

Do austerity programs strengthen nationalist sentiment?

Evidence from the European Union

Martin Moland^{*†}

May 7, 2026

Abstract

Austerity programs have a well-known detrimental impact on health, economic security and political trust. However, less is known about whether internationally imposed austerity translates to a defensive nationalism that may solidify opposition to the same international institutions. This paper investigates this broader question through the lens the European sovereign debt crisis. Using data on national and European identity between 1983 – 2021, I show that austerity seems to have strengthened national identities immediately after the austerity packages were imposed, but that the effects subsided quickly. I also find that this effect was most meaningful where austerity had the most severe economic and social impact. My results suggest that international institutions' attempts to impose fiscal conditionality may end up undermining the identification that they rely on for popular legitimacy in the longer run.

Keywords: austerity, public opinion, national identity, European Union

^{*}Hertie School

[†]The author wishes to thank colleagues and external guests at Jacques Delors Centre' European Governance Colloquium and participants at the EUSA 19th Biennial Conference in 2025 for valuable comments and feedback on previous iterations of the manuscript.

Introduction

Fiscal austerity is frequently imposed by international organizations, and just as frequently contested by citizens and national elites. The political, social and economic effects of such austerity programs are already well-known: In addition to producing negative social outcomes in the form of greater unemployment and worsening public health, austerity has animated populist movements both inside and outside the electoral arena. This was particularly the case in Europe, where such parties greatly expanded their electoral appeal in the wake of austerity first being implemented (Lane 2012; Rajmil and Fernández De Sanmamed 2019; Abou-Chadi, Cohen, and Wagner 2022; Edwards 2019).

Despite the impact of austerity on populist voting being a frequent topic of study, a prevailing assumption in the literature is that the main mechanism connecting the two is the economic deprivation brought by fiscal consolidation (Hobolt and Vries 2016). What is less well understood is whether austerity can similarly strengthen defensive nationalism, by making more citizens adopt completely national (rather than mixed national and international) identities. Answering the question “How did Troika austerity shape the national identity of those living in the affected countries?” is thus crucial because it can help illustrate that economic deprivation is not the only source of populist resentment in the wake of austerity. Understanding whether austerity also strengthens national identification, at the expense of more globally oriented composite identities, can also help us understand whether future austerity, whether in Europe or elsewhere, can undermine support for the international liberal order.

Using merged and multiply imputed Eurobarometer time series data from the period 1983 – 2021 and a synthetic control method developed for establishing causal effects in a quasi-experimental setting (Xu 2017). This approach lets me compare the share of people who state that they only identify with their countries, rather than Europe and their countries, in austerity countries like Greece and Ireland before and after austerity was implemented to a “synthetic control group” made up of units that closely resemble them both in terms of their citizens’ perceptions of their own identity as well as other socio-political dimensions. This lets me overcome the limitation that there may be important differences between the austerity countries and the other EU countries that makes a direct comparison of austerity countries and every other country, before and after austerity was a reality, less useful as a tool for assessing causal relations. By instead comparing

the development in self-reported national identity before and after austerity was implemented in the austerity countries and a highly comparable designed control group, I can estimate with a great deal of precision the causal effect that austerity is likely to have on a citizenry's self-reported national identity.

Empirically, I find that austerity increased the share of people who identified solely with their nation-states. However, this effect is not particularly long-lived. Summarizing, the effect that austerity has on national identity is i) immediate already from the first Eurobarometer survey after austerity was first implemented, ii) quantitatively meaningful (as austerity increases the share of people who identify solely with their nation-states by an average of 6% in the first post-austerity survey) and iii) short-lived (as the effects generally lose their statistical significance very quickly). The short-lived nature of these effects is consistent with typical patterns of politicization often seen in the aftermath of the imposition of austerity, where the EU was first described as an external threat. However, over time these conflict-oriented and culturally oriented frames gave way to more positive evaluations of European austerity. This suggests that while austerity may lead to more entrenched national identities, it does so predominantly in cases where a political opportunity structures “allow” citizens to see the programs as a culturally based threat.

I thus show that austerity does not only strengthen populist sentiment by creating conditions of economic deprivation. Instead, it may also lead more directly to a defensive nationalism, in which self-perceptions of oneself become less global and more rooted in the nation-state, that could in turn make one more amenable to voting for populist parties that make the distinction between “us” and “them” a core component of their message (Mudde and Rovira Kaltwasser 2018). This is important because it can shine a light on the mechanisms that created populist backlashes to past instances of austerity imposed by international institutions like the IMF or the European Central Bank, both in Europe and in Latin America.

My results contribute to a strand of literature in international political economy that investigates the impacts of austerity on a range of socio-economic and political variables (Clift and Robles 2021; Rajmil and Fernández De Sanmamed 2019; Hübscher, Sattler, and Wagner 2023), but which has so far paid less attention to the link between austerity and individual-level nationalist attitudes. The greater nationalism that I show in the immediate aftermath of austerity being may be more problematic for the EU than organizations such as the IMF, as the EU's political nature makes it more important that its citizens require some form of shared identifi-

cation with the political order to consider it legitimate (Bellamy 2013). However, one should be wary of overstating this difference: Even technocratically legitimated organizations such as the IMF need to be aware of how their policies can undermine trust in international organizations and, thus, the legitimacy of the international political order. This makes my results relevant for economic policy-makers working also in non-EU contexts.

I first begin by briefly describing the case of “Troika” in Europe in the aftermath of the sovereign debt crisis, showing why public opinion reactions to the austerity programs imposed by the International Monetary Fund, the European Commission and the European Central Bank can be important for understanding reactions to austerity also outside of their immediate geographical context. I then outline why austerity is theoretically likely to shape also the perceptions that citizens of the affected countries have of their own identity, before outlining my quasi-experimental identification strategy. I lastly present and discuss the results of my analysis.

Empirical setting: European austerity as an instructive case

The story of the sovereign debt crisis is the story of a financial crisis that spurred the need for massive bail-outs of important sectors. Due to the rapidly rising public debts spurred on by bailouts, countries in the Eurozone periphery received loans to handle their rising public debts. These loans were subject to strict conditionality, required extensive cuts to the public sector and imposed strong welfare costs on ordinary citizens (Lane 2012). These programs became associated with the so-called “Troika” (the International Monetary Fund, European Commission and European Central Bank), and have been credited with producing a great loss of trust in the EU institutions after they were first imposed (Armingeon and Ceka 2014).

In this sense, the programs were very similar, both in design and outcome, to austerity programs implemented by the International Monetary Fund (IMF) in African and Latin-American countries (Clift and Robles 2021). In other words, the programs implied deep cuts to public sector budgets, and led to increased unemployment and negative social and health outcomes (Rajmil and Fernández De Sanmamed 2019). The fact that the outcome was similar to the austerity programs implemented by for instance the IMF and World Bank means that the inferences drawn about the effects of the programs, for instance on people’s perceptions of their own nationality, are relevant for understanding the effects of austerity more broadly.

The European and global austerity programs share not just policy prescriptions, but also policy philosophies: As Hermann (2017) shows, differences between Latin-American austerity outcomes from the 1980's and those seen after the European sovereign debt crisis are not attributable to differences in the programs and the philosophy that underpinned them as much as specifics of the European integration process. These strong similarities between the European austerity programs and their philosophical and political antecedents in both Latin America and Africa further suggests that understanding the impact of European austerity can also be instructive in understanding responses to austerity more broadly.

In summary, the strong philosophical and policy-specific similarities between the European austerity programs and those implemented earlier by both the International Monetary Fund and The World Bank make them an interesting empirical testing ground for understanding how austerity by imposed by national institutions can shift popular perceptions of national or transnational identities.

Theoretical framework: Understanding the link between austerity and national identity

The theoretical exposition that outlines the link between fiscal conditionality and the *average* effects that the programs are likely to have on identification with one's nation-state starts from the assumption that such changes can come about through two pathways. First, the external nature of the austerity itself may be an important source of strengthened national identity. The second pathways assumes that the economic deprivation the same programs have typically created is conducive to a dynamic where people see themselves under threat from a hostile out-group (Tajfel and Turner 2004).

Mechanism 1: "Rally round the flag"

Starting with the first mechanism, the external nature of the Troika programs makes it likely that they will produce a "rally round the flag" effect. Here, especially in combination with rhetoric that describes the programs as a threat imposed by an external actor, people are likely to shift their allegiance towards a national set of institutions. with people finding it more likely that

their welfare will be protected by national, rather than European, institutions. While the “rally around the flag” effect was first used to explain increased support for governments in times of war (Oneal and Bryan 1995), it is likely that it will be relevant also in the case of externally imposed austerity programs: Much like an external military threat, a constraint on national fiscal autonomy (in the form of an austerity program) could make the idea of the “other” as a malignant force more salient for the average citizen.

It is likely that citizens retreated towards the national in the aftermath of European austerity. First, trust in the EU institutions declined in the countries where austerity was imposed than in the rest of the EU after the austerity programs were imposed (Armingeon and Ceka 2014). Second, both left- and right-wing Eurosceptic parties saw increased support in the 2014 European Parliament. This effect was particularly prominent among voters who were directly impacted by the crisis. Left-wing Eurosceptic support was particularly robust in the austerity countries (Hobolt and Vries 2016). The particular importance of left-wing Euroscepticism in the austerity countries is important to my argument that voters might have become more concerned with sovereignty and their national identities in the wake of the austerity programs being imposed: In contrast to right-wing Eurosceptic parties, that typically base their Eurosceptic rhetoric on the perceived cultural threat that stems from European Union integration, left-wing Eurosceptic parties are more likely to put forth sovereignty-based arguments about the EU as a source of exploitation of the national state that lack the cultural component of their right-wing counterparts (Halikiopoulou, Nanou, and Vasilopoulou 2012). The fact that the latter seemed to resonate particularly with voters in austerity-stricken countries suggests that these voters were also sensitive to the idea that austerity was a foreign imposition on their autonomy, even if the imposition was on fiscal, rather than cultural, policies.

The perception of the EU as a foreign threat that would necessitate a turn towards one’s own was likely to be primed also by elite rhetoric. Political and media elites, in the austerity countries and beyond, made effective use of frames that foregrounded cultural differences through much of the sovereign debt crisis (Arrese 2018; Wodak and Angouri 2014). For instance, large Greek media employed frames that linked current austerity policies to shared national memories of the Second World War. Much like the border closures studied by Herbig et al. (2025), these frames could send a signal that one was better protected by one’s own institutions rather than the EU’s. Similarly, they could provide a strong cue about the distinctive cultural identity that

an individual citizen had, and how this differed from that of citizens from other countries.

Mechanism 2: Economic threat as a mediator

So far, I have posited a direct link in which the external nature of austerity is the proximate cause of increasingly nationalist self-identification. However, a less direct path is also possible: Austerity led to an economic downturn for those living in the impacted countries that increased unemployment, worsened social outcomes and led to broad welfare state retrenchment (Blyth 2015; Rajmil and Fernández De Sanmamed 2019). Such economic downturns can strengthen the defensive nationalism of those most heavily impacted (Rabinowitz 2022). This defensive nationalism (unlike more liberal and externally oriented patriotism) is likely to lead to stronger opposition to the idea of a common European project (Huddy, Del Ponte, and Davies 2021). An important reason is that, unlike patriotism, it does not foreground the citizen's own nation-state as a positive force, but instead the external threat that others constitute.

What both of these mechanisms have in common is that they produce greater out-group hostility. Where the first mechanism centers the external nature of the austerity-implementing agents as the proximate cause of an increased defensive nationalism, the second points to an economic downturn as the ultimate trigger of this hostility.

Whether the ultimate mechanism linking austerity and strengthened national identity is a direct one, that deals with a perceived threat to sovereignty, or a defensive nationalism that actually stems from economic considerations, the ultimate outcome is likely to a greater increase in exclusively national (relative to a mixed national and European) self-identification in the austerity countries. Both mechanisms thus yield the same empirically testable hypothesis:

H1: Citizens of austerity countries will express greater levels of exclusively national identification after the imposition of austerity than those of comparable non-austerity countries.

