

THE FINANCIAL CRISIS AND ITS IMPACT ON CITIZENS' ELECTORAL BEHAVIOR ON THE
NATIONAL LEVEL – A TEST OF HYPOTHESES

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Some authors have only recently suggested that the financial crisis might invert the direction of causality as has been known from research on the public opinion about European level politics. Previously, citizens' attitudes toward the national level were assumed to influence opinions about the European Union and EU integration. However, our research explores to what extent the predominant role of European (and international) institutions and actors in handling the financial crises actually leads citizens to include their attitudes about the European level when making decisions about national electoral choices. We would expect this to be especially true given the increased salience which voters attribute to the issue of European integration and European (that is, supranational) governance. We had intended to test our argument by drawing on data from two surveys we are undertaking in Hungary, Poland, and Slovakia and which all include specific indicators designed to test this innovative argument. Due to delays with the data gathering beyond the researchers' control we substituted (albeit in a limited way) these data with available not calibrated with this specific research question in mine. Nonetheless, we proceed here by offering a test of hypotheses of the presumed causes of increasing or declining Euroscepticism as a result of the crisis. Specifically, we advance two arguments, one from a rationalist-materialist, the other one from a psychological cultural perspective that establish a causal link between the effect of the financial crisis and voters' attitudes. Subsequently we test two hypotheses including a full model derived from the arguments and present the findings.

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INTRODUCTION

In the last three years, the ramifications of the financial crisis have been debated in terms of national autonomy and European integration. Moreover, there have been questions as to how the effects of the crisis influence citizens' attitudes toward the European Union and toward the cohesion among countries (or: globalization) in general. Recent election results have been ambiguous as we have seen both the electoral gains of radical populist parties such as in France and also the success of mainstream parties such as in the Netherlands and Spain (in regional elections).

In general, scholarly research has so far seemed unconcerned about, or at least unsure of the potential impact of the financial crisis on public opinion toward national political actors. As the latter shapes national elections and their outcomes, and thus domestic and international politics, it should be important to scholars to gain a better understanding of the effect of financial crises on domestic electoral behavior. We are therefore interested in what effect the global financial crisis actually has on the domestic decision making of the electorate.

Based on a close reading of literature, which we discuss below, on how the issues and actors at the European level affect national public opinion, it is reasonable to argue that the financial crisis leads to a nationalist backlash in citizenries of the EU member states, resulting thereby in an increased electoral support for (extreme) right-wing or left-wing parties. The argument is driven by the assumption that the financial crisis requires the intervention by the European Union and other supranational institutions (such as the IMF) into areas of national autonomy and sovereignty of the EU's member states. That intervention is likely to affect negatively especially those people's views on international governance in countries that only recently gained full sovereignty, as citizens are forming the impression of being ruled from without. As a result, citizens should become even more interested in questions of national autonomy and therefore support political actors that represent such positions in their statements and party programs.

To analyze this argument, we intended to test these expectations on the basis of a new survey to be undertaken in Poland, Hungary and Slovakia (as examples of countries which have become fully sovereign only twenty years ago and in which the memory of being suppressed by other actors is still vivid). However, we were forced to delay the survey as the process of

complying with an European Commission mandated ethics review of our questionnaire encountered a series of administrative hurdles in those countries where the research was to take place. We discuss this in more detail below. Although we have, by now, managed to address these problems successfully, we are not yet able to present the data here. Instead, we will seek to demonstrate our argument by applying data derived from other surveys (such as the Eurobarometer and the European Social Survey). Obviously, these data have not been calibrated to fit our research question and argument. As a result, the empirical evidence provided in the remainder of this paper should not be seen as a rigorous test of our argument but rather as an illustration of our expectations.

LITERATURE REVIEW

The concept of ‘politicization’ has received increasing attention in research on European integration in recent years (cf. de Wilde 2011, Wilde and Zürn 2012). Drawing on closely related concepts, researchers have explored the consequences of European integration for electoral politics both at the national and the European level (e.g., Marks and Steenbergen 2004; Szczerbiak and Taggart 2008a; b; van der Brug and van der Eijk 2007), as well as the role of public opinion— especially when it comes to referenda on a country’s membership or on further steps of integration (e.g., Hug 2002; Kaufmann and Waters 2004; Wagschal 2007). The question how Europe actually affects party competition and electoral behavior has been answered differently so far: ranging from Mair’s (2000) reserved notion of a ‘limited impact’ to metaphors of a sleeping giant’ who is just about to awake (de Vries 2007; Green-Pedersen 2012; van der Eijk and Franklin 2007).

