

The background of the entire page is a painting. It depicts a large group of people from behind, their heads and shoulders visible in the foreground. They are looking towards a large, draped fabric structure that resembles a map or a large-scale architectural model. The fabric is in shades of blue and green, with some sections having a striped pattern. The background is a solid, deep blue. The overall style is that of a classical or modernist painting, with a focus on texture and color.

The role of EU leaders and ideas  
in managing the Eurozone crisis:  
navigating uncharted territory

Marij Swinkels





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# The role of EU leaders and ideas in managing the Eurozone crisis: navigating uncharted territory

**De rol van EU-leiders en ideeën in het managen van de Eurocrisis:  
navigeren op onbekend terrein**  
(met een samenvatting in het Nederlands)

## **Proefschrift**

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## Table of contents

<b>Chapter 1</b>	<b>11</b>
<b>Introduction: Why study the role of EU leaders' ideas in responding to EU crises?</b>	
1.1 Introduction to leaders, ideas, and crisis	12
1.2 Leaders and their ideas play a role in managing EU crises	13
1.2.1. <i>The Greek moment of truth</i>	13
1.2.2 <i>Current scholarship on EU crises</i>	15
1.3 EU leaders find it challenging to manage transboundary crises	16
1.4 EU leadership studies: tasks, skills, purpose, process, or style	18
1.5 How can ideational perspectives contribute to the study of EU transboundary crises	19
1.6 Research questions	21
1.7 Research design and methodology	22
1.8 Academic and societal relevance	24
1.9 A preview of the studies	25
References	28
<b>Chapter 2:</b>	<b>35</b>
<b>How ideas matter in public policy: a review of concepts, mechanisms, and methods</b>	
Taking stock of how ideas matter	37
Specifying the concept of ideas in public policy	38
<i>Ideas as heuristics</i>	39
<i>Ideas as strategic tools</i>	40
<i>Ideas as institutional frameworks</i>	41
<i>Mixed approaches</i>	42
Where do ideas in policy processes come from, and what makes them change?	43
<i>Ideas come from microfoundations</i>	43
<i>Ideas come from interaction and entrepreneurship between policy actors</i>	44
<i>Ideas come from processes of institutionalisation</i>	46
Methods to study ideas	53
Conclusion	56
Bibliography	58
<b>Chapter 3:</b>	<b>67</b>
<b>How Europe's Political Leaders Made Sense of the Euro Crisis: The Influence of Pressure and Personality</b>	
Sense-Making in the European context	69
The personality of sense-making	70

Methods	74
<i>Measuring leaders' personality traits</i>	75
<i>Unraveling sense-making from a distance</i>	75
Personality and Pressure: expectations	76
One day it will all make sense	79
<i>Balkenende</i>	79
<i>Leterme</i>	79
<i>Merkel</i>	81
<i>Papandreou</i>	82
<i>Sarkozy</i>	83
<i>Zapatero</i>	84
Overview	85
Living up to the expectations?	85
References	87
<b>Chapter 4:</b>	<b>93</b>
<b>Beliefs of political leaders: conditions for change in the Eurozone crisis</b>	
Theoretical framework	96
<i>Leaders as believers</i>	96
<i>Beliefs</i>	96
<i>Belief change</i>	96
<i>Conditions for belief change</i>	98
<i>From monocausal explanation to theoretical integration</i>	100
Research design	100
<i>Case selection</i>	100
<i>Qualitative Comparative Analysis (QCA)</i>	102
Measurement and calibration	103
<i>Belief change</i>	103
<i>Conditions</i>	104
Results	106
<i>The 2010 rescue mechanism: re-establishing trust in financial markets</i>	106
<i>The 2012 Outright Monetary Transaction Programme:     creating a credible lender of last resort</i>	106
<i>Understanding the pathways to belief changes</i>	107
Conclusion	111
References	113



<b>Chapter 5:</b>	<b>119</b>
<b>Deciding upon the Banking Union: how a joint belief shift instigated deep institutional change in Eurozone governance</b>	
5.1 Introduction	120
5.2 Existing Explanations of the European Banking Union	121
5.3 An integrative approach to institutional change	123
5.4 Methodology and data	126
5.5 Explaining the establishment of the banking union	129
5.6 Conclusion	138
References	142
<b>Chapter 6:</b>	<b>147</b>
<b>Conclusion: the role that EU leaders' ideas play in responding to EU crises</b>	
6.1 Introduction	148
6.2 Review and findings	149
6.3 Reflection: what have we learned?	153
6.4 Academic contributions	155
6.5 Limitations and future research directions	158
6.6 Societal and policy implications	160
References	163
<b>Appendices</b>	<b>169</b>
Appendix to chapter 2	170
Appendix to chapter 4	178
Appendix to chapter 5	204
Curriculum Vitae	212
Nederlandse samenvatting (Dutch summary)	214
Acknowledgements	222

## List of figures

Chapter 3:	
Figure 1: The intervening effect of personal traits on the sense-making process	71
Figure 2: Leaders' scores on CC, SC, IO	77
Chapter 4:	
Figure 1: XY plot for parsimonious solution outcome: economic belief change.	109
Figure 2: XY plot for parsimonious solution outcome: Keynesian/ordoliberal belief change.	110
Chapter 5:	
Figure 5.1: theoretical framework for institutional change	125
Figure 5.2: Basic model of a discourse network	127
Figure 5.3: Google Trend analysis: searches for 'Banking Union' in Eurozone states	128
Figure 5.4: Phase 0, 1 and 2 of BU establishment	132
Figure 5.5: Phase 3, 4 and 5 of BU establishment	136

## List of tables

Chapter 2:	
Table 1: Triggers and constraints for ideational change	47
Table 2: Overview of different types of research methods to measure ideas	53
Chapter 3:	
Table 1: Openness to information	73
Table 2: Cases ranging from high to low pressure	74
Table 3: LTA norms for west European leaders	76
Table 4: Leaders' score on BACE	76
Table 5: Expected effects of pressure and personality on sense-making	78
Table 6: Findings: effects of pressure and personality on sense-making	80
Chapter 4:	
Table 1: Taxonomy of belief change	98
Table 2: Overview of selected political leaders and time in office	101
Table 3: Threshold set membership scores (calibration)	105
Table 4: Belief changes of political leaders	107
Chapter 5:	
Table 5.1: Overview case-specific events	128
Table 5.2: Findings: tracing the process by which the BU came about	139



### List of abbreviations

BU	Banking Union
CCM	Comparative Cognitive Mapping
CPDS	Comparative Political Dataset
COM	European Commission
DNA	Discourse Network Analysis
ECB	European Central Bank
ECOFIN	Economic and Financial Affairs Council
EDP	Excessive Deficit Procedure
EFSF	European Financial Stability Facility
EMU	Economic and Monetary Union
ESM	European Stability Mechanism
EU	European Union
EUCO	European Council
HSoG/HSG	Heads of State or Government
IMF	International Monetary Fund
MS	Member State
PRISMA	Preferred Reporting Items for Systematic reviews and Meta-Analysis
QCA	Qualitative Comparative Analysis
SGP	Stability and Growth Pact
TBC	Transboundary Crisis
TFEU	Treaty on the Functioning of the European Union

### Author contribution

#### *Author contribution chapter 3:*

This study is based on the master thesis of Marij Swinkels. Marij designed the study, she collected the necessary data, analysed the data, interpreted results, and wrote the original study. Femke van Esch provided theoretical input and aided in the design of the study in her role as supervisor. Collectively, Marij and Femke re-evaluated and analysed the data, developed a more precise coding tree for the content-analysis and reworked the original manuscript into a full paper for publication.

#### *Author contribution chapter 5:*

Marij Swinkels took the lead in the design of this study, collected the data, analysed the data, interpreted and wrote up the results, and wrote the first full draft of the manuscript. Femke van Esch provided feedback on the research design, co-coded 10% of the data, contributed to the theoretical section, co-interpreted results and edited the manuscript.



# Chapter 1

## Introduction: Why study the role of EU leaders' ideas in responding to EU crises?

*"People do not approach any problem with a wholly naïve or virgin mind. They tackle problems with certain acquired habitual modes of understanding, with a certain store of previously evolved meaning, or at least of experiences from which meaning can be deduced"*

(Dewey, 1910, p. 106)



## ■ Chapter 1

### 1.1 Introduction to leaders, ideas, and crisis

The Dutch newspaper de Volkskrant has a weekly 'reader's dilemma' section where a reader presents a dilemma to fellow readers and asks a simple question: 'what would you do?' Imagine opening the paper one day and reading the following item:

*"One of my children (29), has just ended his relationship. His financial state is a lot less stable than he thought, as a result of the financial profligacy of his ex-partner. He has hit rock-bottom and piled up quite some debt. His situation is getting worse by the day. My son is a grown-up, has a proper job and I have invested a lot of money in him in the last 29 years to get him where he is today. In turn, I must admit that I have not always paid attention to his 'financial upbringing' and do not always abide by the rules myself. I would like to help him out, but I am afraid that this would signal to my other children that I will always help them out whenever something's wrong."*  
(Woman, 62)

Now, what would you do? Think about this for a second.

When confronted with a situation like this, a person's response will depend, at least in part, on their ideas: beliefs about what is going on, about values, and about the most effective course of action. Some may believe that this situation is caused by failing to educate the son about finances. They may be inclined to settle the debt themselves so their son can have a fresh start after ending his relationship. Others may believe that this situation is caused by the son's lack of responsibility and they would give him a loan to pay off his debts with clear and strict rules about repayment. Others may take a normative stance, making the case that settling the son's debt is good for the family relationships.

All of these ideas are subjective: they are specific to a person. They are *causal* ideas about how the world functions and *normative* ideas about what behaviour is desirable and undesirable in that world. Both causal and normative ideas have action-oriented implications: they tell us about when and how to best intervene in that world (Jervis, 2006). People's subjective causal and normative ideas influence how they make sense of situations, what decisions they take, and what stories they tell to others about what is going on and why they act as they do (Béland & Cox, 2011). Ideas, in this sense, serve as sense-making heuristics that guide people's actions (Swinkels, 2020b - chapter 2). In

other words, people “tackle problems with certain acquired habitual modes of understanding, with a certain store of previously evolved meaning” (Dewey, 1910, p. 106).

People’s ideas not only matter when contemplating dilemmas in newspapers. They also matter in politics and public policy (Baumgartner, 2014; Béland & Cox, 2011; Berman, 2013; Blyth, 2013a; Hall, 1993; Kingdon, 1984; Schmidt, 2008). Ideas inform the ambitions and policies of politicians. When empirical data is not available, in a crisis for instance, and politicians have nothing to go on but ideas, they may even matter more. As complex, transboundary crises (TBCs) have become increasingly prevalent (Blondin & Boin, 2020), it has become increasingly relevant to study the power of ideas (Blyth, 2001). The power of ideas is central to this dissertation. I aim to understand how the ideas of individual policy actors affect their responses to public policy issues, in particular during crises. Specifically, I focus on the role that European Union (EU) leaders’ ideas play in responding to the challenges of the Eurozone crisis of 2009-2014 as this crisis is a transboundary crisis case in point.

## 1.2 Leaders and their ideas play a role in managing EU crises

### 1.2.1. *The Greek moment of truth*

When Greece installed a new government at the end of 2009, it became apparent that the Greek economy was in a much more worrisome state than previously assumed. Worse still, Greece had to admit this to her EU counterparts. In his memoirs, former finance minister Papaconstantinou reflects on the situation in late 2009:

*‘So I dropped the bombshell and repeated what I had said in the Greek parliament the night before: the deficit was currently projected to be around 12.5% of GDP for the year, more than double what was previously reported. There were loud gasps in the room. (...) The other ministers were guarded and did not say much; they had no brief on this from their advisors and needed time to process the information and figure out how to handle it. (...) However much the Greeks were to blame – and no doubt we were – there was also a massive institutional failure of supervision and reporting. (...) It was a problem that started in Athens but could affect the entire Eurozone, one for which there were no precedents and no off-the-shelf tools that could be used to deal with it. The*

## ■ Chapter 1

*bomb was already ticking, and no one had a clue how much time we had.'* (Papaconstantinou, 2016, pp. 35, 37, 38, 50).

As Papaconstantinou notes, the Greek economy was in dire straits and this put the European Union (EU) under pressure. This situation presented five challenges for the EU and her leaders.

First, the EU had no relevant prior experiences in the field of financial and economic policy to deal with a situation of this magnitude. In effect, the situation challenged the EU's institutional status quo. The European Council and European Commission had policy and administrative capacity but these were insufficient to either predict or prevent this situation (see article 121.3 TFEU for authorities and mandates). For example, the European Council and European Commission is theoretically able to sanction member states with excessive deficits (article 125 TFEU) using the excessive deficit procedure (EDP), but this procedure often proved unenforceable in practice. Furthermore, while the EU had rules and procedures in place to prevent crises, they were not able to manage such crises (Pisani-Ferry, 2014).

Second, the crisis crossed multiple domains and countries. The Greek situation threatened to lead to contagion in other member states given the interdependencies inherent in the EU. Ever since the Economic and Monetary Union was established in 1992, the EU had never faced the threat that one member states' problems could spread to other member states.

Third, the crisis had to be dealt with urgently as it was rapidly escalating.

Fourth, there was no pre-planned crisis management regime in place, making it difficult to establish what exactly happened and how this originated.

Fifth, the multi-level character of the EU obfuscated who was in charge of the crisis response (cf. Cabane & Lodge, 2018). This meant many could claim decision-making authority and responsibility on various but equally reasonable grounds.

Both at the start and throughout the Eurozone crisis many commentators of different ideological stripes agreed on one thing: the EU lacked the regulatory tools, organizational resources and the concerted leadership to effectively tackle the crisis (Brunnermeier et al., 2016; Grauwe, 2011; Krugman, 2012; Pisani-Ferry, 2014; Van Middelaar, 2017). Managing such a crisis using the set of existing rules only proved insufficient as these events required a more far-reaching response (Van Middelaar, 2017). The emerging crisis laid the shortcomings of the EU bare. Now who was there to manage the response?

The buck stopped with heads of government and their ministers of finance. Operating in intergovernmental bodies such as the European Council (EC) and the Eurogroup ministers, these national leaders were the prime movers, much more so than the supranational European Commission

and its leaders. The ad-hoc crisis management framework that came into existence in response to the Eurozone crisis can be characterized as a 'surfeit of summitry' (Dinan, 2012; Puetter, 2012). The leaders of the EC were navigating through uncharted territory, with no instruments like fiscal support or capacity like a banking union to rely on.

As the EC leaders had no script to make sense of this unprecedented situation, they relied on pre-existing ideas about proper economic governance. Proponents of a policy of fiscal austerity clashed with advocates of a reborn Keynesianism, while Europhiles and Eurosceptics collided over whether European supranational power (i.e. in banking regulation and supervision and fiscal policy) should be deepened or rolled back.

In this erupting crisis, leaders' causal and normative ideas varied widely. They disagreed about what had happened and why, about who bore responsibility for the current predicament, and about what might happen in the future if certain policy options were chosen. Their wider economic mindsets varied as well (Schäfer, 2016; Schmidt, 2014; Schmidt & Thatcher, 2014; Van Esch, 2014; Van Esch et al., 2018). Such differences – e.g. the famous clash of ideas between former Greek minister of Finance Varoufakis and former Eurogroup chair Dijsselbloem (Dijsselbloem, 2018) – had the potential to constrain coordinated and joint responses to the crisis, leading to an enduring crisis and persisting policy issues. Thus, studying leaders and ideas in these specific crisis settings is important to avoid failed crisis resolution in the future.

### ***1.2.2 Current scholarship on EU crises***

Though ideas are significant in TBCs like the Eurozone crisis, they have received limited scholarly attention in different literatures that study EU crises. One reason for this is that ideas are notoriously hard to measure. In existing literature on EU crisis, there are several fields of inquiry. First, studies of EU crises tend to focus on developing the administrative and technical capacities of the EU in responding to crises, as well as changing the role and tasks of EU institutions as a result of EU crises (Ferran, 2016; Gren et al., 2015; Jordana & Triviño-Salazar, 2020).

Second, in literature published on EU crises since 2009, many scholars apply mainstream European integration theories (e.g. domestic politics, national preference formation, politicisation, or the influence of interest groups) to understand the causes, consequences, implications of and responses to EU crises (e.g. Bulmer, 2014; Fabbrini, 2013; Hooghe et al., 2017; Ioannou et al., 2015; Rittberger & Schimmelfennig, 2015; Schimmelfennig, 2014, 2015; Vilpišauskas, 2013).

Third, studies of EU crises, in particular on the Eurozone crisis, have mainly focused on the role and emergence of *institutional* leadership (De Rynck, 2016; Nielsen & Smeets, 2017; Schild, 2018; Schoeller, 2015, 2020; Smeets & Beach, 2019). These studies portray EU institutions as unitary actors.

## ■ Chapter 1

They show that institutional leadership emerges from the power resources that institutions have at their disposal. These resources determine the strategies that institutional leaders can employ to steer the process of decision-making in crisis (Schoeller, 2015).

Fourth, studies of the Eurozone crisis have focused on the power and resilience of paradigmatic ideas in the crisis, such as neoliberalism or ordoliberalism (Schäfer, 2016; Schmidt & Thatcher, 2014). These studies attribute a marginal role to individual leaders but focus on how paradigms gain or hold power in them and as such influence the crisis response.

Last, studies of the Eurozone crisis have focused on the process of policy development throughout the crisis, for example on policy learning or policy change (Kamkhaji & Radaelli, 2017; Saurugger & Terpan, 2016). Current studies on TBC management in the EU, and in the Eurozone crisis specifically, analyse TBC management through the lenses of capacity-building, mainstream EU integration theories, institutional leadership, powerful paradigms, or the process of policy development. In short, current studies on EU transboundary crises mostly focus on understanding the twin political processes of pressure and power (Hecló, 1974). Furthermore, they study EU transboundary crises from an *institutional* perspective.

In all these approaches, there is remarkably little attention for how individual leaders *puzzle* over the causes and solutions of EU transboundary crises. *Puzzling* refers to how leaders arrive at definitions of a crisis and come up with possible solutions to solve a crisis (Hecló, 1974). Ideas provide leaders with content for this process of puzzling. In this dissertation, I study how leaders' ideas affected their response to the Eurozone crisis. Central to this study is the question of how leaders' ideational dynamics – their ideas and the changes therein – shaped the way leaders of EU member states responded to the Eurozone crisis. To answer it, I examine how we can understand and study leaders' ideas, when leaders change their ideas throughout an (economic) crisis, and how leaders may be persuaded to change their ideas to come to a joint response. In the remainder of this introductory chapter I set the context for this endeavour. I will first elaborate on the concept of a transboundary crisis and why this is a relevant context for the study of ideas. Then I will describe the analytical and theoretical perspectives from which I analyse the role of leaders' ideas in the Eurozone crisis.

### 1.3 EU leaders find it challenging to manage transboundary crises

We speak of a transboundary crisis in the EU 'when the life-sustaining systems or critical infrastructures of multiple member states are acutely threatened' (Boin et al., 2014, p. 131). TBCs share five characteristics: (1) they cross multiple domains, countries and policy areas, (2) they have a slow incubation period followed by phases of rapid escalation, (3) they have unclear, complex causes, (4) they include multiple actors with conflicting responsibilities, and (5) they cannot be solved using



existing policy solutions (Boin, 2019). Examples of EU transboundary crises include the financial and economic crisis, the migration crisis, the Brexit crisis and more recently the COVID-19 crisis. The number of TBCs in the EU has risen since 2008 and the EU has moved from a period of relatively steady rule-based politics, to a return of event politics (Van Middelaar, 2017).

These five characteristics of TBCs make them notoriously hard to manage. *Sense-making* becomes more complicated: TBCs contain higher levels of uncertainty because sharing data and obtaining information about the crisis is scattered across member states and political jurisdictions. *Decision-making* becomes more laborious because multiple actors, sectors and levels of government are involved, so perspectives, responsibilities and arenas for policymaking collide. This same diversity also makes coherent *meaning-making* more difficult: how do leaders speak in unison at the front stage when there are so many voices claiming the spotlight keen on pushing their own perspectives (Blondin & Boin, 2018, p. 464). Since existing policy solutions cannot be used, there is a risk that 'leaders and other stakeholders will seek to impose upon their key audiences competing views about the nature and depths of the problems facing the system' (Boin, Hart, Stern, & Sundelius, 2017, p. 7). They will also seek to impose their competing views about solutions and how best to mitigate the effects of a crisis. In addition to the daunting challenges that transboundary crises entail, the institutional and administrative capacity of the EU to deal with TBCs has remained modest at best, though over time it has grown in a number of domains – e.g. in disease prevention, food safety policy, migration policy, or external action policy (Boin, Ekengren, Rhinard, 2015; Blondin & Boin, 2019).

The Eurozone crisis is a classic example of a transboundary crisis, as it has all five characteristics. At the start of the Eurozone crisis, the capacity and responsibility for economic crisis management was organized predominantly at the member state level (see title VIII TFEU).<sup>1</sup> When Greece's problems spread in 2010, it laid bare asymmetries in the design of the Economic and Monetary Union (EMU) and exposed weaknesses in the EMU's fiscal governance regime (Howarth & Quaglia, 2015). EMU rules on budgetary debt and deficits were violated and no shared system was in place to deal with potential fiscal support – often referred to as bailouts – for member states. What became known as the troika (European Commission, European Central Bank, and the IMF) did not yet exist at the start of the crisis. They would supervise loans provided to ailing member states. While the Stability and Growth Pact (SGP) as well as the Excessive Deficit Procedure (EDP) were in place to prevent potential crises from happening, these policies were not enough to serve as a fully-fledged crisis management system (Pisani-Ferry, 2014). Furthermore, these policies would often not be enforced. European institutions would eventually be strengthened in the wake of the Eurozone crisis

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<sup>1</sup>Article 121.3 of the TFEU states that through multilateral surveillance, a "closer coordination of economic policies and sustained convergence of the economic performances of the Member States" shall be ensured.

## ■ Chapter 1

drama, as new institutional capacity for crisis management would be established, such as the European Stability Mechanism (ESM) and the Banking Union (BU).

Since the EU lacked administrative and institutional capacity to deal with a transboundary crisis like the Eurozone crisis, it comes as no surprise that scholars have studied how the administrative capacity and institutionalization of TBC crisis management capacities in the EU have developed (Boin et al., 2013). For example, Backman and Rhinard (2018) analysed which crisis management capacities have been developed across policy domains in the realms of detection, sense-making, decision-making, meaning-making, communication, accountability and coordination. Others have looked at how EU agencies respond to TBCs (Jordana & Triviño-Salazar, 2020), or how the EU's institutions respond to crises (Attinà, 2013). The existing scholarship on how the EU responds to TBCs has neatly captured the institutional and administrative developments of the EU's crisis management approach since 2008.

However, ill-fitting crisis management capacities increases the plausibility that managing transboundary crises originates in debate between policy actors about their ideas of the crisis. These policy actors – leaders – need to come to far-reaching decisions without institutional and administrative capacities: here, improvisation is key. Such an actor-centred approach on those that lead us out of a crisis is often not found and applied in studies of transboundary crises in a European context. At the same time, one of the key themes in crisis management literature is how leadership works under pressure (Boin et al., 2017). Individual leaders in charge of TBC management in the EU have received relatively limited scholarly attention (Swinkels, 2020a - chapter 4; Van Esch et al., 2018; Van Esch & Swinkels, 2015 - chapter 3), yet they may play a pivotal role.

### **1.4 EU leadership studies: tasks, skills, purpose, process, or style**

When we speak of leaders and leadership in transboundary contexts – such as EU crises or international negotiations – scholars often refer to collective entities like member states of EU institutions (Parker & Karlsson, 2014). However, far fewer studies on TBC management in Europe have studied the role of individual leaders – heads of government, ministers, EU presidents and Commissioners – in EU transboundary crisis management. This existing scholarship on the role of leaders' in EU crises focuses on leadership tasks, skills, purpose, process, or style.

Broadly, scholars have assessed leadership capacities and the leadership purpose – e.g. motives, interests, role, functional position – of EU leaders throughout their tenure, in specific policy domains, or throughout specific events (Dinan, 2017; Müller & Van Esch, 2020; Parker et al., 2017; Tömmel & Verdun, 2017). For example, some studies focus explicitly on different leadership tasks in an EU crisis, such as leaders' skills to provide a meaningful and convincing narrative to the public and

the markets (cf. Olsson & Hammargard, 2016; Tortola & Pansardi, 2019). In the policy domain of foreign policy and EU security, scholars have examined the leadership style and capacity of the High Representative to lead in EU foreign policy crises (Aggestam & Johansson, 2017; Viceré Amadio et al., 2020).

In addition, scholars have examined the process of leadership, explored the strategic behaviour of leaders and explained how leadership translates to (policy) outcomes (Schoeller, 2018; Tallberg, 2006; Tömmel, 2020). Finally, several scholars have pointed to the idea of a 'leaderless' EU as a result of leaders' inability to respond to the several transboundary crises the EU has faced (cf. Hayward, 2008).

At the same time, several scholars have shown that ideas and ideational struggles have been the chief drivers of political, institutional and policy change throughout European economic and monetary integration (Marcussen et al., 1999; McNamara, 1998; Van Esch, 2014; Verdun, 1999). According to Greenstein (1967), individual actors and their dispositions matter most in situations that are new, complex and contradictory. And according to scholars such as Parsons (2002), (individual-level) ideas are constitutive for the field of European integration as a whole, in conjunction with the traditional structuralists and institutionalists accounts of European integration. Yet on the whole, studies of leadership in the EU often tends not to explain systematically how individual leaders articulate, push, and adapt their ideas about the nature and depth of the problems they face, and how ideational struggles between them affect the course and outcomes of EU crisis management efforts. To date, few scholars have studied the substantive content of leaders' ideas as well as the processes by which leaders convey and exchange these ideas in EU crises (Ferrara, 2020; Swinkels, 2020a - chapter 4; Van Esch, 2012, 2014; Van Esch et al., 2018). This dissertation, therefore, brings together an individual leader perspective and an ideational perspective into the academic debate on EU transboundary crisis management.

### **1.5 How can ideational perspectives contribute to the study of EU transboundary crises**

High threat, urgency and uncertainty forces EU leaders to engage in improvised sense-making and decision-making and construct persuasive meaning-making accounts to mass publics and key stakeholders (e.g. financial markets). When this happens, leaders rely on their ideas ('t Hart & Tindall, 2009; Boin et al., 2017; Spector, 2019). But what exactly do we mean when we talk about ideas, and more importantly, why do they matter (Mehta, 2011)?

Broadly, ideas can be defined as 'beliefs held by individuals or adopted by institutions that influence their actions and attitudes' (Béland & Cox, 2011, p. 6). The concept is differentiated: beliefs held by individuals or adopted by institutions. This differentiated nature has led to different theoretical

## ■ Chapter 1

perspectives on the concept of ideas. In general, scholarship on ideas evolved along three lines of inquiry: (1) micro-level cognitive ideational analysis, (2) meso-level discursive ideational analysis, and (3) macro-level institutional ideational analysis (Swinkels, 2020b - chapter 2).

The first theoretical perspective, micro-level cognitive ideational analysis, locates ideas in the hearts and minds of individual actors. Ideas are heuristics or subjective beliefs that people use as cognitive shortcuts to make sense of the world around them (Jervis, 2006). The general assumption here is that one needs to understand what those who make policy believe to understand policy outcomes. For example, leaders' cognitive shortcuts determine how they filter incoming information and this may constrain the policy actions they feel they are able to take (Van Esch & Swinkels, 2015 - chapter 3). Ideational scholarship in this realm studies how individual policy actors *learn* and examines which factors influence the cognitive processes of learning (e.g. personality traits, experience, pressure) (Hermann, 2014).

The second theoretical perspective, meso-level discursive ideational analysis, defines ideas as the content of discourse. Ideas are rhetorical weapons in political debate and have instrumental value (Hajer, 1993; Schmidt, 2008). The general assumption here is that one needs to understand how policy makers interact to understand policy outcomes. For example, policy actors or policy entrepreneurs use their resources and abilities to transmit ideas in discourse and this may allow them to persuade others of their ideas (Kingdon, 1984). Scholarship in this realm takes us to the study of policy actors (or policy entrepreneurs) that construct policy through *social interaction* in groups or society.

The third theoretical perspective, macro-level institutional ideational analysis, defines ideas as institutionalized entities of their own. Ideas are guiding principles that structure the way in which people perceive social reality. Well-known examples of such guiding principles include neoliberalism, Keynesianism, or ordoliberalism. The general assumption is that one needs to understand the longitudinal processes that give rise to these ideas to understand how these ideas govern policy domains. Leaders are thought of as mere followers, who are embedded and *socialized into* the very nature of ideas. Scholarship in this realm generally focuses on how exogenous shocks like a crisis affect the stability of these institutionalized ideas and disregards the cognitive and discursive processes that occur in between (Kamkhaji & Radaelli, 2019).

Ideas, in different forms and types, can thus shape a leader's prism to make sense of a crisis and help them weigh possible actions to be taken in a crisis. Ideas can be seen as causes of behaviour (the cognitive-ideational and institutional ideational perspective), as well as strategic instruments (the discursive perspective) (Molthof, 2016). Different ideational dynamics – ideas and the changes therein – can affect leaders' responses to crises. Thus, ideas can matter in EU transboundary crisis

management because they – to some extent – affect how leaders respond to crises. Understanding how different ideational dynamics affect the crisis management responses of leaders is pivotal to understanding how ideas matter in politics and policy.

In this dissertation, I study how the ideas of EU political leaders affect their responses to TBCs from two perspectives: 1) their micro-level cognitive ideas and the changes therein throughout the crisis, and 2) the discursive ideational process through which leaders were able to come to a joint response to the Eurozone crisis. The first is embedded in the micro-level cognitive ideational literature, while the second speaks to the meso-level discursive ideational strand of literature. The third perspective, institutional ideational theory, is not addressed in this dissertation, as this perspective is not related to an actor-centred approach as discussed in paragraph 1.4.

## 1.6 Research questions

The overarching research question of this dissertation is as follows:

*How did ideational dynamics shape the way leaders of EU member states respond to the Eurozone crisis?*

This research question is answered in Chapter 6. Different sub-questions arose throughout the research trajectory, each homing in on different aspects of this overarching research question. This research question therefor serves as an umbrella to bring the different research projects that are a part of this dissertation together.

The first sub-question is: “What are ideas and how can we study them in public policy?” This question is answered in Chapter 2. Here, I aim to understand how ideas matter as a variable in public policy research and deduce ways in which ideas of leaders can be studied. The second sub-question is: “How do personality traits and economic pressure affect EU leaders’ sense-making of the Eurozone crisis?” This sub-question is answered in Chapter 3. The third sub-question is: “How do political and economic conditions affect leaders’ core beliefs about the economy?” This sub-question is answered in Chapter 4. Sub-question two and three zoom in on how different conditions affect the micro-level cognitive ideas of political leaders: what makes these micro-level cognitive ideas change? The fourth sub-question is: “How can the establishment of the banking union be explained from the perspective of leaders’ ideas?” This sub-question is answered in Chapter 5 and zooms in on how different conditions affect meso-level discursive ideas of political leaders.

## ■ Chapter 1

### 1.7 Research design and methodology

To answer the specified research questions, I analyse political leaders and their ideas in the context of the Eurozone crisis. I chose this crisis as the empirical context for the studies for two reasons. First, the Eurozone crisis is a classic case of a transboundary crisis: it crossed multiple domains, escalated rapidly, had unclear and complex causes, involved multiple actors and could not be solved with existing policy solutions (Boin, 2019). Second, leaders and their ideas may play an important role in EU economic TBC management specifically because economic governance in the EU has long been dominated by strong, opposing, ideational paradigms, with proponents of Keynesian economic policies versus proponents of ordoliberal economic policies in times of crisis, as well as proponents and opponents of deepening EU economic integration (Blyth, 2002, 2013b; Brunnermeier et al., 2016; Hall, 1993; Segers & Van Esch, 2007). As such, the Eurozone crisis may be the ultimate case for studying the diverse ideas of leaders and how they affect crisis response.

Methodologically, the Eurozone crisis is a most-likely single case. A most-likely case design is particularly useful for preliminary tests and illustrations of new theoretical ideas (Toshkov, 2016). It enables the researcher to use the specific case in question as a plausibility probe to explore and refine theory, which is fitting as this dissertation aims to explore theoretical ideas about how leaders' ideas affect TBC management in the EU. I chose to study one EU TBC setting in order to offer an in-depth and exploratory view of how leaders' ideas can potentially matter in dealing with EU transboundary crises in the broad sense. Within this most-likely case design, the unit of analysis are political leaders of EU member states, in particular the Heads of State or Government (HSG) in the European Council. I will elaborate on why and how these leaders were selected in Chapters 3 and 4.

Employing a most-likely case design also has limitations. As I only observe ideational dynamics in the Eurozone crisis, straightforward empirical generalization of my findings to other instances of EU crisis management may be difficult. However, it will be possible to generalise my findings theoretically. When single cases are used to test or extend theories, uncover new causal mechanisms, or suggest novel concepts, they can contribute to general arguments that might prove useful for explaining other TBCs in the EU (Toshkov, 2016). Another limitation concerns questions of methodological rigour in case study research (Yin, 2014). Different features such as transparency, reliability, and reflexivity determine the rigour of a qualitative research process. In this dissertation, I have chosen to describe the different research processes that were carried out in detail. For example, all the steps taken to obtain data and construct scripts for analysing speech acts or measuring ideational changes can be found in the appendices of the studies. This approach also enhances the reliability and replicability of single case study analysis. Furthermore, researcher bias or subjectivity is a valid concern in the field of ideational research (Swinkels, 2020b - chapter 2). Therefore, I have chosen to use methods that allow

me to systematically report on the different steps I take in doing ideational research with leaders, specifically the methods qualitative comparative analysis (QCA) and discourse network analysis (DNA).

The dissertation uses mixed-methods to examine how ideational dynamics of leaders affect EU TBC crisis management responses. It purposefully uses a variety of methods as measuring ideas is a key methodological challenge in ideational scholarship (Van Esch & Snellens, forthcoming). For example, how does one observe ideas that are located in the hearts and minds of leaders or serve as the content in discourse networks? And how can we draw causal inferences if we want to understand under what conditions leaders change their beliefs? Therefore, I have chosen the different methods used in this dissertation specifically to ensure replicability of the findings of this dissertation.

Chapter three provides a first empirical study of the role of ideas in TBC management. In this chapter, we investigate how different personality traits and economic pressure affect leaders' beliefs in sense making. To study this question, we employed Leadership Trait Analysis to measure personality traits in spontaneous speech acts. We used Eurobarometer data on debt and deficit levels to determine economic pressure. And we applied Qualitative Content Analysis of leaders' speeches to study the sense-making of leaders. Chapter four builds on the methodological insights of this study and applies a more fine-grained method, Quantitative Comparative Analysis (QCA), to analyse the complex causality between specific conditions and leaders' ideas. To measure the ideas of leaders and the changes therein, the study builds on the Cognitive Comparative Mapping (CCM) dataset of EU leaders in the Eurozone crisis (Van Esch et al., 2018). The CCM method is particularly useful to uncover and measure the ideas of political leaders as it adheres to the requirements of methods used to study ideas. It allows researchers to explore the content and strength of ideas and to specify and differentiate between different types of ideas. Furthermore, it provides the option to quantify ideas, allowing for medium-N or large-N comparisons of cases (van Esch & Snellens, 2019) – in this case of the economic beliefs of 12 EU leaders. To study the conditions that have the propensity to affect leaders' ideas, I use data from Eurobarometer and the Comparative Political Dataset (CPDS) (Armingeon et al., 2018). Lastly, Chapter 5 employs Discourse Network Analysis (DNA) to measure when leaders came to a joint belief shift and established the Banking Union. Here, I used more than 800 newspaper articles from the Financial Times and EUObserver to conduct the study. DNA combines qualitative content analysis of actors' claims in these media sources with quantitative social network analysis. This approach to examining leaders' ideas as the content of discourse allows researchers to study belief shifts in policy debates in a systematic, empirical and replicable manner (Leifeld, 2016). Furthermore, the analysis of the discourse networks allows the researcher to trace the process and mechanisms that lead to the observed institutional change of the Banking Union.

### 1.8 Academic and societal relevance

The academic relevance of this dissertation is threefold. First, the dissertation connects three streams of literature that have previously been disconnected: transboundary crisis management, (EU) leadership, and ideational literature. In effect, the dissertation contributes a new perspective to the study of transboundary crises in the EU: that of leaders and their ideas. As transboundary crises in Brussels increased, decision-making was centralized to the HSG in the European Council (Dinan, 2012; Puetter, 2012). The ideational literature helps scholars of EU crises understand the content of the choices that leaders have been facing, how that content played a role, and how it changed as the crisis developed. These insights help to understand the complex micro-level processes that unfold when the EU tries to deal with transboundary crises amidst larger macro-level processes that we already know so much about.

This dissertation furthermore contributes an individual leader perspective to institutional-centred literature on EU crises (Glöckler et al., 2017; Jabko, 2019; Nielsen & Smeets, 2017; Schoeller, 2015; Wasserfallen et al., 2019). Academically, the individual actors in the Eurozone crisis are currently understudied. This is surprising as EU leadership literature has shown that leaders within these institutions are not passive actors (see for examples Müller & Van Esch, 2020). This dissertation provides a theoretically grounded perspective of how one can study individual leaders in EU transboundary crises.

Methodologically, two of the methods used in this dissertation (qualitative comparative analysis and discourse network analysis) advance our understanding of the role of leaders' ideas in EU crises. The existing work on ideas in EU crises is largely based on interpretive, constructivist inquiries (Carstensen & Schmidt, 2018; Crespy & Schmidt, 2014; Saurugger, 2013; Schmidt & Thatcher, 2014). While such methodologies can be used to study ideas and ideational change, not all are designed to do so. This constrains empirical research in dissecting how ideas can be separated from other influential factors in the policy process. By moving away from the more traditional critical-discursive or interpretive approaches, these newly proposed qualitative research methods allow researchers to systematically trace the ideas and ideational change of leaders in different ways. QCA advances our understanding of the complex causality underpinning processes of ideational change. DNA combines actor-centred approaches to content-centred approaches in the study of public policy to systematically trace the role of leaders' ideas in policy discourse. Hence, this dissertation responds to several calls from scholars to further develop the field of ideational studies in terms of methods and expand their methodological toolbox to measure ideas and ideational change (Béland & Cox, 2011; Swinkels, 2020b - chapter 2; Van Esch & Snellens, 2021).



The societal relevance of the study is twofold. First, the study provides an empirically grounded analysis of the role of leaders' ideas in EU crisis management, a subject that is frequently and sometimes hotly debated in media and political arenas. Current debates include oversimplifications about German leadership and power in EU crises, debate over how crises increase the North-South divide in the EU, or debate about the EU's unwillingness and inability to lead in crises (cf. Herszenhorn & Wheaton, 2020; Kluth, 2020; Van Dorpe & Leali, 2020). In this dissertation, I explore the complexities involved in coming to joint responses to crises, and the findings bypass ostensibly easy explanations for crises responses. Systematically analysing conditions that affect the role of leaders and their ideas in EU crisis management sheds light on when and why actors change their beliefs during a crisis and how this affects their crisis decision making. This dissertation can therefore provide a scientific backing to understand the leaders (and the complexities they face) that dominate the press during crises. In addition, this dissertation contributes to more general debates in society about the EU's capacity to manage crises and the simplified idea that crises trigger change. It can inform citizens and public debates of the complexity of leading collectively in crises in the EU and the role of actors in ensuring that crises do or do not trigger change. Doing so, it can shift the focus of the public debate away from the EU's inability to respond to crises, to a thorough examination of the competing accounts of leaders respond to a crisis (cf. Steehouder & Swinkels, 2020).

Second, facilitating a deeper understanding of the role of ideas in transboundary crisis management can also give both national and European policy makers concerned with EU crisis management a new perspective. It can urge policy makers to take the role of ideas seriously and construct crisis management mechanisms that allow the role of ideas in crises to be analysed and the conversation between leaders to be facilitated. Furthermore, the insights can also be used to aid policy makers in explaining the complexity of responding to EU crises to their national and European publics. Analysing the ideational dynamics of leaders can also strategically advance policy makers: understanding the – competing – ideas of others can provide insights into what persuasive strategies may or may not work to come to collective decisions in crises.

### **1.9 A preview of the studies**

This dissertation is composed of articles, meaning that each of these chapters can be read independently. Consequently, they may sometimes overlap. The chapters have been published as peer-reviewed articles or have been submitted for publication. Chapters 2 and 4 are single-authored articles and have been published in the peer-reviewed journals *International Review of Public Policy* and *West European Politics* respectively. Chapters 3 and 5 are co-authored articles with Femke van Esch.

## ■ Chapter 1

Chapter 3 has been published in *West European Politics*, and Chapter 5 has been submitted for peer-review at an international journal.

This introductory chapter has laid out why this dissertation studies the role of ideas in EU crisis management, specifically in the context of the Eurozone crisis. *Chapter 2, "How ideas matter in public policy: a review of concepts, mechanisms, and methods"*, provides an answer to sub-question 1: What are ideas and how can we study them in public policy? The chapter presents the findings of a systematic literature review that studied/investigated/assessed/etc the complicated, multi-faceted concepts of ideas and ideational change in the field of political science and public administration. Chapter 2 serves as the theoretical backbone of the dissertation. It presents three scholarly approaches to conceptualise ideas as a variable in the policy process and explore the ways in which other scholars have studied these concepts. Furthermore, it summarizes existing scholarship about where ideas come from as well as the dynamics and drivers of ideational change. These scholarly insights shed light on the different ideational mechanisms underpinning policy processes. The findings of the review guide me in defining ideas and ideational change as variables in my studies and present me with a methodological toolbox to measure ideas. I make an inventory of hypotheses that ideational scholars have both formulated and examined to understand the different types of ideas and ideational change. These hypotheses helped me to structure expectations about ideational change in the subsequent empirical studies. The results of this systematic review show that while many scholars acknowledge that cognition and individual actors play an important role in public policy, these dynamics are often understudied and should be focused on. This makes the case for my choice to focus on individual actors and their beliefs in the chapters to follow.

*Chapter 3, "How Europe's Political Leaders Made Sense of the Euro Crisis"*, provides an answer to sub-question 2. It focuses on the start of the Eurozone crisis and studies how different EU leaders made sense of the crisis. European leaders struggled to come up with a shared diagnosis of the crisis at its inception. This study surveys how personality traits (specifically the traits belief in one's ability to control events, cognitive complexity, and self-confidence) as well as the economic pressure that leaders faced, explain the differences in sense making of leaders at the start of the Eurozone crisis.

*Chapter 4, "Beliefs of political leaders: conditions for change in the Eurozone crisis"* provides an answer to sub-question 3: Under what conditions do leaders' beliefs change? First, it studies which economic beliefs of political leaders were prevalent in their public speeches prior to and after a key meaning-making episode in the Eurozone crisis: Mario Draghi's 'whatever it takes' speech. The study examines if these beliefs change throughout this timeframe and analyses what configuration of conditions enables such belief changes. The study uses qualitative comparative analysis (QCA) to study the effects of political and economic antecedents on the beliefs of 12 heads of state in the

European Council. The analysis shows that a configuration of changes in both the economic and political context of leaders impacts when these belief changes occur. In effect, it highlights the role of contextual factors in shaping leaders' public responses to a crisis.

*Chapter 5, "Deciding upon the Banking Union: how a joint belief shift instigated deep institutional change in Eurozone governance"*, provides an answer to sub-question 4: What enabled leaders to come to a joint belief shift and pave the way towards the Banking Union? The study deploys a theoretical framework of institutional change (Rinscheid et al., 2020) that departs from the idea that a joint belief shift is necessary for institutional change to occur in times of crisis. This model and its resulting expectations were empirically tested using Discourse Network Analysis (DNA) (Leifeld, 2016). The findings show how a group of like-minded individual leaders slowly assumed dominant positions within a discursive network, implementing and advancing their ideas and allowing them to turn these alternative ideas into the new dominant discourse. They triggered cascade-like belief changes in the discourse network, ultimately leading to mass imitation of their ideas by other actors in the discourse network.

*Chapter 6, "Conclusion"*, takes stock of the findings of Chapters 2-5 and answers the main research question. Furthermore, it outlines the lessons learned in this dissertation and articulates new insights for theory and practice of the politics of EU crisis management.

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## ■ Chapter 1

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# Chapter 2

How ideas matter in public policy: a review of concepts, mechanisms, and methods



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# **How ideas matter in public policy: a review of concepts, mechanisms, and methods**

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## **Abstract**

The recent ideational turn in political science and public administration implies that ideas matter. Ideas are an essential explanatory concept for understanding policy changes and decision-making processes. The aim of the paper is to specify how ideas matter as a variable in public policy research, providing students and scholars of public policy with a stock take of the current state-of-the-art literature on ideas in political science and public administration. The paper first identifies three approaches to ideas as a variable in the policy process. It then discusses where ideas come from and the dynamics and drivers of ideational change to shed light on the ideational mechanisms underpinning policy processes. Furthermore, it taps into different research methods that can be used to study ideas. Finally, the paper concludes with five lessons for future research endeavours on the study of ideas in public policy.

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## **Keywords**

ideas, beliefs, change, public policy, ideational change, literature review

## Taking stock of how ideas matter

Public policy studies and political science have experienced an ‘ideational turn’ in recent years. Ideational explanations have allowed public policy scholars to clarify the content of policy changes and how such changes come about (Béland & Cox, 2011; Parsons, 2007; Schmidt, 2008). Key research programmes and frameworks in policy sciences, such as Sabatier’s Advocacy Coalition Framework, Kingdon’s multiple streams approach, and Hall’s work on policy paradigms and social learning, have spurred an academic debate on the role of ideas in public policy and political science (Hall, 1993; Kingdon, 1984; Sabatier, 1988). A growing number of studies suggests that ideas are an important variable shaping public policymaking processes (Baumgartner, 2014; Béland & Cox, 2011; Berman, 2013; Blyth, 2013; Schmidt, 2008). Arguing that ‘ideas matter’ has become like preaching to the choir: ideational factors are now widely considered an essential variable in the analysis of various political and policymaking phenomena (Kamkhaji & Radaelli, 2019; Mehta, 2011).

However, ideational scholarship is scattered across subdisciplines, and a comprehensive overview of relevant research questions, findings, and methods is presently lacking. Thus, the analysis of the effects of ideas on public policy is hampered by problems that arise from the imprecise specification of what ideas are, where they come from, when and how they change, and how to study them (Berman, 2013; Carstensen, 2011a; Kamkhaji & Radaelli, 2019; Meyer & Strickmann, 2011; Parsons, 2007; Schmidt, 2016). Thus far, ideational scholars have provided us with classifications of different types of ideas (e.g. different levels of generality, ranging from specific policy programmes to overarching cultures) as well as different ways of thinking about ideas (e.g. ranging from positivist to constructivist approaches, stressing ideas as causes of or constitutive of public policy) (cf. Hall, 1993). A result of the concept being used in a variety of subdisciplines is that it has been stretched to include a number of phenomena and concepts, making it close to impossible to understand what is ideational and what is not (Kamkhaji & Radaelli, 2019). This makes it difficult to understand *how* ideas matter.

Hence, the aim of this paper is not to reconstruct a succinct overview of the development of ideas in political and policy science. Others have done excellent jobs reviewing the ideational turn in political and policy science (for overviews, see Béland & Cox, 2011 and Parsons, 2007). Instead, the aim is to provide students and scholars of public policy interested in the concepts of ideas and ideational change with a stock take of the current state of the art to help them navigate the broad interdisciplinary field of ideational scholarship and identify challenges for future ideational scholarship.

To do this, I reviewed articles on ideas and ideational change published over the last 25 years, guided by the PRISMA method (Petticrew & Roberts, 2006). This research approach allows the researcher to obtain a comprehensive, structured overview of a certain concept or study domain. Using PRISMA for this paper, I obtained an overview of the current literature regarding ideas and ideational change that spans different disciplines. The initial corpus of 71 articles resulting from the analysis was examined thoroughly, and complemented with additional literature.<sup>1</sup> In sum, most reviewed studies were published by scholars in Anglo-Saxon universities, focusing on the role of ideas in public policy at the national level (specifically in the domains of economic, foreign, or climate policy), and both theoretical and empirical in

1 – PRISMA stands for Preferred Reporting Items for Systematic Reviews and Meta-Analyses. See appendix for an overview of the coding process, background information and data of the reviewed literature, and quantitative overview of the literature that guided this review. Additional literature that complemented the initial corpus was surveyed through conferences, feedback on drafts, and reviews.

nature (see appendix for full overview of quantitative data about the corpus). A majority of the articles does not specify research design or methodology, data collection techniques or modes of analysis. Furthermore, scanning the corpus suggests that current ideational scholarship is scattered throughout the political and policy science landscape (see Figure 1 in appendix) with little to no cross-fertilisation between journals rooted in different subdisciplines (e.g. political economy and political psychology). This leads to the expectation that there are competing answers regarding four key questions policy researchers should be able to answer when they choose to use ideas as a variable in their research: What is an idea? Where do ideas come from? What are the dynamics and drivers of ideational change? And what methodology can I use to study ideas? Answering these questions will help policy researchers shed light on the pivotal question of how ideas matter in public policy.

