

Austerity Support During the Eurozone Crisis

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Abstract: What explains individual preferences for fiscal policies to respond to the ongoing Eurozone economic crisis? To what extent are such preferences affected by the specific content of fiscal consolidation policies, European Union (EU) support for such policies, or the their potential consequences for the euro? To address these questions we present results of two experiments and other austerity support questions, embedded in a late 2015 survey of a crisis-hit country, Spain. In the experiments we randomize whether the EU or related actors endorse a given austerity policy, and the content of that policy. In the second experiment we randomize whether tax increases or risks of breaking promises to the EU are made salient. We find that individuals are more supportive of austerity when spending cuts as opposed to tax increases are made salient, but that endorsement by the EU and other external actors has no effect. However, we also find that individuals are generally supportive of social spending, and become less so when tax increases as well as potential concerns about breaking fiscal commitments to the EU are made salient. The results have implications for our understanding of the EU as an endorser and general intuitions about why austerity is supported.

What explains individual preferences for fiscal policies to respond to the ongoing Eurozone economic crisis? To what extent are such preferences affected by the specific content of fiscal consolidation policies, European Union (EU) support for such policies, or their potential consequences for the euro? These questions are timely and important as there is increasing concern about whether the citizens of hard-hit crisis countries will support or tolerate intense fiscal cuts and tax increases, commonly referred to as “austerity” (Blyth 2013; Burton 2016). The ongoing debt negotiation crisis in Greece, the new anti-austerity parliamentary majority in Portugal, and the fast rise of upstart political parties in Spain challenging its longstanding bipartisan system, are just several indicators of increasing public dissatisfaction with the policy status quo. Understanding these political dynamics require precise data on how and why austerity divides the public in the crisis context. From an international political economy perspective, better understanding the structure of societal preferences underpinning austerity politics is needed as it has obvious consequences for the political sustainability of contemporary supranational macroeconomic regimes such as the Eurozone (Copelovitch, Frieden, and Walter 2016; Walter 2016).

The latest European economic crisis has provoked much political division within the hardest hit countries about how their domestic governments should respond. Particularly divisive is the form in which the fiscal adjustment has been implemented. This division raises several immediate questions, including: are tax increases equally disliked as spending cuts? Do the proponents of these austerity packages affect their domestic palatability? However, there remains relatively little testing of the features (if any) of fiscal policies that individuals support, and whether such support is affected by their endorsement by different, relevant European actors, or other individual beliefs about the costs of not pursuing such policies. This is especially relevant

given increasing controversy in Southern Europe over whether domestic governments should pursue further policies to “satisfy” the demands of EU institutions and related creditors, and about the domestic political consequences of this newly felt international constraint. Despite the conventional wisdom that austerity is somehow “unpopular” (despite being pursued by the crisis-afflicted governments since 2009), and that external involvement in the implementation of this policies is responsible for an anti-EU backlash (Armingeon and Guthmann 2014; Matthijs 2014; McNamara 2015; Stiglitz 2016), there has been little systematic evidence testing this hypothesis using data measuring preferences for austerity policies.

In this paper we address these questions by presenting data from a new large nationally representative sample in a crisis-hit country, Spain. We first discuss results from our main survey experiment that asked about individual assessment of Spain’s response to the crisis with policy questions about approval of fiscal adjustment. We randomized both the *content* of the policy question (posing it as tax increases versus spending cuts), and also randomized whether the policy has been *endorsed* by one of three relevant actors (the European Union (EU), other European governments, and the German government). From this study we find little public support for austerity overall, and little effect of foreign or supranational authority endorsements on the acceptance (or opposition) to such policies. However, we observe that individuals exposed to austerity framed as generic spending cuts are more likely to support it, regardless of who the external endorser of the policy is.

We then follow up on these initial results in two ways. We first test one reason why austerity may seem unpopular and the role of more powerful cues than just endorsement, related to external actors or costs to government spending. To do so we measured support for government spending for the less well-off. We assessed whether randomly making salient

certain features of such spending affected support for such programs, in particular emphasizing the taxes needed to pay for such spending, and making salient that such spending could threaten promises made to the EU about fiscal promises. This experiment builds on the first by making salient potentially *negative* consequences of pursuing a specific fiscal policy. We find that overall individuals still strongly support government spending proposals to help the less well-off (indicating one reason why there seems to be little baseline support for austerity). We also find that individuals are much less supportive of such spending when then the tax increases needed to support that proposal are made salient. More interestingly, we also find that if the policy proposal for spending emphasizes that such spending could break commitments made to the EU regarding fiscal measures, such spending is significantly less supported, relative to spending that emphasizes neither. Thus while simple endorsements regarding the EU do not affect support for austerity, making salient other costs does affect support for related policies. We find these negative effects are driven by individuals who have suffered greatly from the economic crisis, and individuals who support the euro, respectively.

In a second follow-up test, we offer a more subtle measure of support for austerity by asking respondents to indicate whether they think austerity has been beneficial, harmful but necessary to stay in the euro, or harmful and should not have been pursued. We find that while nearly half of respondents believe austerity should not have been pursued, nearly 44 percent believe that austerity was necessary to stay in the euro. Once again, we find that individuals who have suffered economically and those who do not support the euro tend to be significantly less accepting of austerity, consistent with the theoretical predictions discussed below. These findings, when considered in light of the first two survey experiments, provide considerable nuance to measuring and understanding the public division over austerity. They indicate that

while many individuals may not “support” austerity as measured by standard survey instruments, they can still believe that its implementation has been necessary; further, this more complex view of austerity is shared mainly by pro-euro citizens, and significantly less so by those who have economically suffered from the crisis.

Our results add to both substantive political debates about why austerity has been sustained, as well as to the theoretical discussion about correlates of support for fiscal adjustment and the limits and effectiveness of external endorsement cues, both of which remain underexplored questions. They also suggest that an important cleavage, based on the economic effects of the crisis on citizens, could be emerging in crisis-state countries, pitting those who have been relatively isolated from the crisis and hold positive predispositions towards the euro against those more economically vulnerable who do not.

The paper proceeds as follows. Section 1 gives an overview motivating the studies. Section 2 discusses theoretical motivations for the studies and baseline expectations from extant theory. Section 3 describes the design and results for the main experiment regarding endorsement cues and austerity content. Sections 4 and 5 present data that build on these findings. Section 4 describes the design and results of an experiment that examines the role of more powerful cues. Section 5 presents results regarding a more nuanced measurement of austerity taking into account euro support. Section 6 concludes.

Section 1. Background

Spain is a particularly relevant case to examine regarding individual preferences regarding the crisis, because of the depth and duration of the economic recession, as well its

economic importance to the viability of the Eurozone.¹ The immediate causes and events leading up to an asset bubble, Eurozone crisis, and major recession in Spain in late 2008, as well as the grim economic statistics over the last eight years, have been well documented. At the peak of a real estate bubble heavily dependent on access to foreign finance, the freezing of international markets in 2007 and 2008 took the form of a “sudden stop” for Spain, and quickly led to a rapid fall of asset and housing prices and corresponding dramatic economic contraction. Between 2007 and 2013, real Spanish GDP per capita fell by more than 10 percent, and the unemployment rate skyrocketed from 8 to 27 percent. Long-term unemployment increased in particular, indicated by the fact that by 2013, 62 percent of the unemployed population had been looking for a job for one year or more. While unemployment dropped for the first time below 20 percent in fall 2016, the long-term viability of the Eurozone remains in doubt for now due to concerns about the possibility of a Greek debt default as well as weaknesses in the Italian banking system. Spanish youth unemployment remains high at around 47 percent, and many economic commentators have noted the difficulty in Spain’s capacity to recover from nearly eight years of recession and high unemployment (Martí and Pérez 2015).

The predominant fiscal response to the crisis has been austerity, with tax increases and spending both contributing to the fiscal consolidation (Martí and Pérez 2015; Bozio et al. 2015).² After a brief and temporary policy reaction to the crisis in late and early 2009 of limited government spending on “shovel-ready” infrastructure projects (which followed the recommendations of the G-20 summits of 2008 and 2009, the IMF, and the European Economic

¹ Fernández-Villaverde, Garicano, and Santos (2013) and Neal and Concepción García-Iglesias (2013) discuss the unfolding of events preceding the crisis. Fernandez-Albertos and Kuo provide one overview of the events of the crisis (2016).

² See Walter for discussion on how crises where external adjustment via currency depreciation (in this case, via Eurozone exit) is more costly, difficult internal adjustment procedures via austerity are pursued (Walter 2016, 2013).

Recovery Plan launched by the European Commission and approved by the European Council in 2008), the then Socialist-led government shifted to fiscal consolidation as a response. The rapid panic in peripheral sovereign debt markets, due to perceptions that public debt was becoming unsustainable (the Spanish public deficit rose to 11 percent of GDP in 2009) given the lack of guarantees from supranational institutions, as well as the demands of EU institutions and conditions for rapid financial assistance, forced European countries to adopt fiscal consolidation plans. In May 2010, the Spanish government passed the first wave of austerity measures, including a cut of public employee salaries (a 5 percent reduction on average), a reduction in infrastructure spending, a freezing on pensions, and an increase in the value added tax (VAT) initially by two percent. Massive public protests partially in response to these policies, mostly driven by young, grass-roots, barely institutionalized groups erupted in May 2011 and October 2011 in Madrid and other major cities, with sporadic public protests occurring since. The Socialist government was replaced by the conservative *Partido Popular* (PP) Party in the 2011 elections, which won with 45 percent of the vote and an absolute majority in Parliament. Austerity measures continued, including an income tax rise and major spending reductions across all government departments. The government passed in 2012 a further increase of the VAT to 21 percent, and a new set of rules that forced regional budgets to downsize. Major social programs experienced sizeable cuts; from 2011 to 2014 public spending on education was reduced in real terms by 19 percent, on health care by 10 percent, and on social protection by 13 percent, despite increasing social needs generated by the crisis (Conde-Ruiz et al. 2016). Public debt continued to increase, as the economy contracted by 1.6 percent in 2012 and by 1.2 in 2013. The overall fiscal tightening approached 9 per cent of national income (Bozio et al. 2015).

