

# Mapping public support for further European unification: a multilevel analysis

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Mapping public support for further European unification: a multilevel analysis

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## Mapping public support for further European unification: a multilevel analysis

Kristel JACQUIER<sup>1</sup>

#### **Abstract:**

Using individual-level data from the European Social Survey, a multilevel analysis involving 21 countries was conducted to identify contextual preference formation. We show that individual predictors such as education work differently in different institutional contexts. Contrary to previous finding in the literature we find that the higher the percentage of tertiary education, the smaller the education gap in public support for the EU.

JEL codes: F02, F55

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#### INTRODUCTION

Most empirical studies on public support focus on membership support<sup>2</sup>. We argue that levels of membership support alone do not give an accurate picture of where public opinion stands on the EU. This chapter proposes to document support for further European integration<sup>3</sup>. In the context of economic crisis in the EU, some individuals might consider unification of Europe as a positive step but are dissatisfied with the European agenda. To do so, we use a survey question from the European Social Survey (ESS) asking European citizens whether or not European unification should go further using a 0 to 10 scale.

The contribution to the literature is threefold. First a new dataset is exploited; the question of further unification is essential and is not covered by the Eurobarometer survey question traditionally used in the literature. Secondly, the paper contributes to the debate on territorial VS transnational cleavage. Finally, very few empirical studies include a regional dimension to its analysis of public support for the European Union.

A multilevel analysis involving 21 countries was conducted to identify contextual preference formation. Variance components analysis reveals that a multilevel structure is sound although the variance at the region and country levels is negligible compared to the individual level. Individual level predictors confirm that wide divides among social groups exist regarding the EU. Focusing on further integration rather than EU membership support does not lead to a different conclusion in this respect. Highly skilled occupations and high incomes support further European integration a lot more than any other groups. Using random slope we see that individual factors such as education vary from one region to another or one country to another. In the next sections, explanatory variables are included at both levels to see if country and region divides can be explained<sup>4</sup>. Several predictors stand out: the percentage of tertiary education, the GDP and the percentage of net migration for regions, corruption, young unemployment and social expenditures for countries. As a final step, cross-level interactions are estimated. We find that wage coordination enhances the positive impact of education. Conversely the higher the percentage of tertiary education, the smaller the education gap in public support for the EU.

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<sup>&</sup>lt;sup>2</sup> The survey question usually used in the literature is found in the Eurobarometer (surveys carried by the European Union): *Generally speaking, do you think that (your country's) membership in the European Community (Common Market) is a bad thing (1), neither good nor bad (2), or a good thing (3)?* 

<sup>&</sup>lt;sup>3</sup> In the present text, the terms "integration" and "unification" shall be used indiscriminately. They are regarded as similar concepts.

 $<sup>^{4}</sup>$  The variables are obtained from multilevel data ESS6, eurostat and Visser (2015)

#### **LITERATURE**

Lipset and Rokkan (1967) describe two types of political cleavage: National/territorial and transnational/socioeconomic. National cleavages result from the historical, cultural and economic context people live in. Socioeconomic cleavages correspond to social classes (income and education levels mainly) as well as differences based on values (post materialism and cognitive mobilization). The present chapter investigates the economic determinants of public support for European Union and the interaction between national and transnational drivers.

We rely on utilitarian explanations to account for socioeconomic cleavages. This utilitarian theory is based on the assumption that individuals calculate their expected gains from European integration, and the likelihood of positive evaluations is positively related to one's relative human capital (Gabel, 1998b). Gabel and Palmer (1995) and Anderson and Reichert (1995) provide evidence supporting the utilitarian model. They showed that the higher the income, the higher the support for EU membership. Kaltenthaler *et al* (2004) demonstrate that the most educated have the necessary skills to maximize their earnings in the global economy. Citizens with higher levels of education tend to be greater supporters of pro-market policies because they identify themselves as potential winners of market competition.

As for national cleavages, the study will focus on the economic context. We assume that the EU tends to be evaluated according to the potential added value it might bring to the national situation. Several studies indicate that citizens evaluate the EU based on macroeconomic performances (Eichenberg and Dalton, 1993; Anderson and Reichert, 1995; Gabel and Palmer, 1995). Indeed, the founders of the EU justified the integration in terms of welfare gains from trade. Nevertheless, the explanatory power of macro-economic predictors has largely decreased over time (Eichenberg and Dalton, 2007). Using Eurobarometer data, they emphasize that the higher the social expenses, the less citizens support EU action on health and social security (Eichenberg and Dalton, 2007:143 and 150). They make the case that many citizens want to preserve their national arrangements, notably social protection. Labor market or social protection policies are at the very root of socio-political compromises that funded post-war European economies. Eichenberg and Dalton also stress the influence of the EMU and its budgetary implications. Indeed, while European policies constrain national governments, there are no welfare state policies at the EU level. Citizens in the largest welfare states are likely to fear a decrease in social spendings as a consequence of European integration (Marks and Steenbergen, 2004). Kvist and Saari, (2007) investigate precisely this constraining effect of European integration on national welfare states (notably through the EMU).

Brinegar and Jolly (2005) make a bridge between national and transnational determinants. They intend to comprehend how national specificities (such as political-economic institutions and factor endowment) can reinforce or mitigate the impact of socioeconomic determinants on EU support<sup>5</sup>. Using Eurobarometer data, the skill level is taken into account through the frame of national factor endowments (skilled endowment is measured as the percentage of the population completing secondary education) and varieties of capitalism. They predict that in countries relatively well endowed with low-skilled workers, low-skilled workers should support integration, and the opposite would be true in countries with a scarcity of low-skilled labor. Additionally, workers in the most generous welfare states are more likely to perceive integration with a 'race-to-the-bottom' and be less supportive of the EU (Brinegar and Jolly, 2005). They find that skill-based differences are not uniform across countries. In the present study we also investigate how contextual factors mediate the influence of transnational variables that shape individual attitudes towards the EU such as occupational status. We further document the role of national determinants and extend it to test if regions are a relevant level of analysis to understand differences in public support for the EU. There are sound reasons to believe that regional contexts influence public support for the EU. First of all, the geographical location might affect the perception of citizens, for example in cross-border regions. EU support is expected to be stronger in regions hosting EU institutions such as Alsace, the Brussels-Capital region, Luxembourg and Hesse. On the other hand, according to their economic specific characteristics, regions are more or less affected by the EU. Its impact might appear damaging in certain regions. For example EU memberstates are responsible for huge transit traffic in Tyrol which is viewed negatively by the Tyrolean people due to the pollution and noise caused by this transit traffic<sup>6</sup>. Some EU policies are controversial, opposition to the CAP and the Common Fisheries Policy (CFP) is found in the most rural regions, hostility to the CFP is also present in some coastal regions (Landes). Strong dissatisfaction with the EU's reform of the wine sector was expressed in the region of Aquitaine. These differences exist and the literature has highlighted some of them. Perrineau (2005) showed differences of up to 30 percentage points between regions in terms of no votes in France in the 2005 referendum on the EU constitutional treaty. Kaiser (1995) analyzed the 1994 accession referenda in the Nordic countries and finds that inter-regional differences in levels of support reached a 20 percentage point difference. Trouvé (2005) found that French citizens voted markedly against the EU Constitutional Treaty in Aquitaine. Lubbers and Scheepers (2010) build a four-level model to emphasize how trends in political euroscepticism<sup>7</sup> vary both at the national and the regional levels. They find deviance from the countrylevel trend in four regions. In Greece, dytiki Macedonia shows a weaker decrease in Euroscepticism

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<sup>&</sup>lt;sup>5</sup> The authors constructed a new dependent variables labeled Overall European Integration View (OEIV) combining several dimensions of EU perceptions

<sup>&</sup>lt;sup>6</sup> No stops are necessary to transit freight through the Alps so the positive economic effects for the local alpine population is almost zero

<sup>&</sup>lt;sup>7</sup> Political euroscepticism refers to citizens who reject the EU because they fear a loss of national sovereignty

compared to the rest of Greece and the opposite is observed in Thessalia. The north of Luxembourg has become more eurosceptical over time than the rest of the country. Finally, the decrease in Euroscepticism is more pronounced in Castilla-La-Mancha than in Spain as a whole. Although Lubbers and Scheepers consider the variance at the regional level, they did not include any variable at the regional level that would help explain those differences.

Our study conveys another important contribution to the literature. Most empirical studies on public support use membership support as a proxy for European integration. We argue that support for membership is not enough to grasp preferences towards the EU. The issue of further integration is critical, especially in the context of economic crisis in the area. Hobolt (2014) investigate the support for deepening, or widening the European Union (further enlargement). The empirical analysis relies on Eurobarometer survey data over the period 2005-2012. Support for deepening is defined as strengthening the EU authority and is measured through support for integration in common foreign and security policy (CFSP) and support for the Economic and Monetary Union (EMU). The focus is on citizens who support deepening but not widening. Hobolt finds that citizens in core Eurozone countries, in net contributor states and in countries experiencing growth are more likely to support further integration, but not enlargement. High skilled workers also support deepening without widening. Their findings are consistent with the utilitarian theory: winners of the integration process want to deepen and reinforce the Union but they do not want to include new member states. Net contributor countries are especially concerned with the additional financial burden poorer member states might bring. These results suggest that economic variables are good predictors of support for further unification. Contrary to what is presented in Hobolt (2014), some individuals might consider unification of Europe as a positive step but are dissatisfied with the course of negative integration<sup>8</sup> (Scharpf, 1999). In countries where citizens strongly support membership, a significant number might be unsatisfied with the political agenda of the EU (attitude that would be referred as softeuroscepticism here) and as a consequence oppose further integration. This is the case in Belgium (Abts et al, 2009). We assume that support for further unification also reflects support for the current political agenda of the Union. Consequently it is reasonable to think that among traditional supporters of the EU, some might find further unification undesirable.

<sup>&</sup>lt;sup>8</sup> Deregulation of national norms rather than new institutions or programs

#### THE DATA

The analysis is based on the European Social Survey (ESS) dataset. The program was launched by the European Science Foundation (ESF) and designed to compare social attitudes and values across European countries. The ESS provides a large data sample (at least 1,500 respondents per country) and employs the most rigorous methodologies. Kohler (2007) describes the ESS as the most reliable data for international comparisons. The analysis includes 21 EU member states: Germany, Belgium, Denmark, Spain, Finland, France, United Kingdom, Ireland, Italy, the Netherlands, Portugal, Sweden, Bulgaria, Czech Republic, Hungary, Estonia, Lithuania, Poland, Slovenia, Slovakia and Cyprus. The appendix provides descriptive statistics of the main national trends. We use the most recent wave including multilevel data: ESS6. The individual level data from ESS6 were collected in 2012. Multilevel data are provided to document the context the ESS-respondents live in. Three levels are considered: individuals (the respondents), regions<sup>9</sup> and countries<sup>10</sup>. Data at the regional and national levels are from 2011. We assume that individuals base their preferences on past macroeconomic information. The variables from ESS included in the analysis at the region-level are the percentage of tertiary education, the regional GDP, young unemployment, long-term unemployment and the percentage of net migration by region. Variables at the country-level are also sourced from the ESS: Social expenditure in percentage of GDP 2011, Gini coefficient of equivalised disposable income 2011, Unemployment rates by age 15-24 years in % 2011 and percentage of tertiary education. We use the following survey question:

"Now thinking about the European Union, some say European unification should go further. Others say it has already gone too far. Using this card, what number on the scale best describes your position?"

There are two other sources of data. Eurostat provided two variables (GDP and GDP per capita in Purchasing Power Standards (PPS)). We also use two variables from the Database on Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts provided by Jelle Visser: Union density and coordination of wage-setting. See the appendix for details on the variables and their sources.