Our point of the departure is the scholarship on the relationship between international political issues and domestic public opinion. For several decades now, public opinion about international political issues has been thought of as dependent on the position of political parties and political elites. This is because the latter provide certain cues based on which citizens form attitudes (De Vries and Edwards 2009; but see already Carruba 2001). Authors have argued especially that the low degree of salience attributed by citizens to issues such as the European Union and the behavior of International Institutions like the UN and the IMF leads to a low level of both citizens’ knowledge and interest. Thus, public opinion toward international politics or foreign policy has also been thought of as having little to no effect on electoral decision-making in the national context, making it therefore unnecessary for parties

in international negotiations to be responsive to the attitudes of citizens. While this might be true for the European context in the 80s and 90s, US scholars have already shown for those decades that public opinion toward international politics was not as incoherent and relatively disinterested as had been previously thought, but that the latter did also in fact have an influence on governmental actors when making decisions. Such findings have again sparked the interest among European scholars when analyzing the consistency and the impact of public opinion in relation to the European level.

Their results so far have suggested that public opinion toward the European level is actually dependent on the citizens' own preferences toward international economic interaction, toward supranationalism in general, and toward the cooperation with other countries (cf., Boomgarden et al. 2011, Lubbers and Scheepers 2010; Banducci et al. 2009; McLaren 2002, 2007; De Vries and van Keersbergen 2007; Anderson 1998). These findings also demonstrated that European issues are becoming increasingly influential in electoral decision-making in European elections (see e.g., Krouwel and Abts 2007). The latter can therefore no longer be seen as a second order-election in which national governments are evaluated on the grounds of national policies. As the salience of the European Union in everyday life increases, citizens are more likely to evaluate their national parties in European elections by the stance they take on European (and not-national issues). Nonetheless, the European Union did not seem to have mattered in national electoral decision-making for the vast majority of citizens.

Beginning perhaps with the negative referenda on the EU constitution in France and in the Netherlands in 2005, there has been an increase in the political success and influence of Eurosceptic parties which in turn has affected the national-level policy-making -- examples include the True Finns, the Sweden Democrats, the Party for Freedom in the Netherlands (PVV), Jobbik in Hungary, PiS in Poland, and others (Markowski and Tucker 2010). While the successes of some of these parties date back to times before the European financial crisis and by extension the institutional crisis, the arguments were clearly centered on questions of national autonomy. In the Central and East European context, such concerns became acute in the wake of the accession negotiations and the strictures membership placed on these countries. In other member states, the back and forth about the Lisbon treaty also resulted in debates about national sovereignty. If already these developments fueled a nationalist backlash, how much more profound must the reaction be given the severity of the European crisis in recent years.

It is true that right-wing populist parties had already gained electoral prominence in certain European countries (e.g., the Swiss People's Party, the Freedom Party in Austria, Lega Nord and Alleanza Nazionale in Italy) much earlier and it is also correct that typically these parties represented eurosceptical viewpoints. However, their Euroscepticism had not been particularly salient as these parties were predominantly domestic protest parties.

The ascend of recent parties of populist parties seems to indicate a change in the sense that they have ascribed considerable salience to their opposition to Europe (see on Euroscepticism and parties Linden and Pohlman 2003; Neumayer 2008; Ray 2007). Examples are the Dutch Partij voor de Vrijheid (PVV), the True Finns, and Sweden Democrats. If one agrees with the assumption that parties are formed whenever there is a certain number of citizens stating a political demand that is insufficiently addressed by the party system, then those parties of a new type mirror that increase in (the salience of) citizens' euroscepticism. In the following, we will argue that, indeed, Euroscepticism causes citizens to vote for Eurosceptic parties in national elections. We will argue furthermore that the current financial crisis increases the Euroscepticism of citizens by unleashing a nationalist backlash and thus increasing the chances of political success for right-wing and left wing Eurosceptic parties in national elections.