The EU as a potential solution and its impact on identity

However, this causal chain assumes that austerity was seen as a problem. If austerity was instead seen as the best imaginable alternative to a difficult macroeconomic situation in the relevant countries, the EU institutions enforcing them could be seen as potential guarantors of a better fiscal future.

We find evidence that the Troika was framed as such during the crisis: Greek leaders extensively used a “there is no alternative” framing to justify compliance with the EU’s austerity measures (Karyotis and Rüdig 2015). Similarly, Cypriot newspapers made clear that they believed the Troika institutions were better suited to getting Cyprus through the economic crisis than Cypriot politicians themselves (Doudaki, Boubouka, and Tzalavras 2019). Exposure to these frames could make people amenable to think of EU austerity as something akin to a fiscal “rescue of the nation-state” (Milward 1999) rather than an imposition on fiscal autonomy that increased unemployment, produced welfare state retrenchment and worsened health outcomes. It might also make people more likely to think of the EU as a net positive not *in spite of* its external imposition of austerity policies, but rather *because of it*.

The fact that these “EU as rescuer” narratives were typically found in mainstream and popular media sources, while critical anti-austerity discourses were more likely to be consigned to the fringes of the media landscape, could imply that more citizens were exposed to narratives that painted austerity as a necessary evil than were exposed to those that treated austerity as the root cause of the unemployment seen during the sovereign debt crisis (Mylonas 2014). This leads to a next, competing hypothesis:

H2: Citizens of austerity countries will express lower levels of exclusively national identification after the imposition of austerity than those of comparable non-austerity countries.

The impact of politicization and the salience of identity on the austerity-identity link

As the austerity programs varied in both salience and economic impact (Zamponi and Bosi 2016; Kriesi et al. 2012), the austerity-identity nexus is likely to matter differently across countries. However, as I outline below, there are pervasive arguments for believing that the effect of austerity on identity will be most pronounced in Southern European austerity countries such as Greece.

A first argument has to do with the uneven economic and political costs imposed by austerity: As the political economies of the Southern austerity countries were less aligned with preferred EU policies than those of Northern austerity countries like Ireland, the “Troika” imposed the most extensive structural reforms on Southern European austerity countries (Greer 2014). In other words, the EU demands for welfare state retrenchment and weakened labor protections in

the Southern European austerity countries went beyond those made on the Northern austerity countries' governments. The economic threat is thus likely to have been perceived as much greater in Southern than Northern European austerity countries.

In this sense, the dual threat of austerity was likely to be felt most keenly in the Southern European austerity countries: First, the policies that were imposed as a result of the programs required a much greater political reorientation in countries like Greece or Portugal compared to Ireland or Latvia. This is likely to have exacerbated the feeling of a sovereignty constrained. Second, because the economic impacts of the shift in policies were most deeply felt in the Southern periphery of the eurozone (Lane 2012), the "economic downturn mechanism" linking austerity to strengthened national identities was more likely to be activated in these austerity countries.

Most likely due to the greater perception of political and economic threat, protests against the economic policies of the EU were also more frequent and well-organized in Southern Europe than elsewhere on the continent. Similarly, they were typically closely associated with votes on austerity policies in the parliaments of countries like Greece and Portugal (Oana, Kriesi, and Altiparmakis 2024; Altiparmakis and Lorenzini 2018). Due to the strong politicization of austerity, evident in both the economic framing of protests and their close relationship to votes on European austerity, it is likely that citizens of Southern Europe would be exposed to more politicization of European integration than elsewhere. As such politicization has historically favored Eurosceptic parties (Beaudonnet and Gomez 2024), it is reasonable to expect that the greater increase in Eurosceptic public discourse in Southern European (rather than Northern European) austerity countries would also materialize in a greater loss of a shared feeling of European-ness in these countries.

Citizens of multilevel political systems typically struggle to attribute responsibility for economic outcomes to specific levels of government (Hobolt and Tilley 2014). The more numerous protests seen in the Southern, rather than Northern, European austerity countries were thus not just important for creating a more strongly European opportunity structure. Public political events like protests are not just opportunities to be heard by political leaders, but also opportunities for those that attend and view coverage of them to make sense of events (Paget, Beardsworth, and Lynch 2023). Because the protests allowed citizens opportunities to treat austerity as imposed by the EU it is reasonable to expect that this would activate a stronger "rally around the flag" effect than what was the case in other austerity countries. This yields

the following hypothesis:

H3: The negative effect of austerity on European self-identification will be greater in the Southern European austerity countries than in the Northern European ones.

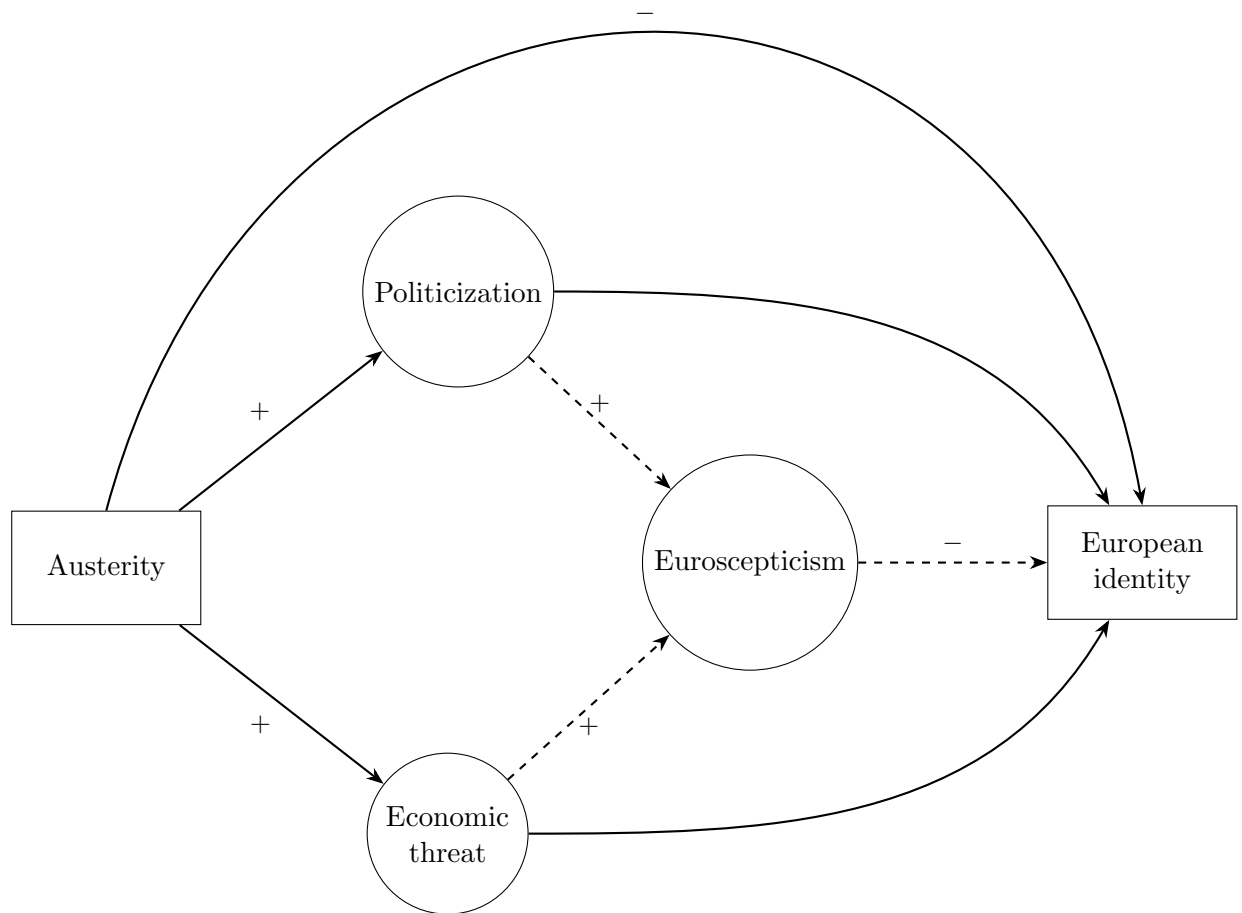


Figure 1: Causal path diagram showing the possible links connecting austerity and a weakened European identity.

Figure 1 visualizes the model, showing the various pathways between austerity and European identity outlined above: The first is a direct link from austerity to European identity, with externally imposed austerity having a negative impact on people's tendency to identify with both their countries and Europe. Here, the outcome is a direct result of a shared feeling of

identification with one's co-nationals attributable to a "rally around the flag" mechanism. On the other hand, austerity could also lead to a weakened European identity through i) how it produced greater negative politicization of Europe, or ii) increased the perception of economic threat facing citizens. Both of these mechanisms can, as I have shown, above shape identity on one's own. However, more indirectly, they can also increase Euroscepticism, which is in turn associated with a stronger feeling of national, rather than European, identity (Hooghe and Marks 2005).

My theoretical exposition has so far assumed that a potential link connecting austerity and out-group hostility is the most likely causal chain between Troika conditionality and stronger exclusively national identities. However, an alternative is that the increased salience of national identity that followed debates about the austerity programs could have had the same effect. If the greater increases in identity in the austerity countries stem from the fact that national identity was made more salient in these countries after the programs were implemented, we should expect a symmetry in this response in both the most salient creditor and debtor states. There is evidence to suggest that media in both creditor and debtor states framed debates about austerity in distinctly cultural terms: In Germany, the most salient creditor state, media portrayals of the crisis framed it as being caused by the profligacy and lack of budgetary discipline of Southern European politicians (Wodak and Angouri 2014). In other words, even without having austerity imposed, German citizens were likely to be made aware of themselves as distinctly different from for instance Italian or Greek citizens. The mechanism causing this was instead how austerity was treated as a cultural issue in non-austerity countries' media.

While the importance of the crisis to the entire EU could potentially make this increased salience a pan-European phenomenon (Kriesi et al. 2012), I expect the effect will be concentrated in countries that were the greatest net contributors or recipients of financial assistance programs. National debates tended to frame the EU's "bail-outs" of the austerity countries as a potential problem. As Arrese (2018) points out, these debates were most intense in Greece and Germany. It is thus in these countries where we should expect the media to offer the most opportunities for viewing the crisis as essentially a cultural concern. This is also likely to materialize in more opportunities to be made aware of one's distinct culture, and how it differs from that of others. I thus hypothesize:

H4: The negative effect of austerity on European self-identification is likely to be similar among

German and Greek citizens.

Through investigating these hypotheses, my paper offers one of the first tests of whether the external imposition of austerity, seen in both Europe as well as Latin America and Africa, can produce stronger nationalist sentiments at the individual level. This is theoretically crucial: Understanding whether austerity shapes not just preferences for populist voting but also individual nationalist sentiments can help us show more clearly how and why internationally imposed austerity can lead to citizens becoming more critical not just of austerity, but of the international legal order that underpins the institutions imposing it.

Data and methods

My analyses combines merged and multiply imputed Eurobarometer data from 1983 – 2021 with a “generalized synthetic control” method that compares the austerity countries to a synthetic control group that had approximately identical levels of exclusively national self-identification in the years before austerity was first imposed (Xu 2017). Comparing the levels of exclusively national identity in the treatment and control group after austerity was imposed will thus, if the two groups were on parallel paths before austerity was first imposed, let me measure the impact that imposing austerity has on citizens’ propensity to identify only with their nation-states.

