

4 Varieties of capitalism and political divides over European integration

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Under its umbrella, the European Union covers countries with highly diverse configurations of capitalist political-economic institutions. In the macro-level political economy literature these differences have led scholars to generate a number of hypotheses about the relative gains or losses of individual member countries from important institutional innovations that advance integration, such as the formation of the European Central Bank and a common currency (cf. Hall and Franzese 1998; Iversen 1998). Moreover, individual citizens and labor market participants may perceive costs and benefits differently, contingent upon national wage-bargaining systems or welfare state policies. Domestic political divides between advocates and opponents of EU integration may play out differently and yield contrasting partisan alignments if polities are embedded in different institutional “varieties” of capitalism.

In this chapter, we explore how the diversity of capitalist institutions affects political contestation over EU integration in two respects. First, capitalist institutions affect the *proportion of voters in each country who have an incentive to challenge EU integration*. In other words, political economy shapes the “grievance level” that may provide the raw material of patterns of domestic contestation. Contingent upon existing national economic institutions, citizens calculate how their benefits (in terms of jobs, income growth, etc.) are likely to be affected collectively for most voters (“sociotropic” calculations). Second, they also may focus on their potential individual benefits and costs that result from changes in the expected economic payoffs induced by the consequences of European integration for national political-economic institutions. Here citizens’ general political ideology and their individual asset endowments in labor markets may produce domestic alignments of conflict over European integration (“egocentric” voting). How ideology and assets affect such alignments may be contingent upon domestic political-economic institutions. Whether citizens are leaning toward or away from further European integration does not simply depend on whether they are “left” or “right,” but whether they are left or right within a particular national

political-economic context. Consequently, political alignments among parties over the EU issue may vary across member countries.

In order to probe into the empirical plausibility of this line of reasoning, we report here first how domestic varieties of capitalism affect central national public opinion trends toward European integration. Against this baseline, we then estimate the relative effect of individual citizens’ ideological orientations on cross-nationally varying domestic alignments about EU integration and the interaction between individual and contextual varieties of capitalism conditions. In our unreported research we also controlled for citizens’ human capital endowments (skills, professions) and interactions between capital endowments and national varieties of capitalism. These latter controls do not affect the empirical robustness of our main propositions. Because such human capital factors have been explored in the past (Gabel 1998a and 1998b; Hix 1999b: chapters 5 and 6) and elsewhere in this volume by Leonard Ray’s analytically elegant chapter, we ignore such additional factors in our chapter.¹

Our chapter is not concerned with partisan vote choice in elections. Yet it leads us to the following hypothesis: whether and how parties can politicize EU integration depends very much on their national political-economic context. Such contexts affect not only the magnitude of perceived grievances, but also their ideological embeddedness into domestic partisan alignments. The explanatory value of interacting contextual and individual-level variables to account for alignments over European integration highlights the plausibility of a multilevel model of the European polity. On the one hand, national differences of interests are captured by the direct contextual effect on national varieties of capitalism. On the other, the interaction between contextual conditions and individuals’ political ideologies demonstrates the relevance of domestic divides over EU integration inserted into the broader national competitive alignments.²

Varieties of capitalism and EU integration: theoretical hypotheses

Let us distinguish three interrelated, but empirically non-identical dimensions of capitalist political-economic arrangements. First, there are macroeconomic features of wage-bargaining regimes and monetary policy governance (e.g., Scharpf 1991; Iversen 1999; Soskice and Iversen

¹ For a further exploration of the interaction between human capital and wage-bargaining systems in citizens’ evaluation of the European integration process, see Scheve (2000).

² For an outline of alternative polity models of the EU see Moravcsik (1998), chapters 1 and 2, and Hooghe and Marks (1999, 2001) as well as Peterson and Bomberg (1999).

1998; Franzese 2001, 2002). Second, there is the institutional micro-economics of different corporate governance structures and labor regimes elaborated by David Soskice (1999) and empirically fleshed out in Hall and Gingerich (2001). In ways relevant for our analysis, this approach has recently been applied to a new interpretation of the welfare state developed by Iversen and Wren (1998), Mares (2001), Estevez-Abe, Iversen, and Soskice (2001), and Iversen and Soskice (2001). Third, there are types of welfare states resulting from distributive social conflict and partisan competition as originally proposed by Esping-Andersen (1990) and further developed by Hicks (1999), Esping-Andersen (1999), and Huber and Stephens (2001).

Based on these dimensions of advanced capitalist democracies we infer a total of five propositions about contextual and interactive relations predicting citizens' predispositions toward EU integration. The mechanism linking institutions and citizens' assessments of EU integration is the perception of costs and benefits accruing from integration in light of domestic capitalist institutions. Whether or not these perceptions *accurately* reflect the consequences of integration, however, is irrelevant for our paper. For example, the logic of popular sociotropic cost-benefit perceptions that appears to explain a substantial share of cross-national variance in support of further European integration presumes that this process would make social policies converge toward the patterns of the currently most widespread conservative welfare state institutions. But there are serious scholarly models with plausible scenarios that European integration will generalize liberal-residual welfare state policies (cf. Scharpf 2002). Conversely, others may object that European integration will not challenge microeconomic institutions of the welfare state, as long as countries abide by common macroeconomic monetary and fiscal regimes. For our purposes, it is irrelevant which of these positions turns out to be right. What matters is whether we can link citizens' perceptions of the costs and benefits of European integration to actual patterns of welfare state institutions.

Wage-bargaining regimes and central bank autonomy

Centralized wage-bargaining and the autonomy of central banks in setting monetary policy provide mechanisms that cumulatively contribute to macroeconomic stability (low inflation and unemployment, high growth). Centralized wage-bargaining at the sectoral or the national level enables unions to achieve wage moderation and employers not to offer wage drift in a situation of tight labor markets. Centralization produces the collective good of lower inflation because employers and unions can make credible

commitments to enforce moderate agreements against opponents in their own ranks.

Autonomous central banks charged with maintaining the stability of the currency tend to punish undisciplined wage settlements by ratcheting up real interest rates, thus triggering lower investment and higher unemployment. Sectoral or national wage-bargaining centralization may anticipate and avert this negative outcome.³ In the absence of an independent central bank, centralized wage-bargaining may lead to wage moderation only if leftist governments with tight links to labor unions convince the latter that such policies provide a leftist government with a sufficiently favorable economic performance record to boost its chances of being reelected.⁴

Wage-bargaining institutions and central banks may affect citizens' sociotropic calculations of the costs and benefits of European integration based on two premises, the first of which we also employ in subsequent propositions about the impact of national capitalist institutions on public opinion. This first general premise states that the *median national voter* is concerned with the collective good of the country ("sociotropic voting") and controls domestic policy outcomes. Indeed, there is evidence to believe that policy outcomes are close to the ideal points of median voters, especially in multi-party systems (Powell 2000). Our second specific premise is that citizens know that European integration institutes an independent central bank regime capable of punishing inflationary wage policies.

