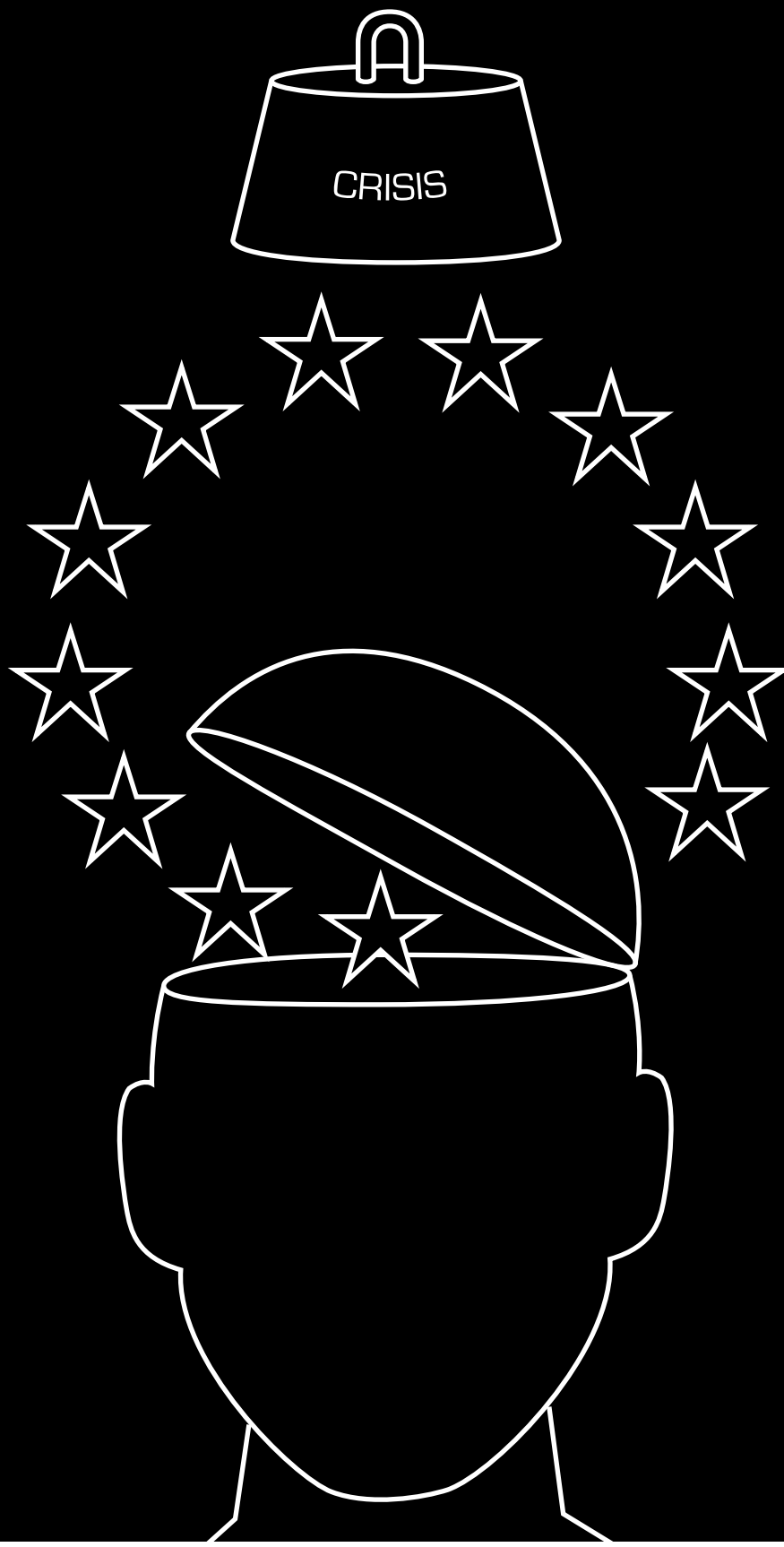


# Sense making in the Euro crisis

A personal approach towards transboundary crisis management



Master thesis  
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## LIST OF ABBREVIATIONS

### Member States

AT Austria

BE Belgium

FI Finland

FR France

GE Germany

GR Greece

IE Ireland

LU Luxembourg

NL The Netherlands

PT Portugal

ES Spain

EC European Council

ECom European Commission

EUR Euro

EG Eurogroup

MS Member states

EU European Union

EX - X1 Experience

PS - X2 Pressure

SC - X3 Self confidence

CC - X4 Conceptual complexity

CA Content Analysis

## SUMMARY

The thesis is about leadership of Heads of State or Government in transboundary crises. Thirteen members of the European Council have been examined on pressure, experience, self-confidence and conceptual complexity. Based on these results, expectations about their speech acts in the Euro crisis were made up and tested by examining speeches on four important aspects in transboundary crisis; urgency, uncertainty, threat and responsibility. The research is constructed in a way to see whether personal traits of European leaders like experience, self-confidence and conceptual complexity combined with the pressure they're under provide an explanation on the kind of or speed of sense making in the Euro crisis. Once leadership traits and pressure were examined, the research examined speeches using a method of content analysis. The period that has been under inquiry for the content analysis is the first phase of crisis management, sense making. This phase is believed to be passed regularly when leaders are facing a crisis but is nonetheless crucial for a good conduct of a crisis. The aim of the thesis is to see if there is a link between leadership traits and a leaders' reaction to unexpected situations, e.g. if behavior in crises eventually can be predicted in advance. For future research, the constructed framework for assessing sense making might be a viable framework to work with. It can help us to see what lessons are important while training leaders in crisis management.

The results show that, although leaders differ on the pressure they're experiencing, their self-confidence and conceptual complexity or their experience in politics and transboundary crisis management, all of them balance between switching from one mode to another. This period is referred to as the *gap period*. However, the time it takes leaders to overcome this gap period does depend on their scores on the independent variables. If leaders are highly pressurized, they moreover perceive the crisis as high in urgency and threat. Leaders with high a high level of self-confidence, tend to be more self-oriented instead of focusing on a shared responsibility. Leaders that score high on conceptual complexity, find it difficult to make clear statements about the crisis and remain vaguer. As for experience, no clear results have been found.

The study finds that high pressurized leaders with higher scores on self-confidence and lower scores on conceptual complexity jump from the gap period directly into the action-mode. Low pressurized with lower scores on self-confidence and higher scores on conceptual complexity seem to frame the crisis at first before jumping into action-mode.

Recommendations for further research include more in-depth analysis of both the methodological content of this research as well as more data to be examined to provide a more thorough framework that can be used in practice to advice leaders on their speech acts. In addition to this, it would be interesting to search for further integration with other frameworks within the field of political psychology such as cognitive mapping.

## VOORWOORD

### *Why didn't we see it coming?*

Bovenstaande vraag is wellicht de meest gehoorde vraag wanneer een crisis na afloop wordt geanalyseerd. Kranten staan er vol mee, nieuwsuitzendingen staan er bol van, discussies in de kroeg gaan erover, maar toch lijkt het ons keer op keer niet te lukken om een crisis, in welke hoedanigheid ook, aan te zien komen.

Die simpel lijkende evaluatie achteraf zag ik ook terug in het schrijven van deze scriptie. Uren, dagen, weken, maanden broed je op van alles. Je gaat door dalen, je snapt er niets van, beleeft eureka momentjes en achteraf vraag je je vaak af waarom je deze voor jou ogende simpele conclusie niet al vier maanden geleden had kunnen trekken. Je beseft tijdens het schrijven niet hoeveel je doet en dat je door het van al die verschillende kanten te bekijken je van het geheel pas achteraf kunt denken dat het eigenlijk misschien wel heel simplistisch is.

Dit is iets waar je niet alleen als individu in het schrijven van een scriptie mee te krijgen maakt, maar wat ik ook heb gezien tijdens dit onderzoek. Ik ben ervan overtuigd dat we het nooit helemaal aan kunnen zien komen, maar dat ergens ook dit spanningsveld nodig is om ons scherp te houden, zodat we niet op de automatische piloot functioneren maar gedreven worden door onszelf en de mensen om ons heen om op zoek te gaan naar nieuwe mogelijkheden.

De mensen om mij heen die mij scherp hebben gehouden tijdens dit proces wil ik daarom hier niet ongenoemd laten. Femke, je bent echt de leukste begeleider die je je kunt wensen! Bedankt voor je enthousiasme en voor het op orde brengen van de niet zo zeldzame chaos en onzekerheid in mijn hoofd en op papier. Mam, Pap, Rob en Jules: voor de telefoongesprekken, de etentjes en al jullie luisterende oren op momenten dat het ook voor jullie niet altijd gemakkelijk was. Niels, omdat je de enige bent die volgens mij daadwerkelijk weet wat hier in staat en me daar ook in al mijn vage ik-snap-het-zelf-ook-niet-zo-goed buien over liet raaskallen tot ik zelf tot een nieuw inzicht kwam. Michiel, voor de mooie tekeningen en tot slot mijn liefste vrienden en vriendinnen waaronder Dennis, Claire, Lara, Lis, Lot en Monique die in de bibliotheek te vinden waren ofwel post-scriptie voor vermaak zorgden en het hele geheel lekker dragelijk maakten.

Om Europees af te sluiten:

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Marij, oktober 2012

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# 1. "HOUSTON, DO WE HAVE A PROBLEM...?"<sup>1</sup>

*Everyone is always driven by their characters and experiences, whatever these may be.*<sup>2</sup>

Conversations about our political systems and its leaders often turn out to be quite personal. We want to make our leaders more human in order to understand them; we want to know who they are. We want to look into their minds to see what keeps them busy or keeps them awake at night. Mass media increase this feeling, as they provide us with all kinds of information about our politicians on a daily base. We seem to have a certain fascination with our leaders. Part of this fascination comes from the fact that their personal preferences can influence our lives at the end of the day (Hermann, 2003).

A leader in crisis needs to decide on meaningful issues in a short period of time. This requires certain personal capacities of a leader (Sundelius, 2009:325). Leaders in Europe seem to need some 'special transboundary qualities' to provide transboundary crises response (Ansell et al, 2010:204). At the same time leaders at the European level are not always prepared both personally as institutionally, to cope with the challenges of a transboundary crisis.<sup>3</sup> The paradox lies in what is a so-called trade-off between contraction of authority and the institutional framework of transboundary organizations that is not built to deliver authoritative leaders (Dayton & Hermann, 2009:237). In order to lead a transboundary crisis leaders have to have strong belief in their abilities to control events together without being distracted by the institutional design of the intergovernmental organization. Combining the growing fascination with our leaders to crisis situations that are crossing national boundaries and jurisdictions, the current Euro crisis that the European Union faces is an interesting case to examine.

In academic literature however, analyzing politics and politicians stems from a long tradition of rational theories. But how can we make sense of the leadership of our politicians in order to explain the actions they take? We can't just call Angela Merkel or Barack Obama and ask if they have some time left for an interview or psychological tests. "At-a-distance assessments" provide a method for analyzing the psychological dimension in politics. It can help to understand why leaders and policy makers make certain decisions, based on other than rational arguments.

The chapter continues introducing European leadership and the rise of this transboundary Euro crisis. Chapter two explains the theoretical framework used in this research. Chapter three will justify the methodological choices made in this research. Chapter four presents the results of the leadership analysis. Chapter five presents the results of the content analysis of European leaders' speech acts in the Euro crisis and answers the hypotheses. Chapter six draws the conclusions for this research and reflects on this research. Finally, chapter seven will provide a discussion.

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<sup>1</sup> From the well-known expression: "Houston, we've got a problem", said by Apollo 13 pilot John Swigert

<sup>2</sup> Writer's statement

<sup>3</sup> For further explanations about these challenges, see paragraph 2.4.1



## 1.1 Crises at start; why we don't see it coming

The question *why didn't we see this coming* is one of the most pressing questions when reports on crises appear (Boin, 't Hart, Stern & Sundelius, 2005). If we look at the Schiphol refugee detention fire from 2005, the reports conclude that we should have known that this could have happened from start. Reading these post-crisis reports, it seems remarkable that, time after time, no one saw the crisis coming and that no-one stood up. But a crisis evolves slowly, as a mean virus that starts from a small unnoticeable point, and evolves in a big outburst.

A crucial phase in crisis management therefore is to identify a crisis as such. To get to the point where a crisis is called a crisis is what's called the phase of sense making. This very first crisis phase asks for firm leadership. Because most crises do not start off with a 'big bang' but erupt from vague, incremental and ambiguous signals diagnosing a crisis is confusing, contested, and fast moving but necessary in order to meet the other challenges (Boin *et al*, 2012:119). In crisis situations, institutional frameworks or vast procedures and rules become vaguer as well. This means that leaders suddenly become confronted with their own capacities. The environment in which they operate and personal traits and characteristics might in this case shape the way in how they decide what the crisis is and what it is about.

In addition to this, national Heads of State or Government in Europe face difficulties in defining their leadership within the EU framework. National member states can identify their leaders quite accurate but in Europe this is a lot more difficult. European leaders, as for example in the European Council, have multiple functions, agenda's and positions in and outside the Union that make it difficult for them to create a common understanding of a crisis (Ansell, Boin & Keller, 2010). Although differences in national political systems are an important factor that contributes to the differences between decision-makers, differences in leadership play a more pivotal role (Kaarbo, 1997).

Not just defining a crisis amongst the leaders is a difficult process. Over the past decades, national crises shifted towards more transboundary crises. These new forms of crises don't respect national borders and cross multiple jurisdictions. This transboundary effect in Europe's crisis management makes it even more complex to identify a crisis as one and to create a common understanding of it. In Europe, where member states work together in many policy areas without being a federal and legislative union, crisis management is difficult to create and coordinate.

The broad diversity of agenda's, participants and organizations makes a uniform understanding of a transboundary crisis extremely difficult and sensitive to misinterpretations. A situation can be threatening to core values of social, political or economic systems and asks for rapid response. In order to respond, leaders need to understand what's going on. Creating a common understanding (sense making) is of great importance for the second phase of crisis management, decision-making (Boin *et al*, 2005). Passing on sense making mainly means more time to find proper solutions and take the right decisions. This time is scarce and the bigger the crisis might grow.

## 1.2 Pressuring Europe

Since 2007, the world has been facing problems in its global financial system. What started off with problems on the US housing market was shown in Europe a year later in 2008. Private banks all over Europe needed financial support from their governments in order to continue their work or became national banks since they had to deal with rising interest rates and growing deficit problems.

On October 4<sup>th</sup> 2009, the Socialist party in Greece celebrates their victory after the national elections. This leads to a newly government in Greece, with George Papandreou as its prime minister (New York Times, 04-10-2009). This new Greek PM notes that the previous heads of state falsified statistical data on the status of their public finances in order to meet the European standards. On October 15<sup>th</sup>, Papandreou notes that his country is not facing a public debt of 6% as was expected but that the actual percentage is approximately 12,7%. This eventually leads to a downgrade of Greece by Credit Rating Agencies on December 8<sup>th</sup> 2009, which makes it even more complicated for the country to restore their public debt (New York Times, 08-12-2009). The IMF calls for strong financial reforms in Greece after it becomes clear that the debts have reached 300bn Euro's, the highest rates in modern history (BBC 13-6-2012). This point is the starting point to what becomes one of the most urgent crises Europe has faced since her establishment, the European sovereign-debt crisis. After the news of Greece's budgetary deficit, it takes the EU almost eight months to come with a first decision. Continuously, more and more countries seemed to face problems in their financial management and their promise to live up to European norms from the EMU treaty.

Europe is confronted with its institutional system and the lack of a framework for economic crisis management. Leadership has always been a sensitive issue because the EU is built on member state influence and autonomy of member states. Taking the lead in Europe is mostly associated with a negative connotation. If Angela Merkel takes the lead, Germany would be accused of following the path of history. If Nicolas Sarkozy takes the lead, the link to Napoleon is quickly made. If Jean-Claude Trichet, president of the ECB, would take lead, the trade-off between being a technocracy instead of a democracy lives up. For a long time, taking the lead in Europe hasn't been appreciated, but this new economic crisis asks for it and this confuses Europe.

To lead during crises is a difficult task and the transboundary effect intensifies this difficulty due to interdependency of MS. In addition to that, these specific accusations and constraints within the EU make it even more puzzling to take lead in a crisis of high political and economic sensitivity. At the same time however, crises open up windows of opportunity, in which transitions in the current system can be made rather quickly, if the timing and conditions are right. The difficulties in creating a common understanding on the causes, nature and consequences of the Euro crisis most likely hampered the European rapid reaction on the crisis.

Concluding, crises bring along a certain amount of pressure and zoom in on the leaders that lead their public through it. In the context of Europe, this research therefore addresses the following question:

*To what extent do pressure and personal traits influence European leaders' ability to make sense of the Euro crisis?*

An answer to this question has been found using two methods. First, Heads of State or Government of member states (MS) were examined over a period of time on personal characteristics and pressure. Second, their style of sense making has been examined. By combining both data, this research sought for a relationship between pressure/personal characteristics and ways of sense making.

### **1.3 Research relevance**

The study carries out a societal as well as a scientific relevance and contributes to the larger debate in Europe on its position and role on two points. First, leadership challenges in transboundary crisis are what transboundary organizations such as the EU and NATO are facing increasingly over the past few years (Kille & Scully, 2003). Especially in the field of economic governance, political psychological research on leadership in transboundary crisis management is uncultivated. No hard protocols or handbooks on how to deal with financial crises in a transboundary environment exist and there is no crisis framework for financial crises on EU level.<sup>4</sup> Insight in making sense of these types of crises can contribute to understand these challenges in the future.

Second, the EU might need to change the rules of the game in order to move forward from the ashes of this crisis. This is the societal relevance of this research. The question if the EU should be involved in transboundary crisis management at all can be viewed from a functional perspective in which the EU does not have the capacities to manage the threats that she has to cope with. The debate in the world of intergovernmental organizations such as the EU is about the role they want to and can play in international affairs. This research examines if and how certain leadership can change this.

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<sup>4</sup> Information obtained from the website of the European Commission:  
[http://ec.europa.eu/internal\\_market/bank/crisis\\_management/index\\_en.htm](http://ec.europa.eu/internal_market/bank/crisis_management/index_en.htm)

## 2. THEORETICAL FRAMEWORK

For a long time, the academic domain of political science and governance has been dominated by traditional rational theories that ignored the idiosyncrasies of individual decision makers. Although a cognitive approach is not new, it gained more attention and importance since the 70's. Methods in "at-a-distance" assessments of leaders' personal characteristics have become more advanced over time. However, politically psychological research techniques haven't been predominantly applied on the international level (Kille & Scully 2003:175).

In this chapter, the theoretical outlines for this research will be set in order to draw a framework for the empirical analysis of this research. This together will provide an answer to the main question of this research: *To what extent do pressure and personal traits influence European leaders' ability to make sense of the Euro crisis?*

After discussing challenges in transboundary political leadership, the chapter continues to create a framework for analysis. This has been done in two phases. First, leadership assessment is explained in paragraph two. Second, the framework of crisis sense making will be explained. In addition to this, the hypotheses will be presented in paragraph five.

