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European Integration: Partisan Motives or Economic Benefits?

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January 14, 2014

Abstract

In this paper we examine the influence of economic factors to explain partisan support for European integration over the last three decades. We find that partisan support is larger in ‘poorer’ countries with direct economic benefits from EU membership. On the contrary, parties in countries affected by the Maastricht criteria are more Euro-sceptical. Moreover, we find weak evidence for larger partisan support in countries with more developed welfare states, and that the support for European integration fluctuates in parallel with the business cycle. Finally, our results indicate that the importance of economic factors in determining partisan support for European integration has grown in recent periods.

JEL classification: F15, F42, F53, F55, H60.

Key words: European Integration; Partisan Ideology; Maastricht Criteria; European Budget; Benefits from Trade.

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1 Introduction

The European Union (EU) represents a unique process of economic and political integration in the recent history. Never since World War II we have observed that sovereign countries have renounced to such a great extent their competences on economic and political issues as in the process of the European integration. During most part of this integration process there seemed to have been a more or less common consensus on that more integration was beneficial for all the EU members. As a consequence, the European Union has assumed more and more competences from its member countries and has steadily won new members. So, the EU has grown from 6 countries in 1952 to 28 in 2013. However, recently, scepticism on the benefits of European integration has grown in many member countries. For example, in 2005, France and the Netherlands rejected the EU constitution in a referendum. As a consequence, a referendum on the EU constitution in other six EU member countries has been cancelled or postponed indefinitely. In Spain, recently, the supporters to the EU have become the minority for the first time.¹ In the UK, the Conservative Party of David Cameron is even questioning EU membership and planning a referendum on EU membership maintenance in 2018. One might argue that this increased scepticism is related to the economic crisis that started in 2008. However, it might also be the case that economic factors have played an important role in European integration from its beginning and, therefore, have determined partisan support for European integration. In this article we examine whether economic factors indeed have influenced partisan positions towards European integration over the last three decades.

That something has changed in partisan support for European integration becomes very clear from Figure 1 that displays the mean partisan support in European countries from 1984 to 2010. From this figure, two main observations come at hand. First, we observe that partisan support is rather heterogeneously distributed over European countries. This is especially the case in 1984 and 1988 where partisan attitude towards the European integration, on average, is lower in small peripheral countries like Portugal, Ireland and the Scandinavian countries and higher in large central European countries as, for example, Germany, France, the UK, Spain and Italy. Second, we find that mean partisan support has increased in almost all countries from 1988 to 2002, after which it has started to decrease, with the exception of the new EU member countries. Since changes in partisan constitutions, that have been used as the main explanatory variables for partisan support for European integration in the literature until now (cf., Marks et al. 2002, or Hellström 2008), are unlikely to be the causes for this change, from the tendencies observed in Figure 1, the search for other determinants of partisan support comes right at hand. Naturally, economic factors whose importance is analysed in this paper might have played a prominent role.

To uncover the partisan and economic determinants that have driven partisan support for European integration over the last three decades, we use data from 297 political parties in 24 countries collected in eight waves from 1984 to 2010 to test six hypotheses, four of which exclusively refer to the influence of economic factors. The other two hypotheses refer to partisan determinants that have found to influence on partisan contestation over European integration, for example, in Marks et al. (2002) and Hellström (2008). Regarding the hypotheses concerned with the economic determinants of partisan support for European integration, first, we analyse the influence of direct and indirect economic and monetary benefits. Furthermore, we test whether European regulation, the size of welfare states or the business cycle have affected partisan support.

¹See Pew Research Center (2013), a summary of the 2013 Spring Pew Global Attitudes Survey.

Our results indicate that indeed economic factors have influenced partisan support for European integration in several ways. So, partisan support is larger in relatively poorer countries that are supposed to obtain higher benefits from EU membership. On the other hand, partisan support decreases in those countries that were affected by the Maastricht criteria which indicates that parties worry about losing their influence on national fiscal policies when their countries are controlled by European institutions. Furthermore, we find weak evidence for larger partisan support in countries with more developed welfare states, and that the support for European integration increases (decreases) in periods of growth above (below) the average. Finally, dividing our sample period in two subsample periods shows that the relevance of economic factors in determining partisan support for European integration has grown over time.

The literature on the determinants of partisan support for European integration has not addressed the question whether partisan contestation over European integration is influenced by economic factors.² Instead, the literature has focused basically on two kind of partisan determinants. The first factor is partisan ideology, which has been found to be related to parties' positioning on European integration according to an inverted U-relationship, with central parties being pro-integrationist and extreme parties being Euro-sceptical (Aspinwall 2002; Hellström 2008; Hix 1999; Hix and Lord 1997; Hooghe and Marks 1999; Hooghe et al. 2002; Marks and Steenbergen 2002; Marks and Wilson 2000; Marks et al. 2002). The second kind of partisan factors that have been taken into account are related to strategic electoral responses of parties. While well-established ideologically centrally located parties follow the mainstream and take median voter positions on European integration, peripheral parties try to attract unsatisfied voters by taking more radical positions on this issue (Hellström 2008). Thus, parties in government are found to be more pro-integrationist than parties in the opposition. The same is true for parties with more electoral success (Marks et al. 2002, Hellström 2008). On the contrary, extreme parties are found to be more sceptical on European integration. We confirmed these results in our paper even though it includes a larger sample regarding its time, country and partisan dimension.

The remainder of this article is organized as follows. Section 2 motivates the hypotheses subjected to empirical testing. Section 3 introduces the data and outlines the estimation procedure. Results are discussed in Section 4. Finally, in Section 5 the results are summarized and their relevance is discussed.

2 Hypotheses

The literature has addressed political parties' contestation over European integration exclusively to ideological and strategic electoral competition motives (Aspinwall 2002; Hellström 2008; Hix 1999; Hix and Lord 1997; Hooghe and Marks 1999; Hooghe et al. 2002; Marks and Steenbergen 2002; Marks and Wilson 2000; Marks et al. 2002). However, economic factors as determinants of partisan support for European integration have not been considered yet in the literature. This is surprising for two reasons. First, as the EU is primarily an economic union that has been designed to facilitate trade and market integration, economic factors should be considered as important determinants of support for European integration. Second, economic factors have been found to play a role in studies

²On the contrary, in studies based on public opinion surveys, some authors have found that while citizens from countries with higher income per capita are more sceptical, citizens from countries that receive benefits from both net EU transfers and intra-EU trade are more prone to European integration (Doyle and Fidrmuc 2006; Christin 2005; Anderson and Reichert 1996; Eichengerg and Dalton 1993, among others).

on the determinants of public opinion on the European integration process (Garry and Tilley 2009; Doyle and Fidrmuc 2006; Brinegar and Jolly 2005; Christin 2005; Hooghe and Marks 2004; McLaren 2004; Anderson and Reichert 1996; Eichengerg and Dalton 1993) and, therefore, should also influence partisan positions on European integration.³ The main research question in this paper is whether and to what extent *partisan support* to European integration depends on economic factors. Thereby, the results of this paper can indicate us the extent to which advances in European integration are subjected to the economic development of its member countries and the economic benefits that member countries obtain from such an integration. We extend the analysis of the determinants of partisan positioning regarding European integration by including economic factors that, as recent developments suggest, seem to have become of growing importance.