Precisely mapping the economic crisis on to the political fallout is difficult, but trust in government in Spain has declined substantially since the onset of the crisis, abetted by a spate of corruption scandals. Perhaps the best illustration of the increasing dissatisfaction with the political and economic status quo is the sudden rise of the protest parties *Podemos* (“We can”) and *Ciudadanos* (“Citizens”). The former party, rocketing to public salience in spring 2014, articulates a platform that emphasizes the reduction of income inequality, the regaining of democratic sovereignty against the “technocratic” policy-making of current EU institutions, and anti-corruption (Ramiro and Gomez 2016). The electoral contestation of these new parties in the 2015 national election created a divided political result in late 2015, leading to a second round of elections and a nearly 11-month long period of political deadlock (the longest in Spain’s democratic history), which was only recently broken by the Socialist Party’s investiture abstention, permitting the PP to govern. Certainly the long political impasse and current uncertainty regarding the PP’s capacity to effectively govern can at least be partially attributed to the rapid rise of these two new upstart parties and the collapse of the hegemonic two-party system that characterized electoral competition since the return to democracy in Spain in the 1970. These parties of course benefit from their platform of objection to the policies pursued by the last two Spanish governments since the onset of the crisis.³

The public dissatisfaction with government performance and frustration with the persistence of the crisis raises several empirical and theoretical questions. What aspects of economic policy package (taxes increases versus spending cuts) are more or less unpopular? Does it matter whether supranational institutions are instigators of these policy proposals? And

³ The incumbent PP remains well below its pre-crisis level of support (it is the government with the least amount of political support since the transition to democracy, at 33 percent and 137 seats; the second-largest party, the Socialists, have fewer than 25 percent seats).

what demographic factors or other attitudes can account for variation in views towards austerity overall?

Section 2. Literature and hypotheses for support for austerity and spending in crisis times

Relevant theoretical accounts from redistribution attitudes

In spite of the general perception that austerity policies are generally unpopular, few studies examine the preferences towards different *types* of austerity policies from the ongoing Eurozone recession.⁴ Given that this has been the modal fiscal policy response and more or less the “orthodox” prescription of EU institutions, understanding the conditions under which citizens prefer it is of obvious theoretical and normative importance. We build on recent scholarship of the crisis that focuses on broad policy outcomes and mass opinion on select policies (Bermeo and Bartels 2014; Bermeo and Pontusson 2012; Pontusson and Raess 2012; Kahler and Lake 2013), to examine more specifically the divide over austerity and try to causally assess which aspects of fiscal adjustment matter to individuals.

As there are few studies of support for austerity *per se*, we draw on theoretical literature on preferences for related, but not identical, policies regarding public spending, as well as recent findings on redistributive preferences during the Eurozone crisis. A challenge to theorizing preferences for austerity is that it is a policy “package” or “double-barreled” concept, in that it implies for many a mix of two policies, tax increases and government spending cuts. Formally derived income or utility-maximizing preferences for this package depend on individuals’ beliefs about whether they would be net beneficiaries of austerity, which would depend on the specific progressivity of tax levies and types of spending cuts. In our research design, we address this

⁴ Recent aggregate cross-national data on the election returns points to conflicting ideological trends or mandates as a result of the crisis, and general voter reaction to negative economic news by punishing incumbents (Anderson and Hecht 2014; Kriesi 2014).

concern with different versions of an austerity preference question, as well as different versions of questions assessing preferences for higher social spending.⁵

We mainly draw on the immense theoretical literature that discusses preferences for greater government spending for redistribution to establish baseline hypotheses regarding support for different types of austerity. This literature focuses on the correlates of the preferences for social spending at the individual level during “normal times.” Because there is relatively scant theoretical literature on the role of major recessions in both individual preferences, we establish straight forward expectations of policy views from the logic of support for social spending in non-recession contexts. Many of the studies examining support for government redistribution, drawing on workhorse models such as Romer (1975) and Meltzer and Richard (1981), sensibly note a link between income and support for government spending.⁶ Thus because austerity is often posed as cuts in government spending on various programs, income is hypothesized to be positively correlated with support for austerity.⁷ Another strand of literature argues that individual political ideology is linked to support for government spending, and thus we expect that left-wing ideology should be correlated with opposition to austerity programs (Linos and West 2003).

⁵ There is much recent controversy in the macroeconomic literature about the long-term aggregate effects of different types of austerity policies; we discuss specific distributional consequences that are more motivated by the comparative political economy redistribution literature below. The macroeconomic debate focuses on which aspects of fiscal consolidations should matter. Some studies claim that fiscal consolidations focused on spending cuts tend to be more long-lasting and have more salutary consequences over the long-run (Alesina and Ardagna 2010; Alesina et al. 2015). However, there is strong contestation of this evidence, with claims that both forms of fiscal adjustment, particularly spending cuts, are not beneficial as a recession response due to their negative effects on aggregate demand (Guajardo, Leigh, and Pescatori 2014; Perotti 2012; DeLong et al. 2012; De Grauwe and Ji 2013; Jordà and Taylor 2015). This literature does not focus on how such aggregate outcomes might be directly linked to differential levels of support or opposition to such policies, depending on distributional conflicts associated with the different policy choices.

⁶ Such correlations tend to be less present in Southern European states (Fernandez-Albertos and Manzano 2016).

⁷ Another strand of research focuses on the role of individual-level risks in support for government spending (Rehm 2009).

Recent literature also focuses on the conditional support of government spending from labor market insiders (Rueda 2005, 2007). The logic is that these individuals who might otherwise be more left-wing have high employment protection, and therefore have lower expectations of being unemployed; these individuals are less supportive of social programs such as unemployment insurance because they do not expect to be beneficiaries of such programs (Fernandez-Albertos and Manzano 2016). These preferences are particularly relevant in countries with highly dualized labor markets (defined as labor markets where a higher proportion of workers lack union protection or are on temporary work contracts and are therefore labor market “outsiders”). Spain and other Southern European countries are often defined as highly dualized economies, though this phenomenon is also observed in many other continental economies as well (Thelen 2014). We expect that labor market outsiders should be, *ceteris paribus*, less supportive of austerity than, following from the empirical literature that identifies such individuals who are more subjected to labor market uncertainty as more supportive of key types of social spending.

Given that austerity has largely been implemented during times of economic crisis, another sensible prediction focuses on the role of negative income shocks. Panel evidence from US citizens who move in and out of employment supports this general intuition that negative income shocks and employment loss condition support for redistributive programs (Margalit 2013; Hacker, Rehm, and Schlesinger 2013). Other recent work on spending attitudes during the recession in less crisis-afflicted countries looks at whether policy and party preferences have changed by income. One study finds that in the cases of the United Kingdom and Germany, the economic vote of the rich and the poor did not differ much, and that the recession did not greatly polarize redistributive preferences (Duch and Sagarzazu 2014); another study finds that that the

middle class in Britain overall has actually become less supportive of redistribution during the most recent recession (Soroka and Wlezien 2014). Given the severity of the recession in Spain, we expect that those who have suffered more economically during the crisis to be more supportive of social spending, and therefore, more opposed to austerity.⁸

Austerity as a package

The major caveat to the above theoretical delineation that draws on the well-developed redistribution preferences literature is that, as noted, austerity is a package that includes tax increases. Individual views of austerity can differ depending on aversion to tax increases to pay for such spending, although we note that in many of the empirical studies cited, some scholars measure preferences of social spending with questions that note that such spending could imply tax hikes. Still, individuals may support spending policies in the abstract but not the taxes used to finance them, or their support for spending cuts could be dampened by the inclusion of tax increases as part of the policy package. These conditions might be particularly relevant in the Southern European context, where the welfare state is more limited and redistribution and welfare state intervention tends to disproportionately benefit the middle-class (Huber and Stephens 2014; Fernández-Albertos and Manzano 2012). If individuals believe that government spending anyway does not benefit those who have suffered during the crisis, they may be even less supportive of such spending or more sensitive to tax increases used to pay for such spending. Or, if they prefer the state to shrink, they may be more opposed to tax increases.

This mix of policies inherent in austerity has some implications for thinking through how the above individual covariates affect preferences. The first implication is about how standard

⁸ Another study from Spain does find a correlation between income loss and some *opposition* to government spending, although this data are from 2012 (before the rise of the two new political parties), and the survey question included a proviso about tax increases to pay for such spending, which we separate out in this design (Fernández-Albertos and Kuo 2016).

variables would matter, and therefore how a research design could accommodate this “package” aspect of austerity. For example, affluent individuals should generally support lower government spending, but, if this lower government spending is paired with overall tax increases, that might dampen their support for austerity overall. Similarly, low income individuals might view themselves as actual or potential beneficiaries of social spending and oppose cuts, but whether tax increases add to their opposition to the austerity package depends on beliefs about who bears the brunt of such tax increases.