The conclusion charts five lessons and objectives for scholars of ideas in public policy research: (1) taking micro-level cognitive dynamics seriously; (2) theorising about relationships between different types of ideas; (3) specifying the conditions, mechanisms, and sequences involved in processes of ideational change; (4) expanding their methodological toolbox with innovative methodologies to measure ideas; and (5) examining the ways in which ideas matter in different policy domains and settings.

### **Specifying the concept of ideas in public policy**

Policy researchers have come to accept that ideas should be taken seriously as a variable in explanations of public policy outcomes (Cairney, 2019; Mehta, 2011). The corpus used suggests that the relationship between ideas and policy outcomes takes many forms and depends on the precise specification of what ideas are. Concepts associated with ideas are wide-spread, bringing in a ‘conceptual minefield’ (Berman, 2013; Kamkhaji & Radaelli, 2019; F. van Esch & Snellens, 2019). Broadly, ideas can be defined as “beliefs held by individuals or adopted by institutions that influence their actions and attitudes” (Béland & Cox, 2011, p. 6). Furthermore, scholars seem to assume that what constitutes an idea ranges from specific, programmatic ideas to more general philosophies (Kingdon, 1984; Schmidt, 2008), or from diagnostic beliefs to principled beliefs (cf. Jervis 2006; Van Esch and Snellens 2019).

Simultaneously, the Béland and Cox definition displays the complex and differentiated nature of the concept as a word and emphasises that there are different approaches to determining what ideas are. For instance, stressing ideas as beliefs held by individuals is ontologically different from viewing ideas as embedded entities in institutions. Depending on the chosen perspective, the effect of ideas on policy outcomes may differ, and different mechanisms may cause these effects.

Herein, I unpack Béland and Cox’s (2011) definition by reviewing the literature.<sup>2</sup> The review leads to three broadly different conceptual approaches that scholars working with ideas use across subdisciplines: ideas as sense-making heuristics that guide people’s actions, ideas as strategic tools that actors use to craft political discourse, and ideas as institutional frameworks that have an effect on their own and maintain some order throughout the actions of individuals, groups, and society (cf. Blyth, 2001). These approaches vary on their ontological positions on structure and agency and on their epistemological positions on positivism (explaining) and interpretivism (understanding) (Hollis, 1994). Here, in a simplified manner, I address the core positions of these different approaches.

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2 – See the appendix for coding strategy.

### Ideas as heuristics

First, ideas can be conceptualised as heuristics or subjective beliefs.<sup>3</sup> Heuristics are cognitive short-cuts that help people make sense of the complex world around them. Ideas are internalised in people's hearts and mind. People depend on such pre-existing ideas to understand the situations they are in (cf. Jones, 2017).

Scholars term ideas as beliefs, cognitive short-cuts, mental aides, or heuristic devices (Brummer, 2016; Burdein, Lodge & Taber, 2006; Foyle, 1997; Radaelli & O'Connor, 2009; Renshon, 2009). A belief system can be defined as a more or less integrated set of beliefs about the human physical and social environment. "An individual's perception, in turn, is filtered through clusters of beliefs or 'cognitive maps' of different parts of his social and physical environment" (Holsti, 1976, p. 20). Thus, ideas act as the filter through which information is viewed and judged (Fielding, Head, Laffan, Western & Hoegh-Guldberg, 2012; Jacobs, 2009).

Beliefs are subjective as they refer to an individual's understanding of cause-and-effect relationships or normative assumptions about what is good or bad (Jervis, 2006). Beliefs do not provide accurate or objective assertions about the world but 'coloured lenses' through which individuals make sense of the world. This suggests that beliefs limit the capacities of policy actors to review policy debates holistically and constrain the available policy alternatives they consider when making policy decisions.

This approach to ideas originated in foreign policy analysis and political psychology (Jervis, 2006). The fundamental research question asked to understand policy processes, is how to understand what those who make public policy believe. Alexander George (1969, in Larson, 1994) was among the first to develop this approach in political psychology. He proposed that policy actors had a certain 'operational code' consisting of philosophical and instrumental beliefs, setting their parameters for action. This 'opcode' could be constructed through analysis of the verbal behaviour of policy actors.

The pioneer of what recently has started to be referred to as behavioural public administration, Herbert Simon (1947, in Mintrom, 2015), noted early on that any theory of public administration should consider that policy actors are 'boundedly rational'. Therefore, scholars need to grasp how policy actors process information and form views about their decisions. Simon's work found its way into what have become classic policy studies, such as Lindblom's incrementalism, Kingdon's multiple streams, Baumgartner and Jones' punctuated equilibrium, and Sabatier et al.'s Advocacy Coalition Framework.

According to Jones (2017), the 'cognitive approach' focuses on the influence of policy actors' beliefs on policy outcomes, for example by studying the effect of public opinion on the type of policy outcome or the effect of policy-makers' beliefs on policy choices (cf. Yee, 1996). Despite early work denoting that policy actors' beliefs should be taken seriously, many key theories in public policy literature continued to focus on the 'system' as their level of analysis than the individual decision-maker per se. Furthermore, scholars of public administration in part neglected theories and methods from (political) psychology to study these micro-level processes (Grimmelikhuisen, Jilke, Olsen, & Tummers, 2017). In recent years, scholars have aimed for cross-fertilisation between public policy theories and (political) psychology theories and methods, with an increasing number of studies on behavioural public administration and the work on micro-foundations in policy learning literature (Dunlop & Radaelli, 2017; Moyson, Scholten, & Weible, 2017).

3 – Of n=71 articles, 31.0% of the articles use this conceptualisation.

In sum, the cognitive approach departs from the micro-level of individual beliefs to explain macro-level phenomena in policymaking. Actors' beliefs constrain or enable them to influence the policymaking process (e.g. agenda-setting, limiting decision-making alternatives, facilitating groupthink). Contemporary questions for this approach centre on how strongly and under what conditions policy actors hold on to which beliefs and examine what causal mechanisms instigate belief changes (cf. Van Esch and Snellens, 2019). In the analysis of study findings in the corpus (see Table 1), both exogenous factors such as crisis, as well as endogenous factors such as the personal disposition of actors' presumably influence the stability of beliefs, leading to competing hypotheses on mechanisms of ideational change (Golec de Zavala & Van Bergh, 2007; Van Esch & Swinkels, 2015). Ontologically, scholars in this approach argue that policy action can be primarily explained by examining an individual's 'internal computer'. Epistemologically, this scholarship seeks causal explanations for how such beliefs come about.

### **Ideas as strategic tools**

Alternatively, scholars take a linguistic, or discursive, approach to ideas and their potential effects on public policy and institutional change.<sup>4</sup> From this perspective, ideas influence public policy when viewed as the content of discourse (Schmidt, 2008). The role of policy actors is to 'do things with words.' Ideas reflect policy actors' normative orientation towards the context in which they operate, and these determine the behaviour they display in that context (Hay, 2011, p. 67; Blyth, 2001). Scholars of the 'argumentative turn' conceptualise public policy as a social construct (Schon & Rein, 1995). This requires policy analysts to focus on how policy actors perceive, understand, and frame policy issues, and how they make sense of ideas and imbue them with meaning in the policy process (Hajer & Wagenaar, 2003).

Despite different orientations within this approach, scholars take argumentation to be essential to grasp how actors perceive the world and interact with their counterparts. Much of the recent interpretive or argumentative work on ideas and public policy centres around discursive institutionalism (Schmidt, 2008). Here, ideas are the substantive content conveyed through the interactive process of discourse. Discourse allows ideas to be generated and communicated in institutional settings (Schmidt, 2011). Change in these institutional settings arises through "dynamic processes through which agents use not only their 'background ideational abilities' ... to create and maintain not only their institutions but also their 'foreground discursive abilities' ... to communicate and deliberate about taking action collectively to change (or maintain) those institutions" (Schmidt, 2011: 685). In effect, ideas can be seen as tools purposefully deployed by policy actors to shape the meaning of discourse.

Conceptualising ideas as strategic tools emphasises an active role for actors to consciously work with ideas. Actors engage with ideas, adjust them, and challenge existing ideas through the use of political discourse. Through discursive practice, actors can build coalitions, shape political agendas, navigate the political arena (Morrison, 2016), and effectively induce policy change. This approach is used in different theories of the policy process, for example in the Narrative Policy Framework and the Social Construction Framework (Sabatier & Weible, 2014). These treat ideas as narrative strategies and social constructions of (groups of) actors.

Policy actors use ideas as rhetorical weapons and armoury in political struggles (McNamara, 1999). If an individual in a group reconfigures the substantive content of an idea he or she holds, the dominant discourse does not necessarily change (yet). Through repeated interaction certain ideas can institutionalise – providing power 'in' ideas (Carstensen & Schmidt, 2016).

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4 – Of n=71 articles, 19.7% of articles use this conceptualisation.



For example, Schmidt and Thatcher (2014) show the resilience of neoliberal ideas in Europe throughout multiple crises as an effect of the weak substantive content of alternative ideas and the effectiveness of neoliberal ideational entrepreneurs' in political discourse. However, if most people within a policy domain become convinced of the content of alternative ideas, the dominant discourse becomes vulnerable to change and can even disappear. Policy actors potentially have power 'through' ideas, understood as the capacity of actors to persuade other actors to accept and adopt their views through the use of ideational elements (Carstensen & Schmidt, 2016).

Conceptualising ideas as strategic tools in discourse furthermore links to notions of ideational entrepreneurship or craftsmanship (Bratberg, 2011; Schonhardt-Bailey, 2005). Without strong ideational entrepreneurs, ideas cannot gain prominence in groups or networks. Through positional power and rhetorical skills, entrepreneurs create, represent, promote, and embed group ideas. The key rationale here is that ideas about policy problems or solutions are not a pre-established heuristic device, but are actively constructed through discourse by policy actors (Hajer, 2013; Mehta, 2011; Schon & Rein, 1995). Hence, this approach is situated at the interpretive side of the epistemological spectrum as opposed to the positivist perspective of the cognitive approach.

This ideational scholarship thus zooms in on the meso-level in policymaking; i.e. how policy actors construct the meaning of public policy through social interaction in groups or in society. Actors are embedded in society but have agency to act and initiate change (Hollis, 1994). Contemporary debate in the ideas-as-strategic-tools approach concerns the extent to which actors are capable of bringing about ideational change as well as the conditions under which they can bring about such change. In sum, when do policy actors gain power 'through' ideas and instigate joint ideational shifts that reconfigure a pre-existing discourse?

### **Ideas as institutional frameworks**

Third, ideas can be conceptualised as institutional frameworks.<sup>5</sup> They can be understood as intersubjective understandings embedded in institutions or societies. This approach differs from the heuristics approach, as the causal logic works in reverse. Rather than working their way out from inside people's hearts and minds, ideas work their way into people's hearts and minds from the outside and either hamper or enable them to act. Ideas function as societal norms or paradigms, giving people a sense of direction in uncertain times (Blyth, 2001). Rooted in historical institutionalism, ideas provide policymakers and politicians with "interpretive frameworks that specify the nature of the problems that policy-makers are meant to be addressing" (Hall, 1993, p. 279).

Scholars following this approach refer to ideas as 'blueprints', 'guiding principles', 'philosophies', 'collective systems of thought', 'worldviews', 'ideologies', 'zeitgeist' or 'paradigms' (Bratberg, 2011; Haklai, 2003; Hall, 1993; Rohrschneider, 1993). These specify the set of ideas used for creating public policy (Hogan & Howlett, 2015). Despite terminological differences, researchers conceive of ideas as mental constructs shared by certain sets of (policy) actors that potentially have an effect on their own (Jacobs, 2015). As these ideas are perceived as widely influential, this makes them often difficult to study (Mehta, 2011).

Ideas can thus give 'organised existence' to a public policy domain (Bell, 2012), representing shared "systems of thought consisting of a series of interconnected claims and assumptions about how something functions" (Baker & Underhill, 2015, p. 381). Ontologically, ideas are sit-

5 – Of n=71 articles, 27.8% of articles use this conceptualisation.

uated at the level of structure. No included study in the review takes a structural-explanatory perspective on ideas. Instead, a structural-interpretive perspective is prevalent. From this perspective, ideas are sets of meaning telling actors how 'to do' social life. Actors are perceived as 'followers' of these sets of meaning (Hollis, 1994). These sets of meaning are open to contestation, but in public policy, the range of potential interpretations is not infinite. Instead, contestation is shaped by path dependency mechanisms (Pierson, 2000) and hegemonic discourses (Blyth, 2013). For example, Matthijs (2016) argued that the ideational construct of ordoliberalism in Germany shaped German policymakers' responses to the Euro crisis. Carstensen and Matthijs (2018) show how the precepts of neoliberalism survived both the global financial crisis and the Euro crisis.

This type of ideational scholarship zooms in on macro-level phenomena in policymaking; i.e. how interpretive policy paradigms govern policy domains. Contemporary questions in this approach are how coherent such ideational frameworks truly are, how change occurs over time, and how such institutional frameworks affect policy debates. Scholars often depart from post-hoc analysis of uncertain and complex policy processes. Hence, some scholars render this a problematic approach to studying the impact of ideas on public policy as it fails to account for the cognitive or discursive processes playing a role throughout the policy process (cf. Kamkhaji & Radaelli, 2019).

### **Mixed approaches**

Many ideational studies use hybrid conceptual approaches combining elements of the different approaches discussed here.

This blurs the boundaries between ontological and epistemological positions.<sup>6</sup> For example, studies perceive ideas both as 'worldviews' and shared mental constructs that are used strategically by actors to achieve their goals (cf. Carstensen & Schmidt, 2016; Helgadottir, 2016; Kuisma, 2013; Parsons, 2016; Saurugger, 2013). This is for good reasons. A one-dimensional focus on ideas as institutional frameworks will tend to leave out a theory of individual action. In contrast, focusing on individual decision-makers only may overemphasise their self-described motivations and exclude the constraints of the social structures under which they are operating (Jacobs, 2015). The 'un-boxability' of these approaches is both a strength and a weakness. The strength of such hybrid approaches is their ability to identify many valuable dimensions of how ideas matter. However, what remains under-theorised is how these different types of ideas relate to one another as a result of competing ontological positions and epistemological views. These imprecise specifications make it easy for other scholars to critique the ideational approach in public policy. Specifying the relationship or interaction between different approaches to a concept allows us to rethink and elaborate on what aspects of the ideational spectrum we study, ultimately spurring our understanding of the potential causal effects of ideas on public policy.

To conclude, ideas can be understood from a cognitive, strategic-discursive, or institutional perspective. Differentiating between these three approaches helps us to answer fundamental questions about where they stand on ontology and epistemology (Hollis, 1994). Cognitive and strategic approaches locate ideas with individuals, whereas the institutional approach locates ideas in structure. A cognitive approach entails a more positivist epistemology, examining causal explanations about how beliefs come about or how they affect policy. Strategic and institutional approaches stand on the interpretive side of the epistemological spectrum, focusing

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6 – Of n=71 articles, 21.5% of articles used this conceptualisation.

on how social structures are formed through or structure interpretation and meaning making of policy actors in public policy. Departing from different answers to the question of what ideas are, the question of where ideas come from and how they change is a next step of inquiry into how ideas matter.

### **Where do ideas in policy processes come from, and what makes them change?**

As Kingdon (1984, p. 72) stated, “ideas can come from anywhere” and also “from a plethora of sources”. The question of where ideas come from links to the carriers of ideas in policy processes. As argued above, different ontological positions determine ‘who’ carries ideas. Different epistemological positions further specify where to look for them. First, from a cognitive approach, ideas, come from ‘microfoundations’. Second, a strategic-discursive approach shifts our focus to factors and mechanisms explaining the distribution and transfer of ideas between individuals or between individuals and groups (micro- to micro- or micro- to mesolevel). Alternatively, ideas can be seen as epiphenomenal frameworks (Kamkhaji & Radaelli, 2019). This shifts the focus to factors such as time, context, and events to explain how taken-for-granted ideas in a policy domain may be altered.

How ideas form and how they change, in short, draws our attention to both institutional and contextual (exogenous) factors as well as actor-specific and entrepreneurial (endogenous) factors (see Table 1 for a full overview). Relating different types of factors to who ‘carries’ ideas leads to the identification of different mechanisms of ideational change. For example, from an agency-endogenous perspective, identified mechanisms of ideational change include: (instrumental and social) learning, input, persuasion, puzzling (Van Esch & Snellens, 2019). These mechanisms all refer to processes in which policy actors try to make sense of new or alternative ideas in different ways. From a structural-endogenous perspective, mechanisms such as socialisation, imitation or identification describe how policy actors adapt to ideas in a social context. From an exogenous-agency perspective, mechanisms of ideational change are more ‘political’ and include coercion, powering, or turn-over. Alternatively, from a structural-exogenous perspective, ideational change occurs through dispersion. Ideas then spread among human beings more or less the same way as germs or viruses do (cf. Dunlop & Radaelli, 2017; Moyson et al., 2017 and Van Esch & Snellens, 2019 for a more in-depth discussion of alternative mechanisms of ideational change). In the discussion below, I discuss the three most dominant mechanisms identified in our initial corpus of ideational studies related to ideational change: learning, persuasion and socialisation.<sup>7</sup> As studies in our corpus often identified endogenous factors as triggers for change, while identifying exogenous factors as a scoping condition for change, it makes sense that these three mechanisms are most prevalent in the reviewed corpus.

#### **Ideas come from microfoundations**

Microfoundations refers to understanding public policy as the aggregate of policy actors’ behaviour. If ideas affecting policymaking originate in the cognition of individual policy actors, then a logical second step is to examine what factors influence cognition (e.g. openness to information, education, emotion, experience) as well as when and how these factors contribute to changes in cognition (Brummer, 2016; Kamkhaji & Radaelli, 2017). The corpus included studies into the effects of personal disposition on both the content and flexibility of policy actors’ ideas in policy processes (see Table 1 for a complete overview of expectations and findings

7 – For analytical purposes, this overview is presented in a somewhat arbitrary manner. In reality, the literature is more intertwined at times.

of the included studies). For example, studies on the effect of cynicism, values, level of education, anxiety, and arousal have demonstrated that these factors affect the core meaning of the beliefs of individual actors in policy processes (cf. Bolsen, Druckman & Cook, 2015; Brewer & Steenbergen, 2002; Fielding et al., 2012). These studies discovered a positive relation between these factors and their influence on the beliefs of policy actors. For example, Fielding et al. (2012) showed how personal disposition (e.g. level of education) is positively associated with politicians' belief in climate change and this guides their response to policy issues (see Table 1).

Other studies have examined the effect of personal disposition on the stability or flexibility of beliefs as a proxy for their receptivity to new, alternative policy ideas (see Table 1), for example the effects of traits, expertise, partisanship, and emotion on belief stability. For instance, Brummer (2016) suggested a relationship between a political leader's openness to information and their reflective stance towards new policy ideas. As a result, openness to information could decrease the likeliness of leaders to become involved in policy fiascos. Meanwhile, expertise is seen as a constraining factor for belief change (cf. Larson, 1994). Emotions, such as anxiety, could prefigure the beliefs of elites (Renshon, Lee & Tingley, 2015; Widmaier, 2010). These factors could make policy actors less prone to belief changes, ultimately affecting policy stability.

The oft-used causal mechanism through which an individual actor is believed to change their cognitive ideas is instrumental learning (Van Esch & Snellens, 2019). Learning in this sense refers to the 'updating of beliefs' (Dunlop & Radaelli, 2013, p. 599). Through learning, actors can stick to, reinforce, or revise their ideas about public policy (Trein & Vagionaki, 2020, p. 8). According to the literature, learning is more likely to occur under scoping conditions of crisis, external challenges, discrepant events, and failures. Scoping conditions in this sense refers to the context in which a particular mechanism is theorised as likely to be activated (Beach & Pedersen, 2013). Cognitive-ideational scholars often choose such scoping conditions as the empirical research environment in which to study if and when learning occurs. The need to respond to scoping conditions, which generate uncertainty about existing beliefs and the policies based on them, may set people on the path of learning. However, depending on the personal disposition of actors, such challenging circumstances could also produce impulses to adhere to and defend existing ideas (Van Esch, 2014). From a cognitive perspective, it is, therefore, questionable whether political actors are as prone to ideational change as people tend to think. People are often rigid and resistant to new ideas, even under crisis conditions (Moynson, 2017).

In conclusion, the policy process is permeated by the beliefs of individual policy actors and their beliefs are conditioned by cognitive processes. The personal disposition of policy actors determines their receptivity to new, alternative ideas in response to scoping conditions (e.g. crises, exogenous shocks). As such, only when learning occurs and actors update their beliefs in response to new circumstances can we find an effect on policy change.

### **Ideas come from interaction and entrepreneurship between policy actors**

Scholars taking a discursive approach depart from the assumption that ideas are tools for policy actors to transfer and distribute in groups or networks. Questions of ideational change do not centre so much on the stringency or flexibility of ideas, but on questions of reconfiguration or convergence and divergence of ideas. As such, studying the effect of ideas on public policy concerns the ways in which ideas are transmitted in policy processes. Ideational research in this stream takes us to the study of policy entrepreneurs and their capacities to transmit ideas in networks, advocacy groups, and epistemic communities. The concept of policy entrepreneurs was first established by Kingdon (1984) and refers to policy actors capable of linking

policy problems to policy ideas to promote policy decisions. Yet, a major challenge ahead lies in the ways in which such communicative interactions of policy entrepreneurs truly function as an explanation of policy processes.

Scholars surmise that the positions of and power divisions between policy actors within existing policy networks, the availability of new ideas, and their rhetorical skills to promote them determine which actors become key entrepreneurs in the transfer and distribution of ideas (Moschella, 2015) (see Table 1). Policy entrepreneurs need considerable resources, legitimacy, and a feasible alternative to the institutional status quo. Organisational or institutional settings play a role in determining who is 'waiting in the wings' and has the resources and positions of authority to become a policy entrepreneur (see Table 1 – institutional factors). For example, policy experts in a policy subsystem with a high degree of autonomy are more often in a position to introduce radical new ideas into the policy process (Baker, 2015). Helgadóttir (2016) argued that influential Italian economic policy ideas could be advanced and diffused throughout the EU as a result of putting people in the right positions.

Once policy entrepreneurs are in place, they can become the 'central defecting actors', creating windows of opportunity for policy change. To do so, they need to persuade other actors that their old ideas are wrong and instigate a 'joint belief shift' (Culpepper, 2005, p. 176). Whether the entrepreneurs are successful in bringing about such shifts depends on the different strategies they deploy (see Table 1). Strategies range from effective problem framing to team building, assembling new evidence, and collaborating with advocacy coalitions or policy networks to use and expand network connectedness (Petridou & Mintrom, 2020). If entrepreneurs have rhetorical skills, they may succeed in making certain ideas more or less attractive (Béland & Cox, 2016). For instance, the French Mont Pélerin society meetings were used by policy entrepreneurs to transmit the idea of neoliberalism into the public realm (Schmidt & Thatcher, 2014). Successful 'idea carriers' are often political and administrative elites that have authority on the basis of their expertise, experience, position, and skills.

The causal mechanism to explain how policy entrepreneurs can evoke ideational change is *persuasion*. Mobilising language leads people to adopt or adapt to the new or alternative ideas that policy entrepreneurs present to them (Béland, 2016; Kuisma, 2013). Persuasion may result in a consensus (convergence of ideas) among different actors participating in policy debates (Baker, 2015; Bell & Hindmoor, 2015). This mechanism arguably plays a role in highly politicised contexts (with much ideological disparity) wherein multiple, equally powerful actors try to move each other by argument (Flibbert, 2006).

The assumption that ideas originate in the interactions between policy actors has two analytical consequences. First, if change results from interaction, it implies a more active and influential role of policy actors in the policy process (Trein & Vagionaki, 2020). Second, it implies that they are not necessarily coherent entities but composed of different elements that policy actors piece together. Through bricolage, policy actors piece together different elements of meaning to construct a 'web of meaning' (Carstensen, 2011b). Seen from this perspective, ideas are flexible, open, fluid, and always subject to contestation (Crawford, 2016).

In conclusion, the literature on the transfer and diffusion of ideas stresses the importance of studying who becomes a policy entrepreneur and the discursive strategies they use to persuade others of (alternative) ideas towards public policy. Institutional and structural factors predetermine which actors could potentially play a role in changing ideas in policy processes, whereas the successful uptake of new ideas by others is the result of the discursive strategies these actors deploy.

### **Ideas come from processes of institutionalisation**

Taking a structural perspective of ideas, ideas seemingly ‘float freely’ and cannot be attributed to specific individuals *per se*. Policy actors are mere followers of social structures and choices they make follow from given conditions in their environment (Parsons, 2007). Alterations in these stable, institutional ideas are often observed through critical analysis, highlighting the retrospective distinction between policy paradigms such as Keynesianism and Monetarism (Hall, 1993). Paradigmatic ideas, such as neoliberalism, may be quite resilient and coherent (cf. Schmidt & Thatcher, 2014). The timeframe to study such processes of change is lengthier: explaining the emergence of such institutional frameworks requires careful process-tracing, often analysing the development of a policy domain over a long time-span, carefully reconstructing the history of such frameworks (Jacobs, 2015; Mehta, 2011).

It is appealing to believe that factors sweeping ideas aside are contextual, for example through emerging external challenges like a crisis (Cairney, 2019) (see Table 1). Schmidt (2016) showed how the contextual pressure of the Eurozone crisis made German policymakers question their taken-for-granted ordoliberal ideas for the first time since these ideas had been first formed in the 1950s. Baker and Underhill (2015) argued that the global financial crisis opened a window of opportunity for actors to push new economic ideas and instigate policy reforms, countering prevailing post-Keynesian ideas in place since the 1990s. As such, one could argue that exogenous shocks can serve as an explanatory concept for deep ideational change. In effect, it disregards both the cognitive and discursive ideational processes that occur in between (Kamkhaji & Radaelli, 2019).

A more fine-grained observation renders the process of change to be ‘layered’. Here, external challenges do not provide a full explanation of why some ideas come into being instead of others. Acknowledging that new ideas first develop in the cognition of individual actors, and are subsequently communicated through discourse, allows for an analysis of how more actors come to a ‘buy-in’ of new ideas that may replace a prevailing interpretive paradigm. This provides a more gradual explanation of ideational change. Through individual learning and collective interaction, the majority of policy actors may ultimately be socialised into a new interpretive paradigmatic framework.

Socialisation is the mechanism through which actors or groups become a part of institutional practices, rules, or norms. It occurs as a result of observing or simulating existing practices (e.g. Bell, 2012) and creates stable policy communities that could potentially become infected with new ideas. Saurugger (2013, p. 894) stated that, “Socialization occurs when norms, world-views, collective understandings are internalized, and subsequently are codified by a group of actors”. Adapting to ideas through socialisation is characterised in the literature as ‘mimesis’, ‘imitation’, or ‘internalisation’ (Becker & Hendriks, 2008).

In sum, once ideas are institutionalised, they are believed to sit at the ‘deepest level of generality’ (Schmidt, 2016, p. 320). They arrive there as the result of a process preceded by individual learning and collective interaction, wherein the historical and political context of a policy domain and its actors influence how ideas institutionalise over time. The extent to which the historical and political context determine institutionalisation through time *vis-à-vis* the involvement of active, strategic entrepreneurs influencing this process is a key question in the literature. Pinning down the exact moments when transitioning actors become aware of their background ideas, start learning, and subsequently start using them strategically in political discourse is a less empirically assessed topic (Molthof, 2016).

To conclude, ideas may ‘come from anywhere’, but I have provided clues about where to look for them and what range of factors and mechanisms influence ideational change. For reference, Table 1 shows a more complete overview of specific hypotheses that ideational scholars in the reviewed literature have both formulated and examined to understand the different types of ideas and ideational change. In addition to the general discussion above, this overview could help scholars formulate expectations and hypotheses for future explorations of ideational change, aiding them in their examination of ‘how’ specific ideas matter in policymaking.

Table 1: triggers and constraints for ideational change

<i>Factors</i>	<i>Effects of...</i>	<i>Effects on...</i>	<i>Effect or proposition</i>	<i>Findings</i>
<i>Institutional / Political</i>	Partisanship	1. Ideational stability/rigidity 1. Ideational divergence	1. Positive 2. Positive	1. Significant relation partisanship and stability of beliefs about global warming (Bolsen et al., 2015; Clements, 2012; Fielding et al., 2012) 2. Partisanship severely hindered ideological consensus for policy making (Campbell & Pedersen, 2015). Ideological difference of left-wing governments and IMF staff results in fewer waivers (Nelson, 2014).
	Elections	1. Ideational stringency/flexibility 2. Ideational consensus/dissensus	1. Positive 2. Positive	1. Post-election effect on leniency of beliefs of IMF staff to borrowing countries (Nelson, 2014). Suspension of alternative ideas until after elections (Morrison, 2016). Béland and Waddan (2015): few possibilities for challenging existing ideas during elections in UK political institutions. 2. Outcome German election in 2009 undermined dominant ideational consensus in EMU (Matthijs, 2016).
	Presence of veto players	Ideational stasis/stringency	Positive	Successful introduction of ideas about policy as, in part, result of silencing veto players (Mandelkern & Shalev, 2010).  Baker (2015): eliminating veto players in financial regulation led to ideational change.
	Centralised institutions	Ideational stringency	Positive	Organisational strength led to coherent environmental belief system in NL and GE (Rohrschneider, 1993).

	Network (com)position	Ideational diffusion or convergence	Mixed	<p>Knowledge regime structure affected ideational diffusion / convergence in France and Germany (Campbell &amp; Pedersen, 2015).</p> <p>Becker and Hendriks (2008): position of epistemic community close to government influences ideational diffusion.</p>
	High autonomy of policy experts	Radical ideational change	Mixed	<p>Autonomy of policy experts in policy subsystems of macroeconomic policy and financial regulation affects ideational change differently as result of institutional barriers (Baker, 2015).</p>
	Policy domain	Ideational convergence	Mixed	<p>Radaelli and O'Connor (2009): shared governance beliefs about EU matter more for convergence than policy beliefs. No support for hypothesis that members of supranational committees have more common beliefs than members of intergovernmental committees.</p> <p>Baker (2015): depending on institutional structures different effects on convergence.</p>
	Bureaucratic culture	Ideational stasis	Positive	<p>Moschella (2015): strong bureaucratic culture in IMF leads to ideational stasis.</p>
	Professional position/role	Ideational dominance	Mixed	<p>Alan Greenspan's position as FED director constrained idea of macroprudentialism (Baker, 2013).</p> <p>Widmaier (2007): false expectation, more related to 'how you think' rather than 'where you sit'.</p> <p>Woods (1995): recruitment processes, civil service appointments, position of agencies influence why particular ideas are chosen at expense of others.</p> <p>Helgadottir (2016): sitting at key positions in institutions enables spread of ideas.</p>



	(Strong) Mandate	Incremental ideational change	Positive	Moschella (2015): IMF's institutional mandate (Articles of Agreement) lead to incremental, path-dependent changes in ideas about capital controls.  Hall (1993) significant shifts in authority over policy expertise precedes paradigmatic ideational change.
<i>Disposition</i>	(high) Cognitive complexity	Ideological reflection and learning	Proposition	Brummer (2016): suggests relation between openness to information and reflective stance towards other, alternative ideas (not empirically assessed).
	(high) Need for closure	Ideological stringency	Positive	Effect of the trait 'need for closure' on stability of worldview (Golec de Zavala & Van Bergh, 2007).
	Social conformity	Core meaning of ideas	Positive	Significant relation social conformity and idea of the world as threatening place (Duckitt & Fisher, 2003).
	Cynicism	Core meaning of ideas	Positive	Brewer and Steenbergen (2002): cynical respondents more likely to support idea of increased defense spending.
	Values	Core meaning of ideas	Positive	Support for hypothesis that people with egalitarian values have more belief in fact that global warming is happening (Bolsen et al., 2015).
	Anxiety	(Re)configuration of ideas	Proposition	Widmaier (2010): proposes that elite anxiety about populism prefigures paradigmatic views of elites.
	Physiological arousal	Core meaning of ideas	Mediating effect	Heightened arousal mediates relation between anxiety and beliefs about migrants (Renshon et al., 2015).
	(similar) educational background	1. Ideational formation 2. Ideational convergence	1. Mixed	1. Non-significant relationship educational background and formation of beliefs (Morcol, 2001). Nelson (2014: 312): 'graduate training in economics "is a transformative experience for doctoral students that creates strong professional identities." 2. Helgadottir (2016): power of academic 'Bocconi' network on promoting idea of expansionary austerity in economic policy-making sphere.

	Expertise	Ideational stringency	Proposition	<p>Larson (1994): suggests experts have more constrained belief systems.</p> <p>Butler et al. (1995): suggest relation expertise and lower attitude change due to ability to counterargue and engage in critical thinking.</p> <p>Widmaier (2016): belief in own (macroeconomic) expertise may lead to underrate potential market changes and felt need to adjust own ideas.</p>
	Gender, age, religion, education	Core meaning of ideas	Positive	<p>Gender, age, education have significant effect on beliefs about environment (Clements 2012). Strong relation between religion and beliefs about environment (Guth, Green, Kellstedt, &amp; Smidt, 1995).</p> <p>Highly educated more belief in climate change (Fielding et al., 2012).</p>
<i>Strategies and skills</i>	Strong rhetorical skills (crafting and promoting ideas)	Ideational reconfiguration	Positive	<p>Abilities of policy entrepreneurs to craft, promote and work with the idea (rhetorical skill) make certain ideas more or less attractive (coalition magnets) (Béland &amp; Cox, 2016).</p> <p>Flibbert (2006): strong persuasive skills bridge ideological divergence and can create broad ideological consensus (about going to war).</p> <p>Finnemore and Sikkink (1998): some carriers of ideas are more likely to spread ideas than others.</p>
	Promoting ambiguity, prominence, attractiveness	Ideational traction / convergence	Proposition	<p>Parsons (2016): when ideas have capacity to be understood in multiple ways, combining shared and unshared interpretations, more convergence. Provides example of European market integration.</p> <p>Finnemore and Sikkink (1998): intrinsic characteristics determine influence of ideas.</p> <p>Cox and Béland (2013): high valence of sustainability (emotional quality of an idea) leads to more entrepreneurs using it.</p>

	Discursive abilities of actors	Ideational formation/conversion	Positive	<p>Hall (2013): role of media getting monetarist ideas on public agenda.</p> <p>Carstensen (2010): discursive power of lib-dem government to convert the idea of individualisation to gain support for their reform ideas.</p> <p>Mandelkern and Shalev (2010): in economic policy reform, two similar plans had different fates as result of ideational entrepreneurs who promoted them.</p> <p>Schmidt (2016): engagement in communicative discourse leads to adoption of ideas by public.</p>
	Using and expanding networks (conferences, network meetings)	Ideational formation (receptivity)	Proposition	<p>Flibbert (2006): close ties between policy intellectuals and the administration determine what ideas are taken up and gain prominence.</p> <p>Schmidt (2016): Mont Perlin Society meetings allowed transmission of neoliberalism.</p>
	(different) motives	Ideational change	Proposition	<p>Schmidt (2016): Ideologically (Thatcher), opportunistic (Chirac, Berlusconi, Sarkozy), and pragmatic (Erhard, Blair, Schröder) entrepreneurs' ability to 'craft' and disseminate ideas about neoliberalism, although they have different motives.</p>
	Introducing (new) knowledge	Type of ideational change	Mixed	<p>Moschella (2015): new research and strategic advocates in IMF undermined existing ideas about economic growth – allowing for incremental change.</p> <p>Baker (2015): new information showing inconsistencies in paradigm led to fundamental macroeconomic change.</p>
<i>Contextual</i>	(economic) distress	<ol style="list-style-type: none"> <li>1. Salient ideational change</li> <li>2. Radical ideational change.</li> </ol>	<ol style="list-style-type: none"> <li>1. Positive</li> <li>2. Proposition</li> </ol>	<ol style="list-style-type: none"> <li>1. Cox and Béland (2013): growing uncertainty about economic conditions led to rise of idea of sustainability in different policy domains.</li> <li>2. Baker and Underhill (2015): suggest effect of financial distress on macroprudential ideas.</li> </ol>

	Inadequate resources and emerging external challenges	Probability for ideational learning	Proposition	Schmidt (2016): Eurozone crisis first time that German ordoliberal ideas were actively questioned.
	Economic asymmetries and domestic spending changes	Ideational flexibility	Mixed	Lee (2016): finance-heavy crises, size of financial sector, and decline in competitiveness lead to alternative, less strict, ideas about regulation. Evidence shows how material factors drove both public and elite ideas about regulation. Meyer and Strickmann (2011) pose these as propositions and present example of EU defence policy.
	Exogenous shock/uncertainty/window of opportunity	Radical ideational change (deinstitutionalizing)	Mixed	Baker and Underhill (2015): GFC opened up a window of opportunity for agents of change and norm entrepreneurs to push new ideas, yet this took place within a pattern of 'path dependency' underpinned by vested interests. Baker (2015): macroeconomic failure lead to fundamental macroeconomic change. Hall (1993) shift from Keynesian to monetarist paradigm as result of accumulation of anomalies and failure. Flibbert (2006): September 11 changed individual beliefs about national and personal security. Mandelkern & Shalev (2010): absence of window of opportunity made innovation of ideas highly difficult. Bratberg (2011): windows of opportunity gave both Blair and Chirac options to become successful ideational entrepreneurs and change existing ideas. Jacobs (2009): global depression reversed logic of policy officials about pension system.
	Domestic turmoil	Ideational adaptation	Proposition	Finnemore and Sikkink (1998): domestic turmoil opens up window of opportunity to push through new norms.

Source: The Author

## Methods to study ideas

Adding to the theoretical challenges concerning ideas and ideational change, ideational scholarship also harbours methodological challenges. One key challenge is how ideas can be measured. For example, much ideational scholarship builds on hypothesised assumptions of how cognitive ideas influence public policy but does not necessarily provide methods to do so (Kamkhaji & Radaelli, 2019). Hence, in some aspects, the field of ideational studies remains methodologically underdeveloped.

So how can ideas be empirically established and what data sources could be used to study them? In the corpus, over 40 percent of the articles do not explicate the methodology they used to measure ideas. Those that do showcase methodological pluralism. Table 2 provides a brief overview of different methodologies used in the corpus depending on different conceptualisations of ideas, substituted by examples for each. Of the articles addressing methodology, most use a comparative or single case study research design. The majority relies on document analyses to derive ideas from, either speeches or policy documents. These data are often analysed through qualitative content analysis. Information about the nature of ideas is relatively scarce.

Table 2: overview of different types of research methods to measure ideas

<b>Approach</b>	<b>Specific method</b>	<b>Explanation</b>	<b>Example study</b>
Ideas as heuristics	Operational Code Analysis (OCA)	Examining philosophical and instrumental beliefs about the nature of political life.	Brunner (2016): verbal statements of 13 political leaders to examine their beliefs about foreign policy.
	Comparative Cognitive Mapping (CCM):	Analysing the web of causal assertions an individual makes on a selected topic.	Van Esch (2014): analyses the ideas of political leaders and central bankers in the Eurozone crisis to understand how the crisis affected the economic and policy ideas of these leaders.
	Experiments	Measurement of beliefs under controlled conditions to discover hypothesised effects.	Renshon et al (2015): survey experiment where respondents watched different videos (relaxed, neutral and anxious), and skin conductance tests measured emotional responses to questions about political beliefs.
	Computational modeling	Representations of cognitive structures and the processes that link these structures to decision	Taber (1992): Use POLI, a model to understand shared belief systems to analyse U.S. Foreign Policy at the level between individuals and organisations.

	Surveys	Analysis of self-reported beliefs or ideas about selected topics using questionnaires	Brewer and Steenbergen (2002): survey of American citizens' show reliance on beliefs about human nature to reason about international affairs. These beliefs help citizens to make sense of topics that are relatively unknown to them.
	Interviews	Structured, semi-structured, or inductive conversations, targeted to uncover self-reported assumptions, beliefs and ideas of individuals.	Radaelli and O'Connor (2009) use INTUNE project data to uncover shared governance belief systems in different types of EU committees.
	Text analysis (qualitative content analysis)	Interpretation of the ways in which individuals, organisations or members groups make sense of who they are	Foyle (1997) studies the normative and practical beliefs of Eisenhower and Dulles in offshore islands crisis, observed in speeches, memoranda, comments, letters.
Ideas as institutional frameworks	Critical policy analysis	Examining histories/trajectory of larger ideological contexts	Widmaier (2016) unravels how neoliberalism became embedded in the US and the UK political system by showing the 'journey' of the idea into these political systems starting from 1970's to the financial crisis in 2008.
	Case studies	Investigating contemporary phenomena in-depth within real-life context.	Becker and Hendriks (2008): influence of the Central Planning Bureau in sustaining wage restraint paradigm.
	Content analysis	Interpretation of the ways in which individuals, organisations or members groups make sense of who they are	Bratberg's (2013): speech analysis of Blair and Chirac in Iraq war to observe how their actions were guided by pre-existing 'guiding principles'
Ideas as strategic tools	Discourse analysis	Analysis of the substantive content of ideas, and the interactive processes of distributing these ideas through discourse.	Schmidt (2016): French Mont Pélerin Society capacity to construct and disseminate 'coordinative discourse' of neoliberal thinking through their annual meetings.

	Process tracing	Tracing causal chains between two variables using rich data (interviews, documents)	Helgadottir (2016): process-tracing of network of Italian economists that erected and maintained the idea of 'expansionary austerity'.
	Biographical analysis	Analysis of biographical data (educational background, country, age) to measure the proportion/presence of certain ideas in specified groups.	Nelson (2014): database of biographical data (educational background, work experience) on 2000 policy officials working with the IMF to show proportion of neoliberal ideas in the organisation.
	Narrative analysis / Text analysis	Methods aimed to identify the '...repertoires, or shared patterns of interpretation, active processes of reasoning that draw attention to the form as well as content of argumentation and can be linked to broader social and political structures and processes.' (Finlayson 2004: 539).	Alceste software to analyses thematic classes in rhetoric of speeches by Bush and Kerry (Schonhardt-Bailey, 2005).

Source: The Author

Cognitive-ideational studies employ methods such as operational code analyses, experiments, surveys, or cognitive mapping, aiming to assess the cognitive processes that lay bare or influence an actor's or actors' beliefs about certain subjects (Table 2). Research questions focus on the causal links between contextual factors, personal disposition, and cognitive beliefs of policy actors and how these may affect policymaking.

Scholars approaching ideas as strategic tools employ methods that uncover either 1) the structural composition of networks, 2) the presence of a certain discourse in an organisation or in rhetoric, or 3) the propagators (i.e. policy entrepreneurs) and followers of a certain idea. Methodologies include process tracing, discourse analysis, or biographical analysis. These methods aid scholars to examine compositions of committees, research units, policy/epistemic communities, advocacy coalitions, and think tanks, as well as their analyses of how dominant narratives and discourses can be traced in these groups (see Campbell & Pedersen, 2015; Radaelli & O'Connor, 2009).

Institutional analysts of ideas use methods to explain the longitudinal processes of how ideas gain or lose acceptance in policy communities or society. These can be categorised under the heading of 'critical policy analysis', for example story-telling or historical analyses. These studies often contributed to theory-building in ideational scholarship.

While the aforementioned methodologies can be used to study ideas, not all are designed to do so. This obfuscates empirical research in dissecting how ideas can be separated from other influential factors in the policy process. Of the reviewed methods, only cognitive mapping and operational code analysis were originally designed to study ideas. Hence, ideational scholarship would benefit from methodological innovation and rigorous application of such and other methodologies. Process-tracing, for example, addresses some of the challenges regarding the study of ideational causation (Jacobs, 2015; Molthof, 2016). It is a useful method to study the development of a policy domain over a long timespan. Discourse Network Analysis (DNA) provides insights into both the composition of actors in a discursive network, as well as the content of the ideas that they exchange in it (Leifeld, 2016), combining actor-centred and content-centred approaches. Comparative Cognitive Mapping (CCM) is useful to systematically measure ideas of actors or groups, allowing scholars to trace different forms of ideas, establish their strength, and compare ideas over time (Van Esch & Snellens, 2019). Furthermore, Qualitative Comparative Analysis (QCA) is useful to assess configurational hypotheses of different factors and mechanisms of ideational change. Nonetheless, these methods have their limitations as well. They may be labour-intensive, or face challenges regarding validity and reliability of the analysis. As general advice, scholars need to consider the relationship between their level of analysis and the most appropriate research method carefully.

## Conclusion

This paper demonstrated that ideational scholarship in public policy evolved along several distinct lines of inquiry. These lines range from micro-level cognitive ideational analysis, meso-level discursive ideational analysis and macro-level institutional ideational analysis. It provides students and scholars of public policy with an approach to organise the existing literature and a language to explicate choices when choosing to work with ideational variables in public policy research. In effect, it enables us to provide answers to the question of how ideas matter. I also identified several blind spots in the existing scholarship. Here, I articulate what new directions are needed to address these.

First, although many scholars acknowledge that cognition plays a role in ideational scholarship, the role of cognition of individual actors in public policy is currently understudied. To better understand the percolation of ideas in policy, these micro-level cognitive dynamics should be brought back into the focus where Simon once put them (Kamkhaji & Radaelli, 2019).

Second, scholars need to theorise and examine the relationships between the three functions ideas have: as heuristics, strategies or frameworks. For example, to what extent are policy and political entrepreneurs successful in shaping policy agendas when they advance wholly novel, frame-breaking ideas, as opposed to pre-existing but repackaged ideas that fit more within existing institutional discourses (Béland & Waddan, 2015)? Examining such questions requires rigorous concept formation and testing. Early efforts to do so include Van Esch et al. (2018) and Swinkels (2020), who studied how Keynesian and ordoliberal paradigmatic ideas are reflected as beliefs in political leaders' speeches, using CCM to determine if such individually held paradigmatic beliefs changed over time. Likewise, Molthof (2016) applied process tracing, showing how political "actors strategically tailor their discursive use of ideas according to the political context and the policy position to be justified" (Molthof, 2016, p. 204). This enabled him to pin down the exact moment when actors transition from being 'mere slaves' of institutionalised ideas to using them strategically in political discourse and, ultimately, to reshape policies.



Third, this paper suggests that ideational change could be considered a 'layered' process; therefore ideational scholarship needs studies that specify the mechanisms and sequences involved. An example of such an approach is Rinscheid et al.'s (2020) model that shows how and when different factors and mechanisms align to trigger a 'joint belief shift' among (a coalition of) policy actors during an exogenous shock (scoping condition), which then enables institutional change. The broad overview of triggers and constraints presented in this review (see Table 1) encourages public policy researchers to test a configuration of variables to explain the development of ideas as well as the relationship between ideas and policy changes. Swinkels' (2020) qualitative comparative analysis of the belief changes of key leaders in the Eurozone crisis is an example of a study that assesses the configurational hypotheses of individual belief changes during a crisis.

Fourth, scholars of ideas can benefit from expanding their 'methodological toolbox' to measure ideas. Policy science scholars have recently started using experiments, seen as a useful addition to the methodological toolbox for scholars doing cognitive-ideational research in a controlled setting (Grimmelikhuisen et al., 2017). Diary studies and 'political ethnography' (Kamkhaji & Radaelli, 2019) are potentially useful methods to study the dynamics of beliefs and arguments in policy arenas (Bevir & Rhodes, 2015). Likewise, by using social network analysis methodology, Flickenschild and Afonso (2019) successfully demonstrate how the network structure of economists in both Germany and the United States impacted the diffusion of economic ideas during the Great Recession. Using computational text analysis methods, scholars like Rodman (2019) demonstrated how the idea of 'equality' changed in US media discourse over time from 1855.

Fifth, comparative studies of ideational change across different political systems, layers of government, and policy domains expose the limitations of the grand theories of radical policy change and the importance of middle-range, contingent theorising about ideational change (Baker, 2013). Future studies should therefore examine the multiple ways in which ideational change occurs in different policy settings (Radaelli & O'Connor, 2009; Saurugger, 2013). Different settings may determine when a particular mechanism for change is more or less likely to be activated. For example, under similar conditions of a crisis such as COVID-19, ideational change at the level of national governments may be triggered by different mechanisms than ideational change at the EU level. As states have modes of centralisation, ideational change may be triggered by exogenously motivated mechanisms, such as powering or coercion, as central actors can weigh in their interests. Alternatively, in the EU, where decision-making authority and resources in times of crisis are dispersed, such centralised decision-making structures often take time to develop. Hence, persuasion or socialisation may be more prevalent mechanisms in these settings.

Finally, this paper attempted to systematically track how different kinds of ideas, mechanisms, and factors involved in ideational change matter in public policy. One limitation of this review may be that it focused on a narrow search scope related to the concept of ideas (cf. beliefs, paradigms, worldview, ideas), whereas the literature on 'ideational elements' (cf. Berman, 2013) includes other concepts such as memes, narratives and frames. Future literature reviews may benefit from including such a wide range of search terms to allow for a broader perspective on the concept of ideas.