Apart from the novelty of analysing the relevancy of economic factors for the partisan support for European integration, this paper contributes in two further aspects to the literature. First, while previous studies have usually been restricted to cross-sectional estimation and have assumed cross-national homogeneity (and, thus, neglected differences in the importance of the relationship in different countries and periods), our analysis is based on fixed effects panel data estimation that allows to control for both time and country specific effects. On the one hand, by considering time effects, our analysis takes account of changing focuses of European integration (unique market, common currency, EU enlargement, fiscal harmonization, etc.) and the context of this process (financial crisis, sovereign debt crisis, etc.). On the other hand, by considering country effects, we take account of unobservable country specific factors that are likely to influence partisan support for European integration. Second, our study includes a larger set of countries and more time periods which allows to obtain new insights in the evolution of partisan support over the business cycle and of party positioning on European integration in new EU member countries.

Our analysis is based on three sets of hypotheses with two hypotheses formulated for each set. The first set of hypotheses refers to the ideological and strategic electoral motives that already have been analysed in the literature. The first hypothesis follows Marks et al. (2002) in assuming that parties are organizations with embedded ideologies that are grounded on ‘Weltanschauungen’ that constitute the basis for their positioning towards European integration. Especially, regarding the issue of European integration, partisan positioning is often related to the historical role that parties played in this integration process. According to the literature, partisan contestation over European integration can be located in a two dimensional space (Hooghe and Marks 1999; Hooghe et al. 2010; Marks and Steenbergen 2002; Marks and Steenbergen 2004; Marks and Wilson 2002; Marks et al. 2002; Hellström 2008). One dimension measures parties’ economic position on market organization (from ‘regulated capitalism’ to ‘neo-liberalism’) and the other considers the degree of centralization of decision making (from regionalism to a supranationalism). While these two dimensions in principle are independent, they are sometimes closely related to each other and highly correlated to the partisan position on an ideological left/right dimension. Thus, extreme left and extreme right parties are strongly opposed to European integration, social democratic and conservative parties are generally moderately in favor and liberal parties are strongly in favour of European integration. This results in an inverted U-shaped relationship between ideology and partisan support for European integration (Hellström 2008; Marks et al. 2002). According to this, our first hypothesis is:

H1: Ideology determines the partisan position regarding European integration and follows an inverted

³However, citizen surveys on public opinion are substantially different from experts surveys on political party positioning towards European integration. This is especially the case regarding the distinct objectives of individuals and parties, the determinants of public and partisan positioning and the representativeness of the surveys.

U-shape relationship.

The second hypothesis takes account of partisan competition and the fact that a party's final objective is to maximize electoral support to implement its policies. According to Hix and Lord (1997) and Taggart (1998), major parties support European integration because the positioning in favour of mainstream policy issues allows them to minimize intra-party tensions. Therefore, parties protect the status quo with a neutral position on 'new issues' such as the European integration (Marks et al. 2002). Minor parties take advantage of the resulting convergence of the policy positions of major parties by formulating extreme positions on European integration in an attempt to attract votes from Euro-scepticals. Following Marks et al. (2002), we use three indicators to see whether strategic electoral motives influence partisan positioning on European integration. First, if major parties are more pro-European we would expect that support for European integration increases with the share of votes that parties obtain in general elections. Second, parties in government should be expected to have a more favourable position towards European integration than parties that are excluded from government, since the former can be made more responsible for the current state of European integration. Finally, parties located at the extremes on an ideological left/right dimension can also be expected to take more extreme positions regarding European integration. Resuming this, the second hypothesis we formulate is:

H2: Partisan support for European integration follows strategic electoral motives and is positively related to electoral support and government participation.

Our second set of hypotheses considers the economic dimension of European integration. Specifically, we analyse whether the economic costs and benefits of European integration have an influence on partisan positioning in favour or against European integration in different member countries. Hypothesis three takes account of the direct economic benefits which also have been found to have a positive influence on citizen support for European integration (Garry and Tilley 2009; Brinegar and Jolly 2005; Hooghe and Marks 2004; McLaren 2004; Anderson and Reichert 1996; Eichengerg and Dalton 1993). There are different ways to measure these benefits. As a first measure, we consider the difference between the member countries' contribution payments to the EU budget and the expenditure of the EU in these countries. While these (net) expenditures are obviously only a part of the economic benefits from EU membership, there are several reasons to take them into account. On the one hand, both the contributions to the EU budget and the EU expenditures in member countries are the result of extensive negotiations between member countries. For example, the UK corrections which reduce the contributions of the UK to the EU budget were agreed by the 1984 Fontainebleau European Council after long negotiations between all member countries. As a result of these negotiations, their press coverage and their role in national elections, voters in member countries became quite aware of the financial benefits and costs of European integration. Therefore, the position of the median voter regarding European integration should depend on these benefits and costs which ultimately affects the partisan position towards European integration. On the other hand, because of limited rationality, voters tend to value higher the direct than the indirect costs and benefits of European integration which are furthermore much more difficult to measure. As a consequence, both voters and parties will give more importance to the financial costs and benefits than to other kinds of advantages and disadvantages from European integration.

Another important advance in European integration has been the creation of the European Monetary Union (EMU). An important argument in favour of the EMU has been that the creation of a

common market with a common currency increases trade among EMU member countries. According to Frankel and Rose (2002), the formation of a currency union allows member countries to triple trade with other currency member countries without diverging trade from non-member countries. Furthermore, they find that, in the mid-run, a percent increase in total trade raises income per capita by one-third of a percent. This means that the economic benefits from the EMU should be expected to be substantial at least for large and centrally located economies that, according to the gravity model of trade, should obtain the largest benefits. Therefore, as a second measure of economic benefits, we consider a country's benefits from EMU induced trade which should be positively related to partisan positioning in favour of European integration in these countries. Interestingly, total trade, as a related measure to the one used in this study, has been found to have a positive influence on citizens' support for European integration in McLaren (2004), Anderson and Reichert (1996) and Eichengerg and Dalton (1993).

Finally, more European integration should lead to the convergence of EU member countries. Such an economic convergence should benefit in first place those countries that are below the European mean per capita income. Accordingly, Garry and Tilley (2009) find that gross national income has a negative influence on support for European integration in public opinion surveys. Consequently, we should expect more support for European integration by parties in relatively 'poor' countries than by parties in relatively 'rich' countries. Our third hypothesis is:

H3: Parties' positioning regarding European integration depends positively on the economic benefits of the party's country from such an integration.

As mentioned before, European integration comes along with the centralization of decision making. New supranational institutions assume competencies that formerly belonged to the governments of the member countries and, therefore, were under the control of national parties. This has especially affected economic competencies. The Maastricht criteria in 1992 were a first attempt to control government deficits and debt and, thereby, government spending at the national level. Another example is the creation of the EMU and the introduction of the euro which delegated the control of the monetary policy in EMU member countries from national institutions to a supranational institution. With hypothesis four we analyse whether partisan positioning regarding European integration has changed in those countries that have been especially affected by the control of supranational European institutions.⁴ We use the Maastricht criteria to analyse whether the creation of supranational institutions had a significant influence on partisan positioning towards European integration in those countries with excessive budget deficits and debt, and that did not fulfil the three percent deficit criterion, the 60 percent debt criterion, or both criteria. Our fourth hypothesis is:

H4: The creation of European institutions that assume national competencies and limit the partisan influence on formerly national policy issues reduces partisan support for European integration.

