Economic factors play an important role in determining political parties' support for European integration

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What factors influence whether political parties support European integration? Patricia Esteve-González and Bernd Theilen assess the role that economic factors have played in determining support for the integration process. They note that while the issue has tended to be explained in political terms, with radical parties assumed to be more Eurosceptic than those in the centre of a country's party system, economic developments have a clear impact on party support. As a result, any future integration will depend on accentuating the potential economic benefits.

The European Union represents a unique process of economic and political integration in recent history. Since the Second World War, there have been no examples of sovereign countries renouncing their competences on economic and political issues to such a great extent as in the process of European integration.

Throughout most of this process there seemed to be a consensus that more integration was beneficial for all EU members. As a consequence, the European Union has assumed more and more competences from its member countries and has steadily gained new members, with its membership expanding from 6 countries in 1952 to 28 in 2013.

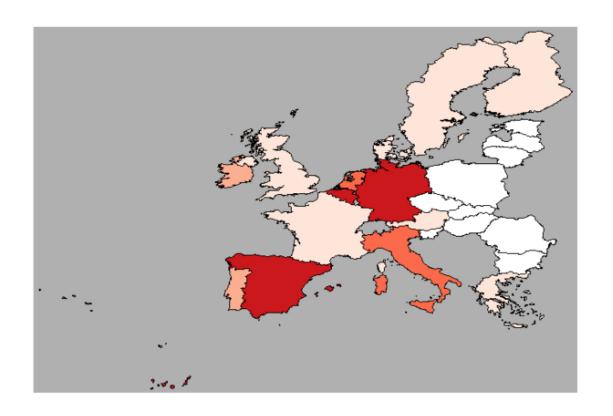


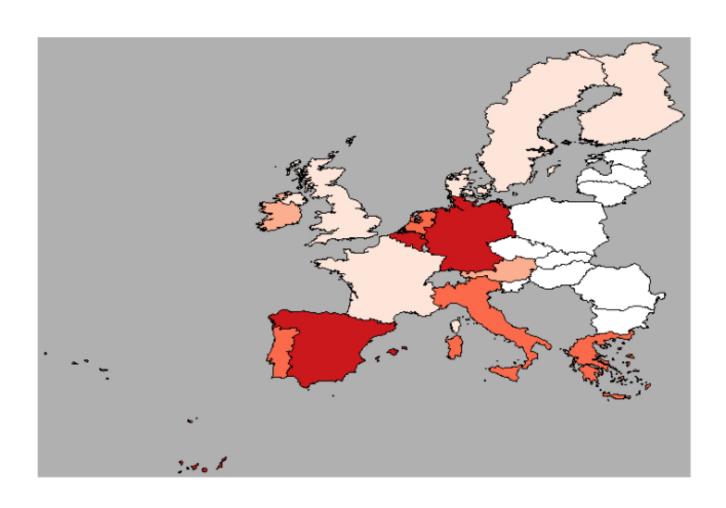
However, recently, scepticism on the benefits of European integration has grown in many member states. In 2005, France and the Netherlands rejected the proposed EU constitution in a referendum. As a consequence, referendums in six other EU member countries were cancelled or postponed indefinitely. In Spain, the supporters of EU integration are now in the minority for the first time. In the UK, David Cameron's Conservative Party is even questioning EU membership and planning a referendum on whether to remain a member of the EU in 2018.

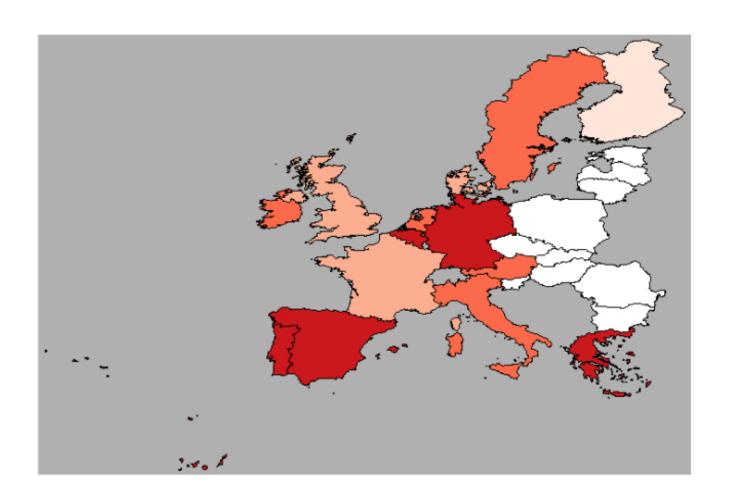
Something has changed in partisan support for European integration. The figure below, which displays the mean partisan support in European countries from 1984 to 2010, clearly demonstrates this change. The darker the shade of red for each country the more supportive parties within that country were toward European integration.

