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Europeans and the European Community: the dynamics of public support for European integration

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Europe now stands at a historic threshold as the process of European unification moves beyond the ambitious goals of the Single European Act (SEA) toward the goals of economic and political union enunciated in the Maastricht Treaty on European Union. After a decade of stagnation in the integration process, the SEA of 1986 established a program of trade liberalization that will create a single internal market with free movement of goods, persons, services, and capital. The SEA also expands the scope of majority voting in the European Council and extends the powers of the European Parliament (EP). The Maastricht treaty of 1991 is even more ambitious, aspiring to monetary union and substantial economic policy harmonization by the end of the decade. Under the terms of Maastricht, the European Community (EC) will also become involved in many more policy areas and the scope of majority voting will be extended beyond the single-market provisions.

Conventionally the process of integration is seen as being driven by elite actions. The conventional wisdom held that European citizens merely provided a "permissive consensus" that enabled elites to pursue the European ideal unconstrained by pressure from the public.¹ While the immediate stimulus for the SEA did come from political elites, it is now equally apparent that public opinion is exercising a growing influence on national policymakers and on the

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1. For this view, see Leon Lindberg and Stuart Scheingold, *Europe's Would-be Polity* (Englewood Cliffs, N.J.: Prentice-Hall, 1970).

institutions of the EC itself.² In fact, over the past two decades the public has become much more directly involved in the integration process. Danish and Irish referenda in 1972 led directly to EC membership, while Norwegian voters chose to stay outside the community. The 1975 British referendum resolved by popular voice a long-standing debate on Britain's entry into the EC. The direct elections of the EP that began in 1979 have further institutionalized the public's role by providing citizens a voice in the governance of the EC. When the Danish Folketing failed to pass the SEA reform package in 1986, it was left to the public to decide the issue by referendum. Similarly, the 1987 referendum in Ireland used a public mandate to overcome constitutional limits on the Dail's ability to endorse the SEA legislation. The impact of the Danish, Irish, and French votes on the Maastricht treaty provides a clear testament of how public opinion is now affecting the course of European union.

The growing importance of public opinion obviously comes at a crucial point in the integration process. Public support will be important if Europeans are to accept truly borderless trade and the economic dislocations that will come with the transition to economic and monetary union.³ As the public debates surrounding the Maastricht referenda in Denmark, Ireland, and France have shown, elites must convince their domestic audiences that the benefits of further integration are worth the costs. The salience of public opinion is also illustrated by discussions of the "democracy deficit" in EC institutions and the perceived need to increase political representation within the community in order to assure the responsiveness of those institutions and the legitimacy of EC policy decisions, a long-standing theme that has been given renewed prominence by the negative outcome of the Danish referendum.⁴

Thus, while few scholars would argue that European integration is driven solely by public sentiments, even fewer would argue that public opinion plays no role in the process of integration. If the EC is to deal forcefully with issues such as monetary union, social policy, foreign policy, and constitutional reform, it will require active public support for political change. As international relations specialists are arguing with increasing frequency, attempts to achieve international cooperation involve the domestic ratification of international

2. For different interpretations of the role of governmental and business elites, see Andrew Moravcsik, "Negotiating the Single European Act: National Interests and Conventional Statecraft in the European Community," *International Organization* 45 (Winter 1991), pp. 19-56; and Wayne Sandholtz and John Zysman, "1992: Recasting the European Bargain," *World Politics* 42 (October 1989), pp. 1-30. For broader theoretical analyses of the origins and content of the SEA, see Geoffrey Garrett, "International Cooperation and Institutional Choice: The European Community's Internal Market," *International Organization* 46 (Spring 1992), pp. 533-60; and Geoffrey Garrett and Barry Weingast, "Ideas, Interests, and Institutions: Constructing the EC's Internal Market," paper presented at the National Bureau for Economic Research conference on political economics, Cambridge, Mass., 15-16 November 1991.

3. Dale Smith and Jürgen Wankle, "Completing the Single European Market: An Analysis of the Impact on the Member States," *American Journal of Political Science* 27 (May 1993), pp. 529-54.

4. Shirley Williams, "Sovereignty and Accountability in the European Community," in Robert Keohane and Stanley Hoffmann, eds., *The New European Community: Decision-making and Institutional Change* (Boulder, Colo.: Westview Press, 1991), pp. 155-76.

bargains.⁵ EC elites may have initiated the international bargains involved in the expansion of the community's authority, but as the Danish vote showed, implementation of those bargains will require domestic support.

This research focuses specifically on citizen support for European integration over the past two decades and models the factors that influence public sentiments toward Europe. On a theoretical level, we conceptualize public opinion as a function of both domestic and international conditions—economic and political. Our primary research questions are these: (1) Do European citizens evaluate the performance of the EC at all, or do they instead consider it a remote object, perhaps as a vague part of "foreign policy" that is less rooted in information and experience and thus less central to citizen belief systems? (2) If Europeans evaluate the performance of the EC, do they do so in the same way that they evaluate national governments and leaders? For example, precisely because the EC has historically been primarily an agent of *economic* policy, do citizens use the same yardstick of economic performance that has been found to characterize evaluations of national governments? In addition, what other factors cause citizen evaluations of the community to rise and fall? Finally, (3) what implications do the answers to the above questions have for theories of economic voting, theories of regional integration, and international relations theory more broadly?

In methodological terms, this research represents one of the first applications of pooled cross-sectional and time series analyses to the cross-national study of public opinion in comparative and international politics. The analyses are based on the *Eurobarometer* surveys conducted by the Commission of the European Community between 1973 and 1988. The research represents an important theoretical, empirical, and methodological contribution to the study of comparative public opinion in general and support for European integration in particular. Most important, by identifying the dynamics of public support for Europe, we provide a guide for understanding the prospects of public support for integration as the EC moves beyond implementation of the SEA reforms to the even more difficult challenges of the Maastricht treaty.

Conceptualizing support for European integration

We focus on the forces determining public attitudes toward Europe at the aggregate national level.⁶ First, we are interested in tracking changes in support

5. The signal work on the subject is Robert D. Putnam, "Diplomacy and Domestic Politics: The Logic of Two-level Games," *International Organization* 42 (Summer 1988), pp. 427-60. See also Sandholtz and Zysman, "1992"; and Peter Evans, Harold Jacobson, and Robert Putnam, eds., *Double-edged Diplomacy: International Bargaining and Domestic Politics* (Berkeley: University of California Press, 1993).

6. For an analysis of support for integration at the individual level, see Ronald Inglehart, "Public Opinion and Regional Integration," in Leon Lindberg and Stuart Scheibing, eds., *Regional Integration: Theory and Research* (Cambridge, Mass.: Harvard University Press, 1970); Ronald Inglehart, *The Silent Revolution* (Princeton, N.J.: Princeton University Press, 1977); and

for the EC over time: what factors produce the ebb and flow in public evaluations of the EC? Second, we want to explain cross-national differences in support. For instance, public backing for the European ideal is modest in Britain, whereas support is consistently high in Italy and the Netherlands. What national attributes explain these cross-national patterns? Can they be systematically studied and evaluated? The first task, then, is to develop a model of citizen support for European integration.

Conceptually, the study of citizen support for a supranational institution represents a unique research problem, for it requires both comparative and international political analysis. From a comparative perspective, citizen support presumably varies as a function of factors that are felt at the national level. For example, EC membership and policies continue to be part of the domestic political debate in many countries; and despite the integrated nature of the European market and even of some EC policy programs, the performance of the market is still measured at the national level—in terms of national unemployment rates, prices, and national income. Indeed, the promise of increased employment and prosperity through the gains from free trade has been the most prominent argument offered in support of the original Common Market and now the single internal market. Paradoxically, perhaps, if the EC has promised anything, it has promised the enhancement of member states' national economic welfare.

At the same time, the EC is a supranational community, and it represents an international agreement that directly and indirectly distributes costs and benefits to citizens of the member countries. As we shall see below, the most explicit example of redistribution occurs through the EC budget, but the integrated market also distributes gains and losses from regional free trade. What is more, although the EC is not an international alliance, it has always possessed a role in the foreign policy field. Indeed, the EC occasionally has been perceived as an alternative to existing alliance relationships, and there has been a gradual but noticeable growth in the expectation that the community should assert an independent role in world affairs.⁷

Citizen support for European integration is thus influenced by factors that occur at the national level. In addition, the EC is an international actor, and citizen support should respond to the costs and benefits that arise from the international policies and actions that accompany that role. As shown in Figure

Hewstone, *Understanding Attitudes to the European Community* (Cambridge: Cambridge University Press, 1986); Robert Shepard, *Public Opinion and European Integration* (Lexington, Mass.: Lexington Books, 1975); and Zentrum für Europäische Umfrageanalysen und Studien (ZEUS), *Structure in European Attitudes* (Mannheim, Germany: ZEUS, University of Mannheim, 1990). For a discussion of the conceptual and empirical differences between individual and macro models of opinion, see Michael MacKuen, Robert Erikson, and James Stimson, "Macropartisanship," *American Political Science Review* 83 (December 1989), pp. 1125-42.

