European Identity in Times of Crisis

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1. Introduction

The current economic crisis has been the most dominant factor in European politics over the last years. The events of the crisis have shaped policies as well as politics all across the EU member states. No week went by without bad news about the development of the Euro or the European economy in general. While welfare states were cut down in order to reduce government spending, unemployment rates increased significantly, which left millions in a precarious financial situation. As a result, governments - for example in Ireland or Greece - were voted out of office. However, since most of the austerity measures where imposed by the EU and the “Troika”\(^1\), elections rarely brought about any major policy change. Eventually, the crisis resulted in a massive drop in support for the political system both on the national and the European level (Braun and Tausendpfund 2014, Armingeon and Ceka 2013, Armington and Guthmann 2013).

As for the European level, economic considerations have for a long time been a major source of support for the EU and the process of European integration (Eichenberg and Dalton 1993, Gabel 1998a). Moreover, continuously positive evaluations of the (economic) benefits of European integration did help to establish generalized support for the European Union such as a certain kind of identification with the EU and the European community. Especially in times of crisis and specific dissatisfaction with the political system and its elites, diffuse support creates a “buffer” against such discontent and thereby helps to stabilize the system. In that line, European identity has been identified as another core explanatory factors for support of the European Union (Carey 2002, Citrin and Sides 2004, Weßels 2007, Fuchs 2011).

However, the economic crisis can be seen as a test for the depth and the strength of European identity. Ultimately, the economic crisis has put an end to the general belief that European integration could be a one-way street in the direction of common economic growth and welfare for all who are part of the European family. Much to the contrary, it was at least partially attributed to structural flaws in the monetary union and the institutional setup of the EU. Therefore - from David Easton’s (1965, 1975) perspective - the Euro crisis can be understood as a temporary output crisis where the former positive outcomes cannot be provided for a big part of the European population any longer. This “output failure” yields potentially negative effects on political support. And since the European Union has traditionally legitimated itself through positive political and economic outputs (Schärf 1999), the Euro crisis poses a true danger for the diffuse support and thus for the legitimacy, the stability and finally the existence of the European Union.

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\(^1\) Members and representatives of the EU Commission, European Central Bank and the International Monetary Fund.
Therefore, in this paper, we aim at showing (1) how the crisis has affected citizen’s attachment to the European Union and if there are differences between member states that are differently affected by the crisis. We expect that identification with European did decrease during the crisis, however, most noticeable in crisis states such as Portugal, Italy, Ireland, Greece, Spain, and Cyprus. Moreover, we turn to the individual level in order to show (2) if the determinants of European identity have changed with the crisis and if utilitarian factors gained in significance compared to institutional factors. We expect that - since politics in Europe and the EU were almost exclusively limited to economic topics and since the EU was seen as part of the problem – utilitarian factors should play a bigger role after than before the crisis in explaining European identity. In a third step, we try to look at the structure of the explanatory factors and aim at showing (3) how utilitarian and institutional factors relate to each other.

Before we empirically test our hypotheses, a theoretical framework is presented drawing on David Easton’s theory of the political system (Easton 1965, 1979) and Social Identity Theory (Tajfel 1982, Tajfel and Turner 1986). The empirical analysis is carried out in three steps – accordingly to the research questions: We begin with a descriptive analysis in order to show the effects of the crisis and differences between member-states on an aggregate level. Secondly, a multivariate regression analysis is conducted aiming to analyze the determinants of European identity before and after the crisis. In a third step, the structure between the determinants is analyzed using structural equation modelling.

2. Theoretical Framework

2.1 The effects of the Euro crisis on attitudes towards Europe

Several studies have already attempted to analyze how the economic crisis in Europe has affected citizens’ political attitudes, especially those towards European integration. In one of the first empirical analyses, Serricchio et al. (2013) show that Euroscepticism – understood as “a subset of negative attitudes towards the EU and/or the European integration process” (Serricchio et al. 2013: 52) – has increased during the crisis, especially in countries most hard-hit by the sovereign debt crisis. Moreover, they ask whether the determinants of EU support have changed with the crisis and conclude that there is no comeback of economic explanatory factors. Instead, national identity and institutional trust remain the most important predictors of positive attitudes towards the European Union. However, they do not model any distinct impact of the crisis as such and their analysis is limited to survey data from 2007 and 2010, before the real Euro crisis had its breakthrough. In contrast, Braun and Tausendpfund (2014) insist on the necessity to distinguish between the global financial crisis (2007-2010) and the specific Euro crisis (2010-2013), because
citizens in the EU have been affected differently in those two time periods. In their empirical analysis, they show that the Euro crisis has affected support for the EU much stronger than the global crisis. In addition, they find that individual’s economic perceptions and evaluations of the crisis are significant predictors of EU support. Unfortunately, their operationalization of support is rather weak and they only do a single cross-section analysis, but do not engage in a comparison with pre-crisis determinants to answer the question if the crisis has brought “economic explanations back in” (Braun and Tausendpfund 2014: 233), as they initially claim to find out.