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# Chapter 3

## How Europe's Political Leaders Made Sense of the Euro Crisis: The Influence of Pressure and Personality



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# How Europe's Political Leaders Made Sense of the Euro Crisis: The Influence of Pressure and Personality

FEMKE VAN ESCH and MARIJ SWINKELS

*The Greek announcement of its excessive debts led to one of the most severe crises the EU has faced since its inception. The crisis soon evolved into a full leadership crisis as European political leaders struggled to come up with a common solution to the challenges they faced. Theories of leadership and crisis management identify several factors that may contribute to these differences. This article examines to what extent leaders' personal traits and external pressure influenced how six political leaders made sense of the situation. The study finds that a leader's belief that they can control events, their self-confidence, as well as economic pressure provide a partial explanation of how European leaders make sense of the crisis. The traits of cognitive complexity and openness to information do not exert an influence in the cases discussed here. These findings indicate that any comprehensive understanding of how leaders make sense of crises should take note of specific individual as well as contextual factors.*

In November 2009, the new Greek Socialist Prime Minister George Papandreou announced that the Greek public deficit would border on 12.7 per cent rather than the 6 per cent of GDP communicated by the previous government. Immediately, credit rating agencies downgraded the credit status of Greece. This was the start of what evolved into one of the most urgent crises Europe has ever faced. The economic crisis soon developed into an EU-wide leadership crisis as its leaders differed substantially in their diagnosis of the problems and proper solutions to the crisis.

Theories of crisis leadership identify several factors that may contribute to differences in sense-making. A leader's institutional context and the pressure they are under may affect their ability to identify and understand the proper nature of a crisis. Moreover, effective sense-making may also be dependent on leaders' personal capacities and traits (Ansell *et al.* 2010: 204; Hermann 1980;

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1204 *F. van Esch and M. Swinkels*

Kaarbo 1997; Post 2003; Sundelius 2009; Walker *et al.* 1999). Irrespective of the context, one may easily imagine that a contemplative leader like Angela Merkel will respond very differently to a crisis situation than the headstrong Silvio Berlusconi.

In this article, we examine the hypothesis that incorporating political leaders' personality traits will increase our understanding of the way European leaders made sense of the Euro crisis. To do this, an 'at-a-distance assessment' of six European heads of state and government dealing with different levels of economic pressure is undertaken: the Dutch Prime Minister (PM) Jan Peter Balkenende, the Belgian PM Yves Leterme, the German Chancellor Angela Merkel, the Greek PM Andreas Papandreou, the French President Nicolas Sarkozy and the Spanish PM José Luis Rodríguez Zapatero.

The article starts by conceptualising the leadership task of crisis sense-making. We then introduce the theoretical framework and derive the hypotheses that will be tested. Subsequently, the methodological section elaborates on the selection of the cases and methods used to establish the main variables. The final section presents the results of the study.

### **Sense-Making in the European Context**

'Why didn't we see this coming?' is one of the most salient questions in times of crisis (Boin *et al.* 2005). This question is central to crisis sense-making, a key leadership task in the first phase of crisis management in which leaders identify a crisis as such, and contemplate its nature and causes. The concept 'sense-making' stems from organisational theory and involves the interpretation of circumstances into a story that is understandable for all parties involved (Weick *et al.* 2005). In crisis management literature, sense-making is the first, and most pivotal, phase of the management of crises (Boin *et al.* 2005). It is the phase when leaders question, consider and label events, and make sure that 'they get a firm grasp on what is going on and what might happen next' (Boin *et al.* 2005: 140; Sundelius 2009: 324).

Crises 'create a high sense of uncertainty and urgency to core values and structures', but often do not start off with a big bang (Boin *et al.* 2005: 2). The onset of a crisis often is accompanied by vague, incremental and ambiguous signals, which makes diagnosing it a confusing, contested and time-pressured task (Boin *et al.* 2005; Boin *et al.* 2012; 't Hart and Tindall 2009; Hermann and Dayton 2009; Stern 1999). At the same time, sense-making is one of the core tasks of leadership in crisis management: in order to proceed to the decision-making stage, leaders first need to recognise a crisis.

Crisis sense-making in a European context is even harder. Firstly, assigning leadership responsibility is more difficult. As Kissinger already indicated in the early 1970s, the institutional rules and strong role of the member states in EU decision-making create a strongly fragmented governance structure. In this structure, many may claim leadership on various but equally reasonable grounds (Dayton *et al.* 2004). In fact, van Middelaar (2013) argues that this is

exactly the reason why the EU has been constructed this way: to make it impossible for 'one' leader to take charge. In addition, the European heads of state and government suffer from a 'dual hat' syndrome, having to handle their national and European responsibilities at the same time (Ansell *et al.* 2010). Finally, the fact that EU institutions were not designed for short-term crisis management leaves the EU essentially unequipped for crisis management (Ekengren and Groenleer 2006).

In case of a transboundary crisis like the Euro crisis, sense-making is even more difficult (Sundelius 2009). Crisis sense-making requires leaders to answer questions concerning the *threat* and *urgency* of the situation and provides answers while *uncertainty* reigns (Hermann and Dayton 2009; Holsti 1972). Moreover, during transboundary crises, *ownership* of the problems and responsibility for solutions are more disputed than in national crises. The transnational nature of the Euro crisis thus adds additional questions of *ownership* to the task of sense-making. In this study, we will therefore focus on leaders' sense-making in terms of the threat, urgency, uncertainty and ownership of the Euro crisis.

### **The Personality of Sense-Making**

Researchers of foreign policy-making have long argued that, in addition to contextual and institutional factors, leaders' personal dispositions may exert a significant mediating effect between the crises leaders face and the decisions they make (Greenstein 1967). Leaders' personalities affect their leadership style, how they make sense of the world and thereby the decisions they take: they determine whether leaders are inclined to seek advice or information, change their minds, and even whether they are likely to use their powers (Dyson 2006; Hermann 1980; Hermann and Dayton 2009; Kaarbo 1997; Kaarbo and Hermann 1998; Schafer 2000; Thies 2004). Incorporating both contextual and personal factors may therefore help increase our understanding of how crises are managed.

Studies of leadership traits often concern the foreign policy domain; however, more and more political economists are incorporating the idea of contextualised leadership into their analyses. Moreover, rather than asking the basic question of whether personality matters, the state of the art has advanced to the more intricate and interesting question of how, when and to what extent personality matters (Thies 2004, 2009; van Esch 2015; cf. Greenstein 1967; Schafer 2000). Thies (2004, 2009), for instance, hypothesises that in addition to institutional features, the quality of leadership may influence the factual level of independence of central bankers' policy-making. More specifically, conceptually complex central bankers working within legally independent central banks are most capable of limiting inflation. In addition, van Esch (2015) finds that during the Euro crisis high levels of cognitive complexity and openness to information were conducive to belief change in political leaders. These changes fostered the convergence in worldviews needed for collective EU decision-making.

1206 F. van Esch and M. Swinkels

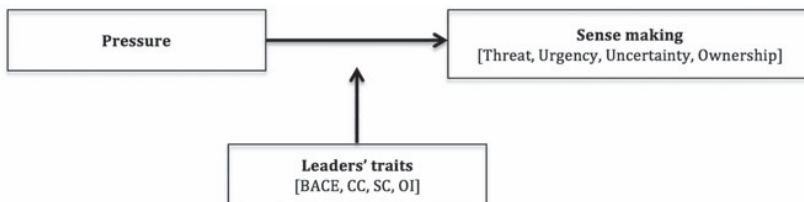
Of the many contextual factors, the one that dominated leaders' predicament during the Euro crisis surely was the economic pressure they faced: the exploding bond yields, insolvency threats and possible contagion of the entire EU. However, due to their different long-term economic performances, reputations and credit ratings, the pressures states faced differed widely. Theoretical models resting on the assumption that external economic pressure is the overarching determinant of how leaders make sense of the world would lead to the hypothesis that *the greater the pressure leaders are under, the higher their perception of threat, urgency and uncertainty* (Lindgren 2003: 44–55; Stern 1999: 80). Moreover, assuming rationality of markets, the poorer its economic fundamentals, *the more pressure a state will be under and the more it will be perceived to be responsible for causing the crisis*. At the same time, *the greater the pressure, the less a leader will be able to contribute to the solution of the crisis*.

In leadership and crisis management studies, however, several personality traits have been identified that may exert an intervening effect between pressure and how leaders make sense of the crisis (see Figure 1). One framework to examine personality traits of political leaders is the Leadership Trait Analysis (LTA) developed by Margaret Hermann (1980, 2002). LTA distinguishes seven traits: belief in the ability to control events (BACE), need for power (PWR), conceptual complexity (CC), self-confidence (SC), in-group bias (IGB), task-relation focus (TASK) and distrust of others (DIS). The traits are established using an at-a-distance assessment tool that automatically codes for words or phrases that correspond to the traits. Due to the fully automated process of coding, the procedure is highly reliable.

In this article, we explore the effects of three traits: BACE, SC and CC. In addition, we explore the effect of leaders' openness to information (OI), a trait that is informed by specific combinations of leaders' scores on CC and SC. In the literature, these traits are most frequently associated with crisis sense-making (Ansell *et al.* 2010; Boin *et al.* 2005; Hermann 1980; Kaarbo 1997; Post 2003; Sundelius 2009: 325; Walker *et al.* 1999). As indicated previously, the task of sense-making is divided into four key aspects of crisis sense-making: leaders' sense of threat, urgency, uncertainty and ownership (see Figure 1).

The belief in one's ability to control events refers to the extent leaders believe they have control over external events, and can influence what happens

FIGURE 1  
THE INTERVENING EFFECT OF PERSONAL TRAITS ON THE SENSE-MAKING PROCESS





(Boin *et al.* 2010; Hermann 2002). The stronger this belief, the more likely it is that they will place themselves at the heart of decision-making during crises. As leaders with a high BACE are convinced that they 'know what should happen' (Hermann 2002), to refrain from intervening implies an increased chance that things will go wrong (Boin *et al.* 2010; Hermann 2002). Conversely, leaders with low scores on this trait will react more reticently to a crisis. They are more likely to wait and see how the situation evolves, involve others and let them take the initiative rather than jumping into action themselves (Hermann 2002). In other words, *the higher a leader's belief in their ability to control events, the lower their sense of threat and uncertainty and the more they will claim a role for themselves in the resolution of the crisis* (cf. Dyson 2006).

Conceptual complexity refers to the intricacies of the cognitive structure of leaders' belief systems. Conceptually complex individuals distinguish a wider variety of beliefs and more relationships between those beliefs. Moreover, the categorisations they use are more diversified, integrative and ambiguous. In contrast, conceptually less complex individuals distinguish fewer beliefs and fewer connections between beliefs. In addition, the classifications and frames they use are more unequivocal and they are more likely to make judgements based on the consideration of few alternatives (Kaarbo 1997; Kaarbo and Hermann 1998; Suedfeld *et al.* 2003; Thies 2009). Since in times of crisis leaders need to process a vast amount of information in a short period of time, high cognitive complexity could cause uncertainty. While the more dichotomous ideas of less conceptually complex leaders may lead them to make objectively deficient decisions, they may decide more swiftly and actually have a greater sense of certainty about their judgements.<sup>1</sup> We therefore hypothesise that *the higher a leader's cognitive complexity, the more uncertain they are about identifying the nature of and possible solutions to a crisis*.

The third trait, self-confidence, refers to leaders' feelings of self-importance, sense of self and purpose. When leaders score low on this trait, they tend to look for information from their environment without a clear pre-existing sense of what they are after. By contrast, leaders with high scores on self-confidence have a strong sense of self-importance and confidence in their own stature and ability to cope with people and events (Hermann 1980: 20). As a result, they rely on their own worldviews and are less threatened by external events or rival opinions. They are more determined and trust their own instincts. This leads us to expect that *the higher a leader's self-confidence, the lower their threat perception and the less they blame themselves for the crisis*. Moreover, *the higher their self-confidence, the more confident they are in their own ability to solve the crisis and the more likely they are to seek to play a role in solving it*.

Finally, previous studies have shown that, in combination, leaders' conceptual complexity and self-confidence determine their openness to information (Hermann 1980, 2002; Kaarbo and Hermann 1998). Leaders who score higher on conceptual complexity than on self-confidence are inclined to see more sides to a story, are less secure in their convictions and therefore are relatively open to information. Conversely, if leaders are less conceptually complex but



1208 *F. van Esch and M. Swinkels*

have strong confidence in their own views, they are more closed to information (Kaarbo and Hermann 1998). High scores on both traits lead to openness to information, while low scores on both CC and SC lead to more closed-mindedness (Hermann 2002; see Table 1).

Openness to information is associated most directly with a leader's sense of uncertainty: the amount of conflicting information and interpretations that accompany a crisis is likely to cause confusion in leaders who are open to it. As a result, we expect that *the more open to information they are, the higher will be a leader's uncertainty about the causes, nature and proper solution to the crisis.*

In sum, the following hypotheses will be examined:

Economic Pressure:

- The more pressure leaders are under, the higher their perception of threat, urgency and uncertainty.
- The more pressure leaders are under, the more they are perceived to be responsible for causing the crisis.
- The more pressure leaders are under, the less they can contribute to the solution of the crisis.

Belief in the Ability to Control Events:

- The higher a leader's BACE, the lower their sense of threat and uncertainty, and the more they will claim a role for themselves in the resolution of the crisis.

Cognitive Complexity:

- The higher a leader's CC, the more uncertain they are in identifying the nature of and possible solutions to the crisis.

Self-Confidence:

- The higher a leader's SC, the lower their threat perception, and the less they blame themselves for the crisis.

TABLE 1  
OPENNESS TO INFORMATION

Scores on self-confidence and conceptual complexity	Openness to information
CC > SC	Open
SC > CC	Closed
CC = SC both high	Open
CC = SC both low	Closed

Openness to Information:

- The more their OI, the higher a leader's uncertainty about the causes, nature and proper solution to the crisis.

**Methods**

To examine the empirical value of these hypotheses, this article focuses on the case of the Euro crisis. This crisis provides a highly relevant case and is urgent enough to expect leaders to be affected. As such, it contains the necessary conditions to test our hypotheses. As sense-making is one of the first stages of crisis management, this study focuses on the period from the Greek announcements in November 2009 until the decision by the European Council to set up an emergency fund in May 2010.

We have chosen to focus on six heads of state or government, as much of the crisis management was centralised in their hands. Case comparisons of these leaders allow us to examine the effects of personality on sense-making. The six European leaders are: the Dutch PM Balkenende, the Belgian PM Leterme, the German Chancellor Merkel, the Greek PM Papandreu, the French President Sarkozy and the Spanish PM Zapatero.

TABLE 2  
CASES RANGING FROM HIGH TO LOW PRESSURE

Pressure	Size	
	Small	Big
High	1. Greece	2. Spain
Medium	3. Belgium	4. France
Low	5. The Netherlands	6. Germany

These leaders were chosen because they differ widely in the economic pressure their countries faced during the crisis. The selection therefore allows us to scrutinise the model of contextualised leadership introduced above. As indicated, we are concerned predominantly with the economic pressures leaders were under as a result of real and perceived problems with national economic fundamentals, like public and private debts and deficits and unemployment that resulted in pressures from financial markets and peers to revise economic policies. Few Eurozone states were able to live up to the European Economic and Monetary Union (EMU) requirements of a maximum public debt of 60 per cent and deficit of 3 per cent of GDP during the crisis. However, due to their different long-term economic performances, reputations and credit ratings, the pressures they faced differed widely and forced some leaders to seek financial assistance (Greece, Spain) while other states with problems did not (Belgium, France), and still others became regarded as safe havens and even saw their bond yields decline (Netherlands, Germany). In addition, larger member states

1210 *F. van Esch and M. Swinkels*

(Germany, France, Spain) enjoy more leverage to resist pressures to adapt their policies or to negotiate more favourable conditions for financial support than small states.<sup>2</sup> On the basis of this, we ranked leaders from highly pressured (Papandreou) to hardly pressured (Merkel) (see Table 2).<sup>3</sup>

#### *Measuring Leaders' Personality Traits*

To establish their personality traits, ideally, we would bring the leaders under study into a controlled laboratory environment. However, since we are dealing with high-level political figures this 'method is highly unfeasible' (Young and Schafer 1998: 67). Instead, in this study, an 'at-a-distance' technique for assessing leaders' personalities was used. Such studies rely on the premise that thought processes are reflected in leaders' spoken or written communications (Suedfeld *et al.* 2003: 246; Thies 2009: 453). The Leadership Trait Analysis we use is based on the assumption that frequent use of certain words and phrases indicate the presence of certain personality traits. The technique essentially consists of an automatic content analysis of leaders' spontaneous speech acts based on extensive coding schemes.

The scores that emerge from the LTA indicate the percentage of text (ranging from 0 to 1) representative of a high or low score on a particular trait. The scores of the leaders in this study are compared to the mean results of a dataset of 53 West European leaders which has been analysed with the same software and coding scheme (see Table 3; Derksen 2012).<sup>4</sup> When a leader's score is more than one standard deviation (SD) higher or lower than average, the leader is classified respectively as high or low on that trait. To establish the traits, we followed the manual developed by Hermann (2002) and collected a minimum of 50 unprepared interview responses for each leader of between 100 and 250 words that varied in terms of topic and audience.<sup>5</sup> Although several scholars have criticised the LTA framework, several studies have indicated its validity and relevance for understanding decision-making (Dyson 2008; Schafer 2000; Thies 2009). Moreover, previous studies show that individual LTA scores generally are relatively stable over time and context. However, the scores of some specific leaders appear to be more variable (Dyson 2008). To increase the validity of the study, the majority of responses therefore date from the years in the run-up to and during the crisis.

#### *Unravelling Sense-Making from a Distance*

To determine the nature of leaders' crisis sense-making, a qualitative analysis was conducted of two to four key public speeches dealing with the Euro crisis per leader. As sense-making is not principally a private or individual process, the use of public sources should not endanger the validity of this study and makes analysis of recent crises possible. Moreover, previous studies have shown that the patterns of ideas found in public assertions generally are in line with those found in private sources (Marfleet 2000; Renshon 2009).

To further enhance the reliability of our findings, a coding tree was constructed which included the four main concepts of crisis identified in the literature: threat, urgency, uncertainty and ownership (cf. Hermann *et al.* 2008). Secondly, all speeches were analysed in conjunction by the authors using the qualitative analysis software NVivo and discussed until agreement on the categorisation of statements was reached. In addition, as a final check of our interpretation of leaders' sense-making, the qualitative analysis was compared to the percentage of the texts assigned to each category. Finally, the qualitative analysis was conducted prior to the final calculation of the LTA outcomes (Seale and Silverman 1997).

**Personality and Pressure: Expectations**

The six leaders under study differ widely in their belief that they can control events (BACE). Balkenende and especially Papandreou have a high score of more than one SD above average (see Tables 3 and 4), which means they would be expected to have a low sense of threat and uncertainty, and see a distinct role for themselves in the resolution of the crisis. Leterme, Sarkozy, Zapatero and Merkel have an average BACE and are thus likely to have a medium sense of threat and uncertainty, and see a prominent role for themselves and others in the resolution of the crisis (see Table 5).

Moreover, Balkenende, Leterme, Merkel and Papandreou score highly on cognitive complexity (see Figure 2, vertical axis). This means that they are expected to be relatively uncertain, and ambiguous in their sense of ownership. Sarkozy and Zapatero have an average score on cognitive complexity, and are

TABLE 3  
LTA NORMS FOR WEST EUROPEAN LEADERS

Trait	Mean	Standard deviation
Belief in ability to control events	0.33	0.07
Conceptual complexity	0.57	0.06
Self-confidence	0.32	0.13

Source: Derksen (2012).

TABLE 4  
LEADERS' SCORE ON BACE

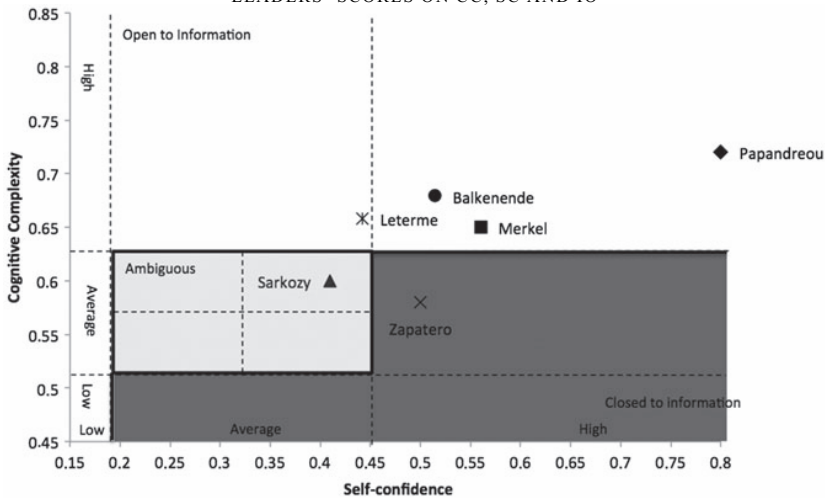
BACE	Score	Category
Balkenende	0.40	High
Leterme	0.32	Average
Merkel	0.27	Average
Papandreou	0.45	High
Sarkozy	0.39	Average
Zapatero	0.39	Average

1212 *F. van Esch and M. Swinkels*

expected to be less uncertain and clear in their perception of responsibility for the crisis.

In addition, Balkenende, Merkel, Papandreou and Zapatero score highly on self-confidence (see Figure 2, horizontal axis). This leads to the expectation that they have a low threat perception and self-blame for the crisis, but do perceive their nation as a key player in the resolution of the crisis. Leterme and Sarkozy have an average level of self-confidence and are therefore likely to have a higher threat perception and acknowledgement of their role in the outbreak of the crisis. However, they are less likely to take on a strong role in solving the crisis (see Table 5).

FIGURE 2  
LEADERS' SCORES ON CC, SC AND IO



Notes: Dark shaded area = closed to information; light shaded area = ambiguous; unshaded area = open to information.

Finally, Balkenende, Leterme, Merkel and Papandreou are open to information (Figure 2, unshaded area). This means that they are expected to have a higher sense of urgency and uncertainty. Sarkozy, whose openness to information is indeterminate (Figure 2, light shaded area), will score lower on these characteristics. Zapatero is classified as closed to information and will therefore have the lowest sense of urgency and uncertainty (Figure 2, dark shaded area). In order to scrutinise the idea that leaders' sense-making is steered by their personality, these expectations are juxtaposed with the expected patterns of sense-making based on the pressure leaders were under as discussed above (see Table 5).

TABLE 5  
EXPECTED EFFECTS OF PRESSURE AND PERSONALITY ON SENSE-MAKING

Leader	Pressure								BACE			SC			CC		OI	
	1. Threat	2. Urgency	3. Uncertainty	4. Ownership of Resolution	5. Ownership of Cause	6. Threat	7. Uncertainty	8. Ownership of Resolution	9. Threat	10. Ownership of Cause	11. Ownership of Resolution	12. Uncertainty	13. Uncertainty	14. Urgency				
Balkenende	Low	Low	Low	Other	Self	Low	Self	Self	Low	Shared/Other	Self	High	High	High				
Leterme	Med	Med	Med	Self/Shared	Shared/Self	Med	Shared	Med	Med	Shared/Self	Shared/Other	High	High	High				
Merkel	Very Low	Very Low	Very Low	Other	Self	Med	Shared	Low	Low	Shared/Other	Self	High	High	High				
Papandreou	Very High	Very High	Very High	Highly Self	Shared/Other	Low	Self	Low	Low	Shared/Other	Self	High	High	High				
Sarkozy	Med	Med	Med	Shared/Self	Shared/Self	Med	Shared	Med	Med	Shared/Self	Shared/Other	Low	Med	Med				
Zapatero	High	High	High	Self	Shared/Other	Med	Shared	Low	Low	Shared/Other	Self	Low	Low	Low				

1214 *F. van Esch and M. Swinkels***One Day It Will All Make Sense**

In this section, an overview is provided of leaders' sense-making in the first months of the crisis in terms of their sense of threat, urgency, uncertainty and ownership. The outcomes are summarised in Table 6.

*Balkenende*

The Dutch PM Balkenende does not perceive the first months of the Euro crisis as very *threatening*. In fact, he devotes few words to the issue, fewer than any other leader in this study. In his view, the crisis poses the biggest threat to businesses and taxpayers who need to make every effort to weather the storm (Balkenende 2010a). In April 2010, however, Balkenende starts to argue that the worst is over and Europe can emerge stronger from the crisis. Balkenende's low threat perception is in line with his low sense of *urgency* (see Table 6). In his speeches, he advocates only very general measures like strengthening civil society and feels above all that 'a fundamental change is needed in the global financial system, but also a moral turnaround in the way people think and behave' (Balkenende 2009). More importantly, Balkenende takes a long-term perspective, talking about measures to be implemented over a period of four years.

The Dutch PM has relatively clear ideas on what the crisis is about. The Euro crisis is a moral crisis of western culture caused by a disjunction between increased global economic integration and a weak international moral framework. As such, the crisis results from 'reckless behavior, motivated by pure self-interest, a fixation on profit, unhealthy incentives and the pursuit of short-term success' (Balkenende 2010c). He is less clear on how to resolve the crisis. He advocates a restoration of trust and morality and a return to healthy public finances, but remains unclear how to reach these goals (Balkenende 2010b). Nonetheless, the conclusion seems warranted that the Dutch PM ranks low in terms of *uncertainty*.

Finally, Balkenende addresses the issue of crisis *ownership* only a few times. When he does, he consistently argues that public, private, national, European and international actors are mutually responsible for the emergence of the crisis as well as its resolution. In his view, everyone bears some responsibility for the negative cultural tendencies in the financial sector that caused the crisis. Resolution of the crisis may therefore only be achieved internationally through the combined efforts of government, business and society. Or, as the PM argues: 'we have to restore the trinity of morality, the market and government at the international level' (Balkenende 2010c).

*Leterme*

Despite the fact that Belgium's public debt reached 100.2 per cent of GDP during the first year of the crisis, the Belgium PM Leterme displays a low sense of *threat* and *urgency* (see Table 6). He acknowledges that the European Union

TABLE 6  
FINDINGS: EFFECTS OF PRESSURE AND PERSONALITY ON SENSE-MAKING

Leader	Pressure					BACE			SC		CC	OI		
	1. Threat	2. Urgency	3. Uncertainty	4. Ownership of Cause	5. Ownership of Resolution	6. Threat	7. Uncertainty	8. Ownership of Resolution	9. Threat	10. Ownership of Cause	11. Ownership of Resolution	12. Uncertainty	13. Uncertainty	14. Urgency
Balkenende	Low	Med/Low	Med/Low	Shared	Shared	Low	Med/Low	Shared	Low	Shared	Med/Low	Med/Low	Med/Low	Med/Low
Leternme	Low	Med/Low	Med/Low	-	Shared/Self	Low	Med/Low	Shared/Self	Low	-	Shared/Self	Med/Low	Med/Low	Med/Low
Merkel	High	Med	Med/Low	Other	Shared	High	Med/Low	Shared	High	Other	Shared	Med/Low	Med/Low	Med
Papandreou	Med/Low	Med	Low	Shared/Other	Self	Med/Low	Low	Self	Med/Low	Shared/Other	Self	Low	Low	Med
Sarkozy	Med	Med	Low	-	Self	Med	Low	Self	Med	-	Self	Low	Low	Med
Zapatero	High	Med/Low	Med/Low	-	Self/Shared	High	Med/Low	Self/Shared	High	-	Self/Shared	Med/Low	Med/Low	Med/Low

Notes: ■ = corresponds to expectations; - = issue not addressed.



1216 *F. van Esch and M. Swinkels*

has been hit hard and Belgium was affected, but declares that 'most of our citizens still enjoy ... the modest miracle of a normal life' (Leterme 2010b). In fact, in his eyes, many EU countries are weathering this crisis without too much hardship for their citizens.

In line with this, Leterme's sense of *urgency* is low. Unlike other leaders, Leterme does not make a clear distinction between the Euro and banking crises and focuses on the latter. Only in July 2010 does he start discussing the Eurozone's problems with public deficits, economic growth and lack of competitiveness. At that time, he declares that the EU 'needs economic governance more than ever'. However, he continues to discuss the EU 2020 strategy, a long-term measure not principally designed for the problems at hand.

As for the Euro crisis, the Belgian PM is very clear that its roots lay in the financial crisis: 'after saving our banks, we had to confront the loss of confidence that led to an economic recession. Now we are grappling with the third wave of the crisis, the loss of jobs and rising unemployment' (Leterme 2010b). When in July his focus turns to the problems of the Eurozone, Leterme also puts the fault on the fundamentals of EMU and notes: 'a monetary union without any real economic coordination is wobbly' (Leterme 2010c). With regard to the solutions, Leterme is ambiguous. In his eyes, financial market regulation and public finances should be improved and economic growth and social cohesion increased, but he does not clarify how these goals should be achieved beyond a reference to political will and leadership, and the EU 2020 strategy. All in all, the Belgium PM scores medium to low on *uncertainty*.

Regarding the *ownership* of the crisis, Leterme does not attribute responsibility for the outbreak of the crisis to any actor or nation in particular but only vaguely points in the direction of 'globalisation'. However, he does voice the need for a shared international solution. In his eyes, 'political leaders need to assume their responsibility, nationally and collectively to maintain and create the momentum for change for the good' (Leterme 2010a). In addition, the Belgian PM also occasionally calls upon Belgium itself to take charge.

### *Merkel*<sup>6</sup>

Of the leaders under study, Chancellor Merkel is most aware of the *threat* the Euro crisis poses and the least confident that a solution is imminent. She notes Germany is doing slightly better than other countries (Merkel 2010c), but 'a negative economic growth in the amount of 5 per cent is something that the Federal Republic of Germany has not yet seen' (Merkel 2010b). Moreover, she is 'firmly convinced that ... we are going through a period that will leave its mark for a long time to come' (Merkel 2010b), and warns that although 'we want to emerge stronger from this crisis', that cannot be taken for granted (Merkel 2010c). This does not mean that the Chancellor wants to act hastily. While she stresses the need for change, the time frame remains unclear. When advocating sound fiscal policy and other reforms, she seems to aim at the medium term. This suggests an average sense of *urgency* (see Table 6).

As for the nature of the crisis, it is clear that Merkel worries about the instability of the euro, the unity of the Eurozone and interprets the Euro crisis predominantly as a sovereign debt crisis. In addition, she relates the crisis directly to the financial crisis:

What we have experienced in the last three years is a series of crises: first a collapse of the banks, which has necessitated government intervention; then a slump in the world economy, in turn, has made government intervention in the form of economic stimulus programmes necessary; finally the indebtedness of states. (Merkel 2010c)

However, this does not cover the 'full scope of the factors that triggered the international financial and economic crisis' (Merkel 2010a). She remains unclear, however, on the nature of those other triggers. With regard to the resolution of the crisis, Merkel advocates the strengthening of the Stability and Growth Pact (Merkel 2010c). In addition, she outlines abstract policy goals like increased competitiveness, social market economy and 'investing in the future' (Merkel 2010a, 2010c), and explicitly calls for more expertise and information to help steer the way out of the crisis. All in all, her sense of *uncertainty* is average to low in comparison to other leaders.

As to the *ownership* of the crisis, the Chancellor refers once to the role of Greece in the emergence of the crisis, but refrains from discussing explicitly who is responsible for the crisis. She does, however, speak out clearly for the need to find a common solution. In her eyes, EMU as well as economic policy-making in general are issues that 'no country can handle on its own' and resolution of the crisis must rest on international solidarity and support of EU institutions and Germany for the Greek efforts to solve their problems (Merkel 2010b).

#### *Papandreou*

Of all leaders Papandreou speaks most elaborately about the crisis. This does not mean, however, that his sense of *urgency* and *threat* is very high (see Table 6). The main *threat* he identifies is the rise cost of borrowing, 'which undermines the growth potential of our economies' (Papandreou 2010a). As these problems may spill over into other countries, they may be equally at risk (Papandreou 2010b). In addition, the Greek leader is remarkably optimistic about the possibility of resolving the crisis. He outlines the positive effects of the Greek budgetary measures and international support and declares that 'we know we have the strength and potential to deal with it. The message is very clear: Yes, we can' (Papandreou 2010b). In fact, in his eyes the crisis constitutes 'an opportunity for change ... for making this world a better world' (Papandreou 2010a).

In line with this optimistic tone, Papandreou has a mild sense of *urgency* and outlines the need for change without referring to any time frame (Papandreou

1218 *F. van Esch and M. Swinkels*

2010a). In fact, he places the need for change in a party political rather than a crisis-induced framework, identifying himself as a 'progressive' leader who was 'voted in ... on a mandate of change' (Papandreou 2010a). In line with this he not only proposes to 're-evaluate financial tools, attack speculation, or rethink the role and accountability of credit-rating agencies', but also perceives the crisis as a window of opportunity to foster action on climate change, increase social security and fight corruption (Papandreou 2010a, 2010b).

In addition, Papandreou voices several clear and consistent ideas on the nature and proper solution to the crisis and does not seem to be daunted by the complexities of the situation. In his eyes, the Euro crisis is directly linked to the inadequate regulation of the financial system and lack of credibility brought to light by the financial crisis. The Greek situation is just a 'small fire' in the context of these global problems. Moreover, in his mind the problems are political rather than technical or financial and touch upon issues like good governance, transparency and equality. To restore trust, financial stability and equality and to stop global warming the Prime Minister outlines detailed budgetary and environmental measures and advocates domestic institutional changes (Papandreou 2010b). This leads to the conclusion that Papandreou's sense of *uncertainty* is low.

Finally, Papandreou devotes many words to the *ownership* of the crisis and its solution. As for the causes of the crisis, Papandreou presents a mixed perspective, concluding firstly that 'in Greece, our problem is our problem, our responsibility' and blaming the previous 'reckless' conservative Greek government (Papandreou 2010a). Overall, he sees the crisis as a collective problem and holds others – credit-rating agencies and hedge funds – accountable for the problems. As for the solution to the crisis, Papandreou predominantly focuses on measures to be taken by Greece itself, but argues that ultimately the problems can only be solved internationally by unified action of 'progressive European leaders' that 'know how to deal with the market in a much better way than the conservatives' (Papandreou 2010a). However, he never explicitly calls for more European unity or cooperation as other leaders do.

### *Sarkozy*

The French President experiences a moderate level of *threat* (see Table 6). Sarkozy feels the crisis has a strong impact but emphasises that other countries have bigger problems. He notes for example that for 'our German friends, it is very simple, the recession is two times higher than in France' and Spain and Britain have higher levels of unemployment (Sarkozy 2009). In mid-2010, the President does note that the 'Euro area is experiencing the worst crisis in its history', but trusts that a resolution will be found and feels that the 'measures we have taken have been effective' (Sarkozy 2010b). However, he states that 'we must now return to the path of the balancing of our public finances' (Sarkozy 2010a, 2010b). Sarkozy also does not perceive the situation as *urgent*. In December 2009 he notes that 'the crisis can be an encouragement to

pursue reforms', while in January 2010 he states that 'we cannot look at world in the same way' as we did 'before the crisis'. However, he does not specify any time frame for reforms to take place.

Most of Sarkozy's assertions concern his sense of *uncertainty* about the nature, cause and solution to the crisis. He distinguishes between the financial and Eurozone crisis as early as December 2009, but feels both crises are the result of 'the denaturing of capitalism' and a 'loss of the values and references that have always been the foundation of capitalism' (Sarkozy 2010a). The roots of the Euro crisis thus lie in the international 'imbalances in the world economy which fed the growth of global finance' (Sarkozy 2010a). Moreover, Sarkozy acknowledges that France's budgetary policies are causing problems. With regard to resolving the crisis, the President advocates restoring the 'moral dimension' of capitalism, the 'reform of our systems of social protection' and cleaning up 'our public finances' (Sarkozy 2010a). Moreover, in all of his speeches he outlines very specific crisis measures like '34,000 civil service jobs will continue to be cut on average each year' (Sarkozy 2010b). Overall, the President thus seems to experience a medium sense of uncertainty.

Sarkozy's statements with regard to *scope of ownership* are limited to the resolution of the crisis and he clearly identifies a key role for France in this. He outlines France's efforts to solve the Euro crisis extensively and argues that 'without government action' the situation would have been worse (Sarkozy 2010b; and see 2009). In addition, he stresses the need for a more unified approach to crisis management (Sarkozy 2010a). However, overall Sarkozy is very self-oriented when it comes to finding a solution to the crisis.

### *Zapatero*

The Spanish leader Zapatero seems to experience the crisis as relatively *threatening* (see Table 6). On the one hand, he stresses the serious consequences of the crisis, like the 'severe contraction of European GDP', the 'intense increase in unemployment' and 'excessive debt' (Zapatero 2010b). However, he also feels Spain 'is in the position to make the necessary efforts to control the public debt' (Zapatero 2010a). He seems to be continuously balancing between optimism and a strong sense of threat, stating for instance that 'although we are on the verge of recovery, before our eyes we have all the damage wrought by the crisis' (Zapatero 2010a). At the same time, Zapatero only experiences a mild sense of *urgency*. On several counts he stresses the need for an urgent response, but proposes measures to be implemented in the 'four years to come' or 'in the medium term' (Zapatero 2010a).

As for the nature of the crisis, the Spanish leader does not make a distinction between the financial and the Euro crisis, and speaks of problems in the banking sector and economic fundamentals in the Eurozone in the same sentence. However, he is relatively clear on what he perceives to be the root of the problems: 'Along with unemployment', he identifies three causes: 'the extraordinary and deliberate public investment effort we have made to contain the recession ... the

1220 *F. van Esch and M. Swinkels*

no less extraordinary and deliberate effort made in the area of social expenditure' and 'the greater than expected drop in revenues' (Zapatero 2010a). With regard to the solution of the crisis, Zapatero only refers to the crisis measures already taken at the European level, like the Stability and Growth Pact, and the 2020 strategy for growth and employment. He adds few additional measures apart from the Spanish austerity plans already in place (Zapatero 2009). This leads us to believe that Zapatero faces medium to low *uncertainty*.

Zapatero does not explicitly hold anybody accountable for the crisis. The issue of *ownership* does, however, come up regularly when he talks about the resolution of the crisis. In his mind, a unified European and Spanish response is needed to resolve the crisis. These efforts should be coordinated, for, as Zapatero declares, 'there are no national paths. There are national contributions and efforts and duties at the heart of a single European path' (Zapatero 2010b). His statements, however, may have been affected by the fact that Spain held the Presidency of the Council during the first half of 2010.

### *Overview*

The analysis shows that the threat perceptions of the European leaders under study varied wildly in the first six months of the Euro crisis (see Table 6). In contrast, all of them experienced only a medium to low level of urgency. At a conceptual level, this difference may indicate that – as crisis management theory suggests – threat and urgency are distinct qualities in the eyes of these leaders. In addition, the sense of uncertainty these six leaders experienced is also relatively low in light of the highly complex issues involved in the Euro crisis. Moreover, rather than delving into the roots of the crisis, leaders predominantly discussed possible resolutions and the role they and others must play in them. Finally, only half of the leaders voiced any thoughts on who was to blame for the crisis, and those that did varied widely in their diagnosis. At the same time all leaders saw some role for their own state in solving the crisis, but differed in whether they felt this should be shared with others.

### **Living Up to Expectations?**

The analysis above uncovered several interesting similarities and differences in both leaders' personality traits and sense-making. However, the question remains as to what extent sense-making is influenced by leaders' personality traits and by economic pressure.

As is indicated by the shading in Table 6, our findings suggest that in itself the contextual factor, economic pressure, has only a mild and partial influence on leaders' sense-making of the Euro crisis. While no effect is seen on leaders' level of uncertainty or sense of ownership (columns 3–5), in half of the cases the leaders' sense of threat and urgency conform to the level of pressure they were under (Table 6, columns 1–2). However, in complete contrast to the expectations, the most pressured leader, Papandreou, had a low sense of threat

while the least pressured leader, Merkel, perceived the situation to be very threatening. These findings provide a first indication that there is more to the story of how leaders made sense of the Euro crisis than merely the economic pressure they were under.

Leaders' personality traits in themselves, however, also provide only a partial explanation. No evidence is found for the hypothesis that the higher their cognitive complexity or openness to information, the higher a leader's uncertainty or sense of urgency. Nor is there any evidence to suggest that self-confidence is positively related to leaders' sense of ownership of the crisis resolution (Table 6, columns 11–14).

Self-confidence and leaders' 'belief they can control events' do appear to have some influence on the nature of leaders' sense-making efforts. In three out of six cases the findings support the hypothesis that the higher a leader's BACE, the lower their sense of threat (Table 6, column 6). Moreover, in three cases the expectation rings true that the higher a leader's self-confidence, the lower their threat perception (column 9). Even more convincingly, in five out of six cases the findings suggest that the higher a leader's BACE, the lower their sense of uncertainty (column 7). In our study, BACE thus seems to provide a superior explanation for leaders' uncertainty perceptions than self-confidence. Finally, in all three cases where leaders made references to ownership of the cause of the crisis, the evidence supports the hypothesis that the higher a leader's self-confidence, the less they blame themselves for the crisis (column 10).

Remarkably, the patterns of sense-making displayed by the Greek PM Papandreou – who has the highest score on both BACE and SC – match all expectations regarding these traits (Table 6, columns 6–11). Moreover, so do the expectations concerning the effect of BACE on leaders' uncertainty perceptions and ownership resolution for the lowest scoring leader, Merkel (columns 7, 8). In addition, it is exactly in these extreme cases that we found no evidence that the pressure these leaders were under influenced their perception of the crisis. This suggests that especially in the case of leaders with an extreme personality in terms of BACE or self-confidence, the effects of personal traits may trump the effects of pressure on threat perception and sense of ownership.

Naturally, this study only contains a limited set of leaders making sense of one particular crisis. To determine whether the findings in this study represent broader patterns, more cases would need to be studied. Moreover, the operationalisation of pressure used in this study is quite narrow. Future research should include other contextual or institutional factors in order to capture the external drivers of sense-making more adequately. However, all in all, the conclusions of this study indicate that pressure, self-confidence and belief in their ability to control events may have significantly influenced leaders' sense-making of the Euro crisis. While BACE and self-confidence have a slightly higher explanatory value than pressure, each of the factors provides a partial explanation of only certain aspects of leaders' sense-making of the crisis. Pressure provides the best

1222 *F. van Esch and M. Swinkels*

explanation of leaders' sense of urgency, while high self-confidence makes leaders more likely to blame others for the problems. Finally, leaders with a high belief in their ability to control events are less likely to perceive crises as a threat or feel uncertainty, and they see a greater role for themselves in finding a solution to the crisis. All in all, this study suggests that any comprehensive understanding of how leaders make sense of a crisis should take note of both key contextual factors and specific individual personality traits, especially when dealing with leaders with strong personalities.

### Disclosure Statement

No potential conflict of interest was reported by the authors.

### Notes

1. Thies (2009) argues that highly cognitively complex leaders have better decision-making skills. Our hypotheses, however, are not concerned with the quality of the choices but with how leaders subjectively make sense of the world in situations where they have little time to rationally evaluate their options.
2. Voting power of a state in the EU Council of Ministers is largely determined by number of inhabitants.
3. As market pressure differed wildly between Eurozone and non-Eurozone countries we have limited our study to Eurozone countries. In addition, our selection was determined by the availability of sources in a language the authors have mastered.
4. For OI, see Table 1.
5. To collect the interview responses we conducted a random search of online media sources, governmental and leaders' personal websites and LexisNexis, all suitable fragments were included irrespective of the subject until enough were collected.
6. The quotes from Merkel 2010b, 2010b and Sarkozy 2009, 2010b were translated by the authors.

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1224 *F. van Esch and M. Swinkels*

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*How Europe's Political Leaders Made Sense of the Euro Crisis* 1225

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# Chapter 4

## Beliefs of political leaders: conditions for change in the Eurozone crisis

*“Progress is impossible without change; and those who cannot change their minds, cannot change anything.” (Shaw 1944: 330)*

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## Beliefs of political leaders: conditions for change in the Eurozone crisis

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### ABSTRACT

Leadership studies research reveals that political leaders' beliefs affect their political and policymaking behaviour, especially in times of crisis. Moreover, the level of flexibility of these beliefs influences the likelihood that groups of leaders come to collective decisions. Insight into when and why political leaders do, in fact, change their beliefs is sorely lacking. This paper uses fuzzy-set Qualitative Comparative Analysis (fsQCA) to examine the antecedents of belief changes among 12 European leaders, all working in the realm of economic policy. Its findings reveal how increases in unemployment and unsustainable debt, as well as different government ideologies and increases in Euroscepticism lead to economic belief changes. In so doing, this paper begins to open the 'black box' of when, why, and under what conditions leaders change their beliefs.


**KEYWORDS** Beliefs; Eurozone; crisis; European Council; political leadership; QCA

Progress is impossible without change; and those who cannot change their minds, cannot change anything. (Shaw 1944: 330)

Political leaders, like all of us, are sense-making machines. When faced with a situation that threatens the status quo, political leaders turn to their personal beliefs to make the threat more 'explicable, manageable and actionable' (Blyth 2002: 10). In times of crisis, in particular, political leaders' beliefs inform and shape their policymaking (Cuhadar *et al.* 2017; Dyson 2018; Kaarbo 2018; Van Esch and Swinkels 2015). At the same time, these beliefs are themselves susceptible to influence from the dynamics of political and economic contexts, a leader's traits, the political

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time in which a political leader operates, and a leader's relationship with followers (Goetz 2017; Helms 2014; Kaarbo 2018). Although many studies focus on the beliefs of political leaders as an independent variable affecting political and policy success or failure (e.g. Brummer 2016), fewer studies focus on beliefs as a dependent variable. As such, leadership studies lack knowledge of the antecedents of political leaders' belief changes.

The Eurozone crisis (2009–2015) greatly tested EU leaders' core beliefs about the economy. First, the EU lacked adequate mechanisms to deal with the crisis and these structural deficiencies caused severe deadlock in the EU's political system. As such, the crisis provided the setting for an exercise in collective political leadership (Müller and Van Esch 2019). The fragmented and multi-faceted EU leadership polity was tasked with making sense of the situation at hand, while providing meaning to its various constituencies through a coherent crisis narrative (Boin *et al.* 2017; Van Esch and Swinkels 2015). Second, EU political leaders' diverse preferences, pressures, and priorities can either constrain or enable their sense-making and meaning-making activities. The combination of a lack of an established institutional response and the diverse economic and political contexts in which political leaders operate provides scholars of EU leadership with a unique opportunity to study belief changes. The central questions, then, are whether such contextual factors affected the core beliefs of EU political leaders, and how.

This paper examines these questions. It uses insights from EU and leadership studies about the influence of changing political and economic contexts, and how this may manoeuvre the beliefs of political leaders. The paper presents a framework for tracking beliefs and belief change, and articulates four conditions suggested to influence the propensity for belief change in the realm of European economic policy. These are increases in negative support for the merits of European integration, unsustainable public debt, increased unemployment, and member states' ideological divergence from average EU government ideology. Using unique material on European Council leaders' economic beliefs, the paper describes the ways in which these conditions affected leaders' beliefs, in the case of the Eurozone crisis (2009–2015), using fuzzy-set Qualitative Comparative Analysis (fsQCA).

The outcome (dependent variable) is measured through Comparative Cognitive Mapping analysis of the core economic beliefs of 12 heads of state or government (HSG) during the Eurozone crisis of 2009–2015 (Van Esch *et al.* 2017).<sup>1</sup> Existing data from the Comparative Political Data Set and Eurostat is used to study the conditions affecting belief change. The fsQCA findings reveal that, when faced with changes in their political and economic contexts, political leaders may re-evaluate both the salience and core meaning of their economic beliefs, but that

these conditions only partially explain why core beliefs change during an economic crisis.

## **Theoretical framework**

### ***Leaders as believers***

John (1998: 145) states that ‘the policy process is permeated by ideas about what is the best course of action and by beliefs about how to achieve goals’. In EU studies, as well as in leadership studies, scholars increasingly focus on the ways in which political leaders’ beliefs and ideas influence their politics and policymaking (Crespy and Schmidt 2014; Van Esch and Swinkels 2015). The EU, as a political system, is characterised by polycentric governance that is shaped by actors from a wide spectrum of backgrounds and ideologies (’t Hart 2014; Tömmel and Verdun 2017). This leaves considerable space for belief contestation, especially in times of crisis.

### ***Beliefs***

In this study, a belief is defined as a perceived relationship between a cause and an effect (Jervis 2006). A collection of beliefs about a certain phenomenon (e.g. about the economy, politics, the environment, or foreign policy) form the core meaning of a belief dimension. For example, an economic belief dimension is a collection of an individual’s beliefs about what they consider to be an appropriate economic philosophy (e.g. a focus on economic stimulus or austerity). A political belief dimension, conversely, is a collection of beliefs about what an individual considers to be an appropriate political philosophy (e.g. conservative or liberal). The sum of all these belief dimensions forms a belief system that helps an individual to make sense of how the world works and how certain ends should be achieved (Van Esch 2007).

### ***Belief change***

Changes in political leaders’ beliefs may have important political consequences. They may, for instance, alter leaders’ political agendas and exacerbate or resolve deadlocks in political decision-making processes. Such belief changes can be characterised in terms of the object that is subject to change, the nature of the change process, and the direction in which change occurs. Each of these will be discussed, in order.

The belief that is subject to change can either pertain to the size of a belief dimension or to the core meaning of beliefs within a certain dimension. Change in the size of a belief dimension implies that a certain



dimension in a belief system is strengthened or weakened, relative to other dimensions in a belief system. For example, a leader's beliefs about the economy may become more or less salient than their beliefs about politics. This type of change is conceptualised as *saliency* change. Change to the core meaning of beliefs within a certain dimension implies that causal relations within a belief dimension can change, which would lead to a different core meaning of the belief dimension. For example, a leader may change their view about the level at which sovereign debt markets are likely to lose confidence in a government's economic policy. This is conceptualised as *core* change.

