Institutional Change and Ethnoterritorial Party Representation at the European Level

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Prepared for presentation at the “European Identities? Regionalism, Nationalism and Religion” Conference, London, UK, October 2008. The research for this paper was supported by the Wallis Institute’s Program in Empirical Policy Research and the Charles E. Lanni Research Fellowships. I am grateful to Bonnie Field and Jae-Jae Spoon for their suggestions and access to election data. I thank Matthew Jacobsmeier and Jessica Stoll for their research assistance.
Abstract:

Over the past forty years, Western European countries have faced both pressures to decentralize and, conversely, pressures to transfer competencies to the supranational level of the EU. Despite the joint occurrence of these processes, the existing literature has typically explored only their separate effects. This paper begins to fill this lacuna by examining the effect of decentralization on the European electoral fortunes of some of decentralization’s most prominent supporters, ethnoterritorial parties. Consistent with the claim that ethnoterritorial parties in decentralized regions still see the European Union as a useful arena for expressing enhanced regionalist identities and pursuing additional political and financial legitimacy, cross-sectional time-series analyses reveal that decentralization increases the vote shares of ethnoterritorial parties. Thus, counter to the fears that increasing the number of levels of government will create competing centers of power and serve to demobilize voters, these results suggest that – for at least some parties – these political environments prove complementary.
Over the past forty years, the countries of Western Europe have faced multiple challenges to the power of their national governments. With the deepening of European integration, control over fiscal, social, immigration and certain dimensions of foreign policy has been relocated from the national to the supranational level. At the same time, demands for greater regional autonomy have led, in many of these countries, to the adoption of decentralization schemes, with policy competencies over areas such as health, education, and other social programs devolved to subnational levels. The power of national governments is being hollowed out both from above and below.

Despite the joint occurrence of these two processes, the scholarly literature has typically explored the impact of Europeanization and decentralization separately.\(^1\) In terms of political party fortunes, research (Marsh 1998; Kousser 2004) has shown that governing parties are punished in European Parliamentary elections, whereas smaller parties tend to benefit, especially relative to their national support levels. The effects of decentralization have been less well established, but there is evidence that greater regional autonomy is expected to (and often does) hurt governmental parties and strengthen the support of ethnoterritorial actors at the subnational level (Meguid n.d.). However, there is no research to date on whether, across countries and over time, these processes reinforce each other or whether, by changing the structure of the institutional environment and the geographic focus of the actors and voters, they undermine each other.

The goal of this paper is to shed light on the interaction between decentralization and further European integration and, specifically, their effects on party fortunes. While these processes could influence the support of any set of parties that competes at multiple levels (i.e.,

\(^1\) Notable exceptions are Lynch (1996) and De Winter and Gomez-Reino (2002).
The paper begins by examining the incentives introduced by EU integration and decentralization for ethnoterritorial party mobilization and electoral support. I then derive hypotheses about the expected effect of decentralization on the electoral performance of ethnoterritorial parties in EP elections. Cross-sectional time-series analyses of the effects of decentralization support the claim that ethnoterritorial parties still see the European Union as an arena for expressing regionalist identities and pursuing additional political and financial legitimacy; controlling for the diverse national, European and party-specific incentives for ethnoterritorial party performance in EP elections, this paper finds that the vote share of ethnoterritorial parties increases with decentralization. Thus, rather than creating competing...
arenas of power and interest, these results suggest that the multiplication of levels of government can be a complementary process, at least for some political parties.

**Europeanization and Decentralization: Incentives for Ethnoterritorial Party Support**

In 1979, the nine member-states of the European Community first conducted direct elections for the European Parliament. Eight ethnoterritorial parties from four countries were among the approximately 93 parties that contested the elections.² Over the next twenty-five years, as the European Community and then European Union enlarged, the number of ethnoterritorial parties presenting candidates in the EP elections likewise increased. Some of these ethnoterritorial parties came from the new EU members of Spain and Finland, while others were new parties, or at least new EP-contestants, from the older member-states. By the EP elections of 2004, 12 lists of ethnoterritorial parties (comprising at least 31 parties) from Western European countries were fielding candidates in these supranational elections.

**The Advantages of European Integration**

For ethnoterritorial parties, the European Union provides political and even financial opportunities. The European Parliament opens up the possibility of ethnoterritorial party political representation and influence over a growing number of policy areas. While many of these regionalist actors already participate in elections in their own countries, the institutional structure of the EP provides advantages for these parties over national political arenas.

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² These four countries are Belgium, Denmark, Italy and the United Kingdom.
First, in some countries, the rules used to elect MEPs are more permissive, and thus more favorable to smaller parties, than the rules employed in national elections.³ In his analysis of the post-1999 EP, Kousser (2004: 12) identifies three cases – Belgium, France and the United Kingdom – where the electoral rules and structure of the electoral constituencies employed in the EP elections advantage minor parties.⁴ Applying this same logic for the pre-1999 period, we find that the number of such countries is two – Belgium and France. Minor parties are favored when PR rules are employed in the EP elections but not at the national level, as is the case in France and the United Kingdom (the latter from 1999 onwards). The fact that EP districts are typically larger than constituencies for national elections further enhances the proportionality of the EP elections, again benefiting minor parties; this determines the more propitious European electoral environment facing the Belgian parties, according to Kousser (2004).⁵

Second, smaller parties are advantaged by the “second-order” nature of the EP elections. This term, coined by Reif and Schmitt (1980), refers to the fact that the European Parliament has fewer competencies, and thus is a less important body, than national legislatures.⁶ It follows, Reif and Schmitt argue, that voters will be less likely to turn out to EP elections than national ones and, more germane for our analysis, that those voters who do turn out will be more likely to vote sincerely than strategically; without having to worry about which parties could form a government, voters in EP elections can cast their ballots for the party closest to their preferences.