Under these conditions, the median voters in the countries with sectorally and nationally coordinated wage-bargaining systems may be more opposed to EU integration than those situated in fragmented bargaining systems (proposition 1). If countries with coordinated wage-bargaining commit to moderate wage policies, business and labor in fragmented bargaining systems may free-ride and boost wages and prices. This triggers inflation and a redistribution of assets toward such countries. If the European Central Bank punishes such moves with high real interest rates, the economic consequences will hurt everyone, including citizens in countries that have shown wage moderation. Therefore citizens in such systems will be more opposed to European economic integration than in liberal decentralized systems (proposition 1).

³ In line with Soskice and Iversen (2000), but not Iversen (1998; 1999), we presume that both sectorally and nationally coordinated wage-bargaining regimes benefit from independent central banks. Empirically, by the late 1990s, Western Europe no longer had nationally centralized wage-bargaining systems.

⁴ In a strictly game-theoretic formulation, wage moderation is not a Nash equilibrium of the interaction between labor unions and leftist governments, as Scharpf (1991) explains. It requires political goodwill on the part of the labor unions.

The microeconomics of capitalist institutions, skill formation, and welfare states

The distinction between uncoordinated, sectorally coordinated, and nationally coordinated market economies also has a microeconomic formulation. Coordination encompasses (1) the nature of labor contracts (short- or long-term), (2) the nature of capital markets (equity- or debt-based), (3) techniques of skill formation (general or specific skills), and (4) patterns of technological innovation (venture capitalist firm-centric or collaboration across networks of firms) (Soskice 1999). Hall and Gingerich (2001) collected empirical indicators for all of these dimensions and determined through factor analysis that national patterns of shareholder power in publicly traded companies, the dispersion of corporate control beyond the chief executive officer, the size of the stock market, the level and degree of wage coordination, and labor turnover indeed all relate to a single underlying unobserved variable we call here the continuum from “stakeholder” to “shareholder” capitalism. Each system may have its own advantages, but wage equality and the lot of the less affluent have clearly been better under stakeholder capitalism. In the perception of mass publics, European integration may encourage the erosion of stakeholder capitalism and of its distributive benefits. Hence European integration should be opposed more intensely in countries that have enjoyed the distributive benefits of stakeholder capitalism (proposition 2).

Estevez-Abe et al. (2001) and Iversen and Soskice (2001) also link varieties of capitalist institutions to welfare state regimes. Coordinated economies institute the possibility of generalized reciprocity and long-term relational bargaining among firms and between employers and wage-earners. If market actors agree to underspecified contracts, but do not opportunistically exploit the contractual vagueness of their obligations, all actors will benefit by lowering their transaction costs and encouraging business and wage-earners to make otherwise risky investments. For example, “patient” capital provided by banks allows industrial firms to invest without watching short-term profit performance. And long-term labor contracts enable wage-earners to commit to investments in asset-specific skills that bear a return only if applied in a particular sector or a particular firm. The existence of comprehensive welfare states that lower the risk of unemployment and/or increase the compensation for job loss facilitates asset-specific human capital investments. If European integration is perceived as a process that advances market liberalization and undermines welfare state arrangements encouraging asset-specific human capital investments, then mass publics, particularly in those countries

that have instituted such systems, should be averse to further European integration (proposition 3).

The welfare state as a distributive settlement

Esping-Andersen (1990; 1999) proposes to distinguish three types of welfare states. First, there are residual welfare states in countries dominated by market-liberal parties. Such welfare states provide means-tested benefits and income-related social insurance entitlements. Their redistributive capacity is quite limited and they provide strong incentives for the (re)commodification of male and female labor. Second, non-liberal, Christian democratic and other “centrist” parties have developed conservative-Christian welfare states based on comprehensive coverage and stratified income-related and family-based cash benefits with moderate to strong redistributive impact. They set disincentives for women and older workers to stay in or enter labor markets. Third, comprehensive social democratic welfare states in countries with long-term moderate-left party rule in the formative and expansionary development of the welfare state involve comprehensive coverage, flat-rate entitlements in cash and services, sometimes supplemented by income-stratified benefits, with an overall strong redistributive capacity favoring low-income citizens, but intensive incentives for all citizens, including women, to participate in labor markets.

The upshot of the distributive welfare state argument for citizens’ evaluations of European integration today may develop along one of the following two lines. In each variant, domestic median voters of a country compare their national social policy status quo to the most common national social policy practices within the entire set of European Union member countries, especially the most powerful among them, such as France and Germany. That domestic median voter then calculates her costs and benefits of adopting the predominant European welfare state pattern domestically according to one of two rationales.

In the first variant of the argument, *median voters always prefer the status quo in their own country and view change from the status quo as a net “cost” imposed on them to move away from the national “ideal point” of social policy.* Given that conservative-Christian patterns of the welfare state prevail among the EU members with the greatest seniority in the association and in countries that have often served as agenda-setters for the European integration process, the domestic median voter in countries with conservative welfare states might be quite happy with the European integration process in the belief that such integration will unleash few tendencies to dislodge the established domestic welfare state

policies. Thus, high satisfaction with further EU integration should prevail in Austria, Belgium, France, Germany, Italy, and the Netherlands. By contrast, median voters in both liberal-residual (i.e., Britain) and social democratic-comprehensive welfare states (i.e., Denmark, Finland, Sweden) may harbor distinctly fewer pro-European integration attitudes because they may anticipate higher national adjustment costs if forced to conform with European social policy norms (proposition 4).

According to an alternative logic of perception, *median voters always prefer more redistribution and thus the Scandinavian social democratic model of welfare state*. After all, the median voter earns less than the average voter and therefore may always harbor some appetite for additional redistribution. The question, then, is in which EU countries domestic median voters have reason to believe that further EU integration will advance their redistributive aspirations most. Citizens in countries with already comprehensive, redistributive welfare states may not see much possibility for further redistribution through EU integration and therefore will be more predisposed to opposing it (Denmark, Finland, Sweden). But the median voter in a country with a residual welfare state will most keenly favor EU integration in order to enhance the redistributive impact of social policy. Conservative, Christian democratic welfare states exhibit populations with intermediate enthusiasm for further EU integration (proposition 5).

How to deal with economic "laggards" in the varieties of capitalism framework

So far, our discussion of varieties of capitalism has conspicuously left out any mention of the relatively poor, laggard economies of Greece and Portugal, as well as the less starkly, but still significantly, trailing economies of Spain and Ireland.⁵ Except for Ireland, the same omission characterizes almost the entire literature on the comparative political economy of advanced capitalist democracies.⁶ Macro-comparative data available on these countries are thin, particularly for variables that directly pertain to the comparison of varieties of capitalism. An even more serious problem is that data for these countries require a *different interpretation* than for other countries – something that could be taken care of only with elaborate quantitative correction procedures. For example,

⁵ We have left out Luxembourg, simply because a country/city-state of less than 0.5 million citizens that is also the seat of major European Union institutions constitutes the most clear-cut violation of the assumption of unit homogeneity and independence in comparative research.