Dependent variable

To measure exclusively national self-identification I create a time series from 1983 – 2021, using two questions with highly related wordings. The first is “Do you ever think of yourself as not only (NATIONALITY), but also European? Does this happen often, sometimes, or never?” The other is “Do you see yourself as...”, with the possible responses being exclusively national, national and European, European and national or exclusively European. I construct the time series using the Mannheim Trend File (which merges Eurobarometer data until 2004) and the Harmonized Eurobarometer data from 2004 – 2021 (Schmitt and Scholz 2002; Russo and Bräutigam 2023). The dependent variable is the share of respondents in a given time period that state that they either only identify with their nation-states or never think of themselves as both national and European.

While the questions use different wordings, the response categories I use to capture exclu-

sively national identity across both wordings are likely to be perceived as similar by respondents: Someone who identifies as never feeling both European and national is also likely to see themselves as exclusively national. Both questions are thus likely to capture the same theoretical concept. Moland (2024), using the same data, also shows that country-year shares of individuals who identify as exclusively national are similar for both wordings. My operationalization of “exclusively national identity” also aligns with a large literature that sees “exclusive nationalism”, rather than various configurations of compound identities, as the key determinant of Eurosceptic sentiments (Hooghe and Marks 2005; Karstens 2020).

The time series for both questions feature gaps in periods where questions about identity were dropped from the surveys. To address this limitation, I impute missing values using multiple imputation (Rubin 2004). The model I use to impute the missing country-year shares relies on a range of different variables known to impact European or national self-identification (Foster and Frieden 2021). I also use a linear time spline to capture the likely linear short-term shifts in self-identification.

The benefit of such imputation is that it uses observed values of variables that are known to correlate with exclusively national identity to impute more realistic values of the dependent variable than what would have been possible using linear time series imputation (Honaker and King 2010). Linear imputation is particularly problematic in situations where, as in this case, there are substantial gaps in the time series. It is thus a better approach than merely linear interpolation methods.

An important limitation of the data is that both question wordings are seemingly unable to disambiguate the effects of austerity on the civic or cultural component of European (König 2024). This raises an important question about whether a possible increase in exclusively national citizenship in the austerity countries stems from a weakened attachment to European values or institutions rather than a weakened attachment to what is perceived as core European values. I cannot probe these relationships given these data. This raises important questions for future studies of the link between fiscal conditionality, national self identification and trust in supra-national organizations.

Troika conditionality as a treatment

To test the impact of austerity I employ Troika conditionality at the time of a given survey as the relevant “treatment variable”. To create the treatment variable, I match the signing dates of the memoranda of understanding associated with each fiscal conditionality program to the fielding periods of Eurobarometer survey waves. The resulting variable has a value of “1” in time periods where the country in question was subject to conditionality programs, and “0” in periods where they were not.

One important question is whether one should treat the Spanish and Italian “implicit conditionality” as analogous to the Troika memoranda of understanding. In both cases, even though the external pressures for reform were strong, the countries retained greater autonomy than what was the case for countries subject to explicit conditionality (Picot and Tassinari 2017). I thus choose a conservative measure of Troika conditionality, focusing only on those that were subject to formalized austerity measures. This is an appropriate operationalization for my research question, which is explicitly interested in measuring the effect of having austerity imposed by an international actor, rather than the effect of austerity as a political program *per se*. Figure A1 shows the treatment status across the country-semesters that are the units of analysis.

A challenge when relying on discontinuities in time as a measure of causal effects (Muñoz, Falcó-Gimeno, and Hernández 2020) is that salient information could be known to respondents before the treatment was imposed. However, there is much to suggest that this concern may be less operative in this case: Although the austerity programs were expected before they were first implemented, popular protest in the wake of the sovereign debt crisis mainly emerged after the the austerity packages in Southern Europe were first implemented (Oana, Kriesi, and Altiparmakis 2024). This suggests, in line with my argument, that the severity of the actual programs made the out-group threat stemming from austerity salient to a greater degree than the mere knowledge of them. While this does of course not rule out an anticipation effect, it makes it more likely that the knowledge of the packages’ actual content was seen as novel by citizens of the austerity countries.

Beyond testing the overall impact of Troika conditionality, I am also interested in testing how austerity contributed to the formation of exclusively national identity in i) the Southern European austerity countries and ii) Greece and Germany specifically. To test the impact of

austerity exclusively in Southern Europe, I remove the Northern European austerity countries Ireland, Hungary, Latvia and Romania from the dataset. This lets me test the impact of fiscal conditionality solely in the particularly hard-hit Southern European austerity countries. To compare the effects of the imposition of austerity in both Greece and Germany I use the treatment periods for Greece, running separate treatment effect analyses for both Greece and Germany. I simultaneously remove all other treated countries to avoid treated units influencing the synthetic control. I then compare the effects of treatment across both countries.

Control variables

To improve the quality of the synthetic control groups, I control a wide variety of relevant variables (Ben-Michael, Feller, and Rothstein 2021). I first control for the country-semester level of support for EU membership among citizens, the electoral disproportionality of the party system, party-level polarization regarding EU issues and the collective vote share of the right- and left-wing populist parties that were in the national legislature in any given years. Controlling for these variables mitigates omitted variable bias stemming from possible sources of post-treatment differences in exclusively national identification (Hooghe and Marks 2005; Foster and Frieden 2021).

I also control for yearly GDP growth, total population and annual unemployment. This ensures that the treatment and control groups are similar to one another in terms of their economics, the framework surrounding their EU membership and the tools they had available to address the sovereign debt crisis. I also match on the three last lags of the dependent variables. The goal is to ensure that the treated countries and their synthetic controls also match each other on basic demographic and economic characteristics.

One challenge is that unemployment rates are reported at a different rate than the semesters. Particularly given the rapid changes in the economic conditions immediately after the crisis began (Lane 2012), it is likely that the estimated effects of austerity on unemployment will not perfectly capture short-term variations in the unemployment rate that could also activate perceptions of economic threat. This limitation is difficult to overcome, as quarterly unemployment data from Eurostat are only available from 2009. However, this is unlikely to be a substantial problem for my analysis, as the matching is still done on units with very similar annual unemployment data.

The "as-if-random" assumptions of the matching methods are thus likely to be met despite this data limitation.

Model estimation

To arrive at something akin to a causal estimate I use a generalized synthetic control method developed by Xu (2017) together with an EM algorithm first proposed by Gobillon and Magnac (2016). I run 25 separate iterations of the synthetic control model, essentially computing the analysis once for each imputed dataset, before pooling the results using "Rubin's rules" (Rubin 2004). These rules account for the inherently Bayesian nature of imputation by taking into account both within- and across-imputation variation in both estimates and standard errors. The end result is an estimate that both accounts for the uncertainty of imputation and is likely to arrive at a more realistic imputed value in place of the missing data than traditional linear imputation would allow for.

The underlying logic of this model, expressed in equation (1), is that the average treatment effect on the treated (*ATT*) is the *difference* in the *differences* between the pre- and post-treatment values of exclusively national identity in the treated countries and the relevant synthetic control groups. To construct the counterfactual trajectory for each treated country, the algorithm uses a combination of pre-treatment values of the treated units and cross-unit weighted correlations. This method ideally produces a counterfactual trajectory for each treated group that lets me answer the hypothetical question "How would exclusively national identity in the austerity countries have developed in the absence of externally imposed fiscal conditionality programs?" The method also lets me account for how treatment status for the austerity countries varied throughout the period in question, that the effects of it was likely to be heterogeneous from one country to another and that the austerity programs were implemented at different periods in each country.

$$ATT_{t,t>T_0} = \frac{1}{N_{tr}} \sum_{i \in \mathcal{T}} [Y_{it}(1) - Y_{it}(0)] = \frac{1}{N_{tr}} \sum_{i \in \mathcal{T}} \delta_{it} \quad (1)$$

To formally test *H3* and *H4*, about the differences in the effects of austerity between i) Southern European austerity countries and the full set of austerity countries and ii) Greece and Germany, I compare the coefficients using an approach developed by Clogg, Petkova, and Haritou (1995).

Here a Z score, with a critical value of 1.96, is developed by dividing the subtracted sum of the coefficients by a squared and exponentiated sum of the standard errors. This approach is formalized in equation (2).

$$Z = \frac{\beta_1 - \beta_2}{\sqrt{(SE\beta_1)^2 + (SE\beta_2)^2}} \quad (2)$$

Altogether, the generalized synthetic control approach and the comparison of coefficients let me both test the impact of austerity on national identity and compare whether their effects differ in a statistically significant way across different sub-groups within the EU.

Results and discussion

I next move on to showing the results of the empirical tests of my hypotheses. I will first test the base hypotheses, which relate to the overall effect of austerity among all the impacted countries. I then analyze the effect of Southern European austerity relative to the overall effect of the austerity programs, before finally concluding with a comparison of the impact of austerity (or the debates about the same) in the outlier states of Greece and Germany.

Base results

As table 1 illustrates the overall effects are rather modest, with none of the average treatment effects attaining significance for the entire period. This is, however, to be expected: As previously mentioned, the negative politicization of European integration should be expected to be cyclical. It is thus reasonable that, even though the immediate impact of austerity might be negative, the effect could subside over time. Because of this fact, it is necessary to go beyond the average results to also look at the impact of austerity immediately after it happened. Finding significant effects immediately after austerity became a reality would strengthen the case for there being an impact of austerity, even in a situation where the average effects are non-significant.

Figure 2 finds precisely this effect: The effect of austerity increases, in the first post-treatment period, by an average of 6%. As table 2 shows, this immediate effect is actually between 1 – 11%. This immediate and substantial effect seems is nevertheless short-lived, with the only significant effect coming in the first post-treatment period. This is compatible with the fact that politiciza-

Case study	Estimate	SE	2.5%	97.5%
$\delta_{Overall}$	-0.01	0.02	-0.05	0.04
$\delta_{Southern}$	0.01	0.04	-0.08	0.09
δ_{DE}	-0.02	0.05	-0.13	0.08
δ_{GR}	0.07	0.08	-0.08	0.23

Table 1: Estimated average ATT across imputations for all case scenarios. SEs employ two-way fixed effects and clustering.

T	ATT	SE	2.5%	97.5%
0	0.03	0.02	0.00	0.07
+1	0.06	0.02	0.01	0.11
+2	0.03	0.03	-0.02	0.08
+3	0.05	0.02	0.00	0.09
+4	0.05	0.02	0.00	0.09
+5	0.04	0.02	-0.01	0.08

Table 2: Estimated period-specific ATT from $t_0 - t_{+5}$. Bold numbers signify statistical significance at the 95% level.

tion of European integration is generally crisis-driven and cyclical (Kriesi 2016). My results are consistent with a situation where citizens immediately respond to the new information about fiscal conditionality that is mainly filtered through elite and media frames that generally posit European integration as a problem, before the agenda is once again taken over by other issues. This was the pattern seen in Cyprus: The severity of the austerity program first became clear to citizens after the memorandum of understanding was signed, with this leading to sharp public criticism of the Troika institutions' role in the crisis. However, public debate soon began framing austerity differently, by for instance posing the austerity programs as a necessary response to the needs of the Cypriot economy (Doudaki, Boubouka, and Tzalavras 2019).

