

**Disintegration by popular vote:
Expectations, foreign intervention and the vote in the 2015 Greek
bailout referendum**

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Abstract

In July 2015, Greek voters plunged the Eurozone into crisis when they rejected a bailout package in a referendum that was widely perceived as putting the country's Eurozone membership up for a vote. We argue that this referendum is an example of a "disintegration referendum", a new challenge for international regimes. *Disintegration referenda* are referenda that either outright aim at partially or fully retracting from an international institution or are perceived by the other members of the regime as pursuing a goal that violates the international institution's rules to an extent that puts the member's membership in the institution into question. The latter therefore have incentives to signal a tough stance during the campaign, which creates uncertainty about the domestic consequences of a disintegrative vote in the referendum country. In this context, expectations about the reactions of the other member states to a disintegrative vote are likely to play an unusually large role in shaping vote intentions. Using original survey data from a poll we fielded a day before the 2015 Greek referendum, we show that expectations about the consequences of a no-vote had a powerful effect on voting behavior in this referendum: voters expecting that a disintegration vote would result in "Grexit," Greece's exit from the Eurozone, were substantially more likely to vote for the bailout package than those believing that a no-vote would result in new negotiations, even after we take the effects of partisan cues, material interests and attitudes about the euro into account. Leveraging the bank closure in Greece, we also show that costly signals sent by the other member states make voters more pessimistic about the consequences of a no-vote and induce some voters to vote yes.

1. Introduction

On 5 July 2015, Greek voters plunged the Eurozone into its biggest crisis to date. After years of deep economic crisis and months of deadlocked negotiations with the country's creditors, the Greek prime minister Alexis Tsipras had called on the Greek people to vote in a referendum on the conditions proposed by the country's international creditors in return for more bailout money.¹ Rejecting these conditions, Tsipras argued, would enhance Greece's bargaining power in negotiations with its creditors, allowing the government to put an end to years of crisis and austerity. Most opposition politicians and policymakers outside of Greece, however, perceived the referendum as a vote on the country's continued membership in the Eurozone. They warned that a no-vote would invariably lead to "Grexit," Greece's exit from the currency union.

The campaign period was characterized by an unusual amount of international interference. Provided the Greek's government's decision to campaign against the bailout package, the finance ministers of the other Eurozone countries (the "Eurogroup") decided collectively not to extend the ongoing bailout program, which was due to expire before the referendum. Based on this decision, the European Central Bank (ECB) declined to increase emergency funding for Greek banks further. This forced the Greek government to close the banks, impose capital controls and to become the first industrialized country ever to default on a loan from the International Monetary Fund (IMF). But despite the deteriorating economic situation and although a large majority of Greeks strongly favored staying in the euro, Greek voters soundly rejected the bailout proposal in the referendum. The government won the referendum by a large margin, with 61 percent of Greeks voting "no". It is this apparent paradox that we try to explain in this paper.

The Greek 2015 referendum is noteworthy because outside of Greece, it was widely seen as a popular vote on the country's membership in an existing international institution, the European Monetary Union. Although voters have often had a say in joining international institutions – examples are the many referenda on EU accession or membership in other international organizations – voters' ability to shape or terminate international cooperation once an agreement has been signed has traditionally been limited. International institutions tend to leave little room for ex-post opt-out clauses, because they are designed to limit and punish "defection" by individual countries and to ensure continued cooperation (e.g., Keohane 1984; Koremenos et al. 2001; Simmons 2010). This has led to a circumscribed role

¹ Creditors were represented by the so-called *Troika*, the European Commission, the International Monetary Fund (IMF) and European Central Bank (ECB).

of domestic publics in influencing their country's international behavior within existing international institutions, reflecting the more general limitations on a nation's ability for democratic self-determination in a deeply integrated international setting (Rodrik 2011).

Recently, however, a number of popular referenda that have been held across Europe that have challenged *existing* international institutions. We define *disintegration referenda* as referenda that either outright aim at partially or fully retracting from an international institution or are perceived by the other members of the regime as pursuing a goal that violates the international institution's rules to an extent that puts the member's membership in the institution into question. These disintegration referenda are characterized by three traits that fundamentally differ from conventional foreign policy referenda. First, rather than present voters with the option of *extending* international cooperation beyond the status quo, these referenda concern a potential *withdrawal* from existing international institutions. Second, disintegration referenda present a unilateral and blatant decision of one member state to change the cooperative status quo towards less cooperation. A pro-disintegration vote in one member state therefore has large negative consequences for the other members of the respective international institution. Not only do they stand to lose cooperation gains, but unilateral disintegration can also put the long-run survival of the international institution at risk. Third, the outcome of a disintegrative vote is not only a domestic matter, but strongly depends on how the other member states will respond to the vote. Reactions can range from accommodation to punitive reactions. The range of possible outcomes is therefore large. Gauging this potential reaction *ex ante* is difficult, however. Because a status-quo preserving vote is always better for the other member states, they have strong incentives to signal a tough stance *ex ante* in order to induce voters to cast a cooperative ballot. This creates an information environment where the true resolve of the other member states to punish a disintegrative vote is difficult to assess by voters. Disintegration referenda therefore take place in a context characterized by high levels of uncertainty about the consequences of a disintegration vote.

This paper examines how voters cast their vote in this uncertain context of a disintegration referendum. Our argument is that narratives and expectations about the consequences of a disintegrative referendum outcome will be highly influential for voters' behavior. Expectations play a big role precisely because consequences are uncertain and depend on the reaction of non-domestic actors to the outcome. As such, the retaliatory capacity of foreign actors and their willingness to send costly signals ahead of the vote can generate uncertainty over the implications of a disintegration vote, feeding more risk-averse

and pro-status-quo choices, compared to those who expect that the referendum outcome will not be contested by international partners.

We examine these dynamics in the context of the Greek 2015 bailout referendum, which can be classified as a disintegration referendum because it was widely perceived as a vote on the country's continued membership in the Eurozone. Using original survey data from a poll we fielded a day before the referendum, we investigate what role expectations played in influencing vote choice. We show that expectations about the consequences of a pro-disintegration vote had a powerful effect on voting behavior in the referendum: voters expecting that a disintegration vote would result in "Grexit" were substantially more likely to vote cooperatively than those believing that a no-vote would result in new negotiations. Moreover, we show that there is space for foreign actors to sway voters' expectations and vote choices in their favor. Our results suggest that costly signals about possible retaliatory measures of a disintegration vote – such as the ECB's decision not to accommodate Greece's heightened need for further capital injections, effectively forcing the Greek government to declare a bank holiday and to impose capital controls – can induce some voters to vote cooperatively, although this effect is limited.

Overall, our study underscores the unique features of disintegration referenda, especially the importance of expectations and narratives. Leveraging the unique case of the Greek bailout referendum, our analysis shows that although partisan narratives, material interests, and attitudes also influenced the voting decision, expectations about the consequences of a vote against the proposed bailout were one of the most important drivers of vote intentions. Our analysis also shows that foreign policymakers have the capacity to influence these campaigns, but the effects are limited, despite the fact that disintegration referenda can have huge ramifications for their own citizens as well.

2. Disintegration referenda, expectations, and vote choice

Referenda on foreign policy issues are typically held in order to ratify pre-negotiated international agreements that either establish or deepen international cooperation (examples are discussed in Hug 2003; Hobolt 2009).² If voters approve the agreement in such a ratification referendum, the country will move beyond the status quo towards more integration along pre-negotiated lines. In recent years, however, a new type of referendum has

² Examples include the Danish 2002 referendum on the Maastricht Treaty (rejected), the Swiss 2002 referendum about joining the United Nations (approved), or the 2007 Costa Rican referendum on joining the Central American Free Trade Area (approved).

emerged that aim at changing the status quo of *existing* international institutions through a popular vote. Some of these *disintegration referenda*, such as the 2016 “Brexit” referendum about whether the United Kingdom should leave the European Union (EU), ask voters to approve terminating membership in an international institution. Others have voters decide on proposals that violate binding international treaties. Examples include the Swiss 2014 referendum on the “mass immigration initiative,” whose mandate to introduce immigration quotas stood in contradiction to the country’s bilateral treaty on the free movement of people with the EU or the 2015 Greek bailout referendum, which was directed against the Eurozone’s “rules of the game.”³ Although the proponents of such partial disintegration referenda usually argue that the proposal is about a domestic issue, rather than a referendum about the international institution, what these referenda have in common is that the other member states perceive the referendum to be at odds with core principles or core rules of a shared international institution.

Disintegration referenda thus challenge a fundamental requirement of international cooperation: the willingness of all member states to behave cooperatively and to comply with the norms and rules of the international institution in a stable and predictable manner. Of course, many international institutions contain escape clauses and duration provisions that allow countries to opt out or terminate existing agreements in an orderly manner (Rosendorff and Milner 2001; Koremenos 2005; Pelc 2009).⁴ Disintegration referenda however, sidestep these institutions and mandate disintegration in a unilateral, non-cooperative, but democratically supported manner.

The importance of expectations in disintegration referenda

Because disintegration referenda fundamentally question the rationale, rules, and norms of an international institution, they not only affect domestic voters. Rather, their adoption has significant negative consequences for the other member states in the regime. Not only does a unilateral move to change the status quo towards a situation that is more advantageous for the referendum state often reduce the cooperation gains for the other member states, but the attempt to unilaterally adjust the rules of the international institution in the interest of one member state can threaten the long-run viability of the institution as such. Second, disintegration referenda present a unilateral and blatant decision of one member state

³ Other examples for disintegration referenda are Iceland’s 2010 and 2011 Icesave referenda about repudiating foreign debt, the Swiss 2014 ECOPOP initiative on limiting immigration to a very low level, or the Swiss 2016 „Enforcement initiative“ referendum on restricting foreigners’ legal rights.

⁴ Many international institution also exhibit mechanisms to detect and deal with non-compliance (Abbott and Snidal 1998).

to change the cooperative status quo towards less cooperation. A disintegrative referendum outcome in one member state therefore has large negative consequences for the other members of the respective international institution. Not only do they stand to lose cooperation gains, but unilateral disintegration can also put the long-run survival of the international institution at risk.⁵ This is because international agreements are usually the result of a long bargaining process, in which each side has to make compromises. If one side is allowed to renege on its commitments *ex post* by means of a referendum and to selectively defect from the terms of the agreement without any sanctions, other countries might follow suit (Downs et al. 1996). Yet if the referendum country is not allowed to renege on its commitment after a disintegrative referendum vote in an amicable manner, there is a serious risk of a politically and economically costly rupture.

A disintegrative referendum vote therefore presents the other member states with a dilemma on how to respond: Should they accommodate the democratically expressed wish of the (other) people, even if this carries the risk of eroding the international institution in the long run? Or should they punish the country for its move to defect from the institution in order to discourage similar referenda and disintegration moves amongst other member states, when such punishment is costly for everyone involved?⁶ This decision on how to respond to a disintegrative vote in turn strongly shapes the consequences of a disintegrative vote for the referendum country. The outcome of such a referendum thus strongly depends on the reaction of the other member states to a disintegrative vote: accommodation makes such a vote much less costly to the referendum country than sanctioning.

Given that all options of responding to a disintegrative vote are costly for foreign policymakers, it is clear that they always prefer not to be confronted with this dilemma in the first place. Thus, when one member state is holding a disintegration referendum, the other member states have a strong preference for a referendum *vote* in favor of continued cooperation. To sway the vote in favor of cooperation, they therefore have strong incentives to signal a tough stance in the campaign phase in order to induce voters to cast a cooperative ballot. But their efforts to credibly communicate resolve is hampered by private information problems (Fearon 1995) and time-inconsistency problems: Because punishing defection also

⁵ Note that even for other member states who may prefer a lower level of integration, a unilateral, referendum-based decision to defect by one member state is worse than a cooperative bargaining solution aimed at disintegration.

⁶ Such punishments can take various forms, including legal proceedings, direct sanctions, or stops to further cooperation in other policy fields, which is costly to the other member states as well. Examples include the EU's decision to bar Switzerland's full access to the new Horizon 2020 research program after its 2014 vote to implement immigration quotas or limiting a country's access to the EU's single market after it votes to leave the EU.

imposes costs on the other member states, they may be willing to accommodate a non-cooperating vote ex post, even though they threatened to sanction the country ex ante.

