

# Left-Right Ideology and the Debate over International Bailouts: The Case of Grexit

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What explains the sharp divide in European public attitudes toward Grexit? We explore this question using original surveys from four of the largest European economies. We contend that differences in economic self-interest, and the often-mentioned chasm between supporters of mainstream and extremist parties, provide little insight into the public divide over Grexit. Instead, we show that the key factor is the split between the left and the right. We then develop and test a set of theoretical explanations for the prominence of this cleavage. We find that the left-right divide over Grexit is not driven by differences in attitudes on redistribution, levels of empathy, or general European Union support. Instead, left and right voters seem to have different expectations about how a default and exit of a currency-union member would affect the European economy. These expectations likely reflect differences in core beliefs about the consequences of a free-market approach.

Economic integration facilitates trade, investment, and growth. This view was deemed especially true in the case of the Eurozone, a deeply integrated region with a common currency. Yet the benefits of such integration come under strain when a member state experiences a major economic downturn, as keeping it within the union may require all other members of the union to bear significant costs. Under what conditions will other member states support providing financial assistance to the crisis country to keep it within the currency union?

The recent financial crisis in Europe illustrates the importance of this question (Frieden and Walter 2017; Tosun, Wetzels, and Zapryanova 2014). In mid-2015, intense negotiations between the Greek government and its main creditors appeared to have reached a deadlock. Without an agreement, the Greek government was to be denied financial assistance, and thus many viewed a default and subsequent exit from the

Eurozone—a “Grexit”—as the likely scenario. Greek citizens fiercely debated the tough conditions demanded by the creditors as part of any deal. Yet the agreement and its terms also divided citizens of many other European nations. In particular, disagreement centered on the desirability of a Grexit. Whereas some supported providing another bailout to ensure Greece stayed within the Eurozone, others opposed additional financial transfers and viewed a Grexit as an acceptable, preferred, or even necessary outcome.

This was, in fact, the first time since the formation of the Eurozone that citizens of member states were debating the very real prospect of another member state being forced out of the currency union. Unsurprisingly, both supporters and opponents of a deal invoked a range of considerations: economic factors, the national interest, European solidarity, and even historical precedents. What explains the contours of this divide over assistance to Greece and the potential outcome of a

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Grexit? More generally, how do publics weigh the costs and benefits of maintaining a currency union?

We explore these questions using data collected in a cross-national survey that we administered to national samples in four of the largest European economies (France, Italy, Spain, and the United Kingdom) and also demonstrate that the main finding generalizes to Germany. The data, gathered during the negotiations and at the height of the Greek debt crisis, allow us to assess the role of egocentric economic considerations in shaping individuals' attitudes toward a potential exit of Greece from the Eurozone. We also examine the influence of other potential factors, such as individuals' levels of political sophistication and knowledge of the topic. We find that the statistical evidence linking these factors and attitudes on the Greek crisis is overall weak and offers limited explanatory power.

In contrast, we find a pattern whereby the deepest cleavage among publics in Europe on the Grexit question runs along the ideological left-right divide. Controlling for a set of economic variables, sociodemographics, and country fixed effects, voters on the left end of the spectrum are about 31 percentage points more likely to oppose Grexit than voters on the far right (the average level of opposition is 55%). This finding—consistent across all four countries, robust to multiple checks, and generalizable also to Germany, the largest European Union (EU) member country—counters many accounts of attitudes on EU integration, which describe a crosscutting or inverted-U curve that pits pro-EU centrist voters against EU skeptics on the ideological extremes (Hix and Lord 1997; Hooghe, Marks, and Wilson 2002; Taggart 1998). Our analysis shows that left-right placement on the ideological spectrum is the strongest predictor of individual attitudes on the Grexit question.

We then explore why a cleavage that typically delineates debates over domestic policy questions has come to structure people's positions also on a foreign policy issue, namely, the possible default and exit of a currency union member state. We test four possible explanations for the prominence of the left-right divide on the Grexit question. The first explanation holds that because preventing Grexit required financial assistance amounting to redistribution at the international level, this may have led to a reproduction of the same political divisions that characterize debates over domestic redistribution. A second explanation centers on the possible differences between left and right voters in levels of empathy. Attitudes on the use of taxpayer funds to assist a target in need, in this case the population of a foreign country may reflect citizens' ability or willingness to empathize with the unfortunate and downtrodden. Third, left and right voters may differ in their broader attitudes toward EU integration, in which

case disagreement on the question of assistance to Greece perhaps reflects different interests with respect to strengthening or weakening the integration project. Finally, the divide may reflect different views among left and right voters about the likely effects of a Grexit on the larger European economy. If the two camps hold systematically divergent expectations about the impact of Greece leaving the Eurozone, this could account for the prominence of the ideological cleavage in the current debate.

Our empirical investigation disconfirms the first two explanations and casts doubt on the third. More specifically, we find that individuals who hold very different views on domestic redistribution exhibit, on average, almost identical views on the Grexit question. Similarly, we find that the attitudes of people with different levels of empathy are not different when it comes to the question of assistance to Greece. With respect to broader support for EU integration, we find that EU attitudes are correlated with opposition to the Grexit, but there is no clear correspondence between left-right ideology and EU attitudes, casting doubt on the idea that this mechanism explains the observed ideological divide on Grexit.

In contrast, our evidence supports the fourth account, namely, that left and right hold very different views regarding the likely impact of a Grexit: whereas many on the left believe a Grexit would damage the European economy, the proportion who believe it would have a positive impact increases systematically when moving toward the right, a pattern we observe in all four countries. We offer a number of additional empirical tests that give credence to this claim of divergent beliefs about broader economic outcomes as a channel accounting for the left-right divide on the Grexit question. As part of this analysis, we also rule out the possibility that the divide is driven by party cueing.

Our study contributes to several literatures dealing with public opinion on foreign policy issues. Most directly, the study speaks to research on mass preferences on the EU (Gabel 1998; Hobolt and de Vries 2016) and the common currency (Banducci, Karp, and Loedel 2003; Hobolt and Leblond 2009; Kaltenthaler and Anderson 2001; Roth, Gros, and Nowak-Lehmann 2014; Tillman 2012), as well as work on the political responses to the Euro crisis (Bechtel, Hainmueller, and Margalit 2014; Degner and Leuffen 2016; Hobolt and Wratil 2015; Kuhn and Stoeckel 2014). Our results indicate that ideological dispositions are key to explaining citizens' preferences over Grexit, whereas personal economic interests have only a marginal influence. These findings suggest that the left-right cleavage, which tends to structure domestic political debates, also characterizes voters' preferences on foreign economic policy (Balcells, Fernández-Albertos, and Kuo 2015; Milner and Judkins 2004; Noël and Thérien 2008).

The results also highlight the often-overlooked issue of citizens' beliefs about the consequences of economic policy as a source of divergent preferences. When people form a stance on complex economic issues, they often use their general dispositions toward government intervention as a heuristic for making judgments (Broz 2005a, 2005b). Our finding that left and right voters exhibit different expectations regarding the likely impact of a Grexit supports this conjecture and highlights the value of further investigating the mechanisms underlying voters' beliefs about economic policy outcomes.

Finally, our study adds to previous work on the politics of European integration (de Vries 2010; Hobolt 2009; Sánchez-Cuenca 2000). In a period when strong domestic voices are calling for their respective countries to abandon the EU, and a majority of UK citizens have voted in a referendum in support of a "Brexit," there is an ever greater need for understanding the forces shaping public opinion on intergovernmental efforts to maintain the region's economic bloc. Our findings regarding the divide over Grexit therefore speak to the changing role of left-right politics in the debate over the merits of the EU project as a whole.

## OPPOSITION TO GREXIT

The Greek debt crisis reached its climax in the summer of 2015, as negotiations between the Greek government and its main creditors stalled, Greece failed to repay one of its loans, and a popular referendum rejected a new bailout agreement proposed by European institutions along with the International Monetary Fund (IMF). In fact, continued cooperation between Greece and Eurozone leaders was already under severe stress as early as mid-2012, as a consequence of the ongoing economic crisis, the difficulty of forming a government, and strong domestic opposition to the austerity measures demanded by creditor countries. At that time, some experts estimated the likelihood of a Grexit (i.e., Greece leaving the Eurozone) at over 50% (Allen 2012). Over several years, Greek citizens debated the tough conditions demanded by the creditors as part of any deal. Yet Greek bailout programs and their terms also divided citizens of many other European nations. In particular, disagreement centered on the desirability of a Grexit. In 2015, whereas some supported providing another bailout to ensure Greece stayed within the Eurozone, others opposed additional financial transfers and viewed a Grexit as an acceptable, preferred, or even necessary outcome. In essence, they were supporting a fundamental form of economic disintegration that was historically unprecedented in the Eurozone. The considerable uncertainties regarding the likely consequences of a Grexit contributed to unusual dynamics among political elites and their positions on the future

of European integration. For example, it brought together forces on the far left from Greece and Spain, while at the same time led far right parties from seven countries—including France, Italy, and the Netherlands—to band together against further European integration.

To understand the sources of division over Grexit, a useful theoretical framework would be to conceive of a currency union as club good that provides its members with long-term benefits such as lower consumer prices and reduced inflation (Padoan 1997, 2004). To overcome the collective action problem underlying the provision of these benefits, domestic political support can be a crucial factor. If publics in the currency union support the idea of saving the debt-ridden member state from default, this could counteract the incentives governments face to free ride on the assistance efforts of other member countries. Conversely, mass opposition to funding a bailout may exacerbate the free rider problem. This possibility, however, depends on the level and structure of domestic support: Who is in favor of the crisis country leaving the currency union, and who is against? What theories can account for variation in public attitudes on an exit of another member country?