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³ These conclusions are based on the fact that (1) while there is no uniform electoral system in place for EP elections across countries, most of the countries have adopted some form of proportional representation, and (2) the electoral systems employed by countries for EP elections do not always match those used in national elections.
⁴ In the 1999 EP elections, the United Kingdom employed proportional representation rules, bringing it into line with all the other member-states. Prior to this time, EP elections in the UK were conducted under plurality rules in single-member districts.
⁵ This conclusion depends on there being a large enough number of seats to allow the larger district size to provide more proportional outcomes. Kousser (2004: 12) argues that an inadequate number of seats is behind the higher threshold of office attainment in EP than national elections in the countries of Denmark, Luxembourg, the Netherlands and Portugal.
⁶ This term has also come to be associated with the idea that voters cast ballots on the basis of national issues, rather than European issues.
This effect disproportionately advantages smaller parties, including ethnoterritorial parties, which often fall victim to voters’ concerns about “wasting votes” in national elections. Alternatively, it has been argued that the low importance level of these elections encourages protest voting and that the minor party boost in EP elections comes from the fact that protest votes are likely to be given to smaller, non-mainstream parties.

The European Union also provides advantages to ethnoterritorial parties outside of elections to the European Parliament. The creation of the Committee of Regions (COR) by the 1992 Maastricht Treaty formally recognized the role of regions in the governance of the European Union. The body, which consists of members of regional and local governments of the member-states, serves in an advisory capacity on EU legislation on a range of issues relevant to European regions. And outside of representation channels, the EU provides direct financial opportunities for regions and their ethnoterritorial parties. Established in 1975, the European Regional Development Fund (ERDF) allocates funds to aid economically disadvantaged regions and localities. This funding is not trivial. For the period of 2000 to 2006, the amount of funding available to regions through the ERDF made up 49% of the EU Structural Fund operations, or approximately 17% of the total EU budget (Nugent 2003: 312).

Together, the institutional features of the European Union create political and financial opportunity structures in which ethnoterritorial parties in particular can voice their policy demands, gain legitimacy and acquire financial support for their regions. Because the EU provides an institutional environment over the head of national government, these advantages should accrue to ethnoterritorial parties in centralized as well as decentralized national political
arenas. The expectation, therefore, is that ethnoterritorial parties across EU member-states will be likely to contest EP elections and should gain non-trivial degrees of support.\(^7\)

**The Advantages of Decentralization**

The European level is not, however, the only non-national arena in which ethnoterritorial parties have political and financial opportunities. Across Western Europe over the past four decades, countries have been creating subnational, or regional governmental structures through the process of decentralization. While the exact configuration differs across and even within countries, five countries – Italy, Spain, France, Belgium, United Kingdom – during this time period established a subnational level of government with directly elected officials who have control over executive, legislative and, in some cases, even financial decisions on a circumscribed set of policy areas. An additional seven countries increased the autonomy of their existing regions.\(^8\) In other words, regions have gained powers that were previously held by the national governments.

The creation of these regional governments is expected to have a positive effect on ethnoterritorial parties. Decentralization multiplies the number of governmental offices and the number of elected governmental officials with control over significant policy-making and implementing capabilities. While all parties that compete at the regional level have access to these offices, ethnoterritorial parties are particularly well placed to benefit from these reforms. The process of decentralization reinforces the importance of the region politically and in the minds of the voters. It provides incentives for regionally based demands and identities. This

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\(^7\) I model the determinants of the precise level of ethnoterritorial EP support later in this paper.

\(^8\) This calculation is based on the number of Western European countries whose degree of regional autonomy, as measured by Hooghe et al.’s (2008) Regional Authority Index variable, increased between 1970 and 2006. As discussed more extensively in the data section of this paper, this measure captures the degree of self and shared rule of subnational units in a country.
coincides with and, therefore, serves to legitimize and strengthen the ethnoterritorial parties’ longtime message that the region is the natural unit of politics and society.\(^9\) Combine this with the fact that most Western European governments adopted decentralization to appease electorally threatening ethnoterritorial parties (Heller 2002; Meguid n.d.), and we would expect these parties to prosper electorally from the decentralization process at the subnational level.

Although this topic has not been the subject of much research to date, there is evidence of the office advantages of decentralization (both anticipated and realized) for ethnoterritorial parties relative to other parties. Research into the decision of the British Labour Party to decentralize to Scotland highlights how the Labour elites anticipated their party losing support and the ethnoterritorial SNP gaining support at the new subnational level (Meguid n.d.). Labour’s expectations were borne out, with Labour votes and seat shares in elections to the Scottish Parliament declining relative to their national performance in this region as well as over time.\(^{10}\) Concurrently, voter support for the ethnoterritorial champion of decentralization, the Scottish National Party, has increased. In 2007, the SNP took over control of the regional Scottish government, replacing a Labour-Liberal Democrat coalition government. This case is not unique in Western Europe. Decentralization in Spain has also led to mainstream party losses at the regional level and the regular control of Spanish regional governments by ethnoterritorial parties.