THEORY

Research on the effect of crises on public opinion has long been a topic in PO research. This involved especially research on the so-called rally-round-the-flag-phenomenon, which describes the increase in support for the US president in times of a national crisis. Crises have also been viewed as factors affecting citizens' attitudes toward international relations. However, since 2008, few studies have been carried out, neither directly nor indirectly, on the effect of the financial crisis on domestic political attitudes and positions. Here, we propose to conceive of the financial crisis as causing an increase in Euroscepticism as well as in a deepening of nationalist feelings among the citizenry, which in turn raises the likelihood of voting for Eurosceptic parties. In the subsequent part, we seek to show the causal mechanism by advancing two arguments, one from a rationalist-materialist, the other one from a psychological cultural perspective. Both of these arguments lead one to expect an increase in Euroscepticism and consequently also electoral gains on the part of radical parties at the national level. However, the two arguments differ both in explaining the increase in Euroscepticism and in estimating the condition under which it impacts the party level. We label the two arguments the vulnerability-argument (Rationalist-materialist) and the nationalist backlash-argument (psychological-cultural).

The vulnerability-perspective argues that 'Europe' has now firmly moved into the focus of electorates and European issues are linked in voters' minds to important economic and social concerns that affect people's everyday lives. We would further assume that within the context of the information available to voters, they are likely to react *rationally* to the financial crisis in the sense of supporting policies that appear to minimize the perceived harm not only to the nation as a whole (sociotropic behavior) but to the voter's own situation (pocketbook behavior). This does not require for voters to have detailed factual information but rather to have formed an opinion based on a number of clues and sources whether a given course of action poses greater or lesser risks or is seemingly better or worse for the country. For example, this is akin to voters' responses in US surveys to questions of whether they perceive their country to be "on-track" or "off-track". To the extent that voters perceive the Euro crisis as evidence of European integration gone too far or judge the benefit of a nation going alone greater than the benefit of joint European action, they are likely to become more Eurosceptic and oriented toward the nation state. Likewise, voters who witness their personal fortunes decline as a result of austerity measures perceived to be imposed by Brussels' or powerful member states are likely to adopt views towards Europe that are increasingly hostile. In

addition, voters in countries that see national resources being used to 'bail out' economically distraught member states with a reputation of irresponsible governance, quite rationally consider this undesirable and become more Eurosceptical. As straightforward as this assumption sounds, there may be additional influences weighing on citizens' degree of Euroscepticism. Citizens who may be unhappy with the state of European affairs but fear their country to be worse off either by being left to fend for itself or after a period of European disintegration and chaos are likely to be less Eurosceptical. In short, this does not require a significantly positive disposition toward Europe but is simply a matter of rationally choosing the lesser of two evils. It is quite reasonable to desire stability and predictability in times of crisis. It is equally rational to choose perceived capability over perceived incompetence. Likewise, in times of uncertainty voters may turn to institutions they trust more than those they trust less. We know for example that voters Central and Eastern Europe on average place significantly greater trust in the institutions of the EU than in their own governments (cf. *Eurobarometer* 70.1, 71.2). Thus, the perceived vulnerability of one's own country, and by extension one's own personal fortune may lower the voters' appetite for a radical change, particularly if the latter implies reliance exclusively on domestic political actors and institutions. Rather, citizens might be aware of the fact that remaining in a larger economy provides safety in numbers, reduces the risk of being exposed to the speculative trends of global markets, and in global affairs size matters. This is not a complicated concept and can be readily understood by the public. It is also evident to voters that steps toward disintegration are rather irreversible and any damage done is likely to be permanent. Voters who consider their county more vulnerable may be frightened by such a scenario and at least adopt a wait-and-see position. Moreover, in countries known for the relatively poor capacity of governments, voters may still regard EU institutions and Western governments as more competent and trust them more to manage the crisis better than their own politicians. Likewise, we would assume that in countries less affected by the Euro crisis, European issues still have lower salience.

