Keynes, Friedman, or Monnet? Explaining parliamentary voting behaviour on fiscal aid for euro area member states

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ABSTRACT
This article investigates the determinants of parliamentary support for international fiscal aid. Departing from the literature on presidential systems, it analyses an exemplary case of a parliamentary system, Germany. Two theoretical accounts are distinguished. The first perceives MPs as policy-seekers and focuses on the positioning of government and opposition parties and individual MPs on an economic left–right and a pro- versus anti-EU dimension. The second regards MPs as vote-seekers and presumes an electoral district connection. The statistical analysis of a new data-set containing information on 17 Bundestag roll-call votes from 2009 to 2015 finds support for the first account: voting in favour of fiscal aid measures is mainly driven by government membership and EU support. By contrast, neither economic ideologies, nor district or mandate characteristics influence support for fiscal aid. The article contributes to a growing literature on the domestic politics of international political economy.

KEYWORDS European politics; international political economy; parliamentary voting; euro crisis; Germany

It is widely acknowledged that international events and decisions have repercussions for the domestic level of states and that state decisions, in turn, shape international politics. In short, international interdependence increasingly ties domestic and international politics together. While most contributions on the domestic politics of international political economy still focus on the presidential system of the United States (Broz 2005; Milner and Tingley 2010), our analysis adds to the literature by covering a paradigmatic case of a parliamentary system, Germany. In particular, we analyse the voting behaviour of members of the German Bundestag on fiscal aid for euro area member states during the euro crisis.

What explains parliamentary voting behaviour on international financial aid? While traditional International Relations scholars, or at least those with a neo-realist outlook, would point to constraints imposed by the national interest
(Morgenthau 1948; Waltz 1979), comparative politics scholars might stress that ‘it’s the party, stupid,’ at least when it comes to parliamentary political systems (Kam 2009). Departing from these two extreme and arguably simplified positions, this paper theorises two types of motivations driving MPs’ voting behaviour on fiscal aid, namely policy-seeking versus vote-seeking (Strøm and Müller 1999). According to a policy-seeking logic, MPs should be guided by their personal as well as their party’s policy ideals. For instance, following the ‘parties matter’ logic of Hibbs (1977) and others, we argue that placement on a left–right scale might be informative about an MP’s voting behaviour and that support for fiscal aid measures should come from centrist MPs, while we expect MPs at the political extremes to oppose them. While for parliamentarians on the far economic left there should be ‘too little Keynes’ in the anti-crisis measures, MPs on the right may deplore ‘too little Friedman’. In addition, in line with Hix and Lord (1997), a pro- versus anti-EU dimension could determine a positioning on EU-related issues: the more pro-EU an MP – this is the ‘Monnet’ reading of the crisis – the higher the expected support for international fiscal aid measures. Finally, as the government negotiates the terms of these measures, we expect that government MPs, but not opposition MPs, usually find their preferences well taken into account. In contrast, MPs motivated by vote-seeking concerns should primarily strive to maximise their standing vis-à-vis their party, the voters in their constituencies, or both. In such a reading, district characteristics and mandate types should be of central importance for MPs’ voting behaviour.

The euro crisis is a case rather well suited for testing these claims on voting on international financial aid. During this crisis, which started in early 2010 and is still not fully resolved, euro area member states adopted a number of measures to assure the direct provision of fiscal aid to individual countries such as Greece, Ireland, or Portugal. This compares nicely to financial aid programmes for Mexico and several Asian countries financed by the US in the 1990s (Broz 2005). Moreover, parliamentarians in the euro area cast their ballot on the funding of international financial institutions (IFIs) like the European Stability Mechanism (ESM) or the European Financial Stability Facility (EFSF), which compares to the decisions of Congress to fund IFIs such as the International Monetary Fund (IMF), the World Bank, or the Asian Development Bank (Broz 2008, 2011; Broz and Hawes 2006). While the existing literature on the euro crisis mainly focuses on intergovernmental negotiations and the political-economic causes and consequences of the crisis in debtor states (e.g. Hall 2012; Schimmelfennig 2015; Sinn 2014), our article emphasises the importance of the domestic politics of fiscal aid in creditor countries.

Germany was the largest country contributing to any fiscal aid programme for euro area members during 2010 to 2015 (Schimmelfennig 2015: 185). According to its share of European Central Bank (ECB) capital, Germany contributed about 27 per cent to each financial aid programme as well as to the capital of the ESM and the EFSF. The decisions were intensively debated in the
German Bundestag (see e.g. Oppermann 2014; Wendler 2014). In fact, it can be argued that the position of the German parliament to a large extent determined the official German position in EU-level negotiations; and this particularly holds after several landmark judgments of the German Bundesverfassungsgericht, the country’s constitutional court, had strengthened the Bundestag vis-à-vis the Federal government (Amtenbrink 2013: 149f).

We test six hypotheses by estimating multilevel logistic regression models on a new data-set containing information on MP characteristics and voting behaviour of Bundestag members in 17 roll-call votes related to euro-area rescue measures between 2009 and 2015. To our knowledge, we are the first to use micro-level data on the ideological stances of individual German MPs provided by the German Longitudinal Election Study (Rattinger et al. 2012, 2014) in an analysis of voting behaviour in the German parliament.

Our analysis shows that MP voting is mainly driven by policy-seeking, rather than by vote-seeking concerns. Unsurprisingly, partisan impacts are important for understanding MPs’ voting behaviour in Germany. However, and this is new, our analysis also reveals that information on the positioning of individual MPs can help to explain voting behaviour beyond the party, especially with regard to support for European integration. By contrast, we do not find a significant influence of mandate types, nor can we detect constituency-related determinants shaping MP voting behaviour on fiscal aid. This underlines that institutional differences between presidential and parliamentary systems have to be taken into account when discussing the domestic politics of international political economy.

