Societal pessimism: A study of its conceptualization, causes, correlates and consequences

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CHAPTER 5
Continent of pessimism or continent of realism? The impact of the political and economic context on societal pessimism in Europe, 2006-2012[1]

5.1 Introduction

Having conceptualized and operationalized the concern about the state of society in the previous chapters enables me to start looking at its causes. As announced in Chapter 1, from this chapter on, I will focus on societal pessimism, because of data limitations in the case of societal unease. To the best of my knowledge, explanatory research on the causes of this attitude is nonexistent. This means that multiple angles deserve scientific attention. A first question to ask is whether this attitude is rooted in real societal changes or whether it is a cultural characteristic. If societal pessimism is rooted in reality, a second question involves a determination of which societal changes affect this attitude. In this chapter, I start explanatory research on societal pessimism by examining whether it is rooted in the actual political and economic situation. I do so by examining whether political and economic characteristics explain both cross-national differences, as well as longitudinal differences within countries.

In Chapter 2, I conceptualized societal unease as reflecting a decline in the five aspects of contemporary developed liberal democracies. This implies that real societal changes, which according to a range of authors are problematic, inspire a concern about society. However, both in the public debate and in scientific contributions, people (more

1 A different version of this chapter is under review. A previous version of this chapter is presented as Steenvoorden, E. H. and Van der Meer, T. (2014). 'A continent of pessimism in times of crisis: A multi-level study of the impact of economic performance, political institutions, and the dual crisis in Europe, 2006-2012' at the 72nd MPSA Annual Conference, Chicago, April 2014.

or less explicitly) deem pessimism about society to be artificially high and/or not rooted in reality. According to several (political) leaders – including French President François Hollande, Dutch Prime Minister Mark Rutte, and Pope Francis in his 2014 address to the European Parliament – Europeans should adopt a less pessimistic outlook to prevent societal and economic stagnation or even deterioration (RTL Nieuws, 2013; Vatican Network, 2014; The Times, 2015). Implicit in these accounts is the suggestion that societal pessimism in Europe is a cultural feature that is not rooted in reality. In the scientific arena, we find claims that public pessimism is artificially high because of the influence of the media in sociotropic evaluations, and not because of actual developments, as discussed in the Chapter 1 (McKenzie, 1997; Whitman, 1998; Mazarr, 1998). These characterizations of societal pessimism as not grounded in reality clash with many scholars who theorize, but do not test, that developments negatively affect our society (Taylor, 1991; Beck, 1992; Bauman, 2000; Bennett, 2001; Bauman, 2007).

To determine the reality of societal pessimism, I examine two aspects of society: the political context and the economic context. Europe has witnessed troublesome developments in recent years in both the political and economic domains. The Great Recession hit European economies hard after the summer of 2008. Its consequences in Europe have been substantial, including increasing unemployment and government deficits, resulting in austerity measures and in some cases reforms forced by the IMF and the European Commission. Concurrently, Europe is experiencing political crises. Political scientists point to the increase in electoral volatility (Mair, 2008), and the rise of Populist Radical Right parties (Mudde, 2007) that undermine the stability of governmental coalitions. European political integration has received a firm popular rejection through referenda in various European countries (Lubbers & Scheepers, 2010; Hakhverdian et al., 2013). The political and economic crises even play off against each other. European citizens have blamed the EU for failing to vigorously address the economic crisis because of its multilayered political structure. However, in countries in which the EU has imposed vigorous measures, there has been a clear backlash against both national and European political authorities.

The relevance of the political and economic context also follows from the conceptualization of societal unease in Chapter 2, which shows the decline of political power and increasing socioeconomic vulnerability to be two of the five elements of societal unease. It can be expected that several political and economic factors relate to these two elements of societal unease. In explaining societal pessimism, I will focus on three political (supranationalization, political instability, and corruption) and four economic factors (retrenchment of welfare-state provisions, economic growth, unemployment and inflation) that relate to those two elements of societal unease.

This chapter investigates the political and economic roots of societal pessimism in 23 EU countries, with 13 waves of the Eurobarometer between 2006 and 2012. Below, I first theorize why the political and economic factors considered are likely to affect societal pessimism. After describing the data and method, I show cross-national differences in the level of societal pessimism and its development from 2006-2012, both on average and per country. The results section continues by testing the influence of political and economic factors on *cross-national* differences in multilevel models, and then proceeds to *longitudinal*, within-country changes to assess which political and economic factors have short-term effects on the level of societal pessimism within countries. The chapter concludes by describing the main outcomes and future research paths on the causes of societal pessimism.

5.2 Theoretical framework

The political causes of societal pessimism

There are several political contextual characteristics that can be considered in explaining societal pessimism, namely, supranationalization, political instability and corruption. What these factors have in common is that they add to a loss of society's grip on its own future, which adds to collective powerlessness, a key aspect of societal pessimism.

From the conceptualization of societal unease in Chapter 2, it follows that the decline of political power inspires societal pessimism. I discussed supranationalization and the transfer of political power to the European Union as one of the causes of the decline of political power because it results in less autonomy and ability to act unilaterally for the national government (Wallace, 1999). Therefore, I expect a transfer of power and resources to the EU to inspire societal pessimism, because it diminishes the grip on society's future in the national arena. To make this issue more concrete, I distinguish between financial redistribution in the EU and adopting the euro. Research shows that countries that benefit financially from the EU show higher evaluations of EU institutions and lower levels of euroscepticism (Mahler, Taylor, & Wozniak, 2000; Karp, Banducci, & Bowler, 2003; Lubbers & Scheepers, 2010). Financial support from the EU can inspire optimism, whereas the opposite is likely in countries that pay more to the EU than they receive in subsidies, because they lose control over their own resources. I therefore hypothesize that the net benefit of EU subsidies decreases societal pessimism (H1). Furthermore, the EMU countries (which have the euro as their currency) experience a substantially higher level of interference in national decision making, such as European standards for the maximum level of budget deficit and demands from the Euro group related to the rate and type of social reforms. Therefore,

I expect citizens in EMU countries to be more societally pessimistic (H2), because supranational power decreases national autonomy in policy decision making, adding to a sense of collective powerlessness.

Second, political instability can be expected to affect societal pessimism. When governments terminate their terms prematurely – regardless of the nature of the conflict within government – they have less of an ability to act in the face of problematic situations, again adding to collective powerlessness. Research into the durability of governments has focused on explaining government termination (Warwick, 1979; Lijphart, 1984; Warwick, 1992; Grofman & Van Roozendaal, 1997; Carmignani, 2002; Laver, 2003). To my knowledge, the only contribution that relates government durability to public opinion is the study of Harmel and Robertson (1986), who show that premature government change decreases support for democracy. I expect political instability to increase societal pessimism (H3). In addition, I expect the opposite effect from the event of regular elections (regular as opposed to early, premature elections) because they tend to boost feelings of efficacy, i.e., the attitude that citizens have the ability to 'take the reins' of politics and society. Thus, I expect regular elections to have a negative effect on societal pessimism (H4).