Domestically, the proponents of a disintegrative vote are likely to exploit this communication problem. They will point to the strategic incentives for foreign policymakers to misrepresent resolve and will argue that ex post, the others are likely to accommodate the referendum vote. Especially in partial disintegration referenda, those in favor of disintegration will argue that the referendum is not about the international institution as such. Instead, they are likely to point out that a disintegrative vote can be used as a bargaining chip for domestic policymakers to extract concessions from the other member states within the existing international institution.⁷

In sum, disintegration referendum campaigns are characterized by conflicting messages and narratives about the risks and benefits associated with a disintegrative vote. This is of course not unusual for referendum campaigns. Existing research has demonstrated that the information environment (Bowler and Donovan 2000; Vreese and Semetko 2004; Hobolt 2005) and the arguments put forth in a referendum campaign (Kriesi 2005; Schuck and de Vreese 2009) influence voting decisions in popular referenda. Likewise, all referenda are subject to a certain amount of uncertainty about the consequences of a yes or no vote, because future developments can never be perfectly predicted. But because no objective information about the consequences of a disintegrative vote is available in disintegration referenda, and because these consequences depend not only on domestic policymakers but also on the reaction of foreign policymakers, disintegration referenda take place in a context characterized by unusually high levels of uncertainty.

We argue that in such a setting, *voters' expectations about how foreign actors will react to a disintegrative referendum outcome will be a main driver of voting behavior in a disintegration referendum*. Those expecting retaliatory measures will be more likely to vote for continued cooperation, while those expecting an accommodating response from the other member states will be more likely to vote in favor of disintegration. Although expectations are likely to matter in all referenda, they are often an expression of individuals' partisan preferences (Conover et al. 1987) or utilitarian considerations (e.g., Tverdova and Anderson 2004). Because of the high level uncertainty surrounding the consequences of a disintegrative vote, however, we argue that expectations about these consequences should strongly affect vote intentions in addition to and independent of partisanship, material interests, and attitudes,

⁷ Recent examples for such concessions involve the „Icesave“ referenda on debt repayment modalities between Iceland, the UK and the Netherlands (Curtis et al. 2014), or the negotiations between Britain and the EU in the context of the 2016 Brexit referendum.

which have been found to be important drivers of voting decisions in regular ratification referenda (Hobolt 2009). This means that whereas in most instances partisan and issue preferences are aligned with preferences, in disintegration referenda we are more likely to see instances where preferences and expectations diverge, and where expectations trump preferences.⁸

Can foreign policymakers influence the referendum vote?

If expectations about the reactions of the other member state are central in shaping the vote decision in disintegration referenda, the question emerges whether foreign policymakers can influence these expectations, and, ultimately, vote intentions in their favor. In recent disintegration referendum campaigns, foreign policymakers have tried to influence voters' expectations mostly through statements. Examples include statements by German policymakers ahead of the 2014 Swiss mass immigration referendum that Switzerland would not be allowed to "pick and choose" the parts of the bilateral treaties it wished, or Barack Obama's statement that a "Brexit" would put the UK at the "back of the queue" for trade talks with the US. But the strategic setting makes influencing domestic public opinion from abroad interest a difficult task: Not only can such statements be counterproductive, but foreign policymakers face private information problems that make it difficult for them to credibly communicate their actual resolve to punish a disintegrative vote.

One possible solution in such situations is to send costly signals in the run-up to the vote underscoring their unwillingness to accommodate a disintegrative vote (Fearon 1995). By engaging in activities that create costs not only for the referendum country, but also for the other member states, foreign policymakers can more credibly convey that they would not be willing to accommodate the referendum country's wish to disintegrate from (parts of) the international institution, even if this defection were decided by a direct democratic vote. For example, ceasing to cooperate in certain policy areas during the campaign phase with visible and costly consequences for both domestic and foreign actors is likely to strengthen voters' expectations that a disintegrative vote will have negative consequences. We argue that *credible signals from foreign policymakers should make voters more pessimistic in their expectations about the consequences of a disintegrative vote*. Kahneman and Tversky (1979) have shown that individuals tend to place more weight on the possibility of negative

⁸ Empirical evidence from independence referenda, which are conceptually similar to internationally-oriented disintegration referenda in that the consequences of a pro-independence vote are equally uncertain and contingent on the reactions of outside actors, underline the importance of expectations in contexts of uncertainty. In independence referenda in Québec (Blais et al. 1995), Catalonia (Muñoz and Tormos 2015), and Scotland (Curtice 2014), voters diverged widely in their views on what the consequences of independence would be.

scenarios, rather than positive payoff probabilities. This means that by increasing expectations of negative consequences foreign policymakers should be able to influence the voting decisions of citizens in the referendum country. Costly and credible signals should hence increase the likelihood that voters decide to vote against disintegration in the referendum.

3. The 2015 Greek Bailout Referendum

To study the role of expectations and the impact of foreign involvement in disintegration referenda, we focus on a prominent example of a disintegration referendum: the July 2015 bailout referendum in Greece. Although officially a referendum on the terms of the bailout package proposed by the Troika institutions in an effort to overcome the country's enormous financial crisis, this referendum can be classified as a disintegration referendum because it both outside and (at least partly) inside Greece, the referendum was widely seen as a decision on whether the country would keep the euro or not. As such, the referendum put the irreversibility of the euro in question and consequently posed a threat to the entire project of European monetary integration.

The referendum culminated from months of increasingly difficult negotiations that had characterized the months following the election of the radical left party Syriza in January 2015. Against the backdrop of a country that had been mired in an enormous economic crisis for half a decade, the party had come to power with a mandate to implement two contradictory goals: keeping the country in the euro-zone, while at the same time ending austerity. No sooner than formed, the new government declared its intention to renegotiate the conditions attached to an existing bailout package from a near-zero basis with the creditors. A series of Eurogroup meetings ensued, none of which ended with an agreement although the country faced increasing liquidity problems and the deadline for the expiration of the bailout program on 30 June 2015 was approaching.

Events escalated quickly over the summer. On June 24, the European Commission made what President Juncker would four days later call the 'last proposal creditors made to Greece'. It was the first time that a proposal coming from the creditors had been given a take-it-or-leave-it character. The Greek Prime Minister Tsipras rejected the ultimatum and broke off negotiations with the creditors, accusing them of blackmail and characterizing the proposal as an attempt to humiliate Greece. Two days later, Tsipras surprised everyone by calling a referendum on the proposal, to be held only one week later. Shocking many European policymakers, he openly recommended that voters reject the proposal, arguing that such a rejection would improve the Greek government's bargaining power in renewed

negotiations with Greece's international creditors. The next day, the finance ministers of the Eurozone met and refused to extend the ongoing bailout program, scheduled to end three days later. As a consequence, the ECB announced that it would not increase the emergency funds it had been supplying to keep the Greek banking system afloat. Faced with a bank run in the making, the Greek authorities imposed a bank holiday and capital controls on the next day, which were to last at least until the day after the election.⁹ The next major international event occurred two days later, when the deadline for an IMF loan expired and Greece became the first developed country ever to default on its debt to the IMF. Despite these unprecedented events and the high costs associated with these disputes, the Prime Minister went public for a second time to reiterate his support for the No-camp.

An intense campaign week followed. Two dominant narratives emerged in the public discussion, in which all major political parties took very clear stances. The three moderate pro-EU parties Nea Demokratia, PASOK and To Potami as well as European policymakers warned that a No-vote would invariably result in Greece's exit from the Eurozone. They therefore advocated strongly for an approval of the bailout package (a yes-vote). In contrast, the No-camp, led by prime minister Tsipras and supported by the government parties Syriza and ANEL, as well as the radical right-wing Golden Dawn argued that a rejection of the agreement would lead to a better bargaining position for Greece that would result in less austerity and more debt forgiveness. This narrative emphasized that a no-vote would strengthen Greece's bargaining position in renewed negotiations with her creditors and would hence lighten austerity in Greece. Greece's membership in the Eurozone was not at risk, his narrative maintained, because Europeans would not want to damage the EMU project by pushing Greece out of the euro.¹⁰ Faced with competing claims about the consequences of a no-vote for the future of Greece and the euro-zone, Greek voters were thus exposed to very different narratives about the potential consequences of a disintegration vote.

Although the polls had predicted a close race, the July 5 referendum ended with a 61-39 landslide victory in favor of the No camp. Greeks had rejected the creditor proposal and had, in the eyes of European policymakers, voted for disintegration.

The Greek referendum has three features that make it an informative case for studying the role of expectations in a disintegration referendum: First, the campaign was very polarized and dominated by the major political parties, which fully supported either the no- (Syriza, ANEL, Golden Dawn) or yes (Nea Demokratia, PASOK, To Potami) narrative. It is hence a

⁹ The bank closure eventually lasted three weeks and capital controls still remain in place at the time of writing.

¹⁰ Note that especially Golden dawn and some far-left members of Syriza supported a no-vote because they favored leaving the euro.

most-likely case for observing strong partisan effects on the referendum vote. Second, the government left voters very little time to decide on a highly technical and complicated issue. With only slightly more than a week, the campaign period was very short, strongly curtailing the possibility of a public and informed deliberation and discussion by both camps on the consequences of a yes- and a no-vote. The problem was exacerbated by the fact that the referendum question was unusually complicated, asking voters to vote on two draft documents that the creditors had submitted before the Greek government had called the referendum.¹¹

In a setting of such a short and highly polarized campaign dominated by the main political parties and characterized by a complicated referendum question, existing research suggests that voters' should rely on three main factors when forming their vote choice: partisanship, their material interests and broader attitudes, such as their wish to keep the euro (Lupia 1994; Hobolt 2009). Much research has shown that voter's partisan identification is a strong determinant of the vote in popular referenda. Voters use partisan cues as shortcuts to determine their stance on a specific referendum question (e.g., Lupia 1994; Garry et al. 2005; Hobolt 2007; Urbatsch 2013), because party positions have a heuristic value for voters that allow them to overcome cognitive and information limitations around the referendum question (Sniderman et al. 1993; Lau and Redlawsk 2001). A party also has the capacity to frame the issues at stake (De Vreese, 2002) and can therefore influence the analysis of the benefits and costs, or perceptions and expectations of those voters who find themselves closely aligned with it (Zaller 1992; Kriesi 2005; Hobolt 2006). Finally, foreign policy referenda often turn into a contest about the incumbent parties' popularity (e.g., Schneider and Weitsman 1996; Garry et al. 2005; Dür and Konstantinidis 2013). Given that political parties took very decided positions in the Greek referendum campaign and subscribed to very different narratives, this research suggests that partisan cues should be particularly influential in explaining vote choice in this referendum.

In addition to partisan cues, issue preferences and material interests also guide voters' choices in a referendum (Hobolt 2009). For example, attitudes towards European integration have been found to be a main driver of voting behavior in EU referenda, even when this means going against the preferred party's position (Siune and Svensson 1993; Siune et al. 1994; Svensson 2002). Past research has also shown that material interests affect referendum

¹¹ The precise question read: "*Should the plan of agreement be accepted, which was submitted by the European Commission, the European Central Bank, and the International Monetary Fund in the Eurogroup of 25.06.2015 and comprises of two parts, which constitute their unified proposal? The first document is entitled 'Reforms for the completion of the current program and beyond' and the second 'Preliminary debt sustainability analysis'.*"

choices. Voters who stand to benefit the most from integration are most likely to oppose disintegration (Tomz 2004; Christin et al. 2002; Jupille and Leblang 2007). In this context, education is likely to play an important role, not only because more educated individuals tend to benefit more from international economic exchange (Scheve and Slaughter 2001), but also because they are more likely to understand the constraints of Greece's bargaining position better and are more likely to exhibit liberal and cosmopolitan beliefs (Mansfield and Mutz 2009), all of which should make them more beholden to international integration.

Because existing research suggests that partisan identification, issue preferences (or attitudes), and material interests should be particularly influential in the context of the 2015 Greek referendum, this case provides a good testing ground for our argument that expectations are likely to play a particularly important role in disintegration referenda. If we find that expectations have a strong and independent effect on vote choice beyond the typical cues, this would provide evidence that expectations are unusually important in the context of a disintegration referendum.

In addition, the Greek referendum allows us to study the role of foreign actors in disintegration referendum campaigns because it saw an unusually large involvement of international politicians and an unusual escalation of events involving foreign actors. Foreign policymakers such as European Commission President Jean-Claude Juncker, IMF Chief Christine Lagarde and the German finance minister Wolfgang Schäuble, strongly advocated a yes-vote and got involved in the national referendum campaign to an unprecedented degree. Moreover, by declining to extend a hand to Greece as the second bailout package expired and forcing it to close its banks and to impose capital controls, international institutions such as the ECB and the IMF became central actors in the campaign week. The Greek referendum is therefore an insightful case for exploring the popular dynamics surrounding disintegration referenda.