Based on the institutional features of decentralization as reinforced by this preliminary evidence, decentralization is expected to boost the legitimacy, electoral support and political power of ethnoterritorial parties. These parties are now in a position to benefit from the political and financial opportunities that come from influencing policy or, in cases of more limited

\(^9\) This effect would also extend to other parties that have regionalist identities or are regionally concentrated.

decentralization where the region has only executive powers, from participating in a system focusing on the specific needs of the region.


Both European integration and decentralization provide significant opportunities for the set of parties that campaign for the strengthening of the region and the weakening of the national government. But it has yet to be studied whether these processes are complementary or conflicting. Since the participation of European member-states in their first directly elected European Parliamentary elections, three countries have undergone significant decentralization reforms, establishing directly elected regional governments in 30 regions. The other two Western European countries to decentralize since 1970 have also increased the autonomy of their regions since contesting EP elections.¹¹ With decentralization reinforcing the regional focus of politics in these countries and satisfying, to some degree, the political demands of the ethnoterritorial parties, what role does the European Union continue to play for the ethnoterritorial parties? To what extent are ethnoterritorial parties and their voters still mobilizing at the European level? There are two possible, and contradictory, answers to these questions. In this section, I spell out the two sets of hypotheses and the mechanisms behind each.

Decentralization changes the need of ethnoterritorial parties for the European level and for representation in the European Parliament. This observation is at the heart of both sets of hypotheses. But the implications of this observation for ethnoterritorial participation and success at the European level and in the EP differ depending on whether the two institutions are seen as

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¹¹ Italy and Spain initiated their decentralization processes in 1972 and 1979, respectively, before they contested their first EP elections (in 1979 and 1987, respectively).
substitutes or complements. For those of the first opinion, ethnoterritorial party commitment to
the EU and vote shares in EP elections should decline with higher levels of regional
decentralization. This prediction rests on the idea that the European Union was always seen as a
second-best environment for ethnoterritorial parties unable to achieve their primary goal of
regional autonomy or even regional independence. Participation at the European level was a
means for ethnoterritorial parties to pressure national governments for increased regional
recognition and autonomy. Funds from the European Regional Development Fund were a
substitute for the lack of national-level support for regional improvement.\(^{12}\)

This perspective is supported by evidence that the ethnoterritorial party commitment to
the European Union is not necessarily strong and has varied within the party family and over
time. Based on an assessment of Eurobarometer data for 1996, De Winter and Gomez-Reino
(2002: 492) find that ethnoterritorial party voters are not necessarily champions of the EU.
While supporters of some regionalist parties in Flanders, Wales, Catalonia and the Basque
Country are the most pro-EU parties in the region, voters of ethnoterritorial parties in Finland,
Italy, Scotland, the Canary Islands and Valencia are the least pro-EU. Expert survey data also
reveal a variation in the degree of EU support within the ethnoterritorial party family over time.
According to De Winter and Gomez-Reino (2002: 491), the ethnoterritorial parties only had “the
most-outspoken pro-EU attitudes” of any party family in 1984.

With decentralization increasing the focus on regional politics and boosting regional
powers and the availability of regional resources, ethnoterritorial parties have less need for the
European level. As a result, we can expect the retreat of these parties and their voters to the
regional level. Less effort and attention will be paid to non-regional levels, including the

\(^{12}\) De Winter (2002:131) provides an additional reason. He notes that European integration is another form of power
centralization and that this runs counter to the decentralizing policy goals of ethnoterritorial parties.
European level, and we can expect the turnout of ethnoterritorial party voters, and consequently the support for these parties, in EP elections to decline. It is important to note that these expectations do not depend on the ethnoterritorial party having secured all of its regional autonomy policy goals. For ethnoterritorial parties ultimately seeking regional independence, decentralization may only be the first step. However, the ethnoterritorial party may gamble that this objective can be best achieved from within the country and the region; these parties will look to the region, and not to the EU, to champion independence or to pass a referendum on secession.

While this is one perspective on the effects of decentralization on ethnoterritorial party mobilization at the European level, it is not the only possibility. The second set of hypotheses is based on the view that these institutions are complementary. Having achieved decentralization, ethnoterritorial parties and their voters will remain engaged with and mobilized at the European level. The anticipated result is a positive relationship between decentralization and EP vote share; the electoral support of ethnoterritorial parties will increase along with the degree of regional autonomy.

This outcome can emerge for both expressive and instrumental reasons. With regard to the former, voters whose regional identity and identification with the ethnoterritorial parties has been boosted as a result of decentralization may demonstrate that allegiance in other electoral arenas. This rests on the idea that the electoral advantages that ethnoterritorial parties have at the new subnational level translate into advantages at other levels; more voters support ethnoterritorial parties in the subnational elections, thereby increasing voter loyalty for these
parties, and this results in more voters supporting these parties in the European Parliament elections.\textsuperscript{13}

Continued and increased engagement at the European level by ethnoterritorial parties and their voters may also be driven by more instrumental objectives. While the implementation of a decentralization scheme in a country may be consistent with the goals of an ethnoterritorial party, it may not fully satisfy them. In regions, such as Wales, where few political powers are devolved, the ethnoterritorial party may seek a more extensive transfer of policy-making competencies. Even at the other extreme where countries have effectively become federal, ethnoterritorial parties may desire more financial responsibilities or even demand independence, as in the Basque country. Given the legitimacy, representation and financial support that is available from the European Union, ethnoterritorial parties may continue to prioritize participation at the European level. Ethnoterritorial voters are also likely to recognize the importance of continued support at the supranational level for champions of decentralization. The adoption of decentralization will have helped validate the voters’ past support for the ethnoterritorial parties. Consequently, further support for ethnoterritorial parties is unlikely to be seen as a waste.