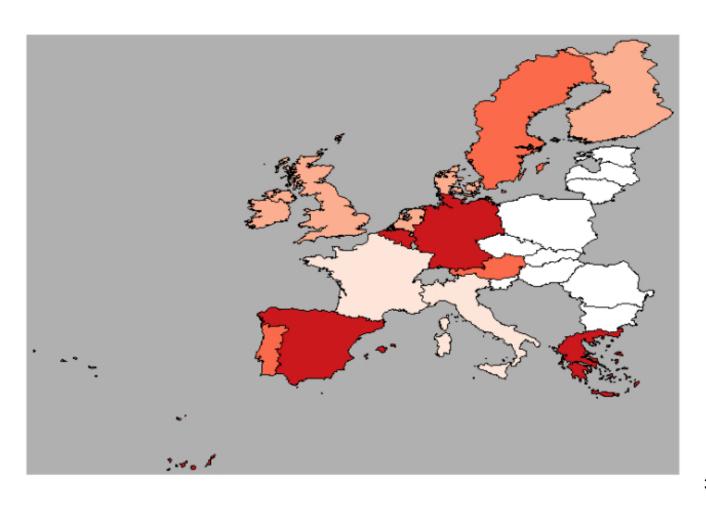
Figure: Mean partisan positions towards European integration by country and year

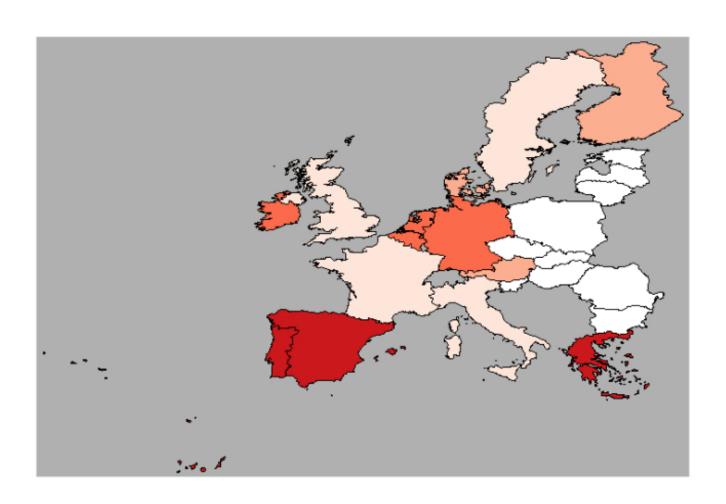
- 1984
- 1988
- 1992
- 1996
- 1999
- 2002
- 2006
- 2010

