

Centre for the Study of Public Policy

## EUROPEAN CRISIS AND POPULAR COMMITMENT

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### I ECONOMIC COPING STRATEGIES OF EUROPEAN CITIZENS

## LEARNING FROM THE 1975 RECESSION\*

GOVERNMENT

Inflation was a cure for deficits, deflation that created new problems

The result: Monetarism and Thatcherism

HOUSEHOLD COPING STRATEGIES A revolution of falling expectations

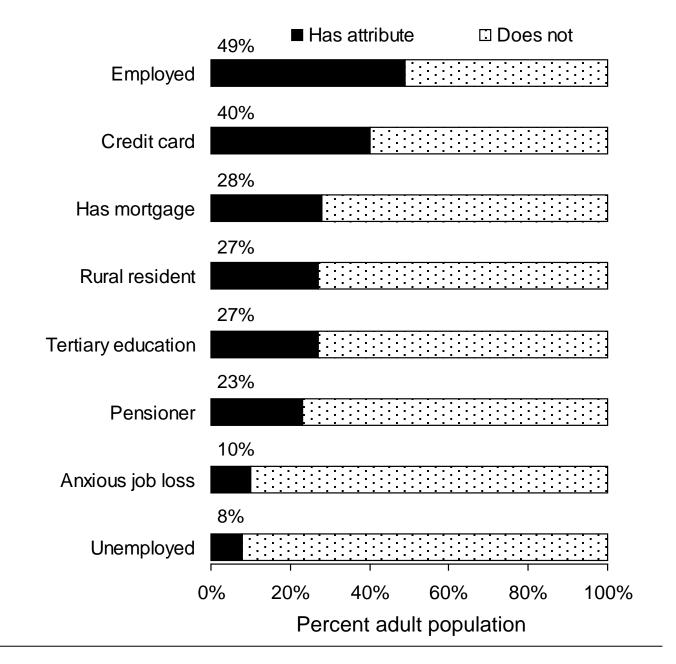
When economies "failed" to keep on contracting, a sense of reprieve\*

SEE

\*R. Rose & B.G. Peters, Can Government Go Bankrupt (1978)

\*\*See R. Rose, "Misperceiving Public Expenditure: Feelings about "Cuts", Levine and Rubin, eds., <u>Fiscal Stress and Public Policy</u> (Sage, 1980)

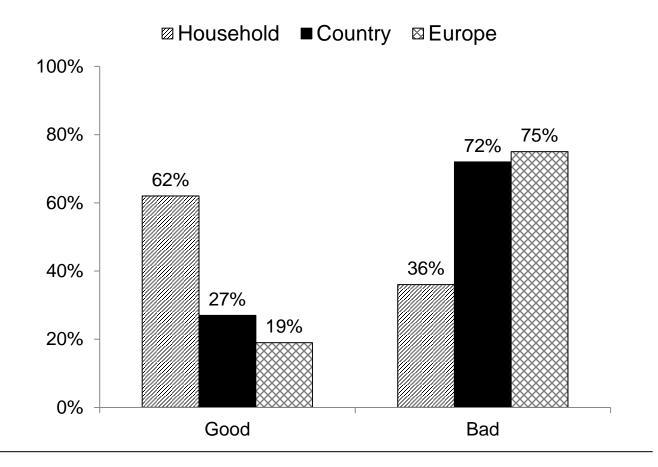
### **COPING & VULNERABILITY VARIES WITHIN NATIONS**



Source: Eurobarometer 72.1, fieldwork August-September 2009. Nationwide samples of 27 EU member states. National responses weighted equally for pooled analysis. Number of unweighted respondents, 25,812.

### A BIG DIFFERENCE IN MACRO & MICRO EVALUATIONS

Q. How would you judge the current a) Financial situation of your household? b) Situation of your country's economy?c) The European economy?



Source: Standard Eurobarometer 77, Spring 2012.

# **II EU ELITES MUST COPE WITH EU CITIZENS**

### **TECHNOCRATIC RESPONSE**

- Centralizing power in the Commission, ECB
- ◆ The "-crat" is clear: Conditions laid down at EU level
- The "technik" remains to be demonstrated

\*Capacity to predict revenue, expenditure, deficit

\*Consequences of austerity

Time inconsistencies:

\*Short term: Negative macro & micro lose/ lose

\*Long term: Putative win/ win benefits of fiscal austerity

### JUSTIFICATION FOR POPULAR COMMITMENT

#### FOLLOW US BECAUSE OF EUROPEAN SOLIDARITY

QC4a. As a consequence of the crisis, do you feel closer to the citizens in other European countries?