⁶ Exceptions are Boix (1998) and Hall and Gingerich (2001).

lower social expenditures may be a consequence simply of less economic development, not of adoption of a residual welfare state pattern. Indeed, the microeconomic corporate governance structures of the southern European countries show little adherence to the market-liberal model (see Hall and Gingerich 2001).

Given the lack of rigorous data, we propose the following scoring conventions. Case studies suggest that the less-developed EU members have neither strong wage-bargaining centralization nor high investment in specific human capital assets. We therefore score them low on that dimension. For advanced countries, we adopt Iversen's (1999) operationalization of liberal uncoordinated and sectorally coordinated systems as a dummy variable. On corporate governance, we adopt Hall and Gingerich's (2001) index of stakeholder capitalism, showing moderately high values in Portugal and Spain and lower values in Ireland. When it comes to the welfare state, *the median voters inside developmental laggards may be at least as interested in EU integration as those of Christian democratic, conservative welfare states*. None of the laggard countries has strong market liberal parties that would push them toward a residual welfare state trajectory. Moreover, their social policy schemes and expenditure levels, relative to their achieved affluence, appear to set them on tracks leading to coverage levels and schemes at least as encompassing and redistributive as those of Christian democratic, conservative welfare states. At the same time, none of these countries has strong, encompassing social democratic parties and union movements that could press for universalistic redistributive welfare states. For these reasons, we postulate that median voters in these countries anticipate a domestic propensity to promote conservative welfare states. They therefore expect European unification not to affect the domestic logic of social policy development significantly (proposition 4) or to exercise only moderate pressure to cut back on welfare states (proposition 5).

One further important consideration should be added, however, to illuminate the distinctiveness of the laggard countries. The EU budget supplies them with economic aid through so-called *structural funds* to a vastly greater extent (absolutely and as a percentage of GDP) than the remaining countries. In order to capture the specific attractiveness of European integration for economic laggards, we employed the disbursement of structural funds per capita, in thousands of dollars in 1996, as an independent variable from European statistics (EUROSTAT data). Sweden is at the low end, Ireland at the top end.⁷ Because national receipts of EU

⁷ This variable is taken from Hix (1999b), table 9.5, and is also employed in Ray (this volume).

Table 4.1 *Five specifications of varieties of capitalism*

	Centralization of wage bargaining (1)	Labor market regime: bias towards specific skills (2)	Overall index of corporate coordination: "stakeholder" capitalism (3)	Dominance of the conservative Christian democratic welfare state (4)	Limits to national redistribution: from encompassing to residual welfare state (5)
I. Advanced EU members					
Austria	1	1	1.0	1	2
Belgium	1	1	0.74	1	2
Denmark	1	1	0.70	0	1
Finland	1	1	0.72	0	1
France	0	1	0.69	1	2
Germany	1	1	0.95	1	2
Italy	0	1	0.87	1	2
Netherlands	1	1	0.66	1	2
Sweden	1	1	0.69	0	1
United Kingdom	0	0	0.07	0	3
II. Economic laggards					
Ireland	0	0	0.29	[1]	[2]
Greece	[0]	[0]	[0.50]	[1]	[2]
Portugal	[0]	[0]	0.72	[1]	[2]
Spain	[0]	[0]	0.58	1	2

Sources: (1) Iversen (1999), pp. 84–5, own coding in brackets.

(2) Estevez-Abe et al. (2001), p. 179, own coding in brackets.

(3) Hall and Gingerich (2001), p. 45, own coding in brackets.

(4) own coding from Esping-Andersen (1990; 1999) see text.

(5) own coding, see text.

structural funds are negatively related to the wage centralization variable ($r = -0.64$), it is quite possible that only one of the two variables has a statistically significant effect on endorsement of European integration.

Table 4.1 lists values for the five dimensions of varieties of capitalism chosen to explore our propositions about popular support for EU integration. Figures in brackets indicate our own judgmental assignment of values to economic laggard countries based on plausibility considerations presented above.

Interestingly, while all measure varieties of capitalism, in most instances the five indicators are only weakly linked to each other, regardless of whether we examine the eleven "core" countries on which firm data are available for the first three columns or add the Mediterranean economic laggard countries as well. Only two bivariate correlations exceed 0.60, namely those for wage-bargaining in column 1 and propensity toward specific skill formation in column 2 ($r = 0.62$ for $N = 11$ and 0.75 for $N = 14$) and those for specific skill formation (column 2) and stakeholder capitalism ($r = 0.89$ for $N = 11$ and 0.66 for $N = 14$). What is important for the empirical testing of separate propositions, however, is the weak correlation between wage-bargaining centralization and the conservative Christian democratic welfare state ($r = -0.18$, $N = 11$ and -0.32 for $N = 14$). Also, features of labor market organization and corporate governance correlate only moderately with the national welfare state redistribution variable in column 5.

Political ideology and European integration

As a first cut, the varieties of capitalism literature help to generate hypotheses only about the central tendency in the disposition of national electorates toward further EU integration. But national settings may interact with individual political preferences within each country. Before we turn to these interactions, let us first consider the potential direct, linear effect of two major dimensions of political ideology in an advanced capitalist democracy on preferences over European integration, orientations toward economic (re)distribution, and libertarian or authoritarian socio-cultural regulation. Both of these orientations affect a generalized measure of ideology, citizens' left/right self-placement, even though these patterns vary cross-nationally (Knutson 1995).

Individual-level ideologies

Dispositions toward economic redistribution Are citizens who would like to restrain politically authorized income redistribution through

social policy disposed more toward EU integration or national autonomy? We find that no a priori response to this question is possible. Liberals may see EU integration as a way to create a common market free of government interference. But they may also perceive the EU as a regional club that interferes with markets at its outer boundaries and undercuts global trade openness. Moreover, they may fear additional layers of social policy and business regulation beyond levels reached by national policy intervention.

Disposition toward libertarian or authoritarian socio-political arrangements Libertarians value individual autonomy to determine lifestyles and values as long as it is compatible with other citizens' corresponding liberties. A most salient issue for libertarians in this regard is the full, equal acceptance of women's participation and self-determination in all arenas of social life. Moreover, they call for participatory, democratic processes to determine the provision of collective goods. Authoritarians, by contrast, prioritize normative cultural conformity and political authority and demand that individuals subordinate themselves to the imperatives of collectively binding norms and especially a paternalist family order. Furthermore, whereas libertarians tend to embrace a universalistic conception of political community, authoritarians insist on boundaries between distinctive cultural and political communities defined by internal norms and authority patterns.

Again, no a priori deductive expectation about the relationship of socio-political preferences to European integration is possible. Libertarians may favor it as a realization of multicultural, universalistic values. Or they may reject it as a process in which a faceless administrative technocracy dilutes democratic electoral participation ("democratic deficit") and levels the cultural distinctiveness of national and subnational groups. In a similar vein, authoritarians may be pro-European if they expect that regional economic competition reasserts traditional values of thrift, diligence, and conformism with traditional family relations. They may oppose it as a negation of national communities and because it represents a permissive, relativist, multicultural social order.

