Why the economy still plays a major role in shaping support for European integration

The success of Eurosceptic parties is often attributed to cultural factors such as the strength of citizens' national identities. **Chase Foster** and **Jeff Frieden** write that while these cultural considerations can help predict support for European integration, the importance of economic factors should not be overlooked. Drawing on a new study, they illustrate that every percentage-point increase in average unemployment in the EU is associated with a two percentage-point decline in favourable views toward EU membership.

What explains popular attitudes toward European integration? In the early days of the European Union, it was largely taken for granted that the European project would be judged on the basis of its economic achievements. Those achievements culminated impressively in the completion of the Single Market in 1993 and the euro in 1999, in a general atmosphere of Europtimism and even Europhoria.

In the new millennium, enthusiasm for European integration has flagged noticeably. European publics have expressed mixed views about widening and deepening the European Union. Voters have flocked to Eurosceptic political movements and parties in many of the member states. A popular referendum has even led one member state to leave the Union.

The upsurge in political ambivalence, even hostility, toward European integration has suggested to many analysts that "identity politics" are now driving European public opinion. Substantial portions of the European mass public are said to have retreated into a <u>culturally or ethnically driven desire for nation and tradition</u>. Journalists and <u>scholars</u> alike now largely focus on cultural trends – heightened nationalism and parochialism, greater hostility to those culturally or ethnically distinct – as the source of growing scepticism about the European Union.

We found it hard to believe that economic considerations had faded into the background, given both the macroeconomic difficulties the EU has faced in the past 20 years, and the major distributional effects of the evolution of the Union's economies. We set out to see whether this interpretation was borne out by the data. We analysed a quarter century of public opinion data from Eurobarometer, a detailed survey of tens of thousands of citizens of every EU member state taken every six months, examining the responses of around 400,000 citizens in the European Union from 1995-2018. Our goal was to see how important economic factors are today in affecting attitudes toward the EU; and also, to see whether it was true, as many believed, that the importance of economic factors had faded over the past two decades as cultural and identitarian factors became more salient.

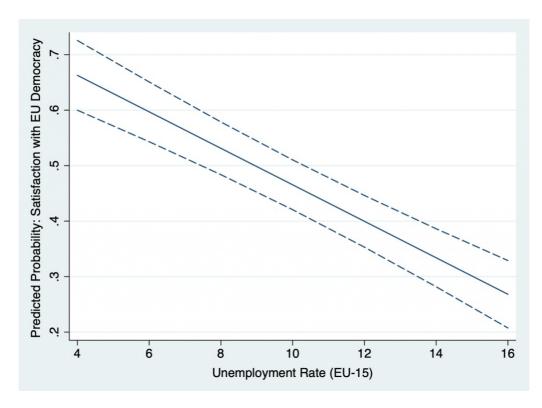
We looked at two dimensions of economic considerations. We were interested in whether public opinion responded to broad trends in the state of the overall economy – European growth prompting more favourable views, stagnation more negative ones. We were also interested in whether the economic differences among groups of the population were related to differences in the groups' attitudes toward European integration. For the first, macroeconomic, dimension, we focused on unemployment, arguably the single most prominent and immediate macroeconomic concern of citizens. For the second, we examined whether those parts of the population expected to benefit economically from European integration were in fact more favourably inclined, and whether those expected to be harmed were more hostile.

We found that economic factors remain powerful predictors of public opinion toward European integration. As can be seen in Figure 1, every percentage point increase in average unemployment in the EU is associated with a 3.5 percentage-point decline in satisfaction with the functioning of the European Union's democratic institutions. Additionally, a one percentage point increase in unemployment predicts a two percentage-point decline in favourable views toward EU membership.

Figure 1: The relationship between EU-wide unemployment and satisfaction with EU democracy

Date originally posted: 2021-03-03

Permalink: https://blogs.lse.ac.uk/europpblog/2021/03/03/why-the-economy-still-plays-a-major-role-in-shaping-support-for-european-integration/



Note: The dotted lines represent 95 per cent confidence intervals.