The literature on foreign economic policy preferences has increasingly focused on the question of whether citizens form their views mainly based on economic interests or on social dispositions and ideological convictions. These two strands of explanations have been prominent in studies of people's attitudes on issues such as immigration (Hainmueller and Hiscox 2010), trade (Margalit 2012), climate policy (Bechtel, Genovese, and Scheve 2019), foreign direct investment (Chilton, Milner, and Tingley 2018), debt resettlement (Curtis, Jupille, and Leblang 2014), and European integration (Hooghe and Marks 2004). They have also been prominent in research on mass support for the Euro, which concludes that macroeconomic conditions (Banducci, Karp, and Loedel 2009; Hobolt and Leblond 2009; Hobolt and Wrtil 2015; Roth, Jonung, and Nowak-Lehmann 2015) and the interplay between European and domestic politics (Kaltenthaler and Anderson 2001) help explain public opinion on the common European currency and, more generally, economic governance within the EU (Anderson and Reichert 1995; Franchino and Segatti 2019; Kuhn and Stoeckel 2014). To extend these lines of research to our subject matter, the next section develops theoretical arguments about the factors that could account for attitudes on Grexit.

## Ideology and Grexit

Scholars of European politics have long argued that national-level factors structure mass support for European integration,

as national political elites tend to cue voters in ways that mirror domestic political cleavages (Anderson and Reichert 1995; Hooghe and Marks 2005). A key dividing line here is that between supporters of mainstream parties and supporters of parties at the extremes of the left-right political spectrum. Whereas the former embrace what is widely seen as a liberal economic arrangement, voters of extremist parties oppose EU integration because of concerns on issues such as immigration (de Vreese and Boomgaarden 2005) and loss of national sovereignty (Banducci et al. 2003) or as an expression of discontent with mainstream politics. Indeed, evidence in support of the ideological center-extremes cleavage has been documented with respect to European integration in general (Hix 1999; Markowski and Tucker 2005), as well as with regard to more specific policy issues such as EU fiscal policy, employment, and integration initiatives (Hooghe et al. 2002). If assistance to Greece represents an extension of the broader question of EU integration, the center-extremes distinction may also structure the cleavage in attitudes over Grexit.

**H1. (Ideological Center-Extremes Cleavage)** Individuals on the left-right ideological extremes will support an exit of Greece more strongly than those in the ideological center.

An alternative view holds that the debate over keeping a member state within the union would divide publics along a traditional left-right cleavage. This may be due to a number of reasons, such as opposing views on redistributive measures, differences in levels of empathy toward the least well off, divergent beliefs about the efficacy of market-based outcomes as opposed to government-led intervention, or varying attachments to national and EU identities. For any of these reasons (all of which we discuss in detail later), the left-right dimension could be central to explaining the divisions in the Grexit debate.

**H2. (Ideological Left-Right Cleavage)** Individuals on the ideological left will be more opposed to an exit of Greece from the Eurozone than those on the right.

### **Economic interests**

Existing work argues that attitudes toward European integration tend to reflect economic cost-benefit calculations (Anderson and Reichert 1995; Gabel 1998; Hooghe and Marks 2004). Consistent with this argument, Colantone and Stanig (2018) find that regions exposed to more import competition were more supportive of Britain leaving the EU in the 2016 Brexit referendum. The economic cost-benefit argument implicitly assumes that individuals hold reference-point-

dependent preferences (de Vries 2018) that reflect their expectations about whether they would fare better economically under more as opposed to less integration. Applied to views on assistance to Greece and a possible Grexit, this approach highlights explanations related to how individuals expect such outcomes to affect their own economic standing. If this approach has merit, the key dimension likely to shape citizens' attitudes on Grexit is the extent to which their earnings are exposed to changes in market conditions following a Greek default and possible exit from the currency union. Such exposure could take various forms. For example, citizens who own financial assets such as stocks and bonds will be more adversely affected than others if a Greek default leads to bearish financial markets. Other financial exposure could be in terms of real estate investments that are tied to changing interest rates. In particular, individuals who have a large mortgage to pay out are less immune to the effects of a market downturn as compared to citizens who rent or own their home with no loans to repay. As a result, one might expect mortgage owners to exhibit greater support for actions aimed at staving off a Grexit.

A different form of exposure to Greece's plight could also arise from dependence on government assistance. If citizens expect that providing further financial aid to Greece would come at the expense of funds available for spending on domestic social programs, those who are more dependent on government assistance—the unemployed, the poor, and other segments of society whose income is more reliant on the public purse—should be more in favor of shunning Greek requests for financial assistance. Thus, the economic self-interest logic gives rise to the following expectations:

**H3. (Asset Ownership)** Ownership of financial assets will increase opposition to a Grexit.

**H4. (Mortgage Holders)** Mortgage owners will be more opposed to a Grexit than renters or nonmortgaged homeowners.

**H5. (Welfare Recipients)** The poor, unemployed, and other beneficiaries of public income sources will be less opposed to a Grexit.

In this discussion, the theorizing has centered on explaining variation in attitudes within a country. Yet there is good reason to expect variation also in levels of support for a Grexit-like policy across countries. In particular, the literature indicates that support for EU integration—as an economic bloc or a monetary union—is in part a function of citizens' calculations over whether their country overall stands to gain or lose from such a supranational arrangement (Hobolt and



de Vries 2016; Kuhn and Stoeckel 2014). In the case we study here, the expectation would be that citizens of debtor countries (e.g., Spain, Italy), which stand a higher chance of requiring a rescue package, are more likely to oppose an ejection of a country from the union. In contrast, citizens of creditor countries (e.g., France, Germany), which are expected to serve as funders of such bailouts rather than as benefactors, are likely to support a policy such as Grexit. Of course, given that the electorate of each country represents a single data point, we cannot rigorously test such an expectation with only a handful of countries. Nonetheless, we return to discuss this distinction as we analyze the data we collected across several European countries that represent the opposite sides of the creditor-debtor divide.

## DATA

To test these hypotheses, we designed and fielded an online survey in France, Italy, Spain, and the United Kingdom. The first three countries were chosen since they are three of the largest Eurozone economies, whereas the United Kingdom is of comparable size and also an EU member yet is not part of the Eurozone. As such, it does not participate in the European Stability Mechanism and does not bear the direct cost of funding the Greek bailouts.<sup>1</sup> Moreover, the four countries represent different positions in the creditor-debtor divide discussed above: Spain and Italy are deeply indebted countries that are routinely mentioned as potential crisis economies, while France and the United Kingdom are countries that are expected to pay into bailout funds more than they are likely to extract from them. While we did not administer this survey in Germany as it was the focus of two other studies we conducted on international bailouts, we return below to discuss the external validity of our findings and show that they hold also when reanalyzing the available German data, another strong creditor country.

The surveys, carried out among national samples in May 2015, were administered by the international polling firm Respondi, which conducted sampling to match the known population margins on sociodemographic and regional variables.<sup>2</sup> The total number of respondents in the final sample was about 12,800.<sup>3</sup> Our main outcome variable measures

opposition to Grexit using the following question: “Some people would like Greece to exit the Eurozone (i.e. use a currency other than the Euro). Others prefer Greece to remain in the Eurozone (i.e. keep the Euro as its currency). Where do you stand on this issue? Do you favour or oppose a Greek exit from the Eurozone?”

Possible answers were “strongly favour,” “favour,” “neither favour nor oppose,” “oppose,” or “strongly oppose.” For those respondents who answered “neither favour nor oppose,” we included a branch in which we asked: “If you had to decide, would you say you favour or oppose a Greek exit from the Eurozone?” Since we offered only two possible answers to this branch, “favour” and “oppose,” we elicited a position on the Grexit issue for all respondents. For ease of interpretation, we converted the measure into a binary variable that equals 1 for respondents who either oppose or strongly oppose Grexit and 0 for respondents who favor or strongly favor Grexit. The analysis presented in this article employs the binary form of our Grexit attitude variable.<sup>4</sup>

We measure left-right ideology using the standard question wording: “In politics people often talk of ‘left’ and ‘right’. On this scale from 0 (left) to 10 (right), where would you classify your own political views?” To map out the ideological cleavage in detail, we distinguish between far left (0–2), left (3–4), center (5), right (6–7), and far right (8–10).<sup>5</sup> We use the center as the reference category in our regression models. Tables A.4 and A.5 show the distribution of political ideology by country.

We included a large set of items capturing respondents’ economic and financial circumstances.<sup>6</sup> To measure respondents’ general economic situation, we collected information on income and employment status. To measure more specific types of financial concerns that relate directly to the theoretical arguments, we also collected information about asset

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was reduced from the 13,361 respondents who provided an answer to our primary outcome variable question pertaining to the Grexit, as 522 observations (3.9%) were dropped because of missing data on other variables. The final number of observations by country are France: 3,886, Italy: 3,473, Spain: 3,471, United Kingdom: 2,009.

4. The results of the same analyses performed using a five-point ordinal version of the variable are similar to the results presented in this article.

5. The cut points used to construct the five ideological bins were chosen in order to optimize balance in the size of the bins. The results of the analyses presented in this article are similar when ideology is coded as far left (0–1), left (2–3), center (4–6), right (7–8), and far right (9–10). In addition, data were also collected on respondents’ party identification, and analyses employing party identification in place of left-right ideology are also consistent.

6. Appendix B provides details about question wording and answer categories.

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1. However, the costs of the Eurozone’s trouble do affect the United Kingdom: the United Kingdom contributed to the European Financial Stabilisation Mechanism, which helped fund bailouts to Ireland and Portugal. It also contributes to the IMF, which incurred losses through its financial assistance program for Greece.

2. Tables A.1–A.3 (tables A.1–A.5, C.1–C.23 are available online) report the distributions of the sociodemographics in detail.

3. More specifically, 12,839 respondents were included in the final sample that serves as the basis for analysis in this article. The final sample

ownership by asking respondents to report whether they currently did or did not “have money invested in stocks, bonds, mutual funds, money market funds or other listed securities.” To measure financial exposure in the housing market, respondents were asked to report whether they owned a home as well as whether they had a mortgage.