We discuss more how to deal with this caveat of the “package” nature of austerity in the research design section, but we preview the main concern now, as previous literature on redistribution in the crisis does not focus on views of austerity *per se*. Much recent scholarship that focuses on the citizen response to austerity does not delineate between tax increases and government spending cuts as components to austerity. There is little analysis about the form that this austerity takes: is fiscal consolidation (un)popular because it raises taxes, because it cuts spending programs, or both? The popular commentary that does discuss “austerity” or “fiscal adjustment” frequently does not disentangle the different aspects of such policy packages. And public approval of such packages may depend on whether they support the mix of such policies, or if they more strongly support spending cuts or tax increases to meet such goals. In examining citizens’ views of this policy mix, one should attempt to theorize differently about which components citizens would support and why. Hence in the research design, we compare preferences for austerity packages by simply separating these components and comparing individual evaluation of them to evaluation of the package as a whole. This allows us to causally assess which elements of an austerity package are more important to individuals.

In the case of austerity in the Eurozone context, sensibly, views of austerity support may be greatly influenced by one's views of the euro or EU. In the growing literature on the causes of the political crisis of the European Union project, the notion that unpopular austerity policies are often presented to the public as impositions from unelected EU technocrats is linked to increasing levels of Euroscepticism (Hobolt and Tilley 2014; Hobolt and de Vries 2016), lack of trust in democratic institutions (Armingeon and Guthmann 2014), and greater opposition towards the actual content of these policies, which are more likely to eventually fail as a result of this lack of legitimacy (Matthijs 2014; Culpepper 2003; Stiglitz 2016; Sanchez-Cuenca 2017). Following this conjecture, we hypothesize that support for austerity should be affected by whether individuals believe these fiscal consolidation policies are endorsed by the EU. Additionally, compliance with these policy measures might well contribute to maximizing "good standing" with the EU and minimize the risk of leaving the Eurozone. Therefore, we also posit that a strong correlate of supporting austerity should be orientation towards the EU and support for the euro, an increasingly divisive topic in Southern Europe. Individuals who believe that Spain should satisfy the EU and stay in the euro should be more supportive of the austerity package overall.⁹ A rich literature identifies strong correlates of such pro-European institution orientation; these are generally education and income, although the precise mechanisms linking these covariates to EU support are still debated.¹⁰

While current literature notes a strong correlation between factors such as education and support for the euro and the EU, as well as traditionally higher levels of support for and trust in

⁹ See Polavieja for recent work documenting increasing distrust of EU institutions depending on citizenship in the donor or bailout countries since the advent of the crisis; "debtor" states have becoming increasingly less trustful of the EU (Polavieja 2013)

¹⁰ Discussion of cross-national correlates of euro support before the crisis is in Kaltenhalter and Anderson (2001), and Banducci Karp, and Loedel (2003), and during the crisis in Spain by Fernandez-Albertos and Kuo (2016).

the EU within Spain (Medrano 2003; Sánchez-Cuenca 2000), one concern about this finding as it relates to austerity support is identifying a causal impact of the involvement of the EU on support for austerity.¹¹ Individuals who are predisposed to trust or support the EU, or support the euro, and who strongly wish to maintain Spanish membership in the Eurozone and EU might also be those willing to pursue austerity.¹² As noted above, in the case of the European economic crisis, austerity could be viewed as a means of maximizing preservation of the euro, but the causal relationship between EU support and austerity would be unclear. Conversely, individuals who are skeptical of the EU or euro may also be those less supportive of austerity because they view it as a policy that serves those ends.

Disentangling the causal relationship is difficult, but below we propose a research design that partially addresses the role of EU in making austerity more or less palatable in two ways. First, we randomize the presence of a cue that individuals receive making the EU and other external actor *endorsement* of austerity salient. This design enables us to assess whether the presence of a supranational or foreign political actor's endorsements make austerity packages less attractive. If, as has been frequently argued by critics of the EU's behavior during the crisis, it is the lack of political legitimacy by supranational institutions or foreign governments that makes austerity policies more contested by the public, we should expect austerity packages (either in the form of tax increases, spending cuts, or both) to be less supported whenever these external endorsements are present.

¹¹ In the period before the crisis, Sanchez-Cuenca argues that individuals who trusted their governments less were more welcoming of EU integration, as they trusted EU institutions relatively more (2000).

¹² Hobolt and Tilley demonstrate how declining economic conditions have led to reduced trust in the EU and euro (Hobolt and Tilley 2014). See also discussion of the link between the crisis and trust in the EU and euro in Hobolt and LeBlond (2014) and Hobolt and Wrátil (2015).

This design draws on a longstanding body of work that predicts endorsement of policies should matter for citizen support, depending on the actor in question. Many studies of preferences for both foreign policy and various domestic policies show large endorsement effects, although the empirical focus on such endorsement effects has been on the US public. This large tradition in political behavior examines the causal impact of “cueing,” theorizing that endorsement from actors acts as an information shortcut that tells the citizen about the likely costs and benefits of a policy, particularly if the endorser is well known and the citizen has a pre-existing informed opinion about the endorser (Lupia and McCubbins 1998). In the US context, endorsements by international actors (such as the role of the UN Security Council approval and foreign government actors) have been shown from causal and observational data to affect support for different US foreign policies (Tingley and Tomz 2012; Grieco et al. 2011; Hayes and Guardino 2011; Bechtel, Hainmueller, and Margalit 2015). A raft of recent empirical studies using US evidence examines the specific role of party cues or interest group support on views of domestic policies as well (Malhotra and Margalit 2010; Arceneaux and Kolodny 2009; Kousser et al. 2015; McDermott 2006). Much less literature in the European context experimentally looks at the impact of *external* or *international* endorsement cues on policy preferences.¹³ Relevant to the crisis, previous research identifies the importance of partisan endorsement of framings of the crisis in affecting blame of the crisis, but does not focus on the role of the EU as an endorser *per se* (Fernández-Albertos, Kuo, and Balcells 2013).

Separating the independent impact of the EU and related actors as endorsers of austerity is also important, as there is increasing media scrutiny and criticism of austerity, the EU’s role in

¹³ The exception is Bechtel, Hainmueller, and Margalit, who find little evidence of the international endorser effects on German support for the Eurozone bailouts (2015). Other research on European voters examines the causal of government cues in assessing support for policies (Tilley and Hobolt 2011; Hobolt 2007).

promoting it, and perceptions of EU lack of transparency (e.g., (Schmidt 2015; McNamara 2015)). As the introduction noted, recent government turnovers and political uncertainty in Southern European states over the last several years can be linked to dissatisfaction with the economic outcomes since the turn to austerity. Given the recent political uncertainty and stalemate over bailouts and debt restructuring in Greece and an austerity-challenging political coalition forming in Portugal, there are good reasons to think that individuals might be more skeptical of policies if they are perceived to be endorsed by the EU, or related actors such as the German government. We hypothesize that *ceteris paribus*, such endorsements should on average make policies *less* popular, as they might be perceived as policy impositions from outside actors lacking domestic democratic legitimacy. However, an obvious moderating variable should be pre-existing degree of EU or euro support; individuals who are particularly pro-euro or EU could be even more likely to support such policies if they are endorsed by the EU.

We also hypothesize that endorsements of austerity by other external actors, such as the German government and other European governments, should affect the popularity of austerity. We distinguish among these different actors (the EU, other European governments, and the German government), because it is plausible that individuals might be more or less responsive to cues based on beliefs that the German government has additional authority. We also consider the fact that endorsement from other European governments of policies could matter, as citizens may think of the EU as a collective of other European governments, as opposed to the actions of the main institutions or the European Central Bank (ECB). Citizens might be more supportive of policies if they believe that other European governments endorse them, as opposed to EU institutions. Even though both the German government and other European governments

contribute toward EU institution decision-making, individuals may respond to such actors' endorsements differently.

In a second experiment, discussed more thoroughly in section 4, we explore an additional channel through which EU-related concerns could affect preferences for austerity. Rather than by the legitimacy concerns raised by foreign actors' endorsements, individuals' views over austerity might vary as a result of the expected consequences of such policies for the Eurozone membership and, more generally, for the country's viability as a member of the EU. To the extent that the public perceives austerity as a cost "worth paying" for the maintenance of the country's economic commitments, these economic policies might be more tolerated or accepted.

Section 3. Austerity Preferences, Content, and European Endorsement

Design

To test whether endorsement by the EU and other external actors matter for support for austerity, as well as whether certain aspects of austerity matter more, we fielded a web-based survey of a nationally representative sample in Spain, of 6,000 respondents, in October 2015.¹⁴ We first consider two types of questions and experimental designs. The first examines support for austerity generally, and the second looks at the more standard question of support for social spending, a major component of why austerity packages are contentious.

For the first experiment, we assess support for austerity as a measures to respond to the crisis. We randomize for the austerity measures two aspects of the question: a) whether austerity is defined as spending cuts, or defined as tax increases (the policy content), or both, and b)

¹⁴ The Netquest survey uses opt-in panels, based on existing databases of nationally representative samples of residents of Spain. The panel is constrained to individuals of at least 18 years of age. The sample is stratified with representative quotas of the Spanish population by geographical area (seven geographical areas), age group, and gender. Netquest compensates economically all participants with vouchers that can be used later to purchase goods at Netquest's online store.

whether the policy has no endorsement, is endorsed by the EU, other governments that are members of the EU, or the German government. For each question, the baseline condition that we are interested in comparing to is whether the austerity policy is defined as both tax increases and spending cuts. Thus there are 12 possible conditions (three possible policy content options x four possible endorsements). The text of the austerity dependent variable reads as follows, with “/” denoting separation of randomized text put in to alter the wording of the question. The only difference across the questions is random assignment of the policy content and endorsement:

“As you may know, with the aim of reducing the public deficit during the current crisis, the Spanish governments have followed a policy of: {spending cuts and tax increases / spending cuts / increase taxes} {no text / consistent with the recommendations of the institutions of the European Union / consistent with the recommendations of the institutions of other European governments / consistent with the recommendations of the institutions of the German government}. To what extent do you agree or disagree with this policy?” [Response options: strongly favor, somewhat favor, neither favor nor oppose, somewhat oppose, strongly oppose].

