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The European Centre-Left and the Public Mood



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1. Introduction

In the twenty years and five European Parliamentary election cycles since 1994, the European centre-left has fallen from the high point of its political influence to what appears to be a permanent and relatively weak - both as compared to its own previous position and the centre-right - second position in European politics. Even as social democracy's place in the second spot at the European level is safe for now, centre-left forces have lost substantial electoral ground in virtually all European countries, falling into third place behind conservative and euro-sceptic forces in several EU countries. The reasons for the declining fortunes of social democratic politics are complex, and we have sought to explore some of the potential causes in Part II of our research series on the 2014 EP elections.¹

To complement our previous research, we have decided to also take a look at European public opinion and how it has evolved since the accession of the new member states in 2004, to determine how the trends in public perceptions relate to the underlying political dynamics at the European level. We have relied on data collected and published by Eurobarometer, the European Commission's service responsible for tracking public opinion, and have also used Eurostat's economic indicators to see how changes in public opinion may relate to, potentially even track the development of actual economic processes, trends and indicators.

2. Brief methodological overview

This is not meant to be a scientific treatise but a short sketch on the perceived relations between three trends: 1) public opinion as it is manifest in some key indicators; 2) economic trends as they are manifest in some key economic indicators (GDP growth, unemployment, Purchasing Power-adjusted GDP per capita as percentage the EU average); and 3) the electoral performance of social democratic parties, where it can be relevantly tied into the discussion. In addition to using aggregate data on public opinion as well as economic indicators for the entire EU, we have also taken a look at four countries separately, based on their respective developments along the criteria that we are interested in, namely economy, public mood and the performance of centre-left parties. The selection of the four countries (Germany, France, the Netherlands and Sweden) in whose cases we took our analysis to a deeper, national level was difficult, but not because the four ultimately selected were not obvious choices - it was because there were many interesting potential alternatives but we could not expand the selection to make sure that the paper itself would remain manageable. All four that we selected are of course primarily interesting because of how social

¹ Available for download on Policy Solution's website in Hungarian and English.



democratic parties fared in these countries over the past decade. Germany and France were included because traditionally these two major countries' left-wing parties are key players in Europe and have historically exerted a huge impact on European integration. They are also both in crisis, though the fact that they are in government is temporarily helping the public gloss over the fact these parties have been suffering many electoral defeats over the past 2-3 decades, and that even their victories are often achieved with weaker results than many of their past losses were. The Dutch social democrats are in a similar position, though in terms of its EP results, the PvdA is in even worse shape currently than her German and French sister parties. Among the four countries here selected, Sweden is the odd one out: Swedish social democracy may not be as healthy as it was in the 1970-1990s, but coming off a major election victory and solid electoral figures for a while now, in European comparison it is one of the few remaining heavy hitters among left of centre parties.

3. The European level - public opinion, democracy and the economy

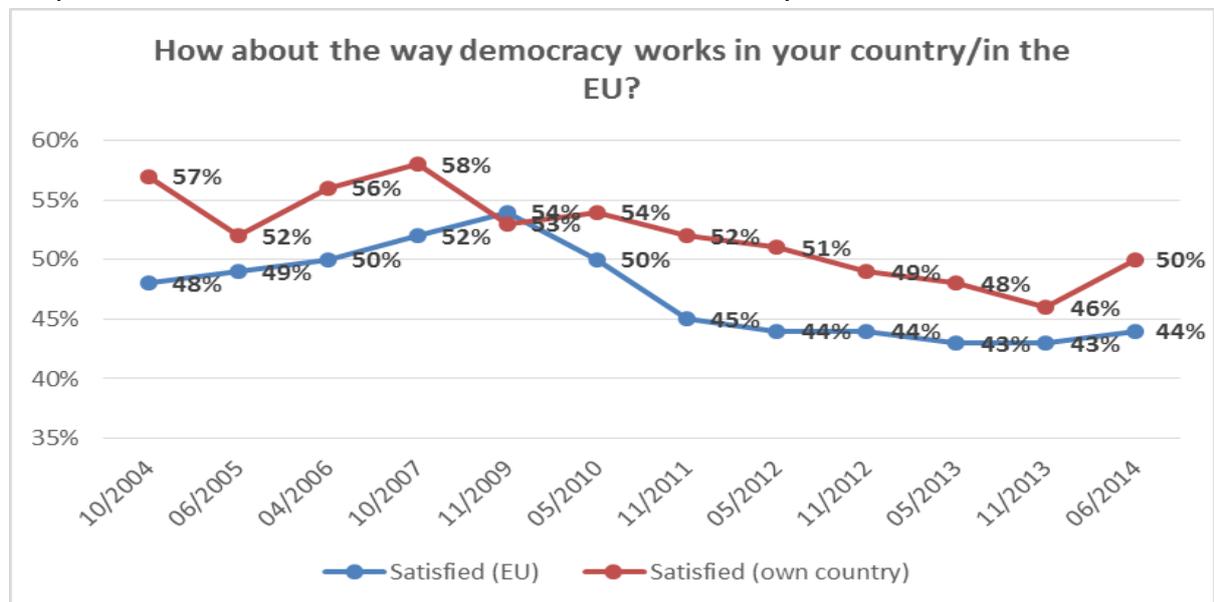
One interesting aspect in comparing public opinion and macro-economic trends - which converge significantly - on the one hand, and the political support for social democracy on the other, is that apart from the huge drop the left experienced between 1994-1999, the largest decline in support for social democracy came between 2004 and 2009, when the EU was by almost any measure doing quite excellently - at least until the final months of the EP term, when the consequences of the world economic crisis were beginning to be felt. What's more, while the 1994-1999 decline owed almost exclusively to the massive disillusionment of voters with the centre-left parties in the two largest member states, Germany and the United Kingdom, between 2004 and 2009 social democracy was taking a beating all across the continent, especially in the west half of the continent. With the exception of the Greek and Irish centre-left, which gained very slightly in the EP over 2004, all Western European social democratic countries dropped in popular favour in the 2009 EP election, often massively, with losses of 10% or more (in some cases approaching 20%) in Austria, Denmark, France, the Netherlands, Hungary, and Portugal. And the only reason why this did not result in a commensurately huge decline in the PES share of seats at the time was that the German SPD had hit rock bottom already earlier, in 2004, and in the UK Labour's support had also taken two huge hits already in 1999 and 2004 (even as it won both subsequent national elections).

