

EMU CHOICES

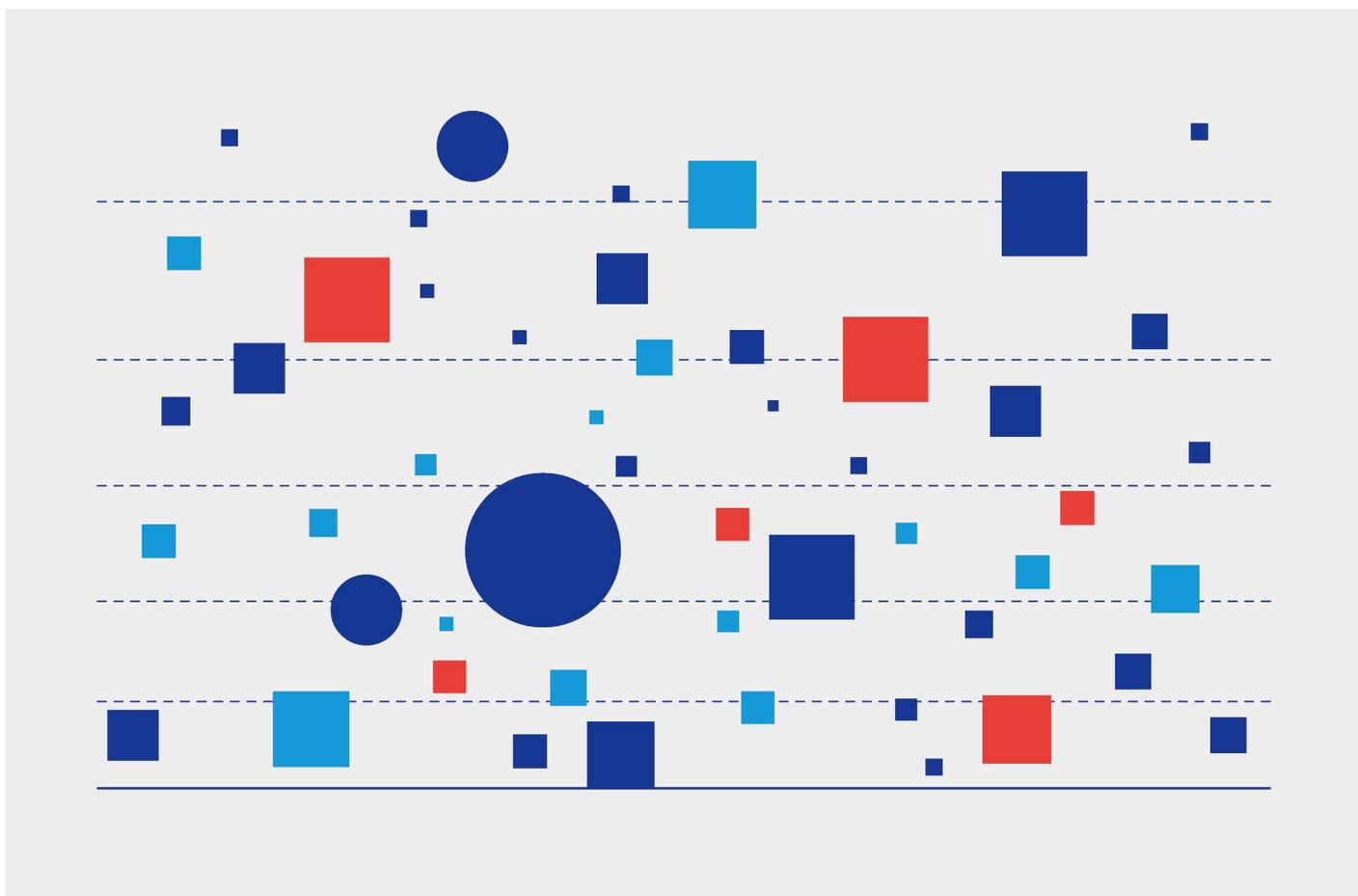
THE CHOICE FOR EUROPE SINCE MAASTRICHT
SALZBURG CENTRE OF EUROPEAN UNION STUDIES

CONSORTIUM PARTNERS
UNIVERSITY OF BASEL
UNIVERSITY OF EAST ANGLIA
CENTRAL EUROPEAN UNIVERSITY
UNIVERSITY COLLEGE DUBLIN
UNIVERSITY OF GRENOBLE
UNIVERSITY OF KONSTANZ
LUISS 'GUIDO CARLI' ROME
UNIVERSITY OF SALZBURG
UNIVERSITY OF STOCKHOLM

Crises and Responsiveness. Analysing German Preference Formation during the Eurozone Crisis

Hanno Degner and Dirk Leuffen

EMU CHOICES WORKING PAPER SERIES 2018



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 649532

www.EMUchoices.eu

Political Studies Review

Crises and Responsiveness. Analysing German Preference Formation during the Eurozone Crisis

Journal:	<i>Political Studies Review</i>
Manuscript ID	Draft
Manuscript type:	Article
Keywords:	Eurozone crisis, Responsiveness, Germany
Abstract:	<p>This article questions the concern that crisis decision-making necessarily lacks input legitimacy and violates principles of democratic responsiveness. Crises, we argue instead, incite vote-seeking governments to carefully account for public policy demands, given that they entail high levels of saliency and public attention. We test this claim by analysing decision-making during the Eurozone crisis with a particular focus on the case of Germany. Our process tracing shows that the German government was substantively constrained, both by interest groups but also by public opinion and that it overall displayed high degrees of responsiveness. We conclude that while policy outputs reached at the European level may have deviated from what particular national publics desired, this is due to aggregation mechanisms in combination with a large heterogeneity amongst the member states, rather than governments acting unresponsively to their publics in European Union decision-making in times of crises.</p>

Introduction

Crises are regularly linked to theories of 'executive dominance'. Because of their characteristics as situation entailing a substantive threat, urgency, and uncertainty (Boin et al., 2005), it is argued that they represent "the hour of the executive" (Lodge and Wegrich, 2012: 1), calling for swift and determined action from governments. Yet, from a democratic theory point of view, it is often criticized that executive dominance during crises reduces the powers of parliaments and, more generally, falls short of democratic legitimacy. This argument has been highly prominent in the debate on decision-making in the crisis-ridden European Union (EU) in the past decade. According to the literature, the decisions taken in response to the World Financial Crisis, the Schengen Crisis and other crises fulfilled – in the best of cases – criteria of output, but not of input legitimacy (Weiler, 2012; Puntischer Riekmann and Wydra, 2013; Scharpf, 2014; Kreuder-Sonnen, 2016).

In this article, we challenge this conventional reading of crisis politics by arguing that crises may, indeed, enhance the legitimacy of decision-making in the EU by increasing governmental *responsiveness* to public demands, at least with respect to the phase of 'national preference formation' (Moravcsik, 1993). Our argument is that crises – because of the urgent threat they contain – are highly salient issues for citizens, stirring public attention for decision-making in response to them. Citizens are rather well-informed about the issues at stake and care strongly about the positions governments defend in negotiations at the European level. If these positions deviate from what the public wants, that is if the government is not responsive, it must fear being sanctioned at the voting booth. Therefore the government has strong incentives to align its positions to public opinion. One measure of growing public discontent is parliamentary dissent and especially in parliamentary systems this should be taken into account when formulating negotiation positions (cf. Mansbridge, 2003: 516f). At the same time, in line with Culpepper (2012), but contrary to political economy or special interest politics expectations (Grossman and Helpman, 1994), the influence of lobby groups on these positions should diminish.