The third political factor to consider is corruption. A lack of integrity among politicians is likely to lower people's expectations for societal improvement and the political system's ability to achieve results. Despite a lack of research on societal pessimism, there is ample evidence of the effect of corruption on political and social trust. With few exceptions (Criado & Herreros, 2007), most studies find that corruption has a negative effect. Trust in the functioning of democracy (Anderson & Tverdova, 2003), confidence in government (Della Porta, 2000) or Parliament (Van der Meer, 2010), and broad institutional trust (Mishler & Rose, 2001; Chang & Chu, 2006; Hakhverdian & Mayne, 2012) are negatively influenced by corruption. Research into corruption's influence on interpersonal trust and generalized trust yields similar results (Mishler & Rose, 2001; Zak & Knack, 2001; Seligson, 2002), with the exception of Uslaner (2002). Thus, the fifth hypothesis is as follows: corruption increases societal pessimism (H5).

The economic causes of societal pessimism

On the economic side, during last decade, multiple factors might have stimulated a perception of increasing socioeconomic vulnerability, which is the fifth element of societal unease in Chapter 2. This increasing socioeconomic vulnerability does not refer to people's personal finances but instead to their worries about a societal trend of diminishing socioeconomic guarantees (e.g. Samuelson, 1995). This is also referred to as

the individualization of risks (Bauman, 2006; 2007). One development that increases socioeconomic vulnerability is the retrenchment of welfare state provisions across Europe, which corrodes the protection of citizens in a vulnerable position (Pierson, 1998; Korpi, 2003). Cutbacks in social security are therefore expected to increase societal pessimism (H6).

More generally, economic developments are also likely to affect societal pessimism. I specifically look at developments instead of the level of wealth, such as GDP, because societal pessimism indicates a decline. A country's initial level of welfare or wealth seems less important than the losses that are taking place. Economic growth directly boosts society's potential to tackle societal challenges, whereas economic recessions tend to deepen those challenges, and increase socioeconomic vulnerability. I have expectations about three aspects of macro-economic performance: economic growth, unemployment rates, and inflation. Previous research has produced mixed results about the economy's effect on social attitudes. Evidence that growth in GDP influences political support is mixed at best (Anderson & Tverdova, 2003; Van der Meer, 2010). This also goes for unemployment (De Boef & Kellstedt, 2004; Hakhverdian & Mayne, 2012). More consistent support follows from research into the negative effect of inflation on political trust (Clarke, Dutt, & Kornberg, 1993; Taylor, 2000; De Boef & Kellstedt, 2004). I hypothesize that economic recession (H7a), unemployment (H7b), and inflation (H7c) inspire societal pessimism because they increase citizens' socioeconomic vulnerability.

The character of societal pessimism

In this chapter, the influence of political and economic factors is examined both cross-nationally and longitudinally within countries. There are both theoretical and methodological reasons to do so. Theoretically, the political and economic roots of societal pessimism lie in citizens' expectations or evaluations falling short of some standard. It is unclear, however, what shapes this standard. To some extent these standards may be fundamentally idiosyncratic, varying from citizen to citizen based on personality, socio-economic situation, or political outlook. However, to the extent that national events, processes and outcomes affect societal pessimism, there should be some commonality in citizens' standards. Such a benchmark may be based on citizens' historical experiences within each state – e.g., being accustomed to a high level of economic growth. This would imply a within-country, longitudinal comparison. Alternatively, the benchmark may be based on a comparison to other countries. This would imply a cross-national comparison. Finally, the benchmark may be absolute (independent of historical experiences or cross-national comparisons) if

the longitudinal and cross-national analyses produce the same set of determinants of societal pessimism. Methodologically, we can expect the variance of some factors to show mainly cross-national differences, for instance, political factors such as corruption and EMU versus non-EMU countries. These factors do not change much (if at all) over time within countries. Other factors can show both cross-national and longitudinal variation. For these theoretical and methodological reasons, I examine both cross-national and longitudinal comparisons of societal pessimism in this chapter.

In the previous chapters, I theorized societal pessimism to be an attitude with a distinct dynamic, instead of the sum of attitudes about aspects of society. However, when the latter is the case, it is determined by conceptually related attitudes about societal domains such as political trust and economic expectations. To check this, I look at the intermediary role of these two attitudes. I also include life satisfaction to guarantee that the findings are not based on egotropic pessimism. When societal pessimism is based on citizens' satisfaction with private life, politics and the economy, the hypothesized effects set forth above should be causally mediated by citizens' evaluation of private life, politics and the economy. When societal pessimism is distinct from these domains, such mediating effects should not drive the findings.

5.3 Data and Methods

Data and operationalization

To test the hypotheses, I stapled 13 Eurobarometer (EB) surveys covering the period 2006-2012.[2] These particular EB waves include an item about the direction in which citizens think their country is heading: "At the present time, would you say that, in general, things are going in the right direction or in the wrong direction, in [your country]". The answer categories are "things are going in the right direction" (optimists), "things are going in the wrong direction" (pessimists), and a spontaneous "neither one nor the other" (undecideds). This item is the same as one of the items on societal pessimism in Chapter 3, except that the latter has 4 answer options (see section 3.2). "Don't know" is treated as missing. I restrict the analysis to countries that have been EU members since the beginning of this period, and I exclude Cyprus and Greece because

2 Eurobarometers 66.1 (Sept-Oct 2006), 68.1 (Sept-Nov 2007), 69.2 (Mar-May 2008), 70.1 (Oct-Nov 2008), 71.1 (Jan-Feb 2009), 71.3 (Jun-Jul 2009), 72.4 (Oct-Nov2009), 73.4 (May 2010), 74.2 (Nov 2010), 75.3 (May 2011), 76.3 (Nov 2011), 77.3 (May 2012) and 78.1 (Nov 2012).

of missing data in those countries. This leaves us with 23 countries[3], with East and West Germany merged.[4]

The macro level data stem from various sources. *Net EU benefit* is measured with data from the European Commission, namely, the net balance of costs and benefits to/from the EU in terms of GNI percentage (European Commission, 2013a). A second context variable distinguishes whether countries are in the EMU, with the categories of non-EMU countries (reference category), new EMU countries (which adopted the euro during the period under investigation (2006-2012)), and established EMU countries.[5]

I operationalized *political instability* in two ways. First, I coded early elections in the period 2000-2011 because of an inevitable, obligatory dissolution of parliament (for example, because of conflict within the coalition or a governing party). Early elections that take place on the government's initiative without a political crisis demanding it are not coded as early elections. The variable of early elections indicates whether such an early election occurred the year before each wave. As a second operationalization, I use data from Comparative Political Data Set III[6], namely, the number of governmental changes during the previous year caused by changes in the composition of government (ministers or parties entering/leaving the coalition and termination of government). Clearly, this is an extension of the early elections variable. Unlike the longitudinal analyses, I used the percentage, or sum respectively, of these variables between 2000 and 2011 in the cross-national models. This longer time span is chosen to reflect recent history, which is likely to shape perceptions of political instability.[7] The event of *elections* in general is also coded for each country, and this variable indicates whether parliamentary elections have taken place in the previous year.

3 Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Great Britain, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, and Sweden.

4 Eurobarometer survey data are collected separately for East and West Germany, but country level indicators are only available for Germany as a whole. The data for East and West Germany are merged. To create a ratio of respondents between East and West Germany that is consistent with demographic reality (1:4), 250 of the 500 respondents from East Germany are randomly deleted from each wave.

5 Non-EMU countries: Czech Republic, Denmark, Great Britain, Hungary, Latvia, Lithuania, Poland, and Sweden. New EMU countries: Estonia, Malta, Slovakia, and Slovenia. Established EMU countries: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal, and Spain.

