THINKING COMPARATIVELY

MACRO AND MICRO DIMENSIONS IN THE POLITICS OF AUSTERITY

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THE POLITICS OF EXTREME AUSTERITY: GREECE BEYOND THE CRISIS

University of Strathclyde

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WHERE IS THE CRISIS?

Top down macro-economic or bottom-up household?

Vulnerable countries
An international stimulus: all countries equally affected

Macro-economic: a crisis of banks, ministries of finance

But vulnerability differs with national economic policies

Vulnerable people
Micro-level: poor people, indebted people.

All countries have some vulnerable and some secure people but proportions differ.

NATIONAL CRISIS WORSE THAN HOUSEHOLD CRISIS

Q. How would you judge the current situation in each of the following? The financial situation of your household. The situation of the national economy? (4 point scale: very good, good, bad, very bad)

Source: Eurobarometer 72.4, A2a.1, A2a.5 (October-November 2009), 27 EU countries, unweighted N=26,830.
EUROPEANS DIFFER IN VULNERABILITY

OCCASIONAL PROBLEMS BUT MOST COPING

Q. Which of the following best describes how your household is keeping up with all its bills and credit commitments at the moment?

- No difficulty: 41%
- Okay, occasional problems: 35%
- A constant struggle: 18%
- Falling behind a bit: 4%
- Behind with many bills: 2%

Source: Pooled survey
EuroBarometer 2009
### DIFFERENCES IN COPING BY COUNTRY

**Q 37. Which of the following best describes how your household is keeping up with all its bills and credit commitments at the moment?**

<table>
<thead>
<tr>
<th></th>
<th>North (% respondents)</th>
<th>Med.</th>
<th>CEE</th>
<th>Difference North-CEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>No difficulty</td>
<td>58</td>
<td>25</td>
<td>33</td>
<td>25</td>
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<tr>
<td>Okay but problems</td>
<td>30</td>
<td>38</td>
<td>38</td>
<td>-8</td>
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<tr>
<td>from time to time</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Keeping up a</td>
<td>9</td>
<td>30</td>
<td>21</td>
<td>-12</td>
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<tr>
<td>constant struggle</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Keeping up</strong></td>
<td>(97)</td>
<td>(93)</td>
<td>(92)</td>
<td>(5)</td>
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<table>
<thead>
<tr>
<th></th>
<th>North (% respondents)</th>
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<th>Difference North-CEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Falling behind with</td>
<td>2</td>
<td>5</td>
<td>6</td>
<td>-4</td>
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<tr>
<td>some bills</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real problems, be-</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>-2</td>
</tr>
<tr>
<td>hind with many bills</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Falling behind</strong></td>
<td>(3)</td>
<td>(7)</td>
<td>(9)</td>
<td>(-6)</td>
</tr>
</tbody>
</table>

**Source:** Eurobarometer 72.1, Q37, 27 EU countries, fieldwork August-September 2009, unweighted N=26,719. Don’t knows excluded.
WHO IS HARDEST HIT WHERE?

♦ People who were worse off before the crisis, e.g. less educated, lower social class.

♦ People who live in EU countries with low GDP.

♦ Pensioners more secure than educated. employed.
DO GREEKS DIFFER IN THEIR REACTION TO AUSTERITY?

Can only show Greece is different if we specify:

♦ Which countries it differs from?
  Cyprus, Italy, Portugal, Ireland, Latvia? UK?

♦ How is Greece different?
  Cause of problems, response or both?
POSSIBLE EXPLANATIONS FOR GREEK DIFFERENCES

♦ Austerity measures worse? Not by standards of Ireland

♦ Less economically literate? Can't understand an end to free lunch

♦ More Socialist? But many farmers, self employed

♦ More anti-European?
AN EGREGIOUS GREECE REQUIRES A HOMOGENEOUS EU

♦ Every EU country divided in its response to cuts

♦ United in dislike of banks and bankers

♦ 26 country opposition to unconditionally transferring funds to Greece

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