7. Roy Ginsberg, *The Foreign Policy Actions of the European Community* (Boulder, Colo.: Lynne Rienner, 1989). For a discussion of Europe's future options in the fields of foreign and security policy, see Clifford Kupchan and Charles Kupchan, "Concerts, Collective Security, and the Future of Europe," *International Security* 16 (Summer 1991), pp. 114-61; and Richard Ullman, *Securing Europe* (Princeton, N.J.: Princeton University Press, 1991).

Level of influence	
Economic	International
Inflation Gross domestic product Unemployment	EC budget ratio Intra-EC export ratio
EC referenda National traditions	European Parliament elections East-West conflict
Political	

FIGURE 1. Conceptualizing the sources of public support for the European Community.

1, these two levels of analysis provide one dimension of the explanatory framework we employ. A second way to conceptualize the basis of public support for the EC is in terms of the nature or content of the causal influences. Here, we distinguish between economic factors and political factors (Figure 1).

The importance of economic conditions and judgments about the economy as a basis for citizen evaluations of national political institutions is well-documented in the literature.⁸ Our study represents an extension of this model to the international level by analyzing the impact of economic conditions on support for the EC. Theoretically, the mere existence of such a linkage might be considered an open question. On the one hand, the EC has been first and foremost an economic community. Even before the 1992 reforms, the community was involved primarily with economic policies in the trade, monetary, and agricultural fields, and the goals, policies, and identity of the community are still largely perceived by citizens in terms of those economic policies.⁹ Moreover, previous "utilitarian" models of public support for the community have stressed economic performance as the basis of evaluations. In his review of the research literature, Robert Shepard concluded that the utilitarian bases of support are key influences on public opinion: "It does seem that the image of integration to date which is held by the publics of the Six is inextricably linked

8. See Michael Lewis-Beck, *Economics and Elections* (Ann Arbor: University of Michigan Press, 1988); and Helmut Norpoth, Michael Lewis-Beck, and Dominique Lafay, eds., *Economics and Politics* (Ann Arbor: University of Michigan Press, 1991).

9. For example, in a recent opinion survey conducted by the EC Commission, more than a majority of Europeans favored giving policy authority to the EC rather than to national authorities in such economic and technical areas as currency regulations, the value added tax (VAT), science and research, foreign aid, and environmental protection. Only about one-third of respondents favored giving the community competence in the health, social, and education fields; see Russell J. Dalton and Richard Eichenberg, "A People's Europe: Citizen Support for the 1992 Project and Beyond," in Dale Smith and James Ray, eds., *The 1992 Project and the Future of Integration in Europe* (New York: M. E. Sharpe, 1992), pp. 73-91. Similarly, Dalton and Duval find that 60 percent of British news coverage of community events between 1972 and 1979 involved economic issues; see Russell J. Dalton and Robert Duval, "The Political Environment and Foreign Policy Opinions: British Attitudes Toward European Integration, 1972-1979," *British Journal of Political Science* 16 (January 1986), pp. 113-34.

with their perceptions of economic growth, greater trade, and the modernization of industry.¹⁰ In short, the EC has a major impact on economic welfare, and this fact should be recognized by the European public.

On the other hand, one might also predict the absence of a relationship by evoking the public's limited knowledge of EC affairs and the continuing dominance of national politics and policymaking in the everyday political experiences of Europeans. Thus, although we do hypothesize that the EC's economic importance makes it a likely target of citizen economic evaluations, it must remain a question for empirical research. The question represents a crucial gap in the literature, for to show that the influence of personal and national economic conditions does indeed reach as far as Brussels would both expand the scope of existing political economy models and provide evidence of the centrality of public opinion to the future of the integration process.

We categorize the second type of influence on EC attitudes under the heading of political factors, such as political events and the intervention of political elites. One can point to the dramatic changes in the European integration process wrought by DeGaulle's vetoing of British entry or the Mitterrand-Kohl backing of the SEA to illustrate the importance of political variables on the community's development. Similarly, research on the interaction of elites and public opinion emphasizes political events as a driving influence on public evaluations of the EC.¹¹

Figure 1 recapitulates the conceptual framework that underlies our attempt to model public support for European integration as the combination of two sets of factors. Along one dimension, the influences on public opinion can be viewed as having national or international origins. A second way to conceptualize public support is in terms of the nature of the causal influences, generally classified into economic and political variables. Following this framework, the task is to operationalize the variables illustrated by the cells in the figure.

The growing literature on the relationship between economic conditions and evaluations of national governments provides a basis for specifying the national economic factors that should influence public opinion toward the EC.¹² Michael Lewis-Beck's work is representative of this literature. In his macroeconomic models of governmental support, Lewis-Beck focuses on three variables: gross domestic product (GDP), unemployment rates, and inflation rates.¹³

Other economic measures may have relevance in specific national settings, but these three measures seem to tap the essential, cross-nationally comparable elements of the economy that are the basis for public evaluations. GDP measures the overall living standard in a nation and is thus the most global measure of economic well-being. Unemployment and inflation are measures of economic hardship. As we noted earlier, a substantial part of the inspiration and continuing justification for the EC lies in the promise of increased prosperity that it will produce. Therefore, we include all three core economic measures in our model to tap the various dimensions of national economic performance upon which EC evaluations may be based.

In addition to national economic conditions, international economic factors may affect popular evaluations of the community. Integration theorists working in a number of different traditions have postulated that international interactions, trade, and interdependence can foster greater public support for the EC and its institutions.¹⁴ We translate this logic into the expectation that popular support for the community should vary as a function of a nation's trade flow with other EC member states. In other words, a high (or growing) level of intra-EC exports should foster greater appreciation of the community and the economic benefits it produces.

Another international economic factor concerns the direct financial costs and benefits of community membership. The community's activities are financed through taxes levied on its members, primarily through the allocation of a portion of the value added tax (VAT). Budget benefits are determined by EC expenditures, the single largest of which is agriculture. Thus member states may contribute more (or less) to the EC budget than what they will receive in direct benefits.¹⁵ We term this possibility the "Thatcher effect," because the EC budget was prominent in the former Prime Minister's sometimes acrimonious relations with Europe. Thatcher continually pointed out that Britain was the largest net contributor to the community budget and invoked arguments about the unfairness of that state of affairs. Her insistence on a rebate of past British contributions and a permanent adjustment in future contributions was one of the most visible European issues of the early 1980s, and it posed one of the community's major stumbling blocks. The specific measure we use is the net

10. Shepard, *Public Opinion and European Integration*, p. 124.

11. Dalton and Duval, "The Political Environment and Foreign Policy Opinions."

12. The best survey of the literature remains Lewis-Beck, *Economics and Elections*. The most recent applications and models are found in Norpoth, Lewis-Beck, and LaFay, *Economics and Politics*.

13. Lewis-Beck shows that in some nations inflation is more important in explaining government popularity while in other nations, unemployment rates or national income is more influential. These patterns might reflect differing national sensitivities to certain economic conditions (the Germans' historic concern with inflation) or simply the different mix of economic problems facing each nation. In the case of the EC, we have a single political institution that is common across all nations. In this case, statistical methods can determine whether a model postulating common economic effects is supported by the data. For one summary of these differential effects, see Lewis-Beck, *Economics and Elections*, p. 11.

14. This point is captured nicely by Nye, who observes that "neo-functionalists prefer a strategy of increasing policy interactions and assume that identities and loyalties will gradually follow integration." See Joseph Nye, *Peace in Paris: Integration and Conflict in Regional Organization* (Boston: Little, Brown, 1971), p. 44. For additional treatments of the effects of transactions and interdependence on the process of integration, see Ernest Haas, *The Uniting of Europe* (Stanford, Calif.: Stanford University Press, 1958); and Karl Deutsch, *Political Community and the North Atlantic Area* (Princeton, N.J.: Princeton University Press, 1957). For an excellent review and evaluation of this literature, see Robert Keohane and Joseph Nye, "International Interdependence and Integration," in Fred Greenstein and Nelson Polsby, eds., *Handbook of Political Science*, vol. 8, *International Relations* (Reading, Mass.: Addison-Wesley, 1975), pp. 363-414.