A wealth of research explores the radical, abrupt, incremental, or gradual nature of changes to beliefs. One key taxonomy conceptualises these different degrees of change as the result of differences in exogenous or endogenous pressure and makes a distinction between fundamental (radical, abrupt) and secondary (incremental, gradual) belief change (Hall 1993; Princen and Van Esch 2016). Fundamental belief change implies a radical change in existing beliefs as a response to external events, such as a crisis or changes in the context in which political leaders operate (Hall 1993; Van Esch 2007). This type of belief change is considered to be rare and uncommon. Secondary belief changes are routine and incremental, and are perceived as the result of endogenous activities (Hall 1993). Princen and Van Esch (2016) present a third, intermediate degree of belief change: the moving paradigmatic core. This challenges the assumption that fundamental changes only occur as a result of exogenous pressure and that secondary changes occur as a result of endogenous activities. Princen and Van Esch (2016) show that core beliefs can change as a reaction to external events, without completely altering existing dominant beliefs. Their study on the European Commission's beliefs on the Stability and Growth Pact demonstrates that the Commission's beliefs about the economy remain highly ordoliberal, but that, as a result of 'outside events', certain elements of the Keynesian paradigm have transitioned into the Commission's ordoliberal belief system. The literature is not unequivocal concerning the times at which political leaders' fundamental or secondary belief changes are more likely to occur, as a result of either endogenous or exogenous pressures, which reveals the necessity of a more dynamic approach (Carstensen 2011; Princen and Van Esch 2016).

Combining insights on both the subject and the nature of political leaders' belief changes leads to a taxonomy with four possible directions of belief change (Table 1). First, the size of a given belief dimension in a belief system can be reinforced or reduced as a result of pressure, resulting in a shift of the surrounding belief dimensions. Second, a belief

**Table 1.** Taxonomy of belief change.

<i>Subject</i>	<i>Degree</i>		
	<i>Moving</i>	<i>Alteration</i>	<i>Consistent</i>
<i>Dimension</i>	Dimension reduces or reinforces at the expense of others	Dimension vanishes or dominates belief system at the expense of others	Same ratio of dimension(s) governs the belief system
<i>Core</i>	New beliefs or alternative beliefs enter existing dimension but do not completely alter its core meaning	Dominant core meaning of the content of a belief dimension changes	Same beliefs continue to govern a given belief dimension

dimension may either become dominant or cease to exist in the belief system (e.g. a leader stops talking about the economy as a whole). Third, changes pertaining to the core meaning of a belief dimension can transition either from or to the core meaning (the moving paradigmatic core). Fourth, the core meaning of a belief dimension can be completely altered, resulting in a new frame of reference that a leader uses when interpreting events (Table 1). Saliency changes at the level of belief dimensions can illustrate which belief dimensions are prioritised by a political leader during times of contextual change. Core-level changes explain changes to the core meaning of a certain belief dimension. Belief stability can occur in both types of changes.

**Conditions for belief change**

Belief change may depend on institutional, contextual, and individual conditions. In situations of multi-fragmented leadership, as is the case with the EU, leaders’ contextual conditions can vary substantially. Differences in, for example, the socio-economic performance of member states or national political constraints can result in diverse responses to a shared systemic crisis (e.g. Bulmer and Paterson 2013). Müller and Van Esch (2019) argue that the Eurozone crisis led to significant changes in the exogenous environment of HSG, in terms of both the distribution of welfare and the legitimacy of European publics and member state governments. These exogenous challenges contributed to increasingly complex leadership at the EU level. The study highlights four contextual conditions related to these issues of distribution and legitimacy, which are perceived to influence the individual beliefs of political leaders in the EU.

First, postfunctionalists claim that the preferences of the public and political parties have become a proxy for the process of European integration (Hooghe and Marks 2009). The behaviour of foreign policy elites is based on their assumptions about what people find acceptable (Cantir

and Kaarbo 2016). A constituency's negative image of the EU can have important implications for belief change, as it impacts the way that political actors talk about and explain a crisis (Hobolt and De Vries 2016). Recent studies exploring the sentiment, public interests, and complexity of European speeches given by EU HSG reveal that leaders do, indeed, pander to the Eurosceptic mood of the public at home (Rauh *et al.* 2018). Additional research suggests that governments (and their leaders) change position in response to national public opinion on European integration (Toshkov 2011). These findings warrant the expectation that an increase in Euroscepticism may affect a political leaders' beliefs, as they may feel under pressure to change their beliefs depending on their constituents' mood. This condition is important to consider in this study, as the impact of the economic crisis extended into a political crisis, and, as such, it threatened the legitimacy of the European Union (Hall 2014).

Second, economic performance, namely employment and public debt, may also significantly account for leaders' belief changes. Unemployment is seen as a politically sensitive issue, and is therefore considered a proxy for experienced economic distress in general (Kessel 2015; Vis *et al.* 2012). When confronted with high levels of public debt, leaders must decide whether to reduce or increase public debt policies (Ostry *et al.* 2015). Underperformance leads to increased stress and pressure on leaders to change their beliefs (Van Esch and Swinkels 2015). Low levels of debt and rates of unemployment, in contrast, tend to reinforce pre-existing economic beliefs held by political leaders.

Third, leaders in the EU play political games on multiple levels by simultaneously leading a national government and participating in the European Council. The dominant ideology of a leader's national government can either match that of their counterparts in the European Council or diverge from it. When a political leader's national government ideology differs from the mainstream ideology of their peers in the European Council, they may be cast as an outsider and feel more pressure to change their beliefs to adhere to the 'wisdom of the crowd'. This intra-elite contestation may lead to sustained dissonance and hinder decision-making (Hardiman and Metinsoy 2018; Van Esch 2014a). Studies have shown that political leaders of member states feel pressured to push through reforms, despite their national governments' preferences or ideologies (Culpepper 2014; Kickert and Ysa 2014; Lynch 2015). Ideological differences can serve as a proxy to understanding the stability and change of political leaders' policy beliefs. For example, ideological alignment between different levels of government explains favourable policy treatments, such as bail-outs or waivers (Fielding *et al.* 2012; Kleider *et al.* 2018; Nelson 2014).

### ***From monocausal explanation to theoretical integration***

An uneven focus that favours one condition over others can lead to an incomplete understanding of the ways in which belief changes occur. It is more likely that a myriad conditions affect political leaders' belief changes (Cuhadar *et al.* 2017). This paper argues that the four conditions it presents do not operate independently, and must instead be examined and understood in relation to each other. We expect that the propensity for belief change is most likely when all conditions are present. The approach taken is a theoretical integration of these conditions, which attempts to understand how their different configurations can lead to the outcome of belief change (Mello 2017).

## **Research design**

### ***Case selection***

It is important to study the beliefs of the HSG in the European Council, as there was a significant degree of freedom for the HSG to (re)act to the Eurozone crisis. The leaders of the European Council possessed both formal and informal power resources. Furthermore, they had the ability to make decisive contributions to the handling and outcome of the Eurozone crisis. Due to the absence of formal crisis management procedures and mechanisms, HSG leaders served as first responders and relied on their skills to deal with the crisis (Greenstein 1969).

This study selects HSGs in the European Council that can be characterised as 'most different', on the basis of four criteria (see Table 2). The first criterion is variation in terms of varieties of capitalism. Hall (2014) argues that countries with a focus on demand-led growth models have faced more negative distributive consequences from the Economic and Monetary Union than countries with a focus on export-led growth models, and, as such, these countries are more likely to face economic pressure in a crisis. The second criterion is variation in terms of Eurozone membership. Countries with the euro currency are likely to face more economic pressure than countries outside the Eurozone. The third criterion is variation amongst member states' governments, in terms of political ideology. Differences in ideology imply that governments hold different preferences with regard to questions of distribution, which can cause growing dissensus about policy aims and actions. The last criterion is differences in growing Euroscepticism, as leaders with 'dismissive dissensus' have to deal with growing political constraints.

Conversely, these leaders shared a responsibility to exercise leadership and had to (re)gain the trust of financial markets and their member states

**Table 2.** Overview of selected political leaders and time in office.

HSG	Country	Time in office*	VOC	MS type	Ideology**	Dissensus
Lars Løkke Rasmussen	Denmark	04-2009/10-2011	Supply	NE	1	No increase
Helle Thorning-Schmidt	Denmark	10-2011/06-2015	Supply	NE	4	Slight increase
Nicolas Sarkozy	France	05-2007/05-2012	Demand	E	1	Increase
Angela Merkel (2 phases)	Germany	11-2005/current	Supply	E	1; 2	Slight increase (1); slight decrease (2)
Viktor Orbán	Hungary	05-2010/current	Hybrid	NE	1	No increase
Enda Kenny	Ireland	03-2011/06-2017	Demand	E	2	No increase
Brian Cowen	Ireland	07-2008/03-2011	Demand	E	2	Increase
Mario Monti	Italy	11-2011/04-2013	Demand	E	0	Increase
Mariano Rajoy	Spain	12-2011/06-2018	Demand	E	1	Increase
José Luis Rodríguez Zapatero	Spain	04-2008/12-2011	Demand	E	5	Increase
Mark Rutte	The Netherlands	10-2010/current	Supply	E	2-3	Increase
David Cameron	United Kingdom	05-2010/07-2016	Hybrid	NE	1	No increase

\*Data retrieved from Comparative Political Data Set (Armingeon *et al.* 2018a).

\*\*1 = hegemonic right-wing and centre parties; 2 = dominance right-wing and centre parties; 3 = balance of power left–right; 4 = dominance social democratic and other left; 5 = hegemony social democratic and other left; 0 = non-ideological – technocratic.

in order to find a way out of the crisis. As Höing and Kunstein (2019) assert, the Eurozone crisis can be interpreted as a crisis of trust. Two critical junctures in the Eurozone crisis are identified as pivotal in (re)gaining trust, yet these had the potential to present leaders with changes in their exogenous environments, thus challenging their beliefs (Brunnermeier *et al.* 2016; Van Esch *et al.* 2017). The establishment of the first bail-out package and the setup of the contours of the European Financial Stability Facility (EFSF), 7–10 May 2010, represents the first juncture. These two rescue mechanisms served as a financial backstop. Economic and Financial Affairs Council (ECOFIN) leaders agreed on a mechanism of financial aid to assist countries like Greece, in order to prevent further escalation and to prevent effects extending to other countries. The second juncture of the Eurozone crisis was Mario Draghi's 'Whatever It Takes' speech on 26 July 2012. At this time, government bond spreads had reached unprecedented heights, which led to speculation about a possible Eurozone collapse. In response, the European Central Bank (ECB) announced the Outright Monetary Transactions (OMT) programme to prevent further escalation of the crisis. These two events were both explicit cases of leadership by EU institutions, and were identical in terms of addressing questions of trust. Both these decisions were intended to calm markets and stabilise the economy (Höing and Kunstein 2019). Economically, the effect of these decisions seemed to stabilise European and global financial markets. Thus, it is reasonable to expect the effect on

belief changes to be similar. As a result of choices for selecting cases, 12 HSG were included in the analysis (Table 2).

### ***Qualitative comparative analysis (QCA)***

QCA facilitates a systematic comparison of the characteristics of specific cases, in order to reveal patterns in data (Schneider and Wagemann 2012). When using QCA, causation is perceived as complex. This means that conditions do not compete for more or less variation in an outcome; instead, different configurations are equifinal alternatives for one another. In addition, conditions that explain an outcome can differ from conditions that explain the absence of the outcome (asymmetry). Furthermore, the effect of one condition cannot be isolated from others (conjunctural causation) (Mello 2017). This study uses this method to explore the ‘presence of logical implications or set relations in terms of necessity and sufficiency’ (Thomann and Maggetti 2017: 5).

This study employs a realist, or substantive interpretability, approach to explanation (Schneider 2018; Thomann and Maggetti 2017). The purpose of studies following the substantive interpretability approach is ‘to find meaningful super- and/or subsets of the phenomenon to be explained’ (Schneider 2016: 2). Analysing sufficient conditions involves assessing the plausibility of counterfactual assumptions. According to this approach, conservative or intermediate solutions are optimal when dealing with counterfactuals. Furthermore, the selected necessary conditions in this approach are interpreted as crucial explanatory factors, without which a given event could not have occurred (Thomann and Maggetti 2017). This approach is subsequently used in this study to understand how theoretical knowledge about belief change ensues empirically.

This paper uses a fuzzy-set QCA to examine the possible relationships between the four conditions (unsustainable debt, increased unemployment, different ideology, and increased Euroscepticism) and the outcomes of core and salient belief changes. FsQCA has been chosen for this study because it allows for partial membership in sets (Mello 2017), which is advantageous considering the different degrees of belief changes analysed (e.g. U-turns and moves from or towards other core beliefs or belief dimensions). Fuzzy sets use ‘corners’ of a multidimensional property space to establish possible configurations that produce an outcome. The four conditions in this study lead to  $2^4$  corners, which yield 16 possible paths to the outcome. To create the fuzzy sets, raw data on belief changes and the four conditions was transformed into fuzzy data via calibration, including the setting of qualitative breakpoints (Schneider and Wagemann 2010). The direct method of calibration was used for all four

conditions and for the two outcome conditions (salient belief change and core belief change). Direct calibration is the use of a logistic function to transform the raw data into fuzzy-set data. These breakpoints were set in line with theoretical and substantive knowledge.

R QCA and SetMethods packages (Duşa 2019; Medzihorsky *et al.* 2018) were used to analyse the fuzzy-set data.<sup>2</sup> Consistency and coverage measurements (varying between 0 and 1) were used to assess necessary and sufficient conditions.<sup>3</sup> Consistency measurements provide a measurement to assess the extent to which the solution is a subset or superset of the outcome. A high consistency score indicates that all cases in a truth table row are the result of a particular configuration. This score is used to determine the inclusion and exclusion of truth table rows in the logical minimisation procedure. Coverage measurements describe the empirical importance of sufficient conditions, or the relevance of necessary conditions. A higher score indicates that the ‘consistent part of the solution overlaps with the outcome’ to a high degree (Schneider and Wagemann 2012: 130).

## Measurement and calibration<sup>4</sup>

### *Belief change*

Data for belief changes derives from the TransCrisis Comparative Cognitive Mapping (CCM) database (Van Esch *et al.* 2017). The CCM method has been specifically developed to capture causal beliefs in the speeches of political leaders (Van Esch *et al.* 2016).<sup>5</sup> Although alternative methods of measuring beliefs exist, such as operational code analysis, this study uses CCM data to analyse beliefs about a specific topic (the economy) in order to capture change (see Van Esch 2007). CCM data was used for the beliefs of the 12 leaders in this study; specifically, data capturing a leader’s beliefs about their preferred economic philosophy (Keynesian or ordoliberal). The central tenet of Keynesian beliefs is a focus on economic stimulation via government intervention, for the purpose of increasing employment rates and economic growth. The central tenet of ordoliberal beliefs is a belief in the primacy of price stability and in the ability to achieve stability via strict budgetary and fiscal policies, central bank autonomy, and by prioritising support for economic objectives over political ones (Princen and Van Esch 2016). Cognitive maps were constructed for each leader: one prior to a critical juncture (map 1) and one after (map 2).

These maps served as the basis for calculating belief changes (see Online Appendix A Supplementary material). Analysing all maps at t1 and t2, belief changes in this study are observed through qualitative

analysis of the map, when the core meaning of beliefs is either moving in another direction or when the existing core meaning of beliefs is altered.

No QCA research exists on CCM data of political leaders, which means that this paper could not utilise existing anchors to define set membership. The anchors were instead defined following an appraisal of the quantitative data, an evaluation of the cognitive maps, and the conclusions of a prior descriptive study on the belief changes of these political leaders (Van Esch *et al.* 2017). The quantitative data on belief changes and the underlying cognitive maps showed large gaps in the numerical data on belief changes, and, as such, these gaps were used as the bases for the thresholds of calibration (see De Block and Vis 2018). The threshold for full inclusion (1.0) in the set belief change of the economic dimension was fixed at 10%. Thus, cases that display at least 10% change in economic beliefs are fully in the set of belief change. The point of indifference was fixed at 5.5% and the threshold for being fully out of the set (0) was fixed at 2% (see online appendix, Table B.1, Supplementary material).

With regard to the core belief changes, qualitative appraisal of the Cognitive Mapping data signalled a difference between the cognitive maps of Danish Prime Minister (PM) Lars Løkke Rasmussen and Italian PM Mario Monti. Where Rasmussen remains a committed Keynesian (change of 8.21% in his maps), Monti's maps show a move from one predominant set of beliefs to another (change from 9.5%) (see online appendix, Table B.2, Supplementary material). On the basis of these observations, the threshold for full inclusion (1.0) in the set core belief change was fixed at 18%. Cases that display at least 18% change in core beliefs are fully in the set of core belief change. The point of indifference was placed at 9% and the threshold for being fully out of the set (0) was placed at 0% (see online appendix, Table B.2, Supplementary material).

### **Conditions**

Cases can display membership in four sets: unsustainable debt (DT), increased unemployment (UNI), deviating government ideology (GD), and increased Euroscepticism (EI). Data for these four conditions was derived from Eurostat (Eurostat 2018a, 2018b, 2018c) and the Comparative Political Data Set (Armingeon *et al.* 2018a, 2018b). The rationale for calibration for these four sets is discussed below. Table 3 shows the thresholds for full inclusion and full exclusion, as well as the crossover point of the four conditions.

Despite the complex relationship between public debt and economic growth, it has been found that countries with national debt levels of 90% or higher may not be able to fulfil their future liabilities (Herndon *et al.*



**Table 3.** Threshold set membership scores (calibration).

Condition	Threshold fully in set	Crossover point	Threshold fully out set
<b>DT</b>	90%	75%	60%
<b>UNI</b>	3.1%	0.4%	-2.2%
<b>GD</b>	1.5	0.95	0.4
<b>EI</b>	8.9%	4.04%	-0.88%

2014; Reinhart and Rogoff 2010; Vis *et al.* 2012). The threshold for full inclusion (1.0) in the unsustainable debt set (DT) is therefore set at 90%. This is also higher than the average EU reported value for all 28 member states (EU28) (Eurostat 2018a). The threshold for being fully out of the set (0) is set at 60%, as this means full compliance to the rules of the Stability and Growth Pact.

Qualitative anchors for the unemployment condition do, conversely, exist (see Kessel 2015). As this study is primarily concerned with increases in unemployment, rather than the height of unemployment, thresholds for inclusion have been adjusted to fit the study's purpose. However, Kessel's (2015) choice to work with averages is used here to determine the thresholds for the increased unemployment set (UNI) (see Table 3). Increases in unemployment figures over time were calculated for the EU28. The average increase served as the point of indifference. The standard deviation marked the thresholds for inclusion and exclusion in the set.

Increased negative support for the EU (EI) is operationalised using an item in the biannual Standard Eurobarometer (see Rauh *et al.* 2018). This item asks respondents the following question: 'In general, does the European Union conjure up for you a very positive, fairly positive, neutral, fairly negative, or very negative image?' (Eurostat 2018a). The average increase over the date range of this study, for all EU28 countries, is used as the basis for a country's fuzzy-set scores. Notable examples of countries where political leaders faced increased levels of negative support for the EU include the crisis-stricken countries of Spain, Ireland, and Italy. The data reveals little about the level of Euroscepticism per se, but explains the rise or decline in negative support, which in turn forces political leaders to adjust their positions to changing circumstances.

Ideological difference (GD) is operationalised as the ideological distance of a member state government from the dominant government orientation in the EU as a whole, per given year. For differences in ideological orientation, a distance of more than one category of the average EU government ideology was considered a 'deviation', signifying that a case displays set membership. For example, while in office, Rasmussen's government was coded as a right-wing party hegemony. This mostly aligns with the EU's dominant government orientation at this time, leading to a deviation score of 0.66 (signifying no set membership).

## Results

This section describes the HSG's belief changes that were observed in this study. The subsequent QCA analysis identifies the necessary and sufficient configurations of conditions that explain these belief changes.

### ***The 2010 rescue mechanism: re-establishing trust in financial markets***

Of the five HSGs in office at the time of the 2010 decision to create a financial backstop, French President Nicolas Sarkozy and Spanish PM José Luis Rodríguez Zapatero changed their core beliefs about the economy. Both shifted from Keynesian to ordoliberal beliefs in the period after May 2010 (Table 4). Zapatero lost an election soon after, as a result of this U-turn in his beliefs about economic policy, with voters blaming him for bending under EU pressure (Bosco and Verney 2012). In his book *El Dilemma*, Zapatero elaborates on the pressure to change his beliefs and the difficulty of withstanding the pressure from his EU colleagues (Rodríguez Zapatero 2013). For Sarkozy, Anglo-American media scrutiny of his economic policies and a loss of France's triple-A status could have pressured him to adopt a more ordoliberal stance (Van Esch 2014b).

Conversely, German Chancellor Merkel, Irish PM Cowen, and Danish PM Rasmussen did not change their pre-existing economic beliefs. The absence of belief changes for Cowen is unexpected, considering that he, like Zapatero, faced a worsening socio-economic situation and Irish citizens' increased dissensus with the EU. Cowen fended off EU pressure to seek financial assistance in November 2010, only to later accept a loan when under pressure from his EU and International Monetary Fund (IMF) partners (Schimmelfennig 2015).

Concerning the saliency of economic beliefs, Sarkozy is the only leader in this timeframe who seems to focus less on the economy. The saliency of this dimension in his cognitive maps shows a sharp decrease.

### ***The 2012 outright monetary transaction programme: creating a credible lender of last resort***

ECB director Mario Draghi's promise 'to do whatever it takes' was a second decisive moment in the Eurozone crisis, in terms of calming down financial markets and restoring trust (Schoeller 2019). In the months and years after, five leaders in this study changed or altered their core economic beliefs. Dutch PM Rutte made a U-turn from predominant ordoliberal to Keynesian beliefs. His focus on concepts such as economic growth, which qualify as Keynesian, can partially explain this U-turn.

**Table 4.** Belief changes of political leaders.

<i>Subject</i>	<i>Degree</i>		
	<i>Moving</i>	<i>Alteration</i>	<i>Consistent</i>
<i>Dimension (saliency)</i>	Thorning-Schmidt; Sarkozy; Merkel2_3; Monti; Rajoy		Rasmussen; Merkel1_2; Orban; Cowen; Kenny; Zapatero; Rutte; Cameron
<i>Core (meaning)</i>	Kenny; Zapatero; Cameron; Monti	Rajoy; Rutte; Sarkozy	Rasmussen; Thorning-Schmidt; Merkel1_2; Merkel2_3; Orban; Cowen

British PM Cameron's cognitive maps also reveal a shift from ordoliberal to Keynesian beliefs. Lynch (2015) suggests that this is the result of Cameron's struggle with differing demands of party politics at home and the pressure of EU leaders to vote in favour of EU policies, in order to combat the crisis. Cameron's Irish neighbour, PM Kenny, also changes his core beliefs from dominant ordoliberal to Keynesian.

Two other leaders, Italian PM Monti and Spanish PM Rajoy, adopted a more ordoliberal stance in the timeframe after Draghi's speech. Culpepper (2014) explains Monti's U-turn as a result of pressure from the EU elite to reform. Again, as with Zapatero, Monti's changes and subsequent acts were perceived negatively by the Italian electorate in the next election.

The core economic beliefs of the other three leaders, Merkel, Thorning-Schmidt, and Orbán, stayed stable. Thorning-Schmidt remained a committed Keynesian, whereas the beliefs of Merkel and Orbán remained predominantly ordoliberal. Concerning the saliency of economic beliefs, Thorning-Schmidt, Monti, and Rajoy seem to refocus their attention on other topics, as this dimension becomes less salient in their cognitive maps.

To conclude, this data analysis demonstrates that the economic beliefs of EU political leaders either stay stable or decrease after critical junctures. In terms of the core meaning of these beliefs, the Spanish, Italian, and French leaders pivoted towards ordoliberal beliefs, whereas the Irish, Dutch, and UK PMs pivoted towards Keynesian beliefs. The subsequent section analyses what configuration of conditions best explains the occurrence of these belief changes.

### ***Understanding the pathways to belief changes***

The prior section illustrates a diverse picture of belief changes. This study's QCA analysis can subsequently, and systematically, uncover patterns in the data. First, the necessity analysis (Online Appendix D, Supplementary material) reveals that none of the individual conditions have a consistency value of 0.9. This means that none qualify as a necessary (stand-alone) condition for the presence or absence of political leaders' belief changes in this study.

Subsequently, the study conducted necessity analyses for disjunctions of the conditions. These analyses showed consistency values of  $>0.9$  for both salient and core belief change (Online Appendix D, Supplementary material). The results of the analyses for the absence of salient economic belief changes ( $\sim$ ECOC) and occurrence of core belief changes (KOC) have a coverage value of  $>0.7$ , and two findings here are striking. First, for salient economic belief change to not take place, there either has to be no increase in unemployment ( $\sim$ UNI) or no substantive debt ( $\sim$ DT) (con. 0.937; cov. 0.720). Second, for core belief change to take place, cases either need to display increased unemployment (UNI) or unsustainable debt (DT) (con. 0.960; cov. 0.719). These findings emphasise the importance of a higher-order concept for belief change: good or bad socio-economic situation. This higher-order concept is necessary for salient belief change to be absent or for core belief change to be present. These necessary disjunctions are ‘crucial explanatory factors, without which a given event could not have occurred’ (Thomann and Maggetti 2017: 9) and imply that future analyses of economic belief changes should consider the socio-economic situation of a leader’s country.

Additionally, the study conducted the analysis for sufficiency. First, truth tables for all possible outcomes were constructed (Online Appendix E.1–E.4, Supplementary material). These served as the basis for the logical minimisation procedure (Online Appendix E, Supplementary material). The goal of this procedure is to represent the information in the truth table as a final solution formula, with regard to the different combinations of conditions that produce a specific outcome.<sup>6</sup>

The intermediate solution formula for the presence of economic belief change reveals two combinations that lead to salient belief change. First, the saliency of economic beliefs decreases when leaders face increased unemployment (UNI), unsustainable debt (DT), and increased Euroscepticism (EI). This means that, contrary to what may be expected, when economic and political conditions become increasingly pressured, some leaders will become less vocal about the situation. Second, the saliency of economic beliefs decreases when leaders simultaneously face the absence of increased unemployment ( $\sim$ UNI), sustainable debt ( $\sim$ DT), increased Euroscepticism (EI), and a deviant government ideology (GD). The consistency of 0.892 shows that the solution does, indeed, correspond to sufficient combinations, and the coverage of 0.611 indicates that the solution explains a fair share of the outcome of belief change (see Figure 1).<sup>7</sup>

Three out of 13 cases hold membership in this solution formula (Monti, Rajoy, and Thorning-Schmidt) and can thus be considered typical cases. The difference in configurations for these cases most likely relates to differences in membership type (Denmark’s Thorning-

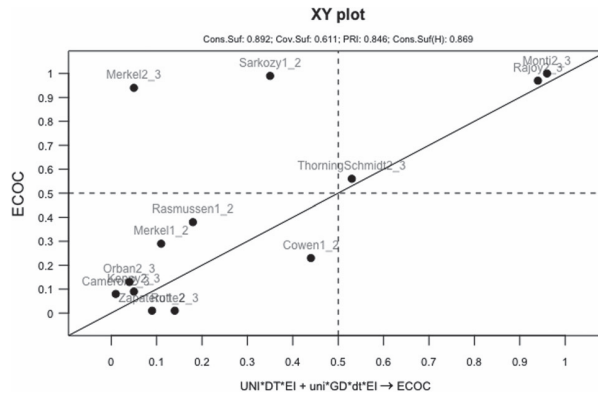


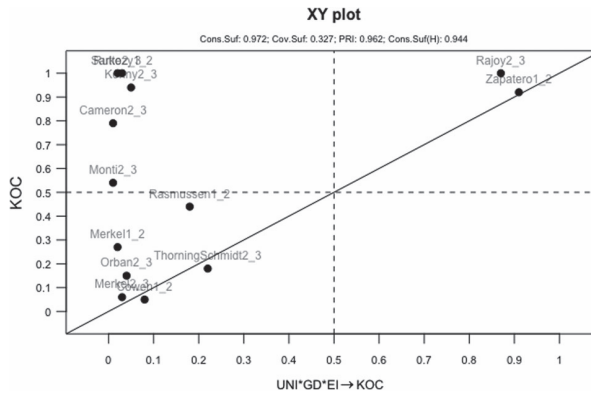
Figure 1. XY plot for parsimonious solution outcome: economic belief change.

Schmidt as non-Eurozone versus Monti and Rajoy as Eurozone members). The cases of Merkel (before and after critical juncture 2) and Sarkozy show membership in the fuzzy set, but not in the solution term. These are deviant cases in terms of coverage, meaning that they are consistent with the outcome but not with the solution (Schneider and Rohlfing 2013). The case of Merkel before and after critical juncture 2 can be considered a typical deviant case for coverage. This case is examined in more detail below.

For the outcome of Keynesian/ordoliberal belief change, the intermediate solution shows that a shift in the core meaning of economic beliefs can be explained by a combination of increased unemployment (UNI), a different ideology (GD), and increased Euroscepticism (EI). The consistency score of 0.972 provides evidence that this path corresponds to a sufficient combination. However, the low coverage of 0.327 indicates that these paths only explain a small part of the outcome (see Figure 2).

The analysis reveals a sufficient pathway for the core belief changes of Spanish PMs Rajoy and Zapatero but fails to explain the core belief changes of Monti, Cameron, Kenny, Rutte, and Sarkozy. These latter five cases are deviant cases for coverage. Reviewing the truth table (Online Appendix E.3, Supplementary material) illustrates that the cases of Monti and Sarkozy come closest to the ‘ideal deviant case coverage’ and thus warrant further in-depth analysis.<sup>8</sup>

There are a number of possible explanations for the three typical deviant cases for coverage in this study. For salient economic changes, the decrease in saliency of Merkel’s economic dimension can best be explained by the prevailing European discourse that became more focused on fiscal issues than monetary issues (Van Esch 2014b). The development of this broader EU discourse significantly reduced the saliency of Merkel’s economic beliefs in the period after the announcement of the OMT



**Figure 2.** XY plot for parsimonious solution outcome: Keynesian/ordoliberal belief change.

programme. This alternative explanation hints at the importance of investigating the interaction between the broader European discourse and individual belief change.

In terms of core belief changes, those of Monti and Sarkozy warrant further analysis. Culpepper (2014) characterises Italy under Monti as an ‘unmediated democracy’ and as a country run by a ‘government of professors’ (1275). This situation made it possible for Monti to adopt unpopular austerity programmes and act in line with pressure from EU elites. Monti seemed, at the time, more concerned with steering the economy than with the domestic political situation (Culpepper 2014). Therefore, it is likely that Monti, an economics professor by training, changed his beliefs as a result of the pressure to reform from EU leaders and his own ‘objective’ economic analysis of the situation. This alternative explanation emphasises the need for more country-specific and leader-specific analyses in the study of belief changes.

Schoeller *et al.* (2017) and Van Esch (2014) offer an alternative explanation for Sarkozy’s U-turn from Keynesian to ordoliberal beliefs. The emergence of the ‘Merkozy duumvirate’ (Schoeller *et al.* 2017: 1211) at the onset of the Eurozone crisis may indicate that Sarkozy changed his beliefs in order to form a powerful leadership in tandem with Chancellor Merkel. Furthermore, Sarkozy’s Keynesian beliefs about the economy in 2010 were geared towards monetary issues rather than fiscal issues. As the broader EU discourse shifted to fiscal policies, his core beliefs may consequently have been more malleable (Van Esch 2014b). A combination of the ‘Merkozy’ emergence and Sarkozy’s potentially malleable beliefs provide a logical explanation for his U-turn, subsequently implying that studies of belief change should also tailor the roles played by alliances and networks.

## Conclusion

This study opened with a quote from George Bernard Shaw (1944: 330) stating that ‘progress is impossible without change; and those who cannot change their minds, cannot change anything’. The study examined under what conditions such a ‘changing of the mind’ of European HSG occurred in the Eurozone crisis. These conditions are unsustainable debt, increases in unemployment, different ideologies, and increases in negative support for the EU. The analysis established that no stand-alone condition is necessary or sufficient to explain the outcome of belief changes. It also demonstrated that either unsustainable debt or increased unemployment is a necessary disjunction for the occurrence of core belief changes. This conclusion implies that the socio-economic situation of a leader’s country is a necessary, higher-order concept for the study of leaders’ belief changes.

For salient belief changes to occur, the analysis illustrated that two paths lead to the outcome. First, for leaders of countries in the Eurozone, the combination of increased Euroscepticism, increased unemployment, and unsustainable debt provides a sufficient explanation. For non-Eurozone leaders, the configuration of increased Euroscepticism combined with different government ideology, sustainable debt, and no increases in unemployment provides a sufficient explanation. This result implies that differences in Eurozone membership type impact contextual conditions’ levels of importance, in terms of the occurrence of belief changes.

For core belief changes to occur, the analysis indicated that a combination of increased unemployment, different ideology, and increased Euroscepticism provides a sufficient explanation. In sum, these results bear implications for theories of belief change. This article thus adds to literature suggesting that contextual causes for belief change are the result of configurations of conditions, rather than the result of one condition being more explanatory than another. The empirical analysis strongly urges scholars to further examine configurational hypotheses.

Furthermore, the study only illustrated the sufficient paths to belief change in a limited number of cases. Further in-depth analysis of typical deviant cases is thus necessary to provide coverage. In-depth analyses of the Merkel, Sarkozy, and Monti cases suggest four possible alternative explanations for belief changes to occur: the influence of the broader European discourse on political leaders’ economic beliefs, country-specific conditions, such as size or government type, leader-specific conditions, such as leadership role or leaders’ personalities, and the influence of alliances and networks on belief change.

This study also has broader implications for our understanding of leadership in foreign policy crises, particularly from a theoretical, empirical, and EU-specific angle. In terms of the theoretical angle, the conceptual

model of belief change contributes to role theory in foreign policy analysis, as it can help to further unpack responses of ‘state agents’ to contextual changes (Cantir and Kaarbo 2016).

Empirically, conclusions about these four conditions are relevant for different types of foreign policy crises (e.g. military, political). Although it can be argued that these four specific conditions are more typical for economic crises, they also relate to broader ideas about the importance of understanding the role of the domestic arena in foreign policy crises.

Finally, the findings of this study are more applicable to EU foreign policy crises (e.g. Brexit, the migration crisis, the Ukraine crisis) than to foreign policy crises between unitary states. The Eurozone crisis took place in a transboundary institutional arrangement that urged governments to act together; yet, at the same time, they were being pushed apart as a result of differences amongst them (Youngs 2013). As EU leaders are compelled to cooperate in times of foreign policy crisis, the nexus between their own domestic arena and EU-level leadership expectations may necessitate different mechanisms for belief change than foreign policy interactions between single states.

## Notes

1. These leaders are Lars Løkke Rasmussen (DK), Helle Thorning-Schmidt (DK), Nicolas Sarkozy (FR), Angela Merkel (DE), Victor Orbán (HU), Brian Cowen (IE), Enda Kenny (IE), Mario Monti (IT), Mariano Rajoy (ES), José Luis Zapatero (ES), Mark Rutte (NL), and David Cameron (UK).
2. R Scripts for both analyses can be found in Part C of the online appendix (Supplementary material). The Analysis performed in this study is Standard Analysis.
3. A consistency score of 1 or 0 represent perfect consistency for a given row. A consistency score of 0.5 displays perfect inconsistency.
4. For an elaborate discussion on the raw data of this study, see Online Appendix A (Supplementary material).
5. See Online Appendix A (Supplementary material) for an explanation of the Cognitive Mapping Method and its subsequent analysis. Data files available upon request. Contact the author.
6. The solution presented here is the intermediate solution. For an overview of all three solutions (parsimonious, complex, and intermediate), see Online Appendix F (Supplementary material).
7. Cons.suf = measure to assess the extent to which the solution is a subset or superset of the outcome. A high consistency score indicates that all cases in a truth table row are the result of a particular configuration; Cov.suf = describes the empirical importance of sufficient conditions; PRI = proportional reduction in consistency; Cons.suf(H) = adjusted consistency measure.
8. The analyses of and solutions for the negated outcomes are presented in Online Appendix F (Supplementary material).



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# Chapter 5

## Deciding upon the Banking Union: how a joint belief shift instigated deep institutional change in Eurozone governance

*“One resists the invasion of armies;  
one does not resist the invasion of ideas”<sup>1</sup> (Hugo 1877)*

This chapter is co-authored with dr. Femke van Esch and prepared for submission at a peer-reviewed journal.

<sup>1</sup> Original in French: On résiste à l'invasion des armées, on ne résiste pas à l'invasion des idées



## ■ Chapter 5

### 5.1 Introduction

Crises can provide a window of opportunity and act as critical junctures for change, but major policy change in the wake of crises is relatively rare (Boin *et al.* 2017; Keeler 1993; Rinscheid *et al.* 2020). This seems especially the case in the multi-level governance system of the European Union, whose internal complexities and multiple veto points are such that polity and policy change are mostly incremental (Salines *et al.* 2012). Yet at the same time, the EU is believed to be 'forged in crisis' (Monnet 1976), with major policy change as its ultimate outcome.

The establishment of the banking union (BU) represents a case of deep institutional change as it is considered the most important step towards EU economic integration since the launch of the Economic and Monetary Union (EMU) (Howarth and Quaglia 2013). Moreover, the BU was widely perceived as the much-needed crisis management capacity needed to tackle the enduring financial and economic crisis (cf. Braun 2015). However, the financial crisis in the banking system in 2008 and subsequent Eurozone crisis in 2010 did not immediately challenge the model of decentralized rule-making and banking supervision and lead to the far-reaching reforms deemed necessary (Braun 2015; De Rynck 2016). And while ideas for supranational financial regulation had been floating around in policy debates as far back as the 1960s, they never made it to the decision-making table until mid-2012 (Mourlon-Druol 2016). The fact that the EU faced a crisis alone does not provide an answer to the question of how the BU came about the way it did.

It is important for students of policy and institutional change in the EU to immerse themselves in the making of the BU. The BU establishment forms an instance of a highly improbable candidate for deep change nevertheless becoming a reality. There are four reasons why it was an unlikely case to immerse the way it ultimately did. First, Germany – 'de facto' leader of the EU – supported by countries like the Netherlands and Finland – strongly opposed the idea of shared liabilities on which the BU is based (Bulmer 2014; Epstein and Rhodes 2016; Schäfer 2017). Second, muddling through had become the necessary *modus operandi* during the Eurozone crisis because the economic beliefs of political leaders did not align (De Rynck 2016; Swinkels 2020a; Van Esch *et al.* 2018). Third, the idea of a BU represented further economic integration at a time when Euroscepticism reigned and support for supranational policies was at an all-time low (Börzel and Risse 2017; Dehousse 2016; Nielsen and Smeets 2017). And fourth, debate over causes and solutions for the financial and economic crisis for a long time focused on fixing the sovereign debt problems instead of financial markets (Höing and Kunstein 2019; Van Esch *et al.* 2018).

Notwithstanding all these obstacles, the BU got across the line in 2012. This article analyzes how that became possible. To do so, we use and adapt the framework of institutional change introduced by Rinscheid *et al.* (2020) to offer an integrative explanation of the establishment of BU and reveal crucial steps in the process towards its establishment. This framework integrates many of the elements deemed crucial for the establishment of the BU in EU studies (De Rynck 2016; Epstein and Rhodes 2016; Howarth and Quaglia 2016; Nielsen and Smeets 2017; Schäfer 2016): a triggering crisis causing fundamental uncertainty, the role of pre-existing networks, a dominant policy regime, the structural and power positions



of key policy actors in the policy debate as well as the role of ideas and beliefs of key policy actors. Following Rinscheid et al. (2020), we argue that crises *only* trigger institutional change when pre-existing conditions (pre-existing networks, positions, and resources of relevant actors) allow certain policy actors to defect from the institutional status quo and trigger a joint belief shift. A joint belief shift is a collective reorientation of beliefs about an existing policy problem. It can be traced back to “single agents that succeed in prompting collective adaptations of beliefs among the other actors in an institutional field” (Rinscheid et al. 2020: 654). In another strand of research, such agents are known as policy entrepreneurs (Mintrom 2019; Rhinard 2010).

The elements of the framework will be tested empirically using Discourse Network Analysis (DNA) (Leifeld 2016). This method combines qualitative content analysis of actors' claims in media sources with quantitative social network analysis. DNA allows us to test to what extent the model applies to the case of the BU and how it can help us to better understand its establishment.

Using the Rinscheid framework to study the BU establishment serves three aims. First, if this framework and the use of the DNA method indeed adds to our understanding of the establishment of the BU, the framework may also be more broadly applicable to EU studies. As such, it can offer a novel theoretical and associated methodological framework to explain EU institutional change. This contributes to our understanding of the impact of transboundary crises in the EU. Second, it tests to what extent this novel, integral framework can explain the establishment of a key arrangement in the development of EU integration. Third, testing the explanatory value of the framework beyond its original context of discovery helps to establish its validity and may contribute to the further development of the model.

We conclude that the BU was the result of the promotion of like-minded key actors to top-EU positions whose shared beliefs diverged from the institutional status quo. Their promotion allowed them to seize the lingering window of opportunity created by inability of the dominant policy regime to offer a solution to the eurozone crisis, and instigate a joint belief shift to alter the dominant discourse on banking supervision.

## 5.2 Existing Explanations of the European Banking Union

The literature on the establishment of BU provides a number of explanations why the BU came into force.

First, scholars acknowledge that the crisis alone is not the sole explanatory factor for the creation of the BU. In studies on the BU, the Eurozone crisis is rather seen as a triggering event that set the scene to discuss the BU as a potential policy solution to solve the crisis.

Second, scholars focus on the explicit role of powerful *institutional leadership* in establishing the BU. Braun (2015) argues that the Eurozone crisis put the ECB in a stronger position to push for policy and polity change. Schoeller (2020) contends that the crisis could also have developed into a ‘near-miss’ juncture failing to incite change if the ECB would have had different leadership or if its reluctance to lead had been even stronger.

## ■ Chapter 5

Third, scholars identify the importance of *coalitions* or *policy networks* in the establishment of the BU. Donnelly (2018) uses advocacy coalition theory to demonstrate how coalitions of countries advocated for or against the BU or promoted different plans for BU on the basis of their beliefs. Coman (2019) shows how Brussels-based think tanks produced most of the expert reports on the crisis between 2008-2012 to infuse policy actors with novel or alternative ideas that inspired and legitimized their existing policy ideas. De Rynck (2016) points to the advocacy of the ECB in pushing national decision-makers to converge on innovative ideas on a banking union.

Fourth, scholars zoom in on the effect of *pre-existing powerful discourses and ideas* on the establishment of the BU. Schmidt (2016) argues that German policymakers were constrained by ordoliberal ideas and only conceded to the establishment of the BU following extensive debate and negotiation against the backdrop of the continuing monetary and economic malaise. Schäfer (2016) shows how the ordoliberal beliefs of German policymakers initially constrained agreement on the BU, until a 'Southern coalition' gained discursive power and came up with a solution-discourse that trapped German policymakers.

As it stands, the literature on the banking union points to the importance of crises as triggering events, the role of institutional actors to push for reform, the role of policy networks or advocacy coalitions to infuse the policy discourse with new ideas, and the constraining effect of pre-existing discourses on actors' willingness or ability to change. We identify two caveats in this literature.

A first caveat is that while these explanations contribute to our understanding why the BU came about, it does not necessarily explain by which process it came about. Nor does it tell us much about the role of individual policy actors, their ideas, and the discursive interactions that underpin the BU in its existing form. Theories of institutional change as a result of EU crises rarely examine the discursive ideational dynamics of individual policy actors up close, while the role of these actors in these processes, the contents of what they discuss, and how they may or may not succeed in persuading each other of certain ideas all exercise an important influence on the shaping of such profound changes (Rinscheid *et al.* 2020; Swinkels 2020b). We argue that the role of individual policy actors and their ideas in processes of EU institutional change is often overlooked, but may be crucial to study in order to understand the causal mechanism that leads to institutional change.

A second caveat is that BU scholars do not explicate the research methods and research data they use to study the establishment of the BU (cf. De Rynck 2016; Donnelly 2018; Howarth and Quaglia 2016). This complicates the analytical process of distinguishing the causal mechanisms that contribute to institutional change. Analytically, this is important as the mechanism that produces fundamental institutional change is often hard to detect.

The theoretical framework below explores how a combination of triggering events, powerful actors, pre-existing networks and coalitions, and pre-existing discourses and ideas creates opportunities for institutional change. We introduce the concept of 'joint belief shift' as a necessary condition for institutional change: a collective reorientation of policy actors' ideas concerning a particular policy within a

policy network – somewhat akin to more subtle versions of Sabatier’s much-cited coalition-based ‘belief change’ (e.g. Brooks 2018; Weible and Sabatier 2009). Furthermore, we introduce methodology to examine these causal mechanisms. We need such integrated explanatory models to further enhance our understanding of institutional change in the EU.

### 5.3 An integrative approach to institutional change

In this study, we define institutional change as both the reconfiguration of the governance structure and balance of power in a policy subsystem (*polity-change*), as well as a fundamental realignment of the policy content (*policy-change*) (cf. Howlett and Cashore 2009).

Inspired by Soifer (2012), Capoccia (2015), and Culpepper (2005), Rinscheid et al. (2020) developed an integrative framework for institutional change (figure 5.1). Their key argument is that 1) institutional change is not an automatic response to exogenous shocks, as many exogenous shocks fail to trigger institutional change, 2) a joint belief shift is a necessary condition for institutional change to occur change, and 3) individual actors and their connectiveness to key policy makers within the policy-network play a crucial role in instigating a joint belief shift.

More concretely, Rinscheid et al. (2020) perceive institutional change to result from the interplay between three sets of factors: permissive conditions, critical antecedents and productive conditions. A *permissive condition* refers to a crisis, external shock, disaster that defines the context and may potentially lead to a critical juncture. The literature on crisis management argues that crises foster uncertainty about the future and may question the validity of existing policies (Boin et al. 2017: 6). It may also change what decision making procedures apply and change the decision making power of the actors involved. Both of these consequences may (or may not) be exploited by political actors to advocate institutional change (Boin et al. 2017; Hoyt 1997; Van Esch 2012). Following this argument, Rinscheid et al. (2020) thus argue that a critical juncture does not in itself or necessarily cause institutional change, but may provide a window of opportunity for policy actors to incite such change (Boin et al. 2017).

The second set of factors that affect the likeliness that institutional change takes place are the *critical antecedents*. Critical antecedents concern factors related to actor constellations and conflict dynamics that characterize the institutional field prior to a critical juncture (Rinscheid et al. 2020). The operationalization of these factors in the work of Rinscheid et al. remains rather underspecified, but if we turn to the broader literature on institutional change, we find that four factors in specific determine actor constellations and conflict dynamics before the critical juncture: (a) the problem solving ability of the existing policy regime: the basic set of values, ideas, and policy propensities of the institutional status quo. When regime strength declines, key actors can exploit such a regime crisis (’t Hart 2011) (b) the presence of (alternative) ideas held by the main challengers and key decision makers (Sabatier and Jenkins-Smith 1993; Schmidt 2008; Van Esch 2012; Van Esch 2014); (c) the resources – power and legitimacy – of policy actors (Schoeller 2020; Tömmel 2020); and (d) the interconnectedness of actors in an existing institutional field (Leifeld 2013). The permissive condition sets the stage for institutional change by causing doubt about

## ■ Chapter 5

the validity of a dominant policy regime or set of ideas and this may cause turnover of the key decision makers. Critical antecedents in turn determine the likeliness of the existing regime or set of ideas to be challenged, of key actors to defect from the discursive status quo and of them to succeed in persuading other decision makers. Institutional change is only likely to occur when prior to the critical juncture, alternative ideas are entertained by actors who had (or later acquired) the resources and interconnectedness to instigate a belief change of key decision makers within the policy network.

The third cluster of explanatory factors in the model are the *productive conditions*. These consist of two causal mechanisms that produce the institutional outcomes: (1) an initial belief shift on the part of a small subset of key decision makers, and (2) the adoption of this new policy stance by a wider group of key actors, transforming the initial individual belief shift into a joint belief shift (Rinscheid et al. 2020). Such a 'joint belief shift' refers to the collective reorientation of actors' ideas concerning a particular policy within the policy network. Echoing Culpepper (2005), Rinscheid et al. (2020) propose that such a joint belief shift is the most proximate cause of institutional change. Which actors should be considered key, as well as the likeliness that they will defect from the status quo and are able to persuade others depends on the critical antecedents (Rinscheid et al. 2020). Ultimately, Rinscheid et al. (2020) posit that for fundamental institutional change to occur, a joint belief change must take place. This suggests that a joint belief shift – fostered and enabled by the permissive condition and critical antecedents – may be a sufficient condition for fundamental institutional change.

