Moral Hazard: German Public Opinion on the Greek Debt Crisis

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Abstract

The recent Eurozone crisis and negotiations over bailout packages to Greece are more than a simple controversy about financial resources. They have a decidedly moralistic overtone. Giving more funds is thought by some to be unfair to hardworking taxpayers and does not teach Greece an important moral lesson. Yet much international political economy scholarship neglects such considerations. We build on moral psychology to understand the ethical drivers of both German support and opposition to the 2015 Greek government bailout package. We analyze original survey data to show how morality is an essential factor in Germany's hard line approach. Our results show that caring and European attachment are associated with bailout support, while authority, national attachment, and retributive fairness drive opposition. Some morals also have boundaries: National attachment attenuates the effect of harm/care on support for foreign financial assistance but strengthens the effect of fairness on bailout opposition. Moral psychology helps us understand foreign policy but must be adapted to account for multiple potential ingroups.

Suggested Running Head: Morality and the Greek Debt Crisis

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The European debt crisis implicates some of the world's largest economies and threatens to bring down the single currency — the crown of the postwar European integration project. While Greece's economic circumstances have been tumultuous, Germany bore the greatest financial burden by contributing more to bailout funds than any individual country. When the European Union approved a third bailout package for Greece in 2015, it came after fierce debate and with strict conditions insisted upon by Germany. What explains the bailout debate?

It is tempting to view the relationship between Greece and its creditors as a zero-sum struggle over resources — Greece wanted more for recovery, Germany wanted to make a smaller contribution. Prevailing political science models would expect German citizens to oppose additional bailout money based on their individual, material interests (Lake, 2009). However, this narrow definition of self-interest cannot account for the fact that disputes about money evoke intense moral feelings, and the latter featured heavily in the bailout debates. Instead of focusing solely on distributive costs and benefits, bailout advocates and opponents used moral rhetoric to promote their positions.

People believe that those who are in debt are not just out of money — they are "lazy," "opportunistic," and should receive "tough love" to learn fiscal discipline. Greece was no exception and was treated as a "sinner," making them an "unworthy cause" for financial help.[5] Buchanan invokes one of the seven deadly sins when he writes that many "put the trouble down to Greek corruption and, worse, laziness."[6] Soll reminds us that the German word for debt

[5] Higgins, Andrew. (2015, July 23). Personalities Clashing Over How to Handle New Greek Bailout. *The New York Times*. Retrieved from https://www.nytimes.com/2015/07/24/world/europe/personalities-clashing-over-how-to-handle-new-greek-bailout.html

[6] Buchanan, Mark. (2015, July 29). Greece Isn't a Morality Tale. *BloombergView*. Retrieved from

— *Schuld* — is the same as the word for guilt and writes that even German economists, who should focus primarily on the figures, think that Greece must be taught a lesson for its past indulgences.[7] Cohen notes that in a moral mindset, "[g]rowth is the reward for good behavior. Such virtue includes frugality and avoidance of debt. It goes without saying that... promoting growth by increasing fiscal deficits is the height of immorality."[8] Economists call this problem a "moral hazard" for a reason.

We contend that public attitudes toward the bailout are similarly moralistic. Moral psychology helps us understand not just public attitudes on domestic policy but also foreign affairs (Kertzer et al., 2014). Building upon the influential "moral foundations" framework from psychology, we present original German survey data to show how distinct moral system shape support for the bailout, attitudes toward debt relief, and the precondition that Greece implement austerity measures (Graham, Haidt and Nosek, 2009; Graham et al., 2011). Consistent with work that separates the effects of "individualizing" from "binding" foundations in domestic political attitudes (Weber and Federico, 2013), we find evidence that altruistic caring — "harm/care" — predicts support for a bailout and debt relief. In contrast, the need for discipline and toughness captured by the authority foundation predicts bailout opposition. Moral hazard concerns have moral foundations.

We move beyond the standard MFT framework in three ways to make predictions about fairness and ingroup/loyalty. First, we argue that abstract fairness is indeterminate, but that negative

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https://www.bloomberg.com/view/articles/2015-07-29/greece-isn-t-a-morality-tale

[7] Soll, Jacob. (2015, July 15). Germany's Destructive Anger. *The New York Times*. Retrieved from https://www.nytimes.com/2015/07/15/opinion/germanys-destructive-anger.html

[8] Cohen, Roger. (2013, August 5). The Euro's Morality Lesson. *The New York Times*. Retrieved from http://www.nytimes.com/2013/08/06/opinion/global/roger-cohen-the-euros-morality-lesson

reciprocity should lead to punitive bailout attitudes. We find that individuals who endorse both fairness and retribution — a combination that implies negative reciprocity — are proponents of Greek austerity. Second, while research using MFT to explain domestic politics presupposes a national ingroup, we separate the binding foundation of "ingroup/loyalty" into two dimensions. Germans can tap both their national and European identities (Bayram, 2017a), and while national attachment predicts opposition to the bailout, Germans attached to Europe are inclined to assist their fellow EU citizens. Third, we argue that loyalty to Germany creates boundaries for the effects of other moral intuitions (Waytz et al., 2016): National attachment attenuates the effect of harm/care on support for foreign financial assistance but strengthens the effect of fairness on bailout opposition by generating a concern that the Greeks are not paying their fair share.

2 Moral Void: The Absence of Empirical Ethics in the Study of Political Economy

The study of international political economy is built on a deductive, Open Economy Model (OEP) that is material and individualist in nature that makes no mention of morality or ethics. Individuals are thought to form preferences toward trade, for example, based on how it affects their personal economic situation. Yet a model in which individuals pursue material gain without regard for others — except insofar as others benefit them — is hard to reconcile with moral psychology. Morals exist to restrain pure egoism, thereby protecting individuals from harm and creating the solidarity necessary for social life to function. "Liberal" values, like concern for others' well-being, and "conservative" values, such as discipline and order, serve the same purpose but work through distinct mechanisms (Graham, Haidt and Nosek, 2009). Even the "Protestant work ethic,"

which encourages hard work and individual wealth, is designed to prevent opportunistic, egoistic individuals from freeloading on society's largesse (Weber, 1976). In short, morality is likely to constrain the individual egoism assumed by an open economy model.

Recent advancements in IR provide a powerful critique of the OEP's individualist, material assumptions by showing that members of the public care about both societal level gains and non-material factors. Asked about foreign economic issues such as trade or finance, individuals rarely give the response that we would expect if they were purely judging the question from their own position in the global economy (Mansfield and Mutz, 2009; Bechtel, Hainmueller and Margalit, 2014). Mounting evidence on the individual predictors of trade attitudes points to the role played by "sociotropic" considerations, for example. Individuals make economic judgments based not on how a policy affects their pocketbook, but on their expectations about a policy's effects on society as a whole (Mansfield and Mutz, 2009). Americans support trade if the U.S. economy will benefit, irrespective of their personal gains. The non-material consequences of economic policies matter, too: ethnocentrism (Mutz and Kim, Forthcoming), fears of foreign cultural influence (Margalit, 2012), social trust (Kaltenthaler and Miller, 2013), and racial attitudes (Guisinger, 2017) predict public opposition to free trade.

Others make explicit moral arguments when they show that altruism inspires Germans to support aid for Greece (Bechtel, Hainmueller and Margalit, 2014), and fairness considerations shape bailout attitudes in cross-national research (Bechtel, Hainmueller and Margalit, 2017). We build on these contributions by adding a more comprehensive understanding of morality to our investigation. We draw on advancements in political psychology to consider when morality drives either support for or opposition to international financial assistance, while making new

predictions about how different moral commitments interact to influence attitudes.