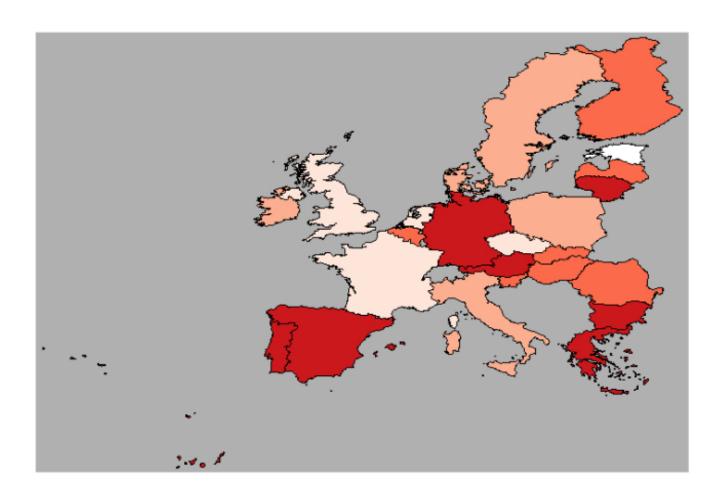


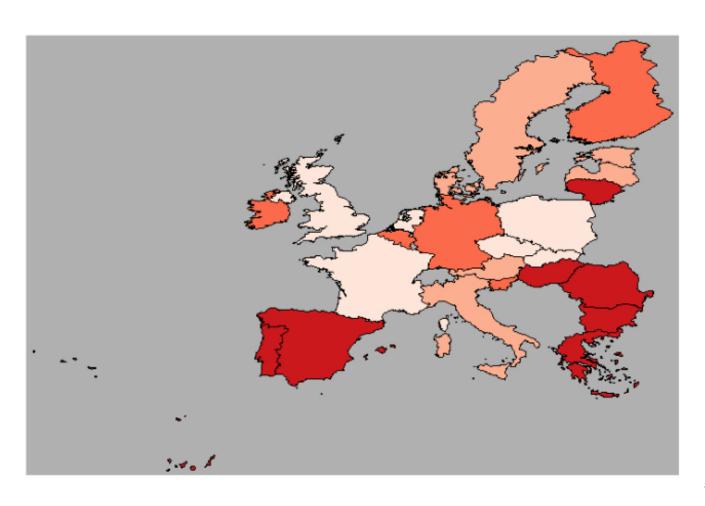


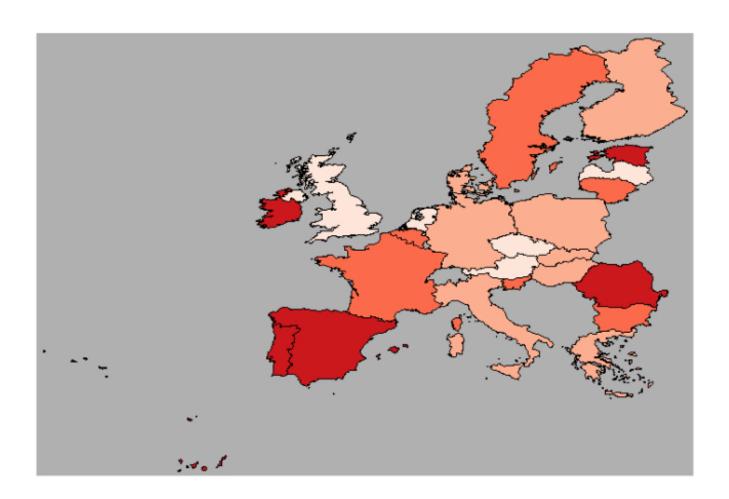












Note: Each map shows a representation of the mean partisan positions toward European integration in each country for the relevant year (click on the tabs to cycle through the years). In simple terms, the darker the shade of red, the more supportive of European integration parties were in each country. White means that there was no information for that country, while the intensity of the red (from light to dark) corresponds to four different intervals of support: specifically the quantiles of the distribution of the mean partisan support for European integration. Source: Chapel Hill Expert Survey

Two main observations can be made. First, partisan support is rather heterogeneously distributed across European countries. This is particularly the case in 1984 and 1988 when partisan attitudes towards European integration, on average, were higher in some north peripheral countries (Finland, Sweden, Denmark, the UK and Ireland) and central countries (Germany, the Netherlands and Belgium) than in some south peripheral countries (Spain, Italy and Greece) and central countries (France and Austria).

Second, mean partisan support increased in almost all countries from 1988 to 1996, after which it started to decrease, with the exception of the new EU member countries. From 1999 to 2010, we observe a downward convergence leading to medium or low partisan support in most of the EU member countries. One might argue that this increased scepticism is related to the economic crisis that started in 2008. However, in our work we find that economic factors have played an important role in European integration from its beginning and, therefore, have

always determined partisan support for European integration.

The role of economic factors in partisan support for European integration

Traditionally, partisan support for European integration has been explained by political factors. So, it has been shown that political parties on the extreme left and the extreme right of the ideological spectrum are more Eurosceptic than centrist parties. Similarly, parties in government are usually less Eurosceptic than those in opposition. In our work we find that economic costs and benefits of European integration also have an influence on partisan positioning towards European integration.

With regard to economic benefits, we define financial benefits as the difference between payments a country receives from the EU and the country's contributions to the EU budget, benefits from trade creation due to the adoption of a common currency under the European Monetary Union (EMU), and general economic benefits due to the convergence of countries under the integration of product, labour and financial markets.

First, we find that poorer countries, which should be expected to obtain higher net benefits from EU membership and market integration, are more in favour of European integration than richer countries. On the contrary, financial benefits from the EU turn out to have no influence on partisan contestation over European integration.

Second, we find that parties in countries with higher benefits from EMU-induced trade are more opposed to EU integration than parties in those countries that benefit less. This seems to indicate that, as EMU-induced benefits from trade are indirect benefits that are difficult to quantify, voters might not take them into account when positioning on European integration issues and tend to give greater value to direct costs and benefits rather than the indirect costs and benefits of European integration. Therefore, parties attach more importance to the financial costs and benefits than to other advantages and disadvantages of European integration.

Third, as new supranational institutions assume competences that formerly belonged to the governments of the member countries, we use the Maastricht criteria to analyse whether the creation of supranational institutions had a significant influence on partisan positioning towards European integration in those countries with excessive budget deficits and debt. In our analysis we find that an increase in government debt and budget deficit decreases partisan support for European integration. Partisan support for European integration declines when national fiscal policies are affected by supranational control. Our results also indicate that the importance of the economic costs and benefits of European integration in the partisan positioning on these issues has grown with time. So, in recent years, we find larger partisan support in countries with more developed welfare states, and that partisan support for European integration increases in periods with larger growth.

Implications for the future of the European integration process

From our results it follows that, as partisan support for European integration depends on economic factors, future advances in the European integration process will depend crucially on the economic benefits and their distribution among EU member countries. To advance in the process of European integration it will become particularly important to accentuate the indirect benefits of such policies rather than the direct benefits which are most likely impossible to be positive for all members.

Moreover, while the European integration process unquestionably has its historic specificities, which can be traced back to experiences during and after World War II, it seems that this process, after considerable advances, has now arrived to a 'normal' state of affairs in which the economic benefits of further advances in this integration process play a prominent role.

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