In terms of its EP performance, viewed especially across the western segment of the Union, it seems social democracy fared worst when the EU was doing best, though we will qualify this statement later. After the EU began its recovery from the 2000/2001 recession - or re-entered the path of the coming bubble, if you prefer - and began growing relatively robustly



by today's standards (between 2004 to 2007, aggregate growth in the EU ranged from 2.2% to 3.4%), measures of popular satisfaction surged commensurately in a number of areas. Satisfaction with the state of democracy in the EU peaked at 54% in 2009 (very satisfied and fairly satisfied combined), satisfaction with EU membership peaked at 58% in 2007, economic optimism (expectations for the coming year) peaked at 28% in 2007, while pessimism - which had been very high for years - hit a low of 26%. Enthusiasm for the common market also reached a high of 64% (2008), personal expectations were near their highest level at 40% (2008), and the economy was considered the most important issue by a mere 17-20% (2007-2008) of respondents, following an ongoing decline for years.

Graph I: Satisfaction with the state of EU and national democracy



As far as the economy is concerned, not since 1994 had the number of optimists exceeded the number of pessimists, but the difference compared to that time was that back then social democracy was thriving - though also mostly in opposition at that point in time - in popular opinion and captured control of most EU government within a decade. Though in 2009 social democrats were much better positioned in terms of governmental control than in 1994 - in Western Europe, they led the governments in Spain, Austria, the UK, Greece, Portugal, and they were minority partners in coalition governments in Germany, the Netherlands, Luxembourg and Belgium, and among the new member states they governed in Hungary, Bulgaria, Slovenia and Slovakia, as well as in Romania as minority partners - but they were often very unpopular and on their way out of power in most of these countries.

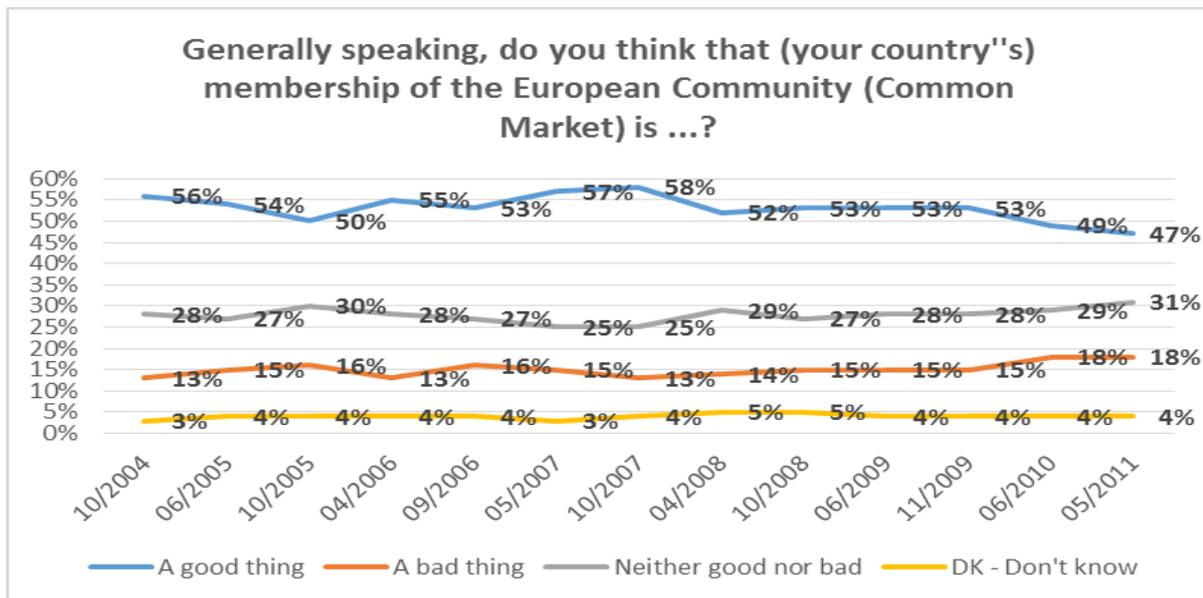
There are several difficulties here that encumber the interpretation of the data. First, the actual EP election was in June 2009, and however buoyant the public mood had been in the



years leading up to then, by this time the realisation of the crisis had mostly struck the public, too. Thus while it is true that even though Europe was experiencing a high period between 2004-2007/early 2008, at the time when the European election was actually held in 2009, it must have dawned on many citizens that the world had become an entirely different place, which was the start of a very negative turn in all of the indicators outlined above.