Our third set of hypotheses takes account of the country's economic situation. Hypothesis five examines whether there exists a relationship between national advances in the welfare state and partisan support for European integration. As European integration means the convergence of member

⁴The role of supranational institutional change on the influence of partisan ideology on social expenditure has recently been analysed by Herwartz and Theilen (2013). They find that, indeed, the creation of supranational institutions has limited partisan influence on social spending in the OECD during the last two decades.

economies, we could interpret advances in European integration as a reduction of welfare differences among EU member countries. Countries with larger welfare states have median citizens that support more welfare spending and redistribution than countries with smaller welfare states. Therefore, the population in countries with more advanced welfare states could be expected also to be more prone to a reduction of welfare differences across countries. Accordingly, our fifth hypothesis is:

H5: In countries with a larger welfare state, parties are more prone to European integration.

Finally, with hypothesis six we look for an influence of the business cycle on parties' contestation over European integration. Smith and Wanke (1993) point out that European integration might have heterogeneous effects on countries' economic performance. Thus, even if the total benefits of European integration are larger than its costs, the distribution of these benefits and costs will be unequal across countries. If these costs lead, in certain countries, to more unemployment and less growth (relative to past national performance), they diagnose that the population and the governments in these countries will reduce their support for continued integration. On the other hand, apart from goods and capital market integration, European integration also implies the integration of labour markets. Thus, European integration facilitates the unemployed to find a job in other member countries as barriers to entry are reduced. Therefore, an increase in unemployment could also raise partisan support for European integration. Indeed, in the literature on citizen support for European integration we find mixed evidence for the effect of unemployment. While Doyle and Fidrmuc (2006) state a positive influence of higher unemployment on the support for European integration in 7 EU candidate countries in 2002, Eichenberg and Dalton (1993) obtain a negative influence of unemployment. A positive relationship of citizen support for European integration and economic growth is found, for example, in Christin (2005). We formulate these considerations as:

H6: Parties positions regarding European integration depend on the business cycle of the parties' country. Partisan support for European integration increases when a country's GDP grows while the effect of a country's unemployment rate is ambiguous.

3 Data description and methodology

Our analysis is based on the Chapel Hill Expert Survey which merges three data sets: Bakker et al. (2012), Hooghe et al. (2010) and Ray (1999). We use the data from eight waves of surveys (1984, 1988, 1992, 1996, 1999, 2002, 2006 and 2010) for 24 member countries of the European Union (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Spain, Sweden and United Kingdom, for all years; Bulgaria, Czech Republic, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia since 2002; and Estonia since 2006).⁵ The Chapel Hill Expert Survey contains evaluations of political scientists (experts) about partisan positions regarding European integration of major and minor parties in the experts' native country. The number of experts' responses depends on the year of the survey and goes from 135 in 1984, with an average of 8 experts per country, to 343 in the 2010 survey, with an average of 12 experts per country. As parties enter and exit, and due to the inclusion of several countries after 2002, our database is an unbalanced

⁵Notice that we extracted the data of these surveys in January 2013 when the 2010 survey was already published but not completely finished. In the Appendix we give more details on how we treated the observations for 2010 and missing values, in general.

panel with a total of 297 different parties and 1164 observations with approximately 10 parties per country and year.⁶ The estimation method is panel data regression with fixed effects.

Our dependent variable is partisan contestation on European integration and measures parties' position towards the European integration process in the year of the survey as the mean of the experts' individual rankings. *European integration* is the logarithm of a categorical variable that goes from 1, strongly opposed, to 7, strongly in favour. Although experts' answers are integer numbers, our dependent variable, as the logarithm of the mean of their evaluations, normally is not the logarithm of an integer.

Our explanatory variables can be arranged into six groups according to our six hypotheses. To test hypothesis 1, as in Hellström (2008), we use *Ideology* and, as in Marks et al. (2002), partisan family. *Ideology* is a categorical variable that measures parties' ideological position from 0, extreme left, to 10, extreme right. As in Hellström (2008), we also consider this variable in squared form (*Ideology Squared*), since the relationship between partisan support for European integration and ideology is non-linear (radical parties on both ends of the ideological spectrum tend to be more Euro-sceptical than central parties). Further partisan characteristics are measured by dichotomous variables for ten partisan families: *Radical Right*, *Conservative*, *Liberal*, *Christian Democratic*, *Socialist*, *Radical Left*, *Green*, *Regionalist/Ethnic*, *Confessional*, *Agrarian*, and *No Family*. Hypothesis 2 is tested with two variables, *Electoral Support* and *Government Participation*, which also have been used by Marks et al. (2002) and Hellström (2008). *Electoral support* is measured as parties' share of total votes in the last national parliamentary elections before the survey year in percentage points.⁷ *Government participation* is a dummy which takes value one for parties that are in office during the year of the survey.⁸

Hypothesis 3 is contrasted with three different variables, *Relative Income*, *EU Net Expenditure* and *Trade Benefits*. *Relative Income* takes the difference between countries real per capita income and the EU mean (in thousands of euro and purchasing power parity implied prices with 2000 as the base year). *EU Net Expenditure* is the difference between a country's contributions to the EU budget and the EU expenditure in this country.⁹ It is measured as a share of GDP in percentage points. *Trade Benefits* are the benefits from EMU membership induced trade as a share of GDP and quoted in percentage points.¹⁰ To calculate *Trade Benefits* we first estimate the linear trend in trade per GDP between EMU member countries for each of these countries before the introduction of the euro (from 1995 to 2001). Then, we calculate the differences between the observed trade and a forecasted trade for a fictitious scenario without the euro based on our trend estimates for the period before 2001.¹¹

⁶See Bakker et al. (2012), Hooghe et al. (2010) and Ray (1999) for more details on the distribution of parties over countries and years.

⁷Notice that this variable is different from a similar variable considered by Hellström (2008), where it is measured as the increment of votes in the last elections.

⁸Though *Government Participation* is a dichotomous variable that takes value 1 when the party is in government and 0 otherwise, it can also take value 0.5 (for both outgoing parties and entering parties) if there is a change of government in the survey year. Notice also that we measure *Government Participation* differently from Marks et al. (2002). Their variable takes value one when a party has participated in government at least once in the period 1965-1995.

⁹We also include in *EU Net Expenditure* transfers from the EU to Bulgaria, Czech Republic, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia before these countries were EU members.

¹⁰Notice that measuring trade as a share of GDP allows to account automatically for business cycle fluctuations.

¹¹The estimated effects of EMU induced trade are in line with the predictions of the gravity model. Thus, we obtain highest trade benefits for centrally located and large economies (Germany), medium benefits for small centrally located economies (Austria, Belgium, Luxembourg, Netherlands) and large but more peripheral economies (France, Italy, Spain) and nearly no benefits for small peripheral countries (Finland, Greece, Ireland, Portugal). Furthermore, for a control group of EMU non-member countries (Denmark, Sweden, UK), there are no effects of EMU induced trade.

Finally, following Frankel and Rose (2002) who estimated the welfare effects of currency unions, we assume that a one percent increase in a country's overall trade (relative to GDP) raises income per capita by at least one-third of a percent. Per definition, *Trade Benefits* are non-negative and, for EMU non-member countries, zero. We consider *Trade Benefits* after the adoption of the euro, i.e., when a country introduces euro banknotes and coins.