**Theorising parliamentary voting behaviour on fiscal aid**

Three distinct motivations are often argued to drive politicians’ behaviour (Strøm and Müller 1999): (i) they can primarily be concerned about policies, (ii) they may strive to advance their own political career, or (iii) they seek re-election. In other words, they are policy-, office-, or vote-seeking. In parliamentary systems, political parties are indispensable for reaching all three of these goals, which explains why there are strong incentives for MPs to vote with the party line (Müller 2000; Saalfeld 1995; Sieberer 2010). Clearly, this applies to the German political system, which displays a high level of party group discipline. But at the same time, empirical research on roll-call voting in the German Bundestag shows that German MPs in fact deviate from their party group positions more often than commonly assumed, and this holds even for non-conscious-related issues (Becher and Sieberer 2008; Sieberer 2010). In the following, we will concentrate on two motivations behind parliamentary voting behaviour on international financial aid, namely policy- and vote-seeking, which we apply to the case of voting on euro area rescue packages in the German Bundestag during the euro crisis. We drop ‘office-seeking’ from
our list, since this motivation should more or less apply to all MPs and thus
does not generate enough explanatory variance that could be exploited in the
empirical analysis.

**MPs as policy-seekers: too much Keynes, too much Friedman, or too
little Monnet?**

Starting with the first type, policy-seeking parties and MPs should first formul-
ate ‘positions on any number of issues or, more broadly, policy dimensions,
related to public policy’ (Strøm and Müller 1999: 7), and then try to shape public
policy accordingly. In the context of fiscal aid for euro area member states, we
can distinguish two policy dimensions on which parties take positions (Hix
and Lord 1997). The first centres on economic left–right policy; the second is
on EU integration. As to the first dimension, the literature offers a number of
conflicting starting points for formulating an expectation. For instance, parties
at the right-hand side of the political spectrum are often argued to support a
lean state but open economies. When rescue packages are perceived as promot-
ing international trade, then the right should support them. At the same time,
fiscal aid measures redistribute welfare from donor to recipient countries, and
might therefore be regarded as policies that lead to higher taxes and unbalanced
budgets in the former, while (further) eroding strict fiscal discipline in the latter.
Furthermore, the right is often seen as more isolationist with respect to inter-
national engagement (Bechtel et al. 2014: 839). While left-leaning MPs may
generally be less supportive of a fully globalised economy, they are often argued
to have an internationalist orientation (Broz 2011; Thérien and Noel 2000). They
might thus support their country’s financial engagement for foreign partners
threatened by bankruptcy. Broz (2008: 351), for instance, finds with regard to
voting on fiscal aid, that ‘members of congress are more likely to support a fund-
ing increase … the more “liberal” their ideology’ (see also Milner and Tingley
2010). In addition, left parties are arguably more supportive of Keynesian meas-
ures entailing an increase of government spending in order to induce growth

Note that the picture becomes even more complicated when we acknowled-
g that fiscal aid measures usually come with rigorous conditionality clauses. Think
of IMF conditionality (Stone 2008) or the economic adjustment pro-
grammes for Greece and other aid-receiving euro area members since 2010.
While conditionality clauses explicitly aim at restoring fiscal prudence in the
recipient countries in order to depress the interest rates of their debt bonds,
left-wing MPs may conceive them as ‘austerity measures’ castigating econom-
ically weak partner states. They would therefore object that there is ‘too little
Keynes’ in the programmes. For ardent neoliberal politicians, however, there
might be ‘too little Friedman’ in the programmes; for them, they contain too
few market-based mechanisms and too much influence of governments in the steering of the economy.

Based on these considerations, we expect – in line with empirical findings on German voter preferences on bailout policies (Bechtel et al. 2014) – the extremes on the economic left–right continuum to object to the rescue programmes. In such a reading, dissenting MPs would be driven by markedly different concerns and thus make – to use a Shakespearean metaphor – 'strange bedfellows'. This neatly fits with the often-evoked 'inverted U' of EU support (Hooghe et al. 2002).

H1: The more centrist a Bundestag MP on the economic left–right dimension, the greater the likelihood that he or she will vote in favour of fiscal rescue measures for euro area members.

However, providing fiscal aid to foreign countries in the EU context might not just be regarded in economic terms, but could also be perceived as related to European integration more generally (see Hix and Lord 1997). For Bundestag MPs, the corresponding parliamentary votes should thus not just be about Keynes or Friedman, but also about the ideals of the European Community's founding father, Jean Monnet. The link is prominently captured in Chancellor Angela Merkel’s dictum 'If the Euro fails, Europe fails'. Accordingly, we argue that support for European integration should translate into a greater likelihood of supporting the financial aid measures aiming at 'saving the euro'.

H2: The more supportive a Bundestag MP's stance on European integration, the greater the likelihood that he or she will vote in favour of fiscal rescue measures for euro area members.

Moreover, we know that the German government has played an active role in the European negotiations and considerably influenced the final outcomes due to its economic and political power (see e.g. Schimmelfennig 2015). Its influence should assure that the key preferences of the ruling parties and their MPs are well accounted for in the European fiscal aid measures. In contrast, the preferences of opposition MPs should be less well represented at the European negotiation table. Therefore, we expect to find a stronger alignment between the government’s position (in all cases, support for the measures) and the positions of its member parties’ MPs.

H3: MPs from governmental parties are more likely than opposition MPs to vote in favour of fiscal rescue measures for euro area member states.