### 2.1 Transboundary political leadership

In addition to the shift of crisis management to a border-crossing level, the ability of leaders to manage these transboundary crises has to evolve on a cross-national level as well. Before we can make statements about European leadership or the lack of it, it is important to define what we understand among European political leadership. Leadership is an ambiguous term that has no uniform understanding. This research focuses on *political* leadership, which differs from *organizational* leadership because these leaders lead 'the public' and therefore face other challenges than leaders of organizations.

According to Hermann (1977:2), leaders are those who have authority to commit the resources and select the goals of a political unit so that they in return, can affect its policies. Paige (1972, in Hermann, 1977) describes political leadership as the interaction of personality, role, organization, task, values and setting as expressed in the speech-acts of individuals who can affect policies. Political leadership can therefore be seen as a separate field of inquiry in which analysis based on psychological assessments is useful to gain insight in leadership styles.

Due to the often-complex institutional framework of intergovernmental organizations, it is difficult to identify the core center of power and leadership within. This is also true for the EU, mainly since the EU has been constructed in a way that it is impossible for 'one' leader to take charge (van Middelaar, 2009). As for the European Council, which is under inquiry in this research, Van Middelaar (2009) typifies this body of the EU as the Europe of States, also described as the confederalist view on Europe. The discourse in this view is that national sovereignty remains unquestioned. If the leaders in this discourse are the ones that need to

frame the crisis together from a transboundary and common responsibility, this might be very difficult.

This confederalist view on political leadership poses three challenges for political leaders. First, leaders in the EC face a so-called *dual hat* syndrome. This means that they are responsible for multiple positions at the same time, both at the national level as well as at EU level. These leaders are held responsible for the decisions they make in Europe as well as in their own country, where they have to explain why they acted the way they did in Europe.<sup>5</sup> Second, it is difficult to appoint a uniform leader due to the institutional and legislative framework of the EU. Since December 2009, the EC has a president, but this is only the term used for the chairman of the Council and does not provide extra decision-making powers. Third, the long-standing debate about European integration plays a big role. Due to differences in political beliefs and the balance between sovereignty and Europeanization, the Union does not create a uniform way of decision-making and creates uncertainties for the tasks that leaders supposed to do. In the current crisis, this sovereignty suddenly changed. An example of this is the replacement of Silvio Berlusconi by technocratic leader Mario Monti, due to political pressure from the EU.

## 2.2 Assessing leaders

Boin *et al* (2005) distinguish two main barriers for public political leaders. First, the emerging complexity of modern organizations creates barriers in crisis recognition. Secondly, the psychology of leaders can create an environment for failures or successes in times of crises. In situations of uncertainty and ambiguity, recognizing crises takes more capacity of leaders than to evaluate the situation afterwards. Recognizing a crisis is therefore a vulnerable process (Boin *et al*, 2005: 38). In ascertaining how leaders deal with the crisis, researchers and practitioners can find more on how they have to manage the crisis (Hermann & Dayton, 2009:233). Although organizational barriers are nonetheless important, this research continues to focus on the second factor: individual differences that affect sense making. The concept of sense making will be explained in paragraph 2.3.

Previous research in assessing political leadership using “at-a-distance” assessments has shown different sets of variables to be important, varying from environmental influences to personal characteristics (Hermann, 1980; Kaarbo & Hermann, 1998; Hermann, 1977; Paige, 1972; Walker, Schafer & Young, 1999; Hermann, 1980; Post, 2003). Combining these different theories has led to the identification of three main variables. This research combined a leaders environment with personal traits in order to focus on both sides.

Before focusing on the specific individual factors that might affect a leader in transboundary crises, it is important to state the following these; *every human has fundamental limitations in their abilities to acquire and process information*. This bounded rationality, as Herbert Simon (1991) describes, is contrary to traditional economic and rational models in decision-making

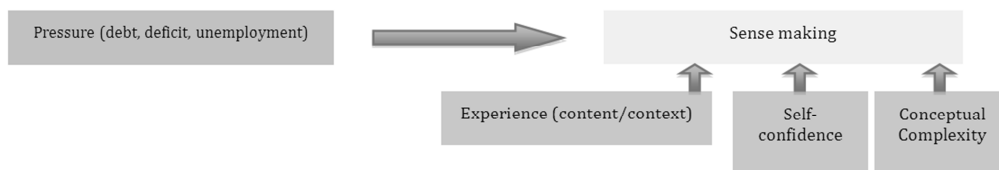
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<sup>5</sup> Paradox in TCM [http://www.worldsocialscience.org/pdf/Boin.ppt#264,5,Characteristics of TC](http://www.worldsocialscience.org/pdf/Boin.ppt#264,5,Characteristics%20of%20TC), slide 10

analysis. This these makes leaders bounded to a set of factors that influence their behavior (Boin *et al*, 2005:31). It is therefore important for leaders that they can filter incoming data and give attention to most urgent issues, as they are not able to process everything and act rationally (Boin *et al*, 2005:32). With this in mind, this research distinguishes three main leadership influences on sense making (for a visual display, see figure 2.1):

1. Environmental: Pressure
2. Personal: Experience
3. Personal: Coping with information (based on two variables: self-confidence and conceptual complexity)

FIGURE 2.1: A FRAMEWORK FOR LEADERSHIP ASSESSMENT IN SENSE MAKING



### 2.2.1 Pressure

The first of the three factors which may influence leadership style in sense making is the situational factor pressure. This stems from the crisis sense making theory of Boin *et al* (2005). Leaders can experience pressure differently since immediate effects might have different implications for leaders' responsibilities. For example in the Second World War, the Dutch government felt no pressure of a German invasion. When it actually happened, the queen and her government barely escaped the country (Boin *et al*, 2005:26). Findings from previous research indicate that the urgency and surprise policymakers perceive by a transboundary threat shapes the nature of their decision-making and the way they manage the crisis (Hermann & Dayton, 2009:233). Crises tend to create high levels of pressure on those in charge and focus on the relationship between task load and the coping capacity of a leader (Boin *et al*, 2005:29). There has to be a certain feeling of pressure before leaders will take action or they will stay in their 'politics-as-usual' mode.

High levels of pressure can create stronger feelings of insecurity and anxiety, whereas low levels of pressure can create non-response. Modest pressure will increase a leaders' focus. This leads to the hypothesis that the higher the degree of pressure, the more likely a leader will jump directly into modes of action and decision making.

### 2.2.2 Experience

Experience says something about the degree of leaders' involvement in the issue that is at stake (Kaarbo & Hermann, 1998:246). The more experience leaders have, the more they want to be involved and control they want over the situation. Since a leader's response is based on previous

experiences, experienced leaders will have less spontaneous cognitive attempts towards the evolving event (Boin *et al*, 2005:32). Therefore it is likely that high experienced leaders will respond more thoughtfully to an evolving crisis since they'll base their opinion on previous experience. This stems from what psychologists call the system of stored representations. The way leaders acted in or managed previous situations on a similar topic, is the base of their behavior in future situations. For example, after the 9/11 attacks, similar attacks that took place in the West were assumed to be the initiative of Islamic fundamentalists. This was also the case for the bloodbath in Norway in July 2011, but later turned out to be a single-minded act by an extreme-right Norwegian. A leaders' response to a crisis is based on the information of the outside world on the one hand and pre-existing ideas on the other hand (Steinbruner, 1974 in van Esch, 2007:91).

This thesis splits up experience in *content* and *context* experience. It is believed that context or content experience might lead to different ways of acting. Content experience means the experience that a leader professionally has in the field of the crisis. For instance, an economist has better background knowledge in the field of economic crises than someone who studied medicine. Based on what they've studied, they make certain assumptions or not about the situation that is at stake. For example, a leader with high content experience on the subject of the crisis will anticipate on the crisis based on his or her stored representations concerning content. Context experience is about the experience a leader gained in previous political positions. Leaders often rely on their first successful performance in public and their stored content experience. Leaders who are high in both content and context experience tend to be less creative and impulsive due to their reliance on previous experience. The lower the experience, the more spontaneous a leader will likely act. However, experts on both content as context experience are generally more effective in coping with pressure than the 'newly ones' (Boin *et al*, 2005:29). This leads to the hypothesis that more experienced leaders will be less insecure and focused on previous strategies and cooperations.

### **2.2.3 Coping with information**

The way a leader copes with information differs and has implications for their sense making of crisis. Based on the leadership trait analysis method founded by Hermann (2003), two factors are important to consider for this research; self-confidence and conceptual complexity. Combined they say something about how leaders respond to incoming information. Self-confidence can on its own be related to responsibility. Information or the lack of it can make or break the way in which a leader responds. Self-confidence and how complex leaders think corresponds to a leaders' self-to-other orientation, which indicates openness to input from others.

Self-confidence focuses on the level of self-importance and a leaders' belief in his or her ability to cope with the environment. If leaders lack self-confidence, e.g. if they score low on this trait, they search for information from their environment without a clear sense of what they want and who they are. Leaders with high scores on self-confidence on the other hand are more closed

to incoming information. They think they know it all and therefore don't search for new material to evaluate the situation (Hermann, 2003: 193). It is about the view of the world in which individuals perceive control of control over the situation, or believe to have influence in what happens in or to the nation (Hermann, 1980:20).

Conceptual complexity focuses on cognitive structure rather than cognitive content and was initially used to explain success or failure in complex decision environments (Young & Schafer, 1998:84,88). Conceptual complexity in this thesis is used as a trait rather than a situation-based variable. Previous research done by Kaarbo and Hermann (1998) has shown that leaders can differ on this dimension, which has implications for their behavior. Whereas Thatcher was more closed to information, Major was open to information. Thatcher's leadership was focused on increasing their span of control over people, having predominance etc. Major was seen as cue-taker in search of his position (Kaarbo & Hermann, 1998:252,253).

Conceptually complex individuals can be seen as cue-takers in search of a position and search for alternatives (Hermann, 2003:195; Kaarbo & Hermann, 1998:253). A conceptually complex person sees various reasons for a single position, recognizes ambiguity and is flexible in reacting to objects or ideas (Hermann, 2003: 195). The higher they score the more open they are to incoming information. Their search for information about their environment serves as a help in defining problems (Kaarbo & Hermann, 1997:251). Oppositely, low conceptually complex individuals classify everything and frame the situation before they've taken alternatives into consideration. They tend to classify objects and ideas in order to control them (Hermann, 2003:196). In sum, it analyzes the ability of a leader to differentiate information.

Combining self-confidence and conceptual complexity indicates a leaders' openness to incoming information. Previous studies (Assche, 2009; Hermann, 2003; Hermann, 1980) have shown that leaders who score higher on conceptual complexity than on self-confidence are more responsive to interests, needs and information of others, e.g. open to information. Leaders who score higher on self-confidence than on conceptual complexity are reversely more closed to information. This leads to the hypothesis that more open-to-information leaders will respond more nuanced in crises. Both scores high indicates openness to information and both scores low indicates the opposite (see table 2.1). To recap, less-open-to-information leaders' types can be typified as leaders who see issues more black-and-white. They don't see other evidence and focus on persuading others (Kaarbo & Hermann, 1998). The more-open-to-information leaders are typified as cue-takers. They check both sides of the story and are more collegial. In addition, they search for different political insights among key actors to make sense of the stories.

TABLE 2.1: HIGH AND LOW SCORES ON PERSONALITY TRAITS

Scores on Self-Confidence and Conceptual Complexity	Level of openness to contextual information
CC > SC	Open
SC > CC	Closed
CC = SC both high	Open
CC = SC both low	Closed



### 2.3 The art of sense making

Boin *et al* (2005) distinguish five crucial phases in crisis management. These phases include, in chronological order, sense making, decision-making, meaning making, terminating and learning. The authors state that making sense of a crisis and recognizing a crisis as one is one of the most difficult tasks of crisis management and political crisis leadership. Sense making is the phase where leaders question and consider what the crisis is about and recognize the crisis. Before leaders may move to the phase of decision-making in crises, individual and shared sense making is a pivotal phase (Sundelius, 2009: 324). Sense making is about “making sure that policy makers get a firm grasp on what is going on and what might happen next” (Boin *et al*, 2005:140). Especially in a transboundary setting, sense making is extra difficult due to the large number of participants, differences in institutional designs and differences in agenda’s (Ansell *et al*, 2010). Too predict a crisis is perhaps impossible, but working on identification can help prevent the crisis from getting worse.

The sociological theory of Thomas and Thomas (1928), also known as the Thomas theorem reads ‘*if men define their situations as real, they are real in their consequences*’ (in: Boin *et al*, 2005:16). This theorem describes in less than fifteen words the general core claim of sense making. If leaders perceive the situation to be a crisis, it is a crisis. These beliefs are based on their personal experience, pressure, self-confidence and conceptual complexity and may be traced in their speech-acts by tracing their views on four elements that will be defined in paragraph 2.4.

Crises often bring an indeterminate feeling of disbelief among citizens and their leaders. Signals of a pending crisis are vague and ambiguous, and to make sense of them is one of the core tasks of leadership in crisis management (Boin *et al*, 2005). A crisis is not a clear and homogeneous thing, but a slow developing event that at one point suddenly seems to unfold. Leaders play a big role in recognizing a crisis as such and explaining the situation to the public. It is not so much about *how* they respond to it but it is about the fact *that* they respond to it. In the first phase of an unfolding crisis, leaders find themselves on the brink between ignorance and recognition and need to manage how they make sense of the situation. One wrong step and the situation might evolve into an even worse case scenario.

As Weick (1995) argued, sense making is best described as a developing set of ideas with explanatory possibilities, rather than a set body of knowledge. It is a difficult subject to address using rational theories because it is reliant on people’s perception and interpretation. Though something might still sound implausible to someone, in times of crises, something needs to be done and the bridge between recognizing something as a crisis and a clear response is often a big leap. Sense making is a crucial phase because decision-making may be impossible if there is no common understanding of what is happening.

## **2.4 Assessing transboundary crises**

Boin *et al* (2005) distinguish five phases in crisis management. The phases include in chronological order sense making, meaning making, decision making, terminating crises and crises learning. This research will focus on the first phase, sense making. However, the theory remains vague in how to assess sense making. To see how leaders act in this first phase of crisis, four concepts, derived from transboundary crisis, can be used to assess and interpret sense making. These four concepts are: urgency, uncertainty, threat and responsibility. This paragraph will give the crisis definition used in this research before focusing on the challenges in transboundary crisis management and the four main concepts that are important to trace in transboundary crisis sense making.

### *Crisis definition*

The word crisis is a term used on a daily base, but the meaning it has is not uniform. From a political-symbolic perspective in crisis management, crises are generally perceived as what people make of them (Boin *et al*, 2005:138). Crisis, how easy as the word may sound, are vague and unfolding events that are difficult to recognize. According to Stern (1999), crisis involves each of the following: (1) a threat to core values, (2) urgency and (3) uncertainty. The definition of crisis that this research uses is: *When leaders in socio-political systems perceive their core values as threatened or if events or developments widely perceived by members of relevant communities create a high sense of uncertainty and urgency to core community values and structures, we speak of a crisis* (Rosenthal *et al* 1989; Boin *et al*, 2005; 't Hart & Tindall, 2009; Hermann & Dayton, 2009:235).

### **2.4.1 Challenges in transboundary crisis management**

Transboundary crises affect multiple jurisdictions, undermine functions of different policy sectors and critical infrastructures, escalate rapidly and morph along the way (Ansell *et al*, 2010:195). Not only do multiple participants and agendas make a crisis more interdisciplinary, it also involves a larger physical area. In addition to this, linguistic, institutional, cultural and sovereign barriers are contributors in the management of transboundary crises (Sundelius, 2009:323). This plurality of factors leads to challenges in transboundary crisis management and creating a common stand within a transboundary union creates a high chance of clashes when crises are unfolding.

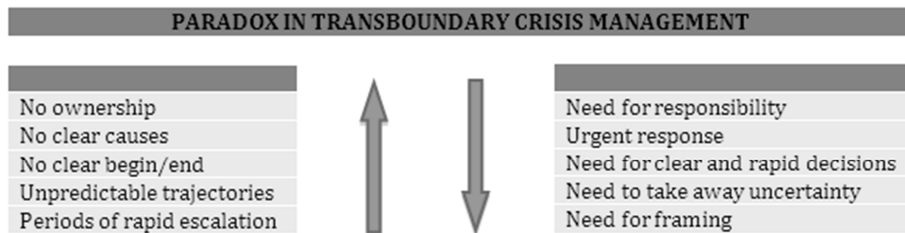
Transboundary crises effects arise from two general changes in the field of public administration. First, there is a change in focus on accountability and responsibility of leaders and their public administrations which could be typified as the politics of blame-shifting (Schillemans & Bovens, 2009; Boin *et al*, 2005). In the past, crises could be typified as unfortunate events. The change in accountability and responsibility makes that there needs to be someone to blame and too held accountable for a crisis. This creates a side-effect, since crisis

management becomes a political game as well. Secondly, the nature of crises management is changing. A shift from government to governance and Europeanization of policy makes the management mechanisms of these same processes run behind (Ansell *et al*, 2010:196; Kjaer, 2004). The EU is an example of an institutional design that is facing these contradictions in crisis management. National governments of European member states are confronted with new challenges that they are not geared up for to manage.

In addition to these major changes, most international organizations that have to cope with crises are not designed to do so and their leaders are unaware of the role they can and need to play. With the establishment of the EU for example, the goal was to establish long-term conflict prevention. The institutions designed within the European framework are therefore not set up for short-time crisis management (Ekengren & Groenleer, 2006:3). As for crisis management in Europe, transboundary crisis management has mainly focused on external threats to the EU. Also, delegation of authority in crisis management from national member states to Brussels is low (Dayton *et al*, 2004:166).

Five characteristics of transboundary crises can be identified: they have no clear ownership, no clear causes, no clear beginning or end, unpredictable trajectories and they face periods of rapid escalation (see figure 2.1).<sup>6</sup> These five characteristics lead to five challenges as well, based on the definition of crisis.

FIGURE 2.2: PARADOX IN TRANSBOUNDARY CRISIS MANAGEMENT



First, whereas leadership in crisis on the national level is “naturally” put in the hands of one or a few leaders that are easy to distinguish, these “natural” leaders are absent in transboundary crisis. This lack of clear ownership calls for more responsibility. Second, because transboundary crisis are plural, there are no clear causes. Crises ask for an urgent response but this cannot be done without a clear cause. Third, there is the need for clear and rapid decisions to be taken to prevent politicians from playing blame-games compared to the challenge that transboundary crises have no clear beginning or end (Zahariadis, forthcoming; Boin & Rhinard, 2010:6). Fourthly, transboundary crises have unpredictable trajectories. This creates a need for leaders to temper feelings of uncertainty for the public (Ansell *et al*, 2010:204). The fifth characteristic, that

<sup>6</sup> Definition and characteristics of Transboundary Crises. Stated by Arjen Boin in a presentation on Research Lessons for Future crises. Derived from <http://www.worldsocialscience.org/pdf/Boin.ppt#264,5,Characteristics of TC, slide 5>

transboundary crises face periods of rapid escalation, leads to the challenge to frame the crisis at first to be able to respond to this.