To test hypothesis 4, we use two alternative types of variables. *Maastricht Debt Non-Compliance*, *Maastricht Deficit Non-Compliance*, and *Maastricht Debt and Deficit Non-Compliance* are dummy variables. *Maastricht Debt Non-Compliance* takes value one when the country's government debt exceeds 60% of GDP but complies with the deficit criterion. Similarly, *Maastricht Deficit Non-Compliance* takes value one when government deficit is of more than 3% of GDP but fulfils the debt criterion. Finally, *Maastricht Debt and Deficit Non-Compliance* is one when a country exceeds both thresholds. Alternatively to these variables constructed according to the Maastricht criteria, we use total *Government Debt* and the *Budget Deficit*, both measured as a share of GDP in percentage points. Per definition, all these variables are zero in the period before 1992, the year in which the Maastricht Treaty was signed.

The influence of the size of the welfare state on partisan contestation over European integration, i.e., hypothesis 5, is analysed by two variables, *Public Expenditure* and *Inequality*. *Public Expenditure* is the logarithm of total general government expenditure as a share of GDP in percentage points. As we can see in Table 2, this variable oscillates between 3.51 and 4.26. The lowest value corresponds to Ireland in 2002 and to Lithuania in 2006 (33.5% of GDP). The highest value corresponds to Sweden in 1992 (70.5% of GDP). *Inequality* is measured by the logarithm of the GINI index which goes from 0, perfect equality, to 100, perfect inequality. From Table 2 we see that *Inequality* varies between 3.00 and 3.66 which corresponds to a GINI index of 20 (for Finland in 1988 and 1992, and Sweden 1984 and 1988) and 39 (for Greece in 1984 and Latvia in 2006), respectively. Finally, to test hypothesis 6, we use *Growth* and *Unemployment*. *Growth* measures the difference between a country's annual real per capita income growth rate and the country's mean growth rate in the period 1980-2010 (with prices indexed 2005). Similarly, *Unemployment* is the difference between a country's annual unemployment rate and the country's mean unemployment rate in the period 1980-2010.

Table 1 summarizes the measurement of the variables and gives detailed information on the sources from where the data is obtained. Table 2 gives some details on descriptive statistics. We observe that there is considerable heterogeneity among countries and parties. For example, *Relative Income* varies from 17,400 Euros below the EU per capita average to 9,800 Euros above. Heterogeneity of partisan support for European integration can also be observed in Figure 2 which displays not only differences in mean partisan support across counties and across time periods but also differences in the countries' distribution of partisan support. As mentioned before, as differences in partisan ideology or competition are unlikely to be responsible for this cross-country cross-time variation, we regard economic factors as a possible explanation for the observed heterogeneity in partisan support for European integration.

4 Results

4.1 The determinants of partisan support for European integration

In what follows we briefly comment on model diagnostics to provide support for the adopted estimation

approach. Then, we comment in detail on the estimation results regarding the hypotheses raised in Section 2. Following the literature, in columns 1 and 2 of Table 3 we estimate a model (Model 1) that includes partisan variables with standard OLS panel data regression. Though our sample includes 4 more waves of expert surveys and nearly twice the number of countries, our results in column 1 mainly confirm the findings in Marks et al. (2002). Radical parties are opposed to European integration, while liberal, Christian democratic and social democratic parties widely support European integration. Furthermore, parties in government and with larger electoral support favour European integration. From these results we can confirm hypotheses 1 and 2 that partisan positioning on European integration is determined by ideological and strategic electoral motives.

Following Hellström (2008), in column 2 we have captured family characteristics by a one dimensional ideology variable for which we confirm a quadratic relationship with parties' contestation over European integration. We find that the replacement of partisan family by this ideology variable does not significantly decrease the explanatory content of the model, as the respective R^2 of the models in columns 1 and 2 are almost identical. Therefore, for our further analysis we will use this ideological variable to capture partisan family characteristics. In columns 3 and 4 we display the estimation results from fixed effects panel data regression (Model 2). While the direction and significance of the diagnosed effects is rather similar to those of Model 1 (with the exception of electoral support that becomes insignificant), we find that the existence of fixed effects cannot be rejected from standard F- and Hausman tests with negligible error. Therefore, we regard fixed effects estimation as the appropriate method for our further analysis. Notice also that in the fixed effects estimation with partisan family and country dummies (column 3 of Table 3) it turns out that all these dummy variables become insignificant (in comparison to the model estimated in column 1). This also indicates that neither the family nor the country dummies are indicated to capture unobserved heterogeneity among parties.¹²

Table 4 displays the fixed effects estimation results used to contrast the hypotheses raised in Section 2. In column 1 we replicate the results of column 4 in Table 3 (Model 2) which, as mentioned before, lead us to confirm hypotheses 1 and 2. In columns 2 and 3, we have introduced the second set of variables to test whether economic benefits and costs from EU membership impact on partisan contestation over European integration (Model 3). Regarding hypothesis 3, we find mixed evidence for such an influence. On the one hand, when economic benefits and costs are related to the distance of countries' per capita income from the European mean, we find, indeed, that poorer countries (that should be expected to obtain higher net benefits) are more favourable towards European integration than richer countries (with probably lower net benefits). So, we find that a change from the poorest to the richest economy would decrease the support for European integration by 54.4%.¹³ On the other hand, direct financial benefits from the EU turn out to have no influence on partisan contestation over European integration. Finally, we find that parties in countries with higher benefits from EMU induced trade are more opposed to EU integration than parties in those countries that benefit less from this trade effect. The estimated effect of a change from the country with no *Trade Benefits* to that with the highest *Trade Benefits* is a 13.26% decrease in partisan support for European integration. This is an unexpected result which could have two explanations. First, as EMU induced benefits from trade are indirect benefits that are difficult to quantify, voters and parties might not take them into account when positioning on European integration issues. Second, *Trade Benefits* is based on the sum of exports and imports which may have different impacts on partisan positioning towards European integration. So, parties may consider more positive for their economies an increase in exports than

¹²Furthermore, once we estimate by fixed effects, most of our categorical variables are omitted because of collinearity, as it is the case with green and regionalist/ethnic party family and all country dummies.

¹³Notice, that from Table 2 we find that this corresponds to a change in relative income from -17.40 to 9.80.

an increase in imports. However, measuring *Trade Benefits* as trade balance (exports minus imports as a share of GDP) obtains rather similar estimation results.¹⁴ Nevertheless, as the impact of relative income is of considerable size, we consider this as some weak evidence in favour of hypothesis 3 and conclude that economic costs and benefits have an influence on partisan positioning towards European integration.

With respect to hypothesis 4, we find that parties in countries that either did not fulfil the 3 percent deficit or the 60 percent debt criterion of the Maastricht Treaty after 1992 manifest lower support for European integration by 7.9% and 6.5%, respectively. For parties in countries that violate both criteria simultaneously, we get a slightly larger effect of an 8.8% decrease in partisan support for European integration. Since the control of the fulfilment of the Maastricht criteria used to be rather weak, we use the absolute amount of budget surplus and debt in the estimation in column 3 of Table 4 as an alternative measure for the influence of supranational institutional intervention. We obtain that an increase in government debt and budget deficit decreases partisan support for European integration. However, the second effect turns out to be not significant. Regarding government debt, we find that an increase of 10 percentage points in government debt decreases the partisan support for European integration by 1%. Therefore, we conclude that, at least regarding government debt, hypothesis 4 can be accepted. Thus, we confirm that parties dislike losing their influence on national fiscal policies by the creation of European institutions.