Summing up, from the viewpoint of the vulnerability-argument, the European financial crisis and its economic aftermath may on the one hand result in an increase in the Euroscepticism of citizens if citizens live in a country which is—as part of the Eurozone--especially vulnerable to the crisis AND if citizens at the same time mistrust the competence of the European Union to be able to solve the crisis. On the other hand, living in a country that is part of a common market might undercut the Eurosceptical sentiments of voters should they perceive their own

country and national economy as too vulnerable to strike out on its own. This will be especially the case if the citizens ascribe a rather high degree of problem solving capacity to the European Union. From the perspective of the vulnerability-argument, citizens should in both cases be very aware of the fact that EU-related issues matter and as such ascribe a high salience toward European policies. As a result, we would predict that in these cases an increase in Euroscepticism should cause voters to opt for a non-mainstream party, as these parties should more plausibly pursue anti-European policies.¹ By contrast, while the crisis might also (but not necessarily) affect the degree of Euroscepticism of citizens in countries beyond the Eurozone, Euroscepticism will be less salient for the citizens living in these countries. Thus, we do not expect that a change in eurosceptical attitudes in these countries would result in electoral gains by radical parties.

The perspective of a nationalist backlash pursues the argument from a rather different angle in that the global financial crisis by itself has made people aware of the fact that the interconnectedness, both economically and politically, between countries especially in the European Union is actually much greater than they may have assumed. The impact of the financial crisis in one country (or even on the businesses of a single bank) is massively felt in another country, without the latter being able to sanction the former, or the latter country being responsible for the financial crisis in the first place. While the interdependence between countries and their economies has been shown to be positive or, at least, favorable for the countries and their citizenries in 'normal' times, financial crises make citizens aware that with an increase in interdependence there is in most cases a decline in national autonomy. Nonetheless by itself, the issue interconnectedness between countries seems not to be sufficiently concrete or interesting to the voting public at large, particularly as long as things go well and citizens are comfortable. However, in times of crisis, the salience of the question of interdependence may quickly rise and gain significant currency. As a consequence, the (highly salient) impression of one's country being influenced by external interests and the decisions taken by others particularly when one is already struggling nationally to resolve a

¹ Mainstream parties – which have so far taken a rather positive stance toward European integration – might take more skeptical position (see on Euroscepticism and Mainstream parties Harmsen 2010). But then, their programmatic move is often non-credible to the voters. And from the viewpoint of nationalist citizen, mainstream parties which still stick to their euro-friendly position are perceived as reliable but not close toward the own position. Nationalistic citizens' choices are therewith focused on two types of parties. First, they may cast their vote for new nationalistic and euroskeptical parties which share the positions of nationalistic voters and had no opportunity yet to show how reliable they are. Second, they may choose parties which have had a nationalistic and euroskeptical position before but kept it non-salient but are now interested in making it salient. Both of these parties are then close to a nationalistic and euroskeptical voter's position and can be perceived as (at least not un-)reliable.

crisis that originated elsewhere faces encounters the following problem: There is the scenario that the country alone will be unable to solve the (effects of the) crisis and, therefore intervention by third actors into previously autonomous policy areas and national decision making is unavoidable. Obviously, such an impression may result in two possible outcomes concerning the attitudes of citizens and decision makers: First, citizens and governmental actors might recognize that the interdependence between countries is so strong that a supranational solution is necessary and acceptable not only for the crisis, but also in future, 'normal' times. Therefore, the insistence on national autonomy is not needed anymore as the nation state will yield to the superior ability at problem solving by supranational organizations and arrangements. Note that such a perspective is highly risk-acceptant and—following the findings in political psychology (e.g., Ehrlich and Maestas 2010; Jost et al. 2003; Feldman and Stenner 1997, also: Schoen 2007)—based on a general openness of citizens; as such, global or supranational governance has not been experienced before and the risks associated with it are not calculable at this point.