Whereas Roth et al. (2014) find significant crisis effects by analyzing the relationship between unemployment and citizen trust in the European Central Bank, Zalc (2013) neglects that the economic crisis is a direct explanatory factor for the rising Euroscepticism in the EU. In his view, it is rather the poor crisis management of the EU which is responsible for negative feelings towards the Union, especially in the Southern member states. Moreover, he detects a rather indirect relationships between economic conditions and EU support. He firstly argues that the crisis has negatively affected the general openness to outsiders and consequently, the support of European integration. Secondly, he shows that the crisis has particularly shattered trust in national governments which citizens hold responsible for the crisis. However, both Roth and Zalc’s analyses rest on the aggregate level and therefore do not truly capture individual level effects. Armingeon and Ceka (2013) argue similarly to Zalc. However, they add individual level evidence to his reasoning. They find that the most significant determinant of support for the EU remains the level of trust in national governments and therefore conclude that the evaluations of national politics still play a big role as heuristics when forming attitudes towards the remote political system of the EU.

To summarize the status quo of the empirical literature on the impact of the Euro crisis on attitudes towards European integration, it can be stated that several authors have recently engaged in this task. Except for Roth et al. (2014), most of them try to analyze support for the European Union as dependent variable. Even though they all use Eurobarometer survey data, chose different operationalizations for measuring support are chosen. Serrichio et al. (2013) asked why citizens think that their countries’ EU membership is a good thing, Braun and Tausendpfund (2014) looked at the image of the EU, Armingeon and Ceka (2013) analyzed trust in the EU, and Zalc (2013) additionally analyses optimism about the future of the EU. Yet, there has not been a single piece of empirical research about citizens’ European identity which can be regarded as the most general and diffuse form of political support.

Generally speaking, it has become clear that there has been a wide-spread rise of Euroscepticism triggered by the economic and sovereign debt crisis in Europe. But yet, there exists disagreement about the links between those social and economic conditions and the change of attitudes. While...
some authors reason about direct effects of macro-economic factors (Roth et al. 2014) or individual economic perceptions (Braun and Tausendpfund 2014, Serricchio et al. 2013), others explicitly formulate indirect relationships between the Euro crisis and declining support for the EU (Armingeon and Ceka 2013, Zalc 2013). The next chapters will therefore further investigate the linkage between the economic situation in Europe and the European identity of EU citizens.

2.2 Conceptualization of European identity

Before the effects of the economic crisis on European identity can be analyzed, some clarifications on the conceptualization of European identity need to be made. From a social-psychological perspective European identity can be seen as collective identity. As to Bruter (2004: 23-24) collective identities are analyzed on an individual level and are treated as individual characteristics. Hence, they are basically a psychological conception and can be measured at an individual level. From this perspective, collective identities such as European identity are defined as an individual’s knowledge about the belonging to social groups (cognitive dimension) and the evaluation and emotional significance which is assigned to these belongings (affective and evaluative dimensions) (Westle 2003: 119, see also Fuchs, Guinaudeau and Schubert 2009: 96). The concept of collective identities at an individual level is most famously studied in Social Identity theory (SIT) (Tajfel 1982, Tajfel and Turner 1986). According to SIT, individuals identify themselves with a certain group if the psychological membership in that group contributes positively to the individual self-concept. Otherwise individuals would either try to find new dimension for positive differentiation from out-groups or just “leave” the group and “de-identify” themselves (strategy of social mobility) (Tajfel and Turner 1986). Positive differentiation is achieved by comparisons with others on dimensions which are important to the self-understanding of a certain group, individuals strive to detect similarities between the members of the collective and differences to people that are not part of the collective which are beneficial to one’s self-concept. This homogenization of the ingroup is in line with Anderson’s famous definition of the nation as “imagined community” (Anderson 1992). In this sense, individual characteristics are depersonalized and transferred to the group level which then suggests a feeling of in-group homogeneity.