<sup>&</sup>lt;sup>9</sup> The regional variables are downloaded every second year. The variables from ESS 6 were downloaded in 2014 <sup>10</sup> The selection of variables provided by the ESS is based on the recommendations in the report of the ESS Upgrade and Planning Group on Contextual Data: 'Conceptual and Statistical Issues in Multilevel Analysis'

#### MULTILEVEL MODELING

Ignoring the multilevel data structure carries possibly incorrect standard errors and inflated Type 1 error rates (the probability of rejecting the null hypothesis although it is true). If the context is ignored, the individuals (N) are considered as independent. However, if individual-level factors are influenced by contextual factors then individuals sampled from the same context are not independent, but clustered. When those effects are not controlled for, the assumption that the errors are independent is violated. Including dummy variables for each subgroup captures the unique variation among the subgroups and standard errors are corrected. However, dummy variables do not explain why the different subgroups vary. Including subgroup level predictors and interacting subgroups characteristics with predictors measured at a lower level of analysis provide information on the behavior of each subgroup. On the other hand, interactive models assume that the subgroup level predictors fully account for subgroup differences<sup>11</sup>. This is a very strong assumption which is usually not confirmed by the data. Multilevel modeling, as presented in this paper, exploits the theoretical opportunity to explain why subgroups differ and meet the statistical challenge that clustered data presents (Steenbergen and Jones, 2002). We rely on a multilevel model to account for variance in a dependent variable measured at the individual level (support for further unification in the EU) using information from three levels of analysis: individuals, regions and countries. Variance components analysis is run using mixed-effects restricted maximum likelihood (REML) regression. Maximum likelihood parameters are those parameters estimates that maximize the probability of finding the sample data that was actually found.

The variance analysis enables to decompose the variance in EU support:

$$Support_{ijk} = \alpha_{0jk} + \varepsilon_{ijk}$$
 (1)

Equation (1) is the individual level model.  $\varepsilon_{ijk}$  is individual-level variation around this mean.  $\alpha_{0jk}$  is the mean level of EU support in region j in country k:

$$\alpha_{0jk} = \gamma_{000} + v_{00k} + \delta_{0jk}$$

 $\gamma_{000}$  is the overall mean of EU support (the mean across individuals, regions and countries) and  $v_{00k}$  is cross-national variation around the mean. The national mean for EU support can be written as  $\beta_{00k} = \gamma_{000} + v_{00k}$ . Finally,  $\delta_{0jk}$  is the region-level variation around this mean.

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<sup>&</sup>lt;sup>11</sup> A random error is only incorporated at the lowest level and error components are assumed to be zero at the highest levels of analysis

The variances components are given by  $\omega_{00}$  (cross-national variation),  $\tau_{00}$  (regional variation) and  $\sigma^2$  (overall variation). If there is no variance at the regional and country levels, then responses from any EU countries and regions are expected to vary from the EU mean respondent in the same way. If there is cross-country and cross-region variance, individuals in different countries and regions will vary together from the EU mean respondent.

As a second step we estimate a linear model and include explanatory variables at the individual level (equation (2)). Although they most certainly play a role, no historical or cultural variables are included in the model; the focus is exclusively on economic factors. *I* is a vector of individual socio-demographic characteristics (age and gender), and the socioeconomic position of individuals (ISCO classification, employment status and employment relation).

$$Support_{ijk} = \alpha_{0jk} + \alpha_{1jk}I_{ijk} + \varepsilon_{ijk}$$
 (2)

By modeling  $\alpha_{0jk}$ , regional level predictors can be included:

$$\alpha_{0jk} = \beta_{00k} + \beta_{01k} R_{jk} + \delta_{0jk}$$
 (3)

Thirdly, country-level drivers are included in the regional-level constant,  $\beta_{00k}$ :

$$\beta_{00k} = \gamma_{000} + \gamma_{001}C_k + v_{00k} \tag{4}$$

R and C stand for predictors at the regional and country level respectively.

If we make the assumption that the effect of regional predictors is fixed (we write  $\beta_{01k} = \gamma_{010}$ ) and the effect of the individual-level predictor is fixed as well ( $\alpha_{1jk} = \gamma_{100}$ ) then substituting (3) and (4) into equation (2) yields:

$$Support_{ijk} = \gamma_{000} + \gamma_{001}C_k + \gamma_{010}R_{ik} + \gamma_{100}I_{ijk} + v_{00k} + \delta_{0ik} + \varepsilon_{ijk}$$
(5)

For both technical and theoretical however, the full model (including both regional and national predictors) presented in equation (5) is never implemented. Instead the predictors at the country and regional levels are included separately:

$$Support_{ijk} = \gamma_{000} + \gamma_{100}I_{ijk} + v_{00k} + \delta_{0jk} + \varepsilon_{ijk}$$
 (Model 1.1)

$$Support_{ijk} = \gamma_{000} + \gamma_{100}I_{ijk} + \gamma_{010}R_{jk} + v_{00k} + \delta_{0jk} + \epsilon_{ijk}$$
 (Model 2)

$$Support_{ijk} = \gamma_{000} + \gamma_{100}I_{ijk} + \gamma_{001}C_k + v_{00k} + \delta_{0jk} + \epsilon_{ijk}$$
 (Model 3.1)

So far, we have made the assumption that the individual-level predictors have fixed effects. Only the intercept was allowed to vary across levels (see figure 1). However, our theoretical framework implies that individual variables have a different impact on public support according to the characteristics of the region and the country respondents live in. To model causal heterogeneity 12, we drop the assumption of fixed effects for education:

Support<sub>ijk</sub> = 
$$\gamma_{000} + v_{00k} + \delta_{0jk} + \gamma_{100}I1_{ijk} + \gamma_{2jk}EDUC_{ijk} + \varepsilon_{ijk}$$
  
(Model 1.2)

With 11, a vector for each explanatory variable at the individual level except education

and 
$$\gamma_{2jk} = \beta_{200} + \beta_{2j0} + \beta_{20k} + \delta_{2jk}$$

Lastly, a model involving interaction terms between the individual level and the national level is estimated:

$$Support_{ijk} = \gamma_{000} + \gamma_{001}C_k + \gamma_{100}I2_{ijk} + \gamma_{201}C_{10k} * I3_{ijk} + v_{00k} + \delta_{0jk} + \varepsilon_{ijk}$$
 (Model 3.2)

12 is a vector for each explanatory variable not interacted with country-level variables.

13 is a vector for individual level variables interacted with the country level variables.

<sup>&</sup>lt;sup>12</sup> Following Western (1998), assuming that individual variables have a different impact according to the context people live in is referred to as "causal heterogeneity" by Steenbergen and Jones (2002)

#### VARIANCE COMPONENTS ANALYSIS

Table 1

Parameter	Estimates
Fixed Effects	
Constant	5.114
	(0.149)
Variance Components	
Country-level ( $\omega_{00}$ )	0.437
	(0.145)
Region-level ( $ au_{00}$ )	0.215
	(0.028)
Individual-level ( $\sigma^2$ )	6.575
	(0.048)
-2 x Log Likelihood	176514,86

<sup>\*\*\*=</sup>p >0.01

N = 37161

The intercept-only model (or variance component analysis) is estimated using mixed-effects restricted maximum likelihood (REML) regression on our large sample. Table 1 displays the REML estimates of the grand mean and the variance components. The intercept is 5.114 which is the average answer across all countries, regions and individuals.

As previously found in the literature (Brinegar and Jolly, 2005; Steenbergen and Jones, 2002) the variance component at the individual level explains the largest part of the variance in EU support. The intra-cluster correlations (ICC) are equal to the proportion of the total variance that the variance components at each levels account for 13. Individual level variation accounts for 91% of total variation here, countries and regions for 6% and 3% respectively.

In the literature section, we have detailed the main reason why regions matter and we have seen that regional disparities in public support for the EU are wide. Regional-level residuals ( $\delta_{0jk}$ ) and their standard errors were calculated. Figure 1 illustrates that marked differences between regions are present in our data.

The ICC formula is:  $\frac{\sigma^2}{\omega_{oo} + \tau_{oo} + \sigma^2}$  at the individual level,  $\frac{\tau_{oo}}{\omega_{oo} + \tau_{oo} + \sigma^2}$  at the region-level, and  $\frac{\omega_{oo}}{\omega_{oo} + \tau_{oo} + \sigma^2}$  at the country-

Figure 1

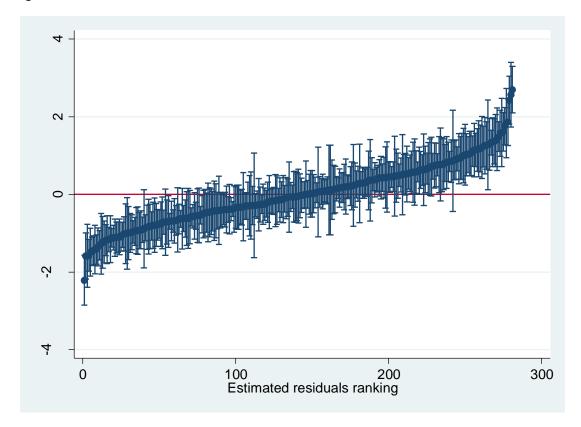


Table 2 presents the ranking of residuals among the 21 countries included in the present study. The United Kingdom has an estimated residual of -1.146. We estimate a mean score of 5.114-1.146=3.968. In contrast, the mean score for Bulgaria is estimated as 5.114+1.34=6.454. Those results illustrate that cross-country variation in public support for further integration is wide among the countries included in our sample. It is worth noticing that among the least supportive of further integration we now find structurally eurosceptical countries (The UK, Finland, Estonia and Sweden) but also countries that used to be strongly supportive of the EU and suffered from the debt crisis and austerity programs imposed by EU authorities: Ireland, Portugal and Cyprus.

Table 2

Country	residuals
United Kingdom	-1,146142
Finland	-0,8440557
Ireland	-0,621327
Estonia	-0,6098456
Portugal	-0,5701677
Sweden	-0,4202052
Czech republic	-0,3752307
Cyprus	-0,3005999
Slovakia	-0,276798
Hungary	-0,2556635
France	-0,1190227
Netherlands	-0,0092815
Belgium	0,1903609
Slovenia	0,2178813
Germany	0,3350276
Poland	0,5798509
Lithuania	0,5844846
Denmark	0,5995718
Italy	0,7949169
Spain	0,9059339
Bulgaria	1,340312

The fact that cross-country differences are significant is already acknowledged in the literature. Our aim is to test the main results in the literature on a different sample (including new member states and at a more recent period) and include new variables at the country-level to extend the state of knowledge in the field.

Standard likelihood ratio (LR) test procedures are applied to determine the significance of variance components<sup>14</sup>. Two models are compared. Model 1 (m1) is a null single level model. Model 2 (m2) is null but includes 3 levels: individuals, regions and countries.

Large sample	Reduced sample
m2-m1: LR = 2471.426	m2-m1: LR= 929.29147
Prob > chi2 = 0	Prob > chi2 = 1.61e-202

In both cases the multilevel model fits better the data.

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 $<sup>^{14}</sup>$  we consider the large sample including 21 countries

#### EXPLANATORY VARIABLES AND MAIN HYPOTHESIS

Socioeconomic determinants include income, occupation, trade union membership and the employment status.

Gabel and Palmer (1995) make the hypothesis that high income citizens are most capable to grasp the opportunities associated with capital market liberalization (investment opportunities and low inflation) and find empirical evidence supporting this assumption. Thus citizens belonging to high income families are expected to be more supportive of the EU than lower incomes. Gabel (2009) assumes that labor market liberalization benefits high-skilled workers because they are in a better position to compete on an international labor market. High-skilled positions such as managers and professionals are expected to be the most supportive occupational categories and low-skilled occupations (plant and machin operators, and elementary workers) to be more eurosceptical. Along with mainstream political parties, most European trade unions had adopted a pro-European position. However, the prospect of a "social Europe" has been challenged by the completion of the internal market, the enlargements and EU legislation such as the Posted Worker Directive (1996)<sup>15</sup> (Leconte, 2010). Thus the impact of trade union membership is not clear and might depend on union density. We do not have strong assumptions for every employment status, except for students. The fact that students are the most supportive of European integration is widely acknowledged. Students are expected to strongly support further integration. Unemployed people might also have distinct preferences from paid worker<sup>16</sup>. Iversen and Soskice (2001) assume that unemployed people need social transfers and are consequently opposed to policies that might weaken the welfare state. If the process of European integration is seen as encouraging liberalization, then unemployed Europeans would tend to oppose European integration. However, if the EU is able to pursue socioeconomic policies that could help them maximize their chances of finding a job, outsiders such as the unemployed might support the EU (Esping-Andersen, 1999).

Overall, our hypothesis regarding socioeconomic determinants is that the economic policies implemented by the European Union (notably budgetary orthodoxy or liberalization policies) are unlikely to favor low income, low-skilled or people dependent on state generosity.

