

Inequality, state ownership and the EU: How economic context and economic ideology shape support for the EU

Abstract

We investigate the extent to which economic ideology affects people's support for EU integration, and how this is conditioned by economic context. We argue that people on the economic left who live in a country with conditions of high income inequality and little state ownership will support European integration, because more integration would move public policy in a left wing direction. By contrast, people on the left who live in a country with conditions of low income inequality and widespread public ownership are likely to be eurosceptic, as further integration would result in more right wing public policy. We empirically confirm our hypotheses and discuss the implications for EU democracy.

Introduction

The formation of public opinion on EU integration is likely to be influenced by the distinct processes of deepening and widening. The initial dominance of economic explanations in the opinion formation literature has, as a result of deepening integration and the pooling of sovereignty in areas other than economics (especially since the Maastricht Treaty), been challenged by an increased focus on explanations based on identity and culture (Gabel 1998a, 1998b; Eichenberg and Dalton 2007; Hooghe and Marks 2005; McLaren 2002). While the process of deepening may affect the relative importance of economic factors in shaping opinion, we suggest that the process of widening also has implications for how economic factors influence opinion formation. This is due to the increased economic heterogeneity resulting from enlargement. Specifically, we focus on the normative ideological aspects of economics and argue that the variation in the economic context of the 27 member EU conditions how people's economic ideology drives opinions about EU integration.

Our departure point regarding the context dependency of the ideological underpinnings of citizens' attitudes to where power should lie is illustrated in Figure 1. Public policy in a potentially highly powerful federal context (such as the USA or the EU) is characterised, in the example, as being slightly on the economic right. A moderately right wing citizen would prefer power to stay at state level if they live in region A, an economically free market context (Figure 1a). An ideologically identically positioned citizen would prefer power to move to the federal level if they live in region B, an economically interventionist context (Figure 1b).

FIGURE 1 ABOUT HERE

This line of thinking has informed a small amount of previous work on attitudes to regional integration in the context of the pre-2004 enlargement 15 member EU. Brinegar *et al.* (2004), Ray (2004) and Brinegar and Jolly (2005) found, using different measures and approaches, that economic context moderated the influence of economic beliefs on attitudes to EU integration. We contribute to this area of scholarship in three distinct ways. First we expand the context. While previous analyses only looked at the 15 member states of the mid 1990s, we examine the much increased contextual variation across the 27 member states of 2009. In a recent review of differences in economic context within the EU, Hopner and Shafer (2012) emphasise the increased economic contextual diversity in the EU caused by enlargement. They state that ‘EU member states’ production and welfare regimes have become more heterogeneous with each round of enlargement’ (p.14) and specifically highlight that ‘the EU-27 is notably more diverse than the old EU-15’ (p.12).

Second, rather than relying on respondent self-placement on a general ‘left-right’ scale (Ray 2004; Brinegar and Jolly 2005), or on measures of one particular aspect of economic ideology (Brinegar *et al.* 2004), we directly measure the two main underlying aspects of economic interventionist-liberal ideology. On the one hand we have a measure of people’s support for state intervention regarding inequality: should government redistribute? On the other hand, we have a measure of people’s support for state intervention regarding ownership: should government run major services and industries?

Third, and crucially, we operationalise context in a more effective manner than previously. We directly measure objective differences between countries in terms of inequality and the state control of industry and services. This avoids grouping countries together into ‘types of capitalism’ blocs (Brinegar *et al.* 2004; Brinegar and Jolly 2005), which assumes

homogeneity but masks considerable cross country variation, or measuring country differences on only one economic dimension (Ray 2004). Our objective country level measures directly match the measures of ideology at the individual level, and we are able to connect actual income inequality with preferences for redistribution and actual state intervention with preferences for public ownership.

Our findings demonstrate that variation in economic context plays a significant role in conditioning the relationship between economic ideological beliefs and attitudes to the integration process. People on the economic left (with pro-equality and pro-state ownership views) who live in a country with ‘rightist’ economic conditions (of high income inequality and little state ownership) support European integration because more integration would likely move public policy in a left wing direction. By contrast, people on the left who live in a country with ‘leftist’ economic conditions of low income inequality and widespread public ownership favour less integration because integration would result in more right wing public policy. Given variation in economic context, it is only by theorising and testing conditionality that we can make sense of how ideology underpins EU attitudes.

In the following sections of the paper, we elaborate our argument in the context of the existing literature, set out our hypotheses, describe our methodological approach and report our findings. In the concluding discussion, we highlight the implications of our findings for EU opinion formation and EU democracy.

What determines support for the EU?