What is striking in any case is that social democracy went from a bad place in 2004 to a worse place in 2009 and beyond: Citizens' shifting views on the outlook of the economy, democracy overall and their individual fortunes certainly had no positive impact on the assessment of social democrats' ability to handle problems. In how far social democracy was entangled in a negative spiral even without the crisis, and how far the crisis exacerbated negative perceptions of social democracy in particular, is difficult to assess. It is certainly true that already in 2009 there were trends showing that mainstream politics as such was suffering, except social democracy was hit worst. But apart from the far-right, every single EP group came out losing from the 2009 election, including even the far-left. The fact that social democratic governments were soon ousted in most countries where they were still in power in 2009 confirms that the public did not regard social democracy as a potential avenue for remedying the ills of the economic crisis.

Graph 2: Satisfaction with EU membership



Though it is impossible to clearly separate the impact of the crisis on traditional parties from the success or lack thereof of social democratic parties viewed separately throughout this period, it may be instructive to also look at how social democratic parties seeking re-election fared during the boom years of 2006-2008 (before the crisis struck or was fully appreciated towards the end of that year), when most European economies were on the roll



and the public mood was increasingly buoyant. Seven centre-left led governments sought re-election during this time, and of these four won. The Hungarian (election in 2006) and Spanish (2008) governing parties both did very slightly (about 1% in both cases) better than in the previous elections, and both won easy majorities. The SPÖ in Austria (2008) and the PS in Portugal (2007) lost significantly (-6% for the SPÖ and -8.5% for the PS) and both fell far from a majority but managed to retain leadership of the government nevertheless. Though the latter two are technically victories, in many settings they would have constituted serious defeats. The situation was the reverse for the Czech social democrats, who managed to slightly improve their result in 2006 but nevertheless fell out of power because the conservative ODS surged more significantly and became the leading party. The Swedish social democrats' defeat in 2006 was more clear-cut, however, with the governing social democrats losing 3.9% as compared to their 2002 results, and the right clinching a clear majority. Arguably, however, this was largely independent of general perceptions, as most Eurobarometer numbers show that Swedes were relatively satisfied with their lot at the time, though not exuberantly so. The Swedish results may also have stemmed to some degree at least from a social democracy fatigue after 12 years of uninterrupted centre-left governance. Finally, in Lithuania the centre-left government fell most spectacularly, from the 49% that its two parties had won in 2004 to a mere 21% they managed to win in 2008 - but given the late date (12-26 October) of the election, it is unclear whether and in how far the crisis impacted that ballot.

Overall, the sample is too small to draw large conclusions and the record is mixed. We know that regardless of ideological affiliation, incumbent governments were more popular before the crisis than in the subsequent period. It is also clear that by and large social democratic parties did better in pre-crisis elections than subsequently, and the 2009 EP election was a significant low point for many. Nevertheless, though the European economies were doing rather well, social democratic governments did not perform extraordinarily well, at best improving their previous results by 1-2%.

Why were citizens sceptical of social democrats' ability to handle the crisis when many of social democratic ideas, especially the need for state regulation of financial markets and a stronger welfare net, seemed to mesh with the consensus that emerged in the post-crisis period? One reason may be that though rhetorically speaking social democrats often spoke with keen insights about the crisis and its causes, the actual economic fall came on the heels of the most social democratic period in Europe since the 70s. Starting with Labour's victory in the UK, from the Italian Olive Tree's victory in 1996, the French PS's victory in 1997 and the German SPD's victory in 1998, etc., a wave of left-wing victories followed, leading to a decade or so in European that was heavily dominated by left-wing politics. That the economic policies adopted during this period - which were mostly consensual between centre-left and centre-right - were at the very least contributing factors in the development of the crisis was beyond dispute. Though theoretically the left-wing attitude towards unfettered markets may have been more realistic than the right-wing's enthusiasm for



removing limitations on the operation of markets, in practice the differences were often marginal. The entire political elite was caught up in the boon that the bubble provided.

From the left, the left-wing critiques of governmental policies at the time complained that government did not move towards a better regulation of the fatal financial instruments and were pushing for trade liberalisation and economic interdependence too quickly, even as they trimmed welfare to improve competitiveness (or rebuilt only too slightly, too cautiously and too slowly after the damage of the Thatcher years, as the charge went in the UK, for example). What they should have done instead was to prepare welfare systems for handling greater workloads, especially since it was apparent that even the otherwise successful economic policies with their robust growth rates often resulted in an expanding precariat.

There was also criticism from the right, arguing that pre-crisis governments failed to consolidate their budgets and their public debts and to liberalise labour markets. And at least in some cases - Hungary among them - the level of public debts was clearly a major exacerbating factor in the crisis. Just as left-wing critiques frequently targeted left-wing governments, right-wing criticisms about unhealthy budget deficits and spiralling public debt often applied to right-wing government as well. In most cases neither criticism appeared to be party-specific but rather national culture or regionally specific.