Combined, the call for a transboundary crisis response versus the impotence of transboundary organizations to effectively manage crises brings up this paradox in transboundary crisis management. For example, European MS can no longer ignore the call for a European framework in crisis management, as national governments are not geared up to cope with transboundary crises. Oppositely, Europe doesn't know how to sustain such a framework because of the five challenges.

#### **2.4.2 Sense making in transboundary crises**

The crisis definition combined with the challenges in transboundary crisis lead to four variables that have been found as key in research on crisis management (Hermann & Dayton, 2009:234). In the early days of crisis management, typologies of crisis situations have been proposed based on the degree of threat, time and anticipation perceived by those responsible for the situation (Holsti, 1972). Differences in the perceptions of these dimensions can lead to different sense making strategies (Hermann & Dayton, 2009:235). To discover how leaders perceive these dimensions, four questions can be proposed:

1. How threatening is the evolving event to values and norms?
2. How time-urgent do they perceive the event to be?
3. How uncertain do they perceive the event to be (anticipated/surprise)?
4. How do they cope with the responsibility of the event?

##### *Threat to core values*

How leaders perceive threat is linked to the way they feel attacked on their core values and norms. If they experience more threat, they will act more rapid reactive and be more protective. To see how leaders perceive threat, it is important to distinguish these core values. These basic values include the right to exist of organizations, countries or individuals (Hermann *et al*, 2008:2). In the Euro crisis, important core values are unemployment, public debt, MS differences, economic policies etcetera. These have been developed based on pre-empirical assumptions since they were used frequently in the public debate (Ekengren & Groenleer, 2006:3). How it works is that if the Dutch prime minister experiences high unemployment due to the Euro crisis, it is likely that he/she will perceive the crisis as higher in threat. New and unanticipated situations are particularly threatening. Threat perception is accompanied by a high or low degree of uncertainty and can increase the stress that policy makers experience as they are faced with difficult and contradictory choices (Hermann *et al*, 2008:17).

*Urgency: short time or extended time?*

Urgency is the finite time in which actors are capable to respond to the situation (Hermann *et al*, 2008:2). Keywords for urgency are long-term values and short-term values. If the event is viewed as a dramatic triggering event, it is more likely for leaders to act quickly.

The way that leaders perceive urgency in their speech acts can be linked to the pressure that they experience. Do they pretend that everything is fine or do they focus on the situation to be pressing? If they talk about change, pressure, timing they are more likely to focus on the short time to anticipate to the situation. Do they react less quickly; then it is more likely that they extend time to respond to the situation. Previous research has shown that in 50% of 81 cases, policy makers sought time to anticipate (Hermann & Dayton, 2009:235).

*Uncertainty; anticipated or surprise?*

Central under uncertainty is the question “what’s happening and how did it happen?” since actors in crisis almost always have an incomplete understanding of the origins and risks. In addition to this, crises bring uncertain understanding of the impact of their acts (Hermann *et al*, 2008:2). When leaders are talking about the causes of the crisis, the concept of uncertainty focuses on talks about the future, stagnation, risks, securities and stability or surprise. It focuses mainly on leaders’ definition of the crisis and if they create some time to reconsider the evolving event or not. The response on uncertainty can either be anticipated or surprise. If leaders act anticipated, a certain amount of comfort and a less hasty response is seen (Hermann & Dayton, 2009: 237). If leaders are more surprised, they will respond quicker to the ongoing situation, without thinking. In addition to this, the knowledge of someone and his or her position plays a pivotal role here (Hermann & Dayton, 2009:238). A more uncertain leader will weaken statements by saying things like: *it is kind of... or I don’t exactly know but....* (Weintraub, 2003:142). It is plausible that if a leader is more experienced, he/she will be less spontaneous and therefore less surprised.

This concept is important in framing a transboundary crisis to the public because it is related to narrowing down unpredictable trajectories. A leaders’ score on uncertainty can be based on his/her experience. If they allow the triggering event as a surprise but show some time for response, leaders often act more reflective instead of focusing on rapid reaction. For example: if they are clear on the causes and take time to evaluate and reconsider these causes, they will respond more reflective (Hermann & Dayton, 2009:235,236). If they don’t see how to make time to reflect, they will address the concepts with high uncertainty and focus on a rapid reaction. Uncertainty pertains both to the nature and the potential consequences of threat (Boin *et al*, 2005:3).

### *Responsibility: who's accountable?*

In examining responsibility in transboundary crisis, the question is whether or not authority becomes centralized (Hermann & Dayton, 2009:237). In addition to this, intergovernmental organizations often lack a centralized decision-making unit since power is specifically divided over multiple bodies. If leaders focus on the common good (more talks on 'we should act together..' instead of 'I promise that we..), they are more willing to cross their national interests and focus on a common view to be able to search for solutions. In speech acts, examining responsibility is interesting to find out how leaders are planning to act together or if they're not. They also have to show this to the public and their position is wavering.

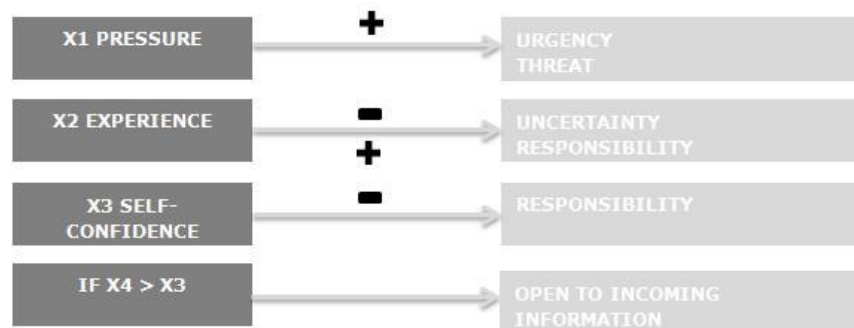
Focusing in speech acts on accountability, (in)dependence, challenges, cooperation or fragmentation is in this case important. Responsibility focuses on leaders to see if they think that they have control over the situation and, in addition to that, if they focus on shared responsibility or on their own responsibilities.

## 2.5 Hypotheses

Based on the theoretical concepts described in this chapter this research expects to find the following links between leadership analysis (X) and sense making (Y):

1. The higher the pressure (X1), the more leaders will perceive the crisis as urgent (Y1) and perceive the crisis as high in threat (Y2)
2. The higher the experience (X2), the less uncertain (Y3) and the more responsible (Y4) a leader will act.
3. The higher the level of self-confidence (X3), the more self-oriented on responsibility (Y4) leaders will act.
4. If the score on conceptual complexity (X4) is higher than the score on self-confidence (X3), leaders will be more open to incoming information, meaning they will act more nuanced.

FIGURE 2.3: HYPOTHESES



### 3. RESEARCH METHODS

This chapter will justify the methodological choices made in this research and explain the case-selection. The first part of this chapter will outline the subjects under study in this research. The second part will explain how the variables pressure, experience, self-confidence and conceptual complexity can be assessed and operationalizes them. Thirdly, the way in which sense making has been studied using content analysis will be explained. Finally, the last part of this chapter focuses on the materials and software used for both types of analysis.

Table 3.1 will provide an overview of the methodologies used in this research.

TABLE 3.1 METHODOLOGICAL CHOICES

Test aspects	Pressure	Experience	Self-confidence and Conceptual Complexity	Sense making
Source	Debt and unemployment rates	Resumes, biographies	Interview responses	Speeches
Unit of analysis	Countries	Heads of State or Government	Heads of State or Government	Heads of State or Government
Test type	Economic analysis	Biographic analysis	Leadership trait analysis	Content analysis

#### 3.1 Whom, what and how to study?

As for the Euro crisis case, four factors were important. First, the case supposed to focus on a particular event that was forcing actors to come up with decisions. Second, the case needed to constitute a crisis (e.g. visible event that have the capacity to reshape the political landscape and test leadership capacities). Third, the case needed to be bounded in time and fourth, sufficient information needed to be available (Hermann *et al*, 2008:2,3).

Taking the Euro crisis as the case in this research, the focus within this case was on the Heads of State or Government in the European Council during the first phase of the Euro crisis (see table 3.2). It zooms in on those Heads of State or Government that have the Euro as their national currency (the Euro zone). In addition to the Heads of State or Government, the two non-state related representatives in the council, Barroso and van Rompuy, are included in the research (see table 3.2). They do not have an official vote in the EC but they are the ‘face of Europe’ and have strong influence on decision making in the EC and are therefore interesting to examine.

It is of importance that the case is bounded in time in order to manage the examined period (Hermann *et al*, 2008:2). The period that corresponds to this first phase of the Euro crisis is the time from the first public notifications of Greece’s excessive sovereign debt until the decision by the European Council to set up an emergency fund. This period goes from November 2009 to June 2010. This is the time period where leaders had to recognize and make sense of the crisis and is therefore the time span to examine in this research (see table 3.3).

TABLE 3.2SELECTED LEADERS

Country	Leader during examined period 2009-2010
<b>Austria</b>	Werner Faymann
<b>Belgium</b>	Yves Leterme
<b>Finland</b>	Matti Vanhanen
<b>France</b>	Nicolas Sarkozy
<b>Germany</b>	Angela Merkel
<b>Greece</b>	George Papandreou
<b>Ireland</b>	Brian Cowen
<b>Luxembourg</b>	Jean-Claude Juncker
<b>The Netherlands</b>	Jan Peter Balkenende
<b>Portugal</b>	Jose Sócrates
<b>Spain</b>	Jose Luis Rodriguez Zapatero
<b>European Commission</b>	Jose Manuel Barroso
<b>European Council President</b>	Herman van Rompuy

TABLE 3.3 OVERVIEW OF THE EURO CRISIS TRAJECTORY

<b>4 October 2009:</b> Socialists victory in Greece's national elections.
<b>15 October 2009:</b> Public debt rate Greece turn out to be 12,7% instead of the expected 6%.
<b>29/30 October 2009:</b> European Council summit.
<b>9/10 November 2009:</b> Euro group leaders and ECOFIN meetings. Agreement on general approach on strengthened capital requirements (global financial crisis).
<b>1 December 2009:</b> Treaty of Lisbon comes to force. Along with this, the European Council becomes (more) institutionalized. Herman van Rompuy is appointed as the first president of the European Council.
<b>8 December 2009:</b> Credit Rating Agencies downgrade Greece from A- to BBB+
<b>10/11 December 2009:</b> European Council summit.
<b>1 January 2010:</b> Spain takes over the half-year presidency of the Council of the European Union of Sweden
<b>11 January 2010:</b> Eurostat reports on Greek government deficit and debt statistics, following the ECOFIN meeting of November 2009.
<b>12 January 2010:</b> Meeting between van Rompuy and Papandreou to talk about Greece's status in Europe.
<b>18/19 January 2010:</b> Eurogroup and ECOFIN meetings. Jean-Claude Juncker (LU) is appointed as leader of the Eurogroup, following the enforcement of the Lisbon treaty.
<b>11 February 2010:</b> Informal meeting of the Heads of Government and State of the European Union. Special EU summit on EU Economic policy. Member states are urged to conduct their budgetary deficits.
<b>15/16 February 2010:</b> Eurogroup and ECOFIN meetings. Accepted of the new Greek stability program.
<b>26 February 2010:</b> Commission launches public consultation on changes to the Capital Requirements Directive.
<b>8 March 2010:</b> Agreement on loans for Europeans who have lost their jobs.
<b>25/26 March 2010:</b> European council meeting. Meeting was very important because Heads of State or Government took a common stand for the first time since Greece's problems unfold. Leaders agreed on bilateral loan mechanism.
<b>11 April 2010:</b> Eurogroup first agreement on first draft of European rescue fund. Following the March 25 summit, Jean-Claude Juncker makes the financial support for Greece fully operational.
<b>12 April 2010:</b> Conference on the legacy of the financial crisis.
<b>23 April 2010:</b> Greece asks for support from the IMF and member states.
<b>2 May 2010:</b> Eurogroup reaches agreement on Greece's financial support. Finance minister Papaconstantinou rules out a restructuring of the nation's debt by using 110bn from the rescue fund.
<b>4 May 2010:</b> Portugal requests 78bn from the European rescue fund.
<b>6 May 2010:</b> Emergency crisis meeting between Germany, France, Italy, Spain and Greece.



**9 May 2010:** Establishment of the European Financial Stability Facility. This new facility will cover up 780bn for European financial stability, whereof 440bn can be used for lending. In June 2010, it becomes clear that the EFSF will be turned into the European Stability Mechanism after 2010.

**16 May 2010:** Euro drops to its lowest level on the stock markets. Eurozone leaders agree on bailout package for Portugal.

The decision for Heads of State or Government has been made because those leaders directly face the consequences of their decisions. This has been done because European decisions influence their national economic systems tremendously as well. Because not all national governments or Heads of State or Government keep a clear and English based archive, some countries of the Euro zone have been excluded from this research due to the lack of useable documents in a language that the researcher masters. Therefore, the Heads of State or Government of Slovenia, Slovakia, Malta, Cyprus and Italy are not included in the research.

Ideally, we would bring the leaders under study into a controlled laboratory environment and test them there. However, with politicians this method is highly unfeasible (Young & Schafer, 1998:67). Instead of physically bringing leaders in for study, this research will obtain data by using at-a-distance techniques for assessing a leaders' behavior. A difficulty in using at-a-distance techniques at the European level is that lots of transcripts of crucial decision-making points are not accessible for outsiders in the first 30 years after decision-making. It will therefore use the acts of leaders in *public* statements, since they are publicly accessible. As is believed for all cases of at-a-distance assessments, thought processes obviously underlie spoken or written communication (Suedfeld, *et al*, 2003:246; Thies, 2009:453). Therefore, public documents will provide a stable base for obtaining this research. Press conferences, interview responses, speeches and public statements have been used as main data for the research.

### 3.2 Leadership influences

#### *X1 – Pressure*

The pressure a leader is facing due to the Euro crisis is examined using the changes in debt rate, deficit rate and unemployment rate over the years 2008 – 2010. Pressure has been assessed by measuring difference compared to the EMU-norms for each country using Eurostat data. Low scores are shown when a country's rate is lower than the average Euro zone rate and high scores are shown when the rate of a country is higher than the Euro zone average rate.

These three types of rates have been chosen because these are main contributors to anxiety amongst the people when they start to drop. By examining these, five types of pressure that can result from these deficit, debt and unemployment rates. [1]High+High+High; [2]High+Low+High; [3]High+High+Low; [4]Low+High+Low and [5]Low+Low+Low. The first letter in these types corresponds to deficit, the second letter to debt and the third letter to unemployment. For example, if Spain scores higher than the EU average on its deficit, debt and unemployment rate, it will be listed as a type one country. Types one to three are high pressurized countries, four and five are low pressurized countries. The categories are based on the general rules that have been

set in the EU. As for the deficit rate, 3% is allowed and 60% debt is allowed within the rules of EMU. As for the unemployment rate, the EU average is basis for scaling the outcomes.

### *X2 – Experience*

The second variable experience is derived from the careers and (crisis) managerial experience of leaders. This factor is examined by using biographic analysis. Experience might be partly correlated with the way that leaders cope with information, since it can make experts in certain areas either more or less conceptually complex (Young & Schafer, 1997:85). Experience is not derived by text analysis, as the traits self-confidence or conceptual complexity, but it's the analysis of the managerial experience and knowledge of leaders (biographic analysis).

Examining experience, this research looked at the resumes of the leaders under study and listed their previous positions to see whether they are experienced in their position (Kaarbo, 1997:564). Two types of experience can be distinguished, content and/or context experience. As for context experience, the book “European political facts of the twentieth century” of Cook and Paxton (1998) has been used as a measuring scale. By looking at the average term of Heads of State or Government per country since the Second World War, we can see if a leader, according to the average term of their country, is in office shortly or for a longer term than the average. This has been done to see if a leader is context experienced compared to the standard in his/her country. In examining content experience the research will give an overview of the academic careers and specialties of each examined leader to see if they have content experience with the policy areas of foreign affairs and/or economics.

### *X3 – Self-confidence*

This variable, as well as conceptual complexity, has been derived from the method of leadership trait analysis developed by Hermann (2003:192). The techniques of coding for conceptual complexity and self-confidence as traits, as developed by Hermann, have been automated by the use of specific software (Thies, 2009:453). Over the years, these standardized tests have increased the reliability and validity of “at-a-distance” techniques since they are now based on computerized scoring (Thies, 2009:453). The program used in this research, Profiler+, works with pre-set coding schemes that automatically analyze the documents. The words that code for self-confidence and conceptual complexity are listed in the pre-set coding schemes.

In measuring the self-confidence of leaders, the analysis focuses on self-oriented words a leader uses while speaking publicly. These words are pronouns as *myself, I, me, mine* or *my* (Hermann, 2003:194). While looking at these pronouns, we have to consider the reflection they give with it. There is, for example, a difference in a leaders reflection used as he/she states “if it was up to me” or if he or she says “I am truly convinced that”. Responses therefore can either be positive, authoritative or instigating a certain activity (Hermann, 2003:194). What is coded with the help of a computer program called Profiler Plus (see paragraph 3.4) is the percentage of personal pronouns that specifically indicate that a leader is undertaking a specific activity, if he

shows to be a leading figure or if he responds to a positive reaction of someone else. Scores on this trait are calculated by the percentage of times that a leader uses these pronouns. The average percentage of this over the total number of examined interview responses collected for the leader presents the score on this trait (Hermann, 2003:195).

*X4 – Conceptual complexity*

In coding conceptual complexity, the focus is on words that indicate whether a leader is able to take multiple views into account or focuses on singular facts or issues. High conceptual complex words include *maybe, possibility, approximately or for example*. On the other hand, words that indicate low conceptual complexity include *definitely, certainly, absolutely or without a doubt* (Hermann, 2003:196). Conceptual complexity has been measured by calculating the ratio of high-complexity phrases to the sum of high- and low-complexity phrase (Young & Schafer, 1998:86). What is coded is the percentage of words that indicate that the leader can distinguish various dimensions of the environment opposed to words that just identify a few categories (Assche, 2009:22).

In order to analyze the scores on self-confidence and conceptual complexity, interview responses of at least 100 words are the source of analysis. The aim of this research was to search for approximately 50 interview responses per leader to create a general profile. These responses could be given anytime, anywhere and could be about any topic. Mostly high-qualified English newspapers have been used to search for the responses given by the leaders of the Euro zone. In total, 344 interview responses were examined using Profiler+ software for the thirteen leaders under study here. Profiler+ searches for these words automatically and calculates the relative frequencies (Assche, 2009:8). These scores have been compared to results from a larger study that has been conducted in previous research by Margaret Hermann (2003). This previous research has been conducted from analysis on 122 leaders, among 87 heads of state or government. The results of these 87 heads of state or government have been used in this analysis.

The data in this research has been conducted in the same way as the data from Hermann’s research. All leaders that were examined were active in politics between 1945 and today (Assche, 2009:9; Hermann, 2003). The scores from the previous studies are showed in table 3.4 and have been used as a norm for high and low scores in comparing the results in this research. (2003).

