

**Consonant Federalism?:
The Role of Federalism on Exclusive Identity and
Euroskepticism**

Jennifer Miller
Department of Political Science
University of Michigan-Ann-Arbor
Prepared for the 2007 EUSA Biennial International Conference
Montreal, Canada

Thanks to Ken Kollman, Jenna Bednar, Rob Franzese, John Jackson, Orit Kedar, Gary Marks, Lars Rensmann, Georgia Kernell, Charles Doriean, Kate Gallagher, Daniel Katz and David Smith for their helpful comments. All errors are my own.

ABSTRACT

This paper examines the effects of subnational identities on Euroskepticism, or opposition to the EU. It posits that citizens in federations are accustomed to balancing a subnational identity and a national identity and will be likely to support EU integration. This hypothesis is tested by gauging individual-level feelings on integration based on residence in a federal, quasi-federal, or unitary state. The results show that while federalism is positively correlated with multiple identities, individuals with a single identity who live in a federation are more Euroskeptic than their counterparts in unitary states. These findings suggest that federalism can either be a response to parochialism or that people in federations may resent the EU for allowing regions with secessionist movements autonomy from the central state.

INTRODUCTION

How viable is the European Union's motto "United in Diversity"? To bring an "ever closer Union," must European citizens discard their attachments to national and subnational levels of governance? Or does the EU reaffirm and empower regional forms of governance, and thus attachments to the regional level, as well as to the EU?

These questions are compelling as European integration no longer relies solely on the dealings of elites operating on the basis of a "permissive consensus" from the public (Newman 2000). Rather, national leaders are increasingly using referenda to decide their countries' positions regarding European treaties. Moreover, it seems that rising levels of "Euroskepticism" – contingent and/or outright opposition to the process of European integration (Taggart 1998) – is fracturing the dominant consensus supporting the European project (Newman 2000).

The puzzle for scholars of European integration is why certain people are Euroskeptic while others support the EU (European Union). Competing theories to explain this divergence in support emphasize two distinct causal variables. First, the cost-benefit approach claims that economic considerations (e.g., Gabel 1998) are the primary determinant for individual level support for the EU. Second, the identity theory posits that whether one possesses a single nation-state based identity, an exclusive identity, or multiple identities (Hooghe and Marks 2005) will determine whether or not individual supports European integration. For example, someone who identified only with his or her nation-state has an "exclusive" identity and would be less likely to support the EU, whereas another person who identified with his or her nation-state as well as Europe would have multiple identities and would be more likely to support the EU. While this

theory may seem tautological, one should be careful not to confound identification with the EU with support for the EU.

Recent empirical work emphasizes that variables measuring identity explain more variation in support or opposition to European integration than economic variables (e.g., McLaren 2002; Carey 2002). This paper amends this identity-based theory to encompass the influence of institutional design. Namely, it probes the “exclusive” identity theory, or “postfunctional theory” of European integration (Marks and Hooghe 2005), to consider the possible effects of federalism on Euroskepticism. It seeks to answer two questions:

1. Do people living in federations have more inclusive or exclusive identities?
2. Does federalism affect Euroskepticism through its relationship to exclusivity of identity? If so, in what way?

Initially, this inclusion of federalism might appear anti-theoretical. Yet, upon closer inspection, the causal mechanisms underpinning Hooghe and Mark’s “postfunctional” theory of European integration, the purpose of governance and the demands of multi-level governance, renders the consideration of federalism sound. To fortify this claim, this paper will briefly delineate this portion of Hooghe and Marks’ theory.

The concept of governance is critical for the Hooghe and Marks theory; they envision governance as serving two purposes. The first rationale is functional—governance is a means for coordinating action to provide public goods—while the second is psychological—governance is an expression of community. Regarding the latter purpose, Hooghe and Marks state:

Citizens care—passionately—about who exercises authority over them. The challenge for a theory of multi-level governance is that the functional need for human cooperation rarely coincides with the territorial scope of community. Communities demand self-rule, and the preference for self-

rule is almost always inconsistent with the functional demand for regional authority (2005a, emphasis mine).

What is critical for the ensuing analysis is this emphasis on an individual's preference for who governs him or her.