Thus the control group question mentions *both* tax increases and spending cuts and *no* endorsement. The full list of treatments with all the question-wording combinations is listed in Table 1. The sample size for each experimental condition was 500. To our knowledge this is the first experimental design in a crisis-hit country that randomizes both the role of the EU as well as other external actors as an endorser, as well as randomizes which aspects of austerity are made salient to the individual.

We measure and code demographic covariates at the conclusion of the survey, many drawn from the theorizing above in section 2. We collected data placing the respondent in an income decile. Education is coded on a four-point scale (some primary or secondary schooling only, completed secondary schooling, vocational training or exposure, and completed university and/or post-graduate training). Female gender is coded 1. Unemployment status is coded as 1 if respondent is unemployed, 0 otherwise. Age is coded on a five-point scale (18-30, 31-45, 46-63,

66 and above). The standard left-right ideology scale is coded 1-10, with higher values indicating more conservative self-placement. We code an individual as a labor market “outsider” if they are currently employed with a temporary contract.

We measure income loss by asking the individual to respond if her income has approximately increased, stayed the same, or decreased since the onset of the crisis. With both the income increase or decrease categories, we then ask the individual to recall to her best capacity the approximate amount of increase, with response options of 0-10 percent, 10-20 percent, etc. We code individuals who have suffered extreme negative shocks as those who have lost at least 50 percent of their income since the start of the crisis. We also assess support for the euro with a question that asks respondents if they believed overall that the euro has provided more positive than negative effects for Spain; this is coded binary with 1 indicating pro-euro orientation and 0 otherwise. Appendix Table A1 provides the descriptive statistics of the overall sample. The online appendix tables A2 and A3 show that these covariates are not correlated with treatment assignment, indicating successful randomization in the two experiments (this one and the one in section 4).

[Table 1 about here]

Results from the fiscal austerity endorsement experiment: support for fiscal adjustment as a response to the crisis

We first describe the control group results regarding support for fiscal adjustment as a mix of tax increases and spending cuts, as this is the most basic way to assess citizen support for the austerity packages that Spain has adopted since the onset of the crisis. Only a small minority of individuals—15 percent—either favor or strongly favor this policy (and in fact, only two percent strongly support fiscal adjustment, while nearly 40 percent are very much against it).

Thus in the baseline control group, there is little support for austerity as a policy. While we are more theoretically interested in making salient various features of austerity and endorsement and examining those effects, we briefly discuss the role of demographic covariates and support for the baseline austerity package. Column 1 of Table A4 in the appendix presents these results based on logistic regression models for the control group only. The column shows that in the control group, for demographic (non-attitude) covariates, income decile, age, and right-wing ideology are all unsurprisingly positively correlated with support for such measures, consistent with models that examine attitudes towards redistribution.

The marginal impact of each income decile is about 1.5 percentage points, and that of ideology is about 3.5 percentage points. Neither unemployment nor labor-market status correlates with opposition to such austerity measures. But, as previewed above, the lack of correlation for some of these variables could be due to sensitivity to tax increases. In terms of the other specific policy attitude measures in the model, being pro-euro strongly positively correlates with support for austerity. The marginal impact of this variable is quite large and precisely estimated, of 10-11 percentage points. This is some preliminary evidence of the connection between expressing pro-euro views and supporting austerity.¹⁵

We now turn to the first causal question of interest, which is, how does the emphasis of austerity as either spending cuts or tax increases compare to the control group “package” of both? As it is cumbersome to present and discuss the means of all the other 11 treatment groups, we focus first on just comparing the control baseline to the groups that emphasize tax increases and spending cuts separately. For the group that receives the austerity question framed only as spending cuts with no endorser (group 5 in Table 1), support for austerity jumps to 32 percent (so

¹⁵ Exclusion of the euro support variable does not change the estimates of the other demographic coefficients.

a minority, but a much larger one, supports austerity when defined this way). This difference from the control group is significant ($p < .001$). For the group that receives the austerity question framed only as tax increases (group 9 in Table 1), support is similar to the baseline condition at around 16 percent. Thus from these simple comparisons, emphasizing austerity as just spending cuts makes it more popular (but still overall, it does not get majority support), relative to mentioning both. But, asking about austerity preferences as just tax increases does not make it *less* popular than the baseline condition. Thus individuals are sensitive to fiscal austerity framed as spending cuts.

What about the effect of external endorsements on support for austerity? We find little evidence that the external endorser matters, regardless of who the endorser is. Across each of the endorsement treatments (the EU, European governments, the German government), regardless of the austerity content, there are no significant difference in means across these groups. For example, if the German government endorses austerity (as defined as tax increases and spending cuts), support for the austerity package is 18 percent, but the difference is not statistically significant.

These overall differences hold if we estimate a logistic regression with the dependent variable of support for the baseline mix of austerity with no endorsement (the control group), and a series of binary indicators for the different treatment assignments. The basic model thus has 11 coefficients (one for each treatment group). Table 2 and Figure 1 show the results. The striking pattern is that the coefficients for each of the treatments that frame austerity as just spending cuts are positive and precisely estimated, but none of the endorsement coefficients matter relative to the control group. Further, within each set of different policy content questions, the endorsement coefficient does not differ greatly. For example, in looking at the coefficients of the

endorsements for spending cuts, they are not significantly different from one another. The estimated marginal impact of each treatment of framing austerity as spending cuts, relative to the baseline defined as the mix of spending cuts and tax increases, are 20 (no endorsement), 15 (EU endorsed), 16 (other European government endorsed), and 20 (German government endorsed) percentage points, respectively (all of these differences from the control group are precisely estimated at $p < .01$). Thus no matter which external authority endorses spending cuts, such cuts are much more supported relative to the baseline question of austerity. Column 2 in Table 2 shows that these results hold when we introduce the standard set of individual-level controls.

Is it the case that these treatment effects—particularly those of framing austerity as spending—are driven by many of the relevant moderators discussed above? To test the conditional impact of these covariates, we simply estimate a series of logistic estimations as above, interacting left-wing orientation, income decile, and euro orientation (the covariates that are theoretically of interest and linked to austerity support in the control group). These null results are shown available in online appendix A. We find little evidence that the treatment effects are heightened in any of these groups. In no cases are the interaction terms between treatment assignment and the demographic variable of interest precisely estimated at conventional levels; these are largely null effects. The large positive effect of framing austerity as spending cuts relative to other ways (that include tax increases) are thus not driven by particular individuals who have distinct demographic characteristics. Our conclusion is that while austerity remains unpopular, and support for it is higher among the wealthier, older, educated, and more pro-euro, overall, austerity is much less unpopular when its spending cut features are emphasized. Perhaps more importantly, these first set of results show that framing austerity measures as originating from outside the domestic political arena (in the EU, other

European governments, or the German government) does not cause these policy measures to be any less acceptable by respondents.

[Table 2 about here]

Section 4. The role of stronger non-endorsement cues on spending preferences

The results from these endorsement and austerity content experiments raise a few natural follow-up questions. First, why does austerity overall seem to be fairly unpopular (as indicated in the control group)? Second, does the fact that the EU is involved in negotiated austerity packages really not matter at all regarding views on austerity, as suggested by the null effect of the endorsement cues? To address these two questions we analyze additional questions that measured austerity preferences in a different way and implement a design that makes additional features of austerity salient. In this section we follow up on the first experiment's results by examining whether making other costs to not pursuing austerity salient affects support for government spending. In the next section we turn to an alternative and more nuanced measure of austerity support.

One sensible reason why respondents in the first experiment were overall fairly negative regarding austerity is that many individuals support redistributive programs and the preservation of social services. But, we hypothesize that such support could also be attenuated if potential costs to that spending are also made salient. To test this more systematically, and to test whether a stronger cue related to the EU that is beyond "mere" endorsement (which was a minimal baseline), we examine the degree of support for social spending (a policy closely related to austerity and hotly contested) and whether making salient *tax increases to pay for austerity* or *breaking EU fiscal commitments* affects support for such spending.

In this experiment, we asked the control group a straightforward question of whether she supported increased government spending for the least well-off. We also had two experimental groups, randomizing a) whether the social spending question had tax increases made salient—an element that should reduce the support for such policy—and b) making salient that such spending could risk the breaking fiscal commitments to the EU were made salient. Thus there are two experimental conditions (and a control group), each of which primes a different potential cost to pursuing government spending during the crisis. We thus can recover a comparable measure of how “costly” individuals believe it is pursue fiscal policies that could violate EU fiscal rules. This also helps assess whether these stronger cues regarding more specific negative consequences of pursuing government spending (against austerity) matter. The text of the question reads (again with “/” denoting separation of randomly assigned questioned wordings):

“Are you in favor or against increased government spending targeted for the least well-off, {no text / even if it means raising taxes are increased / although this could endanger commitments with the European Union to reduce spending /?” [Response options are strongly favor / somewhat favor / neither favor nor oppose / somewhat against / strongly against]

Table 3 displays the experimental design. Each respondent was assigned to each condition with equal probabilities, so each experimental cell for this second experiment has a sample size of 2,000. For both dependent variables, we code strongly support/favor and support/favor as support (1) and the rest as 0. The demographic independent variables and attitudes regarding the euro are the same as described in section 3.