Survey evidence highlights another important use of the ethnoterritorial party’s continued engagement with the European level: voters are likely to be less fearful of the regionalist party’s desire for regional independence if independence occurs within the context of the European Union. For example, according to the Scottish Social Attitudes Survey of 2001, which was conducted since the creation of the subnational Scottish Parliament, 18% of respondents supported Scottish independence within the European Union, as opposed to only 9% percent who

\textsuperscript{13} Based on this logic, we might expect decentralization to lead to an increase in ethnoterritorial party support at all levels. However, given that ethnoterritorial parties call into question the primacy of the national level, it seems more likely that their support would increase only at non-national levels, such as regional, local and supranational levels.

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favored being independent from the UK and the EU. This 2 to 1 split was also present among SNP partisans: forty-one percent of SNP identifiers preferred independence within the EU versus 21% preferring it outside of the EU. And this conclusion is not limited to Scotland. According to De Winter and Gomez-Reino (2002: 488), “[Europeanization] has also reduced the economic and military costs of the option of ‘independence within Europe’.”

Data and Case Selection

The above discussions have spelled out two contradictory sets of expectations about the effect of decentralization on ethnoterritorial party performance in EP elections. The focus of the rest of the paper is on testing these propositions. The dependent variable for my analyses is the percentage of votes received by an ethnoterritorial party in a European Parliament election. Following the definitions advanced by Müller-Rommel (1998) and De Winter (2002), an ethnoterritorial party is defined as a regionalist party that prioritizes and champions regional identity and autonomy in its varying degrees. For this analysis, I consider all ethnoterritorial parties or party lists that contested at least two consecutive EP elections between 1979 and 2004. Note that in EP elections, while some parties present their own lists, others often combine to present common lists of candidates. I include as ethnoterritorial those lists that are identified as representing an ethnoterritorial party or contain a majority of ethnoterritorial party candidates.

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15 The same relationships emerge if we examine respondent and SNP partisan preferences from before Scottish decentralization was implemented. According to the 1997 Scottish Election Survey, 18% of respondents and 47% of SNP partisans preferred independence within the EU versus 8% of respondents and 20% of SNP partisans who preferred independence outside of the EU context. Calculations from McCrone et al. 1999.
16 Data are taken from Braun 2008.
17 Data from two consecutive elections are necessary for modeling an ethnoterritorial party’s vote in cross-sectional time-series analyses using lagged dependent variable models.
For substantive and statistical reasons, I am interested in the support received by ethnoterritorial parties as a party family.\textsuperscript{18} Thus, in countries where multiple ethnoterritorial parties compete against each other in the same EP electoral district, the value of the dependent variable is the sum of those parties’ vote shares.\textsuperscript{19} While this situation emerges for ethnoterritorial parties in elections at all levels, it is particularly germane for EP elections in which many countries aggregate votes and assign seats on the basis of a nationwide district. This is the situation in Spain. Thus, I analyze the support for its myriad of ethnoterritorial parties together.\textsuperscript{20} The resulting set of ethnoterritorial parties included in the analysis is listed in Table 1.

\textsuperscript{18} With the data organized as party panels, the separate inclusion of multiple ethnoterritorial parties contesting the same district might violate the assumed independence of the observations. It could introduce the possibility that the electoral success of one ethnoterritorial party simply reflects the failure of a different ethnoterritorial party in the same district.

\textsuperscript{19} The Lega Nord poses an exception to this rule. Unlike most regionalist parties, it contests electoral districts outside of its regional “homeland.” In the 2004 EP elections, for example, the LN ran lists in all five Italian districts. However, it was not competing with the other ethnoterritorial parties included in this dataset in three of those regions. In light of this fact and the recognition that combining all Italian parties would lead to the loss of 10 observations from the data analysis, LN has been included as a distinct party in the regressions.

\textsuperscript{20} Even if we were willing to ignore the statistical problems of modeling the vote share of competing regionalist Spanish parties, it would be impossible to include these parties separately. Spanish ethnoterritorial parties often form national party lists with other ethnoterritorial parties from the same and different regions. For instance, in the 2004 EP elections, the ethnoterritorial party lists were GALEUSCA, Europa de los Pueblos and Coalición Europea. As a result, parties do not individually accrue votes, and thus the percentage of voters casting ballots to support a particular party in a given list cannot be determined.
TABLE 1: W. European Ethnoterritorial Parties Included in the Analysis of EP Vote