3 Moral Considerations and the European Debt Crisis

Our theoretical framework builds upon and extends Moral Foundations Theory (MFT). MFT provides a parsimonious, yet holistic, theory of moral psychology, and therefore optimal starting point to capture the manifold moral concerns that matter in international relations (Kertzer et al., 2014) — though we address its theoretical limitations below. MFT contends that discrete moral intuitions guide how humans separate right from wrong. These five moral systems "derive from innate psychological mechanisms" (Graham, Haidt and Nosek, 2009, 1030) that nevertheless vary in importance across cultures and individuals (Haidt, 2001; Haidt and Graham, 2007). These five systems carry implications for what constitutes right and wrong, and include harm/care, fairness/reciprocity, authority/respect, ingroup/loyalty, and purity (Graham, Haidt and Nosek, 2009).[9] The purity foundation, associated with disgust, leads people to condemn actions that contaminate a person's body or spirit. While purity is an important determinant of culture war attitudes (Koleva et al., 2012), we do not expect it to shape economic attitudes and instead focus on the four remaining values.

In some traditions, morality is synonymous with altruism — an other-regarding disposition associated with helping those in need. This is encompassed by the harm/care foundation, premised on caring for others and avoiding harm. Bechtel, Hainmueller, and Margalit (2014) stress this value and show that altruistic charitable giving predicts support for financial re-distribution, though we focus here on caring as a general moral consideration. For Haidt and Graham (2007), the moral care system stems from individuals' psychological capacity for

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[9] Some MFT researchers have discussed a sixth foundation, liberty/oppression, but the scholarship remains divided (Haidt, 2012).

empathy. Triggered by suffering, it evokes a desire to protect and aid vulnerable others (Haidt and Joseph, 2004). Virtuous actions are those that alleviate pain, provide care, and avoid causing harm (Koleva et al., 2012).

The fairness/reciprocity foundation privileges behavior that promotes justice. Psychologists and behavioral economists have long made the case that altruism is not the only kind of prosocial behavior, nor is it even the most common (Rabin, 1998, 17). Instead, individuals evaluate actions based on a principle of fairness, regardless of whether an action increases general well-being (Rabin, 1998; Shweder et al., 1997). Graham, Haidt and Nosek (2009, 1031) assert a widespread human obsession with fairness, reciprocity, and justice" in naming this foundation and it has been demonstrated that fairness matters both in the laboratory and real world economy (Rabin, 2002).

Authority/respect implies a commitment to hierarchy: Subordinates should express deference to their leaders while leaders should wield power responsibly. It is immoral to show disrespect toward legitimate authorities (Haidt and Graham, 2007). Work that predates MFT shows that authoritarian principles predict political and social attitudes (Altemeyer,1988, 1998; Feldman, 2003; Feldman and Stenner, 1997), but we know less about how they shape ideas about the material distribution of wealth. Indeed, scholars typically separate the Western ideological spectrum into distinct economic (free market vs. interventionist) and socio-cultural (libertarian vs. authoritarian) dimensions (Feldman and Johnston, 2014; Kitschelt, 1994).

Authoritarians believe that rigorous, strictly enforced rules are necessary to produce a safe and secure social order (Feldman, 2003) — a perspective that illuminates economic arguments. Authoritarian morals imply, for example, that providing for freeloaders sets dangerous moral

precedents as loafers take advantage of those who contribute to society. Authoritarians believe that there must be consequences for bad behavior, and support punishment for the good of both the giver, who protects society from freeloading, and the receiver, who learns important lessons of self-reliance. Lending and borrowing suit themselves to this morality tale.

The ingroup/loyalty foundation adds a moral element to humans' desire to protect the groups to which they belong, even when it involves self-sacrifice. Moral actions demonstrate loyalty or benefit the group as a collective. Extant literature connecting sociotropic attitudes to trade touches on this point. European identity and cosmopolitanism have a positive effect on support for bailouts, for example (Endres, 2014), while the ingroup/outgroup dynamics associated with nationalism impede support for free trade (Mansfield and Mutz, 2009).

3.1 Adapting Moral Foundations Theory to International Political Economy

Although it offers a comprehensive scheme for understanding morality, MFT has two limitations that require theoretical attention in the International Political Economy (IPE) context. First, and as Graham et al. (2013) themselves note, the MFT framework leaves the relation- ship between fairness and reciprocity relatively unexplored. Treating them as a single moral foundation masks the complicated relationship whereby not all individuals who value fairness embrace punitive reciprocity and vice versa.

Some define fairness as a commitment to equality among individuals — or nation-states (Haidt and Graham, 2007; Gottfried and Trager, 2016). Fairness as equality has a pro-social orientation, which would imply a desire to support the Greek government so that Greece, too, can thrive in the European economy. Yet others explicitly define fairness in terms of reciprocity, where

punitive actions can be morally commendable. Rabin (1998, 2) writes, for example, that "[t]he same people who are altruistic toward deserving people are often indifferent to the plight of undeserving people, and motivated to hurt those whom they believe to have misbehaved." Those who define fairness as negative reciprocity are willing to punish others in kind for taking advantage of their generosity. Instead of prosocial support for Greece, a commitment to negative reciprocity will lead someone to balk at additional bailout support if she perceives that the beneficiaries are not pulling their own weight — such as defaulting on debts or failing to bear a proportionate cost for their own recovery. In short, both sending additional aid to Greece and withholding it can be described as "fair," such that predictions based solely on the abstract justice principle identified by MFT measures would be theoretically indeterminate.

Our theory introduces retribution to the MFT framework to account for this dual meaning of fairness. Retributive individuals punish others for not adhering to reciprocity norms. An "eye for an eye" is one of the oldest moral principles on record, and it plays a prominent role in attitudes toward international security (Liberman, 2006, 2014; Stein, 2015). Moral psychologists distinguish between this desire to punish transgressors for their bad behavior because they deserve it, and the authoritarian desire to punish for societal good (Carlsmith and Darley, 2008; Aharoni and Fridlund, 2012). Negative reciprocity and retribution are at the heart of behavioral economics research on ultimatum games. Studies show that players often forgo individual gains to punish those who do not reciprocate gestures or who violate established norms (Fehr and Fischbacher, 2002, 2004) — a pattern also found in research on international bargaining (Kertzer and Rathbun, 2015). Support for negative reciprocity therefore implies a combination of one's abstract commitment to fairness and to retribution. Together they should generate a commitment

to reciprocity and a willingness to punish, that is negative reciprocity. Considering abstract endorsement of fairness alongside retribution offers a unique way to differentiate when "fairness" should inspire more or less financial support for Greece, lending predictive power to an otherwise ambiguous construct.

To make precise predictions about the effects of moral foundations in IPE, we also address a second limitation: Moral values are treated as if they apply universally, but some effects may be locally bounded. MFT suggests that authority, caring, and fairness should matter across contexts, but we contend that ingroup attachments can shape how these values translate into policy attitudes. Recent psychological research shows that people who appear to differ in their degree of empathy, for example, may instead "differ in terms of the *targets* toward whom they extend" that value (Waytz et al., 2016, 62).