Early work on the individual level economic determinants of EU support focused on citizens’ levels of human capital and found that highly skilled/educated people (who were well placed

to benefit from the market opportunities that flowed from the EU integration process) were broadly supportive of the EU, while people with lower levels of education and fewer marketable skills (who occupied a more vulnerable economic position) were more sceptical about EU integration (Gabel and Palmer 1995; Gabel 1998a; Gabel 1998b). Some have argued that human capital effects may be conditional upon context. Specifically, the economic liberalisation associated with integration should mean further specialisation amongst countries depending on their levels of cheap capital or cheap labour. In wealthy states where unskilled workers are less important to production than is capital, it is those unskilled workers that lose out from integration (Scheve 2000; Hooghe and Marks 2005; Brinegar and Jolly 2005).

Attitudes to EU integration in former Soviet states have also been studied using this instrumental ‘winners and losers’ model. People are characterised as either ‘winning’ or ‘losing’ from the transition from the communist command economy to the post-communist free market economy. Those who gained from free market reforms are assumed to favour EU integration because the EU is seen as a vehicle for guaranteeing, and furthering, the free market process. Those who did not benefit from those same reforms are likely to oppose integration and the furtherance of the free market that integration would be perceived to deliver. This model has been operationalised by a number of authors using people’s subjective evaluations of the economy as a proxy for gaining or losing (Cichowski, 2000; Tucker *et al.*, 2002; Christin, 2005). Garry and Tilley (2009b) sought to integrate contextual effects into the winners and losers model. Using pooled data from eastern and western states, they found that retrospective economic evaluations were in fact a greater predictor of EU attitudes in the East than in the West, consistent with this post-transition winners and losers model.

In addition to human capital and evaluations of economic performance, a further aspect of economics that may drive opinion on EU integration relates to citizens' normative or ideological beliefs, an area that some authors believe has been relatively neglected. For example, Rohrschneider and Whitefield (2006) bemoan the focus on the instrumental rather than the ideological in investigations of attitude formation in the former communist states (see also Rohrschneider and Whitefield (2004) and Loveless (2010)). They argue that because former Soviet states have so recently undergone a transition to the free market, a normative consensus on the merits of the free market does not exist. Given the strong ideological value-based divisions which exist on the question of free market versus interventionist economic management, it is this diversity of opinion that drives attitudes to the EU. Pro-free market views are likely to be strongly associated with pro-EU integration views in former communist states because pro free market citizens see the EU as a vehicle to cement the transition to capitalism. The EU is seen as a means of furthering free market reforms and lessening the chances of a reversion to a more interventionist, and authoritarian, state. It is the specific post-transition context that leads to a strong free market pro-EU linkage:

'citizens may apply their views about the domestic economy, which to a considerable degree represent socialist views, in appraising various aspects of the emerging international markets ... if one rejects the idea of a market economy, one is not likely to endorse economic integration that is justified by a desire to strengthen market relationships.' (Rohrschneider and Whitefield 2006, p.148)

Rohrschneider and Whitefield (2006) therefore argue that 'western' instrumentality-based theories of attitude formation may be ill-suited to the post-communist context as Eastern

Europeans are ‘much more likely to make judgements about integration based on their underlying economic values than on expected material payoffs’ (p.147).

This incorporation of economic values and economic context into modelling the determinants of attitudes to integration is also consistent with earlier work in the old 15 member states (Brinegar *et al.* 2004; Ray 2004; Brinegar and Jolly 2005). Ray focused on one contextual feature of member states, welfare provision, and one general ideological measure, taken from citizens’ self-placement on a left-right scale. He found a positive relationship between being ‘right wing’ and being supportive of integration among citizens living in states with generous welfare provision, and a negative relationship between ‘right wing’ and EU support in less generous welfare states. Clearly, from Ray’s analysis, right wing citizens were only supportive when they thought EU integration would move the status quo position in a right wing direction, otherwise they were opposed to integration.

One of the limitations of Ray’s findings is that the ‘left-right’ self-placement scale is a less than ideal measure of economic ideology as general ideological self-positioning may be a function of a range of influencing factors in addition to interventionist versus free market views (Inglehart and Klingemann 1976; Knutsen 1997). Brinegar *et al.* (2004) use a more sophisticated operationalisation of economic beliefs, generating a summed scale from a battery of questions relating to citizens’ attitudes to state provision of social welfare. Regarding contextual variation, Brinegar *et al.* divide the EU 15 into three groups on a 1 to 3 scale. Britain was allocated a score of 3 as the most right wing (residual, liberal welfare state) context, Scandinavian countries (Sweden, Denmark and Finland) were allocated a score of 1 as the most left wing (social democratic welfare state) context and all other member states were allocated a score of 2 (whether they were conservative Christian democratic welfare

state contexts or other states (economic laggards)). This three point context scale aimed to thus capture variation in ‘varieties of capitalism’ and was interacted with citizens’ views on welfare in a model predicting attitudes to integration (as measured by a battery of items generating an ‘overall view of integration’ index). This interaction was statistically significant, suggesting a contextual conditioning effect. The limitation of this approach is that the contextual variation essentially differentiates Britain from Scandinavia, which is problematic when trying to capture variation in an EU of 27 member states. Moreover, by focusing on only one specific aspect of economic policy (welfare provision), Brinegar *et al.* do not directly measure people’s underlying ideology about the role of government in society.

