

Chapter 16

Eurozone Crisis Management and the Growth of Opposition to European Integration



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Abstract The crisis that started in Greece in 2010 gradually spread to other Eurozone member states. Things were worse for the crisis-hit countries of the Eurozone periphery, some of which implemented harsh adjustment programmes in the context of financial assistance agreements, while others adopted similar policies even though they had not officially entered a bailout agreement (e.g. Spain and to a lesser degree Italy). In this environment of deteriorating material conditions, Euroscepticism reached new heights. This chapter examines the impact of the crisis, and the way it was handled, on regionalism in Europe, through its effects on Euroscepticism. The authors compare Eurobarometer data from European Union (EU) member states, in order to develop a comparative outlook on attitudes towards European integration during the crisis. The analysis employs data at discreet time intervals, in order to capture the evolution of attitudes from the pre-crisis environment in 2008, to the peak of the crisis in 2012, its gradual resolution in 2016 and its official ending (with the exit of Greece from its third bailout programme) in 2018. This analysis is complemented by an overview of the political developments in crisis-hit countries with the objective of documenting and analysing the emergence and, in some cases, dominance of Eurosceptic parties. The objective is to present a comprehensive overview of political developments and the public attitudes that shaped them, vis a vis the EU, during the crisis and offer a tentative conclusion on their impact on the European integration process.

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Introduction

The Eurozone sovereign debt crisis was the most important economic challenge the European Union (EU) has ever faced. The economic decline was mainly driven by the deep recessions experienced in the crisis-hit countries of the Eurozone periphery, particularly in the European South. Some of these countries (Greece, Portugal, Cyprus and Ireland) implemented harsh adjustment programmes in the context of sovereign bailouts. Spain adopted similar policies in parallel with a bailout of its banks by the European Stability Mechanism (ESM), and so did Italy, although to a lesser extent, as a result of pressure both from the markets and the EU. Thus, in all six countries, austerity policies were delivered as EU-mandated. In this environment of deteriorating material conditions, intra-European political divisions arose, as EU member states divided into creditor and debtor camps. The latter blamed the former for the imposition of harsh austerity policies and the consequent economic deterioration. Meanwhile, the creditors resented providing bailout funds to countries, which in their view were guilty of irresponsible fiscal behaviour and/or poor economic performance. In these circumstances, EU cohesion looked very fragile; popular support for the European integration project weakened and political parties critical of the EU gained in electoral influence.

The aim of this chapter is to examine the impact of the crisis and its management on Euroscepticism. Although the word was first used in the 1980s, the phenomenon of Euroscepticism—which can be defined simply as opposition to European integration—is as old as the process itself. Defined by what it is against rather than what it stands for, Euroscepticism is a rather all-encompassing term which embraces opposition to integration originating from multiple ideological viewpoints and expressing different intensities of disagreement, from simple criticism to outright rejection of the project. Study of the subject has tended to focus either on Euroscepticism's popular or public dimension, i.e. mass attitudes, or else on its expression within political party systems. This article will adopt both lenses. More specifically, it will first examine the impact of the crisis on levels of public support for European integration, comparing two regions of the Eurozone: its periphery and its West European core. It will then move on to investigate the changing strength of party Euroscepticism in the crisis-stricken Southern periphery. The objective is to present an overview of some important developments and the shifting public attitudes that shaped them in relation to the EU during the crisis and offer a tentative conclusion on their impact on the European integration process.