In any case, social democratic governments, which we discussed previously, might obviously be in trouble when the mood sours - as would any government. And while the Eurobarometer surveys largely showed a decline in many indicators of public mood, in several instances respondents reacted only gradually to the crisis, maybe only once its long-term effects became apparent. The one exception were overall economic expectations, which 51% still had viewed optimistically in 2008 but by 2009, when the EP election was held, this number had plummeted to 34%. So even though the other indicators - that is non-economic figures and a variety of questions involving personal welfare - did not move strongly in a negative direction, there was obviously a rise in public apprehension. This could explain why ruling parties - not only social democratic ones - were hit especially hard by the 2009 EP ballot, but it does not explain why social democracy in opposition did not benefit at all. The Danish and French centre-left opposition parties, for example, were among the hardest hit in the 2009 EP election, even though they had both been in opposition long enough at that time to render any suggestion that they bore responsibility for the crisis irrational.



Table I: Economic and life expectations for the year to come

Expectations for the year to come									
The economic situation in (our country)					Your life in general				
Date	Better	Worse	Same	DK - Don't know	Date	Better	Worse	Same	DK - Don't know
10/2004	18%	43%	33%	6%	10/2004	35%	13%	50%	3%
06/2005	19%	37%	38%	6%	06/2005	34%	11%	51%	3%
10/2005	19%	39%	37%	5%	10/2005	35%	13%	49%	3%
04/2006	21%	35%	38%	5%	04/2006	35%	12%	51%	3%
09/2006	20%	35%	40%	5%	09/2006	34%	12%	51%	3%
05/2007	28%	27%	38%	7%	05/2007	37%	11%	49%	3%
10/2007	24%	26%	44%	6%	10/2007	30%	13%	54%	3%
04/2008	16%	46%	33%	5%	04/2008	32%	16%	49%	3%
10/2008	15%	51%	29%	5%	10/2008	24%	22%	51%	3%
06/2009	25%	34%	36%	5%	06/2009	27%	14%	56%	3%
11/2009	28%	31%	37%	4%	11/2009	26%	15%	56%	3%
06/2010	24%	36%	35%	5%	06/2010	24%	18%	55%	3%
11/2010	24%	31%	41%	4%	11/2010	26%	15%	56%	3%
05/2011	23%	28%	44%	5%	05/2011	26%	14%	57%	3%
11/2011	16%	44%	36%	4%	11/2011	21%	20%	56%	3%
05/2012	19%	37%	40%	4%	05/2012	23%	17%	56%	4%
11/2012	17%	40%	39%	4%	11/2012	22%	19%	56%	3%
05/2013	18%	34%	44%	4%	05/2013	23%	16%	58%	3%
11/2013	21%	30%	45%	4%	11/2013	25%	15%	57%	3%
06/2014	24%	23%	47%	6%	06/2014	27%	10%	59%	4%



While we cannot draw any firm conclusions with regard to the impact of the crisis on the 2009 EP election - and must contend that potentially there were significant regional variations in the perception and impact of the crisis at that time - some minimalistic conclusions are possible. Firstly, social democracy did not enter the period of the crisis with a persuasive narrative on how it is best able to handle such economic emergencies, and, based on its ongoing weak electoral performance, it still does not have one. Second, where social democrats had the chance to convince the public of their abilities to prevent such crises from exerting a deep impact, or at least of their ability to mitigate the impact of a crisis, they mostly failed to do so. On a very cynical level one might have said that a crisis starting from American financial markets and then going viral globally, destroying vast assets everywhere, would have been the proverbial crisis that one (read: social democracy) should never allow to go to waste. Social democrats could not be accused of having successfully exploited the crisis politically. Yet it is debatable whether that's a good thing, because to a large extent it meant that they had no persuasive alternative model to the one that failed in 2008.

In contrast with 2009, the centre-left's results in 2014 were more disappointing than catastrophic, though it is key to point out that these results were set against the backdrop of a series of defeats and especially the dismal year of 2009, so the failure to significantly improve over that baseline was arguably a more massive failure than it first might have seemed. What made the May 2014 election most remarkable, however, was the vast surge euro-sceptic parties, especially on the right. And in light of recent survey numbers that is more remarkable, since on the whole concerns over the economy and life in general - traditionally a major factor fuelling euro-sceptic and far-right parties - have recently mellowed somewhat.

Across the Union, that is true by any measure. The percentage of those who think the economy is going to do worse next year (23%) is at its lowest point since 1994, which is quite stunning given the rather bad shape of Europe on the whole. Similarly, those who are pessimistic about life expectations in general have never been so few since 2001 (10%), and the proportion of those who consider the economy their top concern is also dropping continuously (from a peak of 46% in 2011 to 29% currently). Tellingly, however, concerns about unemployment - an anxiety that is also traditionally a feeding ground for experimenting with extremism -, are far less relaxed and at 48% only very slightly below the peak value of 51% last year (and still almost twice as high as the pre-crisis low of 26% in 2008). One might speculate that much of this relaxation stems from Germany's weight on the overall sample (see below for further details), but at the same time in several individual countries a similar, though less pronounced, process is taking place and - more importantly - a "German effect" is not apparent in aggregate attitudes towards unemployment, even though Germans have also become remarkably relaxed about unemployment. Moreover, though at relatively far higher levels than in Germany, there is also a declining concern about the economy in several other countries as well.



