

## 6

# The Crisis, the Public, and the Future of European Integration

*Jeffry Frieden*

The crisis in the Eurozone has been the greatest failure in the history of European integration. Trillions of dollars in accumulated debts have confronted the member states with a difficult set of inter-state and domestic problems, largely to do with the distribution of the burden of economic adjustment in the light of a decade of ill-advised lending and borrowing. To the discredit of both national governments and European institutions, conflict has dragged on for years—and still continues—with no real resolution. Possible Pareto improvements have fallen by the wayside as countries manoeuvre to shunt as much of the adjustment burden as possible onto their partners, and as groups within countries do the same domestically.

The dismal experience of the past several years raises fundamental questions about the future of the European Union (E.U.). The region's progress in economic integration, and in the creation of joint decision-making in a number of issue areas, was predicated on the willingness and ability of national governments to compromise, and to trade off concessions on some dimensions for countervailing concessions on other dimensions. In turn, these compromises were possible because domestic political conditions in the main member states were permissive. National governments can only make international compromises if there is enough domestic political support for the compromises, and for the ultimate goals of the enterprise.

European integration has been generally popular among powerful interest groups, and the mass public, for most of the time since the process began. Certainly there have been periods of greater and lesser enthusiasm, countries that are more and less positive, and groups within countries that are more Eurooptimistic or Eurosceptical. By the same token, the future of the E.U. depends on the willingness and ability of national governments, and groups within countries, to accept further compromises on a wide range of policy issues.

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This chapter assesses aspects of the state of play in the politics of European integration. It focuses on the preferences of European citizens, on the principle that the domestic politics of European issues is the foundation-stone of whatever progress can be made among the member states. The emphasis is on general attitudes toward the process of economic and monetary integration; this includes trust in the institutions of the E.U., and on the impact of the crisis on these attitudes.

Public opinion toward the broad process of economic integration is of central importance to the future of the E.U. Although the completion of the single market made the E.U. a functioning economic unit on many dimensions, there is still some distance to go before the Union allows the completely free movement of goods, capital, and people. And there is always the possibility of a reversal of the levels of integration achieved to date, whether with the withdrawal of some countries or the imposition of new barriers. In addition, some would argue that the completion of the Economic and Monetary Union requires the adoption of the euro by all, or almost all, member states. A fully integrated market is still an issue of some contention; and, perhaps just as important, attitudes toward full economic integration are closely related to attitudes toward European integration more generally. I start by looking at factors that affect preferences over economic integration, and within it monetary union; this includes the extent to which citizens trust both European and national democratic institutions. I also look at trends in popular attitudes, and in particular at how the crisis and its aftermath has affected these attitudes.

There are many theoretical perspectives on determinants of preferences toward economic integration (or globalization more generally), based on everything from factors of production or industry of employment through to levels of education. Constrained by the availability of data, I look at public opinion surveys and find that some basic economic variables—primarily educational and occupational categories—have powerful effects on these preferences. Throughout the union—more or less without regard to the country in question—those with more education, and in more skilled and professional economic activities, are more favourable to integration. There are also important differences across countries, especially in the extent to which individuals trust the E.U. and their own national governments.

In addition to such general findings, we are also interested in how the crisis that began in 2008 has affected the politics of European integration. I also explore the evolution of attitudes over the course of the crisis, in particular inasmuch as it differs among groups of countries. Here it is clear that the crisis has severely eroded popular faith in both national governments and the E.U. Again, there is variation among groups and across countries. Less educated and less skilled citizens, along with the unemployed, are particularly

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disenchanted; and those in the Eurozone debtor nations are uniformly disappointed with the functioning of both their national political institutions and the institutions of the E.U.

The chapter is organized as follows. In Section 6.1 I present general theoretical principles that guide the analysis, focusing on how socio-economic characteristics of individuals might affect attitudes toward European integration. Section 6.2 looks at popular attitudes toward European economic integration generally, and monetary union in particular; as well as levels of trust in the institutions of the E.U. Section 6.3 focuses specifically on developments over the past decade, and in particular on the evolution of attitudes since the crisis began. Section 6.4 draws some broader implications and concludes.

### 6.1. Analytical Perspectives and Expectations

Virtually all policies have a differential impact on groups and individuals, and create both winners and losers. These distributional patterns can have a powerful impact on politics. In considering the future of European integration, and of the euro, it is important to attempt to understand patterns of expected costs and benefits—and hence support and opposition—that are likely to develop. In this section, I attempt to outline some analytical principles that can help us think about the future course of European politics.

I consider a variety of factors that may explain variation in support for European integration, largely focusing on socio-economic considerations. These are hardly exhaustive of all the complex considerations that affect national, class, group, and individual attitudes towards the E.U., but they do play an important role, particularly with respect to economic policy.

Much of the debate over European integration is, like similar debates elsewhere over globalization, about the reduction of barriers to the movement of goods, capital, and people across borders.<sup>1</sup> In the European case, this has to do with the creation and completion of the single market, a process that goes back to the earliest years of the E.U. In many ways the single market is now complete, but there are still areas in which it is a work in progress; and there are continuing concerns in some sections of the population about the single market itself. Migration is not free throughout the E.U., although policy has been moving in that direction. While capital flows freely throughout the union, the fragmentation of financial regulation can be seen as a regulatory barrier of sorts, although again the E.U. is moving in the direction of more centralized and harmonized financial regulation. In addition, citizens of the

<sup>1</sup> Of course, it also has to do with the delegation of policies from the national to the European level, an issue that I do not address directly here.

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member states have to form judgements as to how the institutions of the monetary union and of the E.U. more generally are functioning.

The broader point is that for many, attitudes toward the E.U. are closely related to attitudes toward the greater integration of the member economies, and toward the functioning of the institutions that manage the Union. To understand the sources of these attitudes, we can rely upon an enormous literature that analyzes sources of preferences over trade, finance, investment, and immigration.

The simplest starting point is the enormous literature on trade policy, which suggests factors that would lead individuals and groups to support (or oppose) more openness to international trade. As trade is a substitute for factor movements, we can assume that similar distributional considerations apply to the broader issue of economic integration more generally—and, in this case, of European economic integration.

The predominant trade-theoretic approach to explaining cleavages on this issue emphasizes how close the individual, firm, or group is to the country's comparative advantage. Leaving aside debates within the literature, and simplifying wildly, this would tend to suggest a simple division. Industries in rich (core) countries that make intensive use of capital and skilled labour are expected to be pro-integration, while industries in poorer (peripheral) countries that make intensive use of unskilled and semi-skilled labour should also be pro-integration (and vice versa, in both cases).<sup>2</sup>

However, analyses of support for 'globalization', or economic integration more generally, have tended to gravitate toward a somewhat different distributional cleavage. Some combination of economic integration and skill-biased technological change appear to have advantaged higher-skilled workers in virtually all countries. There is substantial evidence for this even in developing countries, and certainly within the E.U.—indeed, the fact that economic integration does not appear to have benefited low-skill workers in quite a few poorer countries is one troublesome feature of the modern international economy. In the European context, this tendency is probably heightened by the fact that high-skill workers have, or may come to have, the option of migrating to core countries where there is substantial demand for their services. Its relevance is similarly accentuated by the relatively small differences among E.U. member states (compared with between developed and developing countries) and by the extremely high level of intra-industry and intra-firm trade within the E.U.

<sup>2</sup> This skips over the debate between Stolper-Samuelson and specific-factors approaches. For our purposes, they both imply, in one way or another, that there should be a fundamental difference between rich and poor countries with respect to the patterns of policy preferences. It also abstracts from the impact of factor supply on the E.U.'s trade with the rest of the world, which adds another layer of complexity—also ignored here.