15. For a detailed explanation of the community's budget and finances, see "Europe's Budgetary Blues," *The Economist*, 16 October 1982, pp. 80-81; and "EC Budget: The Money Game," *The Economist*, 28 July 1990, p. 40.

return from the EC budget (benefits minus payments), normalized as a percentage of GDP.¹⁶

In the political domain, a number of national and international factors potentially can influence public impressions of the EC. Russell Dalton and Robert Duval, for example, documented how the balance of political events reported in the media had a strong impact on British attitudes toward the community, and we would expect this same dynamic to hold in other nations.¹⁷ When citizens are confronted by negative news reports or criticism of EC actions by political elites, their opinions should reflect these influences, just as reports about EC advances and positive comments should improve public evaluations.

To incorporate the political environment into our model, we include major political events that should have an influence on public opinions. At the national level, we model the impact of EC referenda (Britain in 1975, Denmark in 1986, and Ireland in 1987) by including them as dummy variables in the model. We emphasize referenda because these events focus public attention on the EC, and we know that the content of the campaigns led the majority to vote in support of the EC. For example, British attitudes toward the community were dramatically influenced by the (positive) coverage of the EC generated by the 1975 referendum.¹⁸

Another national political factor is "national tradition" in foreign policy, or what might be termed the political culture of foreign policy. Clearly, each of the member states brings to its relations with the EC the legacy of its particular role in the international system and the strategic habits that have evolved from that role. In the case of Britain, for example, the attitude of insularity—even indecision—toward Europe is partially the result of traditional British strategy with respect to the European balance of power, as well as its legacy of empire. This ambivalent tradition depresses the baseline level of British support for the EC and affects the climate of domestic political debate on the nation's commitment to Europe. Dutch attitudes, in contrast, are determined by a historical tradition of support for international institutions, a tradition that is not unrelated to the Dutch position in the international system. In the models estimated below, we specify these national traditions in the form of dummy variables. The question is not whether differing national traditions yield different baselines of support for the community but whether variation around

16. We realize that there are many indirect benefits that accrue through EC membership, such as the trade benefits discussed above. We have chosen a more specific measure of benefits, however, because it both reflects the political debate of the 1980s and is a reasonably "hard" measure of benefits. We also tested other measures of gain and loss from the EC budget, including the absolute net return from the EC budget and each nation's share of benefits from the budget. Like the measure reported below, none of these measures is significantly associated with citizen support of the EC.

17. Dalton and Duval, "The Political Environment and Foreign Policy Opinions."

18. *Ibid.* Of course, the impact of events need not be positive; if our data were to be extended to 1992, we would expect the Danish referendum in that year to exhibit a slight negative effect.

these baselines of commitment is governed by a similar dynamic in all member states.

The EP elections represent an international equivalent to the national referenda on the EC in each member state. Indeed, part of the rationale for the introduction of direct elections to the EP was the belief that the stimulus of a European election campaign would spur public support of the community. We would therefore hypothesize that EP campaigns would stimulate positive attitudes toward the EC. Finally, we incorporate the impact of the international political climate on citizen support for the community. Europeans have frequently debated the EC's role in East-West relations. For Europeans, the EC has always represented an implicit alternative to the Atlantic security community, that is, the North Atlantic Treaty Organization (NATO) alliance with the United States. As NATO has experienced major and minor disagreements among its Atlantic partners, these disputes occasionally have led to calls for a stronger (or separate) European "security pillar." Nonetheless, Europeans ultimately considered NATO the preferred alternative in security policy because the European option—including an EC security institution—has itself suffered from disagreements among Europeans and from the lack of a credible replacement for the U.S. nuclear deterrent.

Historically at least, the importance of the Atlantic connection has been thrown into sharpest relief at times of international crisis. When European dependence on the United States is crystallized by security threats, there is increased public support for the Atlantic alliance compared with a purely European effort. For example, when the Soviet Union invaded Afghanistan in late 1979, reinforcing fears about the Middle East that had arisen during the Iranian revolution, the perceived value of the NATO alliance relative to a purely European alliance jumped even higher in European opinion surveys.¹⁹ Thus, support for Europe should be a function of perceived security and the state of East-West relations more generally, falling when East-West tensions rally support for the NATO alliance and rising as East-West tensions relax. To tap the variation in East-West tensions, we incorporate into our model an event-data measure of Soviet "net conflict" actions toward the United States. Following the reasoning discussed above, we expect a negative coefficient on this variable.²⁰

19. Richard Eichenberg, "The Western Alliance: A Three-Legged Stool?" in Richard Eichenberg, ed., *Drifting Together or Apart?* (Lanham, Md.: University Press of America, 1986), pp. 14-15.

20. We are grateful to Michael Don Ward for providing these data, which represent a combined data set of World Event Interaction Survey (WEIS) and Conflict and Peace Databank (COPDAB) events data. Specifically, "net conflict" is a quarterly aggregation calculated from all conflictual and cooperative behaviors during the quarter. We also tested other variants of this variable, including measures of U.S. net conflict and absolute conflict and cooperation measures. The variable reported here produces the strongest association with support for Europe. For additional details on the data set and the sources from which it is drawn, see Sheen Rajmaira and Michael Don Ward, "Evolving Foreign Policy Norms: Reciprocity in the Superpower Triad," *International Studies Quarterly* 34 (December 1990), pp. 457-75.

In summary, our model of public support for the EC combines concepts and hypotheses from the fields of comparative politics and international relations. The task we now face is to develop a research design and methodology to test these competing theories on the causes of public evaluations of the EC.

Methodology

Our research problem presents an unusual methodological challenge. We are interested in factors that affect the changing balance of public attitudes toward European integration both within and across EC member states. Taken independently, a cross-temporal or a cross-national analysis of opinions poses major methodological problems. A longitudinal design confronts the well-known problems of autoregressive effects, which require a fairly long series of data points to disentangle. Our time series comprises semiannual measures over seventeen years, but even this falls short of the normal data requirements for autoregressive moving average (ARMA) models. Yet even separate time series models would not capture the comparative hypotheses we seek to test. Similarly, a cross-sectional design normally requires a large number of nations to provide robust statistical tests and multivariate models. However, the core member nations of the EC over the timespan of our data number only nine.

A solution to both problems is to address them simultaneously through a pooled cross-sectional and time series design.²¹ Assuming that a number of conditions are met with respect to the specification and diagnosis of the model under analysis, the pooled design offers a method to take advantage of the multiple time series for the combined set of nations to solve for the autoregressive effects of the dynamic model, while simultaneously modeling cross-national differences in the level of support for European integration. There are a growing number of applications of the pooled design in international relations and comparative research, though applications to public opinion research are still rare.²²

21. See James Stimson, "Regression Across Time and Space," *American Journal of Political Science* 29 (November 1985), pp. 914-47; and Lois Sayers, *Pooled Time Series Analysis* (Beverly Hills, Calif.: Sage Publications, 1986).

22. Recent applications include: Brian Pollins, "Does Trade Still Follow the Flag?" *American Political Science Review* 83 (June 1989), pp. 465-80; Gary Zuk and William Thompson, "The Post-coup Military Spending Question," *American Political Science Review* 76 (March 1982), pp. 60-74; R. Michael Alvarez, Geoffrey Garrett, and Peter Lange, "Government Partisanship, Labor Organization, and Macroeconomic Performance," *American Political Science Review* 85 (June 1991), pp. 539-56; and Harold Clarke and Nitish Dutt, "Measuring Value Change in Western Industrialized Societies: The Impact of Unemployment," *American Political Science Review* 85 (September 1991), pp. 905-23. For an application to economic models of voting, see Michael Lewis-Beck and Glenn E. Mitchell, "Does Liverpool Matter? Local Economic Conditions and How Voters Perceive the State of the Economy," paper presented at the annual meeting of the American Political Science Association, San Francisco, 29 August-2 September 1990.