2.3 How the crisis might affect European identity

It seems useful to look at Easton’s concept of the political system (Easton 1965, 1979) in order to understand how identity might be connected to perceptions about political outputs. As to Easton, identification with the community is one type of orientation towards the political system.

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2 Bruter differentiates between a “bottom-up” perspective and a “top-down” perspective. As to the latter approach identities are analyzed from an “objective” perspective with a focus on normative arguments and the “nature” of collective identities (Bruter 2004: 23).
More specifically he differentiates between orientations towards three political objects (namely “authorities”, “regime” and “community”) and two modes of orientations (specific and diffuse), which are conceptualized hierarchically. Specific support is based on short-term calculations about perceived rewards of current outputs. Diffuse support is free of such calculations. Diffuse support at the community level is further described by Easton as “sense of community” or “we-feeling” directly making the connection to collective identities (Easton 1965: 185).

Table 1: Orientations towards political objects

<table>
<thead>
<tr>
<th>Modes of orientation</th>
<th>Authorities</th>
<th>Political object</th>
<th>Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Diffuse</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

*Source:* Weßels (2007: 289)

The theory further suggests that positive experience on a more concrete level can “spill over” on more abstract levels. Hence, positive experiences with the current authorities of a political system lead to specific support of these authorities and can – over some time – generate diffuse support for the authorities and later for the regime itself (Weßels 2007: 289, Easton 1975: 446). As to Easton (1979: 273) diffuse support „forms a reservoir of favorable attitudes or good will that helps members to accept or tolerate outputs to which they are opposed or which they see as damaging to their wants“: Hence, even in times of crisis or lack of specific support, diffuse support serves as a basis for the stability of the systems and secures its ongoing support by the citizens. On the other hand, if positive evaluations experiences and evaluation can “spill over” and lead to diffuse support such as identification with the political community, negative experience and evaluations should do the same and translate into less diffuse support. In that line, Weßels (2007: 290) argues that specific discontent with authorities or political outcomes should cumulate and translate into more generalized discontent towards the regime and the withdrawal of identification with the political community in question.

In terms of the effects of the economic crisis in Europe on European identity, we expect that European identity did decrease during the economic crisis. The reason is that the constant dissatisfaction with the political and economic outputs during the crisis (“specific discontents”) has ultimately led to a decline in diffuse support for the EU (“diffuse discontent”). Moreover we expect that the decrease in European identify should be most noticeable in those states that are most affected by the crisis. Lastly, this drop of diffuse support should have occurred mainly during the Euro crisis (2010-2013), not so much during the global financial and economic crisis (2007-2010), because only then the specific discontents have reached a level where diffuse sup-
port could possibly be affected (Braun and Tausendpfund 2014). Therefore our first hypothesis reads as follows:

**H1:** European identity has decreased during the economic crisis in Europe (2010-2013), especially in those member-states which were most hard-hit by the crisis.

Secondly, we expect that negative economic expectations and perceptions about the European and national economy (specific discontent) as well as lack of trust in political institutions and a negative evaluations of the functioning of democracy (diffuse discontent with the authorities/regime) should have a negative impact on European identity. If people show discontent with specific outcomes such as the status of economy and show dissatisfaction with the institutional performance of the EU, such discontent should “spill over” and lead to less diffuse support which is to say less identification with Europe. However, we separate between those two sets of explanatory factors, because they involve slightly different linkages between the economic crisis and the decline of European identity.

The utilitarian explanatory model suggests that the economic crisis in Europe has changed the personal cost-benefit calculus for many citizens who therefore adapt their political attitudes accordingly in an instrumental and utility maximizing way. Economic Voting literature, for example, bases on the observation that people attribute economic conditions to the performance of the government. Bad economic situations lead to a declining political support, especially if the responsibility is attributed to the European level (Eichenberg and Dalton 1993, Eichenberg and Dalton 2007). This phenomenon called reverse economic voting has been measured already in the 1970s and 80s. Policy Appraisal literature, on the other hand, suggests that support varies as a function of expected utility of market liberalization and political integration (Gabel 1998b). This could mean, for example, that people who have become unemployed during the crisis change their attitude towards European integration in a negative way, because they are disappointed by the EU market liberalization and would prefer a return to a more autarkic and protectionist national labor market. In sum, economic explanatory factors should have gotten more important during the crisis, because the economy as such was highly salient in this time periods and because people face severe economic conditions which are most important to them. Since rational citizens connect these conditions directly with the EU, they consequently refuse to grant any further diffuse support to the political system of the EU.