The Rinscheid et al. framework does not specify the mechanism that triggers a joint belief change, yet we can draw on existing literature on ideas and policy change to identify potential endogenous and exogenous mechanisms that link the identified critical antecedents to the productive conditions (Nohrstedt 2010; Swinkels 2020b; Van Esch 2007; van Esch and Snellens 2019; Weible and Sabatier 2009). Endogenous mechanisms refers to processes by which policy change is induced by a change in the substance or saliency of a previously held belief. In other words: by a 'change of mind'. Alternatively, as an effect of exogenous mechanisms of change, the belief, paradigm or discourse in itself does not change, but the societal power, dominance or dispersion of certain beliefs does.

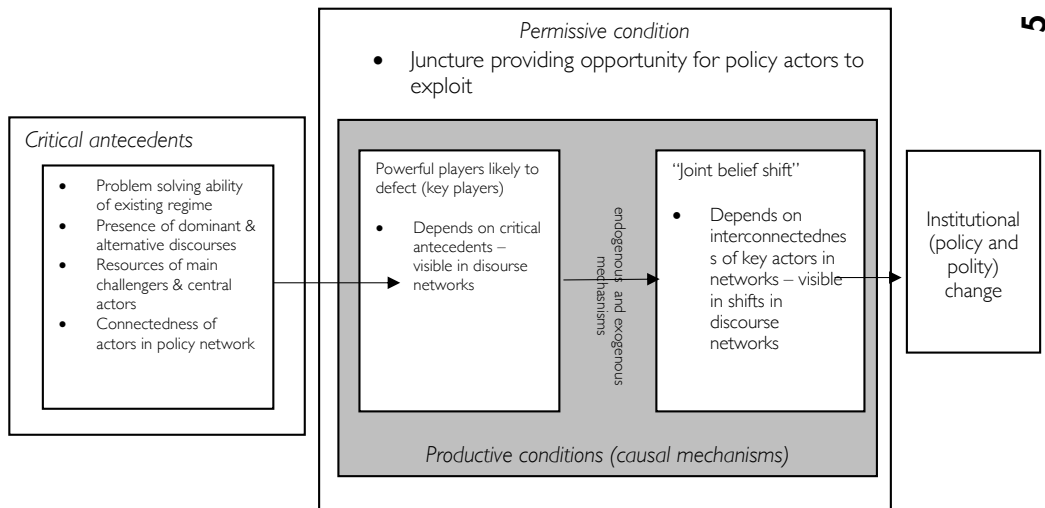
First, endogenous mechanisms play a role. Key actors make sense of the world at hand on the basis of the existing and alternative ideas floating around in the policy space. To write new or alternative ideas into policy, actors in democratic systems like the EU will have to persuade others (van Esch and Snellens 2019). Second, exogenous mechanisms such as powering or coalition formation can help to render actors with certain beliefs to become more powerful in the decision-making process. When an actor with a certain position is replaced by an actor with another idea, this can increase the promotion of these ideas in a network (Hecló 1974). Simultaneously, certain ideas can also gain power when new coalitions form that promote certain sets of ideas (Béland and Cox 2011; Weible and Sabatier 2009). Then, one could expect that the more resources key actors have and the more (inter)connected key actors are, the more likely that they will be able to incite a joint belief shift (cf. DiMaggio and Powell 1983).

Based on the critical antecedents that Rinscheid et al. (2020) distinguish, we can argue that both exogenous and endogenous mechanisms are likely to play a role in bringing about a joint belief shift.

From the theoretical framework (see figure 5.1), we can derive several expectations that we will reflect on in our conclusions. In sum, these are:

1. The presence of a permissive condition does not automatically lead to institutional change, but has to be exploited by policy actors to foster institutional change.
2. When the current problem solving ability of the existing policy regime fails, the more likely it is for actors to defect from the institutional status quo.
3. The more exposure to alternative ideas in an institutional field, the more likely it is for actors to defect from the institutional status quo.
4. The more resources and the better connected key decision makers' are in the policy network, the more likely they will be to defect from the institutional status quo.
5. Powerful players likely to defect will try to promote institutional change by persuading other actors or create turnover in the network to change the beliefs of other actors.
6. A joint belief shift is a sufficient condition for institutional change.

Figure 5.1. theoretical framework for institutional change (adapted from Rinscheid et al. 2020).



### 5.4 Methodology and data

We apply the presented framework to the process of establishing the BU. Both in terms of its far-reaching consequences and the speed with which it was established, the BU establishment is a clear case of deep institutional change. The BU is an instance of polity change because it significantly supranationalized financial policy and reduced national autonomy (Glöckler *et al.* 2017). The BU is instance of policy change as it introduced far-reaching changes in terms of policy aims and policy means and introduced novel instruments (Howlett and Cashore 2009).

Theoretical justifications for selecting this case are that 1) no integral explanation of the path-breaking establishment of the BU has been offered to explain this fundamental institutional change, and 2) current theoretical explanations omit the role of individual policy actors and the role of discourse networks in the process. Methodologically, the BU offers a tough test for the (adapted) Rinscheid framework introduced above, as it covers a different policy domain and concerns an instance of EU level rather than national fundamental institutional change.

We use Discourse Network Analysis (DNA) to explore the extent to which the framework can offer an adequate explanation of the establishment of the BU (Leifeld 2016). DNA combines qualitative content-analysis of actor statements and network analysis. It is therefore suited to uncover the interaction between policy actors in a policy discourse. DNA allows us to trace the development of actors' beliefs and the configuration of discourse networks over time. To determine the critical antecedents and causal mechanisms, inductive analysis of secondary literature as well as media sources is used.

To construct the discourse networks, two online media sources are used: *The Financial Times online* (n=573)<sup>1</sup>, and *EUobserver* (n=263)<sup>2</sup>. These sources are seen as well informed about European Union politics and offer a more pan-European perspective than most major national newspapers. They also covered the entire period of this case-study. We coded the total of 836 news articles in the Discourse Network Analyzer software<sup>3</sup> (see full coding manual in appendix). The units of analysis in this discursive data are statements made by policy actors as cited in the articles. Each statement was coded on five indicators: 1) date; 2) actor name; 3) actor affiliation; 4) claim in the statement; 5) approval or rejection of the claim in the statement. To code the statements, a coding manual was developed consisting of 66 codes regarding different ideas about the BU. Of these codes 34 were derived from secondary literature on the policy debate surrounding the BU (Schäfer 2017; Wasserfallen *et al.* 2019), 32 were inductively added during the coding process.

In total, we coded 1028 statements that were attributed to 183 different actors from 134 different organizations. Furthermore, we used the same media sources for an analysis of the critical antecedents

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<sup>1</sup> We chose FT online as it has a wider readership (specifically in Brussels), and we deemed it more likely to include reports of meetings that includes statements (e.g. Eurosummit livefeeds).

<sup>2</sup> These two sources were the available, pan-European, English-language media sources in the timeframe under study on NexisUni. Politico Europe did not start until 2015, Agence Europe was, after numerous attempts, not accessible to the authors. To collect the sources, we used the keywords "banking union" within the timeframe 1-1-2011 to 31-12-2014. For data prior to the 2012 banking union proposal, we used keywords "banking supervision", "banking resolution" and "banking union" (from 1-1-2000 onwards). Initial searches led to more results, but included numerous duplicates.

<sup>3</sup> See <https://github.com/leifeld/dna/releases>

and the workings of the underlying mechanisms (exogenous or endogenous) that could potentially pave the way for a joint belief shift. While coding the statements, we also inductively annotated fragments of text ( $n=366$ ) in the articles that revealed information about the critical antecedents and the mechanisms that potentially drove changes in the discourse networks. These fragments were used as a starting point to search for secondary data on these antecedents and mechanisms (e.g. personal writings of EU leaders, other academic writings on the BU, policy process data, or think tank reports).

Using rDNA<sup>4</sup> (Leifeld *et al.* 2019) and Visone software (Brandes and Wagner 2004), we constructed the discourse networks over time, so transformations in the networks may be revealed. Using DNA, different types of networks can be constructed to uncover the structure of the underlying discourse. In this study, we rely on actor congruence networks (figure 5.2, left panel). The more densely connected actors are, the more beliefs they share. Clustering was conducted using the Girvan-Newman clustering algorithm in Visone. One cluster identifies a set of actors with identical ideas on one or more statements. Our networks show 'layered' clusters, meaning that the outer layers show actor congruence on fewer statements than inner layers. For example, panel 5 in figure 5.5 identifies a cluster consisting of actors Schäuble, Veron, Noonan, Sapir, and Andor, and a cluster of Andor and Sapir on top of it. Here, the first cluster of actors share identical ideas on two concepts, whereas the second cluster of actors share ideas on three concepts of which two are the same as in the first cluster.

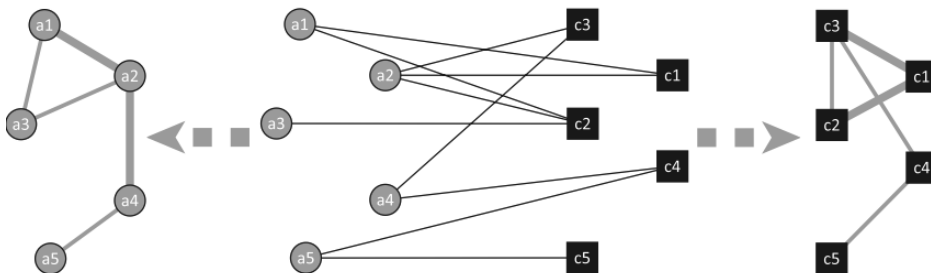


Figure 5.2. Basic model of a discourse network. Source: adapted from Rinscheid (2020). Circles symbolise actors, boxes symbolise concepts. DNA combines qualitative content-analysis of actor statements in concept congruence networks (right) and network analysis in actor congruence networks (left) to create affiliation networks (middle panel). In actor congruence networks, actors are connected on the basis of shared arguments in the affiliation network.

Following Rinscheid *et al.* (2020), we used secondary and empirical data to identify six case-specific contextual events that may have created a window of opportunity for policy actors to exploit (see table

<sup>4</sup> Script can be obtained through corresponding author

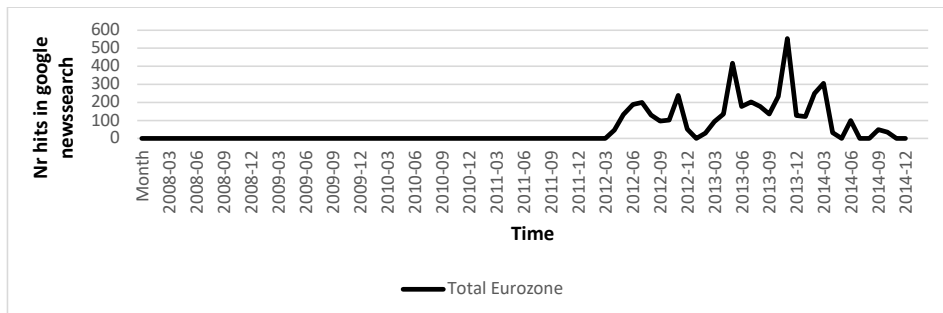
## ■ Chapter 5

I for explanation of each phase). Figure 5.3 shows a Google Trend analysis for 'Banking Union' that aided us in determining the case specific events we could best use.

Table 5.1. Overview case-specific events

Phase	Case-specific event	Timeframe	Why?
0	Greek announcement of 12,5% deficit over 2009	01-01-2000 - 21-10-2009	Widely perceived as start of Eurozone crisis
1	Nationalisation of Bankia	22-10-2009 – 22-05-2012	Debate over BU surfaced in run up to Bankia nationalisation (figure 5.3)
2	Draghi and 'whatever it takes' speech	23-05-2012 – 27-07-2012	Transition of framing of the crisis (Hoing and Kuhnstein, 2019; Van Esch et al, 2018)
3	EUCO decision on adoption of SSM and proposal on SRM	28-07-2012 – 15-12-2012	Final decision on SRM and SSM is important hallmark.
4	Installation of a new German government	16-12-2012 – 18-12-2013	German government formation may have altered German leaders' ideas on BU
5	Completion of establishment of BU	19-12-2013 – 09-12-2014	End of BU negotiations.

Figure 5.3. Google Trend analysis: searches for 'Banking Union' in Eurozone states<sup>5</sup>



<sup>5</sup> No of hits in Google News Search – all categories, BU as research subject / data collected for 8 states.



## 5.5 Explaining the establishment of the banking union

### *Phase 0: national supervision, international cooperation*

The discourse network between 2000 and 2009 (figure 5.4, phase 0) shows that a public discourse on European banking supervision and regulation is seemingly non-existent. Ideas on shared supervision in the EU are shared by a small number of central bankers in the ECB and the Commission president (figure 5.4, phase 0). Barroso, Orphanides, Papademos share ideas on the need to construct shared supervision, but relatively few additional actors make claims about the concepts related to a banking union. This does not create a strong coalition around these ideas: actors that can potentially defect from the status quo are not connected in the policy network. Thus, while alternative ideas float around in policy circles in early 2009, the discourse network shows no signs of a strong uptake of these ideas just yet (figure 5.4, phase 0). Opponents of BU ideas in this phase are UK prime minister, Gordon Brown and German minister of finance, Hans Eichel (figure 5.4, phase 0). Stand-alone actors in the discourse network – like French finance minister Christine Lagarde – that push for pan-EU integration of banking supervision and banking resolution during the Global Financial Crisis are met with deafening silence (figure 5.4, phase 0).

The content analysis of the annotated fragments between 2000 – 2009 reveals that the public discourse on banking supervision and resolution between 2000 and 2009 focuses on banking supervision as a policy regime of national authorities, embedded in international cooperation structures such as the Basel committee. The dominant discourse can be characterized as a 'national supervision-international cooperation discourse'. Alternative ideas on shared banking supervision are rather fragmented or absent. For example, when the late central banker Tommaso Padoa-Schioppa presents a plan for the ECB to conduct pan-EU banking supervision in 2002, the proposal is met with fierce UK-German resistance (Barber 2002; Karlsen 2002).

The arrival of the Global Financial Crisis (GFC) in September 2008 does not spur the debate on shared banking supervision (figure 5.4, graph number of statements). Banking issues continue to be perceived as a problem of fragmented supervision in member states that could and should be solved by reforming banking supervision at the national level (cf. Bryant 2009). In late 2008, European Commission president Barroso installs the *de Larosiere group* to prepare a report on financial supervision and regulation in the EU (de Larosiere *et al.* 2009). The *de Larosiere report* tentatively recommends the creation of a European system of financial supervision (Thal-Larsen 2009). Simultaneously, policy organizations such as the Peterson Institute for International Economics start calling for a new and shared EU supervisory architecture for banks (Posen and Véron 2009).

Furthermore, the resources of actors that could potentially challenge the existing discourse on shared supervision – for example Commission president Barroso – are perceived to be low at the time (Munchau 2009).

Reflecting upon the critical antecedents in this phase, we can conclude that the problem-solving ability of the existing regime was not seriously challenged. Failed supervision was still perceived as a matter

## ■ Chapter 5

of national policy reform. Furthermore, the exposure to alternative ideas was relatively limited up until the start of the Eurozone crisis, with the de Larosiere report providing a first test to the prevailing dominant discourse. Third, at that time, institutional players likely to defect - such as Commission president Barroso or IMF chairwoman Lagarde - were either perceived to be 'weak' or not well-positioned in the network to be effective in promoting ideas for far-reaching institutional change. The absence of these critical antecedents made it difficult for policy actors to exploit this potential window of opportunity for change, defect from the institutional status quo, and persuade or promote others to do the same.

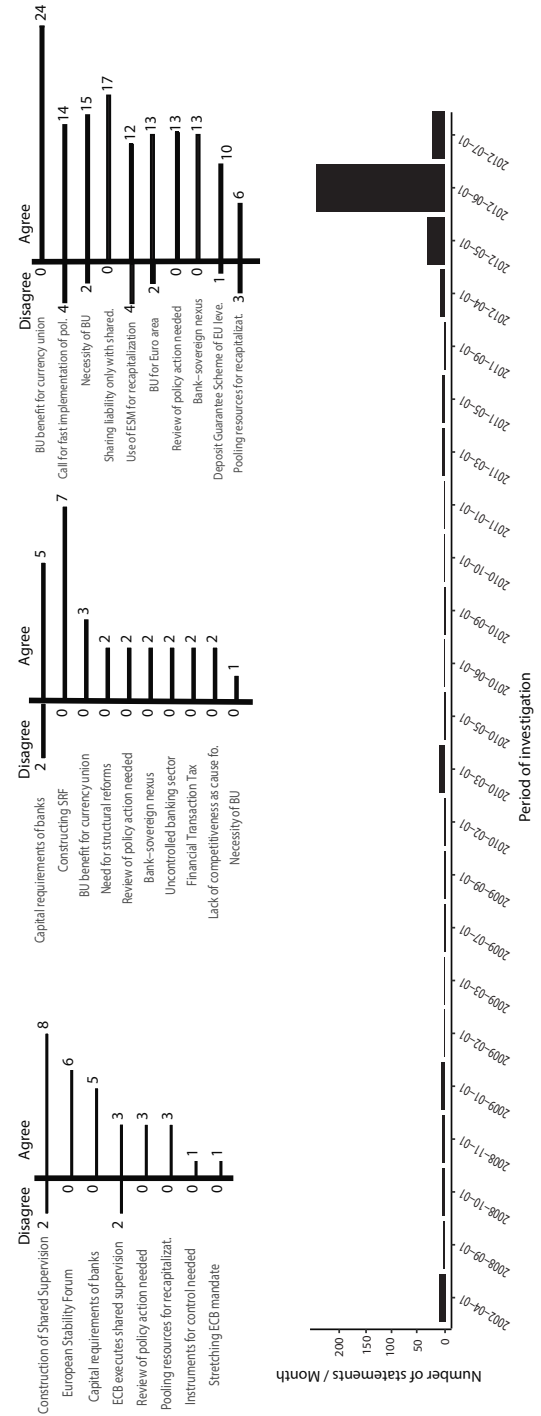
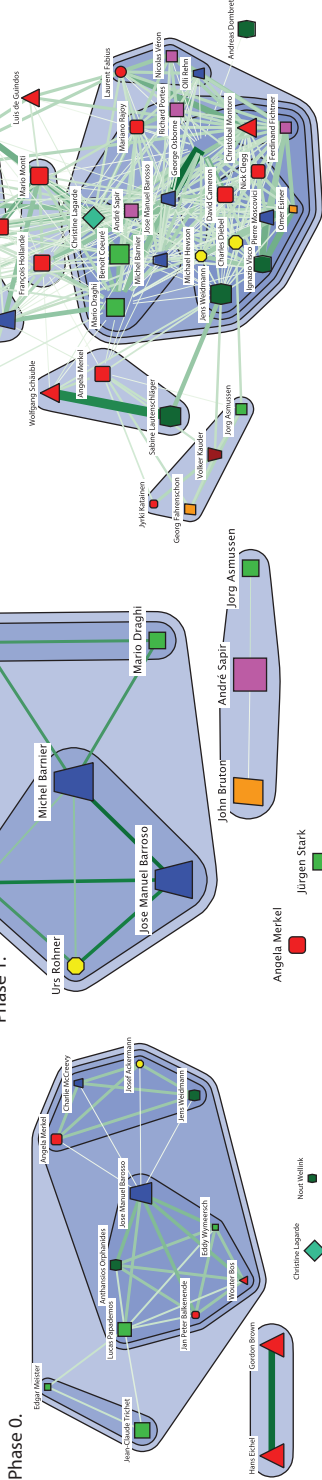
### *Phase 1: emergent alternatives and initial defectors*

The discourse network between the end of 2009 and the nationalisation of Bankia in 2012 is still limited (figure 5.4, phase 1). The number of statements per month is low and the coalition of actors sharing identical ideas is small. One coalition, consisting of Commissioners Barroso and Barnier and two financial bankers, introduce and advocate the idea of the construction of a shared resolution fund. Furthermore, ECB leaders Trichet and Draghi and commissioner Barnier share ideas over capital requirements of banks: the amount of sovereign debt that a bank should be permitted to hold. A smaller coalition of ECB member Asmussen, lobbyist Bruton and Bruegel author Sapir advocate ideas about the need for a BU, the benefit of a BU for the currency union, and the on-going vicious cycle between banks and sovereigns (figure 5.4, phase 1). Leaders with dissenting BU ideas, such as German chancellor Merkel and German ECB board member Jürgen Stark, were not bound into a discourse coalition. Furthermore, whereas there was a coalition between German-UK leaders during phase 0, the latter had left the discourse network in phase 1.

The analysis of secondary data reveals that - despite efforts to launch alternative ideas - the 'national supervision-international cooperation discourse' perseveres. Furthermore, the Eurozone crisis shifts the focus of EU leaders from banking issues to a sovereign debt crisis. To solve existing problems, leaders relied on a regime of fiscal and economic coordination (Höing and Kunstein 2019; Van Esch *et al.* 2018). The start of the Eurozone crisis demonstrated that the problem-solving ability of this particular regime was in decline, creating room for actors to defect. That regime was challenged by EU think tanks and op-ed authors that launched alternative ideas (Bruton 2010; Marzinotto *et al.* 2011). They started to frame the crisis as the result of a sovereign bank nexus - meaning that financial health of banks and sovereigns is intertwined - that required a BU to tackle the existing problems properly (cf. Angeloni and Wolff 2012; Véron 2011). Simultaneously, we observe significant turnover in actor constellations, increasing the resources, positions and interconnectedness between key actors in the policy network. First, the second Barroso commission is installed in early 2010, positioning three BU-minded commissioners on crucial EU economic affairs positions: Olli Rehn and Michel Barnier as well as Barroso himself. Soon after their installation, they table their first proposals on banking resolution. In January 2011, for instance, Barnier tables a proposal to address bail-outs of banks, aiming to make bondholders responsible for bank failures. Second, the resignation of Bundesbank president Axel Weber in 2011 leads to the appointment of Mario

Draghi – a longterm proponent of BU ideas– as President of the ECB. Third, in 2011, German ECB board member Jürgen Stark, resigns over objections to the ECB's bond-buying activities. His successor Jörg Armussen has closer ties to pro-BU actors in the discourse network (see figure 5.4, phase 1). Fourth, BU advocate Lagarde rises to the position of chairwoman of the IMF, and early 2012, François Hollande is elected French President. Not only is Hollande a proponent of supranational cooperation in banking supervision. Finally, but not least, Mario Monti rises to the position of Italian prime minister in late 2011. Monti was hailed by Hollande as an ally in coordinating efforts for realizing far reaching BU ideas (Schäfer 2017).

Reviewing the critical antecedents, we observe that the problem-solving ability of the existing regime is in decline, alternative ideas are launched, and resources of actors as well as the interconnectedness between them is growing. This creates that make it more likely for these actors to start defecting from the institutional status quo. We do not yet observe a joint belief shift in this phase.



**Phase 2: failed problem solving ability of policy regimes fosters belief shifts**

The Bankia collapse initiates two months of hefty, intensified discourse on the ideas on the BU (figure 5.4, phase 2) and the discourse network between May and July 2012 shows a significant increase in the number of statements on BU concepts (figure 5.4, graph number of statements). The exponential use of BU concepts in the discourse network indicates that BU ideas gain traction as alternative ideas and replace pre-existing dominant ideas on fiscal profligacy and international cooperation-national supervision.

The critical antecedents (initial challenges for problem solving ability of existing policy regime, increased resources and interconnectedness of actors with alternative ideas) in phase 1 give powerful players the opportunity to defect from the institutional status quo and exploit the Bankia situation to advocate for new, alternative BU ideas. Dominant actors that were getting 'in place' before the Bankia juncture, such as Barroso, Barnier, Draghi, Lagarde, Hollande, Rajoy or Coueré, share and disseminate ideas on the necessity of the BU, the benefit of the BU for the currency union, and the use of the ESM for recapitalization of banks. The critical antecedents of phase 1 may thus have enabled these actors to create a like-minded coalition surrounding these ideas (figure 5.4, phase 2).

Interestingly, the ideas of UK treasurer, George Osborne, as well as Prime Minister David Cameron, are congruent with the ideas of EC, ECB, French, Spanish and Italian leaders (figure 5.4, phase 2), with the reservation that the UK does not have to be a part of the BU. Separated from their former UK allies, the discourse network shows an alternative coalition with mainly German actors who are more reluctant about such ideas (e.g. Merkel, Schäuble, Katainen, Kauder). These actors form a minority coalition on the outskirts of this discourse network. The two prominent ideas that are being shared in this coalition are that a BU should be preceded by a fiscal union and that sharing liability can only occur with shared supervision (Lautenschläger, Merkel, Schäuble).

Furthermore, on the upper end of the discourse network in phase 2, we find several policy actors advocating for the urgency of the situation: a call for fast implementation of policy measures (Geithner, Van Rompuy, Hollande). These actors share ideas of the other, new, dominant coalition on using the ESM for recapitalization of banks, and the creation of shared supervision and shared resolution. All in all, the discourse network in phase 2 shows how BU ideas rose to the centre of the policy discourse and exposes increased interaction between policy actors on these ideas.

The analysis of secondary data indicates how three developments in these two months may have enabled these key actors to persuade or pressure other actors to change their ideas.

First, a few days prior to the final word on Bankia, leaders met at the G8 Summit at Camp David on May 18, where – in the side-lines of the conference – a majority of leaders (cf. Hollande, Monti, Barroso, Van Rompuy, Cameron) advocated the need for bank recapitalizations – urging to use the European Stability mechanism to do so. Angela Merkel, a lone opponent of the BU had '... the whole table against her, pushing her in another direction'. (Carnegie and Spiegel 2012). US treasury Geithner furthermore seemed to be strongly involved in disseminating these ideas, as his diary reveals extensive contacts between him and Draghi in these pivotal months (Pisani-Ferry 2013). Here, a combination of powering and

## ■ Chapter 5

persuasion seems to have played a pivotal role in making sure key actors would collectively agree on new ideas that needed to replace the existing – non problem-solving – policy regime.

Second, at the EU summit of May 24, the European Council EUCO leaders task proponents of BU ideas – Van Rompuy, Draghi, Barroso and Eurogroup president Jean-Claude Juncker – to write a report on the next steps towards fiscal integration. In their report, the presidents propose an integrated financial framework including European central banking supervision, a common deposit insurance, and a resolution framework (European Council President 2012). This provided main challengers of the institutional status quo with resources and positional power to introduce new ideas into the policy discourse.

Third, as Schäfer (2017: 120–122) showed, a number of subsequent events in the two weeks leading up to the June 2012 summit prepared further ground to reach agreement on the ideas on direct bank recapitalizations and joint supervision by the actors that defected from the institutional status quo. Key actors were ‘closing the net’ on BU ideas, by organizing several meetings in Rome, Paris and ultimately Brussels to lock in agreement on BU ideas. In Schäfer’s (2017) analysis of these meetings, it becomes clear how German leaders, as opponents of the BU ideas that are tabled, are forced to budge towards the new discourse in the Eurozone crisis: that of a vicious cycle between banks and sovereigns. Even though German leaders tried to launch alternative ideas, they are no longer heard (Peel and Wiesmann 2012). Furthermore, the German chief negotiator at the negotiation table was perceived as a weak negotiator, further decreasing the already decreasing German position (Schäfer, 2017). This provided key actors with opportunities to increase their interconnectedness in the policy network.

These developments enabled key actors likely to defect on the basis of the critical antecedents of phase I to set their first steps towards a joint belief shift on BU ideas. The mechanisms that triggered this joint belief shift were a mix of powering and persuasion strategies, visible in the growing number of interactions between actors in the policy discourse and the decisions ultimately taken.

### ***Phase 3: working towards a joint belief shift***

The two months of May and June 2012 ultimately cumulate in the June 28/29 decision of EUCO leaders to break ‘the vicious circle between banks and sovereigns.’ The conclusion of the Euro summit in June 2012 was to set up a Single Supervisory Mechanism (SSM), to which a final design needed to be proposed by the December summit of the same year. Hence, the discourse network on BU ideas (figure 5.5, phase 3) continues to evolve in the months after June 2012.

Analysing the discourse network in phase 2 showed the initial belief shifts of key actors in the policy network on BU ideas. While policy actors reached initial agreement on BU ideas that proved necessary to replace the pre-existing policy regime with a new one, institutional change was not yet a done deal after the June 2012 summit. The key ideas debated in the discourse network in phase 3 show how policy actors in the network move from agreeing on the general need for a BU in phase 2 (BU benefit for the currency union, BU needed to break bank-sovereign nexus, or use of ESM for recapitalization) to concrete (legislative and policy) acts in phase 3.

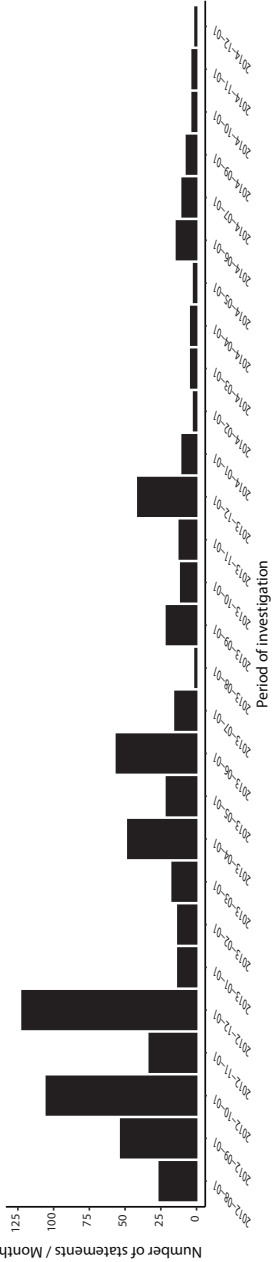
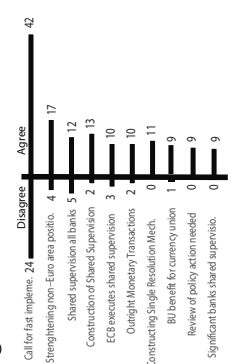
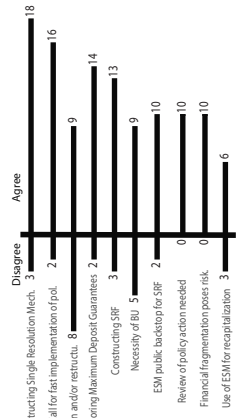
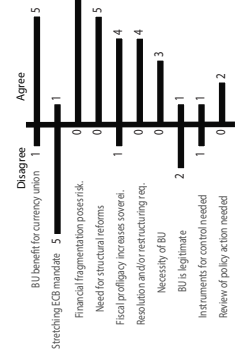
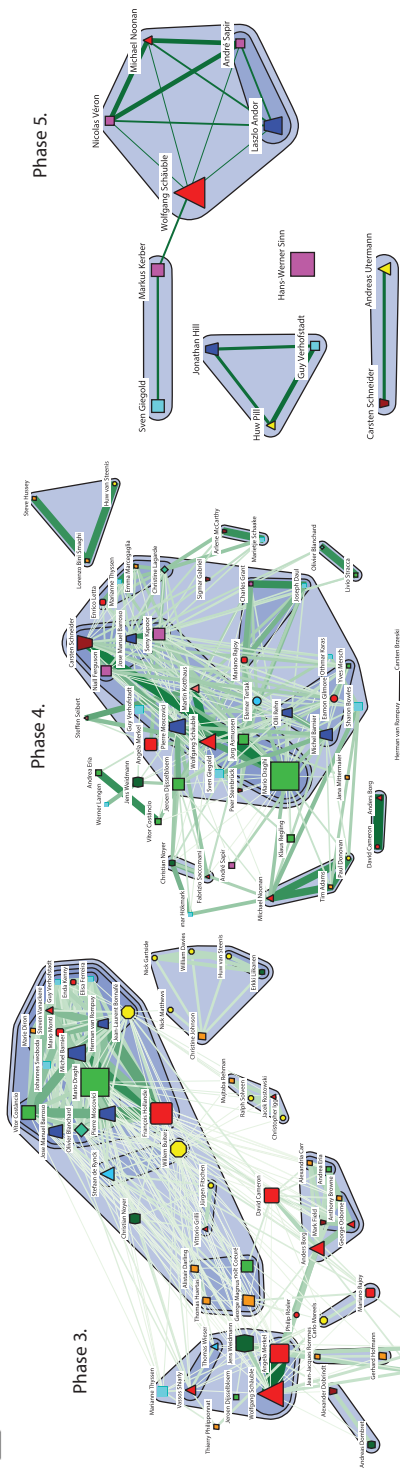
First, the discourse network in phase 3 shows a strong coalition of actors – cf. Draghi, Hollande, Barnier, Van Rompuy – sharing the idea of fast implementation of the SSM, preferably executed by the ECB (figure 5.5, phase 3). Alternatively, a coalition of mostly German actors opposes this idea of fast implementation: quality supervision must take priority over an unrealistic timeframe. Furthermore, the idea of ECB supervision is slightly contested. German finance minister Schäuble, for example, attempts to delay the process of implementing the SSM (figure 5.5, phase 3).

Germany's prior ally on banking supervision and resolution ideas, the UK (Cameron, Osborne), does not share these German ideas about slow implementation. Instead, they are part of a Swedish-UK coalition advocating ideas to strengthen the non-Euro area position in the BU and seeing the BU as a solution for the Euro area only.

Furthermore, the new, dominant coalition that has reached initial agreement on the need for a BU in phase 2, further expand their BU ideas (e.g., constructing a Single Resolution Mechanism) with no real contestation on these topics in the discourse network (figure 5.5, phase 3). The pre-existing policy regime was successfully replaced with a new one, creating a lock-in of the 'need for a BU'. This may have further decreased the resources of any alternative coalition trying to bar BU ideas or reconfigure certain BU ideas.

The analysis of secondary material reveals that the coalition of actors opposing the new, dominant coalitions' BU ideas was influenced by three types of actors from Germany. First, under the leadership of Hans-Werner Sinn of the IFO Institute for Economic Research, over 200 prominent German economists presented stark opposing ideas about the underlying principles of a BU, specifically about banks' ability to default (Wiesmann 2012). Second, the German constitutional court (Bundesverfassungsgericht) condemned the idea of using German taxpayers' money to fund failing banks. Third, the Sparkassen association strongly lobbied for a limit on the scope of supervision. Supervision of significant banks only would exclude most German banks (Sparkassen) from the supervision scope, enabling the majority of German banks to operate without EU supervision (Steen 2012).

Thus, while a new, dominant, coalition proceeds to finalize and implement proposals regarding supervision and resolution in December 2012, opposition from within Germany supposedly hardens in the months in between. The question is how long this alternative coalition could withstand pressure to budge towards SSM proposals. The perceived problem-solving ability of the new policy regime and its advocating actors were rather high, while the German ideas and preferences are perceived weak and not well-founded (Schäfer, 2017: 163). The critical antecedents leading up to the final adaptation of the SSM therefore seem to make it difficult for the 'German' coalition to challenge the new ideas that were introduced in June 2012. Rather, this coalition is slowly but surely forced to give in to the arguments from their peers in Southern European governments, the ECB, and the European Commission (Schäfer, 2017). The initiated joint belief sustains after the June summit, which allows key actors to work towards institutional change of the BU. However, even though a majority of actors may have 'jumped on the bandwagon', this phase of BU negotiations continues to show how a competing coalition can still attempt to delay or stall elements of the change process.





**Phase 4: completion of joint belief shift**

The discursive network shows that throughout 2013, the new, dominant discursive coalition is able to convince more and more actors, as we see most prominent contesters abandoning their prior positions and becoming a part of the coalition advocating BU ideas (figure 5.5, phase 4). The coalition of proponents of BU ideas shows interconnectedness with a variety of actors that are now included in the same coalition in the discourse network. For example, key actors such as Draghi or Moscovici in this phase shared ideas with Schäuble and Merkel on both the SSM as well as the need to construct a Single Resolution Mechanism (SRM). The inclusion of prior contesters in this new dominant discursive coalition indicates that European leaders seemingly came to a convergence of their ideas. This may have paved the way for the final step: full institutional change of the BU, including both the SSM and the SRM.

What happened in 2013 that may have pushed the contesters to change their beliefs and join the dominant discursive coalition in the network? The analysis of our secondary data of the year 2013 reveals that two events may have played a role here that BU proponents could exploit. First, the chaotic rescue of Cyprus in spring 2013 demonstrated that bailing-in investors was no easy task (Schäfer, 2017). However, the Cypriot case did emphasize the necessity of a resolution mechanism, and debate turned from if such a mechanism should be constructed to how and under what conditions such a SRM should function. This may have enabled BU proponents to further capture opposing actors into their newly introduced policy regime. In the content analysis, we find that contestation over the SRM does not focus on whether or not it should be institutionalized, but under what terms it should take place: 1) if a resolution mechanism requires treaty change and 2) if and to what extent private investors would need to contribute to bank failure, or if the ESM could be used as a public backstop for the single resolution fund (SRF). These are important and controversial issues, but the question for the need of a BU is no longer on the table: the majority of actors in the policy network has become convinced of the problem-solving ability of a BU for the issues on EU financial markets.

Second, the German elections of 2013 provide a window of opportunity for German policy actors in favour of SRM ideas and BU ideas more general to challenge key actors such as Schäuble and Merkel on the two controversial issues (treaty change and public backstop). German opposition in the EP – Sven Giegold – argues that Merkel and Schäuble are using ‘spurious legal arguments’ to try and block the SRM. Simultaneously, the ‘Keynesian’ SPD leader Peer Steinbrück – a potential rival for Merkel and her governing CDU/CSU – widely advocates ideas on a resolution fund that gain more traction (Strauss 2013). Even after Merkel secures victory in the election, commentators expect that she and Schäuble have to give in on their ideas on the resolution fund, as they will otherwise remain isolated (Peel and Barker 2013; Pop 2013). Thus, while the German government successfully vetoes a fiscal backstop and delays mutualisation of the fund, they also make concessions on a number of issues regarding the SRM and do so being a part of the discourse coalition on BU ideas (Schäfer, 2017).

## ■ Chapter 5

### *Phase 5: full institutionalization of BU ideas*

The discourse network in phase 4 showed that the joint belief shift that started in phase 3 was completed: the remaining opposing actors are captured into the new, dominant coalition on BU ideas. Under internal pressure and external events, opposing actors budged down and agreed on ideas for both the SSM and the SRM. With most actors converged on BU ideas, the EUCO adopted the SRM in December 2014. This completed the last step of the institutional change process and ideas of a BU consisting of a SSM and SRM become institutionalized. With a new policy regime in place, the discourse network also shows (figure 5.5, phase 5) that there are no new alternative ideas being launched to challenge the newly established institutional status quo. From this moment on the debate 'dies down' again to the level prior to the Bankia juncture.

### **5.6 Conclusion**

The central question of this paper asked by which process the BU was established, and how beliefs and belief shifts of policy actors played a role in this process. In order to answer this question, we built upon the work by Rinscheid et al. (2020) to study the evolution of the discourse networks concerning the establishment of the EU between 2000-2014 using discourse network analysis (DNA). This framework enabled us to study the process of how the EU is forged through crisis, rather than assuming that crises forge the EU (Monnet 1976).

Table 5.2 shows a brief summary of the process by which the BU came about, and the role that initial belief shifts of key policy actors and a joint belief shift played in coming to the institutional change that the BU is.

Table 5.2: Findings: tracing the process by which the BU came about

Permissive condition	GFC/Eurozone crisis		Bankia	Draghi speech		EUCO decision SSM/SRM		New German government	Establishment BU
	Phase 0	Phase 1		Phase 2	Phase 3	Phase 4	Phase 5		
CA: Problem solving ability of pre-existing policy regime	+	+/-	-	+	+	+	+	+	++ (new regime)
CA: presence of alternative ideas	+/-	+/-	+	+	++	++	++	+/- (in comparison to new dominant discourse)	-
CA: Resources of main challengers	-	+/-	+	+	++	++	++	++	+
CA: connectedness of key actors	-	+	++	++	++	++	++	++	+/-
Initial belief shift	-	-	+	+	+	+	+	+	-
Joint belief shift	-	-	+/- (increased interaction)	+	+	+	++	++	-
Institutional change	-	-	-	-	-	-	-	+/-	+

Legend:

- absent; +/- somewhat present/rather absent; + present; ++ overwhelmingly present

## ■ Chapter 5

First, our analysis shows that the presence of a *permissive condition* – a juncture providing an opportunity for policy actors to exploit – does not automatically lead to institutional change. Instead, such junctures need to be exploited by actors in order to foster institutional change. This is visible for example in phase 0 and phase I of the analysis of this study, showing that the global financial crisis and the start of the Eurozone crisis did not automatically challenge the problem-solving ability of the existing policy regime of EU economic and financial policy as these were still generally perceived as suitable to deal with the challenges that these crises brought along.

Second, our analysis shows that when the perception of the problem-solving ability of the existing policy regime in the dominant policy discourse failed in the eyes of key policy actors, it enabled policy actors to exploit a permissive condition and start to defect from the status quo. The 2012 Bankia failure was a permissive condition that policy actors could exploit as they perceived the existing policy regime to be failing at lengths. This enabled policy actors within the ECB, EC and Southern member states to introduce new policy ideas into the pre-existing discourse network.

Third, changes in actor constellations and growing interconnectedness between policy actors with alternative ideas increases the exposure to alternative ideas. When actor constellations changed in early 2012, new, alternative ideas regarding EU banking supervision and resolution slowly found their way into the discourse network.

While the changes in critical antecedents in 2012 enabled a group of central policy actors to start defecting from the institutional status quo, this did not automatically lead to a full joint belief shift. The powerful players that defected from the institutional status quo, slowly worked towards a joint belief shift. Both endogenous and exogenous mechanisms enabled them to construct a joint belief shift. For example, the introduction of the broader idea that the crisis was the result of a sovereign-bank nexus captured opposing actors and further decreased the reliability of the pre-existing policy regime used to fix the economic crisis (endogenous). However, a joint belief shift was not completed until several opposing policy actors were pressured by both external events and internal political pressures to budge towards full-fledged BU ideas (exogenous). This cleared the way for full institutional change, making a joint belief shift a sufficient condition for institutional change.

Our study makes a number of contributions to the existing literature on the basis of this analysis. First, in EU studies, critical junctures are too often perceived as an explanatory factor for radical institutional reconfigurations and bypass the role of specific coalitions of actors with specific ideas in exploiting such factors. Our study adds to the literature that there is a specific role for (coalitions of) actors and their ideas in explaining why certain junctures in crises can lead to institutional change and others do not.

Second, the thesis that discourse and joint belief shifts are important factors in policy and polity change is well established in EU studies (Schäfer 2017; Schmidt 2016; Swinkels 2020a; Van Esch and Swinkels 2015). In addition, our study stresses the role of critical antecedents for the occurrence of joint belief shifts: a crisis intervenes in an issue-area that is already characterised by specific constellations of actors with various resources, networks and discourses. These factors also play a role in potentially producing

fundamental institutional change as the crisis provide a window of opportunity for strategic behaviour to change these constellations of resources, networks and beliefs. In effect, this framework can aid scholars to identify the process by which institutional change comes about and the role that ideas and policy actors play in these processes.

Third, compared to Rinscheid et al.'s (2020) use of the framework, we show that the model can also be adapted to study long processes of institutional change, where multiple potential junctures may be exploited and lead to institutional change (Weible and Sabatier 2009). The framework, especially combined with the DNA method, can thus be used as a tool to process trace long-term policy change processes.

We believe this framework presents a valuable theoretical contribution to the field of EU policy studies and adds to our understanding how the EU is forged through crises. Furthermore, the use of DNA methodology presents a combination of qualitative content analysis with quantitative structural analysis of actor networks. This allows for more fine-grained discursive analysis that zooms in on the role of individual actors specifically, which is still a novel approach in EU policy studies.

## ■ Chapter 5

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## ■ Chapter 5

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# Chapter 6

## Conclusion: the role that EU leaders' ideas play in responding to EU crises

*“Politics finds its sources not only in power but also in uncertainty – men collectively wondering what to do. Finding feasible courses of actions includes, but is more than, locating which way the vectors of political pressure are pushing. Governments not only ‘power’: they also puzzle.”*

(Hecló, 1974, p. 305)



## ■ Chapter 6

### 6.1 Introduction

I began this dissertation by describing a dilemma: a mother was trying to figure out what to do about her indebted son. I used this dilemma to argue that our ideas – both pre-existing and evolving ones – affect how we deal with such personal situations. I then surmised that ideas also matter when political actors grapple with public policy problems and, in particular, with crisis situations. Following Greenstein's (1967) argument that individual actors and their dispositions matter most in new, complex and contradictory situations, I chose to focus on the Eurozone crisis. And following Blyth (2007, p. 762), I endeavoured to study EU leaders' "interests as a function of their beliefs and desires rather than being simply derivative of their ostensible material positions".

When the EU was confronted with the Greek situation in late 2009, difficult, far-reaching decisions had to be made. Pre-existing institutional solutions were not sufficient, so improvisation was key. Decision-making was centralised to the level of the European Council (Puetter, 2012), and EU leaders were put in charge of finding solutions to the impending crisis. Were they going to help Greece immediately, emphasize that member states were responsible for their own fiscal and budgetary policies, or focus on the need to save the Euro?

The Eurozone crisis has been positioned in this study as a most-likely single case of a transboundary crisis: one in which the belief systems of individual EU leaders were at work and manifested themselves in their sense-making and decision-making actions. Over the course of this study, I have demonstrated that understanding the governance of the Eurozone crisis requires more than understanding the structural vectors of political power (Hecló, 1974). It also requires analysing leaders' ideas: how did leaders diagnose the situation, how did they puzzle over what to do, and how did they come to a joint crisis response?

These considerations came together in the central research question I sought to answer, as stated in Chapter 1: "*How did ideational dynamics shape the way leaders of EU member states responded to the Eurozone crisis?*" In this final chapter, I am now able to answer this question. I do so after having extensively studied ideas of EU leaders in the Eurozone crisis. First, I examined the current scholarship on the nature of, stability/change in, and impact of ideas in public policy processes (Chapter 2). Then I looked at the effects of personality traits and economic pressure on leaders' sense-making at the start of the Eurozone crisis (Chapter 3). Next I studied the effect of different situational and contextual factors on changes in leaders' economic beliefs throughout the Eurozone crisis (Chapter 4). Finally, I looked at the effect of leaders' ideas and their pre-existing networks in deciding on solutions for the Eurozone crisis (Chapter 5).

I will proceed as follows. Section 6.2 reviews the main findings of the study. Section 6.3 answers the overall research question of this dissertation. Section 6.4 discusses what these answers imply for academia and practice. Section 6.5 presents recommendations for future research and incorporates both the theoretical and methodological limitations of this dissertation. Section 6.6 elaborates on this dissertation's implications for society and practice.

## 6.2 Review and findings

Each chapter in this dissertation addressed one of the four sub-questions identified in Chapter 1. This section yields the answers to the four sub-questions by summarizing the findings and conclusions of each of the studies that make up this dissertation.

### Study 1: What ideas are and how we can study them

An ideational perspective can help us better understand leaders' responses to crises, from making sense of a crisis (Chapter 3), to the role of the economy in the crisis (Chapter 4), to deciding upon solutions for the crisis (Chapter 5). Chapter 2 sought to uncover how scholars have conceptualized the notion of ideas, the roles ideas play in policy processes, and how ideas and their impacts can be studied. I reviewed a corpus of articles on the role of ideas in public policy from the past 25 years to take stock of the current state of ideational scholarship. This led to key insights into what ideas are, how they change, and how they influence public policy processes.

Overall, the review shows that the current research on ideas has evolved along three lines of inquiry. Each line of inquiry comes with a repertoire of conceptualizations, inferences and research methods.

- Micro-level cognitive ideational analysis: ideas are perceived as the subjective beliefs that help people to make sense of the world around them. Ideational change occurs through the mechanism of learning. This mechanism is triggered by scoping conditions (e.g. crises) and individual characteristics (e.g. personality traits, experience).
- Meso-level discursive ideational analysis: ideas are perceived as the content of discourse that policy actors engage in. Ideational change occurs through the mechanisms of social interaction and persuasion and ideas change under the influence of policy entrepreneurs based on the resources these entrepreneurs have to convince others of their own ideas.
- Macro-level institutional ideational analysis: ideas are perceived as the intersubjective understandings that are embedded in institutions or societies. Ideational change occurs through socialization and under the influence of external threats or challenges.

The systematic review of the field provided a theoretical and methodological baseline from which I could examine ideational dynamics in a specific policy setting (a transboundary economic crisis). It allowed me to formulate theoretically grounded expectations about the nature and impact of ideas and ideational change and helped me select methodological approaches best suited to examine the thematic sub-questions that drove the studies reported in Chapters 3-5. Based on the systematic review, I provided a research agenda that charted five paths forward for the study of ideas: (1) invest in studying the role of individual policy actors and their micro-level cognitive dynamics in public policy processes, (2) theorize the relationships between the three dominant approaches to ideas that have so far dominated the field, (3) specify and study the mechanisms involved in the causes and consequences of ideational change, (4)

## ■ Chapter 6

expand the methodological toolbox for observing, measuring and interpreting ideational dynamics, and (5) research the ways in which ideas matter in different policy domains and settings.