We test our theory on governmental responsiveness in times of crisis with a process-tracing analysis of national preference formation during the Eurozone Crisis in the case of Germany, a key EU member state that arguably played a key role in EU decision-making during the crisis (Bulmer and Paterson, 2013; Bulmer, 2014; Schimmelfennig, 2017). In particular, we analyse the German government's position taking on two core reforms of the European Economic and Monetary Union (EMU), namely the set-up of a fiscal emergency mechanism for the Euro area and the tightening of the EU's fiscal governance rules between 2010 and 2013, capturing the two poles of the redistribution-austerity dimension which structured the EU reforms during the Eurozone crisis (cf. Wasserfallen and Lehner, 2018). For our process tracing, we use different qualitative and quantitative sources, including the Eurobarometer, the 'EMU Positions' dataset (Wasserfallen et al., 2018), roll-call data on voting behaviour in the German Bundestag (Degner and Leuffen, 2016), official governmental and parliamentary documents, as well as quality newspaper articles.

The results of our analysis highlight that the German government could not act in a domestic political vacuum, but was obliged to take the public and – related to this – its parliamentary majority carefully into account when formulating its positions on different reform proposals during the Eurozone crisis. In contrast, well-organized economic interests and financial market actors were less able to 'impose' their views and demands on the German government. For example, the German government was in strong support of a significant involvement of the private sector and the International Monetary Fund in fiscal aid programs, a position closer to the public than to special interest groups. We conclude that the German government's leeway in determining the national preference was clearly constrained and that public opinion and members of the German Bundestag formed a corridor limiting the German government's

discretion.¹ In our view, this enhances responsiveness, at least concerning the step of what in integration theory is called “national preference formation”.

The article is structured as follows. We start off by briefly reviewing the literature on crisis decision-making. We identify a substantive amount of contributions making the point of an executive dominance, oftentimes stressing a lack of democratic legitimacy. Against this backdrop, we formulate a theory on why crises have the potential to also enhance responsiveness. We then explain our research design, introduce our process-tracing approach and the data used for the empirical analysis. Our empirical investigation comprises two key decisions of the Eurozone crisis, namely the set-up of a fiscal emergency mechanism for the Euro area and the tightening of the EU’s fiscal rules. We focus on the German case, but the article ends with a more general discussion of legitimate European policy-making in times of crises.

Does Crisis Decision-Making Make Governmental Responsiveness Impossible?

Crises are characterized as situations during which (political) systems are confronted with i) a severe threat for material or immaterial values, ii) a sense of urgency to resolve that threat, and iii) a high degree of uncertainty about both the nature of the threat and the consequences of the political decisions taken to counter it (Boin et al., 2005; Degner, 2017). Decision-making in response to such situations has interested researchers since long. For example, numerous social psychological contributions adhere to what has been called a “centralization-of-authority hypothesis” (cf. Driskell and Salas, 1991). According to this line of argumentation, “organizations respond to stress with a centralization of authority so that decision making becomes concentrated in the higher levels of an organizational hierarchy” (Driskell and Salas, 1991: 473). This corresponds to findings from the literature on crisis management, pointing out that

¹ In contrast to Finke (2009) our corridor is constituted by constraints imposed by domestic politics, less than by structural variables or factors. Empirically, however, these understandings may largely overlap, since structural constraints are latent concepts which may be identified through inspection of the positionings of key societal stakeholders.

situations of crisis “represent the hour of the executive” (Lodge and Wegrich, 2012: 1; cf. also Boin et al., 2005; Curtin, 2014). Especially national parliaments, so the conventional line of argumentation, lack the necessary time, information, and institutional capacity to effectively shape national positions in crisis times (cf. Curtin, 2014: 16f). The literature consequently expects that members of parliament “can only provide broad support to the executive. If they do not, they can only make the crisis worse. Rational legislators hold their noses and delegate power even when they do not trust the executive and disagree with its ideological disposition or announced policies” (Posner and Vermeule, 2009: 1679).

For many scholars, the Eurozone Crisis is a case in point. Puntscher-Riekmann and Wydra (2013: 570), for instance, argue that “[l]imitations of democratic control and accountability grow concomitantly with the evolution of the crisis“. For Fritz Scharpf (2014: 20), the member states’ efforts to save the Euro even “disable[d] input-oriented democratic policy choices at the national level” and “have therefore destroyed the preconditions of ‘legitimacy intermediation’” in the EU. In a similar vein, Kreuder-Sonnen (2016: 1363) deplores that the measures taken in response to the crisis, “justified by reference to conditions of crisis and emergency, undermine the institutions’ constitutional authority structures and transition into permanent authoritarian traits in the EU’s legal order.“ Most drastically, Weiler (2012: 837) claims that “[d]emocracy was not part of the original DNA of European Integration. It still feels like a foreign implant. [...] And thus, when failure hits as in the Euro crisis, [...] all sources of legitimacy suddenly, simultaneously collapse.”

We here challenge this critical reading of decision-making during the Eurozone Crisis by arguing that crises can, indeed, also *enhance* the legitimacy of EU decision-making by increasing governmental responsiveness to public demands in the phase of national preference formation.² Responsiveness is a central concern in both normative democratic theory (Pitkin, 1967; Dahl,

² Fully aware of differences between preferences or ideal points and positions we here use these terms as synonyms because we find these concepts observationally undistinguishable (cf. Bueno de Mesquita 2004).

1971; Powell, 2004), as well as in the public policy literature (Page and Shapiro, 1983; Stimson et al., 1995; Soroka and Wlenzien, 2010). Following theories of economic voting (see Lewis-Beck and Nadeau, 2011) and work by Mansbridge (2003) on “anticipatory representation”, we expect that vote- or office-seeking governments (Strom and Müller, 1999) align their positions with those of their constituencies in order to avoid being punished in the next elections. Contrary to both conventional readings of liberal intergovernmentalism and of the EU’s alleged democratic deficit (Føllesdal and Hix, 2006), we thus expect that national governments take public opinion and changes to it – oftentimes triggered by media reporting (Vliegenthart et al., 2016) - into account when formulating their positions for EU level negotiations in response to crises (cf. Stimson et al., 1995: 543; Schmitt and Thomassen, 2000). In fact, empirical research shows that member state governments generally respond to public opinion changes when they position themselves in Council negotiations (Wrátil, 2017) as well as when they finally cast their votes on EU legislation (Hagemann et al., 2017). We will spell out below in more detail why we do not consider crises to reduce but rather to strengthen responsive behaviour.