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A related, but more detailed, approach is to look specifically at the activities and interests of particular industries and firms rather than at broad trends in factor supply. In this light, those—industries, firms, employees—whose activities are strongly oriented toward, and depend on, cross-border (intra-E.U.) trade and investment are likely to be the strongest supporters of continued and deepened European economic integration. This is almost certainly accurate; however, finding evidence along these lines is particularly difficult, given that the variation is often at the level of the firm. Nonetheless, this provides an additional way to understand the sources of preferences toward European economic integration.

So one set of expectations is that high-skill, high-education individuals will anticipate net benefits from European integration, as will those whose activities are closely tied to intra-European trade and investment. On the other hand, low-skilled and low-education citizens will be less enthusiastic about economic integration. Virtually all survey and electoral analyses point in this direction (e.g. Gabel and Palmer, 1995; Anderson and Reichert, 1995; Gabel, 1998; Tucker et al., 2002; see also Guiso et al. 2014).

Attitudes toward European integration generally are likely to be closely related to attitudes toward monetary integration more specifically. The single currency was expected to—and, by most accounts, did—facilitate cross-border trade, finance, investment, and migration among members of the Eurozone. At this very general level, and leaving aside the few countries (the U.K., Sweden, Denmark) that have definitively decided against joining E.M.U., support for monetary integration can be regarded as a subset of support for economic integration more generally. We return to this point below, to sharpen the analysis.<sup>3</sup>

All of these general perspectives almost certainly need to be tempered by the impact of the crisis that began in 2008, and that entered into its most critical phase with the eruption of the Eurozone sovereign debt crises in 2010. Especially among countries in the Eurozone, the crisis may have changed perceptions of the impact of the EU, and especially of the euro. This is an extraordinarily complex topic, and for our purposes we focus only on one aspect of it—albeit a prominent one. Among many core Eurozone member states, which are largely the creditor countries in the Eurozone debt relationship, the single currency has come to be associated with a bail-out of troubled financial institutions and troubled debtors. Among peripheral Eurozone member states, largely the debtor countries, the single currency has come to be associated with a very deep depression and the imposition

<sup>3</sup> The literature on public opinion toward monetary integration is far too vast to cite here; for some examples see Banducci et al. (2009) and Kaltenthaler and Anderson (2001).

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of austerity measures.<sup>4</sup> It can certainly be expected that dissatisfaction with the euro, and perhaps with the E.U. more generally, will be greater on both sides—those who feel they have been paying too much to bail out reckless banks and reckless borrowers, and those who feel they have been forced to suffer too much to atone for the sins of others. It can also be expected that reactions to the crisis will vary among groups within countries: especially in the hardest-hit countries, the burden has fallen more heavily on the unskilled and unemployed than on other categories (see, for example, Fernández-Albertos et al., 2013, and Magalhães, 2012).

In what follows I attempt to assess the correlates of support for and opposition to the general process of European economic integration. I also assess attitudes toward the euro. In both instances, I explore how the ongoing Eurozone crisis has affected preferences on both issues. I start by summarizing some of the existing literature, but rely primarily on my own analysis of survey data.

**6.2. Views on European Integration: An Overview**

Attitudes toward the broad project of European economic integration vary among countries and groups within countries. Many studies have documented the socio-economic and other attributes associated with greater or less support for economic integration. For our purposes, I emphasize material factors, recognizing that there is substantial evidence that such non-material considerations as nationalism and culture are important.<sup>5</sup> This is not to downplay these considerations, but to indicate that for present purposes I focus on socio-economic correlates of attitudes toward European economic integration.

A number of socio-economic factors recur in the literature. Professionals and more highly skilled workers are typically more pro-integration than unskilled workers. So too are higher levels of education correlated with more integrationist sentiment. Broad public opinion surveys typically are not detailed enough to permit investigation of the impact of the specific industry of employment, but there are some more in-depth studies of national referendums on European issues that shed light on the issue. These usually find that those in industries that are heavily oriented toward exports, foreign direct investment, as well as in the financial services sector, are most supportive

<sup>4</sup> I exclude from this generalization those Eurozone member states that were not directly caught up in the debt crisis (such as Malta), or that joined after the crisis had begun (e.g. the Baltic states).

<sup>5</sup> Jupille and Leblang (2007) provide one of the more convincing indications that even where economic factors matter, so do nationalist sentiments.

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of greater economic integration.<sup>6</sup> These findings are consistent with broader studies of attitudes toward international economic integration writ large. The sectoral findings are largely encouraging in the sense that they tend to imply that economic integration reinforces support for itself: the more tightly tied together are the region's economies, the greater the extent of support for further integration from those who have already benefited from it.

There is plenty of country-level evidence for the important role of organized interests both in the process of European integration generally, and in movement toward Economic and Monetary Union more specifically.<sup>7</sup> There have also been attempts to find generalizable proxies for such particularistic interest groups that would allow for cross-national and over-time analyses, but such proxies are not particularly convincing.<sup>8</sup> The consequence is that it is very difficult to carry out systematic analyses, across countries and over time, of the role of particularistic interests in the process of European integration.

As a result, in this study I rely on twenty-four Eurobarometer surveys taken since 2004. These have the advantages of asking consistent questions over time, of covering all members of the E.U., and of (for most questions) covering the period up to and including the crisis years. The analytical conclusions we draw from these recent Eurobarometer surveys are well within the lines of the existing literature, especially in tending to confirm the general conclusions of prior studies about the socio-economic correlates of views on European integration. Analysis also shows that there are important nuances among groups and across countries, as well as striking trends in attitudes with the onset and course of the Eurozone sovereign debt crisis, with significant differences among groups and countries.

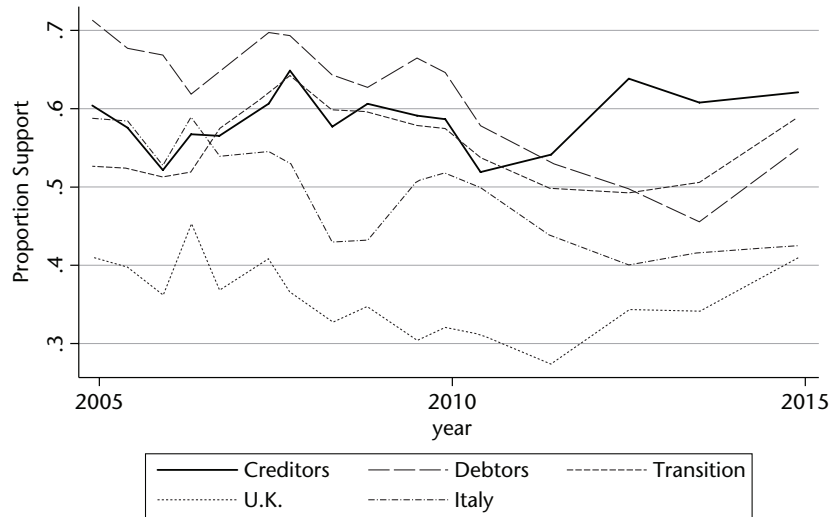
I start with some figures to describe the patterns and trends in attitudes toward European integration generally, and E.M.U. specifically. Although the individual-level responses to the most general questions about support for the E.U. were not reported for every wave, the responses from sixteen of twenty-four waves for the membership question and fifteen of twenty-four waves for the benefit question provide sufficient information to identify general trends. I start with some descriptive figures to indicate trends, and then, in the next section, move on to more systematic statistical analysis.