6 http://www.ipw.unibe.ch/content/team/klaus_armingeon/comparative_political_data_sets/index_ger.html.

7 I checked whether shortening the timespan to the years 2005-2011 would change the results, but it did not; only the effects were smaller.

Corruption is operationalized with Transparency International's Corruption Perception Index, in which a low score refers to a high level of corruption (Teorell et al., 2013). Cutbacks in *social security* are measured with yearly differences in an OECD salary replacement rate, with a negative number indicating a decrease in the social security rate over that year.[8] Eurostat yearly data on *inflation* and the mean of the two quarters before each wave on *GDP growth* and *unemployment* are used as operationalizations of these economic factors.

On the individual level, I control for gender, age (15-24, 25-39, 40-54, 55+) educational level (low, medium, or highly educated, and students)[9], employment status (employed, unemployed, or other (which includes people who are retired or ill, homemakers and students)), and type of community (rural area or village, small or medium-sized town and large town). All of the missing individual-level data are list-wise deleted.

To examine the character of societal pessimism, I repeated all of the final analyses, including three individual-level attitudes, which are all dummy variables: satisfaction with life (very or fairly satisfied versus not very or not at all satisfied), economic expectation for the next year (worse versus better or the same), and trust in Parliament (tend to trust versus tend not to trust). The correlations of societal pessimism with these attitudes are weak to moderate: .21 (life satisfaction), .30 (economic expectation) and .39 (political trust).

Research design and method

Because the dependent variable has three answer categories and the data show a hierarchical structure, the most suitable type of analysis is multilevel multinomial regression. I chose optimists as a reference category to obtain a picture of the characteristics that influence societal pessimism. The analyses are performed using MlwiN 2.30.

If societal pessimism is at least partly rooted in external and objective indicators, citizens are assumed to compare their country's performance and procedures against another benchmark. This comparison may be cross-national (i.e., a comparison with other countries) and/or longitudinal (i.e., a comparison to one's own country's past). Therefore, I set up the analyses in two ways.

8 http://www.oecd.org/els/benefitsandwagesstatistics.htm. Five countries had missing values in wave 2006-3, which were addressed by adding a dummy to the analyses.

9 Education is originally measured in number of years of education, where 15 years or less is used as a low educational level, 16 to 19 years is medium and 20 or more is high.

First, I examined societal pessimism in a cross-national setup, analyzing country-level differences. The hypotheses in this design imply two levels of analysis: individuals and countries. However, because the data have a three-level structure (individuals, nested in country-specific surveys, nested in countries), the multilevel analyses also cover the country-wave combination as a middle level, even though I do not model any effects at this level. To eliminate joint longitudinal variation from the models that exists independent of country-specific variations (i.e., survey design effects, or cross-national events), I included dummy variables for each wave.[10] I operationalized all of the economic and political effects as country means of the context variables across the 2006-2012 period (except for EMU country, early elections and changes in government; see above).

Second, I examined societal pessimism as the result of within-country, longitudinal changes. Again, the theory requires two levels of analysis (here: individual and country-wave combinations), whereas the data show clustering at three levels (individual, country-wave combinations, countries). In these analyses, I needed to eliminate cross-national variance. I did so in several ways. First, I included country dummies to eliminate any cross-national mean difference of the dependent variable. Second, I centered all of the relevant country-level characteristics around their longitudinal mean, thereby filtering out any cross-national difference of these theoretically relevant independent variables. Finally, I again eliminated any joint longitudinal variation from the models by including dummies for each survey wave.

To avoid overdetermined models and to limit collinearity issues, I carefully built my models in a stepwise fashion. First, I estimated the political and economic models of societal pessimism separately. In the second stage, in which I combined political and economic factors, I included only those contextual determinants for which b>1.65 SE for societal pessimists (because I do not have hypotheses about the undecideds group, these results did not drive the decision to omit or retain variables in the various steps). Moreover, I performed various robustness checks. First, I assessed the robustness of my models by adding variables in a different order. Second, I checked the extent to which the cross-national models hold after the inclusion of Greece (which was likely to function as an outlier because of its extraordinary political and economic developments, but empirically turned out not to be an influential case). All of my checks suggest that the findings are robust.

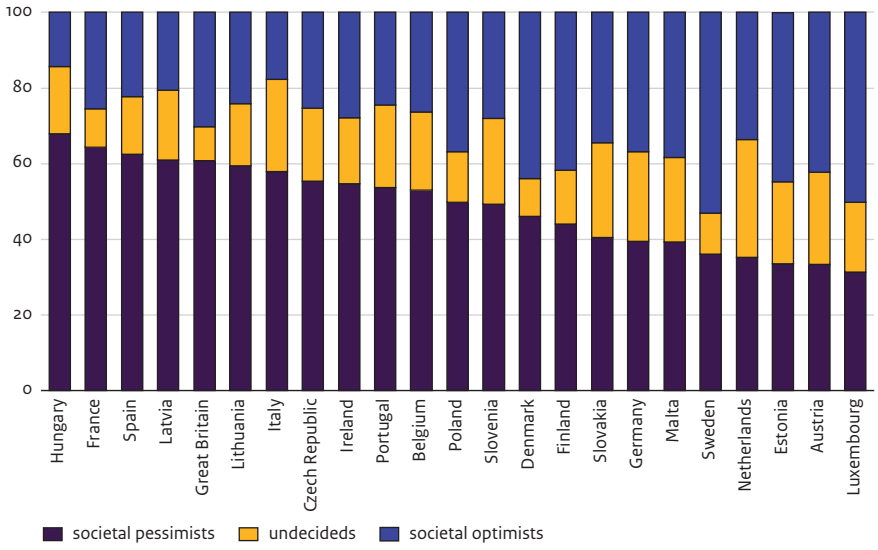
10 A typical example of such a cross-national event outside the scope of the analyses is that of the terrorist attacks on 9/11, which led to both a 'rally 'round the flag' response (i.e., a boost in trust) and an increase in fear across Western countries.

5.4 Results

Descriptive patterns

How societally pessimistic is Europe? Which countries are especially pessimistic? Figure 5.1 answers these questions. Taking the country means for the period 2006-2012, 50% of Europeans think their country is heading in the wrong direction, 32% think it's instead going in the right direction and 19% are undecided. Therefore, it is safe to conclude that as many as half of Europeans can be labeled as societal pessimists during this period. This means that in Europe, societal pessimism is a relatively common phenomenon, not a minority attitude. If we compare countries, we see considerable differences. Although in most countries (except for Sweden,

Figure 5.1 International distribution of societal pessimism (national means, 2006-2012)



Austria, Estonia, and Luxembourg), the pessimists are the largest group, their proportion differs from 68% in Hungary to 31% in Luxembourg. The five most pessimistic and optimistic countries (Hungary, France, Spain, Latvia and Britain versus Sweden, the Netherlands, Austria, Estonia and Luxembourg) are relatively heterogeneous groups. However, we can see some similarities between the most pessimistic and the least pessimistic countries. The societally pessimistic countries are large Western European countries, some with clear ethnic and cultural divisions, such as France, Spain, Great Britain and Italy, whereas the least pessimistic group

consists of relatively small Western European countries with well-developed welfare states, such as Luxembourg, Austria, Sweden, and the Netherlands. Nevertheless, these are only tentative patterns, given that Germany is relatively optimistic and post-Communist countries are both among the most societally pessimistic and the most societally optimistic peoples.