Secondly, and by contrast, citizens might be more status-quo-oriented, closed-minded, and risk-averse than was implied by the previous view. Although citizens understand the interconnectedness between countries, voters may favor a return of the autonomous nation state. The danger of being influenced from the outside—that is, by third parties such as bigger states and international organizations—runs parallel to the perception of losing the own (cultural) identity. It is akin to ideas claiming that the social welfare system is shaped by external constraints, which in turn induces citizens to adopt nationalist positions (even if the former are ideologically on left, see Nail and McGregor 2009). Typically, this causes citizen to favor protectionism and autarky while becoming skeptical of immigration. More generally, it makes such citizens deeply suspicious of (cultural as well as economic) influences emanating from beyond the national borders. We call this—following Brian Burgoon here (Burgoon 2009)---the nationalist backlash. Obviously, such a nationalist backlash will also result in an increasing degree of Euroscepticism as the EU's influence in national decision making can be viewed then as analogous to the influence of third actors.

Furthermore, such a nationalist backlash should more often take place in states which have had a comparatively short history as fully sovereign nations (such as Poland, Slovakia, and Slovenia). Importantly, we argue that the retreat to nationalism should occur much more often than a citizen's decision to develop a supranationalist position in response to the financial

crisis. That is because we expect citizens to be much more risk-averse than risk-acceptant, and to be much more closed-minded than open-minded.

Summing up, the nationalist backlash-perspective argues that the increased awareness of the interconnectedness of countries within the citizenry will lead voters to be more protectionist and favoring autarky and, therefore, also toward a more Eurosceptical position. Such an increase in Euroscepticism should even be more likely if an individual lives in a country which had to accept international interventions by third parties such as the EU troika and the IMF (that is, e.g., Hungary, Ireland, Slovakia, Portugal, Spain and Greece). The increase in Euroscepticism is also more likely if the individual is risk-acceptant, closed-minded or living in a country which only recently gained sovereignty. Furthermore, as in the vulnerability-argument, the nationalist backlash-argument would lead us to expect citizens who are more eurosceptical to be more favorably disposed to supporting either extremist right-wing or (nationalistic) left-wing parties. This is because the latter parties are the only ones which credibly signal that they will represent the nationalistic position. However, in contrast to the vulnerability perspective, the nationalist backlash-argument assumes that Euroscepticism should especially matter to citizens if they live in countries that received bailout funds (and are thus dependent on third actors), live in countries that only recently gained full sovereignty, and if there exists the aforementioned psychological predispositions to cast their votes for radical parties because these voters are likely to attribute a higher degree of salience to the issue of European policies and integration.

Several testable hypotheses can be derived from these two arguments, the vulnerability argument and the nationalist backlash argument.

H1. From the perspective of the vulnerability argument, a citizen is more likely to be eurosceptical if

1a) s/he is living in a country within the Eurozone and if s/he does not consider the EU capable of or beneficial in solving the crisis.

1b) s/he considers the financial crisis a danger to the citizen's well-being and if s/he does not consider the EU capable of solving the crisis.

H2. From the perspective of the vulnerability argument, a euroskeptical citizen is more likely to cast his/her vote for a radical party on the national level if s/he is living in a country within the Eurozone and if s/he does not consider the EU capable of or beneficial in solving the crisis.

H3. From the perspective of the nationalist backlash-argument, a citizen is more likely to adopt a euroskeptical position in the run of the financial crisis if

3a) s/he is living in a country in need of a bailout and therefore under the influence of third actors such as the EU troika including the IMF

3b) s/he is living in a country which only recently has become sovereign

3c) s/he is rather risk-averse

3d) s/he is rather closed-minded.

H4. From the perspective of the nationalist backlash-argument, a euroskeptical citizen is more likely to cast his/her vote for a radical party on the national level if

4a) s/he is living in a country in need of a bailout and therefore under the influence of third actors such as the EU troika including the IMF

4b) s/he is living in a country which only recently has become sovereign

4c) s/he is rather risk-averse

4d) s/he is rather closed-minded.

DATA, METHODS AND OPERATIONALIZATION

The above hypotheses were developed for a planned survey in Poland, Slovakia and Hungary within the framework of a Marie Curie Project on Euroscepticism. Regrettably, as mentioned above, the data from that survey are not yet available due to delays beyond the researchers' control. Nevertheless, we decided not to withdraw the paper but to outline our theoretical argument in detail by using data available to us to highlight at least on some points (or hypotheses) made in our argument.

