and is only marginally significant. We also obtain positive coefficient estimates of $\mathbf{W}y^{\text{Foreign Incumbent}}$ when allowing for conditioning by a joint electoral system and the inverse of the cultural distance between two parties. In substantive terms, for example, when following Plümper and Neumayer (2010: 430f) who suggest multiplying the coefficient of the spatial lag that is based on a non-row standardized matrix with the average number of neighbors in order to estimate the short-term impact, a party's left-right policy position would be 0.02 (0.08) units greater in the short (long) run, if its neighbors (i.e., all other foreign parties that were part of the government before their last election and that have the same electoral system as the party under study) had, on average, increased their left-right score by one unit in the year before the last election.

Ultimately, we find support for most expectations stemming from our theoretical extensions. The only exceptions are ΔGDP: $\mathbf{W}y^{\text{Foreign Incumbent}}$ and ΔGDP: $\mathbf{W}y^{\text{Foreign Incumbent Bloc}}$, which are associated with statistically insignificant effects. However, in light of the two contradictory mechanisms outlined above, this may not necessarily seem surprising. That is, if the two mechanisms, (1) parties from small countries learning from and emulating parties from bigger countries and (2) parties from similarly sized countries learning from and emulating each other, are in fact jointly at work, they will cancel each other out in the observable net effect leading to the overall insignificance of $\mathbf{W}y^{\text{Foreign Incumbent}}$ and ΔGDP: $\mathbf{W}y^{\text{Foreign Incumbent Bloc}}$.

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