Figure 5.2 presents the development of societal pessimism over time using the pooled data. It shows an overall increase of societal pessimism between 2006 and 2012; however, this pattern is not linear. After the beginning of the financial crisis in the fall of 2008, societal pessimism increased, then slightly decreased, then increased again in the fall of 2011. A comparison of the different waves shows that since the fourth quarter of 2008, the level of societal pessimism was significantly higher than in 2006-3 (third quarter). Nevertheless, it is also noteworthy that societal pessimism was already substantial before the economic crisis. During the first three waves included here – 2006 through 2008 – the mean level of societal pessimism in Europe was 42%. This means that despite any influence that the Great Recession may have had on societal pessimism, a great deal of the variance remains unexplained.

Figure 5.2 Distribution of societal pessimism 2006-2012 (pooled data)

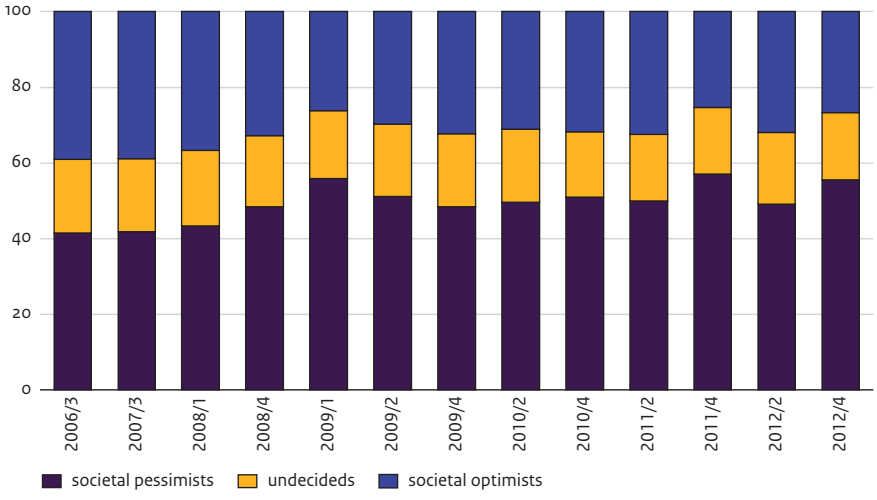


Figure 5.3 Within-country changes in societal pessimism 2006-2012

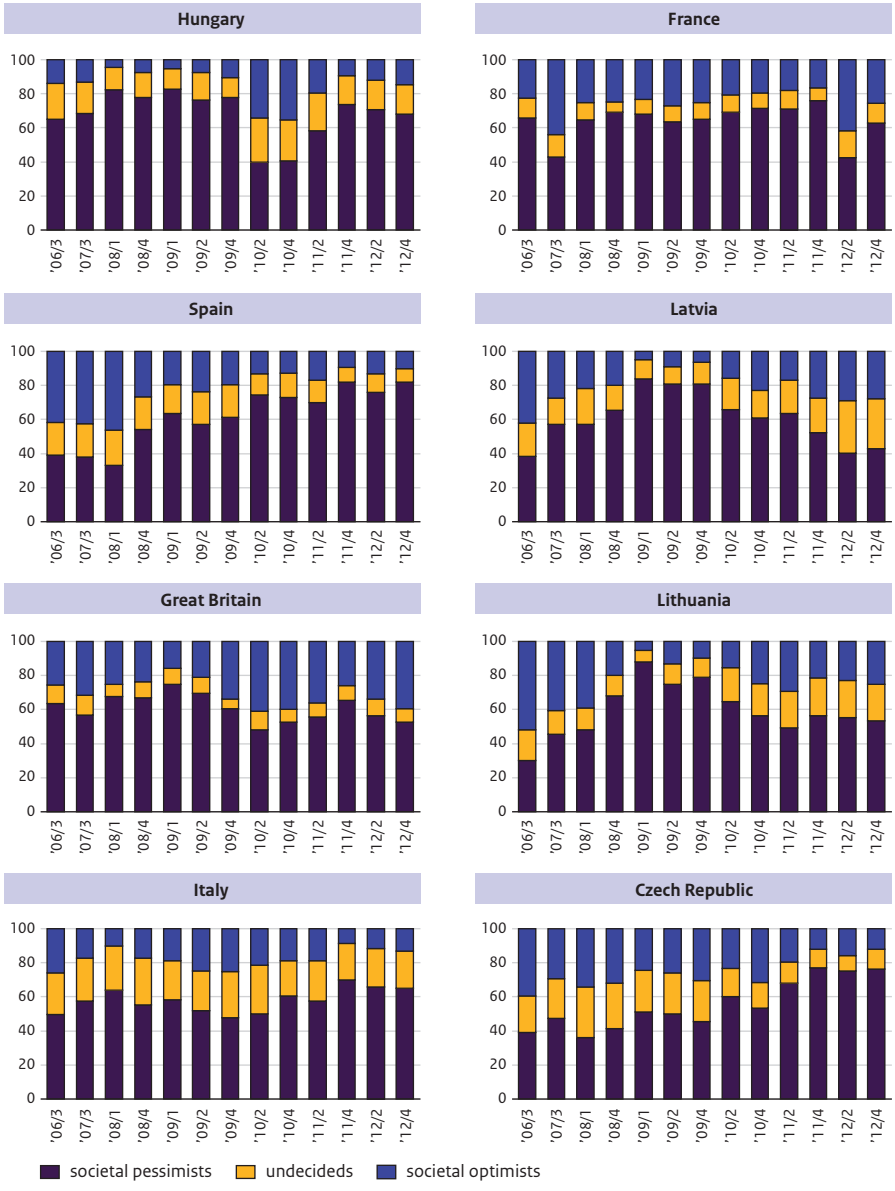


Figure 5.3 (Continued)