Whereas the typical MFT ingroup/loyalty scale asks participants to report both their general concerns about group betrayal and family loyalty alongside their specific commitment to the nation (Haidt and Graham, 2007), IR scholarship points to two politically relevant groups: Germany and Europe (Bayram, 2017a,b). Our framework accounts for how national loyalty, in particular, can define the boundaries of morality. In the context of aiding Greece, European loyalty should not limit the application of other moral values. We supplement the existing MFT conceptualization by including separate measures for European and national attachment. We focus our theoretical expectations on the moderating effect of national attachment rather than a more general ingroup/loyalty foundation.

Harm/care and fairness/reciprocity are the two foundations likely to be applied selectively because groups can lay competing claims to them. The originators of the moral foundations

framework call these the "individualizing foundations," those that treat all individuals as inherently important and therefore those whose essence is universal, applicable to all regard- less of group. Nevertheless, when confronted with limited resources, the domain of these moral considerations might be restricted. To use a domestic analogy, those who identify with their local community and are high in altruism are more likely to give to local rather than nation-wide charities. In war, caregivers provide aid on the battlefield, but when there is a finite number of bandages, they must be judicious in how they act on the moral commitment. National identification is particularly salient: The patriotic battlefield caregiver will focus on his own nation's fighters.

An individual who opposes bailout money might care deeply for people in her own national community but less about those suffering abroad. When a policy entails a tradeoff between who suffers, as in the distributive politics that characterize financial assistance in the European debt crisis, caring may not precipitate generosity. The relationship between the harm/care foundation and economic attitudes depends on her moral circle, but that does not make her less altruistic per se.

Similarly, fairness implies a distribution of some fixed resource. It requires tough choices among multiple claimants. As with altruism, group identity might tilt our conceptions of fairness in favor of one side's claim. Social psychologists show that pro-self individuals rate outcomes that favor them as more fair, even when effort was equally distributed (Anderson and Patterson, 2008).[10] A pro-social individual — someone who identifies a preexisting concern about both

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[10] However, the same individuals regard equal outcomes as more fair than favorable ones, showing that their fairness judgments are not merely rationalizations of self-interest.

herself and others — does not display this egoistic bias in fairness judgments. In a related vein, DeScioli et al. (2014) find evidence that individuals choose a conception of fairness that serves their egoistic self-interest.

While we focus on whether fairness drives support for bailout policies and not the final outcome, we expect a similarly self-interested dynamic among those most attached to their national ingroup. Those attached to Germany will regard an outcome that transfers more resources to Greece as less fair than one that keeps more resources at home. People who score high on fairness are more likely to support a hard line bailout position if they also score high on national attachment, thereby making Germany's fairness claims more salient and persuasive.

Our expectation that those who combine fairness and strong national attachment will oppose aid to Greece is also consistent with the equity-equality distinction common in fair- ness research. Whereas equality implies that an outcome is fair when everyone receives the same payoff, such as a 50-50 split in territorial negotiations (Gottfried and Trager, 2016; Fehr and Fischbacher, 2002), an equity principle marks an outcome as "fair" when an individual receives something proportional to what she puts in (Deutsch, 1975; Rasinski, 1987). Equity directs individuals to focus on what Germany gets out of any deal, thus leads to bailout opposition and support for rigorous terms such as no debt relief or strict austerity for Greece. Bechtel, Hainmueller and Margalit (2017) highlight the related equity concerns when they show that as Germany's relative share of contributions to a bailout package rises, support declines — even while holding constant the absolute contribution. Support rises when recipient countries agree to make additional spending cuts and thus bear some of the costs for their own recovery.

We expect that those most attached to Germany will have equity in mind as they deter- mine their policy preferences. Fairness defined in terms of inequity aversion is particularly averse to free-

riding, since those who do not contribute draw disproportionate benefits from a collective endeavor they are not thought to deserve. We suspect that fairness-minded individuals attached to Germany will ask themselves not "what is fair?" but rather "what is fair for Germany?", keying them into thinking about whether Greece is getting out more than it puts in. We do not argue that fairness judgments are endogenous to perceived sociotropic interests — this is a somewhat different phenomenon that we cannot test with our observational data — but rather that fairness concerns increase resistance to bailouts on the part of those already inclined to oppose them based on ingroup identification.

Unlike care and fairness, authority should not be bound by ingroup identity. Authoritarians advocate toughness and discipline for both their own children and criminals, despite only feeling attached to the former. Those morally committed to authority/respect should oppose a bailout and favor punitive financial policy regardless of national attachment.

In sum, we expect that when an ingroup identity enables individuals to draw a line between those who are inside and outside of their group, group attachment will change how people interpret policies that tap the harm/care and fairness/reciprocity foundations. While our theory treats European attachment separately from national identification, we do not expect that it will have a moderating influence on other moral foundations. When an individual feels European, Germany and Greece are both part of the ingroup, such that there is no value-based tradeoff.

3.2 Hypotheses

We expect that German attitudes toward the 2015 Greek bailout have moral foundations and develop a series of hypotheses informed by the theoretical expectations outlined above. These hypotheses concern bailout support in general alongside attitudes toward two specific provisions

of the prospective package. The first outcome of interest asks whether respondents "support or oppose a measure in which Germany would provide additional funds to Greece." The second dependent variable asks whether a bailout should require Greece to accept fiscal austerity measures in order to receive funds, while the third asks whether creditors should relieve some of Greece's debt to facilitate financial recovery.

First, we expect that ingroup/loyalty will have a main effect on bailout attitudes, but that the direction of the effect will depend on which ingroup a participant values. Germans attached to their national identity will oppose measures viewed as potentially damaging to the German economy, while those attached to Europe will extend their sociotropic concerns across borders. European identity is salient in this bailout instance as it seeks to preserve the stability of the common European currency, a foundation of the European integration project.

> *Hypothesis 1*: National Attachment will predict opposition to a bailout and debt relief, but support for austerity. European Attachment will predict support for a bailout and debt relief, but opposition to austerity.

Second, we expect caring individuals to demonstrate concern for suffering among Greek citizens who are far removed from the government leaders that caused the crisis. Debt crises have profound and deleterious economic effects — jobs and homes are lost, fiscal austerity drives countries into at least short-term recession — and those who care about protecting the weak and vulnerable should reflexively seek to prevent such outcomes.

> *Hypothesis 2*: Moral caring considerations will predict support for a bailout and debt relief, but opposition to austerity.

However, our theory also points to constraints on which suffering populations a caring person will prioritize. With multiple mouths to feed, altruistic Germans might worry that resources given to Greece must be taken from Germany. Strong national attachment will attenuate caring's effect on bailout support.

> *Hypothesis 2a*: National attachment will moderate the effect of moral caring. At lower levels of national attachment, caring will most strongly predict support for a bailout and debt relief, but opposition to austerity.

Third, authority captures the moral belief that bad behavior must be strongly sanctioned and punished, which austerity measures accomplish. For the authoritarian, only "tough love" will work to prevent recidivism. Others should be allowed to fail, and suffer the consequences of their misguided policies — leading those with authority values to oppose the bailout in general.

> *Hypothesis 3*: Moral authority considerations will predict opposition to a bailout and debt forgiveness, but support for austerity.

Fourth, fairness/reciprocity may be one of the most important moral considerations for bailout attitudes (Bechtel, Hainmueller and Margalit, 2017), but also one of the most indeterminate. Both sides in a bailout decision can make competing claims to fairness, and fairness itself is a contested concept. On the one hand, someone might support the bailout because it seems unfair that the average Greek citizen should be penalized for the decisions of its government. On the other hand, is it fair for German taxpayers to foot the bill for the sins of Greek officials?