We test four predictions found in the literature about the national context. Sanchez-Cuenca (2000) showed that levels of national support for integration are higher in countries that suffer greater corruption. The author argues that the worse the opinion of the national political system, the lower the

<sup>&</sup>lt;sup>15</sup> The directive states that firms seconding workers in another member state have to abide by the host country's conditions in terms of the minimum legal wage and working time limits. It led to several controversial decisions from the European Court of Justice (ECJ). Trade Unions accused the ECJ of prioritizing market integration over workers' rights.

<sup>&</sup>lt;sup>16</sup> In chapter two we saw that unemployed people trusted the EU significantly less

opportunity cost of transferring sovereignty to Europe. Thus we expect corruption to increase support for the EU. Kuhn et al (2014) show that growing inequalities are correlated with more euroscepticism especially among the low educated. The present study involves cross-sectional data which means that only the level of income inequality is considered. However, we expect the income inequality to decrease support, especially among the low educated. The study from Brinegar and Jolly (2005), presents two main hypothesis. They assume that the impact of education on public support for the EU will differ according to the skill endowments in the country and the welfare state type<sup>17</sup>. They predict that in countries relatively well endowed with low-skilled workers, low-skilled workers should support integration, and the opposite would be true in countries with a scarcity of low-skilled labor. Additionally, they expect workers in the most generous welfare states to be less supportive of the EU. These hypotheses will be tested with our data. Social expenses are used as a proxy for welfare state type. We expect respondents with large social expenses to fear a 'race-to-the-bottom' between EU countries. Scheve (2000) proposed an interesting theory about the role of wage bargaining. He argues that centralized wage bargaining tends to reduce wage inequality, thus the distributive consequences of integration are mitigated and individuals are less threatened by European integration. The evidence presented in the paper by Scheve implies that the well known skill cleavage in opinion formation over European integration should be attenuated by a high degree of wage bargaining centralization. This hypothesis will be tested on a different sample 18.

We also test for the impact of GDP per capita in Purchasing Power Standards, young unemployment, and union density because we expect them to be relevant in the present context. The expected sign is positive for GDP, and negative for young unemployment. In the context of economic crisis in the EU and a lack of solidarity in the euro zone, we expect poor economic performances to erode confidence in the European Union<sup>19</sup>. Union density is a proxy for the prevalence of trade unions. If unions are strong, they are expected to inform workers about the consequences of further European integration, should it be the opportunities or the risks. In the context of the debt crisis, it is reasonable to expect union density to decrease support for further integration. However, the impact of trade unions might be limited to trade union members.

Additionally, structural factors are included in order to document the socio-economic profiles of a given region and proxy the perceived benefits and costs associated with European integration. We include the percentage of tertiary education, regional GPD and unemployment (long term unemployment and young unemployment). We make the same assumption we made at the country

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<sup>&</sup>lt;sup>17</sup> The variable for welfare state type is coded as a continuous value which takes the value 1 for social democratic, 2 for Christian democratic and 3 for residual welfare states.

<sup>&</sup>lt;sup>18</sup> The sample in Scheve (2000) includes Belgium, Denmark, Germany, Greece, Italy, Spain, France, Ireland, Luxembourg, Netherlands, Portugal, United Kingdom, Finland, Sweden and Austria.

<sup>&</sup>lt;sup>19</sup> This result was already found in the previous chapter

level. We also include the percentage of net migration and make the assumption that more cosmopolitan regions would be more supportive of further European integration.

#### **RESULTS**

#### INDIVIDUAL LEVEL PREDICTORS

#### Fixed effects

First, individual level variables are included in the regression. Although the sample is reduced<sup>20</sup> compared to table 1 and thus the variance residual cannot be compared directly, one can see that the individual-level predictors explain very little of the individual level variance in EU support. Hooghe and Marks (2005) argue that identity explains a larger part of the variance than economic factors. However, taking into account identity consists in including survey questions that reflect the respondent's opinion<sup>21</sup>, to explain public support for the EU which is also an opinion. Our focus on economic variables is an attempt to draw a causal relationship between the objective information available concerning the respondents (age, nationality, gender, income, and occupational status) and preference formation towards the EU. We are aware that including variables such as EU attachment or trust in the European parliament would increase the explained variance. However, these variables are too correlated. For people who do not have a sophisticated opinion on the EU, the three questions are the same but formulated differently. Consequently, we choose not to use such variables and accept that a large part of the variance remain unexplained.

<sup>&</sup>lt;sup>20</sup> This is mainly due to the inclusion of the income decile, this variable has a significant amount of missing variables. Including a proxy for income (the variable HINCFEL which is an income self positioning from "living comfortably on present income" to "very difficult on present income") with less missing values does not alter the results

<sup>&</sup>lt;sup>21</sup> The survey question typically used is: "do you see yourself as...(NATIONALITY) only / (NATIONALITY) and European / European and (NATIONALITY) / European only"

Table 3

	1.	1.1	1.3	1.2	1.	1.3
Variables	Coef	Std-error	Coef	Coef Std-error		Std-error
female	-0.151***	(0.0345)	-0.0886**	(0.0310)	-0.102***	(0.0310)
reference category: 25-39						
15-24	0.265**	(0.0826)	0.305***	(0.0757)	0.337***	(0.0757)
40-54	-0.210***	(0.0451)	-0.168***	(0.0443)	-0.153***	(0.0444)
above 55	-0.128*	(0.0520)	-0.0302	(0.0513)	-0.0558	(0.0512)
reference category: paid work						
Education	0.444***	(0.103)	0.364***	(0.0856)	0.411***	(0.0858)
Unemployed	-0.0303	(0.0685)	-0.0541	(0.0657)	-0.0467	(0.0655)
Retired	0.0985	(0.0526)	0.172***	(0.0516)	0.143**	(0.0516)
Other	0.0370	(0.0574)	0.0425	(0.0540)	0.0414	(0.0539)
Member of a trade union	-0.127***	(0.0366)	-0.146***	(0.0358)	-0.147***	(0.0357)
reference category: 5th decile						
1st decile	-0.134	(0.0740)	-0.114	(0.0701)	-0.133	(0.0701)
2nd decile	-0.151*	(0.0696)	-0.127	(0.0667)	-0.135*	(0.0665)
3rd decile	-0.0237	(0.0685)	-0.00791	(0.0660)	-0.0182	(0.0658)
4th decile	0.0175	(0.0681)	0.0179	(0.0657)	0.0172	(0.0655)
6th decile	0.122	(0.0689)	0.110	(0.0666)	0.0862	(0.0664)
7th decile	0.135*	(0.0691)	0.167*	(0.0668)	0.134*	(0.0667)
8th decile	0.235***	(0.0711)	0.270***	(0.0687)	0.221**	(0.0686)
9th decile	0.197**	(0.0739)	0.229**	(0.0714)	0.153*	(0.0715)
10th decile	0.413***	(0.0751)	0.435***	(0.0720)	0.316***	(0.0726)
reference category: clerks						
Armed forces	0.237	(0.258)				
Managers	0.312***	(0.0803)				
Professionals	0.454***	(0.0664)				
Associate professionals	0.0419	(0.0675)				
Serv and sales	-0.0878	(0.0653)				
Agri, forestry and fishery	-0.367**	(0.120)				
Trade workers	-0.265***	(0.0724)				
Plant and machin operators	-0.285***	(0.0765)				
Elementary occupations	-0.206**	(0.0726)				
ref cat: ES-ISCED III upper tier						
ES-ISCED I					-0.300***	(0.0653)
ES-ISCED II					-0.274***	(0.0514)
ES-ISCED III lower tier					-0.270***	(0.0539)
ES-ISCED IV					-0.00849	(0.0543)
ES-ISCED V lower terciary					0.345***	(0.0599)
ES-ISCED V higher terciary					0.741***	(0.0567)
Years of education			0.0729***	(0.00457)		

t statistics in parentheses \* p<0.05, \*\* p<0.01, \*\*\* p<0.001

Constant	5.209	(0.173)	4.153	(0.175)	5.126	(0.161)
Variance components						
Country-level	0.436	(0.150)	0.435	(0.149)	0.402	(0.139)
Region-level	0.226	(0.0328)	0.223	(0.0319)	0.217	(0.0311)
Individual level	6.449	(0.0566)	6.409	(0.0544)	6.384	(0.0541)
N	26286		28059		28125	

Most variables are strongly significant and confirm that a wide divide among social groups exists when it comes to European integration. Model 1.1.1 tends to prove that social groups reluctant to further European integration are the same who traditionally fear liberalization, i.e. manual workers. Compared to the reference category (clerks), plants and machine operators support further integration less (by 0.29), so do elementary occupations (0.20). Conversely, working as a manager raise support by 0.31 and as a professional 0.45. Even though occupational clusters are taken into account, the highest income categories remain significantly more in favor of the European process (+0.4) than medium or low income ones. Trade union membership is significant and unionized workers are less supportive of further integration than their non-unionized counterparts (-0.13) points (in the 0-10 scale). As predicted, respondents in education are heavily supportive of the European Union. Being a student raises support by 0.44.

Model 1.1.2 is similar to model 1.1.1, except that a continuous variable is included to account for the educational level of respondents instead of occupational categories. The impact is strongly significant and the impact of an additional year of education is 0.073. Since education ranges from 0 to 51, the predicted difference between the least educated and the most educated is 51\*0.073=3.723 which is considerable. Model 1.1.3 proposes an alternative measure of education, using ES-ISCED classification. Compared to the reference category, lower education decreases support and higher education enhances it.

Overall, we do not find any difference with respect to the existing literature. We confirm the results from Hobolt (2014) that supporters of deepening are traditional winners of the integration process.

#### Random effects

To model the different impact of individual variables on public support according to the characteristics of the region and the country respondents live in, we drop the assumption of fixed effects. The coefficient of the number of years of education completed is allowed to vary across levels.

Table 4

	1.2			
Variables	Coef	Std-error		
female	-0.0795*	(0.0310)		
reference category: 25-39				
15-24	0.311***	(0.0757)		
40-54	-0.169***	(0.0443)		
above 55	-0.0315	(0.0513)		
Years of education	0.0695***	(0.00866)		
reference category: paid work				
Education	0.357***	(0.0856)		
Unemployed	-0.0534	(0.0656)		
Retired	0.166**	(0.0517)		
Other	0.0389	(0.0540)		
Member of a trade union	-0.143***	(0.0358)		
reference category: 5th decile				
1st decile	-0.133	(0.0704)		
2nd decile	-0.128	(0.0667)		
3rd decile	-0.00797	(0.0660)		
4th decile	0.0187	(0.0657)		
6th decile	0.112	(0.0665)		
7th decile	0.165*	(0.0668)		
8th decile	0.269***	(0.0686)		
9th decile	0.228**	(0.0714)		
10th decile	0.434***	(0.0722)		
Constant	4.185***	(0.204)		

Variance components	Coef	Std-error
Country level		
Education	0.000830	(0.000456)
Constant	0.598	(0.235)
Constant, education	-0.604	(0.312)
Region level		
Education	0.00151	(0.000587)
Constant	0.603	(0.145)
Constant, education	-1,165	(0.201)
individual level	6.381	(0.0544)

In this model the variable "years of education" consists of two parts, a fixed and a random part. The fixed part is the expected value across all countries and regions (+0.069). The random part is a random coefficient following a normal distribution. We calculate its standard error to estimate a confidence interval which indicates how the coefficient varies from one country to another or from one region to another.

At the country level, the variance of the variable education is estimated at 0.00083. Its standard deviation is 0.029. With normally distributed observations 95% of the observations lie between two standard deviations below and above the mean. Consequently, 95% of the regression coefficients are expected to lie between (0.069-0.057)=0.012 and (0.069+0.057)=0.126

At the region level, the variance is estimated at 0.0015, so the standard deviation is 0.0387. 95% of the regression coefficients are expected to lie between (0.069-0.0774)=-0.0084 and (0.069+0.0774)=0.1464. The predictive intervals express that 95% of the regression coefficients of the variable "years of education" are predicted to lie between 0.012 and 0.126 at the country level and -0.0084 and 0.1464 at the region level. We observe a large and significant variance of the regression coefficient of education across both countries and regions.

Although they are not presented here, other variables were found to vary across levels, notably income and trade union membership.

#### **REGIONAL LEVEL ANALYSIS**

Due to data availability, a reduced sample including only 9 countries<sup>22</sup> (around 17 000 observations) is used to document regional differences in EU support.