The Brinegar *et al.* analysis is replicated by Brinegar and Jolly (2005) using a slightly different model. Instead of the measure of citizens’ attitudes to welfare they, like Ray (2004), use citizens’ self-placement on a left-right scale and they also find a statistically significant interaction effect. Of course this measure of ideology is, in many ways, equally problematic. We know that not only do conceptions of what left and right mean vary from person to person in idiosyncratic ways¹, but crucially they vary from country to country. Building on the work of Inglehart and Klingemann (1976), Knutsen (1997) shows that the partisan and the value-based component of left-right self placement is affected by both societal development and the fragmentation of the political system. Similarly, Piurko *et al.* (2011) find distinct relationships between different types of ideological values and left-right self-placement in particular country contexts (namely liberal versus traditional versus postcommunist states).

¹ A classic example of this in Britain is the Butler and Stokes study of the 1960s. Using open ended questions to try and ascertain what people think left and right mean, they claim that 60 per cent of British voters in 1964 have no idea of what left and right mean and another 20 per cent simply use ‘left’ and ‘right’ as synonyms for the two main parties (Butler and Stokes 1969).

TABLE 1 ABOUT HERE

These three articles by Ray and Brinegar, and co-authors, provide the departure point for our analysis. We seek to build upon this work and provide as comprehensive a test as possible for the argument that economic context conditions the influence of economic ideology on EU support. In Table 1 we seek to clarify how our approach is distinct from these three articles. First, we almost double the amount of variation in economic context, analysing 27 rather than 15 member states (see discussion regarding the increase in economic heterogeneity resulting from the post 2004 enlargement in Hopner and Shafer (2012)).

Second, in this previous work there is a clear tension between operationalising economic ideology with a specific focus on one aspect of ideology, for example welfare provision (Brinegar *et al.* 2004), or aiming to measure economic ideology in a general way, by using left-right self-placement. Here, we seek a general measure of economic ideology which captures variation in citizens' beliefs stemming from a leftist preference for government interventionism to a rightist preference for a more free market approach. However, we eschew the use of the left-right self-placement scale given the difficulties of interpreting its content, especially across context (Knutsen 1997). Instead we seek to directly measure the two main substantive areas of economic interventionist versus free market beliefs. The first relates to equality and welfare provision and the second relates to ownership of services and industry. Building upon earlier work by Rokeach (1973), Evans *et al* (1996: 97-8) emphasise the distinct nature of the economic equality dimension and the economic ownership dimension. The need to keep the market and inequality economic ideology dimensions separate in the context of investigating attitudes to the EU is also emphasized by Loveless

(2010). Measuring these substantive areas distinctly provides valuable analytical leverage regarding context conditionality because we can operationalise economic context in two distinct ways that map directly onto these two distinct aspects of economic ideology, hence allowing two different tests of the general argument that economic context conditions the impact of economic ideology on EU attitudes.

The suggested causal mechanism at play is the same for both aspects of economic ideology. Specifically, we suggest – following the logic of Ray (2004), Brinegar et al. (2004) and Brinegar and Jolly (2005) – that a highly integrated EU would be characterised as having a single economic policy that would be uniformly implemented across the EU. By definition this would alter the status quo in each member state. Depending on which member state they live in, citizens would have reasonable expectations as to how this potential EU economic policy would be different from (and thus move) their existing member state position. Citizens in very free market member states could reasonably expect that an impending integrated EU would implement a common EU policy that would be more interventionist than the previous status quo. Conversely, citizens in more interventionist states could reasonably expect a potential EU regime to be more free market than the previous status quo. In short, a potential common EU economic policy would likely be approximately at the centre point of the current member state positions.²

² Or, in Brinegar and Jolly's (2005) terms, a common EU regime would likely approximate a (relatively centrist) 'conservative Christian democratic welfare state' rather than a 'residual welfare state' or a 'social democratic' state.

Below we set out our twin hypotheses. The first relates citizen views of equality with actual levels of income equality in society. The second relates citizen views of state intervention with actual levels of state intervention.

H1: Pro-economic equality views in relatively economically equal states lead to an anti-EU integration position (and pro-economic equality views in relatively unequal states lead to a pro-EU integration position).