[Table 3 about here]

We first describe results in the control group for the question on increasing social spending. Consistent with previous data on the propensity of Spanish individuals to support social spending, there is majority support for such redistributive programs. In the sample, 76

percent (1,515 individuals) either somewhat favor or strongly favor spending for the least well-off. Only 9 percent are very against such spending. While we are less concerned with the impact of the standard individual covariates in this control group, Table 4 presents results from a simple estimation, where we estimate the coefficients for the covariates of income decile, female gender, age, education, left-right ideology, and if the respondent is unemployed. The Table (column 1) shows that in the control group, education and age are correlated with support for social spending, but income decile is not, consistent with the notion that redistribution objectives are not the main determinant of welfare state preferences in Spain. Unsurprisingly, more right-wing individuals are opposed to such spending. Individuals who have suffered large income losses (greater than half of income lost since the crisis) are also more supportive of spending (by eight percentage points).

We now turn to the simple difference of means tests across the experimental groups to assess the baseline impact of making different costs of social spending salient. If tax increases are made salient, support for such spending drops dramatically, by nearly 18 percentage points (.76 v .58, $p < .001$). More interestingly, if the risks that such spending pose to fiscal commitments to the EU are made salient, support *also* decreases, by nearly eight percentage points (.76 v .68, $p < .001$). We note in both experimental conditions, support for increased social spending overall still remains above 50 percent.

These results are robust if we conduct a simple logistic estimation with the same outcome as the control group, with binary variables for treatment assignment. Column 2 of Table 4 shows that both treatment coefficients are precisely estimated. The marginal effects for the tax salience and EU commitment are 18 and nine percentage points, respectively. Column 3 shows that these

effects are also robust to inclusion of the standard demographic covariates shown in the control group. Figure 2 shows the results graphically.

[Table 4 about here]

We also test if these large treatment effects are more pronounced in groups that should be more sensitive to tax increases. In particular, we consider two theoretically important moderators relevant for each treatment, following from the theoretical discussion above, about factors that should increase sensitivity to austerity measures: personal experience of the crisis, and support for the euro. Table 5 shows the results of interacting large income loss with each treatment, and interacting support for the euro with each treatment. The results are striking. As in the control group, those who have suffered large negative income shocks were more supportive of spending than others. But as column 1 shows and Figure 3 displays, once tax increases to pay for more spending are made salient, their support for spending drops by a greater amount such that it remains equivalent to other individuals, indicating greater aversion to taxes among these respondents. We find similarly large effects regarding the treatment of making fiscal commitments to the EU salient, for those individuals who are more pro euro. Column 2 of Table 5 shows that the treatment effect substantially attenuates support for social spending for pro-euro individuals by 7-8 percentage points; this effect is displayed in Figure 4. These results indicate that while there is a baseline negative effect of simply making salient various costs of greater social spending, these effects are larger in some sub-populations that we theoretically predict should be more sensitive to such concerns.¹⁶ Our interpretation is that while simple EU

¹⁶ These results remain unchanged if we control for the other demographic covariates. In the online appendix, we show that treatment assignment in one experiment is uncorrelated with responses in the other experiment (indicating no priming effects from the experiments on other outcomes of interest in the other experiment).

endorsements do not appear to have a causal impact on austerity views, making salient other euro-oriented concerns about such policies does attenuate support for government spending.

[Table 5 and Figures 3-4 here]

Section 5. Blanket opposition to austerity? Further evidence

In this final section we address the follow up questions of why people appear to oppose austerity (the descriptive results from the two survey experiments), and whether support for austerity might change if other potential reasons for austerity are posed. We have previously established that while there is high opposition to austerity and support for government spending, such support for the latter can be attenuated in the presence of stronger negative consequences regarding tax increases and breaking EU commitments, and further, that such effects are pronounced among those who have suffered the most from the crisis and those who are predisposed to the euro, respectively. We build on this finding in this section by examining explicitly whether people hold the view that austerity has been “painful but necessary to stay in the euro. While in this test we do not present an experimental manipulation, we do pose to respondents different, more nuanced views of austerity and assess whether the same moderators matter as in the previous section. To that end we use an alternative measure of attitudes towards austerity. The question reads:

“As you might be aware, in the context of the economic crisis, the government has tried to reduce the public deficit by tax increases and spending cuts. What sentence best reflects your views towards these policies? {These policies are beneficial / These policies are harmful, but are necessary because we would otherwise put our euro membership in risk / These policies are harmful, and we should have not adopted them.”}

Although the category selected by most respondents is that austerity has been harmful and should not have been adopted (47 percent), 43 percent believe that “austerity has been harmful but necessary not to put euro membership in risk,” and the remaining 10 percent believe austerity

policies have been beneficial. Thus a slight majority of the sample express *some* degree of acceptance of austerity.

Using the same set of covariates as in the previous analyses, Table 6 presents the results of a multinomial logit model that investigates the determinants of individual choices for this three-category variable. Given the use of the multinomial estimation, we set the baseline category as the third option, “Austerity has been harmful and should not have been adopted.” As Table 6 shows, older and right-wing respondents tend to have more accepting views of austerity, relative to the reference category of austerity not being adopted. Consistent with the findings in the previous section, the table shows those who have suffered greater income losses during the crisis are *less* likely to state that austerity has been beneficial and that austerity has been bad but necessary. And consistent with the previous section’s results, assessment of the euro is highly positively correlated with views on austerity—such individuals are most likely to say that austerity has been necessary. Those who believe that the euro has been beneficial for Spain tend to hold also more positive views of austerity.¹⁷

Figures 5 and 6 visualize these results by plotting the predicted probabilities of the general assessment of austerity policies, for those who have suffered an extreme income loss during the crisis and those who have not experience any loss at all (figure 5), and for individuals with different views towards the euro (figure 6). Figure 5 shows that those whose income has not been affected by the crisis are significantly more likely to believe that austerity has been salutary in itself (by about four percentage points), and they are much less likely to believe that austerity should not have been adopted (by approximately seven percentage points). Figure 6 shows that those who have positive views of the euro are much less likely to choose the option that austerity

¹⁷ In appendix Table A6 we show these results are substantively similar when we consider an ordered logistic estimation.

should not have been adopted (relative to those who are euro skeptics, by about 19 percentage points), more likely to choose the option that austerity has been harmful but necessary (relative to others by about 12 percentage points), and more likely to believe that austerity has been beneficial (by about eight percentage points). Of course, belief in the positive consequences of the euro and support for austerity as a means of ensuring Spain's continued use of the euro capture the same general euro orientation, but it is still notable that those who support the euro are also more positive towards austerity, and the response options provided indicate that the reason for some continued austerity support is at least partly attributable to a desire to keep Spain in the euro. It is notable that while beliefs about the euro do affect the probabilities of believing that austerity is positive, the divide between euro positive individuals and euro-skeptics is much greater regarding the probability of choosing the other two categories, and is largest regarding the category of austerity being unequivocally negative.

Section 6. Discussion

The fiscal policy response to the ongoing European economic recession has garnered considerable academic and popular controversy, and understanding the nature and the source of public division over “austerity” remains a politically important as well as a theoretically and empirically underexplored topic in the field of comparative and international political economy. There is a wealth of literature now on comparative political behavior, economic voting, and other forms of expression in crisis-hit countries since the outbreak of the crisis, as well as a longstanding wealth of literature on redistribution preferences, but little research on the support for specific measures of austerity, the most relevant fiscal response to the crisis. We address this question with new data from a crisis-hit country, Spain, and from our analysis we can draw some initial conclusions as well as pose questions for other scholars to pursue.

Our findings make several empirical and theoretical contributions. First, our descriptive data indicate that at least in Spain, as measured by traditional survey instruments, there appears to be little enthusiasm or support for austerity (indicated in hostility towards austerity and support for government spending from the first two survey experiments). However, as section 5 indicated, a significant plurality do believe that austerity has been both harmful *and* necessary to help assure Spain's maintenance in the Eurozone; further, austerity is much less unpopular when framed as spending cuts only (as indicated in the first survey experiment). The sum of these results indicates firsthand a need for nuance and precision when measuring austerity preferences.

Second, we bring new evidence that tests theories regarding external endorser effects, recovering for the first time hypothesized causal effects of *European Union* and related *external actor* effects on support for austerity policies. We find no evidence of such external endorser effects. Contrary to most conventional wisdom, we do not observe that a certain external European actor endorsement (the EU, other European governments, or the German government specifically), diminish austerity support. These results casts some doubt as to whether the perceived "legitimacy" of the external or supranational decision-making bodies is the main relevant factor behind the public's views towards austerity policies. However, this does not mean that the fact that austerity has been pursued in the context of EU insistence and concerns about the Eurozone do not matter at all. As our other experiment demonstrated, making salient the risk of breaking EU fiscal commitments reduced support for more government spending for the needy by 10 percentage points. Thus external endorsement cues per se may not be relevant in terms of assessing austerity support, but, making salient potential costs matters substantively; the effect of the EU cue is substantial, as it is about one half of the effect of reminder individuals of associated tax increases with such spending. These results provide new findings to build on the

“external cue” literature in public opinion and international relations. While simple endorser effects are near zero, other more specific negative cues—EU fiscal commitments and the risk of euro exit—are linked (in the former case, causally) to support for austerity. In the final section, we showed that a large plurality of citizens were willing to choose the option of believing that austerity was harmful but necessary for Spain to stay in the euro.