The third set of our hypotheses is contrasted with Model 4, whose estimation results are displayed in columns 4 and 5 of Table 4. Regarding the influence of larger welfare states, we find that none of our two indicator variables, *Inequality* and *Public Expenditure*, has a significant effect on our dependent variable. Therefore, we would reject hypothesis 5. Finally, regarding the impact of the business cycle, we find that parties in countries with higher per capita income growth are more prone to European integration. From our results, we find that a change from 5 percentage points below a country's average growth rate to 5 percentage points above average growth corresponds to a 13% increase in partisan support for European integration in this country. We obtain a similar result regarding *Unemployment*. Here, a change from 5 percentage points below a country's average unemployment rate to 5 percentage points above average unemployment corresponds to a 17% increase in partisan support for European integration. We take both results as evidence for hypothesis 6 that the business cycle influences partisan support for European integration.

Regarding the estimated time effects, we find that support for European integration has significantly grown in the period from 1984 to 1992 where it has increased by around 25%. In the period from 1992 to 1999 support has been between 9% and 16% lower than in 2010. Finally, between 2002 and 2010 we do not observe significant differences in the estimated time effects. Notice also, that our estimation results are rather robust as the inclusion of new explanatory variables in Models 3 and 4 does not affect remarkably the estimates of Models 2 and 3, respectively. Summarizing our results, we find evidence, though of different relevance, for all of our hypotheses raised in Section 2 except for hypothesis 5.

4.2 Time trends in partisan support for European integration

As there have been important institutional changes in the European Union we further study the stability of our estimated model. For this purpose we divide the sample period in two subsample

¹⁴The detailed estimation results are available upon request from the authors.

periods. As an important event that could have affected the determinants of partisan contestation on European integration we consider the creation of the EMU in 1999. Consequently, we re-examine Model 4 in Table 4 for subsample periods 1984-1996 (Model 5) and 1999-2010 (Model 6).

Regarding hypothesis 1, our results indicate that partisan characteristics measured by *Ideology* have a similar effect on partisan contestation as in the full sample period, though their importance has diminished over time. On the contrary, in the valuation of hypothesis 2, we observe important changes. For the first subsample period both *Electoral Support* and *Government Participation* turn out to have a significant influence on partisan positioning on European integration while for the second subsample period both variables have no significant influence. Somehow surprisingly, the impact of *Electoral Support* is negative. However, as part of the effect of the size of political parties is already captured by our ideology variable, we cannot conclude from this result that partisan support is decreasing with the size of political parties. The estimated effect of *Government Participation* in the first subsample period is even larger than for the full sample. So, now we find that support for European integration of parties increases by 5.5% when they are in government while for the full sample period the increase was 3.0%. Resuming this, we can conclude that strategic electoral motives for partisan positioning on European integration have lost some of their importance over time.

The second set of our hypotheses refers to the economic dimension of European integration. Regarding hypothesis 3, we find that the importance of economic aspects of European integration for partisan positioning on European integration issues has grown over time. Thus, while none of our EU benefit variables are significant in the first subsample period, in the second subsample period *Relative Income* and *Trade Benefits* have a significant negative effect which is similar in size to those obtained in Models 3 and 4 for the full sample period.

Regarding the role of European institutions, analysed with hypothesis 4, for the second subsample period we obtain similar results to those of Model 4. In the estimation with our Maastricht dummies, we obtain that parties in countries that did not fulfil the 60 percent debt criterion of the Maastricht Treaty after 1992 reduce their support for European integration by 6.1%. The other two dummy variable estimates are not significant. In the alternative estimation with level variables both *Government Debt* and *Budget Surplus* have a significant and remarkable influence on partisan support for European integration. An increase of 10 percentage points in government debt decreases the partisan support for European integration by 3% and a one percentage points increase in government deficit reduces support by 1.4%. On the contrary, for the first subsample period we find no significant influence of these variables. This result coincides with anecdotal evidence on that the control of the compliance of the Maastricht criteria were rather relaxed at the beginning and became more strict in the first decade of this century. Overall, these results indicate that partisan support for European integration declines when national fiscal policies become affected by supranational control. Thus, based on this evidence, we accept hypothesis 4 for the second subsample period.

The last set of our hypotheses takes account of the countries' economic situation. While we did not find any effect of the size of welfare states on partisan contestation on European integration in our full sample estimation in Model 4, now it turns out that we obtain a positive relationship between the size of the welfare state and partisan support for European integration for the second subsample period. More precisely, we find that *Public Expenditure* is related to a more favourable contestation on European integration. A one percent increase in public expenditure increases partisan support for European integration by 0.5%. Regarding *Inequality*, we find no significant effect in both subsample periods. From these results we would (weakly) accept hypothesis 5 for the second subsample period.

With regard to hypothesis 6, we find that only *Unemployment* has a significant influence on partisan contestation on European integration in the first subsample period while for the second subsample period *Growth* is the only variable with a significant impact. Therefore, we confirm the result obtained with Model 4 that the business cycle influences partisan contestation on European integration.

Taken together, the results on the stability of the relationship between partisan support for European integration and its determinants indicate that economic factors have become of increasing importance. On the one hand, partisan support has declined in countries that have been affected by European control of their fiscal policies. On the other hand, partisan support for European integration depends on the economic benefits, the size of the welfare state and the current economic situation of a party's country.

5 Conclusions

In this article we study whether economic factors influence partisan support for European integration. We find that, indeed, partisan contestation over European integration is affected by several economic variables. First, partisan support is larger in relatively poorer countries indicating that economic benefits from EU membership seem to play an important role. Second, in countries that were affected by the Maastricht criteria partisan support for European integration decreases significantly. We take this as evidence that parties are rather jealous to lose some of their influence on fiscal policies to supranational organizations and therefore reduce their support when this becomes effective. Third, we find weak evidence for a larger partisan support in countries with more developed welfare states. Fourth, we detect that support for European integration is in parallel to the business cycle. Finally, our results indicate that the importance of economic factors has grown in recent periods.

From our results we obtain some interesting policy implications for the future of the European integration process in particular and for processes of economic integration in general. First, as partisan support for European integration depends on economic factors, future advances in the European integration process will depend crucially on the existence of economic benefits and their distribution among EU member countries. Second, as it is most likely impossible to obtain positive direct monetary benefits for all members by further integration policies, it becomes particularly important to accentuate the indirect benefits of such policies. For example, from our results we find that partisan support in those countries with largest benefits from EMU induced trade is lower than in those countries with smaller benefits. We take this as evidence for the lack of awareness of these indirect benefits to the general public. Finally, while the European integration process unquestionably has its historic specificities which lay in the experiences in and after World War II, it seems that this process after the substantial advances that have been reached, now has come to a 'normal' state of affairs which also allows to derive lessons for other processes of economic integration. Therefore, for these processes the first two policy implications are applicable, too.

6 Appendix

6.1 Data Processing

Partisan data for 2010 is not complete because the data was extracted before the Chapel Hill Experts

Survey data set was completely finished. We have used information about partisan positioning on European issues and partisan ‘overall’ ideology. Information on partisan family is not in the data. We have assumed that parties belong to the same family as in the previous survey. Parties’ *Electoral Support* and *Government Participation* for 2010 are from our own data. Similarly, there is missing data about parties’ ideology in some survey years. We assumed that their ideology is equal to their ideology quote in the closest survey year. Because of missing information, 28 observations on parties were not included in our sample. There is no information on the GINI index for all years to report *Inequality*. In order to avoid losing more observations, we estimate missing data by taking the average of the two closest observations in time.