H2: Pro-state ownership views in relatively interventionist states lead to an anti-EU integration position (and pro-state ownership views in relatively free market states lead to a pro-EU integration position)

Data and measures

We use data from the 2009 round of the European election study.³ Our dependent variable is support for the EU. There are a number of different ways to operationalize this. Different authors have used the image of the EU (Christin 2005), measures of whether EU membership is seen as a good or a bad thing (Anderson 1998; Eichenberg and Dalton 1993, 2007; Carey 2002), attitudes towards further integration (Inglehart 1970; Garry and Tilley 2009a), measures that combine the desired and perceived speed of integration (Brinegar *et al.* 2004, Brinegar and Jolly 2005) and also composite measures that include many of these aspects of liking or loathing for the EU (Gabel and Palmer 1995; Gabel 1998a; McLaren 2002; Ray

³ Full details of the questionnaires and methodological details of the Voter Study element of the European Election Study 2009 are available at: www.piredeu.eu.

2004; Hooghe and Marks 2005; Garry and Tilley 2009b). Similarly to these last analyses we use a composite measure, and hence avoid reliance upon a single item operationalisation. The dependent variable is a factor score from a principal components factor analysis of several different items that tap support for the EU. The precise questions are:

Generally speaking, do you think that [Britain's] membership of the European Union is a good thing, a bad thing, or neither good nor bad?

Some say European unification should be pushed further. Others say it already has gone too far. What is your opinion? Please indicate your views using a scale from 0 to 10, where 0 means unification 'has already gone too far' and 10 means it 'should be pushed further'. What number on this scale best describes your position?

You trust the institutions of the European Union? Do you 'strongly agree', 'agree', 'neither agree nor disagree', 'disagree' or 'strongly disagree'?

How much confidence do you have that decisions made by the European Union will be in the interest of Britain? A great deal of confidence, a fair amount, not very much or no confidence at all?

These four items were recoded so that higher scores indicated a pro-EU position and low scores an anti-EU position and we treat them as interval level variables. Principal components factor analysis using the correlation matrix produces only one factor with an eigenvalue above 1 (the alpha score for the four items when standardized is 0.69), and we treat this factor as a generalized measure of support for the EU. The exact way in which we measure EU

support makes little difference to the results presented here, so we have chosen this relatively simple measure that includes different types of support.⁴

To measure citizens' economic ideology we use two questions, one measuring opinion on the redistribution of income and wealth and the other tapping views on state intervention in industry and service provision (both with Likert response scales).

Income and wealth should be redistributed towards ordinary people. Do you 'strongly agree', 'agree', 'neither agree nor disagree', 'disagree' or 'strongly disagree'?

Major public services and industries ought to be in state ownership. Do you 'strongly agree', 'agree', 'neither agree nor disagree', 'disagree' or 'strongly disagree'?

It is important to realise that these items are only correlated at 0.2 and can thus be clearly distinguished from one another.⁵ This supports our theoretical departure point that economic ideology consists of at least two distinct, but related, components: one relating to the government's role in producing income equality in society and one relating to the role of government as an owner of industry and services.

⁴ For example, if we simply try and predict whether people think EU membership is a good thing or not we find similar patterns to those that we report here using the factor score. Tables showing this are available on request.

⁵ These items are also not heavily correlated with left-right self placements (0.14 for the redistribution measure and 0.10 for the public ownership measure) suggesting that people's conceptions of what left and right mean are not necessarily the same as their economic policy preferences.

In terms of macro-economic context we also identify two facets of a country's economic situation. The first relates to income inequality, which we measure using the Gini coefficient for 2008 and 2009. Since the survey was conducted in the middle of 2009, we average the values across 2008 and 2009. The results we present here are not affected by picking one (or other) of the two years. The average Gini coefficient varies from 0.23 (in Slovenia) to 0.38 (in Latvia) with a mean of 0.30 (with a higher Gini score implying greater income inequality). The second contextual variable relates to state involvement in the economy, which we measure using government spending on wages as a proportion of GDP within a country. This avoids conflating redistribution via the tax and welfare system with state intervention in the economy as our measure directly captures the proportion of the workforce tied to state employment.⁶ Again we average the 2008 and 2009 figures. The lowest score for this measure is in Slovakia (0.07), the highest in Denmark (0.18) and the mean is 0.12.⁷ Full details of these measures for every country are in the appendix in Table A1.

Results

In Table 1, we report the results of three multi-level linear regression analyses. In each model the dependent variable is support for European integration as measured by the factor score discussed earlier. In model 1 a range of control variables liable to be related to both EU support and economic ideology are included (social class, education, gender, age, rurality, job sector, economic perceptions and exclusive national identity) as well as the two economic

⁶ In our analysis we link this economic context variable (which relates to both industry and services) to our economic attitude question (which relates to both industry and services). We do not see the conflation of industry and services as a problem. The key point for us is that it is the government, rather than the free market, that is running the service/ industry.