<table>
<thead>
<tr>
<th>Country</th>
<th>Party Panel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>Front Démocratique des Francophones/Mouvement Réformateur, Rassemblement Wallon Volksunie/Spirit</td>
</tr>
<tr>
<td>Denmark</td>
<td>Siumut</td>
</tr>
<tr>
<td>Finland</td>
<td>Svenska Folkpartiet</td>
</tr>
<tr>
<td>Italy</td>
<td>Lega d’Azione Meridionale</td>
</tr>
<tr>
<td></td>
<td>Lega Nord</td>
</tr>
<tr>
<td></td>
<td>Südtiroler Volkspartei</td>
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<tr>
<td></td>
<td>Union Valdôtaine</td>
</tr>
<tr>
<td>Spain</td>
<td>All Spanish Ethnoterritorial Parties contesting EP elections (e.g., Herri Batasuna, Partido Nacionalista Vasco, Eusko Albakasuna, Convergència I Unió, Esquerra Republicana de Catalunya, Bloc Nacionalista Valencià, Coalición Andalucista Poder Andaluz, Chunta Aragonesista, Esquerra Republicana del País Valencià, Coalición Canaria, Unio Mallorquina, Union Renovadora Asturiana, Union Valencia, Bloque Nacionalista Galego, Partido Andalucista, Andechas Astur)</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>Plaid Cymru, Forward Wales</td>
</tr>
<tr>
<td></td>
<td>Scottish National Party</td>
</tr>
</tbody>
</table>

Source: Braun 2008.

Explanatory Variables

An assessment of how ethnoterritorial party support changes in response to domestic institutional change requires a measure of that change. The main explanatory variable of interest is, therefore, a measure of the degree of decentralization in a country and region. As seen across the countries and regions of Western Europe, decentralization is not a black-or-white phenomenon. National governments transfer different configurations and degrees of competencies to the subnational level. And these differences not only exist between countries but also within countries and over time. On the basis of these observations, crude indicators of federal versus non-federal systems used in other contexts (e.g., Castles 1999 and Lane and Ersson 2000) are not appropriate. Rather, the variable must provide a more nuanced measure of the degree of powers decentralized to the subnational level (e.g., executive, legislative and/or...
financial powers) and the structure of those subnational offices (whether the office is directly elected). Moreover, the variable must account for regional differences within a country, by providing data at the regional level. To avoid losing observations in the already limited six point time-series of EP elections (1979-2004), data should be available yearly or approximately every five years for the entire time period under analysis.

Based on these criteria, I use the Regional Authority Index (RAI) constructed by Hooghe et al. (2008). This variable captures a region’s degree of self and shared rule. The former is defined as “the authority exercised by a regional government over those who live in the region,” and the latter is “the authority exercised by a regional government or its representatives in the country as a whole” (Hooghe et al. 2008: 260-1). The eight measures that comprise the index are indicators of a regional government’s administrative autonomy, executive and legislative representation, fiscal autonomy, range of policy competencies, role in national legislation, participation in intergovernmental meetings, determination of national tax revenue distribution, and ability to influence constitution change. This measure is available for regions in all the Western European EU member-states from 1979 to 2004.

For the analysis, I use the RAI measure for the region with which the ethnoterritorial party in question identifies and in which the ethnoterritorial party presents candidates in national and regional elections. For those parties that represent geographically diverse peoples or that contest elections nationwide, such as the SFP in Finland, the LN in Italy and ethnoterritorial

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21 This is particularly important for countries with asymmetrical decentralization, where the powers devolved to one region may be very different from the powers devolved to another.

22 For a more detailed discussion of the components of the Index and its coding, see Hooghe et al. (2008: 123-42).

23 Many other measures of decentralization and regional autonomy have been created over the past decade (e.g., Arzaghi and Henderson 2005; Brancati 2006; Hooghe and Marks 2001). Hooghe et al.’s (2008) Regional Authority Index is the only measure that provides data for the regions, countries and time period under examination in this paper.
parties of Spain, I use the RAI values for the basic regional level. The possible values of the RAI measure for a given region range from 0 to 24, where 0 is no regional authority and 24 is extreme regional authority.

The expected relationships between the RAI variable and ethnoterritorial party vote vary by hypothesis. If, on the one hand, decentralization and European integration are substitutes, then the EP vote of ethnoterritorial parties should decline as the RAI increases. If, on the other hand, these two processes are complementary, ethnoterritorial party vote shares should remain the same or increase with higher levels of RAI.

**Institutional Control Variables**

The advantages that ethnoterritorial parties are expected to have in EP elections, and thus the effects of decentralization on their vote shares, turn on the institutional features of those European elections. To account for the differences in ethnoterritorial party vote over time and across countries, it is important to control for these institutional features. These factors can be divided into country-specific, party-specific and period effects.

As discussed previously, the electoral system facing parties contesting EP elections is not homogeneous across the EU member-states (or over time). Prior to 1999, Great Britain used plurality rules, while the rest of the countries used a variety of proportional representation rules; all countries employed some form of PR after this time. Likewise, countries differ in the number

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24 In the Finnish case, I use the values for the regional level (i.e., maakuntien). For the parties in Spain, I use the RAI value for the general autonomous community. For the Lega Nord, I use the values provided for the non-historical regions of Italy (the regions of ‘ordinary status’ as opposed to the regions of ‘special status’). The RAI figures for the LN case may underestimate the degree of decentralization in the regions comprising Lega Nord’s ‘homeland’ of Padania. However, because the party contests EP elections in districts composed of ‘ordinary regions,’ I made the decision to err on the side of underestimating the degree of regional autonomy and thus the true effect of decentralization on the party’s EP vote.