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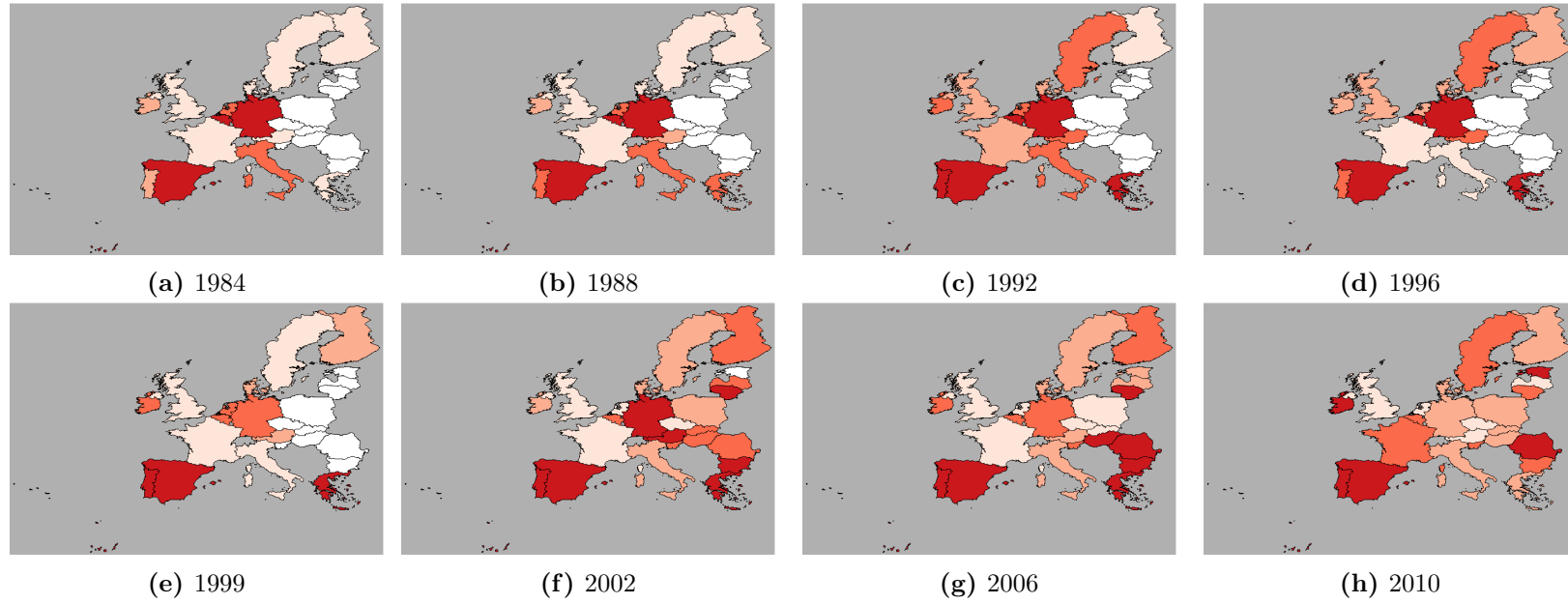


Figure 1: Mean partisan positions towards European integration by country and year. White colour means that there is no information for that country and the intensity of the red colour corresponds to the intervals: ■ $[1, 5]$, ■ $(5, 5.6]$, ■ $(5.6, 6]$, ■ $(6, 7]$. The intervals are chosen as the quantils of the distribution of the mean partisan support for European integration.

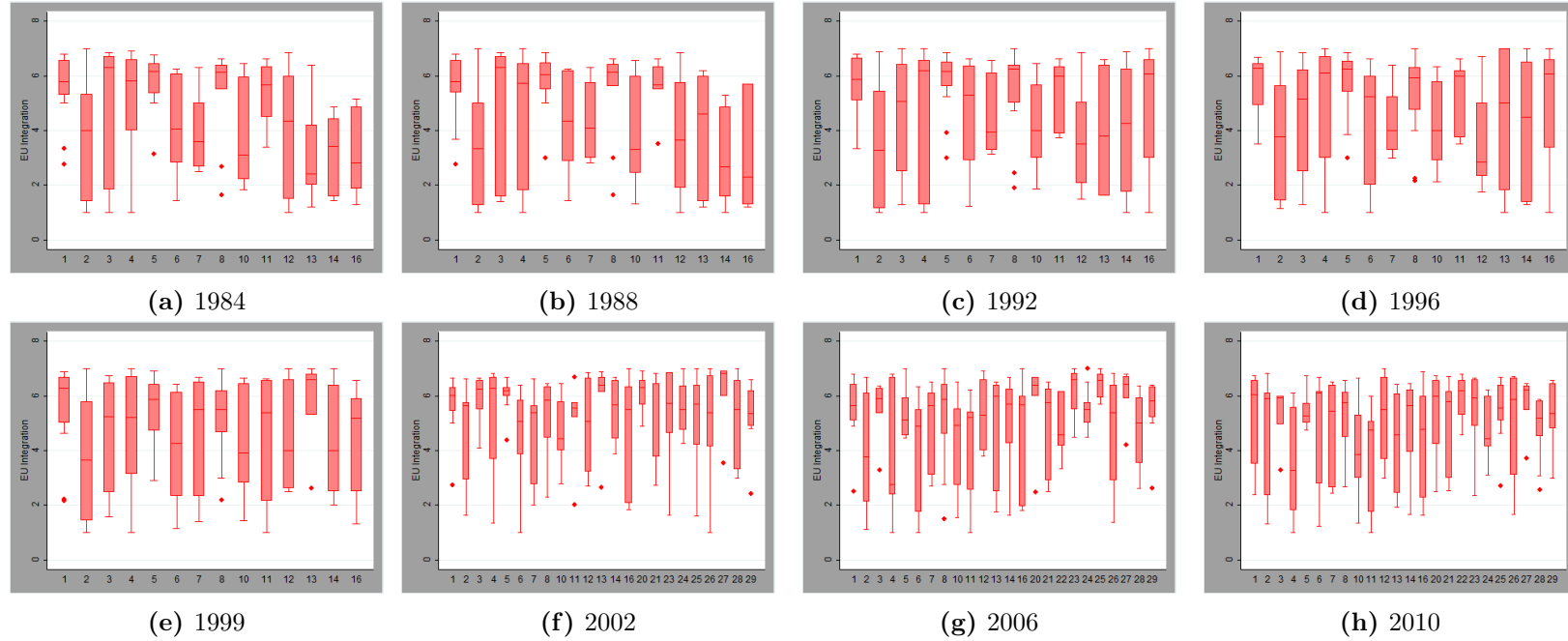


Figure 2: Distribution of partisan positions towards European integration by country and year. Numbers correspond to countries as follows: Belgium (1), Denmark (2), Germany (3), Greece (4), Spain (5), France (6), Ireland (7), Italy (8), the Netherlands (10), United Kingdom (11), Portugal (12), Austria (13), Finland (14), Sweden (16), Bulgaria (20), Czech Republic (21), Estonia (22), Hungary (23), Latvia (24), Lithuania (25), Poland (26), Romania (27), Slovakia (28) and Slovenia (29).