Of course, by combining cross-sectional and dynamic designs, we face the prospect of dealing simultaneously with the problems that can arise in each: unequal variance (heteroscedasticity) within a cross-section or correlated errors (autocorrelation) in the time series. Both James Stimson and Lois Sayers have discussed these methodological issues in great detail, including diagnostic tests and appropriate solutions.²³ We will not, therefore, repeat their discussions here, but we should call attention to the solutions we employ. First, we correct for cross-sectional differences in the level of our dependent variable by diagnosing the error structure for each cross-section within the pooled model. Where necessary, we introduce dummy variables to correct for these national differences in the dependent variable.²⁴ Second, through diagnostic tests for autocorrelation of the residuals for each cross-section, we estimate any time series process not captured by our model and reestimate the parameters using generalized least-squares (GLS) analysis. Thus, our final results (labeled GLS/ARMA below) show the effects of the independent variables after correcting for autocorrelation.²⁵

Comparative public opinion research is also subject to a host of potential problems involving the measurement of citizen opinions: variations in question wording across independent studies; irregularity in the timing or frequency of surveys; or changes in sampling frame or survey procedures. In our case, the unparalleled resources of the *Eurobarometer* surveys enable us to avoid these problems. Since the early 1970s, the EC has monitored public opinion in its member nations with coordinated, semiannual surveys of public attitudes toward the community and the political issues facing Europe. The *Eurobarometer* surveys regularly ask a series of identical questions about public support for the EC and the integration process. We are therefore analyzing public attitudes toward a common stimulus object, the EC, using a standard question that has been regularly repeated in each of the EC member states. The cross-national and cross-temporal comparability of our public opinion series is therefore exceptional for comparative opinion research.

Support for European integration: an overview

Just as images of national governments are multidimensional, public attitudes toward the EC can be measured in several ways. Our interest here is to measure the evaluative dimension of these opinions—public beliefs about the

23. See Stimson, "Regression Across Time and Space"; and Sayers, *Pooled Time Series Analysis*.

24. Stimson, "Regression Across Time and Space," pp. 925-29. As Stimson so clearly shows, large cross-sectional differences in the level of the dependent variable can produce bias due to autocorrelation, since the residuals of some cross-sections will lie uniformly above or below the regression line.

25. The GLS/ARMA model is fully described in Stimson, "Regression Across Time and Space," pp. 926-29; and Sayers, *Pooled Time Series Analysis*, pp. 36-38.

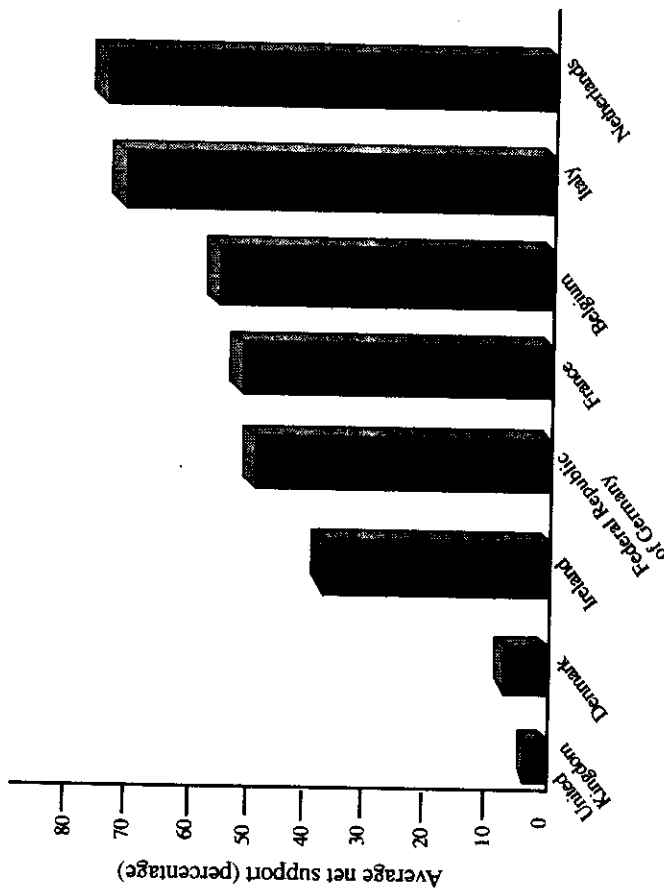


FIGURE 2. Average net support for European integration, by country (1973-89)

merits of community membership. Since the early 1970s, the Eurobarometer surveys have asked European publics for their evaluative judgments of the community by means of the following question, "Generally speaking, do you think (your country's) membership in the Community is a good thing, a bad thing, or neither good nor bad?" In the following analyses, we measure support for the community on a net basis; that is, we compute a net support score by subtracting the percentage responding "bad thing" from the percentage responding "good thing."²⁶ Over the time period 1973-92, this question was asked a total of thirty-eight times in eight nations, yielding a potential total of 304 data points on aggregate national opinion toward the EC. However, since our data on East-West conflict end in 1988, the analyses reported below are confined to the 248 data points covering the period 1973-88.

26. The full data series for this question are published in the appendixes of the semiannual Eurobarometer reports. See Commission of the European Communities (CEC), *Eurobarometer: Public Opinion in the European Community* (Brussels: CEC, various years). Other questions are asked for a more limited time period, but they yield similar results because the questions are very highly correlated at the aggregate level. For example, the correlation between the "good thing" question examined here and a separate question that asks if respondents would "feel sorry" were the community to end is .86 for the time points when both are available ($N = 181$); the correlation between the "good thing" question and a question asking if respondents "favor integration" is 0.80 ($N = 191$).

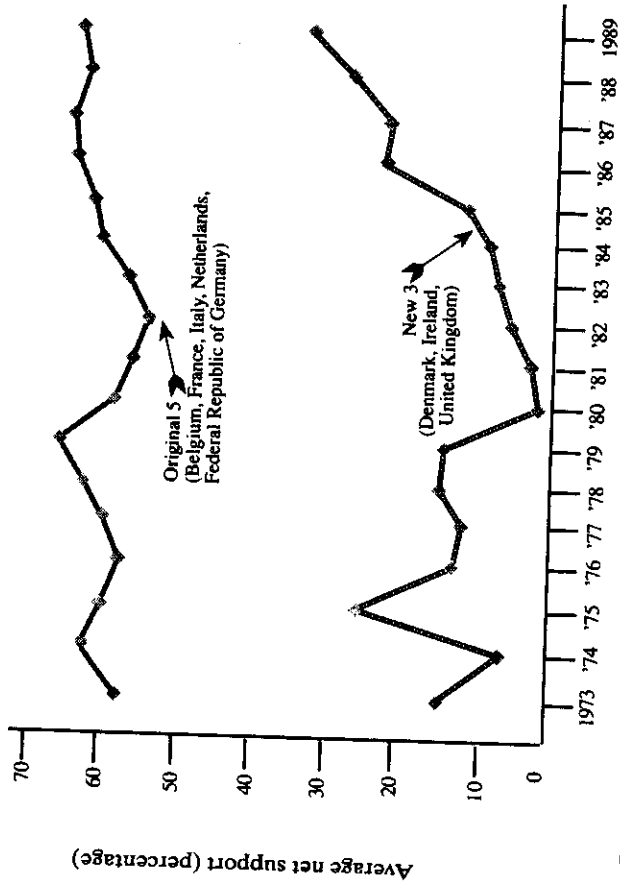


FIGURE 3. Average net support for European integration, by time (1973-89)

Figure 2 displays the average net support score for each country. This comparison shows dramatic cross-national differences in public attitudes toward European integration. Citizens in the United Kingdom and Denmark clearly are ambivalent toward the EC; those feeling that membership is a "good thing" are nearly balanced by those with negative opinions so that "net support" approaches zero. Domestic opposition to the community has also been much more visible in these nations. In the United Kingdom, continuing opposition to Europe by a faction of the Labour party and, more recently, the debate within the Tory party have reinforced historical doubts about the community. Similarly, the issue of community membership remains politically divisive in Denmark. Denmark was one of the few countries where parties running on anti-European platforms made a respectable showing in the 1989 EP elections, and of course the Maastricht treaty was voted down (however narrowly) by the Danish population. In the third 1973 expansion nation—Ireland—public opinion is more temperate; a majority feel that community membership is a good thing for their nation, but a significant minority still holds reservations about it.