When we looked at the differences among groups in the population, we also found that the economic beneficiaries of European integration – professionals, managers, white-collar employees, and students – were strongly supportive of the process. Meanwhile, those who have tended to lose out from European integration's impact on traditional industrial and related employment – blue collar workers in particular – were much more hostile to integration and much less satisfied with the functioning of the Union's institutions.

Not only were these economic considerations powerful predictors of European public opinion, but their impact had not in fact declined over time. If anything, their importance has increased as economic growth rates have slowed and the EU has undergone a period of sustained crisis and uncertainty.

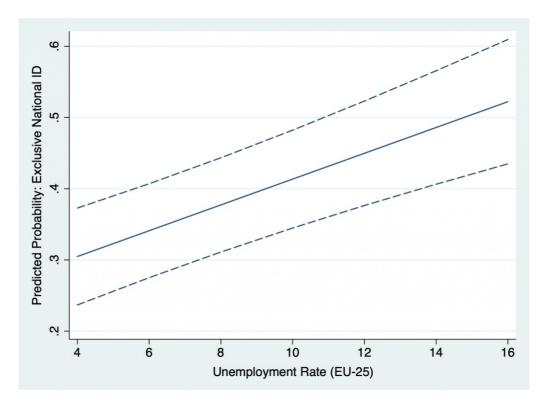
We did certainly find that non-material factors also matter. Having an exclusive national identity strongly predicts both less support for membership and satisfaction with EU democracy, while right-wing ideology is associated with less support for the EU regime across both dependent variables. However, we wondered about the extent these allegedly cultural considerations might themselves have been affected by economic trends.

When we regressed economic factors onto national identity, we found that professionals, students and those with college or post-graduate education are significantly less likely to identify exclusively with their nation. By contrast, those with fewer years of education, the unemployed, and workers in blue collar professions are all much more likely to express a strong form of national identity. We also found that citizens were less likely to identity exclusively with their nations when overall unemployment rates were lower. As can be seen in Figure 2, which reports the predicted probabilities for holding an exclusive national identity at different rates of unemployment in the EU-25, when the EU economy fares worse, national identity rates are higher.

Figure 2: National Identity at different levels of EU-wide unemployment

Date originally posted: 2021-03-03

Permalink: https://blogs.lse.ac.uk/europpblog/2021/03/03/why-the-economy-still-plays-a-major-role-in-shaping-support-for-european-integration/



Note: The dotted lines represent 95 per cent confidence intervals.

In calling attention to these relationships, we do not argue that economic factors are more important than identity. The fact that a person's employment status, labour market position and educational level are strongly associated with national identity does not, of course, mean that identity is simply a function of economic circumstances. However, it does suggest that identity is shaped in part by economic factors and cannot be viewed as an alternative to a utilitarian calculus, just as utilitarian calculations cannot be fully separated from a person's political identity.

The future of European integration depends importantly on European public opinion. Public opinion in turn depends on the macroeconomic performance of Europe's economies, and on how the fruits of economic growth are distributed in the population. The bad news is that if Europe continues to stagnate economically, and if the fortunes of unskilled and semi-skilled workers continue to decline, the European project will become ever less popular as political entrepreneurs mobilise around this discontent. The good news is that government, and European policies to stimulate growth and to make its effects more widely felt throughout the population, can in fact restore the mass public's faith in European integration and European democracy.

For more information, see the authors' accompanying paper in European Union Politics

Note: This article gives the views of the authors, not the position of EUROPP – European Politics and Policy or the London School of Economics. Featured image credit: <u>CC-BY-4.0</u>: <u>© European Union 2019 – Source: EP</u>

Date originally posted: 2021-03-03

Permalink: https://blogs.lse.ac.uk/europpblog/2021/03/03/why-the-economy-still-plays-a-major-role-in-shaping-support-for-european-integration/