Table 2: The two important issues in the EU and Germany

What do you think are the two most important issues facing (our country) at the moment? (a maximum of two answers possible)							
EU				Germany			
Date	Economic situation	Crime	Unemployment	Date	Economic situation	Crime	Unemployment
10/2004	27%	24%	46%	10/2004	42%	18%	75%
06/2005	27%	23%	50%	06/2005	42%	14%	81%
10/2005	26%	24%	44%	10/2005	43%	11%	74%
04/2006	23%	24%	49%	04/2006	27%	12%	78%
09/2006	23%	23%	40%	09/2006	29%	13%	70%
05/2007	20%	24%	34%	05/2007	15%	16%	58%
10/2007	17%	24%	27%	10/2007	14%	15%	44%
04/2008	20%	20%	24%	04/2008	14%	16%	35%
10/2008	37%	17%	26%	10/2008	34%	11%	24%
06/2009	42%	16%	49%	06/2009	49%	9%	53%
11/2009	40%	19%	51%	11/2009	46%	13%	58%
06/2010	40%	16%	48%	06/2010	41%	10%	41%
11/2010	36%	15%	46%	11/2010	19%	12%	30%
05/2011	33%	14%	42%	05/2011	14%	12%	20%
11/2011	46%	11%	45%	11/2011	27%	14%	18%
05/2012	35%	11%	46%	05/2012	16%	13%	17%
11/2012	37%	11%	48%	11/2012	22%	12%	22%
05/2013	33%	12%	51%	05/2013	15%	15%	21%
11/2013	33%	11%	49%	11/2013	13%	12%	20%
06/2014	29%	12%	48%	06/2014	11%	15%	16%

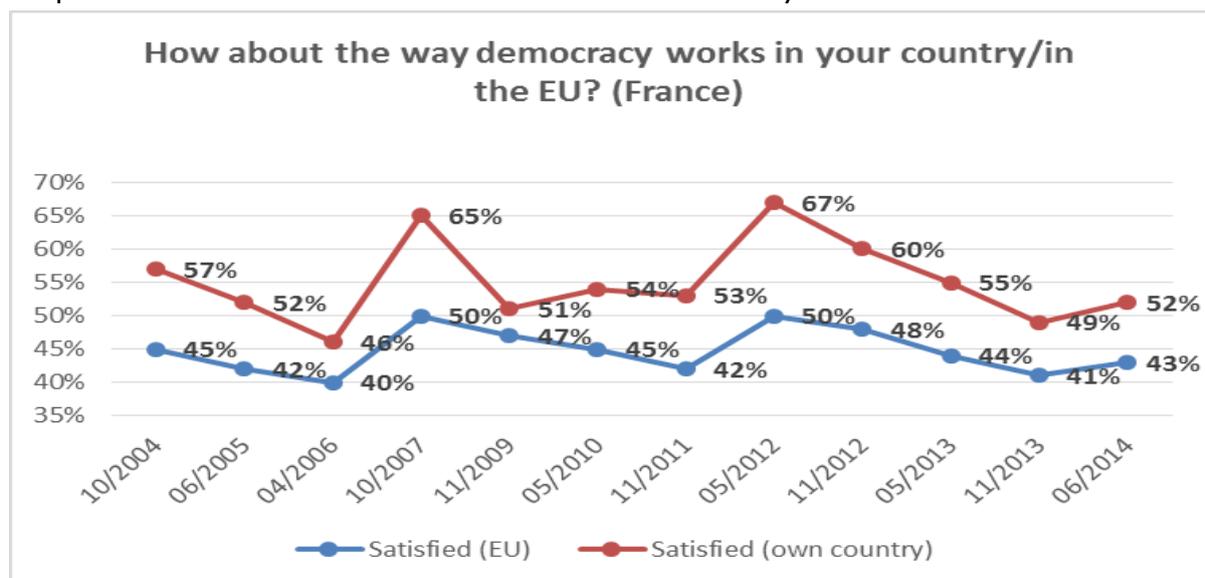


In any case, this has clearly had little obvious impact on the breakthrough achieved by euro-sceptic parties. The explanations are probably complex, but it is more than likely that the political impact of years of rising fears and frustration are not going to be quickly alleviated (good moods probably don't carry over so well after a hiatus), especially since for the most part pessimism has not made way for optimism but for a cautious neutrality. Moreover, in national elections the euro-sceptic far-right has been heaping success upon success for the past few years, which has created a spiral of its own. Even if this trend were to wind down in the coming years, which is a distinct possibility, especially if the European economy were to pick up, it will be a process and not a sudden shift. In other words a few "sunny" seasons of cautiously declining economic concerns will not a whole summer make. In the next section, we will go into slightly more detail about national trends.

4. Some national trends in Germany, France, Holland and Sweden

It is worth also exploring how the indicators that we looked at shaped up in the individual member states for which we collected separate data. In France, satisfaction with the state of EU democracy remained relatively stable even in view of the crisis, ranging from 47% in 2009 (very satisfied and fairly satisfied combined) to 43% in 2013. Satisfaction with internal democracy, however, has fluctuated wildly, from a high of 58% in 2007 to a low of 47% in 2011, jumping back to a high of 61% in 2012 and declining ever since.