25 While there are cases in the Hooghe et al. (2008: Appendix B) dataset that have RAI scores of zero (e.g., Iceland and Luxembourg), there are no subnational units that have the highest possible score of 24. The German länder and the “entities” of Bosnia and Herzegovina come closest with scores of 21 and 22, respectively.
of constituencies that they have. Many have a single national district, whereby parties compete in national lists. In other countries, there are regional or even smaller districts.

Both the electoral rules and the organization of the EP constituencies are expected to influence the vote shares of ethnoterritorial parties. The vast literature on the effect of electoral systems in general (e.g., Duverger 1954; Lijphart 1994; Ordeshook and Shvetsova 1994; Cox 1997) suggests that parties do better under more permissive electoral rules, such as proportional representation, and large electoral districts, which enhance the proportional effect. And Kousser’s (2004) analysis of EP elections reveals that minor parties in particular gain higher levels of support in EP than in national elections when the EP system is more proportional and has larger constituencies.

There is reason to believe, however, that the relationships between these variables and ethnoterritorial party vote may be different. As noted by Rae (1971) and Sartori (1976), countries with regionally concentrated parties, like ethnoterritorial parties, are the exception to Duverger’s law; their support levels are expected to be higher under plurality rules than PR rules. This claim is substantiated by Meguid (2008: 74) for ethnoterritorial party support in national elections in Western Europe.26 Similarly, nationwide districts may hinder regional parties that have difficulties appealing to voters across the country, or even coming up with enough potential MEPs to populate or resources to mount a national list; these issues have repeatedly frustrated the efforts of French ethnoterritorial parties to contest EP elections (see Lynch 1996: 170). Regional districts present fewer monetary or list-populating problems and serve to reinforce the regional identity of many ethnoterritorial parties.

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26 In a similar vein, Gomez-Reino et al. (2006: 256) conclude: “In comparison with other newcomers, ethnoregionalist parties seem to suffer less in a majoritarian system.”
To test these conflicting hypotheses and control for the varied institutional setting in which the ethnoterritorial parties compete, I include two dummy variables. The first is coded 1 if the electoral system is PR, and 0 if it is plurality. The second variable is coded 1 if a country employs subnational constituencies for the EP elections, and 0 if it has one nationwide district. These coding are based on data from Bowler and Farrell (1993), Nugent (2003) and Farrell and Scully (2005). Building on the minor party-specific logic, we expect a positive relationship between EP vote and the first variable and a negative relationship between EP vote and the second variable. The predictions are the opposite if ethnoterritorial parties benefit from plurality rules and smaller, geographically concentrated constituencies.

Just as the EP elections have institutional characteristics that should affect the electoral support of any ethnoterritorial party, research demonstrates that their institutional features also have party-specific effects. Parties in national government consistently receive lower electoral support in EP elections than non-governing parties (Marsh 1998; Kousser 2004). While the literature has focused their discussions mainly on the mainstream parties leading the government, their rationale suggests that the same effect should emerge for any party represented in the government or government coalition. Thus, I include a variable indicating whether the ethnoterritorial party was a formal member of the governing coalition during the time of the EP election. This information is taken from Woldendorp et al. (1998), supplemented for the 1995-2004 period with data from the annual country summaries in the European Journal of Political

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27 There is a discrepancy in the coding decisions of Nugent and Farrell and Scully for the EP district structure of Italy in 2004. For the regression analyses, I have followed the work of Farrell and Scully and coded the Italian system as aggregating the vote nationally (i.e., having one national district) for this election. If I follow Nugent’s coding of Italy as having subnational constituencies, my general conclusions are identical, with one exception. In this version, the coefficient of the electoral rules variable now attains statistical significance of p=0.09.

28 Voters are thought to turn against governing parties because of midterm malaise or retrospective assessments.

29 I do not code an ethnoterritorial party informally supporting a minority government, such as was regularly seen in Spain, as being a governing party.
If the hypothesis applies to ethnoterritorial parties as well, I would expect a negative relationship to emerge.

The EU is an evolving institution. Changes to the power of the EP and its emphasis on regions should have an effect on the electoral support of political parties and ethnoterritorial parties in particular. The passage of the Maastricht Treaty in 1992 ushered in such changes. The Treaty introduced the co-decision procedure of legislation, increasing the role of the European Parliament in EU decision-making. The Treaty also created the Committee of Regions. Both of these reforms provide ethnoterritorial parties with greater opportunities to advance their policy objectives at the European level, and thus we might expect an increase in ethnoterritorial party vote share in EP elections held after 1992.

This is not the only possible implication for the support of these parties, though. The increase in the power of the European Parliament after Maastricht challenges the second-order nature of its elections. With MEPs having more power, voters might have become more strategic in their voting decisions, leading to a decline in support for minor parties, ethnoterritorial parties included. This conclusion relies, however, on the assumption that the average European voter is aware of the changes in the EP. It is more likely that the ethnoterritorial parties are motivated by the increase in EP power and EU attention to the region and that they, in turn, mobilize their specialized electorate. Thus, I expect a positive relationship between ethnoterritorial party vote and a dummy variable coded 1 for EP elections held after 1992, and 0 before.
Statistical Analyses of Ethnoterritorial Party Vote in the EP Elections

Clues about the effects of these variables emerge from an initial analysis of the data. As shown in the bivariate correlations in Table 2, the degree of decentralization is positively and significantly correlated with the vote percentage received by an ethnoterritorial party in the European elections. This outcome suggests that ethnoterritorial parties and their voters may be motivated by (1) the strengthening in their regional identification triggered by decentralization and/or (2) the advantages of the EU for decentralized regions to increase their support of these parties in EP elections.