The most important factor in this regard is politicization (De Wilde, 2011), which is likely to result in intensive party competition (Hagemann et al., 2017: 856; Hooghe and Marks, 2009). The urgent threat associated with a crisis turns it into a very salient issue for citizens, stirring high public attention for decision-making in response to it (cf. Degner, 2017). Citizens and their representatives in parliament are thus comparatively well informed about the issues at stake and do strongly care about the positions their government intends to defend in EU negotiations. If these positions depart from the position of the majority of the public, the government risks being sanctioned at the voting booth in the next elections (Mansbridge, 2003; Lewis-Beck and Nadeau, 2011). In the context of high public attention, the government therefore has strong incentives to align its positions with its constituency (Carrubba, 2001) and take anticipated dissent by its parliamentary representatives into account (Tsebelis, 2002). Hypothesis H1 summarizes our expectations on governmental responsiveness during crises.

H1: If public attention is high, governments are likely to respond to (changes in) public opinion in the phase of national preference formation.

Hypothesis 1 is in line with Culpepper (2012), who stresses that high levels of salience should increase the likelihood that governments take public concerns into account. It stands in contrast to standard political economy expectations stressing the impact of special interest groups in national preference formation (Grossman and Helpman, 1994). This second perspective may also be linked to conventional readings of liberal intergovernmentalism, in which well-organized commercial interest groups because of their strong resource endowment enjoy a privileged access to utility-maximizing governments who then defend their interests at the European negotiation table (Moravcsik, 1993; Moravcsik, 1998).³ In crises situations, such domestic groups can use their well-established channels to suggest policies to the government, which they might have already worked out before to protect their own interests (cf. Kingdon, 1984). Urgency would lead a government to focus on the parts of society which display expertise in the concerned area, and this may bias governmental positions towards specific interest groups. This should hold especially, if there are no high ratification constraints. Hypothesis 2 expects interest-groups to strongly influence governmental decision-making during crises.

H2: Governments will foremost consider the interests of well-organized economic interest groups when forming their positions during crisis decision-making.

To corroborate this hypothesis, we would need to see strong alignments between the governmental positions and the interests of organized business groups and financial market actors. Citizens' demands should essentially be ignored. But what are the scope conditions under which we expect our responsiveness expectations to hold? First, high salience determines public

³ We here speak of a 'conventional' reading of liberal intergovernmentalism because already Moravcsik (1993) acknowledges that the domestic stakeholders should vary over policy areas. The strong focus on the public expressed in hypothesis 1, in fact, can therefore be reconciled with liberal intergovernmentalism, acknowledging that governments are strong vote- or office-seekers (Strom and Müller, 1999).

attention; if this is not reached, policies may stay under the public's radar, inviting governments to engage in special interest politics. Secondly, governments should be more likely to follow citizens' demands or shifts in public opinion when confronted with (growing) electoral competition (cf. Hagemann et al., 2017: 856). In particular, governmental parties should respond to the rise of 'challenger' parties, which may offer appealing alternatives to the 'mainstream' crisis response (Hobolt and Tilley, 2016: 972; Hooghe and Marks, 2009). 'Challenger' parties put a particular pressure on those parliamentarians that face high electoral competition and whose constituencies might be attracted to the policy positions taken by the newcomers. Thirdly, as also argued by Finke (2009), public opinion may limit governmental discretion in countries with strong parliamentary scrutiny.

Methods and Data

In the empirical part of our article, we apply process-tracing (Bennett and Checkel, 2015) as arguably the most adequate approach for a systematic in-depth investigation of governmental motivations, principles and processes in the initial phase of EU decision-making, national preference formation. To ensure a high internal validity of the findings, we conduct a small-n study of Germany as a substantively important case (cf. Schneider and Slantchev, 2018). Germany, together with France, played a major role in the EU level negotiations on EMU reforms between 2010 and 2013 (Schimmelfennig, 2015; Degner and Leuffen, 2018). Although quantitative analyses of bargaining success during the Eurozone Crisis do not depict the country as particularly successful on those issues that actually made it to the negotiation table (Lundgren et al., 2018; Degner and Leuffen, 2018), more qualitatively oriented scholars discuss the extent to which Germany acted as the EU's (however reluctant) "hegemon" at that time (Paterson, 2011; Bulmer and Paterson, 2013; Bulmer, 2014; Schimmelfennig, 2017).

In the following, we will first establish whether public attention was augmented during Eurozone crisis. Second, we will link the positioning of the German government to positions taken by i) core economic interest groups, ii) the general public and iii) members of the German

Bundestag forming the governmental majority on two key EMU reforms, namely the set-up of a fiscal emergency mechanism for the Euro area, and the tightening of the EU's fiscal governance rules. Together, they embody the two guiding principles of the EU's efforts to 'save the Euro' during the crisis, namely fiscal solidity, i.e. austerity, and financial solidarity, i.e. redistribution (cf. e.g. Wasserfallen and Lehner, 2018). In order to corroborate our theory, we must show that the government's positioning on these two reforms was closer to the preferences of the general public and the parliamentarians of the governing factions CDU/CSU and FDP, as compared to the positions of economic interest groups. Increases in electoral competition should also foster the government's responsiveness.

In order to show the high salience that German citizens attached to resolving the Eurozone crisis from early 2010 onwards, we use quantitative data on newsmedia coverage of the terms 'Staatsschulden' (sovereign debt), 'Fiskalpolitik' (fiscal policy), and 'Wettbewerbsfähigkeit' (competitiveness), published between February 2008 and October 2013 by two German quality newspapers, the Frankfurter Allgemeine Zeitung (FAZ) and the Süddeutsche Zeitung (SZ). To pin down the German government's negotiation position in the ESM and the Fiscal Compact negotiations, we consult the EMU Positions dataset (Wasserfallen et al., 2018). Information on German public opinion during the Eurozone crisis is gained from the Politbarometer⁴, the Eurobarometer⁵, and the Pew Research Centre⁶. The positions of organized business groups and financial markets actors are mostly extracted from quality newspaper reports, e.g. by the FAZ, the SZ, or the Financial Times. To analyse opinions expressed and votes cast in the German Bundestag, we use official parliamentary documentation⁷ as well as quality newspaper articles. Quantitative information on Bundestag roll-call votes is provided by Degner and Leuffen (2016). Information on governmental reactions to internal dissent and external 'challenger' parties is

⁴ Online at < <http://www.forschungsgruppe.de/Umfragen/Politbarometer/> > (accessed 01.07.2018).

⁵ Online at <<http://ec.europa.eu/commfrontoffice/publicopinion/index.cfm>> (accessed 01.07.2018).

⁶ Online at <<http://www.pewglobal.org/datasets/>> (accessed 01.07.2018).

⁷ Online at <<https://www.bundestag.de/dokumente/protokolle/plenarprotokolle>> (accessed 01.07.2018).

gained from the EMU Positions dataset as well as from official governmental documents and the above-mentioned quality press.

Empirical Analysis: German Preference Formation during the Eurozone Crisis

This chapter analyses governmental responsiveness during the negotiations of a fiscal emergency mechanism for the Eurozone and a tightening of the EU's fiscal governance between 2010 and 2013. We first show that our main scope condition, public attention, was indeed present when the German government formulated its positions on these major reforms. Secondly, we trace the development of the positioning of the German government by identifying critical junctures in the decision-making process. We highlight the positions of key domestic actors such as special interest groups, the broader public as well as political elites such as members of the German Bundestag. We compare the positions of Angela Merkel's conservative-liberal CDU/CSU-FDP government with those of these actors and highlight that the German government was constrained by the domestic groups. Finally, we take a look at Bundestag voting behaviour on the concerned policies and show that the Bundestag can, indeed, be considered a seismograph able to detect changes in the public policy mood.