Figure 3 compares the evolution of support for two groups of nations: Original 5 (the original member states of Belgium, France, Italy, the Netherlands, and the Federal Republic of Germany) and the New 3 (the three 1973 expansion nations of Denmark, Ireland, and the United Kingdom). In tracing the average net support scores for these two groups of nations, three important

points are revealed. First, the dramatic differences between these two groups are a persisting feature of public opinion. In 1973, the New 3 nations had a support score forty-two percentage points lower than the Europe 5, and in 1989 this gap remained at twenty-eight points. Second, there is considerable variation in opinions toward Europe over time. Public attitudes were fairly stable in the Europe 5 nations during the mid-1970s and then slid downward during the recessionary period beginning in 1979. Support for the community tracks upward again through the later part of the 1980s, reaching a new high point at the end of the decade. Support patterns in the expansion nations follow a generally similar pattern, with a noticeable peak in support at the time of the 1975 British referendum and steady growth in support throughout the 1980s. Third, Figure 3 indicates that opinions are more variable over time in the 1973 expansion nations. For instance, the range of support in the New 3 nations is about thirty-six percentage points, while in the Original 5 group the range is about fourteen percentage points. We suspect that this greater variability appears because the issue of European integration is still relatively new for the publics and political systems of these latter nations, and thus opinions and political alignments on European topics remain fluid. In any case, citizen attitudes toward the EC in the New 3 nations are both less positive and more volatile than attitudes in other countries.

Modeling support for European integration

We began our modeling efforts with a set of predictors designed to test the effects of national economic conditions (inflation, unemployment, and GDP); international exchanges and the balance of costs and benefits from integration (trade patterns and net EC budget returns); national traditions; and political events (EC referenda, EP elections, and East-West conflict) on public support for the community. A list of these variables, together with fuller descriptions and data sources, is provided in the Appendix.

Model building in pooled cross-sectional time series analyses is an iterative process; the final model is the result of a series of diagnostic estimations and reestimations. We began with an ordinary least-squares (OLS) estimation of the initial set of predictors and closely studied the resulting diagnostic information for the pooled model and for each cross-section within the model. We were particularly attentive to two sets of diagnostic information: the residual autocorrelation function, both for the pooled model and the individual cross-sections, and the uniformity of residual variance among cross-sections. As we observed earlier, the autocorrelation function is a clue both to the presence of an unspecified time-series process and to error variance that results from large cross-sectional differences in the dependent variable. Lack of uniformity in the error variance of the cross-sections is also a clue to omitted

variables that operate only on one or several cross-sections within the pooled model.²⁷

The diagnostic process is iterative, but it is theory-driven. In our model, we have strong theoretical expectations about the impact of economic conditions, political events, and trade patterns. In addition, given the fact that the time dimension in our data dominates the cross-sectional dimension, we fully expected autocorrelated error in our initial models. Further, rather than include national traditions as dummy variables in the initial versions of the models, we intentionally chose to incorporate them as part of the diagnostic process. That is, we included dummy variables to represent national traditions when the diagnostics revealed that the level of EC support in particular nations departed significantly from the general model. Of course, our knowledge of the foreign policy traditions of Denmark, Ireland, and the United Kingdom also led us to suspect what the data in Figure 1 confirmed: that the level of popular support for Europe is much lower in these three countries. Not surprisingly, therefore, the initial tests of the model revealed the need to correct for the problems (autocorrelated error) that result from disparities in levels of the dependent variable by adding dummy variables to represent the national patterns.

The results of the initial model estimations are displayed in Table 1. The first equation covers the entire time period from 1973 to 1988, but it lacks the EC budget variable because such data have been available only since 1976. The second equation therefore includes the same set of predictors with the addition of the EC budget variable but is restricted to the 1976-88 time period for which data are available.

Both in strength and in the direction of the coefficients, the equations confirm our expectations. Support for the EC is indeed related to national economic conditions. Inflation emerges as the strongest economic influence on EC support; a 1 percent increase in the inflation rate produces a decrease in net support for the community of almost 2 percent. The effect of GDP and unemployment are in the predicted direction, although they are weaker in statistical significance than the inflation rate. Overall, therefore, Europeans are more likely to see a relationship between inflation rates and the EC's image, presumably because the community's major policy instruments, such as VAT

27. For a case study of the specification and diagnosis of pooled models, see Stimson, "Regression Across Time and Space," pp. 929-45. It should be noted that most software products do not produce the "by cross-section" diagnosis of error required for this type of analysis, and the results can be very misleading. For example, "naive" OLS versions of our own model (uncorrected for cross-sectional differences and/or autocorrelated error) produce pooled autocorrelation functions on the order of 0.70 to 0.80. Autocorrelation of error exceeded 0.55 in four of the eight cross-sections and was less than 0.30 in only one cross-section. Naive models also have much higher and disparate error variances than the model presented here. These diagnostic analyses were conducted using the POOL program in the MICROCRUNCH statistical package distributed by SofTex Micro Systems in Houston, Texas.

TABLE 1. Regression estimates of support for European integration (GLS/ARMA)^a

	Equation 1 1973-88 N = 248		Equation 2 1976-88 N = 208	
	Coefficient	t-ratio	Coefficient	t-ratio
R ²	.691		.719	
Constant	23.519	2.169	12.753	0.992
<i>National economic factors</i>				
Inflation	-1.696	-3.568	-1.819	-3.196
Unemployment	-0.286	-1.032	-0.272	-0.984
GDP index	11.801	1.367	18.649	1.852
<i>International economic factors</i>				
Intra-EC export %	0.384	3.488	0.432	3.459
EC budget return	—	—	0.214	0.099
<i>Political factors</i>				
East-West conflict	-0.006	-1.336	-0.002	-0.497
U.K. referendum	29.349	3.456	—	—
Danish SEA	23.972	3.928	23.755	3.898
Irish SEA	9.100	0.967	9.415	0.935
EC 1979 election	3.839	1.909	4.667	2.495
<i>National tradition</i>				
United Kingdom	-44.816	-8.689	-44.875	-8.059
Denmark	-40.971	-19.830	-40.452	-13.377
Ireland	-19.034	-5.677	-20.068	-1.929
Netherlands	13.269	4.808	14.914	4.984
Italy	22.429	10.114	22.732	8.679
France	3.301	1.117	2.701	0.998

^aGLS/ARMA = generalized least-squares/autoregressive moving average. For definitions of the variables, see Appendix A.

financing of revenues, regulation of agricultural prices through the common agricultural policy (CAP), and especially the European Monetary System (EMS), have a well-known and much-discussed impact on prices.²⁸ Citizens are less inclined to hold the community responsible for employment conditions or the overall strength of the economy, possibly because EC policy initiatives in these areas are less direct or substantial than those that affect prices. Nonetheless, the overall pattern of coefficients does confirm economic models of political support. Inflation in particular affects not just the popularity of

28. Of course, it is also entirely possible that European citizens are inherently more concerned about inflation or that they share the higher priority placed on antiinflationary policy that European governments—and the EC through the EMS—have exhibited since the late 1970s.

national leaders and governments; it also influences evaluations of a supranational political institution.²⁹

The level of intra-EC trade relative to a nation's total trade is strongly related to public evaluations of the community. In fact, the inflation rate and the export variables are the most significant economic factors in the model. When the relationship is extrapolated over time, it suggests that the growth of intra-EC trade has been a major stimulus to "Europeanist" sentiment. The overall share of intra-EC exports has grown from 34 percent of total exports in 1960 to 60 percent in 1988. Using the coefficient value of .38 from equation 1, this translates into an almost 10 percent increase in support for the community.³⁰

We argued above that popular evaluations of the community are conditioned by the actions of the EC and how these actions are portrayed in public debate. We measured these effects by specifying a variety of political events that focus attention on the community. For example, the EC introduced direct elections to the EP in part so that the election campaigns would inform the public and stimulate support for the community. The results shown in Table 1 indicate that the attention attracted by the first EP election in 1979 had a moderately positive impact on citizen support for the community. By the time of the 1984 election, however, the novelty had apparently worn off, and the weak impact of election variables did not warrant inclusion in the model.

Like the effect of the EP, the EC referenda held since 1973 all have resulted in popular majorities in favor of the community. Two referenda exerted a very strong impact on public opinion. The 1975 U.K. referendum has the sharpest impact; it yields a jump of thirty percentage points in community support. The effect of the 1986 Danish referendum on the SEA was also dramatic, stimulating a 24 percent increase in net favorable opinions. The Irish SEA referendum had essentially no effect. In summary, the impact of the first EP direct election, together with the impact of the U.K. and Danish referenda

29. The effect of these economic variables, and especially of the inflation rate, is quite robust for different measures and time periods. For example, analysis of *change rates* in the economic variables yields a pattern that is very similar to that shown in Table 1: the inflation rate is the strongest predictor, with (change in) unemployment and GDP far less significant. In addition, the results are largely the same when the entire time period is divided into subperiods. In both the pre- and post-1981 periods, for example, the inflation rate shows a significant impact on support for the EC; the single difference is that GDP growth has a stronger impact in the post-1981 period than it has for the entire period (suggesting that the post-1981 recovery in Europe did indeed have a positive impact on support for the community). Finally, we have extended these analyses using indicators of *perceptions* of economic conditions that are collected in consumer confidence surveys sponsored by the EC Commission. The latter analyses show the same pattern of coefficients for economic conditions, trade, East-West conflict, and national traditions. For the latter analyses, see Russell Dalton and Richard C. Eichenberg, "Economic Evaluations and Citizen Support for European Integration," paper presented at the annual meeting of the American Political Science Association, Washington, D.C., 28 August-1 September 1991.