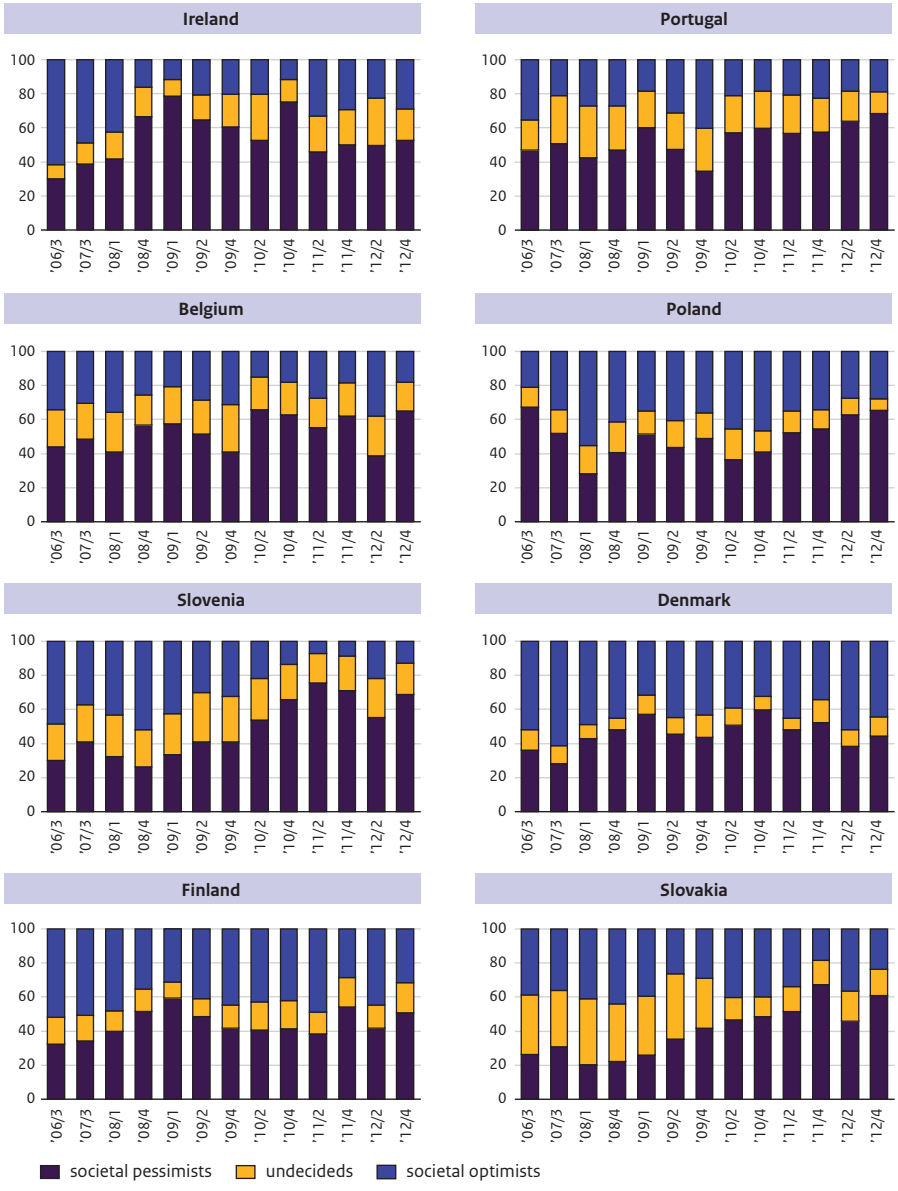


Figure 5.3 (Continued)

Figure 5.3 shows the development of societal pessimism for all 23 countries during the period of study, 2006-2012 (with the specific quarters of the year after the /sign). The countries in Figure 5.3 are sorted from most to least societally pessimistic. Several things stand out from these figures. First, societal pessimism is relatively volatile.

We see considerable changes in the level of societal pessimism in 2006-2012. Second, this is applicable to all countries, whether very societally pessimistic or relatively optimistic. Third, on first sight, there is no general, clear-cut pattern of increased societal pessimism caused by the economic crisis. The increase of societal pessimism in Spain, which was hit hard by the economic crisis, since the last quarter of 2008 (when the financial crisis started), is not a European pattern.

If we break down the variance across the different levels of analysis, we can assess how much of the variance of the dependent variable is accounted for at the macro level. Five percent of the total variance between optimists and pessimists is situated at the country level; another 5% is located at the country-wave level. That means that 10% of all differences – a substantial amount – between optimists and pessimists are accounted for by differences between countries and waves. The differences between optimists and undecided are, to a lesser extent, situated at the macro level (3% and 2%, respectively).

Cross-national differences in societal pessimism explained

To what extent can we explain societal pessimism with country determinants? Table 5.1 shows the results of the first set of multilevel multinomial regressions on cross-national differences in societal pessimism, where I use the country means of the independent variables. That table presents the coefficients and SEs of pessimists and undecideds, with optimists as the reference category. Bold numbers indicate the significant variables, where significance is established by either two-sided (individual controls) or one-sided tests (hypothesized context effects). The dummy variables that identify survey waves are not presented in Table 5.1 for reasons of space, but the complete models are shown in Table C1 of Appendix C.

Model 1 starts by including the political factors. It shows that people are more likely to be societally pessimistic than optimistic both in countries with unstable governments (which see many changes) and in countries with higher levels of corruption. For the undecideds, I find significant effects of corruption and changes in government in the same direction. These results are in line with H3 and H5. Contrary to expectations, EMU countries do not show higher levels of societal pessimism, and I find a negative effect for countries that are new to the euro. Additionally, early elections do not have a positive effect on societal pessimism; instead, they have a negative effect. This suggests rejection of H2 and H3. However, in the undecided category, the results are in line with my expectations: people in established EMU countries are more often undecided

Table 5.1 Cross-national differences in societal pessimism explained, 2006-2012[ab]

		Model 1				Model 2			
		pessimists		undecideds		pessimists		undecideds	
		B	(SE)	B	(SE)	B	(SE)	B	(SE)
Individual level: controls									
gender (male)		**0.22**	**(.01)**	**0.19**	**(.01)**	**0.21**	**(.01)**	**0.19**	**(.01)**
age (40-54)	15-24	**-0.21**	**(.02)**	**-0.20**	**(.03)**	**-0.20**	**(.02)**	**-0.20**	**(.03)**
	25-39	**-0.10**	**(.01)**	**-0.10**	**(.02)**	**-0.10**	**(.01)**	**-0.11**	**(.02)**
	55+	**-0.17**	**(.01)**	**-0.09**	**(.02)**	**-0.16**	**(.01)**	**-0.09**	**(.02)**
education (medium)	low	**0.24**	**(.01)**	**0.13**	**(.02)**	**0.23**	**(.01)**	**0.11**	**(.02)**
	high	**-0.30**	**(.01)**	**-0.18**	**(.01)**	**-0.30**	**(.01)**	**-0.19**	**(.01)**
	student	**-0.37**	**(.02)**	**-0.27**	**(.03)**	**-0.37**	**(.02)**	**-0.27**	**(.03)**
employment status (employed)	unemployed	**0.44**	**(.02)**	**0.17**	**(.02)**	**0.43**	**(.02)**	**0.15**	**(.02)**
	other	0.02	(.01)	**0.03**	**(.02)**	0.01	(.01)	0.02	(.02)
community (small town)	rural village	**0.04**	**(.01)**	0.02	(.01)	**0.04**	**(.01)**	**0.02**	**(.01)**
	large town	**-0.06**	**(.01)**	**-0.04**	**(.01)**	**-0.06**	**(.01)**	**-0.04**	**(.01)**
Individual level: attitudes									
life satisfaction									
negative economic expectation									
political distrust									
Country level: political									
mean net EU benefit		-0.09	(.07)	0.01	(.06)				
EMU (no euro)	new	**-0.44**	**(.17)**	**0.26**	**(.13)**				
	established	0.16	(.15)	**0.50**	**(.12)**				
governmental changes 2000-2011		**0.13**	**(.04)**	**0.09**	**(.03)**				
early elections 2000-2011		**-0.61**	**(.25)**	**0.45**	**(.19)**				
mean elections		0.18	(.77)	-0.68	(.60)				
mean corruption		**-0.19**	**(.05)**	**-0.16**	**(.04)**				
Country level: economic									
mean change social benefits						**0.22**	**(.11)**	**0.28**	**(.09)**
Missing values social benefits (see footnote 8)						**-0.63**	**(.22)**	**-0.31**	**(.16)**
mean GDP growth						0.13	(.22)	0.19	(.19)
mean unemployment						**0.06**	**(.03)**	0.02	(.03)
mean inflation						0.04	(.06)	0.01	(.06)
explained variance country level		69%		75%		23%		15%	

a Multinomial multilevel analysis with three levels, reference category = optimists.

b B coefficients are log odds. Bold coefficients are significant with p<.05. For individual coefficients, two-sided significance tests are performed, for macro coefficients one-sided significance test are performed.