### **Study 2: The effect of personality traits and economic pressure on EU leaders' sense-making of the Eurozone crisis**

The first step in responding to a crisis is to diagnose what is going on – assess the nature and urgency of the threat, work out its drivers and underlying causes, discern the actors and stakes involved, and ascertain the pros and cons of various response options. Boin et al. (2017) refer to this as sense making. Accordingly, Chapter 3 studied how European leaders made sense of the Eurozone crisis and examined how differences in personality traits and economic pressure affected their sense-making. Combining insights from the literatures on leadership and crisis management, the study theorized that personality traits (self-confidence, cognitive complexity, openness to information and belief in the ability to control events) and economic pressure (rising public debt and deficit levels and unemployment figures) affected leaders' ideas about the severity of the Eurozone crisis. These (micro-level cognitive) ideas consisted of leaders' perceived levels of threat, urgency, uncertainty and ownership of the crisis.

When I analysed speech acts, I saw that leaders' ideas of the severity of the crisis diverged. Their threat perceptions differed considerably during the first six months of the crisis. None of the leaders referred to a high level of urgency or uncertainty in their speech acts, which is remarkable considering the intensity of the crisis in later stages. Furthermore, leaders did not present ideas about the roots of the crisis, but instead immediately started proposing solutions and debated blame and responsibility.

The results showed that economic pressure partially influenced how leaders made sense of the crisis. Surprisingly, leaders of countries with high levels of debt continued to downplay the threat, urgency, and uncertainty of the crisis. Personality traits also partially explained leaders' ideas about the severity of the crisis. Leaders with higher scores on self-confidence perceived the crisis as a lower threat. Leaders with higher scores on their belief in the ability to control events were less uncertain about the crisis. The findings also supported the expectation that the higher a leaders' levels of self-confidence, the less they blame themselves for the crisis. For example, Papandreou faced severe economic pressure but strongly believed in his ability to control events and was very self-confident. He downplayed the severity of the crisis in his speeches. Merkel scored low on the trait ability to control events, and she assessed the severity of the threat posed by the crisis as very high.

The study did not support the expectation that levels of cognitive complexity affect a leader's level of uncertainty about the crisis. Nor was there support for the expectation that self-confidence is positively related to the need of ownership of a crisis. Leaders' personality traits did affect their ideas about the severity of the crisis, particularly for leaders with very high or low scores on personality traits. This suggests that extreme personality traits may trump the effects of economic pressure in leaders' sensemaking. This last finding contributes to the long-standing debate about whether and how personality influences political

events and shows that strong personality traits mediate the extent to which the environment affects the political responses of leaders (Greenstein, 1992).

This study concluded that the ideas leaders have about the severity of the crisis are affected by both contextual and individual factors, resulting in differences in leaders' sense making of the crisis. A comprehensive understanding of how EU leaders make sense of transboundary crises should thus consider both contextual factors as well as specific personality traits, especially when dealing with leaders with sharply defined personality structures.

### **Study 3: How contextual factors affect the core beliefs of EU political leaders**

Chapter 4 built on the results of Chapter 3. In this chapter, I aimed to find out when and under what conditions leaders changed their (cognitive-level) ideas – here referred to as beliefs – about the economy throughout the crisis. Chapter 4 examined the sub-question to what extent changes in contextual factors during the Eurozone crisis affected the core economic beliefs of European political leaders.

This chapter presented a theoretical framework to track beliefs and belief change. This framework allowed belief changes to be studied in their saliency (how much leaders talk about the economy) and content (what they say about the economy). The study tested how four conditions affected the presence or absence of these two types of belief changes: (1) a rise in negative support for the merits of European integration, (2) unsustainable public debt levels, (3) increased unemployment figures, and (4) a member state's ideological divergence from the average EU government ideology.

Belief changes of 12 EU heads of state or government (HSoG) were studied before and after Mario Draghi's speech in July 2012 when he said he would do 'whatever it takes' to save the euro and he announced the Outright Monetary Transactions (OMT) scheme. This speech had the potential to impact leaders' beliefs about the economy as it triggered both policy and institutional change in the Eurozone crisis. The OMT was an unprecedented policy program and the announcement made the ECB the de facto lender of last resort (Schoeller, 2020). Through fuzzy set qualitative comparative analysis (fsQCA), I studied how differences in the political and economic context before and after this moment accounted for the presence or absence of belief changes.

This study demonstrated that none of the four conditions could by itself explain the presence or absence of belief changes of the 12 HSoGs. A combination of two of these conditions (unemployment and sovereign debt increases) did prove to be a necessary condition for core economic belief changes (what leaders said about the economy). For example, the vulnerable socio-economic context of the two Spanish prime ministers, Zapatero and Rajoy, made it difficult for them to withstand pressure from EU colleagues and hold on to their previously dominant Keynesian economic beliefs. In effect, their vulnerable socio-economic context urged these leaders to change their Keynesian economic ideas in line with leaders with a stronger socio-economic context. This supports the thesis that the socio-economic environment of leaders influences their ideas about the economy and has the potential to affect their response to the crisis. Furthermore, certain leaders changed their beliefs about the economy after Draghi's speech: those

## ■ Chapter 6

who had to deal with increased unemployment, whose government ideologically differed from their peers in the European council in the EU, and who faced increased Euroscepticism. As for changes in belief saliency (how much they talked about the economy), Eurozone membership of the leaders in question affected to what extent the conditions studied here triggered such belief changes.

This study contributes to the key question: it shows how a multitude of contextual factors affect patterns of leaders' ideational change. It contributes to the broader debate on causality and ideational change, positing that understanding causality should include acknowledging forms of multicausality (Hall, 2003). The findings provide further evidence for the thesis that contextual factors affect the ideas of political leaders and this in turn affects their response. As these contextual factors continued to differ, so too did the ideational dynamics of individual leaders – in combination, both constrained the opportunities for crafting a collective response during this phase of the crisis.

### **Study 4: The role of leaders' ideas in the establishment of the Banking Union**

Chapters 3 and 4 showed that cognitive ideational dynamics continued to differ and constrained opportunities for a joint response throughout the crisis. And yet, once crucial decisions had been forged – sometimes at knife's edge – and imposed upon the high-debt member states, something remarkable happened further down the track of the Eurozone crisis: Europe's leaders collectively decided to establish the Banking Union (BU). The 2012 decision to set up the BU has been widely hailed as a successful collaborative crisis response that solved one of the underlying drivers of the crisis: the fragmented banking supervision and dispersed regulation and resolution throughout the EU. The BU caused deep institutional changes in the EU: the governance structure and balance of power in the policy subsystem shifted and the policy content was fundamentally realigned. How could such a game-changing institutional innovation become possible, given the persisting cognitive ideational differences between EU leaders?

Chapter 5 answered this question by examining the role of discursive ideational dynamics. This chapter shifted the attention to the interactions of leaders in a discursive network. The BU was established when financial supervision and resolution ideas between leaders in the EU economic and financial policy discourse converged. Despite diverging cognitive-level ideas, ideational convergence did take place at the discursive level. This discursive convergence enabled the observed institutional change.

To understand the role of EU leaders' discursive ideational dynamics in this process, we presented a theoretical framework of joint belief shifts (Rinscheid, Eberlein, Emmenegger, & Schneider, 2020). According to this framework, three groups of explanatory factors affect the occurrence of institutional change like the BU:

- 1) A permissive condition, for example an external shock;
- 2) The critical antecedents, conditions that define the main challengers and central actors most likely to defect from the institutional status quo;
- 3) The productive conditions, consisting of an initial belief shift of a subset of key actors in a discourse network and the adaptation of this shift by a wider group of key actors.



The key premise was that the productive conditions - fostered and enabled by the permissive condition and critical antecedents - produce fundamental institutional change.

Using Discourse Network Analysis (DNA), study 4 examined how leaders' ideas about the banking union unfolded in discourse networks between 2000-2014. The findings showed that a joint belief shift was a necessary condition to reach institutional change. This joint belief shift could occur because:

- 1) Shifts in the actor constellations in the policy network and the rise of alternative ideas in the policy discourse network enabled central actors to defect from the dominant policy discourse;
- 2) The interconnectedness between key actors defecting from the dominant policy discourse enabled them to forge an informal coalition over certain ideas and this allowed them to introduce alternative ideas into the dominant discourse.

The joint belief shift was completed once the remaining opposing actors gave in to the alternative ideas. One potential explanation for this can be found in the literature on collective action, where 'repeated interaction' can increase the prospects for cooperation (Blondin and Boin, 2020).

This study contributes to the main question by showing how discursive alignment of leaders' ideas positively affects the odds of a joint response during crises. In this case, the convergence of leaders' ideas led to the financial and economic policy response required to solve the crisis. The joint belief shift can thus be seen as a crucial ingredient for a successful transboundary EU crisis response. While persisting cognitive ideational differences of EU leaders constrained a joint response, discursive ideational convergence between EU leaders enabled a joint response. This study emphasized how important the role and formation of informal coalitions over certain ideas are to understanding how ideational dynamics of leaders shape their joint crisis management responses.

### 6.3 Reflection: what have we learned?

In answering the sub-questions, I have explained what each study contributed to the main research question: How did ideational dynamics shape the way leaders of EU member states responded to the Eurozone crisis? I conclude here that ideational dynamics shape EU leaders' responses in different, sometimes incomprehensible ways, and in one case slightly different than in others. This dissertation demonstrated that contextual conditions and personality traits affect the cognitive ideational dynamics of EU leaders. As a result, the cognitive ideational dynamics of EU leaders constrained opportunities for leaders to respond jointly to the challenges of the Eurozone crisis. However, EU leaders were able to bridge their different cognitive ideational dynamics when leaders with similar ideas forged a coalition and rose to key positions in the policy network to disseminate their shared ideas. These discursive ideational dynamics helped to shape EU leaders' joint response to the Eurozone crisis. Let me elaborate on this answer below.

## ■ Chapter 6

### **Contextual conditions and personality traits affect leaders' cognitive ideational dynamics**

This dissertation supported the thesis that contextual conditions and personality traits affect EU leaders' cognitive ideational dynamics – their cognitive ideas and changes therein. A first sub-conclusion is that while debt and deficit levels may shape what leaders think about the severity of the crisis, this effect is mediated by their personality traits. Especially leaders who have extremely high or low scores on personality traits will perceive the severity of the crisis differently. A second sub-conclusion is that the socio-economic context of a leaders' country affects their ideas about the economy and thus affects the prism through which leaders look at economic solutions for a crisis. While the different ideational dynamics of leaders can be partly explained by strong personalities and a vulnerable socio-economic context, there is more to the story. A third sub-conclusion is that different configurations of factors affect the cognitive ideational dynamics of leaders. Other contextual conditions can and should also be studied to explain the ideational dynamics of leaders. The studies in this dissertation found further evidence that a configuration of factors influences the economic ideas of leaders. In sum, the findings of this dissertation emphasize that personality traits and socio-economic context influence the cognitive ideational dynamics of EU leaders in the Eurozone crisis. However, these findings also stress the importance of including and examining more closely how different factors affect leaders' ideas. Leaders' cognitive ideas can and will change throughout crises and this enhances our understanding of how the ideational dynamics of leaders may ultimately shape their responses to a crisis.

### **Persistent cognitive ideational differences between leaders constrain (but do not totally pre-empt) opportunities for a joint response**

Many scholars and analysts described the response of leaders of EU MS in the Eurozone crisis as slow, incoherent, and insufficient (e.g. Brunnermeier, James, & Landau, 2016). Van Middelaar (2017) likened the process to jazz improvisation. Successful improvisation requires a collaborative will to shape a collaborative response and a connection to key notes. Conversely, failed improvisation produces not melody but cacophony, i.e., an uncoordinated array of policy responses. This dissertation explains why such potential joint courses of action were constrained: persisting cognitive ideational differences of EU leaders throughout the Eurozone crisis.

As shown throughout this dissertation, EU leaders operate from different contexts and with different personal baggage. Therefore, their cognitive ideas were different at the start of the crisis and continued to differ throughout. The differences in leaders' contexts as well as the differences in their personality traits prevented leaders from creating a harmonised melodic response. Instead, differences in factors that shape ideational dynamics help explain why leaders' ideas continued to be pluriform during the Eurozone crisis. Such pluriformity hinders a joint response to a crisis, creating a cacophony.

While the objective parameters of the crisis deepened and required a shared response, leaders' ideational differences pushed them further apart (Swinkels, 2020 – chapter 3; Youngs, 2013). This complicated the construction of the joint response demanded by international markets and the public.

Although leaders proved capable of changing their ideas in the midst of crisis (see Chapter 4), cognitive-level ideational convergence between them remained limited. In combination with an EU decision-making structure characterized by polycentrism (Kamkhaji & Radaelli, 2017), these diverging cognitive-ideational dynamics put at risk an adequate and joint EU response to the Eurozone crisis.

### **Bridging persisting cognitive-ideational differences through discursive-ideational interactions can make a joint response**

While persisting cognitive ideational differences can explain the complexity of coming to a joint response to EU crises, these differences do not ultimately block all options for a joint response. This dissertation shows that changes in actor constellations in the policy network enabled an informal coalition of leaders to introduce alternative ideas into the dominant public discourse on managing the Eurozone crisis, despite the diverging cognitive-level ideas of political leaders. These changes in the policy discursive network enabled EU leaders to bridge cognitive ideational differences. Through persuasion and social interaction, EU leaders can reach a level of discursive-ideational convergence necessary for institutional change. New coalitions in a policy discourse can emerge as actors are reshuffled and repositioned and are able to introduce alternative ideas into the existing policy discourse.

This dissertation provides insight on what happens when the individual puzzling of leaders over a crisis is successfully intertwined with a joint powering strategy: the abilities to mobilize support for certain ideas over others as a result of changing actor constellations in the policy subsystem (Hall, 1993). To solve the Eurozone crisis, certain leaders in the policy network were able to mobilize support for their ideas and tone down the opposition to their ideas. Leaders' cognitive ideas did not prove to be static, but different. Institutional change could arise through a dynamic process in which leaders not only relied on their cognitive ideas, but also used their discursive ideational abilities to "communicate and deliberate about taking action collectively to change (or maintain) institutions" (Schmidt, 2011, p. 685). Looking at how leaders interact in a (coordinative) policy discourse (Schmidt, 2016) – and how they position themselves in it – increases our understanding of when and how persisting cognitive ideational differences can be bridged.

In sum, if we wish to understand how transboundary crisis management unfolds in EU crises, we need to study both the cognitive ideas and ideational changes of the leaders involved in managing the crisis, as well as the discursive processes through which leaders debate their ideas in policy networks and policy discourse. Such insights increase our understanding of how EU transboundary crisis management unfolds, with all the complexities, hurdles, and struggles it brings along.

### **6.4 Academic contributions**

In the opening chapter I observed that existing studies of EU crises often do not systematically examine how key policy actors – in particular individual leaders – articulate, push, and adapt their views about the

## ■ Chapter 6

nature and depth of the problems they face, and how ideational struggles between them affect the course and outcomes of EU crisis management efforts. My aim was to allow for a novel perspective on EU transboundary crisis response dynamics by bringing together an individual leader perspective and an ideational perspective into the academic debate on EU crisis management. Here, I outline this dissertation's contributions to the academic literature on EU crises and ideas.

### **Leaders' ideas matter greatly, and EU crisis management research should reflect that**

One of the key challenges in transboundary crises is to come to a joint response, which requires multiple actors to agree on the need for such a response and adhere to this agreement (Blondin & Boin, 2020). Regarding EU crisis management literature, this dissertation provided conclusive evidence that leaders' ideational dynamics influence joint EU crisis management responses. This link had been understudied to date, as most of the transboundary crisis literature in the EU focused on the development of administrative capacities or institution-building in response to EU crises (Boin, Ekengren, & Rhinard, 2013). Furthermore, literature on EU crises rarely concentrates on the content of crisis decision-making. Instead, the literature focuses on the process of crisis management: how and when do states collaborate, what role do agencies or advisors play in responding to crises, how and when do institutions make decisions, and so on (Blondin & Boin, 2020; Fabbri, 2013; Ioannou, Leblond, & Niemann, 2015; Rittberger & Schimmelfennig, 2015; Schimmelfennig, 2014, 2015; Vilpišauskas, 2013). Such questions by and large rely on analysing crisis responses from the perspective of collective action theory, bargaining power, or national preference formation: the idea that rational actors with pre-defined preferences decide whether or not they want to collaborate. This is problematic in crisis management research, where crises are viewed as social constructions. Crisis management is not a rational process between different actors, but a struggle over how to define a crisis (Blondin & Boin, 2020). If we want to understand how joint responses to EU crises unfold, we need to be able to study the content of crisis responses as well as the process of crisis management.

The findings of this dissertation imply that crisis management studies of EU crises should go beyond a traditional focus on institutional and structural factors in explaining how EU crisis management unfolds (Molthof, 2016; Schäfer, 2016). By providing evidence for the thesis that the ideational dynamics of EU leaders affect their response to the Eurozone crisis, this dissertation shows that crisis management in the EU is not simply a product of crisis management coordination capacities and the EU's willingness to use these capacities (Blondin & Boin, 2018). Instead, understanding the EU's response to crises should also include studying the choices that leaders make despite possessing incomplete information on the causes and potential consequences of a crisis. Analysing the ideas of leaders helps scholars of EU crises to uncover the content of the choices that leaders make in a crisis. In turn, these choices affect our understanding of how decision-making works in times of crisis.

I do not want to argue that ideas can serve as *the* explanatory factor for EU crises responses, but ideational dynamics can add to our current understanding of transboundary crisis management in the EU.

When explaining EU crisis management responses, understanding leaders and their ideas should carry at least as much weight as the more structural and institutional theories that are currently dominant.

### **Individual leaders deserve more attention in Eurozone governance research**

The conclusions of this dissertation also have implications for scholarly work on EU economic governance and Eurozone governance specifically. As argued in the introduction, the existing scholarship on EU economic governance focuses on 1) the emergence of institutional leadership, 2) the power and resilience of paradigms in governing the EU economic policy domain, and 3) the occurrence of policy change in this policy domain. First, studies on the emergence of institutional leadership often bypass or over-simplify the empirical reality as they present EU institutions as unitary actors (Van der Veer, 2020). This dissertation showed that moving away from studying EU institutions as unitary actors enhances our understanding of the challenges to lead collectively in times of EU economic crises: it provides insight into the intra-organizational dynamics of the European Council during the Eurozone crisis. Furthermore, this dissertation shows the important role of individual actors within different EU institutions that were able to change the course of the crisis. The BU case study emphasizes this: it was not institutions but individual actors acting collectively with other actors from different institutions. This individual leader perspective is often neglected in studies of EU economic governance, while this dissertation shows how individual differences can account for different responses to the crisis.

The recommendation that EU economic governance literature should examine the role of individual leaders more thoroughly also applies to the second topic of studies: explanations that centre on resilient and powerful paradigms that govern the EU economic policy domain. This dissertation has provided a more fine-grained analysis of the cognitive and discursive practices that occur within these paradigms, and how these may or may not carve the way towards policy change (Kamkhaji & Radaelli, 2019). This dissertation provides evidence about how actors can persuade other actors of their ideas (*power through ideas*) (Carstensen & Schmidt, 2016), as well as how paradigmatic ideas that leaders may have about the economy change throughout the crisis. It shows that explanations of competing paradigms are rather simplistic (Baumgartner, 2014; Daigneault, 2014; Princen & Van Esch, 2016). Scholars need to take the ideational dynamics of individual leaders seriously to understand how crises responses unfold.

Third, studies of EU economic governance that focus on the process of policy change do take note of the role of individual leaders, specifically their entrepreneurial skills to exploit windows of opportunity (cf. Saurugger & Terpan, 2016). However, these studies often fail to study these leaders systematically and individually. The use of discourse network analysis (DNA) and the framework of joint belief shifts in the study of the BU provides these scholars with a novel frame of reference and a method to study the role of these individual actors more systematically. This can help advance our understanding of individual actors in processes of policy change in EU economic governance.

## ■ Chapter 6

In sum, the findings of this dissertation support the call for a more agency-oriented approach in studies of EU economic governance, and the Eurozone crisis in particular, to understand the complexities of coming to joint responses to a crisis.

### **How we choose to conceptualise and study leaders' ideational dynamics shapes our findings about their policy impacts**

A final academic contribution of this dissertation regards the ongoing debate over the role of ideas in public policy and politics, especially questions concerning how ideas matter and how to study them (Béland & Cox, 2011; Carstensen & Schmidt, 2016; Mehta, 2011; Parsons, 2016). Grounded in a systematic literature review, I probed different research pathways throughout this study and expanded the methodological toolbox for observing, measuring and interpreting ideational dynamics. I used a mixed-methods approach in the different studies and included methods like Qualitative Comparative Analysis (QCA) and Discourse Network Analysis (DNA). These methods are valuable tools to uncover ideas regarding different subjects (the severity of a crisis, the economy, crisis solutions). In addition, these methods are valuable to systematically trace the impact of conditions on ideas and ideational change. Chapters 3 to 5 show the rich variety of data used and generated using these methods, offering opportunities for structured comparative work as well as in-depth analysis of individual cases.

This dissertation has demonstrated the need for ideational scholars to invest more in examining the conditions and mechanisms involved in processes of ideational change, especially in complex and ambiguous policy contexts like a crisis. By conceptualizing and operationalizing ideas more systematically, we now know more about the role of different types of ideas in policy processes and the conditions and mechanisms involved in these processes (Baumgartner, 2014; Béland & Cox, 2011; Kamkhaji & Radaelli, 2017). This knowledge matters because it is these different types of ideas that affect the responses to EU crises and have the potential to constrain or enable changes in times of crises.

### **6.5 Limitations and future research directions**

Despite the findings and conclusions presented above, this dissertation has a couple of limitations to take into account. I will discuss three limitations that provide opportunities for future research. These are related to the research context, theory, and methods.

A first limitation concerns the research context of this dissertation and the generalizability of these findings beyond the case of leaders in the Eurozone crisis. The fact that ideas matter in this specific policy context and this specific crisis raises the question if ideas matter in a similar vein in a different policy context or crisis. It remains an open empirical question to see whether ideas matter in a similar vein in other policy contexts. Newer cases of transboundary crises in the EU do show similarities: the COVID-19 crisis shows a re-emergence of similar ideational debates between leaders as in the Eurozone crisis, with leaders struggling to find common ground for a joint response to a crisis. As such, there is no a priori reason to assume that these findings could not also apply in a different context than studied here. However, parts of

these findings are most likely generalizable, and others may be too context-specific. A future research direction could be to test how ideational dynamics affect crises responses in different EU crises or policy contexts. Comparative research including EU policy contexts that differ in terms of intergovernmental or supranational policy-making can serve as a start to examine the generalizability of these findings from the context of EU economic governance to other contexts.

A second limitation concerns the study of ideas and ideational change in broader theoretical explanations of how crises unfold. The dissertation mostly provides an ideational perspective to the EU crisis management literature and to a lesser extent incorporates this perspective in more comprehensive designs to study EU crises. Chapters 3 and 5 provided first attempts to do so, by providing more integrated, comprehensive frameworks – such as the Rinscheid framework – in which more than just ideational dynamics play a role. In future research, these comprehensive designs can include an analysis of the structural (e.g. preferences, power position) and institutional factors (e.g. rules, tasks, customs) that play a role, as well as the process through which ideas are conveyed (e.g. intensity of interactions, interaction modes). While this dissertation tested different theoretical frameworks, it cannot provide a conclusive answer to the existing theory of crisis management with regard to which factor weighs more in coming to crises responses than others. One future way to study the configurations and mechanisms that make a specific crisis response outcome possible would be to use process-tracing (Blatter & Haverland, 2014).

A third limitation concerns the methodological approaches used in this study. While the dissertation used innovative methodologies to study ideas, an important critique that often comes up while studying the ideas of political leaders concerns the use of public sources (speeches and media statements). Here, people question whether or not these statements can be used to measure sincere ideas of political leaders. After all, ideas are located in the minds of individuals and therefore may be hard to observe directly (Axelrod, 1976; Van Esch, 2007). Studying media statements or public speeches can be a second-best way to observe ideas, as we cannot get into the minds of leaders ourselves. However, using these publicly available data may come with drawbacks as well. In the future, researchers could include alternative data to study the ideas of individual leaders, for example their own reflections and considerations as portrayed in biographies or conducted through interviews. These could complement the existing data. One research question could be to study how EU leaders reflect upon the role of ideas during EU crises, and how these perceptions of leaders further contribute to our understanding of the role of ideas in EU crisis management. These types of studies have been conducted in national contexts (Hughes, 2016; Kennisbank Openbaar Bestuur, 2020), but to a lesser extent for leaders in an EU context (European University Institute, n.d.). Furthermore, many former EU leaders have written down their experiences about dealing with the Eurozone crisis in their memoirs and biographies. They provide competing accounts of similar events, allowing scholars to study different perceptions and ideas of leaders in a crisis (Dijsselbloem, 2018; Djankov, 2014; Papaconstantinou, 2016; Rehn, 2020; Varoufakis, 2017).

### 6.6 Societal and policy implications

The conclusions of this dissertation have implications for practitioners – decision-makers, policy advisors, crisis managers – in Brussels as well as in member states. For practitioners, the conclusions of this dissertation shed light on the complexity of leading collectively in times of crisis. A failure to converge on certain ideas to solve a crisis may not be the result of deliberate or thwarted attempts by leaders to stop the crisis from being solved. Instead, a failure to converge can also be understood as the outcome of different ideational dynamics of leaders. Thus, practitioners would benefit from studying and analysing the ideas of their counterparts to understand the stories they tell and positions they take in policy debates and why their ideas are different. In turn, overcoming competing and persisting ideational differences between leaders is not solved by engaging in moral power battles, but in finding common ground – and engaging in constructive conversations to find the common ground. Crisis management strategies could then aim to facilitate a constructive dialogue and overcome ideational differences to reach a joint agreement on complex, transboundary crises (Steehouder & Swinkels, 2020).

If EU leaders fail to bridge the gap between their competing ideas and provide a joint response to EU crises, they might continue to debate solutions at the level of ready-to-use policy instruments and incentives. This technocratic or technical leadership leads to short-sighted crises responses (Van Middelaar, 2017). It limits the debate to possible instruments that can be used, rather than the broader question: How do we want to deal with the uncertainty, threat, and urgency that we are currently suffering from? One way to facilitate convergence is by applying principles of adaptive leadership. Adaptive leadership, a term coined by Heifetz et al. (2009), means that leaders dare to think beyond existing ideas and dare to offer new perspectives in times of uncertainty. Adaptive leadership requires that leaders take time to reflect upon the underlying dynamics of the crisis – and their own ideas about it – and use that as a precursor for the future.

Doing adaptive leadership in crises is difficult, but when it occurs, it can potentially have far-reaching consequences for reform. In the Eurozone crisis, for example, one example of adaptive leadership is when president of the European council, Herman van Rompuy, invited the members of the European Council for an informal dinner in May 2012 and wrote:

*"I encourage you to engage in as open and frank an exchange as possible, with a view to moving ahead efficiently and constructively ... I also believe that there should be no taboos concerning the longer term perspective. It is not too early to think ahead and to reflect on possible more fundamental changes within the EMU".<sup>1</sup>*

Of course, this letter and the subsequent informal dinner do not provide the causal link that ultimately led to the far-reaching reforms in the era of banking supervision (the Banking Union), but it sure

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[https://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/ec/130290.pdf](https://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/130290.pdf)



is an example of doing adaptive leadership in the context of an EU crisis. This instance of leadership may have contributed to creating the context for these far-reaching reforms to take place. Implementing practices of adaptive leadership may help leaders overcome ideational divergence in times of complex crises in the EU. Avenues for adaptive leadership may be increased by redefining the tasks and responsibilities in EU crisis management: restating that the European Council is the executive body in charge of finding adaptive responses to EU crises, while the European Commission should be left in charge of executing technical leadership. The Commission is responsible for managing the crisis, while the European Council is – in most instances of transboundary crises – in charge of leading the crisis.

Alternatively, leaders and their advisors interested in working effectively with ideational dynamics in crises can learn from insights about identity leadership (Haslam, Reicher, & Platow, 2011). As stated, ideas can create division or divergence amongst leaders in the EU. Also, effective leadership to respond jointly to EU crises requires that leaders share some basic ideas and fundamental values (Van Middelaar, 2017). Therefore, leaders need to be bound together by a common *sense of us* to lead the EU through crises effectively. Creating shared ideas is difficult, as leaders may be united in different ideational groups that are distant from each other (the fiscal conservative Frugal Four versus the Southern spenders). The existence of such groups creates exclusion, making it difficult to overcome ideational differences. Social identity theory assumes that leadership can only be effective when leaders can create a certain sense of us. The existence of such in-groups and out-groups in an EU crisis policy network will hinder the creation of a joint response. Practitioners should thus work towards creating a *sense of us* that goes beyond the boundaries of these ideational groups to bridge the gap between diverging ideas.

Furthermore, as the findings showed, institutional change is dependent on some level of ideational convergence of EU leaders. Ideational convergence of EU leaders during a crisis could be achieved through more continuous social interaction (Blondin & Boin, 2020). Of course, EU leaders do not have time for this – their agendas are already fully overbooked. However, from an institutional perspective, the EU council could set up an idea-analysis unit as a preparatory crisis management capacity. This would involve installing more permanent staff at the European Council level in charge of preparing for common ground on the transboundary issues that the EU faces and will face in the years to come. This would mean that when transboundary crises hit, there is already a coordinative policy network at work laying the common ground amongst member states.

Of course, creating room to develop leadership capacities and setting up an idea-analysis unit at the level of the European Council also raises the broader question if such ideational convergence is always desirable. From the viewpoint of democratic accountability and legitimacy, focusing on the ideational congruence of EU leaders may challenge the ideational congruence of leaders and their constituents. Hence, EU leaders and their advisors need to think carefully about walking this tightrope: catering to both their constituents as well as creating convergence among EU leaders as a group. Responding to an EU crisis is and always will be a delicate balancing act.

## ■ Chapter 6

When I first started thinking about the role of leaders' ideas in crises myself back in 2012, in the midst of the Eurozone crisis, I did not expect to embark on this long journey. The Eurozone crisis, often referred to as the biggest crisis the continent ever faced, became the empirical context for my studies in the years that followed. Now that I am writing these final pages of this thesis, a new crisis has hit the continent (and the world), most likely displacing the Eurozone crisis as the most severe crisis the continent has ever faced: COVID-19.

This new crisis fits the mold of this dissertation about the politics of crisis management in an EU context perfectly. It is a crisis for which – yet again – no ready-to-use crisis management capacity was in place. It is a crisis that has – yet again – confronted leaders with ideational disputes about solidarity, financial support, and health policies. It is a crisis that has shown – yet again – that the EU response to transboundary crises are insufficient and require ad-hoc crisis management responses. It is a crisis that has hit home in all member states, not adhering to existing boundaries. COVID-19 is the perfect transboundary crisis, bringing in – yet again – its own political and administrative challenges (Boin, 2019). Yet again, individual leaders and their ideational dynamics are playing a big role in responding to this complex new crisis. For example, German chancellor Merkel and finance minister Olaf Scholz were quick to change their ideas about austerity and seemed fully committed to creating an extensive EU corona recovery fund – allowing for a more rapid and coherent response than in the Eurozone crisis initially. The announcement of Merkel and Macron about the corona recovery fund on 18 May 2020 may go down in history as the day that Merkel made a U-turn on economic ideas, a legacy she will leave as chancellor in the EU. Furthermore, ECB chair Christine Lagarde was very quick to announce extensive stimulus measures in the form of the Pandemic Emergency Purchase Programme (PEPP). Studying the cognitive ideational dynamics of Merkel, Lagarde, and others in this instance can help us to understand how the response to this crisis is unfolding. Policy analysts and journalists can thus benefit from the insights of this dissertation: they can examine how different individual leaders and their ideational dynamics affect responses to new EU crises.

In sum, I showed throughout this dissertation that transboundary crises produce severe challenges for the individual actors in charge of dealing with them. While dealing with such unprecedented circumstances, these actors often take recourse to their ideas to make sense of what is going on, how to move forward, and how to explain the crisis to key audiences. In a European context, the increasing uncertainty resulting from COVID-19 will only increase the importance of collaboration and outward concerted action. When a new EU crisis hits, leaders need to be able to respond jointly. They can do so by applying the insights, theories, and methodologies of this dissertation.

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# Appendices:

Appendix to chapter 2

Appendix to chapter 4

Appendix to chapter 5

Nederlandse samenvatting  
(Dutch summary)

Curriculum Vitae

Acknowledgements

## Appendix to Chapter 2

### 1. Review of the literature using PRISMA

Peter Hall's (1993 >7000 WoS citations as at September 2019) landmark article on policy paradigms and social learning spurred the academic debate on the role of ideas; other highly cited contributors – e.g. Finnemore and Sikkink (1998 > 7000), Schmidt (2008 > 2400), Blyth (2002 > 2000), and Pierson (2000 > 7500) – followed suit. Capturing the *hausse*, this paper reviews the state of research on ideas and ideational change, guided by the PRISMA method (Petticrew and Roberts 2006). To get a comprehensive, structured, and systematic overview of a certain concept or a study domain, the PRISMA method can be a helpful tool. In this study, the method was used to get a first view of the subdiscipline-spanning literature regarding the concepts of ideas and ideational change. The PRISMA method requires the author to document the review process and code articles on a number of items (Petticrew & Roberts, 2006; Shamseer et al., 2015). For this review, we first selected search terms for the search engines and defined eligibility criteria for inclusion of articles. The concept of 'ideas' was the core search term in publication titles and included frequently used synonyms - beliefs, belief-system, worldview, zeitgeist, paradigm - across the different subfields of political science.

As the study is primarily concerned with the role of ideas in politics and policy, these words were used as search terms in the publication topic (title, abstract and keywords). This included the frequently used variations and synonyms, e.g. policies.<sup>1</sup> After defining the search terms, I carried out two searches. Peer-reviewed articles in English on the topic were sourced from the Web of Science SSCI collection (categories public administration, political science, and international relations) and the Scopus Social Sciences collection. Journals featuring five or more articles on the topic during January 1990 and January 2017 were included in the analysis. These searches resulted in 756 articles, of which 157 were duplicates.

Figure 1 shows the bibliometric network of the articles that resulted from the searches. It highlights the interconnectedness and differences between all journals in the SSCI and Scopus Social Science collection (Van Eck and Waltman, 2018). It discerns contributions in several subdisciplines (international studies and political psychology, public policy, politics and political economy, and public administration) and shows how these are interconnected. The *Journal of European Public Policy* is revealed to be the key node in the network, being most densely connected to other journals. Figure 1 also shows there is virtually no interconnectedness between articles and journals that take a more agentic approach (e.g., in political psychology) towards ideas and those that take a more structural perspectives (e.g., in political economy) on ideas in politics and policy.

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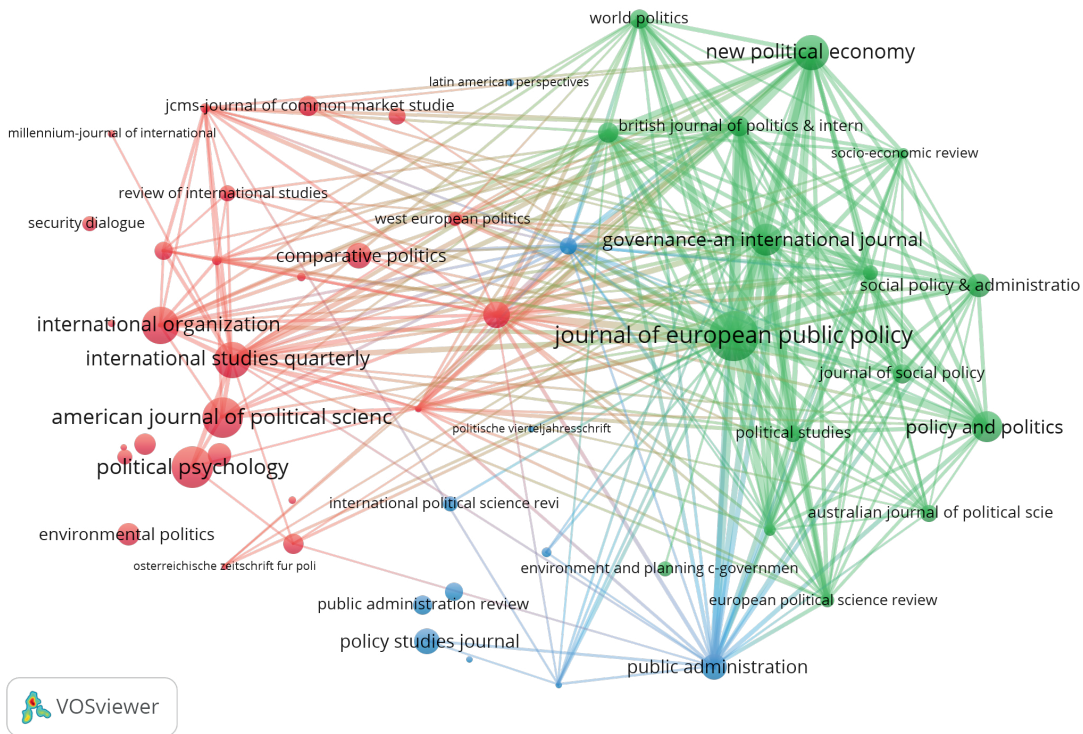
<sup>1</sup> The search string used to collect the data in Web of Science was:

(TI=(idea\* NOT ideal NOT idealism OR "beliefs" OR "belief-system\*" OR paradigm\* OR worldview OR zeitgeist) AND TS=(politics OR policy OR political OR policies) AND WC=(Political Science OR International Relations OR Public Administration)) AND DOCUMENT TYPES: (Article)

The search string to collect the data in Scopus was:

TITLE(idea\* AND NOT ideal AND NOT idealism OR "beliefs" OR "belief-system\*" OR paradigm\* OR worldview OR zeitgeist) AND TITLE-ABS-KEY(politics OR policy OR political OR policies) AND SCRTYPE(j) AND SUBJAREA(SOCI) AND PUBYEAR AFT 1989 AND LANGUAGE(English)

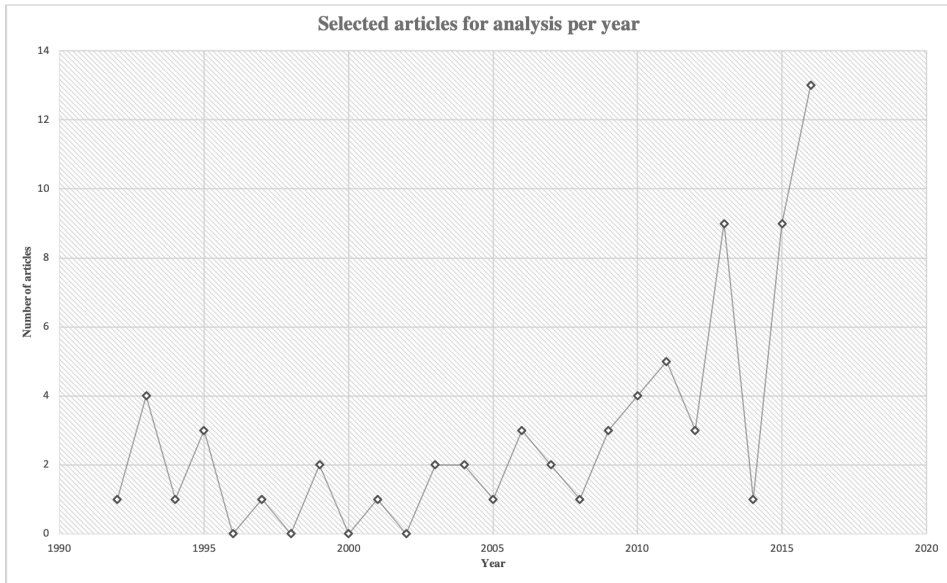
Figure 1. Bibliographic interconnectedness of journals in this review



Of the remaining 599 articles, 52 abstracts and 15 full-texts were not available for screening. Eventually, 532 abstracts were screened and coded on inclusion criteria as 67 did not include an abstract or abstract was not accessible. The inclusion criteria were 1) a reference in the abstract to the concept of ideas (if possible explicit reference to ideas as a dependent variable), 2) a reference in the abstract to researching ideas (methodology), 3) a reference in the abstract to ideational change, and 4) a reference in the abstract to conditions that may cause ideational change.

A total set of 78 articles published in 27 different journals matched one or more of the inclusion criteria. These 78 articles were subsequently coded for full-text eligibility using coding criteria that focused on the key questions of the study: conceptualization of ideas, carriers and methods to research ideas, theories of ideational change and drivers of ideational change (see Table 1 for a full description of the codes used in this review). These four questions were derived from articles and book chapters discussing the challenges for ideational scholarship (cf. Daigneault, 2014b, 2014a; Mehta, 2011).

Figure 2. Growth of articles per year



Ultimately, 71 articles were selected for full-text analysis. The remaining 7 were excluded because they ultimately did not focus around the key concept of the review ( $n=3$ ), were not presented in article format ( $n=1$ ) or full-texts were not readable ( $n=4$ ). After several conference workshops, relevant books, dissertations, and ‘grey’ literature were added. The chief objective was to capture the key debates and differences across different (sub)disciplines, not to compile an exhaustive corpus. Figure 2 depicts the ‘ideational turn’ in the growing number of articles published over time.

The remaining 71 articles were also coded for background factors, such as focus area, policy area, and article type. Furthermore, the institutional affiliation of the first author and the country of the institutional affiliation were coded. After the coding process, the first results were published at two different conferences. These sessions led to reviewing ten other books and publications that were used as complementary readings. The full selection process of articles is shown in figure 3.

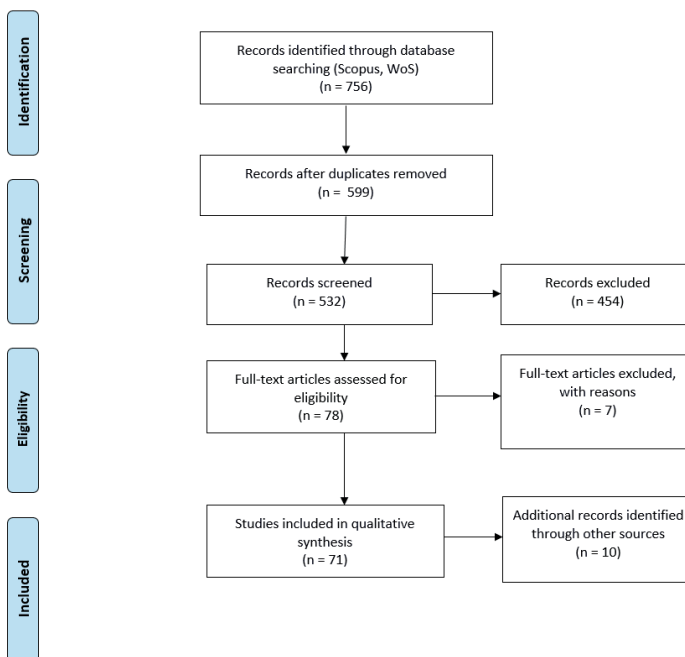
Synthesizing the results of the articles in a systematic literature review can be done by either a quantitative meta-analysis or qualitative narrative analysis. Given the paper’s aim of presenting a substantive review of current conceptualizations and theories of ideas, hypotheses and findings, I chose the narrative approach (Petticrew & Roberts, 2006).<sup>2</sup> A quantitative scoping of the background factors that were coded for all articles is presented below.

A systematic literature review on a fuzzy concept in the field of social sciences is a complex endeavor (Daigneault *et al.* 2012). Therefore, I want to stress that this study knows limitations. First, as the searches only include peer-reviewed published articles in journal, a pitfall is that newly published articles, conference

<sup>2</sup> Due to resource constraints the articles were coded by one coder. The coding sheet shows key insights about the coded information for each paper and serves as the basis for the synthesis.

proceedings, dissertations, books, or 'grey literature', were not included in the searches. Second, as this is a single-authored study, the articles were coded by one coder only which has the potential to lead to flawed coding. The researcher conducting the review did not have sufficient resources to hire research assistants to double the work. Third, defining the selection criteria (inclusion and exclusion of articles) for a review is a complex matter, and decisions in this stage can have consequences for the corpus as scholars can, for example, be easily overwhelmed by the sheer number of studies to screen. After deliberation with an advisory team, the search terms were defined in narrow rather than broad terms (focusing on ideas, beliefs, paradigms, instead of the breadth of ideational elements such as norms, frames, narratives, images). This may have excluded relevant articles, but as searching with these 'narrow' terms already led to >500 articles to screen, I believe that to keep such a review manageable for a sole author, these search terms have been sufficient to capture the state of the art in the current debate, spanning different subdisciplines. Future reviews could definitely benefit from expanding the scope of search terms. Taking these limitations into account, the results from the SLR provided a core corpus that served as a point of departure for the paper, yet additional references were included after conferences, over time, through feedback, and through reviews.

Figure 3. PRISMA Flow Diagram



■ Appendix to Chapter 2

2. Coding criteria for full-text articles

Table 1

INDICATOR	PURPOSE AND EXPLANATION OF CODES
Year of publication	Numeric
Author(s)	Last name(s)
Journal name	Used to construct number of publications per year
Title	Title: Subtitle
Institutional affiliation	First author's institutional affiliation
Country of publication	Country of the institution of the author
Conceptualization category	Recoded item after initial coding process. Used to calculate number of scholars in distinct disciplines/conceptual approaches C. Constitutional H. Heuristics S. Strategic M. Mixed
Conceptualization/ definition of ideas	Summary/excerpt from article about perception of the concept of ideas
Carrier category	Recoded item after initial coding process. Used to categorize and group the general type of carrier of ideas. G. Groups S. Structure I. Individual M. Mixed
Carrier(s)	Who or what scholars identify as ultimate carrier or champion of ideas in their study
Category taxonomy of change	Recoded item after initial coding process: used to distinguish between scholars using different taxonomies of ideational change and provide quantitative evidence as to how much follow in one category or another. Codes: Hierarchical Incremental Mixed Unclear
Change (speed, process, direction)	Notes or excerpts from original articles about the concept of change. Aim here was to see how scholars write about change, possibly distinguish between the speed of change (fast/slow), the process (revolutionary or evolutionary), and the direction of change (reinforcement, conversion, stasis, etc.)
Triggers/constraints	Notes or excerpts from text to delineate and categorize the different independent or mediating variables that are expected to affect ideational change. Also includes references to the mechanisms that lead to change (such as learning, persuasion, or socialization).
Focus area	Codes: International, Comparative, European, National, Regional. Used to understand the focus of empirical puzzles/studies of the included articles.
Locus category	C: climate; E: economic/financial; F: foreign policy; L: leadership studies; G: governance; W: welfare policy; I: immigration policy; P: political philosophies; n.a.: Not applicable. Used for quantitative scoping to count the different (policy) domains
Locus area;	Inductive coding of the different policy domains or topics to understand in what policy subfields research on ideas is most prevalent or to see if conceptualizations of ideas and change differ per subdomain.
Article type;	Empirical Methodological Theoretical Introduction to special issue Theoretical and empirical N.B. For articles coded as theoretical or introduction to special issue, the subsequent methodology code was not applied.
Methodology	Inductive coding of methods used in the different articles to uncover how scholars aim to study ideas. N.A. when articles did not contain methodology Unspecified when methodology was not made explicit
Main argument, insights and conclusion	Excerpts from article text or notes that centre around the key question of the article, its main insights and the conclusions.
Further research questions	Used for drafting concluding section on future research agenda for ideational scholarship.



### 3. Quantitative scoping

#### *Institutional affiliation and country of publication*

The majority of the studies are conducted by scholars affiliated to institutions in the United States (n=31) and the United Kingdom (n=12). Scholars residing at institutions in Australia, Canada and Denmark follow suit (6,6,5). The remainder of the articles are published by scholars spread throughout Europe, in Austria (n=1), Germany (n=1), The Netherlands (n=1), Italy (n=1), Norway (n=2), and France (n=1). One article comes from scholars in the Middle East (Israel, n=1). In three articles we could not identify the institutional affiliation on the basis of the article.

We can observe an underrepresentation of European institutions in the literature in the set, and an overrepresentation of scholars residing in English speaking countries (USA, UK, Australia and Canada). Turning to institutions, the Australian National University (n=3), University of Aalborg (n=3), Queens University Belfast (n=3), University of Queensland (n=3), and the University of Saskatchewan (n=4) appear three or more times in the set. These first findings do suggest that ideational scholarship may be dominated by scholars based in English speaking countries and institutions.

#### *Focus area and topics*

Of the articles published in English-speaking countries (n=55), the majority focuses on the national level (36.4%). Specifically, the domains under investigation in these articles range from migration policy, economic policy, US leadership, a country's foreign policy, or climate change. Fewer articles published in English-speaking countries focus on the European level (14.5%). Of these, the articles focus on Eurozone governance, financial regulation, economic integration, or EMU. Another 14.5% of the studies is coded having comparative focus, focusing on the topics of environmental policy, political economy, welfare state reform, tax policy or war studies/foreign policy. 10.9% of the articles by scholars based in English-speaking institutions focus on the international level, for example on the International Monetary Fund (IMF), foreign policy, or international political economy. The remaining 23.6% of these articles are either theoretical or methodological in nature and as such do not focus on one specific focus area or policy domain.

