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The Social Bases of Austerity.

European tunnel vision & the curious case of the missing left.

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> Before the election of 1932 … there was a majority in the *Riksdag* consisting of conservatives, liberals, and members of the farmer party, convinced that the budget should be balanced according to the traditional method and that for this reason the plans of the labor party for large public works, financed by borrowing, should be defeated. … The labor party instead wanted an expansion of public capital investments, in the hope or expectation of creating a substitute for stagnating private enterprise.
>
> - Ernst Wigforss, Sweden's Social Democratic Minister of Finance, 1938

> I'm convinced that we need at the national level, in many of our countries, some sort of grand coalition. I would have never been able in Italy to have a very thorough pension reform, the introduction of property taxes and the big steps against tax evasion if I didn't have at the same time the support of the right and of the left.
>
> - Mario Monti, former Italian PM & founder of Civic Choice, 2013

Introduction

The dominance of austerity, the ambiguous response and electoral weakness of left parties and (in a couple of cases) the suspension of regular democratic institutions in order to impose widely unpopular reforms are among the more interesting features of European politics today.[1] As the quotations given above indicate, this state of things is markedly different than the 1930s, a time in which some left parties (or factions within them) broke from economic orthodoxies and mobilised a 'new economics' that called for pro-spending, employment-boosting, reflationary policies. The resulting marriage of 'left' and 'Keynesianism' (regardless of any particular connection to Keynes, who was a Liberal) that emerged in post-war Western democracies helped to redefine the meaning of the left-right distinction itself.

The blurring of the left-right distinction since the 1980s is duly noted, but the financial crisis casts the problem into starker relief. Anti-political and new extreme right movements (many of which date, also, to the 1980s) are gaining ground in many countries. Needless to say, this does not bode well. Europe's present situation is in some ways eerily similar to the crisis years of the interwar period. With the euro now substituting for the gold standard, it would seem that Karl Polanyi's (1944) unstable world of the 'double movement', in which a national politics that offers little in the way of economic alternatives sits uncomfortably at the crux of a deepening tension between a 'self-regulating' international market order and protection-seeking human societies, is back.

And yet, of course, the institutional landscape that inspired Polanyi's analysis is not the same. The main institutions he considered—financial, intellectual and political—are all fundamentally different. Gold-standard capitalism was hardly the deeply financialised capitalism of the present.[2] The financial architecture formed by the International Monetary Fund (IMF), the European Commission (EC) and the European Union's (EU) financial institutions (especially ECOFIN, the Eurogroup and the European Central Bank [ECB]) is, of course, also distinct.[3] The institutional bases of economic knowledge have also changed since Keynes' time: economics is now a uniquely influential profession, at once global and US-centric, that is essential to the arbitration and evaluation of qualified economic knowledge in a way that was unimaginable in the interwar years (Markoff and Montecinos 1993, Fourcade 2006, Lebaron 2006).[4] Meanwhile, partly thanks to European integration but also due to the globalisation of trade and finance, political authority over economic and financial policy-making is now less in the hands of the nation-state—a fact that is increasingly an object of both national-level and pan-European contention.[5]

Less obvious, perhaps, is how the *intersection* of financial, intellectual and political institutions in

Europe has changed over time, and how the world that now exists at this intersection is shaping European politics in historically distinctive ways. Fortunately there is a fairly direct way of tracking this kind of large-scale institutional change: by considering the biographical trajectories of 'go-to' figures who invariably come to the fore in unsettled times. These trajectories offer a useful window into the institutional bases of charismatic authority—that is, a special kind of power rooted in broad-based beliefs that an individual is endowed with special gifts of insight (Weber, in Eisenstadt (ed.) 1968, Swidler 1986).

Mario Monti, the appointed crisis-time Prime Minister of Italy from late 2011 through 2012, provides an interesting case-in-point, not least because he was a *social impossibility* in the 1930s. Monti's professional trajectory—from economics training in Milan (Bocconi) and New Haven (Yale), to academic appointments in Turin and Milan, to the European Commission (in charge of the internal market), to an EU think-tank in Brussels, back to Bocconi, and finally to the Italian Prime Minister's office—simply was not institutionally possible in earlier times (Monti 2010, BBC 2013). Just as Keynes himself was a product of his institutional and historical moment, Monti and others like him have become possible in a particular social context. If we can understand this, then perhaps we can better understand why Europe's politics today are both familiar yet fundamentally new.

This paper thus sets out to understand the changing historical role of economics in European politics by focusing on a particular question: how a Monti-like figure, which I term the *European economist-technocrat* (EET), became a go-to authority in crisis-time politics, while the *national, party-based economist* (NPE)—of which Ernst Wigforss is a partial example, as was Keynes until the Liberals declined—has not been the force for alternative thinking that it was in the 1920s and 1930s. The story of European politics today is about much more than economics, of course, but considering the tight interconnection between 'austerity' and economic knowledge it would be hard to tell the story well without understanding how this came to pass.

Starting from these observations, I advance three arguments. The first is that, while a direct comparison between the post-1929 and post-2008 periods is tempting, we cannot understand today's crisis politics in Europe (or anywhere else) in a meaningful way if we do not first consider changes in the institutional landscape and new configurations of political authority that come with them. The second, more specific argument is that one significant set of such changes lies in the relationship between professional economics and what might now be called the European political order, made up of international financial institutions (IFIs), central banks, the EU, national states, and political parties. The third argument is that the historical relationship between professional economics and the European political order since the 1920s can be characterised in terms of a shift toward *cultural monopoly*, defined as a situation in which a particular knowledge-producing profession helps to define the parameters of rational debate, as opposed to a situation in which political institutions (states and parties) are main drivers in the production of the politically thinkable (*political monopoly*). The EET and his[6] professional world—consisting of a specifically European economics that is closed off from other disciplines and professions; closely tied to EU institutions, central banks and IFIs; and more removed from national parties and state administrations than has been the case historically—are interconnected symptoms of this shift.

The thesis that emerges from this is, in a sense, quite simple: partisan institutions are by their very nature oriented toward the construction of alternatives, but an economics that works *over* rather than *through* them is more likely to constrain economic knowledge than to facilitate credible alternatives to orthodox thinking. The extent to which this is driving austerity politics relative to other factors, and whether it is amenable to any sort of direct intervention, are matters for further debate.

Preview

The paper proceeds in four parts. I first discuss Europe's much-noted post-2010 consensus around austerity ('fiscal consolidation') marked, among other things, by the imposition of unpopular reform packages in Italy, Greece and other countries, capped off by the 2012 'fiscal compact'. I note, in particular, the prominent role of EETs in these processes. I also discuss the curious situation of centre-left parties in Europe, highlighting their ambiguous response to austerity, calls from some quarters for a 'Keynesianism' that is divorced from the term's historical meaning and, to-date, most centre-left parties' post-crisis electoral slide.