Table 2: Bivariate Correlations of Ethnoterritorial Party EP Vote & the Independent Variables

<table>
<thead>
<tr>
<th></th>
<th>Ethnoterritorial Party EP Vote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decentralization</td>
<td>0.2706*</td>
</tr>
<tr>
<td>PR Electoral Rules</td>
<td>0.2483</td>
</tr>
<tr>
<td>Subnational Electoral Districts</td>
<td>-0.4706**</td>
</tr>
<tr>
<td>Member of the Government</td>
<td>0.3698**</td>
</tr>
<tr>
<td>Maastricht/COR Creation</td>
<td>0.2827*</td>
</tr>
</tbody>
</table>

*** p ≤ 0.001  ** p ≤ 0.01  *p ≤ 0.1

The bivariate correlations also reveal some expected and unexpected findings about the control variables. Consistent with our hypotheses, ethnoterritorial party vote is significantly higher after the passage of the Maastricht Treaty and its enhancement of the powers of the EP and creation of the Committee of Regions. Supporting the claims by Kousser (2004) for the vote share of minor parties, but running counter to the claim based on the regional advantages of ethnoterritorial parties, the presence of subnational electoral districts is correlated with a reduction in ethnoterritorial party vote share. No statistically significant relationship emerges between vote and the electoral rules variable.
Surprisingly, the governmental status of an ethnoterritorial party turns out to have a positive and significant effect on its EP vote share, contrary to the findings of the literature (e.g., Marsh 1998; Kousser 2004). While we will need to see if this positive relationship is robust to multivariate analysis, it suggests that ethnoterritorial parties are not being punished, like the mainstream governmental actors examined by Kousser, for their involvement in government. Given that these ethnoterritorial parties are only ruling as part of a coalition government and that the voter’s ability to assign policy responsibility and blame is lower in coalition governments than single-party governments (Powell 2000), it is logical that voters may only hold the larger, more visible governmental parties responsible, downplaying the power or even forgetting about the presence of the smaller, ethnoterritorial coalition partners. Of course, further investigation is necessary into why their governmental status would actually boost – rather than just not harm – the ethnoterritorial parties’ support.

The bivariate correlations provide some hints about the explanatory power of decentralization. But to fully understand the effects of this institutional reform on the electoral support of ethnoterritorial parties, we need to consider its influence when the other factors shaping the general EP electoral environment are controlled for. To test my hypotheses, I employ pooled cross-sectional time-series analyses. I ran ordinary least squares (OLS) regressions with lagged dependent variables and panel-corrected standard errors. I followed the advice of Beck and Katz (1995, 1996) and included a lagged dependent variable to eliminate autocorrelation in the underlying data.\(^{30}\)

\(^{30}\) Because the decentralization variable is often time invariant within party panels and has similar values across ethnoterritorial party panels within the same country, we cannot include country fixed effects (Beck and Katz 2001: 492). But any concerns about having unmodeled country-specific effects are allayed. The institutional control variables added to the model provide a more theoretically rigorous and substantive way of capturing any country-specific factors in an ethnoterritorial party’s vote than would the set of substantively empty placeholder country dummies. Indeed, as a rule, Beck and Katz (2001: 493) recommend including substantive predictors of country-level effects over country dummies.
Table 3: Models of Ethnoterritorial Party Vote Percentage in the European Parliament Elections 1979-2004

<table>
<thead>
<tr>
<th>Expected Sign</th>
<th>Model I</th>
<th>Model II</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decentralization (Regional RAI)</td>
<td>+</td>
<td>0.07*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.05)</td>
</tr>
<tr>
<td>PR Electoral Rules</td>
<td>+ (Marsh, Kousser)</td>
<td>-1.68</td>
</tr>
<tr>
<td></td>
<td>- (ethnoterritorial lit.)</td>
<td>(1.07)</td>
</tr>
<tr>
<td>Subnational Electoral Districts</td>
<td>+ (ethnoterritorial lit.)</td>
<td>-0.19</td>
</tr>
<tr>
<td></td>
<td>- (Kousser)</td>
<td>(1.02)</td>
</tr>
<tr>
<td>Member of the Government</td>
<td>-</td>
<td>1.26</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(1.22)</td>
</tr>
<tr>
<td>Maastricht/COR Creation</td>
<td>+</td>
<td>0.76*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.41)</td>
</tr>
<tr>
<td>Vote % t-1</td>
<td>0.85***</td>
<td>0.81***</td>
</tr>
<tr>
<td></td>
<td>(0.09)</td>
<td>(0.11)</td>
</tr>
<tr>
<td>Constant</td>
<td>-0.08</td>
<td>0.30</td>
</tr>
<tr>
<td></td>
<td>(0.59)</td>
<td>(1.35)</td>
</tr>
<tr>
<td>$R^2$</td>
<td>0.7552</td>
<td>0.7844</td>
</tr>
<tr>
<td>N</td>
<td>41</td>
<td>41</td>
</tr>
</tbody>
</table>