<sup>6</sup> See especially Gabel and Palmer (1995), Gabel (1998), and Gabel (2001); Moses and Jenssen (1998) use referendum data.

<sup>7</sup> Moravcsik (1998) is the classic general statement; on E.M.U. see, for example, Hefeker (1997), Duckenfield (2006), and Eglene (2011).

<sup>8</sup> So as not to implicate others, I can cite my own work in, for example, Frieden (2002) and Frieden (2015). Although I stand by the results, I have no doubt that the measures I use to approximate the preferences and power of special interest groups are highly suspect.

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**Figure 6.1.** Support for E.U. Membership, by Region.

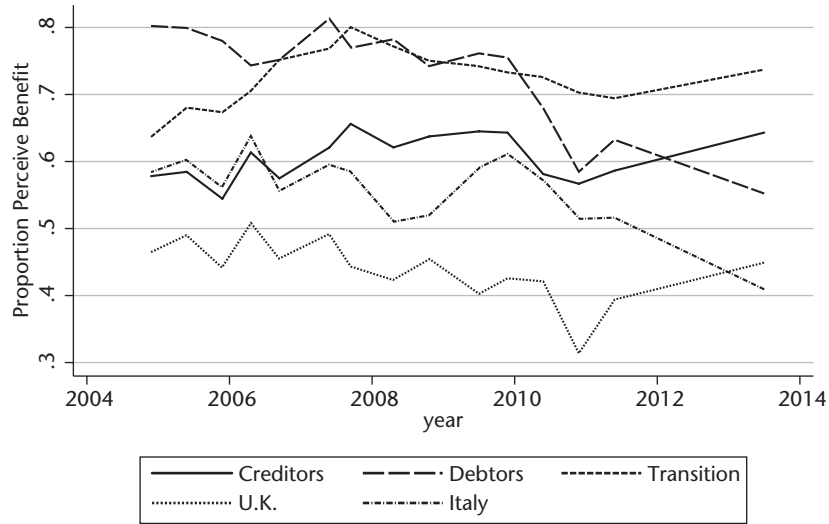
Source: Eurobarometer 2004–14. Weighted proportions.

Figure 6.1 shows trends between 2004 and 2014 in responses to a question about the desirability of E.U. membership in general, divided by country group. The question asks, specifically, ‘Generally speaking, do you think that (your country’s) membership of the European Union is . . . a good thing, bad thing, neither, or don’t know?’. Figure 6.1 indicates the percentage of respondents indicating ‘a good thing’. Support for the E.U. is quite high outside of the U.K. and quite stable within creditor and newly acceded countries. Although there is a sizable decline in countries hit hard by the crisis beginning in 2010, support in debtor countries ticks up slightly in 2014. Figure 6.2 illustrates the proportion of pro-E.U. answers to a related question: ‘Taking everything into consideration, would you say that (your country) has on balance benefited or not from being a member of the European Union?’. Again, perceptions of benefit are quite high everywhere outside of the U.K. and quite stable within creditor and Eastern European countries. But in Italy, Greece, Spain, Portugal, and Ireland, the proportion of respondents perceiving benefit from the EU declines approximately twenty percentage points. Nonetheless, even in debtor countries a majority of respondents regard the E.U. as beneficial.

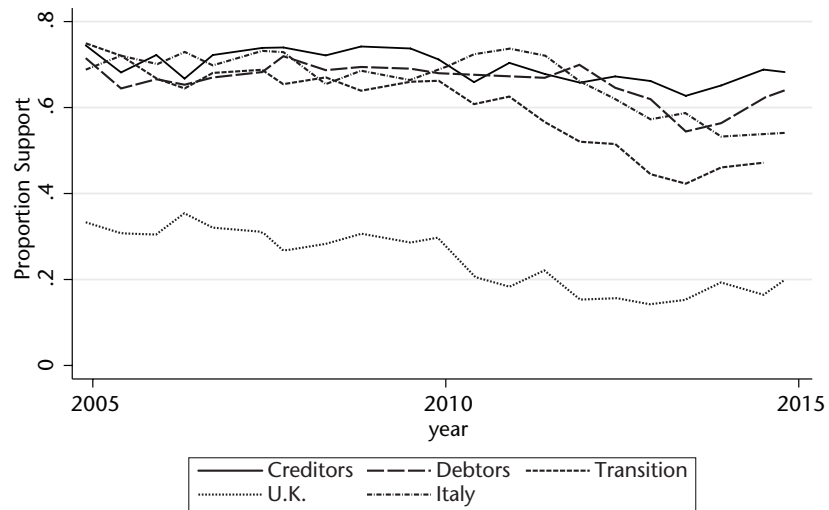
Surveys about attitudes toward E.M.U. tell a related story. Figure 6.3 shows affirmative responses to a question that asks about support for ‘an European economic and monetary union with one single currency, the Euro’; it demonstrates that support for monetary union has remained quite high, although gradually declining, among both debtor and creditor countries in

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**Figure 6.2.** Benefit of E.U. Membership, by Region.  
 Source: Eurobarometer 2004–14. Weighted proportions.



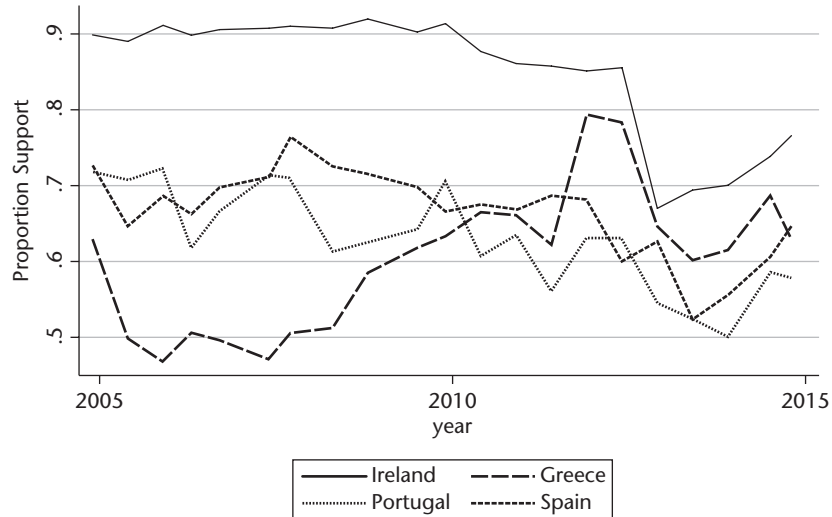
**Figure 6.3.** Support for E.M.U.  
 Source: Eurobarometer 2004–14. Weighted proportions.

the Eurozone; in the U.K. and the transition economies support has declined more rapidly.<sup>9</sup>

<sup>9</sup> Eurozone debtor countries are Ireland, Spain, Portugal, Greece, and Cyprus; Eurozone creditor countries are Germany, France, Sweden, the Netherlands, Luxembourg, Finland, Belgium, Denmark, and Austria.

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**Figure 6.4.** Support for E.M.U., by Eurozone Debtor Country.