Next I consider the institutional distinctiveness of the present moment relative to the late interwar period. Using Karl Polanyi's famous concept of the 'double movement,' I note the ways in which present-day European politics is broadly comparable to the 1930s, especially in terms of clear tensions between a crisis-prone, finance-dominated international market order and national publics that demand representation and protection through (or in spite of) democratic institutions. I also highlight that Polanyi's emphasis on the intellectual origins of self-regulating markets remains just as apt as it was under the gold standard, and that—then, as now—most governments, left and right, responded by favouring balanced budgets, calling social insurance commitments into question and rejecting the notion that deficit spending could be anything other than a risky stop-gap measure. Important exceptions could be found, however, where NPEs played a significant role via centre-left parties-in-government. Expressing a deepening interdependence among states, parties and economics in many countries after the 1930s, the NPE thence emerged as one of the most recognisable figures of the so-called 'Keynesian era'.

In a third section I discuss the ways in which today's institutional landscape, and its authority figures, are now fundamentally different. Analogies between the euro and the gold standard notwithstanding, the institutional architecture of the IFIs, the EU and the eurozone—a much more internationalised, professionalised and rationalised world than that of the national banks and gentleman bankers of the gold standard era—renders today's double movement a different ballgame *partly because it features very different players.* Among those players are EETs, whose professional world is much more distant from partisan politics than that of the NPE.

In the conclusion I argue that the EET is symptomatic of a state of things in which professional economics has a relatively novel capacity to drive cross-national politics and policy-making in Europe from the top-down, and advance the concept of cultural monopoly (and its ideal-typical opposite, political monopoly) as a means of grasping its meaning and implications.

I. Institutionalised austerity, the EET and the case of the missing centre-left

Since 2008 European crisis politics has featured 'crises of public debt' built largely on the transformation of bank debt into public debt (with the exception of Greece), new controversies over the mandate and jurisdiction of the EU and (especially) the ECB, and civil conflict ranging from peaceful protest to small-scale warfare. Severe unemployment in some countries (especially among younger demographics) and unrest notwithstanding, the predominant political response has come in the form of coordinated efforts to inoculate European economies from the doubts of markets and creditors—especially Portugal, Ireland, Italy, Greece and Spain, or the 'PIIGS'—by committing them to severe reforms, backed by efforts to legally institutionalise the rule of balanced budgets across the eurozone in the short-to-medium term.

By the end of 2011 European leaders were pressing for an inter-governmental budgetary treaty (a 'fiscal compact') that would enshrine budgetary austerity in the EU's legal structure (the UK and Hungary objected). In a context of increasing pressure from credit rating agencies and controversy-laden negotiations between national governments and private creditors[7] the EU's national leaders forged ahead, effectively institutionalising austerity in the form of the *Treaty on Stability, Coordination and Governance in the EMU* (the 'fiscal compact'). The Treaty "requires the national budgets of participating member states to be in balance or in surplus",[8] defined as an annual structural government deficit of no more than 0.5% of nominal GDP.[9] Violation triggers an automatic correction mechanism: the "member state will have to correct the deviations over a defined period of time", with respect for "the prerogatives of national parliaments". Failure to transpose the balanced budget rule into national law by 1 January 2014 is to result in judgment and penalties imposed by the European Court of Justice (ECJ).[10] The compact also amended the EU's existing excessive deficit procedure to make it more automatic.[11] The treaty was ratified by 12 eurozone members and signed in March 2012 by 25 EU countries (the UK and the Czech

Republic abstained); it entered into force on January 1, 2013. All the while Europe's monetary integration has continued its forward march, as more countries enter into what was supposed to be the stable and prosperous terrain of the eurozone.[12]

The EET in crisis-time politics

In the midst of all this it was hard to miss the particularly prominent role of authority figures of a certain kind: men born in the 1940s, recognised first and foremost as professional economists, trained in whole or in part in the United States, who had followed professional trajectories that tracked from the academy, into central banks or EU institutions or both and, finally, into the prime ministerial offices of their respective countries in 2011 (see Table 1).

Strikingly, when it appeared that domestic politics might become an insurmountable stumbling block to the imposition of austerity reforms in Italy and Greece—in other words, when it seemed that democratic representation and eurozone stability could not be reconciled—two figures with nearly identical professional trajectories came to the rescue. Mario Monti and Lucas Papademos were viewed across partisan lines (that is, among mainstream parties) and among European-level political elites as especially trustworthy figures who understood the stakes and technical problems involved in crisis-time management.

The exact processes by which their appointments happened will remain, for now, largely matters of speculation. One interpretation is that their appointments were an effect of what Flores *et al* (2013) refer to as "technocratic advantage" in crisis periods—that is, when national governments are confronted with the necessity of negotiating international lending via international financial institutions. In their words:

> Technocrats possess three advantages over non-technocratic counterparts. First, their educational and professional backgrounds in technical fields allow them to claim wiser stewardship over the economy. Second, technocrats' commitments carry more credibility because their backgrounds suggest greater ideological unity to the IMF's economic policy preferences. Finally, technocrats more likely are connected to transnational networks of international financiers, as evidenced by their education at prestigious universities and work experience at international institutions (Flores *et al*: 3).

What is missing here, however, is a historical perspective on the meaning of "technocratic advantage". Technocrats also existed in the 1920s and 1930s, but in that pre-Bretton Woods and pre-EU era they were largely creatures of national states. By and large, they were not called on to lead in those difficult times. The question, then, is how the figure of the EET has come to be imbued with "technocratic advantage" or, in Weberian terms, charismatic authority.

The case of the missing left

There is yet another curiosity in today's European politics: mainstream left parties that are both programmatically ambiguous and electorally weak. Germany offers a useful example. In September 2013 German Chancellor Angela Merkel's Christian-Democratic Union (CDU/CSU) secured the single largest percentage of votes (41.5%) in the German general election. Just a few days before almost a third of German voters were undecided, and the German Social Democratic Party (SPD) was hopeful. Social democratic voter turnout had been especially low in the 2009 elections; hoping to mobilise the SPD's missing voters, the party pursued a "door-to-door-campaign, Obama-style, which is unprecedented in Germany's campaign history" (Miebach 2013). But in the end the SPD did not prevail: the party's percentage of the vote, 25.7%, was second only to its all-time low of 23% in 2009.

Table 1. Professional trajectories of two EETs (in roughly chronological order, from top to bottom)