Variable	Measurement	Source
<i>European Integration</i>	Logarithm of parties' position towards European integration from 1 (strongly opposed) to 7 (strongly in favour).	Bakker et al. (2012), Hooghe et al. (2002) and Ray (1999)
<i>Ideology</i>	Parties' ideological position from 0 (extreme left) to 10 (extreme right).	Bakker et al. (2012) and Ray (1999)
<i>Electoral Support</i>	Parties' share of total votes in the last national government elections before the survey year in percentage points.	Bakker et al. (2012) and Ray (1999)
<i>Government Participation</i>	Dichotomous variable for parties in government (1 = in government)	Bakker et al. (2012) and Ray (1999)
<i>Relative Income</i>	Difference between the country's real per capita income and the EU mean real per capita income in thousands of euros PPP.	Own calculation with data from Eurostat (2013a) and WDB (2013). Conversion of data in dollars from WDB (2013) into euros by Fxtop (2013)
<i>EU Net Expenditure</i>	EU expenditure in the country minus national contributions to the EU budget as a share of GDP in percentage points.	Own calculation with data from European Commission (2009) and European Commission (2013)
<i>Trade Benefits</i>	Benefits from EMU membership induced trade as a share of GDP in percentage points.	Own calculation with data from Eurostat (2013b)
<i>Maastricht Debt Non-compliance</i>	Dichotomous variable for countries with a government debt of more than 60% of GDP and a government deficit of less than 3% of GDP (1 = non-compliance).	Own calculation with data from International Monetary Fund (2010)
<i>Maastricht Deficit Non-compliance</i>	Dichotomous variable for countries with a government deficit of more than 3% of GDP and a government debt of less than 60% of GDP (1 = non-compliance).	Own calculation with data from OECD (2012) and Eurostat (2012)
<i>Maastricht Debt and Deficit Non-compliance</i>	Dichotomous variable for countries with both a government debt and deficit of more than 60% and 3% of GDP, respectively (1 = non-compliance).	Own calculation with data from International Monetary Fund (2010), OECD (2012) and Eurostat (2012)
<i>Government Debt</i>	Government debt as a share of GDP in percentage points.	International Monetary Fund (2010)
<i>Budget Surplus</i>	Government surplus as a share of GDP in percentage points.	OECD (2012) and Eurostat (2012)
<i>Public Expenditure</i>	Logarithm of total general government expenditure as a share of GDP in percentage points.	OECD (2013a) and Eurostat (2012)
<i>Inequality</i>	Logarithm of the GINI index (that varies between 0, perfect equality, and 100, perfect inequality).	UNU-WIDER (2013)
<i>Growth</i>	Difference between the country's annual per capita income growth rate and the country's mean growth rate in the period 1980-2010 (base year for real per capita income 2005).	Own calculation with data from OECD (2013a) and WDB (2013)
<i>Unemployment</i>	Difference between the country's annual unemployment rate and the country's mean unemployment rate in the period 1980-2010.	Own calculation with data from WDB (2012b)

Table 1: Data definitions and sources. The measurement of variables refers to the respective survey year if not indicated otherwise.

Variable	Mean	Std. Dev.	Min	Max
<i>European Integration</i>	1.47	0.52	0	1.95
<i>Ideology</i>	4.96	2.36	0	10
<i>Electoral Support</i>	11.06	12.24	0	52.73
<i>Government Participation</i>	0.28	0.44	0	1
	58			
	1			
<i>Relative Income</i>	-1.71	5.53	-17.40	9.80
<i>EU Net Expenditure</i>	0.60	1.38	-4.14	6.66
<i>Trade benefits</i>	0.55	1.47	0	7.80
<i>Maastricht Debt Non-compliance</i>	0.17	0.37	0	1
<i>Maastricht Deficit Non-compliance</i>	0.19	0.39	0	1
<i>Maastricht Debt and Deficit Non-compliance</i>	0.22	0.41	0	1
<i>Government Debt</i>	49.88	36.95	0	144.55
<i>Budget Surplus</i>	-2.64	3.32	-13.30	5.00
<i>Public Expenditure</i>	3.86	0.16	3.51	4.26
<i>Inequality</i>	3.36	0.16	3.00	3.66
<i>Growth</i>	0.87	2.36	-6.09	10.82
<i>Unemployment</i>	0.42	2.77	-7.74	8.63

Table 2: Descriptive statistics.

	Model 1		Model 2	
	OLS		Fixed Effects	
<i>Radical Right</i>	-0.460*** (0.062)		0.245 (0.244)	
<i>Conservatives</i>	0.250*** (0.061)		0.177 (0.201)	
<i>Liberal</i>	0.492*** (0.057)		0.104 (0.185)	
<i>Christian-Democratic</i>	0.415*** (0.065)		0.326 (0.205)	
<i>Socialist</i>	0.367*** (0.061)		0.154 (0.301)	
<i>Radical Left</i>	-0.341*** (0.055)		0.167 (0.342)	
<i>Green</i>	0.141** (0.060)			
<i>Regionalist/Ethnic</i>	0.257*** (0.062)			
<i>Confessional</i>	-0.037 (0.078)		-0.311 (0.193)	
<i>Agrarian</i>	0.116 (0.079)		0.248 (0.227)	
<i>Ideology</i>		0.522*** (0.019)		0.192*** (0.035)
<i>Ideology Squared</i>		-0.051*** (0.002)		-0.020*** (0.003)
<i>Electoral Support</i>	0.004*** (0.001)	0.005*** (0.001)	-0.001 (0.002)	-0.001 (0.002)
<i>Government Participation</i>	0.067** (0.029)	0.090*** (0.026)	0.039** (0.019)	0.032* (0.019)
<i>1984</i>	-0.103** (0.045)	-0.051 (0.042)	-0.125*** (0.026)	-0.123*** (0.026)
<i>1988</i>	-0.094** (0.045)	-0.023 (0.042)	-0.092*** (0.026)	-0.092*** (0.026)
<i>1992</i>	-0.033 (0.044)	0.050 (0.041)	-0.034 (0.025)	-0.033 (0.026)
<i>1996</i>	-0.025 (0.044)	0.040 (0.041)	-0.029 (0.025)	-0.035 (0.025)
<i>1999</i>	-0.024 (0.044)	-0.060 (0.040)	-0.029 (0.026)	-0.054** (0.026)
<i>2002</i>	0.034 (0.041)	0.031 (0.036)	0.001 (0.023)	-0.008 (0.023)
<i>2006</i>	-0.009 (0.040)	0.006 (0.036)	-0.013 (0.022)	-0.013 (0.022)
<i>Constant</i>	1.269*** (0.077)	0.361*** (0.065)	1.387*** (0.151)	1.177*** (0.096)
<i>N</i>	1192	1164	1192	1164
<i>R-squared / R-squared within</i>	0.535	0.554	0.071	0.092
<i>F test that all $u_i = 0$: Prob > F</i>	-	-	0.000	0.000
<i>Hausman test: Prob > χ^2</i>	-	-	0.000	0.000

Table 3: Panel data estimation results for the influence of partisan variables on *European Integration*. Standard errors are in parentheses. *, **, *** indicate significance at the 10, 5 and 1 percent level, respectively. The base categorical variables for party family, country and year are *No Family*, *Germany* and *2010*, respectively. Country dummies with a significant positive effect in both models are Belgium, Spain and Italy, and with a significant negative effect Denmark and Finland. The largest effects in Model 1 are for Finland, with a coefficient of -0.305, and Spain, with a coefficient of 0.244. The detailed results are available upon request from the authors.