Given these possibilities, we make no predictions for a main effect of fairness measured in the abstract. Instead, we expect that those whose moral compass is guided by both fairness and

retribution will resist bailout funds for Greece, insist on negative reciprocity in the form of austerity, and oppose debt relief. Fairness in interaction with retribution captures negative reciprocity — the principle that one's reward should be proportional to their effort and that generosity on Germany's part requires a regard for Germany (DeScioli et al., 2014). For these individuals, Germany has made a generous contribution to Greek welfare and the Greeks owe it to Germany to undertake reciprocally painful efforts of their own, such as fiscal belt tightening. Giving the Greeks something for nothing — debt relief — would be unfair, as both parties must uphold their ends of the bargain.

> *Hypothesis 4a*: Retribution will moderate the effect of fairness on bailout attitudes. As retribution increases, moral fairness considerations will more strongly predict opposition to a bailout and debt forgiveness, but support for austerity.

Just as similarly caring individuals might privilege Germany or Greece based on their ingroup identification, we expect fairness/reciprocity to drive opposition to bailouts on the part of those who have higher national attachment, as this will make more salient and persuasive Germany's claims that bailing out their European partner takes unfair advantage of Germany's economic prowess.

> *Hypothesis 4b*: National attachment will moderate the effect of moral fairness. At higher levels of national attachment, fairness will lead to more opposition to bailouts and debt relief and more support for austerity.

4 Data and Measurement

We fielded an original online survey with a diverse national sample of 1,000 Germans[11] to assess the connection between moral foundations and attitudes toward the Greek bailout. We conducted the survey after media coverage of a possible Greek default spiked in late June 2015, as the various parties agreed that there would be a bailout, but then receded before agreement was reached on the particulars and the German Parliament voted to approve a third bailout package on August 19.[12]

Figure 1 displays the distribution of responses for the three dependent variables described above. Response options for each item ranged on a 6-point scale from "strongly oppose" to "strongly support."[13] The data demonstrate staunch opposition to a third bailout and specific financial assistance on current loans — 31.90% of our sample strongly oppose a bailout, and 20.90% strongly oppose debt forgiveness. Moreover, 67.20% of respondents advocate imposing strict austerity in Greece. This distribution is similar to both prior academic research on German attitudes toward financial bailouts (Bechtel, Hainmueller and Margalit, 2014), and to German polling data from summer 2015.[14]

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[11] See the Appendix **§2** for sample characteristics.

[12] Responses were collected from July 31–August 12, 2015. Survey respondents were recruited through Respondi, a European survey firm.

[13] Respondents completed the survey in German, though we include full English translations of survey questions and response scales in the Appendix §1.

[14] For example, a YouGov survey from July 6-10 found that 61% of Germans opposed debt forgiveness ("Greece: Germans and Finns back a hard line, but support for Grexit wanes"), while another found that 56% rated the projected deal as negative (and 15% chose 'don't know'; "Greece: Germans oppose bailout proposal, still favour

[Figure 1 here]

4.1 Independent Variables

Our hypotheses concern the moral foundations of public support for — and opposition to — the Greek bailout. To test these hypotheses we regress a set of predictors on the bailout questions described above. Independent variables include moral foundations, economic status, and other individual-level measures.

First, several question batteries probe morality. We measured caring, fairness, and authority with items from the short version of the moral foundations questionnaire (Graham et al., 2011). Participants first indicated the extent to which considerations are relevant to whether they think something is right or wrong on a 6-point scale from "not at all relevant" to "extremely relevant," and then whether they agree or disagree with statements that tap each moral system. We capture retribution with a 3-item scale that asks participants to report whether they agree with statements about punishing wrongdoers and repaying violence in kind ($\alpha = 0.609$). Since international issues like the Greek bailout can tap multiple levels of ingroup identity, separate two-item scales probe participants' degree of attachment to their German ($\alpha = 0.608$) and European ($\alpha = 0.741$) identities.

Second, respondents reported their gender, age, education (split into five categories), and state of residence.[15] Third, a series of variables tap economic self-interest: household income (five categories), employment status (full or part time, student, retiree, or unemployed), stock ownership, and whether there are weak or strong business ties between his/her industry and other

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Grexit")

[15] Respondents indicated their state of residence, and our sample was stratified based on eight geographic regions provided by Respondi. These regions are included as dummy variables for analysis. See the Appendix §2 for details.

EU countries (trade ties) (Bechtel, Hainmueller and Margalit, 2014; Kuhn and Stoeckel, 2014; Rudnik and Schoen, 2015). To measure partisanship, participants reported which political party s/he would vote for if federal elections were held "next Sunday" (CDU/CSU, SPD, Linke, Grüne, FDP, AfD, and Other). Because we expected that general attitudes toward the free market should influence bailout attitudes, we included items that ask how much government regulation is good for the economy (regulation important) and whether the government should provide more services even if it means an increase in spending (more state services). Fourth, we include a measure for the extent to which a person feels connected to others at a global level — cosmopolitanism (Bayram, 2017a) — which elsewhere predicts variation in both trade attitudes (Hainmueller and Hiscox, 2007; Margalit, 2012) and bailout preferences (Bechtel, Hainmueller and Margalit, 2014). The item asks participants to rate their agreement with the statement "I see myself as a citizen of the world."

Finally, two variables measure issue specific knowledge about the bailout and self-reported interest in the crisis. Three multiple choice knowledge questions asked participants to name the Germany's then current foreign minister, finance minister, and the international organizations that had provided funds to Greece. A dichotomous variable (knowledge) is coded 1 if participants responded correctly to all three items (34.2%), and 0 otherwise. For interest, participants reported how closely they follow the situation in Greece on a 4-point scale from "not at all" to "very closely."

5 Results

We present our survey results in two parts. First, we estimate a series of regression models to predict support for the bailout, debt relief, and austerity. Second, we estimate the interaction

between national attachment and other moral values to evaluate whether the effects of fairness and caring are bounded for strong identifiers. Our results demonstrate that morality is an important predictor of bailout attitudes.

2.1 Who supports the bailout?

Table 1 displays the results of 12 OLS models that predict participants' support for the bailout in general (Models 1–4) and for whether negotiations should require fiscal austerity in Greece (Models 5–8) or include debt relief (Models 9–12). Higher values of the dependent variables indicate stronger support. The dependent variables and continuous predictor variables are rescaled from 0 to 1. Separate models control for employment or the strength of trade ties due to the survey's branching structure — participants who were not employed full or part time did not view the trade ties question and including both in the same model introduces problematic collinearity.[16]

[Table 1 about here.]

The results are striking: Moral values stand out as both substantively and statistically significant predictors, even when controlling for economic self-interest, issue specific knowledge, partisanship, and general attitudes toward government regulation of the economy.[17]

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[16] Models with the trade ties measure also include a dummy variable for trade ties missing. Models 3, 4, 7, 8, 11, and 12 include all control variables, including region, not displayed for presentation purposes. We treat the six-point dependent measures as continuous in these OLS analyses. See the Appendix §4 for estimates from ordered logit models that instead treat the outcomes as ordered interval variables. These results are consistent with OLS.