Five fixed effect predictors are included in order to explain region-level variation: the percentage of tertiary education, the regional GDP, regional young unemployment and long term unemployment, as well as the percentage of net migration by region. A null model of the reduced sample (including 16229 observations) estimates the variance component at the regional level at  $0.12^{23}$ . Thus the variance components are largely reduced with the inclusion of regional predictors (0.0448 in model 7). As predicted, the percentage of net migration, tertiary education and GDP all have a positive impact of EU support (model 2, 3, 6 and 7). Conversely, regional unemployment does not seem to affect support in the EU, neither young unemployment or long term unemployment are significant in model 4 and 5.

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<sup>&</sup>lt;sup>22</sup> Belgium, Denmark, Germany, Spain, France, The UK, Italy, Netherlands and Sweden

<sup>&</sup>lt;sup>23</sup> Tables are available upon request

Table 5

	2.1.1		2.	1.2	2.1.3	
Variables	Coef	Std-error	Coef	Std-error	Coef	Std-error
female	-0.139**	(-2.69)	-0.131*	(-2.31)	-0.136**	(-2.63)
reference category: 25-39						
15-24	0.168	(1.42)	0.179	(1.36)	0.177	(1.49)
40-54	-0.205**	(-3.03)	-0.198**	(-2.69)	-0.202**	(-2.98)
above 55	-0.161*	(-2.10)	-0.111	(-1.31)	-0.155*	(-2.01)
reference category: clerks						
Armed forces	1.166**	(2.98)	1.159**	(2.81)	1.184**	(3.03)
Managers	0.461***	(4.07)	0.472***	(3.89)	0.465***	(4.12)
Professionals	0.699***	(7.50)	0.779***	(7.77)	0.698***	(7.48)
Associate professionals	0.167	(1.77)	0.172	(1.71)	0.167	(1.78)
Serv and sales	-0.0506	(-0.54)	-0.136	(-1.33)	-0.0454	(-0.48)
Agri, forestry and fishery	-0.0651	(-0.35)	-0.0101	(-0.05)	-0.0499	(-0.27)
Trade workers	-0.188	(-1.71)	-0.148	(-1.24)	-0.178	(-1.62)
Plant and machin operators	-0.367**	(-2.98)	-0.299*	(-2.23)	-0.362**	(-2.94)
Elementary occupations	-0.186	(-1.68)	-0.219	(-1.86)	-0.178	(-1.61)
reference category: paid work						
Education	0.628***	(4.54)	0.656***	(4.20)	0.628***	(4.54)
Unemployed	-0.00833	(-0.07)	-0.0872	(-0.72)	-0.00158	(-0.01)
Retired	0.278***	(3.49)	0.263**	(3.02)	0.279***	(3.51)
Other	0.00478	(0.06)	0.0452	(0.51)	0.00229	(0.03)
Member of a trade union	-0.0812	(-1.49)	-0.0245	(-0.42)	-0.0711	(-1.31)
reference category: 5th decile						
1st decile	-0.118	(-1.02)	-0.0724	(-0.58)	-0.108	(-0.93)
2nd decile	-0.103	(-0.98)	-0.111	(-0.98)	-0.0947	(-0.90)
3rd decile	0.0866	(0.81)	0.106	(0.91)	0.0963	(0.90)
4th decile	-0.0192	(-0.18)	0.00898	(0.08)	-0.0141	(-0.13)
6th decile	0.164	(1.58)	0.173	(1.55)	0.167	(1.62)
7th decile	0.198	(1.91)	0.229*	(2.06)	0.199	(1.93)
8th decile	0.149	(1.42)	0.213	(1.86)	0.147	(1.40)
9th decile	0.306**	(2.81)	0.402***	(3.33)	0.310**	(2.86)
10th decile	0.506***	(4.63)	0.550***	(4.59)	0.503***	(4.62)
% of tertiary education by region			0.102**	(3.04)		
log of regional GPD (current price)					0.720***	(4.83)
Constant	5.042***	(18.10)	4.680***	(14.57)	-2.420	(-1.54)
Variance components						
Country-level	0.493	(-1.29)	0.488	(-1.21)	0.537	(-1.14)
Region-level	0.0672	(-8.65)	0.0542	(-7.19)	0.0385	(-7.72)
Individual level	6.369	(139.79)	6.580	(132.40)	6.370	(139.81)
N	11540		10006		11540	

t statistics in parentheses \* p<0.05, \*\* p<0.01, \*\*\* p<0.001

Table 6

	2.	1.4	2.:	1.5	2.:	1.6	2.	1.7
Variables	Coef	Std-error	Coef	Std-error	Coef	Std-error	Coef	Std-error
female	-0.137*	(-2.42)	-0.131*	(-2.32)	-0.136**	(-2.62)	-0.125*	(-2.20)
reference category: 25-39								
15-24	0.160	(1.21)	0.173	(1.32)	0.169	(1.43)	0.183	(1.39)
40-54	-0.203**	(-2.75)	-0.202**	(-2.74)	-0.204**	(-3.01)	-0.196**	(-2.66)
above 55	-0.123	(-1.45)	-0.116	(-1.38)	-0.166*	(-2.16)	-0.112	(-1.32)
reference category: clerks		, ,		, ,		, ,		, ,
Armed forces	1.256**	(3.02)	1.158**	(2.81)	1.156**	(2.96)	1.172**	(2.85)
Managers	0.460***	(3.78)	0.472***	(3.89)	0.454***	(4.01)	0.468***	(3.85)
Professionals	0.774***	(7.70)	0.783***	(7.81)	0.692***	(7.41)	0.774***	(7.70)
Associate professionals	0.164	(1.62)	0.173	(1.72)	0.162	(1.72)	0.167	(1.65)
Serv and sales	-0.142	(-1.38)	-0.136	(-1.34)	-0.0480	(-0.51)	-0.130	(-1.27)
Agri, forestry and fishery	-0.0315	(-0.16)	-0.0245	(-0.12)	-0.0565	(-0.31)	0.00284	(0.01)
Trade workers	-0.161	(-1.35)	-0.153	(-1.29)	-0.189	(-1.71)	-0.146	(-1.23)
Plant and machin operators	-0.290*	(-2.16)	-0.302*	(-2.25)	-0.362**	(-2.94)	-0.291*	(-2.17)
Elementary occupations	-0.233*	(-1.97)	-0.219	(-1.86)	-0.186	(-1.68)	-0.214	(-1.81)
reference category: paid work	0.200	( 2.57)	0.223	( 2.00)	0.200	( 2.00)	0.22.	( 1.01)
Education	0.662***	(4.21)	0.657***	(4.21)	0.613***	(4.42)	0.643***	(4.10)
Unemployed	-0.0980	(-0.81)	-0.0819	(-0.68)	-0.00728	(-0.06)	-0.0821	(-0.68)
Retired	0.261**	(2.98)	0.263**	(3.02)	0.286***	(3.58)	0.272**	(3.11)
Other	0.0547	(0.62)	0.0423	(0.48)	0.00249	(0.03)	0.0390	(0.44)
Member of a trade union	-0.0269	(-0.46)	-0.0226	(-0.39)	-0.0839	(-1.54)	-0.0213	(-0.36)
reference category: 5th decile	0.0203	( 0.40)	0.0220	( 0.33)	0.0033	( 1.54)	0.0213	( 0.50)
1st decile	-0.0665	(-0.53)	-0.0705	(-0.57)	-0.105	(-0.90)	-0.0565	(-0.45)
2nd decile	-0.111	(-0.98)	-0.110	(-0.97)	-0.0966	(-0.91)	-0.0955	(-0.84)
3rd decile	0.119	(1.02)	0.108	(0.93)	0.0831	(0.77)	0.108	(0.93)
4th decile	0.0110	(0.10)	0.00986	(0.09)	-0.0239	(-0.23)	0.00635	(0.06)
6th decile	0.162	(1.44)	0.169	(1.51)	0.161	(1.55)	0.172	(1.53)
7th decile	0.224*	(2.01)	0.222*	(2.00)	0.186	(1.79)	0.213	(1.92)
8th decile	0.229*	(1.99)	0.206	(1.80)	0.139	(1.73)	0.197	(1.71)
9th decile	0.394**	(3.25)	0.391**	(3.23)	0.311**	(2.86)	0.403***	(3.33)
10th decile	0.560***	(4.65)	0.547***	(4.56)	0.501***	(4.59)	0.540***	(4.50)
% of tertiary education by region	0.500	(4.03)	0.547	(4.50)	0.501	(4.55)	0.0374	(0.93)
log of regional GPD (current price)							0.622**	(3.06)
Regional young unemployment (%)	-0.00283	(-0.34)					0.022	(3.00)
Regional long term unemployment (%)	0.00203	( 0.54)	-0.0220	(-0.85)				
% of net migration by region			0.0220	( 0.03)	0.252*	(2.06)	-0.0553	(-0.40)
Constant	5.117***	(15.32)	5.124***	(16.50)	4.966***	(17.44)	-1.477	(-0.72)
	J.11/	(13.32)	3.127	(10.30)	4.500	(±1.74)	1.7//	( 0.72)
Variance components								
Country-level	0.498	(-1.17)	0.504	(-1.15)	0.507	(-1.24)	0.515	(-1.12)
Region-level	0.438	(-7.32)	0.0685	(-7.37)	0.0624	(-8.40)	0.0448	(-6.79)
Individual level	6.572	(131.83)	6.579	(132.38)	6.370	(139.52)	6.582	(132.12)
and rever	3.372	(131.03)	3.373	(132.30)	3.370	(133.32)	3.302	(132.12)
N	9936		10006		11493		9959	
N	9936		10006		11493		9959	

t statistics in parentheses \* p<0.05, \*\* p<0.01, \*\*\* p<0.001

#### **COUNTRY LEVEL PREDICTORS**

As previously mentioned, variables at the region level were systematically available only for 9 countries. Additionally, we choose not to include regional explanatory variables in the same regression because regional and national variables might blend (National GDP for example is a linear combination of regional GDP). Thus, in the next sections, region level predictors are not included and the larger sample (including 21 countries) is used.

#### Fixed effects

As a first step, national predictors are included as fixed effects. Indeed, a coefficient is calculated for the whole sample and the impact of variables are not allowed to vary from one country to another. We tested for the impact of GDP per capita in Purchasing Power Standards, the percentage of tertiary education, the corruption index, young unemployment, Gini coefficients, the degree of wage coordination and union density. However, only three variables have a significant impact on EU support. They are presented in table 7. Higher scores stand for lower corruption in the Transparency International Corruption Perception Index, thus, a negative sign is interpreted as high corruption increases support for further European integration. When the index increase by 1 point (corruption decreases) support for further integration drops by 0.268. Young unemployment is only significant at 10% and as expected higher young unemployment decreases EU support. Since the percentage of young unemployment ranges from 7.6% to 46.4% the highest unemployment rate might decrease support by 1.38 point on the 0-10 EU support scale. Finally, the higher social expenditures, the more citizens support further integration which challenges our hypothesis.

Table 7

	3.1		
Variables	Coef	Std-error	
female	-0.130***	(-3.53)	
reference category: 25-39			
15-24	0.221*	(2.55)	
40-54	-0.222***	(-4.65)	
above 55	-0.153**	(-2.77)	
Member of a trade union	-0.153***	(-3.92)	
reference category: clerks			
Armed forces	0.433	(1.54)	
Managers	0.345***	(4.08)	
Professionals	0.506***	(7.22)	
Associate professionals	0.0623	(0.88)	
Serv and sales	-0.0718	(-1.04)	
Agri, forestry and fishery	-0.317*	(-2.50)	
Trade workers	-0.251**	(-3.26)	
Plant and machin operators	-0.299***	(-3.65)	
Elementary occupations	-0.197*	(-2.52)	
reference category: paid work			
Education	0.469***	(4.48)	
Unemployed	0.0130	(0.18)	
Retired	0.120*	(2.13)	
Other	-0.00919	(-0.15)	
reference category: 5th decile			
1st decile	-0.140	(-1.74)	
2nd decile	-0.154*	(-2.09)	
3rd decile	-0.0492	(-0.68)	
4th decile	0.00660	(0.09)	
6th decile	0.137	(1.90)	
7th decile	0.147*	(2.02)	
8th decile	0.225**	(3.00)	
9th decile	0.222**	(2.84)	
10th decile	0.436***	(5.43)	
Corruption	-0.268**	(-3.11)	
Young unemployment	-0.0356	(-1.85)	
Social expenditures	0.0767*	(2.32)	
Constant	5.760***	(6.11)	

Variance components		
Country-level	0.188***	(-4.45)
Region-level	0.136***	(-11.29)
Individual level	6.365***	(196.54)
N	22795	

#### **Cross-level interactions**

Model 3.2 in table 8 presents comprehensive models including 3 levels of analysis and interaction terms between individual and national predictors. Our aim is to document how national institutions affect the perception of the costs and benefits of European integration.