In order to use the best cross-country survey at hand, we chose first to employ the European Social Survey. However, it is not optimal because the measurement of Euroscepticism (Trust in EP) is not perfect and it does not reflect the financial crisis in the form of questions. Thus, we decided additionally to include the Eurobarometer survey (EB) as it integrated more finely-grained question on the EU financial crisis into its survey design between 2009 and 2012. The structure of the hypotheses allows us to employ the Eurobarometer to test first, whether our expectations toward the development of Eurosceptical positions (as the first dependent variable, DV I) can be somehow illustrated. Thus, the hypotheses 1 and 3 are tested by using the Eurobarometer data. As the EB does not ask for national election vote preferences, we first considered using the European Social Survey which does survey the respondents' last voting decision and could have therefore provided us with the second dependent variable (DV II), the vote preference for or against a radical party. However, there are different problems with that indicator. First, recall questions have generally been shown to produce voting results in the aggregate of respondents that are different from the actual electoral results. Secondly, the last recorded elections in countries may sometimes even date back to a time before the crisis, let alone to the intervention by the Troika. We are therefore unable thus far to test our expectations stated in hypotheses 2 and 4.

Data and Methods

As our independent variables are located on two levels, a multi-level analysis seems appropriate. A test of the intra-class correlation coefficient demonstrates that the variance on the second level includes 64% of our total variance. We therefore decided to stick with multilevel models. As our dependent variable is binary-structured, we chose a multilevel model with a logistic link function and robust standard errors. We calculated the multilevel

models included in the paper with fixed effects for individual-level independent and control variables, while calculating random effects of the second-level.

Our dependent variable, the euroscepticism of a respondent, is measured by a variable identifying whether the respondent evaluates his/her country's EU membership to be a good thing or a bad thing. We only included respondents with an opinion or, at least, a concrete feeling on the issue. As there have been discussions in the literature as to what indicator to use to measure euroscepticism, we ran a Spearman correlation matrix with respondents' answers to the question on whether the respondents' country has benefitted from being an EU member and whether the respondents trust the European Union. The correlation coefficients are very strong (.6 to .8), indicating that we actually did catch (skeptical) feelings toward the EU in general when asking for the respondent's position toward EU membership. Table 1 presents the descriptive distribution of the dependent variable in EU member states.

On the country level, we identified three independent variables: Eurozone membership, international intervention, and the date of a country becoming sovereign. For the first variable, we simply coded all respondents living in a country that is in the Eurozone with 1 (= being a Eurozone member), and all other respondents with 0. In the case of international intervention, we coded all respondents with 1 who live in countries which have been subject to an intervention by the Troika. Additionally, all respondents living in countries for which a Troika intervention was being negotiated (i.e., Spain and Malta) were coded also with a value of 1. We ascribed the value 0 to all other respondents. For the question of sovereignty, we drew a sharp distinction between two country groups within the EU: the former Western countries who had never lost their sovereignty and/or regained it soon after WW II, and the Eastern countries who were fully or to some extent under the control of the Soviet Union and became independent in 1990. Thus, we coded that variable accordingly by attributing the value 1 to all respondents living in the Central and Eastern Europe while assigning the value 0 to all other respondents.

Table 1: Respondents' Evaluation of Own Country's EU Membership

	Percentage of respondents thinking EU membership (n=)	
	a bad thing	a good thing
EU 15		
Austria	41.4 (262)	58.6 (371)
Belgium	14.4 (113)	86.6 (671)
Denmark	23.7 (171)	76.3 (550)
Finland	32.4 (215)	67.6 (449)
France	30.6 (201)	69.5 (457)
Germany	22.5 (239)	77.5 (824)
Great Britain	53.6 (409)	46.4 (354)
Greece	48.1 (342)	51.9 (369)
Ireland	17.1 (132)	82.9 (641)
Italy	29.6 (180)	71.4 (428)
Luxembourg	14.3 (61)	85.7 (3767)
Netherlands	15.0 (122)	85.0 (693)
Portugal	41.3 (283)	58.7 (403)
Spain	24.3 (176)	75.7 (549)
Sweden	24.0 (184)	76.0 (582)
EU 27		
Bulgaria	17.7 (101)	82.3 (470)
Cyprus	40.5 (127)	59.5 (187)
Czech Republic	37.7 (189)	62.3 (312)
Estonia	18.1 (102)	81.9 (462)
Hungary	41.6 (228)	58.4 (320)
Latvia	45.4 (209)	54.6 (251)
Lithuania	23.6 (157)	76.4 (508)
Malta	33.3 (100)	66.7 (200)
Poland	16.2 (100)	83.8 (517)
Romania	15.9 (110)	84.1 (582)
Slovakia	16.9 (105)	83.1 (518)
Slovenia	35.8 (215)	64.2 (385)