Graph 3: Satisfaction with the state of EU and national democracy in France





What may be said of the other countries is that the gap in favour of national democracies is greater than in France, but, generally speaking, the movement of these preferences were aligned over time, that is when one went down so did the other, and the same was largely true for upticks. In none of the countries did the reputation of democracy suffer significantly over this period - though there were some mild downs - but in Germany and the Netherlands 2014 marked a recent high after a longer positive trend.

The four countries compared – a brief overview

Germany

After years of stagnation, the German economy had just started to grow robustly (3.7% in 2006 and 3.3% in 2007) before the crisis. Due to the onset of the crisis, it lost 5.1% of its economic output in 2009 - the highest percentage in any single year among the four countries compared. It has been rapidly growing ever since, however. Importantly, unemployment, which had been the defining political problem in Germany for a decade and a half, with both conservative and social democratic government making its reduction a central pledge, declined drastically over the past years. Even the crisis did not exert a hugely deleterious effect on unemployment figures: After a peak of 11.3% in 2005, unemployment in Germany started to fall rapidly and almost continuously until now, with 2013 ending at 5.3%. The crisis marked the only brief interruption in this trend, when the share of those who sought jobs rose marginally from 7.5% in 2008 to 7.8% in 2009 (this impact is slightly greater than it seems if one reasonably assumes that without the crisis there would have been a significant drop in unemployment that year). An interesting figure for Germany is the comparison of purchasing power adjusted GDP per capita figures compared to the EU average (=100). With a value of ~115-116%, Germany was above average but stagnating for a long time. The recent boom in Germany has catapulted the country among the wealthiest nations, and its per capita figures (124% of the EU average in 2013) are almost equal to Holland's and Sweden's (both at 127% in 2013).



Sweden

Sweden's economic trajectory was very average before and during the crisis. The Swedish economy was growing robustly before 2008, peaking at 4.3% in 2006 and still producing an additional 3.3% in 2007. Unemployment – slightly below the EU average throughout – fell from a peak of 7.7% in 2005 to a low of 6.1-6.2% in 2007 and 2008. The solid years were followed by a slight decline in 2008, with output dropping by 0.6% that year and then a massive fall of -5% in 2009. Though the Swedish economy recouped its previous losses very impressively with a 6.6% growth in 2010 and added another 2.9% in 2011, since then growth has been paltry and unemployment, too, is stuck at the fairly high level of 8%. As compared to the EU average, the Swedish economy has fluctuated a fair amount, falling from a high of 127% in 2004 to a low of 120% in 2009, but it had regained its previous relative position of 127% in 2013.

The Netherlands

In line with the general trend, the Dutch economy was peaking just before the crisis after years of low-growth, producing impressive 3.4% and 3.9% growth rates in 2006 and 2007, respectively. The initial impact of the crisis was milder than in many other economies, with a reduced growth of 1.8% in 2008 and a negative growth of -3.7% in 2009. Unlike Germany and Sweden, however, the Netherlands has not experienced any rebound effect, the economy stagnated at near 1% growth rates initially and fell back into the negative range again in 2012 (-1.2%) and 2013 (-0.8%). This has had an unfavourable impact on unemployment as well: It had first dropped to a low of only 3.1% in 2008 (from a pre-crisis “high” of 5.3% in 2005) and has grown slowly but steadily ever since, to 6.7% last year, a very high number by Dutch standards. As compared to the EU average in purchasing power adjusted GDP per capita, the Netherlands is the richest of the four countries compared here, but it has suffered as a result of the crisis, starting out at a value of 129% in 2004, peaking at 132% in 2009 and declining since to 127% in 2013.



France

France has been stagnating for well over a decade now, and even before the crisis its growth rates were rather paltry by European average standards at the time. There was no year when French growth exceeded the European average, not even at its peak when it attained growth rates of 2.5% (2004 and 2006). At the same time, among the four countries compared France suffered the slightest GDP setback as a result of the 2008/2009 crisis (-0.1% in 2008 and -3.1% in 2009). Just as most recently in Sweden and throughout the entire time in Holland, recovery in France has been lackadaisical, with growth rates between 1.7-2% in the first two post-crisis years and total stagnation (0-0.2% growth in 2012-2013) since then. Unemployment fell from a high of 8.9% in 2004 and 2005 to 7.5% (2008) just before the crisis, and has been rising continuously ever since to a new peak of 10.3% in (2013). In terms of its relative position as compared to the rest of the EU, France is stagnating rather than deteriorating, producing 110% of the EU average per capita (purchasing power adjusted) in 2004, and 108% of the EU mean in 2013.

Table 3: Real GDP growth rate

Real GDP growth rate - volume (percentage change on previous year)										
Country/Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EU (28 countries)	2.6	2.2	3.4	3.2	0.4	-4.5	2	1.6	-0.4	0.1
Germany	1.2	0.7	3.7	3.3	1.1	-5.1	4	3.3	0.7	0.4
France	2.5	1.8	2.5	2.3	-0.1	-3.1	1.7	2	0	0.2
Netherlands	2.2	2	3.4	3.9	1.8	-3.7	1.5	0.9	-1.2	-0.8
Sweden	4.2	3.2	4.3	3.3	-0.6	-5	6.6	2.9	0.9	1.6