4. Research Design and Data

To understand why Greek voters decided to vote no in the referendum and what role expectations and foreign interventions played in this context, we use original survey data collected by the University of Macedonia's Research Institute of Applied Social and Economic Studies in Thessaloniki (Greece) on Saturday, 4 July 2015, one day before the referendum. Our nationwide, computer-assisted telephone survey covered 989 respondents

identified through a multistage sampling process.¹² As our survey was fielded just some hours before the polling stations opened, it allows us to gain a very accurate depiction of the motives of the Greek people and of their vote. Although few surveys predicted the strong rejection of the creditor proposal in the referendum, our survey mirrors the actual referendum outcome quite closely, increasing our confidence in the validity of the results. Among those planning to vote, 58.0% of respondents in our sample said they would reject the bailout package, which is very close to the 61.3% rejection rate in the actual referendum.

Our analysis proceeds in two steps. We first analyze the role of expectations in explaining vote choice in the Greek referendum using both regression analysis and matching methods. Our results show that expectations were a key feature in explaining vote intention when comparing similar types of individuals. We then we explore the ability of foreign policymakers to shape voters' expectations about the consequences of a disintegrative vote. We concentrate on the effect of the bank holiday, which was the major event in the campaign period and was directly linked to the ECB's decision not to increase emergency liquidity assistance to Greek banks. Overall, we show that expectations were the most important predictor of individual vote intentions in the Greek 2015 bailout referendum, and that these expectations were influenced by European policymakers' decisions that led to the bank holiday.

Operationalization

Our main variables of interest in the first part of the analysis are the vote intention in the referendum and expectations about the consequences of a disintegration vote.¹³

To measure vote intention, we use respondents' answers to the following question: "*As you're probably aware, PM Alexis Tsipras announced a referendum regarding the ratification of the agreement that Greece's creditors offer, that'll take place on next Sunday, July 5th. What are you going to vote in the referendum?*" The left-hand panel in figure 1 displays respondents' answers. It shows that a large majority of voters had made up their mind about their referendum vote at this point in time, with a majority (52.8% of our weighted sample) stating that they would probably or certainly vote no. For the purposes of our analysis, we create a dummy variable that takes the value of 1 if voters stated that they

¹² In the first stage (cluster sampling), electoral districts were chosen, in the second stage (stratified sampling) strata within each cluster were identified based on socioeconomic characteristics and finally, in the third stage (SRS), a simple random sample was drawn within each stratum. Because the interviews were done on fixed telephone lines, we get some underrepresentation of the youngest respondents and an overrepresentation of female respondents. We therefore use population weights in our analyses to match the basic demographics of the Greek population.

¹³ Table A1 in the appendix shows the descriptive statistics of all variables.

intended to vote against the creditor proposal in the referendum (the disintegrative no-vote) or were leaning towards doing so, and 0 otherwise.

Voters’ expectations about the consequences of a disintegration vote are measured with respondents’ answers to the question “*What do you think will be the consequences of a No-vote?*” Respondents could choose between three options: “*Greece will exit the Eurozone*” reflecting the narrative of the yes-camp, i.e. the moderate political parties and European policymakers, “*Nothing will happen and the government will continue negotiations*” which captures the No-camp’s, including the government’s, narrative, and “*Don’t know/don’t answer.*” The right-hand panel in figure 1 shows that a clear majority believed that a disintegration vote would result in continued negotiations, whereas only about one quarter of respondents believed that a no-vote would lead to “Grexit.”

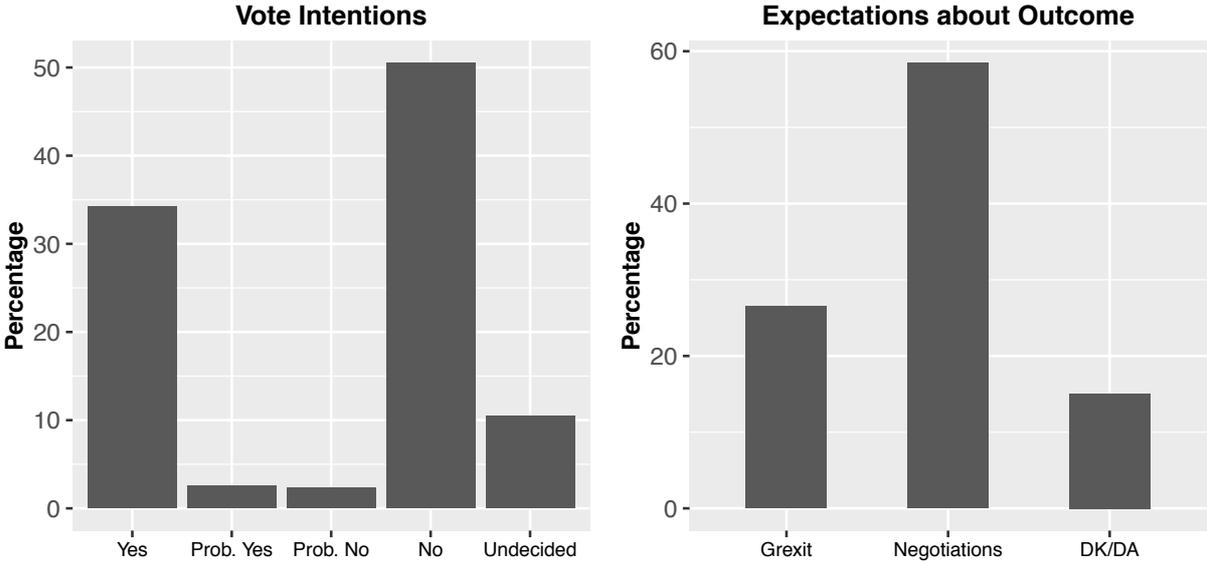


Figure 1: Descriptive Statistics

Note: Based on UoM survey from 4 July 2015. Data are weighted.

As discussed above, past research has identified a number of important alternative explanations for variation in referendum vote intentions. We therefore control for partisanship, material interests and attitudes. To control for partisan and incumbency effects, we use the vote recall from the January 2015 general election in Greece and create dummy variables for the main political parties in Greece: the governing parties *Syriza* and *ANEL*, the right-wing opposition *Nea Demokratia* (reference category), *the centre-left Pasok*, *the centrist the River (To Potami)*, and the radical right *Golden Dawn*. We also include a dummy variable for those who abstained in the January elections and the *other* options.

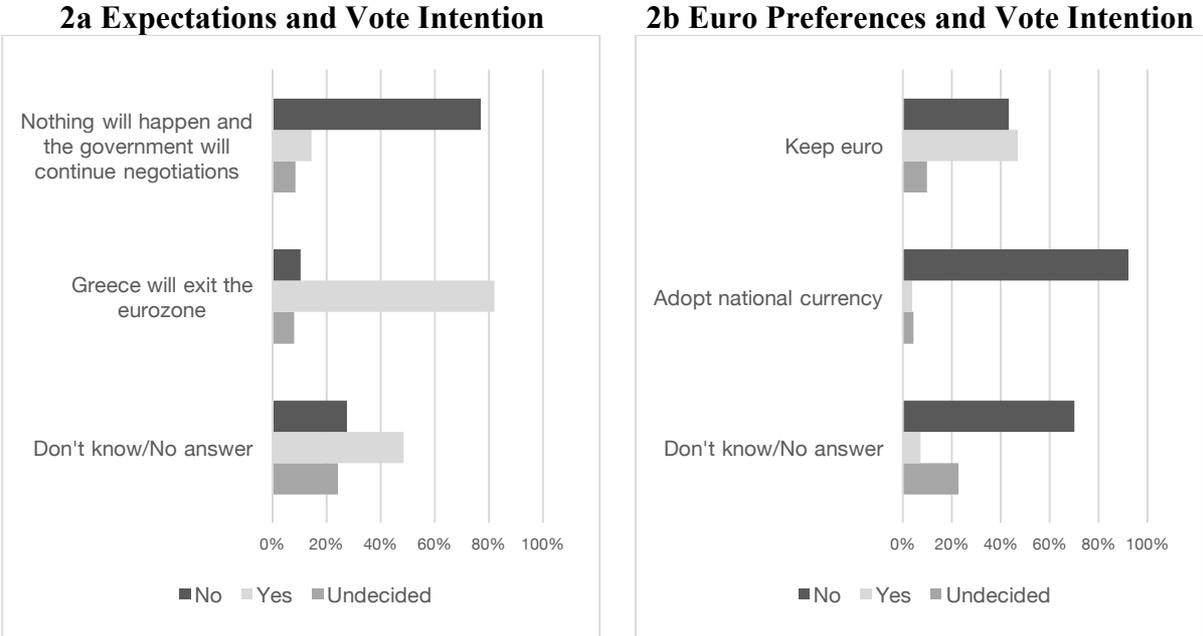
In terms of material interests, we expect that those benefitting most from continued cooperation and sheltered most from austerity measures should be more supportive of a yes-vote than those who have borne the brunt of Greece's adjustment program. We use three types of information to proxy for material interests: age, occupation, and education. Although older Greeks have suffered from pension cuts and rising health care costs, they have been less severely affected than younger Greeks, whose poverty rates have increased significantly more strongly than those of pensioners, both in absolute terms and in comparison to pre-crisis levels (Matsaganis and Leventi 2014). We therefore expect younger voters to be more opposed to the austerity measures proposed in the bailout proposal than older voters, and hence more likely to vote against it. *Age* is operationalized in six categories — 18-24, 25-34, 35-44, 45-54, 55-64, and over 65 years old—, and we include it as a continuous variable in all models. Likewise, the impact of austerity has varied widely across occupational categories. The unemployed, private sector employees and the self-employed have been hit harder than public officials, whereas pensioners have seen much lower decreases in their incomes (Matsaganis and Leventi 2014). We generated dummy variables for the following types of occupations: public sector employee, private sector employee, unemployed, farmers, entrepreneur, pensioners and others. Thirdly, for a variety of reasons discussed above, more educated respondents should be more likely to cast a cooperative *Yes*-vote and more likely to believe that a no-vote would result in Grexit. *Education* is an ordinal variable with the following categories 1) no education or primary studies; 2) secondary; 3) post-secondary and 4) tertiary education. We also control for gender and whether the voter lives in a *rural* or *urban* area.

Finally, we control for attitudes. In the context of the Greek referendum, the most relevant attitude is voters' view of the euro. To consider whether a no-vote simply reflects respondents' wish to leave the Eurozone, we asked respondents what they personally thought was best for Greece's future: staying in the euro or adopting a national currency and create three dummy variables based on their answers. The data show that the vast majority of respondents, 75.5%, want to keep the euro, whereas only 13.3% said they preferred to leave the euro. Only about one tenth of respondents were undecided or did not answer.

5. Vote choice in the 2015 Greek referendum

What determined individual voting decisions in the Greek 2015 bailout referendum, and how did expectations about the consequences of a rejection of the creditor proposal shape vote intentions?

Figure 2 gives a first descriptive answer to this question. It shows that expectations played a powerful role in the referendum, whereas preferences about staying or leaving in the Eurozone only played a role for the minority (13%) of those wishing to reintroduce a national currency. A strong majority (86%) of respondents voiced a clear opinion on what the consequences of a no-vote would be and among them we find remarkable differences in their voting behavior: Only one in ten of those who expected a No-vote to result in Grexit chose to vote in favor of disintegration. In contrast, among those who expected that a no-vote would result in new negotiations, more than three-quarters planned to vote no in the referendum. The comparison of each side with the undecided is telling. Switching from a DK/DA to a “Grexit” expectation is accompanied by a 19 percentage points decrease in the probability of voting No, whereas expecting the continuation of negotiations increases in the chance of a No vote by 34.5 percentage points.¹⁴ In contrast, respondents wishing to keep the euro split their vote almost equally between yes- and no-votes.



Notes: Based on UoM survey from 4 July 2015. Data are weighted.

Figure 2: Expectations, Preferences, and Vote Intention

¹⁴ The 95% confidence intervals indicate a decrease in the probability of voting No (Yes) that ranges between 28 (28.9) and 9.5 (39.9) percentage points.