Table 5.1 (Continued)

		Model 3				Model 4			
		pessimists		undecideds		pessimists		undecideds	
		B	(SE)	B	(SE)	B	(SE)	B	(SE)
Individual level: controls									
gender (male)		**0.22**	**(.01)**	**0.19**	**(.01)**	**0.22**	**(.01)**	**0.19**	**(.01)**
age (40-54)	15-24	**-0.21**	**(.02)**	**-0.20**	**(.03)**	**-0.08**	**(.02)**	**-0.15**	**(.03)**
	25-39	**-0.10**	**(.01)**	**-0.10**	**(.02)**	**-0.05**	**(.01)**	**-0.10**	**(.01)**
	55+	**-0.17**	**(.01)**	**-0.09**	**(.02)**	**-0.11**	**(.01)**	**-0.05**	**(.02)**
education (medium)	low	**0.24**	**(.01)**	**0.13**	**(.02)**	**0.18**	**(.01)**	**0.10**	**(.02)**
	high	**-0.30**	**(.01)**	**-0.18**	**(.01)**	**-0.18**	**(.01)**	**-0.13**	**(.01)**
	student	**-0.37**	**(.02)**	**-0.27**	**(.03)**	**-0.16**	**(.03)**	**-0.19**	**(.03)**
employment status (employed)	unemployed	**0.44**	**(.02)**	**0.17**	**(.02)**	**0.21**	**(.02)**	**0.04**	**(.02)**
	other	0.02	(.01)	**0.03**	**(.02)**	-0.01	(.01)	0.02	(.02)
community (small town)	rural village	**0.03**	**(.01)**	0.02	(.01)	**0.03**	**(.01)**	0.01	(.01)
	large town	**-0.06**	**(.01)**	**-0.04**	**(.01)**	**-0.04**	**(.01)**	**-0.03**	**(.01)**
Individual level: attitudes									
life satisfaction						**0.85**	**(.01)**	**0.50**	**(.01)**
negative economic expectation						**1.20**	**(.01)**	**0.43**	**(.01)**
political distrust						**1.64**	**(.01)**	**0.93**	**(.01)**
Country level: political									
mean net EU benefit									
EMU (no euro)	new	**-0.41**	**(.17)**	**0.26**	**(.14)**	**-0.29**	**(.16)**	**0.36**	**(.14)**
	established	0.15	(.16)	**0.46**	**(.13)**	**0.26**	**(.15)**	**0.55**	**(.13)**
governmental changes 2000-2011		**0.13**	**(.04)**	**0.09**	**(.03)**	**0.11**	**(.04)**	**0.07**	**(.03)**
early elections 2000-2011		**-0.49**	**(.27)**	**0.37**	**(.21)**	**-0.60**	**(.24)**	0.35	(.22)
mean elections									
mean corruption		**-0.13**	**(.05)**	**-0.17**	**(.04)**	0.02	(.04)	**-0.12**	**(.04)**
Country level: economic									
mean change social benefits		0.04	(.09)	0.04	(.07)	-0.10	(.08)	-0.05	(.07)
Missing values social benefits (see footnote 8)		**-0.64**	**(.22)**	**-0.32**	**(.16)**	**-0.64**	**(.19)**	**-0.35**	**(.15)**
mean GDP growth									
mean unemployment		0.02	(.02)	-0.01	(.02)	0.01	(.02)	-0.02	(.02)
mean inflation									
explained variance country level		69%		72%		62%		72%	

than optimistic about their country's direction, and early elections also increase the number of undecideds. The hypotheses regarding the other political factors, the net EU benefit (H1) and elections in general (H4) are to be rejected on the basis of model 1. The model explains a very large share of the between-country variance for the pessimists and the undecideds in the amount of 69% and 75%, respectively.[11]

The individual controls show effects that can be expected and are in line with the results in Chapter 3. Education negatively affects societal pessimism, whereas unemployment has a positive effect. Furthermore, age matters, with the middle-aged (25-39 and 40-55) being the most likely to be pessimistic, whereas the oldest cohort (55+) is not more likely to be pessimistic about society than youth (15-25). People in rural areas are significantly more often found to be societally pessimistic, whereas inhabitants of large cities are less inclined to societal pessimism.

Model 2 focuses on economic determinants. Two factors stand out: the change in the social benefit rate over the previous year and the unemployment level over the previous six months both stimulate societal pessimism. The latter finding is in line with H7b on unemployment, but the former directly contradicts H6. It could be that when benefit rates did increase in this period, it was because of economically problematic developments that are not included in the model. If I compare the results with the hypotheses, H6 on changes in benefits, H7a on recession and H7c on inflation are refuted. Although the explained variance is substantial, it is much smaller than in model 1: 23% (pessimists) and 15% (undecideds), respectively, is explained by the model.

Model 3 includes the significant context factors of models 1 and 2 for societal pessimists. The political factors that showed an influence in model 1 retain significance, and the effects are all in the same direction. Just as in Model 1, new EMU countries show lower levels of societal pessimism than do non-EMU countries, indicating that joining the EMU either injects a positive sentiment or parallels positive developments in a country that yields this positive outlook. In established euro countries, people are not more likely to be pessimistic. Therefore, H2 is not supported by the results. H3, which posits that political instability increases societal pessimism, does find support: more governmental changes result in a higher likelihood of societal pessimism. However, the percentage of early elections, which is the other operationalization of political instability, shows contrasting results. This remarkable result is robust.[12] It means that when considering all of a government's changes, governmental instability boosts

11 The reference model includes wave dummies, individual controls, and (in the case of model 4) individual attitudes.

12 I checked whether the results change when adding only governmental changes, early elections or regular elections, or two out of three, to model 1. This is not the case. Whereas the early elections variable loses significance in one of the alternative models, the effect is still in the same direction. In addition, using an alternative operationalization (see footnote 7) does not alter the results.

societal pessimism, whereas early elections boost optimism. This suggests that the fall of a government can create new hope for a country's future. This could also be the side effect of a political system's responsiveness, which is sensitive to the electorate's sentiment. The effect of corruption also finds support: corruption increases societal pessimism (H5). Because none of the economic factors are significant in model 3, all of the economic hypotheses must be rejected. Clearly, the political factors – namely, political instability and corruption – are far more important than the economic factors to explain cross-national differences in societal pessimism.

Longitudinal differences in societal pessimism explained

Table 5.2 shows the results of the second set of multilevel analyses on longitudinal differences in societal pessimism within countries, using the centered independent variables. The inclusion of wave and country dummies eliminates common variance within waves and within countries (Table C2-1 and Table C2-2 of Appendix C show the full model, including these dummies). In model 5, I present the effects of political changes within countries over time. That model shows that people are less likely to be pessimists or undecideds if their country's net benefit from the EU during the previous year was relatively high compared to other years. This is in line with H1. All of the other political hypotheses must be refuted. Early elections decrease rather than increase societal pessimism, whereas elections stimulate societal pessimism. This contradicts my expectations. It could be that the fall of a malfunctioning government is a positive development, whereas new elections increase uncertainty.