30. This calculation is based on aggregate EC exports. Of course, if applied to individual nations' export profiles, the results would be different. Nonetheless, since all EC members have increased intra-EC exports relative to total exports, the general point remains.

suggest that (until recently) periods of sustained attention to community affairs have influenced the public's support for it in a positive direction.³¹

The effects of the international variables are also in the predicted direction. East-West conflict has a negative effect on support for the community, although the strength of the coefficient is weak in these equations. As we will see below, however, the East-West conflict variable has a stronger impact when it is tested separately for the Original 5 and New 3 nations of the EC.³² For the moment, we note that the inverse relationship between the security environment and support for the community does indeed hold: as tensions increase, support for the community drops, presumably because citizens shift their attention from the EC and its economic activities toward the security environment, where the EC's role has not compared favorably to that of NATO.

The second international variable in Table 1 is the Thatcher effect, measured as each country's net return from the EC budget. Despite the considerable wrangling that has been associated with the putative unfairness of EC budget contributions, the results show that the net return from the EC budget has virtually no impact on citizen support for the community. One might claim that citizens are unaware of these budgetary considerations, that the EC budget is complicated and even somewhat arcane, or that calculations of national benefits from integration must include intangibles that go beyond simple budget statistics. But as we have noted, the EC budget issue has been repeatedly interpreted and debated by leaders and experts, so citizens should be aware of their nation's relative standing. Moreover, the balance of benefits versus costs should be apparent in nations where agriculture reaps the rewards of the CAP or, conversely, in nations where finance ministers must justify the net outflow of funds to the EC. Rather than a lack of awareness, then, it appears that citizens form their attitudes in spite of rather than because of their country's EC budgetary position: Irish citizens are less supportive of the EC despite the fact that 3.5 percent of Irish GDP is derived from community benefits, and the Germans remain supportive of the community despite the fact that the Federal Republic consistently has been the largest net contributor to community finances. The calculus of relative budgetary returns may have been relevant for Prime Minister Thatcher, but it does not appear to affect the thinking of most European citizens.

Finally, both equations in Table 1 show the importance of national traditions. Dummy variables for six nations—the United Kingdom, Denmark,

31. The Danish and Irish referenda on Maastricht occurred after the time period covered in these data and analyses. In the conclusions, we return to the apparent anomaly of the Danish defeat of the Maastricht referendum.

32. The negative coefficient of the East-West variable is more significant in models using annual measures of economic variables. Since the overall fit of the annual models is slightly better as well, that specification suggests that the inverse relationship between East-West conflict and support for the EC is stronger than the results shown here. In effect, we consider these estimates of the impact of East-West conflict to be conservative.

Ireland, the Netherlands, Italy, and France—were required to achieve satisfactory diagnostics in the model. The United Kingdom, Ireland, and Denmark, traditionally insular in their approach toward Europe and therefore late entrants to the EC, remain substantially below the European average level of support. The Dutch, traditional supporters of international organizations and—as a small nation—of the EC as an avenue of both influence and prosperity, show an equally strong level of support in the positive direction, as do the Italians. The positive sign on the French national variable may come as a surprise, for during the 1960s it was often the French who resisted the European idea and whose actions actually slowed the progress of integration. Nonetheless, the French data reflect the recent transformation of French policy toward the EC. Especially during the 1980s, France became an energetic supporter of Europe as its security and prosperity were challenged by international economic pressures and by turbulence in the European security environment. French public opinion followed.³³

The diagnostic information in Appendix B shows that the models do least well for Ireland and the United Kingdom, where the average residual and error variance remain larger than in other countries. Why is this the case? We have already suggested one reason: lacking a tradition of involvement in Europe and the consequent "diffuse support" that exists in the original member nations, British and Irish attitudes are more volatile. As a result, citizens are presumably more responsive to the debates of leaders and experts about the merits of community membership, and as recent history in the United Kingdom and Denmark shows, such debates are more frequent and intense than in any continental country.

Examination of the time plots of the British, Danish, and Irish series illustrate this point. The three expansion nations are unique among these eight countries in several respects. First, as we have noted several times, their level of support for the community is far lower than the overall European average. Second, U.K. support for the community began to rebound in the 1980s as the effects of recession began to fade and as the discussion of the SEA began to capture public attention. True, Margaret Thatcher was a dissenting or cautious voice in the 1992 process, but the depth and breadth of support for an integrated Europe was growing among the broader British elite.³⁴ Consequently, British support began to grow once again in 1981, while in other countries the recession held support down until 1983. Finally, in both Ireland and the United Kingdom, the increase in EC support during the 1980s has been

33. Specialists in the pooled time series model might differ on the necessity of including the French dummy. As the table shows, the coefficient is only modestly significant. Yet the "predummy" diagnostics for France yielded a larger mean error, presumably because of the upward surge in French support during the 1980s. In any case, none of the other coefficients in the model is affected by the treatment of the French cross-section.

34. Indeed, the irony of Mrs. Thatcher's departure was that her resistance to European integration became a domestic political liability and contributed to her own downfall.

much larger than in other countries—certainly much larger than our model would predict. Between 1983 and 1989, support in the five earlier members grew by five to twenty percentage points. In Ireland, support grew by forty percentage points and in the United Kingdom, by twenty-five percentage points (fifty if we measure from 1980).

We suspect that events data capturing the ebb and flow of the political discussion of the 1980s would yield the same strong positive trend during the 1980s, as political elites and experts increasingly argued that the community should become the forum for responding to global economic and political challenges. In effect, elites in the newer member states, traditionally skeptical, were converging toward the European identity that the new conditions of the 1980s seemed to require.³⁵

A direct test of this hypothesis would require a data collection effort of substantial magnitude to measure the political and media discussion of EC affairs in eight countries over almost twenty years. As an alternative, we examined the model for the original five members and the three expansion members separately to provide a precise comparison of the fit and structure of the model in the two groups. As the data in Table 2 show, the comparison yields a number of important insights.

Overall, the model reveals a remarkably similar dynamic in both groups of countries. In both groups, for example, the impact of national economic conditions as well as international economic and political factors is confirmed. As in the overall model, the inflation rate has a strong negative influence on support for the community (in fact, the coefficient is nearly identical in the two groups). And as in the overall model, the export variable, the East-West conflict variable, and the political event variables have the predicted impact, although they vary in statistical strength.

Yet it is the differences in the two equations in Table 2 that are the most revealing. First, as might be expected from the diagnostics to the earlier analyses, Appendix C shows that the fit for the three expansion nations is lower than that for the original five EC member states. Although the structure of determinants is the same in the New 3 as in the Original 5, opinion is more variable and difficult to model for the newer members. We attribute this result to their more insular foreign policy traditions, the resulting lack of diffuse support for the European ideal, and the persistence of political debate about the commitment to Europe. Second, this interpretation is strengthened by the fact that the New 3 are far more sensitive to variations in the external environment, as revealed by the larger *t* values on the export and East-West conflict variables. These results suggest that citizens of the New 3 are far less confident of the security role of the EC, as revealed by the stronger inverse correlation between East-West tension and support for the EC. That attitude

TABLE 2. Comparison of regression estimates: Original 5 and New 3 members of the European Community (GLS/ARMA)^a

	Equation 3 (Original 5) 1973-88 N = 155		Equation 4 (New 3) 1973-88 N = 93	
	Coefficient	<i>t</i> -ratio	Coefficient	<i>t</i> -ratio
R ²	.674		.523	
Constant	29.064	2.591	-55.735	-3.631
<i>National economic factors</i>				
Inflation	-1.870	-3.026	-1.883	-2.996
Unemployment	-0.100	-0.366	-0.068	-0.153
GDP index	8.322	0.891	13.039	0.966
<i>International economic factors</i>				
Intra-EC export %	0.322	3.106	1.150	10.336
<i>Political factors</i>				
East-West conflict	-0.005	-1.058	-0.013	-1.741
U.K. referendum	—	—	32.593	3.873
Danish SEA	—	—	24.577	3.707
Irish SEA	—	—	11.636	1.223
EC 1979 election	5.374	2.651	1.580	0.439
<i>National tradition</i>				
Netherlands	14.945	6.301	—	—
Italy	22.358	10.030	—	—
France	3.650	1.484	—	—

^aGLS/ARMA = generalized least-squares/autoregressive moving average. For definitions of the variables, see Appendix A.

is typified by the British, for whom NATO and the "special relationship" with the United States often take precedence. In the case of the export variable, the results show that citizens of the Original 5 are indeed sensitive to the positive benefits of growing intra-EC trade, but the effect is both steeper and more significant in the New 3. This result lends credence to the convergence hypothesis discussed above: namely, because the New 3 have been politically, economically, and psychologically more detached from the community, the "learning curve" that results from increased contact and trade within the EC is much steeper.