	Mario Moni (b. 1943, IT)[29]	Lucas Papedemos (b. 1947, EL)[30]
Educational/ credentials	BA (Economics), Bocconi Univ. (Milan; PhD (Economics),Yale Univ., under James Tobin	BS (Physics), MS (Electrical Engineering), & PhD (Economics, 1977) - all at the Massachusettes Institute for Technology (MIT, in Boston)[31]
Academic appointment(s)	Prof. of Economics, Univ. of Turn, 1968-1983 (approx. dates); Rector, Bocconi Univ. (Milan), 1984 - 1994; President, Bocconi Univ., 2005-	Lecturer (?), Economics, Columbia Univ., 1975-1984 & Univ. of Athens, 1988-1993 Professor , Economics, Univ. of Athens (dates unknown) Visiting Prof of Public Policy, Harvard Kennedy School (dates unknown)[32]
Central banking	none	Senior economist, Federal Reserve Bank of Boston, 1980; Chief Economist, Bank of Greece, 1985-1993); Deputy Governor, Bank of Greece, 1994-2002;[33] VP, ECB (under Trichet), 2002 - 2010
EU Appointment(s)	EU Commissioner for the Internal Market & Services, 1994-1999 (nominated by Berlusconi), 1999-2004 (nominated by d'Alema) Founder of Spinelli Group, 2010, w/J. Fischer, D. Cohn-Bendit, & Delors. Commissioned in 2009 by Pres. Barroso to report on the future of the single market	VP, ECB, 2002-10 (under Trichet); Economic & Financial Comm. (EFC)
Finance	Adviser to Goldman Sachs [year(s) unknown]	none
Think tank(s)	Founder of Bruegel, a Brussels-based think tank, 2005	Senior fellow, Centre for Financial Studies, Goethe Univ. Frankfurt
National politics	Sworn to Italian Senate for life, 2011, by Pres. Napolitano, to then be nominated as head of government (Berlusconi resignation, Nov. 2011); PM of Italy, 2011-2013 (Berlusconi withdrew support) Founded a new Italian Political Party, Civic Choice, in 2012, aimed at capturing the vote of the Italian centre, but was forced to resign from his party in 2013 after criticising the Letta government's budget	Advisor to Papandreou (PASOK), 2010 [participant in 'troika' negotiations with the IMF, ECB & EC) Appointed PM of Greece, 2011-2012

Historically speaking, the dim post-crisis fortunes of the SPD and many of its peers elsewhere should raise eyebrows. In just over two-thirds of the 11 original members of the eurozone, centre-left parties' share of the vote declined in elections during or just after 2008. In non-eurozone EU countries, left parties' electoral fortunes almost uniformly declined (see Table A1 in the Appendix). Europe's leftist experts and party leaders are keenly aware of the fact that centre-left parties have been faring least well in social democracy's intellectual and political heartland (*e.g*. Miliband 2011, Hacker 2013, see also recent discussions at www.policy-network.net). Some among them point out that centre-left parties' weakness is complemented by a certain aimlessness, which contrasts with their labour-sympathetic, welfarist and 'decommodifying' orientations of the early twentieth century as well as their more market-friendly orientations in the latter decades:[13]

> Centre-left progressives seem to have lost their ability to provide a clear alternative to either current conservative nostrums, or the 'third way' many of them staked out before the fall (Hacker 2013).

A key part of the problem, understood by both left party leadership and within the 'leftist field of expertise'—that is, the overlapping networks of academics, journalists, advisers, and policy wonks, increasingly linked up via leftist and progressive think tanks anchored in Washington DC, London and Brussels—is centre-leftists' inability (or unwillingness) to think around austerity in a way that mobilises voters, seeking instead to demonstrate that they are just as committed to 'fiscal prudence' as their counterparts on the right.[14]

Germany, again, is demonstrative. The SPD ran on a series of conventionally left positions (a minimum wage, financial regulation, increased taxes on the wealthy, equal pay for men and women) alongside what Olaf Cramme, director of the Policy Network, describes as the "mandatory commitment to fiscal prudence and the 'debt brake'" (Cramme 2013). Backing this programme was Peer Steinbrück, the SPD leader at the time, who studied economics and social science at the Christian-Albrechts-University in Kiel (1970-4) and is a former minister of finance, but has never held an academic position.[15] This marriage of interventionist policies and commitments to 'fiscal prudence' is a common feature of centre-left party politics today (*e.g*. on the Labour Party, see Serwotka 2013).

Some participants in leftism's variegated world, meanwhile, call for left parties to return to a 'Keynesian' logic in the sense of deficit spending for investment and consumption purposes—but in a way that has little to do with the full employment welfarism of leftist Keynesianism's past. Roger Liddle, for instance—a central figure in 'third way' discussions since Tony Blair's New Labour years—dismisses centre-leftism's historical practices of "tax and spend" on the one hand, yet argues that "the Left across Europe has so far failed to come up with a credible answer to austerity." In his words:

> At a time when monetary policy appears 'maxed out', and many European economies appear caught in a classic 'liquidity trap', the Keynesian argument for a fiscal injection of demand through extra borrowing remains intellectually powerful. … But the Keynesian response is beset with difficulties of its own. The most obvious is political. Any party activist senses the political vulnerability in the claim that 'the answer to too high borrowing is more borrowing': it is a hard sell on the doorstep. Nonetheless if it is right, we should find fresh, more appealing ways of arguing for it (Liddle 2013: 12).

An important problem, Liddle argues, is how to reconstruct 'Keynesianism' in a way that does not undermine a party's self-presentation as fiscally responsible.

Historically speaking, however, starting in the 1930s some left parties used what was then the 'new' economics—later understood as 'Keynesian', regardless of Keynes' own involvements—to justify a leftist politics, not *vice versa*. Understanding how this relationship flipped requires putting things in historical perspective.

II. Déjà vu?

A Polanyian view of present-day European crisis politics is difficult to resist (*e.g.* Blyth 2013). The rise of austerity in Europe's post-crisis efforts to secure the financial stability of the eurozone and waves of protest and political alienation in their wake easily call to mind Polanyi's description of the "self-adjusting market" as a "stark utopia" that would inevitably attract political resistance, and must ultimately give way (Polanyi 1944 [2001]: 3-4). And yet Polanyi was, of course, concerned with a different historical era. In this section I nonetheless consider three important similarities to the present: the irreconcilability of democratic pressures with self-regulating markets, the intellectual bases of the international market order, and the budgetary conservatism of parties-in-government—including parties of the left. I then complicate this account, however, by pointing out that the latter condition did not uniformly hold in the interwar period; the interwar government of the Swedish Social Democrats, in particular, stood out for bucking the trend. Key to this story is the role of a different kind of crisis-time authority figure: the NPE.

Similarities

For Polanyi the fundamental cause of Europe's near-civilisational collapse between the 1920s and the 1940s was the prior construction of a utopian but crisis-ridden economic order built on English liberal thinkers' essentially religious beliefs in self-adjusting markets. These beliefs were made into reality via the establishment of the classical gold standard and gold-backed currencies, along with the 'fictitious' commodification of both land and people. The era of the classical gold standard that ensued, from about 1880 to 1913, was an age of global capitalism that has not yet been surpassed. Capital account openness was higher prior to World War I than at any time since (Quinn 2003: 191).[16] After the deflation of 1873 to 1896 prices rose steadily for a period of about twenty years, bringing forth "the closest thing the world had ever seen to a free world market for goods, capital, and labor" (Frieden 2006: 16-17; see also Hawtrey 1947, Eichengreen 1998, Cohen 1998).

But the problem, Polanyi argued, was that English liberalism's gold standard world generated a level of disruption and instability that frayed the organic fabric of human communities. Since currency equilibration worked through the free movement of gold in and out of countries, the burden of price adjustment fell especially on vulnerable groups: farmers, labourers and small businesses (that is, most of the population) (Quinn 2003). Absent government efforts to cushion these effects, shocks and depressions tended to produce a counter-reaction. Thus was born the 'double movement'. In Polanyi's words:

> A blind faith in spontaneous progress had taken hold of people's minds, and with the fanaticism of sectarians the most enlightened pressed forward for boundless and unregulated change in society. The effects on the lives of the people were awful beyond description. Indeed, human society would have been annihilated but for protective counter-moves which blunted the action of this self-destructive mechanism (Polanyi 1944 [2001]: 79).