**H2:** Economic perceptions have gained in significance in explaining European identity during the economic crisis.

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3 See for an overview: Pappi and Shapiro 2007.
The second explanatory model can be called the institutional model. It suggests that institutional factors have gotten more important in explaining European identity, because the crisis has shown the institutional weaknesses of Europe. The economic conditions themselves are not the reason for the decline in diffuse support, but it is the dissatisfaction with the institutional structure and the way democracy works in Europe. This institutional discontent should affect not only European, but also national institutions, because they have stopped to function properly during the crisis, especially in states which very most affected (Armingeon and Guthmann 2013). The effect on European identity also results, because it is mostly national politicians which represent the EU in national politics and individuals use their evaluations of national politics as heuristics for the European level (Armingeon and Ceka 2013, Hooghe and Marks 2005, Anderson 1998).

**H3:** The satisfaction with the institutional performance of the EU has gained in significance in explaining European identity during the economic crisis.

In a last step, we engage in an even further proposition of relating the economic conditions during the crisis to attitudes towards the European Union and aim at investigating the so called “cumulation hypothesis”, according to which discontent does only “spill over” to the next level of abstraction. We propose that economic perceptions have a negative influence on institutional evaluations as a first step. Consequently, negative institutional evaluations then exert a negative impact on European identification in a second step (see also Westle 2012: 29). Our fourth hypothesis therefore postulates that economic perceptions do not exert a strong direct influence on an individual’s European identity, but have a rather indirect impact through institutional factors.

**H4:** Discontent with the economic situation does not have a direct effect on European identity but does have an influence on discontent with the institutions and the regime. European identity is, however, affected by institutional discontent.

### 3. Empirical analysis

#### 3.1 Descriptive aggregate level analysis

First, it seems useful to describe how European identity has reacted to the economic developments in recent years. In 2007, 2010 and 2013, the European Commission has conducted surveys in which they ask how attached people feel to the European Union (see figure 1). Whereas in 2007, almost 55% of the EU citizens felt “very attached” or “fairly attached” to the EU, this number drops to 46.79% within six years. The change occurred most notably between 2010 and 2013, when the global financial crisis turned into an economic and sovereign debt crisis in the
Eurozone. The crisis has obviously led to a situation where there are more people who feel detached than people who feel attached to the European Union.

**Figure 1:** Attachment to the EU during the crisis

If we want to know whether this obvious decline of European identity took effect in all EU member states in the same way or if there are country differences, it seems useful to distinguish between those member states that were most heavily affected by the crisis and the rest. For this reason, we can identify six countries which suffered extraordinarily from the crisis: These are Portugal, Ireland, Italy, Greece, Spain (the so-called PIIGS countries), and Cyprus. Citizens in these countries have faced severe economic and social disturbances that obviously have somehow led to a decline in their attachment to the EU, namely from 52.2% in 2007 to 38.6% in 2013 (see figure 3). Interestingly, their pre-crisis identification with Europe was much higher than the average of citizens from the old EU member states whose citizens’ attachment to the EU remained almost unaffected. During the period of the actual Euro crisis (2010-2013), citizens from Western Europe have in average even become slightly more attached to Europe (+0.25 percentage points) while attachment in the crisis states dropped by more than 14 percentage points.

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4 Even though the term can be regarded somewhat derogatory, it has become common to describe the countries with the biggest economic pressures during the crisis. The term actually dates back from the 1990’s when it was used to describe the EU’s weakest economies (Portugal, Italy, Greece, and Spain). Ireland was included 2007, when it was the first Eurozone country to enter recession. Cyprus is also commonly included, because it is the only other Eurozone country that was rescued by a Eurozone bailout fund (ESM).
The conclusion from these findings must obviously be that the Euro crisis has triggered a significant detachment from Europe in the most affected EU member states. But which features of the crisis are actually responsible for this development? Is it the heavy drop of economic wealth and the increasing unemployment? Or maybe rather the political pressure from European partners to impose austerity measures?

Since we have seen that the total level of European identity has decreased, we apply a dynamic perspective in this analysis: We plot and regress the aggregate differences in attachment to the EU on the change of various economic indicators in the 27 EU member states during the same time period.\(^5\) The macro-economic data under observation here are the change of the absolute GDP at market prices, the change of the unemployment rate and the change of long-term interest rates on government debt securities. All three are indicators which measure the severity of the crisis in a country. By looking on the results in Figure 3 and Table 2, we can make further interesting observations that confirm and specify our findings from above.