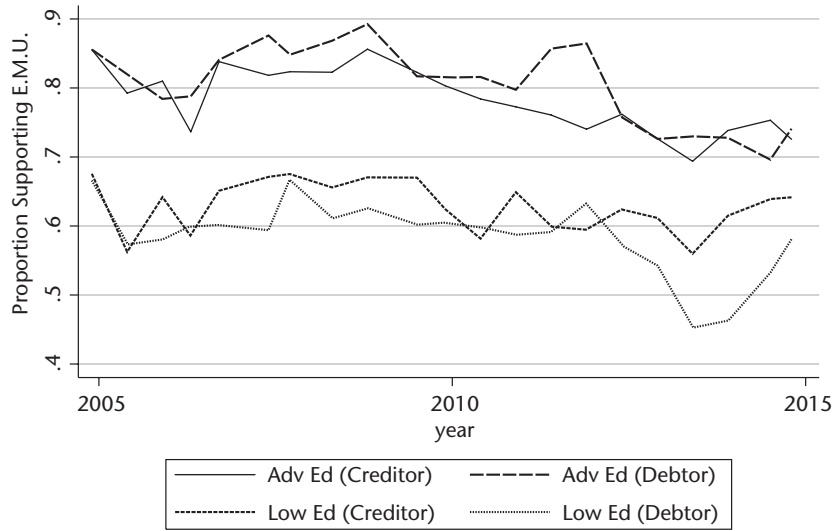
Source: Eurobarometer 2004–14. Weighted proportions.

Figure 6.4 looks specifically at the four principal Eurozone debtor countries, and shows that support remains high. Irish support has dropped from extremely high levels, but never went below two-thirds of the population. Support in the Iberian countries also fell a bit, but remains strong; and in Greece, surprisingly, support for the euro has actually increased. These figures—the broad outlines of which are confirmed by more systematic statistical analysis below—indicate that Europeans in the Eurozone remain, despite the crisis, quite supportive of the project of monetary union. Later in this section I will show, however, that this general support for the euro is countered by deepening dissatisfaction with how the monetary union has been managed.

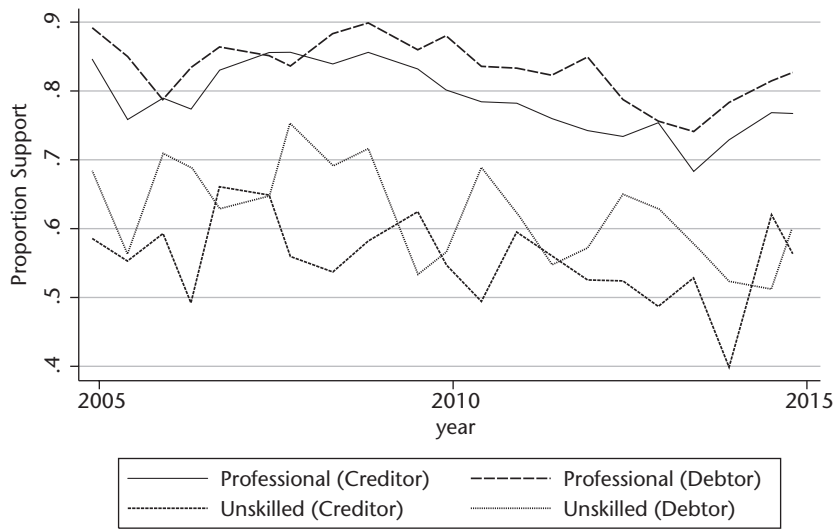
First, however, it is useful to illustrate some of the socio-economic divisions that are masked by broad national trends. Figure 6.5 shows attitudes toward monetary union, divided both between debtor and creditor countries and between high-education and low-education respondents. It is readily apparent that there are far more differences across educational categories than between debtor and creditor countries: that is, those with advanced education in both debtor and creditor nations are very similar in their support for EMU, whereas those with much less education are also very similar and far less supportive. In both cases, there has been a gradual decline in support, but it is not dramatic and both groups remain, on balance, positive about the euro. Figure 6.6 shows similar patterns across occupational categories.

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**Figure 6.5.** Support for E.M.U., Groups of Countries and Educational Categories.  
 Source: Eurobarometer 2004–14. Weighted proportions.



**Figure 6.6.** Support for E.M.U., Groups of Countries and Occupational Categories.  
 Source: Eurobarometer 2004–14. Weighted proportions.

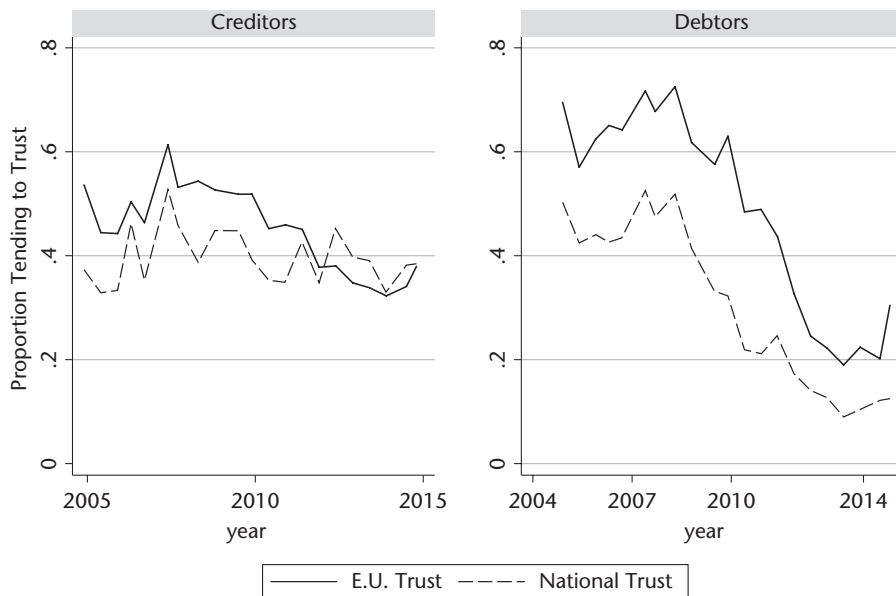
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Professionals in both creditors and debtors have been, and remain, positive about E.M.U.; unskilled workers are much less enthusiastic, and increasingly sceptical. Whether educational levels or occupational categories are used, in any event, it is evident that attitudes toward the E.U. and E.M.U. are more similar among similarly situated socio-economic groups than they are among citizens of the same country. Specifically, more educated and skilled workers are substantially more favourable to European integration than are less educated and less skilled workers.

The generally positive and relatively stable attitudes toward the E.U. and E.M.U., however, mask some more troubling trends. Eurobarometer asks respondents to indicate how much they trust the institutions of the E.U., and of their national governments, and how they feel about the functioning of democracy at the E.U. and national level. And here the story is very different: there has been a dramatic loss of confidence in the E.U., and in many national governments; this loss has been particularly concentrated among debtor nations, and among poorer, less educated, and less skilled workers.

Figure 6.7 shows the breakdown of responses to questions that ask whether individuals trust the E.U. and their respective national governments. There



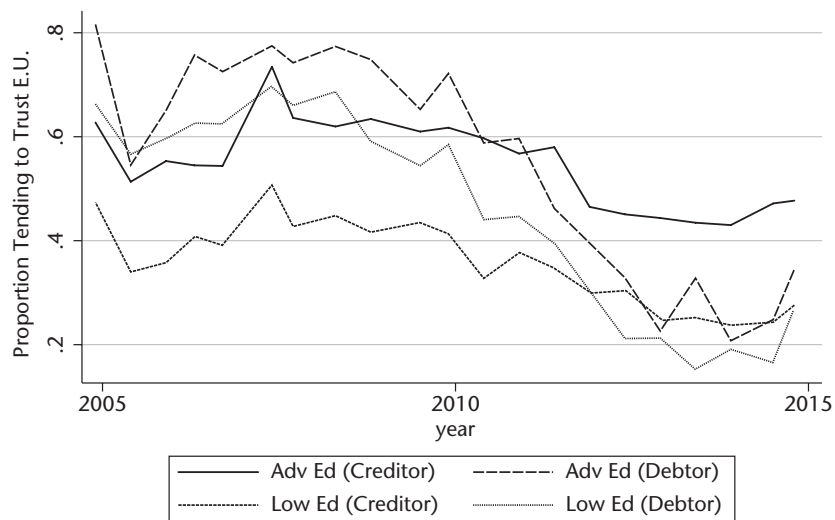
**Figure 6.7.** Trust in the E.U. and National Governments, by Eurozone Country Group.  
*Source:* Graphs by Region.