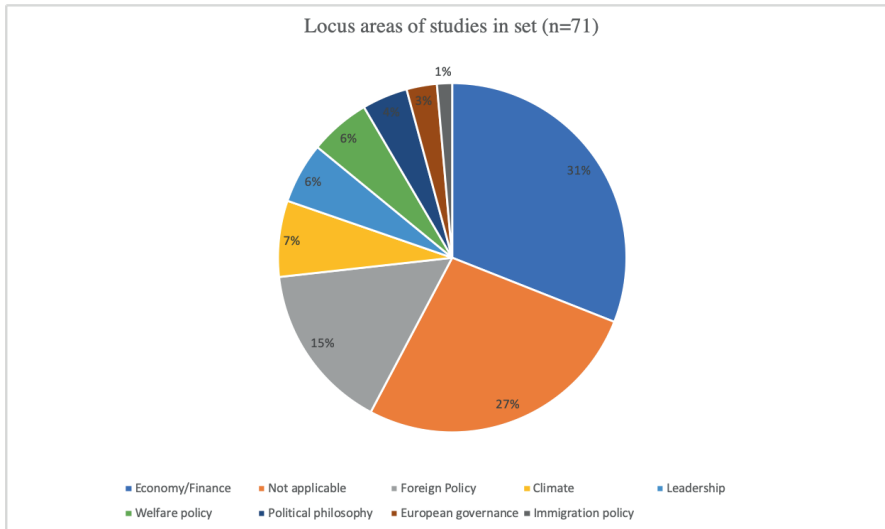
Scholars based in Non-English, European research institutions, do not focus more on the EU level. Two studies focus on EU welfare state reform and European integration respectively. Another five articles zoom in on the comparative national, or international level and topics under study here are foreign policy (n=2), welfare state reform (n=1), wage restraint (n=1) and international monetary finance (n=1). Again, a fair share of the articles here (n=5) is more theoretical in nature.

For all studies combined, we can conclude that most studies in our full set (n=71) either focus on the national level (n=27; 38.0%) or do not have a specific focus (n=18; 25.4%). Relatively few are focused on comparison, international relations or EU studies (n=9, 12.7%;n=7, 9.9%;n=10, 14.0%). The locus areas (subdisciplines, policy domains) are quite diverse and specific. Figure 4 presents an overview of all studies per locus area. Most articles in our set focus on the realm of economic or financial policy, or foreign policy (31%), another 27% do not focus on a specific topic as they are more theoretical in nature.

A

■ Appendix to Chapter 2

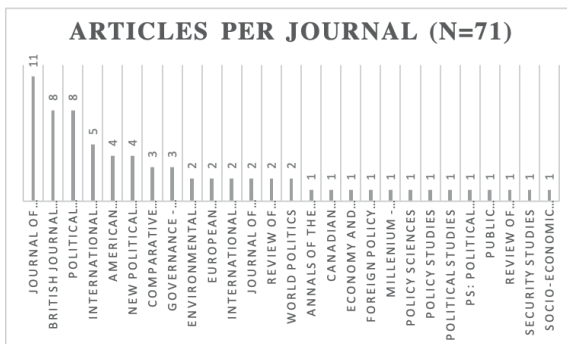
Figure 4: locus areas of studies in set



Journals

In the main text, we have showed how articles were connected and distributed over our search results (n=532). More specifically, for the included articles in our set, the journal distribution is presented in figure 5. We can observe that the Journal of European Public Policy (JEPP), the British Journal of Politics and International Relations (BJPIR) and the Journal of Political Psychology (PP) are most frequent in our set.

Figure 5. Number of articles per journal.



Article type and methodology

We have elaborated extensively on the different, specific types of methodologies and research practices in the main text of this article. However, all articles were also coded with regard to article type. First, articles coded as *empirical* contain studies that focus more on a rich description or explanation of empirical data and make more limited use of theoretical concepts. Of the articles included in our set, 40.8% were coded as empirical. Second, 14.1% of the articles were coded as purely theoretical. This means that these



have an explicit theoretical focus. Furthermore, 36.6% were coded as theoretical, supported by empirical evidence. These studies often have an explicit theoretical grounding and focus on the presentation of a theoretical argument. To make the case for the theoretical argument, these studies use empirical data to illustrate the relevance of the theories they are describing. For these studies, it is often difficult to establish the methodological quality of the studies and processes of data collection. In sum, over 50% of the articles were more theoretical than empirical in nature. A further 4.2% of the article were about methodological innovations or explanations, and another 4.2% were introductions or commentaries for special issues/sections in journals.

## Appendix to Chapter 4

### Contents

A. Data collection Cognitive Mapping and raw data for conditions.....	196
B. Fuzzy set data.....	204
C. R scripts.....	206
D. Necessity analyses .....	214
E. Truth tables .....	215
F. Solutions.....	218

## A. Data collection Cognitive Mapping and raw data for conditions

### 1. *Comparative Cognitive Mapping*

Comparative Cognitive Mapping (CCM) is one of the most developed methods that enables systematic and in-depth longitudinal analysis of beliefs. The CCM technique rests upon the premise that thought processes are reflected in leaders' spoken or written communication. In order to create a cognitive map, all causal and utility relationships that leaders allude to are manually derived from a text. Utility statements are statements to the effect that something is 'good', 'in someone's interest', 'in the general benefit' and are used to determine whether these concepts are valued positively or negatively. To make comparison possible, concepts derived from text are standardized by grouping words with similar meanings into overarching, merged concepts. These merged concepts then serve the basis for the coding process of the different types of beliefs.

As the study presented here deals with political leaders, CCM is used as an 'at a distance'-technique. This means that cognitive maps are composed on the basis of leaders' public speeches. These speeches are naturally occurring data that represent the way leaders give meaning to the causes, consequences, and solutions to an event or situation under study. The data used in this study was obtained from the Transcrisis Comparative Cognitive Mapping Database (Van Esch *et al.* 2018). For the EU council leaders selected for this study, 97 speeches provided the basis for the coded data analysed in this study. These speeches were sourced from official governments website and concerned European economic and monetary issues during the Eurozone crisis (see Van Esch *et al.* 2018; Van Esch *et al.* 2016). The coded data was used to draw the cognitive maps in Gephi software. Each map was then studied to evaluate the positive and negative relationships in a map. All maps have undergone this process of review. This ultimately led to a percentage score for the saliency of the economic belief dimension as part of the full map (percentage scores of both Keynesian and ordoliberal beliefs), and percentage scores for the two groups of core economic beliefs (ordoliberal versus Keynesian). These scores were used to calculate the belief changes (the outcome conditions).

To determine changes of the economic dimension, the difference between the saliency of the economic dimensions in map 1 and map 2 is calculated (see table 3). The sum of all saliency scores in a map is by definition 100, so these scores allow for comparison of maps of different sizes. To measure changes in the core meaning, the Keynesian and ordoliberal scores in the economic dimension are converted to relative saliency scores, in order to make maps of different sizes comparable (see table 3).<sup>1</sup>

<sup>1</sup> The formula to calculate these relative saliency scores is  $S_{keyn} / S_{eco} * 100 = RS_{keyn}$  and  $S_{ord} / S_{eco} * 100 = RS_{ord}$ . The difference between the scores at  $t_1$  and  $t_2$  represents the degree change that occurred.

## ■ Appendix to Chapter 4

### 2. *Raw data for conditions*

#### 1. Unsustainable debt (DT)

Data from the General Gross Government Debt database was sourced for the crisis years 2009-2015 for all EU countries to establish public debt levels (Eurostat 2018a) (see table A.2.1). Per leader, an average debt level for the time in office was calculated.

Table A.2.1. Public debt per year.

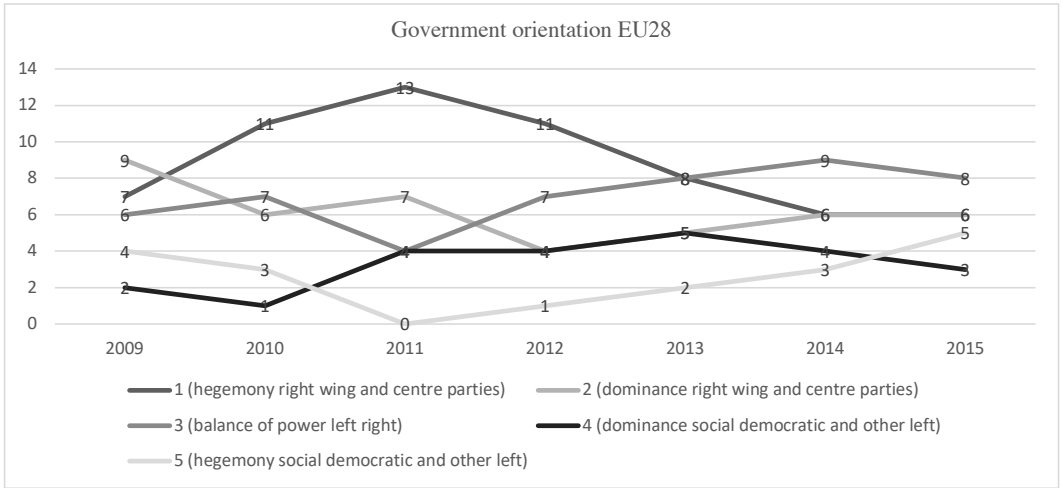
Case_ID	Country	YiO	2009	2010	2011	2012	2013	2014	Average debt
Rasmussen1_2	DK	2009-2011	40,2	42,6	46,1				43,0
Zapatero1_2	ES	2009-2011	52,8	60,1	69,5				60,8
Sarkozy1_2	FR	2009-2011	83	85,3	87,8				85,4
Cowen1_2	IE	2009-2010	61,5	86,1					73,8
Merkel1_2	DE	2009-2012	72,6	80,9	78,6	79,8			78,0
Merkel2_3	DE	2012-2014					77,5	74,7	76,1
Kenny2_3	IE	2011-2014			110,3	119,6	119,4	104,5	113,5
ThorningSchmidt2_3	DK	2012-2014				44,9	44	44,3	44,4
Rutte2_3	NL	2011-2014			61,6	66,3	67,8	68	65,9
Rajoy2_3	ES	2012-2014				85,7	95,5	100,4	93,9
Orban2_3	HU	2011-2014			80,5	78,4	77,1	76,6	78,2
Monti2_3	IT	2012-2013				123,4	129		126,2
Cameron2_3	UK	2011-2014			81,3	84,5	85,6	87,4	84,7

#### 2. Government ideology (GD)

Data for this condition was retrieved from the Comparative Political Data Set, which provides data on government orientation (left-right) in five categories (Armingeon *et al.* 2018a). For this study, the years 2009–2015 were used and included for all 28 EU member states. The Schmidt-index, used in the Comparative Political Data Set, uses five codes to code for government orientation. These five codes are: 1) hegemony of right-wing (and centre) parties; 2) dominance of right-wing (and centre) parties; 3) balance of power between left and right; 4) dominance of social-democratic and other left parties; 5) hegemony of social-democratic and other left parties. For each year, the dominant EU government orientation was established by counting the highest number of EU governments in the five categories.

The difference score was calculated as the distance between an incumbent government's ideological orientation at the national level and the concurrent EU dominant orientation during the period of time under study (Kleider *et al.* 2018). Possible cabinet reshuffles were taken into account in the calculation of these scores, using supplemental government composition material of the CPDS database (Armingeon *et al.* 2018b). Figure A.2.1 shows how the EU28 governments were ideologically distributed between 2009 and 2015. This data was used to set the dominant ideological government orientation of the EU. Table A.2.2 shows how the governments of the leaders in this dataset were coded. Two remarks must be made. First, the 2012 government of Italy was not coded in the original dataset as Monti headed a technocratic government and as such could not be coded into one of the five categories. Following this line of reasoning of the dataset, ideological difference of the Monti government is coded as 0 as the government does not have a strong ideological preference. Second, Sarkozy's score is based on his prime ministers' government. The measure to calculate the distance is the total of deviation scores of a leader divided by the years in office ( $D = S_{dev}/Y_{io}$ ).

Figure A.2.1. Overview of government orientations in EU28 (2009-2015)



A

Table A.2.2. Government orientation per year

YEAR	DE	DEV_	DE_	DK	DEV_	ES	DEV_	FR	DEV_	HU	DEV_	IE	DEV_	IT	DEV_	NL	DEV_	UK	DEV_	DOM
PE	PE	PE	PE	PE	PE	PE	PE	PE	PE	PE	PE	PE	PE	PE	PE	PE	PE	PE	PE	PE
2009	3	1	1	1	5	3	1	1	5	3	2	2	0	1	1	3	1	5	3	2
2010	1	0	1	0	5	4	1	0	3	2	2	2	1	1	0	2	1	3	2	1
2011	1	0	2	1	4	3	1	0	1	0	2	2	1	1	0	1	0	1	0	1
2012	1	0	4	3	1	0	3	2	1	0	2	2	1	n.a.	0	2	1	1	0	1
2013	2	1	4	1	1	2	5	2	1	2	2	2	1	3	0	3	0	1	2	3
2014	3	0	4	1	1	2	5	2	1	2	2	2	1	4	1	3	0	1	2	3
2015	3	0	3	0	1	2	5	2	1	2	2	2	1	5	2	3	0	1	2	3

For the year 2009, category 2 was deemed dominant, for the years 2010-2012, this was category 1 (hegemonic right-wing party). In 2013, category 3 starts gaining ground and as such is seen as the more dominant orientation in the two subsequent years (see figure A.2.1). Difference scores were based on the exact timeframes in which a leader served the high office, using the supplement material of the CPDS (Armingeon *et al.* 2018b). Scores that differ more than 1 category from the dominant orientation are perceived as governments that are not ideologically aligned with their counterparts.

Table A.2.3. Deviation scores (average in timeframe in office).

CASE_ID	Country	Timeframe years in office	Government deviation
Rasmussen1_2	DK	2009-2011	0,667
Zapatero1_2	ES	2009-2011	3,3
Sarkozy1_2	FR	2009-2011	0,33
Cowen1_2	IE	2009-2010	0,5
Merkel1_2	DE	2009-2012	0,25
Merkel2_3	DE	2012-2014	0,33
Kenny2_3	IE	2011-2014	1
ThorningSchmidt2_3	DK	2012-2014	1,6
Rutte2_3	NL	2011-2014	0,25
Rajoy2_3	ES	2012-2014	1,3
Orban2_3	HU	2011-2014	1,2
Monti2_3	IT	2012-2013	0
Cameron2_3	UK	2011-2014	1

### 3. Unemployment

To calculate the score for increased unemployment, quarterly data of the unemployment statistics database was used (Eurostat, 2018b). For the periods under study here, average unemployment figures for all EU member states were calculated per timeframe of the study. The study works with the averages and standard deviations for all the EU28 countries. For these, the average increase of unemployment over the whole period under study was 0,4% (sd=2,6). For example, for the period after Draghi's speech, unemployment figures from the third quarter of 2012 to the first quarter of 2015 were used to calculate the average unemployment. These scores were compared to the average unemployment in the period prior to Draghi's speech (running from the second quarter of 2010 to the second quarter of 2012). Subsequently, the increases per period were calculated by subtracting the average rate in one period from the other. Furthermore, secondary sources (qualitative data: news reports, reports of national statistics offices) were used to understand how big or small these increases were in the context of the leaders' home country.

Table A.2.4. increases in unemployment figures EU 28

observations	UNEMP_GR	observations	UNEMP_GR
at1_2	-0,6	at2_3	0,7
bel_2	-0,9	be2_3	0,9
bgl_2	2,5	bg2_3	0,8
cy1_2	1,7	cy2_3	7,5
cz1_2	-0,7	cz2_3	-0,3
de1_2	-1,4	de2_3	-0,9
dk1_2	0,4	dk2_3	-0,7

## ■ Appendix to Chapter 4

ee1_2	-4,2	ee2_3	-5,1
el1_2	6,6	el2_3	9,2
es1_2	2,5	es2_3	3,6
fi1_2	-0,7	fi2_3	0,5
fr1_2	-0,1	fr2_3	1,0
hr1_2	3,1	hr2_3	3,6
hu1_2	0,2	hu2_3	-2,0
ie1_2	1,5	ie2_3	-2,2
it1_2	0,5	it2_3	3,3
lt1_2	-0,9	lt2_3	-4,5
lu1_2	0,0	lu2_3	1,1
lv1_2	-3,2	lv2_3	-5,4
mt1_2	-0,6	mt2_3	-0,4
nl1_2	0,1	nl2_3	2,0
pl1_2	0,5	pl2_3	-0,1
pt1_2	1,8	pt2_3	2,2
ro1_2	-0,2	ro2_3	-0,1
se1_2	-0,9	se2_3	0,0
si1_2	1,5	si2_3	1,8
sk1_2	-0,6	sk2_3	-0,3
uk1_2	0,2	uk2_3	-1,1
		AV	0,4
		MED	0,1
		STDEV	2,6
		high	3,1
		low	-2,2

### 4. Increase in negative support

For each country, raw Eurostat data from the Eurobarometer dataset was used to determine the increase in negative support for the EU for each period under study for all EU countries. For the first phase, this included Eurobarometer 72 and 73, for the second phase Eurobarometer 74-77 and for the third phase Eurobarometer 78-82.

The study added the shares for fairly negative and very negative together and these scores were reviewed over time to understand increases or decreases. Furthermore, the paper assessed how positive and negative scores related to each other and if there were any noteworthy shifts from a majority positive support to a majority negative support.

Table A.2.5. Increased negative support

Country	Added shares increase fairly and very negative
CY_INC_P2P3	20,99%
GR_INC_P1P2	16,22%
GR_INC_P2P3	10,91%
ES_INC_P1P2	10,76%



NL_INC_P1P2	9,88%
IE_INC_P1P2	9,57%
IT_INC_P2P3	9,55%
PT_INC_P1P2	9,18%
SK_INC_P1P2	8,66%
ES_INC_P2P3	8,65%
FI_INC_P1P2	8,00%
IT_INC_P1P2	7,88%
UK_INC_P1P2	7,86%
AT_INC_P1P2	7,25%
SK_INC_P2P3	6,75%
SI_INC_P1P2	6,67%
PT_INC_P2P3	6,44%
CZ_INC_P1P2	6,16%
BE_INC_P2P2	6,04%
HU_INC_P1P2	5,49%
EE_INC_P1P2	4,95%
LU_INC_P2P3	4,73%
LU_INC_P1P2	4,56%
NL_INC_P2P3	4,35%
DE_INC_P1P2	4,29%
FR_INC_P2P3	3,80%
CY_INC_P1P2	3,74%
MT_INC_P1P2	3,72%
BE_INC_P1P2	3,69%
SE_INC_P1P2	3,67%
FR_INC_P1P2	3,61%
SE_INC_P2P3	3,07%
BG_INC_P2P3	2,98%
SI_INC_P2P3	2,81%
DK_INC_P2P3	2,72%
RO_INC_P1P2	2,23%
RO_INC_P2P3	1,86%
CZ_INC_P2P3	1,84%
IE_INC_P2P3	1,42%
DK_INC_P1P2	1,42%
BG_INC_P1P2	1,21%
LT_INC_P1P2	0,86%
PL_INC_P1P2	0,26%
LT_INC_P2P3	0,07%
EE_INC_P2P3	-0,21%
PL_INC_P2P3	-0,68%

■ Appendix to Chapter 4

DE_INC_P2P3	-0,82%
LV_INC_P1P2	-0,98%
HU_INC_P2P3	-1,24%
FI_INC_P2P3	-1,51%
HR_INC_P1P2	-1,55%
AT_INC_P2P3	-1,61%
UK_INC_P2P3	-2,53%
LV_INC_P2P3	-2,59%
HR_INC_P2P3	-5,03%
MT_INC_P2P3	-5,50%
AVERAGE GROWTH	4,04%
SD	4,920
MEDIAN	3,70%
HIGH	8,9600
LOW	-0,88

## B. Fuzzy set data

Table B.1. Fuzzy set data for economic belief changes

Raw and fuzzy data for the fsQCA concerning belief change dominance

Case_ID	Country code	Conditions				Outcome					
		UNI	GD	DT	EI	raw	fuzzy	raw	fuzzy		
Rasmussen1_2	DK	0,4	0,49	0,667	0,18	43,0	0,00	1,42	0,28	4,94	0,38
Zapatero1_2	ES	2,5	0,91	3,3	1	60,8	0,06	10,76	0,98	0,05	0,01
Sarkozy1_2	FR	-0,1	0,35	0,33	0,03	85,4	0,89	3,61	0,62	12,97	0,99
Cowen1_2	IE	1,5	0,76	0,5	0,08	73,8	0,44	9,57	0,96	4,07	0,23
Merkel1_2	DE	-1,4	0,11	0,25	0,02	78,0	0,64	4,29	0,69	4,44	0,29
Merkel2_3	DE	-0,9	0,18	0,33	0,03	76,1	0,55	-0,82	0,05	9,78	0,94
Kenny2_3	IE	-2,2	0,05	1	0,57	113,5	1,00	1,42	0,28	2,79	0,09
ThorningSchmidt2_3	DK	-0,7	0,22	1,6	0,97	44,4	0,00	2,72	0,53	5,88	0,56
Rutte2_3	NL	2	0,85	0,25	0,02	65,9	0,14	4,35	0,70	0,43	0,01
Rajoy2_3	ES	3,6	0,97	1,3	0,87	93,9	0,98	8,65	0,94	10,69	0,97
Orbán2_3	HU	-2	0,06	1,2	0,79	78,2	0,65	-1,24	0,04	3,21	0,13
Monti2_3	IT	3,3	0,96	0	0,01	126,2	1,00	9,55	0,96	23,87	1
Cameron2_3	UK	-1,1	0,15	1	0,57	84,7	0,87	-2,53	0,01	2,66	0,08

Table B.2. Fuzzy set data for Keynesian/Ordoliberal belief changes

*Raw and fuzzy data for the fsQCA concerning Keynesian/Ordoliberal belief change*

Case_ID	Country code	Conditions				Outcome					
		UNI		GD		DT		EI		KOC	
		raw	fuzzy	raw	fuzzy	raw	fuzzy	raw	fuzzy	raw	fuzzy
Rasmussen1_2	DK	0,4	0,49	0,667	0,18	43,0	0,00	1,42	0,28	8,21	0,44
Zapatero1_2	ES	2,5	0,91	3,3	1	60,8	0,06	10,76	0,98	16,66	0,92
Sarkozy1_2	FR	-0,1	0,35	0,33	0,03	85,4	0,89	3,61	0,62	41,17	1,00
Cowen1_2	IE	1,5	0,76	0,5	0,08	73,8	0,44	9,57	0,96	0,24	0,05
Merkel1_2	DE	-1,4	0,11	0,25	0,02	78,0	0,64	4,29	0,69	5,97	0,27
Merkel2_3	DE	-0,9	0,18	0,33	0,03	76,1	0,55	-0,82	0,05	0,69	0,06
Kenny2_3	IE	-2,2	0,05	1	0,57	113,5	1,00	1,42	0,28	17,35	0,94
ThorningSchmidt2_3	DK	-0,7	0,22	1,6	0,97	44,4	0,00	2,72	0,53	4,35	0,18
Rutte2_3	NL	2	0,85	0,25	0,02	65,9	0,14	4,35	0,70	43,78	1,00
Rajoy2_3	ES	3,6	0,97	1,3	0,87	93,9	0,98	8,65	0,94	27,47	1,00
Orbán2_3	HU	-2	0,06	1,2	0,79	78,2	0,65	-1,24	0,04	3,73	0,15
Monti2_3	IT	3,3	0,96	0	0,01	126,2	1,00	9,55	0,96	9,5	0,54
Cameron2_3	UK	-1,1	0,15	1	0,57	84,7	0,87	-2,53	0,01	13,06	0,79

## C. R scripts

**RSCRIPT 1:****## QCA Analysis belief-change dominance (do leaders talk more or less about the economy?)**

```
# Remove everything that might be in your R working space from previous analyses:
```

```
rm(list = ls())
```

```
## Load QCA and SetMethods package
```

```
library(QCA)
library(SetMethods)
```

```
## Set Working Directory:
```

```
setwd("/Users/marijswinkels/desktop/qca/")
getwd()
```

```
# Load the ".csv" data file:
```

```
BD <- read.csv("BD_qca.csv", row.names = 1, sep = ";", dec = ",")
# now run this first before getting an error
# head() shows the first lines of the dataframe.
head(BD)
```

```
# explore data #
```

```
summary(BD)
names(BD)
rownames(BD)
colnames(BD)
View(BD)
```

```
BD$U
BD$G
BD$D
BD$E
BD$BD
```

```
## check for missings -- if it says false the variables are not missing
```

```
is.na(BD)
```

```
#####
```

```
## Direct Method of Calibration:
```

```
#####
```

```
# Used the "calibrate" function from the "QCA" package with the option
# "type" set to "fuzzy", to calibrate fuzzy sets. The last vector sets
# the thresholds.
```

```
UNI <- calibrate(BD$U, type = "fuzzy", thresholds = c(-2.2, 0.45, 3.1))
UNI
UNI <- round(UNI, digits = 2)
UNI
GD <- calibrate(BD$G, type = "fuzzy", thresholds = c(0.4, 0.95, 1.5))
GD
```

## ■ Appendix to Chapter 4

```
GD <- round(GD, digits = 2)
GD
DT <- calibrate(BD$D, type = "fuzzy", thresholds = c(60, 75, 90))
DT
DT <- round(DT, digits = 2)
DT
EI <- calibrate(BD$E, type = "fuzzy", thresholds = c(-0.88, 2.5, 8.96))
EI
EI <- round(EI, digits = 2)
EI
ECOC <- calibrate(BD$BD, type = "fuzzy", thresholds = c(2, 5.5, 10))
ECOC
ECOC <- round (ECOC, digits = 2)
ECOC

FS <- data.frame(UNI, GD, DT, EI, ECOC)
head(FS)

rownames(FS) <- row.names(BD)
rownames(FS)
write.csv2(FS, "ECOCfuzzydata.csv")

View(FS)

## put the calibrated data in the dataframe
View(BD)
BD$UNI <- UNI
BD$GD <- GD
BD$DT <- DT
BD$EI <- EI
BD$ECOC <- ECOC
head(BD)

View(BD)
write.csv2(BD, "TableFuzzySetEcocDataForPaper.csv")

## for example: visualize in histogram or plot

plot(BD$UNI, BD$U, pch=18, col="black")
plot(BD$GD, BD$G, pch=18, col="black")
plot(BD$EI, BD$E, pch=18, col="black")
plot(BD$DT, BD$D, pch=18, col="black")
plot(BD$ECOC, BD$BD, pch=18, col="black")

## check for skewness (number of cases with MS of 0.5 or more)##
skewBD <- as.numeric(BD$ECOC > 0.5)
sum (skewBD)
prop.table(skewBD)

#identify the names of cases with membership above 0.5
rownames(subset(BD, ECOC > 0.5))

## truth table POSITIVE outcome

ttECOC <- truthTable(data = BD, outcome = "ECOC", conditions = c("UNI", "GD", "DT",
                                                                "EI"), incl.cut = 0.85,
                    sort.by = "incl, n", complete = FALSE, show.cases = TRUE)
ttECOC

ttECOC$tt
```

```

write.csv(ttECOC$tt, "TruthTableECOCoutcomepositive.csv")

## truth table negative outcome
ttecoc <- truthTable(BD, outcome = "~ECOC", neg.out=TRUE, conditions = c("UNI", "GD", "DT",
                                                                    "EI"), incl.cut = 0.9,
                    show.cases = TRUE, complete = FALSE, PRI=TRUE, sort.by = c("incl", "n"))
ttecoc

ttecoc$tt

write.csv(ttecoc$tt, "TruthTableecocoutcomenegative.csv")

## NECESSITY supersubset (finding all supersets of the outcome) ##
head(FS)

SUPSUB <- superSubset(FS, outcome="ECOC",
                      conditions = c("UNI", "GD", "DT", "EI"),
                      relation = "necessity", incl.cut = 0.9, cov.cut = 0.6)

SUPSUB
head(SUPSUB)

pimplot(data = FS, results = SUPSUB, outcome = "ECOC", necessity = TRUE, case_labels = TRUE, all_labels =
FALSE)

supsub <- superSubset(FS, outcome=~"ECOC", conditions = c("UNI", "GD", "DT", "EI"),
                      relation = "necessity", incl.cut = 0.9, cov.cut = 0.6)

supsub
head(supsub)

pimplot(data = FS, results = supsub, outcome = "~ECOC", necessity = TRUE, case_labels = TRUE, all_labels =
FALSE)

QCAfit(FS[, 1:4], FS$ECOC, names(FS[, 1:4]), necessity = TRUE)
QCAfit(1-FS[, 1:4], FS$ECOC, names(FS[, 1:4]), necessity = TRUE)
QCAfit(FS[, 1:4], 1-FS$ECOC, names(FS[, 1:4]), necessity = TRUE)
QCAfit(1-FS[, 1:4], 1-FS$ECOC, names(FS[, 1:4]), necessity = TRUE)

## analyse sufficiency for individual conditions
conds <- subset(BD, select = c("UNI", "GD", "DT", "EI"))
## positive outc
QCAfit(conds, BD$ECOC, cond.lab = c("UNI", "GD", "DT", "EI"), necessity = FALSE, neg.out = FALSE)
## negative outc
QCAfit(conds, BD$ECOC, cond.lab = c("UNI", "GD", "DT", "EI"), necessity = FALSE, neg.out = TRUE)

## minimize truth table

## conservative solution positive outcome ##
csECOC <- minimize(ttecoc, details = TRUE, show.cases = TRUE, row.dom = TRUE, all.sol = FALSE, use.tilde
= FALSE)
csECOC
pimplot(data = BD, results = csECOC, incl.tt = 0.85, outcome = "ECOC", case_labels = TRUE)

QCAradar(csECOC, outcome = "ECOC", fit = TRUE)

## conservative solution negation ##
csecoc <- minimize(ttecoc, details = TRUE, show.cases = TRUE, row.dom = TRUE, all.sol = FALSE, use.tilde =
FALSE)
csecoc
pimplot(data = BD, results = csecoc, incl.tt = 0.9, outcome = "ecoc", case_labels = TRUE)

```

## ■ Appendix to Chapter 4

```
QCAradar(csecoc, outcome = "ecoc", fit = TRUE)

## parsimonious solution positive outcome
psECOC <- minimize(ttECOC, include = "?", details = TRUE, show.cases = TRUE, row.dom = TRUE, all.sol = FALSE)
psECOC
pimplot(data = BD, results = psECOC, incl.tt = 0.85, outcome = "ECOC", case_labels = TRUE)

QCAradar(psECOC, outcome = "ECOC", fit = TRUE, sol = 3)

#IDENTIFY SIMPLIFYING ASSUMPTIONS
SAECOC <- psECOC$SA
SAECOC

## parsimonious solution negation ##
psecoc <- minimize (ttecoc, include = "?", details = TRUE, show.cases = TRUE, row.dom = TRUE, all.sol = FALSE, use.tilde = FALSE)
psecoc
pimplot(data = BD, results = psecoc, incl.tt = 0.9, outcome = "ecoc")

QCAradar(psecoc, outcome = "ecoc", fit = TRUE)

# Intermediate solution positive outcome
isECOC <- minimize(ttECOC, include = "?", details=TRUE, show.cases=TRUE, row.dom=TRUE, all.sol=FALSE, dir.exp = "1, 1, 1, 1")
isECOC

# INTERMEDIATE SOLUTION NEGATION OUTCOME
isecoc <- minimize (ttecoc, include = "?", details=TRUE, show.cases=TRUE, row.dom=TRUE, all.sol=FALSE, dir.exp = "0, 0, 0 ,0")
isecoc

## full solution formula plots
pimplot(data = BD, results = csECOC, outcome = "ECOC", all_labels = TRUE)
pimplot(data = BD, results = psECOC, outcome = "ECOC", sol = 3, all_labels = TRUE)
pimplot(data = BD, results = isECOC, outcome = "ECOC", all_labels = TRUE)
pimplot(data = BD, results = csecoc, outcome = "~ECOC", all_labels = TRUE)
pimplot(data = BD, results = psecoc, outcome = "~ECOC", all_labels = TRUE)
pimplot(data = BD, results = isecoc, outcome = "~ECOC", all_labels = TRUE)
```

### **RSCRIPT 2:**

#### **## QCA Analysis belief-change core meaning (no change, gradual or u-turn) ##**

# Remove everything that might be in your R working space from previous analyses:

```
rm(list = ls())
```

## Load QCA and SetMethods package

```
library(QCA)
library(SetMethods)
```

## Set Working Directory:

```
setwd("~/Users/marijswinkels/desktop/qca/")
getwd()
```

# Load the ".csv" data file:



```

BO <- read.csv("KO_qca.csv", row.names = 1, sep = ";", dec = ",")
# now run this first before getting an error
# head() shows the first lines of the dataframe.
head(BO)

## explore the data ##

summary(BO)
names(BO)
rownames(BO)
colnames(BO)
View(BO)

BO$U
BO$G
BO$D
BO$E
BO$BO

## check for missings -- if it says false the variables are not missing

is.na(BO)

#####
## Direct Method of Calibration:
#####

# Used the "calibrate" function from the "QCA" package with the option
# "type" set to "fuzzy", to calibrate fuzzy sets. The last vector sets
# the thresholds.

UNI <- calibrate(BO$U, type = "fuzzy", thresholds = c(-2.2, 0.45, 3.1))
UNI
UNI <- round(UNI, digits = 2)
UNI
GD <- calibrate(BO$G, type = "fuzzy", thresholds = c(0.4, 0.95, 1.5))
GD
GD <- round(GD, digits = 2)
GD
DT <- calibrate(BO$D, type = "fuzzy", thresholds = c(60, 75, 90))
DT
DT <- round(DT, digits = 2)
DT
EI <- calibrate(BO$E, type = "fuzzy", thresholds = c(-0.88, 2.5, 8.96))
EI
EI <- round(EI, digits = 2)
EI
KOC <- calibrate(BO$BO, type = "fuzzy", thresholds = c(0, 9, 18))
KOC
KOC <- round(KOC, digits = 2)
KOC
FSBO <- data.frame(UNI, GD, DT, EI, KOC)
head(FSBO)
write.csv2(FSBO, "KOfuzzydata.csv")

rownames(FSBO) <- rownames(BO)
head(FSBO)

View(FSBO)

```

## ■ Appendix to Chapter 4

```
## put the calibrated data in the existing dataframe
BO$UNI <- UNI
BO$GD <- GD
BO$DT <- DT
BO$EI <- EI
BO$KOC <- KOC
head(BO)

## visualize distribution

plot(BO$UNI, BO$U, pch=18, col="black")
plot(BO$GD, BO$G, pch=18, col="black")
plot(BO$EI, BO$E, pch=18, col="black")
plot(BO$DT, BO$D, pch=18, col="black")
plot(BO$KOC, BO$BO, pch=18, col="black")

## check for skewness (number of cases with MS of 0.5 or more) ##

skewBO <- as.numeric(BO$KOC > 0.5)
sum(skewBO)
prop.table(skewBO)
#identify the names of cases with membership above 0.5
rownames(subset(BO, KOC > 0.5))

## truth table positive outcome ##

ttKOC <- truthTable(FSBO, outcome = "KOC", conditions = c("UNI", "GD", "DT",
                                                         "EI"), incl.cut = 0.9,
                  show.cases = TRUE, complete = FALSE, PRI=TRUE, sort.by = c("incl", "n"))
ttKOC

ttKOC$tt

write.csv(ttKOC$tt, "TruthTableKeynesianOrdoliberalPositiveNew.csv")

##truth table negative outcome ##

ttkoc <- truthTable(BO, outcome = "~KOC", neg.out=TRUE, conditions = c("UNI", "GD", "DT",
                                                                    "EI"), incl.cut = 0.85,
                  show.cases = TRUE, complete = FALSE, PRI=TRUE, sort.by = c("incl", "n"))
ttkoc

ttkoc$tt

write.csv(ttkoc$tt, "TruthTableKeynesianOrdoliberalNegativeNew.csv")

## necessity analysis ##
head(FSBO)

SUPSUB <- superSubset(FSBO, outcome="KOC",
                    conditions = c("UNI", "GD", "DT", "EI"),
                    relation = "necessity", incl.cut = 0.9, cov.cut = 0.6)

SUPSUB
head(SUPSUB)

pimplot(data = FSBO, results = SUPSUB, outcome = "KOC", necessity = TRUE, case_labels = TRUE, all_labels =
FALSE)

supsub <- superSubset(FSBO, outcome=~KOC", conditions = c("UNI", "GD", "DT", "EI"),
                    relation = "necessity", incl.cut = 0.9)
```

```

supsub
head(supsub)

pimplot(data = FSBO, results = supsub, outcome = "~KOC", necessity = TRUE, case_labels = TRUE, all_labels =
FALSE)

QCAfit(FSBO[, 1:4], FSBO$KOC, names(FSBO[, 1:4]), necessity = TRUE) #POSITIVE OUTCOME POSITIVE
CONDITION
QCAfit(1-FSBO[, 1:4], FSBO$KOC, names(FSBO[, 1:4]), necessity = TRUE) #POSITIVE OUTCOME NEGATIVE
CONDITION
QCAfit(FSBO[, 1:4], 1-FSBO$KOC, names(FSBO[, 1:4]), necessity = TRUE) #NEGATIVE OUTCOME POSITIVE
CONDITION
QCAfit(1-FSBO[, 1:4], 1-FSBO$KOC, names(FSBO[, 1:4]), necessity = TRUE) #NEGATIVE OUTCOME
NEGATIVE CONDITION

## analyse necessity for individual conditions ##
conds <- subset(BO, select = c("UNI", "GD", "DT", "EI"))
## positive outc
QCAfit(conds, BO$KOC, cond.lab = c("UNI", "GD", "DT", "EI"), necessity = FALSE, neg.out = FALSE)
## negative outc
QCAfit(conds, BO$KOC, cond.lab = c("UNI", "GD", "DT", "EI"), necessity = FALSE, neg.out = TRUE)

#SUFFICIENCY analysis ##
## conservative solution positive outcome ##
csKOC <- minimize(ttkOC, details = TRUE, show.cases = TRUE, row.dom = TRUE, all.sol = FALSE, use.tilde =
FALSE)
csKOC
pimplot(data = BO, results = csKOC, incl.tt = 0.9, outcome = "KOC", case_labels = TRUE)

QCAradar(csKOC, outcome = "KOC", fit = TRUE)

## conservative solution negation ##
cskoc <- minimize(ttkoc, details = TRUE, show.cases = TRUE, row.dom = TRUE, all.sol = FALSE, use.tilde =
FALSE)
cskoc
pimplot(data = BO, results = cskoc, incl.tt = 0.9, outcome = "koc", case_labels = TRUE)

QCAradar(cskoc, outcome = "koc", fit = TRUE)

## parsimonious solution positive outcome
psKOC <- minimize(ttkOC, include = "?", details = TRUE, show.cases = TRUE, row.dom = TRUE, all.sol = FALSE)
psKOC
pimplot(data = BD, results = psKOC, incl.tt = 0.9, outcome = "KOC", case_labels = TRUE)

QCAradar(psKOC, outcome = "KOC", fit = TRUE)

## parsimonious solution negation ##
pskoc <- minimize(ttkoc, include = "?", details = TRUE, show.cases = TRUE, row.dom = TRUE, all.sol = FALSE,
use.tilde = FALSE)
pskoc
pimplot(data = BO, results = pskoc, incl.tt = 0.9, outcome = "koc")

QCAradar(pskoc, outcome = "koc", fit = TRUE)

# Intermediate solution positive outcome
isKOC <- minimize(ttkOC, include = "?", details=TRUE, show.cases=TRUE, row.dom=TRUE, all.sol=FALSE,
dir.exp = "I, I, I, I")
isKOC

# Intermediate solution negation outcome

```

## ■ Appendix to Chapter 4

```
iskoc <- minimize (ttkoc, include = "?", details=TRUE, show.cases=TRUE, row.dom=TRUE, all.sol=FALSE, dir.exp  
="0, 0, 0, 0")  
iskoc
```

```
## full solution formula plot
```

```
pimplot(data = BO, results = cskKOC, outcome = "KOC", all_labels = TRUE)  
pimplot(data = BD, results = psKOC, outcome = "KOC", all_labels = TRUE)  
pimplot(data = BD, results = iskKOC, outcome = "KOC", all_labels = TRUE)
```

```
## full solution formula plot negation
```

```
pimplot(data = BO, results = cskoc, outcome = "~KOC", all_labels = TRUE)  
pimplot(data = BD, results = pskoc, outcome = "~KOC", all_labels = TRUE)  
pimplot(data = BD, results = iskoc, outcome = "~KOC", all_labels = TRUE)
```

## D. Necessity analyses

Table D.0 Analysis individual necessary conditions

Outcome	ECOC		~ECOC		KOC		~KOC	
	Con.N	Cov.N	Con.N	Cov.N	Con.N	Cov.N	Con.N	Cov.N
UNI	0.636	0.596	0.505	0.611	0.643	0.779	0.452	0.422
~UNI	0.585	0.478	0.665	0.702	0.523	0.553	0.763	0.622
GD	0.370	0.409	0.510	0.726	0.490	0.700	0.403	0.444
~GD	0.752	0.543	0.585	0.545	0.610	0.570	0.728	0.524
DT	0.748	0.589	0.520	0.528	0.663	0.675	0.542	0.452
~DT	0.400	0.393	0.594	0.753	0.435	0.552	0.585	0.573
EI	0.715	0.577	0.585	0.608	0.665	0.693	0.57	0.447
~EI	0.514	0.490	0.593	0.728	0.470	0.579	0.618	0.587

None of the individual conditions (or negations of the condition) lead to necessary conditions that pass the threshold of 0.9. When analysing conjunctions of conditions that are necessary for belief changes to occur, we automatically find more results (Thomann, Oana, and Wittwer 2018). Below, the conjunctions are shown that pass a consistency threshold of 0.9 and a coverage value of 0.6. For the outcome of economic dimension belief change (ECOC) and the negated outcome of core belief change (~KOC), no disjunction passed the 0.6 coverage.

Table D.1 Analysis necessary disjunctions ECOC

Disjunctions	Con.N	Cov.N
UNI+gd	0.935	0.542
uni+DT	0.961	0.583
uni+EI	0.907	0.471
gd+DT	0.903	0.501
gd+EI	0.984	0.549
DT+ei	0.967	0.584
UNI+GD+DT	0.914	0.481
UNI+DT+EI	0.908	0.494

Table D.2. Analysis necessary disjunctions ~ECOC

Disjunctions	Con.N	Cov.N
uni+dt	0.937	0.720
uni+EI	0.934	0.626
UNI+GD+DT	0.934	0.634
UNI+gd+ei	0.962	0.604
UNI+dt+ei	0.900	0.607
UNI+DT+ei	0.959	0.631
UNI+DT+EI	0.922	0.647
gd+dt+ei	0.966	0.612
gd+DT+EI	0.960	0.601

■ Appendix to Chapter 4

Table D.3. Analysis necessary disjunctions KOC

Disjunctions	Cons.Nec	Cov.Nec
UNI+DT	0.960	0.719
uni+EI	0.903	0.607
DT+EI	0.920	0.670
UNI+gd+ei	0.958	0.603

Table D.4 Analysis necessary disjunctions ~koc

Disjunctions	Cons.Nec	Cov.Nec
uni+gd	0.988	0.539
uni+EI	0.963	0.499
gd+dt	0.906	0.508
gd+ei	0.922	0.526
uni+DT+ei	0.903	0.512
UNI+dt+ei	0.901	0.470
gd+DT+EI	0.913	0.422
UNI+GD+DT+ei	0.951	0.459
UNI+GD+DT+EI	0.901	0.462

E. Truth tables

One truth table was constructed for each of the four possible outcomes and these show which cases hold membership in a given truth table row. Due to limited diversity, there are limited numbers of rows containing empirical cases (the logical remainders). The consistency cut-off point was set between 0.85 and 0.9. This cut-off point separates truth table rows that pass sufficiency to be both a consistent pathway and show enough empirical coverage from those that do not. For truth table E.1 (the presence of economic belief change), the cut-off point was set at 0.85. These scores were set in consideration of the large gap of sufficiency scores between truth table rows (Schneider and Wagemann 2012: 279).

Tables E.1 to E.4 present the truth table for the two outcome conditions and their negated outcomes.

Table E.1 Truth table Economic belief change (ECOC)									
Row	UNI	GD	DT	EI	ECOC	n	incl	PRI	cases
16	1	1	1	1	1	1	0,951	0,935	Rajoy2_3
6	0	1	0	1	1	1	0,914	0,550	ThorningSchmidt2_3
12	1	0	1	1	1	1	0,851	0,805	Monti2_3
1	0	0	0	0	0	1	0,786	0,538	Rasmussen1_2
4	0	0	1	1	0	2	0,675	0,489	Sarkozy1_2, Merkel1_2
3	0	0	1	0	0	1	0,641	0,495	Merkel2_3
10	1	0	0	1	0	2	0,466	0,089	Cowen1_2,Rutte2_3
14	1	1	0	1	0	1	0,417	0,022	Zapatero1_2
7	0	1	1	0	0	3	0,241	0,019	Kenny2_3,Orban2_3,Cameron2_3
2	0	0	0	1	?	0	-	-	

5	0	1	0	0	?	0	-	-	
8	0	1	1	1	?	0	-	-	
9	1	0	0	0	?	0	-	-	
11	1	0	1	0	?	0	-	-	
13	1	1	0	0	?	0	-	-	
15	1	1	1	0	?	0	-	-	

Table E.2 Truth table negation of Economic belief change (~ECOC)

ROW	UNI	GD	DT	EI	~ECOC	n	incl	PRI	cases
14	1	1	0	1	1	1	<b>0,987</b>	<b>0,978</b>	Zapatero1_2
7	0	1	1	0	1	3	<b>0,985</b>	<b>0,981</b>	Kenny2_3,Orban2_3,Cameron2_3
10	1	0	0	1	1	2	<b>0,948</b>	<b>0,911</b>	Cowen1_2,Rutte2_3
6	0	1	0	1	0	1	0,895	0,450	ThorningSchmidt2_3
1	0	0	0	0	0	1	0,750	0,462	Rasmussen1_2
4	0	0	1	1	0	2	0,689	0,511	Sarkozy1_2,Merkel1_2
3	0	0	1	0	0	1	0,648	0,505	Merkel2_3
12	1	0	1	1	0	1	0,386	0,195	Monti2_3
16	1	1	1	1	0	1	0,287	0,065	Rajoy2_3
2	0	0	0	1	?	0	-	-	
5	0	1	0	0	?	0	-	-	
8	0	1	1	1	?	0	-	-	
9	1	0	0	0	?	0	-	-	
11	1	0	1	0	?	0	-	-	
13	1	1	0	0	?	0	-	-	
15	1	1	1	0	?	0	-	-	

Table E.3 Truth table Keynesian/Ordoliberal belief change (KOC)

Row	UNI	GD	DT	EI	KOC	n	incl	PRI	cases
16	1	1	1	1	1	1	<b>0,975</b>	<b>0,968</b>	Rajoy2_3
14	1	1	0	1	1	1	<b>0,955</b>	<b>0,928</b>	Zapatero1_2
3	0	0	1	0	0	1	0,770	0,659	Merkel2_3
7	0	1	1	0	0	3	0,749	0,655	Kenny2_3,Orban2_3,Cameron2_3
10	1	0	0	1	0	2	0,733	0,619	Cowen1_2,Rutte2_3
4	0	0	1	1	0	2	0,732	0,643	Sarkozy1_2,Merkel1_2
1	0	0	0	0	0	1	0,714	0,333	Rasmussen1_2
12	1	0	1	1	0	1	0,645	0,464	Monti2_3
6	0	1	0	1	0	1	0,638	0,174	ThorningSchmidt2_3
2	0	0	0	1	?	0	-	-	
5	0	1	0	0	?	0	-	-	
8	0	1	1	1	?	0	-	-	
9	1	0	0	0	?	0	-	-	

■ Appendix to Chapter 4

11	1	0	1	0	?	0	-	-	
13	1	1	0	0	?	0	-	-	
15	1	1	1	0	?	0	-	-	

**Table E.4. Truth table negation Keynesian/Ordoliberal belief change**

Row	UNI	GD	DT	EI	~KOC	n	incl	PRI	cases
6	0	1	0	1	1	1	0,924	0,826	ThorningSchmidt2_3
1	0	0	0	0	1	1	0,857	0,667	Rasmussen1_2
10	1	0	0	1	0	2	0,565	0,381	Cowen1_2,Rutte2_3
3	0	0	1	0	0	1	0,555	0,341	Merkel2_3
7	0	1	1	0	0	3	0,523	0,345	Kenny2_3,Orban2_3,Cameron2_3
4	0	0	1	1	0	2	0,517	0,357	Sarkozy1_2,Merkel1_2
12	1	0	1	1	0	1	0,509	0,258	Monti2_3
14	1	1	0	1	0	1	0,423	0,072	Zapatero1_2
16	1	1	1	1	0	1	0,246	0,032	Rajoy2_3
2	0	0	0	1	?	0	-	-	
5	0	1	0	0	?	0	-	-	
8	0	1	1	1	?	0	-	-	
9	1	0	0	0	?	0	-	-	
11	1	0	1	0	?	0	-	-	
13	1	1	0	0	?	0	-	-	
15	1	1	1	0	?	0	-	-	



## F. Solutions

## I. Conservative solution

For a reduction or increase of a leaders' economic paradigm, the conservative solution formula shows that:  $EI(UNI*DT+uni*GD*dt) \Rightarrow ECOC$ .