On the individual level, we identified four independent variables: (i) A respondent's evaluation of the EU as manager of the crisis, (ii) a respondent's evaluation of the crisis' effects on its own financial situation, (iii) a respondent's degree of risk-averseness as well as (iv) a respondent's state of mind (closed versus open). As we lack an appropriate indicator of the latter, we decided to use a respondent's education as a reasonable proxy for his/her state of mind. Studies have shown that a lower education correlates significantly with a greater closed-mindedness of respondents. Thus, we expect higher levels of education to prevent

citizens from becoming eurosceptical. The respondent's degree of risk-averseness was measured by the question asking for perceived effect of the crisis on a respondent's household planning of his/her future. Three answers were available to be chosen: "1) *Your current situation does not allow you to make any plan for the future*; 2) *You know what you will be doing in the next six months*; 3) *You have a long-term perspective of what your household will be in the next 1 or 2 years.*" We decided to interpret the order of the questions as ranging from high risk-averseness (value 3, respondent does not want to make plans, as s/he does not trust the current situation) to a low risk-averseness (value 1, respondent does actually make long-term plans despite the risks associated with upcoming effects of the crisis).

A respondent's evaluation of the effect of the crisis on one's own financial well-being was coded as the (inverse) degree of satisfaction with the independent financial situation meaning that the higher the value, the less satisfied the respondent was. Finally, a respondent's evaluation of the EU as a crisis manager has been coded using the following variable. The survey asked citizens whether they evaluate the role of the EU in the crisis as acting very effectively, not very effectively, and not at all effectively. We recoded the original coding of the answers so that the new variable ('eu_performance') now ranges from 4 (EU acted very effectively) to 1 (EU reacted no effectively at all). Then, we again recoded that variable to a new variable which mirror in a more straightforward way hypotheses 1a and 1b. The new variable 'eu_incapability' takes the value 1 if a respondent thinks of the EU as not acting effectively at all or not acting effectively whereas it takes the value 0 if a respondent thinks of the EU as acting effectively or even very effectively. In addition to the dependent and independent variables, we used some often-applied control variables such as a respondent's general satisfaction with life, a respondent's trust in national governments, the left-right-placement of respondents as well as age and gender. We expect a respondent to be more likely to be favorably disposed toward EU membership,

- the more satisfied the respondent is with his/her life
- the more a respondent trust his/her national government
- the more centrist a respondent positions him/herself on an ideological left-right-scale
- the younger a respondent is
- if he is male

Preliminary Empirical Findings

We tested our multilevel model in different steps. First, we calculated the null model to be able to compare the explained variance of the more complex models with the variance of the null model and were thus able to evaluate the models' goodness of fit. Then, we calculated two models, the first only testing the independent variables of hypothesis 1, the second only testing the variables of hypothesis 3. Finally, we employed a full model with all independent and all control variables.

Table 2: Explaining Voters' Euroscepticism

	Null Model	Model Hypothesis 1	Model Hypothesis 3	Full Model
Constant	.98 (.11)***	3.63 (.23)***	.66 (.17)***	.64 (.33)
Eurozone		-.00 (.23)		.17 (.24)
Troika Intervention			-.04 (.24)	.31 (.22)
Sovereignty			.29 (.22)	.58 (.23)*
EU incapable		-1.77 (.18)***		-1.56 (.18)***
Dissatisfied with individual economy		-.73 (.05)***		-.31 (.06)***
Interaction Eurozone*Incapability		.17 (.09)		.20 (.10)***
Interaction Eurozone*Dissatisfaction		.04 (.51)		.02 (.06)
Risk-averseness			-.51 (.03)***	-.21 (.03)***
Closed-minded (Education)			.62 (.03)***	.55 (.03)***
Satisfaction with Life				.28 (.03)***
Trust in national government				1.20 (.05)***
Ideological extremity				-.01 (.00)***
Age				-.01 (.00)***
Gender				-.09 (.04)*
LogLikelihood	-10130.61	-7964.87	-9076.28	-6010.26
Number of Cases	17 253 / 27	15 824 / 27	16 613 / 27	13 525 / 27

