

# The European Trust Crisis and the Rise of Populism

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# Take Aways From this Paper

- ① Extremely rich and detailed analysis of the political consequences of increased unemployment in Europe
- ② Strong correlation between increases in unemployment and voting for populist parties.
- ③ Increases in unemployment are also correlated with decline in trust in national and European political institutions, no effects on interpersonal trust.
- ④ Correlation between unemployment and attitudes towards immigrants is not strong and if related refer to economic aspect.

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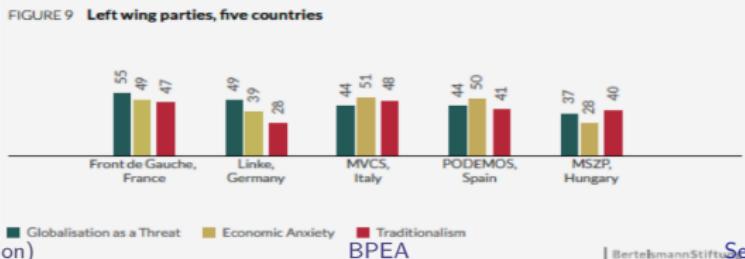
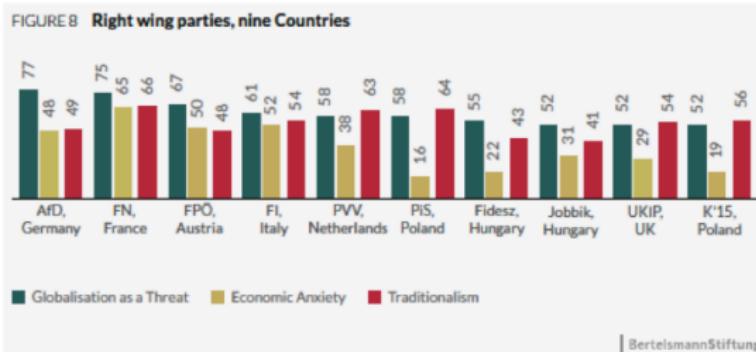
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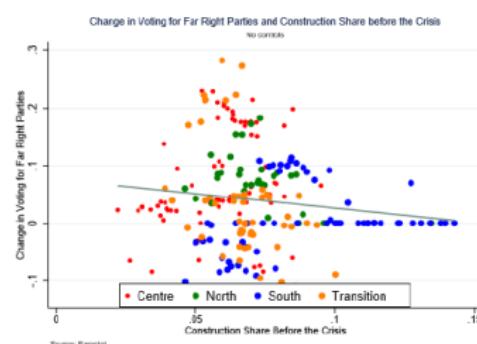
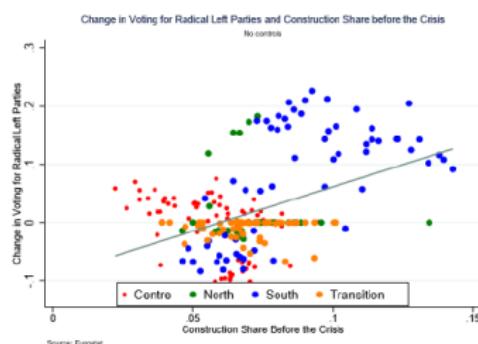
# Why Is this Paper Important?

It rectifies some of the tone in public debate that this is all about 'values' and dovetails with other findings, including some of my own (De Vries 2017, see De Vries and Hoffmann 2016) on the *economic roots* of 'populist' support.



# Unsolved Issues I

The Case: The Great Recession in Europe was really a Eurozone crisis in Europe, so can we generalise? Is this like "any other" crisis where governments get blamed for mismanagement or specific to EU structure (Stiglitz 2016, De Vries 2018)? Voters cannot hold the EU or troika to account so turn to anti-establishment parties? A South effect?



## Unsolved Issues II

- ① The Mechanism: Is it experience with unemployment, or reaction to limited room of manoeuvre for governments in Europe? Difficult to tease out at regional level.
- ② Some Puzzling Findings: if it is some causal mechanism about experiences with unemployment leading to polarisation, other results seem puzzling. Why not stronger effects for youth and no effects on ideological placements?
- ③ Findings about EU: Anti-EU, but wanting further integration, works with soft Eurosceptic left in the South, but not with hard Eurosceptic right in the North.

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## Alternative Explanations

- ① Education: To isolate the effect of unemployment in the time of crisis is very difficult, who gets unemployment and how big are these groups and is that related to the size of construction. Issue is raised but could be improved.
- ② Corruption: Construction in Ireland, Greece, Spain etc. was fuelled by local corruption and as the side-payments of corruption dwindle, voters might turn to challengers/non-mainstream parties. This can explain why parties go to anti-establishment or new parties rather than to regular opposition parties. There is data at the regional level on corruption in Europe (Charron et al. 2015; Fazekas & Kocsis 2015) to test this directly.
- ③ Supply: This paper kind of focuses on demand effects, but what about supply effects? Not every system has anti-establishment parties of both left and right, so mobilization effects might differ. Does this matter? Do we find anti-establishment factions in mainstream parties?

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# Modelling Challenges

- IV approach rests on huge assumptions: the share of construction should affect voting (trust, beliefs, attitudes) only via its impact on unemployment. Seems not plausible, and needs to be addressed, possibilities for matching or some other variation?
- Time and lags?
- Regional independence? Are political developments in regions and countries independent of each other, or did we see diffusion?

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