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are very similar questions about attitudes toward the functioning of democracy in the E.U. and their respective countries; as the responses are nearly identical, I focus only on the ‘trust’ questions. And the results are striking.

Before the crisis, people in the Eurozone debtor economies had a great deal of trust in the E.U.—substantially more than in their own national governments. Even in the creditor countries, trust in the E.U. was a bit higher than in national governments. But matters changed dramatically with the crisis. While trust in both E.U. and national institutions has declined with the crisis, the collapse is remarkable in the debtor countries. In 2004, some 70% of debtor-country citizens trusted the E.U. and some 50% trusted their national governments; by 2014, the respective proportions hovered around 30% and 10%, respectively. This is a stunning loss of confidence in European and national institutions.

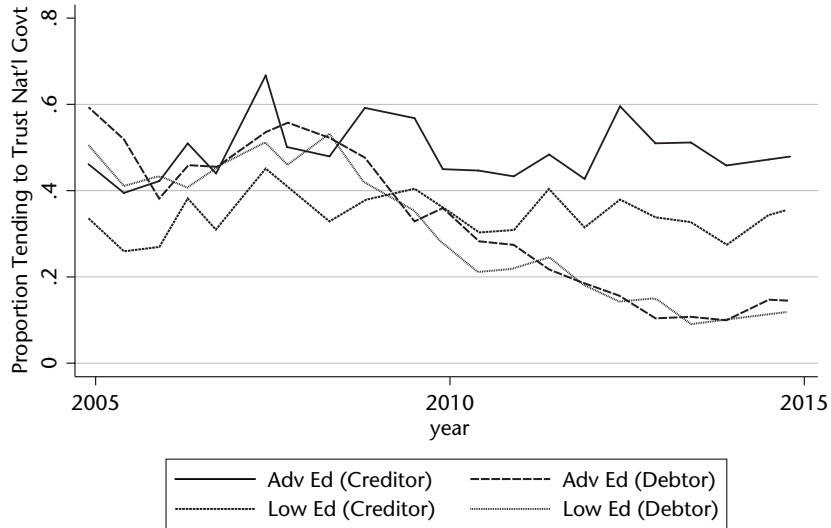
Figures 6.8–6.11 look in more detail at the loss of confidence in E.U. and national institutions. They confirm that, generally speaking, there is a gap between more and less educated citizens, with the less educated trusting both the E.U. and their national governments less (the occupational differences are less clear). And there is a general trend in creditor countries for people to trust both E.U. and national governments less as the crisis hits and persists. But the most striking trend is that in debtor countries, the crisis has led citizens to almost completely lose faith in the E.U. and their national governments. This loss of trust cuts across socio-economic and educational groups and is



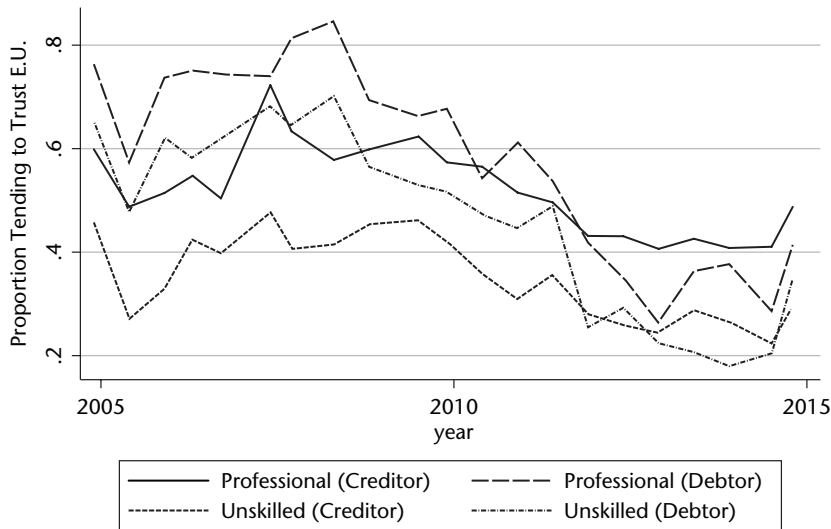
**Figure 6.8.** Trust in the E.U., by Country Group and Educational Level.  
*Source:* Eurobarometer 2004–14. Weighted proportions.

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**Figure 6.9.** Trust in National Governments, by Country Group and Education Level. *Source:* Eurobarometer 2004–14. Weighted proportions.

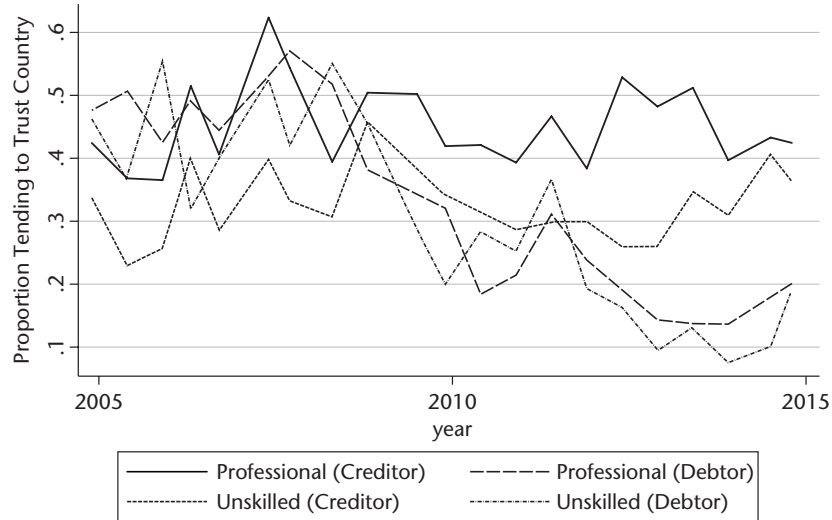


**Figure 6.10.** Trust in the E.U., by Country Group and Occupational Category. *Source:* Eurobarometer 2004–14. Weighted proportions.

almost complete—only small fractions of the populations have faith in the E.U. or their government. This is, of course, deeply disturbing for the future of both European integration and the stability of governments in the more troubled members of the Eurozone.

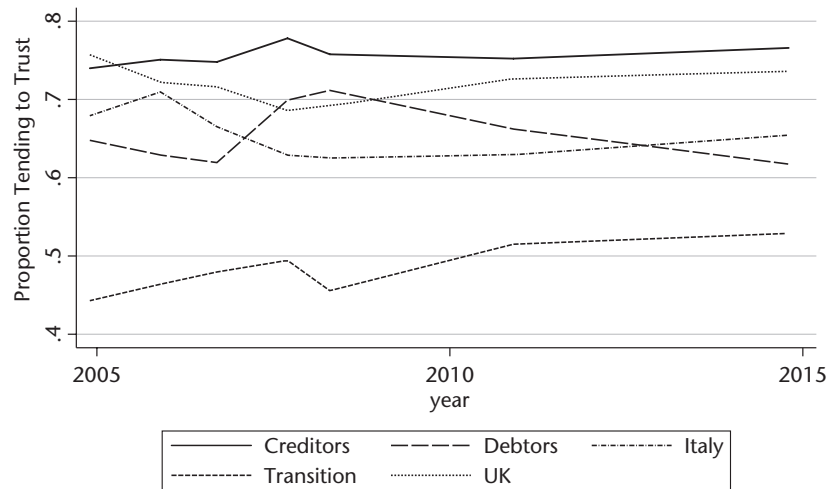
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**Figure 6.11.** Trust in National Governments, by Country Group and Occupational Category.