When combining the two dimensions of economic left–right and European integration, cross-pressures can result. If an MP is generally pro-European, but holds rather extreme views on the economic left–right dimension, he or she might be torn between these two ideals. With regard to the 17th Bundestag, this should in particular concern MPs of the liberal Free Democratic Party (FDP). Party classifications such as the Chapel Hill Expert Survey (Bakker et al. 2015) show that the FDP is generally considered a pro-European, free-market-oriented
party. Its pro-European stance makes support for saving the euro more likely; at the same time, MPs might object to the measures because of their overly étatist nature. Similarly, cross-pressures could also function the other way around – for example, when MPs are rather EU-sceptic, while simultaneously holding centrist views on economic issues. Such MPs might not object to fiscal aid measures on economic grounds, but rather because they oppose further steps towards an ‘ever closer Union’. In the Bundestag, this tension should apply most directly to the conservative Christian Social Union (CSU).

H4: Given ideological cross-pressures, we expect more deviance in the voting behaviour of FDP and CSU MPs, as compared to the other Bundestag parties.

**MPs as vote-seekers: do district characteristics and mandate types matter?**

The vote-seeking account expects MPs to focus on the consequences of their voting behaviour for their career perspectives, which primarily depend on their re-election chances (Strøm and Müller 1999). Individual MPs should thus consider whether voting in favour of fiscal aid measures advances or reduces their chances to be re-elected to the Bundestag.

In line with the literature on trade politics (Hiscox 2002; Rogowski 1989), we expect that fiscal rescue measures for euro area members produce ‘winners’ and ‘losers’ at home. More concretely, as measures for maintaining an open or globalised economy, fiscal rescues should profit those districts that already perform well economically, while it reduces the available fiscal resources for the support of domestic economic laggards (Broz 2005, 2008; Milner and Tingley 2010, 2011).

A constituency-related political economy account would correspondingly expect that MPs tied to economically well-performing districts are more likely to support the euro area rescue measures than MPs who represent districts where the economy is slumping. The likelihood that MPs cultivate a ‘personal vote’ reflecting the electorate’s position rather than the party line should increase for publicly salient issues (Cain et al. 1987; Carey and Shugart 1995); and this clearly applies to the euro crisis. Hypothesis 5 summarises our constituency-related expectations.

H5: Bundestag MPs representing economically well-performing districts are more likely to vote in favour of fiscal rescue measures for euro area members.

Following Sieberer (2010) and others (e.g. Becher and Sieberer 2008; Kunicova and Remington 2008), we would finally expect district rather than party list representatives to care more about their constituencies’ concerns. On the one hand, we are aware that many party list MPs, especially those of the big parties CDU, CSU, and SPD, should have a realistic chance to win the direct mandate in the next general elections, offering them a ‘dual candidacy option’ (Stoffel 2014).
On the other hand, we also note that this usually does not account for members of the smaller parties FDP, Greens, and Die Linke. This is why we maintain the analytic differentiation between district and party list representatives. As a stable majority of Germans (<60 per cent) continuously opposed bailout payments for over-indebted euro area members (Bechtel et al. 2014: 7; Oppermann 2012: 512), we generally expect direct election to be negatively associated with voting on fiscal rescue measures. This effect should be even stronger in the case of a close race in the district, i.e. when a district MP won the seat with only a small margin of votes (see Bowler 2010).

H6: Directly elected Bundestag MPs are less likely to vote in favour of fiscal rescue measures for euro area members, especially if there was a close race in the district.

Data and methods

In order to investigate parliamentary voting behaviour on fiscal aid measures for foreign countries in parliamentary systems, we focus on the paradigmatic case of Germany. Given Germany's general importance as the EU's largest economy and creditor state, the Bundestag has arguably become the most important parliament of all euro area member states during the euro crisis.

We test our hypotheses on a new data-set comprising data on 17 roll call votes (RCV) in the 17th and 18th German Bundestag (2009–2015), which we extracted from the parliament's homepage. These 17 votes represent the totality of Bundestag RCVs concerning fiscal aid measures during the euro crisis. In detail, MPs took 11 decisions on the issuing of (bilateral or joint) loans to Greece (6), Ireland (1), Portugal (1), Spain (1), and Cyprus (2). Another six RCVs concerned the set-up, eventual enhancement, and conditionality of the EU's newly created international financial institutions, i.e. the EFSF (2) and the ESM (3), as well as the ratification of the Fiscal Compact (1). While the latter six decisions did not immediately result in the issuing of fiscal aid, they all implied that Germany would be willing to take over substantial fiscal risks in support of other countries, with the ultimate aim being to preserve the integrity of the euro area. More technical details on the 17 RCVs are provided in Appendix 1.

For each of the 17 RCVs, our data-set contains up to 631 observations, i.e. decisions by individual MPs on the proposed measures. 241 MPs took part in all 17 RCVs, 200 only in the last three votes that were taken by the 18th Bundestag, and 145 only in those 14 votes taken by the 17th Bundestag. Six MPs did not take part in any of the 17 RCVs. As non-participation in a RCV is coded as missing (see on this Sieberer 2010: 491), our data-set ultimately contains 10,120 observations for our dependent variable ‘Yesvote’. This binary variable takes the value 1 whenever an MP votes in favour of a fiscal support measure, and it takes the value 0 when an MP votes against a measure or abstains.

In order to test hypotheses H1–H4 on policy-seeking behaviour as the driving force of MPs’ voting behaviour, we cannot draw on comprehensive
individual-level data for all Bundestag MPs of a DW-Nominate type (McCarty et al. 1997), as such data does not exist. Instead we use data from the 2010 Chapel Hill Expert Survey (Bakker et al. 2015) as well as from the German Longitudinal Election Study (GLES) (Rattinger et al. 2012, 2014). While the former provides information on party ideologies, the latter informs about the ideological positions of subsamples of 192 (232) individual members of the 17th (18th) Bundestag. We are thus able to systematically assess whether individual-level ideological stances of German MPs affect their voting behaviour.