TABLE 3.4 SCORES ON X3 AND X4

Trait	N	N = 122 (not used)	N = 87 (used for this research)
<b>Self-confidence</b>		Average = .57 Low = < .34 (standard deviation) High = > .80 (standard deviation)	Average = .62 Low = < .44 (standard deviation) High = > .81 (standard deviation)
<b>Conceptual complexity</b>		Average = .45 Low = < .32 (standard deviation) High = > .58 (standard deviation)	Average = .44 Low = < .32 (standard deviation) High = > .56 (standard deviation)

If the conceptual complexity scores are higher than self-confidence scores, leaders are generally more pragmatic and responsive to others in the process. This reversed leads to more closed leaders, as is explained into detail in chapter two.

### **3.3 Sense making through content analysis**

Content analysis is a relatively flexible method for analyzing text data. The content analysis differs from the previous part since it is focused on the content, whereas the other part focuses on personal characteristics that are expressed by *words*. In order to see when leaders make sense of the crisis, this research used the qualitative data analysis program MAXQDA. MAXQDA is a program that helps to systematically evaluate and interpret large quantities of qualitative data (computer-assisted qualitative data analysis) (Boeije, 2005:117-120). In total, 40 speeches, interviews and statements between late 2009 and mid 2010 have been examined.

Coding in content analysis has two main purposes: fragmentize collected data and to structure the data in order to answer the main question (Boeije, 2005:116). In examining the data, the first step was to identify the main categories for analysis (Boeije, 2005:85). This has been done by deductive coding. Conceptualizing and categorizing the data led to the four main categories: urgency, responsibility, uncertainty and threat. Within these main categories, sub-codes are listed to differentiate each category (Boeije, 2005:95). The categories and sub-codes have been listed and described on page 28.<sup>7</sup>

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<sup>7</sup> For the code list, see attachment 3

TABLE 3.5 DESCRIPTIONS OF CATEGORIES AND SUB-CODES

Category	Code	Description
<b>Urgency</b>	Short-term/long-term	Short-term focus means more urgent
	Change	If advocating for change, leaders perceive more urgency
	Denial	If leaders perceive the situation as 'business as usual' they'll deny the situation and don't perceive it as urgent
	Recognition	Opposite of denial. Leaders stay in neutral mode, but note that there is something going on
	Recovery	If, in this context, leaders are focused on recovery, this might imply that they're still focusing on the global financial crisis and therefore less focus on the urgency of this Euro crisis
	Pressing/pressure	If they talk about the situation to be pressing, they will perceive a higher sense of urgency
	Timing	Talks about 'we need to do something <i>now</i> ' opposite talks about 'we have some time to respond' indicate a higher or lower sense of urgency
<b>Uncertainty</b>	Causes	If leaders talk about the causes clearly instead of using vague and ambiguous language, they will be less uncertain
	Fundamentals of the Euro	If leaders are confident about the process in which the common currency was created, they will be perceive less uncertainty
	Future	Searching for a way out, beliefs, focusing on what's next, see how they can solve the current issue is a low perceiving of uncertainty
	Stagnation	If negatively assessed, leaders perceive more uncertainty. If positively assessed (as in: we are getting out of this stagnant period), leaders perceive less uncertainty.
	Market (confidence)	If they express doubts about the financial markets or don't know what's going on, they will be more uncertain.
	Risks	If they're focused on risks and enlarge this, they will perceive more uncertainty
	Financial instability	Do they quickly refer to financial instabilities? Do they seem panicked or do they seem to control the information?
	Insecurity	Do they talk about fears and have no clue what can happen next? Or are they certain about what is going on?
<b>Responsibility</b>	Challenges in TBC	Do they talk about ownership (see figure 2.2)? Do they respond to the challenges?
	Accountability	Do leaders hold themselves of others accountable for the ongoing situation?
	Sovereign yes/no	If more attention is paid to sovereignty of the MS instead of the common good, less shared responsibility perceived
	Independence	If leaders talk about the fact that they think if they can act upon their own or not
	Fragmented	If leaders talk about the fact that Europe is divided due to this crisis (for example if leaders say that Greece should no longer be part of the EU)
	Union	When leaders talk about the need for further integration of Europe (politically as well as economically).
	Blame	Text in which leaders blame or hold others/other institutions responsible for what happened and what is going on
	Fault/failures	Text in which leaders focus on systems that we've created together that proof there shortcomings in crises
<b>Threat</b>	Solutions	If more threat is perceived, leaders will quickly jump to the phase of solutions. If, in speech acts, leaders explicitly refer to the fact that we need to solve this as soon as possible, leaders will experience more threat to their core values
	European economies	Text where leaders talk about the status of the situations in economies of the member states. Core value of the EU since its establishment
	Unemployment	What do they say about the numbers of unemployment? Do they urge for action or not?
	Differences between MS	Text in which leaders identify the differences between MS, to recognize that there can be different values and norms for the different MS, which also implies different perceptions of threat
	(American) banking crisis/ Global financial crisis	The crisis prior to this crisis. If text is still focused on this, it is likely that leaders don't see new/other core values to be threatened yet
	Austerity measures	Text about measures that need to be taken according to the leaders, which is mainly focused on core values that are threatened and how this threat can be reduced.
	Public debt	Do they talk about Greece and its consequences? Do they talk about EMU norms and do they sound in control or not at all?
	Crisis (positive/negative)	Text where leaders talk about the current situation, or explicitly say that everything's fine and we cannot speak of a crisis. Specifically focuses on what a crisis is and what it means for the public.

### 3.4 Validity and reliability

In determining the quality of a research, attention for the validity and reliability of a research is crucial. Reliability is about the consistency of a research and to make sure that no accidental mistakes happen during the research (Yin, 2009). This has been done by multiple reviews and recalculations of the variables measured in this research, to see if the result turned out to be the same. Everything has been reviewed at least once to prevent the existence of a bias between theory and data (Yin, 2009:72). In addition to this, research methods that have been used in other similar researches, have been used to increase the reliability of this research. As for the content analysis, the greatest risk lies in a researchers own interpretation of the text instead of an objective view on the texts (Boeije, 2005). This however, is impossible but by creating a code system this can be reduced. The process of the research has been documented precisely and a database for the results of the analysis has been constructed ('t Hart *et al*, 2003:282) using Profiler+, Excel and MAXQDA to make the data more structured and controllable. Profiler+ and MAXQDA contribute to the internal validity of this research since coding can be controlled and it forces researches to analyze systematically (Assche, 2009:7). Note that the effects of leaders' personalities will always depend on the situations in which they find themselves. Personality profiling can never predict exact situations (Winter, 2003:36). This methodological chapter gave a structured view on the steps taken during this research. Although these steps have been taken, there still is a risk that the researcher will be influenced by other media such as television, newspapers and the internet while studying the concepts, but all has been done in order to reduce the threats to the reliability of this research.

The other point methodological question regards the validity of the research. The validity of a study focuses on systematic errors and how they are prevented. This concept consists of external and internal validity. All theories used in this research have been demarcated and formulated before operationalizing them, in order to increase the internal validity of this research. In addition to this, the methodology of the personal approach is more than a psychobiography and is more systematic, therefore errors can be traced more easily (Kaarbo, 1998:556). The theoretical framework shows which factors can influence sense making and explains which concepts are important in crisis recognition, and excludes everything that is not important for the research. If something else has been found, this is seen to be not related to one of the variables (Yin, 2009:43). The external validity focuses on the generalizability of this research. As this research is a "small-N" research, applying the results on a larger scale needs a methodological justification and should be based on analytical generalization (Yin, 2009:44,45). Since almost all Euro zone leaders have been examined, similar results might be found in other similar crisis situations. These results are discussed in the concluding chapter of this research. This leads to questions for future research, enlargement of the current methodological framework and cases examined in order to create a transboundary political leadership dataset.

## 4. DO GREAT MINDS THINK ALIKE?

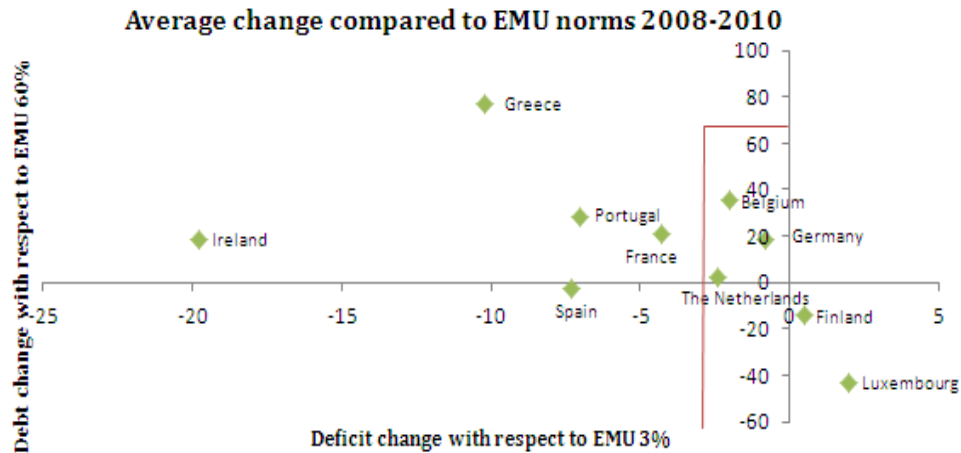
Chapter four and five focus on the empirical data used in this research to test the hypotheses of chapter two. Chapter four focuses on the results that have been found for leadership in transboundary crises. Chapter five focuses on the results of the content analysis of speech acts given by European leaders during November 2009 to June 2010. After both parts of the research are examined, the hypotheses will be either adopted or rejected.

The results on pressure, experience, self-confidence and conceptual complexity that were examined for thirteen European leaders will be presented below.

### 4.1 A pressurized Europe?

In every economic crisis, a growth of the public debt rate as well as a growth of the unemployment rate is inescapable. As the figures below show, few countries have been able to live up to the requirements of the EMU treaty in 2009 and 2010, where a public debt of max - 60% is allowed and a balance of -3% is allowed. This research examined the average deviation compared to the EMU norms over 2008-2010 for the debt and deficit rate.<sup>8</sup> As for unemployment, this research looked at the average growth per year. Both types of data were retrieved from Eurostat. In the plots below, the average growth for debt, deficit and unemployment have been summarized.

FIGURE 4.1 AVERAGE DEBT AND DEFICIT CHANGE COMPARED TO EMU NORMS



<sup>8</sup> Attachment 4 shows the tables with results. For each year, the deviation compared to the EMU norm was measured. After this was done, they were summed up and divided by three. This has been done for the debt as well as deficit rates.

FIGURE 4.2 AVERAGE UNEMPLOYMENT GROWTH

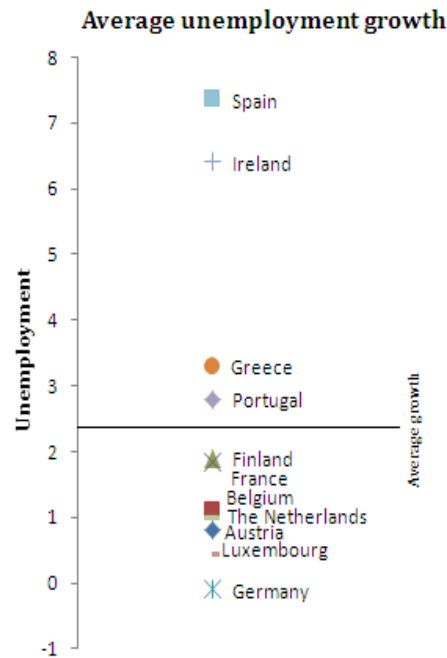


Figure 4.1 shows the pressured countries based on their debt and deficit levels. The debt level of 2009 is used as a mean. The countries outside the red lines are the pressured countries. They've had excessive growth over the period 2008-2010. As for unemployment, the average growth was 2,4%. Figure 4.2 shows which countries faced pressure due to unemployment.

Rates differ between countries. Spain, for example, faces high pressure on the dimension of unemployment but less pressure due to changes in debt and deficit rates whereas Greece's pressure is mainly seen in its excessive debt and deficit level.

As stated in chapter three, five types of pressure can result from these three factors since the factors can vary. As can be seen in figures 4.1 and 4.2, Greece, Ireland and Portugal can be identified as type one countries. This means that their leaders face, compared to the Euro zone average, a high unemployment, high debt and high deficit rate. Spain can be identified as a type two country. This means that it scores high on unemployment, but average on debt and deficit rates. France can be identified as a type three country. This means that it scores relatively high on the increase in debt and deficit, but low on the unemployment rate compared to the average.<sup>9</sup> The type one to three countries are seen as the high-pressurized countries in the Euro crisis. Austria, Germany and Belgium are type four countries. Although their growth on debt is relatively high, their deficit growth remains lower and their unemployment rate is low as well. The Netherlands, Finland and Luxembourg are type five countries. These three countries score low on all three parts compared to the Euro zone average.

<sup>9</sup> See chapter 3 for a further description of the types



As for Barroso and van Rompuy, who embody the EU in this story, pressure is seen as low since they operate from the institutional bodies of the EU. They don't feel the pressure that national leaders feel and don't have to cope with the pressure of getting re-elected. This is shown clearly in both plots as well.

Concluding we can say that pressure can be divided into high and low pressure. Six of the thirteen countries were experiencing low pressure: Austria, Belgium, Germany, Finland, Luxembourg and the Netherlands. The other five countries were experiencing high pressure, France, Greece, Ireland, Spain and Portugal. The EU and her institutional representatives are also seen as low pressurized because of their safe-guarded positions within the European framework. The high pressurized leaders will, during their speech acts, most likely perceive the crisis as high in threat and urgency.<sup>10</sup>

## 4.2 Experienced Europe?<sup>11</sup>

This part will provide an overview of the experience of the thirteen heads of state or government that were under inquiry in this thesis. This is done by a quantitative measurement. Notwithstanding, this factor has been examined by looking at content and context experience. Content experience is the experience a leader gained by studying or working in the field of Economics and European policy. Context experience is about their average political careers, how long they were in office when the Euro crisis struck and their years in politics in general.

As for Jose Manuel Barroso and Herman van Rompuy, this research looked at their overall government experience and their fields of interest, but the fact book<sup>12</sup> is not applicable to their situation since they are not Heads of State or Government but are embodied in the European Union. Similar to examining pressure, a dichotomy has been made in order to combine content and context experience into one measurable factor that can be distinguished in either high or low experience.

### *Austria – Werner Faymann*

Faymann studied Law at the University of Vienna but did not graduate. He previously worked as a consultant at Bank Austria before entering politics. However, Bank Austria (Zentralsparkasse), is a private bank. Up until 2010, Faymann had been in politics for about 25 years, of which 1,5 years as Prime Minister of Austria. Previously, he has been minister for transport, innovation and technology. The average term of Prime Ministers of Austria is 7,4 years (Cook & Paxton, 1998:103). At the time of writing, Faymann was still in his first term as Prime Minister. His experience compared to his predecessors in office is low. His general experience in the field of

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<sup>10</sup> For a more detailed overview of the data used for these plots, see attachment 4 of this research.

<sup>11</sup>Note: all the information about the careers of the politicians has been retrieved from official government websites of the countries that were examined in this research. If information on these websites was not available, official EU websites were used to obtain the data. For a detailed lists of all the sources used in this research, see the reference list at the end of this research.

<sup>12</sup> See chapter 3.2 under X2 - Experience

financing and economics is medium due to the fact that he worked at the Bank of Austria, but he has no specific economic or European experience in relation to the Euro crisis. Compared to his European colleagues, Faymann is not experienced.

#### *Belgium – Yves Leterme*

During the time under study here, Leterme succeeded Herman van Rompuy as PM of Belgium. Leterme studied Law, Political Science and Public Administration and had been PM between 2004 and 2007. Leterme worked for the European Commission for five years and served as minister of budget from 2007-2008. In between his functions as prime minister, he served as the minister of foreign affairs as well for a few months.

He had been in politics for 27 years up to 2010. The average term of Prime Ministers in Belgium is 2.7 years (Cook & Paxton, 1998:105). Although Leterme just entered office in November 2009, he served for three years as PM before. This combined makes Leterme an experienced leader.

#### *Finland – Matti Vanhanen*

PM Vanhanen studied political science. Previously into journalism, his political ambitions and experiences are on security, foreign affairs and ecology. After being elected into the Finnish parliament, his main focus was on ecology and ecological issues.

Up until 2010 he had been in politics for 19 years, of which seven in office. The average term in Finland until 1996 was 1.7 years, where especially in the 50's and 60's short terms took place (Cook & Paxton, 1998:114,115). Compared to his predecessors, Vanhanen had a long time to gain experience in the field of economics and European affairs when the Euro crisis broke out. Compared to his colleagues in Europe, Vanhanen is context experienced but might stay at the surface due to less content experience.

#### *France – Nicolas Sarkozy*

Nicolas Sarkozy is a Law graduate and owned an advocacy firm before he went into politics. Once in politics, he held a position in the European Parliament for some time. In addition to this, he served as minister of budget for two years as well as minister of finances for one year.

In May 2007, Sarkozy got elected as President of France, after being in politics for nearly 33 years. Up until 2010, he had been in office for three years. The average term of French presidents since the establishment of the Fifth Republic is (without the temporary presidents) 7.2 years (Cook & Paxton, 1998:39). The difference between the presidency and prime ministers is that the French president is normally elected for a set five-year term (without exclusions).

Sarkozy is seen as both content and context experienced compared to his colleagues.

#### *Germany – Angela Merkel*

Bundeskanzlerin Merkel is one of the few females in the European Council and studied physics. She previously served as minister of Women and Youth and as minister of Environment, Nature Conservation and Nuclear Safety. In politics for 21 years, Merkel assumed office in November 2005 and had been Germany's head of state for 4.5 years up to May 2010. The average term of chancellors of the Federal Republic of Germany since Adenauer (1949) is 8.2 years (Cook & Paxton, 1998:121). Merkel doesn't have content experience in economics and European policies. Compared to her colleagues, Merkel is less experienced.

#### *Greece – George Papandreou*

Papandreou is well-known for his academic skills and went to Universities in the USA and England where he obtained degrees in the fields of Law, Sociology and International Relations. Previously, he had been minister of foreign affairs for five years and was alternate minister of foreign affairs before.

Papandreou assumed office in October 2009. His experience in his role as prime minister is low; up to June 2010 he had been in office for nearly seven months. However, he had been involved in politics for a significant longer period, about 29 years. The average term in Greece is low, 1.5 years (Cook & Paxton, 1998:125). Compared to his predecessors, Papandreou is therefore not that short in office. He had no specific working experience in the field of economics. Papandreou is experienced, especially on content.

#### *Ireland – Brian Cowen*

Cowen studied Law in Dublin and up until 2010 served in politics for over 26 years. He served as minister at almost all available posts, including Finance, Foreign Affairs, Health, Labor, and Transport, Energy and Communications.

Cowen assumed office in May 2008 and served for two years as up until 2010. The average term for Irish Prime Ministers since 1945 is 3.4 years (Cook & Paxton, 1998:129,130). Based on Cowen's previously held positions in the different ministries he is highly experienced since he has a total of seven years in both European affairs as in economics.