The Crisis and Public Support for the EU and the Euro

During the years of the Eurozone debt crisis, public support for European integration declined (Serricchio et al. 2013, Nancy 2016). However, the impact was not uniform across countries or through time. This section aims to provide a temporal

and comparative overview of trends in public support for the EU during the period 2008–2018. The analysis compares countries grouped in ‘core’ and ‘periphery’ categories in order to capture the different dynamics of popular Euroscepticism in the crisis-hit and creditor regions. Our ‘periphery’ group consists of Greece, Italy, Portugal, Spain, Cyprus and Ireland, and the ‘core’ group consists of Austria, Belgium, France, Finland, Germany and the Netherlands. The analysis proceeds by comparing aggregate averages for each of these two groups and then looking at individual country results. It employs data at four discrete time intervals, from the pre-crisis period (2008), through periods of crisis intensity (2012) and gradual recovery (2016),¹ to the crisis’ ‘official conclusion’ with the completion of Greece’s third bailout programme in 2018. The data comes from the European Commission’s biannual Eurobarometer surveys and specifically from reports 70.1 (10/2008), 78.1 (11/2012), 86.2 (11/2016) and 90.3 (11/2018).

In assessing support for the EU during the Eurozone crisis, we employ the well-known distinction made by David Easton. He defined ‘diffuse support’ for any political system as ‘support that underlies the regime as a whole’. In his view, such ‘generalized attachment’ to a political system is more enduring and ‘will not be easily dislodged because of current dissatisfaction with what the government does’. In contrast, ‘specific support’ refers to popular satisfaction with the outputs and performance of a political system and can be expected to be more easily affected by passing developments (Easton 1975, pp. 445–6, 437). Here, we opt to test the impact of the crisis on diffuse support for European integration. This decision is premised on our expectation that specific support is far more likely and indeed expected to suffer, given the adverse consequences of the crisis and the way this was handled; what is more interesting, however, is whether people’s reactions reflect a broader disaffection with the EU and not simply the rejection of specific policies or institutions.

To test for the effects on diffuse support, we employ three questions: first, a question concerning the EU’s image which clearly complies with Easton’s definition of ways to measure diffuse support as ‘evaluations of what an object represents – the general meaning it has for a person – not what it does’ (Easton 1975, p.445). Secondly, ‘Trust in the EU’, which is often employed in related research and is generally considered a valid way to measure diffuse support for the EU (Ioannou et al. 2015). Thirdly, a question about the single currency was chosen as this was the aspect of European integration which was most questioned during the crisis. The crisis was centred on the Eurozone, and much of the criticism targeted its imbalanced architecture and incomplete governance, which made its handling more difficult and prolonged its duration. It is for this reason that in the countries that suffered from the crisis, the question of ‘exit’ from the Eurozone was often raised. Accordingly, a question on support for the euro, which is the central pillar and basic constituent element of the Eurozone, was an obvious choice. These questions are

¹In 2014, both Ireland and Portugal successfully completed their bailout programmes, while the Eurozone economy as a whole turned once again into positive growth rates.

available for all four surveys and can thus be used to trace the evolution of attitudes during the crisis.²

The EU's Image

Before the crisis, the EU's image was overall positive, with few negative views,³ but a substantial degree of ambivalence, as more than one in three EU citizens adopted a neutral stance (Fig. 16.1). The breakdown of views between the two country groups shows that the majority of citizens in the Eurozone periphery were positively disposed towards the EU (51%), and their 'approval rate' was higher than that of their counterparts in the core (43%). The percentage of negative opinions about the EU in the periphery was both very low (13%) and below that of respondents in the Eurozone core. In terms of individual countries,⁴ Ireland recorded the highest support levels with 63% of respondents having a positive image of the EU, while other