The Chapel Hill Expert Survey provides us with measures of the ideological position of parties on an economic left–right scale (‘party left–right’). According to the codebook, ‘parties on the economic left want government to play an active role in the economy. Parties on the economic right emphasise a reduced economic role for government: privatisation, lower taxes, less regulation, less government spending, and a leaner welfare state’ . Originally, the variable ranges from 0 (= extreme left) to 10 (= extreme right). In our models, we use it in a standardised and squared form, which allows us to test our hypotheses. In order to account for individual economic ideology of an MP, we construct a comparable variable (‘MP left–right’) for the subsample of GLES participants. It is based on a self-placement of MPs on an economic left–right scale ranging from 1 (= left) to 10 (= right). We again standardised and squared the values to allow for a statistical test.

The Chapel Hill Expert Survey also provides data on the overall orientation of the MPs’ respective party leaderships towards European integration in 2010 (‘party EU positive’). This variable ranges from a value of 1 (= strongly opposed) to 7 (= strongly in favour of European integration). In addition to this general party-level measure, the GLES also entails information on the individual affinity of MPs for European integration (‘MP EU positive’). Bundestag candidates were asked to position themselves on a scale ranging from 1 to 11 by responding to the question whether European integration ‘has already gone too far’ (1), ‘should remain at the current level’ (6), or ‘should be further promoted’ (11).

In order to account for H3, the variable ‘government’ controls for membership of an individual MP in one of the three parties that formed the federal government. For members of the 17th Bundestag, the variable is coded 1 whenever an MP belongs to CDU, CSU, or FDP, and 0 otherwise. As the FDP did not pass the 3 per cent threshold in the 2013 elections and the SPD subsequently entered into a coalition with CDU and CSU, SPD is coded 1 in the 18th Bundestag. The data on this variable is provided by the Federal Returning Officer (German: Bundeswahlleiter), who organises and supervises the federal elections.

In order to test H5, we selected two independent variables (IVs) for identifying constituencies with a comparatively poor economic situation. We again extracted the corresponding data from the Federal Returning Officer’s webpage. Firstly, we regard the unemployment rate at the end of the year 2008 (2012) (‘unemployment’) for every district of the 17th (18th) Bundestag. Secondly, in
order to capture the general business dynamic in an electoral district, we use the number of new business registrations per 1000 citizens in the year 2007 (2011) (‘econdyn’). High unemployment in a district should decrease the population’s support for fiscal aid to foreign countries, while people in an economically dynamic district should be more open towards fiscal rescue measures. The former variable should thus be negatively associated with MP support in the RCVs under investigation here, while we should see positive associations for the latter variable.

Finally, in order to test H6 on mandate types, we coded the variable ‘direct’ as 1 when an MP has directly won their electoral district. In order to assess whether this effect is even stronger in case of a close race in the district, we calculated the relative distance between the winner and the second placed candidate for each electoral district (‘close race in district’), again based on data from the Federal Returning Officer, and constructed an interaction term with direct election (‘directly elected * close race’).

Beyond that, the variable ‘East German district’ controls for the geographical location of an electoral district in the 11 Bundesländer of former Western Germany, coded as 0, or in the Eastern German Länder including Berlin, coded as 1. This is done in light of recent research findings on the German party system by Rohrschneider (2015). The author finds that ‘consistent with prior research, eastern voters are systematically more leftist than western voters; and we observe a movement to the ideological centre in the West but not the East’ (Rohrschneider 2015: 370f). These ideological divergences may result in different patterns of voting behaviour on fiscal rescue packages of MPs from all parties we aim to control for. Table 1 reports the descriptive statistics for all variables.

Besides the factors we can observe and control for, a number of unobservable MP-specific traits are likely to have an impact on individual MP voting behaviour in the 17 RCVs. In other words, we do not expect all 10,120 observations to be conditionally independent, but rather assume that they are hierarchically structured. We therefore conducted multilevel logistic regression analyses.

Table 1. Descriptive statistics.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Obs</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yesvote (DV)</td>
<td>10,120</td>
<td>0.80</td>
<td>0.40</td>
<td>0.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Party left–right position</td>
<td>11,036</td>
<td>1.00</td>
<td>1.06</td>
<td>0.14</td>
<td>2.98</td>
</tr>
<tr>
<td>Party EU positive</td>
<td>11,036</td>
<td>5.58</td>
<td>0.87</td>
<td>3.29</td>
<td>6.00</td>
</tr>
<tr>
<td>MP left–right position</td>
<td>3,305</td>
<td>1.00</td>
<td>0.96</td>
<td>0.00</td>
<td>4.21</td>
</tr>
<tr>
<td>MP EU positive</td>
<td>3,353</td>
<td>8.61</td>
<td>2.18</td>
<td>1.00</td>
<td>11.00</td>
</tr>
<tr>
<td>Government party</td>
<td>11,039</td>
<td>0.58</td>
<td>0.49</td>
<td>0.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Directly elected MP</td>
<td>11,025</td>
<td>0.46</td>
<td>0.50</td>
<td>0.00</td>
<td>1.00</td>
</tr>
<tr>
<td>East German district</td>
<td>11,039</td>
<td>0.20</td>
<td>0.40</td>
<td>0.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Close race in district</td>
<td>10,770</td>
<td>38.18</td>
<td>219.68</td>
<td>1.87</td>
<td>3843.58</td>
</tr>
<tr>
<td>Directly elected * close race</td>
<td>10,756</td>
<td>18.51</td>
<td>155.34</td>
<td>0.00</td>
<td>3843.58</td>
</tr>
<tr>
<td>Unemployment</td>
<td>10,779</td>
<td>8.13</td>
<td>3.60</td>
<td>2.00</td>
<td>18.10</td>
</tr>
<tr>
<td>Economic dynamism</td>
<td>10,779</td>
<td>10.30</td>
<td>2.25</td>
<td>5.20</td>
<td>21.00</td>
</tr>
</tbody>
</table>

Source: Own compilation.
(Rabe-Hesketh and Skrondal 2012) with MPs as upper-level units and individual voting decisions as lower-level units. Random intercepts are included at the MP level in order to accommodate unobserved heterogeneity between parliamentarians and thereby avoid an aggregation bias.