The further commodification went, Polanyi argued, the more profound the double movement, and the more precarious the international order, became.

Although this is not perfectly clear in Polanyi's complex analysis, his notion of the double movement keyed his awareness that the gold-standard regime sat in tension with the expansion of democratic rights and representative demands. Sure enough, between 1890 and 1913 financial openness and democratic rights were negatively correlated.[17] With the expansion of the franchise the problem of maintaining the gold standard and capital openness thus came to rest on the shoulders of the nation-state and the relatively young institutions of Western party systems, despite the fact that democratic demands for protection within a self-correcting, shock-prone economic system rendered the problem fundamentally unsolvable. In short, in Blyth's succinct words, "you cannot run a gold standard … in a democracy" (Blyth 2013: 77).

Clearly there are parallels to the present moment. The financial crisis added intensity to political instabilities already on display, in Western Europe and elsewhere, during the market-expanding decades prior to 2008; the rise of radical right-wing parties and 'illiberal politics', and their relationship to both European integration and economic globalisation, were duly noted well before the crisis took shape (Rydgren 2007, Holmes 2000, Betz 1994, Betz and Immerfall 1998, Swank and Betz 2003, Berezin 2009). This is consonant with Polanyi's notion of the double movement as a set of structural tensions that builds over time, in direct relationship with the expanding reach of market forces.

The inflexibility of the gold-standard mechanism and its intellectual roots also bear clear parallels to the present. The euro's imposition on vastly different national economies, eliminating the option of devaluation and (artificially) tying national monetary fates to each other, all backed by a central bank charged, above all, with controlling the rate of inflation, is not the same thing as the gold standard—but, by limiting the ability of national politicians to cushion the effects of market forces, it may be having basically the same consequences. And, like the Ricardian basis of the gold standard, the euro was also rooted in intellectual constructions—especially the theory of the 'optimal currency area' or OCA, developed by the American economist Robert Mundell (Mudge and Vauchez 2012).

Finally, until the 1930s fiscal orthodoxy and economic conservatism were—as in the present moment—the reigning common sense among parties of all sorts. On the other hand during the interwar years, unlike the present moment, centre-left parties' electoral fortunes were strong and improving. As unemployment reached new highs after 1929 (and had already been climbing prior), centre-left parties received up to a third of the vote in some countries and became the parties of government across Europe—including in Sweden, Great Britain, Germany and Spain (Sassoon 1996: 42). But their problems compounded as soaring unemployment rates threatened the solvency of contribution-dependent unemployment insurance schemes, many of which were introduced between 1907 and 1929. Nonetheless, parties of left and right alike tended to embrace fiscally conservative orthodoxies and rejected the notion that deficit spending could be anything other than a risky stop-gap measure. Polanyi himself noted this curiosity of the interwar years, attributing it to a nearly religious faith in the economic orthodoxies that backed the gold-standard order.

Bucking the trend in interwar Sweden—but not Britain or Germany[18]

At least one important exception to the economic conservatism that dominated interwar Europe emerged in the early 1930s, in the form of the Swedish Social Democratic Party's (SAP) crisis programme of 1933 favouring loan-financed, large-scale public works (among other things). This has been explained as an ideational effect—that is, an effect of the adaptive social democratic orientations of the Swedish SAP, unlike the rigid Marxist orthodoxy of the German SPD (*e.g.* Berman 1990, 1998). Yet this explanation becomes difficult to accept if we consider that the British Labour government, dominated intellectually by non-Marxist Fabian socialists by the 1920s, also tended toward conservative orthodoxy. Another difficulty is that as late as 1925 the SAP leadership, like Labour's, was conservative on questions of economic policy. Tingsten (1941 [1973]) thus notes that the SAP's 1920s crisis policy was largely "negative"—that is, it relied (in present-day terminology) on austerity, not stimulus (see also Mudge 2014, Ch. 4).

An important amendment to the ideational story able to accommodate these difficulties can be found in the relationship between left party leadership and variably institutionalised, nationally rooted economics professions. In the Swedish case, the SAP's decisive turn away from orthodox fiscal conservatism was closely associated with Ernst Wigforss' engagement with both international economic discussions and, more importantly, his effective membership in what would later be dubbed the 'Stockholm School' of Swedish economics (Ohlin 1937, Jonung 1991). Wigforss—a younger generation member of the SAP's leadership, academically trained but not in economics, who replaced his more orthodox predecessor (Fredrik Thorsson) as the party's main economic expert in 1925[19] —proactively mobilised Stockholm School economists' arguments that the way to deal with the problem of unemployment was by thinking differently about the uses and effects of government spending (Jonung 1991, Mudge 2014). The SAP's ties to Swedish economics that Wigforss both helped to forge and himself *embodied* resulted in the party's 1933 crisis programme, which married Stockholm School theories to social democratic language and priorities (notably, the programme's theoretical appendix was written by Gunnar Myrdal). In the years following the crisis programme's implementation Sweden saw its unemployment problem recede and its international reputation as *the* social democratic 'model' grow, even as the SAP secured an electoral dominance that would endure, more or less, until the 1990s.

In Germany and Britain, on the other hand, prominent in-house, non-economist intellectuals blocked economists bearing non-orthodox prescriptions rather than inviting them in. In Britain, Philip Snowden, a prominent Fabian intellectual and leading party figure who served as Labour's interwar Chancellor of the Exchequer, famously insisted on fiscal conservatism as the best general principle. Snowden aggressively rejected the recommendations of professional economists from both within the party and without (including Keynes, who in any case closely connected to the Liberals)—as well as a number of non-economists, like Oswald Mosley and John Hobson—to think differently about the relationship between government spending, consumption, and economic growth. Snowden and his fellow Fabian, Prime Minister Ramsay MacDonald, held fast despite the deepening problem of unemployment and, by extension, growing spending on unemployment benefits. Ultimately, this problem would split the party and bring the Labour government to an end. It was then followed with the non-party National Government, headed by MacDonald and Snowden. The National Government was not unlike the governments of Monti and Papademos in 2011, except that politicians and party theoreticians, not EETs, sat at the government's head.

Meanwhile, in Germany, Rudolf Hilferding (the SPD's minister of finance) reacted very much like Snowden to the advice of non-orthodox economists. One of many in-house Marxist theorists in what was, at the time, the most influential socialist party in Europe and a major intellectual producer in its own right, Hilferding committed the SPD to a surprisingly *laissez faire* course of action that did little to address the growing problem of unemployment and political unrest. HIlferding's commitments were based on his own theories, articulated famously in his book *Finance Capital* (1910 [1981]), which argued that capitalism—with the concentration of business, the growth of monopoly, the growing centrality of banks, and the underpinning of the state—was organising itself into a less crisis-prone system over time, in a socialist direction (Berman 1998, Hilferding 1910 [1981], James 1981, Smaldone 1998).[20] In one of the most scrutinised political events in Western history, the SPD-dominated government would soon give away to Hitler's National Socialists.