#### *Luxembourg – Jean-Claude Juncker*

Juncker is the longest seated Prime Minister of the Euro zone in the Euro crisis. He has been in office since 1995, meaning he has been Prime Minister for 15 years up until 2010. Next to this, Juncker is president of the Euro group since 2005, which is a semi-permanent position. He is very experienced in the areas of finance and foreign affairs. Juncker is, with the average term of Prime Ministers in Luxembourg being 7 years, highly experienced. This average is measured as of 1953, since the then seated PM Dupong was in office for more than 20 years during the war (Cook & Paxton, 1998:134). Juncker is seen as highly experienced due to his long serving term as PM of Luxembourg and his position as president of the Euro group.

*The Netherlands – Jan Peter Balkenende*

Balkenende He studied history and law in Leiden and did a PhD in Law there as well.

He served for eight years, which is long compared to the Dutch average of 3.9 years (Cook & Paxton, 1998:136,137). He has also been one of the longest serving leaders in Government in Europe. He had been involved in politics for about 28 years, and had been a member of the Dutch Chamber of Representatives since 1998. He governed during the difficulties emerging due to the expansion of the EU and its new member states' difficulties to meet the Nice Treaty. Combined, Balkenende is less experienced on the content but high experienced when it comes to context.

*Portugal – José Sócrates*

José Sócrates is experienced in the fields of environment, engineering, youth and sports. He studied engineering and law but didn't complete the latter one.

Sócrates served up until 2010 for 29 years in politics, of which the last five years as Prime Minister of Portugal. Compared to the average term, which is 4.6 years (Cook & Paxton, 1998:143,144), he is experienced in the work he was doing when the Euro crisis struck. The average is measured as of 1968 because before 1968 Salazar was in office since 1932. Although Sócrates has a lot of experience in other policy areas, he has no specific experience in economic or European policy areas. Therefore, Sócrates' experience is similar to that of Balkenende. He scores low on content experience, but high on context experience.

*Spain – José Luis Rodríguez Zapatero*

Zapatero worked as a professor in the field of law, which is also his main field of study. He is known to be very passionate about his work and entered politics because of strong ideological beliefs.

Zapatero had been in office for six years in May 2010 and was in politics for more than 30 years. The average term in Spain is measured as of the fall of Franco in 1973 and is approximately 4.2 years (Cook & Paxton, 1998: 150). In addition to Sócrates and Balkenende, Zapatero is also seen as high in context experience but low on content experience.

*European Union – José Manuel Barroso*

Barroso completed his studies in law and mastered in European Studies and Political Science. Before he went into politics, Barroso had an academic career. In his political career in Portugal, Barroso served as minister of Foreign Affairs as well as Prime Minister. Since 2004 he has been president of the European Commission, and guided the EU through the global financial crisis before the Euro crisis struck Europe. Barroso is an experienced leader.

*European Union – Herman van Rompuy*

Van Rompuy studied humanities and is the only leader in the Euro zone who studied economics. He taught in economics at University level as well. Previously, van Rompuy was Prime Minister of Belgium and worked for the central bank of Belgium.

In his current position, the experience of van Rompuy seems relatively low since his current position came to force with the implementation of the Lisbon treaty. This was established on December 1<sup>st</sup> 2009. Van Rompuy immediately faced one of the most severe crises that the EU had faced since its establishment. Combined, van Rompuy is an experienced leader.

FIGURE 4.3 CONTEXT EXPERIENCE

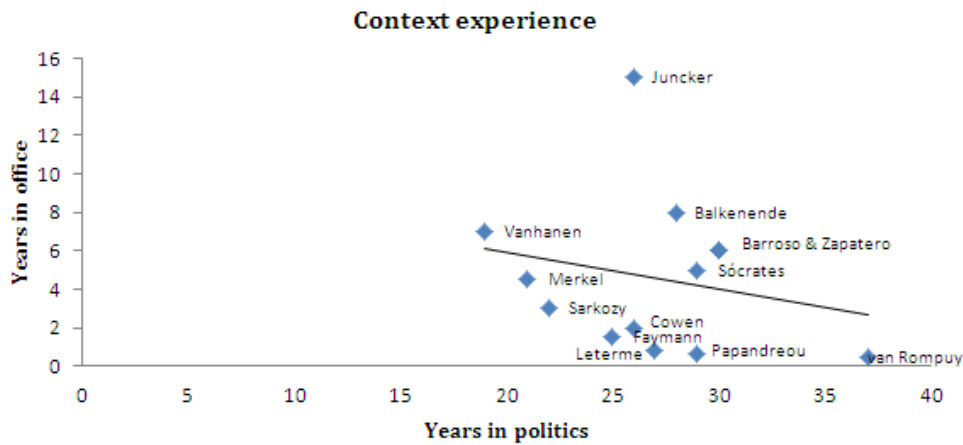
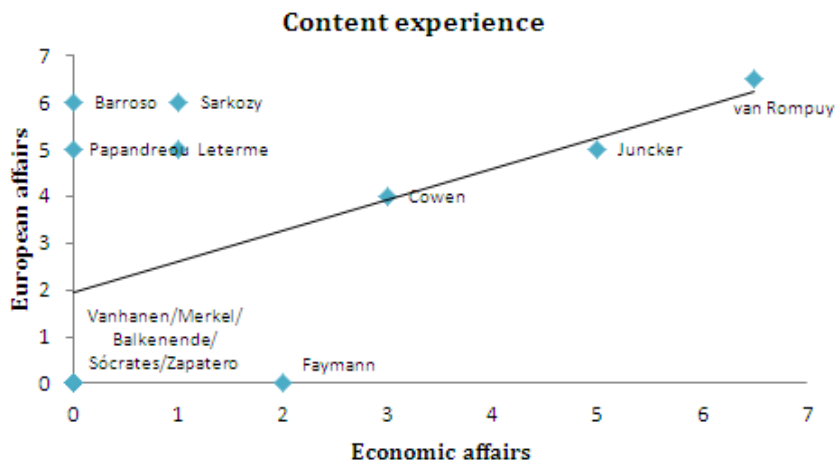


FIGURE 4.4 CONTENT EXPERIENCE



The lines that were drawn in figure 4.3 and 4.4 indicate the mean of the content or context experience. By doing so, it is easy to see which leaders are seen to be experienced on the specific dimension or not.

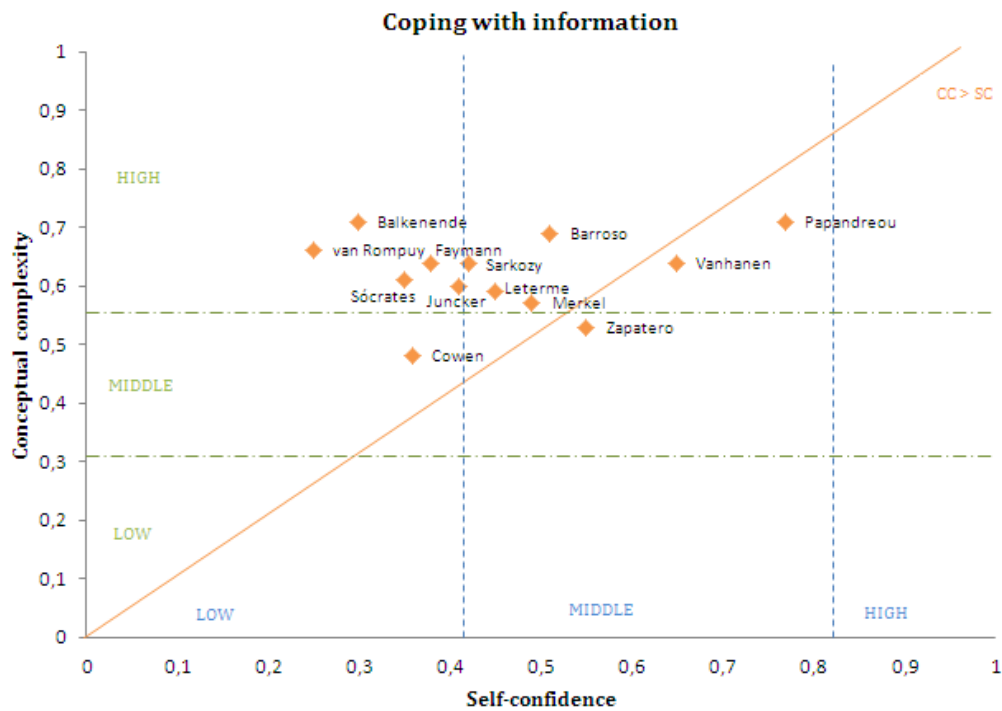
Looking at these pictures, we can conclude that on context experience, Juncker, Balkenende, Vanhanen, Zapatero, Barroso and Sócrates score high. As for content experience, van Rompuy, Barroso, Sarkozy, Leterme, Papandreou, Cowen and Juncker score high. Overall, Juncker and Barroso are experienced on both dimensions.

This leads to the expectation that Juncker and Barroso will be less uncertain and more understanding to the origins and risks of the crisis. Therefore, their response will be more anticipated and less surprised. As for the leaders who are experienced on one of the two dimensions, the anticipated reaction depends on the 'type' of experience. Van Rompuy will act more anticipated when talking about the content of the crisis, whereas Balkenende will most likely act more anticipated when talking about the managerial side of the crisis.

### 4.3 Openness to information

After looking at pressure and experience, the way that leaders cope with information plays a pivotal role in the way that they address situations. Using Profiler Plus, 344 interview responses given by the different Heads of State or Government were examined on self-confidence and conceptual complexity. The results of this can be found in the table listed below.

FIGURE 4.5 COPING WITH INFORMATION



The figure shows that almost all leaders are open to incoming information according to the method of leadership trait analysis.<sup>13</sup> Only Papandreou, Vanhanen and Zapatero are closed to incoming information. Papandreou and Balkenende score highest on conceptual complexity, but the latter has a relatively low level of self-confidence compared to the high level of self-confidence of Papandreou. Zapatero and Cowen score compared to the other EU leaders lowest on conceptual complexity, but compared to Hermann's (2003) test, their score is in the middle. This leads to the conclusion that most leaders in the Euro zone are open to information. Based on hypothesis 5 in chapter 2.5, it is therefore expected that they will act more nuanced on threat, urgency, responsibility and uncertainty in their speech acts. They will not be as decisive as their counterparts who tend to be more closed to information and see issues more black and white. As for hypothesis 3 and 4, expectations were made per leader and can be found in the paragraph below.

<sup>13</sup> Orange line indicates leadership trait analysis by Hermann (2003). See table 2.1 on page 16 for explanation of scores. For the exact score, see attachment 4.

#### 4.4 Expectations regarding European crisis speech acts

Combining these four factors leads to expectations on leaders' speech acts during the crisis time under study here. In the table below, an overview can be found of the different leaders in Europe.

TABLE 4.1: GENERAL OVERVIEW OF THE VARIABLES

	Pressure (Df, De, Un <sup>14</sup> )	Experience Context (yip/yio <sup>15</sup> until 2010)	Experience Content <sup>16</sup>	Coping with information (SC, CC)
ATFaymann	-1.3/ 10.7/8	25 / 1.5	2 EC	.38/.64
BE Leterme	-2.0/35.9/1.1	27 / (3) 0.8	5 EU / 1 EC	.45/.59
FI Vanhanen	.5/-14.1/1.9	19 / 7	Not specific	.65/.64
FR Sarkozy	-4.3/20.8/1.9	22 / 3	6 EU / 1 EC	.42/.64
GE Merkel	-.8/18.7/-1	21 / 4.5	Not specific	.49/.57
GR Papandreou	-10.2/77.2/3.3	29 / 0.7	5 FA	.77/.71
IE Cowen	-19.8/18.8/6.4	26 / 2	4 FA / 3 EC	.36/.48
LU Juncker	2.0/-43.1/0.5	26 / 15	5 EC / 5 EU	.41/.60
NL Balkenende	-2.4/1.9/1.0	28 / 8	Not specific	.30/.71
PT Sócrates	-7.0/28.2/2.8	29 / 5	Not specific	.35/.61
SP Zapatero	-7.3/-2.5/7.4	30 / 6	Not specific	.55/.53
EU Barroso	Low	30 / 6	6 EU / 10 FA	.51/.69
EU Van Rompuy	Low	37 / 0.5	6.5 EC / EC study	.25/.66

Concerning the hypotheses in this research, expectations are made for each leader and listed below.

1. Faymann is under low pressure, has low experience and his score on self-confidence is low whereas his score on conceptual complexity is high. Therefore, this research expects slow reaction to urgency and threat, high uncertainty and low on responsibility.

2. Leterme faces low pressure from the Euro crisis, is relatively experienced and his scores on self-confidence and conceptual complexity are both middle compared to the other leaders. This leads to the expectation that he will react slowly to threat and urgency, perceives low uncertainty and high responsibility.

3. Finnish PM Vanhanen faces low pressure. He is semi experienced (high on context, low on content). His score on self-confidence is a bit above average and his score on conceptual complexity is high. This leads to the expectation that he won't score high on urgency and threat, that he will be more uncertain and that he will be less focused on shared responsibility.

4. Nicolas Sarkozy is facing high pressure compared to the three leaders above here. He is experienced (mainly content), his score on conceptual complexity is high and his score on self-confidence balances between middle and low. This leads to the expectation that he will say

<sup>14</sup>Df = deficit De = debt Un = unemployment

<sup>15</sup> YIO = years in office YIP = years in politics

<sup>16</sup> EC = economic EU = European FA = foreign affairs Not specific = not in these fields



something about threat and urgency quicker, that he will be less uncertain and that he will focus on shared responsibility.

5. Angela Merkel is classified as a non-pressured leader. She is less experienced (mainly content), scores just high on conceptual complexity and middle on self-confidence. This leads to the expectation that she will be more reflective on urgency and threat, that she will be more uncertain and that she focuses on shared responsibility.

6. One of the most pressured leaders is Greece's PM Papandreou. Papandreou is experienced (content and overall managerial) and scores high on conceptual complexity and above average on self-confidence. It is therefore expected that Papandreou will perceive high urgency and threat. He will be less uncertain and act a bit more self-oriented.

7. Ireland's PM Cowen is also under severe pressure. Cowen's experience is semi. His score on conceptual complexity is middle and his score on self-confidence is low. This leads to the expectation that he will quickly perceive this crisis to be high in urgency and threat. He will be less uncertain and see issues more black-and-white. He will focus on shared responsibility.

8. Juncker faces the lowest pressure in Europe due to the situation in his own country. He is highly experienced and scores average on conceptual complexity and low on self-confidence. This leads to the expectation that he has no sense of urgency and threat. He won't be uncertain and acts upon previously gained experience. He will focus on a shared responsibility for Europe.

9. Balkenende faces low pressure, is semi experienced (mainly context) and his scores on self-confidence and conceptual complexity differ a lot (.30, low versus .71, high). This leads to the expectation that he will act slow on urgency and threat and is relatively uncertain. He will focus on shared responsibility and takes different viewpoints into account.

10. Sócrates is facing severe pressure. His experience is similar to that of Balkenende and his scores on conceptual complexity is high whereas his score on self-confidence is low. This leads to the expectation that he will perceive this crisis to be high in urgency and threat. He will be relatively uncertain and focus on shared responsibility in Europe.

11. Zapatero faces severe pressure due to the emerging Euro crisis. His experience is similar to that of Balkenende and Sócrates. His score on self-confidence and conceptual complexity is average. This leads to the expectation that Zapatero will perceive this crisis to be high in urgency and threat. He will be relatively uncertain and act more self-oriented. In addition to this, he sees issues more black-and-white.

12. Barroso faces low pressure, is highly experienced and scores high on conceptual complexity. His score on self-confidence is average. This leads to the expectation that he is likely to stay in his 'business-as-usual' mode instead of perceiving this crisis as high in urgency and threat. He won't be uncertain and will focus on shared responsibility.

13. Van Rompuy faces low pressure and is experienced (content and overall managerial). He scores low on self-confidence but high on conceptual complexity. This leads to the expectation that he will respond calm to urgency and threat, will be less uncertain and will strongly focus on shared responsibility by taking different views into account.

In addition to this, paragraph 4.3 described the expectations regarding conceptual complexity and self-confidence in relation to openness to information.

TABLE 4.2 EXPECTATIONS REGARDING HYPOTHESES

Expectation	Hypothese concerning pressure	Expectation	Hypothese concerning experience
+ Urgency Threat	Papandreou	+ Uncertainty	Faymann
	Zapatero		Merkel
- Urgency Threat	Sócrates	- Uncertainty	Juncker
	Cowen		Barroso
	Sarkozy	Van Rompuy	
	Merkel	In between	Zapatero
	Juncker		Sócrates
	Vanhanen		Balkenende
	Balkenende		Vanhanen
	Van Rompuy		Cowen
	Barroso		Leterme
	Faymann		Papandreou
Leterme	Sarkozy		
Expectation	Hypothese concerning self-confidence <sup>1</sup>	Expectation	Hypothese concerning openness to information
+ Shared responsibility	Balkenende	+ Open (complex)	Balkenende
	van Rompuy		van Rompuy
	Sócrates		Sócrates
	Faymann		Faymann
	Juncker		Juncker
- Shared responsibility	Cowen	- Closed (simple)	Cowen
	None		Sarkozy
In between	Sarkozy		Leterme
	Leterme		Merkel
	Merkel		Barroso
	Barroso		Papandreou
	Zapatero		Vanhanen
	Vanhanen		Zapatero
Papandreou			

<sup>1</sup> Although most leaders scored on "in between", this group varies between 0.44 and 0.81. For example Leterme scores 0.45 whereas Papandreou scores 0.77

This table shows the expectations that have been made for the content analysis part. In paragraph 5.2, this table has been updated with the results of the content analysis, to see if the leaders indeed live up to the expectations.

## 5. WHAT DID THEY ACTUALLY SAY?<sup>17</sup>

In this chapter, the focus will be on the speeches, statements and interviews that European leaders gave during the first phase of the Euro crisis (speech acts) to see whether their expected leadership style influenced their actions in crisis.<sup>18</sup> The analysis focused on the four core concepts during an evolving crisis: threat, responsibility, urgency and uncertainty<sup>19</sup> to see what the Euro zone leaders actually said.

### 5.1. Sense making examined

This paragraph will provide a subparagraph for every leader examined in this research to see how they've responded to the crisis.

#### 5.1.1 Austria – Werner Faymann

Faymann focuses on the bigger picture and has a calm response in May 2010. He starts talking about 'lessons that need to be learned' and that 'we also need to better coordinate our social growth strategies to enable us to create new highly qualified jobs and ensure that Europe will become an economic and social union' (F1). He is also focused on the future and solutions by saying that 'a wise balance of market and politics is the best strategy against future crises and for a sustainable recovery coupled with full employment' (F1). He doesn't seem to perceive this crisis as high in urgency or threat since his speech acts are overall not pressing these matters.

Although he reacts seemingly calm on urgency and threat, he does show uncertainty by focusing on citizen's trust and blames the financial market for this crisis. He states that 'this in turn will de-stabilize both democracy and markets' (F1). He notes that something needs to be done in order for the EU saying that 'this cannot be allowed to happen ever again' (F1), but does not specify what 'this' is.

He says that his country is not to blame when it comes to responsibility for this crisis in Europe. He focuses on the functioning of the current Union and problems on and in the financial sectors and how the financial sector created these problems.