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\(^5\) A more detailed overview over these data is given in the annex (see table 5).
Figure 3: Relationships between country-level changes in European identity and the change of macro-economic indicators during the same time period.

European identity vs. GDP

European identity vs. unemployment rate

European identity vs. interest rates

2007 - 2010

2010 - 2013
### Table 2: Macro-economic determinants of country-level changes in European identity

<table>
<thead>
<tr>
<th></th>
<th>M1</th>
<th>M2</th>
<th>M3</th>
<th>M4</th>
<th>M5</th>
<th>M6</th>
<th>M7</th>
<th>M8</th>
</tr>
</thead>
<tbody>
<tr>
<td>- (\Delta) GDP</td>
<td>-0.269</td>
<td>-0.328</td>
<td>-0.604***</td>
<td>-0.256</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(\Delta) Unemployment rate</td>
<td>-0.076</td>
<td>0.128</td>
<td>-0.604***</td>
<td>-0.269</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(\Delta) Interest rate</td>
<td>-0.048</td>
<td>-0.042</td>
<td>-0.495**</td>
<td>-0.077</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>-1.998</td>
<td>-1.067</td>
<td>-1.513</td>
<td>-2.880</td>
<td>-7.685***</td>
<td>-2.887**</td>
<td>-6.696***</td>
<td>-5.631*</td>
</tr>
<tr>
<td>R²</td>
<td>0.07</td>
<td>0.01</td>
<td>0.00</td>
<td>0.08</td>
<td>0.36</td>
<td>0.36</td>
<td>0.24</td>
<td>0.33</td>
</tr>
<tr>
<td>N</td>
<td>27</td>
<td>27</td>
<td>27</td>
<td>27</td>
<td>27</td>
<td>27</td>
<td>26</td>
<td>26</td>
</tr>
</tbody>
</table>

Note: Standardized regression coefficients are reported. Standard errors in parentheses. * < 0.1; ** < 0.05; ***< 0.01.

First and foremost, it becomes evident that the changes in economic factors are good and strong determinants for the change of European identity on the aggregate country level only for the period from 2010 to 2013. The changes in European identity from 2007 to 2010, in contrast, cannot be explained by macroeconomic changes. This finding is proven by the weak and insignificant coefficients in the models M1-M4 as well as by the low R² value. As stated above, the picture looks differently for the time period of the Euro crisis (M5-M8). Here, the coefficients are strong, significant, and explain around one-third of the variance of the dependent variable. Another finding, however, is that the inclusion of all three indicators does not lead to a higher explanatory power (M4, M8). This is, because the indicators are strongly correlated with each other.\(^6\) Having seen that the influence of the Euro crisis on European identity is evident when analyzing aggregate data (H1), we now turn to the analysis of individual level data to confirm our findings and to test our hypotheses H2-H4.

### 3.2 Individual level analysis

#### 3.2.1 Method, data and operationalization

In order to test the theoretically derived hypotheses, the empirical individual level analysis is conducted in two steps. First, we run several multivariate logistic regressions to compare the determinants of European identity from before the crisis (2007) to the current situation (2013). Second, two structural equation models will be constructed for the same points of time. The individual level data that will be used for both steps are extracted from two Eurobarometer surveys (EB 68.1, EB 80.1). The variables under consideration are operationalized in the exact same way, in order to ensure comparability between the two points of time.

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\(^6\) The values are around 0.8 (see table 6 and 7 in the annex).
The dependent variable for the analyses is whether citizens possess a European identity or not, which is measured by the individual’s attachment to the EU. In the EB surveys, this item is put as follows: “Please tell me how attached you feel to the European Union”. To measure if respondents identify themselves with the EU, we combine the two response options “very attached” and “fairly attached”. Individuals who answered “not very attached” or “not at all attached” therefore are supposed to possess no European identity. “Don’t know” responses are left out of the analyses. The dichotomization of the dependent variable thus demands a logistic regression model, as mentioned above.

As outlined above, the independent variables can be separated into utilitarian explanatory factors and institutional explanatory factors (see also Isernia et al. 2012). The utilitarian model is operationalized using three individual economic perceptions and one objective macro-economic indicator. For the evaluation of their personal economic situation, respondents were asked: “What are your expectations for the next twelve months: will the next twelve months be better, worse or the same, when it comes to your personal job situation?” For the perception of their country’s and the European economy, respondents were asked to “judge the current situation in” the national and the European economy on a four point scale with the response options “very good”, “rather good”, “rather bad”, and “very bad”. These items can be treated as measures for specific discontent with the economy. The current state of the national economy is lastly also operationalized through the respective country’s unemployment rate in the year of the survey.