High public attention

After the outbreak of the Eurozone Crisis in early 2010, public attention for the suddenly exposed problems of EMU increased rapidly. Figure 1 shows the monthly sums of articles in the FAZ and the SZ including the term 'sovereign debt', the key issue at the heart of the crisis. A first attention peak for the term 'sovereign debt' appears in May 2010, when Euro area member states granted their first financial support package to Greece and agreed to set up the temporary European Financial Stability Facility (EFSF) two weeks later (cf. Gocaj and Meunier, 2013). A

second peak can be found in November 2010, when Ireland became the first country to ask for support from the EFSF.⁸ As the EU failed to agree on a permanent solution for the unveiled legal-institutional deficiencies, the European publics became increasingly worried. The year 2011 correspondingly exhibits the highest absolute attention values during the whole crisis.

Figure 1 about here.

In July 2011, when the Euro area member states adopted the second fiscal support package for Greece⁹, the FAZ published 157 monthly articles containing the term 'sovereign debt', the SZ published 74. In September 2011, the member states agreed to tighten the EU's Stability and Growth Pact (SGP) with a set of secondary legislative measures, subsumed under the label of the 'Six-Pack' on economic governance (Buti and Carnot, 2012). In November 2011, when the member states started the negotiations on the Fiscal Compact¹⁰, an intergovernmental treaty that constitutionalized the Six-Pack rules for the 25 signatory member (all but the United Kingdom and the Czech Republic) (Tsebelis and Hahm, 2014), 109 and 111 articles appeared in the two newspapers, respectively. The year 2012 and 2013 are marked by a gradual decrease of public attention, albeit the number of articles remains on a higher absolute level than in pre-crisis times. Figure 1 depicts a last attention peak for the FAZ in June to July 2012, when the European Council decided to introduce a Banking Union for the Euro area¹¹ and ECB President Draghi declared his institution's determination to do "whatever it takes to preserve the Euro".¹²

⁸ The Guardian, 28.11.2010, online at <<http://www.theguardian.com/business/ireland-business-blog-with-lisa-ocarroll/2010/nov/28/ireland-bailout-full-government-statement>> (accessed 20.01.2015).

⁹ See the Statement of the Heads of State and Government of the Euro Area and EU Institutions, 21.07.2011, online at <http://europa.eu/rapid/press-release_DOC-11-5_en.htm?locale=de> (accessed 20.01.2015).

¹⁰ See the Press statement by European Council President van Rompuy, 09.12.2011, online at <http://europa.eu/rapid/press-release_PRES-11-488_en.htm?locale=en> (accessed 20.01.2015).

¹¹ See European Commission MEMO 12/656, 10.09.2012, online at <http://europa.eu/rapid/press-release_MEMO-12-656_en.htm> (accessed 20.01.2015).

¹² See <<https://www.ecb.europa.eu/press/key/date/2012/html/sp120726.en.html>> (accessed 01.07.2018).

For the SZ, the graph shows minor peaks in November 2012 and March 2013, when major European Council decisions on the EU's novel Banking Union were prepared. On average, however, public attention moved downwards after the adoption of the ESM and the Fiscal Compact in February 2012. The monthly coverage of 'sovereign debt' during the crisis was three times (FAZ) or almost eight times higher (SZ) as in the two years before the crisis. Besides that, the two newspapers covered 'competitiveness' and 'fiscal policy' in about two times as many articles during the crisis, than in the 24 months before. Clearly, these numbers highlight that the main events and reactions to the Eurozone crisis spurred very high degrees of public attention and on this grounds we feel safe to assume that the German government's behaviour was carefully screened by the German public. Thus our main scope condition, the presence of strong public attention in face of a crisis, is present and we can now test whether the German government, indeed, took public opinion into account when formulating its positions; or in other words, whether the German government displayed responsiveness during the Eurozone crisis.

National preference formation on fiscal aid and fiscal policy reforms

When Greece faced state insolvency in early 2010, the majority of German citizens rejected the idea of supporting the country financially. According to a representative poll published on 26 March 2010, 68 per cent of German citizens opposed a German participation in a potential bailout for Greece; only 26 per cent supported it, while 6 per cent held no opinion.¹³ Three weeks earlier, on 05 March 2010, the German tabloid 'Bild' had already addressed an open letter to then-Greek Prime Minister Giorgos A. Papandreou¹⁴, criticizing Greek early retirement and 14th month pay policies, corruption and fraud of EU funds in the country. This letter, despite

¹³ See <http://www.forschungsgruppe.de/Umfragen/Politbarometer/Archiv/Politbarometer_2010/Maerz_II/> (accessed 01.07.2018).

¹⁴ Find the translated letter in The Guardian, 05.03.2010, online at <<https://www.theguardian.com/business/2010/mar/05/bild-open-letter-greece-papandreou>> (accessed 01.07.2018).

being severely exaggerated in tone and content, arguably expressed opinions held by a large amount of German citizens.

By contrast, German banks, which were heavily invested in Greek sovereigns¹⁵, and well-organized economic interest groups like the association of German industry (Bundesverband der Deutschen Industrie, BDI) demanded issuing financial support to the Greek government already at that time. Whereas German banks aimed at avoiding significant losses¹⁶, and even developed concrete rescue plans in collaboration with the Greek government to this end¹⁷, German industry focused on securing its Southern European export markets.¹⁸

In face of the intensive lobbying activities of these actors, as well as of a large number of its European partners, the German government only reluctantly accepted establishing a joint European bailout scheme for Greece. On 11 February 2010, at an emergency European Council meeting on Greece, it agreed to “take determined and coordinated action, if needed, to safeguard financial stability in the euro area as a whole”¹⁹, while insisting on the fact that Greece had not demanded for fiscal aid and would not need to do so in the future.

In the following weeks, in an effort to balance the German public’s opposition towards supporting Greece (and other Southern Euro area member states) and calls for immediate and decisive action from German banks and industry associations, as well as from other EU member states and the European Central Bank (ECB) (Degner and Leuffen, 2018: 13), the government formulated a position that combined limited financial support in the form of bilateral loans with strong conditionality to pursue fiscal and economic reforms. This position, which was reflected

¹⁵ The banking sectors of Germany and France together accounted for an exposure of 119 billion Dollar to Greece in February 2010. Wall Street Journal, 17.02.2010, online at <<http://on.wsj.com/1nWbEKf>> (accessed 30.09.2014).

¹⁶ SZ, 18.03.2010, p. 25: “Ackermann für Rettung der Griechen”.

¹⁷ *Deutsche Bank* staff met the Greek finance minister in Athens on 04 February 2010 with the aim to develop a joint European rescue scheme for the country. *Deutsche Bank* Chairman Josef Ackermann presented the plan to the German Chancellery on 26 February 2010. See DIE ZEIT, 26.05.2010, online at <<http://bit.ly/Tie4pK>> (accessed 30.09.2014).