#### 5.1.2 Belgium – Yves Leterme

On urgency, Leterme is mainly focused on the future by using words as "ambition, challenges, and re-establishment". On threat, he distinguishes the global financial crises from the Euro crisis and explains the situation we're in. Overall, this takes six months. In January 2010, he is talking about 'the crisis of the financial system' (L3). Then, in March 2010, he says that 'we cannot relax

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<sup>17</sup> Note: all speeches have shortcuts and can be traced using the speech code reference list that can be found at the end of this thesis

<sup>18</sup> Note: since this is a pilot study, not all cases contain the same amount of speeches/interviews. For example: for Brian Cowen, more speeches were available than for Werner Faymann due to linguistic barriers.

<sup>19</sup> Note: sub-codes as described in chapter 3, have been made italic here.

now that the worst of crisis seems over' (L2) and refers to the global financial crisis. Only after the EC agreed on a European Stability mechanism in May 2010, he starts focusing on Europe in his speeches by saying that the 'recent crisis involving the euro demonstrated this quite clearly: a monetary union without any real economic coordination is wobbly' (L1). He does note that the crisis 'isn't of Belgium's making, but that we're now struggling to emerge from this crisis' (L1, L3). His aim is that '2010 should be a year of *recovery*' (L2).

As for uncertainty, Leterme focuses on the state of mind in Europe, talking about 'faith', 'ambitions' and 'happiness'. For example he says that 'the EU has created unprecedented prosperity through its common market. But this Europe seems unable to find happiness – or not enough of it' (L1). Leterme is not specific on uncertainty, but is not clear about it either.

On responsibility he focuses on the lost trust in Europe to act as a *union* in the future and that 'we have to work together to get Europe back on track' (L1). He's not pessimistic on the EU, but accedes on arguments about financial overregulation. In the last speech examined of Leterme (L1), he says that Europe and the world have become more flat and that this *changes the relations* and the economic and political powers (L2). By doing so, he holds national member states *accountable* for their overspending. Leterme does this as well in previous speeches, where he talks about the fact that our national economies are not open anymore and that it is time for international and national leaders to take responsibility globally (L3).

### 5.1.3 Finland – Matti Vanhanen

Vanhanen differentiates between the Greek case and the situation in other member states whilst talking about urgency. He says that the other MS should learn from the Greek case and that they should 'build a firewall to keep the lack of confidence from spreading to other countries with excessive deficits to economies that are, nevertheless, not in a situation comparable with the one in Greece' (V1). In addition to this, he focuses on long term solutions. In May 2010, he notes that 'more attention will need to be paid also in Finland to the decisive management of the *long-term sustainability gap*' (V1).

Vanhanen changes his focus over time in regard to the core values that are under threat. At the end of 2009, he talks about ending the previous global financial crisis by saying that 'a year ago the world economy was suffering a serious downturn and no alleviation of the crisis was in sight. We all hoped then that the New Year would show some signs of an end to the crisis. And that proved to be the case' (V2). Then, in May 2010, he starts talking about the Euro crisis. For example he says that 'stabilization of the Greek economy needs to be a common aim of the euro area. In order to succeed in it, Greece will need a multi-annual loan program, which will give it enough time to implement the required fiscal policy measures' (V1).

As for uncertainty, he notes the *changing* structures of international economic policies that increase the need for reforms. For example he says that 'we must learn from the Greek case and we must not let this happen again ... Finland supports the Commission's proposal on stronger

financial supervision and auditing in member states' (V1). He is mainly focused on the managerial side of the crisis, not on the exact content.

On responsibility, Vanhanen speech acts are ambiguously. Although he focuses on the need for MS to cooperate within the European framework, he is not so strict towards Finland. He sees the bigger picture by saying that without help for Greece, the status of the world economy would have worsened (V1). He isn't focused on a shared responsibility, but acknowledges that if MS don't work together, it is useless as well. He is more self-oriented on responsibility when the crisis further evolves (V1, V2).

#### **5.1.4 France – Nicolas Sarkozy**

Sarkozy is a strong advocate for change. He says that 'the world of tomorrow cannot be the same as the world of yesterday, and talks about behavior that cannot be tolerated anymore' (SA2). In addition to this, he says that if we do not *change* ourselves, change will be imposed on us (SA2). He says that 'if we do nothing special to change world governance, to regulate the economy, if we do not clean up our public finances, this recovery will only be a respite' (SA2). Therefore, it seems as though Sarkozy perceives the situation to be urgent.

He notes that the current crisis is border-crossing and focuses on the *transboundary effect* of this crisis. He talks about the root of the problem and the threat to core values of the financial market. In the speech examined, he says that 'without intervention, there would be total collapse' (SA2).

Sarkozy doesn't seem uncertain while talking about crises. He clearly states what needs to be done now. For example: 'if we allow the disorder of currencies to persist and can't bring our finances back to order, the deficits will grow' (SA2). He points to the fact that we've put 'too much faith in the idea that the *market* was always right and that we now feel the consequences of our behavior' (SA2).

Sarkozy is pessimistic about the role of governments on the financial markets and generally blames them for the issues that are at stake. 'By discarding all our *responsibilities* in the marketplace, we have created an economy which has ended up running counter to the values on which it was nominally based' (SA2). In addition to this, he advocates for a shared responsibility by saying that an "every man for himself" attitude leads to an economic and political error (SA2). He also states that if we are not able to coordinate our rules in financial regulation that go beyond the borders of member states that we will get back to the habits that we've had before (SA2).

### 5.1.5 Germany – Angela Merkel

Merkel addresses that we ‘first have to look at the full scope of the crisis and develop the right strategies’ (M4). She intends on a moment to reconsider the ongoing situation and is one of the first leaders who points to the fact that Europe needs to look at her crisis management mechanism (M3). She talks about the framework that Europe has developed together so far (M4) and focuses on the fact that international economic policy must be more *sustainable* (timing, M1). On urgency, Merkel can therefore be seen as a peacekeeper and a thoughtful responder.

Merkel’s speech acts can be divided into two sides examining how she perceives threat. In a speech given in January 2010, she is pessimistic by saying that there are still countless different interconnections and interactions in Europe to overcome and focuses for a great part on the previous international financial crisis (M4). Also whilst talking about *unemployment*, she is quite positive about the developments taking place on the labor market and doesn’t signal a threat there (M4). She focuses on the instruments that we need in order to prevent the EU from these situations, but doesn’t specify high threat to core values. Harmonization of competitiveness, regulating indicators; both are examples of solutions that she’s focused on in order to reduce threat (M3). However, in one of her speeches at the end of 2010, she is more (country) specific whilst talking about the *solutions* to reduce threat in this Euro zone crisis (M2). In this very same speech, she is also encouraging the Euro zone by predicting member state growth in the future and welcomes future members and sees a bright future ahead of us.

Merkel’s speech acts are ambiguously as well whilst looking at how she perceives uncertainty. First, she stays at the surface while addressing the concepts under uncertainty. She focuses on the importance of politics in *market behavior* but does not specify any causes until the first decision is made. Second, after the first decision on the European stability fund was made, Merkel slowly starts talking about Germany’s debt rate and unemployment rate. She becomes a bit more specific by saying that ‘over the years, growth was based on *debt and speculative bubbles*’ (M2) and that this situation is unrealistic.

Merkel focuses for a great part on shared responsibility, by saying that Euro zone members are dependent on each other. In a speech after the first decision on financial aid, Merkel says why she insisted so badly on helping Greece, Spain and other help-needed MS (M2). She is quite firm in taking responsibility and focuses the attention also on the citizens in Europe by saying that the middle class is now carrying the burden of political decisions (M3).

### 5.1.6 Greece – George Papandreou

Papandreou calls for strong action, and asks the country to show determination in these painful and difficult times. He says that ‘*time* has proven to be the most expensive commodity now in times of crisis but that time is exactly what we actually need now’ (P3). He is positive about the fact that Greece has taken emergency measures in order to stay on track. He strongly focuses on *change*, by saying that Greece is ‘ready to make strong, important changes to get the country in

order and that the need is high to do so' (P4). Papandreou does not mince matters in addressing some of the *roots of the crisis*, by talking about corruption in the Greek government (P3). Altogether, Papandreou recognizes and emphasizes the importance of fast and major changes and is confident that he and Greece are ready to do so (P3).

Papandreou acts firm and recognizes a high threat perception for Greece. He states that the Euro zone's financial problems reach far beyond Greece and that the high interest rates to which Greece has to borrow money create problems for all of Europe (P4, P2). Papandreou is proactive in his talks about *financial measures*, and fair about what needs to be done and when (P4). He talks about the determination of the Greek government to move forward, strong measures that need to be taken in order to reduce the large deficit, the deals that the Greek adopted for reform and so on (P4). Papandreou acts firmly and self-determined and talks publicly about the events occurring in the light of the Euro crisis (P4). He recognizes and identifies the crisis, saying that the 'angst that all European partners and the world community share, as to the extent of this crisis and whether it might spill over into the Eurozone, the national systems and then the global economy'(P3).

Papandreou is decisive and not scared to take initiative himself. You can see distrust in what he says, for example that 'the failure in the financial system created deep *insecurities undermining credibility and trust*' (P3). He is one of the only leaders who addresses the *roots* of this crisis quite specific, and focuses on his own country and the pivotal role that it has played in the Euro crisis (P3). The two key words that he uses while talking about uncertainty are that *risk(s) and trust* have been the most important pillars on which economies have been build and that we've seen that this made markets act non-rationally (P3). In addition to this, Papandreou highlights words that correspond to a more pressing situation. He keeps using words as threat, instability, necessary changes, sending a strong message to the market, fears etcetera.

Papandreou talks about responsibility from two points of view. After the first news on the Greek deficit, he focuses on the responsibility of Greece and the accountability of others within his country for not taking responsibility for their mistakes (P1). This keeps on coming back in several speeches and he blames other parties for not having faith in Greece that they would focus on their own responsibilities. By doing so, he shows that he is not afraid to stand up, face the problem and show his own responsibility. The problems of Greece are their own problems according to Papandreou, and therefore they need to take care of it themselves (P1, P2). Secondly, Papandreou changes his focus just before the first decision on the Stability Fund is made. Papandreou talks differently and quickly focuses on a collective responsibility for MS and Greece next to their own responsibilities. Also later on, he states that the challenge in taking responsibility for this crisis is a European one and that we have to work together to strengthen our future and stability of the Euro zone.

### 5.1.7 Ireland – Brian Cowen

Cowen's overall response is quick and decisive. He says for example that 'there is a *pressing* need to restore economic growth and recovery on *short-term*' and that 'the window of opportunity to take action to stabilize the deficit is now' (C1). He acknowledges negative changes in Ireland within a short period of time and the enormous pressure that affected a lot of families in Ireland due to the crisis. Getting out of this difficult situation will not be easy since Ireland's economy is under enormous *pressure* (C1, C2) and that 'steps must be taken and taken now' (C1).

While analyzing Cowen's speech acts, it's noticeable that he uses numbers to convince people of the threatening situation. He mentions figures of increased *unemployment* rates (C1) and percentages of labor market participation (C4). He mentions the changing situation by saying that 'in a relatively short time, we have gone from a thriving economy to an economy with large *budget deficits*' (C1). In addition to this, he starts talking about all necessary measures that have been or need to be taken in order to stabilize the situation.

Cowen is clear on uncertainty and doesn't seem to be insecure about the current situation. He focuses on assuring the people that everything will turn out to be fine *if we* have time, decisiveness and patience. He says for example that it is 'tempting to claim that all our problems can be solved simply by increasing taxes on the wealthy, but that this is too easy to state' (C2). In order to reduce uncertainty in the future, we 'need to provide more protection on the markets' and 'enhance stability in Europe' (C3).

As for responsibility, Cowen acknowledges the fact that the Irish are for a great part responsible for their current situation. He says that they are committed to continue to solve this issue. On Europe, his opinion can be described as twofold. First, he says that participation in Europe is 'critical for Ireland's economy' (C1). On the other hand, he states that membership of the Euro zone limited the options in making necessary adjustments for this crisis. He stresses the importance of coordination of economic policies in advanced economic crisis management (C2) but is at the same time critical of Europe's current functioning.

### 5.1.8 Luxembourg – Jean-Claude Juncker

Juncker responds calm. For example, he states that 'we are not able to gain *short term* boosts at the expense of our *long term* competitiveness and inflationary development' and that 'we need a framework that provides a procedure for reaching common views' (J3). 'Cheap money and easy growth were taken for granted and few of the European leaders had the courage to rein in overheated sectors' and 'therefore were *pressed* to take unpopular decisions that focused on the *long-term*' (J3). He differentiates between countries that did their homework and those who did not, and that these countries must feel high urgency to respond. According to Juncker, long term solutions are more important than short term solutions. For example, he says that 'what we really need are long term strategies that ensure sustainability of our public finances, that stabilize debt levels, that provide for future liabilities and take account of the fluctuations of the economic cycle' (J3).



Juncker specifically focuses on political differences that might be threatening (J1). He states that we 'have to prevent the *divergence* within the Euro zone from growing bigger' (J2). As for the crisis itself, he recognizes the sudden change by saying that 'we didn't see the urgency coming and now it comes very quickly indeed' (J3). He states that it is very 'difficult to put all states on the same track because of the internal differences and the *differences on how MS* deal with crises' (J1-J3), which can be seen as a threat to core principles of the EU. He is a slow responder when talking about unemployment; he doesn't feel the urge to reform labor markets (J3). Overall, Juncker is more focused on the process of the crisis and the fact that we're missing a strong crisis response framework rather than that he's focusing on core values that are threatened.

Juncker is quite certain and decisive. He literally says that 'if we had thought that a member state could have gone bankrupt, we would have devised instruments to deal with this' (J3). He notes solidarity in Europe and is quite positive on what will happen next. He specifically focuses on coordination, solidarity and crisis frameworks; 'if we don't do this, than we will fail' (J3), which indicates his strong *beliefs* in the EU and her capacities to solve unlikely situations. He is quite sure about his own sayings and not scared to put them up front.

Juncker focuses on shared responsibility. An exit for Greece is not possible and would be damaging for the whole Euro area (J2). For example he says that 'we need to take our *responsibilities* towards ourselves as MS and to the Euro zone together' (J3). He feels a sense of collective responsibility for and collective desire to tackle the failings or our economic policy coordination. He also states that now is also the '*political* momentum in favor of fundamental changes to make the *economic* legislation of EMU more effective' (J3), meaning that we can change the rules of the game together.

### **5.1.9 The Netherlands – Jan Peter Balkenende**

Balkenende reacts relatively calm, saying that 'it is still too early to draw definitive conclusions but that *short term* solutions are not the right ones' (BAL2). He focuses on the process of the crisis, saying this crisis is a 'catalyst for *change* and progress, and that there should be a more common sense in solving the crisis' (BAL1). The crisis is pressing according to Balkenende in the way that it now opens up windows of opportunity for change. He states that there is no way that we can deny what is happening around us and recognizes the tremendous effect of the American banking crisis that has flown over to a crisis in Europe and the Netherlands (BAL2). It seems as though he perceives this crisis as more urgent as his other non-pressurized companions in the EC, but in a positive kind of way because he sees the crisis as an opportunity to change existing cultures and systems. He says that 'we have to adjust our sails in order to withstand in this crisis' (BAL2).

Balkenende says in 2009 that it is the 'most critical task at present to tackle the global crisis. To prevent our financial system from collapsing and to promote economic activity with smart and effective measures'(BAL2). No Euro specific speech acts have been found in this time. According to Balkenende, we need to focus and consider the long term viability of measures that we want to

take in order to get over this crisis (BAL1, BAL2). He explicitly states that we should focus on *moral values* that might be threatened in a situation like this instead of all ‘newspapers brandishing terms as leveraged buy-out, debt-bubble and back-up facility’ (BAL2).

Balkenende mainly talks about moral values like trust, solidarity and morality. In addition to this he states that our financial system should be influenced by these values (BAL1). He is focused on the general steps that are important in this crisis and how to manage them, not on the content of the crisis.

This focus on solidarity is also found in Balkenende’s speech acts while on responsibility. He focuses on a shared responsibility for Europe to tackle this crisis. He states that this is not merely an issue of governments, but that all have to assume responsibility. This goes beyond the fact to just implement legal measures, but that there has to be a shared solidarity as well (BAL2). He states that the European community has to work together on key principles, and recognize the reckless behavior and perverse incentives that we’ve created all together. For example, he says that ‘national governments are guilty too by exaggerative protectionism’ (BAL2).

#### **5.1.10 Portugal – José Sócrates**

In terms of urgency, all that is found for Sócrates is that he says that ‘this government is determined to put Portugal is on its way to economic recovery’ and that ‘this government can put the public finances back in order’ (S02). He states that having ‘all the developed countries have problems now with their deficits’ (S02).

Sócrates sees the unemployment rate to be threatening for his country and the EU. It should be the ‘priority of states to encourage growth and unemployment’ (S01). In addition to this, he states that ‘we cannot leave our citizens unemployed and must continue the recovery plans, meaning public investment to create jobs’ (S01). Only after this has been done, we should ‘start to cut the public deficit in order to restore confidence to the international markets and ensure the sustainability of public finances’ (S01). Although he seems to stay at the surface in perceiving the situation to be urgent, he does perceive the situation to be threatened.

Specific information about Sócrates acting on uncertainty has not been found since no quotes have been listed. Therefore analysis on this concept is not possible for this leader.

The response of Sócrates on responsibility is twofold. First, he is one of the few leaders who starts talking about strengthening Europe at the end of 2009, by saying that ‘the world needs a stronger Europe’ (S01) and that ‘there is a lot of changes to make in global economic regulation’ (S01) by working together as MS, the IMF and the World Bank. This is required in a time where developed economies are facing these budget deficits and changes are necessary in order to regulate international institutions. On the other hand he says in February 2010 that ‘we don’t need anything from Brussels, we know exactly what we will do. We don’t need any help; we will solve our problems’ (S02). This is conflicting with his previous view and it seems as though Sócrates does recognize the importance of working together, but that he lacks to reflect on his own responsibility.

### 5.1.11 Spain – José Luis Rodríguez Zapatero

Zapatero mainly focuses on the pressing situation on the Spanish employment market. He states in February 2010 that '*changes* in our employment institutions will help take advantage of the recovery to create more employment and there is a need to create it fast' (Z1). He is positive on Spain's debt level by saying that Spaniards should 'share in the belief in Spain's *solvency* and help promote confidence in Spain by recognizing the good health of our public debt' (Z1).

He does identify pressure in the rest of Europe by stating that 'we again experienced panic on the financial markets; debt spreads widened' (Z1) and that 'these are times which underline more than ever the urgent need to strengthen economic governance' (Z1). Furthermore he states that the 'depth and complexity of the crisis set the pace for intense action' (Z3) and that these are 'crucial times for the process of building Europe' (Z3). According to Zapatero, there is 'no time for transition' and we 'needed to react quickly and decisively to the scale of challenges' (Z3).