Source: Eurobarometer 2004–14. Weighted proportions.

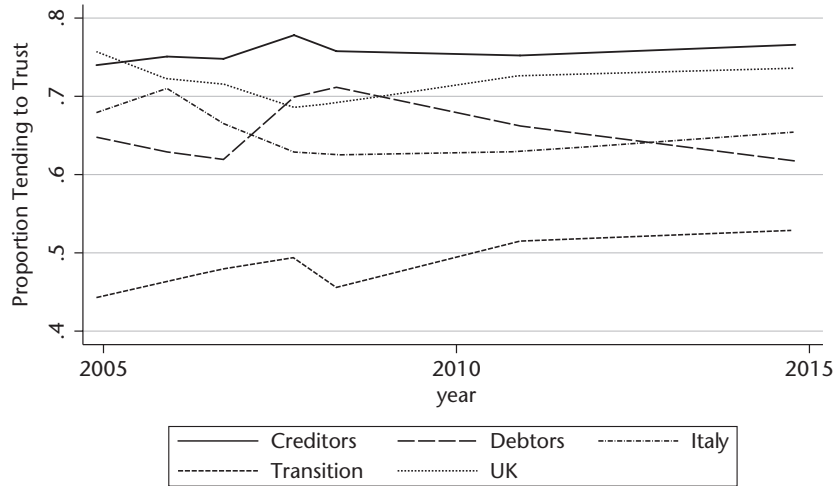


**Figure 6.12.** Trust in the Local Police, by Region.

Source: Eurobarometer 2004–14. Weighted proportions.

One might wonder whether the crisis has simply reduced trust in all national institutions across the board. Figures 6.12 and 6.13 indicate that this is not really the case. Trust in national police forces has remained roughly constant throughout the crisis; there is a mild decline in debtor countries, but

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**Figure 6.13.** Trust in the National Army, by Region.

*Source:* Eurobarometer 2004–14. Weighted proportions.

trust still remains at very high levels (over 60% for the debtor countries). As Figure 6.13 shows, trust in national armies has been on a gradual decline—although, in the context of some of the region’s geopolitical problems, such as Libya and Ukraine, this may not be related to the financial crisis. Nonetheless, the decline has been small and, again, levels of trust remain very high, well about 60% even in the debtor countries. This indicates that the collapse in trust in E.U. and national institutions is not part of a broader collapse in trust in all official institutions.

It is also worth noting that this loss of confidence has not been associated with any substantial change in the ideological self-identifications of respondents. In other words, the divisions of electorates among Right, Left, and Centre have not changed appreciably—that is, in terms of how the voters identify themselves. However, in some countries, as we know, there have been changes in voting behaviour, largely reflected in substantial increases in voting for more extreme parties of the Right or Left in troubled debtor nations, and some others as well. The fact that self-reported ideologies have not changed while voting for more extreme parties has, implies that more and more Europeans, especially in the more crisis-ridden nations, are expressing serious protests with their electoral behaviour. And this in turn can bode ill for the future of existing political parties and institutions.

These figures show simple relationships, without attempting to account for other considerations. In Section 6.3, I subject the data to more systematic analysis, which provides more insight into the nature and sources of these attitudes. However, the more detailed analysis does not substantially

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alter the message that comes through quite clearly from the simpler figures. While there is substantial popular support for both European integration and E.M.U., populations are divided, with better educated and more skilled citizens much more positive than others. And the general support for the E.U. and E.M.U. has been deeply compromised by the performance of both E.U. and national political institutions since the crisis began in 2007. This is especially the case among the more troubled debtor nations, where there has been an almost complete evaporation of previously high levels of trust in E.U. and national politicians, across the board and among all groups. I now turn to a more detailed analysis of the survey data.

### 6.3. Views on European Integration: A Statistical Analysis

The Eurobarometer surveys are extensive face-to-face interviews asking hundreds of questions in a respondent's native language. They cover a number of features of respondents, which allows for a fairly detailed analysis of the correlates of the views expressed by respondents. I have compiled data from 24 Eurobarometer waves, each of which surveyed approximately 26 700 people living in the E.U.-27 (500–1600 per country) during the autumn and spring of each year from November 2004 through November 2014. Using these data, I run logistic regression models to predict the likelihood of a pro-E.U. response based on the presence of a range of co-variates, from individual socio-economic characteristics to country. I address concerns about unobserved intra-country correlations between respondents by using robust standard errors, clustered by country. In this section I look in more detail at the relationships among socio-economic and other factors and attitudes toward European integration, and toward E.U. and national institutions.

Table 6.1 looks at responses to the two questions about overall attitudes to European integration, for which we have approximately 350 000–400 000 responses from autumn 2004 through autumn 2014. Column 1 shows results regarding responses to whether membership in the E.U. is a good or bad thing for the country, while column 2 uses data from responses to the question about whether membership has, on balance, benefited the country in question. The very large number of responses, over a relatively long period allows us to look in some detail at the data.<sup>10</sup>

<sup>10</sup> We analyze 348–681 responses from 2004–13 to the question 'Taking everything into account, would you say that (OUR COUNTRY) has on balance benefited or not from being a member of the European Union?', with the dependent variable being the proportion who said their country had 'benefited'. We analyze 404–943 responses from 2004–14 to the question 'Generally speaking, do you think that (OUR COUNTRY)'s membership of the European Union is...?', with the dependent variable being the proportion of people who responded 'a good thing' given the choices of 'a good thing', 'a bad thing', 'neither', or 'don't know'.

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**Table 6.1.** Odds of Support for European Integration

	E.U. Membership		E.U. Benefit	
	Odds Ratio	Z-Statistic	Odds Ratio	Z-Statistic
ideology	0.994	-0.35	0.988	-0.71
age	0.997	-1.85	0.995	-4.06***
gender	0.803	-7.05***	0.844	-6.62***
loweducation	0.496	-10.68***	0.490	-10.23***
mededucation	0.678	-7.4***	0.683	-7.56***
advancededucation	1.359	8.56***	1.245	6.62***
unskilled	0.782	-5.74***	0.833	-6.3***
unemployed	0.744	-4.52***	0.715	-5.56***
professional	1.404	8.53***	1.310	6.36***
belgium	1.952	180.11***	1.608	14.05***
netherlands	2.309	185.51***	1.779	124.4***
germany	1.855	45.31***	1.624	108.91***
italy	0.974	-4.2***	1.124	8.43***
austria	0.639	-47.16***	0.900	-16.03***
luxembourg	3.056	83***	0.730	-29.13***
denmark	1.281	11.94***	2.607	61.4***
ireland	3.358	55.53***	2.401	49.66***
uk	0.581	-42.76***	7.513	84.11***
greece	1.056	3.51***	0.615	-34.22***
spain	2.361	70.37***	1.815	30.2***
portugal	1.359	16.47***	2.464	87.68***
finland	0.668	-24.67***	2.040	35.2***
sweden	0.858	-9.84***	0.767	-19.78***
cyprus	0.958	-2.63**	0.661	-32.71***
czechrepublic	0.671	-35.31***	0.709	-22.3***
estonia	1.279	17.42***	1.252	19.29***
hungary	0.772	-11.39***	2.675	62.21***
latvia	0.525	-33.24***	0.837	-8.33*
lithuania	1.648	54.23***	1.045	2.19***
malta	1.208	6.82***	4.286	117.65***
poland	1.455	24.7***	3.088	71.28***
slovakia	1.233	24.37***	2.528	113.73***
slovenia	1.036	5.76***	1.816	76.58***
bulgaria	1.106	16.63***	1.332	40.57***
romania	1.968	36.66***	2.362	48.11***

\* = .05, \*\* = .01, \*\*\* = .001.