In summary, both the pooled model for eight nations and the separate models for the original and newer members of the community demonstrate that support for the EC can be modeled by combining approaches from comparative political economy and international relations.

35. In addition to the scholarly sources cited in footnote 1, see the interesting reportage by Axel Krause, *Inside the New Europe* (New York: Cornelia and Michael Pessie Books, 1991).

that national economic conditions affect evaluations of supranational as well as national governments. Equally important, the results demonstrate that international economic and political factors are critical influences on citizen support for the EC, findings that are of obvious importance as the community implements the SEA and embarks on the reforms foreseen in the Maastricht treaty.

Conclusions: Europeans and support for European integration

Our analysis and interpretation suggest that citizen support for European integration is influenced by a combination of domestic and international factors. Therefore, the research lends support to the increasing trend in the discipline of international relations to conceptualize international cooperation as a two-level process in which domestic and international bargains must overlap if cooperation is to proceed.³⁶ The general logic of such two-level bargains is clearly evident in recent research on European integration, especially that of Wayne Sandholtz and John Zysman, who argue that the SEA resulted from a combination of international structural change, which demanded a European response, and changes in domestic politics and political economy, which cleared the way for acceptance of that response.³⁷ The domestic debates and referenda surrounding ratification of the Maastricht treaty are quite literal examples of this dynamic.

Of course, our analyses focus on just one level of the diplomacy of European integration, for we model only domestic support for integration, leaving aside for the moment the task of linking levels of support with success and failure in subsequent international negotiations. Nonetheless, this part of the picture remains theoretically important, for our results show—not surprisingly—that the domestic level is itself influenced by feedback from international processes. The institutional innovations represented by the EP elections and the economic gains from trade provide positive feedback that reinforce and increase support for integration, a process that brings to mind Robert Putnam's concept of the domestic "reverberation" of international bargains and his accompanying argument that international bargains might themselves serve the purpose of creating or solidifying domestic coalitions in favor of cooperation.³⁸

36. See Putnam, "Diplomacy and Domestic Politics"; and Evans, Jacobson, and Putnam, *Double-edged Diplomacy*.

37. Sandholtz and Zysman, "1992."

38. Putnam, "Diplomacy and Domestic Politics," pp. 454–56. In a related work, Jeffrey Frieden notes that the support of domestic coalitions for the exchange-rate mechanism of the EMS derived in part from the broader value that they attach to EC membership. In a conclusion that resonates with our own, Frieden also notes that the coalition in support of the EMS was broadened by the growth of intra-EC trade. See Jeffrey Frieden, "European Monetary Union: A Political Economy Perspective," paper presented at a Social Science Research Council conference on Liberalization

When seen in the context of the post-Maastricht debate in Europe, our results suggest that the link between domestic citizen consensus and the content of international agreements will become even closer. The most obvious illustration was revealed in 1992 by the refusal of Danish voters to ratify the Maastricht treaty. The negative Danish vote might be seen as an unlucky coincidence for the EC. For advocates of European union, it was unfortunate that the first referendum was held in one of the two countries in which citizens have been traditionally most skeptical of the EC. Even so, the vote was also held at an unpropitious moment in terms of the factors discussed in this article. In 1986, when the Danes did approve the SEA in a referendum, recovery from the recession of the early 1980s had produced the highest levels of consumer confidence since the pre-1975 period.³⁹ However, in the second half of the 1980s, consumer confidence fell once again, and with it, support for the EC—again, not surprising given our own model results. Although Danish economic confidence was recovering in the period preceding the 1992 referendum, support for the EC had not returned to the level it had reached at the time of the SEA referendum.

Equally interesting, the negative vote in Denmark led to change in the EC's policy approach and even to a renegotiation of the Maastricht bargain. Both national and EC leaders gave greater attention to citizen concerns, as revealed in the rhetorical prominence of the themes of "democracy deficit" and the principle of "subsidiarity." Furthermore, the community renegotiated the terms of Danish adherence to the Maastricht bargain in an explicit attempt to gain the future approval of Danish voters.

The Maastricht treaty may strengthen the link between citizen economic evaluations and the community's policy approach in other ways as well. The Maastricht ratification debates have produced a prolonged, intensive, and very public seminar on the link between the community's policies—in this case, monetary policy and monetary union—and national economic performance. Although the debate includes some atmospherics (such as the symbolic importance of national currencies), there also has been widespread discussion of the potential impact of monetary union on interest rates, fiscal policy, exchange-rate stability, and national economic growth and employment.⁴⁰ We have seen that Europeans already evaluate the EC on the basis of its effectiveness in controlling prices. In the aftermath of Maastricht and the

39. This observation is based on a survey measure of consumer confidence collected by the European Community. The measure includes perceptions of the general economic situation of the country and of households as well as perceptions of inflationary trends. See *European Economy*, suppl. B (March 1992), pp. 9–11.

40. For an analytical exposition of the political economy of international finance, including the trade-off between exchange-rate stability and fiscal policy autonomy, see Jeffrey A. Frieden, "Invested Interests: The Politics of National Economic Policies in a World of Global Finance," *International Organization* 45 (Autumn 1991), pp. 425–51. For an application to European monetary union, see Jeffrey Frieden and Barry Eichengreen, "The Political Economy of European Monetary Integration: An Analytical Introduction," *Economics and Politics*, forthcoming; and

debate about the community's role in promoting national growth, increasing awareness of the economic importance of the EC may encourage citizens to place greater weight on the community's growth and employment performance. In summary, the Maastricht treaty led to a community that is increasingly sensitive to citizen concerns, and it may lead citizens to broaden their policy expectations as well.

From another perspective, our findings contribute to the literature of comparative politics through our examination of the interplay of economic conditions and political evaluations. For students of international relations or regional integration, it is hardly startling to discover that economic conditions could be plausibly explained by rehearsing traditional characterizations of the public's limited knowledge of foreign policy issues. We know citizens blame national politicians when economic times are bad, but it remained to be shown that they also blame the politicians and bureaucrats in Brussels. We have demonstrated that public sentiments toward the EC can be very effectively modeled, explaining 70 percent of the variance in aggregate opinions, and that economic performance is an important predictor in this model. By extending this political-economy model of citizen evaluations to the European level, we have provided a demanding new test of the model and shown that the range of economically based evaluations reaches beyond the nation-state.

Equally important, our analyses show that politics is more than simply economics, and that political campaigns, elite actions, and the international environment can independently move public opinion. National traditions also constitute a persisting element of citizen attitudes toward the EC, especially if we consider that these national traditions embody strategic habits and prior experiences with the community that are perpetuated over time.⁴¹ The creation and perpetuation of such national foreign policy traditions are themselves topics worth substantial further study. However, the most basic lesson is that citizens take their cues from multiple sources when judging the performance of the EC. For example, although citizens of the United Kingdom, Denmark, and the Netherlands support the EC at far different levels because of differing historical and foreign policy traditions, there is variation around each baseline, and this variation is caused by a similar economic and political dynamic.

Clearly, the external environment is one such factor in the variation. Our results show that, in the past, the level of East-West tension was negatively related to support for the EC. Perhaps the events of recent years have diluted the meaning of the East-West conflict for the question of EC support: since the Eastern military threat has receded, the choice of NATO versus the EC is a far less relevant one. Yet the logic of our model is that the disappearance of the Soviet threat should increase support for a European pillar in both foreign and security policy, precisely because the Atlantic connection is now far less urgent.