¹⁸ SZ, 06.03.2010, p. 24: “Von Kritikern umgeben; Mächtige Wirtschaftsrosse verstärken den Druck auf Bundeskanzlerin Angela Merkel und fordern ein Ende des Zögerns”

¹⁹ See <<https://www.consilium.europa.eu/media/20485/112856.pdf>> (accessed 01.07.2018).

in a statement by the Euro area heads of state and government of 25 March 2010²⁰, was taken to reassure the public that the government would stand firmly against the introduction of a 'transfer union' in the EU.²¹

After Greece eventually requested European support on 23 April 2010, in view of an imminent fiscal default, Germany still delayed its agreement to activate the meanwhile prepared financial support scheme for the country until 3 May 2010. On that day, 390 parliamentarians (out of the 601 MPs participating in the vote) supported the government's legislative proposal that allowed for the issuing of up to 110 billion Euros to Greece, with a German share of 22.4 billion Euros in bilateral loans.²² Besides the governing parties CDU/CSU and FDP, this law was also supported by the opposition Greens, so that the government secured almost 66 per cent of the votes cast (cf. Degner and Leuffen, 2016).

In the following days, when the interest rates of other Southern European debt bonds rose to dangerous heights, the government continued to oppose a French proposal for the set-up of a more encompassing, yet temporary emergency mechanism for the whole Euro area, the EFSF. It was not before 7 May 2010, election day in the large state of North Rhine Westphalia (Schneider and Slantchev, 2018: 20ff), that the German government accepted to issue loan guarantees of up to 123 billion Euro in the EFSF framework. Reportedly, French President Sarkozy had threatened Chancellor Merkel with abandoning the Euro in case Germany would not lift its opposition to the EFSF (Schimmelfennig, 2015: 187), highlighting the pressure under which Merkel accepted an outcome that clearly diverged from her – and the general public's – initial negotiation position. The Bundestag adopted the corresponding law, which allowed for Germany's participation in the EFSF, on 21 May 2010. 319 members of the ruling CDU/CSU and FDP factions supported the governmental proposal, while 268 MPs from the opposition parties –

²⁰ See <<https://www.consilium.europa.eu/media/21429/20100325-statement-of-the-heads-of-state-or-government-of-the-euro-area-en.pdf>> (accessed 01.07.2010).

²¹ See <<https://www.bundesregierung.de/ContentArchiv/DE/Archiv17/Regierungserklaerung/2010/2010-05-19-merkel-erklaerung-eu-stabilisierungsmassnahmen.html>> (accessed 31.12.2017).

²² See <https://www.bundestag.de/dokumente/textarchiv/2010/29673660_kw18_de_griechenland_2/201688> (accessed 01.07.2018).

but also ten members of CDU, CSU and FDP – abstained or voted against the introduction of the EFSF (Degner and Leuffen, 2016). The government thus secured the symbolically important ‘Chancellor majority’ of 311 votes, necessary to defy a motion of no-confidence.²³

Despite Chancellor Merkel’s lasting efforts to convince the public that both decisions – supporting Greece and setting up the EFSF – ultimately served the German national interest, public support for Merkel fell by more than 18 percent by June 2010 to an all-time low, while support for the CDU fell to a low of 31 percent.²⁴ It took the Chancellor more than two years to recover from this plunge and her party even longer (cf. Schneider and Slantchev, 2018: 19; Hennessy, 2017: 7). Acknowledging the timing and especially the slowing down of decision-making, we find that the German government must have anticipated negative electoral reactions when formulating its positions on fiscal aid for Eurozone countries in the first months of 2010. We take this as first support for our theoretical expectations.

Between mid-May 2010 and February 2012, no major elections took place on the federal or the states level.²⁵ During that time, Germany negotiated the transformation of the temporary EFSF into a *permanent* European Stability Mechanism (ESM) with its fellow Eurozone partners, in exchange for the adoption of far-reaching reforms of the EU’s system of fiscal governance. Or, in the words of the Financial Times²⁶, “if Germany’s original vision of the Eurozone – no bailouts, no shared debts and, in some quarters, no Greece – was becoming unachievable, Berlin was going to ensure that shared burdens came with centralised control”.

The main contested issues in these negotiations, according to the EMU Positions dataset (Wasserfallen et al., 2018), concerned the ESM’s size, scope, and sources, as well as the extent to which the EU’s fiscal rules were to be sharpened. In response to lasting public opposition

²³ Cf. <<http://www.faz.net/aktuell/wirtschaft/eurokrise/efsf-abstimmung-im-bundestag-die-diversen-mehrheiten-der-frau-merkel-11371854.html>> (accessed 01.07.2018).

²⁴ See <http://www.forschungsgruppe.de/Umfragen/Politbarometer/Langzeitentwicklung_-_Themen_im_Ueberblick/Politik_-_Archiv/> (accessed 01.07.2018).

²⁵ The most important regional elections took place in the Land of Baden-Württemberg on 27.03.2011. Yet, only 11 million citizens or less than 15 per cent of the total German population live there.

²⁶ Financial Times, 15.05.2014, online at <<http://on.ft.com/1t5oiGx>> (last retrieved 01.07.2018).

towards increasing fiscal redistribution in the Euro area – in December 2010, 62 per cent of the German population still opposed granting financial support to other Eurozone member states, while only 32 per cent were in favour²⁷ – the German government positioned itself at the extreme end of the position spectrum, insisting on limiting ESM lending capacity to 500 billion Euros (the combined capacity of the already existing EFSF and the European Financial Stability Mechanism, EFSM), on the limitation of ESM sources to guarantees of participating member states, paid-in capital and money raised from fines that countries in breach of the stability and growth pact have to pay, and on the restriction of ESM aid to Eurozone governments, but not e.g. private banks. Moreover, Germany demanded for ESM aid to be conditional on the ratification of and compliance with the Fiscal Compact, including the introduction of debt brakes in the national constitutions of Euro area member states, the mandatory and significant involvement of the private sector in future aid programs and a limited role of supranational actors in the institution. Finally, the government ardently rejected the introduction of Eurobonds as a substitute for the ESM, but instead demanded for the introduction of a financial transaction tax (FTT) to reduce financial market speculations and make the financial sector contribute to the costs of the crisis resolution since the outbreak of the World Financial Crisis in 2008.

Especially the latter two positions were very popular among the German population. In November 2011, shortly before the Eurozone member states agreed upon the final versions of the ESM treaty and the Fiscal compact treaty, a representative poll found that 79 per cent of the German population rejected Eurobonds, while only 15 expressed their support for this policy.²⁸ In turn, 80 per cent of the population supported the introduction of a special tax on banks in March 2010²⁹, and still 58 per cent favoured the introduction of a FTT in January 2012.³⁰ The interests of well-organized German business interests, by contrast, diverged on several of these

²⁷ See <http://www.forschungsgruppe.de/Umfragen/Politbarometer/Archiv/Politbarometer_2010/Dezember_II/> (accessed 01.07.2018).

²⁸ See <http://www.forschungsgruppe.de/Umfragen/Politbarometer/Archiv/Politbarometer_2011/November_II/> (accessed 01.07.2018).