The importance of expectations for the vote intention is confirmed when we move to a more sophisticated analysis that controls for the range of alternative explanations that existing research on EU-related referenda has emphasized. Figure 3 shows the change in the probability of voting No as a result of moving to the different variable values from the respective baseline categories.¹⁵ The multivariate analysis shows that the three sets of variables that had the strongest effects on individuals' voting decision were expectations, partisan preferences, and individuals' attitude about the euro. In line with the descriptive results, a preference to reintroduce a national currency strongly increased the odds of voting no, whereas a preference to keep the euro reduced these odds only slightly. We also find strong partisan effects: Voters of the centrist parties Nea Demokratia (the baseline category), PASOK and To Potami were all significantly less likely to vote no than voters of the governing parties Syriza and ANEL as well as the right-wing Golden Dawn, all of which had campaigned in favor of a no vote. These results show that voters tended to vote in line with their preferred party's recommendation. Substantively, and taking the partisan effects globally, these effects are somewhat larger than in other studies (e.g. Hobolt 2007; Hug and Sciarini 2000), suggesting that parties played a particularly important role in the referendum campaign. Given the polarized campaign, the short decision time and the complicated referendum question, this is not surprising. In contrast, demographics do not seem to matter much once these partisan and *Euro* preferences are taken into. The only exception is age, where older voters are, as expected, less likely to vote no than younger voters.

But even after controlling for all these other influences on individuals' vote choices, the marginal effects of the expectation variables remains large and statistically significant, indicating an independent effect from the rest of explanation. In fact, the magnitude of expectation effects is comparable to the partisan effects. All else equal, a switch in expectations from *Grexit* to *Negotiations* shifts the probability of voting *No* by more than 40%.¹⁶

¹⁵ The full logit regression analysis can be found in table A.2 (online appendix).

¹⁶ The results remain robust when we also impute an indicator of nationalism and add it as a control variable in the model and when we additionally controlling for respondents' evaluation of EU membership. More details are provided in the Online Appendix.

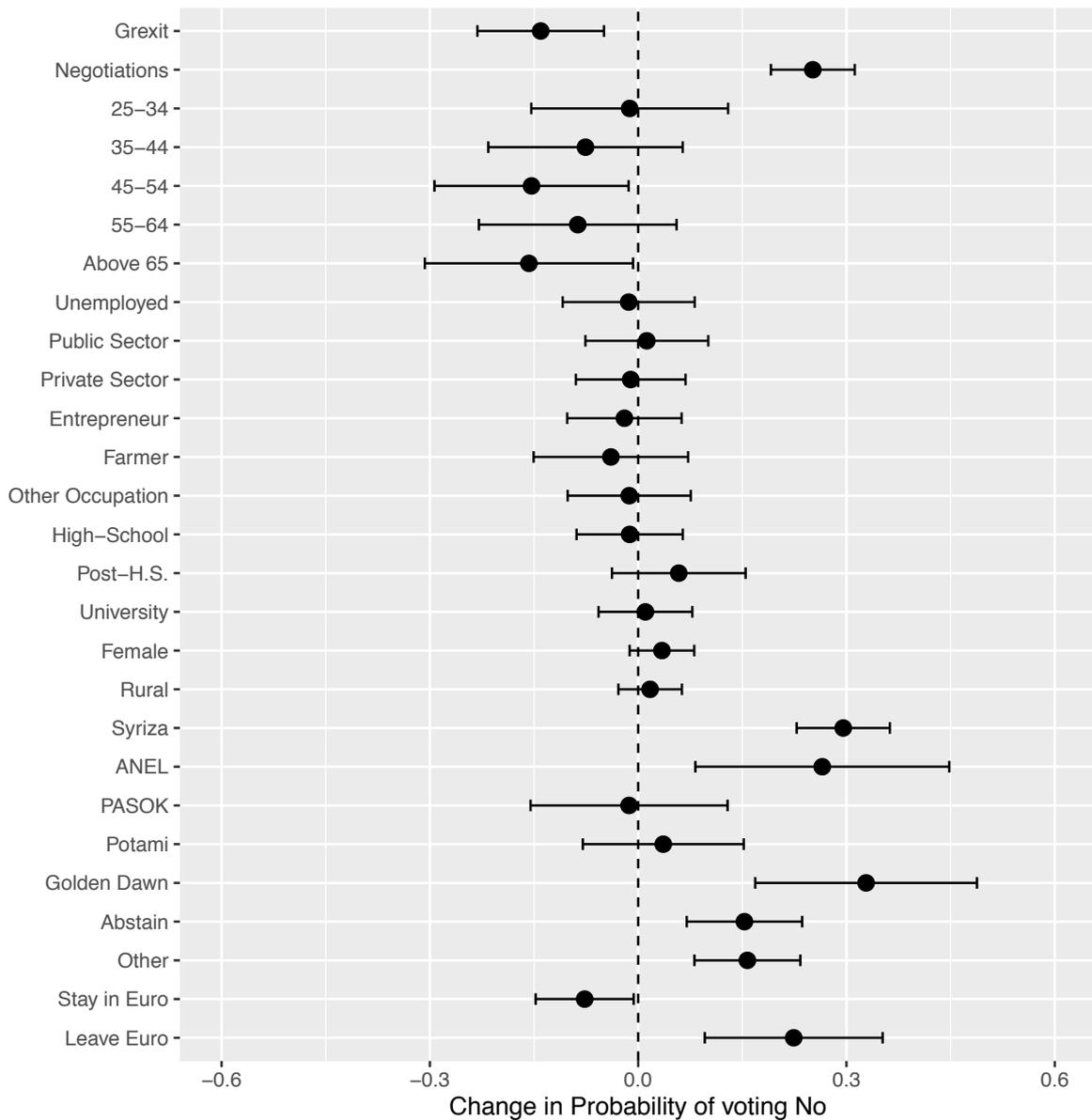


Figure 3: Determinants of the NO-Vote in the July 2015 Greek referendum.

Note: Dots indicate estimates of change in the estimated probability of voting *No* as we move from the reference category to each category denoted in the vertical axis. Reference categories are as follows: DK/DA (expectations and Euro questions); 18-24 age group; pensioner; primary education; Nea Demokratia (vote choice); and male. Logit regression analysis, 95% confidence intervals.

Of course, expectations are likely to be shaped by partisan narratives, so that the effect of expectations might just be an artefact of partisan effects. To examine this possibility more closely, we investigate the role of expectations more closely using data pre-processing techniques, which are less model-dependent, more efficient (since comparison is made among similar units), and allow us to evaluate more transparently the degree of similarity in pre-

treatment covariates between control and treated units (Sekhon 2009).¹⁷ The “treatment” in our analysis is the expectation that “a *No* vote means Grexit,” whereas the other two options—“*Negotiations will continue*” and “DK/DA”—are grouped together as the control category.¹⁸ The intuition behind this analysis is that we try to assess the effect of different expectations on individuals’ vote intentions among otherwise almost identical individuals.

We employ two methods of data pre-processing, namely genetic matching and entropy balancing.¹⁹ The first is a nearest-neighbor matching method with balance optimization, based on a generalized distance metric that assigns weights to each covariate included in the matching and has been shown to outperform other matching estimators in recovering simulation and experimental benchmarks (Diamond and Sekhon 2013).²⁰ The second is a generalization of a propensity score weighting approach that directly incorporates covariate balance into the weight function that is applied to the sample units (Hainmueller 2012). Although there were clear imbalances in the raw data, all differences evaporate after both matching and entropy balancing, including the two most obvious attitudinal confounders—partisan preferences and attitudes towards the euro.²¹ After entropy balancing, the means of the two groups are practically identical for all variables.

¹⁷ Matching only assures balance on observable characteristics. The identifying assumption is that unobserved characteristics of control and treatment observations are similar. This is a plausible assumption in many cases because it is reasonable to think that if two voters are very similar across a wide range of crucial observable characteristics, such as partisanship, unobserved characteristics may also behave similarly. While this argument is frequently used also to justify OLS estimation, the goal of matching is precisely to assure balanced observations while in a regular regression framework covariates control for general differences across all observations.

¹⁸ We choose the *Grexit* option as the treatment status because it leaves the modal category in the control group, thus increasing the pool of control units to be selected for the matching. In the Appendix, we replicate the analysis using the “*Negotiations will continue*” option as the treatment status, placing the “*Grexit*” option together with the DKs in the control group. Balance is now worsened, although the treatment effect estimates are substantively identical.

¹⁹ Although the two methods differ in how they arrive into balance, we treat them both here as variants of matching techniques.

²⁰ Weights are determined by a loss function, which is defined as maximizing the minimum balance statistic, determined by the *t*-test and the *KS*-test for each covariate.

²¹ We present the balance statistics and a detailed discussion in the online appendix.

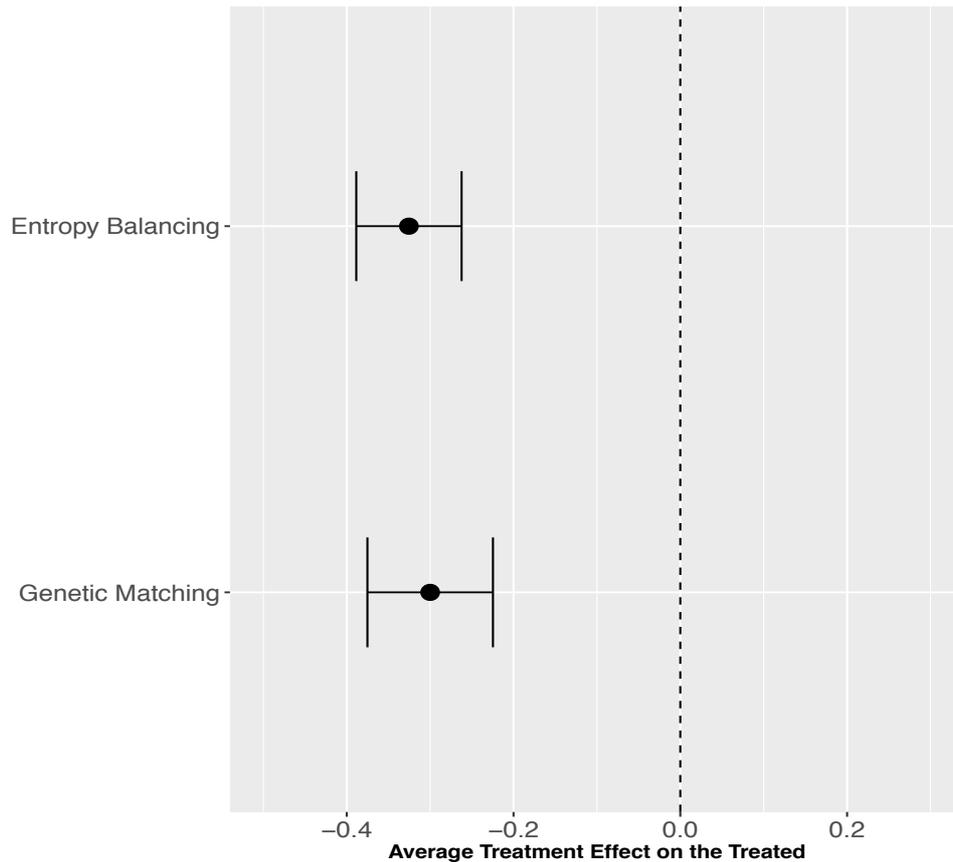


Figure 4: Average Treatment Effect of “Grexit” expectations on the likelihood of voting No in the Greek Referendum

Note: Black dots denotes the Average Treatment Effect on the Treated, with Abadie Imbens standard errors accompanying them. Using these standard errors, the horizontal closed segments indicate the 95% confidence intervals in the case of genetic matching and linearized confidence intervals in the entropy balancing case.

Figure 4 displays the findings of our matching analyses. Both produce very similar estimates, which reassures the robustness of the results. We use the Average Treatment Effect on the Treated as our estimand of interest. On average, individuals who expected *Grexit* in response to a *No*-vote were approximately 32 percentage points less likely to vote against a continued cooperation with the creditors, than individuals who are identical with respect to partisan predispositions, attitudes about the Euro and key demographics, but who believed that a no-vote would result in new negotiations. Our matching analyses thus confirm that expectations about the day-after significantly shaped the vote in the 2015 Greek disintegration referendum.

6. Can foreign policymakers influence expectations and the vote?

The Greek case also provides a good environment to examine foreign policymakers' possibilities to influence voters' expectations and, ultimately, vote intentions in their favor. This is because the 2015 Greek referendum campaign was characterized an unusually large involvement of foreign policymakers. This did not only involve stark warnings that Greeks would decide about Greece's future in the Eurozone in the referendum, but actual measures were taken to increase pressure on Greece and to signal European policymakers' resolve. Most notably, the ECB decided that it would not further increase emergency funding to Greek banks after the Eurozone's finance ministers had decided to let the existing bailout agreement expire in the midst of the referendum campaign. Faced with massive capital flight, this decision forced the Greek government to close the country's banks and to impose capital controls. This drastic measure massively damaged the Greek economy. But it also increased the eventual costs for the country's international lenders, because it was clear that this damage would increase the amount needed for an eventual third bailout package (about the need of which there was never any doubt on either side, irrespective of the referendum outcome). The ECB decision thus had costly consequences for everyone involved, so that it can be interpreted as a costly signal from foreign policymakers to Greek voters about the EU's resolve not to accommodate a disintegrative vote easily.