Left/right self-placements If left/right self-placements capture elements of economic and socio-cultural orientation, but such orientations affect attitudes over European integration in a theoretically indeterminate way, the same a priori indeterminacy applies to the relationship between citizens' left/right self-placements and approval of EU integration. Without consideration of national anchor points and varieties of capitalism, little of interest at a systematic, theoretical level can be said. If European integration is salient, but left/right self-placements and other ideological

dispositions do not explain citizens' evaluation of it, we may suspect that Europe constitutes a cross-cutting issue dimension.

Ideologies and national varieties of capitalism: contextual interaction effects

The varieties of capitalism literature generate few hypotheses pertaining to the more socio-cultural aspects of citizens' ideological dispositions. Let us therefore focus on the economic dimension of ideology and move the rationalist collective cost-benefit perspective of evaluating European integration to an individualist egocentric perspective. Not a median voter, but each individual with her own economic interests may assess the prospects of European integration in light of expectations over the likely policy outcomes of such a process. As also argued in Ray (this volume), voters compare their personal economic ideal points with the national status quo and the expected European status quo resulting from further integration.

In residual, liberal welfare states, leftists who would like to see more economic redistribution would obviously view European integration as a benefit, if it moves national conditions from the status quo to at least a conservative, but more encompassing and redistributive welfare state. Rightists, in that setting, will be opposed. Conversely, in encompassing, egalitarian, universalistic, social democratic welfare states, leftists who are fond of the national status quo can only fear that European integration will lead away from their personal ideal point. In such countries, the left is likely to be more anti-European and the right more pro-European. Especially women and elderly people who benefit from the encompassing welfare states should oppose European integration. In countries with conservative encompassing welfare states, EU integration should not be significantly related to left/right ideology, but cross-cutting. The varieties of capitalism approach is analytically powerful, particularly if direct individual-level effects of economic ideology or socio-cultural beliefs on the evaluation of European Union integration weaken or vanish once we interact components of personal ideology with conditions of the welfare state.

Model specifications: dependent and further independent variables

Dependent variables

Many of the models of public EU approval employ rather primitive survey instruments to measure citizens' dispositions toward European

integration. The bluntest and most commonly used indicator is a three-tier response to the question whether the European Union is good, bad, or neither good nor bad. Others draw on a four-point scale on which respondents indicate how much they are in favor of (or against) efforts to unify Europe. Ray (in this volume, n. 5) employs an index that combines both these questions, thereby generating a somewhat more refined dependent variable with a better distribution of response values than each of the indicators taken separately. We call it the Current Evaluation of European Integration (CEEI) and employ it here as well. In addition, some have used a question asking respondents to assess whether European integration benefits their country.

In our research, we have analyzed all of these dependent variables with similar results. We therefore report here only results for the CEEI. We actually began our research, however, by devising a more sophisticated and realistic index of support for further European integration. The practical question confronting public policy and citizens as spectators is the speed and scope of European integration, not all-or-nothing questions of EU membership and approval. We therefore focus on a seven-point scale in which respondents indicate the desired speed of European integration (slower – faster). We then reasoned that desired speed may be relative to respondents' anchor points, the perceived actual speed of integration, also measured on a seven-point scale. Those who perceive an actually fast speed of integration but desire a slow speed are most opposed to further integration measures. Conversely, those who perceive a currently slow speed, but desire high speed, are most in favor of accelerating European integration.

Survey response patterns show, however, that perceptions of actual and desired speed are all but uncorrelated. Moreover, the perceived actual speed of integration is also uncorrelated to our independent variables. We do employ here an index that interacts perceived actual and desired speed. The construction of this index of Overall European Integration View (OEIV) is explained in appendix 1. Accelerators of European integration score a maximum of twenty-one points, those who want to apply brakes to the process, a minimum of three points. We also ran our entire empirical analysis with the simple seven-point scale for respondents' desired speed of European integration, but the results are basically identical to those of the more refined OEIV index that controls for perceptual anchor point. Table 4.2 presents the mean national values of our two dependent variables, OEIV and CEEI, arranged by groups of countries descending from high to low enthusiasm for European integration. We can see here that, at the aggregate level, the national values on the two measures of disposition toward EU integration correlate quite robustly ($r = 0.73$).

Table 4.2 *Two measures of dispositions to European integration and their national mean scores*

	Overall European integration view (OEIV) (range 3–21) (1)	Current evaluation of European integration (CEEI) (range 2–8) (2)
<i>High enthusiasm for European integration</i>		
Italy	16.67 (2.54)	6.67 (1.39)
Portugal	16.06 (2.89)	6.22 (1.55)
Greece	15.93 (3.20)	6.30 (1.64)
Spain	15.54 (3.09)	6.20 (1.54)
Ireland	14.38 (2.88)	6.78 (1.35)
<i>Muted enthusiasm for European integration</i>		
France	14.56 (3.59)	5.94 (1.72)
Austria	14.28 (3.94)	5.51 (1.87)
Netherlands	13.51 (3.37)	6.46 (1.51)
Belgium	13.12 (4.07)	5.78 (1.73)
<i>Feeble enthusiasm for European integration</i>		
United Kingdom	12.77 (4.39)	5.40 (1.84)
Sweden	12.20 (3.66)	5.48 (1.80)
Germany	12.11 (3.94)	5.53 (1.92)
Denmark	11.77 (3.80)	5.72 (1.90)
Finland	11.71 (3.53)	5.35 (1.83)
Cross-national average	13.78 (3.92)	5.93 (1.77)

Notes: Standard deviations in parentheses. Desired speed and OEIV: Eurobarometer 44.3 ovr. Composite index, based on adding scores for respondents' evaluation of EU integration as "good or bad" and opting "for or against": Eurobarometer 44.2 bis. OEIV: cross-national mean of standard deviation: 3.50 (s.d. = 0.51).

Interestingly, at the individual level, OEIV and CEEI are only moderately related to each other. The same is the case with other measures of public endorsement of European integration.⁸ This finding could indicate that (1) the various measures tap different underlying concepts of EU assessment or that (2) the measures tap the same underlying concepts, but in a noisy fashion with high measurement error. The second interpretation becomes more plausible if each of the dependent variables relates to the independent variables in similar ways. This is indeed what can be established.⁹

⁸ See appendix 2.

⁹ The lack of a strong interrelation among independent variables may also suggest that the European integration issue simply was not terribly salient to voters at the time of the surveys, at least not in most countries. Hence they "make up" their opinions as the questionnaire proceeds.