**Empirical analysis**

Before presenting and discussing the results of our regression models, descriptive analyses provide insights into the voting behaviour of Bundestag MPs on the 17 fiscal aid measures from 2009 to 2015.

**Descriptive analyses**

Figure 1 shows the ratios of yes votes to the total number of votes per party over the 17 decisions in our sample. In the heatmap, the lighter the colour in the cells, the more MPs support a bill. A value of 1 implies that all MPs from a party group vote in favour of a proposal. A value of 0 means that no MP of a party group voted for the proposal.

At least four important insights can be gained from the descriptive analysis of our data. Firstly, MPs from government parties (17th Bundestag: CDU, CSU, and FDP; 18th Bundestag: CDU, CSU, and SPD) have largely supported the fiscal rescue measures included in our sample, but the number of dissenting votes is considerable and growing over time. In the 17th Bundestag, on average, only about 5 per cent of all votes cast by government MPs deviated from the party line. In line with hypothesis 4, deviation is lower in the CDU (4 per cent on average), and higher in the FDP (more than 7 per cent) and CSU (almost 8 per cent). Strikingly, especially the high party discipline of Chancellor Merkel’s CDU is eroding over time. While less than 6 per cent of CDU MPs opposed the respective rescue measures adopted between 2009 and 2013, almost 10 per cent cast dissenting votes in February 2015. In July and August 2015, more than 20 per cent of CDU MPs voted against a new rescue package for Greece.

![Figure 1. Heatmap visualising ratios of yes votes to total number of votes per party over 17 Bundestag votes. Source: Own depiction, based on Bundestag data.](image-url)
In the CSU, 25 per cent did not follow their own government’s proposal. This is a remarkable finding in view of the political importance of the votes and the usually high level of government party discipline in Germany, discussed in the theory section above. It should however be noted that the ‘Grand Coalition’ in the 18th Bundestag of course reduced the costs of deviating voting behaviour for the governmental parties; in fact, with more than 70 per cent of all MPs belonging to the CDU, CSU, or SPD, maintaining a voting majority was never at risk.

Secondly, every single MP of the radical-left party Die Linke rejected the rescue measures in all but one of the 17 RCVs. This almost perfectly homogenous voting behaviour contrasts with the party cohesion of all other Bundestag fractions, which continuously display dissenting votes. It is important, thirdly, to note that SPD MPs did not support the initial two rescue measures, i.e. the first Greek aid package and the introduction of the EFSF, but broadly backed the government proposals in all subsequent votes. Especially in the 18th Bundestag, in which the SPD has been part of the government, dissenting votes are extremely rare (on average less than 2 per cent). With the exception of RCV No. 2 on the EFSF and RCV No. 16 on the third Greek rescue package, the Greens largely supported the fiscal aid measures as well. While the cohesion trends of SPD and Greens on the one hand and the governing parties on the other hand diverge at times, the broad support of the two main opposition parties on the left side of the political spectrum in the 17th Bundestag is striking with regard to the usual voting patterns in the German Bundestag. From a ‘varieties of capitalism’ perspective (Hall and Soskice 2001), however, the comparatively strong agreement amongst German MPs for measures that are widely regarded as necessary to ensure the long-term stability of this economic area is less surprising.

We find, fourthly, a clear East–West divide in the voting patterns of all parties except Die Linke. While on average more than 83 per cent of (former) West German MPs support the rescue measures included in our sample, only 64 per cent of (former) East German MPs do so. This effect is clearly driven by Die Linke, which has a relatively (but not absolutely) stronger base in the former East than in the former West. East German MPs from the other parties are yet also generally less supportive towards the proposed fiscal rescue measures; this especially concerns the FDP (former West Germany: 95 per cent support, former East Germany: 82 per cent), the Greens (89, 77), the SPD (84, 77), but also the CDU (94, 90). Ironically, in RCV No. 15 much more Die Linke MPs from Eastern Germany voted in favour of the proposal (96 per cent) than their West German colleagues (56 per cent).

**Regression analyses**

In order to test our hypotheses, we estimated three multilevel logistic models, presented below, on both the entirety of Bundestag members and on the sample
of 192 (232) MPs included in the GLES (Rattinger et al. 2012, 2014). While, as already stated above, the subsample is not fully representative of the entire universe of Bundestag MPs, it is still helpful for testing the mechanisms introduced above and for assuring the robustness of our findings on the micro-level.

The ‘policy-seeking model’ includes the variables that reflect ideological positions on a left–right scale and towards European integration, as well as belonging to the government, corresponding to H1–H4. The ‘government’ variable here accounts for the government’s capacity to negotiate a deal at the European level making it more likely to reflect the majority’s positioning. This variable thus allows for a more fine-grained measure of position correspondence than the more general left–right and pro-versus-anti EU measures. The ‘vote-seeking model’ contains the institutional and district variables, which relate to H5–H6. Finally, the ‘full model’ combines all variables in a single model, including the control variable for Eastern German districts. All three models contain random intercepts at the MP level, which capture un-modelled MP-specific differences that have an impact on their voting behaviour. In order to facilitate the interpretation of the results, odds ratios (and not logits) are reported for the fixed part of the models. The lower part of the table shows the variance in the random intercepts on the MP level (sigma u), the intra-class correlation (rho), the log likelihood, as well as two log likelihood-based measures of fit, namely the Akaike Information Criterion (AIC) and the Bayesian Information Criterion (BIC). The second column indicates our expectations about the direction of the IVs’ effects. The results are presented in Table 2. The regression analyses underline the importance of government membership and policy-seeking behaviour on the one hand, and the apparent absence of an electoral district connection on the other. Most interestingly, support for European integration is a strong predictor of support for the rescue measures on both the party and the individual MP level. For every unit increase in the corresponding variable ‘party EU positive’, the propensity to vote in favour of the proposed measures increases by a factor of 4 in the full model. The individual-level variable ‘MP EU positive’ has a substantively weaker (1.165) but still significant effect. This implies that being supportive of European integration increases the likelihood that an MP votes in favour of fiscal rescue measures independently from his or her party’s stance towards the EU. The statistical effect is even stronger (1.25) and more robust (significant on the 0.01 per cent level) when we exclude Die Linke from the estimation; MPs from this party unanimously opposed 16 of the 17 fiscal rescue measures, but display a strong self-identification as being pro-European in the ‘MP EU positive’ variable extracted from the GLES.