Both the bank holiday and the capital controls thus were intended as strong signals to voters about what future a disintegrative no-vote would hold for Greece. PM Tsipras directly blamed the bank holiday on the Eurogroup, whose aim was, in his words "to blackmail the will of the Greek people,"²² so that it was widely understood that the bank closure was related to foreign decisions. Our argument suggests that such a signal of foreign resolve to punish the country for a disintegrative vote should shift voters' expectations in favor of a more pessimistic evaluation of the consequences of a no-vote. Given the importance of expectations in shaping voting decisions, this should then decrease the likelihood of a no-vote.

To examine whether this is the case, we asked voters if they had changed their vote intention as a result of the bank shutdown. About one fifth (21%) of all voters answered affirmatively. We use this question to analyze whether this effect of the bank holiday is a predictor of expectations about the consequences of a No-vote in the referendum. Because our dependent variable, expectations, is trichotomous,²³ we employ a multinomial regression

²² <http://money.cnn.com/2015/06/28/news/economy/what-greek-prime-minister-tsipras-said/>

²³ We use the same operationalization as above. The three categories are "Grexit", "new negotiations", and "don't know/no answer."

model, where those that “did not know” or “did not answer” serve as reference category. This allows us to investigate whether shifts to and from this category can be attributed to the bank closure after controlling for all the covariates included in the previous analyses.²⁴

Figure 5 shows the determinants of respondents’ expectations about the consequences of a no-vote. In line with our findings on the determinants of the vote intention, our results show that partisan attachments and attitudes about the euro matter influence *expectations* about the consequences of a disintegration vote. The strong and contradictory partisan narratives during the referendum campaign resonated with voters: Compared to moderate Nea Demokratia (the baseline category), PASOK and To Potami voters, voters of the government parties ANEL and especially Syriza were significantly more likely to believe that a No-vote would result in new negotiations and significantly less likely to think that such a vote would force the country to leave the Eurozone. With regard to euro-preferences, our results show that those wishing to stay in the Eurozone (and, though not at a statistically significant level, those wishing to reintroduce a national currency) were significantly more pessimistic about the consequences of a no vote than those without an opinion on the euro. In terms of sociodemographics, citizens with a university education were significantly more likely to expect adverse consequences from a disintegration vote, in line with arguments that they should better understand the constraints on nation-states in a globalized world. Public sector workers and entrepreneurs were less likely to expect Grexit, but all other sociodemographic variables, including age and unemployment, had no statistically significant effects on voters’ expectations.

The analysis also shows that after controlling for all these influences on voters’ expectations, the bank closure also qualified people’s expectations: Those who changed their vote intention because of the bank holiday were significantly less likely to believe that a no-vote would result in new negotiations.²⁵ Substantively, the bank shutdown reduced the predicted probability of this belief by almost 20 percentage points. At the same time, the bank closure increased the expectations that a no-vote would push the country to exit the Eurozone by almost 10%. The decision of European policymakers to be tough on Greece during the

²⁴ The full multinomial analyses can be found in table A.3 (online appendix). To mirror the previous analyses, we also conducted matching analyses to estimate the effect of the bank holiday on expectations. The analyses are shown in the online appendix. Both approaches produce near-to-perfect balance and similar ATT estimates: for the genetic matching approach the ATT of the bank holiday on *Grexit* expectations is -0.090 (Abadie-Imbens standard error 0.045), for entropy the ATT is estimated at 0.085 with standard error 0.039.

²⁵ We have also explored interactive effects between the bank shutdown and partisan variables, but did not find any meaningful result.

referendum campaign thus made some voters more pessimistic about the consequences of a no-vote in the referendum.²⁶

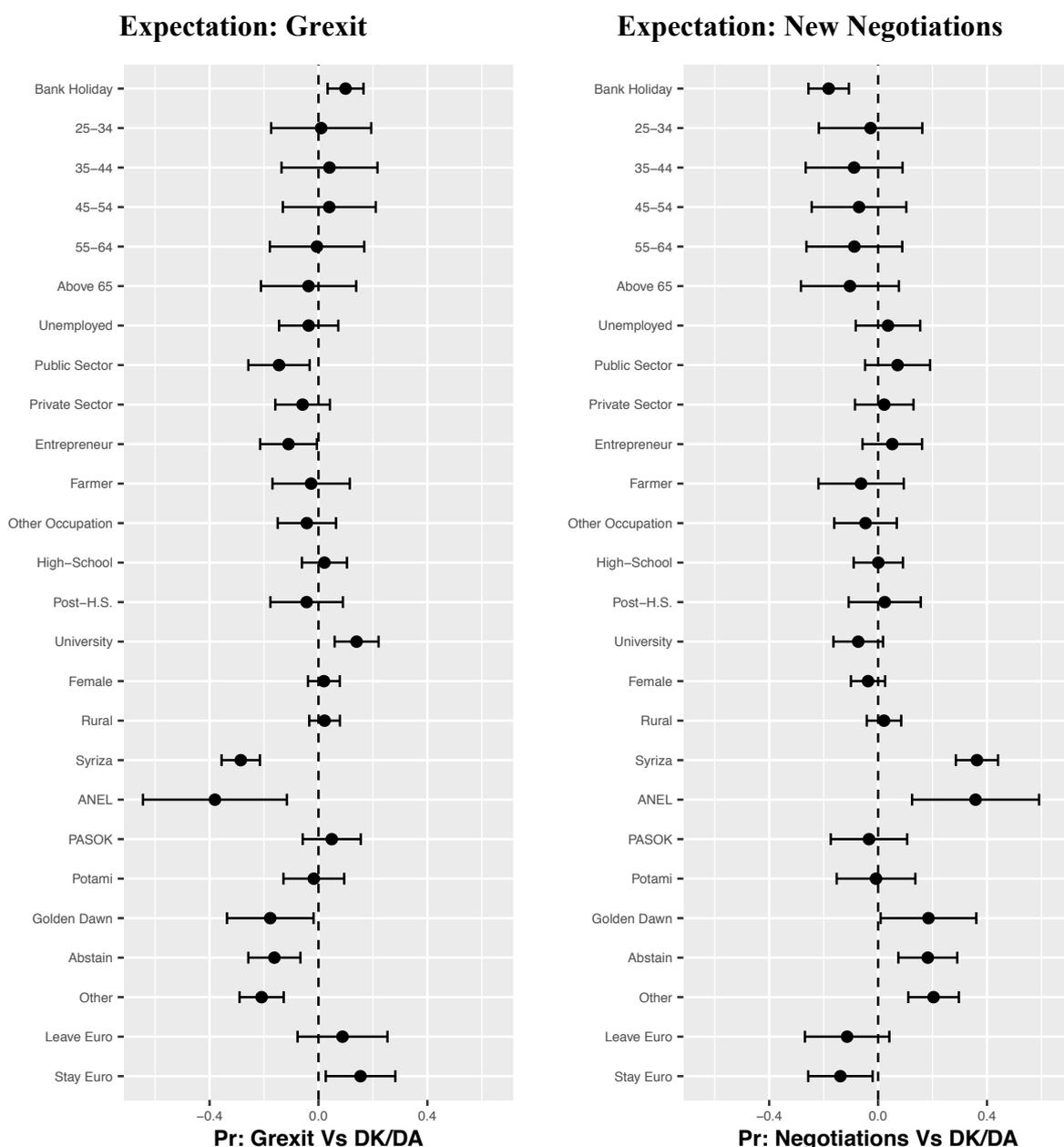


Figure 5: Determinants of Expectations about the Consequences of a No-vote.

Note: Dots indicate estimates of change in the estimated probability of expecting Grexit (left panel) or new negotiations (right panel), compared to the “don’t know/no answer” category based on multinomial logit regression analysis, with 95% confidence intervals. Reference categories of the predictors are the same as in figure 3.

²⁶ We obtain substantively identical estimates of the effect of the bank closure on expectation, when using genetic matching to condition on the same list of covariates shown in Figure 5. The results of this analysis are presented in the Online Appendix (Figures A.4 and A.5).

Overall, these results shows that the decision by European policymakers to take a hard line on Greece did indeed convince some voters that they would not accommodate a no-vote in the referendum. Our analysis thus suggests that international actors can indeed affect expectations in disintegration referendum campaigns through costly signals. But does this translate into meaningful changes in individual voting behavior? In short, can foreign policymakers sway the vote through costly signals in disintegration referenda?

Descriptively, our data suggest that foreign policymakers achieved their goal among 12.3% of respondents, who changed their vote intention to yes as a result of the bank holiday. 4.9% switched to undecided, whereas the bank closure hardened the stance of 3.8% of respondents, who changed their vote intention to no. A large majority of the electorate, almost 80%, however, did not change their vote intention as a result of the bank holiday.

Turning to a more systematic analysis of how the ECB decision influenced vote intentions by making voters more pessimistic about the outcome of a no-vote, we instrument expectations through the bank holiday, while trying to predict the referendum vote. The underlying logic of this analysis is that if the bank holiday had an impact on the referendum vote, this was by raising the expectations that a no-vote would result in Grexit. The assumption necessary for unbiased estimation is that the bank holiday did not affect the vote in any other way apart from qualifying people’s expectations about the consequences of defection.²⁷ To strengthen the validity of this assumption, we also condition on the set of covariates included in the previous analysis.

Table 1: IV estimation of the effect of expectations on a No-vote in the referendum.

	Grexit Expectations (First-Stage)	No Vote (Reduced Form)	No Vote (Wald Estimator)	No Vote (2SLS Estimator)	No Vote (LARF Estimator)
Bank Holiday	0.093 (0.036)	-0.341 (0.031)			
Grexit			-3.405 (0.901)	-3.679 (1.334)	-3.801 (1.499)
Covariates	X	X		X	X
<i>N</i>	989	989	984	984	984

Note: All estimates are OLS coefficients with robust standard errors in parentheses. The last column presents Local Average Response Function estimates, with standard errors into parenthesis.

²⁷ An alternative path through which the bank holiday and capital controls might have affected the vote is by raising nationalist sentiments against what was perceived as an implicit violation of national sovereignty. In this case, however, the bank holiday would shift attitudes towards the *No* option and would thus weaken the first stage of the analysis, thus adding noise to the second-stage estimates and increasing the chances for a type-two error. That said, first stage still seems to be relatively strong, as shown in the first column of Table 1.

The results are presented in Table 1. The first column confirms the results of the previous analysis that the bank holiday increased Grexit-expectations, which also validates presence of first stage. The second column presents the reduced form, showing the Intent-To-Treat effect of the bank holiday on the referendum vote. As expected, the bank holiday makes a No-vote significantly less likely. The last three columns display the IV results, thus using the predicted values of *Grexit* expectations from the first stage (column 1) as a predictor of the referendum vote. The third column employs the Wald estimator, thus adding no covariates in the estimation. We find a negative effect of *Grexit* expectations on the referendum vote, suggesting that the bank holiday reduced the no-vote by convincing voters that such a vote would lead to Grexit. This effect remains robust when adding the full list of covariates used in the previous analyses. Finally, the last column relaxes the assumption of constant treatment effect along strata of the covariates, using a more flexible local response estimator. The results remain practically and substantively intact.

These findings show that at least for some people, the decisions abroad that led to the bank closure and imposition of capital controls influenced expectations about the consequences of a no-vote and increased the chances of a *Yes*-vote. However, considering the huge cost that the ECB's decision generated, both for Greece and the other European states, the payoff of changing the minds of approximately 12.3% of voters towards a cooperative vote seems meager, especially since it was not enough to change the referendum outcome. Nonetheless, our results suggest that foreign actors might have the possibility of influencing the final referendum outcome when the race is close.