The institutional explanatory model also includes four independent variables. Institutional trust on the national and European level is measured by two sum indices. Trust in national institutions consists of the trust in the national parliament and the national government, whereas trust in European institutions includes trust in the European parliament and the European commission. Respondents were asked if they “tend to trust” or “tend not to trust” all of the four institutions. The simple addition of the two trust items for each level – national and European – creates the two trust indices. The evaluation of the institutional performance is operationalized by the respondents’ satisfaction “with the way democracy works” in their country and the European Union.

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7 We acknowledge that “attachment” might not be the exact same thing as “identity”, as Bruter (2008) points out. However, apart from the fact that this operationalization is commonly used by empirical analyses on European identity (Westle 2012), we believe that both sentiments are conceptually close to each other.

8 In the EB 68.1 (2007) the item is introduced by the phrase: „People may feel different levels of attachment to their village, town or city, to their country or to the European Union.”

9 The concept of European identity as diffuse support for the EU would also allow measuring the individual’s attachment on a scale. However, we do not assume the four-point scale of the Eurobarometer to have equally distant steps, but rather claim that there is a considerably bigger gap between feeling attached and not attached to the EU.

10 The correlation between the trust items are sufficiently high to allow for the construction of those indices. For national institutions the correlation is 0.72 (2007) and 0.73 (2013), for European institutions it is even higher (0.83 in 2007 and 2013).
ion. The response options were “very satisfied”, “fairly satisfied”, “not very satisfied”, and “not at all satisfied”. These items serve as measures for diffuse distrust in the regime and dissatisfaction with the regime on both levels (Weßels 2007, Westle 2012).

Since we are only interested in the changes between the determinants of 2007 to those of 2013, we are not controlling for the respondent’s socio-economic characteristics, but rather assume their effects to be constant over this short-period of time.

3.2.2 Multivariate binary logistic regressions

The results of the regression analysis are reported in Table 3. Before comparing the single determinants for 2007 and 2013, some general patterns should be mentioned. The utilitarian variables cannot predict the dependent variable very well, as shown by the low pseudo R² values in the utilitarian models. Also, the pseudo R² values of the total models are not much higher than the ones of the institutional models, which supports this conclusion. The coefficients themselves partly lose their initial significance when the institutional factors are included. This interesting observation might be a sign for the intervening effect of institutional factors which possibly mediate the relationship between economic perception and European identity. The only utilitarian predictor which is constantly significant over both points of time is the expected personal job situation.

In contrast, three of the four institutional variables show constantly significant effects, two of them are even considerably stronger predictors than all other variables: Trust in European institutions and satisfaction with the way democracy works in the EU. This confirms the assumption that citizens base their attachment to the European Union on their evaluation of the EU’s institutional performance. The higher pseudo R² values for the two institutional models confirm this conclusion.

When comparing the pre-crisis determinants with the current ones, it becomes evident that most of the predictors stay on a similar level. But there is one coefficient that becomes highly significant in 2013, after being insignificant in 2007: The individual’s perceived situation of the European economy. This change is intuitive considering the high salience of the Euro crisis among the EU population. It is, however, not easily possible to determine if the difference between the two coefficients for this variable is significant, because due to the nature of logistic regressions, it is impossible to naively compare coefficients between logistic models estimated for different groups.
or points of time. Nevertheless, a substantive change in this specific effect should be acknowledged, which becomes at least evident by the change of its statistical significance.

**Table 3: Binary logistic regression results**

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td></td>
<td>Utilitarian</td>
<td>Institutional</td>
</tr>
<tr>
<td>Expected personal job situation</td>
<td>1,316*** (0,059)</td>
<td>1,112*** (0,055)</td>
</tr>
<tr>
<td>Perception of national economy</td>
<td>1,214** (0,096)</td>
<td>1,132                  (0,096)</td>
</tr>
<tr>
<td>Perception of European economy</td>
<td>1,462*** (0,082)</td>
<td>0,959                   (0,050)</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>1,110** (0,056)</td>
<td>1,094*                  (0,053)</td>
</tr>
<tr>
<td>Trust in national institutions</td>
<td>1,133** (0,055)</td>
<td>1,126**                 (0,053)</td>
</tr>
<tr>
<td>Trust in EU institutions</td>
<td>1,881*** (0,063)</td>
<td>1,870***                 (0,053)</td>
</tr>
<tr>
<td>Satisfaction with national democracy</td>
<td>1,033 (0,057)</td>
<td>1,032                  (0,067)</td>
</tr>
<tr>
<td>Satisfaction with EU democracy</td>
<td>2,024*** (0,149)</td>
<td>2,043***                 (0,145)</td>
</tr>
<tr>
<td>Constant</td>
<td>0,058*** (0,025)</td>
<td>0,025***                 (0,005)</td>
</tr>
</tbody>
</table>