In the presence of a significant interaction the effect of the interaction variable and the direct effects of the explanatory variables that make up that interaction must be interpreted together as a system. Thus both direct effects are included in the regression, even though they are not systematically significant. The regression slope of one of the direct variables is the expected value of the regression coefficient for the case that the other variable is equal to zero, and vice versa. If the observed values of one variable do not include zero, then the regression coefficient for the other variable has no substantive interpretation. We present average marginal effects for each interaction terms.

The differentiated impact of education is investigated according to the degree of wage coordination in a country<sup>24</sup> and the percentage of tertiary education. The results concerning wage setting coordination do not confirm the assumption of Scheve (2000). Once interacted with years of education, one can see that the more coordinated wage bargaining is the more education enhances support for further European integration (figure 3). Education is also interacted with the percentage of tertiary education. Following Brinegar and Jolly (2005), in countries with a high share of highly educated workers, the low skilled are expected to display a lower support for European integration than countries less endowed with skills. A higher percentage of tertiary education should reinforce the positive impact of education on support. However the regression coefficient is negative and figure 5 shows that education has a positive and significant impact but this impact is mitigated by the percentage of tertiary education. In sum, a high percentage of tertiary education mitigates the positive impact of education on support in our sample.

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<sup>&</sup>lt;sup>24</sup> The degree of coordination is measured from 0 to 5, 5 being the highest level of coordination

Table 8

	3.2	2.1	3.2	2.2
Variables	Coef	Std-error	Coef	Std-error
female	-0.153***	(-4.19)	-0.0865**	(-2.79)
reference category: 25-39				
15-24	0.201*	(2.32)	0.309***	(4.08)
40-54	-0.228***	(-4.82)	-0.173***	(-3.89)
above 55	-0.162**	(-2.97)	-0.0328	(-0.64)
Member of a trade union	-0.0264	(-0.41)	-0.145***	(-4.06)
reference category: clerks				
Armed forces	0.320	(1.12)		
Managers	0.310***	(3.71)		
Professionals	0.472***	(6.83)		
Associate professionals	0.0568	(0.81)		
Serv and sales	-0.0688	(-1.01)		
Agri, forestry and fishery	-0.290*	(-2.31)		
Trade workers	-0.267***	(-3.51)		
Plant and machin operators	-0.314***	(-3.88)		
Elementary occupations	-0.202**	(-2.64)		
reference category: paid work				
Education	0.468***	(4.42)	0.361***	(4.21)
Unemployed	-0.0117	(-0.16)	-0.0553	(-0.84)
Retired	0.130*	(2.33)	0.170**	(3.29)
Other	0.0195	(0.32)	0.0423	(0.78)
reference category: 5th decile				
1st decile	-0.186*	(-2.33)	-0.129	(-1.84)
2nd decile	-0.174*	(-2.41)	-0.134*	(-2.02)
3rd decile	-0.0487	(-0.68)	-0.0114	(-0.17)
4th decile	-0.0188	(-0.26)	0.0159	(0.24)
6th decile	0.118	(1.65)	0.109	(1.64)
7th decile	0.131	(1.81)	0.165*	(2.47)
8th decile	0.203**	(2.71)	0.264***	(3.85)
9th decile	0.204**	(2.63)	0.227**	(3.17)
10th decile	0.415***	(5.27)	0.435***	(6.04)
Union density	-0.00157	(-0.23)		
Unionmembership XUniondensity	-0.00445*	(-2.54)		
Years of education			0.0421***	(4.65)
Coordination of wage setting			-0.127	(-1.11)
EducationXCoordination			0.0110***	(3.95)
Constant	5.245***	(20.22)	4.513***	(13.40)

t statistics in parentheses \* p<0.05, \*\* p<0.01, \*\*\* p<0.001

Variance components	3.2.1		3.2.2	
Country-level	0.326	(-3.16)	0.407	(-2.68)
Region-level	0.126	(-12.36)	0.222	(-10.52)
Individual level	6.443	(202.05)	6.401	(218.71)
N	23723		28059	

Table 9

	3.2.3		3.2.4	
Variables	Coef	Std-error	Coef	Std-error
female	-0.0840**	(-2.71)	-0.0879**	(-2.83)
reference category: 25-39				
15-24	0.301***	(3.97)	0.308***	(4.07)
40-54	-0.171***	(-3.86)	-0.169***	(-3.81)
above 55	-0.0319	(-0.62)	-0.0312	(-0.61)
Member of a trade union	-0.146***	(-4.09)	-0.144***	(-4.03)
reference category: paid work				
Education	0.357***	(4.17)	0.364***	(4.25)
Unemployed	-0.0574	(-0.87)	-0.0524	(-0.80)
Retired	0.164**	(3.18)	0.172***	(3.33)
Other	0.0431	(0.80)	0.0427	(0.79)
reference category: 5th decile				
1st decile	-0.107	(-1.53)	-0.124	(-1.76)
2nd decile	-0.123	(-1.85)	-0.130	(-1.95)
3rd decile	-0.00647	(-0.10)	-0.0108	(-0.16)
4th decile	0.0182	(0.28)	0.0174	(0.26)
6th decile	0.110	(1.65)	0.110	(1.65)
7th decile	0.168*	(2.51)	0.165*	(2.47)
8th decile	0.271***	(3.96)	0.267***	(3.89)
9th decile	0.234**	(3.28)	0.227**	(3.18)
10th decile	0.441***	(6.12)	0.434***	(6.03)
Years of education	0.155***	(6.94)	0.153***	(4.02)
Percentage of tertiary education	0.157	(0.81)		
EducationXtertiaryeducation	-0.0188***	(-3.75)		
Gini coefficient			0.103*	(2.34)
EducationXGinicoefficient			-0.00275*	(-2.12)
Constant	3.475***	(4.00)	1.176	(0.92)

t statistics in parentheses \* p<0.05, \*\* p<0.01, \*\*\* p<0.001

Variance components	3.2.4		3.2.5	
Country-level	0.406	(-2.69)	0.354	(-3.04)
Region-level	0.220	(-10.56)	0.223	(-10.49)
Individual level	6.402	(218.72)	6.404	(218.76)
N	28059		28059	

As stated before, belonging to a trade union has a negative impact on support for further European unification. Now we see that this negative impact increases with union density <sup>25</sup>(figure 2). The fact that the coefficient for membership alone is not significant has no straightforward interpretation. The coefficient for union membership in regression 3.2.1 refers to a country where union density is zero which is an extreme value, not observed in the data. However, one can infer that the negative impact of union membership is driven by countries where trade unions are strong and play a part in the debate over European integration.

Finally, the impact of inequalities is considered. In the previous section we find no significant impact of the level of income inequalities (gini index<sup>26</sup>) on support for further unification. Now we consider the impact of inequalities according to the education level. Inequalities are expected to decrease support for further European integration for the low skilled (Kuhn et al, 2014). However, we find the opposite effect. The coefficient in model 3.2.4 indicates that higher inequalities mitigate the positive impact of education on public support for the EU. If education equals to zero, inequalities increase support (0.103). This should not be interpreted as positive impact of inequalities on EU feelings. Figure 6 in the appendix show that income inequalities do not have a significant impact on support for further unification except under 10 years of education. However figure 4 reveals that income inequalities reduces the positive impact of education on support for further unification. Empirical evidence prove that the educational divide is weaker in countries where inequalities are higher.

<sup>&</sup>lt;sup>25</sup> To facilitate the interpretation, union density was standardized

 $<sup>^{26}</sup>$  The higher the Gini coefficient, the less egalitarian is the distribution of income

Figure 2

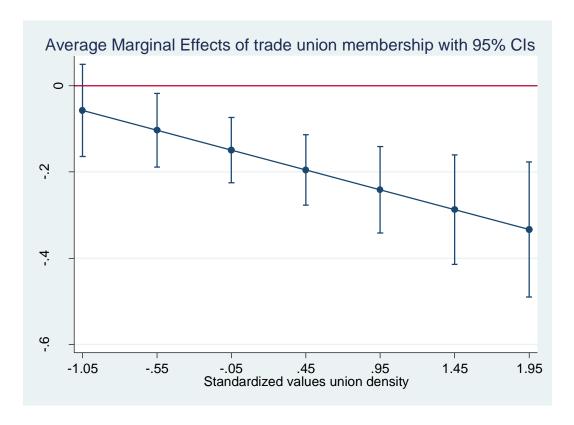


Figure 3

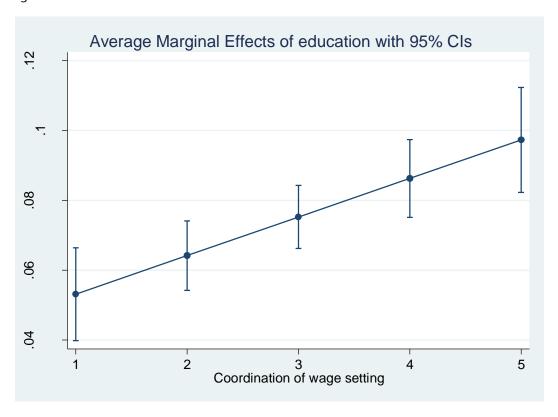


Figure 4

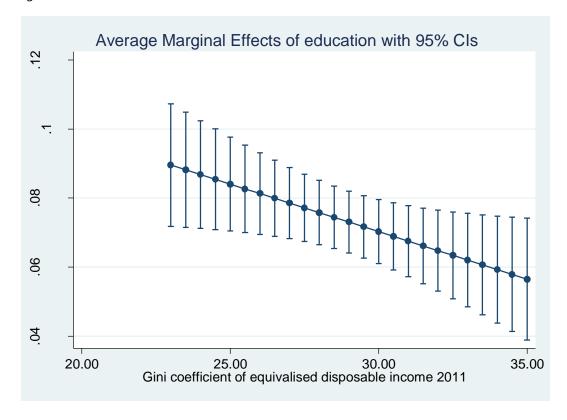
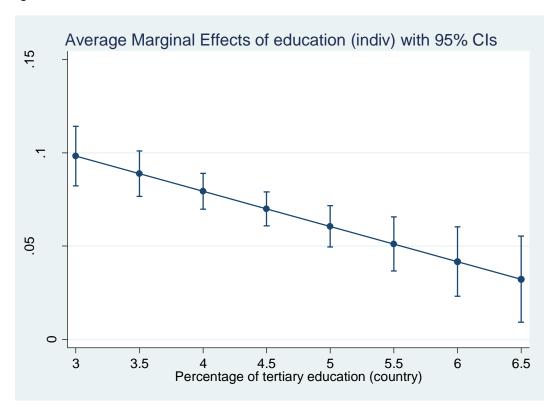


Figure 5



Overall, our results challenge previous results in the literature. The most straightforward explanation is the composition of the sample. Our sample is much larger than previous studies and includes central and eastern member states. The preferences of new member states are likely to be distinct because of their communist past and their emerging economies. The time period is also different from most of the literature we refer to. Data were collected in 2012 and the crisis might have affected public opinion temporarily or even permanently. Thirdly our dependant variable focuses on support for further European integration. Respondents who are opposed to it involve hard and soft eurosceptical and as such might blend different socioeconomic profiles. Finally there might be a technical reason for some counter-intuitive results. As one can see in the appendix, variables at the country-level do not vary strongly from one country to another. For example, the Gini coefficient or the percentage of tertiary education, are concentrated around the same values which might reflect a convergence within the EU. The former economic gaps are narrowing and fail to explain political attitudes towards the EU.

#### ROBUSTESS CHECKS

So far, our dependent variable was treated as linear. To make sure that our results are not sensitive to the choice of a linear specification, an ordered logit regression is estimated. The eleven original categories (from 0 to 10) were re-coded to five<sup>27</sup>. The estimated equation can be defined as:

$$y_i^* = \emptyset_1 D_i + \emptyset_2 E_i + \emptyset_3 C_i + \emptyset_4 R_i + \varepsilon_i$$
(1)

 $\gamma$ ,  $\beta$ ,  $\emptyset$ ,  $\delta$  and are parameters to be estimated and is the latent variable, i.e. the intensity of the support for the European integration. D is a vector of individual socio-demographic characteristics (age and gender). E measures the socioeconomic position of individuals (ISCO classification, employment status and employment relation). C and R are a country and region dummies which accounts for any omitted country-specific and region-specific influences. *⁵* is the error term.

