

Reply to Referee 1

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We wish to thank the referee for his/her detailed and useful comments. The referee raises three main remarks. The first concerns the relationship with the literature on people support to European integration from political science. The second regards data and their interpretation. The third relates to our political implications.

In the first place, it is perhaps worth recalling that our aim is to bring some political science literature to the attention of economists, since the latter have the tendency to believe that enlightened ideas and policies will find their way if only politicians overcome their appetite for power. On the other hand, probing into the political science literature is beyond the limits of our paper. True, the political science literature is more advanced and deep, but also more nuanced and controversial, than we have reported. In this perspective, we think we have displayed, to the benefit of economists, some evidence and arguments leading to the conclusion that "the political stalemate facing the choice between 'more *vs.* less Europe' is now rooted in the citizens' will, so that it can hardly be resolved by pressure 'from below' in a predictable future" (p. 20). If politicians and the *élites* have their own share of fault, it is because they are unable to convince citizens, i.e. they are followers rather than leaders. However, convincing citizens is not just an exercise in rhetoric: problem-solving policies are urgently needed. In this perspective, we agree with the strand of scholars who maintain that the present EU framework of policy-making is part of the problem, not of the solution.

In this regard, the referee criticises our reconstruction of the debate underlying the Five Presidents Report. If we understand correctly, he/she argues that the debate is not one between more *vs.* less Europe, but about which kind of integration. Actually, we basically (if not entirely) agree. Our point is that the Five Presidents Report marks a shift of approach from the national responsibility doctrine to the limits and faults of the EU institutions *in the analysis of the causes and remedies of the crisis*. It is true than now (almost) all pro-EU forces agree on this, but it was not so only a few years ago. Then it is also true that pro-EU forces disagree on which kind of EU institutional reforms are needed. The "German front" wishes more common (Ordo-liberal) "fiscal police" on national governments, the "Southern front" wishes more common (Keynesian) fiscal policy. Indeed, this is the critical divide that we find in our analysis of citizens' attitude behind the EU stalemate on the way towards more integration (see also below). Do we misrepresent the "German" position as preference for the *status quo* rather than a different view of EU more integration? Let us put the question this way: Is that position a genuine change of approach with respect to the national responsibility doctrine and the mistakes of the past –

indeed, is there a recognition that mistakes have been made in the management of the crisis? Actually, major steps have already been made in the direction of the "German kind" of further integration by means of the massive 2010-12 emergency reforms of the regulatory framework of the Euro Zone, hence preference for the *status quo* may be an appropriate definition.

About data, thanks for signalling inaccuracies about the timing of Euro Zone membership of the Baltic countries. We will correct the mistakes. More in general, "evidence" in this field of studies dealing with opinions is a challenging goal. The referee raises issues that are worth considering. We hasten to acknowledge that we have not the ambition or the means to say the final word about the attitude of citizens towards "more *vs.* less Europe". The question is multifaceted and can elicit different answers from different angles. An obvious counter-question would be: which Europe, or which dimension of Europe? Hence we agree with the referee that support for more Europe is not an "either-or" question. Yet the paucity of in-depth data, and the controversies in the specialised literature, suggest that the issue remains unsettled. Overall we think that the paper *offers a collection of different clues* regarding at least the economic dimension behind the citizens' attitude towards "more *vs.* less Europe".

With regard to our four quadrant mapping of responses to the question whether the EU or the Home country is on the right/wrong track, the referee argues that it adds complication with no additional insight. We disagree, precisely because, as we write on p. 3, the tension between 'more *vs.* less Europe' is not an absolute one but is conditional upon other factors, among which, we think, the alternative of "more *vs.* less my own country" is prominent (see also Rose and Borz 2016).

We also provide some correlation analyses between country locations in the four quadrants, other Eurobarometer data and our index of economic pain. The referee's suggestion to examine the correlation between economic pain and "more decisions should be taken at the EU level" is valuable, and it can easily be added. Correlation analyses raise the issue of statistical significance. In this regard we wish to point out (see e.g. fn. 13) that our analyses concern the frequency of specified occurrences (or "sign correlation") in the data, rather than their quantitative relationship. To make an example, suppose you are interested to know the frequency of "*X and Y positive*". You may find 100% frequency though the quantitative correlation between *X* and *Y* is statistically poor or nil (imagine that all observations of *X* and *Y* lie in the positive Cartesian quadrant, though with a flat interpolation line). In some cases, the qualitative correlations are strong enough to allow for inferences (see e.g. Figure 2b which shows that in 75% of countries prevalent agreement with more integration is associated with prevalent negative judgement for the home country and vice versa).

