



Political Multiplier Effects of Austerity

Explaining the Contention in Different Arenas under the Great Recession

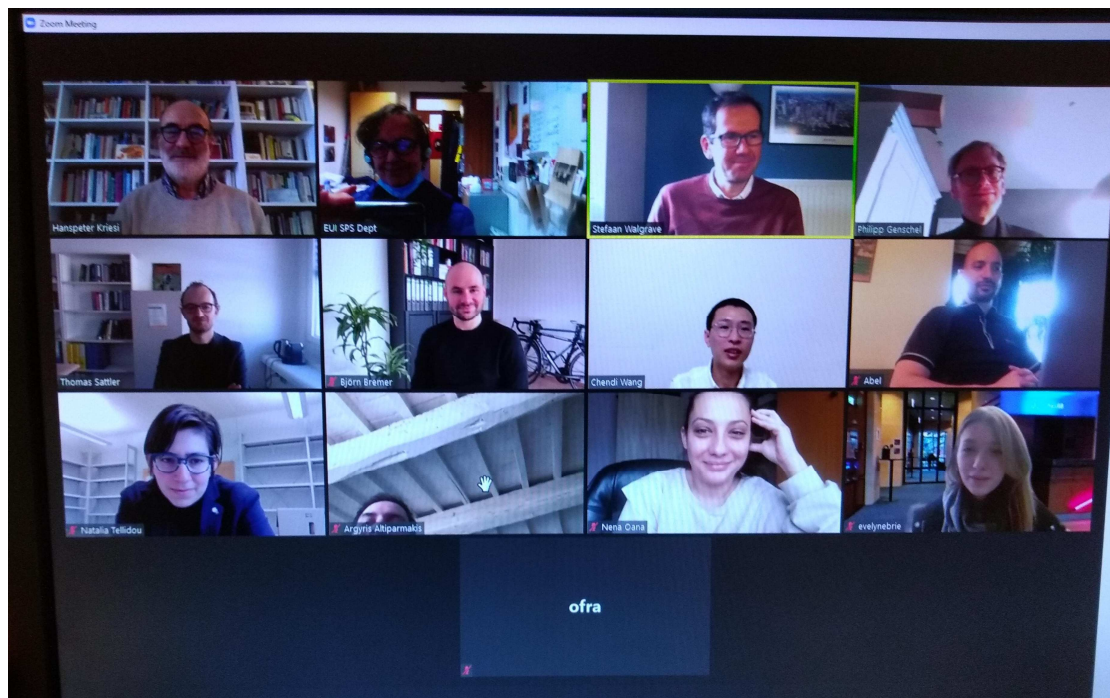
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Abstract

What are the political impacts of austerity policies? This dissertation sheds light on this question by offering five independent but interrelated empirical contributions that seek to understand and explain variegated societal and political resistance and consequences to austerity policies in the wake of the global financial crisis. The first account studies the impact of austerity policy announcements in the electoral arena. The results of time series analysis show that, on average, austerity packages hurt incumbent parties in opinion polls and secondly the magnitude of this electoral punishment is contingent on the economic and political context: in instances of rising unemployment, the involvement of external creditors, and high protest intensity, the cumulative impact of austerity on government popularity becomes considerable. The second study, focusing on the protest arena, demonstrates that austerity also drives people to the streets to voice their discontent. The findings of dynamic fixed-effects models demonstrate that people reacted more vehemently to earlier austerity policies while had gradually become disillusioned and no longer mobilised against later ones. Besides, the effect is larger when austerity is accompanied by rising objective and subjective economic grievances, the involvement of external actors, and a higher level of the previous mobilisation. To further understand the why austerity leads to protest, the third study explores the relationship between austerity and economic and political grievances, as well as the joint role of the two types of grievances for the determination of the mobilisation of protest. The fourth study links the consequences of fiscal austerity on electoral and protest politics. Relying on an original dataset containing data of protest event, electoral outcomes and detailed taxation and expenditure data in 30 European countries from 2000 to 2015, the study shows that citizens dislike large deficits and government debt, but they also resist austerity and punish the government, either at polls or in the streets or both, depending on the specific composition of austerity packages and the party colour of the incumbents. For the last study, I zoom in on the interactions between the governments and their challengers in reaction to austerity proposals by examining contentious episodes that have been unleashed by the governments' austerity proposals. The results of a panel vector autoregression analysis reveal that the relationship of contentious interactions

between actors and government popularity is not uni-directional but endogenous, and each plays a critical and interdependent role in the system in shaping the dynamics of the contentious policymaking process. In synthesis, the dissertation endeavours to investigate the political resistance against austerity in two important theoretical arenas. The central argument of this dissertation is that austerity does induce resistance from the citizens, both at polls and in the streets. Moreover, the magnitude of the political impact of austerity depends on other economic, social and political factors.



Jury: Prof. Dr. Hanspeter Kriesi, EUI (supervisor), Stefaan Walgrave (Univ. Antwerp), Philipp Genschel (EUI/RCS), Thomas Sattler (Univ. Geneva)

Bio

Chendi will begin a postdoctoral fellowship at the European University Institute (EUI) working on the ERC-funded SOLID project led by Prof. Hanspeter Kriesi. His broad research interests include comparative politics, political behaviour, political economy, and methodology. His broad research interests include comparative politics, political behaviour, political economy, and methodology. He examines both enduring topics, such as economic voting, social movement and public opinion, as well as new topics surfacing as a result of recent crises, e.g. the COVID-19 pandemic and the migrant crisis in Europe. His research incorporates a variety of methods, including quantitative analysis, survey experiment and formal modelling, to bring a well-rounded approach to the study of political questions. He is also interested in political methodology, trying to develop new quantitative techniques and improve current ones. He specialises in time series analysis, causal inference with observational data and computational social science. At the same time, he has been actively working on Bayesian statistics and machine learning techniques.