Interestingly, we do not find a comparably significant effect for the left–right ideological position of an MP or their party, despite the just cited voting behaviour of extreme-left Die Linke MPs and the descriptive evidence of relatively large numbers of dissenting votes by CSU and FDP MPs. The variables ‘party
left–right’ and ‘MP left–right’ thus do not contribute to explaining MP voting behaviour on fiscal rescue measures for the case of Germany.

In turn, and as expected by hypothesis 3, MPs from governmental parties overall are much more likely to support euro area rescue measures than MPs from the opposition. Holding other factors constant, membership in CDU, CSU, or FDP (18th Bundestag: CDU, CSU, or SPD) increases the propensity for a positive vote by about a factor of 4 in the full model. This effect is much stronger when we estimate the model on the basis of the subsample; this points to the underrepresentation of deviating MPs from the CDU, CSU, and FDP in the subsample (we find only 5.6 instead of 8.4 per cent of deviating votes here).

Finally, our findings do not support the constituency-specific political economy explanation put forward in hypothesis 5. Neither the unemployment rate nor the economic dynamism of a district have a significant influence on MP

### Table 2. Multilevel logistic regression models of 17 roll-call votes on fiscal support measures in the 17th and 18th German Bundestag (2009–2015).

<table>
<thead>
<tr>
<th>Variable</th>
<th>Hypo</th>
<th>‘Policy-seeking model’</th>
<th>‘Vote-seeking model’</th>
<th>‘Full model’</th>
</tr>
</thead>
<tbody>
<tr>
<td>Party left–right position</td>
<td>&lt;1</td>
<td>0.995</td>
<td>1.129</td>
<td>0.943</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(−0.05)</td>
<td>(0.50)</td>
<td>(−0.52)</td>
</tr>
<tr>
<td>Party EU positive</td>
<td>&gt;1</td>
<td>4.494***</td>
<td>4.640***</td>
<td>4.031***</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(12.03)</td>
<td>(5.15)</td>
<td>(10.57)</td>
</tr>
<tr>
<td>Government party</td>
<td>&gt;1</td>
<td>3.457****</td>
<td>7.771****</td>
<td>4.132****</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(7.23)</td>
<td>(4.65)</td>
<td>(6.81)</td>
</tr>
<tr>
<td>MP left–right position</td>
<td>&lt;1</td>
<td>0.833</td>
<td>1.00</td>
<td>0.847</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(−1.00)</td>
<td></td>
<td>(−0.91)</td>
</tr>
<tr>
<td>MP EU positive</td>
<td>&gt;1</td>
<td>1.172**</td>
<td>1.165**</td>
<td>1.165**</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2.19)</td>
<td>(2.13)</td>
<td></td>
</tr>
<tr>
<td>Directly elected MP</td>
<td>&lt;1</td>
<td>1.830***</td>
<td>2.670***</td>
<td>0.793</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(3.75)</td>
<td>(2.99)</td>
<td>(1.80)</td>
</tr>
<tr>
<td>Close race in district</td>
<td>&lt;1</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.13)</td>
<td>(−0.28)</td>
<td>(−0.21)</td>
</tr>
<tr>
<td>Dir. elected * close race</td>
<td>&lt;1</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(−0.30)</td>
<td>(−0.23)</td>
<td>(−0.29)</td>
</tr>
<tr>
<td>Unemployment</td>
<td>&lt;1</td>
<td>0.998</td>
<td>0.982</td>
<td>1.052*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(−0.06)</td>
<td>(−0.33)</td>
<td>(1.78)</td>
</tr>
<tr>
<td>Economic dynamism</td>
<td>&gt;1</td>
<td>1.005</td>
<td>0.968</td>
<td>0.988</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.15)</td>
<td>(−0.50)</td>
<td>(0.79)</td>
</tr>
<tr>
<td>East German district</td>
<td></td>
<td>0.302***</td>
<td>0.247***</td>
<td>0.393***</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(−4.80)</td>
<td>(−2.89)</td>
<td>(−3.78)</td>
</tr>
<tr>
<td>L.Yesvote</td>
<td></td>
<td>14.27***</td>
<td>12.05***</td>
<td>13.99**</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(21.70)</td>
<td>(9.87)</td>
<td>(19.43)</td>
</tr>
<tr>
<td>MP-level variance (sigma_u)</td>
<td></td>
<td>1.227</td>
<td>1.448</td>
<td>1.215</td>
</tr>
<tr>
<td>Intra-class correlation (rho)</td>
<td></td>
<td>0.314</td>
<td>0.389</td>
<td>0.500</td>
</tr>
<tr>
<td>Loglikelihood</td>
<td></td>
<td>−1799.3</td>
<td>−479.1</td>
<td>−1789.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>−2001.2</td>
<td>−557.2</td>
<td>−477.0</td>
</tr>
<tr>
<td>AIC</td>
<td></td>
<td>3610.7</td>
<td>974.2</td>
<td>3603.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4020.5</td>
<td>1132.4</td>
<td>982.0</td>
</tr>
<tr>
<td>BIC</td>
<td></td>
<td>3653.2</td>
<td>1021.0</td>
<td>3688.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4084.3</td>
<td>1185.0</td>
<td>1064.0</td>
</tr>
<tr>
<td>Number of Obs.</td>
<td></td>
<td>8825</td>
<td>2571</td>
<td>8825</td>
</tr>
<tr>
<td>Number of MPs</td>
<td></td>
<td>841</td>
<td>332</td>
<td>841</td>
</tr>
</tbody>
</table>