Model 6 presents the effects of economic changes within countries. Unemployment significantly increases societal pessimism, whereas economic growth decreases societal pessimism. Moreover, economic growth and unemployment have the same effects on the chance of being societally undecided instead of optimistic. These results are in line with hypotheses H7a and H7b. However, hypotheses H6 (on change in social benefits) and H7c (on inflation) must be rejected. The explained variance in model 6 is higher than in model 5 (16% and 10% compared to 7% and 7%)[13], indicating that unlike the cross-national models, economic factors are more important than political factors in explaining longitudinal differences in societal pessimism.

Model 7 shows the effects when the significant predictors in models 5 and 6 are combined. Net EU benefit retains its negative effect for both pessimists and undecideds, and early elections and regular elections retain their unexpected effects.

13 The reference model includes wave dummies, individual controls, and (in the case of model 8) individual attitudes.

Table 5.2 Longitudinal differences in societal pessimism explained, 2006-2012[ab]

		Model 1				Model 2			
		pessimists		undecideds		pessimists		undecideds	
		B	SE	B	SE	B	SE	B	SE
Individual level: controls									
gender (male)		**0.22**	**(.01)**	**0.19**	**(.01)**	**0.22**	**(.01)**	**0.19**	**(.01)**
age (40-54)	15-24	**-0.21**	**(.02)**	**-0.21**	**(.03)**	**-0.21**	**(.02)**	**-0.21**	**(.03)**
	25-39	**-0.10**	**(.01)**	**-0.10**	**(.02)**	**-0.10**	**(.01)**	**-0.10**	**(.02)**
	55+	**-0.18**	**(.01)**	**-0.10**	**(.02)**	**-0.18**	**(.01)**	**-0.11**	**(.02)**
education (medium)	low	**0.25**	**(.01)**	**0.14**	**(.02)**	**0.25**	**(.01)**	**0.14**	**(.02)**
	high	**-0.31**	**(.01)**	**-0.19**	**(.01)**	**-0.31**	**(.01)**	**-0.19**	**(.01)**
	student	**-0.37**	**(.02)**	**-0.27**	**(.03)**	**-0.38**	**(.03)**	**-0.27**	**(.03)**
employment status (employed)	unemployed	**0.45**	**(.02)**	**0.18**	**(.02)**	**0.46**	**(.02)**	**0.18**	**(.02)**
	other	0.01	(.01)	0.03	(.02)	0.01	(.01)	**0.03**	**(.02)**
community (small town)	rural village	**0.04**	**(.01)**	0.03	(.01)	**0.04**	**(.01)**	**0.02**	**(.01)**
	large town	**-0.06**	**(.01)**	**-0.04**	**(.01)**	**-0.06**	**(.01)**	**-0.04**	**(.01)**
Individual level: attitudes									
life satisfaction									
negative economic expectation									
political distrust									
Country level: political									
centered net EU benefit		**-0.12**	**(.05)**	-0.02	(.03)				
centered changes government		0.06	(.07)	**0.08**	**(.05)**				
centered early elections		**-0.23**	**(.10)**	0.02	(.07)				
centered elections		**0.14**	**(.08)**	-0.03	(.06)				
centered corruption		-0.04	(.09)	**0.13**	**(.06)**				
Country level: economic									
centered change social benefits						0.00	(.02)	-0.02	(.01)
Missing values social benefits (see footnote 8)						-0,40	0,20	-0,20	0,14
centered GDP growth						**-0.15**	**(.03)**	**-0.06**	**(.02)**
centered unemployment						**0.06**	**(.01)**	**0.04**	**(.01)**
centered inflation						**0.04**	**(.02)**	-0.01	(.01)
explained variance country level		7%		7%		16%		10%	

a Multinomial multilevel analysis with three levels, reference category = optimists.
b B coefficients are log odds. Bold coefficients are significant with p<.05. For individual coefficients, two-sided significance tests are performed, for macro coefficients one-sided significance test are performed.

Table 5.2 (Continued)

		Model 3				Model 4			
		pessimists		undecideds		pessimists		undecideds	
		B	SE	B	SE	B	SE	B	SE
Individual level: controls									
gender (male)		**0.22**	**(.01)**	**0.19**	**(.01)**	**0.22**	**(.01)**	**0.19**	**(.01)**
age (40-54)	15-24	**-0.21**	**(.02)**	**-0.21**	**(.03)**	**-0.08**	**(.02)**	**-0.16**	**(.03)**
	25-39	**-0.10**	**(.01)**	**-0.10**	**(.02)**	**-0.05**	**(.01)**	**-0.09**	**(.01)**
	55+	**-0.18**	**(.01)**	**-0.11**	**(.02)**	**-0.12**	**(.01)**	**-0.06**	**(.02)**
education (medium)	low	**0.25**	**(.01)**	**0.14**	**(.02)**	**0.19**	**(.01)**	**0.11**	**(.02)**
	high	**-0.31**	**(.01)**	**-0.19**	**(.01)**	**-0.18**	**(.01)**	**-0.13**	**(.01)**
	student	**-0.38**	**(.03)**	**-0.27**	**(.03)**	**-0.17**	**(.03)**	**-0.19**	**(.03)**
employment status (employed)	unemployed	**0.46**	**(.02)**	**0.18**	**(.02)**	**0.21**	**(.02)**	**0.04**	**(.02)**
	other	0.01	(.01)	0.03	(.02)	0.00	(.01)	**0.03**	**(.02)**
community (small town)	rural village	**0.04**	**(.01)**	**0.02**	**(.01)**	**0.03**	**(.01)**	0.02	(.01)
	large town	**-0.06**	**(.01)**	**-0.04**	**(.01)**	**-0.04**	**(.01)**	-0.03	(.01)
Individual level: attitudes									
life satisfaction						**0.87**	**(.01)**	**0.50**	**(.01)**
negative economic expectation						**1.23**	**(.01)**	**0.45**	**(.01)**
political distrust						**1.68**	**(.01)**	**0.96**	**(.01)**
Country level: political									
centered net EU benefit		**-0.16**	**(.05)**	**-0.08**	**(.03)**	-0.06	(.04)	-0.03	(.03)
centered changes government									
centered early elections		**-0.20**	**(.10)**	0.00	(.07)	**-0.16**	**(.08)**	0.00	(.07)
centered elections		**0.19**	**(.05)**	0.02	(.04)	**0.16**	**(.05)**	0.01	(.04)
centered corruption									
Country level: economic									
centered change social benefits									
Missing values social benefits (see footnote 8)									
centered GDP growth		**-0.15**	**(.03)**	**-0.06**	**(.02)**	**-0.12**	**(.03)**	**-0.05**	**(.02)**
centered unemployment		**0.07**	**(.01)**	**0.05**	**(.01)**	**0.06**	**(.01)**	**0.04**	**(.01)**
centered inflation		0.02	(.02)	-0.01	(.01)	0.02	(.02)	-0.01	(.01)
explained variance country level		21%		13%		14%		11%	

In addition, GDP growth and unemployment remain significant. This means that I can accept hypotheses H1 (on the EU benefit), H7a (GPD growth) and H7b (unemployment) for longitudinal changes in societal pessimism within countries.