Independent variables: individual level

For *individual-level variables*, Eurobarometer provides few surveys measuring both attitudes toward economic redistribution and libertarian-authoritarian political-cultural views. We have therefore chosen Eurobarometer 44.3OVR for our analysis because it permits the construction of an index of *preferences over the comprehensiveness of the welfare state*, with high values indicating endorsement of a residual, liberal welfare state (for the items and index construction, see appendix 1). The survey also contains a battery of questions gauging *respondents' views on women's inclusion and equality in economic, social, and political life* (for items and construction of the gender equality index, see appendix 1), as an instrument to tap libertarian-authoritarian orientations. Unfortunately, Eurobarometer 44.3OVR includes OEIV but not CEEI. For that, we employ Eurobarometer 44.2OVR, which then forces us to drop the attitudes toward welfare state and gender equality on the independent variable side. To tap ideology in all models, we can only employ left/right self-placement as a summary term.¹⁰ We also control for age, which may or may not be related to socio-cultural conservatism and social policy (support of the welfare state). Finally, based on Ray's (1999) expert judgment of parties' positions on EU integration, we include a variable on the effect of "issue leadership" on individual respondents' evaluation of the integration process. For each respondent, we score her favorite party's elite EU position, as reported in Ray (1999) for 1996, on a seven-point scale, running from anti- to pro-European preference.

The *interaction between varieties of capitalism and individual ideological dispositions* results in a straightforward fashion from the multiplication of individual-level ideological preferences with the contextual residual welfare state variable. This allows us to test whether the preference of ideologically left or right voters for European integration depends on political economic context. In comprehensive welfare states, the support of the left for European integration should be lower than that of the right because integration may bring a reduction of redistributive social policy effort. In residual welfare states, by contrast, the left may favor European integration as a way to upgrade domestic social policies toward more

¹⁰ Within each country and across the entire set of countries, the instruments for the economic substantive ideological dimension, rejection of an encompassing redistributive welfare state, correlates with more rightist self-placements ($r = +0.16$, $N = 16,780$); the instrument for the second dimension, support for gender equality in all spheres of social life, correlates with more leftist self-placements ($r = -0.08$), based on the 1-10 left/right scale. The correlations between the substantive ideological preferences and general ideology are slight enough to include all preferences in regressions.

redistribution, if the conservative comprehensive welfare state becomes the norm. The presence of these conditional effects would be indicated by a negative coefficient associated with the interaction term. An analogous logic applies to the interaction effects with age. In comprehensive welfare states, older people should be particularly skeptical about EU integration, but not in residual liberal welfare states where they stand to gain from European integration, if they expect such welfare states to be upgraded to a more redistributive European norm.

The aggregate-contextual model

Table 4.3 reports simple bivariate correlations between attributes of capitalist institutions and the two measures of dispositions toward EU integration in national mass publics at the aggregate level. In order to explore the robustness of our initial estimates, we calculate the relations both for the advanced core EU members for which we have reliable data on the independent variables and for all members, including the economic laggards. The patterns remain the same. The simple bivariate correlations confirm only propositions 1 and 4 with correlations that explain at least 30 percent of the variance (shaded cells). Countries with more centralized wage-bargaining regimes have a distinct tendency toward stronger opposition to EU integration, presumably because they fear that economic integration undercuts such arrangements and produces higher unemployment when the autonomous central bank punishes lack of wage discipline in member states with fragmented industrial bargaining systems (proposition 1). Citizens from countries with conservative welfare states are on average considerably more favorable to EU integration than citizens from countries either with residual or with encompassing, highly redistributive social democratic welfare states, presumably because median voters in both cases fear a displacement of the national social policy status quo by EU integration (proposition 4).

Before we move on and analyze EU approval and related national political alignments in greater detail, let us reflect on why the more specific microeconomic versions of the varieties of capitalism theory do not evidence clear relations to public opinion about EU integration. For average citizens, the practical salience and the intelligibility of redistributive welfare state policies are likely to be much greater than those of the microeconomic features of varieties of capitalism, such as corporate governance structures and wage-earners' skill formation. Because issues of social policy and wage-bargaining are at the center of labor union concerns, powerful unions may serve as the intellectual transmission belts to

Table 4.3 *Varieties of capitalism and national evaluations of European integration*

	Overall European integration view (OEIV)		Current evaluation of European integration (CEEI)	
	Core EU members (N = 11)	All EU members (N = 14)	Core EU members (N = 11)	All EU members (N = 14)
1. Centralization of wage-bargaining	-0.64	-0.75	-0.47	-0.56
2. Bias toward specific skills	-0.07	-0.47	-0.20	-0.36
3. "Stakeholder" capitalism	+0.07	+0.00	-0.12	-0.15
4. Conservative welfare state	+0.66	+0.69	+0.59	+0.63
5. Limits to national redistribution	+0.42	+0.42	+0.19	+0.22

spread skepticism about the EU in countries where the unions' political elites tend to perceive the EU as a threat to established achievements and practices.

Mass publics and labor leaders may perceive the merits of EU integration quite differently than social democratic politicians, even though the latter are usually seen as close to the unions. Party strategists may pay more attention to the complicated and hard-to-communicate consequences of central bank autonomy and its benefits for an incumbent government in pursuit of wage moderation. If we were to examine the position of *partisan elites* rather than of mass publics on European integration in each country, as measured by Ray (1999) from 1982 to 1996, we would probably find much less consistency with proposition 1 and probably a broadly favorable reception of a European monetary regime that makes wage inflation costly to the industrial bargaining parties. While the average popular opinions on the merits of EU integration diverge across countries in line with wage-bargaining and welfare state regimes, those of political leaders may converge across most parties and countries because they have greater incentives to value the monetary regime and its consequences. *Indeed, left party leaders, as advocates and representatives of working-class constituencies and labor unions, give up opposition to the European integration process precisely in those countries characterized by weak monetary policy autonomy combined with either liberal, uncoordinated wage-bargaining (Britain) or in originally nationally coordinated, but later sectorally coordinated wage-bargaining systems (Austria, Denmark, Finland, Sweden).* The case study literature confirms the importance of monetary policy

considerations, especially in the economic policies of the British Labour Party and the Swedish Social Democrats (cf. Aylott 2001: 154–66; Gamble and Kelly 2001: 62–7). The left party elites' adoption of pro-European integration positions is plausibly related to the imperatives of wage moderation in fragmented bargaining systems as well as nationally coordinated bargaining regimes with considerable wage drift, such as Sweden in the 1980s.

To probe further into political alignments about European politics, let us develop multivariate statistical tests that determine the relative importance of national context, domestic divides, and the interaction between them. We begin with a simple model that employs only contextual varieties of capitalism effects as independent variables (table 4.4). This model comes in two versions, first as a pure country-level small-*N* specification that yields a very high proportion of explained variance for OEIV and CEEI. For purposes of comparison with the nested, hierarchical models, we also produce an individual-level version in which the contextual variables are regressed on individual citizens' preferences over European integration. Because of much individual-level variance within countries, these models have less, though still substantial, explanatory power.

Aggregate small-*N* models (*N* = 14) for both measures of propensity toward European integration (OEIV and CEEI) tell essentially the same story. Sectorally centralized wage-bargaining regimes *as well as* non-conservative welfare states of either the market-liberal or universalistic-redistributive type reduce support for EU integration. With wage-bargaining added as a key variable, structural fund disbursements do not have an independent effect on national patterns of EU support.¹¹ The same applies to the presence of a residual welfare state hypothesized to give median voters an intense desire for further redistribution of powers and a hope that further European integration would accomplish this.