## RESULTS

### Grexit opposition and ideology

We begin by assessing the basic distribution of support and opposition to an exit of Greece from the Eurozone. Table 1 reports the results both pooled and separately by country. The Grexit issue clearly divides the public in the four countries: 45% of all respondents favor Greece leaving the common currency, while 55% oppose Grexit. However, levels of opposition vary across countries. We find the least support for a Grexit in the two debtor countries Spain and Italy (36% and 43%, respectively), while a larger share of the population in creditor countries France and the United Kingdom prefers a Grexit (45% and 63%, respectively). Of course, one cannot conclude from this small sample that the cause of this variation is a country's level of debt. Nonetheless, this variation is at least consistent with previous work highlighting that national-level differences in support of European economic integration correlate with the characteristics of the national economy (Banducci et al. 2003, 2009).<sup>7</sup>

Which of the theoretical arguments developed above best accounts for individual-level variation in public attitudes over Grexit? We begin by assessing the two main competing hypotheses about the role of ideology in structuring the debate over Grexit (hypotheses 1 and 2). Figure 1 presents the raw differences in opposition to Grexit as a function of respondents' position on the ideological left-right scale, with centrist voters serving as the baseline. The upper panel shows the results for all countries. The lower panels show the results by country. When looking at the pooled data, we find that voters' left-right position strongly correlates with their views on the Grexit question: support for a Grexit increases as one's position shifts rightward on the ideology scale. On average, citizens situated on the far left have a 17 percentage point higher probability of opposing Grexit than those located at the center of the ideological spectrum, and left-leaning individuals have a 14 percentage point higher probability of opposing Grexit relative to the center. In contrast, those on the right and far right have a substantially lower probability

Table 1. Support for/Opposition to an Exit of Greece from the Eurozone

| Sample         | Support Grexit |    | Oppose Grexit |    | Total <i>N</i> |
|----------------|----------------|----|---------------|----|----------------|
|                | <i>N</i>       | %  | <i>N</i>      | %  |                |
| Full           | 5,786          | 45 | 7,053         | 55 | 12,839         |
| France         | 1,753          | 45 | 2,133         | 55 | 3,886          |
| Italy          | 1,501          | 43 | 1,972         | 57 | 3,473          |
| Spain          | 1,265          | 36 | 2,206         | 64 | 3,471          |
| United Kingdom | 1,267          | 63 | 742           | 37 | 2,009          |

Note. Share of individuals supporting/opposing the exit of Greece from the Eurozone (Grexit) and absolute numbers (*N*).

of opposing Grexit, relative to the center (5 and 16 percentage points, respectively).

The results indicate that individuals on the far right have a 33 percentage point lower probability of opposing Grexit than individuals on the far left. This represents an immense difference in substantive terms, particularly given that the average level of opposition to Grexit is 55% (see table 1). This pattern persists with only minor deviations across all four countries in the sample: the more to the left an individual is located ideologically, the more likely is opposition to the idea of letting Greece exit the Eurozone. In fact, in all four countries moving from the left to the right involves moving from a majority against Grexit to a majority in favor. Overall, this indicates that a strong left-right divide—not a center-extremes cleavage—underlies the Grexit debate.

To ensure that the pattern uncovered in figure 1 does not simply result from the coding rule used for constructing the five ideology bins, figure 2 presents bivariate locally estimated scatter plot smoothing (LOESS) fits in which we model individual opposition to the Grexit using the full 11 point (0–10) ideology variable for each country. We find that the relationship between ideology and Grexit opposition is monotonic and almost linear, with the only notable deviation from the trend being the far left in Spain.<sup>8</sup> Figure 2 also illustrates the substantial magnitude of the ideological divide in attitudes toward Grexit. In all countries, a majority of the respondents on the far left oppose it while a majority on the far right are in favor of Grexit.

As a final test of the relationship observed between left-right ideology and Grexit opposition, we use data on respondents' party identification instead of their self-placement on

7. The relatively high level of support for a Grexit may reflect the fact that the United Kingdom still has its own currency, and therefore British citizens might expect that an exit of Greece from the Eurozone would not affect them much.

8. Note that the far left is still more opposed to the Grexit than the center, the right, and the far right.

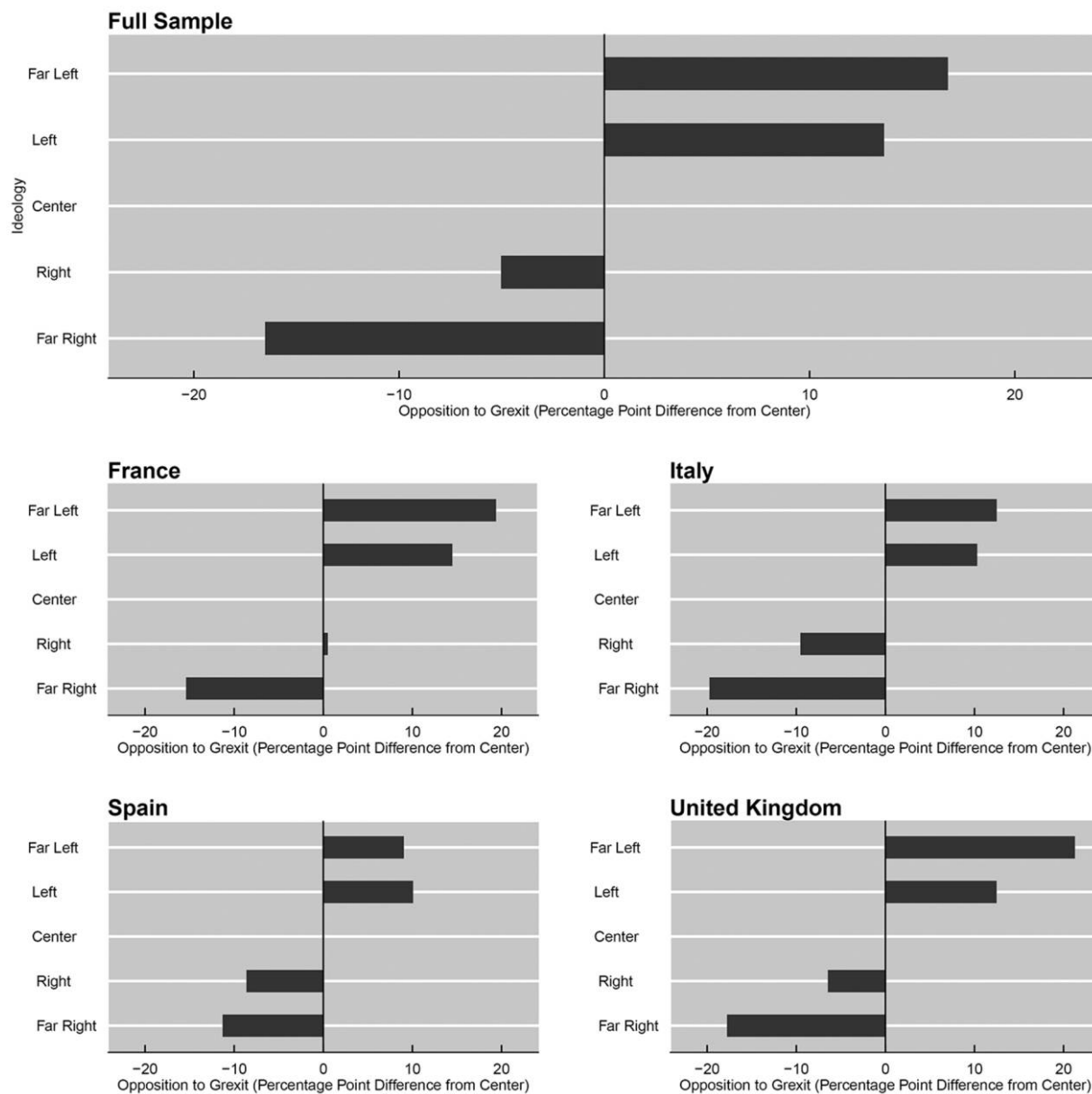


Figure 1. Relationship between opposition to Grexit and left-right ideology. Upper panel shows the results across all countries. Lower four panels report the results by country. Opposition to Grexit is measured using the question “Some people would like Greece to exit the Eurozone (i.e. use a currency other than the Euro). Others prefer Greece to remain in the Eurozone (i.e. keep the Euro as its currency). Where do you stand on this issue? Do you favour or oppose a Greek exit from the Eurozone?” Answers on a five-point scale were converted into a binary variable that equals 1 for respondents who either oppose or strongly oppose Grexit and equals 0 for respondents who favor or strongly favor Grexit.

the ideology scale. For each party, we calculated the proportion of party identifiers opposing Grexit.<sup>9</sup> In addition, we assign each of those parties a left-right placement score using the results of the 2014 Chapel Hill Expert Survey, which

9. To reduce measurement error, we restricted the analysis to parties with at least 100 respondents identified as supporters, accounting for 60%, 62%, 62%, and 77% of the respondents in the sample for France, Italy, Spain, and the United Kingdom, respectively.

employs the same scale ranging from 0 (left) to 10 (right).<sup>10</sup> To ease interpretation, in figure 3 we report the relationship between Grexit opposition and this alternative ideology measure. The figure plots the share of party identifiers opposed to Grexit against the party’s ideological position in each country with a superimposed linear regression line for each

10. We use the Chapel Hill Expert Survey’s measure of the overall ideological stance (LRGEN) of each party.

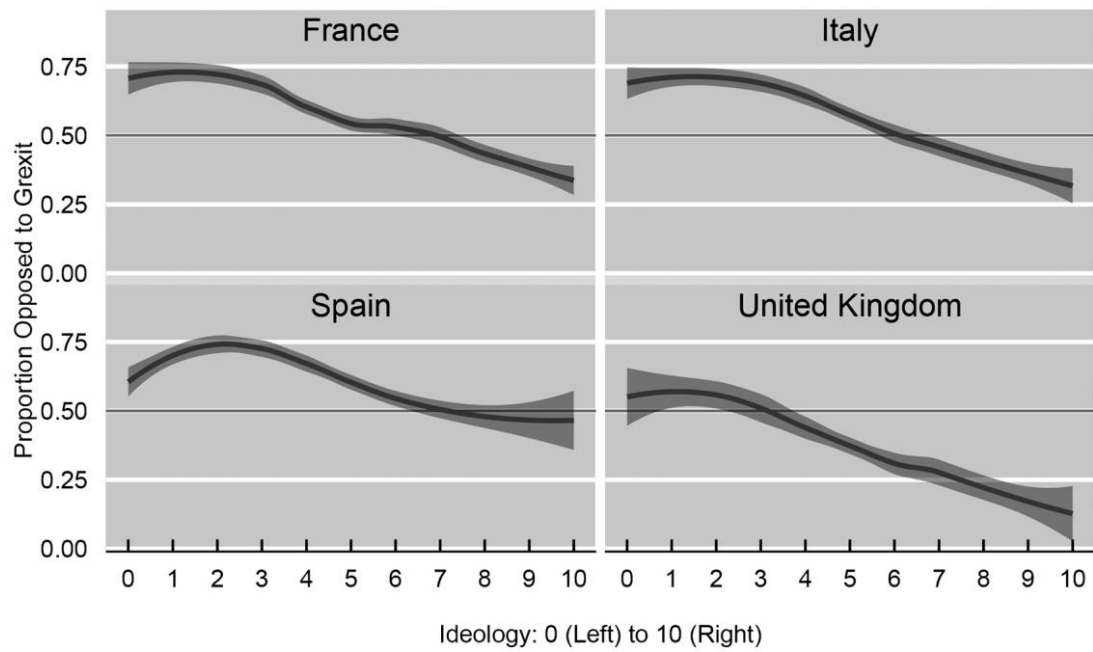


Figure 2. Relationship between opposition to Grexit and ideology by country. Predicted share of opposition to Grexit from a LOESS model using the full 11-point (0–10) ideology variable.