Importantly, figure A2 shows that this effect is not driven by pre-existing diverging paths in levels of exclusively national identification between the austerity countries and the synthetic control group. Figure A4 also shows that all treated countries have similar factor loadings to at least some control group units: While Ireland's factor loading makes it an outlier on the second latent factor, its loadings on the first factor are largely similar to those of Sweden and Austria. For Greece, another likely outlier, its loading on the second factor is largely similar to

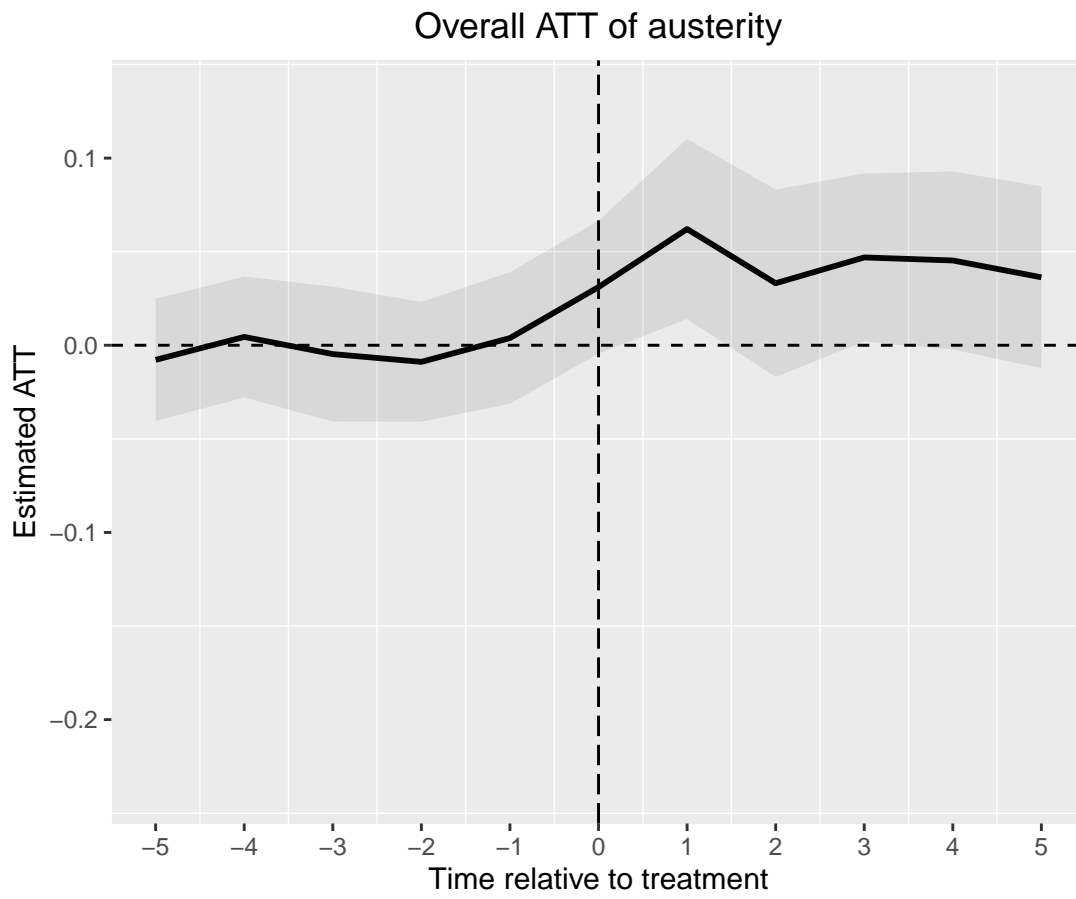


Figure 2: Overall average treatment effects in period $t_0 - t_{+5}$.

Finland and to both Croatia and the Czech Republic on the first factor. This technical point is crucial for assessing claims of causality: While the algorithm would compute a counterfactual trajectory under any circumstance, a consistent lack of overlap between the austerity countries and the synthetic control countries would make this trajectory highly dependent on model-based assumptions about the pre-treatment similarities of the treated countries and its modeled synthetic control (Xu 2017). The fact that such overlap, at least partially, exists mitigates this concern.

The effects of Southern European austerity

Having shown results that are consistent with $H1$, even if the average effects are statistically insignificant, I next examine the specific effects of the austerity programs that were implemented in Southern European countries like Greece and Portugal.

Table 3: Comparison of period-specific ATT s for both the overall treatment group and the subset of Southern European treatment groups. Bold Z score indicates statistical significance at 95% level. Two-way clustered SEs.

T	$\delta_{Overall}$	$\delta_{Southern}$	Z score
t_0	0.03 (0.02)	0.05 (0.03)	1.26
t_{+1}	0.06 (0.02)	0.08 (0.04)	2.12
t_{+2}	0.03 (0.02)	0.06 (0.04)	0.99
t_{+3}	0.05 (0.02)	0.07 (0.04)	-0.05
t_{+4}	0.05 (0.02)	0.06 (0.04)	-0.75
t_{+5}	0.04 (0.02)	0.04 (0.05)	-0.60

Figure 3 and table 3 offers some evidence for $H3$, which states that the effects of Southern European austerity on identity will be greater than that found on average for all austerity countries. However, we once again see this effect confined to the first post-treatment period. The most important reason may be that austerity programs were more immediately politicized in Southern, rather than Northern, Europe (Arrese 2018; Oana, Kriesi, and Altiparmakis 2024).

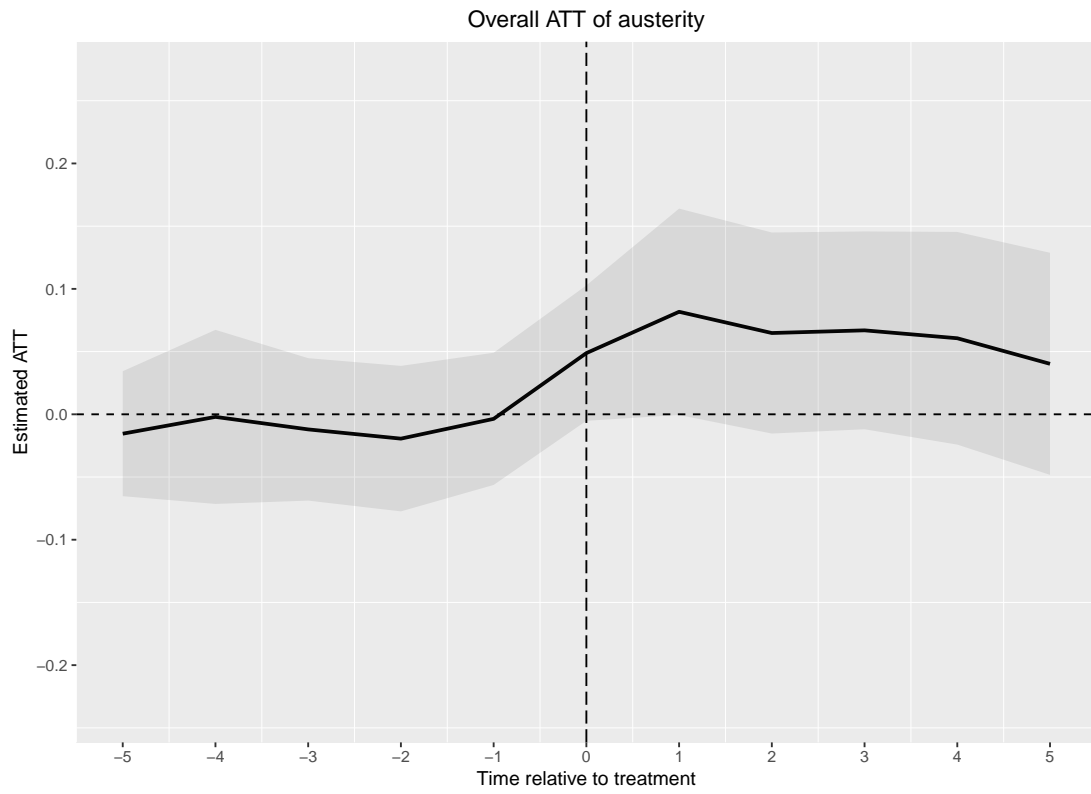


Figure 3: Treatment effects in period t_0-t_{+5} for Southern European treatment countries. Model employs two-way fixed effects and clustered SEs.

It is also likely that the same causal mechanism as for the overall effect would account for these results: The Southern European austerity countries saw a greater politicization of austerity, especially early on, than what was the case for their Northern counterparts. The programs were also more likely to be negatively connected to European Union institutions in Southern Europe because of the greater prevalence of protests that allowed for politicizing moments. The end result is a greater effect of austerity in this period in Southern, rather than Northern, Europe.

Once again, figure A3 shows that the effects of austerity are not driven by large pre-treatment variations in the levels of exclusively national identity before austerity was first imposed in the Southern countries. Even an outlier country like Greece is on generally the same path as its modeled synthetic control group. The combination of a credible counterfactual situation and a stronger effect of austerity in the first period after austerity was first imposed suggests that the conditions that distinguished Southern European austerity from that seen in Northern Europe, such as the severity of its economic impact and the changes in political opportunity structure that it produced, also led to variations in how strongly the programs were able to produce a “rally around the flag” effect that was greater than what was seen in the Northern European countries.

Debtors and creditors compared

Having shown both that there was an immediate and strong effect of austerity on exclusively national identity, and that this effect was greater in the most heavily impacted countries, I lastly move on to comparing the effects of the Greek austerity packages in both Germany and Greece.

The extreme polarization surrounding the Greek financial assistance programs in both Greece and Germany (Wodak and Angouri 2014) makes this a “most-likely case” for finding similar effects of austerity on national identity in both debtor and creditor countries. Finding that the results are in fact statistically indistinguishable from one another across the two cases would point to an increased salience of national identity, whether due to media framing or shared perceptions of threat among the citizenry, as a credible causal mechanism connecting austerity to changed perceptions of one’s own national self-identification.

Table 4 lets me confirm H_4 , as the effects of Greek austerity are statistically indistinguishable in Greece and Germany, also in the period where the effects of Southern austerity were most

Table 4: Comparison of period-specific *ATT*s for Greece and Germany. Both groups assigned identical treatment periods. Bold *Z* score indicates statistical significance at 95% level. Two-way clustered SEs.

<i>T</i>	δ_{GR}	δ_{DE}	<i>Z score</i>
t_0	0.03 (0.05)	-0.01 (0.05)	0.57
t_{+1}	0.11 (0.07)	-0.00 (0.08)	1.09
t_{+2}	0.10 (0.08)	0.00 (0.06)	0.92
t_{+3}	0.09 (0.09)	0.00 (0.01)	0.70
t_{+4}	0.09 (0.08)	-0.02 (0.06)	1.19
t_{+5}	0.05 (0.08)	-0.00 (0.07)	0.51

pronounced. This indicates that the increased salience of national identity, boosted both by the sensationalist journalism of newspapers like the German tabloid Bild and Greek politicians' EU critical framing of the conflict, strengthened national identity also in a politically salient creditor country. Figures A5 and A6 suggests that the variations are not driven by underlying differences in the fit between the two treated countries and their synthetic control groups before treatment was imposed. This suggests that not only austerity itself, but also culturally framed debates in the wake of austerity programs, may alter perceptions of national identity even in the countries that supported its iposition.

An important caveat to this conclusion is that the results are only statistically indistinguishable. The average effects, in line with the treatment effects seen across the two groups, align with the argument that there is in fact something about having austerity imposed that will have a particular impact on the national self-identification of those experiencing it: Although the coefficients for the first post-treatment period are statistically indistinguishable, the average treatment effects seen in Greece are actually 11% percent higher than those seen in Germany. We find the same for the other four post-treatment periods shown. Indeed, for all but two post-treatment periods, the German average treatment effects are true null results.

This finding has two implications: First, notwithstanding the fact that the German and Greek

treatment effects are statistically indistinguishable from one another, the substantive results suggest that there is an effect on national identity of being exposed to austerity that is separate from the effect of exposure only to stereotyped public discourses. In other words, even if there is large uncertainty associated with the differences, there does seem to be an impact of austerity on exclusively national self-identification that is nevertheless greater among those countries that are directly impacted by austerity. An important reason may be austerity poses a “double threat” to national identity: While the debates making identity salient may be sufficient to make those otherwise amenable to identifying with their nested identities less likely to do so when their distinct national identities are made salient, the tangible economic threat that the fiscal retrenchment stemming from austerity is likely to compound the effects of this salience.

Limitations and robustness tests

There are several caveats to the preceding analysis. Maybe the most important is that both Greece and Ireland have factor loadings making them more susceptible than the other treated units to “model-based extrapolation”. In other words, because the factor loadings extracted for the two countries are partial outliers, their counterfactual trajectories may be less likely than those for the other treated countries to be based on comparisons to the observed values of similar countries.