Log Likelihood           | -13.489                     | -10.289                    | -8.781         |
| Pseudo R²                | 0,027                       | 0,135                      | 0,042          |
| N                        | 20.025                      | 17.153                     | 14.732         |

Note: Odds ratios are reported. Cluster-corrected (robust) standard errors are in parentheses. * < 0.1; ** < 0.05; *** < 0.01.

**3.2.3 Structural equation models**

The aforementioned analysis suggests that utilitarian factors do not play a bigger role in explaining European identity after the economic crisis and that their effect vanishes if institutional evaluations are included into the model This, however, could also be the case because the multivariate analysis did not really match the hierarchical relationship between the different modes and

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11 For more detail on this issue, see Allison (1999), Williams (2009), and Mood (2009).
objects of political orientations. This, however, can be tested using structural equation modelling. As the “cumulation hypothesis” suggests, discontent should “spill over” from one level of abstraction to another, meaning that specific discontent with the economy should lead to distrust with the institutions and dissatisfaction with democracy what would eventually lead to a decrease of European identity. Figure 4 and 5 present the model for 2007 and 2013. In order to simplify the interpretation all independent variables are recoded, so that high values signify discontent or distrust and dissatisfaction respectively. Moreover, for reasons of clarity and parsimony, expectations about the job situation are left out from the analysis.

**Figure 4: Path model of European identity 2007**

As it can be seen in Figure 4, discontent with the national economy and discontent with the European economy both have strong effects on distrust in political institution and dissatisfaction with democracy on the national and European level respectively. However, only evaluations with the EU institutions and democracy seem to affect European identity. The effect of distrust in national institutions on European identity is rather weak and dissatisfaction with national democracy does not have any significant influence. Also, the direct effect from discontent with European economy on European identity is rather weak. This pattern seems to confirm the “cumulation hypothesis”. Specific discontent such as a negative evaluation of the economy does not directly translate into a loss of diffuse support at the community level but leads to less support on the regime level which eventually affects the level of European identity. Moreover it can be seen that European identity is mostly influenced by discontent on the European level.

The same pattern in terms of the “cumulation hypothesis” holds for the 2013 model (Figure 6). Distrust in EU institutions and dissatisfaction with EU democracy are both still significant pre-
dictors of low European identity and even the influence of discontent with the European economy has not changed considerably during the “years of crisis”.

It is, however, the influence of discontent with the national economy which seems to be most affected by the economic crisis. Not only does discontent with the national economy exert a much stronger influence on distrust in national institutions and dissatisfaction with national democracy, meaning that citizens seem to blame the institutions and the political system for the economic problems, but also does discontent with the national economy lead to less trust in the EU institutions and to dissatisfaction with EU democracy.

**Figure 5:** Path model of European identity 2013

![Path model of European identity 2013](image)

*Source:* Own calculation based on Eurobarometer 80.1.
*Note:* n=20889 (listwise deletion) RMSEA (0.016) SRMR (0.007), CFI/TFI (0.999/0.991). R² of “European identity” = 0.207. Significance: all shown coefficients significant < 0.001.

This effect did not occur in the 2007 data, meaning that it can be attributed to the economic crisis. Whereas the evaluation of the EU institutions was unaffected from considerations about the national economy before the crisis, after the crisis this does not seem to be the case anymore and citizens seem to show less trust in the EU if they are specifically discontent with national outcomes such as the situation of the national economy.

### 3.3 Discussion of results

The results show that European identity did indeed decrease during the economic crisis between 2007 and 2013. The decline mainly occurred after 2010, when the global economic crisis translated into the Euro crisis and started to affect member-states of the Eurozone. The descriptive aggregate analysis has shown that European identity did vanish significantly in those states that were most affected by the crisis. This results contradict the positive finding about the development of European identity by Risse (2013), who argues that European identity passed its “endurance test” during the crisis and is able to serves as a basis for “solidarity among strangers” (Risse
Our findings, however, suggest a different conclusion, namely that instead of providing “solidarity among strangers” European identity could not resist the impact of the crisis. Instead it vanished especially in the “crisis states”, possibly because the crisis has been attributed to the EU and to EU enforced austerity policies. In sum the results suggest that, hypothesis 1 can be regarded as confirmed.