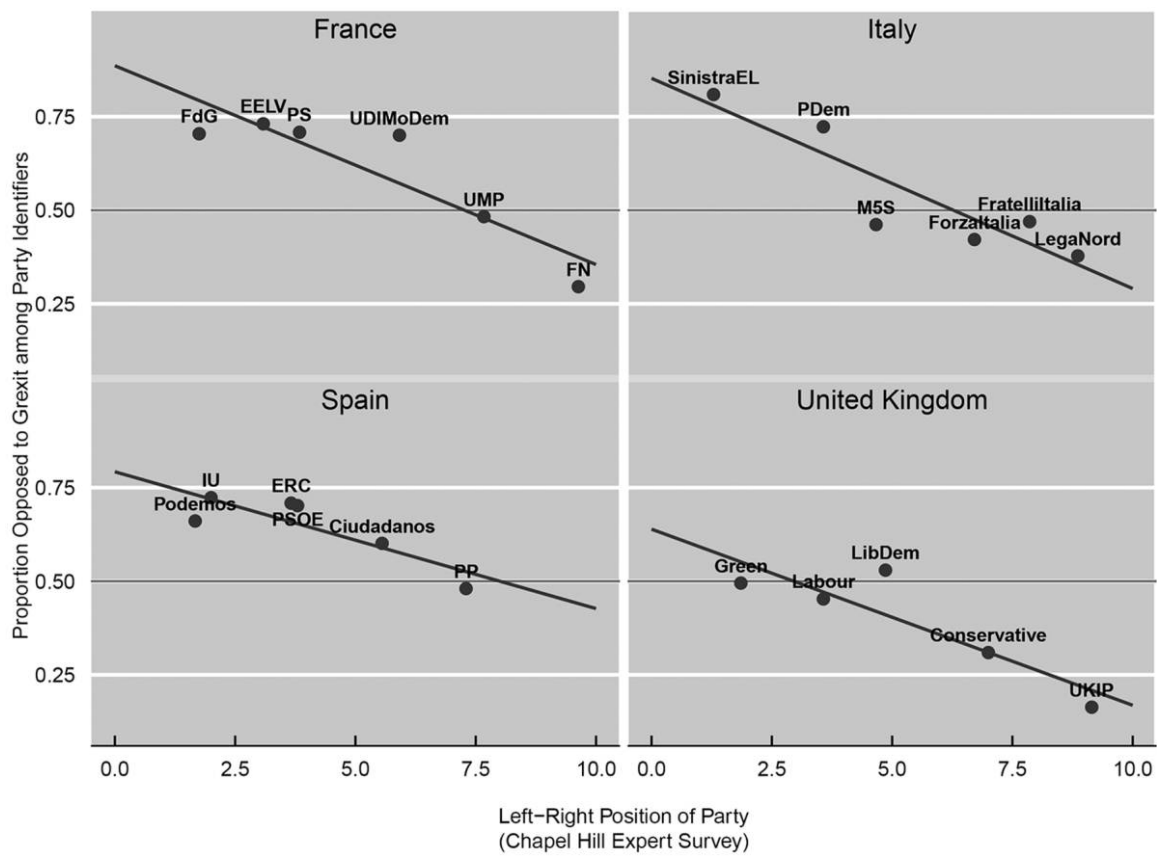


Figure 3. Relationship between left-right party placement and opposition to Grexit among party identifiers by country. Proportion of party identifiers who are opposed to Grexit for mainstream parties in each country. Included in the plots are all parties with which at least 100 respondents in the sample identified. Fitted lines are linear regressions.



country. This allows us to examine the relationship between a party's left-right ideological position and the proportion of respondents identifying with that party who oppose Grexit. The results are consistent with the pattern illustrated above. On average, the further the ideological placement of a party is to the right, the smaller the proportion of party identifiers who oppose Grexit. This relationship holds up in all four countries.

### Regression results

Next, we examine the robustness of the relationship between Grexit opposition and left-right ideology to the inclusion of controls. Figure 4 reports results from a linear probability model in which we regress our binary measure of opposition to Grexit on indicator variables denoting voters' positions on the left-right scale, along with a large set of economic variables, sociodemographic controls, and country fixed effects.<sup>11</sup> To facilitate interpretation, we report the results graphically. The numerical estimates are reported in table C.1 (model 2).

As can be seen from figure 4, ideology still accounts for a substantial share of the variation in opposition to a Grexit even when accounting for a large set of economic, sociodemographic, and country-specific differences. In the fully specified model reported in figure 4, which controls for all available covariates, being on the far left is associated with a 30.6 percentage point increase in the probability of opposing Grexit as compared to counterparts at the far right. Examining the results separately by country, the findings remain unchanged: those on the left are significantly more opposed to Grexit than individuals in the center (the reference category) and on the right. As this pattern highlights, the publics in the four countries are sharply divided on the Grexit question along a left-right cleavage rather than a center-extremes divide.

Notably, we find that views on Grexit only weakly correlate with the various economic factors included in our analysis. Views on Grexit hardly vary across income groups, in both the pooled regression and the country-specific regressions. Other measures of economic exposure to potential market shifts resulting from a Grexit also reveal small or no correlations. Employment status, reliance on government assistance, owning financial assets or a home, and holding a mortgage are all associated with substantively small shifts, mostly insignificant in statistical terms. Women and individuals with higher educational backgrounds appear overall to be more apprehen-

sive about a Greek default and exit from the Eurozone. In addition, we see that overall age differences have a small effect in the pooled regression, but this finding masks some heterogeneity across countries. In Italy in particular, older individuals oppose a Grexit much more strongly. However, the substantive magnitudes of these differences pale in comparison to the differences across ideological groups.

Taken together, we find little evidence to suggest that personal economic considerations account for much of the variation in attitudes toward the Grexit debate. We also find no support for the view that the Grexit issue pits centrist voters against those on the ideological extremes. Rather, we see the traditional left-right split dominating the Grexit issue, by far the strongest cleavage structuring the debate. What explains this pronounced ideological cleavage? Addressing this question is the task to which we turn next.

### THEORETICAL MECHANISMS: THE LEFT-RIGHT DIVIDE AND THE GREXIT DEBATE

In this section we develop four possible explanations for the left-right divide over Grexit, lay out their key observable implications, and then subject each explanation to an empirical test.

#### Redistributive concerns

One explanation that predicts a left-right divide on mass support for Grexit relies on the idea that an important dimension underlying ideological differences is individuals' views on income redistribution. Stated in somewhat crude terms, the left tends to favor policies that reduce income differences and provide welfare support for the needy. The right, in contrast, prefers minimal government involvement in shaping the distribution of wealth. If preventing Grexit is perceived by citizens in the donor countries as a redistributive measure, because it requires the funneling of taxpayer funds to the Eurozone's hardest hit members, that could translate into a cleavage that mirrors the domestic debate over social-economic policies.

**H6.** (Mechanism: Redistributive Concerns) (a) Left-wing voters will be more supportive of redistribution at the domestic level. (b) The share of individuals opposing Grexit will be higher among individuals who support redistribution at the domestic level.

#### Empathy

Left-right differences in views on Grexit may also stem from differences in other-regarding concerns. If left-wing attitudes reflect higher levels of empathy toward the needy, then media reports of the ongoing economic hardships among

11. Note that throughout the study we use linear probability models because of the ease of interpretation as compared to limited dependent variable models. In the appendix we reestimate all models using logit and probit models. As expected, the results are unchanged both substantively and statistically.