This means that a reduction or increase of economic beliefs occurs when increased Euroscepticism (EI) is combined with (1) increased unemployment (UNI) and unsustainable debt (DT), or when it is combined with (2) decreased unemployment (uni), a deviating government orientation than your counterparts (GD) and (3) sustainable debt (dt). The formula seems to confirm a logical grouping of cases, as Monti and Rajoy faced similar processes at home. The high consistency of 0.892 provides evidence that the solution indeed corresponds to sufficient combinations. The coverage of 0.846 indicates that the solutions explains a significant *share* of the outcome's presence.

As for stability of leaders' economic paradigm, the *conservative solution* reads:  $UNI*dt*EI + uni*GD*DT*ei \Rightarrow ecoc$ . This solution formula specifies two pathways that may lead to the negated outcome where beliefs about the economy remain stable ( $\sim ECOC$ ). This may occur when leaders face (1) increased unemployment (UNI) but sustainable debt (dt) and increased Euroscepticism (EI) or (2) decreased unemployment (uni), a deviating government orientation than your counterparts (GD), unsustainable debt (DT) but no increased negative support (EI).

Table F.1: conservative solutions economic change

Outcome	Solution	inclS	PRI	Coverage		Cases
				covS	covU	
<i>Reduction or reinforcement of Economic paradigm</i>	UNI*DT*EI	0.876	0.850	0.486	0.442	Monti2_3; Rajoy2_3
	uni*GD*dt*EI	0.914	0.550	0.169	0.125	ThorningSchmidt2_3
		0.892	0.846	0.611		
<i>Stability of Economic paradigm</i>	UNI*dt*EI	0.967	0.950	0.398	0.369	Cowen1_2,Rutte2_3; Zapatero1_2
	uni*GD*DT*ei	0.985	0.981	0.268	0.268	Kenny2_3,Orban2_3,Cameron2_3
		0.977	0.969	0.637		

The conservative solution formula for presence of Keynesian/Ordoliberal belief change produced the following:  $UNI*GD*EI \Rightarrow KOC$  (see table F.2). The formula indicates that a combination of increased unemployment, government deviation and increased Euroscepticism leads to core belief changes.

As for political leaders who did not alter or move their core economic beliefs during the Eurozone crisis, the conservative formula tells us that:  $uni*GD*dt*EI + uni*gd*dt*ei \Rightarrow koc$ . The latter formula tells us that either the absence of all conditions or the absence of all conditions except government deviation leads to stability of core beliefs.

Table F.2: conservative solutions Keynesian/Ordoliberal change

Outcome	Solution	inclS	PRI	Coverage		Cases
				covS	covU	
<i>Moving core or alteration of beliefs</i>	UNI*GD*EI	0.972	0.962	0.327	-	Zapatero1_2; Rajoy2_3
<i>Core belief stability</i>	uni*GD*dt*EI	0.924	0.826	0.171	0.110	ThorningSchmidt2_3;
	uni*gd*dt*ei	0.857	0.667	0.297	0.235	Rasmussen1_2

■ Appendix to Chapter 4

Solution	0.888	0.764	0.406
----------	-------	-------	-------

2. Parsimonious solution

Table F.3. Parsimonious solution economic belief change

M3 solution formula:  $UNI*dt + uni*dt*EI = ECO$

M1 solution formula:  $UNI*dt + GD*ei = \sim ECO$

Outcome	Solution	Coverage			Cases
		inclS	covS	covU	
<i>Reduction or reinforcement of Economic dimension</i>	UNI*DT	0,867	0,530	0,398	Monti2_3; Rajoy2_3
	uni*dt*EI	0,840	0,278	0,049	ThorningSchmidt2_3
<i>No change of economic dimension</i>	M3 solution	0,875	0,704		
	UNI*dt	0,940	0,467	0,354	CowenI_2, Rutte2_3, ZapateroI_2
	GD*ei	0,968	0,372	0,049	Kenny2_3, Orbán2_3, Cameron2_3
	M1 solution	0,949	0,736		

Model ambiguity

Thiem and Baumgartner (2017: 955) state that many QCA analyses underreport on the result that there are often multiple causal models that produced by the data analysis. In the analysis, this results into the presentation of multiple models that present differing solution formulas. This is termed 'model ambiguity' and this occurred in this analysis when analyzing the parsimonious solution. Some analyses presented here provided multiple models and as such present the researcher with a choice. Based on a review of discussions amongst key QCA methodologists in the field, the researcher chose the model that had the highest inclusion and raw coverage score.<sup>2</sup> Where multiple models resulted from the analysis, the tables indicate the model chosen (indicated by M and a number).

Table F.4. Parsimonious solution k/o belief change

Solution formula:  $UNI*GD \Rightarrow KOC$ ;  $uni*dt \Rightarrow koc$

Outcome	Solution	Coverage			Cases
		InclS	PRI	covS	
<i>OrdoLiberal/Keynesian belief change</i>	UNI*GD	0,973	0,962	0,349	ZapateroI_2; Rajoy2_3
<i>Core belief stability</i>	uni*dt	0,909	0,842	0,512	RasmussenI_2; ThorningSchmidt2_3;

The formula for the presence of the outcome tells us that either a combination of increased unemployment and unsustainable debt leads to core belief changes. The formula for the absence of increased unemployment and unsustainable debt leads to core belief stability.

<sup>2</sup> Advice from Thiem (assembled on [researchgate.net](http://researchgate.net)): "take the model with the highest product score of inclusion and raw coverage as an objective criterion."

### 3. Intermediate solution

Direction of the expectations were set as follows. For positive outcome,  $UNI = 1$ ,  $GD = 1$ ,  $DT = 1$ ,  $EI = 1$  (and vice versa for  $\sim$  analysis).

For economic belief change, the solution formula reads:

$$EI(uni*GD + UNI*DT) => ECOC$$

$$UNI*dt + uni*GD*DT*ei => ecoc$$

Table F.5 intermediate solution economic belief change

Outcome	Solution	Cons	PRI	Coverage		
				Raw	Unique	Cases
<i>Reduction or reinforcement of Economic paradigm</i>	$uni*GD*dt*EI$	0,914	0,550	0,169	0,125	ThorningSchmidt2_
	$UNI*DT*EI$	0,876	0,850	0,486	0,442	3Monti2_3; Rajoy2_3
	Solution	0,892	0,846	0,611		
<i>Stability of Economic paradigm</i>	$UNI*dt$	0,940	0,910	0,467	0,419	Cowen1_2, Rutte2_3, Zapatero1_2
	$uni*GD*DT*ei$	0,985	0,981	0,268	0,220	Kenny2_3, Orban2_3, Cameron2_3
	Solution	0,956	0,941	0,687		

Table F.6: intermediate solution Keynesian/Ordoliberal belief change

Outcome	Solution	Cons	PRI	Coverage		
				Raw	Unique	Cases
<i>Ordoliberal/Keynesian belief change</i>	$UNI*GD*EI$	0,972	0,962	0,327	-	Zapatero1_2; Rajoy2_2
<i>Core belief stability</i>	$uni*dt$	0,909	0,842	0,512	-	Rasmussen1_2; ThorningSchmidt2_3;

## Appendix to Chapter 5

### I. Coding Manual

This coding manual was constructed on the basis of both deductive and inductive coding. Coming to the deductive list of codes, we build on existing literature that examines the Eurozone crisis and banking union in particular to derive codes.

Specifically, we used Hoing and Kunstein (2017) to identify different problem frames. In this study, we used three of the five frames they identify: crisis as a result of lack of 1) fiscal and economic coordination, 2) financial regulation, or 3) solidarity/trust. The other two frames do not relate to specific discussions about the banking union (these problems frames were: 1) crisis as result of construction of EMU and 2) crisis of democratic/legitimacy origin). Furthermore, we build on the work of Schäfer (2017), Wasserfallen et al (2019), and Hoing and Kunstein (2017) to identify various solution frames.

Schäfer (2017: 32), for example, identified seven contentious issues that played a role in the negotiations of the banking union (these are: idea of joint supervision, application of direct bank recapitalizations, ECB supervision power, scope of SSM, bail-in rules, mutualized SRF, and SRM veto-rights). We operationalized these contested issues to different concepts that we could use in our coding procedure.

Hoing and Kunstein (2017: 302) identify both possible solutions and specific instruments related to different problem frames. For the problem frame of financial regulation (crisis result of lack of financial regulation and supervision), the key solution they identify in scholarly literature is a banking union with a strong supervision component, facilitated by instruments as financial transaction tax, use of EFSF to bail-out banks, and a SSM and SRM.

Wasserfallen et al (2019: 17-21) provide a codebook to code for policy positions of member states on contentious issues regarding a multiplicity of Eurocrisis instruments. For the banking union they identify the following additional contentious issues (that were not already covered by the other two articles): a EU cap on bank bonuses, a centralization of capital buffers of banks, double majority decision-making of European Banking Authority (EBA), implementation deadlines of the SSM (quick vs. thorough), SRM decision-making powers, speed of SRF build-up, ESM backing for the Single Resolution Fund (SRF).

This deductive analysis of codes led to a list of 36 codes. Of these, 2 were not used by speakers in our discourse analysis, resulting in 34 codes that were deductively derived from published articles on the banking union.

To complement our deductive coding list, we decided to test this list and complement it with additional codes, through a preliminary analysis of about 10% of our data (70 random selected articles) This led to an additional 32 codes.

To deal with ambiguity in the coding process, we (1) developed this coding manual that left little room for speculation and (2) checked reliability of our coding on >10% of the dataset. Here, about 50% of the initial test-coding produced the same results for two separate coders, and the remaining 50% was discussed. Of this remaining 50%, 34% of coding was coded differently as a result of the question what consisted a statement. We can explain this as in the current literature on DNA, confusion exists on when something is considered a statement. For example, Rinscheid et al. (2019) code about 1956 statements in 558 newspaper articles, whereas others “only” find 367 claims in 1108 articles (cf. Wallaschek 2019). After discussing this, we came down to coding only those statements that included quotation marks. Changing that in the test-set, led to agreement on 34% of the statements (totaling the agreement between two coders in our test-round on 74%).

As a result, the final coding scheme contained 66 codes. These codes were part of 11 categories (column 3; table 1), and were classified as a problem frame, solution frame, general policy aim, or a norm (column 5; table 1).

Summing up: to assess the policy discourse around the set-up, decision-making, and implementation of the Banking Union, the scheme presented below has been used. Generally, all statements in newspaper articles – so called political claims – or clearly identifiable actors or organizations have been coded.

Table 1: coding list

No	Letter	Category	Claim	Type of frame
1	A	Financial regulation	BU benefit for currency union	Norm
1	B	Financial regulation	Bank-sovereign nexus	Problem frame
1	C	Financial regulation	Uncontrolled banking sector	Problem frame
1	D	Financial regulation	BU benefit for EU integration	Norm
1	E	Financial regulation	Necessity of BU	Norm
1	F	Financial regulation	BU for Euro area	General aim
1	G	Financial regulation	Stretching ECB mandate	Problem frame
1	H	Financial regulation	Financial transaction tax	Solution frame
1	J	Financial regulation	Capital requirements of banks	Solution frame
1	K	Financial regulation	BU is legitimate	Norm
1	L	Financial regulation	Strengthening non-Euro area position in BU	Solution frame
1	M	Financial regulation	Financial fragmentation poses risk to Eurozone	Problem frame
2	A	Solidarity	Risk-sharing breaks sovereign-bank nexus	Solution frame
2	B	Solidarity	Political solidarity between EU MS	General aim
2	C	Solidarity	Solidarity mechanism	General aim
3	A	Bail-in	Automatic bail-in	Solution frame
3	B	Bail-in	Discretion in application bail-in	Solution frame
3	C	Bail-in	Construction of bail-in regime	General aim
4	A	Recapitalisation	Use of ESM for recapitalization	Solution frame
4	B	Recapitalisation	Sharing liabilities throughout EU	Solution frame
4	C	Recapitalisation	Liabilities as national affair	Solution frame

<sup>1</sup> For an extensive list including examples and longer explanations for each statement, please contact the author

■ Appendix to Chapter 5

4	D	Recapitalisation	Pooling resources for recapitalization	Solution frame
4	E	Recapitalisation	Sharing liability only with shared supervision	Solution frame
5	A	Other	Establishing Eurobonds	Solution frame
5	B	Other	Use of securitisation (to improve credit flows)	Solution frame
5	C	Other	Deposit Guarantee Scheme of EU level	Solution frame
5	D	Other	Honoring Maximum Deposit Guarantees	Solution frame
5	E	Other	LTRO framework	Solution frame
5	G	Other	Non-functioning transmission belt	Problem frame
6	A	Fiscal and economic coordination	Sharing liabilities causes contagion	Problem frame
6	B	Fiscal and economic coordination	Fiscal profligacy increases sovereign debt	Problem frame
6	C	Fiscal and economic coordination	Domestic policy failure	Problem frame
6	D	Fiscal and economic coordination	Lack of competitiveness as cause for crisis	Problem frame
6	E	Fiscal and economic coordination	Outright Monetary Transactions	Solution frame
6	F	Financial regulation	BU should be preceded by fiscal union	General aim
7	A	Resolution fund	National veto right in decision-making	Solution frame
7	B	Resolution fund	SRF increases moral hazard	Solution frame
7	C	Resolution fund	Constructing SRF	General aim
7	D	Resolution fund	Mutualization of funds	Solution frame
7	E	Resolution fund	(network of) National funds for bank resolution	Solution frame
7	G	Resolution fund	ESM public backstop for SRF	Solution frame
7	H	Resolution fund	Mutualization within 3 years	Solution frame
8	A	Resolution mechanism	Constructing Single Resolution Mechanism	Solution frame
8	B	Resolution mechanism	Mutualizing funds and shared liability	Solution frame
8	D	Resolution mechanism	SRM helps protecting Eurozone	Norm
8	E	Resolution mechanism	Commission and SRB execute SRM decision-making	Solution frame
8	F	Resolution mechanism	Resolution and/or restructuring requires treaty change	Solution frame
9	A	Supervision	Shared supervision all banks	Solution frame
9	B	Supervision	Significant banks shared supervision	Solution frame
9	C	Supervision	Shared supervision prevents moral hazard	Norm
9	D	Supervision	Shared supervision threatens economic sovereignty	Norm
9	E	Supervision	ECB executes shared supervision	Solution frame
9	F	Supervision	Independent institution executes shared supervision	Solution frame
9	G	Supervision	ECB supervision increases moral hazard	Norm
9	H	Supervision	Restrict scope of supervision	Solution frame
9	I	Supervision	Construction of Shared Supervision	General aim
9	J	Supervision	Call for fast implementation of policy measures	Solution frame
9	K	Supervision	European Stability Forum	Solution frame
10	A	Structural Reforms and control	Need for structural reforms	Solution frame
10	B	Structural Reforms and control	Instruments of control needed	Solution frame
11	A	EU integration	Crisis threatens EU integration	Problem frame
11	B	EU integration	Review of policy action or instruments needed	Solution frame
11	C	EU integration	Grexit in benefit of currency union	Norm
11	D	EU integration	Backing of BU leads to electoral risk	Norm

11	E	EU integration	Euro president	Solution frame
11	F	EU integration	Call for central EU budget	Solution frame

### Coding process

The coding of statements in the articles was carried out using the Discourse Network Analysis software (DNA 2.0 beta 25; Leifeld 2016). The n=836 articles were all coded according to the following steps:

1. The articles selected for analysis were sorted according to date of publication, author, source, and type of resource before loading them into the software.
2. The regex highlighter was used to search for the word banking union, words related to speaking (such as 'said', 'told', 'argued', 'stated', 'expressed', 'mention', or 'stressed'), and quotation marks. This allowed coders to identify statements in the articles.
3. Coding of statements occurred only if:
  - a. The statement was expressed by an identifiable claimant (both an organization and person or only a person or an organization). For example: when the claimant was an 'ECB official', or 'European Commission official', these were coded as ECB/European Commission respectively. But, when the claimant was referred to as a 'EU official' or 'diplomat', we could not code the statements as both the person as well as the organization they work for were unclear.
  - b. The statement related to one of the identified concepts of the coding list. Other statements, related to different Eurocrisis policy measures not related to the Banking Union, were not coded.
  - c. If the BU was used as a byline in articles, we decided not to code these passages of text. The BU was then often used as an argument for something else, rather than it being the key element of discussing (e.g. in the source Financial Times it was often used in debates over a possible Brexit, rather than a topic of discussion itself).
  - d. To ensure reliability over completeness of coding, we only coded what was truly between quotation marks, and not coded parts of the article where authors hinted at what people had said or were going to say (that also included parts of a sentence). Furthermore, we coded fragments as statements if they were clearly op-ed articles by a relevant actor in the process.
4. For all statements, we coded on four variables: person, organization, concept (from list) and agreement.
5. For parts of the article that were not relevant for coding, but deemed relevant for subsequent process-tracing or analysis, we used the option 'Annotation' (n=366). The annotations were guided with a description as to why we selected these fragments. These annotated texts served as first observations about the data that we later could use in the analysis. The annotated data included information on actor constellations and conflict dynamics – the two critical antecedents of our model. For example: an article claimed that "Jorg Asmussen, whose support for Draghi,

## ■ Appendix to Chapter 5

during the worst days of the Eurozone crisis last year, gave crucial German backing for the ECB's measures. He backed Draghi's efforts, his German predecessor resigned over similar policies from Trichet. Officials credited him with being a key bridge between the Bundesbank and German finance ministry'. We annotated this as a signal that Asmussen may had a more lenient stance towards proposed ECB measures than his predecessor – possibly less conflictual dynamic in governing board of ECB. We also annotated statements and texts in 'hindsight' articles rather than coding these (e.g. a 2014 article reflecting back upon events in 2012) to make sure that all data is coded on the right date.

### *Classifying organizations*

For the data visualization and analysis, we deemed it relevant to differentiate between the different types of organizations involved in the policy process. The name of the organization was specified using a prefix indicating characteristics of different types of organizations. We used the following prefixes:

Prefix	Meaning	Example
TT	Think-tank	Analist at CEPS; Bruegel; ECFR; Bloomberg; PIIE
Pol_gov	Political actors pertaining to Member States (MS) government	e.g. leaders/ministers at office of French president, PM's office;
Pol_EU	Political actors pertaining to EU institutions	e.g. President of European Council), President of or Commissioner of European Commission; chair of European Parliament; chairman Eurogroup;
Pol_minfin	Political actors pertaining to ministry of economics/finance of MS government	Dutch minister of finance; Chancellor of the Exchequer's office
Pol_govopp	Political actors pertaining to political parties in MS government	Members of SDP; Greens; Conservatives
Pol_EUopp	Political actors pertaining to EU political party	MEPs of EU parties, factions in EP
Eco_gov	Economic policy actor pertaining to MS government	National Central Bank actors (Bundesbank, Bank of England, De Nederlandsche Bank) or a national regulator (e.g. Bafin)
Eco_EU	Economic policy actor pertaining to EU institution	Board member of European Central Bank (ECB); chairman European Banking Authority (EBA); chairman European Investment Bank; board member European Stability Mechanism
Eco_Int	Economic policy actor pertaining to international organization	Board member of International Monetary Fund, chairman of the Worldbank
Bur_EU	Policy actor pertaining to EU institutions	Secretary at DG ECOFIN; coordinator implementation SSM
Fin_Ins	Actor pertaining to private financial institutions	CEO of BNP Paribas; ING bank economist; Deutsche Bank official; strategist at Morgan Stanley; strategist at Citigroup
Org_Lobby	Actor pertaining to lobby/advocacy organization	E.g. Chair of Bundesverband Deutscher Banken; Deutscher Sparkassen- und Giroverband; Soros Foundation



**Coding examples**Example 1:

"We have to be able to resolve banks without using taxpayers' money and without disrupting the payment system" said Mario Draghi, chief of ECB

Person: Mario Draghi

Organization: Eco\_EU ECB

Concept: 3A – Automatic bail-in

Agreement: yes

Example 2:

Speaking in Berlin, David Cameron added that he "wouldn't ask British taxpayers to stand behind the Greek and Spanish deposits"

Person: David Cameron

Organization: Pol\_gov UK prime minister's office

Concept: 4B - sharing liabilities throughout EU

Agreement: no

Example 3 (two concepts in one statement):

"Banking Union in the EU would be another important milestone to preserve the single currency and re-energise the single market", Mr Bonnafé (BNP) said, praising the "quite impressive pace" of headway to create a single Eurozone banking supervisor within the ECB.

Person: Jean-Laurent Bonnafé

Organization: Fin-Ins BNP Paribas

Concept: 1A – Banking Union benefit for the currency union

Agreement: yes

Person: Jean-Laurent Bonnafé

Organization: Fin-Ins BNP Paribas

Concept: 9J – Fast implementation of policy measures

Agreement: yes

■ Appendix to Chapter 5

2 Timeline summits and meetings EU in BU process

Date	Institution	Timeline SSM	Timeline SRM	Timeline SRF	Timeline DRI ESM
24-05-2012	European council	General EU summit – no clear outcome			
30-05-2012	European Commission	General proposal for Banking Union			
29-06-2012	European Council	Proposal policy guidelines SSM			Proposal policy direct recapitalizations
12-09-2012	European Commission	Legislative proposal design SSM	Call for policy proposal SRM		
13/14-12-2012	European Council	Adoption design SSM	Proposal guidelines SRM		Proposal for operational framework ESM capitalizations
19-03-2013	European Parliament	Adopts SSM legislative package			
21-06-2013	Ecofin (CoM)				Proposal operational framework for direct bank recapitalization through ESM
10-07-2013	European Commission		Legislative proposal design SRM		
15-10-2013	Ecofin (CoM)	Adopts SSM regulation			
18-12-2013	Ecofin (CoM)			Proposal policy guidelines SRF	
19-12-2013	European Council		Adopts general approach SRM		
19-03-2014	EU parliament		Adopts SRM legislative package		
10-06-2014	European Council				Adopts direct recapitalizations instrument
15-07-2014	EU parliament and CoM		Regulation SRM entered into force	Regulation SRF	
04-11-2014	ECB	Operational SSM mechanism			
08-12-2014	ESM				Operational instrument direct bank recapitalizations at ESM



## CURRICULUM VITAE

### PROFILE

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Marij Swinkels (1989) is Assistant Professor at the Utrecht School of Governance (USG), Utrecht University. She is passionate about academic teaching and creating societal impact through research and teaching. In her PhD, she explored how, when and why the beliefs of European political leaders matter in European crisis management.

Since the start of her appointment at USG in August 2015, Marij has been involved in courses on political leadership, policy analysis, and public administration. In 2019, Marij was awarded the [Utrecht University Teacher Talent Award](#).

Marij founded [inclUUsion](#), a project to increase access to higher education for refugee students. In 2017, she won the Social Impact Award of her faculty for this project. In 2020, Utrecht University awarded her and her colleagues Hilke Grootelaar, Elena Valbusa with the [UU Silver Medal](#) for this project. Furthermore, Marij writes about her experiences as an academic on the website [Faces of Science](#) and for the UU's newspaper [DUB](#). Throughout the years, Marij has commented at various occasions on crisis management and political leadership on national news channels, in national newspapers, and gave guest lectures and presentations about these topics to a broad audience. As a result of these activities, Marij was granted a [Public Engagement fellowship](#) of Utrecht University in 2020 to further develop commitment to public engagement within her faculty.

Prior to starting work at Utrecht University, Marij worked as a researcher for the Netherlands School of Public Administration (NSOB) and the Centre for Societal Security at the Swedish Defence University (FHS).

### PUBLICATIONS

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## ■ Nederlandse samenvatting (Dutch summary)

### Nederlandse samenvatting (Dutch summary)

*'Tijden van crisis zijn altijd tijden van worsteling ... tijden van opkomen voor een idee.'* Dat waren de woorden van Angela Merkel toen zij met haar collega Emmanuel Macron een Frans-Duits plan presenteerde in 2020. Dit herstelfonds van 500 miljard voor economisch herstel na de coronacrisis - werd begin 2020 gezien als een radicaal plan. Met name de Duitse ideeën ten aanzien van Europese noodsteun waren drastisch veranderd ten opzichte van eerdere economische crises. De uitspraak van Merkel lijkt daarmee te suggereren dat ideeën die leiders erop nahouden een belangrijke basis vormen voor de beleidskeuzes die ze zullen maken. Maar, hoe komen we erachter welke ideeën van politiek leiders er schuilgaan achter de beleidskeuzes die ze maken en wanneer leiders hun ideeën aanpassen? Door welke ideeën, overtuigingen en waardensystemen laten politiek leiders zich eigenlijk leiden tijdens een grensoverschrijdende crisis? Met deze grote vragen betrad ik enkele jaren geleden de bestuurskundige academische arena, op het moment dat de eurocrisis in alle hevigheid woedde in de EU. Deze vragen zijn vandaag de dag nog altijd, of wederom, relevant.

Waarom kwamen juist die vragen over ideeën van leiders bij me op? Specifiek in de Eurocrisis ontbrak het de EU aan regelgeving, organisatie-capaciteit en gemeenschappelijk leiderschap om effectief met deze nieuwe crisis om te gaan. De bestaande set aan regelgeving bleek onvoldoende om een antwoord te geven op de uitdagingen van de crisis. Daardoor raakten de ogen gericht op de EU-regeringsleiders en hun ministers van financiën. Als de belichaming van intergouvernementele organen van de EU – de Europese Raad en de Eurogroep – bleken deze leiders het voortouw te nemen om de crisis het hoofd te bieden. Al voortploeterend en ad-hoc ontstond een crisismanagement organisatie die zich het best liet kenmerken als een 'Eurotoppen-crisissysteem'. Via een toenemend aantal onvoorziene EU-tops werd het managen van de Eurocrisis steeds verder vormgegeven. EU-leiders navigeerden daarbij op onbekend terrein, zonder bestaand instrumentarium of bestaande capaciteit als basis. Navigeren op onbekend terrein betekende dat EU-leiders werden teruggeworpen op hun eigen (al bestaande) ideeën en aannames over de crisis en over 'juist economisch beleid' om uit de crisis te komen als kompas voor hun besluitvorming. Dat navigeren bleek ingewikkeld. Voorstanders van bezuinigingsbeleid lagen in de clinch met voorstanders van stimuleringsbeleid. Voorstanders van verdere Europese integratie van het economisch beleid botsten met tegenstanders van meer Europese supranationale bevoegdheden op het gebied van regulering en toezicht van fiscaal beleid.

De ideeën, verschillen en verandering in ideeën van leiders noem ik in dit proefschrift ideationele dynamiek. Deze ideationele dynamiek tussen leiders op en rondom de Europese toppen waar ze elkaar spraken konden een gecoördineerde aanpak verhinderen, bemoeilijken, of juist mogelijk maken. Een bekend voorbeeld waarbij die confronterende ideationele dynamiek voor het grote publiek zichtbaar was, was de ontmoeting tussen de Griekse minister van financiën Varoufakis en Eurogroep voorzitter en Nederlandse minister van financiën Jeroen Dijsselbloem over de voorwaarden van (nood)steun aan Griekenland. De eerstgenoemde beschuldigde laatstgenoemde van te strikte ideeën over de voorwaarden

voor noodsteun, en de laatstgenoemde beschuldigde de eerstgenoemde over zijn 'onjuiste' begrip van hoe de EU werkt. Ideationele dynamiek – zowel de eigen ideeën van leiders als ook de manier waarop ze ideeën uitwisselden – leek daarmee een belangrijk punt om te bestuderen omdat het zicht gaf op de vraag of EU-leiders wel of niet tot gedeelde crisisoplossingen zouden kunnen komen.

Deze verwondering leidde tot de volgende hoofdvraag die in dit proefschrift centraal staat:

*Hoe gaf 'ideationele dynamiek' vorm aan de wijze waarop leiders van EU-lidstaten reageerden op de Eurocrisis?*

In dit proefschrift is deze vraag door middel van verschillende deelonderzoeken onderzocht. De deelonderzoeken zijn op zichzelf staande, losse studies, die verscheidene elementen van deze hoofdvraag beantwoorden. Op deze verschillende deelonderzoeken wordt verderop in deze samenvatting verder ingegaan. Eerst sta ik stil bij de academische literatuur waarbinnen dit onderzoek is geïncorporeerd: literatuur over grensoverschrijdende crises, literatuur over Europese leiders, en literatuur over ideeën.

Volgens de literatuur over grensoverschrijdende crises kan de casus die aan de orde is in dit proefschrift, de Eurocrisis, worden gedefinieerd als een grensoverschrijdende crisis omdat deze crisis: (1) meerdere domeinen, landen, en beleidsgebieden overschreed, (2) gekenmerkt werd door een 'sluipend' proces waarbij de situatie ineens radicaal kon escaleren, (3) complexe en onbekende oorzaken had, (4) door meerdere actoren met conflicterende verantwoordelijkheden (en opvattingen daarover) gemanaged moest worden, en (5) niet kon worden opgelost door het bestaande beleid. Wanneer een crisis aan deze vijf kenmerken voldoet vergroot dat de kans dat het managen van een dergelijke crisis gebeurt in een debat tussen verschillende beleidsactoren met elk hun eigen ideeën en aannames over de crisis. Dat maakt het bestuderen van die ideeën en aannames relevant om te begrijpen hoe grensoverschrijdend crisismanagement verloopt. Deze invalshoek, om de rol van individuele actoren en hun ideeën en aannames te bestuderen in Europees crisismanagement, is relatief nieuw voor studies over crises in een Europese context. Deze studies gaan tot dusver traditioneel gezien vaker over het managen van crises door Europese instituties of EU-lidstaten. Voortbouwend op deze literatuur wordt in dit proefschrift dus specifiek naar individuele actoren (en de samenwerking/samenhang tussen hen) gekeken.

Daarop aansluitend wordt in de beschikbare literatuur over Europese leiders voornamelijk gekeken naar taken, vaardigheden, doelen, processen, en stijlen van leiderschap, en in mindere mate naar ideeën en aannames. Dat staat haaks op de analyses van verscheidene wetenschappers binnen de literatuur over de rol van ideeën in beleid die hebben geconcludeerd dat ideeën en 'ideationele dynamiek' de drijvers van grote politieke en institutionele veranderingen zijn geweest in de geschiedenis van de Europese economische en monetaire integratie. In mindere mate hebben wetenschappers bestudeerd hoe de inhoud van ideeën van individuele leiders en de processen van transmissie van de ideeën door leiders een rol spelen in Europese crises. In dit proefschrift staat de inhoud van de ideeën van leiders en de processen

## ■ Nederlandse samenvatting (Dutch summary)

van verandering van hun ideeën en de transmissie ervan centraal. Het proefschrift brengt daarmee een individueel perspectief op leiders en een ideationeel perspectief samen in het academisch debat over Europees grensoverschrijdend crisismanagement.

Vanuit de hierboven geïntroduceerde hoofdvraag en de perspectieven uit de literatuur over Europees crisismanagement, Europees leiderschap, en de rol van ideeën in beleid, zijn verschillende deelstudies opgezet en uitgevoerd. Deze deelstudies worden hier kort toegelicht aan de hand van de opzet, methodologie en belangrijkste bevindingen.

In de eerste deelstudie van dit proefschrift – hoofdstuk 2 – staat de theorie achter ideeën en de manieren waarop je ideeën kunt onderzoeken centraal. Deze studie is opgezet volgens de principes van een systematische literatuurstudie. In deze studie zijn ruim 70 artikelen over de concepten 'idee' en 'ideeënverandering' met elkaar vergeleken om antwoorden te vinden op de vraag wat ideeën zijn, wat ze betekenen in beleidsprocessen, hoe ze bestudeerd worden en wanneer ze onderhevig zijn aan verandering. Deze literatuurstudie onderscheidt drie verschillende perspectieven op ideeën: (1) ideeën als heuristieken of overtuigingen die mensen gebruiken als 'snelkoppeling' of interpretatiekader voor wat er in de wereld om hen heen gebeurt; (2) ideeën als de inhoud van een discours waarbij ze dienen als retorische instrumenten in politiek debat; (3) ideeën als geïnstitutionaliseerde paradigma's die structuur bieden aan de sociale realiteit waarin mensen verkeren (een bekend voorbeeld van een paradigma is het 'neoliberalisme').

Deze perspectieven op ideeën hebben consequenties voor de manier waarop wordt nagedacht over de mechanismen die tot verandering van ideeën leiden. Vanuit het eerste perspectief wordt aangenomen dat ideeën veranderen door leerprocessen. Condities die die leerprocessen op gang brengen zijn exogeen (crisis, onverwachte gebeurtenissen) of endogeen (verandering in persoonlijkheid of nieuwe ervaringen die iemand opdoet). Vanuit het tweede perspectief wordt betoogd dat ideeën veranderen door sociale interactie en overtuiging van anderen. Ideeën veranderen onder invloed van zogenaamde 'beleidsondernemers' die in staat zijn om anderen te overtuigen van alternatieve ideeën. Vanuit het derde perspectief wordt aangenomen dat ideeën veranderen door het mechanisme van socialisatie, onder invloed van bedreigingen of onhoudbaarheid van de tot dan toe dominante idee-systemen. Verder liet deze theoretische studie zien dat er vele manieren zijn om ideeën te bestuderen: van het analyseren van denkbeelden in speeches, tot discoursanalyse, tot het doen van experimenteel onderzoek. Deze theoretische deelstudie vormde de basis om ideationele dynamiek te bestuderen in een specifieke beleidscontext (de Eurocrisis). De inzichten uit deze studie leveren verder een bijdrage aan de literatuur over beleid en bestuur, door het vaak gebruikte, maar 'fuzzy' concept van 'ideeën' nader te duiden.

In de tweede deelstudie van dit proefschrift – hoofdstuk 3 – is de relatie tussen persoonlijkheidskenmerken van leiders en economische druk, en het diagnosticeren van een crisis onderzocht. Hoe diagnosticerden leiders de Eurocrisis als een economische crisis en hoe speelden economische druk in hun eigen land en hun persoonlijkheidskenmerken daarbij een rol? In deze studie is gebruik gemaakt van theorie over leiderschap in crisismanagement. Op basis daarvan zijn verwachtingen



geformuleerd ten aanzien van de invloed van persoonlijkheidskenmerken (zelfvertrouwen, cognitieve complexiteit, open houding ten aanzien van nieuwe informatie, en controledrang) en economische druk (groeiende schuld-, begrotings- en werkloosheidscijfers) op de ideeën van leiders ten aanzien van de ernst van de Eurocrisis. Door middel van leiderschapskenmerkenanalyse (LTA) en analyse van Eurostat data zijn kenmerken en economische druk onderzocht. Op basis van kwalitatieve documentanalyse van speeches van leiders is onderzocht in hoeverre leiders urgentie, dreiging, en onzekerheid ervaren, en hoe leiders zich 'eigenaarschap' van de crisis toe-eigenden. De bevindingen van deze deelstudie laten zien dat economische druk en leiderschapskenmerken beiden gedeeltelijk van invloed zijn op de ideeën die leiders hebben over een crisis. Dit resultaat zorgt ervoor dat het diagnosticeren van een crisis als een crisis in een EU-context door vele gezichten op veelal verschillende en soms uiteenlopende wijzen gebeurt. De implicatie is dat in het bestuderen van grensoverschrijdend crisismanagement in de EU rekening moet worden gehouden met de invloed van contextuele en persoonlijkheidskenmerken van de individuele leiders die verantwoordelijk zijn voor het managen van de desbetreffende crisis.

In de derde deelstudie van dit proefschrift – hoofdstuk 4 – zijn combinaties van factoren die van invloed zijn op de stabiliteit en flexibiliteit van economische ideeën van Europese regeringsleiders nader onderzocht. Hierbij is gebruik gemaakt van een theoretisch kader over ideeën en ideeënverandering van individuele actoren. Allereerst is onderzocht welke economische ideeën Europese regeringsleiders erop nahouden. Hiervoor is gebruik gemaakt van de Comparative Cognitive Mapping database van Van Esch et al. (2018). In deze database is data te vinden over ordoliberalen en Keynesiaanse economische denkbeelden van leiders. Ordoliberalen gaan over de ideeën dat economische crises beteugeld kunnen worden door verregaande bezuinigingen en het handhaven van prijsstabiliteit. Keynesiaanse denkbeelden gaan over een set aan ideeën gericht op overheidsinvesteringen in noodlijdende sectoren om op die manier economische groei (weer) aan te kunnen zwengelen. Met data uit het Comparative Cognitive Mapping project is op verschillende momenten in de crisis onderzocht 'hoeveel' ordoliberalen of Keynesiaanse ideeën leiders propageerden in speeches. Zo kon worden vastgesteld of leiders hun ideeën veranderden in de Eurocrisis. Vervolgens is door middel van kwalitatief vergelijkende analyse (QCA) bij 12 Europese leiders onderzocht welke combinatie van factoren van invloed is op stabiliteit of verandering van hun ideeën. In deze studie zijn combinaties van vier factoren onderzocht: groeiende Eurosceptis onder de eigen bevolking, ideologische afstand ten opzichte van andere Europese leiders, en staatsschuld- en werkloosheidscijfers. De resultaten laten zien – in navolging van de eerdere bevindingen in hoofdstuk 3 – dat groeiende werkloosheidscijfers en groei van de staatsschuld een noodzakelijke combinatie van condities vormen om de economische ideeën van leiders te doen veranderen. De socio-economische context van leiders van noodlijdende landen zorgde bijvoorbeeld voor aanpassing van Keynesiaanse ideeën naar meer dominante ordoliberalen ideeën die gepropageerd werden door leiders van landen met minder economische problemen. Deze studie heeft theoretische implicaties voor het bredere debat over causaliteit en verandering van ideeën. Het onderzoek toont aan dat sprake is van meervoudige causaliteit in de studie van ideeënverandering. De resultaten bevestigen de these dat contextuele factoren van invloed

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## ■ Nederlandse samenvatting (Dutch summary)

zijn op de ideeën van leiders in een crisis en dat dit vervolgens beïnvloedt hoe ze reageren op crises. Door de uiteenlopende contexten waarvan uit EU-leiders opereren bleven de ideeën van leiders uiteenlopen. Deze discrepantie bemoeilijkt of begrenst de kansen die er zijn om tot een gezamenlijke respons te komen gedurende dit type grensoverschrijdende crisis.

In de laatste deelstudie van dit proefschrift – hoofdstuk 5 – is onderzocht hoe ideeën van leiders van invloed zijn geweest op de totstandkoming van een radicale beleidsverandering in de Europese schuldencrisis: de oprichting van een bankenunie. De bankenunie gaat over Europees georganiseerd toezicht op systeembanken en een gezamenlijke Europese afwikkeling van noodlijdende banken. Dat beleidsidee zong al sinds de jaren '60 rond, zelfs voor het ontstaan van de EU in huidige vorm en voor de oprichting van een Economische en Monetaire Unie. Jarenlang was deze set aan ideeën niet in zwang, en ook in de Eurocrisis zelf werd het een tijd lang niet als levensvatbaar idee gezien. Toch kwam die bankenunie er. Hoe kwam dat zo?

In deze studie is gebruik gemaakt van een theoretisch kader over institutionele verandering, dat veronderstelt dat een 'gedeelde ideeënverandering' een noodzakelijke conditie is voor een institutionele verandering als de bankenunie. Dit theoretisch model is empirisch getest door middel van Discours Network Analyse. Dat houdt in dat een discursief netwerk van uitspraken door leiders in Europese media is geanalyseerd. Zo werd inzichtelijk gemaakt hoe ideeën van beleidsactoren over grootscheepse beleidsverandering opkwamen, verspreid werden en geaccepteerd werden door steeds meer 'spelers' in het beleidsspel, en hoe deze ideeën uiteindelijk werkelijkheid werden. De bevindingen van deze studie laten zien dat leiders met gedeelde ideeën langzaam prominente plekken verwierven in het dominante beleidsdiscoursnetwerk, waardoor ze in staat waren om hun ideeën te implementeren. In de tijd dat Mario Draghi directeur werd van de ECB, werd bijvoorbeeld François Hollande president van Frankrijk, en Mario Monti premier van Italië. Deze en andere leiders hadden gedeelde ideeën over de aanpak van de Eurocrisis. Zij waren daarmee 'positioneel' in staat om die ideeën een 'duwtje' in de richting van het dominante beleidsdiscours te geven. Deze 'alternatieve' ideeën werden steeds vaker overgenomen door andere spelers in het beleidsdiscoursnetwerk en langzaam de geldende norm. Deze studie laat zien dat een beleidsidee van een leider an sich daarmee niet per se 'machtig' is, maar een door velen gedeeld idee is dat wel, en kan zo beleidswerkelijkheid worden. Het laat daarmee ook zien dat door discursieve interacties de eerdergenoemde aanhoudende cognitief-ideationele verschillen tussen leiders doorbroken kunnen worden. Dat is belangrijk omdat het doorbreken van die verschillen leidde tot meer convergentie in de ideeën van leiders en daarmee tot een gedeelde financiële en economische beleidsrespons die nodig was om de crisis het hoofd te bieden. De vorming en rol van informele coalities rondom alternatieve ideeën is daarmee essentieel om te begrijpen hoe een gezamenlijke respons zoals de bankenunie op een grensoverschrijdende crisis kan ontstaan.

Op basis van de inzichten uit de vier deelstudies is een antwoord op de hoofdvraag in dit proefschrift te geven: ideationele dynamieken vormen de reacties van leiders op een crisis op verschillende manieren. Ten eerste zijn contextuele condities en persoonlijkheidskenmerken van invloed op de manier

waarop leiders een crisis definiëren alsook op de economische ideeën die leiders erop nahouden. Ten tweede kan worden geconcludeerd dat leiders met meer vastberaden, of vastzittende ideeën over een crisis of de economie de mogelijkheden tot gezamenlijke besluitvorming beperken. Ten derde kunnen discursief-ideationele interacties tussen leiders ideële verschillen verkleinen zodra een grotere groep leiders met gedeelde ideeën op belangrijke posities terecht komt. Die dynamiek helpt om tot een gezamenlijke respons te kunnen komen en zo Europese crises het hoofd te kunnen bieden.

Terug naar de literatuur: wat zijn nu bijdragen van dit proefschrift aan de academische literatuur? Samenvattend geeft dit proefschrift meer inzicht in de manier waarop Europese leiders samen Europese crises managen. Terugkijkend naar de eerdergenoemde literatuur over grensoverschrijdend crisismanagement, presenteert dit proefschrift bewijs voor de these dat ideationele dynamiek van leiders een belangrijke rol speelt in Europees crisismanagement. Het proefschrift levert daarmee een bijdrage aan de overwegend institutionele literatuur over Europees crisismanagement omdat het licht schijnt op de – onderbelichte rol van – leiders in een grensoverschrijdende crisis als de Eurocrisis, en de moeilijkheden van gedeeld leiderschap in het oplossen daarvan. Het laat daarmee zien dat crisismanagement in de EU niet enkel een technisch en rationeel proces is, maar een worsteling en puzzel over definities van en oplossingen voor een crisis. De inzichten uit de studies van dit proefschrift helpen daarom om de *inhoud* van crisismanagement te duiden, naast het proces van crisismanagement door leiders.

Daarnaast levert dit proefschrift een bijdrage aan de literatuur over Europees economisch beleid en de rol van leiders daarin. Niet alleen laat het proefschrift zien dat het de moeite waard is om individuele actoren binnen EU-instituten te bestuderen, en die EU-instituten niet als institutionele, uniforme actoren te behandelen. Het laat ook zien dat die individuele actoren soms een sleutelrol vervullen om de koers of zelfs het kompas van de crisis te kunnen wijzigen. De bankenunie studie in dit proefschrift laat dat bij uitstek zien: het waren niet instituten die de zaak in beweging zetten, maar verschillende individuen in Europese en nationale instituten die gezamenlijk tot gedeelde ideeën kwamen.

Een derde bijdrage van het proefschrift aan de academische literatuur gaat over Europees economisch beleid en ideeën over wat er gebeurt binnen de grotere paradigmatische systeem-ideeën die het beleidsveld lijken te domineren. Zo schijnt het proefschrift licht op de cognitieve en discursieve praktijken van leiders binnen dominante paradigma's, en hoe leiders daarbinnen in staat zijn die paradigma's te doen laten verschuiven. Kortom: de bevindingen in dit proefschrift vragen om een meer individueel-ideationeel perspectief in de studie van EU economisch beleid om de complexiteit van gedeeld leiderschap in een grensoverschrijdende crisis beter te kunnen begrijpen.

Een laatste academische bijdrage van dit proefschrift is methodologisch van aard. Door de literatuurstudie in hoofdstuk 2 is meer zicht verkregen in de manier waarop ideeën onderzocht en 'gemeten' kunnen worden in beleidsstudies. Op basis van de inzichten uit hoofdstuk 2 zijn verschillende methodes toegepast in dit proefschrift, zoals kwalitatief vergelijkende analyse (QCA) en discours-netwerk analyse (DNA). Deze methoden zijn waardevolle methoden gebleken om systematisch, open, en

## ■ Nederlandse samenvatting (Dutch summary)

transparant te onderzoeken of ideeën van individuele actoren veranderen en welke condities die verandering zouden kunnen verklaren. Dit biedt aanknopingspunten voor diepte-analyses van bijzondere cases. Deze inzichten dragen bij aan het beter en preciezer conceptualiseren, operationaliseren en meten van ideeën in relatie tot beleidsverandering en grensoverschrijdende crises.

De inzichten uit dit proefschrift zijn ook van waarde voor 'zij die Europees crisismanagement doen': beleidsmakers, leiders, adviseurs, crisismanagers. Voor professionals is het van belang om te weten dat het niet samenkomen van bepaalde ideeën om een crisis op te lossen niet het resultaat is van opzettelijke of verijdelde pogingen van leiders om te voorkomen dat de crisis wordt opgelost. Een mislukking om te tot gedeelde ideeën te komen kan ook worden opgevat als het resultaat van verschillende ideationele dynamieken van leiders. Het is daarom van belang om de ideeën van opponenten te bestuderen en de verhalen die ze vertellen te begrijpen om je daar strategisch toe te kunnen verhouden. Om complexe ideationele verschillen vervolgens op te kunnen lossen, is het zaak om niet te verzanden in zogenaamde 'morele gevechten' of een 'ideeën-strijd'. Het is zaak op zoek te gaan naar een constructieve dialoog om ideationele verschillen te kunnen overbruggen om vervolgens tot gezamenlijke besluitvorming te kunnen komen. Dat is nodig om grensoverschrijdende crises aan te kunnen. Wanneer dit niet lukt, zullen oplossingen voor complexe EU-crisis blijven steken op het niveau van beleidsinstrumentarium in plaats van gezamenlijke beleidsdoelen, en dat kan leiden tot korte-termijn en technisch leiderschap. Om daar voorbij aan te gaan kunnen professionals leren van de literatuur over adaptief leiderschap: leiders moeten de tijd nemen om na te denken over de onderliggende dynamiek van de crisis – en hun eigen ideeën daarover – en die gebruiken als een richtlijn voor de toekomst. Een andere bron van inspiratie voor professionals biedt de literatuur over 'identiteitsleiderschap' (Haslam, Reicher, Platow, 2011). Dit proefschrift laat zien dat er ideationele verschillen bestaan die moeilijk te overbruggen zijn in Europese crises die het crisis management daarmee bemoeilijken. Om effectief crisis te bestrijden als leiders is ten minste een basis set aan ideeën en waarden nodig. Identiteits-leiderschap vertrekt vanuit het idee dat leiders kunnen werken aan die gedeelde set van ideeën en waarden om effectief leiding te kunnen geven. EU-leiders en beleidsmakers kunnen actief werken aan het creëren van deze set aan ideeën en waarden die over 'ideationeel verschillende groepen' heen gaat en verschillen overbrugt.

Tot slot laten de bevindingen zien dat institutionele verandering uiteindelijk afhankelijk is van een bepaalde mate van convergentie in ideeën van EU-leiders. Dat kan bereikt worden middels doorlopende interactie tussen leiders. Nu hebben leiders zelf die tijd niet, maar vanuit een meer institutioneel perspectief kan de Europese Raad wel een soort 'ideeën-analyse-unit' opgezet worden als preventieve crisismanagement capaciteit. Door een meer permanente analyse van ideeën binnen lidstaten in voorbereiding op EU-bijeenkomsten, wordt dan alvast 'common ground' geïdentificeerd voorafgaand aan het uitbreken van een nieuwe crisis.

Nu we zelf door de grootste crisis 'of our time' heen proberen te navigeren lijken deze lessen eens te meer belangrijk. Ik denk daarbij terug aan de woorden van Merkel. Zonder het opkomen voor een bepaald idee – en het zoeken naar overeenstemming tussen de tegenpolen Frankrijk en Duitsland – zouden

we voor het economisch herstel na de coronacrisis in Europees zwaarder weer verkeren. Europees crisismanagement van EU-leiders gaat dus over de complexiteit van het navigeren op onbekend terrein: navigeren door een oerwoud van uiteenlopende ideeën en op dat terrein gezamenlijk een route uit kunnen stippelen.

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### Acknowledgements

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## ■ Acknowledgements

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All the friends who can be grouped as the '**Dikbuiken**' (fat-bellies), that became my friends thanks to Niels, thank you for the nice weekends away, the dinners, and the Turkish breakfasts. I wish everyone

All the friends who can be grouped as the '**Dikbuiken**' (fat-bellies), that became my friends thanks to Niels, thank you for the nice weekends away, the dinners, and the Turkish breakfasts. I wish everyone a group of 'humanists' in their life for great talks about the meaning of life whilst smoking cigarettes and drinking beers.

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