	Model 2 H1-H2	Model 3 H1-H4	Model 4 H1-H6		
<i>Ideology</i>	0.192*** (0.035)	0.208*** (0.035)	0.201*** (0.034)	0.209*** (0.034)	0.205*** (0.034)
<i>Ideology Squared</i>	-0.020*** (0.003)	-0.021*** (0.003)	-0.020*** (0.003)	-0.022*** (0.003)	-0.021*** (0.003)
<i>Electoral Support</i>	-0.001 (0.002)	-0.001 (0.002)	-0.001 (0.002)	-0.001 (0.002)	-0.001 (0.002)
<i>Government Participation</i>	0.032* (0.019)	0.023 (0.018)	0.026 (0.018)	0.027 (0.018)	0.030* (0.018)
<i>Relative Income</i>		-0.020*** (0.005)	-0.020*** (0.005)	-0.003 (0.006)	-0.002 (0.006)
<i>EU Net Expenditure</i>		-0.002 (0.008)	-0.005 (0.008)	0.004 (0.008)	0.001 (0.008)
<i>Trade Benefits</i>		-0.017*** (0.006)	-0.019*** (0.006)	-0.015** (0.006)	-0.016*** (0.006)
<i>Maastricht Debt Non-Compliance</i>		-0.065** (0.026)		-0.063** (0.026)	
<i>Maastricht Deficit Non-Compliance</i>		-0.079*** (0.029)		-0.060** (0.030)	
<i>Maastricht Debt and Deficit Non-Compliance</i>		-0.088*** (0.030)		-0.080*** (0.031)	
<i>Government Debt</i>			-0.001*** (0.001)		-0.001** (0.001)
<i>Budget Surplus</i>			0.006 (0.004)		0.008 (0.005)
<i>Public Expenditure</i>				-0.002 (0.109)	0.055 (0.118)
<i>Inequality</i>				0.003 (0.078)	-0.012 (0.078)
<i>Growth</i>				0.013*** (0.004)	0.013*** (0.004)
<i>Unemployment</i>				0.017*** (0.003)	0.017*** (0.003)
<i>1984</i>	-0.123*** (0.026)	-0.327*** (0.048)	-0.391*** (0.056)	-0.273*** (0.048)	-0.342*** (0.057)
<i>1988</i>	-0.092*** (0.026)	-0.282*** (0.045)	-0.346*** (0.054)	-0.240*** (0.047)	-0.308*** (0.055)
<i>1992</i>	-0.033 (0.026)	-0.151*** (0.035)	-0.156*** (0.034)	-0.088** (0.036)	-0.090** (0.036)
<i>1996</i>	-0.035 (0.025)	-0.141*** (0.033)	-0.150*** (0.034)	-0.124*** (0.034)	-0.132*** (0.035)
<i>1999</i>	-0.054** (0.026)	-0.190*** (0.039)	-0.197*** (0.041)	-0.143*** (0.041)	-0.159*** (0.041)
<i>2002</i>	-0.008 (0.023)	-0.117*** (0.035)	-0.116*** (0.034)	-0.040 (0.038)	-0.044 (0.036)
<i>2006</i>	-0.013 (0.022)	-0.067** (0.029)	-0.079** (0.033)	-0.028 (0.031)	-0.049 (0.034)
<i>Constant</i>	1.177*** (0.096)	1.266*** (0.098)	1.346*** (0.102)	1.234** (0.534)	1.147** (0.561)
<i>N</i>	1164	1164	1164	1164	1164
<i>R-squared within</i>	0.092	0.124	0.128	0.160	0.166
<i>Hausman test: Prob > χ^2</i>	0.000	0.000	0.000	0.000	0.000

Table 4: Fixed effects estimation results for the influence of partisan and economic variables on *European Integration*. Standard errors are in parentheses. *, **, *** indicate significance at the 10, 5 and 1 percent level, respectively. The base categorical variables are *Germany* (country) and *2010* (year).

	Model 5 1984-1996		Model 6 1999-2010	
<i>Ideology</i>	0.304*** (0.083)	0.301*** (0.083)	0.225*** (0.037)	0.214*** (0.037)
<i>Ideology Squared</i>	-0.030*** (0.008)	-0.030*** (0.008)	-0.020*** (0.003)	-0.020*** (0.003)
<i>Electoral Support</i>	-0.006** (0.003)	-0.006** (0.003)	-0.001 (0.001)	-0.000 (0.001)
<i>Government Participation</i>	0.055** (0.028)	0.057** (0.028)	0.013 (0.016)	0.016 (0.016)
<i>Relative Income</i>	-0.004 (0.014)	-0.000 (0.013)	-0.011 (0.008)	-0.017** (0.007)
<i>EU Net Expenditure</i>	-0.022 (0.018)	-0.027 (0.018)	-0.004 (0.009)	-0.013 (0.009)
<i>Trade Benefits</i>			-0.011*** (0.004)	-0.011*** (0.004)
<i>Maastricht Debt Non-Compliance</i>	0.040 (0.068)		-0.061*** (0.023)	
<i>Maastricht Deficit Non-Compliance</i>	-0.016 (0.063)		-0.037 (0.026)	
<i>Maastricht Debt and Deficit Non-Compliance</i>	0.015 (0.062)		-0.046 (0.031)	
<i>Government Debt</i>		0.001 (0.001)		-0.003*** (0.001)
<i>Budget Surplus</i>		0.005 (0.008)		0.014*** (0.005)
<i>Public Expenditure</i>	0.093 (0.183)	0.101 (0.200)	0.183 (0.125)	0.530*** (0.157)
<i>Inequality</i>	-0.136 (0.100)	-0.139 (0.098)	0.016 (0.119)	0.054 (0.116)
<i>Growth</i>	0.004 (0.006)	0.004 (0.006)	0.010** (0.004)	0.013*** (0.004)
<i>Unemployment</i>	0.022*** (0.006)	0.023*** (0.006)	0.002 (0.003)	0.003 (0.003)
<i>1984</i>	-0.069 (0.065)	-0.048 (0.056)		
<i>1988</i>	-0.021 (0.064)	-0.002 (0.057)		
<i>1992</i>	0.035 (0.028)	0.047 (0.030)		
<i>1999</i>			-0.112*** (0.043)	-0.195*** (0.041)
<i>2002</i>			-0.048 (0.038)	-0.115*** (0.036)
<i>2006</i>			-0.036 (0.026)	-0.122*** (0.031)
<i>Constant</i>	0.988 (0.891)	0.954 (0.957)	0.322 (0.593)	-0.885 (0.683)
<i>N</i>	491	491	673	673
<i>R-squared within</i>	0.208	0.206	0.163	0.188
<i>Hausman test: Prob > χ^2</i>	0.000	0.000	0.000	0.000

Table 5: Fixed effects estimation results for the influence of partisan and economic variables on *European Integration* for subsamples: 1984-1996 and 1999-2010. Standard errors are in parentheses. *, **, *** indicate significance at the 10, 5 and 1 percent level, respectively. The base categorical variables are *1996* for the the first subsample period and *2010* for the last subsample period.