Table 6.1 shows differences both across countries and among groups, with one column for each of the two questions; results are very similar between them. Country fixed effects are included, and the countries are labelled. Because the responses are binary, as are the explanatory variables, I present results expressed in odds ratios, that is, the odds of the response given a particular condition (such as being highly educated or unskilled), compared with the odds of the response in the absence of that condition.<sup>11</sup> So in the first column of Table 6.1, being a professional increases the odds that an individual thinks E.U. membership is a good thing by 40%; being an

<sup>11</sup> Several of the variables had three or four categories, and we converted them to binary for comparability. Note also that age and ideology are continuous rather than binary.

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unskilled worker reduces the odds by 22%. Odds ratios above 1 indicate positive responses (i.e. trust in government, support for E.M.U.); those below 1 indicate negative responses.

The country dummies provide some interesting information. Generally, E.U. membership is popular; but some countries are much less favourable than others—notably Austria, Finland, Sweden, and the U.K. These inter-country differences are more interesting in results, presented below, that look at trends once the crisis hits.

The impact of socio-economic factors is striking: less educated and less skilled workers, as well as the unemployed, are much less favourable to the E.U., while more educated and professional workers are much more favourable.<sup>12</sup> Older people and women are also more sceptical of the benefits of E.U. membership. These results begin—like the figures presented above—to give us a sense of the substantial impact of socio-economic factors on attitudes toward the E.U.

We have responses to the question about support for E.M.U. and the euro through 2014. Table 6.2 presents results of an evaluation of these responses. The first column shows the basic results. Not surprisingly, people in the Eurozone are much more favourable; people in debtor countries are less positive than those in creditor nations. On educational and occupational dimensions, once again, the less skilled and less educated are much more negative about the euro than are the more educated and professional. And, once more—for reasons we do not explore—older people and women are substantially more negative about E.M.U.

The questions about E.M.U., as well as about trust in the E.U. and national governments, allow us to look in much greater detail at the impact of the crisis on attitudes, both among countries and among groups within and across countries. The message that comes through is quite clear: the crisis has seriously eroded confidence in the management of the euro, of the E.U. more generally, and of national governments. This erosion is especially notable among the debtor nations, and among the less educated and skilled groups in society.

<sup>12</sup> 'Low education' refers to individuals who have some school but stopped attending school before the age of 18, and constitute 34% of the sample overall. 'Medium education' refers to individuals who have exactly 18 years of school, constituting 18% of the sample. 'High education' refers to individuals who stopped school between the ages of 19 and 23, and constitute 26% of the sample; 'Advanced education' refers to individuals who stopped school between the ages of 24 and 33, and constitute 11% of the sample. In the occupational categories, the unskilled and unemployed are 11% of the sample, while professionals are 12%. Professionals include categories defined as 'Employed professional', 'General management, director or top management', 'Middle management', 'Other management', and 'Professional'. Many of the intermediate occupational categories are quite ambiguous (such as 'Employed position, not at a desk but travelling (salesmen, driver, etc.)', and 'Employed position, not at a desk, but in a service job (hospital, restaurant, police, fireman, etc.)'). The three I use are, I think, unambiguous as to skill and employment level.

**OUP UNCORRECTED PROOF – FIRST PROOF, 8/3/2016, SPI****Jeffrey Frieden****Table 6.2.** Odds of Support for Economic and Monetary Union

	Column 1		Column 2		Column 3	
	Odds Ratio	Z-Statistic	Odds Ratio	Z-Statistic	Odds Ratio	Z-Statistic
creditor	1.011	0.05				
debtor	0.867	-0.65				
eurozone	2.162	2.77**	2.305	6.13***	2.384	6.16***
aftersovcrisis	0.630	-5.19***	0.620	-5.08***	0.594	-4.73***
age	0.998	-1.26	0.998	-1.01	0.998	-1.01
gender	0.763	-9.47***	0.759	-9.3***	0.759	-9.29***
loweducation	0.606	-7.59***	0.570	-14.83***	0.569	-15.03***
mededucation	0.840	-2.73**	0.782	-5.03***	0.780	-5.13***
adveducation	1.288	5.60***	1.338	9.44***	1.339	9.56***
unskilled	0.833	-2.63**	0.818	-3.07**	0.817	-3.05**
unemployed	0.825	-2.92**	0.809	-3.15**	0.801	-3.42**
professional	1.304	6.96***	1.309	6.81***	1.310	6.81***
belgium			1.618	141.29***	1.617	139.32***
netherlands			1.088	17.73***	1.086	19.06***
germany			0.968	-5.63***	0.968	-5.51***
italy			0.756	-133.28***	0.755	-112.79***
austria			0.937	-6.42***	0.935	-5.86***
luxembourg			1.646	29.27***	1.631	24.51***
denmark			0.554	-4.4***	0.568	-4.11***
ireland			2.391	55.94***	3.103	18.19***
uk	0.285	-5.61***	0.291	-9.54***	0.300	-9.12***
greece			0.578	-42.83***	0.399	-16.44***
spain			0.868	-10.47***	0.806	-3.5***
portugal			0.774	-15.69***	0.733	-4.92***
finland			1.178	21.63***	1.175	24.39***
sweden			0.444	-5.96***	0.456	-5.61***
cyprus			0.640	-7.48***	0.688	-4.52***
czechrepublic			0.659	-3.14**	0.679	-2.86**
estonia			0.922	-0.88	0.935	-0.72
hungary			1.942	5.07***	2.006	5.19***
latvia			0.830	-1.73	0.847	-1.51
lithuania			0.970	-0.24	0.997	-0.02
malta			1.111	1.34	1.067	0.67
poland			0.753	-2.13*	0.777	-1.85
slovakia			1.638	8.44***	1.656	8.56***
slovenia			2.123	44.88***	2.121	43***
bulgaria			1.672	3.85***	1.727	3.99***
romania			2.731	7.47***	2.825	7.49***
crisis*greece					2.797	9.24***
crisis*spain					1.185	1.52
crisis*portugal					1.139	1.14
crisis*ireland					0.567	-4.98***
crisis*cyprus					0.797	-2.24*
crisis*malta					1.299	2.38*

\* = .05, \*\* = .01, \*\*\* = .001.

The second column of Table 6.2 demonstrates the dramatic reduction in support for E.M.U. after the sovereign debt crisis hit in 2010 (with an odds ratio of 0.62).<sup>13</sup> In the third column of the table, interaction terms show

<sup>13</sup> It might be thought that the course of the crisis would have an impact on attitudes, with its attenuation also attenuating negative views of E.U. or national government institutions. However,

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that after the crisis, people in Ireland and Cyprus are much more negative about E.M.U., which is not that surprising. What is more surprising is that respondents in Spain, Portugal, and Greece are more positively inclined after the crisis than before. We return to this below.

But still throughout, the basic division between more highly educated and skilled, on the one hand, and less educated and skilled and the unemployed, on the other, remains very strong. Restricting the analysis to just Eurozone countries only strengthens these results. Support for monetary union has been seriously eroded by the crisis, with most of the erosion taking place in the Eurozone debtor nations, and especially among the more disadvantaged citizens of those nations.