Moreover, we tried to figure out if European identity during the Euro crisis has been affected negatively by individual economic discontent (H2) and dissatisfaction with the institutional performance both on the national and the European level (H3). The effects where tested in 2007 before the crisis and in 2013 after the climax of the crisis. The results show that the institutional factors had stronger effects on European identity both before and after the crisis. When added to the models, most of the effect of the economic variables did disappear especially in 2007. In 2013, however, the impact of the evaluations of the economy seems stronger and is still significant after adding the institutional variables. This is especially the case for the evaluation of European economy which is in line with Braun and Tausendpfund’s (2014) findings in terms of support of the EU and partly confirms our hypothesis 2.

Nevertheless, individual perceptions about the economy are not the most important explanatory factors of European identity, neither before nor after the crisis. Before the crisis, it is mostly distrust with the institutions and dissatisfaction with democracy which leads to a lower European identity. However, the institutional evaluations do not seem to get more important during the crisis why we can rather reject our hypothesis H3.

Table 4: Results for Hypothesis 1-4

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<th>Rejected</th>
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<td></td>
</tr>
<tr>
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</tr>
<tr>
<td>H4</td>
<td>✓</td>
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<td></td>
</tr>
</tbody>
</table>

H1: European identity has decreased during the economic crisis, especially in those member-states which were most hard-hit by the crisis. H2: Economic perceptions have gained in significance in explaining European identity during the economic crisis. H3: The satisfaction with the institutional performance of the EU has gained in significance in explaining European identity during the economic crisis. H4: Discontent with the economic situation does not have a direct effect on European identity but does have an influence on discontent with the institutions.

Since the effects of the utilitarian explanatory variables get considerably lower or disappear altogether respectively, when the institutional variables are added to the model, it seems to be possible that they have a rather indirect influence on European identity by effecting trust in political institutions and satisfaction with democracy. This observation can be explained by the so called “cumulation hypothesis” (H4) – as specified by Weßels (2007) – which we have tested using structural equation modeling. The results show that there is almost no direct effect of discontent
with the national or European economy on European identity. However, people who are less satisfied with the economy show less trust in political institutions and are less satisfied with democracy, which – at least in case of distrust in EU institution and dissatisfaction with EU democracy leads to a lower European identity. Therefore, it can be argued, that the effect of economic discontent is rather indirect. Another interesting finding is that – in the 2013 model – people who are discontent with the national economy now also show less trust in the EU institutions. That effect did not occur in the 2007 model. It seems that the economic crisis is indeed at least partly attributed to the EU and its institutions and that the EU did somehow lose its function as “shield against economic turmoil” (Isnernia et al. 2012: 126).

4. Conclusion
How did the crisis affect European identity? The crisis has led to a decrease in European identity. Especially those states that are most affected by the crisis now show considerably lower levels of European identity. The crisis, however, did not only affect the aggregate level of European identity, it also seems to have affected the determinants of European identity. Although utilitarian factors are not the strongest predictors of European identity, they have gained in strength and significance. It seems that the crisis has made such evaluations more salient and more important to citizens in European making them more influential on attitude formation of European citizens. However, as our multivariate analysis suggests, it is distrust in EU institutions and dissatisfaction with EU democracy which has still more explanatory power.

Having said this, it needs to be added that – just in line with Easton’s differentiation between different object of political orientations and modes of support – specific economic discontent such as negative evaluations of the economy might have an indirect negative effect on European identity, since such discontent does translate into diffuse discontent with EU democracy and EU institutions. Moreover, the crisis did connect discontent with the national economy to distrust with EU institutions, indicating that they seem to be rather a part of the problem than a part of the solution in people’s heads.

It becomes evident that more research needs to be done in this field of analysis. The impact of the economic crisis on the European Union might just unfold itself and is likely to get more severe in the years to come, since it needs time for specific discontent to translate into the disappearance of diffuse support such as European identification.
Literature


Mood, Carina (2010). Logistic Regression: Why We Cannot Do What We Think We Can Do, and What We Can Do About It. In: European Sociological Review 26(1), 67–82.


### Annex

**Table 5: Country-level variables for aggregate level analysis**

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22
### Table 6: Correlation of country-level variables 2007-2010

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### Table 7: Correlations of country-level variables 2010-2013

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