Our understanding of interwar crisis politics is thus usefully amended by considering the relationship between party leadership and professional economics. It is perhaps also useful to note here that neither Snowden or Hilferding had any sort of specialised academic background in economics (or political economy), nor did they have any affiliations to the academy—which was, for the most part, hostile to socialism and Marxism. Instead, both became 'intellectuals' by virtue of opportunities made available via party organisations, including the various party-affiliated publishing houses, newspapers, and weeklies that were, at that time, an essential feature of organised political leftism. Both Hilferding and Snowden were, in this sense, very much party theoreticians.

Party theoreticians were only one obstacle to economists' political interventions. In the 1930s economics was still fairly young as a formally organised discipline, anchored in national universities, more institutionalised in some countries than others, and only one of many contenders for political authority. In the late 1920s and early 1930s even John Maynard Keynes—who was among the best-known economists of his time in Britain and beyond—navigated a primarily domestic political arena in which a professional economist's opinion on, say, a budgetary question was no more authoritative than that of a politician or generalist technocrat. Nationally rooted economists like Keynes thus had to negotiate their way to authority, partly by working through political parties. The downside of this strategy was that it hitched his fate to party competitions and brought him up against parties' own in-house experts: Keynes, a committed Liberal who never did manage to influence Labour leadership directly, learned both lessons the hard way. Within state administrations, on the other hand, national economists ran up against the authority of civil servants (again, Keynes' conflicts with the Treasury offer a case-in-point here). And of course—unlike EETs—one could not use any sort of credential as a means of entry into international bureaucracies that did not yet exist.

As time progressed, however, ties between left parties and what came to be known as 'Keynesian' economics was an increasingly common phenomenon, as was a particular social type: the NPE, or a nationally-rooted professional economist who had one foot in the academy and the other in national politics, via political parties. This was partly thanks to the example of the Swedish SAP, but was also driven by professional economists' entry into political parties, trade union research departments, and wartime state bureaucracies, building a multi-faceted bridge between the growing economics profession and national political orders. Even the famously Marxist SPD formally abandoned Marxism in the 1950s (marked by *Bad Godesborg* in 1959) and then led Germany into a Keynesian interlude, however brief, in the 1960s with the help of an NPE named Karl Schiller. In its turn to economists the SPD was following, of course, on the famous construction of Germany's 'social market economy' by an alliance of the German CDU and Freiburg-based ordoliberalism, embodied by another NPE, Ludwig Erhard.

In short, it was not just the generalised force of ideas, but a very real set of alliances between professional economists and party organisations that helped to define the economic programmes of mainstream parties and, through them, the practical meaning of 'left' and 'right'. In the turbulent years from the late 1960s, however, the decline of Keynesianism within economics corresponded with a breakdown in its relationship to political parties. On the other hand, its relationship to the main institutions of Europe's financial architecture strengthened.

III. Europe's new institutional landscape

The present moment, while still well captured by Polanyi's general notion of the double movement, features a fundamentally different institutional landscape relative to the interwar period. I focus here on the intersection of economics with financial institutions on the one hand, and with left parties on the other.

Central banks

The striking authority of today's central banks is a relatively recent development (Eichengreen 1998). Between the economic crises of the 1930s and the early 1970s, ministers of finance were more powerful decision-makers on financial questions than central bankers, whose "presidents or governors played a relatively limited and quiet role in economic and financial policy making" (Pollilo and Guillen 2005: 1767).

This changed, especially, in the 1970s. The collapse of the exchange-rate system in 1973 resulted, among other things, in the propulsion of central bankers to new positions of power and authority, a joint effect of their prominent role in the elaboration of new modes of international financial and economic cooperation in the 1980s and a growing political acceptance that one of the best ways to control inflation (due to expansionary fiscal policies) was to grant central banks more political autonomy (Pollilo and Guillen 2005: 1767-8). During the 1990s no fewer than 54 countries in Eastern and Central Europe, Western Europe, Latin America, Africa and Asia made statutory changes to autonomise central banks; many of those that did not make statutory changes, like the United States, granted them greater autonomy by other means (Pollilo and Guillen 2005: 1771-2). Partly due to the power and influence of the German *Bundesbank* in the process of building the eurozone (discussed further below), the newly established ECB (1999) then stood out among its peers for its particularly high degree of independence.[21]

With the rise of independent central banks came that of the bankers who managed them. In particular, central bankers became relatively more powerful vis-à-vis finance ministries and treasuries and, of course (as was the expressed aim of central bank independence), the legislative branch. At the same time central bank independence also augmented the power of

Table 2. Head central bankers' credentials in Germany, the UK and the US, 1920s-30s versus the present

	Bank	Name	Tenure	Year of birth	Highest degree	Area(s) of study - highest degree	Degree- granting institution(s)	Military career history	Academic career history
Germany	Reichsbank	Schacht, Hjalmar	1923 - 1930	1877	Doctorate	Political economy	University of Kiel	No	None
	Bundesbank	Weber, Axel A.	2004 -	1957	Doctorate & habilitation	Economics	University of Siegen; University of Constance	No	1994 - 1998 Professor, economic theory, Rheinische Friedrich Wilhelms University, Bonn; 1998 - 2001 Professor, appied monetary economics, Johann Wolfgang Goethe University, Frankfurt am Main; 1998–2002 Director, Centre for Financial Studies, Frankfurt am Main; 2001–2004. Professor, international economics, University of Cologne. [others]
United Kingdom	Bank of England	Norman, Montagu	1920 - 1944	1871	None	N/A	N/A	Yes: Boar War, 1900 - 1901; Distringuished Service Order	None
	Bank of England	King, Mervyn Allister	2003 -	1948	MA	Economics	King's College, Cambridge; Harvard (Kennedy Scholar)	No	Cambridge: Cambridge Growth Project, 1969-73; research officer, Department of Applied Economics, 1972-6; fellow and director of studies at St. John's College,1972-77; and lecturer on the Faculty of Economics, 1976-77. Esmée Fairbarn Professor of Investment at the University of Birmingham, 1977-84; Professor of Economics at LSE, 1984-95 (founder of the Financial Markets Group); visiting economics professor at Harvard (1982-3) and MIT (1983-4).
United States	Federal Reserve	Meyer, Eugene	1930 - 1933	1875	BA		Yale University	No	None
	Federal Reserve	Bernanke, B S.	2006 -	1953	PhD	Economics	Harvard, MIT	No	1985-2002, Professor of Economics / Public Affairs at Princeton University. 1983-1985, Associate (1983-85) and Assistant Professor of Economics (1979-83), Graduate School of Business, Stanford University. Visiting Professor of Economics at New York University (1993) and the Massachusetts Institute of Technology (1989-90).

economists, since by the 1990s it had also become increasingly common that central bankers and professional economists were one and the same. This contrasts sharply with the early twentieth century—a time Rodgers (1995) has characterised as an 'age of amateurs'.

Among central bankers in the US, the UK, and Germany in the 1920s and 1930s, two of the three had no specific training or notable background in economics (see Table 2); none were academics. By the time of the 2007-8 crisis, on the other hand, a leading central banker who lacked an advanced economics degree and was not a respected member of the economics profession had become difficult to imagine.