**Notes:** Dependent variable = ‘Yesvote’ Odds ratios (not logits) and t-statistics (in parentheses) are reported.

*p < 0.1; **p < 0.05; ***p < 0.01.
voting behaviour. If at all, we found some significantly positive effects for the direct election variable in the vote-seeking model; yet this finding is wiped out when controlling for additional factors in the full model. Corresponding to the descriptive findings presented above, MPs from Eastern German districts are significantly more sceptical about the rescue measures as compared to Western MPs. We find this difficult to interpret, given that we already control for economic factors on the level of the district and the ideology of the MPs. The fact that the effect diminishes in terms of significance once we use the individual-level MP data underlines that there might indeed be MP-related effects, beyond the district-level considerations pointed out in the theoretical part of the article. Furthermore, the puzzle remains why the left–right dimension should not matter for MPs but for the voters. We thus need to remain agnostic on whether this result is due to remaining differences in Eastern and Western German electorates or whether personal characteristics of Eastern German MPs are the decisive factor. Finally, the lagged dependent variable is strongly significant: not only have Die Linke MPs stuck to their voting behaviour during the euro crisis, but many other MPs apparently have done so as well.

With regard to the random part of our models, we find clear evidence for the existence of unobserved MP-specific differences in the propensity to vote in favour of fiscal rescue measures. The intra-class correlation of 0.31 in the full model is substantial and statistically significant; this underlines that estimating multilevel models is the appropriate method for our data. Substantially, the value indicates that the full model can only account for roughly two-thirds of the variance between MPs. In the models which contain individual-level variables, the intra-class correlation is a little higher (0.38); in turn, the explained variance is lower.

To sum up, our results indicate that the ideological stances of individual MPs and partisan ties outweigh a potential electoral connection to the constituency even in such salient issues as the euro rescue packages. Furthermore, the support for European integration in German elites is still strong and ideological reasons make it hard for MPs to vote against measures that are perceived to be in the European interest.

**Conclusion**

What explains parliamentary support for international fiscal aid measures? By answering this question, we contribute to a growing literature located at the intersection of comparative politics, international political economy, and European integration. With our analysis of MP voting behaviour on fiscal aid measures for euro area members in the German Bundestag, we provide a more solid, empirically backed understanding of the domestic politics of fiscal aid in a parliamentary system, a topic that has been largely neglected by the literature so far.
Our paper shows that voting behaviour of Bundestag members is mainly driven by partisan and policy-seeking concerns. We particularly found that support for European integration is strongly correlated with support for fiscal aid during the euro crisis. Moreover, we find that individual MP's positioning on the pro-/anti-EU dimension adds to the explanatory power of the partisan account. By contrast, the location of parties or MPs on the economic left–right scale seemingly did not influence Bundestag members’ voting behaviour on fiscal aid in the 17 roll call votes under investigation.

In addition, our analysis underlines the importance of government versus opposition dynamics. We show that government membership even matters for MP voting behaviour on fiscal aid for euro area partners when we control for ideologies on both party level and MP level. This might point to the higher costs of deviant voting behaviour for governing parties as compared to opposition parties. At the same time, in the 17th Bundestag, large majorities of two of the three opposition parties, namely the SPD and the Greens, support the fiscal aid measures, at least most of the time. And we also find a considerable and growing number of MPs from governmental parties that do not vote in line with their groups. In some votes up to 25 per cent of CDU and CSU MPs vote against their own government’s proposals.

In our view, these dissenting votes can at least in part be explained by policy-seeking considerations, since we did not find a significant influence of mandate types, nor did we detect an impact of district characteristics, especially economic performance, on MP voting behaviour. This contrasts with findings by Becher and Sieberer (2008) and by Sieberer (2010) on the impact of mandate types on Bundestag votes between 1983 and 2009. Our findings could however be explained by the potentially detrimental impact of double candidacies on the party list and in a district (Stoffel 2014) on the MP’s incentive structure. The insignificance of any district characteristics in turn contrasts with the literature on the US system, where local, constituency-related interests seem to play an important role for MP voting behaviour on international political economy issues (Broz 2005; Milner and Tingley 2010, 2011).

More generally, our findings highlight that support for fiscal aid in the Bundestag is far from unanimous. It would thus be wrong to assume that this support is unconditional or even independent of the European negotiation outcomes. Our data, in fact, suggests that MP voting behaviour is strongly influenced by the policy contents of the aid measures. For instance, we see that in the summer of 2015 Die Linke MPs, for once, shifted towards supporting the third Greek rescue package, while conservative MPs were driven out of the support camp. Such inverted patterns also become visible in earlier voting decisions, when the support of Green and SPD MPs grew at the expense of support from the FDP, and vice versa. The Fiscal Compact, for example, raised concerns particularly amongst left-leaning MPs, while finding strong support of conservative MPs.
Finally, given the growing politicisation of European politics, electoral incentives might play an increasingly negative role in the future (see Hooghe and Marks 2009; Miklin 2014a, 2014b; Rauh 2015). While European integration is still favoured by societal majorities in almost all EU member states,¹⁵ support is shrinking at the edges, as the growing importance of the Eurosceptic German Alternative für Deutschland in recent European Parliament and regional elections, but also the rising prominence of Eurosceptic parties in other member states, show. We therefore expect the supporters of pro-European policies in the political centre to come under stronger pressure in the future. This should make it (even) more difficult to secure majorities for fiscal aid in the parliaments of creditor states in Europe. Furthermore, this could aggravate tensions between democratic aspirations and politico-economic constraints in the European Union.