Our final set of conclusions is that the division over austerity can be linked to individuals who have suffered large negative income shocks, and those who believe in the euro’s positive consequences. Those who have suffered economically are less supportive of austerity, more supportive of government spending, and more likely to believe that austerity should not have been adopted, period. Those who are positively disposed towards the euro are more likely to be sensitive to the cue regarding breaking EU fiscal commitments, and more likely to believe that austerity is harmful, but still necessary (relative to other options). We think these moderating effects indicate a potentially relevant political cleavage going forward, and also indicate one reason (though certainly not the only one) why austerity, despite conventional wisdom that it is deeply unpopular, can persist. Pro-euro oriented individuals might not be enthusiastic about austerity, but they believe it is preferable to alternatives and worth the costs. And, as our second study showed, those who have economically suffered, while in abstract more supportive of government spending, appear to be particularly sensitive to taxes, to the of point of completely cancelling this difference in support, if the need for tax increases to finance that spending is made salient. This set of results thus indicates one logic why a coalition to “overturn” austerity is difficult, given the upper constraint on supporting tax increases for social spending among those who might benefit from it the most.

Future research might more precisely examine how such austerity divisions translate (or not) into partisan divides. We suggest as well that individuals might be more sensitive to different proposals for types of tax increases and spending cuts. While unemployment increases in some of crisis-hit countries has for now abated, it may be too early to declare the crisis abated. Should more acute moments of panic occur with concerns about debtor default and further austerity is implemented, we expect that citizens could become more resentful of such policies and the perception that it is imposed by the EU. Our results here indicate already some evidence of this, as spending for the least well-off remains popular and austerity is overall unpopular. However, we note that if citizens accept anything about the austerity program, it is that spending cuts are slightly less unpopular, and that it, for now, is perceived to be “necessary” for the euro.

Table 1. Endorsement experiment design

Treatment group	Fiscal Policy Evaluation	Endorsement
Group 1	Spending Cuts & Tax Increases	None
Group 2	Spending Cuts & Tax Increases	EU
Group 3	Spending Cuts & Tax Increases	Other European governments
Group 4	Spending Cuts & Tax Increases	German government
Group 5	Spending Cuts	None
Group 6	Spending Cuts	EU
Group 7	Spending Cuts	Other European governments
Group 8	Spending Cuts	German government
Group 9	Tax Increases	None
Group 10	Tax Increases	EU
Group 11	Tax Increases	Other European governments
Group 12	Tax Increases	German government

Table 2. Endorsement and content framing experiments and preferences for austerity

	(1)	(2)
Both, EU endorsed	0.20 (0.17)	0.22 (0.18)
Both, EU govts endorsed	0.084 (0.18)	0.13 (0.19)
Both, Germany endorsed	0.22 (0.17)	0.20 (0.18)
Cuts, no endorsement	1.00*** (0.16)	1.18*** (0.17)
Cuts, EU endorsed	0.77*** (0.16)	0.84*** (0.17)
Cuts, EU govts endorsed	0.82*** (0.16)	0.86*** (0.17)
Cuts, German endorsed	1.00*** (0.16)	1.09*** (0.17)
Taxes, no endorsement	0.061 (0.18)	0.061 (0.19)
Taxes, EU endorsed	0.15 (0.17)	0.18 (0.19)
Taxes, EU govts endorsed	0.20 (0.17)	0.27 (0.18)
Taxes, Germany endorsed	0.12 (0.17)	0.18 (0.19)
Decile		0.096*** (0.014)
Female		-0.25*** (0.070)
Education		0.16*** (0.037)
Age		0.21*** (0.041)
Ideology		0.32*** (0.016)
Unemployed		0.0097 (0.10)
Constant	-1.74*** (0.13)	-4.69*** (0.23)
<i>N</i>	5988	5821
<i>Pseudo R</i> ²	.02	.13

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 3. Costs to spending experiment design

	Treatment
Group 1	Support increased spending for least well-off
Group 2	Make salient tax increases for such spending
Group 3	Make salient such spending could break fiscal commitment made to EU

Table 4. Preference for increased spending on programs for the worse-off

	(1: control group only)	(2)	(3)
Decile	0.031 (0.023)		0.039*** (0.012)
Female	-0.056 (0.11)		-0.24*** (0.060)
Education	0.25*** (0.056)		0.18*** (0.030)
Age	0.32*** (0.066)		0.28*** (0.036)
Ideology	-0.25*** (0.025)		-0.25*** (0.014)
Unemployed	-0.063 (0.17)		0.0099 (0.089)
Outsider	-0.062 (0.17)		0.079 (0.094)
Large inc loss	0.47*** (0.17)		0.21** (0.090)
Taxes salient		-0.80*** (0.069)	-0.87*** (0.073)
EU commit. risk		-0.40*** (0.071)	-0.42*** (0.075)
constant	0.60** (0.27)	1.14*** (0.052)	0.98*** (0.15)
<i>N</i>	1932	5992	5816
<i>R</i> ²	.07	.02	.08

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 5. Conditional effects of income loss and euro support on treatment effects for social spending

	(1) Support spending	(2) Support spending
Taxes salient	-0.73*** (0.076)	-0.88*** (0.099)
Large inc loss	0.33** (0.14)	
EU commit. risk	-0.37*** (0.077)	-0.26** (0.10)
Inc loss x taxes salient	-0.45** (0.19)	
Inc loss x EU risk	-0.21 (0.19)	
Pro euro		0.021 (0.10)
Pro euro x taxes salient		0.15 (0.14)
Pro euro x EU risk		-0.27* (0.14)
constant	1.08*** (0.057)	1.13*** (0.075)
<i>N</i>	5979	5987

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 6. Assessment of austerity. Multinomial logit models (reference category: “austerity is harmful and should have been avoided”)

	Austerity beneficial	Austerity harmful but necessary
Income decile	0.020 (0.022)	0.023* (0.013)
Education	0.089 (0.054)	-0.034 (0.031)
Age	0.22*** (0.060)	0.15*** (0.036)
Unemployed	0.13 (0.17)	0.21** (0.092)
Ideology	0.57*** (0.024)	0.38*** (0.016)
Large income loss	-0.72*** (0.18)	-0.32*** (0.093)
Insider?	0.18 (0.11)	0.26*** (0.070)
Euro positive	1.57*** (0.11)	0.90*** (0.065)
Constant	-5.67*** (0.28)	-2.34*** (0.15)
<i>N</i>		5808
pseudo <i>R</i> ²		0.140

Standard errors in parentheses.
* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Figure 1. Marginal effects of different treatments on austerity preferences
 (baseline: supports reduction in cuts and increases in taxes, no endorsement)

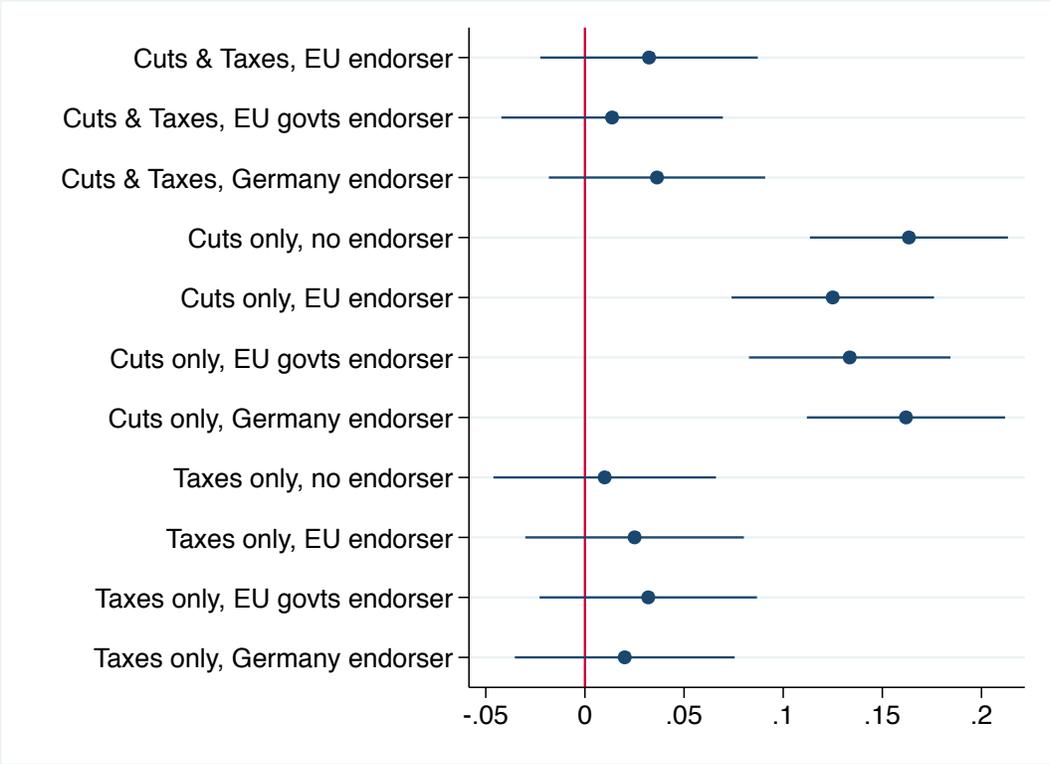


Figure 2. Predicted probabilities of supporting increased spending on the worse-off (left), even if it implies a tax increase (center), and even if it questions Spain’s commitments towards the EU in reducing spending (right).