⁷ All figures used here come from Eurostat as stated on their website in 2013.

context variables. The results relating to the control variables are in the expected direction (consistent with previous research): a higher social class, higher level of education, positive economic perceptions and a non-exclusive national identity predict support for the EU (Gabel 1998b; Hooghe and Marks 2005). Economic context on its own is not really a useful predictor, however. Greater equality and greater state involvement in the economy tend to be associated with greater support for the EU, but both effects are weak and neither are distinguishable from zero at conventional levels of statistical significance.

TABLE 2 ABOUT HERE

In model 2, the two economic ideology variables are included. Both opposition to redistribution and antipathy to public ownership predict support for the EU. That is, in aggregate across the EU, those on the left are less favourable to the EU than those on the right. Both effects are statistically significant, and have a non trivial magnitude. Since the dependent variable is a factor score, it has a mean of zero and a standard deviation of 1. We would predict that someone who gave the two most right wing answers to the two ideology items would score nearly $\frac{1}{4}$ of a point more, i.e. $\frac{1}{4}$ of a standard deviation more, on that EU support factor score than someone who gave the two most left wing answers. This effect is consistent with previous research characterising the EU as a right of centre project (for example, Gabel (1998), Rohrschneider and Whitefield (1996), Scharpf (2010)).

Our main theoretical interest is in the interaction between economic context and the two economic ideology variables, however. Appropriate interactions are included in model 3 to

test our hypotheses.⁸ We find that support for income redistribution is very strongly associated with opposition to EU integration in the most equal states, but that this effect reverses in the least equal states where it is those on the right that oppose EU integration. We find a very similar, though not identical, pattern in relation to public ownership. Here, in all countries opposition to public ownership is positively associated with support for integration, but this effect is essentially zero in those countries with the least involved state and is much stronger in countries with widespread state intervention.

FIGURE 2 ABOUT HERE

The interaction effects from model 3 are illustrated in Figure 2. Here we show the predicted effects of moving from the left to the right for the two different ideology measures in different economic contexts. Figure 2a does this for redistribution and inequality. The black dots on this graph thus represent the difference between someone that is strongly in favour of redistribution and someone that is strongly against redistribution in two different contexts. The lines around the dots are 95 per cent confidence intervals. The first context is one of high income equality (a Gini score of 0.23) and the second context is one of high income inequality (a Gini score of 0.38). Here we can clearly see that the context really matters for how ideology affects support for the EU project. In countries which are relatively equal, it is people on the right that are cheerleaders for the EU, but in countries which are relatively

⁸ The interaction effects are introduced separately in Models 3A and 4A in Table A2 in the appendix. The results are almost identical when they are introduced together.

unequal it is those on the left that like the EU.⁹ My ideology matters, but the country that I find myself in affects how it matters.

Figure 2b tells a similar story with regard to public ownership. Here the contexts are of high state employment (18 per cent of GDP expended on government wages) and low state employment (7 per cent of GDP given over to government wages). In countries with high state involvement in the economy, people on the right of the public ownership debate are considerably more supportive of the EU project than people on the left. Interestingly we do not see the reverse of this in countries with low levels of state employees. Rather, in those countries there is simply a much smaller difference between those who support public ownership and those who do not.¹⁰

Putting both of these effects together shows their impact. According to our results, in a country with very low levels of inequality (Gini of 0.23) and very high levels of state economic intervention (18 per cent of GDP spent on government wages), people on the right are considerably more likely to support EU integration. In this context, model 3 predicts that someone who is opposed to public ownership and redistribution will score over half a standard deviation more on the EU support scale compared to someone who is supportive of public ownership and redistribution. By contrast in a country with very high levels of

⁹ Moving from the most redistributive to the least redistributive position increases EU support by 0.21 (95 per cent confidence interval of 0.29 to 0.12) in the most equal countries and decreases EU support by 0.11 (95 per cent confidence interval of -0.01 to -0.20) in the most unequal countries.

¹⁰ Moving from being in favour of state ownership to against state ownership increases EU support by 0.30 (95 per cent confidence interval of 0.41 to 0.19) in the most statist countries and increases EU support by 0.04 (95 per cent confidence interval of 0.12 to -0.04) in the most unequal states.

inequality (Gini of 0.38) and very low levels of state intervention (7 per cent of GDP spent on government wages) the effect of ideology on attitudes towards the EU will be relatively minimal; in fact, moving from the left to the right on both issues will actually reduce support for the EU overall.

