This study challenges the perceived wisdom that economic globalisation has rendered social democracy a historically exhausted project. Utilising data gathered from election manifestos, the paper presents evidence to show that social democratic parties have continued to fashion a multitude of responses to globalisation and have not revised their ideological stances in ways that are consistent with the globalisation orthodoxy. In seeking to explain continued social democratic party diversity, the study draws on the fundamental insights of new-institutionalist theory. This approach examines the linkages between party positions and political institutions and shows how institutional configurations refract the pressures of globalisation and elicit a multitude of social democratic policy stances.

The analysis focuses on the manifesto positions of social democratic parties on welfare policy from the 1970s to the late 1990s. Data on social democratic parties in more than 20 OECD democracies are obtained from a dataset produced by the Comparative Manifestos Project and examined longitudinally. The data are measures of the priority social democratic parties attach to welfare state expansion, welfare state limitation and social justice. The results show that party positions oscillated substantially between the 1970s and 1990s. There are no clearly visible patterns in the data and, importantly, no directional trends.

In seeking to explain why social democratic parties continue to pursue a multitude of different policy paths, the paper draw on the insights of new-institutionalist theory. The approach is defined broadly, with the study utilising four strands of new-institutionalism. The bulk of the paper was given over to empirical institutionalism, the primary analytical tool deployed to uncover the influence of institutional variables on social democratic choices. The theoretical arguments of empirical institutionalist theory are operationalised into quantitative measures and a range of statistical methods are used to demonstrate the influence of institutional variables on party welfare-ideological profiles during the three-decade period.

The explanatory power of new-institutionalism is further explored in a case study of the German Social Democratic Party and Agenda 2010, a radical package of welfare reforms the party launched in 2003. Three alternative new-institutionalist approaches are employed to illustrate how the role of institutions in influencing social democratic choices can be understood and explained in different ways.