Finally, we can conclude that the contextual results in the longitudinal models are very different from those in the cross-national models. Whereas cross-national variations in societal pessimism are best explained by political factors, longitudinal within-country variations are primarily explained by economic factors. That means that cross-national differences in societal pessimism are caused by differences in political context, whereas longitudinal changes in societal pessimism within countries are primarily driven by the economic situation.

Controlling for the mediating effects of individual attitudes

To check whether my findings are driven by political trust, economic expectations or life satisfaction, I add those effects in models 4 and 8. For the cross-national analyses, model 3 can be compared to model 4. This comparison shows that the results are mostly the same. The only difference is that the effect of corruption becomes insignificant. The other determinants are only marginally affected, if at all. For the longitudinal analyses, including attitudinal variables yields almost identical conclusions as model 7 in Table 5.2. The net EU benefit loses its significance, but only slightly (T-value is 1.58).

These results indicate that the effect of political and economic context on societal pessimism is not driven by citizens' evaluation of politics and the economy. Only the cross-national effect of corruption disappears completely after the inclusion of political attitudes, possibly because the latter mediates the effect. This indicates that a political evaluation is occurring when answering a question on societal pessimism. However, none of the other determinants lose their impact on societal pessimism. This suggests that the results are not driven by evaluations based on the political or economic situation. Furthermore, this underlines this book's argument that societal pessimism is an attitude with a dynamic of its own, next to known attitudes in public opinion research such as political trust or economic expectations.

5.5 Conclusions and Discussion

Societal pessimism, or the sentiment that society is in decline, thrives in Europe. Between 2006 and 2012, the average share of societal pessimists was 50%. However, there are large cross-national differences. In some countries, two-thirds of the population is societally pessimistic (Hungary, France, Spain), whereas elsewhere, only approximately one-third of the population is societally pessimistic (Austria, Estonia

and Luxembourg). Furthermore, societal pessimism has increased since the Great Recession hit Europe in 2008, compared to pre-crisis levels in 2006. Nevertheless, the level of pessimism was already high before the crisis, with 42% of Europeans thinking their country was heading in the wrong direction. Although pre-2006 cross-national data for societal pessimism are unavailable, these findings indicate that recent economic developments alone cannot account for a pessimistic outlook on society. Besides the substantial level of societal pessimism, the country-specific figures show that there is considerable volatility in societal pessimism within countries, regardless of the level of societal pessimism.

To understand the political and economic roots of societal pessimism, I performed cross-national and longitudinal analyses. Political characteristics such as supranationalism, political instability, and corruption are likely to drive societal pessimism to the extent that they stimulate a sense of collective powerlessness and an inability to improve societal conditions. Economic characteristics such as decreasing social benefits, recession, unemployment, and inflation are likely to stimulate societal pessimism by increasing socioeconomic vulnerability.

The results show that cross-national differences in societal pessimism depend mostly on political determinants, whereas longitudinal differences within countries are mostly affected by economic determinants. Thus, societal pessimism is rooted in both stable conditions such as political institutions and economic deterioration compared to the previous year. Internationally, corruption and governmental instability increase societal pessimism. Contrary to my expectations, early elections decrease societal pessimism, probably because the fall of an unstable or controversial government can create new hope for the country's future. Also unexpectedly, societal pessimism is lower in new EMU countries than in non-EMU countries. This may indicate that joining the EMU injects a positive sentiment. The other political factors do not achieve significance, nor do any of the economic determinants. The explained variance in the cross-national model is large (69%) at the country level.

In the longitudinal analyses, I find that the net EU benefit decreases societal pessimism, as does economic growth, whereas unemployment increases societal pessimism. Contrary to my expectations, but in line with the cross-national findings, early elections decrease societal pessimism while regular elections increase it, apparently adding to uncertainty. Here, the explained variance is substantially lower (21%), meaning that in future research, more factors need to be taken into account in this type of analysis. The non-finding (both cross-nationally and longitudinally) of the effect of welfare-state retrenchment on societal pessimism is remarkable because it is theorized in Chapter 2 that this retrenchment inspires the perception of increasing

socioeconomic insecurity (e.g. Samuelson, 1995; Bauman, 2006; 2007). Either the perceptions of insecurity are not based on factual developments or other aspects of the welfare state's retrenchment should be considered that reflect benefit eligibility, not benefit levels, for instance.

This chapter also offers insight into the character of social pessimism. First, societal pessimism varies considerably not only between countries but also within countries. This suggests that societal pessimism is partly rooted in structural conditions and partly in more conjunctional ones. Societal pessimism is not just a thermometer of public opinion at a certain point in time, because it is also structurally inspired by country-specific conditions. Second, the different effects in the cross-national and longitudinal analyses suggest that there is no absolute reference point that drives societal pessimism, meaning that, for instance, people believe that corruption is too widespread without making a comparison to either other countries or previous times. Instead, sometimes this reference point is shaped by international comparisons, whereas other times it is shaped by the (recent) history of one's own country. Third, the results suggest that societal pessimism is an attitude with a dynamic of its own; it is not the sum of evaluations of aspects of society or one's own life. This follows from the weak to moderate correlations between social pessimism and life satisfaction, political trust and economic expectations, along with the fact that including these three attitudes barely affects the political and economic determinants of societal pessimism.

The results also indicate that societal pessimism is rooted in objective political and economic developments, events and outcomes in the recent past. Although we must acknowledge that Europe's economic and political conditions are at a relatively high level compared to other continents and that a deterioration of these conditions does not immediately point to real disaster, deterioration is clearly both perceived and problematic to citizens. This challenges the notion of a European culture of pessimism. Apparently, we are pessimistic for good reasons. If anything, our societal pessimism reflects a culture of realism.

The real roots of societal pessimism have two implications. On the one hand, given the supposedly stagnating effects of societal pessimism, there is a risk that enduring societal pessimism – itself caused by political instability or economic recession – induces further stagnation and pessimism. Indeed, this downward spiral is suggested both in the literature (Moïsi, 2009) and by (political) leaders (RTL Nieuws, 2013; Vatican Network, 2014; The Times, 2015). On the other hand, these same political and economic roots of societal pessimism imply that such a self-fulfilling prophecy can be offset by changes in the same institutions and policies that I find to affect societal pessimism: revisions of net contributions to the EU, diminishing political instability (governmental changes)

and economic policy on growth and unemployment. Notwithstanding the political character of such decisions and the fact that they cannot be adjusted easily, political leaders need not sit back and watch societal pessimism take its course.

Having established the effect of various political and economic factors by no means exhausts the list of possible causes of societal pessimism that deserve scrutiny. If we consider the conceptual model of societal unease in Chapter 2, other important causes to consider are the occurrence of technology-related disasters (from nuclear power-plant problems and dangerous levels of resistant bacteria in hospitals to negative side effects of (social) policies), the lack of ideology and long-term vision employed by political parties and their leaders, the influence of multinational companies on governmental decision making, lower financial protection due to more short-time contracts and flexibilization of the labor market, and the level of income inequality, especially the position of the middle class compared to that of the upper class (Ehrenreich, 1989). Although attention to the difference between rich and poor has generally increased since the study of Piketty (2014), I expect that the middle class's worsening position is most important to the rise of socioeconomic vulnerability (Ehrenreich, 1989).