Discussion

Increasing the power of a federation (regional authority) increases the likelihood of its associated public policy position being implemented. This is likely to change the policy position in any given sub-element of the federation. The direction of the change will depend upon the status quo position relative to the federation's position. Citizens may take into account this likely shift in public policy, and specifically the *direction* of this shift, when formulating their views on whether more federal/ EU power, at the expense of regional/ national power, is a good thing. We demonstrate here that national context conditions the manner in which citizens' ideological preferences drive views on EU power. Our analysis confirms and extends previous research. Ray (2004), Brinegar et al. (2004) and Brinegar and Jolly (2005) found that the influence of citizens' ideological views on their opinions about the EU were conditional on the type of economic context the citizen lived in. Our analysis provides a more comprehensive treatment than previous work by expanding the context considerably, improving the measures of ideology, improving the measures of context and more effectively linking context and ideology.

There are a number of implications of our findings. First, the conditioning effect that we find is likely to become more important as the enlargement process continues. Highlighting the increased economic context differences that are a consequence of enlargement, Hopner and Shafer point out that 'if the Balkan states and possibly Turkey or Ukraine entered the EU,

disparities would further increase' (2012: 14). This would likely lead to greater heterogeneity in the kind of economic context variables that we focus on, economic inequality and state ownership, and consequently significant conditioning effects on the impact of economic ideology on EU views. Second, while our analysis has focused on a *snapshot* of the conditional influence of economic ideology on EU attitudes, changes over time in economic contexts could be important in addition to variation between countries. This dynamic interpretation is consistent with work by Evans and Butt (2007) who, in the case of Britain, track the changes over time in the relationship between economic attitudes and EU attitudes. They find that in the early 1980s economic left wing views are related to an anti-EU position, but this relationship disappeared as the UK moved in a free market direction over the course of the 1980s and 1990s. It is also possible that the ongoing financial/ Eurozone crisis may result in new kinds of variation across economic context. Heterogeneity regarding the type of financial relationship each member state has with the EU (for instance, bailout states, bailout exiting states and non bailout states) may, in addition to the inequality and ownership dimensions we focus on, play an important conditioning role.

Finally, our findings have important implications for European democracy and specifically the alleged EU 'democratic deficit'. If one advocates enhancing EU democracy via strong pan-European political parties which offer voters clear agreed programmes/ manifestos at European Parliament election time (see Hobolt and Tilley (2014) for a critical discussion of this), our results are problematic. Our findings highlight the fact that parties with common economic policies across the EU may not have common policies on EU integration. Economic context heterogeneity militates against a common shared position emerging on EU integration and this is likely to prevent parties from different countries forming alliances that would allow them to 'represent not merely fragmented national interests, but also coalitions

of interests that cut across national boundaries’ (Hobolt and Tilley 2014, p153). One might infer from this that direct, rather than representative, democracy may have more potential in terms of facilitating a flourishing EU democratic space.¹¹ Either way, what remains clear is that while economic ideology is an obvious source of communality between voters and parties in different countries, those same ideological stances will continue to generate differences between ostensibly ideologically similar parties and voters on the issue of EU integration as long as there are differences between countries in their approach to the free-market.

¹¹ This line of thinking is supported by recent work demonstrating that referendums are unlikely to be fatally contaminated by ‘second-order’ factors, whereby national domestic political concerns distract from the substantive debates pertaining to the referendum (Garry, 2013). We do not suggest referendums as a panacea, rather as one mechanism for possibly overcoming the party-based problem we identify.

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TABLE 1: *Existing research compared to our suggested approach*

Authors	Dependent variable	Predictor variables	Contextual variables	Countries	Year
<i>Ray (2004)</i>	Multi-item scale	Left-right self-placement	Social protection spending as % of GDP	15	1996
<i>Brinegar et al. (2004)</i>	Multi-item scale	Multi-item pro-anti welfare spending scale	Type of welfare regime	15	1994
<i>Brinegar and Jolly (2005)</i>	Multi-item scale	Left-right self-placement	Type of welfare regime	15	1996
<i>Suggested approach</i>	Multi-item scale	<p>Measure of attitudes to reducing income/wealth inequalities</p> <p>Measure of attitudes to state involvement in the economy</p>	<p>Levels of income inequality</p> <p>Levels of public sector employment</p>	27	2009

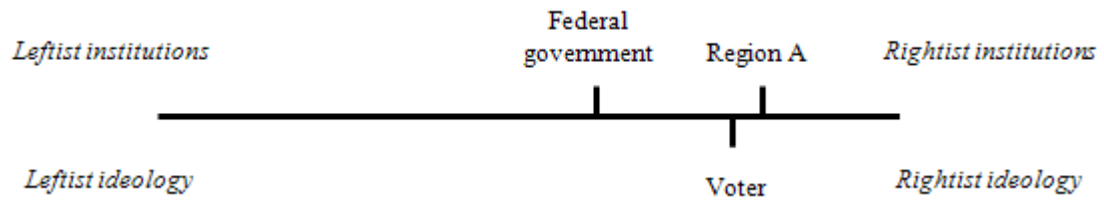
TABLE 2: *Multi-level linear regression models predicting support for the EU*