	Doesn't feel closer	Feels closer
Denmark	70	27
UK	63	29
Sweden	60	36
Germany	59	37
Finland	54	42
Ireland	42	40
Portugal	47	43
EU MEAN	42	51
Italy	36	58
Spain	43	59
Greece	39	59

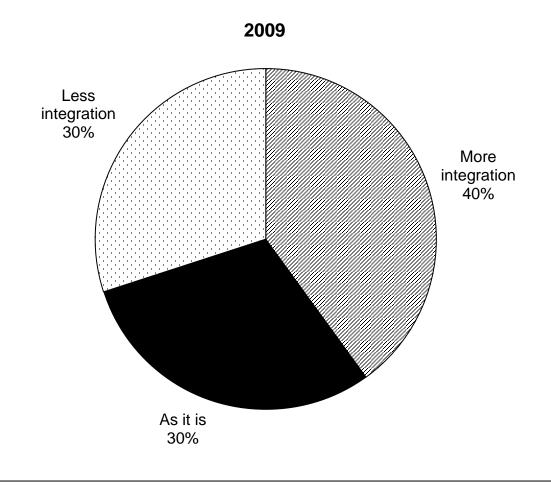
Source: Standard Eurobarometer 77, Spring, 2012. Don't knows omitted.

### SAVING THE EURO BY AN EVER CLOSER UNION

#### European Election Study, 27 country survey,

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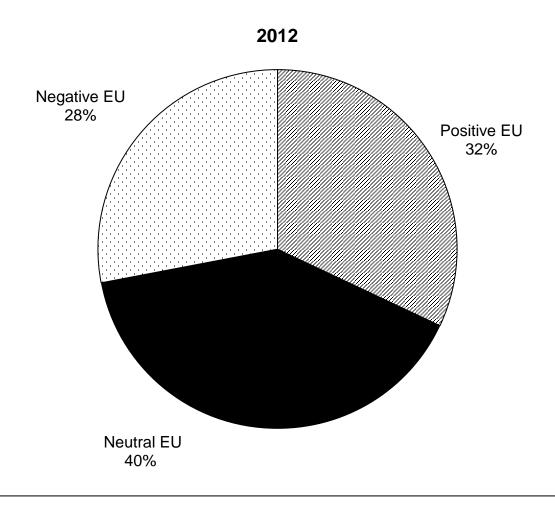
Q 80. Some say European unification should be pushed further. Others say it has already gone too far. What is your opinion? Please indicate your views using a scale from 0 to 10, where 0 means unification has already gone too far and 10 means it should be pushed further.



### ATTITUDES TOWARD EU MORE NEUTRAL THAN COMMITTED

Eurobarometer No.77, Spring, 2012

Q.A14. In general does the EU conjure up for you a very positive, fairly positive, neutral, fairly negative or very negative image?



## **III POPULAR STRATEGIES FOR COPING WITH ELITES**

### **2014 EUROPEAN PARLIAMENT ELECTION**

\*lst and 2nd order issues joined-with competing interpretations

Alternative A. Our problem is THEIR fault. Vote for anti EU parties Mainstream parties adapt

Alternative B. Our problem is OUR fault We need EU help to get out of our mess Vote for mainstream parties OR abstain

Alternative C. EU has made mistakes but can resolve Vote for parties promoting Stability pacts

Alternative D. EU has made mistakes and cut losses Vote for anti-EU parties

## NATIONAL ELECTIONS

1st and 2nd Order Joined

Where will the median voter be? Prefer no change. Open to be convinced IF parties seek to mobilize

Where will the mainstream parties be? Supporting the EU unconditionally?

Support eurozone with conditions, e.g. Merkel?

Enhanced cooperation Or multi-vector choice a la Piris?

Will the government be accountable or a mainstream Cartel?

## HOW LONG CAN A NEW TREATY BE AVOIDED?

\*European Stability Mechanism is an international financial institution depending on EC staff and accountable to its shareholders. . \*<u>Within five years at most</u> steps shall be taken *to incorporate the substance of this Treaty into the legal framework of the EU* Treaty of Stability, Coordination and Governance, In the Economic and Monetary Union Article 16

\*Before the next European Parliament elections in 2014, the Commission will present its outline for the shape of the future European Union. And we will put forward explicit ideas for <u>Treaty</u> <u>change</u> in time for a debate.

Jose Manuel Barroso, State of the Union 2012 address

\*Plus pressures from Karlsruhe, Berlin, London and administrative necessity

\*AT A MINIMUM, an EU Treaty would require national REFERENDUMS in Ireland, Denmark and the United Kingdom.

See Richard Rose, <u>Representing Europeans: a Pragmatic Approach</u> (Oxford University Press, spring 2013)