Table 4: Unemployment rate

Unemployment rate (annual average, %)										
Country/Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EU	9.2	9.1	8.2	7.2	7.0	9.0	9.6	9.6	10.4	10.8
Germany	10.5	11.3	10.3	8.7	7.5	7.8	7.1	5.9	5.5	5.3
France	8.9	8.9	8.8	8.0	7.4	9.1	9.3	9.2	9.8	10.3
Netherlands	5.1	5.3	4.4	3.6	3.1	3.7	4.5	4.4	5.3	6.7
Sweden	7.4	7.7	7.1	6.1	6.2	8.3	8.6	7.8	8.0	8.0

At the same time all of the four countries posted a rise in the popularity of the euro-sceptic far-right - and in some cases far left - parties in or by 2014, which leaves us with the question of why we don't observe a commensurate rise in the number of respondents who are critical of the EU or of their own democracies. To add to the mystery further - and let us admit in advance that we will not be able to resolve this mystery, but only present it in further complexity - all of these countries with the understandable exception of France have seen substantial declines in the number of citizens who consider the economy or unemployment as the main issue for their countries. With only 11% mentioning the economy as among their key concerns, voters in Germany are most relaxed, which of course reflects the widespread perception that Germany is undergoing a minor economic miracle of sorts. This is especially impressive given that Europe on the whole continues to be in a slump, and it is rare for a major country to avoid being caught up in widespread regional economic malaise and to even expand significantly in the midst of it. Unemployment, which has been the bane of German politics for nearly two decades, has stunningly disappeared from voters' horizon: While as late as 2005 81% of Germans were concerned by unemployment - almost twice as many as with the economy in general (42%), which was also a comparatively high figure - now only 16% mention it among the most important issues.

What is interesting about German public opinion is that the decreased concern about the economy and unemployment has not at all translated into a huge burst of optimism, that is the ratio of respondents who believe things will be better economically next year has been low for years and remains not only below the pre-crisis peak (41%), but at 12% currently also far below the first post-crisis bout of optimism (34% in 2010). At the same time, the lack of optimism in Germany does not translate into widespread despair; the ratio of those who are afraid the next year will be worse (57% at the onset of the crisis in 2008 and 39% during the post-crisis peak in 2011) is also dropping quickly, to 14% in 2011. So for a while now, Germans overwhelmingly feel that things are roughly going to be the same - 69% this June, the highest in a decade. Given Germany's strong position right now, an expectation of "more of the same" is of course a very different assessment than the same position in

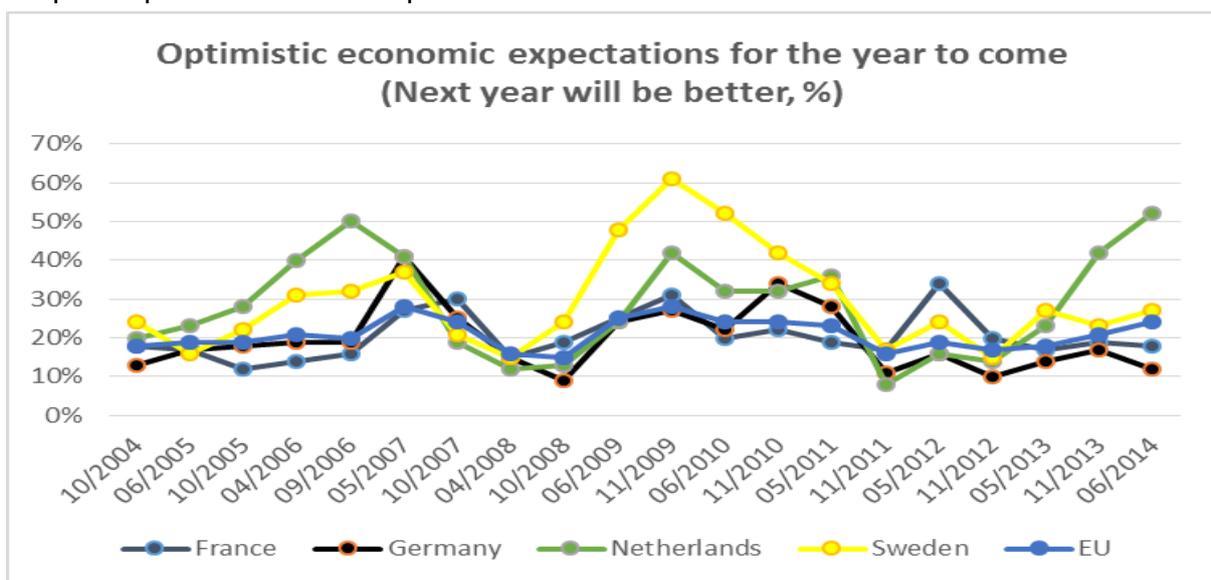


stagnating France, for example. Thus in the German context the record lows in the numbers of those who think of the economy and unemployment as the main priorities in terms of their concerns is more indicative of the prevailing - arguably optimistic - consensus than those who specifically expect "even better" outcomes for the next year.

While Germany stands out with its relaxed attitude, the most recent figures for the Netherlands are also optimistic. At the high point of Dutch pessimism, in 2011, the ratio of economic optimists (expecting improvement over the next year) in the EU overall was twice as high (16%) as among the Dutch (8%). Within three years, by June 2014, the figures had risen radically to 52%, well over the 24% overall European figure. While it is true that Dutch economy is finally crawling out of the recession of the past few years with two positive quarters this year, the growth, such as it is, is still paltry enough to make such a widespread optimism surprising, though it may well be that a more robust growth is already felt on the ground, or that after prolonged stagnation, any feeling of a rebound is liable to incite good feelings in the public.