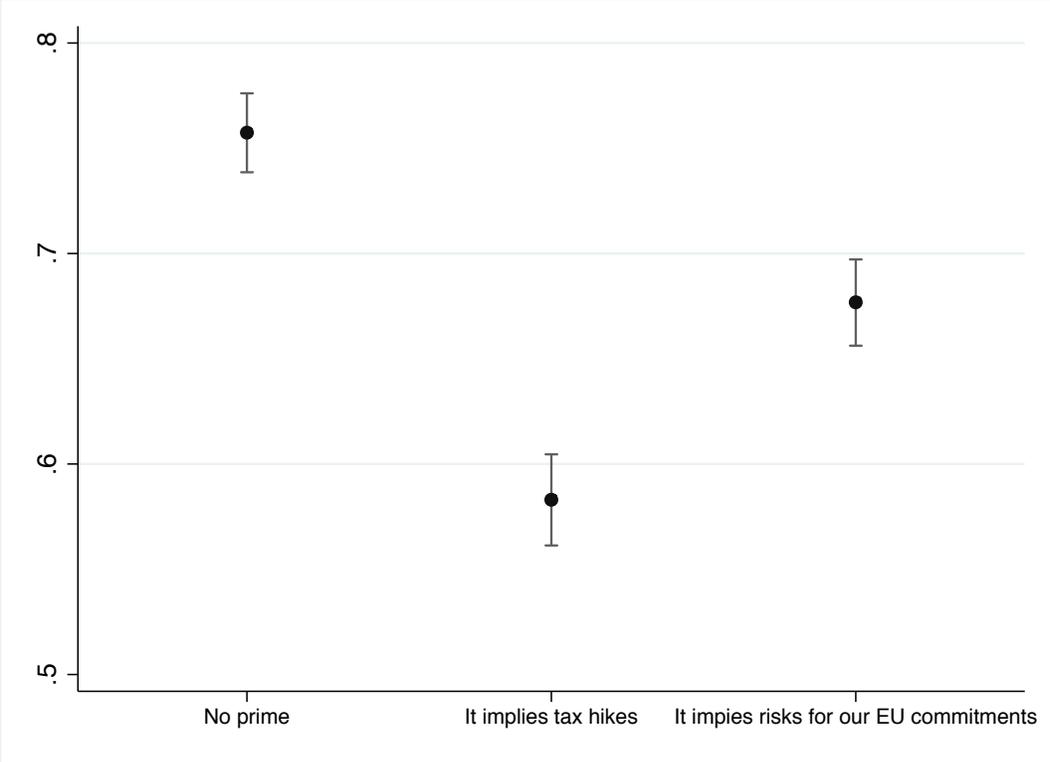


Figure 3. Conditional marginal effect of income loss and treatments on spending support

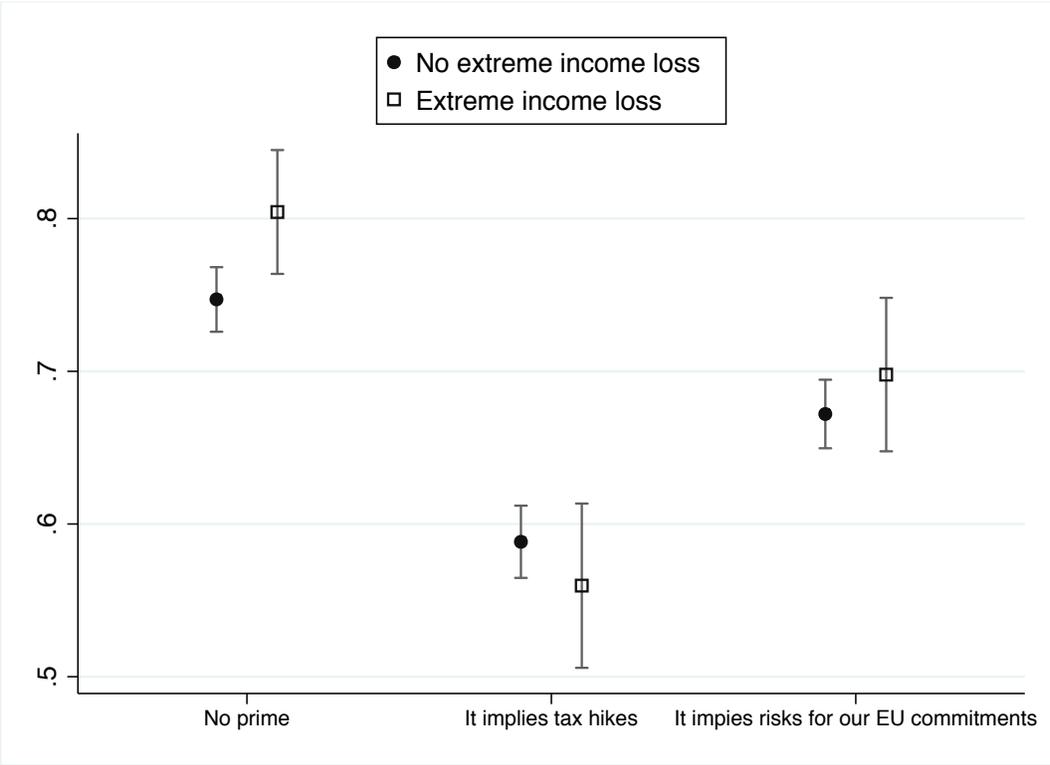


Figure 4. Conditional marginal effect of euro support and treatments on spending support