The individual-level models of European integration support reported in the lower half of table 4.4 generally confirm the results of the aggregate-level analysis. Because of the large number of observations, now also structural fund disbursement and limits of welfare state redistribution have significant, but weak, substantive effects. These effects are opposite to the hypothesized direction. Thus, in individual-level model II, the presence of a residual welfare state makes respondents less likely to express support for European integration than those in comprehensive, redistributive welfare states, in contrast to the sign of the bivariate correlations reported

¹¹ Without wage-bargaining, higher structural fund receipts are a significant net contributor to a country's level of approval for EU integration, but the overall explained variance of such equations is lower than in the more fully specified versions presented here.

Table 4.4 *Contextual models with aggregate and individual-level data*

Dependent variables	Overall European integration view (OEIV) (range 3–21) (1)			Current evaluation of European integration (CEEI) (range 2–8) (2)		
	Coeff.	S.E.	t-value	Coeff.	S.E.	t-value
	<i>Aggregate model I (N = 14)</i>					
Constant	13.5	0.70	19.3	5.60	0.28	19.9
Conservative welfare state (1–2)	1.8	0.57	3.2	0.45	0.23	2.0
Coordinated wage-bargaining system (0–1)	–1.9	0.61	–3.1	–0.22	0.25	–0.90
Structural funds (\$ 1000/cap; 0.16–1.70)	0.08	0.58	0.13	0.25	0.23	1.1
Adj. R-square	0.73 ($p < 0.001$)			0.46 ($p < 0.03$)		
<i>Aggregate model II (N = 14)</i>						
Constant	15.2	1.5	10.3	5.9	0.51	11.5
Conservative welfare state	2.15	0.61	3.5	0.53	0.28	1.9
Wage-bargaining system	–2.46	0.74	–3.3	–0.33	0.31	–1.1
Structural funds	–0.24	0.61	–0.39	0.18	0.26	0.69
Limited national redistribution (1–3)	–0.79	0.61	–1.3	–0.12	0.21	–0.60
Adj. R-square	0.75 ($p < 0.002$)			0.43 ($p < 0.06$)		
<i>Individual-level model I (N = 16,946 (column 1) and 55,028 (column 2))</i>						
Constant	13.7	0.08	161.2	5.61	0.02	277.3
Conservative welfare state	1.61	0.07	23.8	0.46	0.02	25.5
Wage-bargaining system	–2.14	0.07	–29.4	–0.30	0.02	–17.0
Structural funds	0.10	0.07	1.4	0.22	0.02	11.5
Adj. R-square	0.139 ($p < 0.000$)			0.037 ($p < 0.000$)		
<i>Individual-level model II (N = 16,946 (column 1) and 55,028 (column 2))</i>						
Constant	15.6	0.18	87.0	6.3	0.05	137.0
Conservative welfare state	2.1	0.08	26.8	0.54	0.02	29.0
Wage-bargaining system	–2.8	0.09	–31.2	–0.50	0.02	–23.6
Structural funds	–0.27	0.08	3.4	–0.11	0.02	5.4
Limited national redistribution	–0.94	0.08	–12.2	–0.31	0.02	–16.8
Adj. R-square	0.146 ($p < 0.000$)			0.042 ($p < 0.000$)		

in table 4.3. But the small substantive size of the coefficients here and in subsequent tables allows us to ignore this inconsistency.¹²

Comparing the performance of the statistical models for the two different dependent variables, they explain greater variance for our OEIV measure than for CEEI. OEIV is the more sophisticated and realistic

¹² It appears that the wage-bargaining system “overpredicts” lower levels of EU integration support among sectorally coordinated bargaining systems. A removal of that variable generates regressions in which the structural fund variable and the limited national redistribution variables consistently display the correct signs.

measure of support for further EU integration. It may therefore be the more valid measure of actual popular dispositions toward the integration process. The “varieties of capitalism” framework in explaining popular dispositions toward EU integration is strengthened by the fact that its variables provide the best explanation for public opinion precisely when the latter is measured with the most refined available operationalization.

Individual-level models

Statistical models so far only account for cross-national differences, but not intra-country conflictual alignments about EU integration or the interaction between the two. The upper part of table 4.5 displays pure individual-level models of EU integration support, featuring respondents’ ideology (support of comprehensive welfare states, endorsement of women’s equal participation in all walks of life), age, and the issue leadership of each respondent’s favorite party as the independent variables. Opponents of encompassing welfare states and of gender equalization are more opposed to European integration, as are older people and those following leadership cues from parties opposed to the integration process. Net of these effects, there is a very slight tendency that respondents who place themselves further on the right are more pro-European, but this effect is substantively too small to deserve interpretation. The main effect goes through age, welfare state opinions, and gender views in the OEIV model and age with party leadership cues in the CEEI model. The robust, but small, negative age effect may capture in part the life cycle position of older people (unwillingness to change); in part ideological dispositions, for example negative affects toward cultural diversity; in part labor market position, e.g., that of older workers or of retirees fearing a reduction of social security benefits in liberalized European markets.

While these models confirm the presence of significant intra-country disagreements on the merits of EU integration, the overall explained variance of a pure individual-level model and its substantive effects are very small. A left-wing ideologue supporting a comprehensive welfare state (value 7) and gender equality (value 18) and placing herself clearly on the left (value 2) is only 0.94 units more for EU integration on the twenty-one-point OEIV scale than a right-wing ideologue opposed to expansive welfare policies (value 11) and gender equality (value 6) with a clear rightist self-placement (value 9).

The lower part of table 4.5 therefore adds the already familiar contextual variables in an additive fashion and reveals that both sets of factors work together. A comparison of coefficients in that part with those of the previous context-level specifications (last part of table 4.4) and the pure individual-level specification (first part of table 4.5) reveals that

Table 4.5 *Ideology and contextual determinants of dispositions toward the EU integration process*

Dependent variables	Overall European integration view (OEIV) (range 3–21) (1)			Current evaluation of European integration (CEEI) (range 2–8) (2)		
	Coeff.	S.E.	t-value	Coeff.	S.E.	t-value
<i>Ideology only, individual-level model (N = 16,870 (column 1) and 55,028 (column 2))</i>						
Constant	14.8	0.27	55.5	5.19	0.04	139.0
Prefers less welfare state (6–12)	-0.14	0.01	-12.3		N/A	
Soc. + pol. gender equality (4–20)	+0.07	0.01	6.9		N/A	
Age (18–80+)	-0.034	0.002	-19.1	-0.007	0.0004	-15.5
Left-right ideology (1–10)	0.057	0.016	3.5	0.01	0.004	2.7
Party leadership cue (1–7)	0.10	0.02	4.6	0.19	0.005	36.3
Adj. R-square	0.036 ($p < 0.000$)			0.026 ($p < 0.000$)		
<i>Ideology and context, individual-level model (N = 16,870 (column 1) and 55,028 (column 2))</i>						
Constant	14.76	0.32	46.8	5.58	0.06	99.7
Prefers less welfare state	-0.03	0.01	-2.9		N/A	
Gender equality	0.07	0.01	6.7		N/A	
Age	-0.03	0.002	-17.0	-0.005	0.0004	-12.7
LR – ideology	0.07	0.02	4.3	0.02	0.004	5.6
Party leadership cue (1–7)	0.17	0.02	8.7	0.21	0.01	39.2
Conservative welfare state	2.05	0.08	26.9	0.56	0.018	30.4
Structural funds	-0.37	0.08	-4.8	-0.001	0.02	-0.07
Wage-bargaining system	-2.69	0.09	-30.4	-0.62	0.02	-29.2
Limited national redistribution	-0.86	0.08	-11.2	-0.36	0.02	-19.7
Adj. R-square	0.167 ($p < 0.000$)			0.07 ($p < 0.000$)		