Reassuringly, tables A1 and A2 shows that excluding each country reduces the period-specific treatment effects, but not to a magnitude that equates to a statistically significant effect. We can thus be reasonably sure that the overall results are not substantially driven by model-based imputation. This also strengthens confidence in the results of the Southern European results: While the results from Greece are important for the sheer magnitude of the Southern European austerity effect, especially in comparison to the overall effects, it does not appear to be the case that the results I find are only an effect of *Greek* austerity.

A second concern has to do with spatial spillover: As the sovereign debt crisis was politicized all over Europe, the results shown by figure 2 might stem from a broader politicization of austerity that had similar effects in both austerity and non-austerity countries. To test whether this is the case, I use a “spatial placebo test” (Foos and Bischof 2022). I replace the austerity countries with randomly chosen non-treated countries and remove the actually treated countries from the

data. The test (see figure A7 and table A3) mitigates concerns about potential spillover: In contrast to the results of the original specification, the placebo results for the same periods are both substantively close to zero and statistically insignificant. This strengthens my original results and weakens potential objections that they only reflect a continent-wide simultaneous politicization of identity that impacted austerity and non-austerity countries alike.

I also test whether not including Italy as a treated country unduly influences the results (Schraff and Schimmelfennig 2019). Italy was never formally subjected to Troika austerity. However, a letter that became public in late 2011 (Sensini 2011) essentially demanded similar policy changes in exchange for the Italian government avoiding a formal conditionality program. I thus rely on an alternative specification of the treatment variable that includes both the original treated country-semester and Italy. While it is not immediately straightforward to assign a treatment period to countries without a formal austerity program, I define the treatment period as starting in the last semester of 2011 (when Sensini (2011)'s article made the informal conditionality program public) and the beginning of 2015, when migration replaced austerity as the main focal point of public debate (Oana, Kriesi, and Altiparmakis 2024; Arrese 2018).

Figure A8 and table A4 shows that this change to the treatment specification does impact the result. Unlike in the original specification, the effects from every post-treatment period between t_{+1} and t_{+5} are statistically significant and demonstrably larger than those of the original specification. Comparing the two effects suggests that my original specification is a conservative test of the effect that austerity has on strengthened national identity. The fact that including the informal austerity imposed on Italy strengthens the original results furthermore suggests that the linkage to international institutions, rather than the formal signing of programs, that produce exclusive nationalism.

Summary and concluding discussion

This paper constitutes a novel methodological and empirical attempt to test what impact the Troika's conditionality programs had on people's tendency to self-identity as not only national citizens, but also Europeans. Combining multiple imputation of more than 30 years' worth of data with quasi-experimental causal inference methods and a range of robustness tests that strengthen the original results, I derive three key findings:

The first empirical finding is that austerity does strengthen people's tendency to identify only with their nation-states. This suggests that austerity not only weakens the identification with the institutions most clearly responsible for imposing them (Armingeon and Ceka 2014), but also with people's affective attachment to the political order that those institutions represent. However, the effect seems to depend on how austerity is publicly framed: Nationalist identification seems to increase more strongly in the immediate aftermath after the signing of a program, consistent with framing of austerity in these periods being sharply critical of the EU (Mylonas 2012, 2014), before later subsiding. This is consistent with the idea that politicization of the EU is episodic (Kriesi 2016) and with how the framing of austerity became gradually more positive over time in most countries.

Second, the effects of austerity on identity are more pronounced in the Southern European. The greater severity and economic impact of austerity in these countries thus seems to have exacerbated people's willingness to no longer identify with Europe immediately after austerity was imposed. This is in line with a large literature (Foster and Frieden 2021; Huddy 2001) finding that the kind of threat that economic crises (among other things) constitute has an unique potential to consolidate otherwise disparate individuals around different forms of social group identities. However, another important reason may be the cultural framing of austerity in these countries (Wodak and Angouri 2014). Additionally, the fact that austerity broke more sharply with past policy in places like Greece compared to Ireland or Hungary could have exacerbated the perception of threat in a way that made the effects on identity much more pronounced.

Lastly, by showing that the results are largely comparable between Greece and Germany, the two states that in diametrically opposite ways were most heavily impacted by the fiscal assistance programs and the fiscal conditionality they gave rise to, I also strengthen the case for salience being the main mechanism connecting austerity and increasingly national identities. This is important, because it suggests that narratives amplifying cultural distinctions in the aftermath of such policies being imposed may lead to more nationalist self-identification both on the part of those being exposed to austerity and those imposing it.

I thus show that austerity may not only increase populist voting because of the economic deprivation that typically follows in its wake. Instead, it may also lead to a defensive nationalism that primes voters to think in terms of "us" and "them". This would in turn make them more susceptible to elite rhetoric that exploits such nationalism for electoral gain. This point is also

relevant to institutions that potentially consider fiscal conditionality to be an attractive policy solution: Much as in Europe, populist elites in for instance Latin America have used the negative economic and social impacts of austerity programs to paint the institutions implementing them in a negative light (Clift and Robles 2021; Bansak, Bechtel, and Margalit 2021). My results offer convincing empirical evidence that institutions such as the IMF, which are the principal actors imposing austerity in a non-European context, must be sensitive to the long-run implications that austerity can have on people's affective attachment to broader identities beyond the nation-state. Undermining such identities risks undermining also the trust in international institutions that organizations such as the IMF and the World Bank rely on for its public legitimacy.

References

- Abou-Chadi, Tarik, Denis Cohen, and Markus Wagner. 2022. "The centre-right versus the radical right: the role of migration issues and economic grievances." *Journal of Ethnic and Migration Studies* 48 (2): 366–384.
- Altiparmakis, Argyrios, and Jasmine Lorenzini. 2018. "Disclaiming national representatives: Protest waves in Southern Europe during the crisis." *Party Politics* 24 (1): 78–89.
- Armingeon, Klaus, and Besir Ceka. 2014. "The loss of trust in the European Union during the great recession since 2007: The role of heuristics from the national political system" [in en]. *European Union Politics* 15, no. 1 (March): 82–107. ISSN: 1465-1165, 1741-2757, accessed February 25, 2021. <https://doi.org/10.1177/1465116513495595>. <http://journals.sagepub.com/doi/10.1177/1465116513495595>.
- Arrese, Angel. 2018. "Austerity policies in the European press: A divided Europe?" In *The Media and Austerity: Comparative perspectives*, edited by Laura Basu, Steve Schifferes, and Sophie Knowles, 113–127. Routledge. ISBN: 978-1-138-89731-1.

- Bansak, Kirk, Michael M. Bechtel, and Yotam Margalit. 2021. “Why Austerity? The Mass Politics of a Contested Policy” [in en]. *American Political Science Review* 115, no. 2 (May): 486–505. ISSN: 0003-0554, 1537-5943, accessed April 4, 2021. <https://doi.org/10.1017/S0003055420001136>. https://www.cambridge.org/core/product/identifier/S0003055420001136/type/journal_article.
- Beaudonnet, Laurie, and Raul Gomez. 2024. “The imbalanced effect of politicization: How EU politicization favours Eurosceptic parties.” Publisher: SAGE Publications, *European Union Politics* (January 15, 2024): 14651165231220615. <https://doi.org/10.1177/14651165231220615>. <https://doi.org/10.1177/14651165231220615>.
- Bellamy, Richard. 2013. “‘An Ever Closer Union Among the Peoples of Europe’: Republican Intergovernmentalism and *Demoicratic* Representation within the EU” [in en]. *Journal of European Integration* 35, no. 5 (July): 499–516. ISSN: 0703-6337, 1477-2280, accessed February 25, 2021. <https://doi.org/10.1080/07036337.2013.799936>. <http://www.tandfonline.com/doi/abs/10.1080/07036337.2013.799936>.
- Ben-Michael, Eli, Avi Feller, and Jesse Rothstein. 2021. “The Augmented Synthetic Control Method.” Publisher: Taylor & Francis, *Journal of the American Statistical Association* 116, no. 536 (October 2, 2021): 1789–1803. <https://www.tandfonline.com/doi/full/10.1080/01621459.2021.1929245>.
- Blyth, Mark. 2015. *Austerity: the history of a dangerous idea*. Oxford ; New York: Oxford University Press. ISBN: 978-0-19-938944-5.
- Clift, Ben, and Te-Anne Robles. 2021. “The IMF, tackling inequality, and post-neoliberal ‘reglobalization’: The paradoxes of political legitimation within economic parameters.” In *Reglobalization*, 39–54. Routledge.

- Clogg, Clifford C., Eva Petkova, and Adamantios Haritou. 1995. "Statistical Methods for Comparing Regression Coefficients Between Models." *American Journal of Sociology* 100, no. 5 (March): 1261–1293. ISSN: 1537-5390. <https://doi.org/10.1086/230638>. <http://dx.doi.org/10.1086/230638>.
- Doudaki, Vaia, Angeliki Boubouka, and Christos Tzalavras. 2019. "Framing the Cypriot economic crisis: In the service of the neoliberal vision." *Journalism* 20 (2): 349–368.
- Edwards, Sebastian. 2019. "On Latin American populism, and its echoes around the world." *Journal of Economic Perspectives* 33 (4): 76–99.
- Foos, Florian, and Daniel Bischof. 2022. "Tabloid Media Campaigns and Public Opinion: Quasi-Experimental Evidence on Euroscepticism in England" [in en]. Publisher: Cambridge University Press, *American Political Science Review* 116, no. 1 (February): 19–37. ISSN: 0003-0554, 1537-5943, accessed February 1, 2022. <https://doi.org/10.1017/S000305542100085X>. <https://www.cambridge.org/core/journals/american-political-science-review/article/tabloid-media-campaigns-and-public-opinion-quasiexperimental-evidence-on-euroscepticism-in-england/F530F8AB25994AD7C4BC1D0CAFAD75CF>.
- Foster, Chase, and Jeffrey Frieden. 2021. "Economic determinants of public support for European integration, 1995–2018" [in en]. *European Union Politics* (February). ISSN: 1465-1165, 1741-2757, accessed February 27, 2021. <https://doi.org/10.1177/1465116521994181>. <http://journals.sagepub.com/doi/10.1177/1465116521994181>.
- Gobillon, Laurent, and Thierry Magnac. 2016. "Regional Policy Evaluation: Interactive Fixed Effects and Synthetic Controls." Publisher: The MIT Press, *The Review of Economics and Statistics* 98 (3): 535–551. <https://www.jstor.org/stable/24917033>.

- Greer, Scott. 2014. "Structural adjustment comes to Europe: Lessons for the Eurozone from the conditionality debates." *Global Social Policy* 14 (1): 51–71.
- Halikiopoulou, Daphne, Kyriaki Nanou, and Sofia Vasilopoulou. 2012. "The paradox of nationalism: The common denominator of radical right and radical left euroscepticism: the paradox of nationalism" [in en]. *European Journal of Political Research* 51, no. 4 (June): 504–539. ISSN: 03044130, accessed April 30, 2021. <https://doi.org/10.1111/j.1475-6765.2011.02050.x>. <http://doi.wiley.com/10.1111/j.1475-6765.2011.02050.x>.
- Herbig, Lisa, Asli Unan, Theresa Kuhn, Irene Rodriguez, Toni Rodon, and Heike Kluever. 2025. "Closed borders, closed minds? COVID-related border closures, EU support and hostility towards immigrants." *European Journal of Political Research*.
- Hermann, Christoph. 2017. "Another 'lost decade'? Crisis and structural adjustment in Europe and Latin America." *Globalizations* 14 (4): 519–534.
- Hobolt, Sara B, and Catherine de Vries. 2016. "Turning against the Union? The impact of the crisis on the Eurosceptic vote in the 2014 European Parliament elections." *Electoral studies* 44:504–514.
- Hobolt, Sara Binzer, and James Tilley. 2014. *Blaming Europe? responsibility without accountability in the European Union*. 1st ed. OCLC: ocn871193923. Oxford: Oxford University Press. ISBN: 978-0-19-966568-6.
- Honaker, James, and Gary King. 2010. "What to Do about Missing Values in Time-Series Cross-Section Data." *American Journal of Political Science* 54, no. 2 (April): 561–581. <https://doi.org/10.1111/j.1540-5907.2010.00447.x>. <https://onlinelibrary.wiley.com/doi/10.1111/j.1540-5907.2010.00447.x>.