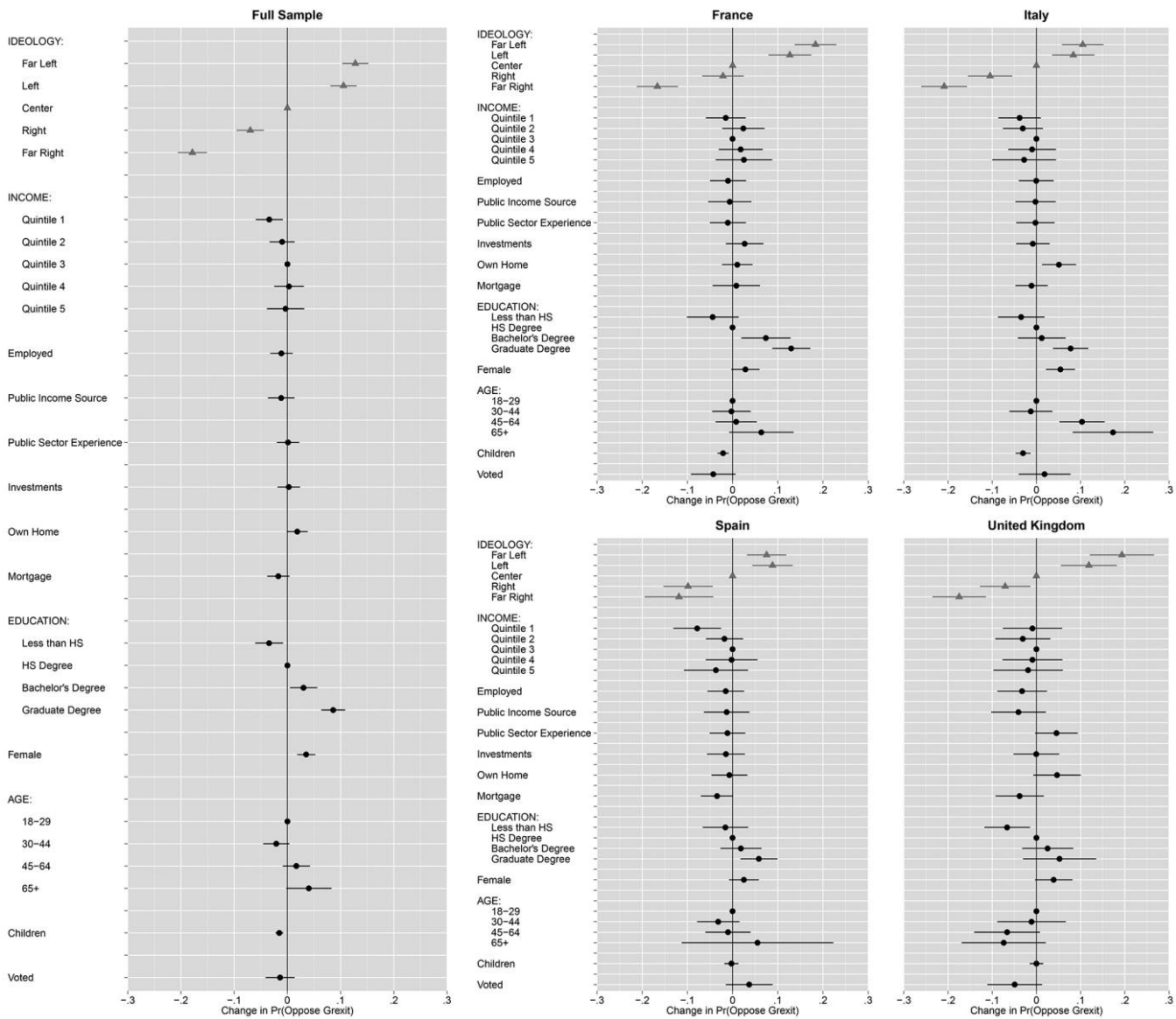


Figure 4. Correlates of opposition to the Grexit. Marginal effect estimates with 95% confidence intervals from regressions of the binary Grexit opposition outcome variable on the predictor variables. Dots without confidence intervals mark the reference categories for the respective predictors.

the Greek populace may have resonated more strongly among left-leaning voters in other European countries. The common portrayal of a Greek default and Eurozone exit as an outcome that would exacerbate the country's suffering should then also translate into stronger opposition among the left to a Grexit.<sup>12</sup>

**H7. (Mechanism: Empathy Gap) (a)** Left-wing voters exhibit higher levels of empathy than voters on the

right. (b) The share of individuals opposing Grexit will be higher among individuals who exhibit higher levels of empathy.

**General support for European integration**

As noted, earlier studies of public attitudes toward EU integration suggested that the key divide is that between centrist voters and those on the two ideological extremes (Hix and Lord 1997; Taggart 1998). Yet more recently, some studies have suggested that the debate over the EU has been subsumed into the traditional left-right divide in certain countries (Brinegar and Jolly 2005; Hooghe and Marks 2005; Hooghe et al. 2002). More specifically, the claim is that voters on the left exhibit greater support for the EU project, while

12. To be sure, there is no consensus on this point. Some have argued that Grexit would actually lessen Greeks' suffering in the long term as it would allow them to rebuild their economy with a new and sharply devalued currency and absolve them of accepting harsh new austerity measures.

those on the right are increasingly apprehensive about yielding national authority to a supranational entity.

In the context of the Greek crisis, voters on the left may believe that EU integration crucially hinges on the Eurozone's ability to assist the region's weaker members in a time of crisis. For the same reason, voters on the right might support letting Greece default and leave the common currency union. This logic suggests that we should observe:

**H8.** (Mechanism: General EU Support) (a) The share of individuals supporting the EU is higher among left-wing voters than among individuals on the right. (b) EU supporters are more opposed to Grexit.

### Expected Grexit impact

Political ideologies differ in their position regarding the desired role of the market and the state in allocating economic resources. Whereas the right generally holds that societies should rely on the free market to allocate resources efficiently, the left holds that persistent market failures and morally arbitrary inequalities justify more interventionist policies that would produce better economic outcomes. Indeed, this divergence in views has been pronounced during the early stages of the financial crisis, with publics across different countries debating the need for government intervention to bail out ailing domestic industries. In particular, national polls fielded during the negotiations over bailouts for firms in the financial and automotive sectors consistently showed that voters on the left and right differed in their views about the desirability of such interventions (Smith 2014).<sup>13</sup>

In the same vein, if letting Greece default and drop out of the Eurozone is seen by citizens as a choice between a market-based outcome versus intervention by the (supra) state, we would predict a divide between left and right voters in terms of both their expectations of the likely economic impact of Grexit and their level of support for such an outcome.

**H9.** (Mechanism: Expected Grexit Impact) (a) Left-wing voters exhibit greater belief that Grexit would adversely affect the European economy. (b) Individ-

uals that expect Grexit to have a negative effect on the European economy are more likely to oppose Grexit.

The mechanisms outlined above offer four different explanations for the striking significance of voters' left-right position in structuring the divide over the Grexit question. These alternative explanations also yield clear predictions that we can test using measures for each of the four mediators: domestic redistribution attitudes, empathy levels, EU support, and Grexit impact expectations.<sup>14</sup> In the next section we assess the empirical support for each of the predictions.

## EMPIRICAL EVIDENCE

### Assessing the mechanisms' empirical implications

For any one of these mechanisms to hold, we must find support for two links in that mechanism's chain: a link leading from ideology to the potential mediator and a link between the mediator and opposition to the Grexit. We begin by examining the two predictions derived from the first explanation, centered on redistributive concerns. The top panel of figure 5 presents the results pertaining to the two relevant hypotheses. As the plot on the left indicates, we find strong support for the first prediction (hypothesis 6a), whereby left and right voters differ significantly in terms of their attitudes on questions of domestic redistribution. Voters on the far left have the greatest propensity to support redistributive measures aimed at reducing inequalities between the rich and the poor, and pro-redistribution attitudes decline steadily moving to the right on the ideological spectrum. In contrast, the plot on the top right offers no support for the second, and critical, prediction (hypothesis 6b). We find that within each of the five groups across the left-right scale, opposition to Grexit is almost identical among citizens that exhibit pro- and anti-redistribution attitudes. Put differently, attitudes on domestic redistribution account for almost none of the variation on the Grexit question. As the graph in the center of the top panel indicates, the explanation that people's views on domestic redistribution are the link between left-right ideology and attitudes on Grexit fails the empirical test, as the second link in the chain is not supported by the data. However, it is important to note that these results do not rule out the possibility that attitudes toward government intervention at the regional European level (rather than domestic level) drive attitudes toward Grexit. In fact, such a possibility is consistent with our results, as explained later.

13. For example, according to surveys carried out in 2008 by ABC News/Washington Post and Los Angeles Times/Bloomberg News, 57% of Democrats supported the bailouts for the auto industry while 35% opposed it. The picture among self-described conservatives was almost the exact opposite: 30% supported and 59% opposed the bailouts. Comparison of Democrats and Republicans reveals a similar picture. See Smith (2014) for a broader review of the evidence on the determinants of attitudes toward domestic bailouts.

14. Appendix B (apps. A–C are available online) contains full details of how we construct the measures.

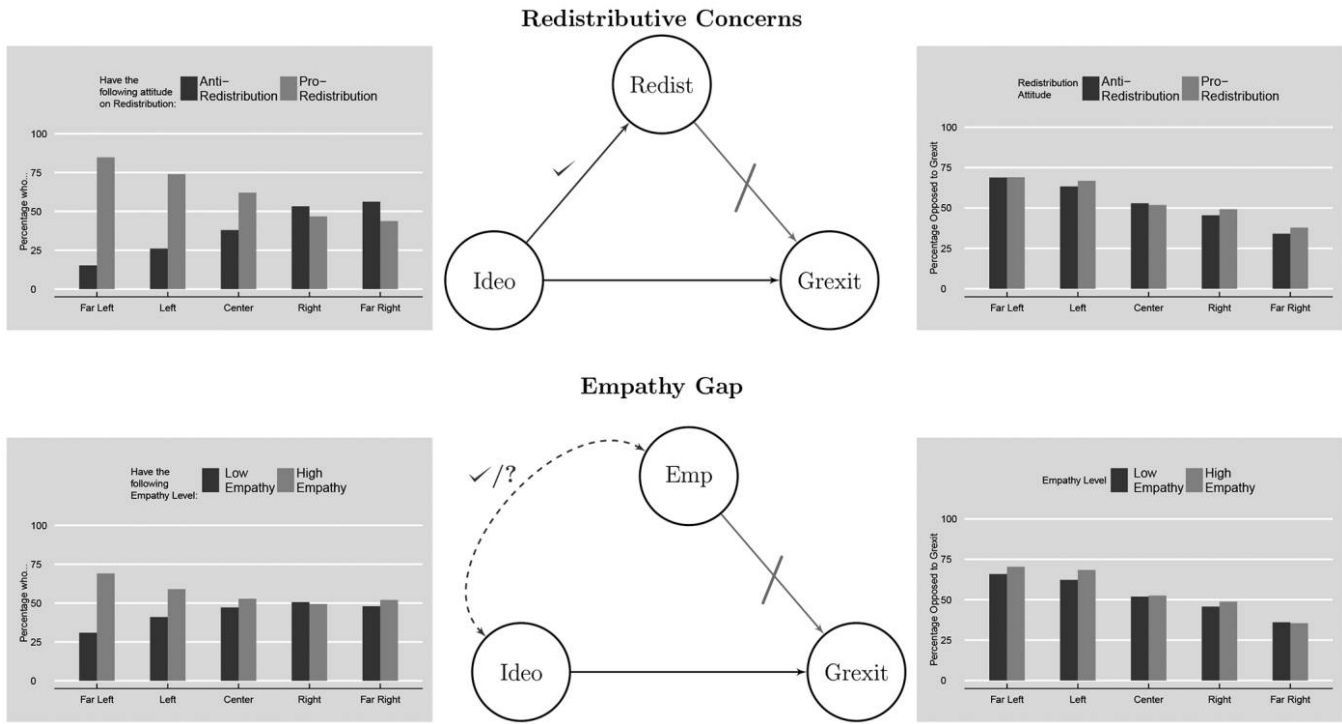


Figure 5. Ideological basis of Grexit opposition: redistributive concerns (top) and empathy (bottom)