they invariably remain almost identical. The cross-national differences in dispositions toward EU integration accounted for by “varieties of capitalism” variables account for much more variance than the individual-level variables. *Does this mean that there is definitely more contestation of the European integration issue between European countries than within them? We should not rule out domestic alignments over EU integration until we have considered the interaction effect between political-economic context and citizens’ individual ideological orientations.*

Nesting individual-level effects into a contextual analysis

Interaction effects postulate that the personal ideology of a respondent affects views of EU integration contingent upon the prevailing variety of

capitalism in a country. If in comprehensive redistributive social democratic welfare states the left has the most to fear from European integration, because it could mean a rollback of social policy, it is the left in residual welfare states that should be most hopeful about European integration, because the latter can make things only better for social policy rather than worse. The personal ideology of respondents, as captured by left/right self-placements and the other indicators available, thus needs to be interacted with our “limited national redistribution” variable characterizing different welfare states (table 4.1, column 5).

Before embarking on a complicated multivariate equation with interactive terms, we can demonstrate the interaction effect between context and respondents’ ideology in a simpler fashion. Table 4.6 gives for each country, grouped by their values on the “limited national redistribution” variable, the within-country correlation between left/right self-placement and views of EU integration. In comprehensive welfare states (scored 1 on context), we expect this correlation to be positive (rightists are more pro-European); in residual welfare states (scored 3 on context), it should be negative (leftists like EU integration). Welfare state status should thus predict the sign and the strength of the domestic correlations between political ideology and EU integration. And that is indeed the case in an almost perfect fashion. The correlations between national context and national left/right/EU correlations are -0.90 for the OEIV variable and -0.78 for CEEI.

To test the efficacy of causal interaction effects on citizens’ views of European integration with greater precision, we now interact the ideology variables with the three-level welfare state variable (residual welfare state = 3) and keep direct contextual and individual-level effects as controls (table 4.7). The coefficients for our main contextual effects (conservative welfare state, wage-bargaining system) remain just about undisturbed, when compared to tables 4.4 and 4.5.¹³ But the individual-level determinants now either change through the interaction specifications, or stay about the same (party leadership cues), or shrink to marginality (views on gender equality, age).

The interactive effects between ideology and political-economic context, however, are quite substantial in the predicted fashion. In residual welfare states, the left is more pro-European; in encompassing redistributive welfare states, the right is more pro-European. To employ once more

¹³ But note that the minor effect of the limited national redistribution variable (LNR), the context variable interacted with individuals’ ideological propensities, now switches signs and has again the “correct” interpretation that the median voter in residual welfare states is much more pro-European than the median voter in a social democratic welfare state.

Table 4.6 *Left/right self-placement and endorsement of European integration: bivariate correlations by country*

	Overall European integration view (OEIV) (range 3–21) (1)	Current evaluation of European integration (CEEI) (range 2–8) (2)
<i>Right prefers more European integration: egalitarian social democratic welfare states</i>		
Sweden	0.14	0.34
Denmark	0.16	0.30
Finland	0.10	0.15
<i>Weak left/right pattern of preferences over European integration I: conservative welfare states</i>		
Austria	-0.07	-0.05
Belgium	0.01	0.02
France	0.01	-0.015
Germany	0.006	-0.055
Italy	0.05	-0.07
Netherlands	-0.001	-0.07
<i>Weak left/right pattern over European integration II: economic laggards</i>		
Greece	0.02	0.22
Ireland	-0.02	0.046
Portugal	-0.04	0.02
Spain	0.07	-0.07
<i>Left prefers more European integration: residual welfare state</i>		
United Kingdom	-0.15	-0.10
Correlation of welfare state context (welfare state redistribution) with the constraint between left/right self-placement and support of EU integration*)	-0.90	-0.78

Note: * social democratic welfare state = 1; conservative welfare state or economic laggard = 2; residual welfare state = 3.

the example of ideological left-wingers and right-wingers with the same variable values specified above, a rightist in Denmark, Finland, or Sweden is on average 1.61 points *more* for EU integration on the twenty-one-point OEIV scale than a left-winger, but 1.67 points *less* for EU integration in a residual welfare state such as Britain! This effect dwarfs the net effects of ideology in the simple additive and the pure individual-level ideology models of support for EU integration with maximal effects of less than one unit on the twenty-one-point OEIV scale.

Of course, the direct contextual effects of national varieties of capitalism, also in this model specification, remain larger than the interactive

Table 4.7 *Direct effects and interactions between ideology and context as determinants of European integration views*

Dependent variables	Overall European integration view (OEIV) (range 3–21) (1) N = 16,870			Current evaluation of European integration (CEEI) (range 2–8) (2) N = 55,028		
	Coeff.	S.E.	t-value	Coeff.	S.E.	t-value
Constant	11.51	0.87	13.3	4.04	0.12	33.8
Prefers less welfare state	0.13	0.04	3.3		N/A	
Gender equality	0.013	0.04	0.3		N/A	
Age	-0.016	0.006	-2.6	-0.005	0.002	-2.8
LR – ideology	0.41	0.06	6.5	0.31	0.02	18.8
Party leadership cue (1–7)	0.14	0.02	7.1	0.19	0.005	35.0
Conservative welfare state	2.10	0.08	26.6	0.58	0.02	31.4
Structural funds	-0.37	0.08	4.7	0.01	0.02	0.5
Wage-bargaining system	-2.65	0.09	-29.9	-0.61	0.02	-28.7
Limited national redistribution (LNR)	0.96	0.44	2.2	0.46	0.06	7.8
Prefers less W.S. * LNR	-0.09	0.02	-4.4		N/A	
Gender equality * LNR	0.03	0.02	1.4		N/A	
Age * LNR	-0.006	0.003	-2.0	-0.00	0.001	-0.3
LR ideology * LNR	-0.18	0.032	-5.7	-0.15	0.008	-18.0
Adj. R-square	0.171 ($p < 0.000$)			0.075 ($p < 0.000$)		

effects of domestic alignments. On average, citizens in conservative welfare states with fragmented wage-bargaining are 5.71 units on the twenty-one-point OEIV scale more in favor of European integration than citizens in encompassing redistributive welfare states with sectorally centralized wage-bargaining! A right-winger in Sweden is more pro-European than his leftist domestic adversary, but still less pro-European than the average conservative in Britain who is much more Euroskeptical than his left-wing antagonist. And right-wingers in both residual and encompassing redistributive welfare states are less pro-European than their ideological counterparts in conservative welfare states, regardless of whether they live under centralized or decentralized wage-bargaining.