*** p ≤ 0.001  ** p ≤ 0.01  *p ≤ 0.1

Table 3 presents the results of my multivariate analyses of ethnoterritorial party vote share, with the predicted signs of the explanatory variables listed in column two. As revealed by both Models I and II, decentralization has a positive and statistically significant effect on the EP vote share of an ethnoterritorial party: as the degree of decentralization in a region increases, voter support for the ethnoterritorial party in that region also increases. These results offer support for the claim that the European Union remains important for ethnoterritorial parties even as they achieve (some of) their regional goals.
This positive effect of decentralization translates into a significant boost in an ethnoterritorial party’s vote share. Based on the results from the more complete Model II, a change in the RAI measure from one standard deviation below the mean (RAI=5) to one standard deviation above it (RAI=18) results in an increase in ethnoterritorial party vote of 1.71 percentage points.\textsuperscript{31} With the mean vote share of the ethnoterritorial party panels in my dataset at 4.05%, this jump caused by decentralization is equivalent to an almost 50% increase in party vote. Clearly, this domestic institutional reform has significant supranational effects.

The results from Model II also highlight the importance of the institutional environment in which EP electoral competition takes place. As foreshadowed by the bivariate correlations, the Maastricht Treaty variable has the expected positive effect on ethnoterritorial party vote. Consistent with the idea that these regional parties view the European Union as a source of political and financial resources – both before and especially after decentralization – their support is estimated to increase by 0.76 percentage points when the EP has more powers and when the importance of regions is explicitly recognized within the European decision-making process. There is no evidence therefore that voters shy away from supporting ethnoterritorial parties as the importance of the EP, and the possibility of wasting a vote, increases.

The effect of proportional representation electoral rules on EP vote shares is just short of significance. But given the lack of previous statistical analysis on the institutional determinants of ethnoterritorial party EP vote, the sign of the coefficient is worth discussing further. According to Model II, ethnoterritorial party vote is expected to be weaker in EP elections held under proportional representation than under plurality rules. While this finding runs counter to general theories on minor party performance, it reinforces the recent work on ethnoterritorial

\textsuperscript{31} This change in RAI is equivalent to going from a level of regional autonomy less than that enjoyed by provinces in centralized Finland to the level found in Brussels post-decentralization.
parties. As shown by De Winter (1998: 219) and Meguid (2008) for national-level elections, these regionalist parties benefit from electoral systems that reward geographic concentration. Of course, due to the lack of statistical significance of the electoral rules variable in Model II, we must be cautious about putting too much emphasis on this result.

There is no support for the hypotheses that ethnoterritorial EP vote share is significantly different in countries with subnational than nationwide districts. Similarly, although the sign is positive as was seen in the bivariate correlations, being a member of a national government has no statistically significant effect on the EP vote share of an ethnoterritorial party.

Discussion

The twin processes of European integration and decentralization have come to shape the political and electoral opportunities for political parties across Western Europe over the past forty years. And yet, no research to date has systematically explored the interaction of these two institutional reforms across countries and over time. This paper fills this lacuna by examining the degree to which decentralization alters the vote shares of ethnoterritorial parties in European Parliament elections from 1979 to 2004. These parties are the most susceptible to the effects of decentralization at the EP level as they are typically the champions of decentralization and their engagement at the European Union has been influenced by their pursuit of regionalist policies.

This paper finds evidence that domestic processes have an effect on ethnoterritorial party performance at the European level. Specifically, higher levels of decentralization are associated with higher levels of party support in the EP elections. This evidence is consistent with the argument that, even for parties moving closer to achieving their main policy goals, the European level still proves useful and attractive. Voters are building upon heightened regionalist
identification and expressing their identity and ethnoterritorial partisanship at new levels of governance, and/or the parties and their voters view the EU as providing further resources and political support for their next goals of greater regional autonomy or independence. While confirmation of the individual mechanisms behind this result requires further analyses using individual-level survey data or interview data, the findings of this paper suggest that multiple levels of governance can reinforce each other, rather than providing competing arenas that undermine each other.

My analyses also highlight the importance of European institutions for the electoral support of ethnoterritorial parties. Voter support increases after 1992 when MEPs gain more power and the EU prioritizes regional interests in the legislating process. Although we might expect that the increase in MEPs’ power boosts support among all political parties, the analyses also demonstrate the distinctiveness of ethnoterritorial parties among other minor political actors. While the coefficients are not statistically significant, there is tentative evidence that electoral rules and even governmental membership influence ethnoterritorial parties differently from other minor parties. Additional analyses are, however, necessary to confirm these observations.

This paper represents a first step in the exploration of the effect of decentralization on political party performance. For the ethnoterritorial parties that contest EP elections, decentralization has had a positive effect, at least electorally. The regionalist logic behind this vote boost is not conceptually limited to ethnoterritorial parties, however. Indeed, although ethnoterritorial parties are the most obvious and often were the earliest versions of regional parties, they are not the only ones. Regionalist parties of various political stripes have emerged in many EU member-states. And this paper’s claims about the effects of decentralization on EP vote should, for the most part, apply to these cases. Although non-ethnic regionalist parties may
be less motivated by the EU’s legitimization of independentist movements, regionalist party
voters should be equally likely to take advantage of the increased EU attention to the regions and
the opportunity to express an already enhanced regionalist party allegiance at the European level.
Whether decentralization’s reach extends beyond ethnoterritorial to other regionalist parties is,
thus, a promising subject that awaits future research.
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