[17] We control for partisanship and economic attitudes to account for their expected relationship to bailout attitudes. One concern might be that including these measures as control variables leads to a type of post-treatment bias: If morality is causally prior to partisanship or attitudes about government regulation, for example, then these variables are post-treatment to our main IVs of interest and may bias our estimates (King and Zeng, 2007). First, we acknowledge that our data

Caring individuals more strongly support both the bailout and debt relief (H2). In models 3 and 11, moving from the minimum to the maximum on this moral value is associated with a 0.173-unit increase in bailout support and a large – over a quarter of the 1-point scale – shift in support for providing debt relief to the embattled Greek government ($b = 0.283$, $p < 0.01$).

We also find support for Hypothesis 1: Ingroup attachment predicts bailout attitudes, but the direction of the effect depends on the ingroup. Those who are strongly attached to Europe — whose ingroup extends across borders — support the bailout ($b = 0.217$, $p < 0.01$) and debt relief ($b = 0.129$, $p < 0.01$), as do cosmopolitans. German patriots are less willing to commit state resources to helping outsiders. National attachment predicts opposition to the bailout ($b = -0.172$, $p < 0.01$), though the apparent negative effect on debt relief is not statistically significant in models that include control variables ($p = 0.09$).

Like national attachment, authority predicts opposition to a third Greek bailout and debt relief. A 1-unit increase in authority predicts a 0.133-unit decrease in the bailout support measure and 0.204-unit decrease in debt relief support. Germans who value respect for authority are less willing to bail out a Greek government that flouted EU standards to find itself in crisis, and allowing Greece to shirk payments would undermine respect for their original commitment.

We contend that the effect of fairness depends on how individuals interpret this moral principle. Specifically, we expect that those for whom negative reciprocity represents fairness

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are observational, and that future work is needed to test causal claims. Second, if partisanship is not caused by morality but is related to bailout attitudes, failing to include these controls would introduce omitted variable bias. We thus present the complete OLS models here but provide a more detailed discussion of this consideration in the Appendix §5. We show that removing plausibly posttreatment variables from the models does not substantively change the results. We also use non-parametric causal mediation analysis to find that morality has direct and total effects consistent with our OLS results (Imai et al., 2011).

will oppose a bailout and debt relief. The coefficients on fairness, retribution, and the interaction in Table 1 illustrate this theoretical shift. Whereas fairness appears to have no statistically significant effect on bailout support when included alongside the other moral foundations in Models 1 and 9, these estimates belie a significant interaction between fairness and retribution.

When we account for the interaction between retribution and fairness in Models 2-4 and 10-12, the negative coefficient provides support for Hypothesis 4a.[18] Panels a and c in Figure 2 display the marginal effect of fairness by the extent to which participants endorse retributive justice. As retribution increases, fairness predicts stronger opposition to Greece-friendly bailout policies. At the 10th percentile on the retribution scale, the marginal effect of fairness on bailout support is 0.05 [-0.15, 0.26]. At the 90th percentile, fairness instead predicts a substantively large, -0.298-unit [-0.45, -0.13] change in support. For a German who cares about negative reciprocity, it is unfair to provide additional funding when Greece has failed to do what is necessary to emerge from the crisis. Germany should remain steadfast in its insistence on collecting the money that Greece already owes, as Greece needs to take responsibility and pay for their recovery. It is this interaction between retribution and an endorsement of moral fairness that drives that drives German bailout attitudes. Fairness without retribution — endorsement of moral fairness however else defined by the individual — has a limited effect.

[Figure 2 here]

Support for the bailout means promoting policies to ease Greece's financial crisis. Strict fiscal austerity, on the other hand, entails taking a punitive stance against Greek citizens whose material circumstances will immediately suffer. Hypotheses 1–4 predict that compared to the

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[18] In the Appendix §4, we conduct diagnostic tests to demonstrate that the linear extrapolations for all significant interactions are appropriate.

bailout and debt relief, moral considerations will have opposite effects on support for austerity. Models 5–8 in Table 1 show that austerity attitudes draw primarily from individuals' commitment to fairness understood as negative reciprocity, and to a lesser degree national attachment. Model 5 suggests that when do not account for the interaction, Germans who value fairness favor punitive austerity measures. Model 6 demonstrates, however, that fairness in the abstract enhances support for austerity among our more retributive participants. Panel b in Figure 2 shows that as retribution increases, so does the positive marginal effect of fairness on support for austerity. Greece is responsible for their current financial situation, so it is fair for Greeks to feel the effects. Fairness has a null effect for Germans at the 10th percentile on our retribution scale, but predicts a massive 0.44-unit [0.24, 0.64] increase in austerity support for those at the 90th percentile.

National attachment is the only other moral consideration that has a statistically significant effect on support for austerity in Models 7 and 8. Those attached to Germany strive to protect their nation's prosperity by supporting bailout funds only if they are accompanied by the cuts needed for Greece to wean itself from German support. Attachment to Europe does little to dampen support for imposing benefit cuts on Greeks ($b = -0.081$, $p = 0.96$), indicating only partial support for Hypothesis 1.

The control variables provide some evidence that economic self-interest plays a role in predicting bailout attitudes, though the coefficients are substantively small.[19] Compared to Germans who have a lower secondary education or less, for example, those who have completed university offer more support for the bailout ($b = 0.078$, $p < 0.05$). We expect that the poorest

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[19] We focus this discussion on those effects that meet traditional thresholds for statistical significance, and present complete results in the Appendix §3.

and richest individuals will oppose the bailout — the former for fear of having their benefits squeezed out by international borrowing, the latter for having to pay that bill. Compared to the lowest earners, we find that those in the 15,000-29,999€ bracket express more opposition to the bailout ($b = -0.048$, $p = 0.052$) and support for austerity ($b = 0.08$, $p < 0.01$). The wealthiest participants in our sample — those whose annual income exceeds 100,000€ — express less support for debt relief ($b = -0.123$, $p < 0.01$) and to a lesser extent the bailout in general ($b = -0.068$, $p = 0.098$).

Just as Bechtel, Hainmueller and Margalit (2014) report for financial bailouts in general, neither employment status (Models 3, 7, and 11) nor the extent to which a person's employer relies on business and trade ties throughout the EU (Models 4, 8, and 12) consistently affect support for bailout policies. Relative to individuals who report no trade ties, those with weak trade ties express more support for debt relief ($b = 0.070$, $p < 0.05$), and those with strong trade ties are stronger austerity opponents ($b = -0.071$, $p < 0.05$). This provides some evidence for a materialist consideration in which employees of German exporters want to prop up markets for their firms' goods, though these effects stand out among non-significant coefficients. These findings are particularly telling since previous research shows that EU citizens are better able to understand how the crisis affects their pocketbooks over time (Hobolt and Wratil, 2015, 239), and this survey was completed immediately before the third bailout.

Partisanship complements moral judgment and predicts bailout attitudes as we would expect given previous research and explicit party positions. Relative to CDU/CSU, members of left wing parties like SPD and Grüne express more support for aiding Greece. Supporters of the AfD, an explicitly anti-Euro party, oppose the bailout ($b = -0.105$, $p < 0.01$) and debt relief ($b = -0.037$, $p = 0.393$) more than their centrist counterparts. Bechtel, Hainmueller and Margalit (2014, 839)

argue that partisans on the far left, Linke voters, may not support bailout negotiations since they object to the austerity measures that surround bailout discussions. Indeed, in our sample their bailout support levels do not differ from the CDU/CSU, though they do advocate debt relief ($b = 0.095, p < 0.01$), and negative coefficients in Models 7 and 8 indicate that Linke voters oppose austerity.