Eurozone and international financial institutions

The IFIs and EU institutions overlay Europe's national central banks. The central European institutions here are the ECB, the Eurogroup (that is, the ministers of finance of eurozone countries, the Commission's director-general for economic and financial affairs and representatives of the ECB), and ECOFIN. Much of the news coverage of the eurozone crisis, particularly that covering the EU's dealings with the countries at the heart of crisis-time controversies—Portugal, Ireland, Italy, Greece, Spain, and Cyprus—vaguely references decisions of eurozone finance ministers, the European Commission (EC), the Eurogroup, the ECB and the IMF. The effect for the outside observer is that they appear as distinctive entities, masking what is in fact a complex infrastructure of European financial and economic governance, made up of overlapping networks that criss-cross banks, national ministries, international financial institutions, and formal and informal European agencies.

Central to this world is the Eurogroup, an informal (that is, non-Treaty, albeit officially recognised) body made up of the finance ministers of the eurozone countries, the EU's Vice-President for Economic and Monetary Affairs and (usually) the President of the ECB (Scheller 2006: 135). The Eurogroup was recognised as an informal grouping in the Lisbon Treaty (which came into effect in December 2009).[22] It generally meets once a month, just prior to the meeting of the Council grouping on Economic and Financial Affairs (ECOFIN). ECOFIN, of course, includes many of the same people, as it is composed of the EU member states' ministers of economic and financial affairs, as well as budget ministers.[23]

The Eurogroup is one facet of an ecology that had origins that date, at least, to the early 1960s, but that became increasingly elaborate in the wake of the Maastricht Treaty. This ecology links national ministries of finance, central banks, the Commission and the ECB to each other via increasingly dense inter-institutional and cross-agency ties. For instance, the Eurogroup's supporting committee, the Euro Working Group, bridges the Eurogroup and the Economic and Financial Committee (EFC); the EFC, in turn, links ECOFIN, the ECB, the Commission and the national central banks to each other.[24] Since the financial crisis this infrastructure has been expanded and formalised with Brussels at its centre: for instance, in October 2011 the Euro Working Group was centred officially in Brussels when its presidency was made into "a full-time and Brussels based job" by the EU's heads of state.[25]

As is the case in national central banks, the prominence of economics in this world is striking. This has been true, at least, from the beginnings of Europe's market-making initiatives in the 1980s (Mudge and Vauchez 2012). Indeed, OCA's main progenitor, Robert Mundell, established ties to European institutions in the turbulent monetary years from the late 1960s through his experience in the Research Department of the IMF, at a time when (in large part due to monetary instability) both professional economists were becoming increasingly central to the EU's institutional architecture (Mudge and Vauchez 2012).

The reinvention of Europe as a particular kind of market from the 1980s forward went hand-in-hand with the construction what is now a self-consciously European economics—the existence of which, as recently as the 1990s, economists found debatable (e.g. Forte 1995, Rothschild 1995). Early glimmers of the crystallisation of European economics started to appear in the 1970s, marked for instance by a steep increase in Europe-based (as opposed to North American) centres of economic research.[26] Two professional anchor-points, established in the mid-1980s, were explicitly intended as counterparts to the US National Bureau of Economic Research (NBER) and the American Economics Association: the Centre for Economic Policy Research, or CEPR, established in London in 1983, and the European Economics Association in 1984, originating in Brussels but now in Milan—in close proximity to Bocconi, an important source of European economic expertise (as in Monti's case).

The relatively young world of European economics intersects with European institutions through the various offices, agencies and committees that deal with economic, monetary and financial issues. ECOFIN and the Eurogroup are both dominated by professional economists. This has to do, partly, with the rise of economists among ministers of finance: at the time of the crisis more than half of Europe's finance ministers had degrees in economics (at least 53%) (see Table A2 in the Appendix). The European Commission, which featured at least two economist-dominated directorates from its beginnings (competition and economic and financial affairs), has also been increasingly populated by economists—a process that took root under the presidency of Jacques Delors (Mudge and Vauchez 2012, Georgakakis and de Lassale 2008). Last but not least, the establishment of the ECB in 1999, with its substantial department of research, offers another organisational hub that joins European-level bureaucracies and economics.

Notable here is the fact that one of the main anchor-points of European economics, the CEPR, is (by design) closely connected to academic economics departments cross-nationally, central banks and European institutions, but keeps its distance from partisan ties. The CEPR has no formal affiliations with the various think tanks, institutes, magazines and foundations that form the field of leftist expertise discussed earlier, nor does it have clear ties to political parties. Now featuring a network of fellows and affiliates consisting of more than 800 economists who conduct "research on the European economy", the CEPR's internationality, 'European-ness' and anti-partisan structure is clear enough from its self-description:

> CEPR is based on what was (in 1983) a new model of organization, a 'thinknet'. It is a distributed network of economists, who are affiliated with but not employed by CEPR, and who collaborate through the Centre on a wide range of policy-related research projects and dissemination activities. CEPR was founded at a time when European economics had relatively few 'centres of excellence' with international reach but many excellent researchers, widely dispersed, with few opportunities for interaction. One of CEPR's main achievements has been to create a virtual 'centre of excellence' for European economics through an active community of dispersed individual researchers, working together across international boundaries to produce high-quality research for use by the policy community and the private sector. CEPR's 'thinknet' structure also supports the Centre's pluralist and non-partisan stance. The Centre actively encourages diversity of opinion and independent thought in its network, with the result that CEPR's output reflects state-of-the-art thinking from a range of perspectives.[27]

The CEPR's funding base is spread across private and public sector organisations and foundations, but its corporate members "provide core income".[28] These members include no less than 31 central banks plus the Bank for International Settlements, as well as more than a dozen corporate banks (including Citigroup, Credit Suisse, JP Morgan and Lloyds) and a couple finance ministries (the Cypriot Ministry of Finance and the British Treasury).

Europe's oft-noted dual structure—with market-making centred on the European level, and politics centred on the national level—is thus bisected by a globalised academic profession that has developed, in tandem with the project of building the eurozone, a self-identified 'European' arm. This has provided an important social basis on which the euro was constructed in the absence of political unification, and set the stage on which the financial crisis of 2007-8 played out—and is playing out still.

IV. From political to cultural monopoly

The relationship between this new architecture and austerity in Europe is, of course, not a story of mechanistic causality: the aim is not to point fingers at economists as behind-thescenes 'philosopher kings' imposing austerity at all costs. Rather, the point is that economics is a *profession*, and as such it has its own organisational history that includes variable linkages to political institutions through historical time. These linkages have changed markedly since the 'Keynesian era', in the direction of an 'ever-closer union' (so-to speak) with the EU, IFIs and central banks. The complement to this—a point on which there is no space to elaborate here—is a decline of ties between professional economics and parties of the centre-left. Meanwhile the emergent institutional terrain of the European political order makes possible a new figure, the EET, who has been undeniably central to the unfolding of European politics since the crisis. The very existence of this new, powerful social type points to an underlying configuration of European political authority that is fundamentally different from the forms of authority that shaped the last great crisis.