Table 2 suggests that individual-level effects matter while context-level effects do not. Additionally, all of the individual-level indicators of both hypotheses seem to exhibit a crucial influence on the dependent variable. Particularly, a respondent's view of the EU's problem solving capacity seems decisive when causing a person to move toward a europhile or

euroskeptical position. However, it is not as simple as it appears at first glance. Calculating predicted probabilities (not plotted here) shows on the one hand that all of the four individual-level variables have similarly strong effects. Going from the lowest to the highest value of any of the independent variables, results in a 20% change of likelihood in the respondent's choice of a category of the dependent variable. On the other hand, calculating predicted probabilities for the context-level variables alludes to the fact that neither sovereignty nor the membership in the Eurozone actually influences the respondents' feelings toward the European Union, but that the Troika Intervention actually does. These findings remain stable even if one removes the interaction effects of 'Eurozone' with the individual-level variables from the equation. To provide an added control for our findings, we calculated the full model additionally as a single level model with robust standard errors clustered over countries. Again, the findings substantially mirror the results found in the multilevel model. We are therefore quite confident that our results hold.

Discussion of empirical findings

What do the findings presented above tell us in relation to our hypotheses 1 and 3? First, let us state that the hypotheses imply an effect to happen over time, that is, as the effect of the crisis. We did not have appropriate data—such as panel data—to fully test such an expectation. Rather, we assumed at first hand that the crisis functions as a scope condition for the effects of individual-level and context-level variables included in the hypotheses. However, it seems clear to us that the effects of the independent individual-level variables expected by hypotheses 3 did actually manifest themselves. This does lend cautious support to the hypotheses 3c and 3d. However, these individual-level variables did not show any interaction effect with the context-level variables as expected by hypothesis 1. Additionally, while 3b could also not be supported by the data at hand, predicted probabilities did indirectly point toward an effect produced by the occurrence of an IMF intervention, thereby lending cautious support to hypothesis 3a. We gain an overall impression that the data provide stronger support to hypothesis 3 than they do to hypothesis 1. Yet, this is only a very preliminary finding which should be tested more rigorously by future research by our hypotheses to more suitable data.

CONCLUSION

In this paper, we have attempted to develop two innovative arguments aiming to explain the effects of the financial crisis on attitudes toward the European Union and European integration. We argued generally that the financial crisis should have a negative effect on citizens' attitudes toward the EU, but presented two ways of reasoning of why such an effect should take place: a more rationalist argument which we called the vulnerability argument, and a more psychological argument which we called the nationalist backlash argument. The vulnerability argument expects the financial crisis to lead citizens to a different cost-benefit-calculation when it comes to estimate the effects of the European integration on the individual well-being. The nationalist backlash argument expects citizens to feel threatened by international intervention during a financial crisis because perceived as undermining national sovereignty, self-determination, and identity. The latter should then lead to a negative or skeptical attitude of a citizen toward regional integration as this is tantamount to giving up more sovereignty. Both arguments, as we have attempted to show, should then lead to the decision of citizens to cast their vote for political actors (i.e., parties) that credibly represent eurosceptical positions. Given that the data to test such a rather complex two-step-mechanism are still lacking, we had to restrict ourselves in the empirical part of the paper to exploring first empirical clues as to the effects of independent variables derived from the vulnerability and the nationalist backlash argument. We do not want to over-interpret the findings presented here, but the data at hand seem to support the nationalist backlash rather than the vulnerability argument. However, this is most certainly only a quick snapshot on what is actually happening. Further research on the topic with more complex and suitable data should soon hopefully enable us to develop more reliable and unambiguous findings.

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