Zapatero focuses on two core values under threat regarding the Spanish economy; growing unemployment as well as the acceleration of the public deficit. In February 2010, he states that 'along with *unemployment*, the other most negative aspect of the Spanish economy is the *public deficit*' (Z1) and that Spain's 'unemployment rate is differential with the European average to a level close to that reached in previous crises' (Z1). In addition to this, he focuses on the events that caused these severe *threats* (Z1). Although he recognizes the threatening situation for the Spanish economy, his talks on solving the problem are quite positive. For example, he states that 'the Spanish financial system has demonstrated its strength and soundness to face up the challenges posed by the financial crisis' (Z1). In addition to this, he states that 'this terrible economic and financial crisis shows the need to promote even greater *coordination of economic policies* between the countries of the EU' (Z2).

Zapatero states that in the 'process of building Europe, we have been forced to tackle an economic crisis after a long period of institutional uncertainty' (Z3). Zapatero holds on to the institutional structures of the EU and the European strategies such as the 2020 Europa Strategy that can and will solve this crisis (Z3). Furthermore, Zapatero is clear in describing the situation and openly explains the *measures* that are needed according to his point of view. He uses specific data and numbers to explain the situation and uses facts and numbers to describe the problem (Z1, Z2). In one of his speeches, he explains the adjustments that have to be made on the budget in the four years to come very clearly (Z1). Overall, he is highly focused on the content of this crisis and measures that need to be taken.

Zapatero talks about his own responsibility for Spain regarding the unemployment rate and a common responsibility in Europe regarding the Euro zone. He says that 'the evolution of the crisis to date in Spain is not different from that of the Euro zone as a whole. Where there is a very considerable difference in the unemployment rate (Z1), changing the current situation is, according to Zapatero, *everyone's responsibility*' (Z1). Although Zapatero focuses on everyone's own responsibility, he does note the 'need to have stronger and more effective *economic governance* in Europe' (Z3). Furthermore, he notes 'that the EU must do its homework and show

its *solidarity*' (Z4). Overall, Zapatero is self-oriented but focuses on the necessity to work together to solve the problem.

#### **5.1.12 European Commission – José Manuel Barroso**

Specific information about Barroso's acting on uncertainty has not been found since only one quote has been listed. Therefore analysis on this concept is not possible for this leader. The quote that is listed is that 'the EC should respond to the needs of the moment and work on Europe's long-term future' (BAR4).

Barroso expresses his relief when the EC reaches a deal on support for Greece, because the existing threat to core values can be reduced by this support. However, he is at the same time worried that when these threats to core values of MS might differ, the commitment of MS to Europe is not similar by saying that 'I am extremely happy that we have reached this deal on Greece and on the stability of the euro' (BAR3) but that 'since the crisis is not so acute as it was some time before, there is not probably the same commitment from all the parties to keep the emphasis on financial reform supervision... ' (BAR4).

Barroso says that 'the huge deficit in Greece for 2009 came as a surprise to all of us' (BAR1). Therefore it doesn't seem as though he could react anticipated to the situation. In addition to this, he clearly states that the crisis is 'caused partly by greedy and reckless behavior and shows that you cannot have a strong economy without moral values and that we need to restore this' (BAR2).

He then goes on and focuses on the content of the crisis by explaining the objectives of implementing a new mechanism on support for Greece (BAR3) and that the need for this mechanism is very high. Although Barroso reacts surprised, he later on anticipates on the situation.

As president of the ECom, Barroso focuses on his own responsibilities in getting Greece out of this crisis by saying that 'I have been pushing for this kind of solution for some time...' (BAR3). But he's not only focused on his own role in the crisis by saying that '...thanks to the leadership of Herman van Rompuy and commitment of all the euro area Member states, we now have this solution' (BAR3). In addition to this, he is proud on Europe and her capacities to come to solutions by saying that 'we have solved this in the European family, in the Euro area...I think that is the right decision at this time to face what is an exceptional problem that we have in one of our Member States and member of the euro area, considering also the implications it could have for the stability of our economic and monetary union' (BAR3). By recognizing his own responsibilities and focusing on a shared responsibility, Barroso lives up to the expectation to be somewhat self-oriented but focused on Europe's shared responsibility.

### 5.1.13 European Council – Herman van Rompuy

Van Rompuy focuses on the bigger picture and notes the importance of creating time to reflect on the evolving event. He makes a distinction between short-term and long-term solutions for the crisis, based on mainly rational and content based arguments (R3). He doesn't seem pressured, but states that 'we need to have an effective crisis mechanism in order to be able to deal with the problems within the Euro zone' (R3). He also clearly explains what happens when countries are facing pressure and how others should help them create some breathing space to think before acting. For example, he states that '*a radical change, such as now in Greece, requires time and respite; a temporary protection from the pressure of events, in order to better face them afterwards*' (R3). He talks metaphorically by saying that 'we built a lifeboat at sea' (R3), explaining why this crisis is difficult to manage. Overall, van Rompuy reflects on the crisis mechanism before talking about actions and shows the bigger picture.

Van Rompuy notes that some of the core values of the EU are under threat. For example, he states that 'we were no longer talking about Greece, but about the *risk* of contagion to other countries. It became a very serious *threat* to the *stability of the euro* and the financial system' (R3). Van Rompuy especially focuses on the institutional level, stating that Europe is not build to tackle a crisis of this size and that there were no instruments available to manage this from start. He states that 'at the start of the Greek crisis, we did not have the instruments; the treaties don't provide instruments to deal with a *debt* crisis' (R3). He thus notes that threat for Europe is caused by a lack of instruments to prevent this from happening. He is, however, still optimistic and proud of the way Europe acted in tackling this crisis and their joint actions.

Van Rompuy is focused on the content of this crisis and distinguishes three factors that caused the unique situation for Greece, 'namely a deficiency in the reliability of statistics, a serious competitiveness problem and a very high level of the *public debt*' (R1). Van Rompuy explains the situation and the need for Europe to develop a new mechanism for loans, since in the current institutional design something similar did not exist (R1).

On responsibility, van Rompuy states that 'the EC had a double guideline: *responsibility and solidarity*. These were the two guiding principles to which all Heads of State or Government of the Euro zone subscribed. Responsibility, by the Greek government. Solidarity, by the others, in order to protect Greece (and indirectly themselves)' (R3). In addition to this, he says that 'this is the time that they need to show solidarity and responsibility to one another' (R3). Van Rompuy also points to a more broad issue, that this crisis also focuses on the *dilemma of being a monetary union or an economic and political union* and that this tension now intensifies among MS and their feelings of responsibility (R3). He states that '*we* need to reaffirm our commitment to ensure the stability, unity and integrity of the Euro area and that all the institutions of the Euro area, as well as all Euro area MS agree to use the full range of means available to ensure stability in the Euro area' (R3).

### 5.1.14 Openness to information

As stated in paragraph 4.3, all leaders except for Vanhanen, Papandreou and Zapatero resulted in 'open' leaders. They were expected to act nuanced while explaining the situation to the public based on the leadership trait analysis. Overall, more open to information leaders indeed talked in general words and focused on the 'faith' and 'future' when they try to reach a common view. The table below shows several quotes of leaders that are open to information:

<i>Leterme</i>	'2010 should be a year of recovery'
<i>Sarkozy</i>	'behavior that can't be tolerated anymore'
<i>Merkel</i>	'international economic policy must be more sustainable'
<i>Juncker</i>	'we need a framework that provides a procedure for reaching common views'
<i>Sócrates</i>	'the world needs a stronger Europe'

Oppositely, Vanhanen, Zapatero and Papandreou show a more black-and-white point of view and Cowen is the only leader that seems more decisive and closed to information regarding the expectations.

<i>Papandreou</i>	'No matter what, this continuous interest in Greece and the Greek economy undermines the situation and distracts people, if you like, from those real, effective and brave changes, reforms and sacrifices we pledged to proceed with so as to put our house in order'
<i>Vanhanen</i>	'Greece will need an annual loan program, which will give it enough time to implement the required fiscal policy measures'
<i>Zapatero</i>	'Spain's unemployment rate is differential with the European average to a level closely reached in previous crises'
<i>Cowen</i>	'In a relatively short time, we've gone from a thriving economy to an economy with large budget deficits'

## 5.2 Living up to the expectations?

After assessing leadership style and linking this to the expected behavior in speech acts, we can now see if the variables pressure, experience, self-confidence and conceptual complexity indeed do or don't influence political speech acts in times of crisis. This paragraph will therefore reject or adapt the hypotheses stated in chapter two. In addition, figure 5.1. combines the results with the expectations of paragraph 4.4.



The hypothesis that high pressure leads to high perceiving of urgency and urgency can be adopted, since most leaders acted like expected. Low pressured leaders as Merkel, Juncker, Vanhanen, Balkenende, van Rompuy, Leterme and Faymann act overall calm and do not urge for a sudden change or action. High pressured leaders as Sarkozy, Papandreou, Zapatero and Cowen respond quickly to the evolving events and are more likely to advocate for change and list core values under threat. As for Barroso, nothing specific has been found and analysis cannot be provided. Sócrates doesn't live up to the expectation, since his response is relatively calm on urgency. He does seem to perceive the crisis situation to be threatening though. Juncker and Balkenende seem to perceive the situation as low-pressured, but focus on the 'greater good' as in that they don't feel pressured themselves but that they do note high pressure in Europe/other MS. Secondly, it has also found to be true that the kind of pressure a leader is experiencing (e.g. unemployment or high deficit rate) is the main area of focus in a leaders' speech acts whilst addressing these concepts. For example Papandreou is mainly focused on the deficit growth in his speech acts whereas Zapatero mainly focuses on the growth of the unemployment rate. Pressure has proven to be the driving force behind 'acting upon' or 'waiting to find out'. Leaders who were expected to react slowly due to pressure reflect on the current situation first before they start talking about actions or decisions.



The second hypothesis, stating that high experience leads to low uncertainty and high shared responsibility is not supported. High experienced leaders overall respond more calm and positive in talking about the concepts listed under uncertainty. A leader that faces high pressure is not necessarily uncertain or insecure. For example Sarkozy, who did perceive the situation as high in urgency and threat, responds relatively calm and understanding examining uncertainty. However, in seven of the examined cases high experience did not per definition lead to less uncertainty. As for Sócrates, the hypothesis is not applicable since no specific information has been found (see table 5.1). In addition to this, this research did not find evidence-based links between experience and beliefs on responsibility.



The third hypothesis, stating that high self-confidence leads to a more self-oriented view on responsibility can be adopted. For Balkenende, van Rompuy, Sócrates, Juncker and Cowen the expectation was found to be true. None of the leaders scored high on self-confidence compared to Hermann's (2003) scale but the ones that scored between high and low were mostly nuanced while talking about responsibility. For example Leterme said that 'we have to work together to get Europe back on track'. Oppositely, he also states that there is overregulation in Europe and that this is not a good if we want to solve the problem together. Other leaders that scored middle on self-confidence and acted like this in their speech acts are Sarkozy, Barroso, Zapatero, Vanhanen and Papandreou where the latter one can be seen as the most self-oriented leader.

All these leaders did note the importance of close cooperation between MS, but moreover from the point of view that this would benefit their own positions or that they didn't need it. Papandreou was more focused on his own political responsibility rather than a shared responsibility compared to the other leaders. This led for example to the fact that Papandreou wanted to hold a referendum in Greece while the other leaders of the Euro zone decided against it. Three leaders did not completely live up to the expectation. Merkel was more focused on shared responsibility than expected whereas Cowen and Faymann were more ambiguous and noted a responsibility for Europe as well as for their own country.



The last hypothesis, stating that high conceptual complexity would lead to more nuanced speech acts on all dimensions can be adopted as well. The leaders who scored high on this dimension were more awaited and ambiguous in taking a clear stand, as for example van Rompuy or Balkenende. These leaders can be seen as more reflective and thoughtful before acting upon. Less conceptual complex leaders as Zapatero and Papandreou, are less nuanced in their speech acts and take a clear stand, which is not necessarily a good thing because by doing so they may skip the part to create time to reflect on the process.



The table below shows the results based on the expectations table from paragraph 4.3 and visualizes the hypotheses.

TABLE 5.1 RESULTS CONTENT ANALYSIS

Expectation	Hypothese concerning pressure	Result	Expectation	Hypothese concerning experience	Result
+	Papandreou	+	+	Faymann	+
Urgency	Zapatero	+	Uncertainty	Merkel	+
Threat	Sócrates	+/-	-	Juncker	+/-
	Cowen	+	Uncertainty	Barroso	+/-
	Sarkozy	+		Van Rompuy	+
-	Merkel	+	In between	Zapatero	-
Urgency	Juncker	+/-		Sócrates	n.a.
Threat	Vanhanen	+		Balkenende	+/- (managerial)
	Balkenende	+/-		Vanhanen	+/- (managerial)
	Van Rompuy	+		Cowen	+/- (managerial)
	Barroso	n.a.		Leterme	+/-
	Faymann	+		Papandreou	- (not uncertain)
	Leterme	+		Sarkozy	+

Legend:  
 + = true  
 - = false  
 +/- = in between  
 n.a. = not applicable

Expectation	Hypothese concerning self-confidence	Result	Expectation	Hypothese concerning openness to information	Result
+	Balkenende	+	+	Balkenende	+
Shared	van Rompuy	+	Open	van Rompuy	+
responsibility	Sócrates	+	(complex)	Sócrates	+
	Faymann	+/- (- shared)		Faymann	+
	Juncker	+		Juncker	+
	Cowen	+/- (- shared)		Cowen	+/- (+ closed)
-	None			Sarkozy	+
Shared				Leterme	+
responsibility				Merkel	+
In between	Sarkozy	+		Barroso	+
	Leterme	+	-	Papandreou	+
	Merkel	+/- (+ shared)	Closed	Vanhanen	+
	Barroso	+	(simple)	Zapatero	+
	Zapatero	+			
	Vanhanen	+			
	Papandreou	+			

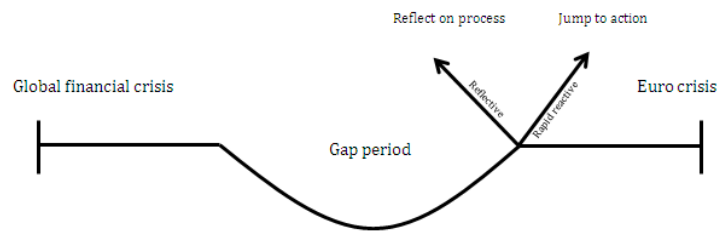
## 6. CONCLUSION

This research created a framework for examining transboundary political leadership. By analyzing thirteen Heads of State or Government on pressure, experience, self-confidence and conceptual complexity leadership expectations were made. These results were tested using content analysis to see how pressure, experience, self-confidence and conceptual complexity influence their acting in a transboundary crisis based on urgency, threat, uncertainty and responsibility. Keeping the research question in mind, the research has shown that pressure and personal traits do influence a leaders' ability of sense making. High pressure makes leaders perceive the crisis as high in threat and urgency. It also makes leaders focus on decisive action and change instead of focusing on the process of the crisis first. Self-confidence influences the will to cooperate, which is pivotal in sense making in order to create a common view on the crisis. Leaders can either act more self-oriented and less willing to create a common definition of the current situation or they can focus on the bigger picture and note the importance of shared responsibilities. In this research, none of the leaders scored high on self-confidence (based on the leadership trait analysis method) and all of them focused more or less on the need to work together in Europe. Based on scores on conceptual complexity and self-confidence, the research found that almost all leaders were open to information. This influenced their sense making because it made their speech acts more nuanced. The hypothesis concerning experience hasn't proved to influence a leaders' ability to make sense of a crisis.

Taking a step back and combining these three variables, a new and broader hypothesis seems to rise. Conceptually complex leaders that experience low pressure and have a lower level of self-confidence tend to be more reflective whereas less conceptually complex leaders that experience high pressure and have a higher level of self-confidence tend to be more rapidly reactive in their response to an evolving crisis. In addition to this, it seems that most leaders experience difficulties in switching from one mode to another. In the Euro crisis case, this moment can be referred to as *bridging the gap*. All leaders seem to have difficulties switching from the talks about the global financial crisis to the Euro crisis. Only the exact moment when this happens differs between the different leaders, and this depends mainly on pressure, self-confidence and conceptual complexity. Once out of their *gap*, rapid reactive leaders will refer to change, action, threat and urgency faster than reflective leaders.

As can be seen in figure 6.1 rapid reactive leaders skip the part where they reflect on the crisis itself and start talking about change, actions and the future of Europe once they've bridged the *gap*. Reflective leaders first reflect on the crisis process before talking about actions or change. Juncker, Merkel, van Rompuy and Balkenende specifically talk about the framework of crisis management within Europe, where other leaders such as Papandreou or Zapatero seem to jump directly to the problems in Europe and the changes that need to be made.

FIGURE 6.1 CONCLUSIONS



To recap, pressure, self-confidence and conceptual complexity influence sense making, meaning how leaders perceive a crisis to be urgent, threatening, their responsibility and uncertain. High pressure, less conceptual complexity and higher self-confidence leads to more action-focused leaders whereas low pressure, high conceptual complexity and lower self-confidence leads to more reflective leaders. Reflective leaders will focus more on the sense making of a crisis before they jump to meaning making and decision making.

### A crisis metaphor

In addition to the above, I'd like to reflect on something that I'd like to call lessons from the operating room for Europe. Some years ago, doctors in the Netherlands and the inspection for health care opted for a new procedure in the OR. They saw every operation as a tiny crisis and were convinced that taking a step back before the start of the operation could improve operations and the safety of patients. This resulted in a procedure called TOP (Time Out Procedure) that makes sure that before the operation actually starts that all people in the room talk about the situation beforehand and check if they have everything that they need in order to proceed to the actual operation.

With this very same and simple-sound system, we can take a look at the Euro crisis as well and new transboundary crises in the future. What became clear is that leaders in this Euro crisis had difficulties locating the starting point of the crisis and once they'd reached it, most of them skipped sense making and jumped to the phase of decision-making (Boin *et al*, 2005). We can distinguish a gap between everyone talking about the global financial crisis, the banking crisis and a somewhat sudden decision on Greece and a European Stability Mechanism. Action is always necessary, as are operations to take away a patient's illness. But you do not take out someone's kidney before exactly located the place of it and checked if the patient has allergies concerning anesthesia. The decision in Europe by the leaders was made before they clearly made sense of the crisis all together. Only after the first decisions were already made, the first real talks on the Euro crisis were found in speeches given by the leaders. The TOP-procedure could be part of a new European (financial) crisis mechanism that helps leaders to wait a minute before acting. The lack of a crisis management framework makes leaders act upon their personal traits and the pressure they experience, which leads to different sense making processes.