Turning to the second explanation centered on an empathy gap, the evidence is again not supportive. Consistent with hypothesis 7a, although only weakly, the left plot in the bottom panel of figure 5 indicates that voters on the left exhibit slightly higher levels of empathy than voters on the right. Yet as the figure on the bottom right shows, after accounting for voters' position on the left-right scale, there is almost no difference in opposition to Grexit between individuals with high and low levels of empathy. Thus, as the graph in the bottom panel indicates, the second link of the causal chain is empirically unsubstantiated, casting doubt on the validity of the empathy mechanism.<sup>15</sup>

The top panel of figure 6 shows the plots corresponding to the EU support explanation. Hypothesis 8 laid out the expectation that voters on the left are more supportive of the EU project and, hence, more likely to see Greece defaulting and leaving the Eurozone as a bad outcome. Yet as the figure on the left indicates, we find no clear evidence for the first claim.<sup>16</sup> Instead, a seemingly idiosyncratic relationship be-

tween left-right ideology and EU attitudes emerges, with voters on the far left exhibiting similar attitudes toward the EU as voters on the right, and voters in the center being most similar to voters on the far right. Thus, while we find a close link between pro-EU attitudes and opposition to Grexit (*right plot*), the lack of a clear correspondence between left-right ideology and EU attitudes (*left plot*) suggests that attitudes on the EU do not provide a key explanation for the left-right divide over Grexit.

Finally, in the bottom panel of figure 6 we present results pertaining to the fourth explanation, centered on people's economic beliefs. Here, we find support for both links of the chain. As the plot on the left indicates, we find a strong empirical relationship between ideological position and beliefs about the impact of Grexit on the European economy. Whereas a sizable plurality of voters on the left expect Grexit to have an adverse effect, as we move rightward on the ideological scale the numbers shrink dramatically. This relationship is notable in its magnitude and, in our view, also far from obvious. At the same time, we find that the share of voters who expect Grexit to aid the European economy grows monotonically as one moves rightward, reaching a plurality

15. For the first link in the logical chain we draw a dashed, bidirectional arrow since one might question in what direction the causal arrow should go: Does ideology shape one's empathy, does empathy shape one's ideological disposition, or is there some factor further upstream that shapes both? In this case, given that the second link of the chain fails the empirical test, resolution of this question of directionality becomes a moot point in the context of our specific investigation.

16. As with the empathy mechanism, for the first link in this mechanism's chain we draw a dashed, bidirectional arrow since some upstream

factor may be argued to lead to both ideology and EU attitudes, calling into question the precise directionality between these two variables. Yet in this case, we do not find a clear relationship between ideology and EU attitude, and thus resolution of this question of directionality becomes a moot point in the context of our specific investigation.



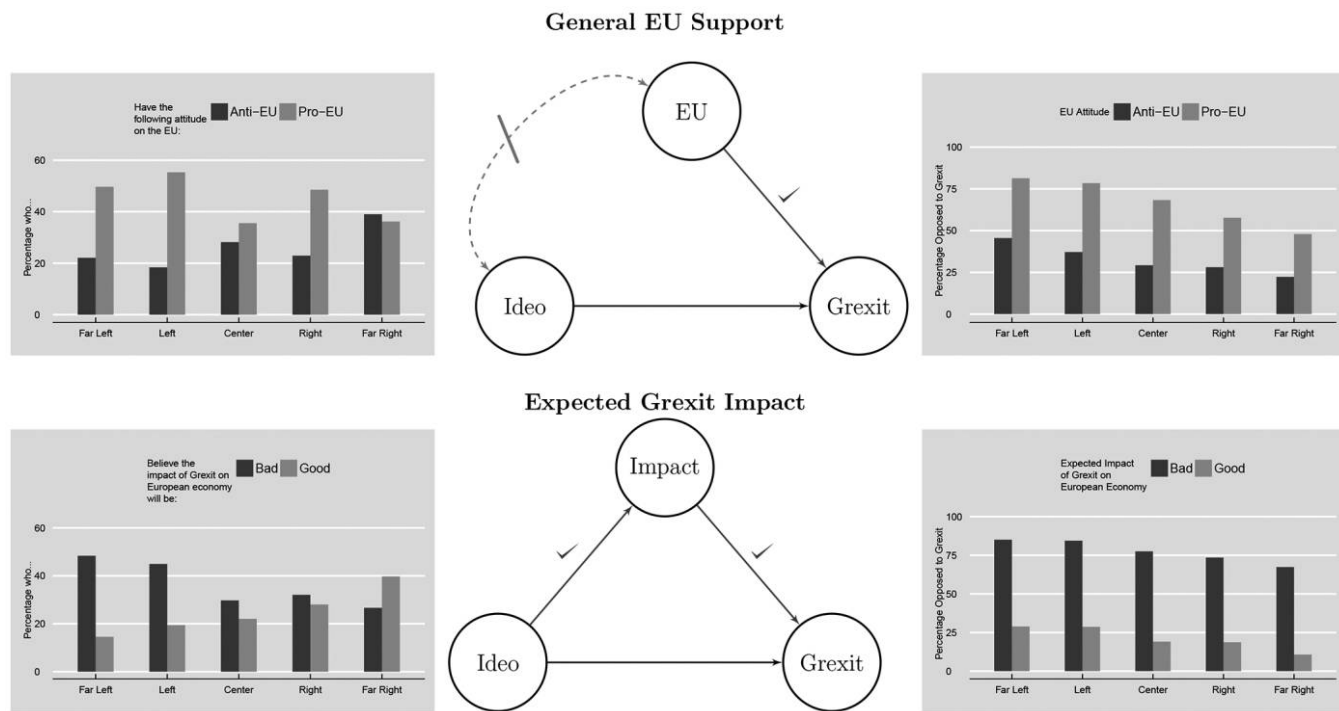


Figure 6. Ideological basis of Grexit opposition: general European Union support (*top*) and expected impact (*bottom*)

among those on the far right. With respect to the second prediction, the figure on the right indicates that people's support for Grexit is closely tied to their beliefs about the economic effects of this outcome. Opposition to Grexit within each ideological segment is about three to five times higher among those who expect it to have adverse economic effects on Europe than among those who hold the opposite view. In sum, we find strong evidence in support of the fourth account: citizens on the left and the right have strongly divergent views about what Grexit's economic impact is likely to be, corresponding with very different patterns of support for letting Greece default and drop out of the currency union.

### Regression results

Do the results regarding the different mechanisms hold up once we adjust for other covariates in a regression? Model 1 in table 2 replicates the linear probability baseline model in which we regress our binary measure of opposition to Grexit on the ideology indicators (with centrists as the omitted category), country fixed effects, and our full battery of controls.<sup>17</sup> In model 2 we add the four potential mediating var-

iables to this baseline model, to allow for a test of the second link in the chain for each potential mechanism. Redistribution attitudes and empathy levels are binary, whereas EU support and expected Grexit impact are both three-point variables.<sup>18</sup> To test the first link in the chain for each potential mechanism in models 3–6, we regress the four potential mediating variables on the ideology indicators, a full battery of controls, and country fixed effects.

Consistent with the patterns observed in figures 5 and 6, we find that opposition to Grexit increases monotonically when moving from right to left on the ideological spectrum. When estimating the model without the mediators as regressors (i.e., model 1), we find that individuals on the far left have approximately a 31 percentage point greater probability of opposing Grexit relative to counterparts on the far right. The results in model 2 are also consistent with figures 5 and 6. Neither attitudes on redistribution nor empathy levels appear to explain attitudes toward Grexit in statistically or substantively significant terms. In contrast, a pro-EU stance is associated with a 26 percentage point increase in opposition to

age (with four categories), number of children, and an indicator for having voted in the most recent national election.

18. For the EU Support variable, 1 denotes a pro-EU stance, -1 denotes anti-EU, and 0 denotes a neutral position. For the Positive Expected Grexit Impact variable, 1 denotes belief that the Grexit will have a positive effect on the European economy, -1 denotes belief that the Grexit will have a negative effect on the European economy, and 0 denotes a neutral position.