Issue specific knowledge does not predict bailout attitudes, though general economic attitudes do play a role. The stronger a participant's belief that the state should provide services to citizens even though it would require spending, the more likely they are to oppose a policy that would require a foreign government to cut such services through austerity ($b = -0.107, p < 0.05$). Those who support government intervention in the economy also support the bailout ($b = 0.081, p = 0.051$) and debt relief ($b = 0.108, p < 0.05$). Opinions on government spending within Germany extend to negotiations with Greece.

5.2 Do Moral Values have Borders?

While much moral foundations research isolates each value or aggregates them into binding and individualizing dimensions, we contend that some moral principles can constrain others. In IPE and in foreign policy, state boundaries delimit how costs and benefits are distributed. While authoritarian values tend to apply across targets, we expect that national loyalty will constrain the effects of caring and fairness.

The results in Table 1 show that moral caring predicts support for policies that would ameliorate Greek suffering. Bailout opponents, however, might emphasize that each time Germany offers bailout funds to relieve Greek citizens, it risks doing financial harm to its own public. Both arguments stress the importance of caring for potentially vulnerable individuals, but target different groups.

[Figure 3 about here]

We test our expectation that national attachment will weaken the positive association between caring and bailout attitudes by estimating the interaction between the two variables. Panels a, b, and c in Figure 3 plot the marginal effect of caring on bailout, austerity, and debt relief support across national attachment.[20] The results provide support for Hypothesis 2a. Caring has a strong positive effect on support for aid to Greece and debt relief at low levels of attachment, but the effect diminishes as attachment increases. For the strongest German identifiers, moral caring has no effect on their support. While our primary analyses showed no evidence for a main effect of caring on support for austerity, we find a significant interaction between caring and national attachment ($b = -0.43, p < 0.05$). Panel b suggests that caring drives opposition to austerity at the lowest attachment levels but not higher ones.

Our theory suggests that we cannot make determinate predictions about "fairness" in the abstract, and the analyses above show that what fairness means moderates its effects. In this section we tackle the additional consideration that Germans may have different reference categories in mind when they implicitly evaluate whether a bailout is "fair." Hypothesis 4b predicts that fairness-minded participants who are concerned with whether negotiations are equitable for Germans, and not the Greek citizens who are paying an unfair price for leaders' mistakes, will oppose policies in which Germany bears high costs for little short term gain.

The results presented in Figure 4 provide mixed support for Hypothesis 4b. We find evidence for a strong, statistically significant interaction when predicting general bailout attitudes (panel a). Fairness predicts bailout opposition, but only among those who are attached to Germany and

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[20] The full regression results for all models in this section are presented in the Appendix §7.

looking out for what is fair to their fellow citizens. This is consistent with our expectation that national attachment generates an equity-based understanding of fairness, leading to the conclusion that Germany not have to pay for Greece's mistakes, though we do not directly measure support for equity. For debt relief ($p = 0.12$) and austerity ($p = 0.10$), the interaction coefficients narrowly miss traditional thresholds for statistical significance.

[Figure 4 about here]

6 Conclusion

We present evidence that moral intuitions play a significant role in shaping individual attitudes towards a consequential issue in international political economy. Moral values consistently predict preferences for the Greek bailout negotiations among German participants. Moreover, distinct moral considerations drive bailout support versus opposition. We there- fore call for additional research that deepens the ties between political psychology, morality, and international political economy. Ethics are inextricable from economics, embedded in the very terms we use to describe economic phenomena — discipline, forgiveness, value, and moral hazard — and moral psychology can deepen our understanding of these links.

Our research adds to a growing literature on the non-material foundations of economic attitudes at the individual level, most notably the finding that sociotropic considerations matter more than self-interested economic concerns in public opinion about foreign economic policy (Mansfield and Mutz, 2009). Sociotropic considerations capture a sense of obligation to others and can include concerns for one's own country as well as those abroad — facets present in our results for national and European identification — as well as altruistic caring. However, we add that authority, fairness, and retribution are key to a more comprehensive account of bailout attitudes and that fairness and caring are somewhat conditional on national attachment.

Is this a uniquely German phenomenon born of the moralistic way in which Germans value

thrift and fiscal stability? Germans are noted savers, which could have a cultural foundation. Yet

morality played a similar role during the banking and housing crises of 2008 in the United States,

a country known for its highly indebted households. Those on the left decried rewards for highly

leveraged financial institutions that played fast and loose with their capital and knowingly sold

toxic assets for profit. Those on the right complained about irresponsible homeowners who took

out subprime mortgages for houses they could not afford. The bailouts remain tremendously

unpopular in the United States despite likely having saved the financial system (Harris Poll,

2012). As in Germany, prominent economists pleaded not to approach the issue as a "morality

tale," apparently to no avail.[21]

A skeptic might also point to the role played by the German media, particularly the Bild

Zeitung tabloid that was extremely opposed to the bailout. Was this perhaps a case of simple

media framing, in particular tabloid press railing against the bailout? We offer both an empirical

and a methodological response to whether German recipients were passive recipients of elite or media

cues. Empirically, the main results indicate something other than a monolithic media framing effect

leading to lending opposition. Self-reported interest in the crisis has a limited downward effect on

bailout support ($b = -0.078, < 0.05$) and is not significantly associated with austerity nor debt

relief attitudes. Another possibility is that the German narrative of the crisis has a preponderant

effect on those who are predisposed to this framing in the first place. We therefore test the extent

to which interest in the crisis moderates the relationship between each moral consideration and

bailout attitudes. We present the results in §6 of the supplemental appendix, where we interact

interest with each moral variable in separate OLS models. Across the three outcomes of interest, we

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[21] Samuelson, Robert. (2009, February 6). The Bailout Isn't a Morality Play. *Newsweek*. Retrieved from
http://www.newsweek.com/samuelson-bailout-isnt-morality-play-82519

find little evidence that interest affects the relationship between morality and bailout attitudes. The direction and size of the moral variables' effects are consistent with the main results. In short: Morality shapes bailout attitudes for both attentive and inattentive Germans, which suggests that citizens are not just passively replicating the government or media spin on the crisis.

Perhaps more importantly, arguments that stress media narratives or elite cues presume a passive public easily molded in the desired direction, but predispositions matter (Kertzer et al., 2014). We believe that it is more likely that particular frames work better with some people given their preexisting moral foundations. The public is not as malleable as many assume (Kertzer and Zeitzoff, 2017). The Bild Zeitung, given the moral concerns of its readers, could not have articulated a pro-bailout campaign that stressed the economic harm that austerity caused for Greek pensioners and widowers because it would not have resonated with its populist audience. It is also likely that media outlets understand their readers and choose frames they believe will strike a chord, thereby selling more papers or attracting more clicks. We do not claim that the media and elites played no role, only that if they did, it is nevertheless extremely important to know the properties of the clay they were trying to mold.

We also stress that observational survey data is better suited to this task than experimental approaches. We applaud experimental work on the bailout issue, which shows for instance that Germans in general react to who is receiving the bailout and what obligations it entails for Germany (Bechtel, Hainmueller and Margalit, 2017). However, this does not tell us which subset of respondents are driving these results and whether the effect of experimental manipulation hinges on preexisting moral foundations. We see the necessity of both observational and experimental approaches as each has complementary strengths and weaknesses.