	Model 1		Model 2		Model 3	
	B	SE	B	SE	B	SE
No occupation (reference)	-					
Upper salariat class	0.02	0.02	0.02	0.02	0.02	0.02
Lower salariat class	0.01	0.03	0.01	0.03	0.01	0.03
Routine non-manual class	-0.02	0.02	-0.03	0.02	-0.03	0.02
Petit bourgeois class	-0.07*	0.03	-0.07**	0.03	-0.08**	0.03
Skilled working class	-0.06*	0.03	-0.07*	0.03	-0.07**	0.03
Unskilled working class	-0.10**	0.02	-0.09**	0.02	-0.09**	0.02
Male	-0.02	0.01	-0.02	0.01	-0.02	0.01
Aged 18-30 (reference)	-		-		-	
Aged 31-40	-0.08**	0.02	-0.08**	0.02	-0.08**	0.02
Aged 41-50	-0.08**	0.02	-0.08**	0.02	-0.08**	0.02
Aged 51-60	-0.07**	0.02	-0.06**	0.02	-0.06**	0.02
Aged 61-70	-0.01	0.02	-0.00	0.02	-0.00	0.02
Aged 70+	0.09**	0.02	0.10**	0.02	0.10**	0.02
Foreign parents	-0.03	0.02	-0.03	0.02	-0.03	0.02
Years of education post 15	0.03**	0.00	0.03**	0.00	0.03**	0.00
Economic perceptions (1 to 3)	0.14**	0.01	0.14**	0.01	0.14**	0.01
Exclusive national identity	-0.58**	0.01	-0.57**	0.01	-0.57**	0.01
Gini coefficient 08-09	0.31	1.41	0.43	1.44	1.76	1.48
% of GDP spent on govt wages 08-09	-2.31	2.25	-2.36	2.30	-4.17	2.40
Against redistribution (1-5)			0.02**	0.01	0.17**	0.04
Against public ownership (1-5)			0.04**	0.01	-0.03	0.02
Gini*redistribution					-0.54**	0.14
Govt wages*public ownership					0.59**	0.20
Intercept	0.37	0.50	0.20	0.51	0.02	0.53

* p<.05 **p<.01. Source: EES 2009. Individual N = 20,891 country N = 27.

FIGURE 1: *How economic ideology affects preferences over regional/ federal power dependent on the regional economic context*

a) Free market region A



b) Interventionist region B

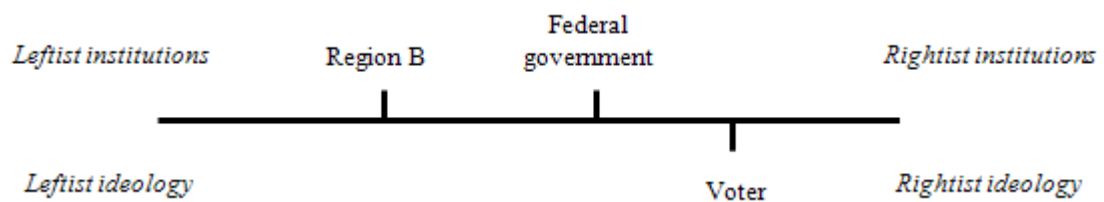
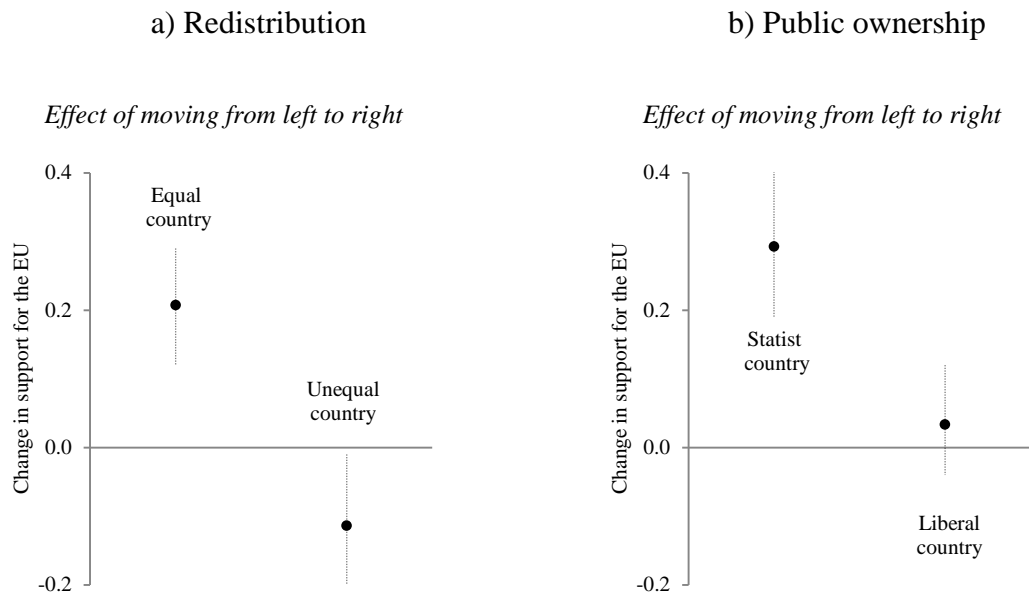