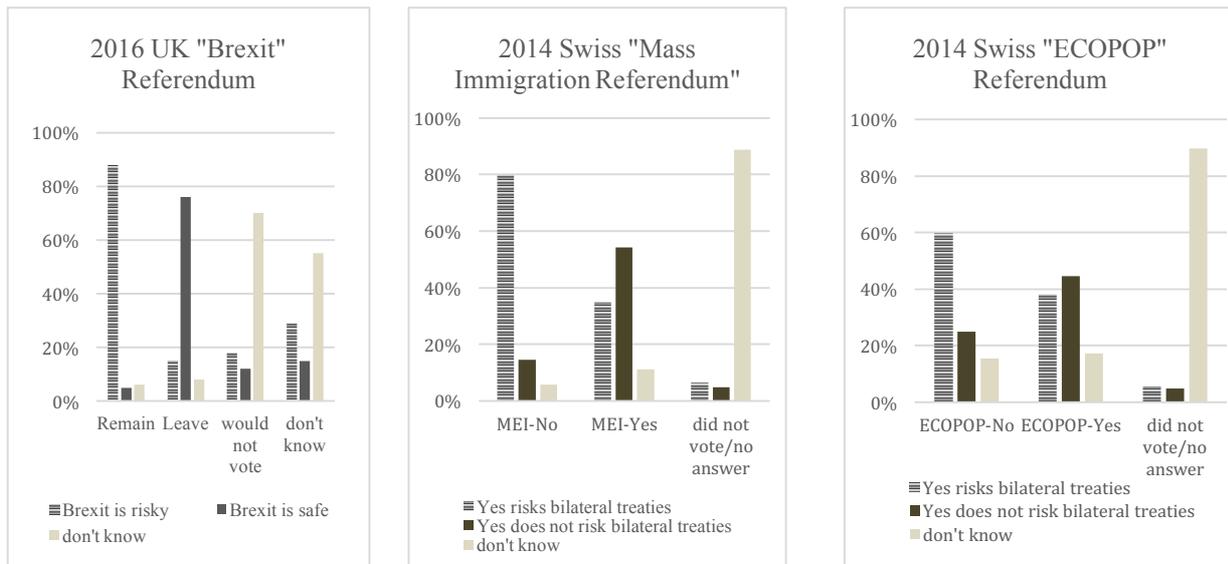
7. Conclusion

After decades of expanding and deepening European integration, European politics has recently been confronted with a new challenge: popular referenda aimed at disintegration. This paper provides a first stab at understanding this new type of referendum in a systematic fashion. Despite all the apparent differences between the 2014 Swiss mass immigration referendum, the 2015 Greek bailout referendum, and the 2016 British EU referendum, what unites these referenda is they have the potential to negatively affect many voters outside the referendum country. At the same time, the consequences of a disintegrative disintegration vote depend to a large degree on whether the other members of the respective international accommodate or penalize this vote. The involvement of foreign actors in a domestic referendum makes disintegration referenda unique and creates a strategic setting that is more complicated than in traditional ratification referenda.

Our paper has explored one implication of this strategic setting: The role of expectations about the foreign reaction to a disintegrative vote in shaping vote intentions, and the ability of foreign policymakers to influence these expectations. Leveraging survey data from the 2015 Greek bailout referendum, we showed that although the usual suspects among the determinants of voting behavior in referenda – partisanship, material interests, and attitudes – also played an important role, expectations about the consequences of a no-vote had an unusually large impact on vote choice in the Greek referenda. Our analysis also suggested that foreign policymakers were able to influence these expectations among some voters by sending a costly signal about their determination not to accommodate a no-vote in the referendum. The main contribution of this article has therefore been to unpack what influences vote choice in disintegration referenda.

Our findings from the Greek case raise the question to what extent they are generalizable to other disintegration referenda. Although a systematic analysis is beyond the scope of this paper, some descriptive evidence from other referenda gives us some insights about the external validity of our findings. Figure 7 shows the distribution of expectations about the consequences of a disintegrative vote by vote intention/vote choice in three other disintegration referenda: the 2016 EU referendum, which aims at a full disintegration from the EU, and the 2014 “Against Mass Immigration” and “ECOPOP” referenda in Switzerland, both of which were partial disintegration referenda aimed at limiting immigration that were incompatible with Switzerland’s bilateral treaty with the EU on the free movement of people.

The evidence from these other disintegration referenda suggests that expectations about the consequences of a disintegrative vote also diverge in other referenda. However, the effect seems to depend on the context. Whereas expectations about the riskiness of a Brexit diverge widely between the Leave and Remain camp, for example, this divergence was much less pronounced in the case of the ECOPOP referendum. This latter referendum was rejected by 74% of voters, whereas the outcome was much narrower in the other two referenda. Moreover, the pro-ECOPOP camp comprised many voters who believed that a termination of the bilateral treaties with the EU would be a good thing.



YouGov pre-referendum poll, 21-23 February 2016

VoxIt: Abstimmung Nr. 114, post-referendum poll

VoxIt: Abstimmung Nr. 117, post-referendum poll

Figure 5: Expectations about the consequences of a disintegration vote and referendum vote in three disintegration referenda.

These results point to a number of open questions that future research should investigate: How are signals and statements by foreign policymakers received in different contexts and how costly do such signals have to be in order to sway voters in favor of supporting continued cooperation? And how do foreign policymakers react after a people votes in favor of disintegration?

In more general terms, this paper contributes to a better understanding of the mass politics of international cooperation. While the role of mass publics has been acknowledged in research on two-level games and ratification referenda, the potential of domestic voters to terminate international agreements unilaterally poses new challenges and questions for international cooperation. The paper therefore underlines the challenges democracies face in highly integrated countries where the international and the domestic level interact to shape the form and level of international cooperation. Reflecting the increasing dilemmas domestic voters face between the respect for the rule of law and international agreements, democracy, and national sovereignty (Rodrik 2011), popular movements aimed at disintegration are likely to keep these countries occupied for some time to come.

Appendix

Table A1: Descriptive Statistics (unweighted)

Variable Name	N	Mean	Std. Dev.	Min	Max
Referendumno	989	0.502	0.500	0	1
Expectation: No=Grexit	989	0.265	0.442	0	1
Expectation: No=Negotiation	989	0.584	0.493	0	1
Education	984	2.814	1.211	1	4
Age	989	4.146	1.411	1	6
Female	989	0.594	0.491	0	1
Rural	989	0.589	0.492	0	1
Unemployed	989	0.122	0.328	0	1
Public Sector Employee	989	0.118	0.323	0	1
Private Sector Employee	989	0.196	0.397	0	1
Pensioner	989	0.259	0.438	0	1
Entrepreneur	989	0.140	0.347	0	1
Bank holiday changed vote intention	989	0.229	0.420	0	1
Syriza	989	0.363	0.481	0	1
ANEL	989	0.031	0.174	0	1
Nea Demokratia	989	0.178	0.383	0	1
PASOK	989	0.051	0.219	0	1
River	989	0.052	0.221	0	1
Golden Dawn	989	0.032	0.177	0	1
Abstention	989	0.108	0.311	0	1
Preference: Stay in Euro	989	0.772	0.419	0	1
Preference: Leave Euro	989	0.113	0.317	0	1

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Online Appendix

Table A.2: Determinants of the NO-Vote in the July 2015 Greek referendum. Logit models

	Dependent variable: Intention to vote No in referendum		
	(1)	(2)	(3)
Expectation: Grexit	-1.198*** (0.310)	-1.303*** (0.413)	-1.511*** (0.414)
Expectation: More Negotiations	2.186*** (0.223)	2.187*** (0.293)	2.172*** (0.304)
Age		-0.288*** (0.097)	-0.338*** (0.102)
Unemployed		-0.307 (0.424)	-0.260 (0.456)
Public Sector Employee		-0.146 (0.371)	-0.274 (0.371)
Private Sector Employee		-0.271 (0.348)	-0.310 (0.376)
Entrepreneur		-0.412 (0.363)	-0.447 (0.559)
Farmer		-0.353 (0.522)	-0.353 (0.522)
Other Occupation		-0.308 (0.406)	-0.310 (0.443)
Education Level		0.0517 (0.0751)	0.038 (0.081)
Female		0.314 (0.213)	0.278 (0.224)
Rural		0.201 (0.204)	0.297 (0.220)
Syriza		2.652*** (0.333)	2.795*** (0.341)
ANEL		2.287*** (0.844)	2.055*** (0.905)
PASOK		-0.0607 (0.647)	0.009 (0.631)
To Potami		0.321 (0.534)	0.471 (0.560)
Golden Dawn		2.895*** (0.735)	2.955*** (0.867)
Abstention		1.401*** (0.380)	1.338*** (0.406)
Other Party		1.376*** (0.350)	1.355*** (0.365)
Preference: leave euro		-0.676** (0.329)	-1.056*** (0.385)
Preference: stay euro		1.984*** (0.612)	2.192*** (0.614)
Nationalism (imputed)			0.129** (0.589)
Constant	-0.975*** (0.198)	-1.489* (0.855)	-0.135 (0.989)
Observations	989	984	984

Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

Table A2 shows the logit regression analysis for vote intentions, on which figure 3 is based. In column 3, we additionally control for nationalist sentiments, because the various Greek bailout packages have strongly curtailed sovereign Greek policymaking. Nationalist

individuals should hence be more inclined to vote against the creditor proposal in order to assert their right to self-determination. Because we do not have any information about individuals' level of nationalism in our July 2015 survey, we impute this variable based on information from a follow-up survey that we conducted in September 2015 (Dinas et al. 2015) that asked respondents about their the degree of agreement with the statement '*The Greek have suffered more than other people*' (ranging from 1-totally disagree- to 5-totally agree.²⁸

²⁸ Results are robust to using answers to the statement '*Contemporary Greeks are successors of the inglorious Ancient Greek civilization*' instead. We impute nationalistic sentiments in our referendum survey using the political independent variables described above and the *referendum vote recall* from the September survey. The results using the imputed variable are robust to excluding the referendum vote to simulate the missing values of *nationalistic sentiments* for the July survey. We did 20 imputations applying Rubin's combination rules, as suggested by White, Royston, and Wood (2011).

Table A.3: Effect of bank holiday on expectations. Multinomial Logit (Expectations Reference Category: DK/DA)

VARIABLES	(1) Expectation: Grexit	(2) Expectation: Negotiations	(3) Expectation: Grexit	(4) Expectation: Negotiations	(5) Expectation: Grexit	(6) Expectation: Negotiations
Bank Holiday	-0.163 (0.217)	-1.041*** (0.206)	-0.0964 (0.242)	-0.909*** (0.225)	-0.0963 (0.241)	-0.909*** (0.225)
25-34			0.237 (0.833)	0.0197 (0.743)	0.228 (0.833)	0.007 (0.747)
35-44			0.0430 (0.745)	-0.503 (0.659)	0.039 (0.746)	-0.511 (0.760)
45-54			0.226 (0.737)	-0.232 (0.654)	0.218 (0.737)	-0.240 (0.655)
55-64			-0.495 (0.737)	-0.740 (0.651)	-0.494 (0.737)	-0.749 (0.652)
Over 65			-0.997 (0.751)	-1.184* (0.663)	-0.997 (0.751)	-1.191* (0.666)
Unemployed			0.384 (0.454)	0.165 (0.412)	0.362 (0.419)	0.402 (0.381)
Public Sector Employee			-0.623 (0.428)	-0.115 (0.376)	-0.663 (0.408)	0.0524 (0.359)
Private Sector Employee			0.691 (0.420)	0.276 (0.377)	0.0141 (0.347)	0.256 (0.318)
Entrepreneur			-0.0166 (0.420)	0.126 (0.384)	-0.0580 (0.385)	0.308 (0.354)
Farmer			-0.120 (0.441)	-0.518 (0.394)	-0.427 (0.504)	-0.706 (0.443)
Other Occupation			-0.00683 (0.577)	-0.654 (0.507)	-0.389 (0.357)	-0.385 (0.320)
High School			0.584* (0.344)	0.426 (0.303)	0.884*** (0.324)	0.711** (0.281)
Post High School			-0.311 (0.506)	-0.139 (0.422)	0.0143 (0.491)	0.121 (0.406)
University			1.182*** (0.346)	0.330 (0.308)	1.451*** (0.327)	0.603** (0.289)
Female			-0.157 (0.242)	-0.297 (0.219)	-0.110 (0.235)	-0.286 (0.213)
Rural			0.384 (0.235)	0.306 (0.212)	0.410* (0.232)	0.324 (0.210)
Syriza			-0.768** (0.328)	1.384*** (0.306)	-0.732** (0.323)	1.422*** (0.301)
ANEL			-2.478*** (0.867)	0.392 (0.542)	-2.348*** (0.862)	0.493 (0.538)
PASOK			0.200 (0.473)	0.0553 (0.508)	0.167 (0.470)	0.0331 (0.505)
To Potami			-0.447 (0.455)	-0.538 (0.494)	-0.406 (0.447)	-0.508 (0.489)
Golden Dawn			-0.606 (0.693)	0.726 (0.619)	-0.400 (0.688)	0.933 (0.616)
Abstention			-0.428 (0.397)	0.653* (0.377)	-0.421 (0.389)	0.683* (0.371)
Other Party			-1.123*** (0.340)	0.328 (0.317)	-1.030*** (0.336)	0.401 (0.314)
Preference: leave euro			0.524 (0.587)	-0.474 (0.428)	0.594 (0.582)	-0.387 (0.424)
Preference: stay euro			1.027** (0.464)	-0.312 (0.329)	0.982** (0.461)	-0.344 (0.327)
Nationalism (imputed)					0.033 (0.107)	-0.0924 (0.2423)
Observations	989	989	984	984	984	984

Constant not shown. Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

Matching Analyses

Balance statistics

Figures A1 and A.2 show the balance achieved with genetic matching. Following Sekhon (2009), we also add the propensity score as a covariate. Each black dot denotes the p-value from a difference-of-means test before matching, while the black triangle shows the p-value after matching. Because the propensity score is a continuous variable, we also show the Kolmogorov-Smirnov test for the difference in distributions between treated and control groups. Again, two p-values are shown, one before (red dot) and one after matching (red triangle). We see that when looking at the raw data, there are clear imbalances both in the education levels and in the partisan preferences of the two groups. All differences, however, evaporate after matching, with the minimum t-test p-value measuring the mean difference between treatment and control group being 0.45 (primary education category). High levels of balance seem to have been achieved also when one looks at the two most obvious attitudinal confounders—partisan preferences and attitudes towards the euro.