²⁹ See <http://www.forschungsgruppe.de/Umfragen/Politbarometer/Archiv/Politbarometer_2010/Maerz_II/>

³⁰ See <http://www.forschungsgruppe.de/Umfragen/Politbarometer/Archiv/Politbarometer_2012/Januar_I_2012/>

issues. In July 2011, for instance, the BDI reiterated its demand for a combined debt restructuring and investment program for Greece³¹, a rather unpopular measure among the German population.³² In line with our theoretical expectation formulated in hypothesis H1, the German public constantly expressed its opposition towards debt restructuring (Mody, 2018: 275). In November 2010, when “Ireland asked for emergency financing, the Merkel government directly averted any burdens being placed on German banks by excluding PSI [private sector involvement] from the deal” (Thompson, 2015: 860). Six months later, as the Financial Times reports on 17 May 2011³³, Chancellor Merkel reiterated “her strong opposition to restructuring debt in any member state of the Eurozone, contradicting speculation that Germany was pushing such a solution in Greece.” Only when some form of debt restructuring for Greece became unavoidable and experts, most notably the IMF, demanded for such a step, the German government changed its position and agreed to a haircut on the Greek debt in July 2011 (Zettelmeyer et al., 2013: 5).

The conventional expectation, as formulated in hypothesis H2, would have expected an early governmental positioning in line with the preferences of the BDI and other well-organized interest groups in favour of supporting Greece through a haircut and an investment program. But this is not what we find when looking into the decision-making process. Instead, process tracing supports the claim that the German government was strongly constrained by its reluctant public. In a similar vein, the German government effectively ignored the fact that German industry associations repeatedly rejected the idea of a FTT³⁴ or expressed hesitance towards the strong involvement of the IMF in fiscal aid programs for Euro area members.³⁵ We thus claim that the German government would have aligned its positions a lot earlier to the

³¹ FAZ, 16.07.2011, “SPD fordert europäischen Finanzminister“

³² See <http://www.forschungsgruppe.de/Umfragen/Politbarometer/Archiv/Politbarometer_2011/Oktober_I/> (accessed 01.07.2018).

³³ See <<https://www.ft.com/content/60525444-7fe4-11e0-b018-00144feabdc0>> (accessed 20.06.2018).

³⁴ FAZ, 22.03.2010, “Koalition will Banken an Kosten der Krise beteiligen“. FAZ 01.04.2010, p. 11 „Banken sollen die Abgabe doch nicht von der Steuer absetzen dürfen“.

³⁵ FAZ, 02.03.2010, online at <<http://www.faz.net/aktuell/wirtschaft/wirtschaftspolitik/im-gespraech-bdi-chefkeitel-seit-der-wahl-herrscht-orientierungslosigkeit-1953521.html>> (accessed 01.07.2018).

demands of the special interest groups, as well as the international partners, had it not faced such strong public opposition. This highlights the causal impact of the public for position taking of the German government, in line with our first responsiveness hypothesis.

On other issues, however, well-organized economic interest group expressed preferences that were quite in line with public opinion, which makes it difficult to evaluate the predictive qualities of hypothesis H1 or H2, respectively. For example, the BDI, the Association of German Chambers of Commerce and Industry (Deutscher Industrie- und Handelskammertag, DIHK), and the association of German exporters (Bundesverband Großhandel, Außenhandel, Dienstleistungen, BGA), already demanded for tighter fiscal rules, sanctions for breaches of the SGP, and the introduction of debt brakes in the respective national constitutions of Euro area member states in June 2010.³⁶ In March 2011, they expressed their opposition towards a “transfer union” and Eurobonds “at the current state of European integration”.³⁷ Interestingly, however, not all major industrial associations maintained this position over the course of the crisis. In August 2011, German exporters (BGA) repeatedly called for the introduction of such common debt bonds in order to “issue a strong statement to the financial markets”.³⁸ Moreover, differences among major economic interest groups became visible in December 2010, when the BDI criticized the German banking sector for failing to offer constructive input on how to stabilize the Euro area. Such conflicts arguably undermined the influence of business interests on governmental position taking and thus facilitated governmental responsiveness towards public demands. In fact, public opinion polls show strong support (relative and absolute) for Chancellor Merkel’s handling of the Eurozone Crisis in March/April 2012 (i.e. after adoption of ESM and Fiscal Compact on February 2nd 2012). The Pew Research Global Attitudes report notes

³⁶ FAZ, 15.06.2010, p. 13 „Arbeitgeber für mehr gemeinsame Haushaltspolitik“.

³⁷ FAZ 07.03.2011, p. 11 „Wirtschafts warnt vor Schuldenunion“.

³⁸ FAZ, 24.08.2011, p. 10 „Streitereien über Goldpfand und Eurobonds“

that “80% of Germans thought Chancellor Angela Merkel had done a good job as an economic manager.”³⁹

The Bundestag as a Seismograph of Public Concerns during the Eurozone Crisis

In parliamentary systems, the parliamentary arena constitutes an important transmission belt linking public concerns to the government. Parliamentarians when being closest to their constituencies, in times of crises, should be the first to feel the heat on the electoral ground. On 29 June 2012, the German Bundestag on voted on both, the introduction of a permanent ESM, and the ratification of the Fiscal Compact. When looking at parliamentary roll-call voting behaviour on these two issues, some interesting patterns emerge (cf. Degner and Leuffen, 2016). First, voting behaviour in the Bundestag during the Eurozone crisis was generally characterized by extraordinarily high degrees of intraparty dissent, again underlining the strong salience and contestation of the issues at stake. With the exception of the left-wing “Die Linke” who always voted against European measures to fight the Eurozone crisis, all other Bundestag parties largely supported the establishment of the ESM as well as the Fiscal Compact. However, the pattern of voting behaviour differs between these two measures. We detect rather few deviating votes on the conservative/economic liberal side of the political spectrum (CDU, CSU, FDP) on the Fiscal Compact Treaty; in contrast, the Greens and SPD cast the highest numbers of dissenting votes in this case. The picture is reversed for the ESM. Here we see a clear rise in opposition amongst CDU/CSU and FDP Bundestag members, whereas the Greens and SPD Bundestag members approved the matter more. Clearly, the Chancellor should have stronger cared about divergent votes in her own camp on the ESM, rather than about divergent votes from the SPD on the Fiscal Compact, acknowledging that the SPD was not yet part of the government at that time. But the pattern displayed in these two events more generally illustrates the existence of a ‘public mood

³⁹ See <http://assets.pewresearch.org/wp-content/uploads/sites/2/2012/05/Pew-Global-Attitudes-Project-European-Crisis-Report-FINAL-FOR-PRINT-May-29-2012.pdf> (accessed 01.07.2018).

corridor'. Whenever the government seemingly moved too strongly to the left or towards redistributive measures, as highlighted by the case of the ESM, it loses support on the right hand-side of the political spectrum. When taking more conservative positions, the left-hand side of the political spectrum starts rebelling. This highlights once again that Bundestag members and the German public very carefully screened the European crisis negotiations and the positioning of the German government.⁴⁰ Counterfactually speaking, more radical positions of the government would certainly have reduced public as well as parliamentary support. For us this indicates the presence of responsiveness.