17. The controls include income (by quintile), an indicator for being employed, an indicator for having a public primary source of income, an indicator for having professional experience in the public sector, an indicator for having investments, an indicator for owning a home, an indicator for having a mortgage, education (with four categories), gender,



Table 2. Opposition to Grexit: Testing Competing Theoretical Mechanisms (Full Sample)

|  | Binary Scale                |                             |                                   |                            | Three-Point Scale        |   |
|--|-----------------------------|-----------------------------|-----------------------------------|----------------------------|--------------------------|---|
|  | Model 1<br>Oppose<br>Grexit | Model 2<br>Oppose<br>Grexit | Model 3<br>Pro-<br>redistribution | Model 4<br>High<br>Empathy | Model 5<br>EU<br>Support | Model 6<br>Positive Expected<br>Grexit Impact |
| Far left                                   | .128*<br>(.012)             | .061*<br>(.011)             | .220*<br>(.011)                   | .158*<br>(.012)            | .111*<br>(.021)          | -.188*<br>(.019)                              |
| Left                                       | .105*<br>(.013)             | .049*<br>(.011)             | .123*<br>(.012)                   | .061*<br>(.013)            | .198*<br>(.020)          | -.110*<br>(.019)                              |
| Right                                      | -.070*<br>(.013)            | -.065*<br>(.012)            | -.128*<br>(.013)                  | -.026*<br>(.013)           | .107*<br>(.021)          | .065*<br>(.020)                               |
| Far right                                  | -.178*<br>(.014)            | -.104*<br>(.012)            | -.155*<br>(.014)                  | .010<br>(.014)             | -.135*<br>(.024)         | .218*<br>(.022)                               |
| Pro-redistribution                         |                             | .013<br>(.008)              |                                   |                            |                          |   |
| High empathy                               |                             | .013<br>(.008)              |                                   |                            |                          |   |
| EU support                                 |                             | .130*<br>(.005)             |                                   |                            |                          |   |
| Positive expected Grexit impact            |                             | -.254*<br>(.005)            |                                   |                            |                          |   |
| Economic, demographic, additional controls | Yes                         | Yes                         | Yes                               | Yes                        | Yes                      | Yes   |
| Country fixed effects                      | Yes                         | Yes                         | Yes                               | Yes                        | Yes                      | Yes   |
| R <sup>2</sup>                             | .083                        | .285                        | .115                              | .070                       | .097                     | .087  |
| Adjusted R <sup>2</sup>                    | .081                        | .284                        | .113                              | .068                       | .095                     | .085  |

Note. Linear regression coefficients with robust standard errors in parentheses. Models 1–4 are linear probability models, while the dependent variables in models 5 and 6 take the values –1, 0, and 1. All regressions include the full, pooled sample and contain country fixed effects as well as the full battery of control variables: income level, employment status, whether primary income source is a public source, public sector experience, ownership of investments, home ownership, mortgage holdings, education, gender, age, number of children, and voting behavior.  $N = 12,839$ .

\*  $p < .05$ .

Grexit relative to an anti-EU stance, and a positive perspective regarding the expected impact of Grexit is associated with a roughly 50 percentage point decrease in opposition to Grexit relative to a negative perspective.

Similar to figure 6, regression model 5 casts doubt on the first link of the chain in the EU support mechanism. There do appear to be clear differences in levels of support for the EU among the different ideological segments. However, the relationship between ideology and EU support is nonmonotonic, and hence it seems unlikely that EU support is systematically mediating the monotonic relationship between ideology and opposition to Grexit.<sup>19</sup> In contrast, model 6 shows that positive expectations regarding the impact of

Grexit do increase monotonically when moving from left to right along the ideological spectrum. This supports the explanation centered on people's expectations regarding Grexit's impact as the link between ideology and their stance toward Grexit.

Finally, to further explore the relative power of the competing explanations, table 3 shows how regression results with our binary Grexit opposition indicator as the dependent variable change as the potential mediators are added to the

19. However, it should be noted that the nonmonotonic relationship between ideology and EU support that manifests in the pooled sample masks some heterogeneity across countries. Looking individually at Italy,

France, and the United Kingdom, there is stronger evidence of the possibility of a more systematic relationship between ideology and EU support. However, that relationship is not monotonic in any of these countries, whereas the relationship between ideology and Grexit impact expectations does remain monotonic in all four countries. Thus, we conclude that also when analyzed individually by country, the Expected Grexit Impact mechanism remains the most likely mechanism linking left-right ideology and attitudes toward Grexit. These results are contained in tables C.3–C.6.

Table 3. Predictors of Opposition to Grexit (Full Sample)

|  | Model 1          | Model 2          | Model 3          | Model 4          | Model 5          | Model 6          | Model 7          |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Far left                                   | .128*<br>(.012)  | .124*<br>(.013)  | .123*<br>(.013)  | .109*<br>(.012)  | .076*<br>(.011)  | .100*<br>(.012)  | .061*<br>(.011)  |
| Left                                       | .105*<br>(.013)  | .103*<br>(.013)  | .104*<br>(.013)  | .073*<br>(.012)  | .075*<br>(.011)  | .068*<br>(.012)  | .049*<br>(.011)  |
| Right                                      | -.070*<br>(.013) | -.068*<br>(.013) | -.069*<br>(.013) | -.087*<br>(.013) | -.052*<br>(.012) | -.083*<br>(.013) | -.065*<br>(.012) |
| Far right                                  | -.178*<br>(.014) | -.176*<br>(.014) | -.179*<br>(.014) | -.156*<br>(.014) | -.119*<br>(.013) | -.152*<br>(.014) | -.104*<br>(.012) |
| Pro-redistribution                         |                  | Yes              |                  |                  |                  | Yes              | Yes              |
| High empathy                               |                  |                  | Yes              |                  |                  | Yes              | Yes              |
| EU support                                 |                  |                  |                  | Yes              |                  | Yes              | Yes              |
| Positive expected Grexit impact            |                  |                  |                  |                  | Yes              |                  | Yes              |
| Economic, demographic, additional controls | Yes              | Yes              | Yes              | Yes              | Yes              | Yes              | Yes              |
| Country fixed effects                      | Yes              | Yes              | Yes              | Yes              | Yes              | Yes              | Yes              |
| R <sup>2</sup>                             | .083             | .083             | .083             | .149             | .245             | .150             | .285             |
| Adjusted R <sup>2</sup>                    | .081             | .081             | .081             | .147             | .243             | .148             | .284             |

Note. Coefficients from linear probability models with the binary opposition to the Grexit indicator as the dependent variable. Robust standard errors are reported in parentheses. All models include the full, pooled sample and contain country fixed effects as well as the full battery of control variables: income level, employment status, whether primary income source is a public source, public sector experience, ownership of investments, home ownership, mortgage holdings, education, gender, age, number of children, and voting behavior.  $N = 12,839$ .

\*  $p < .05$ .

model. Consistent with the results reported earlier, we find that relative to model 1, which does not include any of the potential mediators as regressors, the ideology coefficients hardly change as the redistribution, empathy, and EU support variables are added (models 2–4). In contrast, when Grexit impact expectations are added (model 5), the ideology coefficients are substantially attenuated. Furthermore, the share of explained variation in the model triples as compared to the baseline level in model 1. We see a similar pattern when we compare model 6, which includes all of the potential mediator variables other than expected Grexit impact, and model 7, which includes this additional variable. Taken together, these results suggest that a sizable portion of the left-right difference in support for Grexit may be accounted for by the divergent views about its likely economic impact, while the other three mechanisms offer limited explanatory power.

#### UNDERSTANDING THE PATHWAY BETWEEN IDEOLOGY AND GREXIT ATTITUDES

Why are voters' Grexit attitudes so weakly linked to their personal economic profiles and inconsistent with standard theories of preferences on economic policies? Why are expectations about the likely impact of Grexit so different among left and right voters? One explanation is that the complexity and uncertainty surrounding Grexit and its

possible repercussions may induce voters to fall back on simple heuristics, rooted in their basic left-right ideological dispositions.

As the public debate about Grexit made clear, there was (and continues to be) tremendous uncertainty about what would happen to the European economy if Greece were to default on its debt and exit the Eurozone. Even experts disagreed widely on this issue, with predictions ranging from those who argued that Grexit would lead to a ruinous domino effect of defaults to those who argued that the Eurozone would be made stronger and more disciplined if market forces prevailed and Greece left the Euro (see, e.g., Garton Ash 2015; Robertson 2015; Ruparel 2015; Von Rohr 2015; Wolf 2015; Yglesias 2015). In addition, European voters who may have wanted to do what was best for Greece would also have been unclear regarding what the right policy for Greece would be, as even the Greek population itself was contentiously divided on whether staying in the Eurozone would be preferable. The complexity of these informational inputs and the possible outcomes of Grexit may account for why voters' attitudes on the issue do not appear to be driven by their economic characteristics.

In fact, research has shown that people tend to fall back on simple heuristics when forming expectations about complex matters, such as the likely consequences of various actions or policies (Feldman and Zaller 1992; Marietta and Barker 2007;

Peffley and Hurwitz 1985). In this case, that would mean voters relying on their basic dispositions regarding economic questions to parse out the uncertainty surrounding the possible consequences of Grexit. For several years since the eruption of the crisis, dealing with Greece's mounting debt had required significant political intervention into the markets in the form of bailouts and various monetary policy efforts. We therefore expect that when confronted with the highly uncertain and complicated issue of Grexit, citizens use their basic intuitions about the merits of market intervention to form their views on the matter. Those espousing a free market ideology are likely to oppose efforts to keep Greece in the Eurozone, given the strong market pressure toward a default and the likely risk of increased moral hazard resulting from further bailouts. In contrast, individuals who view government intervention as necessary to counteract the negative aspects of unfettered international markets should support policy measures designed to avoid Grexit and see them as beneficial for stabilizing the regional economy.

To the extent that individuals on the left and on the right differ in terms of their economic ideology, particularly in their beliefs about the merits of a free market approach, this heuristic would explain why voters on the two sides of the ideological divide form divergent expectations about the likely impact of Grexit and consequently differ so sharply in their positions on this issue. Indeed, this expectation is consistent with Broz (2005a, 2005b), who finds that members of the US Congress voted on bailouts and IMF quotas largely in ways that reflected their economic ideologies. He attributes this pattern to the lack of consensus among experts about the costs and benefits of the proposals that were put to vote, which led elected officials to base their votes on basic intuitions about market intervention.

In sum, our findings that left-right ideology propagates its effect on Grexit attitudes through distinct expectations about how it would affect the European economy could be explained, in theory, by the core differences in beliefs across the ideological spectrum regarding the merits and efficacy of government intervention at the regional European level. Appendix C presents additional analyses and results that provide further support for this argument.

## ROBUSTNESS

We conducted a set of tests to corroborate the robustness of the findings and examine rival explanations and mechanisms. Appendix C provides additional detail.

### Alternative explanation: Party cues

A possible alternative explanation for the relationship between left-right ideology and opposition to Grexit relates

to party cues. There are two variants of this alternative explanation: one involving European voters' attitudes toward Syriza, the ruling party in Greece, and one involving European voters' relationships with their own parties.