I will amend their analysis to consider how federalism influences a) the inclusiveness or exclusiveness of identity and b) explore whether federalism, a contextual feature, explicitly conditions the effect of exclusiveness, an individual feature, on Euroskepticism. The driving logic of this analysis is cultural (Bednar and Page 2006). Specifically, citizens living in a governmental arrangement in which authority is distributed to multiple levels are already accustomed to the demands of multi-level governance. Thus, the addition of a new layer of authority such as the EU might be easier to absorb for those who have experienced life in a federal state.

One reason for this relative alacrity is that the provision and redistribution of public goods is most easily solved or accepted when citizens have a sense of identification with the other recipients of goods. Primarily, issues of allocation are inherent in all federations: how should public goods be allocated in a way that pleases members of all subunits (Bednar 2005)? To ensure a federation's performance, people must not balk at the redistribution of funds to other subunits. Allocation is most easily accomplished when citizens in one subunit have a sense of connection to those in other subunits. In other words, to fulfill the first requirement of governance, the provision of goods and services, people must concur with King Ludwig I's observation: "We want to be Germans and to remain Bavarians."

The previous themes connect with the second purpose of governance: the expression of community. Often, federations are institutional responses to strong feelings

of identification among members of strong subnational territorial groups. Stepan deemed these federations as “holding-together” (1999). In these instances, center units must strive to acquire loyalty and sense of attachments from their citizens. Spain is the apotheosis of this type of federation. Other federations, like Germany, exemplify Stepan’s other characterization of federations as instances of “coming-together.” These subunits are willing to covenant with one another for functional reasons (Elazar 1987).

In turn, the causal mechanism I emphasize in my consideration of federalism, the cognitive capacities and behavioral repertoires of those living within a federation, falls under the rubric of a larger theory that analyzes the relationship between culture and institutions. Undoubtedly, culture influences the performance of institutions and institutions affect the culture in which they are placed¹. If institutions create behavioral regularities and these regularities transmit institutional externalities (Bednar and Page 2005), then members of a community who are already governed at multiple levels and juggling multiple identities will adapt quickly to the demands of another tier of government. That is, feedbacks between institution and culture exist. A country that already exhibits a culture of federalism will adapt quickly to the new institutional arrangement of the EU, which emphasizes regional governance.

These multiple levels of governance can affect conceptions of national identity. For instance, Carey elaborates on one conceptualization of national identity that is based on the attachments of individuals to various territorial entities (2002). Carey defines the highest political unit to which an individual feels an allegiance as the terminal community, an idea originally posited by Karl Deutsch (1966). Based on this idea, Carey claims that “When the concept of terminal community is combined with the idea that it is

the duty of the state to represent its citizens, we can see a link between individuals' perceptions of their terminal community and their opinions about the actions of various government actors" (2002, 392). Yet individuals residing in a federal state are accustomed to being governed by multiple levels of government, not just those actors at the highest or terminal level.

To investigate these claims, I use data from Eurobarometer 54.1. Using an ordered probit, I test whether or not there is a relationship between exclusivity of identity and federalism. The second model will explore whether federalism conditions the effect of exclusiveness of identity on Euroskepticism.

The paper proceeds as follows. In the following section, I present my hypotheses. Section 3 includes a description of the variables in the analysis, specifically my two variables of theoretical interest. Furthermore, I justify my coding of federalism. Specifically, I elaborate on why I emphasize the structural features of a federation and use a system similar to the one by Bednar (2005). Section 4 is devoted to an analysis of the models, while Section 5 entails a discussion of these results and implications for future research.

HYPOTHESES

This logic implies two hypotheses, one regarding the effect of federalism on the exclusivity of identity, and the other on how federalism influences feelings of Euroskepticism.

Hypothesis 1: Federalism and inclusive identities are positively correlated.

There are two possible effects of federalism. The first is that federalism can exert a centrifugal dynamic (Duchacek 1970; Nuñez 2000). Where ties to the center unit are strained, and the sense of community is strong only at the regional level, a person's

identity could be more exclusive. Furthermore, members of subunits without a historically strong regionalist movement may develop nationalist tendencies as a result of federalismⁱⁱ. The second, opposite effect is that federalism creates greater national solidarity. As Duchacek indicates, “emotional identification with the territorial authority has often had an artificial beginning” (1970, 31). Therefore, in situations where subunits “come together” for functional reasons, such as to increase economic efficiency, it is more likely that an individual will have multiple identities. Finally, in order for a federation to be successful, there needs to be identification among individuals to their subunits and the center (Bednar Forthcoming). In this paper I argue that the second effect prevails in Europe.