Conclusion

Large parts of the literature maintain that national preferences on EMU reforms during the Eurozone Crisis were mostly influenced by only few actors, mainly organized business groups and financial market actors, pointing out a dangerous lack of responsiveness (Schimmelfennig, 2015; Niemann and Ioannou, 2015). In this article, we contrast this view. Our analysis of national preference formation on the Fiscal Compact and the ESM suggests that citizens and parliaments mattered strongly at least with respect to the positioning of the German government. While the empirical focus of this article is on the case of Germany during the Eurozone crisis, we believe that our findings similarly apply to other countries, including debtor states, and other events, as well. For instance, at the time of writing, British domestic politics seems to have a large impact on the way the Brexit negotiations are being conducted by the British government. Whenever the May government supposedly makes concessions to the EU, it seems to endanger parliamentary support on the right-hand side of the political spectrum. For example, shortly after having reached an intra-party agreement at Chequers in early July 2018, the UK government again had to make concessions to its intraparty critiques, albeit at the

⁴⁰ Note that other authors, too, present evidence of parliamentary responsiveness during the Eurozone Crisis. For instance, Herzog and Benoit (2015: 1172) highlight that Irish "legislators who were elected from more vulnerable constituencies tended to express more anti-austerity positions than legislators from less vulnerable constituencies."

expense of losing out on the other side of the political spectrum⁴¹ Thus, governments must carefully identify viable middle grounds. For us, this signals governmental responsiveness in times of crises. But it should be noted, that the positions the governments take must be appreciated by everyone and supporters of a trustee model of representation may be particularly concerned about the last example.

From a theoretical perspective, citizens and parliamentarians can easily be integrated into a rationalist baseline model of European integration. Clearly, liberal intergovernmentalism's core theoretical assumptions of utility maximizing governmental actors, which do not follow a predefined national interest but rather aggregate social demands which are then brought to the European negotiation table, are not at all violated by our empirical findings.

Whether national positions are translated into corresponding political outputs at the European level largely depends on interstate bargaining, the second step of regional integration models. Here a mismatch may emerge in between what different European publics want, and the policies that are decided at the European level. In our view, this mismatch is not primarily due to a lack of responsiveness on the parts of national governments, but rather – almost naturally – results from an aggregation of heterogeneous national preferences. Whether the outputs at the EU level, in reality, deviate from or mirror the EU citizens' preferences, is an empirical question, at the end of the day. Clearly, serving particular nations' preferences or interests cannot be enough for the EU polity, and from a democratic theory point of view, it is important that the process of European preference aggregation is designed and conducted according to justifiable principles of legitimacy (more generally on the issue of representation cf. Powell, 2004). In fact, by averaging out differing national positions, the EU may be able to formulate more carefully considered policies, possibly stronger approaching a trustee model of representation. But this in our view demands more careful future inspection. Here we limit our argument to the point that

⁴¹ Cf. e.g. FAZ of July 18th 2018: <http://www.faz.net/aktuell/politik/ausland/may-kann-die-rettende-sommerpause-gar-nicht-schnell-genug-kommen-15695735.html>.

the responsiveness of national governments in times of crises may be less flawed than often proclaimed in the public discourse and in parts of the academic literature.

References

Bennett A and Checkel JT. (2015) Process tracing. From philosophical roots to best practices. In: Bennett A and Checkel JT (eds) *Process Tracing: From Metaphor to Analytic Tool*. Cambridge: Cambridge University Press, 1-37.

Boin A, 't Hart P, Stern E, et al. (2005) *The Politics of Crisis Management. Public Leadership under Pressure*, Cambridge: Cambridge University Press.

Bulmer SJ. (2014) Germany and the Eurozone Crisis: Between Hegemony and Domestic Politics. *West European Politics* 37: 1244-1263.

Bulmer SJ and Paterson WE. (2013) Germany as the EU's reluctant hegemon? Of economic strength and political constraints. *Journal of European Public Policy* 20: 1387-1405.

Buti M and Carnot N. (2012) The EMU Debt Crisis: Early Lessons and Reforms. *Journal of Common Market Studies* 50: 899-911.

Carrubba CJ. (2001) The Electoral Connection in European Union Politics. *The Journal of Politics* 63: 141-158.

Culpepper PD. (2012) *Quiet Politics and Business Power. Corporate Control in Europe and Japan*, Cambridge: Cambridge University Press.

Curtin D. (2014) Challenging Executive Dominance in European Democracy. *The Modern Law Review* 77: 1-32.

Dahl R. (1971) *Polyarchy: Participation and Opposition*, New Haven, CT: Yale University Press.

De Wilde P. (2011) No Polity for Old Politics? A Framework for Analyzing the Politicization of European Integration. *Journal of European Integration* 33: 559-575.

Degner H. (2017) Public Attention, Governmental Bargaining, and Supranational Activism: Explaining European Integration in Response to Crises. *Journal of Common Market Studies* 55: 1-20.

Degner H and Leuffen D. (2016) Keynes, Friedman, or Monnet? Explaining parliamentary voting behaviour on fiscal aid for euro area member states. *West European Politics* 39: 1139-1159.

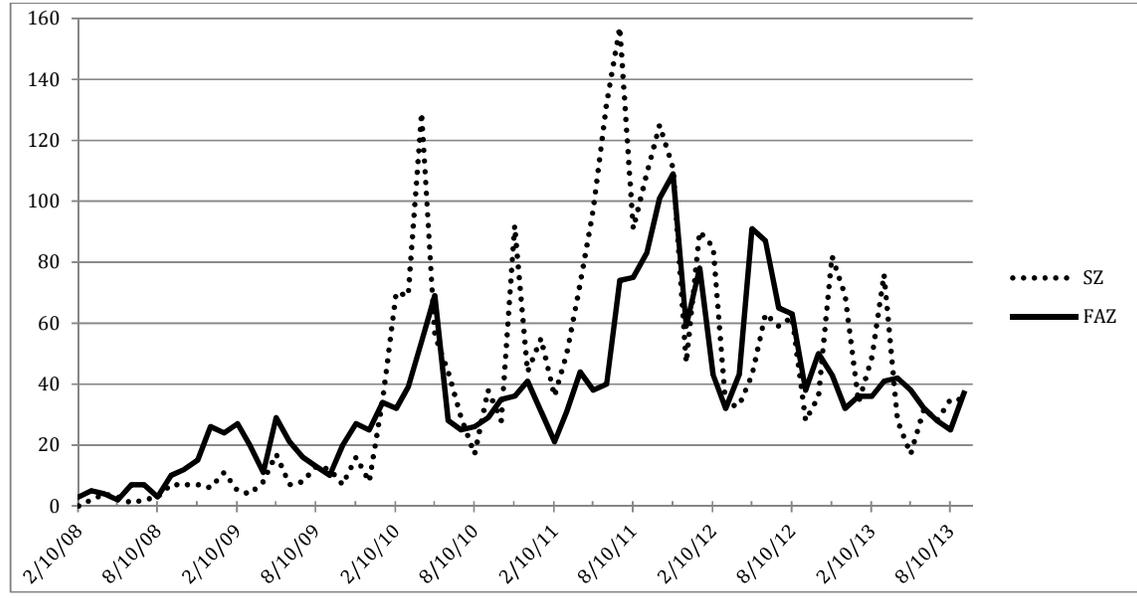
Degner H and Leuffen D. (2018) The Role of France and Germany in the Rescuing of the Eurozone. *Under Review*.