We do not observe  $y_i^*$ , but a variable  $y_i$  that goes from 1 to 5 and rises when public support for the **European Union rises:** 

$$y_i = j \text{ if } \alpha_{j-1} \leq y_i^* < \alpha_j$$

For j = 1,2,3,4,5. Where  $\alpha_i$  are thresholds, with  $\alpha_1 = -\infty$  and  $\alpha_5 = +\infty$ 

<sup>27 (0/1=1, 2/4=2, 5=3, 6/8=4</sup> and 9/10=5)

To facilitate the interpretation of the results, odd ratios are provided instead of coefficients. The odd ratio represents the odds that an event will occur given a particular exposure, compared to the odds of the outcome occurring in the absence of that exposure. Odd ratios allow to compare dummy variables in a meaningful way (within the same regression, the magnitude of coefficients is comparable). For example, an odd ratio of 0.5 for the dummy variable "female" means that, holding all other variables constant, the odds of having more negative attitudes toward European integration are half as large for women as for men.

The results on individual predictors are unchanged. Tables are presented in the appendix.

#### CONCLUSION

Using a new dataset this chapter contributes to the debate on territorial versus transnational cleavage thanks to a multilevel structure and the inclusion of explanatory variables at three levels. Our focus on a new dependent variable (support for further integration) does not challenge what is usually found in the literature; highly skilled occupations and high incomes support further European integration a lot more than any other groups. Although its influence is modest, the regional dimension exists and influences public support for further European integration. We find three relevant predictors: the percentage of tertiary education, the regional GDP and the percentage of net migration. The role played by countries is well-documented in the literature and confirmed in the present study. Several macroeconomic variables are found to influence support within member states (corruption, young unemployment and social expenditures) and our results confirm that individual-level predictors work differently in different institutional contexts. Education has a positive and significant impact and this impact is increased by wage setting coordination but mitigated by income inequalities. Additionally in our sample, the higher the percentage of tertiary education, the smaller the education gap in public support for the EU. Our results challenge previous findings in the literature. The most likely explanation is that the opinion of citizens in the new member states is not shaped by the same drivers.

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## **SUMMARY STATISTICS**

### Larger sample

Variable	Frequency	Percentage	Total
European unification go further or gone too far		1	
Unification already gone too far	2,424	6.50	37289
1	1,659	4.45	37289
2	2,701	7.24	37289
3	3,63	9.73	37289
4	3,415	9.16	37289
5	8,325	22.33	37289
6	3,73	10.00	37289
7	3,959	10.62	37289
8	3,582	9.61	37289
9	1,362	3.65	37289
Unification go further	2,502	6.71	37289
Gender			
Male	18884	45.92	41121
Female	22237	54.08	41121
Age categories			
15-24	4717	11.47	41138
25-39	8963	21.79	41138
40-54	10568	25.69	41138
55 and above	16890	41.06	41138
Employment status			
Paid work	19319	47.50	40671
Education	3398	8.35	40671
Unemployed	3113	7.65	40671
Retired	10072	24.76	40671
Other	4769	11.73	40671
Occupation			
Armed Forces occupations	145	0.39	36889
Managers	2589	7.02	36889
Professionals	5804	15.73	36889
Technicians and Associate Professionals	5112	13.86	36889
Clerical Support Workers	3263	8.85	36889
Services and Sales Workers	6628	17.97	36889
Skilled Agricultural, Forestry and Fish	993	2.69	36889
Craft and Related Trades Workers	4474	12.13	36889
Plants and Machine Operators and Assemb	3392	9.20	36889
Elementary Occupations	4489	12.17	36889
Member of a trade union			
No	22358	57.31	39012
Yes	16654	42.69	39012

Education level (ES-ISCED)			
ES-ISCED I , less than lower secondary	5083	12.44	40850
ES-ISCED II, lower secondary	7565	18.52	40850
ES-ISCED IIIb, lower tier upper secondary	5819	14.24	40850
ES-ISCED IIIa, upper tier upper secondary	9240	22.62	40850
ES-ISCED IV, advanced vocational	4814	11.78	40850
ES-ISCED V1, lower tertiary education	3744	9.17	40850
ES-ISCED V2, higher tertiary education	4585	11.22	40850
Household's total net income, all sources			
1st decile	3715	11.37	32667
2nd decile	3868	11.84	32667
3rd decile	3607	11.04	32667
4th decile	3516	10.76	32667
5th decile	3339	10.22	32667
6th decile	3242	9.92	32667
7th decile	3158	9.67	32667
8th decile	2928	8.96	32667
9th decile	2626	8.04	32667
10th decile	2668	8.17	32667
Countries			
Belgium	1869	4.54	41138
Bulgaria	2260	5.49	41138
Cyprus	1116	2.71	41138
Czech Republic	2009	4.88	41138
Germany	2958	7.19	41138
Denmark	1650	4.01	41138
Estonia	2380	5.79	41138
Spain	1889	4.59	41138
Finland	2197	5.34	41138
France	1968	4.78 5.56	41138
United Kingdom	2286 2014	4.90	41138 41138
Hungary Ireland	2628	6.39	41138
Italy	960	2.33	41138
Lithuania	2109	5.13	41138
The Netherlands	1845	4.48	41138
Poland	1898	4.61	41138
Portugal	2151	5.23	41138
Sweden	1847	4.49	41138
Slovenia	1257	3.06	41138
Slovakia	1847	4.49	41138
		<u> </u>	
Variable	Mean	SD	Total
Years of full-time education completed	12.5715	4.10578	40658