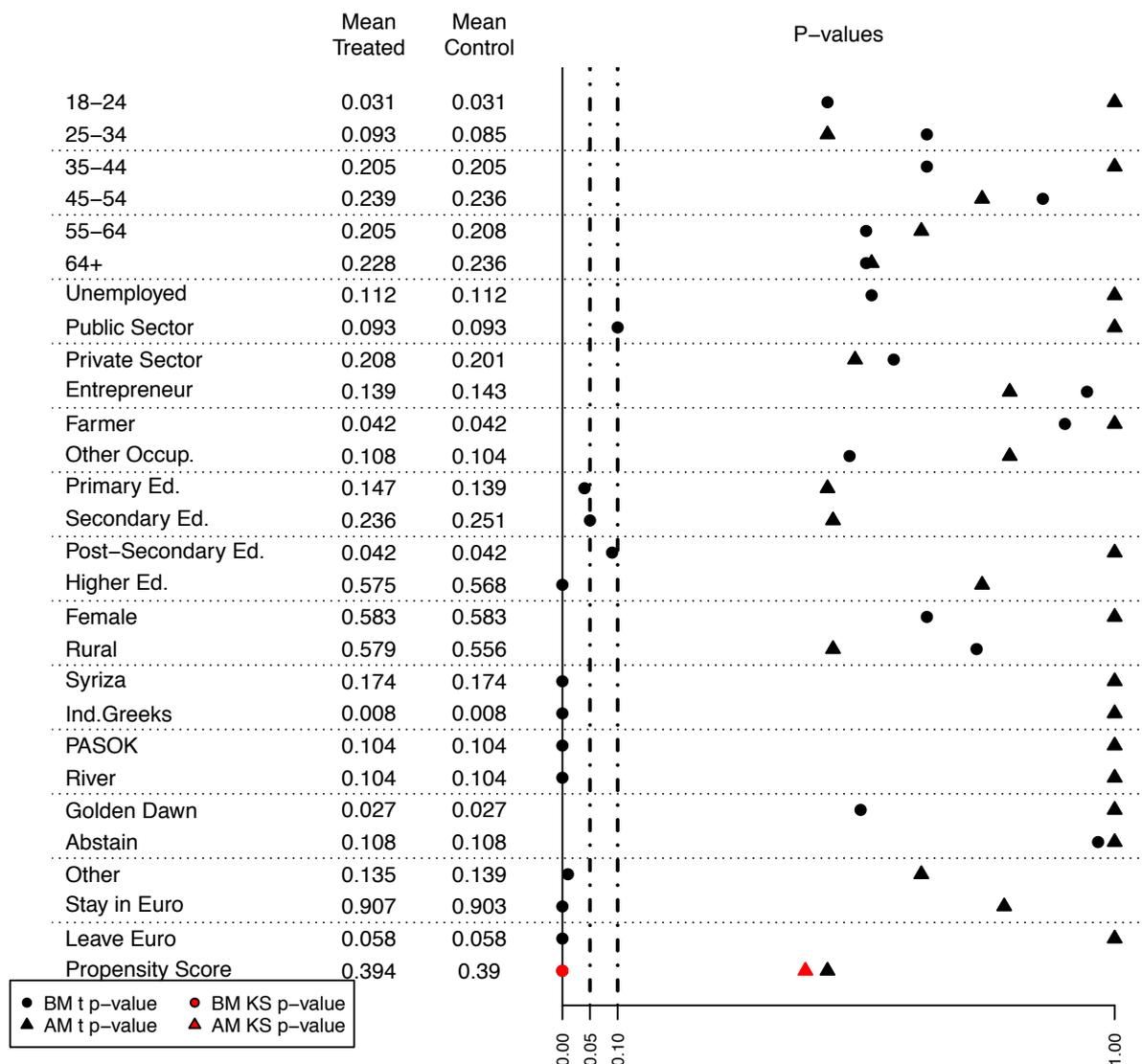


Figure A1: Balance statistics using “Grexit” as treatment

Note: The black dots present the p -values from the difference-of-means test between treated and control group from the unmatched dataset (BM). The black triangles represent the p -values from the matched dataset (AM). The red dot denotes the p -value of a Kolmogorov-Smirnov test of distributions between treated and control groups in the unmatched dataset. The red triangle indicates the p -value from the matched dataset. All variables are binary apart from the propensity score, which is treated as a continuous variable.

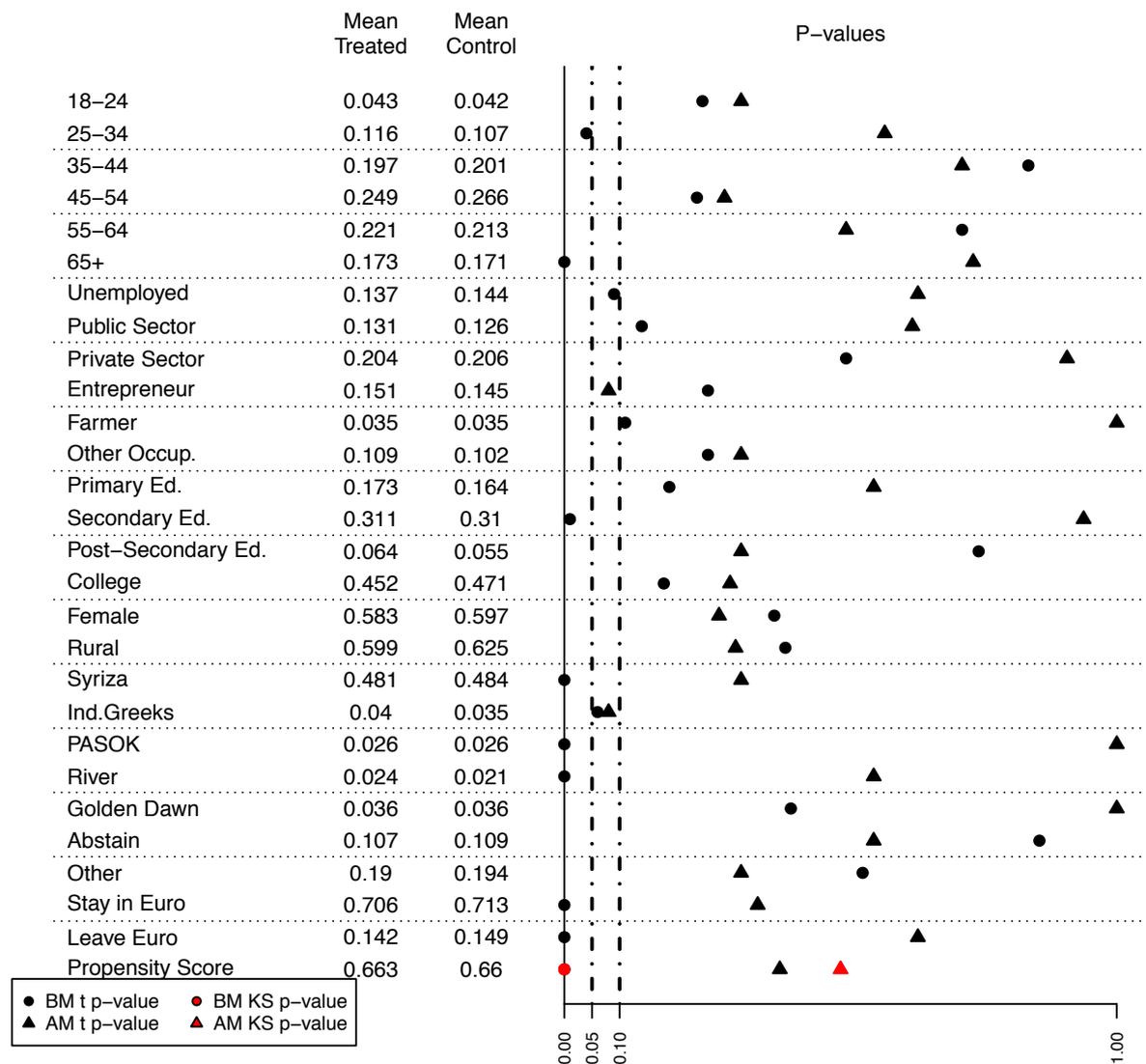


Figure A.2: Balance statistics using “Negotiations“ as treatment.

Note: The Figure replicates Figure 2 of the main text, using the „negotiations“ option as the treatment indicator.

A similar picture is observed when using entropy balancing, as shown in Figures A.3 and A.4. Before entropy balancing weights are applied to the control group, the standardized mean difference between the two groups often exceeds half a standard deviation and reaches statistical significance. All these differences vanish after entropy balancing. The means of the two groups are practically identical for all variables.²⁹

²⁹ Apart from equalizing their means, entropy balancing weights also make the variance and the skewness of the two groups almost identical in all variables used for balancing.

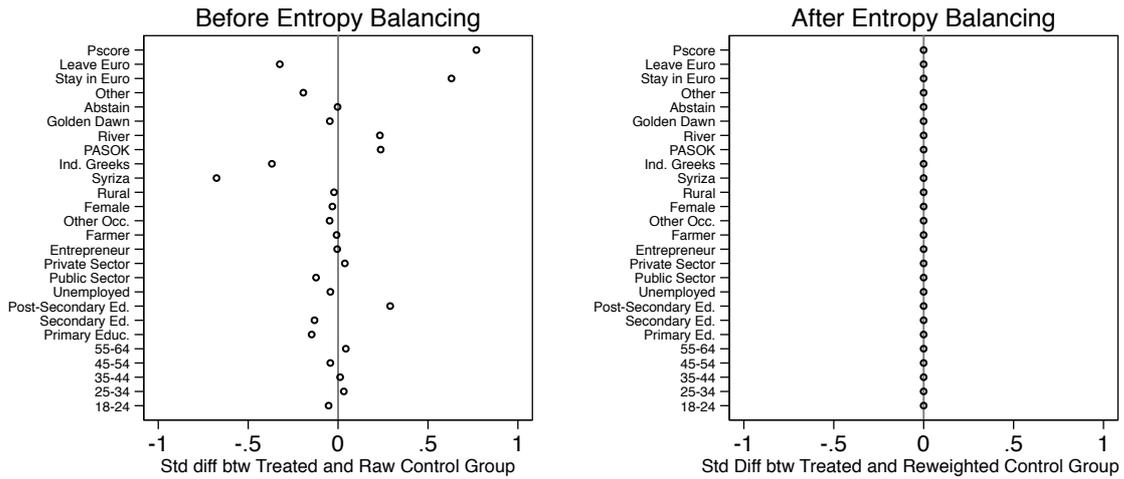


Figure A.3: Standardized mean differences before and after entropy balancing.

Note: The dots denote the standardized difference between treated and control groups. The left panel shows these mean differences before entropy balance whereas the right panel shows the same differences after entropy balancing.