In terms of the first variant, it may be argued that higher opposition to (support for) Grexit among left-wing (right-wing) European voters was the product of ideological affinity (hostility) directed toward the Greek government's far-left ruling party, Syriza. While we do not have data to directly test this possibility, we perform indirect tests that cast doubt on this explanation being the crucial link between left-right ideology and attitudes toward Grexit. Specifically, we regress Grexit opposition on our ideology indicator variables as well as a measure of political knowledge about the European debt crisis, together with interactions between ideology and the knowledge measure.<sup>20</sup> If ideological affinity with, or hostility toward, the left-wing Greek government was the motivation for European voters' position on the Grexit issue, a necessary condition is that voters actually knew that a left-wing party led the Greek government. While our knowledge measure will not be perfect, it should still capture meaningful differences in individuals' ability to make a judgment based on ideological affinity, as voters who know more about the European debt crisis would arguably have a higher probability of being aware of Syriza's left-wing status. Consequently, the left-right divide on the Grexit question should be significantly less pronounced or even nonexistent among less knowledgeable voters, in which case the interaction terms in the respecified regression should be substantively large and statistically significant. However, as table C.20 shows, we do not find support for this prediction, either in the pooled sample or for each country individually. This evidence suggests that if attitudes toward the Greek ruling party were motivating voters' Grexit positions, then they exhibit only a small effect and do not account for the huge left-right difference in attitudes toward the Grexit question.<sup>21</sup>

The second variant of a party cueing explanation is that European voters' own parties had staked out positions on the

20. To construct this knowledge measure, respondents were presented with a list of European countries (Portugal, Ireland, Greece, Slovakia, France, and the Netherlands) and asked to identify which of the countries received financial bailout assistance. Appendix B reports the detailed wording for this question. Respondents were given +1 points for all correct selections and -1 points for all incorrect selections. In the regression specification described here, the variable was put into binary form, using the mean as the cut point, thus serving as an indicator for high knowledge. As with all previous analyses, the regression includes the full battery of economic, social, and demographic controls.

21. Relatedly, it is perhaps worth emphasizing that at the time, Syriza formed a coalition government with the right-wing Independent Greeks (ANEL) party.

Grexit issue that differed in a consistent manner along the left-right scale and that voters simply adopted the positions of their own parties. Yet this explanation seems implausible given the tremendous intraparty conflict on this issue. In fact, many parties did not establish clear-cut positions on the matter. Moreover, some parties took stances that seemed to conflict with what one would expect given their ideological orientation.<sup>22</sup> In addition, we are able to indirectly test this possibility of in-party cueing using data on our respondents' intensity of partisanship, and we find little empirical evidence for this phenomenon. More specifically, we respecify a similar linear probability model as described above, except that instead of interacting the ideology indicators with political knowledge, we interact the ideology indicators with a measure of partisan intensity.<sup>23</sup> If it is the case that voters on the left (right) are more (less) likely to oppose Grexit because of party cues, we should also expect the relationship between left-right ideology and Grexit attitudes to be stronger among voters who are more receptive to their party cues, presumably those who are more intensely partisan. Thus, the interaction terms in the new regression model should be substantively large and statistically significant. Yet as table C.21 shows, the evidence does not support this explanation.

### Endogeneity

The correlation between Grexit opposition and ideology could also arise because people change their ideological positions to match their stance on the Grexit issue. We cannot rule out or test this endogeneity using observational data. However, it appears implausible that this type of reverse causality plays a major role in this case. Empirically, we find that the ideological distributional margins across Europe are remarkably stable over time, as shown by figure C.1 (figs. C.1–C.4 are available online). Therefore, it seems unlikely that ideological positions would adjust quickly depending on individual preferences over the highly specific, uncertain, and complex Grexit question. Second, it seems unlikely that many individuals would quickly alter their ideological position in response to a single episodic issue, even one as consequential as the European debt crisis. Given the extensive work on the ideological origins of preferences over spe-

cific policy choices, it seems more plausible that people change their opinion on a single position such that it corresponds with their ideology.

### Germany and the left-right divide

Our sample includes France, Italy, Spain, and the United Kingdom, which constitutes a set of economically important countries with great influence over EU politics. However, the sample does not include Germany, which may seem problematic because an effective political response to the Eurozone crisis would require its support. We decided to exclude Germany because the German case has been studied extensively with respect to a related question, mass support for financial bailouts (see Bechtel et al. 2014, 2017). In fact, data from these earlier studies suggest that the findings presented in this article have the potential to generalize to the German case. As figure C.4 shows, when we reanalyze the data from Bechtel et al. (2014), we find that there is a clear left-right divide underlying individual support for providing financial bailouts to countries with debt problems.

### Alternative measures of expectations regarding Grexit's impact

We have argued that differences in expectations about the impact of Grexit on the European economy help explain the left-right divide in opposition to Grexit. One may argue, however, that the left and the right have different expectations about not only how Grexit will affect the European economy as a whole but also how it will affect other related economic and political outcomes, such as the performance of their own national economies or political stability in the EU. To the extent that such expectations correlate, our measure of expectations about Grexit impact on the European economy would partly pick up expectations about how an exit of Greece would affect those other outcomes. To explore this question, we also measured respondents' expectations regarding Grexit's impact on two other potential areas of concern: the performance of the respondents' own national economy and the stability of the EU. In table C.22 we regress Grexit attitudes on all covariates as well as all three impact expectation measures. We find that both in the pooled sample as well as all four countries individually, expectations about a positive impact on the European economy as a whole are a much stronger predictor of opposition to Grexit than expectations about a positive impact on the national economy or on the stability of the EU. In fact, the coefficients on the positive impact on the European economy outsize the coefficients on the other expectation measures by a factor of 2 to 5 (the coefficients are also statistically significantly

22. In Germany, e.g., party leaders of the far left party (Die Linke) were actually in favor of a Grexit (see Küpper 2015).

23. For all respondents who reported an identification with a particular party, a follow-up question was presented: "How close do you feel to this party? Do you feel that you are . . ." Answer choices included "very close," "quite close," "not close," and "not at all close." This was then coded as an ordinal variable from 0 ("not at all close") to 3 ("very close"), thus constituting a measure of partisan intensity.

different at conventional levels across all models). This additional evidence suggests that the mechanism that links ideology to Grexit attitudes works mostly through voters' positive expectations about the impact of Grexit on the European economy as a whole, rather than their expectations about other economic and political consequences of a Grexit.

It is worth noting that these findings have mixed implications for a common argument that Grexit could set a precedent or embolden Germany and EU institutions more broadly to take a tougher stance and put more pressure on other debtor states, such as Italy and Spain. If voters were to share this perception, we might expect that voters in debtor countries would be particularly worried that Grexit would affect their own national economy, and hence their Grexit attitudes would be driven accordingly. On the one hand, as the results in table C.22 show, it does appear that expectations regarding Grexit's national economic impact have a stronger relationship with Grexit attitudes in Italy and Spain than in France and the United Kingdom. On the other hand, even in Italy and Spain, expectations regarding Grexit's regional economic impact appear to dominate voters' concerns.

## DISCUSSION

In the early years of the EU project, much of the scholarly discussion centered on the question of whether EU integration will be a dimension that crosscuts the traditional political cleavages or whether it will be subsumed over time into the dominant left-right divide. Indeed, a range of analyses examining data from the 1990s found that the topic of EU integration cleaved the publics primarily along a center-versus-extremes division (Hix and Lord 1997; Hooghe et al. 2002; Taggart 1998). Furthermore, the more recent vote over the United Kingdom's membership in the EU seemed to accord with this finding. Yet this pattern differs markedly from what we observe with respect to the Grexit question, where the left-right ideological divide forms the dominant cleavage among European publics. Is this the beginning of a more fundamental change in which highly salient events such as the European debt crisis, mass demonstrations over austerity, and negotiations over Grexit transform the mass politics of European integration and subsume it into the traditional left-right divide? Only time will tell, but our results suggest that the possibility merits serious attention.

One potentially important consequence of EU integration becoming a left-right issue is the possibility of cross-country political alliances becoming increasingly prevalent. As the EU becomes both a contentious political issue and a political entity that ties together voters from the region's different nations (e.g., through elections to the European Parliament),

the rationale for linking similar ideological forces operating in different countries is bound to grow. This also implies that the future of European integration could increasingly depend on the ideological congruence of governments. Indeed, the debate over Grexit and the austerity program brought together forces on the far left from Greece's Syriza party with those of the Spanish party Podemos. At the same time, far right parties from seven countries—including France, Italy, and the Netherlands—coalesced to act together against what they described as the creation of a “European Super-state.” Indeed, many of the most vocal proponents of the United Kingdom's vote to exit the EU were leaders of far right parties in Europe. Whether these recent developments merely constitute one-off events is an open question, but our findings suggest that they may be part of a more substantial shift in the political divides that underlie the European policy space.

One potential obstacle to a cross-national alliance of this nature is the distinct economic positions—and attendant economic interests—of the different EU countries, what we referred to earlier as the debtor-creditor divide. As noted, the country-level variation we found is consistent with the expectation that citizens in debtor countries would be more opposed to the ejection of member countries in crisis as compared to citizens in creditor countries. Such divergent interests could limit the extent to which ostensibly ideologically aligned parties from different countries are able to coalesce around a shared programmatic agenda.

Despite variation in levels of support for Grexit across countries, in all cases we found remarkable consistency in the correlation between attitudes within the country and the left-right ideological divide.<sup>24</sup> As noted, our analysis indicates that this division is not a result of disagreements over redistributive politics. Rather, it seems primarily to reflect different expectations about Grexit's likely economic effects. We present some evidence that these expectations are related to how individuals judge the outcomes resulting from the operation of the free market. The phenomenon of divergent beliefs about the macrolevel economic consequences of policy choices has been largely ignored in the context of international political economy. Our analysis suggests that it is a promising avenue for future research.

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24. In the appendix, we report results of this divide among the German electorate with respect to international bailouts more broadly.



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