# **Reduced sample**

Unification go further or gone too far	Variable	Frequency	Percentage	Total	
Unification already gone too far 1 583 3.59 16229 1 144 7.05 16229 2 11144 7.05 16229 2 11144 7.05 16229 3 1516 9.34 16229 4 1144 8.90 16229 5 3605 22.21 16229 5 3605 22.21 16229 6 1628 10.03 16229 7 1867 11.50 16229 8 1813 11.17 16229 9 620 3.82 16229 9 620 3.82 16229 1620 9 620 3.82 16229 16229 1620 1620 1620 1620 1620 1620 1620 1620					
1   583   3.59   16229   2   1144   7.05   16229   3   1516   9.34   16229   4   1444   8.90   16229   5   3605   22.21   16229   6   1628   10.03   16229   7   1867   11.50   16229   8   1813   11.17   16229   8   1813   11.17   16229   9   620   3.82   16229   10.00   16229   10.00   16229   10.00	European unification go further or gone too far		<u>,                                      </u>		
1144	Unification already gone too far	982	6.05	16229	
1516   9.34   16229   4   1444   8.90   16229   5   3605   22.21   16229   6   1628   10.03   16229   7   1867   11.50   16229   8   1813   11.17   16229   8   1813   11.17   16229   9   620   3.82   16229   1622	1	583	3.59	16229	
Heat	2	1144	7.05	16229	
5       3605       22.21       16229         6       1628       10.03       16229         7       1867       11.50       16229         8       1813       11.17       16229         9       620       3.82       16229         Gender         Male       8183       47.77       17129         Female       8946       52.23       17129         Age categories         15-24       2041       11.91       17142         25-39       3561       20.77       17142         40-54       4590       26.78       17142         Employment status         Paid work       8290       49.31       16813         Education       1507       8.96       16813         Unemployed       1134       6.74       16813         Retired       3777       22.46       16813         Other       2105       12.52       16813         Orecupations         Armed Forces occupations       48       0.31       15499 <td colspan<="" td=""><td>3</td><td>1516</td><td>9.34</td><td>16229</td></td>	<td>3</td> <td>1516</td> <td>9.34</td> <td>16229</td>	3	1516	9.34	16229
6       1628       10.03       16229         7       1867       11.50       16229         8       1813       11.17       16229         9       620       3.82       16229         Gender         Male Bals3       47.77       17129         Female Bay46       52.23       17129         Age categories         15-24       2041       11.91       17142         25-39       3561       20.77       17142         40-54       4590       26.78       17142         Employment status         Paid work Bay9       49.31       16813         Education 1507       8.96       16813         Unemployed 1134       6.74       16813         Retired 3777       22.46       16813         Other 2105       12.52       16813         Other 2105       12.52       16813         Orepressionals Clerical Support Workers Services and Assemb Associate Professionals Clerical Support Workers Services and Sales Workers Services and Assemb Elementary Occupations	4	1444	8.90	16229	
7       1867       11.50       16229         8       1813       11.17       16229         9       620       3.82       16229         Gender         Male Female       8183       47.77       17129         Female Sey4       52.23       17129         Age categories         15-24       2041       11.91       17142         25-39       3561       20.77       17142         40-54       4590       26.78       17142         45-24       4590       26.78       17142         45-24       4590       26.78       17142         45-24       4590       26.78       17142         45-24       4590       26.78       17142         Employment status         Paid work       8290       49.31       16813         Education       1507       8.96       16813         Unemployed       1134       6.74       16813         Age cultimate       8290       49.31       16813         Male Retired       3777	5	3605	22.21	16229	
8       1813       11.17       16229         9       620       3.82       16229         Gender         Male Female       8183       47.77       17129         Female Seyde       52.23       17129         Age categories         15-24       2041       11.91       17142         25-39       3561       20.77       17142         40-54       4590       26.78       17142         Employment status         Paid work 8290       49.31       16813         Education 1507       8.96       16813         Unemployed 1134       6.74       16813         Retired 3777       22.46       16813         Other 2105       12.52       16813 <td>6</td> <td>1628</td> <td>10.03</td> <td>16229</td>	6	1628	10.03	16229	
Services and Sales Workers   1027   1028   16229   1	7	1867	11.50	16229	
Gender         Male         8183         47.77         17129           Age categories         15-24         2041         11.91         17142           Age categories         15-24         2041         11.91         17142           40-54         4590         26.78         17142           55 and above         6950         40.54         17142           Employment status         Paid work         8290         49.31         16813           Education         1507         8.96         16813           Unemployed         1134         6.74         16813           Retired         3777         22.46         16813           Other         2105         12.52         16813           Occupation         48         0.31         15499           Professionals         2799         18.06         15499           Professionals         2799         18.06         15499           Clerical Support Workers         1547         9.98         15499           Services and Sales Workers         2844         18.35         15499           Skilled Agricultural, Forestry and Fish         355         2.29         15499           Skilled Agricultural, Forestry a	8	1813	11.17	16229	
Gender         Male Female         8183         47.77         17129           Age categories         15-24         2041         11.91         17142           25-39         3561         20.77         17142           40-54         4590         26.78         17142           55 and above         6950         40.54         17142           Employment status           Paid work B290         49.31         16813           Education 1507         8.96         16813           Unemployed 1134         6.74         16813           Retired 3777         22.46         16813           Other 2105         12.52         16813           Occupation           Armed Forces occupations Managers Professionals 2799         18.06         15499           Professionals 2799         18.06         15499           Technicians and Associate Professionals 2563         16.54         15499           Services and Sales Workers 2844         18.35         15499           Skilled Agricultural, Forestry and Fish 355         2.29         15499           Skilled Agricultural, Forestry and Fish Craft and Related Trades Workers 1582         10.21         15499           Plants and Machine Operator	9	620	3.82	16229	
Male Female         8183 8946         47.77 52.23         17129           Age categories         15-24 2041 11.91 17142           25-39 3561 20.77 17142         17142           40-54 4590 26.78 17142         17142           55 and above 6950 40.54 17142         17142           Employment status           Paid work Education 1507 8.96 16813           Lourne ployed 1134 6.74 16813         16813           Retired 3777 22.46 16813         16813           Other 2105 12.52 16813         16813           Occupation           Armed Forces occupations Managers Professionals Clerical Support Workers Professionals Clerical Support Workers Services and Sales Workers Skilled Agricultural, Forestry and Fish Craft and Related Trades Workers 1582 10.21 15499         15499           Plants and Machine Operators and Assemb Elementary Occupations 1612 10.40 15499         15499           Member of a trade union         No 8388 55.20 15196	Unification go further	1027	6.33	16229	
Age categories         15-24         2041         11.91         17142           25-39         3561         20.77         17142           40-54         4590         26.78         17142           55 and above         6950         40.54         17142           Employment status           Paid work Education 1507         8.96         16813           Education 1507         8.96         16813           Unemployed 1134         6.74         16813           Retired 3777         22.46         16813           Other 2105         12.52         16813           Occupation           Armed Forces occupations Managers Professionals Capacitions Professionals Professionals Capacitions Professionals Capacitions Professionals Capacitic Pr	Gender				
15-24   2041   11.91   17142   25-39   3561   20.77   17142   40-54   4590   26.78   17142   55 and above   6950   40.54   17142   1	Male	8183	47.77	17129	
15-24   2041   11.91   17142   25-39   3561   20.77   17142   40-54   4590   26.78   17142   55 and above   6950   40.54   17142   55 and above   6950   49.31   16813   16813   1507   8.96   16813   16813   1507   8.96   16813	Female	8946	52.23	17129	
25-39       3561       20.77       17142         40-54       4590       26.78       17142         55 and above       6950       40.54       17142         Employment status         Paid work Education       8290       49.31       16813         Education       1507       8.96       16813         Unemployed       1134       6.74       16813         Other       2105       12.52       16813         Other <td>Age categories</td> <td></td> <td></td> <td></td>	Age categories				
40-54       4590       26.78       17142         Employment status         Paid work Education       8290       49.31       16813         Education       1507       8.96       16813         Unemployed       1134       6.74       16813         Other       2105       12.52       16813         Other       2105       12.52       16813         Occupation         Armed Forces occupations       48       0.31       15499         Managers       1208       7.79       15499         Professionals       2799       18.06       15499         Professionals       2563       16.54       15499         Clerical Support Workers       1547       9.98       15499         Services and Sales Workers       2844       18.35       15499         Skilled Agricultural, Forestry and Fish       355       2.29       15499         Craft and Related Trades Workers       1582       10.21       15499         Plants and Machine Operators and Assemb Elementary Occupations       1612       10.40       15499      <	15-24	2041	11.91	17142	
Employment status         Paid work         8290         49.31         16813           Education         1507         8.96         16813           Unemployed         1134         6.74         16813           Retired         3777         22.46         16813           Other         2105         12.52         16813           Occupation           Armed Forces occupations         48         0.31         15499           Managers         1208         7.79         15499           Professionals         2799         18.06         15499           Technicians and Associate Professionals         2563         16.54         15499           Clerical Support Workers         1547         9.98         15499           Services and Sales Workers         2844         18.35         15499           Skilled Agricultural, Forestry and Fish         355         2.29         15499           Plants and Machine Operators and Assemb         941         6.07         15499           Plementary Occupations         1612         10.40         15499           Member of a trade union         1612         10.40         15499	25-39	3561	20.77	17142	
Employment status           Paid work Education         8290         49.31         16813           Education         1507         8.96         16813           Unemployed         1134         6.74         16813           Retired         3777         22.46         16813           Other         2105         12.52         16813           Occupation           Armed Forces occupations         48         0.31         15499           Managers         1208         7.79         15499           Professionals         2799         18.06         15499           Technicians and Associate Professionals         2563         16.54         15499           Clerical Support Workers         1547         9.98         15499           Services and Sales Workers         2844         18.35         15499           Skilled Agricultural, Forestry and Fish Craft and Related Trades Workers         1582         10.21         15499           Plants and Machine Operators and Assemb Elementary Occupations         941         6.07         15499           Member of a trade union         1612         10.40         15499	40-54	4590	26.78	17142	
Paid work   Education   1507   8.96   16813     Unemployed   1134   6.74   16813   Retired   3777   22.46   16813     Other   2105   12.52   16813     Other   2105   21.52   15499     Other   2105   2108   21	55 and above	6950	40.54	17142	
Education Unemployed   1134   6.74   16813   Retired   3777   22.46   16813   Other   2105   12.52   16813   Other   2105   21.52   16813   Other   2105   21.52   16813   Other   2105   21.52   21.5499   Other   2105   2105   21.5499   Other   2105   21	Employment status				
Unemployed       1134       6.74       16813         Retired       3777       22.46       16813         Other       2105       12.52       16813         Occupation         Armed Forces occupations       48       0.31       15499         Managers       1208       7.79       15499         Professionals       2799       18.06       15499         Technicians and Associate Professionals       2563       16.54       15499         Clerical Support Workers       1547       9.98       15499         Services and Sales Workers       2844       18.35       15499         Skilled Agricultural, Forestry and Fish       355       2.29       15499         Craft and Related Trades Workers       1582       10.21       15499         Plants and Machine Operators and Assemb       941       6.07       15499         Elementary Occupations       1612       10.40       15499         Member of a trade union	Paid work	8290	49.31	16813	
Retired Other         3777 22.46 2105         16813 16813           Occupation           Armed Forces occupations Managers Professionals Professionals Professionals 2799         18.06 15499           Technicians and Associate Professionals Clerical Support Workers Services and Sales Workers Skilled Agricultural, Forestry and Fish Craft and Related Trades Workers Plants and Machine Operators and Assemb Plants Pl	Education	1507	8.96	16813	
Occupation         Armed Forces occupations         48         0.31         15499           Managers         1208         7.79         15499           Professionals         2799         18.06         15499           Technicians and Associate Professionals         2563         16.54         15499           Clerical Support Workers         1547         9.98         15499           Services and Sales Workers         2844         18.35         15499           Skilled Agricultural, Forestry and Fish         355         2.29         15499           Craft and Related Trades Workers         1582         10.21         15499           Plants and Machine Operators and Assemb         941         6.07         15499           Elementary Occupations         1612         10.40         15499           Member of a trade union         No         8388         55.20         15196	Unemployed	1134	6.74	16813	
Occupation           Armed Forces occupations         48         0.31         15499           Managers         1208         7.79         15499           Professionals         2799         18.06         15499           Technicians and Associate Professionals         2563         16.54         15499           Clerical Support Workers         1547         9.98         15499           Services and Sales Workers         2844         18.35         15499           Skilled Agricultural, Forestry and Fish         355         2.29         15499           Craft and Related Trades Workers         1582         10.21         15499           Plants and Machine Operators and Assemb         941         6.07         15499           Elementary Occupations         1612         10.40         15499           Member of a trade union         No         8388         55.20         15196	Retired	3777	22.46	16813	
Armed Forces occupations       48       0.31       15499         Managers       1208       7.79       15499         Professionals       2799       18.06       15499         Technicians and Associate Professionals       2563       16.54       15499         Clerical Support Workers       1547       9.98       15499         Services and Sales Workers       2844       18.35       15499         Skilled Agricultural, Forestry and Fish       355       2.29       15499         Craft and Related Trades Workers       1582       10.21       15499         Plants and Machine Operators and Assemb       941       6.07       15499         Elementary Occupations       1612       10.40       15499         Member of a trade union       No       8388       55.20       15196	Other	2105	12.52	16813	
Managers       1208       7.79       15499         Professionals       2799       18.06       15499         Technicians and Associate Professionals       2563       16.54       15499         Clerical Support Workers       1547       9.98       15499         Services and Sales Workers       2844       18.35       15499         Skilled Agricultural, Forestry and Fish       355       2.29       15499         Craft and Related Trades Workers       1582       10.21       15499         Plants and Machine Operators and Assemb       941       6.07       15499         Elementary Occupations       1612       10.40       15499         Member of a trade union       No       8388       55.20       15196	Occupation				
Professionals       2799       18.06       15499         Technicians and Associate Professionals       2563       16.54       15499         Clerical Support Workers       1547       9.98       15499         Services and Sales Workers       2844       18.35       15499         Skilled Agricultural, Forestry and Fish       355       2.29       15499         Craft and Related Trades Workers       1582       10.21       15499         Plants and Machine Operators and Assemb       941       6.07       15499         Elementary Occupations       1612       10.40       15499         Member of a trade union	Armed Forces occupations	48	0.31	15499	
Technicians and Associate Professionals       2563       16.54       15499         Clerical Support Workers       1547       9.98       15499         Services and Sales Workers       2844       18.35       15499         Skilled Agricultural, Forestry and Fish       355       2.29       15499         Craft and Related Trades Workers       1582       10.21       15499         Plants and Machine Operators and Assemb       941       6.07       15499         Elementary Occupations       1612       10.40       15499         Member of a trade union       No       8388       55.20       15196	Managers	1208	7.79	15499	
Clerical Support Workers       1547       9.98       15499         Services and Sales Workers       2844       18.35       15499         Skilled Agricultural, Forestry and Fish       355       2.29       15499         Craft and Related Trades Workers       1582       10.21       15499         Plants and Machine Operators and Assemb       941       6.07       15499         Elementary Occupations       1612       10.40       15499         Member of a trade union       No       8388       55.20       15196	Professionals	2799	18.06	15499	
Services and Sales Workers       2844       18.35       15499         Skilled Agricultural, Forestry and Fish       355       2.29       15499         Craft and Related Trades Workers       1582       10.21       15499         Plants and Machine Operators and Assemb       941       6.07       15499         Elementary Occupations       1612       10.40       15499         Member of a trade union       No       8388       55.20       15196	Technicians and Associate Professionals	2563	16.54	15499	
Services and Sales Workers       2844       18.35       15499         Skilled Agricultural, Forestry and Fish       355       2.29       15499         Craft and Related Trades Workers       1582       10.21       15499         Plants and Machine Operators and Assemb       941       6.07       15499         Elementary Occupations       1612       10.40       15499         Member of a trade union       No       8388       55.20       15196	Clerical Support Workers	1547	9.98	15499	
Skilled Agricultural, Forestry and Fish Craft and Related Trades Workers Plants and Machine Operators and Assemb Elementary Occupations No 8388 55.20 15499 15499 15499 1607 15499 1612 10.40 15499	• •				
Craft and Related Trades Workers 1582 10.21 15499 Plants and Machine Operators and Assemb 941 6.07 15499 Elementary Occupations 1612 10.40 15499  Member of a trade union No 8388 55.20 15196					
Plants and Machine Operators and Assemb         941         6.07         15499           Elementary Occupations         1612         10.40         15499           Member of a trade union         No         8388         55.20         15196				15499	
Elementary Occupations         1612         10.40         15499           Member of a trade union         No         8388         55.20         15196			6.07		
Member of a trade union         No         8388         55.20         15196	•				
No 8388 55.20 15196			<u> </u>		
		8388	55.20	15196	
	Yes	6808	44.80	15196	

Education level (ES-ISCED)			
ES-ISCED I , less than lower secondary	2439	14.28	17078
ES-ISCED II, lower secondary	3151	18.45	17078
ES-ISCED IIIb, lower tier upper secondary	3283	19.22	17078
ES-ISCED IIIa, upper tier upper secondary	2188	12.81	17078
ES-ISCED IV, advanced vocational	2212	12.95	17078
ES-ISCED V1, lower tertiary education	1752	10.26	17078
ES-ISCED V2, higher tertiary education	2053	12.02	17078
Household's total net income, all sources			
1st decile	1411	9.70	14550
2nd decile	1769	12.16	14550
3rd decile	1426	9.80	14550
4th decile	1471	10.11	14550
5th decile	1389	9.55	14550
6th decile	1523	10.47	14550
7th decile	1501	10.32	14550
8th decile	1397	9.60	14550
9th decile	1315	9.04	14550
10th decile	1348	9.26	14550
Countries			
Belgium	1858	10.84	17142
Germany	2933	17.11	17142
Denmark	1650	9.63	17142
Spain	1888	11.01	17142
France	1967	11.47	17142
United Kingdom	2213	12.91	17142
Italy	953	5.56	17142
The Netherlands	1842	10.75	17142
Sweden	1838	10.72	17142
Variable	Mean	SD	Total
Years of full-time education completed	13,06745	4.308991	17020