- Hooghe, Liesbet, and Gary Marks. 2005. "Calculation, Community and Cues: Public Opinion on European Integration" [in en]. *European Union Politics* 6, no. 4 (December): 419–443. ISSN: 1465-1165, 1741-2757, accessed February 25, 2021. <https://doi.org/10.1177/1465116505057816>. <http://journals.sagepub.com/doi/10.1177/1465116505057816>.
- Hübscher, Evelyne, Thomas Sattler, and Markus Wagner. 2023. "Does Austerity Cause Polarization?" *British Journal of Political Science* 53, no. 4 (October): 1170–1188. <https://doi.org/10.1017/S0007123422000734>. https://www.cambridge.org/core/product/identifier/S0007123422000734/type/journal_article.
- Huddy, Leonie. 2001. "From Social to Political Identity: A Critical Examination of Social Identity Theory." *Political Psychology* 22 (1): 127–156. <https://doi.org/10.1111/0162-895X.00230>. <https://onlinelibrary.wiley.com/doi/abs/10.1111/0162-895X.00230>.
- Huddy, Leonie, Alessandro Del Ponte, and Caitlin Davies. 2021. "Nationalism, Patriotism, and Support for the European Union" [in en]. *Political Psychology* (March): pops.12731. ISSN: 0162-895X, 1467-9221, accessed August 2, 2021. <https://doi.org/10.1111/pops.12731>. <https://onlinelibrary.wiley.com/doi/10.1111/pops.12731>.
- Karstens, Felix. 2020. "Let Us Europeans Move: How Collective Identities Drive Public Support for Border Regimes inside the EU" [in en]. *JCMS: Journal of Common Market Studies* 58 (1): 116–137.
- Karyotis, Georgios, and Wolfgang Rüdig. 2015. "Blame and punishment? The electoral politics of extreme austerity in Greece." *Political Studies* 63 (1): 2–24.

- König, Philipp. 2024. "Forms of National and European Identity: A Research Note Reviewing Literature of Cross-National Studies." *Nationalities Papers* 52, no. 4 (July): 707–734. <https://doi.org/10.1017/nps.2023.66>. https://www.cambridge.org/core/product/identifier/S0090599223000661/type/journal_article.
- Kriesi, Hanspeter. 2016. "The Politicization of European Integration." [in en]. *JCMS: Journal of Common Market Studies* 54 (September): 32–47. ISSN: 00219886, accessed September 28, 2021. <https://doi.org/10.1111/jcms.12406>. <https://onlinelibrary.wiley.com/doi/10.1111/jcms.12406>.
- Kriesi, Hanspeter, Edgar Grande, Martin Dolezal, Marc Helbling, Dominic Höglinger, Swen Hutter, and Bruno Wüest. 2012. *Political conflict in western Europe*. OCLC: 808366394. Cambridge, UK; New York: Cambridge University Press. <https://doi.org/10.1017/CBO9781139169219>.
- Lane, Philip R. 2012. "The European Sovereign Debt Crisis." *Journal of Economic Perspectives* 26, no. 3 (August 1, 2012): 49–68. <https://doi.org/10.1257/jep.26.3.49>. <http://dx.doi.org/10.1257/jep.26.3.49>.
- Milward, Alan. 1999. *The European Rescue of the Nation State* [in en]. 0th ed. Routledge, December. ISBN: 978-0-203-98215-0, accessed August 17, 2021. <https://doi.org/10.4324/9780203982150>. <https://www.taylorfrancis.com/books/9781134606313>.
- Moland, Martin. 2024. "Opting out of an EU identity? The effects of differentiated integration on European identity." *Journal of European Public Policy*, 1–24.
- Mudde, Cas, and Cristóbal Rovira Kaltwasser. 2018. "Studying populism in comparative perspective: Reflections on the contemporary and future research agenda." *Comparative political studies* 51 (13): 1667–1693.

- Muñoz, Jordi, Albert Falcó-Gimeno, and Enrique Hernández. 2020. “Unexpected Event during Survey Design: Promise and Pitfalls for Causal Inference” [in en]. *Political Analysis* 28, no. 2 (April): 186–206. ISSN: 1047-1987, 1476-4989, accessed March 15, 2021. <https://doi.org/10.1017/pan.2019.27>. https://www.cambridge.org/core/product/identifier/S1047198719000275/type/journal_article.
- Mylonas, Yiannis. 2012. “Media and the Economic Crisis of the EU: The ‘Culturalization’ of a Systemic Crisis and Bild-Zeitung’s Framing of Greece” [in en]. *tripleC: Communication, Capitalism & Critique. Open Access Journal for a Global Sustainable Information Society* 10, no. 2 (July): 646–671. ISSN: 1726-670X, accessed June 4, 2022. <https://doi.org/10.31269/triplec.v10i2.380>. <https://www.triple-c.at/index.php/tripleC/article/view/380>.
- . 2014. “Crisis, austerity and opposition in mainstream media discourses of Greece.” *Critical Discourse Studies* 11 (3): 305–321.
- Oana, Ioana-Elena, Hanspeter Kriesi, and Argyrios Altiparmakis. 2024. “Dynamics of protest mobilisation in the European poly-crisis.” *Journal of European Public Policy* (July 26, 2024): 1–32. <https://doi.org/10.1080/13501763.2024.2366388>. <https://www.tandfonline.com/doi/full/10.1080/13501763.2024.2366388>.
- Oneal, John R, and Anna Lillian Bryan. 1995. “The rally’round the flag effect in US foreign policy crises, 1950–1985.” *Political Behavior* 17:379–401.
- Paget, Dan, Nicole Beardsworth, and Gabrielle Lynch. 2023. “Campaign rallies and political meaning-making.” *Commonwealth & Comparative Politics* 61 (3): 235–254.
- Picot, Georg, and Arianna Tassinari. 2017. “All of one kind? Labour market reforms under austerity in Italy and Spain.” *Socio-Economic Review* 15 (2): 461–482.

- Rabinowitz, Beth. 2022. "Defensive nationalism: where populism meets nationalism." *Nationalism and Ethnic Politics* 28 (2): 143–164.
- Rajmil, Luis, and María-José Fernández De Sanmamed. 2019. "Austerity Policies and Mortality Rates in European Countries, 2011–2015." *American Journal of Public Health* 109, no. 5 (May): 768–770. <https://doi.org/10.2105/AJPH.2019.304997>.
<https://ajph.aphapublications.org/doi/full/10.2105/AJPH.2019.304997>.
- Rubin, Donald B. 2004. *Multiple imputation for nonresponse in surveys*. Wiley classics library. Hoboken, N.J: Wiley-Interscience. ISBN: 978-0-471-65574-9.
- Russo, Luana, and Milena Bräutigam. 2023. *Harmonized Eurobarometer 2004-2021*. GESIS, Cologne. Data File Version 3.0.0, <https://doi.org/10.7802/2539>. <https://doi.org/10.7802/2539>.
- Schmitt, Hermann, and Evi Scholz. 2002. *Mannheim Eurobarometer trend file, 1970-1999*.
- Schraff, Dominik, and Frank Schimmelfennig. 2019. "Eurozone bailouts and national democracy: Detachment or resilience?" Publisher: SAGE Publications, *European Union Politics* 20, no. 3 (September): 361–383. ISSN: 1465-1165, accessed August 4, 2022. <https://doi.org/10.1177/1465116519848846>. <https://doi.org/10.1177/1465116519848846>.
- Sensini, Mario. 2011. "Il documento segreto della Bce: ridurre gli stipendi pubblici." *Corriere della Serra* (September 29, 2011). https://www.corriere.it/economia/11_settembre_29/sensini_documento_bce_e68f29d6-ea58-11e0-ae06-4da866778017.shtml.
- Tajfel, Henri, and John C Turner. 2004. "The social identity theory of intergroup behavior." In *Political psychology*, 276–293. Psychology Press.

- Wodak, Ruth, and Jo Angouri. 2014. "From Grexit to Grecovery: Euro/crisis discourses." Publisher: SAGE Publications Ltd, *Discourse & Society* 25, no. 4 (July 1, 2014): 417–423. <https://doi.org/10.1177/0957926514536967>. <https://doi.org/10.1177/0957926514536967>.
- Xu, Yiqing. 2017. "Generalized Synthetic Control Method: Causal Inference with Interactive Fixed Effects Models." *Political Analysis* 25, no. 1 (January): 57–76. <https://doi.org/10.1017/pan.2016.2>. <http://dx.doi.org/10.1017/pan.2016.2>.
- Zamponi, Lorenzo, and Lorenzo Bosi. 2016. "Which Crisis? European Crisis and National Contexts in Public Discourse." *Politics & Policy* 44 (3): 400–426. <https://doi.org/10.1111/polp.12156>. <https://onlinelibrary.wiley.com/doi/abs/10.1111/polp.12156>.

Online Supporting Material

Table A1: Comparison of period-specific *ATT*s for models that include and exclude Greece. Both groups assigned identical treatment periods. Bold *Z* score indicates statistical significance at 95% level. Two-way clustered SEs.

<i>T</i>	$\delta_{Overall}$	δ_{NoGR}	<i>Z score</i>
t_0	0.03 (0.01)	0.03 (0.02)	-0.11
t_{+1}	0.06 (0.02)	0.01 (0.11)	0.08
t_{+2}	0.03 (0.03)	0.03 (0.02)	0.20
t_{+3}	0.05 (0.02)	0.05 (0.02)	0.05
t_{+4}	0.05 (0.02)	0.04 (0.02)	0.14
t_{+5}	0.04 (0.02)	0.04 (0.02)	-0.03

Table A2: Comparison of period-specific *ATT*s for models that include and exclude Ireland. Both groups assigned identical treatment periods. Bold *Z* score indicates statistical significance at 95% level. Two-way clustered SEs.