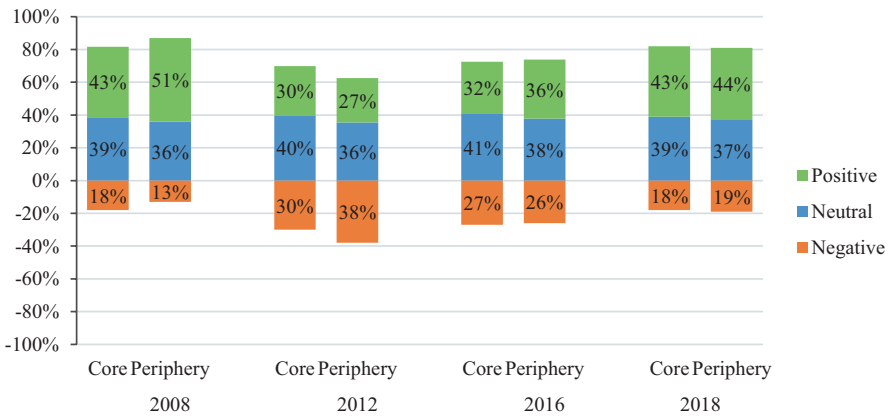


Fig. 16.1 EU image: Core vs periphery. Source: Authors' elaboration of Eurobarometer data (surveys 70.1, 78.1, 86.2 and 90.3)

²More specifically, the questions were: (a) EU Image: *In general, does the EU conjure up for you a very positive, fairly positive, neutral, fairly negative, or very negative image?*

(b) Trust in EU: *I would like to ask you a question about how much trust you have in certain media and institutions. For each of the following media and institutions, please tell me if you tend to trust it or tend not to trust it: The European Union.*

(c) Single currency: *What is your opinion on each of the following statements? Please tell me for each statement, whether you are for it or against it: A European economic and monetary union with one single currency, the euro.*

³For this question, positive/fairly positive and negative/fairly negative answers are grouped into two groups respectively (positive/negative).

⁴Although reference to data for individual countries is made throughout the text, the full presentation of such data is not possible due to space limitations.

periphery countries also recorded approval rates close to or above 50% (but with a lower score of 41% for Greece). Among the core countries, Austria and Finland had the lowest levels of support, with less than one in three respondents holding a positive image of the EU. In other core countries, support levels were similar to the periphery (close to or above 50%).

After the outbreak of the crisis, the picture changed completely. In 2012, positive views had declined across the board. In the periphery, the percentage of positive image responses had almost halved, whereas in the core, the drop was close to 30%. As a result, in the periphery group as a whole, negative responses exceeded positive ones, while they were evenly balanced in the core group. A closer look at individual countries demonstrates the intensity of the change. The lowest levels of support were recorded in Greece, where positive responses dropped to a mere 18% while 50% of respondents gave negative answers.

Spain, Portugal and Cyprus also recorded a negative balance of answers, with negative views in the latter two being well over 40%. On the other hand, Ireland held onto a small positive balance of 6% and Italy to a larger one of approximately 13%. Even in these countries however, the turnaround in public opinion was dramatic; for example, in Ireland, positive image responses fell from 63% before the crisis to 37%. Although less striking, the drop in positive views of the EU was also considerable in the core; Austrian and Finnish respondents, already more reserved in their support before the crisis, now gave more negative than positive answers. The remaining four countries retained a positive balance, but by a narrow margin.

The gradual resolution of the crisis, from 2014–2015 onward, changed the picture again. By autumn 2016, 2 years into economic recovery, European citizens' image of the EU started improving, particularly in the crisis-hit countries. Thus, in the periphery group, positive views increased from 27% to 36% with a corresponding drop in negative responses. In the core countries on the other hand, the improvement was minimal, with positive views increasing from 30% to 32%. However, the group averages hide significant differentiations. In the periphery, Portugal and to a lesser extent Ireland, almost recovered their pre-crisis positive image levels, whereas Cyprus and particularly Greece remained more sceptical. Italy, while recording a marginally positive balance of answers, was the only country in this group where the popular image of the EU continued to deteriorate in 2016. Interestingly, this was also the case for France in the core group. Austrians displayed stability in their opinions, whereas citizens of the remaining core countries had a modestly improved image of the EU. By 2018, the EU's image had improved substantially in all countries of both groups, including Italy and France. In some countries, like Ireland and Portugal, positive image responses now surpassed pre-crisis levels.