# Regions included in the regional analysis (9 countries)

GERMANY	BELGIUM	FRANCE	NETHERLANDS
Baden-Württemberg	Brussels Hoofdstedelijk Gewest	Ile de France	Groningen
Bayern	Prov. Antwerpen	Champagne-Ardenne	Friesland (NL)
Berlin	Prov. Limburg	Picardie	Drenthe
Brandenburg	Prov. Oost-Vlaanderen	Haute-Normandie	Overijssel
Bremen	Prov. Vlaams-Brabant	Centre	Gelderland
Hamburg	Prov. West-Vlaanderen	Basse-Normandie	Flevoland
Hessen	Prov. Brabant Wallon	Bourgogne	Utrecht
Mecklenburg-Vorpommern	Prov. Hainaut	Nord-Pas-de-Calais	Noord-Holland
Niedersachsen	Prov. Liège	Lorraine	Zuid-Holland
Nordrhein-Westfalen	Prov. Luxembourg	Alsace	Zeeland
Rheinland-Pfalz	Prov. Namur	Franche-Comté	Noord-Brabant
Saarland		Pays de la Loire	Limburg (NL)
Sachsen	SPAIN	Bretagne	
Sachsen-Anhalt	Galicia	Poitou-Charentes	SWEDEN
Schleswig-Holstein	Principado de Asturias	Aquitaine	Stockholms län
Thüringen	Cantabria	Midi-Pyrenées	Uppsala län
	País Vasco	Limousin	Södermanlands län
ITALY	Comunidad Foral de Navarra	Rhône-Alpes	Östergötlands län
Piemonte	La Rioja	Auvergne	Örebro län
Valle d'Aosta	Aragón	Languedoc-Roussillon	Västmanlands län
Liguria	Comunidad de Madrid	Provence-Alpes-Côte d'Azur	Jönköpings län
Lombardia	Castilla y León		Kronobergs län
Provincia autonoma di Bolzano	Castilla-La Mancha	ENGLAND	Kalmar län
Provincia autonoma di Trento	Extremadura	South East	Gotlands län
Veneto	Cataluña	South West	Blekinge län
Friulia Venezia Giulia	Comunidad Valencia	North East (England)	Skåne län
Emilia Romagna	Illes Balears	North West (England)	Hallands län
Toscana	Andalucía	East Midlands (England)	Västra Götalands län
Umbria	Región de Murcia	West Midlands (England)	Värmlands län
Marche	Ciudad Autónoma de Ceuta	East of England (England)	Dalarnas län
Lazio	Ciudad Autónoma de Melilla	London (England)	Gävleborgs län
Abruzzo	Canarias	Yorkshire & the Humber	Västernorrlands län
Molise		Wales	Jämtlands län
Campania	DENMARK	Scotland	Västerbottens län
Puglia	Hovedstaden	Northern Ireland	Norrbottens län
Basilicata	Sjælland		
Calabria	Syddanmark		
Sicilia	Midjylland		
Sardegna	Nordjylland		

#### **Explanatory variables at the region-level**

Variable	N	Mean	SD	Min	Max
GDP current price 2011	17142	31714,7	9633,1	15700	62000
Population size 2011	17142	4019849	3849014	57269	1.78e+07
Tertiary education (isced5_6) 2011	15304	158410,6	142678,2	2720	606628
Long-term unemployment 2011 (%)	15304	3,7	2,7	.8	14.19
Young unemployment 2011 (%)	15201	20,0	12,7	5.4	65.8
Net migration 2010	17060	9665,5	15491,4	-48102	83923

Using population size, tertiary education and net migration were transformed as percentages. To facilitate interpretation, the log of GDP is considered.

Variable	N	Mean	SD	Min	Max
Tertiary education by region (%)	15304	3,72	1,19	0,56	8,50
Net migration by region (%)	17060	0,31	0,35	-0,44	1,79
Log of national GDP at current prices	17142	10,32	0,29	9,66	11.03489

#### **Explanatory variables at the country-level**

<u>Transparency International Corruption Perception Index (2011)</u>

Country	Index
Bulgaria	41
Italy	42
Slovakia	46
Czech Republic	49
Lithuania	54
Hungary	55
Poland	58
Slovenia	61
Portugal	63
Estonia	64
Spain	65
Cyprus	66
Ireland	69
France	71
Great Britain	74
Belgium	75
Germany	79
Netherlands	84
Sweden	88
Denmark	90
Finland	90

The CPI is the most widely used indicator of corruption worldwide. Countries are rank on how corrupt their public sectors are seen to be. It is a combination of surveys and assessments of corruption, collected by a variety of reputable institutions. A country score indicates the perceived level of public sector corruption on a scale of 0-100, where 0 means that a country is perceived as highly corrupt and a 100 means that a country is perceived as very clean. A country's rank indicates its position relative to the other countries/territories included in the index.

Source: European Social Survey

Social expenditure in percentage of GDP 2011, Union density, Gini coefficient of equivalised disposable income 2011, Unemployment rates by age 15-24 years in % 2011, volume index of GDP per capita in Purchasing Power Standards (PPS) and percentage of tertiary education

Country	Social exp	UD	Gini	Young U	GDP PPS	tertiary educ (%)
Belgium	29,7	55.1	26,3	18,7	120	4,20
Czech Republic	20,8	15.8	25,2	18	83	4,25
Denmark	30,6	66.4	27,8	14,2	126	4,66
Estonia	18,2	6.9	31,9	22,3	68	5,20
Finland	29,2	69.6	25,8	20,1	117	5,74
France	32,0	7.7	30,8	23	108	3,48
Germany	25,9	18	29	8,6	122	3,13
Ireland	23,3	34.4	29,8	29,1	130	4,30
Italy	27,5	36.3	31,9	29,1	103	3,31
Netherlands	23,4	19.1	25,8	7,6	135	4,06
Poland	20,5	13.6	31,1	25,8	64	5,40
Portugal	25,0	18.3	34,2	30,1	78	3,75
Slovakia	18,1	14.1	25,7	33,2	73	4,20
Slovenia	23,7	23.1	23,8	15,7	83	5,23
Spain	26,4	16.9	34,5	46,4	95	4,18
Sweden	27,6	67.8	24,4	22,8	127	4,92
United Kingdom	23,6	26.5	33	21,1	106	3,95
Cyprus		49	29,2	22,4	96	3,82
Hungary	21,9	•	26,8	26,1	65	3,82
Bulgaria	•	•	35	25	44	3,87
Lithuania		9.6	33	32,2	65	6,13

Gross domestic product (GDP) is defined as the value of all goods and services produced less the value of any goods or services used in their creation. The volume index of GDP per capita in Purchasing Power Standards (PPS) is expressed in relation to the European Union (EU28) average set to equal 100. If the index of a country is higher than 100, this country's level of GDP per head is higher than the EU average and vice versa. PPS eliminates the differences in price levels between countries allowing meaningful volume comparisons of GDP between countries.

Source: EUROSTAT

Union Density rate is defined as net union membership as a proportion of wage and salary earners in employment

Source: Visser

The Gini coefficient of equivalised disposable income 2011 is defined as the relationship of cumulative shares of the population arranged according to the level of equivalised disposable income, to the cumulative share of the equivalised total disposable income received by them.

Source: European Social Survey (Original source: SILC)

Social expenditures, the rate of young unemployment and the percentage of tertiary education are extracted from the multilevel database of the European Social Survey (Original source: Eurostat). Tertiary education correspond to the category ISCED 5\_6. It is considered as a proxy for human capital endowments.

#### Coordination of wage-setting

Based on Kenworthy (2001a; 2001b). Note that this is an indicator of the "degree, rather than the type, of coordination"

Source: Visser

1	Estonia	Great Bri	Hungary	Ireland	Lithuania	Poland
2	Bulgaria	Cyprus	Czech Rep	Portugal	Slovakia	France
3	Spain	Italy	Slovenia	Sweden		
4	Germany	Denmark	The Nethe			
5	Belgium	Finland				

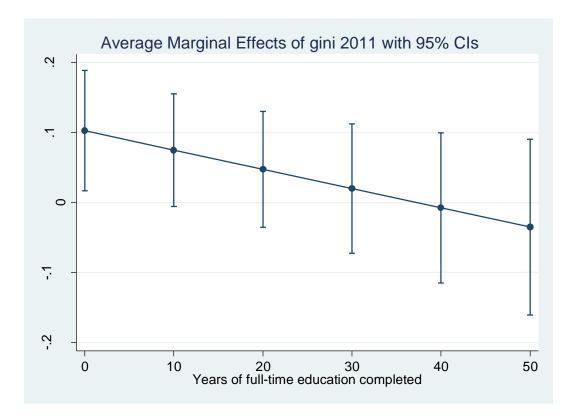
- **5** = maximum or minimum wage rates/increases based on
- a) Centralized bargaining by peak association(s), with or without government involvement, and/or government imposition of wage schedule/freeze, with peace obligation
- b) Informal centralisation of industry-level bargaining by a powerful and monopolistic union confederation
- c) Extensive, regularized pattern setting and highly synchronized bargaining coupled with coordination of bargaining by influential large firms
- **4** = wage norms or guidelines (recommendations) based on
- a) Centralized bargaining by peak associations with or without government involvement
- b) Informal centralisation of industry-level bargaining by a powerful and monopolistic union confederation
- c) Extensive, regularized pattern setting coupled with high degree of union concentration
- **3** = negotiation guidelines based on
- a) Centralized bargaining by peak associations with or without government involvement
- b) Informal centralisation of industry-level bargaining
- c) Government arbitration or intervention
- **2** = mixed industry and firm-level bargaining, with no or little pattern bargaining and relatively weak elements of government coordination through the setting of minimum wage or wage indexation
- 1 = fragmented wage bargaining, confined largely to individual firms or plants

# ORDERED LOGIT REGRESSION

	1.	1.1	1.	1.1.2		1.3	
Variables	Coef	Std-error	Coef	Std-error	Coef	Std-error	
female	0.893***	(-4.62)	0.932**	(-3.19)	0.922***	(-3.68)	
reference category: 25-39							
15-24	1.205**	(3.22)	1.238***	(4.00)	1.263***	(4.37)	
40-54	0.857***	(-4.84)	0.883***	(-3.97)	0.891***	(-3.67)	
above 55	0.898**	(-2.92)	0.960	(-1.12)	0.942	(-1.62)	
reference category: paid work							
Education	1.337***	(4.05)	1.282***	(4.12)	1.324***	(4.64)	
Unemployed	0.972	(-0.58)	0.956	(-0.96)	0.961	(-0.85)	
Retired	1.077*	(1.96)	1.131***	(3.33)	1.108**	(2.77)	
Other	1.009	(0.22)	1.012	(0.32)	1.013	(0.34)	
Member of a trade union	0.928**	(-2.86)	0.912***	(-3.59)	0.914***	(-3.52)	
reference category: 5th decile	0.910	(-1.77)	0.916	(-1.73)	0.905*	(-1.97)	
1st decile	0.895*	(-2.22)	0.905*	(-2.09)	0.900*	(-2.19)	
2nd decile	0.987	(-0.27)	0.994	(-0.12)	0.989	(-0.24)	
3rd decile	1.016	(0.32)	1.017	(0.37)	1.016	(0.34)	
4th decile							
6th decile	1.092	(1.80)	1.086	(1.75)	1.068	(1.40)	
7th decile	1.096	(1.88)	1.117*	(2.34)	1.096	(1.94)	
8th decile	1.166**	(3.07)	1.190***	(3.59)	1.153**	(2.94)	
9th decile	1.148**	(2.64)	1.175**	(3.19)	1.120*	(2.23)	
10th decile	1.343***	(5.52)	1.367***	(6.09)	1.261***	(4.47)	
reference category: clerks							
Armed forces	1.159	(0.77)					
Managers	1.236***	(3.69)					
Professionals	1.345***	(6.34)					
Associate professionals	1.011	(0.23)					
Serv and sales	0.927	(-1.65)					
Agri, forestry and fishery	0.739***	(-3.48)					
Trade workers	0.824***	(-3.76)					
Plant and machin operators	0.815***	(-3.76)					
Elementary occupations	0.860**	(-2.93)					
ref cat: ES-ISCED III upper tier							
ES-ISCED I					0.830***	(-3.98)	
ES-ISCED II					0.838***	(-4.80)	
ES-ISCED III lower tier					0.836***	(-4.64)	
ES-ISCED IV					0.990	(-0.26)	
ES-ISCED V lower terciary					1.276***	(5.74)	
ES-ISCED V higher terciary					1.656***	(12.37)	
Years of education			1.050***	(14.89)			
Region fixed effects	Yes		Yes		Yes		
Country fixed effects	Yes		Yes		Yes		
N	26286		28059		28125		

Exponentiated coefficients; t statistics in parentheses \* p<0.05, \*\* p<0.01, \*\*\* p<0.001

Figure 6



### **DESCRIPTIVE STATISTICS**