An important part of our analysis consists of cross checking the Eurobarometer data with the results of the 2014 EU elections. This also explains why we have limited ourselves to the Eurobarometer waves around the electoral period. We disagree with the referee's argument that electoral results have nothing to say. As written on p. 2, we are aware of the political literature questioning that the EU elections are clearly motivated by, or have any direct impact on, actual choices over European issues or on the policy-making process of European institutions. Nonetheless, the EU parliament remains the sole formal representative political arena in the EU, and according to some observers the 2014 elections have seen a surge in the "politicisation" of EU issues at the national level, including the issue of further integration as well as of *which* integration (Hobolt 2015, and other authors we quote in sec. 3). Last but not least, the EU Parliament elected in 2014 has for the first time also elected the President of the Commission, and subsequent events (also subsequent to our paper) witness that the transmission (pressure) between national and EU polity is now tighter (see also below, last paragraph).

Electoral votes present their own interpretative difficulties, but they may be regarded as more faithful indicators of attitudes than answers to questionnaires. Therefore, the extent of overlap that we find between electoral votes and our four quadrants of EU *vs.* Home attitudes is an important element in our assessment. The referee is probably right that "remarkable" is not the best word to qualify our assessment of the overlap between the electoral results of the four quadrants. Actually, we mean that the overlap is broadly consistent with what one would expect comparing the countries location in the four quadrants and the electoral platforms that we sketch out in sec. 3 (a more detailed overview of the platforms can be found in the original LSE working paper).

As said above, we consider the 2014 Eurobarometer data and electoral results a single integrated "snapshot" of citizens' attitude. Updating our data with later Eurobarometer surveys may be a double-edge knife. As noted by other reviewers, the whole framework of support to further integration, and its economic drivers, may have become obsolete by the time we wrote the paper owing to the dramatic insurgence in the last two years of other major social concerns like security and immigration. Indeed we have written that "maybe that as the crisis is perceived to subside, as our STI suggests, the citizens' attitude will change. However, enough evidence is not yet available, while the dramatic security immigration crisis may replace the economic crisis as the most salient issue in shaping the public opinion" (p. 20). We believe that our works retains some value because the less remote steps towards "more Europe" envisaged by the Five Presidents Report are economic in nature. Yet the very fact that the more recent crises may have made the economic dimension of citizens' attitude less salient

renders subsequent Eurobarometer surveys even less reliable for our purposes.

Eventually, we have sought to disentangle the ambiguities inherent in the available data, and we have attempted an answer with polity/policy implications, which partly take into account some concerns expressed by the referee, in particular the (non)separability between more integration and kind of integration. Admitted that such "inferences" are to some extent conjectural, reading the referee report we understand that our conclusions should be expressed more clearly. To summarise (see pp. 18-19):

1) The EU-R/H-R countries (both the EU and the home country are on the right track) are more likely supportive of the *status quo*, granted by the CR/R aggregation balancing between traditional pro-Europe parties (such as the EPP) and the pressure on their constituency against "more Europe" from the right-wing fringes.

2) People in the EU-W/H-W countries (both the EU and the home country are on the wrong track) may be ready to support major changes, but it is not clear *which* changes. Our conclusion is that this area can support further political integration *as a means to obtain a change in European policy-making as well as of actual economic policies*. The majority of seats awarded to the CL/L parties may reflect this attitude, once considering that here the left-wing of Europe contestants is not openly against "more Europe" but mostly for a radical "change of Europe".

3) A less controversial pro-integration interpretation seems more appropriate for the EU-R/H-W countries (the EU on the right, the home country on the wrong, track) where Europe 'as-it-is' may indeed be seen as a positive driver of the country's change.

Let us add one final consideration regarding the recent tensions emerged in the EU. With benefit of further investigation, we guess that our four quadrant cleavage would still retain some informational value, though with some reshuffling of countries. Brexit is consistent with the location of UK in the EU-W/H-R quadrant (with Austria on the brink of electing an anti-EU president). The bulk of reshuffling would probably concern the EU-R/H-W East European countries, which now seem strongly averse to "more Europe" on the grounds of security and immigration policies. However most of these countries do not belong to the Euro Zone, and the Euro Zone is the natural candidate to accelerate towards further integration, at least on the economic ground, especially after Brexit. Furthermore, the Euro Zone countries across the EU-R/H-R and EU-W/H-W quadrants seem less divergent towards "more Europe" for security and immigration policies, unless major political upheavals occur in France, Germany and Italy. Hence our conclusion may still hold that the ultimate key to overcome the EU stalemate lies in these countries, and their (governments' and peoples') willingness and ability to find a progressive compromise between the preference for *status quo* and the request of major changes in the *economic governance and policy-making* of

the Euro Zone. We dare say that the major areas of tension in the Euro Zone emerged since the 2014 elections – "flexibility" *vs.* "austerity", the Juncker investment plan, the correction of macroeconomic imbalances, the completion of the Banking Union – broadly confirm our conclusions.

The considerations and clarifications that we have put forward here, if acceptable, can be integrated in a revision of the paper.