The crisis has had more general, and even more disturbing, effects on attitudes toward European integration and, in particular, to both European and national political institutions. This comes through clearly in responses to questions about trust in the E.U. or national governments, and questions about satisfaction with democracy at the E.U. or national level. Because the results are so similar, I report only the ‘trust’ results.

Table 6.3 analyzes responses to the question of whether respondents trust the E.U., and their national governments. The impact of socio-economic factors remains substantial and strong: more disadvantaged groups have much less trust in both European and national political institutions than do others. The crisis has dramatically eroded trust in both the E.U. and national governments, especially in the most crisis-hit, debtor nations. It is interesting to note that respondents in Greece, Spain, and Cyprus appear to blame their national governments more directly than they blame the E.U.: the post-crisis collapse in confidence in these three national governments is much greater than the analogous loss of trust in the E.U.

This more nuanced analysis of survey responses serves largely to confirm the impressions that emerge from even a cursory look at the descriptive statistics presented above. There are substantial differences among socio-economic groups in the evaluation of the value of European integration and monetary union, and in the degree of trust in the institutions of the E.U. and of national governments. The crisis has not appreciably reduced general support for European integration or E.M.U., but it has had a crushing impact on confidence in European and national political institutions. This impact has been close to universal in the most heavily affected debtor nations. While people in the less affected creditor nations in the Eurozone are somewhat disenchanted with both their own governments and the E.U., in the debtor nations the fall in confidence is extraordinarily large, and quite general.

country year dummies from 2008 through 2014 show a continual decline in confidence. The decline seems continual and unresponsive to the specifics of crisis events.

**OUP UNCORRECTED PROOF – FIRST PROOF, 8/3/2016, SPI****Jeffrey Frieden****Table 6.3.** Odds of Trust in the E.U. and National Governments

	EU Trust		National Trust	
	Odds Ratio	Z-Statistic	Odds Ratio	Z-Statistic
aftersovcrisis	0.480	-10.39***	0.826	-1.84
age	0.996	-2.71**	1.004	3.17**
gender	0.949	-3.32**	0.947	-2.79**
loweducation	0.595	-8.29***	0.733	-4.72***
higheducation	0.739	-5.26***	0.819	-4.25***
advancededucation	1.160	4.46***	1.146	5.16***
unskilled	0.830	-4.16***	0.858	-3.49***
unemployed	0.748	-5.13***	0.653	-7***
professional	1.142	3.96***	1.075	1.9
belgium	1.789	143.7***	1.879	104.27***
netherlands	1.291	40.33***	2.486	180.43***
germany	0.979	-1.77	1.818	46.28***
italy	1.168	49.39***	0.826	-91.59***
austria	1.052	4.31***	3.011	105.67***
luxembourg	1.496	32.54***	5.005	97.01***
denmark	1.305	15.57***	2.669	67.39***
ireland	1.937	19.9***	1.426	7.52***
uk	0.525	-64.12***	1.096	7.17***
greece	1.469	11.43***	1.553	9.89***
spain	1.799	19.03***	2.014	15.04***
portugal	2.143	22.58***	1.324	5.85***
finland	1.068	7.63***	3.746	216.18***
sweden	0.878	-11.07***	2.658	114.37***
cyprus	2.106	19.96***	3.867	29.73***
czechrepublic	1.374	44.41***	0.828	-16.75***
estonia	2.238	81.67***	2.777	65.92***
hungary	2.183	59.53***	1.361	24.37***
latvia	1.190	17.62***	0.766	-15.35***
lithuania	2.412	225.14***	0.754	-25.73***
malta	2.131	16.94***	2.194	15.41***
poland	1.830	61.02***	0.725	-32.46***
slovakia	2.065	94.86***	1.232	15.93***
slovenia	1.568	62.19***	1.067	4.92***
bulgaria	2.809	176.31***	0.971	-3.5***
romania	2.667	201.57***	0.863	-20.16***
crisisgreece	0.431	-11.24***	0.238	-13.37***
crisispain	0.432	-11.09***	0.242	-13.21***
crisisportugal	0.569	-7.77***	0.542	-5.76***
crisisireland	0.564	-7.55***	0.687	-3.48***
crisiscyprus	0.445	-10.37***	0.303	-11.32***
crisismalta	1.246	3.02**	1.243	2.09*

\* = .05, \*\* = .01, \*\*\* = .001.

In some crisis-ridden countries, the E.U. takes much of the blame; in others, the national governments come in for more of the opprobrium. All in all, the implications for the future course of European integration, and of E.M.U., are hardly encouraging.

Clear messages come through from the analysis of these data. They are of direct relevance to the future of the E.U., and of the euro, and they suggest

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a range of issues—and potential problems—that the E.U. and the euro will have to face going forward. I summarize them below.

1. Support for European integration remains high throughout the E.U., and support for E.M.U. remains high throughout the Eurozone.
2. There are substantial differences in the extent of this support among socio-economic groups. The differences across groups are large, and are quite similar among all member countries. Less skilled, less educated, and older citizens are more sceptical about European integration and the euro (as are women); by contrast, the more educated and professional classes are more positive, as are students.
3. The differences among countries in general support for integration and the euro are not as substantial as is sometimes assumed. To be sure, non-members of the Eurozone remain unenthusiastic about E.M.U. But within the Eurozone, support for the euro is quite strong among all member states. And positive views of European integration more generally are quite widely shared around the Union, with the exception of in the U.K.
4. However, the crisis has had a massive, and massively negative, impact on attitudes toward the institutions of the E.U. and of the national governments within it. Perhaps surprisingly, the crisis has not had a major effect on overall support for integration and the euro, which remains high. However, the experience of the past eight years has deeply eroded trust in the institutions of the E.U. and the Eurozone. Europeans, in general, still want the E.U. to succeed and move forward; those in the Eurozone still want the euro. But they have lost almost all confidence in the ability of European leaders and national governments to manage the problems that have arisen in the past decade.
5. This loss of trust in European and national institutions is particularly concentrated, as might be expected, among those who have been hardest hit by the crisis. The loss of confidence has been almost complete in the most deeply affected countries, the Eurozone debtors. Across the E.U., in general less skilled and less educated citizens, and those more likely to be unemployed, have come to hold strongly negative views about their own governments, and about the institutions of the E.U. While our data do not allow inferences about a direct relationship between this and the increasing polarization of political positions in many European countries, it is almost certainly the case that the two phenomena are related.

What are the implications of these trends for the future of European integration, and monetary union, over the coming decade? Policymakers at both

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the national and European level can count on quite a deep well of support for European integration and for the euro: Europeans appear quite firmly committed to both the broad integration process and the E.M.U. However, they have little confidence in the ability of existing political leaders to manage both the national and European economies in ways that respond to the concerns of European citizens. This dissatisfaction is particularly concentrated in the more crisis-ridden countries, especially the debtor nations of the Eurozone. Dissatisfaction is also concentrated in those social groups that have suffered most from the crisis: the less educated and less skilled, and the unemployed.

European integration, and E.M.U., cannot move forward without political support from the public. At this point, such support still exists in general, but there has been such an erosion of trust in policymakers that it is hard to believe that political backing for current policies will be forthcoming for much longer unless conditions improve markedly. And, given the striking differences among socio-economic groups—and especially the great and growing scepticism of the less advantaged among Europeans—it would seem that further progress will also depend on finding ways to include more Europeans in the gains from integration, and to shelter them from its costs.

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