For the Swedes - who professed a substantial and improved assessment of their democracy, the economic optimism indicators were far less satisfactory. Though the "optimism" indicator has recovered somewhat from its post-crisis low of 15% in 2012 - which was also tied for the lowest point in the past decade - Swedes are still not very bullish about their economic prospects. As pointed out above, the Swedes had a somewhat odd trajectory coming out of the crisis. First came a very quick and massive rebound in 2012 which was accompanied by the decade's highest levels of economic optimism (61% at the end of 2009 and 52% in 2010) that far exceeded the highest pre-crisis levels (37% in 2007). But this was followed by a slump which is now also reflected in the abysmal optimism indicators.

Graph 4: Optimistic economic expectations





French economic mood is sour, was sour and is likely to remain so, which is unfortunately also a proper reflection of the country's enduring economic malaise as outlined above. The optimists in the French public peak at levels of around 30% every few years (30% in 2007, 31% in 2009, 34% in 2012) but in most years they tend to number under 20%. Importantly, France saw very little of the pre-crisis optimism that prevailed in much of Europe - though as we pointed out she saw also less of the crisis's downside.

What has been characteristic of all the countries analysed here - and for the average of the EU as well - except the Netherlands is that both optimism *and* pessimism have been trending downward, with people expecting more of the same. As we discussed in the context of Germany, depending on the economic context "neutral" expectations can have very different meanings. One man's neutral can be another man's pessimist, and vice versa. But in any case, just as the European mood is definitely not optimistic (24% expect better things next year), it is also not pessimistic (23% expect things to become worse). The share of respondents who expect the same next year as this year stands at the highest level in a decade in the Union overall, and the same is true for France and Germany. In Sweden this indicator is just coming off its peak last year but remains fairly high. Incidentally, while some nuances differ, the very same trends apply to "life expectations" in general, but that is hardly surprising, for these tend to significantly correlate with economics.

Unfortunately, the survey data reveal little about why social democracy is doing comparatively well in Sweden and badly in the three other countries under investigation. It appears likely that as an opposition party, Swedish social democrats benefitted from the weak economic performance and some fatigue with the long-time prime minister, the centre-right Fredrik Reinfeldt. Similarly, the French PS had previously benefitted from similar concerns about the conservatives there - but in the middle of the term the centre-left PS is also suffering from an inability to take the notoriously dragging French economy to a better place. In the Netherlands the gap between EP and national elections is high, since the PvdA did reasonably well in the national election in 2012 but tanked spectacularly in the EP election of 2009 and even worse in May 2014. In 2009 and 2014 the PvdA was in government, and in 2012 it was in opposition - that may well be a contributing cause to its weak results in the EP elections. Finally, in Germany social democracy has still not recovered from the split in the left that the Schröder government's policies caused in the early 2000s, but at least the past few years have seen a slight uptick in the SPD's standing, and for the first time since 1994 the social democrats have actually gained in strength in an EP election, and they did so quite significantly, with a plus of 6.5% since 2009. Moreover, 2014 marked also the first time since 1994 that the SPD did better in an EP election than in the most recent *Bundestag* election, which is also an achievement. This is probably not inevitably a corollary of being part of a successful and popular government, since SPD was already a partner in a coalition under Angela Merkel between 2005 and 2009 and ended up losing



substantially as the chancellor and her party overshadowed the centre-left. This time around, SPD is profiting from participation in government, so whatever the party has managed to improve in terms of strategy or policies may provide some guidance to social democratic parties in government across Europe, especially if they are in a junior role, such as the Dutch PvdA.

5. Conclusion

The Eurobarometer data appear to confirm some generally held beliefs about the relationship between public opinion and political preferences, but they reveal no surprising insights and are not sufficient to explain some phenomena and nuances. Most importantly, the 2009 low point of social democracy is not fully explained by the public opinion data, though maybe further research tracking public opinion on democracy, the economy, etc. and the evolution of political preferences might yield more reliable insights. Investigated as part of a comparative analysis, that would be a humungous research project. As things stand, one aspect that makes drawing conclusions about the 2009 EP election difficult is the fact that though the crisis had already hit by that time, it is not clear how far voters were fully aware of its impact, how this may have differed by region and how many had a sense of its further consequences (e.g. the public debt crises that followed and the EU's enduring economic troubles).

What is clear is that for the most part public satisfaction with democracy correlates with economic satisfaction, which in turn fairly reliably follows GDP growth. One interesting insight, however - and this may be of particular relevance to social democracy - is that unemployment usually weighs heavier on the mind of the public than the state of the economy overall, and that sometimes even a slightly optimistic trend in the assessment of the economy will only be followed with a delay by a commensurate relaxation concerning unemployment. Public preferences are in line with social democratic preferences in this regard, for the centre-left tends to caution against disproportionately emphasising GDP growth over reducing unemployment. Moreover, any government that is also concerned about the psychological well-being of citizens rather than exclusively with their material wealth also ought to be concerned about the apparent level of stress that unemployment causes. This has implications for ongoing debates at the European level, particularly the question of costly public investments in creating jobs.

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