Trust in the EU

Turning to the question of trust, as with the image of the EU, pre-crisis replies indicate overall support for the EU among European citizens. In both groups, a majority of respondents tended to trust the EU (Fig. 16.2). Again, slightly more respondents in the periphery tended to trust the EU compared to those in the core countries (58% vs 54%). At the individual country level, the picture is more differentiated. Respondents in the periphery showed substantial levels of trust towards the EU (ranging roughly between 60% and 65%), except the Italians, where a majority (53%) tended not to trust the EU even before the crisis. In the core countries, mistrust prevailed in Austria (54%) and Germany (52%), while the French were equally split on the question. On the other hand, Belgium and the Netherlands showed high levels of trust (over 60%), while Finland recorded a positive, albeit marginal, balance.

Once again, the outbreak of the crisis changed the picture completely. In the crisis-hit periphery, the deterioration in trust was dramatic; the balance moved deeply into negative territory, with over 70% of respondents replying that they did not trust the EU in 2012. In the core countries, the direction of change was similar, but its intensity was less dramatic; trust levels receded to 42%. Looking at individual countries, in Greece, the country which suffered the deepest crisis, the loss of trust was truly overwhelming; 82% replied that they did not trust the EU, while Spain, also undergoing a deep crisis, recorded similar levels of mistrust (78%). In the remaining crisis-hit countries, approximately two thirds of respondents gave negative answers. In five of the core countries, a majority of respondents mistrusted the EU. The exception was Finland, where answers were evenly split.

The economic recovery had a positive impact on levels of trust in the EU, but not of the same magnitude as with the EU’s image. Initially, the recovery of trust was

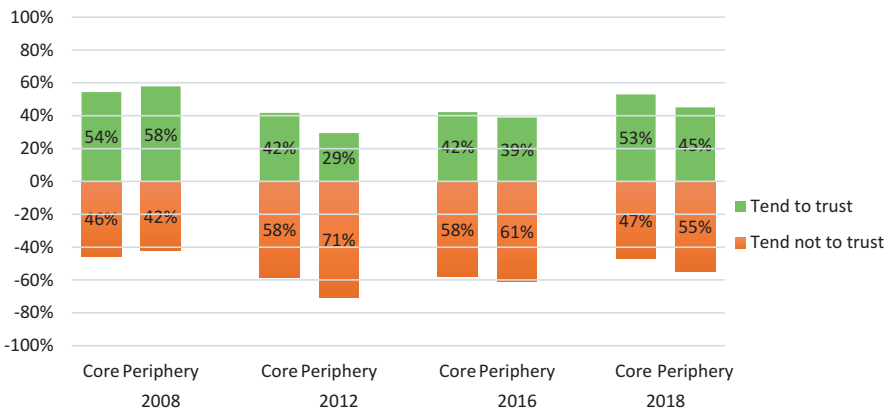


Fig. 16.2 Trust in EU. Source: Authors’ elaboration of Eurobarometer data (surveys 70.1, 78.1, 86.2 and 90.3)

most evident in the crisis-hit group, which by 2016 recorded an overall improvement of 10 percentage points, while trust levels in the core remained unchanged. Looking at individual countries reveals significant differentiations once again. As was the case with the EU's image, Ireland and Portugal were the countries that came closest to their pre-crisis levels of trust; on the other hand, in Italy and Cyprus, trust continued to decline in 2016. Greeks remained overwhelmingly sceptical, with 80% of respondents stating they did not trust the EU. The picture in the core was also complicated in 2016. Some countries (Germany, Finland and Belgium) saw a modest recovery in trust levels, but in the Netherlands, the situation remained unchanged, while in Austria and especially France, trust levels declined further (72% of respondents mistrusted the EU in France). By 2018, the picture had improved substantially in all countries; but while trust levels had fully recovered to 2008 levels in core countries, in the periphery they remained more than 10 percentage points below the pre-crisis period.

Support for the Single Currency

Before the crisis, support for the Euro was high across the board, with respondents in the core group being more enthusiastic than those of the periphery group (Fig. 16.3). Apart from Ireland, where 92% of respondents supported the euro, in the other periphery countries, support ranged roughly between 60% and 70%. On the other hand, in all the core countries, support for the euro was above 70% and in some cases (Belgium, Netherlands and Finland) above 80%.