Notes

1. The scholars find that parties in the middle of the political spectrum show relatively high support for European integration, while political parties on both the extreme left and the extreme right display high levels of Euroscepticism. Plotting the two dimensions – left–right and EU support – against each other results in a figure that resembles an inverted U.


3. With the setting up of the EFSF, Germany agreed to guarantee up to €211 billion for rescue packages issued to other euro area members. In order to launch the ESM, the EFSF’s permanent successor, Germany agreed to guarantee up to €168 billion, and actually transferred €22 billion as ‘paid-in capital’ to the rescue fund until April 2014.

4. The Bundestag usually encompasses more than its official 598 members (299 directly elected MPs, 299 list candidates), because highly successful parties in the direct elections achieve so-called ‘surplus seats’ (German: ’Überhangmandate’). The 17th (18th) Bundestag therefore originally consisted of 622 (631) MPs. Almost two-thirds of the 2009–2013 MPs got re-elected, 229 members of the 18th Bundestag did not have a seat before 2013. During the term periods, 30 (14) MPs holding regular seats were replaced. Our data-set consequently includes a total of 895 (622 plus 30 plus 229 plus 14) individual MPs.

5. Similarly, Saalfeld (1995: 73–77) finds that unexcused absence is not a milder form of dissent.

6. We also used data from the Party Manifesto Research Group (Volkens et al. 2014) as well as data from Benoit and Laver (2006) to check the robustness of our findings. It turned out that incorporating these measures generally affects neither the direction nor the significance of the results.

7. While not representing perfect samples for the respective MP populations in the 17th and 18th Bundestag, the data is sufficiently representative in the sense that all parties are represented roughly according to their relative share of seats. Yet parties on the left side of the political spectrum (SPD, Die Linke, Greens) are slightly overrepresented, while parties on the right side (especially FDP and CSU) are slightly underrepresented.


10. In February 2015, 75 per cent of Die Linke MPs voted in favour of extending the second Greek rescue package for a second time (RCV No. 15), allegedly to support the newly elected government under Prime Minister Tsipras, whose Syriza party belongs to the same European party family as Die Linke.

11. The government fractions CDU, CSU, and FDP for instance almost unanimously supported the Fiscal Compact, i.e. vote number 6, while comparatively numerous SPD and Green MPs cast dissenting votes.

12. We used the xtlogit command in STATA 14 to estimate these models.

13. The odds ratios have to be interpreted in the following way: a positive effect of a variable, implying a higher propensity of an MP to vote in favour of fiscal rescue measures, is indicated by an odds ratio above 1, a negative effect by a value below 1. A variable with an odds ratio equal to 1 has no effect on MP voting behaviour at all.

14. On the scale ranging from 1 (European integration should be reversed) to 11 (European integration should be promoted further), more than 80 per cent of Die Linke MPs participating in the GLES study classify themselves at 8 or higher. This is surprising, given the usual classification of Die Linke as a Eurosceptic party.


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References


**Appendix I: Roll-call votes on fiscal aid in the German Bundestag 2009–2013**

RCV No. 1: Vote on 7 May 2010 on the first Greek aid package (bilateral loans) (Drs. 17/1544, 17/1561 and 17/1562)

RCV No. 2: Vote on 21 May 2010 on the introduction of the temporary EFSF (StabMechG) (Drs. 17/1685, 17/1740 and 17/1741)

RCV No. 3: Vote on 29 September 2011 on enhancing the EFSF (Drs. 17/6916, 17/7067 and 17/7130)
RCV No. 4: Vote on 27 February 2012 on the second Greek aid package (EFSF loans) (Drs. 17/8730, 17/8731 and 17/8735)
RCV No. 5: Vote on 29 June 2012 on the introduction of the permanent ESM (Drs. 17/9045, 17/10126 and 17/10172)
RCV No. 6: Vote on 29 June 2012 on the ratification of the Fiscal Compact Treaty (Drs. 17/9046, 17/10125 and 17/10171)
RCV No. 7: Vote on 29 June 2012 on the provision of paid-in capital to the ESM (Drs. 17/9048, 17/10126 and 17/10172)
RCV No. 8: Vote on 29 June 2012 on the change of Art. 136 TFEU, enabling the set-up of a stability mechanism for the Euro area (Drs. 17/9047 and 17/10159)
RCV No. 9: Vote on 19 July 2012 on financial aid for Spain (Drs. 17/10320 and 17/10321)
RCV No. 10: Vote on 30 November 2012 on changes concerning the second Greek aid package (Drs. 17/11647, 17/11648, 17/11649 and 17/11669)
RCV No. 11: Vote on 18 April 2013 on financial aid for Cyprus I (ESM loans) (Drs. 17/13060)
RCV No. 12: Vote on 18 April 2013 on financial aid for Cyprus II (Memorandum of Understanding) (Drs. 17/13060)
RCV No. 13: Vote on 18 April 2013 on the extension of EFSF loans for Ireland (Drs. 17/13060)
RCV No. 14: Vote on 18 April 2013 on the extension of EFSF loans for Portugal (Drs. 17/13060)
RCV No. 15: Vote on 27 February 2015 on the extension of EFSF loans for Portugal (Drs. 18/4079 and 18/4093)
RCV No. 16: Vote on 17 July 2015 on the start of negotiations on a third Greek rescue package (ESM programme) and a bridge financing for Greece (Drs. 18/5590)
RCV No. 17: Vote on 19 August 2015 on a third Greek rescue package (ESM programme) (Drs. 18/5780)