Perhaps predictably, then, economics has not been the force for alternative thinking in recent years that it was in the 1930s and 1940s. This has much to do with the ways in which the profession intersects with a relatively new, and specifically European, political order. Whereas economists in the 1930s and 1940s, to the extent they did shape politics, mainly did so via political parties and states—and, in particular, as advocates of alternatives to conservative orthodoxies who ultimately gained considerable influence within centre-left parties—today the trajectory of the high-profile EET tracks from the academy, through the governing architecture of Europe and the eurozone, and then to the national level. It should thus not be too surprising that this figure has been more prominent as an agent of the implementation of austerity than the articulation of alternatives. Stated differently: it stands to reason that an economics that works through inherently oppositional national-level partisan institutions would be especially fertile terrain for the articulation of alternatives; an economics that keeps its distance from partisan institutions and is more removed from national politics, but is closely tied to Europe's overarching governing financial architecture, probably is not.

Conceptually, the trajectory of the relationship between professional economics and politics in Europe can be characterised as a transition from early twentieth century political monopoly, in which economic knowledge was generally driven (or blocked) by states and parties, to twenty-first century *cultural* monopoly, in which an internationalised and Europeanised economics profession is more tied to Europe's financial architecture and less interconnected with the institutions of national-level politics. In both periods, left parties have played an important, if different, role: from the 1930s forward, they were central vehicles for the political articulation of alternative modes of economic reasoning; in latter decades, however, they are more notable for their inability to replay that historical part.

Beyond the argument that this helps to explain the dominance of austerity in European politics today, there are also other implications of the present paper that speak to the relationship between economic knowledge production and politics. One is that, by becoming more interdependent with academic economics in the first half of the twentieth century, left parties gained special claims to scientifically-based governing but abandoned control over the theories and activities that oriented their economic programmes. Before the marriage of leftism and economics, left parties had largely been in-house producers of economic theorists and theories, such that the investments of power-seeking political parties and those of economic knowledge producers were virtually inseparable. In other words, left parties' relationship with economics used to be one of *political monopoly*. Obviously, given the experience of the SPD and the Labour Party in the interwar years, this had not only intellectual but also practical downsides. The move to academic economics in the 'Keynesian era' eliminated those downsides but generated new vulnerabilities for left parties. In effect, this move fostered the independence and internationalisation of an economics profession that now operates as much over them as it does through them.

Notes

1. The suspension of democratic representation in the wake of the crisis has also been an important feature of urban politics in the United States, as the bankruptcy of entire cities has prompted the cessation of elected local governments. that now operates as much over them as it does through them.

2. I mean 'financialised' in Greta Krippner's sense, referring to "a broad-based transformation in which financial activities (rather than services generally) have become increasingly dominant" (Krippner 2011: 2; see also Krippner 2005).

3. ECOFIN is the Council formation of ministers of finance. I discuss the Eurogroup in greater detail below.

4. Reinforcing Marion Fourcade's (2006) argument that American economics had become a *de facto* licensing authority for economists internationally, Lebaron showed that trends in the characteristics of economics Nobel Prize recipients exhibit a pattern not of globalisation but US-centric denationalisation since 1969 (when the Prize was established). He also tracks a shift within the US from Harvard to Chicago in the 1980s and 1990s (Lebaron 2006: 92-4).

5. Here the efforts of the Netherlands' Geert Wilders, leader of the anti-Islam Party for Freedom, to form a 'Eurosceptic' bloc in European Parliament in coalition with Marine Le Pen of France's *Front National* (FN)—formally announced at The Hague in November 2013—is particularly notable (*Economist* 2013).

6. The EET is, in general, a 'he'. There is a gender dimension to this that is beyond the scope of this essay.

7. Sarkozy originally set March 2012 as a target date for the fiscal compact, but this was thrown off track when Standard & Poor's downgraded France, eight other eurozone countries, and the European Financial Stability Facility (EFSF) in January 2012. Talks between Greece and private creditors stalled, prompting the European Commission, the ECB and the IMF to become more involved in their negotiations.

8. This and subsequent quotations are from: *http://www.european-council.europa.eu/home-page/highlights/fiscal-compact-enters-into-force-on-1-january-2013?lang=en*.

9. A temporary exception is allowable in "exceptional economic circumstances," and if "government debt is significantly below the reference value of 60% of GDP".

10. A penalty of up to 0.1% of GDP, payable to the European Stability Mechanism (ESM), may be imposed.

11. States subject to the procedure will be required to develop a "budgetary and economic partnership programme" that "will include a detailed description of the structural reforms which the member state will have to implement in order to ensure an effective and durable correction of its deficit—subject to endorsement by the Commission and the Council".

12. The crowning achievement of the European project in the late twentieth century, the 'eurozone' was established between 1999 and 2002 (when notes and coins were first introduced), by which time it included 12 countries: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, and Spain (Ireland joined in 2001). By 2007 Slovenia, Malta and Cyprus had joined the euro, expanding the eurozone to 15; in 2009 Slovakia also joined. On June 5, 2013 the Commission formally proposed that Latvia join the Euro as of January 1, 2014, bringing the current count to 17.

13. On decommodification and left parties, see Korpi and Palme 2003, Esping-Andersen 1990; on changed centre-left party politics in the early postwar period versus the late twentieth century, see Mudge 2011.

14. Two of the main umbrella organisations are the *Policy Network* in London and the *Foundation*

for European Progressive Studies (FEPS) in Brussels. On the field of leftist expertise, see Mudge 2014.

15. See *http://www.peer-steinbrueck.de/peer-steinbruck/*, accessed 6 February 2014. I note Steinbrück's non-academic background in order to highlight that he is not an NPE in the mould of Keynes, for instance.

16. "Financial openness" here refers to "the absence of official restrictions on international financial transactions" (Quinn 2003: 189).

17. Quinn gives a correlation of capital account openness and democracy of -.06 from 1890 to 1913 (2003: 191). On the uneven burdens of the gold standard with open capital exchange, see Simmons 1994.

18. This section draws heavily from a more detailed account given in Mudge 2014, Ch. 4.

19. Thorsson (1865-1925) served as minister of finance in the coalition government of 1917-1920 and in the SAP government of 1921-1923.

20. Smaldone provides a useful summary of *Finance Capital's* central arguments and the book's reception (Smaldone 1998: 40-55).

21. See de Haan and Eijffinger 2000, Table 1: 396.

22. See *http://eurozone.europa.eu/Eurogroup/previous-Eurogroup-presidents/*, accessed 5 February 2014.

23. See *http://www.consilium.europa.eu/policies/council-configurations/economic-and-financial-affairs?lang=en*, accessed 5 February 2014. ECOFIN also has the special responsibility of preparation and adoption of the EU's annual budget, along with the EP.

24. A reincarnation of the former Monetary Committee (MC), which had been around since 1962, the EFC was established by the Maastricht Treaty (1992) as a vehicle for preparing and informing the governance of monetary union. Among the EFC's duties is the provision of "the framework for the dialogue between the Council and the ECB at the level of senior officials from ministries, national central banks, the Commission and the ECB". See *http://europa.eu/efc/about/index_en.htm*, accessed 5 February 2014. For a discussion of the historical role of the MC in the reinvention of Europe as a single market, see Mudge and Vauchez 2012.