As with the previous two questions, the crisis brought a decline in popular support for the euro. However, contrary to the other aspects reviewed previously, the

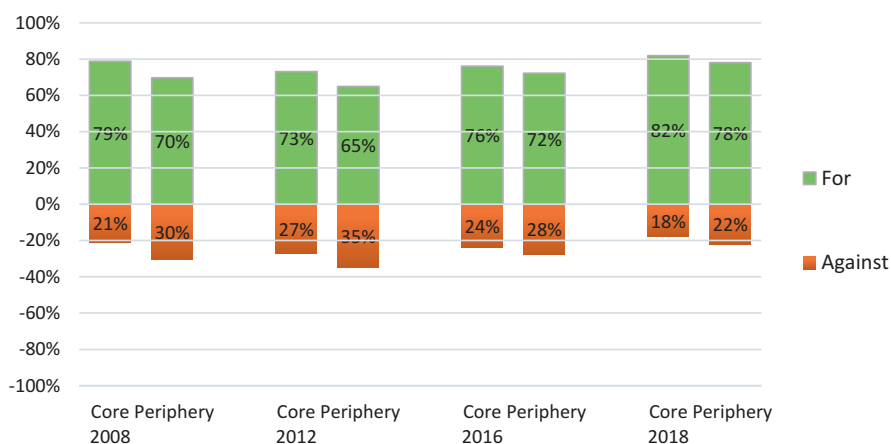


Fig. 16.3 Support for the Euro. Source: Authors' elaboration of Eurobarometer data (surveys 70.1, 78.1, 86.2 and 90.3)

impact here was limited. In the periphery group, average support for the euro fell by just 5 percentage points to 65% and in the core group by 6 percentage points to 73%. Individually, all the core and four of the periphery countries displayed a modest decline. In crisis-hit Ireland, the decline was more substantial (18 percentage points—but compared to the very high pre-crisis level noted above). Intriguingly, in Greece, which was then teetering on the verge of Eurozone exit, support for the euro actually rose to 67% from 58% before the crisis.

The economic recovery saw the popularity of the euro returning to pre-crisis levels, or even surpassing them, particularly in the crisis-hit countries. In the latter group, support for the single currency was stronger in 2016 compared to 2008. Support in Greece continued to rise, while Ireland and to a lesser degree Cyprus moved close to their pre-crisis levels. Only in Italy did support for the euro continue to decline, falling to 59% in 2016 from 65% in 2012. The only other two countries where support for the euro continued to fall were Austria (where nonetheless approximately two thirds of respondents continued to be pro-euro) and marginally, France. In the rest of the core countries, there was a modest increase in support, bringing them closer to their pre-crisis levels. By 2018, most countries recorded a substantial increase in support compared to 2016; as a result, at this point, all countries in both groups exhibited similar or higher levels of support for the euro compared to the pre-crisis period.

The Crisis and Public Support for the EU and the Euro: Implications for European Integration

The data presented above shows that the three different measures employed to gauge support for the EU were affected differently during and/or after the crisis. What explains these trends and what are the implications for European integration? First, support for the euro proved surprisingly resilient. A somewhat unexpected result, given the widespread critique of the functioning and institutional set-up of the Eurozone, is that the single currency has come stronger out of the crisis, at least in terms of popular support. Even more unexpected is that this support seems to be stronger in the crisis-hit countries, where criticism of the monetary union has been fierce. Studies have attributed this resilience of support to the stability benefits of the euro (Roth et al. 2016) and the prevalence of utilitarian criteria in citizens' judgments, given the increased salience of economic and redistributive issues during this time (Hobolt and Wratil 2015). It seems that European citizens thought the crisis could be best addressed in the EU/Eurozone framework compared to any other alternatives (Ibid). In the case of Greece for example, as Clements et al. (2014) note, despite citizens' dissatisfaction with the EU, they recognized that staying in the euro was the most realistic option.

On the other hand, contrary to expectations, our other measures of diffuse support proved more vulnerable to the crisis, and both declined substantially after 2008.