Conclusion

We draw three lessons from our analysis. First, varieties of capitalism matter for public views of European integration. Contingent upon the national political-economic status quo, citizens have more or less

favorable dispositions toward EU integration (the direct “sociotropic” mechanism). Both prevailing wage-bargaining institutions and the presence or absence of conservative Christian democratic welfare states leave a distinctive imprint on political opinions about EU integration. Furthermore, political-economic institutions also shape the domestic political alignments among citizens over the EU issue. The critical contextual condition that interacts with domestic ideological divides is the extent of social redistribution achieved by national welfare states. In redistributive welfare states it is the left that opposes further EU integration, in liberal-residual welfare states, the right. In conservative Christian democratic welfare states, there is not much left/right polarization of the issue. The two-level conditioning of conflict over European integration lends additional plausibility to theories that consider the European Union a multilevel polity.

Second, where salient, the politicization of European integration can be integrated into prevailing patterns of left-libertarian versus right-authoritarian party competition, though in contextually contingent configurations (cf. Marks and Wilson 2000; Marks, Wilson, and Ray 2002). In liberal-residual and in encompassing, redistributive welfare states, the EU issue clearly reinforces political alignments already established in the polity. In the remaining countries with conservative welfare states or laggard economic development, a politicization of Europe is more likely to cross-cut existing left-libertarian versus right-authoritarian alignments, but here it is less plausible that the EU issue might become highly salient and divisive. As long as countries with such political-economic configurations – e.g., France, Italy, Germany, or Spain and associated smaller countries – dominate the EU polity, voters may not fear that the policy consequences of integration could dramatically dislocate the domestic status quo in social and economic policy. The further extension of the EU to east-central Europe, however, may signal the end of such confidence in the hegemony of conservative Christian democratic politics and economic policy-making. In light of this process, citizens in all countries may revise their estimates of the costs and benefits of European integration with consequences for political alignments that cannot yet be anticipated.

Third, for the time being, the rather loose empirical association among citizens’ responses to various measures of support for European integration suggests that this issue basket is not highly salient in most polities. There is a certain arbitrariness with which most respondents treat questions relating to European integration, even though the central tendencies of their evaluations can be subjected to systematic analysis. People’s limited attribution of salience to the European integration issue may derive

from the fact that European governance is more important as a catalyst of (de-regulating) markets than directly shaping resource allocation through social policies. As long as the size of the EU budget remains modest and constraints on national social policies are confined to general fiscal and monetary policy parameters, national political parties will overwhelmingly focus on national party agendas (Mair 2000). Even in Britain, where contextual conditions favor the politicization of the European issue by the partisan right and the left, the dismal electoral fortunes of the British Conservatives with stridently anti-European appeals in recent elections show that domestic policy issues cannot be easily replaced by a new political agenda. Nevertheless, questions of European integration leave an impact on domestic politics via their association with national patterns of political-economic institutions and governance processes.

Appendix 1: Variable construction

Index of overall evaluation of European integration (OEIV)

	Desired speed: slow	Desired speed: fast
Perceived speed: slow	2 Status quo contented I: Slow, but adequate	4 Militant advocates: Want to speed up the process
Perceived speed: fast	1 Militant opponents: Want to slow down integration	3 Status quo contented II: Fast and adequate

		Desired speed						
		14 = high	12	10	8	6	4	2 = low
Perceived speed	1 = high	15	13	11	9	7	5	3
	2	16	14	12	10	8	6	4
	3	17	15	13	11	9	7	5
	4	18	16	14	12	10	8	6
	5	19	17	15	13	11	9	7
	6	20	18	16	14	12	10	8
	7 = low	21	20	18	16	14	12	10

Index of citizens' preference for less welfare state redistribution

The index is constructed using six questions (Q105 a, b, c, f, g, h) from the Eurobarometer 44.3OVR questionnaire. Each question uses a three-point scale in which we recoded the answers so that the higher the score, the less welfare redistribution was preferred. It is simply an additive index with a range of 6–18, with higher scores indicating a preference for less welfare.

Q.105. Do you tend to agree or tend to disagree with each of the following statements?

Original scale ranges from: 1 = tend to agree, 2 = tend to disagree, and 3 = don't know.

Q105a: I would be ready to pay more tax if I were sure it would be devoted to creating new jobs (1–3, with 3 = tend to disagree).

Q105b: Public ownership of industry should be expanded (1–3, with 3 = tend to disagree).

Q105c: The welfare state costs too much to be maintained in its present form (1–3, with 3 = tend to agree).

Q105f: Government should play a greater role in the management of the economy (1–3, with 3 = tend to disagree).

Q105g: The welfare state makes for a fairer society (1–3, with 3 = tend to disagree).

Q105h: The welfare state reduces the will to work (1–3, with 3 = tend to agree).

Index of citizens' preference for social and political gender equality

The index is constructed using four questions (Q98 a, b, c, d) from the Eurobarometer 44.3OVR data set. The variables were recoded so that the higher the score, the more gender equality was accepted, with don't know respondents in the middle. It is an additive index with a range from 4 to 20 with higher scores indicating more support for gender equality.

Q.98. Could you please tell me if you agree totally, agree, disagree or disagree totally with the following opinions. Equality between women and men . . .?

Original scale ranges from: 1 = agree totally, 2 = agree, 3 = disagree, 4 = disagree totally, 5 = don't know.

Q98a: strengthens democracy (1–5, with 5 = agree totally).

Q98b: makes the personal development of women and men easier (1–5, with 5 = agree totally).

Q98c: brings more harm than good in daily life (1–5, with 5 = disagree totally).

Q98d: improves the quality of human relationships (1–5, with 5 = agree totally).

Appendix 2

The following correlation matrix is derived from Eurobarometer 44.2BIS. We did not employ this survey in many of our statistical estimations, because it misses variables that would allow us to measure the ideological positions of our respondents (market liberalism; gender equality) at the individual level. Nevertheless, 44.2BIS shows the limited relationship among the variables:

	Perceived actual speed of EU integration (1)	Desired speed of EU integration (2)	Overall European integration view (OEIV) (3)	EU membership good, bad or neither (4)	In favor of EU integration (5)	Index of EU support (4) + (5) = (6)	EU membership benefits my country (7)
Perceived actual speed of EU integration	1.000						
Desired speed of EU integration	-0.04	1.000					
Overall European integration view (OEIV)	0.30	0.94	1.000				
EU membership good, bad or neither	-0.08	0.27	0.23	1.000			
In favor of EU integration	-0.06	0.49	0.45	0.44	1.000		
Index of EU support	-0.08	0.47	0.42	0.79	0.90	1.000	
EU benefits [my country]	-0.12	0.32	0.27	0.44	0.48	0.54	1.000

Shaded areas indicate a mathematical-definitional association between concepts (individual indicators and aggregative indices of attitudes toward European unification).