In fact, Europeanization of foreign policy does seem to be the movement in Europe, despite the confusion and disagreement that characterized the EC's response to the turbulence in Eastern Europe, in the Persian Gulf, and more recently in the Balkans. At the policy level, member states moved briskly to develop European approaches in foreign and security policy, culminating in the Maastricht provisions on a future common defense and foreign policy. At the level of public opinion, the period since 1989 has seen an increase in public support for allocating policy authority to the EC, including authority in the areas of economic union and common foreign and security policy.⁴²

Finally, our results suggest that, if the implementation of the SEA and the Maastricht treaty proceeds successfully, in the long run it should reinforce the support for the community that evolved during the 1980s. As we have seen, intra-EC trade has had a profound positive impact on EC support. With the implementation of the SEA, intra-EC trade should accelerate. Furthermore, to the extent that the internal market contributes to growth in general and monetary union contributes to antiinflationary growth in particular, citizen support is further enhanced. Successful integration therefore has both a direct and an indirect impact on citizen attitudes. The direct impact derives from market integration and from the flurry of publicity and positive evaluations that result from policy activity as reforms unfold. Indirectly, policy measures such as European monetary union contribute to citizen support to the extent that they dampen inflationary pressures. As European leaders since Monnet have always maintained, continued integration is not the problem—it may very well be the solution.

41. ZEUS, *Structure in European Attitudes*.

APPENDIX A. Variable definitions and sources

Variable	Description
<i>Net support</i>	The percentage of survey respondents who feel that their country's membership in the EC is a "good thing" less those who feel it is a "bad thing."
<i>Inflation</i>	The quarterly percentage change in the consumer price index was utilized; second- and fourth-quarter figures are used to match the timing of the <i>Eurobarometer</i> surveys
<i>Unemployment*</i>	Seasonally adjusted quarterly percentages of the total labor force that is unemployed; second- and fourth-quarter figures are used to match the timing of the <i>Eurobarometer</i> surveys
<i>GDP index</i>	An annual index of real GDP (1980 = 1.00) computed from national currencies
<i>Intra-EC export %</i>	The ratio of a country's intra-EC exports to its total exports, measured in European Currency Units
<i>EC budget return</i>	The difference between revenues paid into the EC budget and benefits received from the EC budget as a percentage of GDP, all calculated in European Currency Units
<i>East-West conflict</i>	A quarterly events-data measure of net Soviet conflict toward the United States (total conflict behaviors less total cooperative behaviors); second- and fourth-quarter figures are used to match the timing of the <i>Eurobarometer</i> surveys
<i>U.K. referendum</i>	A dummy variable for the United Kingdom only for the 1975 referendum (U.K. 1975 = 1)
<i>Danish SEA</i>	A dummy variable for Denmark for the timepoint following the 1986 SEA referendum
<i>Irish SEA</i>	A dummy variable for the <i>Eurobarometer</i> timepoint following the 1987 SEA referendum in Ireland
<i>EC 1979 election</i>	A dummy variable representing the year in which an election to the EP occurred (1979)

*Because of a change in reporting unemployment figures for the Netherlands, annual data are used for that country.

Sources: For *Net support*, Commission of the European Communities (CEC), *Eurobarometer: Public Opinion in the European Community* (Brussels: CEC, various years); and Ronald Inglehart and Jacques-René Rabier, *European Community Study 1973*, 2d ed. (Ann Arbor, Mich.: Inter-university Consortium for Political and Social Research, 1985). For *Inflation* and *Unemployment*, Organization for Economic Cooperation and Development (OECD), *Main Economic Indicators: Historical Statistics* (Paris: OECD, various years). For *GDP index*, OECD, *National Account Statistics of OECD Member Countries*, vol. 1, *Main Aggregates* (Paris: OECD, various years). For *Intra-EC export %*, CEC, *Statistical Yearbook of External Trade* (Brussels: CEC, various years); and *Monthly Statistics on External Trade*, January-April, 1990. For *EC budget return*, CEC, *Eurostat Review*, various years; and the following volumes of the *Official Journal* of the European Communities: 31 (12 December 1989), pp. 228-29; 32 (30 January 1989), Table 5; and 33 (29 January 1990), p. 99. For *East-West conflict*, we thank Michael Don Ward.

APPENDIX B. Diagnostic information for equations in Table 1, by cross-section^a

	Equation 1		Equation 2	
	Residual mean	RVR ^b	Residual mean	RVR
Belgium	-0.0026	0.844	-0.1664	0.896
Denmark	-0.0017	0.425	0.0037	0.415
Germany	-0.0017	0.792	0.1900	0.875
France	-0.1552	0.955	-0.1189	0.812
Ireland	-0.5626	1.682	-0.7680	1.802
Italy	-0.0015	0.420	0.0036	0.279
Netherlands	0.2037	0.444	0.0030	0.212
United Kingdom	-1.0784	2.439	-1.6485	2.711

^aOrdinary least-squares (OLS) diagnostics: The OLS versions of Equations 1 and 2 produced the following diagnostic information. Values of the first-order autocorrelation function (ACF1) that were used as the value of rho in the generalized least-squares (GLS) versions of the equations are indicated by an asterisk (*).

Cross-section	Equation 1		Equation 2	
	ACF1	Residual variance	ACF1	Residual variance
Belgium	0.17	5.519	0.18	5.444
Denmark	-0.08	2.875	0.00	2.875
Germany	0.14	5.611	0.24	5.998
France	0.49*	5.674	0.45*	4.498
Ireland	0.39*	10.044	0.34*	10.914
Italy	0.16	3.474	0.13	2.616
Netherlands	0.35*	3.015	0.19	1.606
United Kingdom	0.62*	14.654	0.60*	15.010

^bRVR = residual variance ratio, the ratio of actual residual variance for a cross-section to the expected variance. Expected variance is the pooled error variance divided by the number of cross-sections.

APPENDIX C. Diagnostic information for equations in Table 2, by cross-section^a

	Equation 3		Equation 4	
	Residual mean	RVR ^b	Residual mean	RVR
<i>Original 5</i>				
Belgium	0.174	1.276	—	—
Germany	-0.145	1.138	—	—
France	-0.192	1.400	—	—
Italy	0.004	0.621	—	—
Netherlands	0.004	0.566	—	—
<i>New 3</i>				
Denmark	—	—	0.033	0.338
Ireland	—	—	0.031	0.887
United Kingdom	—	—	-1.537	1.775

^aOrdinary least-squares (OLS) diagnostics: The OLS versions of Equations 3 and 4 produced the following diagnostic information. Values of the first-order autocorrelation function (ACF1) that were used as the value of rho in the generalized least-squares (GLS) versions of the equations are indicated by an asterisk (*).

Cross-section	Equation 3		Equation 4	
	ACF1	Residual variance	ACF1	Residual variance
Belgium	0.17	9.088	—	—
Denmark	—	—	0.03	9.756
Germany	0.05	7.926	—	—
France	0.50*	9.174	—	—
Ireland	—	—	0.23	20.667
Italy	0.09	5.389	—	—
Netherlands	0.28	4.435	—	—
United Kingdom	—	—	0.57*	38.088

^bRVR = residual variance ratio, the ratio of actual residual variance for a cross-section to the expected variance. Expected variance is the pooled error variance divided by the number of cross-sections.

International trade and domestic politics: improving on Rogowski's model of political alignments

Paul Midford

The distribution of gains and losses from international trade has obvious political significance. Although much has been written about the politics of endogenous trade impediments, far less work has been done on the impact of exogenous variables. However, Ronald Rogowski recently has developed an important theory that goes a long way toward filling that gap.¹ His book on the subject belongs to the "second image reversed" genre of international relations literature.² There are two causal variables in Rogowski's theory: the distribution of productive factors across nations and variations in trade exposure. Productive factors are resources, such as labor or land, needed to make products. Trade exposure reflects the costs of conducting trade and is determined by several factors: reductions in transportation costs due to technological advance, the security of international thoroughfares, and various sorts of transaction costs linked to the existence or absence of an international hegemon.³ Rogowski's theory is a pioneering attempt to specify the implications of the well-known factor endowments theory (or Heckscher-Ohlin theory) of international trade for domestic politics. Nonetheless, as I will argue in this article, Rogowski's theory is incomplete and requires further development.

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1. Ronald Rogowski, *Commerce and Coalitions: How Trade Affects Domestic Political Alignments* (Princeton, N.J.: Princeton University Press, 1989). For an earlier version of Rogowski's argument, see "Political Cleavages and Changing Exposure to Trade," *American Political Science Review* 81 (December 1987), pp. 1121-1137.

2. Peter Gourevitch coined the term "second image reversed" in "The Second Image Reversed," *International Organization* 32 (Autumn 1978), pp. 881-912. Kenneth Waltz conceived the original "second image" metaphor in *Man, the State, and War* (New York: Columbia University Press, 1959). Briefly, the expression refers to the impact of international-level independent variables upon domestic political processes.

3. Rogowski, *Commerce and Coalitions*, p. 4.