In both cases, the shock of the crisis was greater in the periphery than the core. However, both indicators closely followed the evolution of economic trends, showing a strong recovery after the crisis peaked. Again, however, there was a difference. Our aggregate figures show that by 2018, in our core countries group, diffuse support had returned to pre-crisis levels. In the periphery group, although the trend was moving in that direction, this was not yet the case. In particular, there remained a distinct ‘trust gap’ in the periphery, where in Autumn 2018, a majority of 55% of citizens still mistrusted the EU.

Perhaps this is to be expected, given that trust is a concept which denotes a deeper bond, acquired through time and experience. Once lost, recovering it is usually a difficult and long-term process. Research has shown that material considerations are an important factor in public support for the EU (e.g. Gabel 1998; Boomgaarden et al. 2010). For South European societies in particular, European integration traditionally represented a promise of material benefits and convergence with the living standards of the more affluent North. The austerity policies promoted during the crisis kick-started a negative economic spiral which plunged the economies of the South into deep recessions. For many people, the deterioration of their personal circumstances was so dramatic that it completely derailed their previous life expectations. In this context, the policies promoted by the EU were viewed as a ‘betrayal’ of hopes and promises.

Such an interpretation is consistent with the fact that trust declined most dramatically during the crisis in Greece and Spain, two countries which shared two important features: (a) the biggest surge in unemployment (reaching a staggering 27% in both countries) and (b) the most active and massive political mobilizations (the so-called ‘indignados’ movements) against the politics of austerity promoted by the EU. Both of these features are related with lower levels of trust in the EU; empirical analysis of Eurobarometer data for the periphery countries during 2008–2016 has shown that at the peak of the crisis, the unemployed were more likely not to trust the EU, while after the outbreak of the crisis, including the recovery period, individuals’ financial situation and life satisfaction became more important criteria for trust in the EU (Katsikas 2017). Moreover, people who actively engaged in political discussions were more likely to mistrust the EU (Ibid), a finding consistent with the emergence of new Eurosceptic parties in these countries—the topic to which we will now turn.

The Rise of Eurosceptic Parties in the Southern Periphery

How were these shifting patterns of public Euroscepticism reflected in national politics? Prior to the crisis, attitudes towards European integration had been described as a ‘sleeping giant’ (van der Eijk and Franklin 2004): a question of low political salience which generally did not affect political behaviour. Other issues were deemed more important to voters when deciding which political party to support. Meanwhile, as noted in a seminal article by Paul Taggart (1998), Euroscepticism

tended to be marginalised within national party systems: a politics of protest usually limited to minor opposition parties. In this section, we will investigate to what extent this picture changed during the crisis decade (2008-18), under the pressure of the decline in diffuse support for European integration which we saw above.

The Eurozone crisis turned European integration into a salient issue with a direct and visible impact on citizens' pockets. The management of the crisis proved controversial in both core and periphery countries, offering opportunities for Eurosceptic parties to gain a new prominence. Thus, in some of our core countries, electoral campaigns based on opposing bailouts of indebted peripheral states with 'our money' proved effective vote mobilizing tools. For example, in Finland in 2011, hostility towards the second Greek bailout helped the True Finns⁵ to more than quadruple their electoral support, emerging as third party nationwide with a vote share just 1.3 percentage points behind the frontrunner. In Germany two years later, the anti-bailout AfD (Alternative for Germany), just 5 months after its foundation, won over two million votes in a federal election, bringing it only marginally below the 5% parliamentary threshold. Meanwhile in the periphery, the Eurozone crisis and the popular backlash it generated created major opportunities for parties campaigning against EU-led austerity. For reasons of space, our focus in this section will be on the four main countries of the Southern Eurozone (Italy, Spain, Greece and Portugal). As we have seen, it was in the crisis-hit Southern periphery, deeply affected by EU-mandated economic austerity, that the impact on diffuse support for the EU was greatest and more lasting.