25. *http://europa.eu/efc/president/index_en.htm*, accessed 5 February 2014.

26. Centres of European and international economics roughly doubled between the 1970s and the 1990s (author calculations).

27. See *http://www.cepr.org/about-cepr*, accessed 12 October 2013.

28. See *http://www.cepr.org/about-cepr*, accessed 12 October 2013.

29. Sources include Monti 2010, Donadio 2012, BBC 2013, Flores *et al* 2013.

30. Sources include *http://www.voxeu.org/person/lucas-papademos*, BBC 2011, Daley 2011.

31. At MIT Papademos was a classmate of Mario Draghi (Daley 2011).

32. See *http://www.hks.harvard.edu/news-events/news/articles/papademos-new-prime-minister.*

33. While at the Bank of Greece Papademos "worked to stabilise the Greek economy so that it could join the eurozone" (BBC 2011).

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Appendix

Table A1. Voter turnout and centre-left electoral results pre- and post-crisis, EU28

Country	Eurozone	Closest pre-2008 election				First election during or after 2008				Differences		
	(year)	Year	Turnout	VAP	CL % vote	Year	Turnout	VAP	CL % vote	turnout	VAP	CL % vote
Italy	1999	2006	83.6	82.1	49.8	2008	80.5	79.1	37.5	-3.1	-3.0	-12.3
Germany	1999	2005	77.7	72	34.2	2009	70.8	64.6	23.0	-6.9	-7.4	-11.2
Portugal	1999	2005	64.3	69.2	45.0	2009	59.7	66.1	36.6	-4.6	-3.1	-8.4
Austria	1999	2006	78.5	73.2	35.3	2008	81.7	75.6	29.3	3.2	2.4	-6.0
Finland	1999	2007	65	68.2	21.4	2011	67.4	70.1	19.1	2.4	1.9	-2.3
Luxembourg	1999	2004	91.7	56.5	23.4	2009	90.9	53.2	21.6	-0.8	-3.3	-1.8
Netherlands	1999	2006	80.4	77.5	21.2	2010	75.4	71.1	19.6	-5.0	-6.4	-1.6
Spain	1999	2004	75.7	76.3	42.6	2008	76.0	69.9	43.9	0.3	-6.4	1.3
Belgium	1999	2007	91.1	86	21.2	2010	89.2	93.3	22.9	-1.9	7.3	1.7
France	1999	2007	60.0	43.4	24.7	2012	55.4	46.1	29.4	-4.6	2.7	4.7
Ireland	1999	2007	67.0	68.9	10.1	2011	70.1	63.8	19.4	3.1	-5.1	9.3
Greece	2001	2007	74.1	79.6	38.1	2009	70.9	79.2	43.9	-3.2	-0.4	5.8
Slovenia	2007	2004	60.6	61.1	10.2	2008	63.1	65.0	30.5	2.5	3.9	20.3
Malta	2008	2003	95.7	95.3	48.0	2008	93.3	88.9	48.8	-2.4	-6.4	0.8
Cyprus	2008	2006	89.0	77.8	31.1	2011	78.7	47.2	32.7	-10.3	-30.6	1.6
Slovakia	2009	2006	54.7	56.4	29.1	2010	58.8	58.4	34.8	4.1	2.0	5.7
Estonia	2011	2007	61.9	53.4	10.6	2011	63.5	55.5	17.1	1.6	2.1	6.5
Hungary		2006	64.4	41.1	40.3	2010	46.7	14.3	19.3	-17.7	-26.8	-21.0
Bulgaria		2005	55.8	62.4	31.0	2009	60.6	72.4	17.7	4.8	10.0	-13.3
Czech Rep.		2006	64.5	65.1	32.3	2010	62.6	62.2	22.1	-1.9	-2.9	-10.2
Lithuania		2004	40.0	35.3	20.7	2008	32.4	29.4	11.7	-7.6	-5.9	-9.0
Romania		2004	58.5	62.3	40.9	2008	39.2	40.5	34.2	-19.3	-21.8	-6.7
UK		2005	61.4	58.3	35.2	2010	65.8	61.1	29.0	4.4	2.8	-6.2
Poland		2007	53.9	54.2	13.2	2011	48.9	48.5	8.2	-5.0	-5.7	-5.0
Sweden		2006	82.0	80.6	35.0	2010	84.6	82.6	30.7	2.6	2.0	-4.3
Denmark		2007	86.6	83.2	25.5	2011	87.7	81.8	24.9	1.1	-1.4	-0.6
Croatia		2007	59.6	70.8	31.2	2011	54.2	66.1	40.0	-5.4	-4.7	8.8
Latvia		2006	61.0	50.2	.	2010	64.7	52.5	.	3.7	2.3	.

Sources: IDEA database, accessed 25 September 2013; Global Elections dataset.

Table A2. Eurozone finance ministers in 2007

Country	Minister	Educational Credentials & Appointments	Party
France	Christine Lagarde	Master of Arts, Institut d'études politiques d'Aix-en-Provence	UMP (CR)
Germany	Peer Steinbrück	Economics (Kiel)	SPD (CL)
Belgium	Didier Reynders	Law, University of Liege	MR (CR)
Sweden	Anders Borg	University & postgraduate studies in economics at Stockholm University	Moderate Party (CR)
Italy	Giulio Tremonti	University professor since 1974, now at the Faculty of Law of the University of Pavia & defense counsel at the Italian Supreme Court	.
Austria	Josef Pröll	University of Agricultural Sciences in Vienna (agriculture, agricultural economics, Dipl.-Ing.)	People's Party (CR)
Poland	Jacek Rostowski	BS, international relations, University College London; MA, economy and history, University College London; MS, economics, London School of Economics and Political Science (LSE)	Civic Platform (CR)
UK	Alistair Darling	Law, University of Aberdeen	Labour (CL)
Denmark	Claus Hjort Frederiksen	MSc. Jur.	Venstre (CR)
Netherlands	Wouter Bos	Political science & economics, Free University of Amsterdam	Labour (CL)
Luxembourg	Jean-Claude Juncker	Law, University of Strasbourg	Christian Social People's Party (CR)
Finland	Jyrki Katainen	University of Tampere	National Coalition Party (CR)
Czech Rep	Eduard Janota	"an economist by academic background and a prominent expert in budget policy and public finances" (University of Economics)	none (communist until 1989)
Slovakia	Jan Pociatek	University of Economics, Bratislava ("qualified engineer in economics")	.
Portugal	Fernando Teixeira dos Santos	PhD, economics, University of South Carolina. Professor, Faculdade de Economia da Universidade do Porto (Economics School of the University of Porto)	Socialist Party (CL)
Spain	Elena Salgado	Degree in industrial engineering, University Polytechnic of Madrid; degree in economics, Complutense University of Madrid	PSOE (CL)
Hungary	Peter Oszko	Law	.
Greece	George Papaconstantinou	MA, economics, New York University; PhD, economics, LSE.	PASOK (CL)
Ireland	Brian Lenihan	Law	Fianna Fail (CR)

Sources: personal websites, professional websites (list available by request).

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