- Driskell JE and Salas E. (1991) Group decision making under stress. *Journal of Applied Psychology* 76: 473-478.
- Finke D. (2009) Domestic Politics and European Treaty Reform: Understanding the Dynamics of Governmental Position-Taking. *European Union Politics* 10: 482-506.
- Føllesdal A and Hix S. (2006) Why There is a Democratic Deficit in the EU: A Response to Majone and Moravcsik. *Journal of Common Market Studies* 44: 533-562.
- Gocaj L and Meunier S. (2013) Time Will Tell: The EFSF, the ESM, and the Euro Crisis. *Journal of European Integration* 35: 239-253.
- Grossman GM and Helpman E. (1994) Protection for Sale. *The American Economic Review* 84: 833-850.
- Hagemann S, Hobolt SB and Wratil C. (2017) Government Responsiveness in the European Union: Evidence From Council Voting. *Comparative Political Studies* 50: 850-876.
- Hennessy A. (2017) Good Samaritans vs. Hardliners: the Role of Credible Signalling in Greek Bailout Negotiations. *JCMS: Journal of Common Market Studies* 55: 744-761.
- Hobolt SB and Tilley J. (2016) Fleeing the centre: the rise of challenger parties in the aftermath of the euro crisis. *West European Politics* 39: 971-991.
- Hooghe L and Marks G. (2009) A Postfunctionalist Theory of European Integration: From Permissive Consensus to Constraining Dissensus. *British Journal of Political Science* 39: 1-23.
- Kingdon JW. (1984) *Agendas, Alternatives, And Public Policies*, Boston: Little, Brown.
- Kreuder-Sonnen C. (2016) Beyond Integration Theory: The (Anti-)Constitutional Dimension of European Crisis Governance. *Journal of Common Market Studies* 54: 1350-1366.
- Lewis-Beck MS and Nadeau R. (2011) Economic voting theory: Testing new dimensions. *Electoral Studies* 30: 288-294.
- Lodge M and Wegrich K. (2012) Introduction: Executive Politics in Times of Crisis. In: Lodge M and Wegrich K (eds) *The Executive at Work during Times of Crisis*. Basingstoke: Palgrave Macmillan, 1-18.
- Lundgren M, Bailer S, Dellmuth LM, et al. (2018) Bargaining Success in the Reform of the Eurozone. *Under Review*.
- Mansbridge J. (2003) Rethinking Representation. *American Political Science Review* 97: 515-528.
- Mody A. (2018) *Euro Tragedy. A Drama in Nine Acts*, Oxford: Oxford University Press.
- Moravcsik A. (1993) Preferences and Power in the European Community: A Liberal Intergovernmentalist Approach. *Journal of Common Market Studies* 31: 473-524.

- Niemann A and Ioannou D. (2015) European economic integration in times of crisis: a case of neofunctionalism? *Journal of European Public Policy* 22: 196-218.
- Page BI and Shapiro RY. (1983) Effects of Public Opinion on Policy. *American Political Science Review* 77: 175-190.
- Paterson WE. (2011) The Reluctant Hegemon? Germany Moves Centre Stage in the European Union. *Journal of Common Market Studies* 49: 57-75.
- Pitkin HF. (1967) *The Concept of Representation*, Berkeley: University of California Press.
- Posner EA and Vermeule A. (2009) Crisis Governance in the Administrative State: 9/11 and the Financial Meltdown of 2008. *The University of Chicago Law Review* 76: 1613-1682.
- Powell GB. (2004) The Chain of Responsiveness. *Journal of Democracy* 15: 91-105.
- Puntscher Riekman S and Wydra D. (2013) Representation in the European State of Emergency: Parliaments against Governments? *Journal of European Integration* 35: 565-582.
- Scharpf FW. (2014) Political Legitimacy in a Non-Optimal Currency Area. In: Cramme O and Hobolt SB (eds) *Democratic Politics in a European Union Under Stress*. Oxford: Oxford University Press, 19-47.
- Schimmelfennig F. (2015) Liberal intergovernmentalism and the euro area crisis. *Journal of European Public Policy* 22: 177-195.
- Schimmelfennig F. (2017) Theorising Crisis in European Integration. In: Dinan D, Nugent N and Paterson WE (eds) *The European Union in Crisis*. Houndmills: Palgrave Macmillan, 316-335.
- Schmitt H and Thomassen JJA. (2000) Dynamic Representation: The Case of European Integration. *European Union Politics* 1: 318-339.
- Schneider CJ and Slantchev BL. (2018) The Domestic Politics of International Cooperation: Germany and the European Debt Crisis. *Internationale Organization* 72: 1-31.
- Soroka SN and Wlencien C. (2010) *Degrees of Democracy: Politics, Public Opinion, and Policy*, New York: Cambridge University Press.
- Stimson JA, MacKuen MB and Erikson RS. (1995) Dynamic Representation. *American Political Science Review* 89: 543-565.
- Strom K and Müller WC. (1999) Political Parties and Hard Choices. In: Müller WC and Strom K (eds) *Policy, Office, or Votes? How Political Parties in Western Europe Make Hard Decisions*. Cambridge: Cambridge University Press, 1-35.
- Thompson H. (2015) Germany and the Euro-Zone Crisis: The European Reformation of the German Banking Crisis and the Future of the Euro. *New Political Economy* 20: 851-870.

- Tsebelis G. (2002) *Veto Players*, Princeton: Princeton University Press.
- Tsebelis G and Hahn H. (2014) Suspending vetoes: how the euro countries achieved unanimity in the fiscal compact. *Journal of European Public Policy* 21: 1388-1411.
- Vliegthart R, Walgrave S, Baumgartner FR, et al. (2016) Do the media set the parliamentary agenda? A comparative study in seven countries. *European Journal of Political Research* 55: 283-301.
- Wasserfallen F and Lehner T. (2018) Contestation in the Reform of the Eurozone. *Under Review*.
- Wasserfallen F, Leuffen D, Kudrna Z, et al. (2018) Introduction: Studying Decision-Making During the Eurozone Crisis with New Data. *Under Review*.
- Weiler JHH. (2012) In the face of the crisis: input legitimacy, output legitimacy and the political messianism of European integration. *Journal of European Integration* 34: 825-841.
- Wratisl C. (2017) Modes of government responsiveness in the European Union: Evidence from Council negotiation positions. *European Union Politics* 19: 52-74.
- Zettelmeyer J, Trebesch C and Gulati M. (2013) *The Greek Debt Restructuring: An Autopsy*: Paper presented at the Fifty-seventh Economic Policy Panel Meeting, Dublin, 19-20 April 2013.

Figure 1: Media reporting on Eurozone Crisis in Germany



Source: own depiction. The trends show the monthly sums of articles in two newspapers (FAZ & SZ) for the term 'Staatschulden'.

EMU --- CHOICES

THE CHOICE FOR EUROPE SINCE MAASTRICHT
SALZBURG CENTRE OF EUROPEAN UNION STUDIES



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 649532

www.EMUchoices.eu