<i>T</i>	$\delta_{Overall}$	δ_{NoIE}	<i>Z score</i>
t_0	0.03 (0.01)	0.04 (0.02)	-0.00
t_{+1}	0.06 (0.02)	0.06 (0.03)	0.03
t_{+2}	0.03 (0.03)	0.04 (0.03)	-0.07
t_{+3}	0.05 (0.02)	0.05 (0.03)	-0.18
t_{+4}	0.05 (0.02)	0.04 (0.03)	0.04
t_{+5}	0.04 (0.02)	0.03 (0.03)	0.10

T	δ	SE	2.5%	97.5%
0	0.00	0.02	-0.03	0.03
+1	0.00	0.03	-0.05	0.05
+2	0.01	0.03	-0.04	0.06
+3	0.02	0.03	-0.03	0.07
+4	0.00	0.02	-0.04	0.05
+5	-0.01	0.02	-0.06	0.04

Table A3: Period-specific *ATT*s for placebo countries. Randomly chosen placebo countries are Bulgaria, Finland, Slovakia, Sweden, Slovenia, Malta and Belgium. $ATT = -0.01, 95\%CI = [-0.06; 0.03]$

T	δ	SE	2.5%	97.5%
0	0.03	0.03	-0.02	0.08
+1	0.11	0.02	0.06	0.16
+2	0.11	0.03	0.06	0.16
+3	0.10	0.03	0.04	0.15
+4	0.10	0.03	0.04	0.15
+5	0.10	0.03	0.04	0.16

Table A4: Period-specific *ATT*s when including Italy as a treated country between 2011 and 2015. $ATT = 0.07, 95\%CI = [0.02; 0.12]$

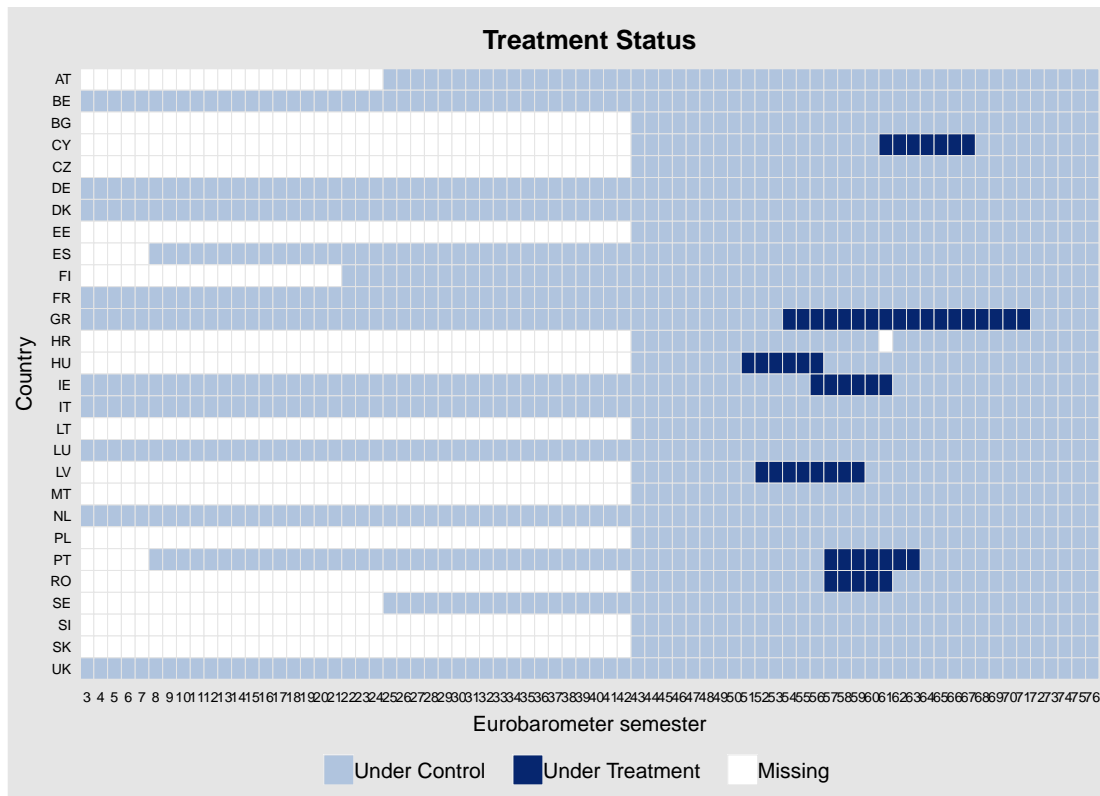


Figure A1: Treatment status distributed across Eurobarometer semesters.

Parallel Trends: Actual vs. Synthetic Control (Pre-treatment)

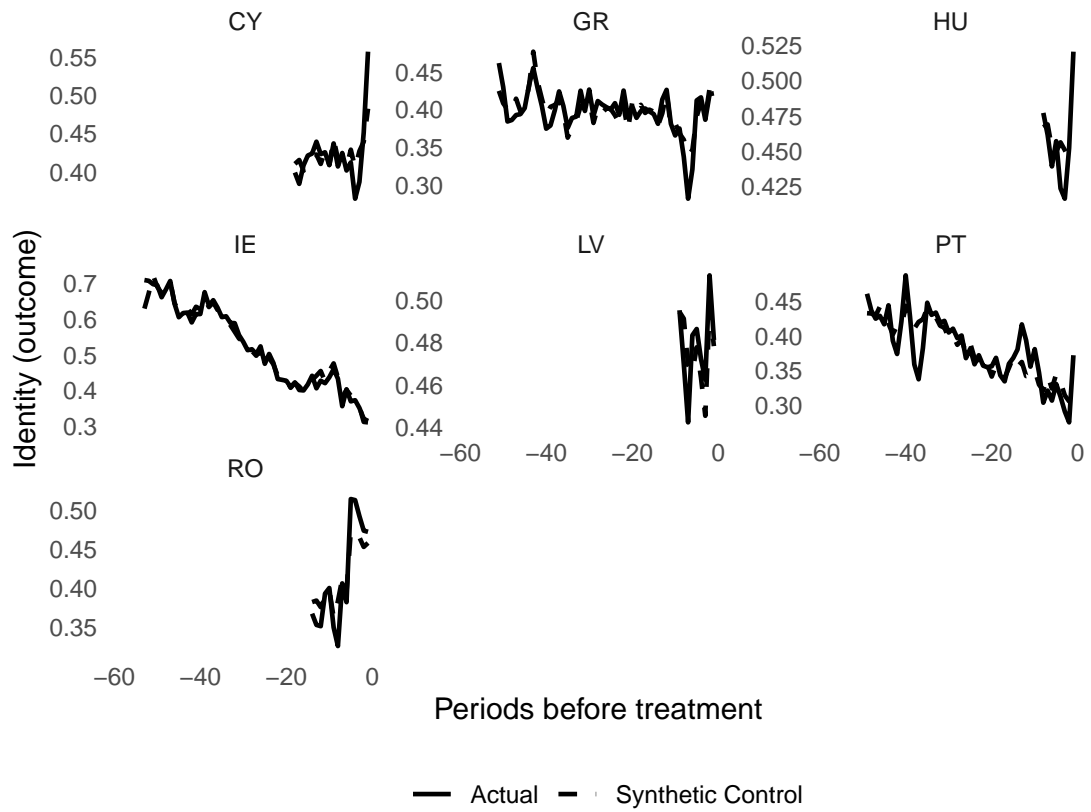


Figure A2: Test of parallel pre-treatment trends in full treatment group. Lines indicate country-level fit between actual treated values and predicted counterfactuals.

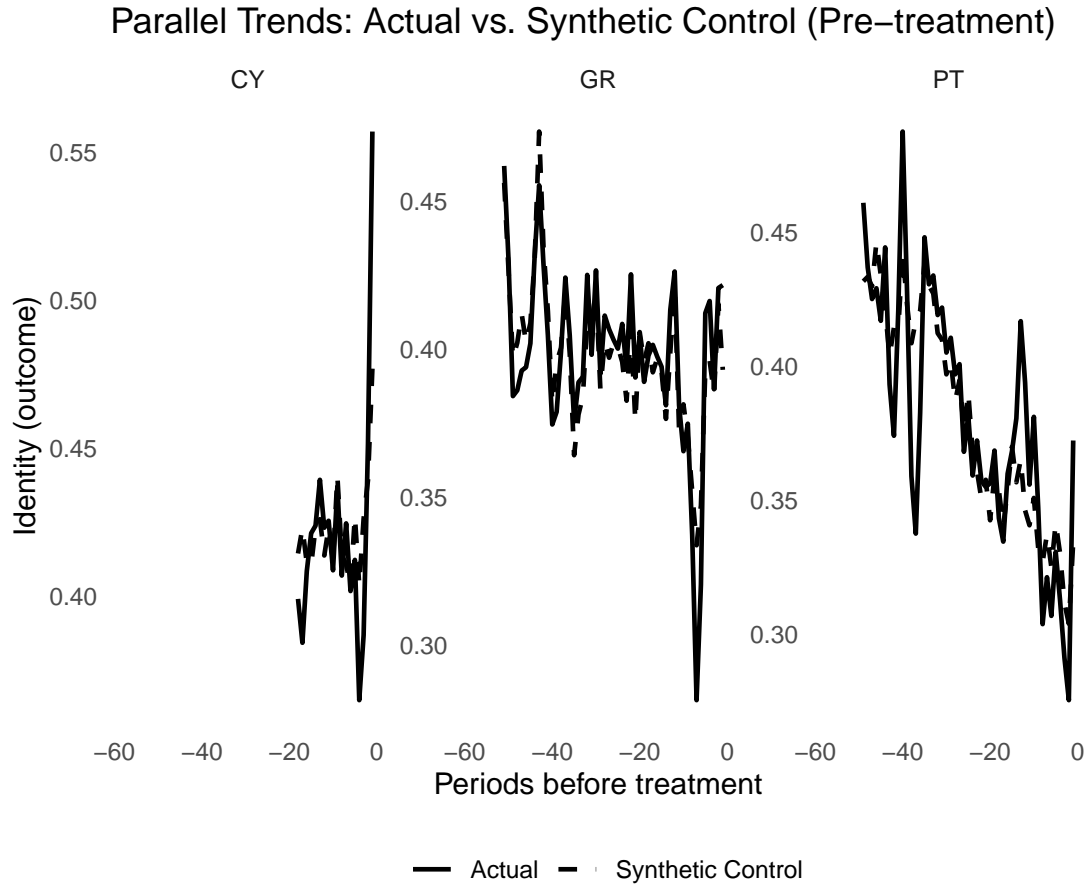


Figure A3: Test of parallel trends in Southern austerity countries. Lines indicate country-level fit between actual treated values and predicted counterfactuals.

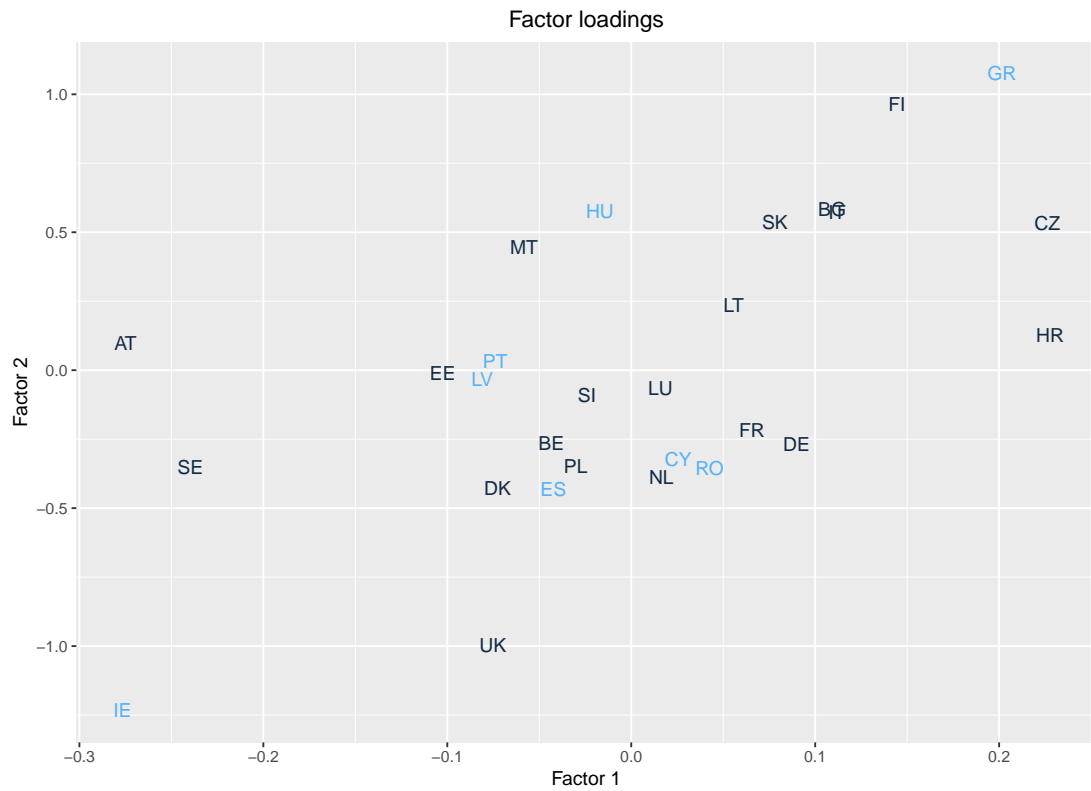


Figure A4: Factor loadings averaged across imputations. Blue country codes represent treated countries, while black represent control group countries.