The Marginality of Party Euroscepticism in the Pre-Crisis Southern Periphery

In three of our four South European countries, before the crisis the national party system was dominated by two pro-integrationist parties belonging to the two main political groups at European level, the European People's Party and the Party of European Socialists, respectively. In all three national systems, the two major parties usually alternated in power. In the last national elections before the outbreak of the Eurozone crisis, their combined vote shares accounted for 83.8% in Spain (2008), 77.4% in Greece (2009) and 65.7% in Portugal (2009). This meant that any Eurosceptic parties could only be minor forces, consigned to permanent opposition.

In these three countries, the Eurosceptic space was traditionally a left-wing monopoly. The Eurosceptic forces represented in the three countries' national parliaments included two hard-line communist parties in Greece and Portugal, which would have preferred their countries not to participate in the EU. Another three radical left parties (the Left Bloc in Portugal, SYRIZA in Greece and the United Left in Spain) did not oppose their countries' membership but wanted radical reform of the

⁵ Now known just as 'The Finns'.

EU and particularly its neoliberal economic policy. Then in 2007, just before the crisis, LAOS, a radical right party advocating a Europe of the Nations, also entered the Greek Parliament. Meanwhile in Italy, since the party system crash of the early 1990s, a bipolar system had developed with power alternating between two party camps of the centre-left and centre-right, whose combined vote share in 2008 was 84.3%. Each of these Italian coalitions was dominated by a party belonging to the two main pro-integrationist European party groups. While recent Italian centre-right governments had included a Eurosceptic party, the Northern League's stance on European issues did not seem to impact on national European policy.

Eurosceptic Breakthroughs

The Eurozone crisis transformed this picture in a way which is only comprehensible in the light of the decline of diffuse support for the EU recorded in the previous section. The way the crisis opened up electoral space for Eurosceptic forces in Southern Europe can be seen first, in a series of parliamentary breakthroughs. These included three new parties: the Independent Greeks in 2012, the Five Star Movement in Italy in 2013 and the Spanish Podemos in 2015. Of varying ideological orientations, these parties also expressed different degrees and types of Euroscepticism. In Greece, an existing fringe group, the Neo-Nazi Golden Dawn, also entered parliament on the back of the reaction to the country's second EU/IMF bailout in 2012. Secondly, some parties which already existed in national parliaments were able to extend their appeal to new constituencies. In 2011, the United Left in Spain increased its vote by 80%. Most notably, however, SYRIZA in 2012 more than tripled its share of the vote in Greece. Thirdly, as a result of this expanded electoral appeal, Eurosceptic parties moved 'from the margins to the mainstream' (Brack and Startin 2015). In 2012, SYRIZA emerged as second party, becoming the official opposition in Greece. The following year, the Five Star Movement became the most voted party in Italy, a feat then achieved twice by SYRIZA in the two Greek parliamentary elections of 2015.

The exception was Portugal, where none of these phenomena occurred. As we have seen, in this country, levels of diffuse support for the EU recovered rapidly, already approximating pre-crisis levels by 2016. During the crisis period, there were no breakthroughs by Eurosceptic parties in Portugal. In the 2011 election, held shortly after the signature of the country's EU/IMF bailout, the joint vote share of the two Portuguese Eurosceptic parties actually decreased. Subsequently, the combined electoral support for these two parties has not reached the level of the last pre-crisis election in 2009. Despite this, however, Portugal also participated in the second major Eurosceptic development in Southern Europe during the crisis decade: the opening up of government to Eurosceptic party participation.