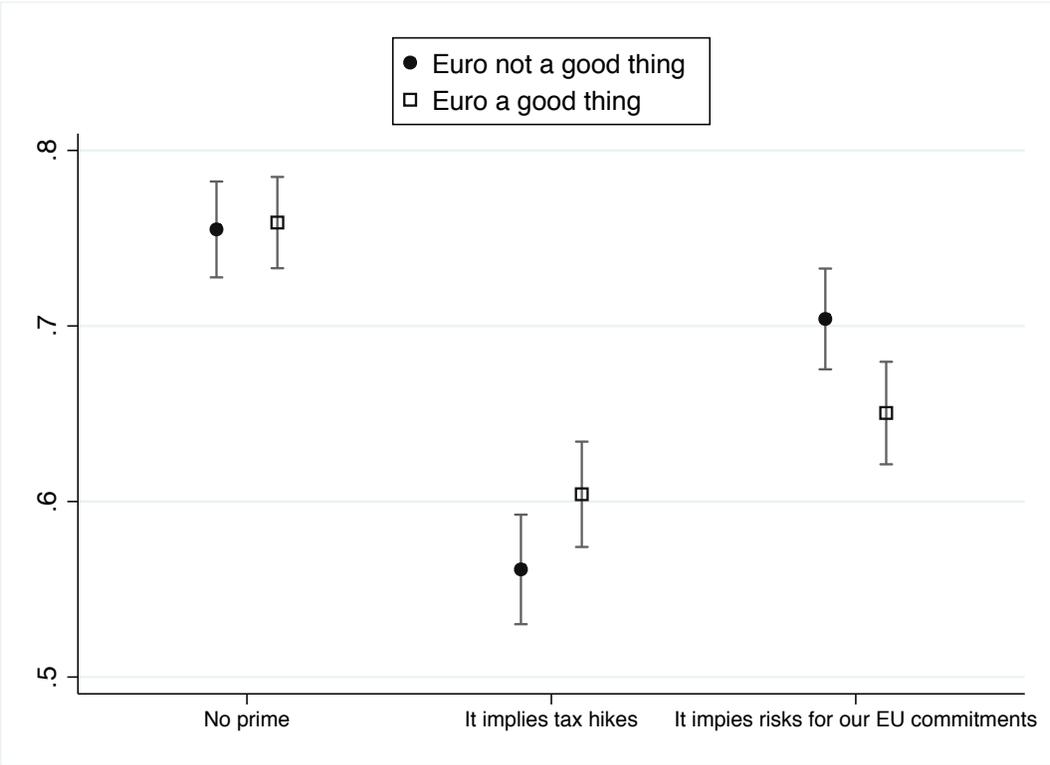


Figure 5. Evaluations of austerity by crisis suffering

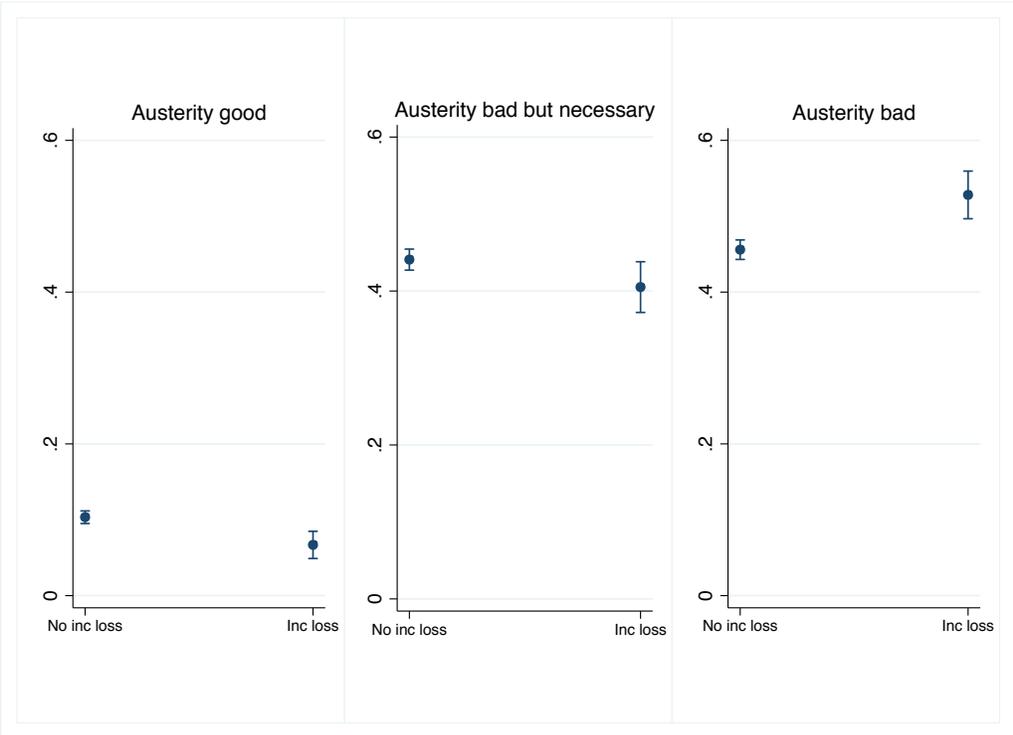
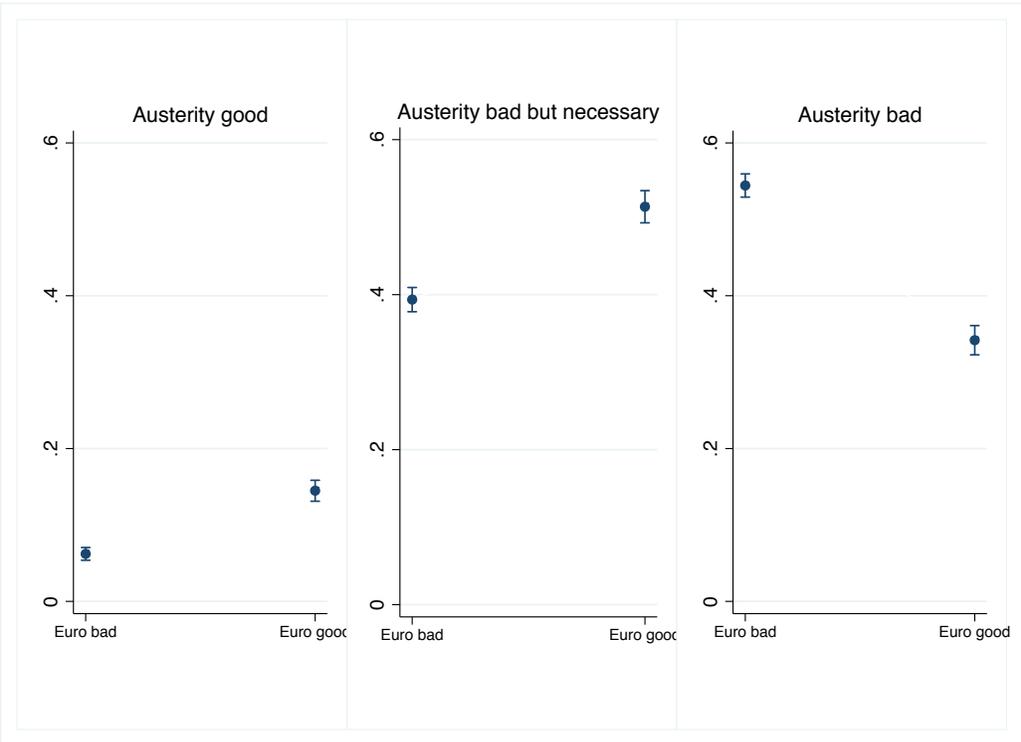


Figure 6. Evaluations of austerity by views of the euro



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Appendix Table A1. Descriptive statistics

	Mean	S.D.
<i>Dependent variables</i>		
Support austerity (control group only)	0.15	0.36
Support spending on the less well-off (control group only)	0.76	0.43
<i>Independent variables</i>		
Income decile	5.7	2.7
Education (4 categories)	3.1	1.03
Unemployed (binary)	0.17	0.38
Labor market outsider (binary)	0.12	0.32
Extreme income loss (binary)	0.17	0.38
Age	40	12
Female (binary)	0.50	0.50
Ideology	4.2	2.3

Appendix Table A2. Randomization into austerity treatments

	(1) control	(2) Group 2	(3) Group 3	(4) Group 4	(5) Group 5	(6) Group 6	(7) Group 7	(8) Group 8	(9) Group 9	(10) Group 10	(11) Group 11	(12) Group 12
decile	-0.00071 (0.020)	-0.0046 (0.020)	-0.028 (0.020)	-0.0016 (0.020)	-0.012 (0.020)	-0.0087 (0.020)	-0.018 (0.020)	0.028 (0.020)	0.0034 (0.020)	0.028 (0.020)	0.0023 (0.020)	0.0092 (0.020)
female	0.10 (0.096)	-0.064 (0.095)	-0.12 (0.096)	-0.088 (0.095)	-0.032 (0.095)	-0.12 (0.096)	0.044 (0.095)	0.093 (0.096)	0.047 (0.096)	-0.093 (0.095)	-0.065 (0.095)	0.31*** (0.096)
unemployed	-0.12 (0.15)	0.11 (0.14)	-0.077 (0.15)	0.11 (0.15)	-0.15 (0.14)	-0.085 (0.15)	-0.13 (0.15)	0.096 (0.15)	-0.019 (0.14)	0.12 (0.14)	-0.0096 (0.14)	0.15 (0.14)
Insider	0.045 (0.11)	0.087 (0.11)	0.044 (0.11)	0.15 (0.11)	-0.21* (0.11)	0.050 (0.11)	0.15 (0.11)	-0.060 (0.11)	-0.087 (0.11)	0.00086 (0.11)	0.0013 (0.11)	-0.19 (0.11)
extinc_loss_bi	0.16 (0.14)	-0.097 (0.15)	-0.13 (0.15)	-0.22 (0.16)	0.16 (0.14)	0.013 (0.15)	-0.11 (0.15)	-0.18 (0.15)	0.18 (0.14)	0.088 (0.14)	-0.00023 (0.14)	0.062 (0.14)
age_cat	-0.0037 (0.056)	-0.057 (0.056)	-0.032 (0.056)	-0.031 (0.057)	0.015 (0.055)	0.030 (0.056)	-0.011 (0.056)	0.069 (0.056)	-0.044 (0.056)	0.062 (0.056)	-0.082 (0.056)	0.083 (0.056)
educ_b	-0.087 (0.10)	-0.051 (0.10)	0.031 (0.10)	0.14 (0.100)	-0.12 (0.10)	0.13 (0.10)	0.057 (0.100)	0.055 (0.10)	-0.083 (0.10)	0.075 (0.100)	-0.21** (0.10)	0.070 (0.10)
_cons	-2.43*** (0.18)	-2.23*** (0.18)	-2.11*** (0.18)	-2.39*** (0.18)	-2.22*** (0.18)	-2.43*** (0.18)	-2.34*** (0.18)	-2.75*** (0.19)	-2.32*** (0.18)	-2.72*** (0.19)	-2.11*** (0.18)	-2.80*** (0.19)
<i>N</i>	5842	5842	5842	5842	5842	5842	5842	5842	5842	5842	5842	5842
<i>R</i> ²												

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Appendix Table A3. Randomization into spending treatments

	(1) Control group	(2) Taxes treatment	(3) EU risk treatment
decile	-0.018 (0.012)	0.014 (0.012)	0.0046 (0.012)
female	-0.012 (0.056)	-0.052 (0.056)	0.061 (0.056)
unemployed	-0.048 (0.085)	-0.061 (0.086)	0.11 (0.085)
insider	-0.0076 (0.064)	-0.014 (0.063)	0.018 (0.064)
extinc_loss_bi	0.12 (0.084)	0.038 (0.085)	-0.16 (0.086)
age_cat	-0.017 (0.033)	-0.015 (0.033)	0.035 (0.033)
educ_b	0.030 (0.059)	0.037 (0.059)	-0.074 (0.059)
_cons	-0.58*** (0.11)	-0.72*** (0.11)	-0.79*** (0.11)
<i>N</i>	5842	5842	5842
<i>R</i> ²			

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Appendix Table A4. Control group for support for austerity

(1)

Decile	0.13** (0.059)
Female	-0.074 (0.28)
Education	0.0065 (0.14)
Age	0.39** (0.17)
Ideology	0.32*** (0.063)
Unemployed	0.27 (0.48)
outsider	0.50 (0.45)
Extreme inc loss	-0.038 (0.44)
Euro positive	1.02*** (0.30)
Constant	-5.33*** (0.74)

<i>N</i>	484
<i>Pseudo R</i> ²	.18

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Appendix Table A5. Absence of priming effects across two experiments

	(1) Austerity support	(2) Austerity support
Tax prime	0.73 (1.34)	0.91 (1.32)
EU prime	0.54 (1.35)	0.75 (1.32)
Spending control	0.70 (1.34)	0.89 (1.32)
Both, EU endorsed		0.19 (0.17)
Both, EU govts endorsed		0.081 (0.18)
Both, Germany endorsed		0.22 (0.17)
Cuts, no endorsement		1.00*** (0.16)
Cuts, EU endorsed		0.77*** (0.16)
Cuts, EU govts endorsed		0.81*** (0.16)
Cuts, German endorsed		0.99*** (0.16)
Taxes, no endorsement		0.064 (0.18)
Taxes, EU endorsed		0.15 (0.17)
Taxes, EU govts endorsed		0.18 (0.17)

Taxes, Germany endorsed		0.12
		(0.17)
<hr/> _cons	-1.97	-2.59**
	(1.34)	(1.32)
<hr/> N	5988	5988

Standard errors in parentheses
* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Appendix Table A6. Ordered logistic estimations of austerity support
 (highest category=austerity should not have been pursued; middle=austerity harmful but necessary; lowest=austerity beneficial)

	(1) Austerity opposition
decile	-0.018 (0.012)
education	-0.017 (0.028)
Age	-0.15*** (0.032)
unemployed	-0.16* (0.084)
ideology	-0.38*** (0.013)
Ext inc loss	0.38*** (0.085)
Insider	-0.19*** (0.061)
Euro positive	-0.98*** (0.057)
cut1 _cons	-5.19*** (0.15)
cut2 _cons	-2.32*** (0.13)
<i>N</i>	5808

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$