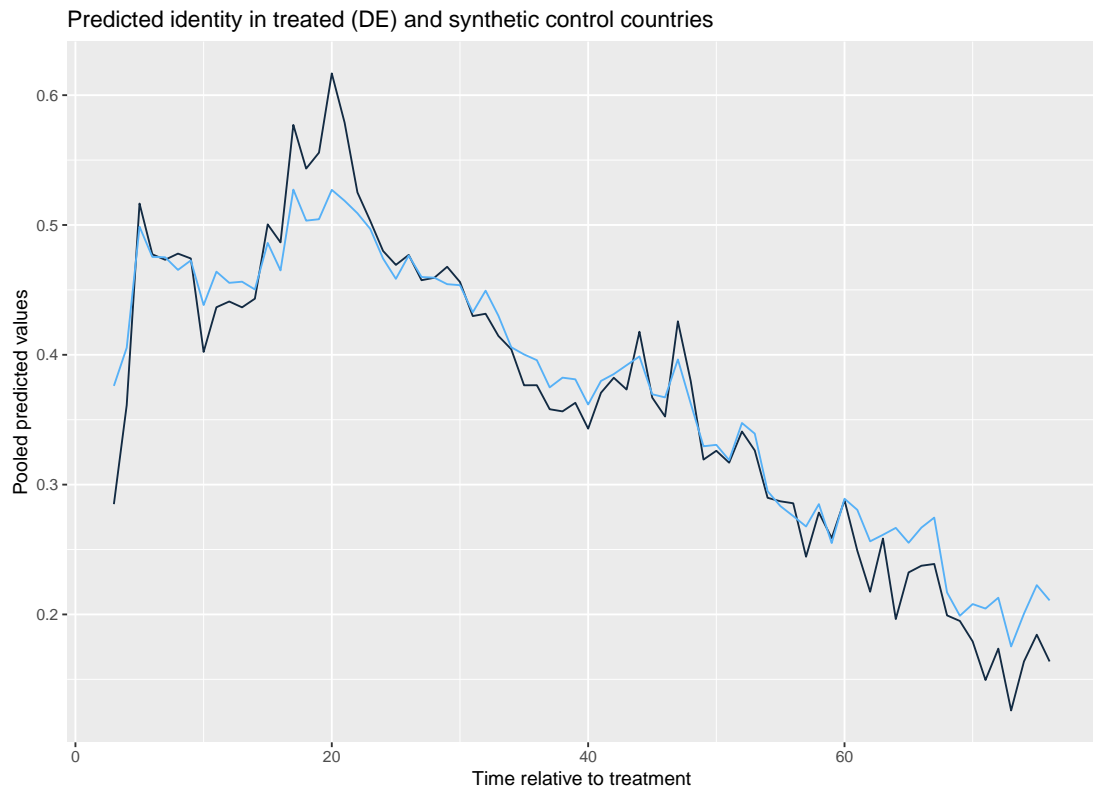


Figure A5: Test of parallel trends in Germany. Blue lines indicate predicted values of the counterfactual trajectory of the treatment group, black line indicate observed values of the treated countries.

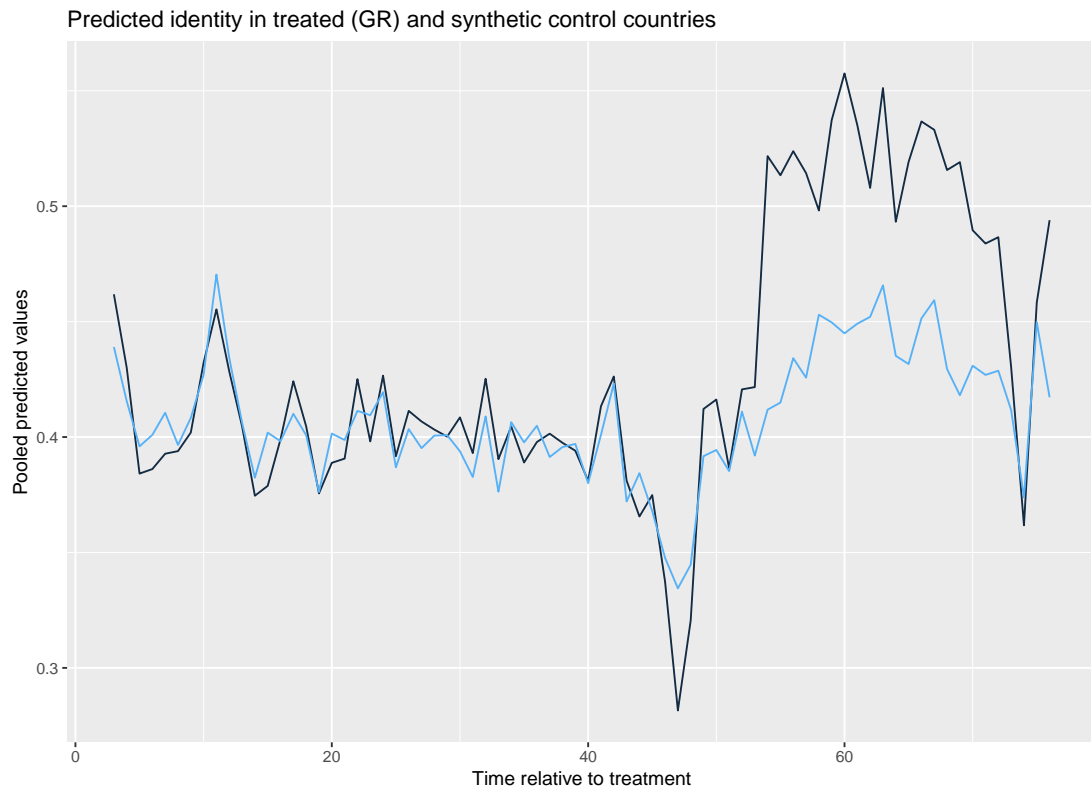


Figure A6: Test of parallel trends in Greece. Blue lines indicate predicted values of the counterfactual trajectory of the treatment group, black line indicate observed values of the treated countries.

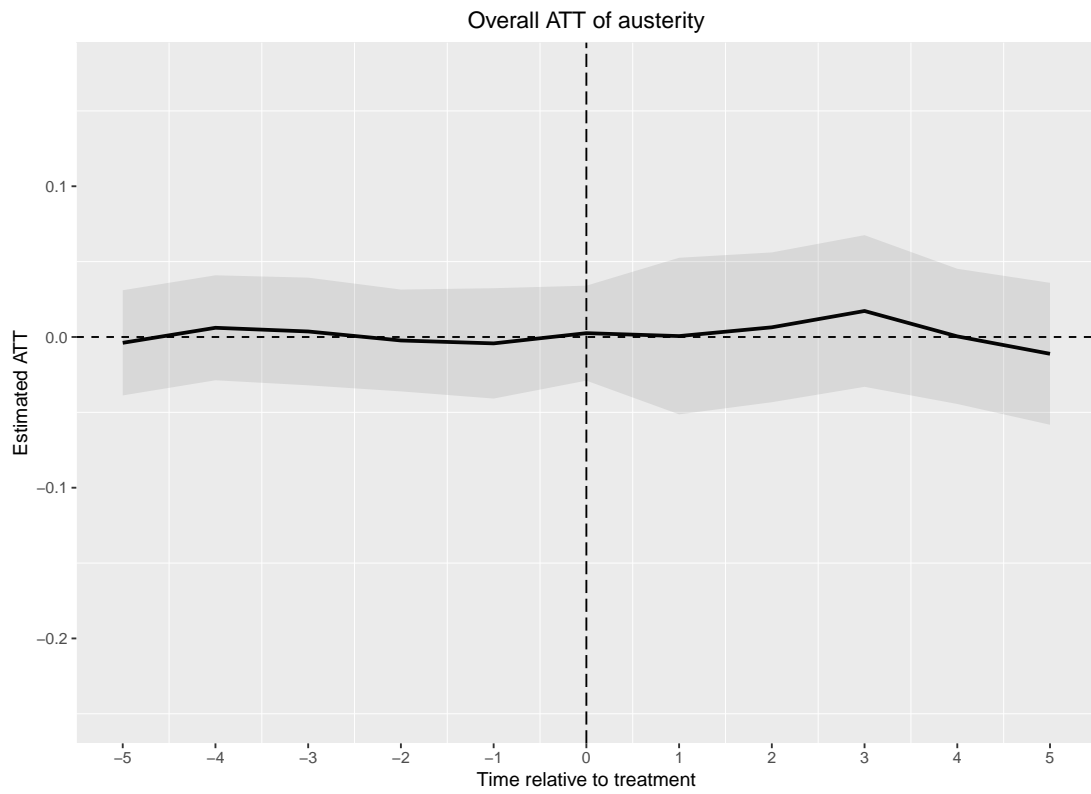


Figure A7: Period-specific ATTs of placebo test. $ATT = -0.01, 95\%CI = [-0.06; 0.03]$

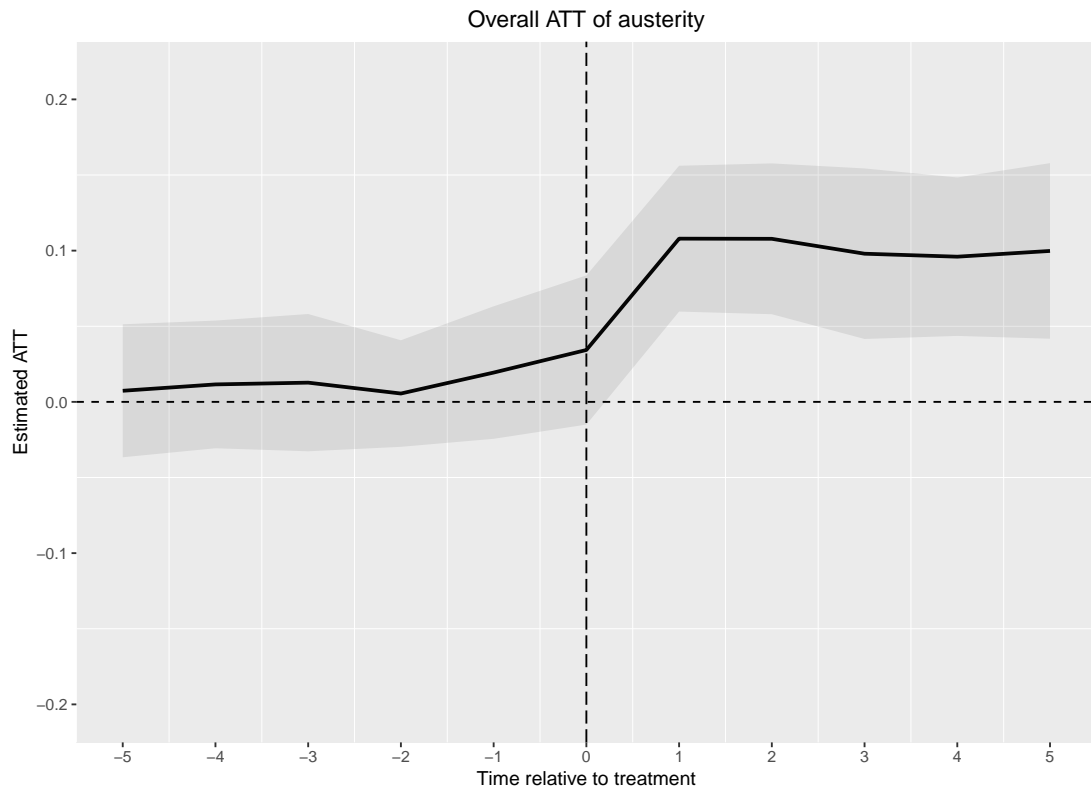


Figure A8: Period-specific ATTs of model including Italy as a treated country. $ATT = 0.07, 95\%CI = [0.02; 0.12]$