## 7. DISCUSSION

### *For now*

Although only a pilot study, the outcomes of this study seem promising for further research. Leaders with low scores on conceptual complexity and high scores on pressure will act more rapid reactive to the crisis. These leaders see issues more black-and-white and are not afraid to take their own stand before taking into different views. According to my interpretation, rapid reactive leaders in this research are Cowen, Sarkozy, Papandreou and Zapatero. Leaders with low scores on pressure and high scores on conceptual complexity seem to be more reflective perceiving the crisis. Reflective leaders in this research are van Rompuy, Balkenende, Merkel and Leterme. Leaders that can be found in between both types of response are Juncker, Barroso, Vanhanen and Faymann and Sócrates. A leaders' self-confidence can contribute to more or less focus on shared responsibility. Leaders with a stronger focus on a shared responsibility will cooperate sooner instead of continuous lobby about their own interests. I think that using a different case and different leaders, the same results for pressure, self-confidence and conceptual complexity will be found. The study also seems to confirm the media image of some leaders, for example van Rompuy or Sarkozy. Van Rompuy is presented as a listener, negotiator and someone who doesn't put his personal needs and interests in front. This is seen in his speech acts as well, where he presents himself as the 'calm and smart' and focuses on the overall process of the crisis. Sarkozy on the other hand is presented as the up-front type of leader and this can also be traced back to his speech acts.

### *For this research*

Reflecting on the methodology used in this research, I'd like to discuss two points. First, the method of at-a-distance research using speeches, interviews and statements is rather simplistic and not realistic. Although stating the assumption that thoughts underlie the spoken word is a good start, this doesn't cover the whole debate. Unfortunately, not all data is out in the open and accessible for researchers which is crucial for this type of research. Most of these data are confidential for a long period of time. In addition to that, you not always know what the leader explicitly said himself/herself or if someone else told him/her to say it the way he/she did. Second, the method of content analysis is subordinate to a researcher's interpretation. For example, one could question if someone can objectively say if a leaders talks are nuanced or not. I've tried to narrow down this subjectivity by doing all my tests at least twice at different timings and sometimes even with different data. I did so to see if I was able to conduct the same results with different data and timing and this indeed was the case. In addition to this, I've consulted my tutor and fellow students and asked them for their opinion about my actions regarding the research.

*For the future*

To improve this type of research in the future, two things are interesting. First, more in-depth analysis on the methodological framework would be useful. Applying the same method on different cases can create a basis for a new transboundary crisis leadership dataset would be very interesting. Second, I'd like to get more data (most favorable 'standardized' interviews). Since data per leader varied in this research, analysis was sometimes a bit more difficult. With more (standardized) data, a more thorough framework that can be used in practice to advice leaders on their future speech acts. In addition to this, it would be interesting to search for further integration with other frameworks within the field of political psychology such as cognitive mapping.

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[http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/ec/114295.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/114295.pdf)

## ATTACHMENTS

### Attachment 1: Interviews used for interview responses for trait analysis

Total of 344 interview responses

#### *AT - Faymann:*

- 1) Interview der Spiegel on the fiscal pact.
- 2) Interview with Austrian (translated by official translator)

#### *BE - Yves Leterme:*

- 1) Video interview on BBC news (transcribed by author)
- 2) Interview on the website of the European commission
- 3) Video interview on the website of the European Parliament television channel (transcribed by author)

#### *FI - Matti Vanhanen:*

- 1) Interview with Chinese newspaper
- 2) Interview on the website of the South-African presidency

#### *France - Nicolas Sarkozy:*

- 1) Transcript of interview Sarkozy with French newspaper Le Figaro
- 2) Interview with Turkish newspaper Hurriyet Daily News
- 3) Interview with the New York Times

#### *GE - Angela Merkel:*

- 1) Video interview on BBC news (transcribed by author)
- 2) Transcript of interview with Angela Merkel in Der Spiegel
- 3) Interview with the Financial times

#### *GR - Papandreou:*

- 1) Several interviews retrieved from Papandreous personal website. Interviews with UNRIC, BBC, CNN, Euronews, Al Jazeera and Democracy Now
- 2) Interview on [www.foreignpolicy.com](http://www.foreignpolicy.com)

#### *IE - Brian Cowen:*

- 1) Statements and interview responses retrieved from the official Taoiseach website of the website of the Irish government
- 2) Interview transcript of interview Cowen on Irish radio in the Irish times

*LU – Jean-Claude Juncker:*

- 1) Interview with Der Spiegel (2x)
- 2) Interview on EUobserver
- 3) Interview on the website of the government of Luxembourg (2x)
- 4) Interview with CVCE

*NL – Jan Peter Balkenende:*

- 1) Video interview via [www.highbeam.com](http://www.highbeam.com)
- 2) Interview and statements on the website of the Russian premier
- 3) Interviews after the weekly meeting of the Dutch chamber of representatives (translated by author)
- 4) Interview with the Washington Post
- 5) Statements and comments on the website of the Australian government

*PT – José Sócrates:*

- 1) Interview with CNN
- 2) Interview on the website of the UK parliament
- 3) Interview on the website [highbeam.com](http://highbeam.com)
- 4) Interview with Der Spiegel

*SP – Luis Zapatero:*

- 1) Interview with CNBC
- 2) Interviews retrieved from the personal website of Zapatero

*European Council – José Manuel Barroso:*

- 1) Interview on CNN
- 2) Interview in the Financial Times
- 3) Interview on the website of the European Commission

*European Council - Van Rompuy:*

Note: for van Rompuy, previous research data that was collected in the same way were used in this research (Assche, 2008).

## Attachment 2: Speeches used for content analysis

1. F1 – Faymann 31-5-2010  
[http://www.bka.gv.at/site/cob\\_39734/currentpage\\_0/6598/default.aspx](http://www.bka.gv.at/site/cob_39734/currentpage_0/6598/default.aspx)
2. L1 – Leterme 7-7-2010  
[http://www.eutrio.be/files/bveu/media/source1856/documents/2010-07-07\\_Y.Leterme\\_EN.pdf](http://www.eutrio.be/files/bveu/media/source1856/documents/2010-07-07_Y.Leterme_EN.pdf)
3. L2 – Leterme 26-3-2010  
[www.gmfus.org/brusselsforum/2010/docs/leterme\\_written.doc](http://www.gmfus.org/brusselsforum/2010/docs/leterme_written.doc)
4. L3 – Leterme 29-1-2010  
<http://www.yvesleterme.be/fr/actualites/discours/>
5. BAR1 – Barroso 2-2-2010  
[http://ec.europa.eu/commission\\_2010-2014/president/pdf/20100203\\_en.pdf](http://ec.europa.eu/commission_2010-2014/president/pdf/20100203_en.pdf)
6. BAR2 – Barroso 10-12-2009  
[http://ec.europa.eu/commission\\_2010-2014/president/](http://ec.europa.eu/commission_2010-2014/president/)
7. BAR3 – Barroso 25-3-2010  
<http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/10/132&format=HTML&aged=0&language=EN&guiLanguage=en>
8. BAR4 – Barroso 26-3-2010  
<http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/10/134>
9. R1 – Van Rompuy 5-5-2010  
[www.consilium.europa.eu/uedocs/NewsWord/en/ec/114223.doc](http://www.consilium.europa.eu/uedocs/NewsWord/en/ec/114223.doc)
10. R2 – Van Rompuy 7-5-2010  
[http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/ec/114295.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/114295.pdf)
11. R3 – Van Rompuy 25-5-2010  
[www.consilium.europa.eu/uedocs/NewsWord/en/ec/114620.doc](http://www.consilium.europa.eu/uedocs/NewsWord/en/ec/114620.doc)
12. V1 – Vanhanen 3-5-2010  
<http://valtioneuvosto.fi/ajankohtaista/tiedotteet/tiedote/fi.jsp?oid=294339&c=0&toid=299596&moid=299614>
13. V2 – Vanhanen 30-12-2009  
<http://vnk.fi/ajankohtaista/puheet/puhe/en.jsp?oid=284514>
14. SA2 – Sarkozy 27-1-2010  
<http://www.cfr.org/financial-crises/sarkozys-speech-world-economic-forum-january-2010/p21346>
15. M1 – Merkel 3-11-2009 (last part)  
<http://www.bundesregierung.de/Content/EN/Reden/2009/2009-11-03-merkel-usa-kongress.html>
16. M2 – Merkel 9-11-2010  
<http://www.ft.com/cms/s/0/1291fe90-ebf5-11df-b50f-00144feab49a.html#axzz2715LrE5o>
17. M3 – Merkel 11-1-2010  
<http://www.spiegel.de/international/germany/spiegel-interview-with-chancellor-angela-merkel-the-crisis-has-deeply-shaken-us-a-726433.html>
18. M4 – Merkel 25-1-2010  
[http://www.bundesregierung.de/Content/EN/Reden/2010/2010-01-25-rede-merkel-diplomatisches-corps.html?\\_site=Nachhaltigkeit](http://www.bundesregierung.de/Content/EN/Reden/2010/2010-01-25-rede-merkel-diplomatisches-corps.html?_site=Nachhaltigkeit)
19. M5 – Merkel 28-4-2010  
<http://www.imf.org/external/np/tr/2010/tr042810.htm>
20. P1 – Papandreou 2-5-2010  
<http://www.primeminister.gov.gr/english/2010/05/02/meeting-of-cabinet-prime-ministers-speech/>
21. P2 – Papandreou 19-2-2010  
<http://www.primeminister.gov.gr/english/2010/02/19/speech-by-george-a-papandreou-to-the-conference-on-progressive-governance-growth-strategies-after-the-crisis/>
22. P3 – Papandreou 29-4-2010  
<http://www.primeminister.gov.gr/english/2010/04/29/%C2%ABmeeting-the-challenges-through-leadership-strategy%C2%BB-prime-ministers-speech/>
23. P4 – Papandreou statements 2009-2010  
<http://www.primeminister.gov.gr/english/category/news/articlesandstatements/>

24. C1 – Cowen 5-11-2009  
<http://www.taoiseach.gov.ie/eng/>
25. C2 – Cowen 10-12-2009  
[http://www.taoiseach.gov.ie/irish/Nuacht/Carlann\\_Aitheasc\\_agus\\_Preaseisi%C3%BAint%C3%AD/2009/Aithisc\\_an\\_Taoisigh\\_2009/](http://www.taoiseach.gov.ie/irish/Nuacht/Carlann_Aitheasc_agus_Preaseisi%C3%BAint%C3%AD/2009/Aithisc_an_Taoisigh_2009/)
26. C3 – Cowen 22-1-2010  
[http://www.taoiseach.gov.ie/eng/News/Archives/2010/Taoiseach's\\_Speeches\\_2010/](http://www.taoiseach.gov.ie/eng/News/Archives/2010/Taoiseach's_Speeches_2010/)
27. C4 – Cowen 31-3-2010  
[http://www.taoiseach.gov.ie/eng/News/Archives/2010/Taoiseach's\\_Speeches\\_2010](http://www.taoiseach.gov.ie/eng/News/Archives/2010/Taoiseach's_Speeches_2010)
28. J1 – Juncker 8-2-2010  
<http://www.eeo.com.cn/ens/feature/2010/08/02/177138.shtml>
29. J2 – Juncker 13-2-2010  
<http://www.reuters.com/article/2010/02/13/us-greece-juncker-idUSTRE61C1B120100213>
30. J3 – Juncker 15-6-2010  
[http://www.gouvernement.lu/salle\\_presse/discours/premier\\_ministre/2010/06-juin/15-juncker-oslo/index.html](http://www.gouvernement.lu/salle_presse/discours/premier_ministre/2010/06-juin/15-juncker-oslo/index.html)
31. J4 – Juncker 18-1-2010  
<http://eurozone.europa.eu/media/597035/eurogroup-mission-letter20100115.pdf>
32. BAL1 – Balkenende 23-9-2009  
<http://www.rijksoverheid.nl/documenten-en-publicaties/toespraken/2009/10/19/time-for-change-from-shareholder-value-to-stakeholder-value.html>
33. BAL2 – Balkenende 2010  
[www.novamedia.nl](http://www.novamedia.nl)
34. SO1 – Sócrates 1-12-2009  
<http://www.euronews.com/2009/12/01/interview-portuguese-prime-minister-jose-socrates/>
35. SO2 – Sócrates 9-2-2010  
<http://www.nytimes.com/2010/02/10/business/global/10iht-portugal.html?pagewanted=all&r=0>
36. Z1 – Zapatero 11-2-2010  
<http://www.lamoncloa.gob.es/IDIOMAS/9/Presidente/Intervenciones/index.htm>
37. Z2 – Zapatero 16-12-2009  
<http://www.lamoncloa.gob.es/IDIOMAS/9/Presidente/Intervenciones/index.htm>
38. Z3 – Zapatero 31-5-2010  
<http://www.lamoncloa.gob.es/IDIOMAS/9/Presidente/Intervenciones/index.htm>
39. Z4 – Zapatero 1-3-2010  
<http://www.lamoncloa.gob.es/IDIOMAS/9/Presidente/Intervenciones/Entrevistas/InterviewWithThePresidentFAZ01032010.htm>

### Attachment 3: Code tree content analysis

<b>CATEGORY</b>	<b>TOTAL FRAGMENTS:</b>	<b>531</b>
	<b>SUBCODE</b>	
Uncertainty		1
	Causes	10
	Fundamentals of the Euro	5
	Future	27
	Stagnation	3
	Market (confidence)	16
	Risks	8
	Financial instability	16
	Insecure/surprise	2
Urgency		2
	Short/long term	15
	Change	27
	Denial	5
	Recognition	20
	Recovery	10
	Pressing/pressure	16
	Timing/time	13
Responsibility		17
	Challenges	11
	Accountability	14
	Sovereign yes/no	18
	Independence	7
	Fragmented	10
	Union	36
	Blame	17
	Fault	9
Threat		1
	Solutions	7
	European economies	10
	Differences	19
	Unemployment/job security	24
	(American) banking crisis	8
	(Austerity) measures	40
	Budgetary crisis/Euro crisis	16
	Global financial crisis	22
	Public debt	14
	Crisis (pos/neg)	35

#### Attachment 4: List of tables (results from leadership analysis)

Debt and deficit rates Euro zone compared to 3% norm/60% norm (Eurostat)

Country	2008	2009	2010	Average change since 2008
Austria	- 0.9 (+2.1)	- 4.1 (-1.1)	- 4.4 (-1.4)	- 1.3
Belgium	- 1.3 (+1.7)	- 5.8 (-2.8)	- 4.1 (-1.1)	- 2.0
Finland	+ 4.3 (+7.3)	- 2.5 (+0.5)	- 2.5 (+0.5)	+ 0.5
France	- 3.3 (-0.3)	- 7.5 (-4.5)	- 7.1 (-4.1)	- 4.3
Germany	+ 0.1 (+3.1)	- 3.2 (-0.2)	- 4.3 (-1.3)	- 0.8
Greece	- 9.8 (-6.8)	- 15.8 (-12.8)	- 10.6 (-7.6)	- 10.2
Ireland	- 7.3 (-4.3)	- 14.2 (-11.2)	- 31.3 (-28.3)	- 19.8
Luxembourg	+ 3.0 (+6.0)	- 0.9 (+2.1)	- 1.1 (+1.9)	+ 2
the Netherlands	+ 0.5 (+2.5)	- 5.6 (-2.6)	- 5.1 (-2.1)	- 2.4
Portugal	- 3.6 (-0.6)	- 10.1 (-7.1)	- 9.8 (-6.8)	- 7.0
Spain	- 4.5 (-1.5)	- 11.2 (-8.2)	- 9.3 (-6.3)	- 7.3
Euro zone (does not count for average)	- 2.1 (+0.9)	- 6.4 (-3.4)	- 6.2 (-3.2)	- 3.3
Average (all Euro zone countries)	- 2.1 (+0.9)	- 6.8 (-3.8)	- 7.4 (-4.4)	- 4.1
Growth	-	- 4.7	- 0.6	= - 5.3

Country	2008	2009	2010	Average change since 2008
Austria	63,8 (+3.8)	69,5 (+9.5)	71,9 (+11.9)	10.7
Belgium	89,3 (+19.3)	95,8 (+35.8)	96 (+36)	35.9
Finland	33,9 (-26.1)	43,5 (-16.5)	48,4 (-11.6)	- 14.1
France	68,2 (+8.2)	79,2 (+19.2)	82,3 (+22.3)	20.8
Germany	66,7 (+6.7)	74,4 (+14.4)	83 (+23)	18.7
Greece	113 (+53)	129,4 (+69.4)	145 (+85)	77.2
Ireland	44,2 (-15.8)	65,1 (+5.1)	92,5 (+32.5)	18.8
Luxembourg	13,7 (-46.3)	14,8 (-45.2)	19,1 (-40.9)	- 43.1
the Netherlands	58,5 (-1.5)	60,8 (+0.8)	62,9 (+2.9)	1.9
Portugal	71,6 (+11.6)	83,1 (+23.1)	93,3 (+33.3)	28.2
Spain	40,2 (-19.8)	53,9 (-6.1)	61,2 (+1.2)	- 2.5
Euro zone (does not count for average)	70,2 (+10.2)	80 (+20)	85,4 (+25.4)	22.7
Average (all Euro Zone countries)	55.5 (-5.5)	65.1 (+5.1)	71.5 (+11.5)	8.3
Growth		10.6	6.4	8.5



Unemployment rates in the Euro zone (Eurostat)

Country	2008	2009	2010	Average growth since 2008
Austria	3.8	4.8	4.4	0.8
Belgium	7.0	7.9	8.3	1.1
Finland	6.4	8.2	8.4	1.9
France	7.8	9.5	9.8	1.85
Germany	7.5	7.8	7.1	- 0.1
Greece	7.7	9.5	12.6	3.3
Ireland	6.4	11.9	13.7	6.4
Luxembourg	4.9	5.1	5.6	0.45
the Netherlands	3.1	3.7	4.5	1.0
Portugal	8.5	10.6	12.0	2.8
Spain	11.3	18.0	20.1	7.35
Euro Zone (does not count for average)	7.6	9.6	10.1	2.25
Average (all Euro zone countries)	6.5	8.4	9.4	2.4
Growth	-	1.9	1.0	= 2.9

Scores on Self-Confidence and Conceptual Complexity (Profiler+)

	Self-confidence	Conceptual Complexity
Werner Faymann	.38	.64
Yves Leterme	.45	.59
Angela Merkel	.49	.57
Brian Cowen	.36	.48
George Papandreou	.77	.71
José Sócrates	.35	.61
José Luis Rodríguez Zapatero	.55	.53
Jean-Claude Juncker	.41	.60
José Manuel Barroso	.51	.69
Matti Vanhanen	.65	.64
Jan-Peter Balkenende	.30	.71
Herman van Rompuy	.25	.66
Nicolas Sarkozy	.42	.64

Scores on Experience (biographic analysis)

	Experience context	Experience content
Werner Faymann	25 / 1.5	2 EC
Yves Leterme	27 / (3) 0.8	5 EU / 1 EC
Matti Vanhanen	19 / 7	Not specific
Nicolas Sarkozy	22 / 3	6 EU / 1 EC
Angela Merkel	21 / 4.5	Not specific
George Papandreou	29 / 0.7	5 FA
Brian Cowen	26 / 2	4 FA / 3 EC
Jean-Claude Juncker	26 / 15	5 EC / 5 EU
Jan Peter Balkenende	28 / 8	Not specific
José Sócrates	29 / 5	Not specific
José Luis Rodríguez Zapatero	30 / 6	Not specific
José Manuel Barroso	30 / 6	6 EU / 10 FA
Herman van Rompuy	37 / 0.5	6.5 EC / EC study