Our findings have important policy implications. While some might doubt whether mass

attitudes on economic issues matter in practice, given the informational advantage of key economic constituencies and the low salience of trade in elections, neither condition holds in this case. The German public was highly engaged during the debt crisis, keenly aware of the debates, and overwhelmingly opposed to bailouts. Even if the German government was not itself morally-minded about debt — unlikely given the rhetoric — it is clear that the German people were. Moreover, it is plausible that public pressure influenced Germany's strong insistence on bailout terms that included strict austerity with no debt relief — policies that might still force Greece out of the Eurozone with potentially dramatic economic con- sequences. The increasingly disapproving public curtailed Chancellor Merkel's negotiation range in the talks about a third bailout package.[22] Some even feared "the European project to be sacrificed on the altar of German public opinion."[23] The moral attitudes of average Germans likely shaped the dynamics of one of the most important world economic events of the last century.

Going forward, citizens may continue to constrain German leaders, who as recently as the time of this writing have stressed the need to meet austerity targets as a condition of the disbursement of loans and that debt relief is unacceptable. Even if we think of political attitudes as a function of government and media narratives rather than the reverse — some- thing that neither this data nor extant research has fully adjudicated — we would imagine that once set, moral attitudes will resist revision. Morally ground positions resist compromise more than

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[22] *Deutsche Gesellschaft für Auswärtige Politik*. 2015. Wie geht es weiter mit Griechenland? Fragen und Antworten zur Krise der europäischen Währungsunion. Retrieved from https://dgap.org/de/think-tank/publikationen/fuenf-fragen/wie-geht-es-weiter-mit- griechenland, accessed 3 April 2016.

[23] Eichengreen, Barry. (2015, July 14). Greece, Europe and Germany deserve much better than this. *The Guardian*. Retrieved from http://www.theguardian.com/business/2015/jul/14/greece-europe-germany-eurozone-deserve-better

similarly intense but non-ethically-laden attitudes (Skitka, Bauman and Sargis, 2005; Ryan, 2014), and potential future Greek defaults will likely be met with principled and resolute opposition. Morality will be hazardous indeed.

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Figure 2: The Effect of Fairness Conditional on Retribution
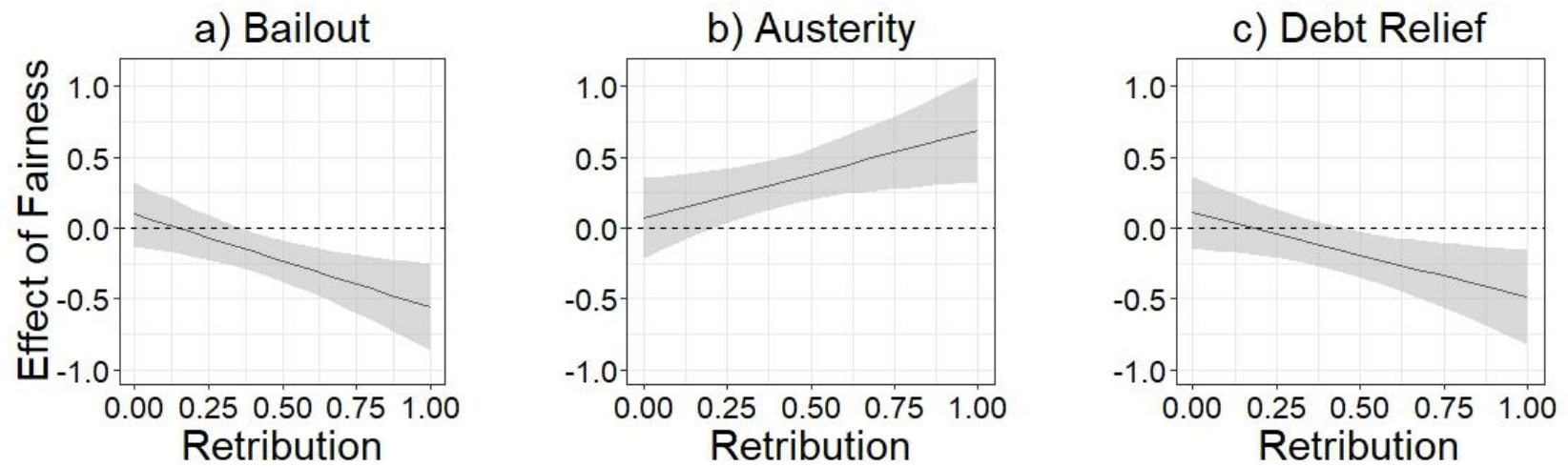
Note: N=1,000. Figure displays estimates and 95% simulated confidence interval for the marginal effect of fairness on bailout, austerity, and debt relief support.

Figure 3: The Effect of Caring Conditional on National Attachment
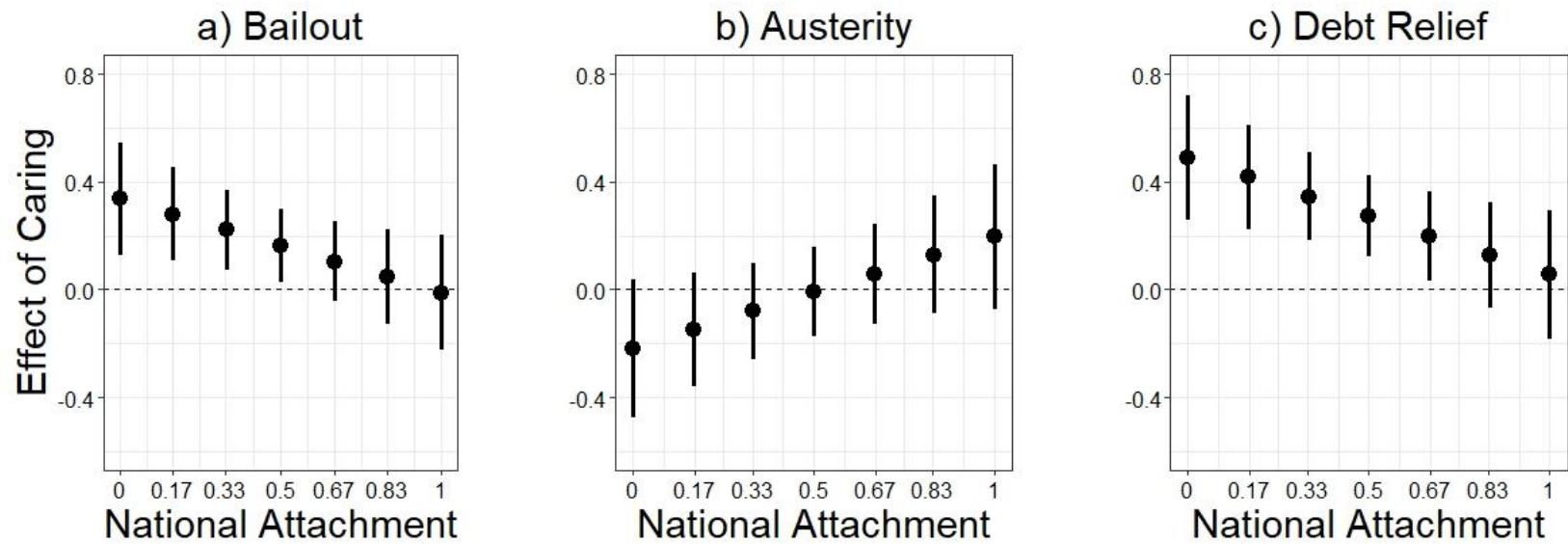
Note: N=1,000. Figure displays estimates and 95% simulated confidence interval for the marginal effect of Caring on bailout, austerity, and debt relief support.