FIGURE 2: *The effects of moving from a left ideological stance to a right ideological stance as a predictor of support for EU integration, conditional upon economic context*



Note: These figures show the predicted changes in support for the EU for a) someone that moves from a leftist position on redistribution to a rightist position on redistribution in a country with a relatively equal income distribution (Gini score of 0.23) and a similar change for someone in a country with a relatively unequal income distribution (Gini score of 0.38), and b) someone that moves from a leftist position on public ownership to a rightist position on public ownership in a country with relatively high state employment (18 per cent of GDP expended on government wages) and a similar change for someone in a country with low state employment (7 per cent of GDP given over to government wages).

APPENDICES

TABLE A1: *Levels of inequality (mean Gini coefficient from 2008 and 2009) and levels of state involvement in the economy (mean government spending on wages as a proportion of GDP from 2008 and 2009)*

Country	Gini coefficient	Government spending on wages/ GDP
Austria	0.26	10%
Belgium	0.27	12%
Bulgaria	0.35	10%
Cyprus	0.29	15%
Czech Republic	0.25	8%
Denmark	0.26	18%
Estonia	0.31	12%
Finland	0.26	14%
France	0.30	13%
Germany	0.30	8%
Greece	0.33	13%
Hungary	0.25	12%
Ireland	0.29	12%
Italy	0.31	11%
Latvia	0.38	12%
Lithuania	0.35	12%
Luxembourg	0.28	8%
Malta	0.28	14%
Netherlands	0.27	10%
Poland	0.32	10%
Portugal	0.36	12%
Romania	0.35	11%
Slovakia	0.24	7%
Slovenia	0.23	12%
Spain	0.32	11%
Sweden	0.24	15%
United Kingdom	0.33	11%
Mean	0.30	12%

TABLE A2: *Multi-level linear regression models predicting support for the EU*

	Model A1	Model A2	Model A3	Model A4	Model A5
	B	B	SE	B	SE
No occupation (reference)	-				
Upper salariat class	0.02	0.02	0.02	0.02	0.02
Lower salariat class	0.01	0.01	0.01	0.01	0.01
Routine non-manual class	-0.02	-0.03	-0.03	-0.03	-0.03
Petit bourgeois class	-0.07*	-0.07**	-0.07**	-0.08**	-0.08**
Skilled working class	-0.06*	-0.07*	-0.07*	-0.07**	-0.07**
Unskilled working class	-0.10**	-0.09**	-0.09**	-0.09**	-0.09**
Male	-0.02	-0.02	-0.02	-0.02	-0.02
Aged 18-30 (reference)	-	-	-	-	-
Aged 31-40	-0.08**	-0.08**	-0.08**	-0.08**	-0.08**
Aged 41-50	-0.08**	-0.08**	-0.08**	-0.08**	-0.08**
Aged 51-60	-0.07**	-0.06**	-0.06**	-0.06**	-0.06**
Aged 61-70	-0.01	-0.00	-0.00	-0.00	-0.00
Aged 70+	0.09**	0.10**	0.10**	0.10**	0.10**
Foreign parents	-0.03	-0.03	-0.03	-0.03	-0.03
Years of education post 15	0.03**	0.03**	0.03**	0.03**	0.03**
Economic perceptions (1 to 3)	0.14**	0.14**	0.14**	0.14**	0.14**
Exclusive national identity	-0.58**	-0.57**	-0.57**	-0.57**	-0.57**
Gini coefficient 08-09	0.31	0.43	1.72	0.43	1.76
% of GDP spent on govt wages 08-09	-2.31	-2.36	-2.35	-4.18	-4.17
Against redistribution (1-5)		0.02**	0.17**	0.02**	0.17**
Against public ownership (1-5)		0.04**	0.04**	-0.03	-0.03
Gini*redistribution			-0.54**		-0.54**
Govt wages*public ownership				0.59**	0.59**
Intercept	0.37	0.20	-0.19	0.02	0.02

* p<.05 **p<.01. Source: EES 2009. Individual N = 20,891 country N = 27