Euroseptic Impact

The first indication that the crisis was opening new governing opportunities for Euroseptic parties in the Eurozone's Southern periphery came in Greece. In 2011, LAOS was included as a junior partner in a government coalition. Four years later, Portugal experienced a major rupture in its post-dictatorship politics, when its radical left-wing Euroseptic parties, previously regarded as non-coalitionable, were invited to support a minority socialist government with a programme of rolling back economic austerity. Even more striking, in Greece in 2015, SYRIZA not only became the senior coalition partner but also preferred as its governing ally the Euroseptic Independent Greeks from the far right rather than a pro-EU party closer to it on the left-right spectrum. In 2018 in Italy, the Five Star Movement, with a vote share 13 percentage points ahead of the second party, also became the senior government party and also chose a Euroseptic coalition partner, the now re-named League. Thus, overturning the patterns of the pre-crisis period, in three out of our four Southern periphery countries, Euroseptic parties became government participants in the period 2011–2018.

This impressive growth in Euroseptic party strength in Southern Europe marked a significant rise in opposition to the EU. But to what extent did this pose a significant threat to the integration project? As indicated above, the Euroseptic forces were a variegated group with different viewpoints and aims in relation to integration. The common target of the South European Euroseptic parties was the austerity policies which had so undermined public support for the EU in this region. But for most of the 'breakthrough' parties, their scepticism about EU policy did not extend to rejection of the Union itself. The exception was the Greek Golden Dawn, whose economic and political programme was incompatible with EU membership. However, Golden Dawn talked very little about the EU, so its hard-line opposition was not very visible. In any case, because of its general anti-system nature, this party remained in opposition and on the political margins. What though was the impact of the Euroseptic parties in power?

In Portugal, the Euroseptic forces were junior partners who supported the government but did not participate in it. Moreover, the socialist party had made it a pre-condition of government formation that the programme to reverse austerity would comply with the requirements of the EU's Stability and Growth Pact. As a result, while the Euroseptic parties came in from the cold in the sense of being accepted as legitimate government partners, their government participation did not generate Euroseptic policy outcomes. In contrast, in the other two countries, the Euroseptic parties dominated government and, in both cases, engaged in confrontational politics with the EU. In Greece in 2015, this concerned whether the country should repay its debt as well as the terms of continued financial assistance. What proved crucial in this case was the strength of Greek popular support for the euro noted above. After a 6-month standoff, the government changed course and accepted a new bailout rather than risk a disorderly Eurozone exit which would have been highly unpopular with the electorate. With the Italian government formed in 2018,

the confrontation concerned compliance with the EU's Stability and Growth Pact. After several months, when faced with the prospect of an EU Excessive Deficit Procedure, the Italian government agreed to reduce its budget deficit. As a result, it is a striking point that during the period of the Eurozone crisis and despite all the political discontent it generated in the region, there was no South European rupture with the EU or the single currency.

Conclusions: Crisis, Euroscepticism and the Future of European Integration

Usually, political dissatisfaction with government policies and performance is not expected to undermine support for a political system as a whole. But in 1975, David Easton wrote that 'there may be instances ... in which the sudden frustration of expectations can so jolt the deeper loyalties of the members of a system that their diffuse support falls into a precipitous decline' (p.445). It appears this happened during the Eurozone crisis. European integration, previously of low salience to voters, began to impact on citizens' lives in highly visible and unpopular ways. The management of the crisis generated resentment in both the core and the periphery of the single currency area. It did not simply leave citizens dissatisfied with the policies implemented, but also resulted in a sharp and steep drop in affective support for the European Union itself. In a climate of widespread criticism of the EU, the way was opened for the rise of the political opposition in the form of Eurosceptic parties. As we have seen, in Southern Europe, this led to the formation of Eurosceptic governments but did not, during the duration of the crisis, produce major Eurosceptic policy outcomes.

In the case of the Eurozone crisis, once the immediate cause of discontent—the economic pressures—began to ameliorate, Eurosceptic sentiment among the public also began to dissipate. Thus, on this occasion, the loss of legitimacy proved potentially reversible when the problem which had caused it ceased to be so acute. No doubt it was important that this reversal happened fairly fast before Eurosceptic sentiment became more deeply entrenched. The scale and rapidity of the decline in popular support for the EU after 2008 should serve, however, as an important warning. The experience of the Eurozone crisis suggests that future EU policy failures could have the potential to undermine the viability of the system as a whole.

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