Figure 4: The Effect of Fairness Conditional on National Attachment

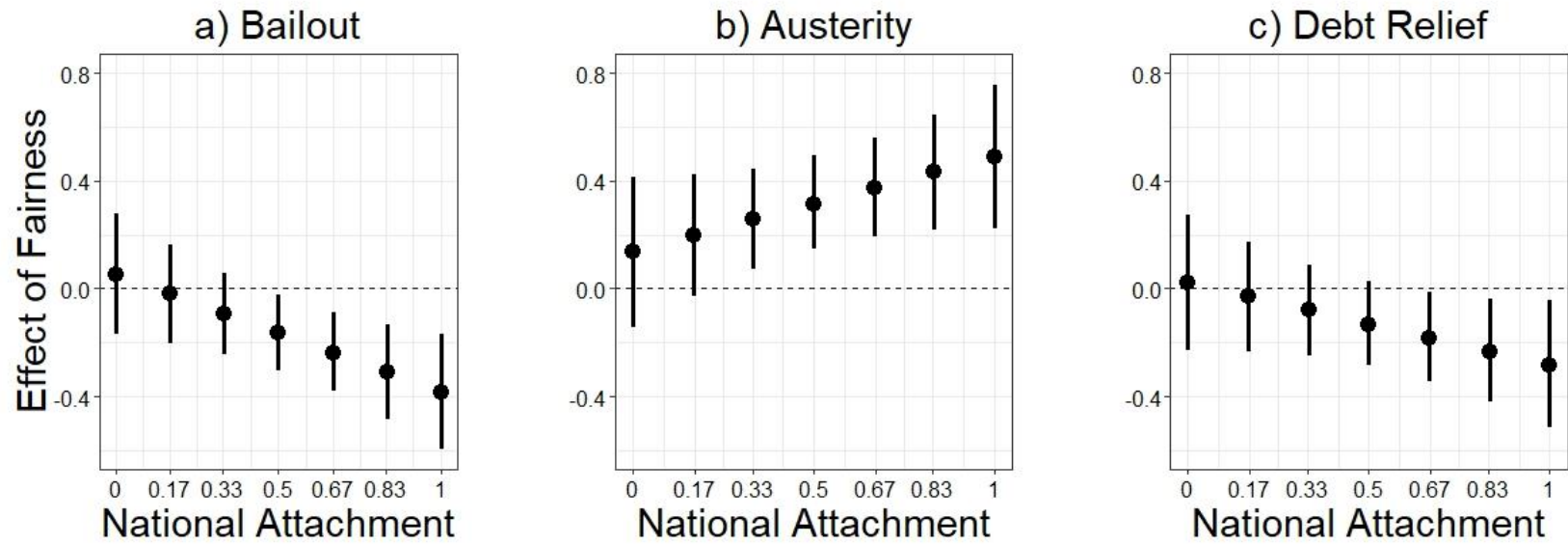Note: N=1,000. Figure displays coefficient and 95% simulated confidence interval for the effect of fairness on bailout, austerity, and debt relief support.

Table 1: Correlates of Support for Bailout, Austerity, and Debt Forgiveness

	Support Bailout				Support Austerity Requirement				Support Debt Forgiveness			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Caring	0.247**	0.217**	0.173*	0.168*	−0.101	−0.093	−0.019	−0.012	0.321**	0.296**	0.283**	0.280**
	(0.069)	(0.069)	(0.070)	(0.070)	(0.085)	(0.085)	(0.086)	(0.086)	(0.076)	(0.076)	(0.078)	(0.077)
Authority	−0.253**	−0.198**	−0.133**	−0.132*	0.058	0.015	0.006	0.002	−0.298**	−0.246**	−0.204**	−0.187**
	(0.049)	(0.050)	(0.051)	(0.051)	(0.060)	(0.062)	(0.063)	(0.063)	(0.054)	(0.055)	(0.057)	(0.057)
National Attachment	−0.276**	−0.251**	−0.172**	−0.174**	0.095	0.087	0.111*	0.109*	−0.140**	−0.120**	−0.079	−0.081
	(0.041)	(0.041)	(0.042)	(0.042)	(0.050)	(0.051)	(0.052)	(0.052)	(0.045)	(0.045)	(0.047)	(0.047)
European Attachment	0.318**	0.309**	0.217**	0.218**	−0.058	−0.051	−0.081	−0.073	0.203**	0.194**	0.129**	0.129**
	(0.038)	(0.038)	(0.039)	(0.039)	(0.046)	(0.046)	(0.048)	(0.048)	(0.041)	(0.041)	(0.043)	(0.043)
Fairness	−0.124	0.044	0.094	0.103	0.358**	0.017	0.067	0.072	−0.092	0.121	0.107	0.110
	(0.069)	(0.118)	(0.119)	(0.119)	(0.084)	(0.146)	(0.148)	(0.147)	(0.075)	(0.130)	(0.132)	(0.132)
Retribution		0.210	0.393*	0.397*		−0.608*	−0.420	−0.420		0.314	0.355	0.374
		(0.194)	(0.193)	(0.193)		(0.239)	(0.239)	(0.239)		(0.213)	(0.214)	(0.214)
Fairness × Retribution		−0.487*	−0.655**	−0.658**		0.874**	0.620*	0.616*		−0.587*	−0.596*	−0.610*
		(0.236)	(0.234)	(0.234)		(0.291)	(0.290)	(0.290)		(0.259)	(0.260)	(0.259)
Cosmopolitanism			0.128**	0.130**			0.053	0.057			0.109**	0.108**
			(0.034)	(0.034)			(0.042)	(0.042)			(0.037)	(0.037)
SPD			0.048*	0.048*			−0.032	−0.030			0.031	0.031
			(0.024)	(0.024)			(0.029)	(0.029)			(0.026)	(0.026)
Linke			0.015	0.012			−0.153**	−0.156**			0.095**	0.094**
			(0.029)	(0.029)			(0.036)	(0.036)			(0.032)	(0.032)
Gruene			0.076**	0.077**			−0.069	−0.068			0.034	0.032
			(0.029)	(0.029)			(0.036)	(0.036)			(0.032)	(0.032)
FPD			−0.057	−0.058			−0.062	−0.064			−0.013	−0.017
			(0.046)	(0.046)			(0.057)	(0.057)			(0.051)	(0.051)
AfD			−0.105**	−0.108**			−0.054	−0.054			−0.037	−0.044
			(0.039)	(0.039)			(0.048)	(0.048)			(0.043)	(0.043)
Other Party			−0.075**	−0.077**			−0.128**	−0.132**			−0.057	−0.056
			(0.026)	(0.026)			(0.033)	(0.032)			(0.029)	(0.029)
Constant	0.360**	0.269**	0.144	0.157	0.357**	0.623**	0.439**	0.520**	0.400**	0.263*	0.263*	0.212
	(0.042)	(0.095)	(0.120)	(0.116)	(0.052)	(0.117)	(0.148)	(0.143)	(0.046)	(0.104)	(0.133)	(0.128)
Controls (Employment)				✓				✓				✓
Controls (Trade ties)			✓				✓				✓	
N	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Adjusted R²	0.120	0.137	0.197	0.197	0.029	0.038	0.097	0.100	0.073	0.086	0.129	0.134

*p<0.05; **p<0.01
Note: Table displays OLS coefficients, standard errors in parentheses. All non-dichotomous measures have been rescaled from 0 to 1.

The reference category for partisanship is CDU/CSU. Controls, including region fixed effects, omitted for presentation.