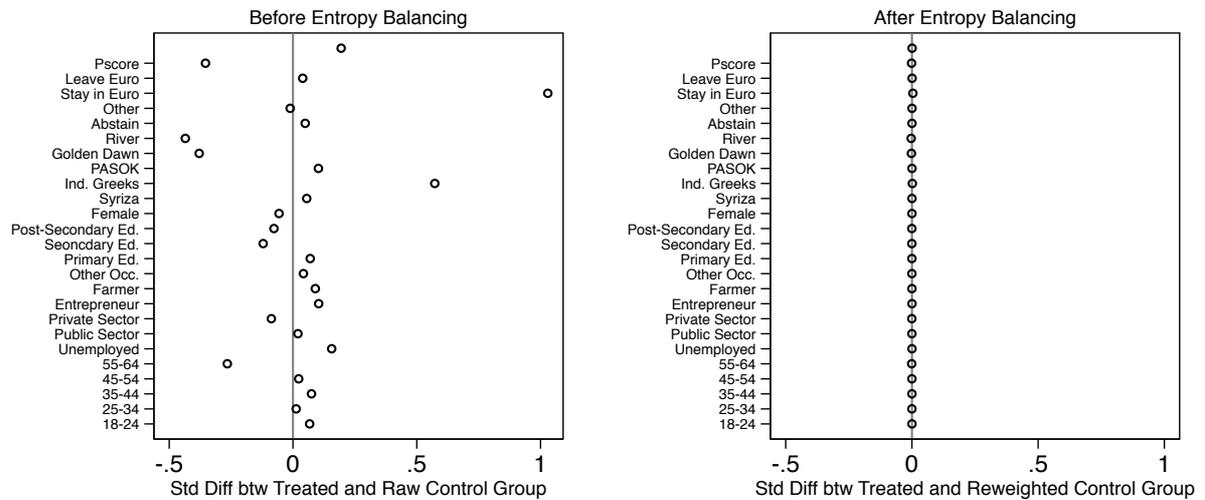


Figure A.4: Standardized mean differences before and after entropy balancing.

Note: The graph replicates Figure 3 of the main text, using the „negotiations“ option as the treatment category.

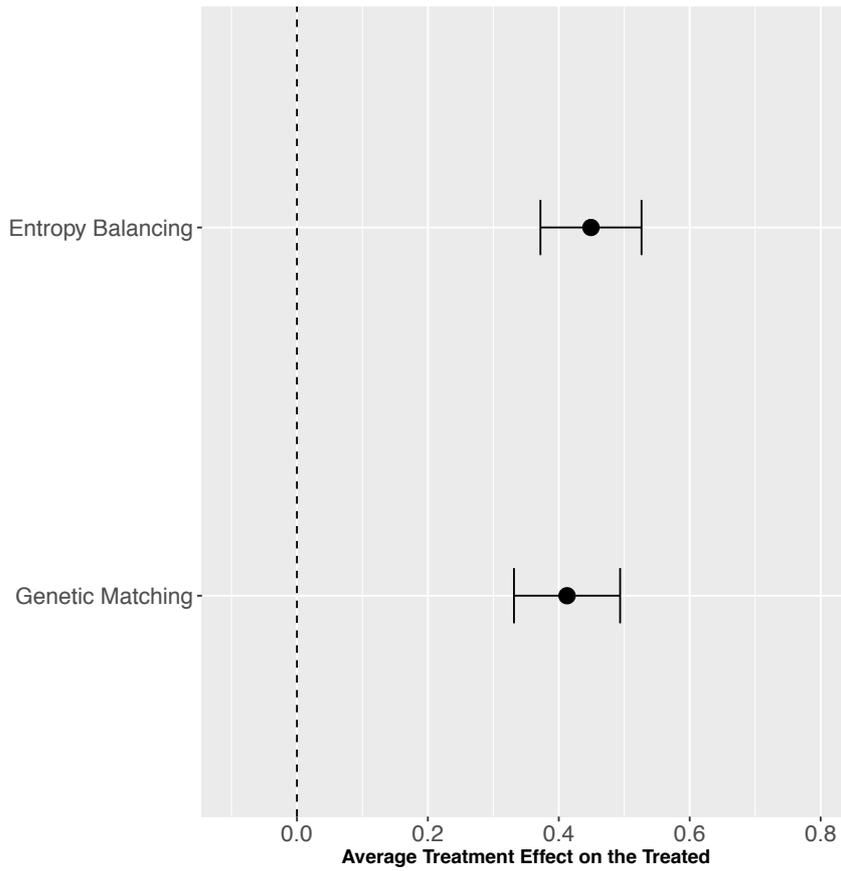


Figure A.3: The effect of “Negotiations” expectations on the No vote in the Greek Referendum.

Note: The graph replicates Figure 4 of the main text, using the “negotiations” option, instead of the “Brexit” option as the treatment category.

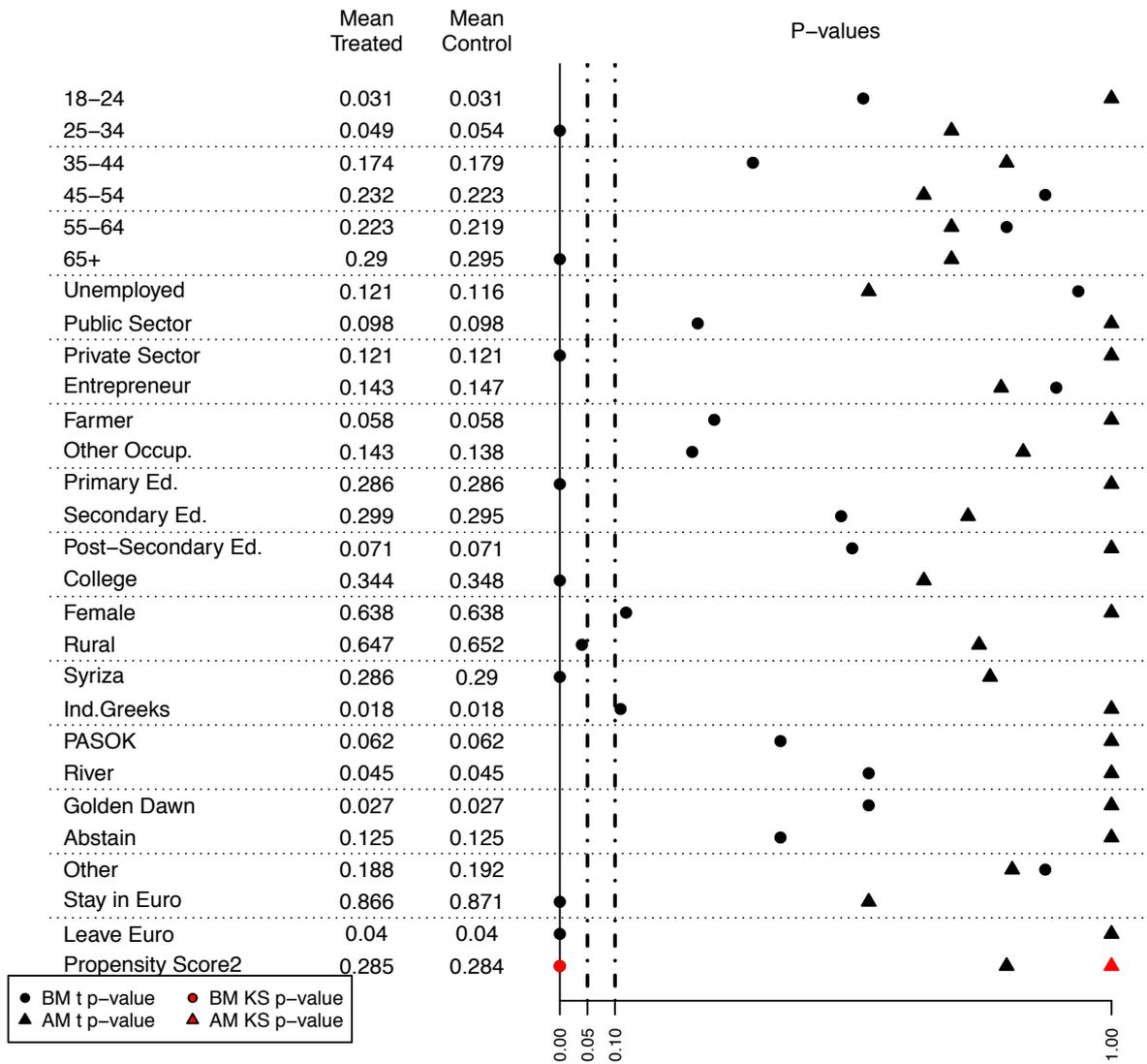


Figure A.4: Balance in pretreatment covariates for those affected and those not affected by the bank holiday.

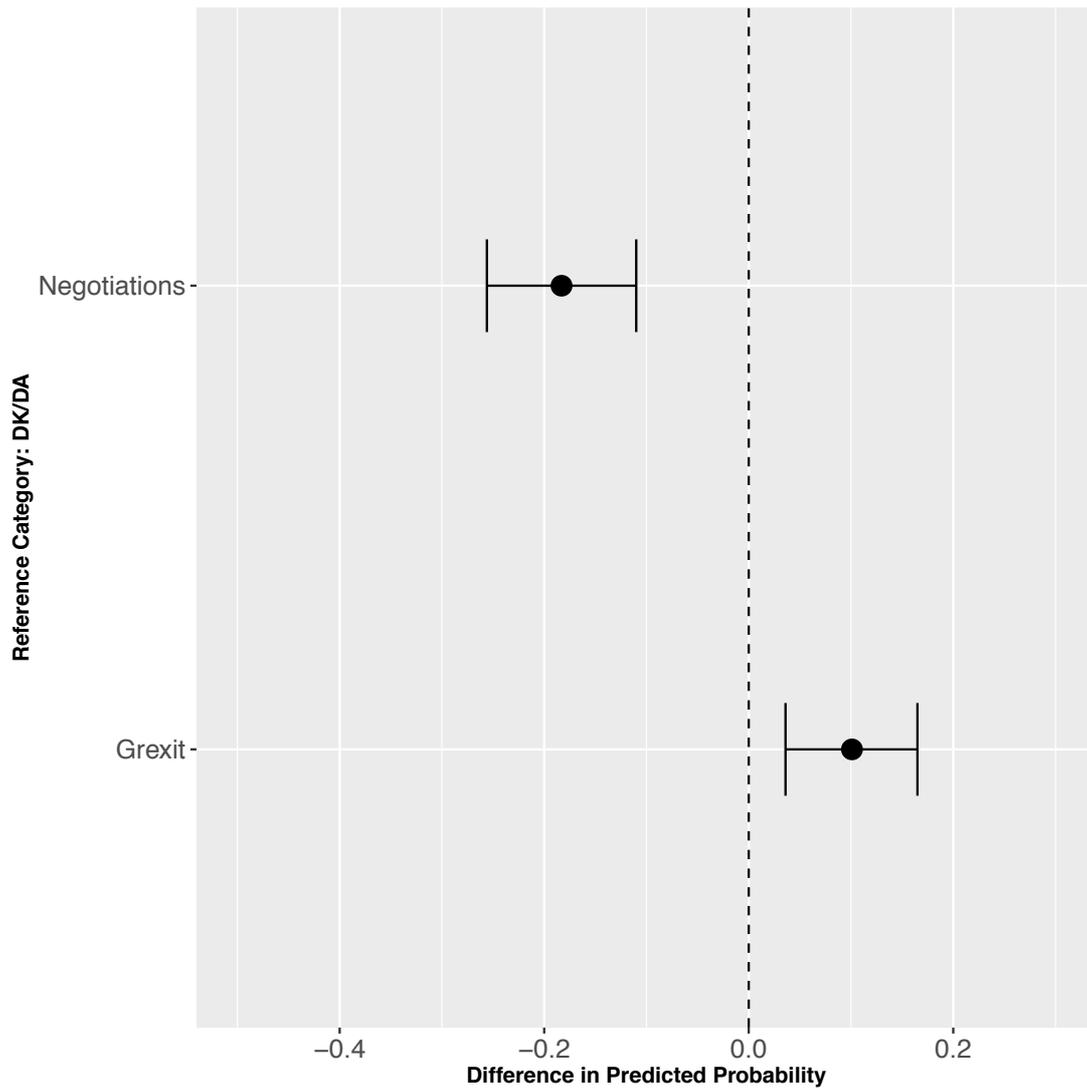


Figure A.5: Change in probability of expecting Grexit/Negotiations due to the bank holiday, estimates from the Genetic Matching Analysis.

Note: The point estimates denote the difference in the probability of Grexit/Negotiations expectations compared to the DK/DA option. Horizontal bars denote the 95% confidence intervals. Estimates represent Average Treatment Effect on the Treated, obtained by a comparison of means on the matched dataset, as generated by the genetic matching analysis shown in the previous Figure.