My second hypothesis relates to how federalism influences feelings of Euroskepticism.

Hypothesis 2: People living in a federation will be less Euroskeptic than people who reside in centralized systems.

Europeanization, and more broadly, globalization, has threatened the traditional modes of governance (Kaldor 1996; Bjarnadottir and Gadzinowski 2004). In response, European Union practices and structures emphasize regional forms of governance. First, the subsidiarity principle established that the regional level is the most appropriate level of European organization. Not only is it closer to citizens, but it is more competent at handling political issues than traditional nation states (Bjarnadottir and Gadzinowski 2004, 2). Second, regional governments receive and apply structural funds that aim to reduce wealth disparities, as well as implement agricultural policies and environmental policies (Hughes, Sasse and Gordon 2002; Hix 2005 [1999]). Magone reports that “By

the mid-1990s, 40 percent of the EU budget was assigned to the structural funds and European regional policy” (2003, 4). Furthermore, regions are represented in Brussels through the Committee of Regions (CoR). Subnational groups have been represented in Brussels since the 1970s. The Commission has always consciously sought the involvement of regional interests in the initiation, adoption and implementation of regional, while regional interests have made the most of the opportunity to bypass national governments, many of which were cutting back on national regional spending (Hix 2005[1999]). The creation of this committee by the Maastricht Treaty formalized their involvement in EU policy-making (Hix 2005 [1999]).

The CoR has true political clout, although it is not as substantial as the European Parliament (Bjarnadottir and Gadzinowski 2004). For instance, the CoR is consulted on all policy areas that have implications for economic and social cohesion. Finally, representatives of regional and local governments serve on the CoR, and most are placed on the committee by subnational bodies, such as by the German *lander* (Hix 2005[1999]). My second hypothesis states that people in federations are less Euroskeptic because EU practices function along regional lines, federations have the infrastructure to implement EU-level policies, and in areas with strong historical identities, the EU allows the region to circumvent the nation state. For example, Magone cites that “Apart from Catalonia, Basque Country, and Galicia, Spanish regional civil societies are still quite marginalized in the decision-making process of structural funds” (2003, 24). Interestingly, the Spanish constitution grants the regions of the Basque Country, Galicia, and Catalonia special statuses as ‘historical nationalities.’ In this capacity they were recipients of a different

and ‘faster’ procedure for achieving full autonomy, as well as a higher level of power (Nuñez 2004, 126).

DATA AND RESEARCH DESIGN

Using Eurobarometer Survey 54.1 (EB 54.1, November/December 2000), I employ two ordered probit models measuring exclusivity of identity and Euroskepticism. Conducted in November and December of 2000, it includes samples of approximately 1000 randomly selected respondents in all 15 EU member states, with the exception of Luxembourgⁱⁱⁱ.

All regressions employ robust standard errors to account for the lack of independence of respondents within each country. One available strategy for this type of situation is to implement a fixed effect model, meaning the model includes dummy variables for each country. Yet with a fixed-effect model, one can only generalize to the particular unit (Bowers and Drake 2005). While I do not deny that the effects of federalism vary by country, I am searching to establish the existence of a relationship between federalism and exclusive identities, and federalism on the impact of exclusive identities on Euroskepticism. Thus, using the fixed effects model indicates that any analytic leverage we gain on the general role of federalism on identity and Euroskepticism is lost. For this theoretical reason, I forgo the fixed-effect model.

Dependent Variables

The dependent variable of my first model is “Exclusivity of Identity” and the second is “Level of Euroskepticism.” I will describe the construction and measurement of each in turn.

Exclusivity of Identity

I argue that the strength of one's attachment to the subnational level does not impinge on subsequent levels of identity. Unfortunately, the principal Eurobarometer question that taps this concept does not include subnational identities. Faced with this problem earlier, Marks (1999) created an index of multiple/exclusive identity from a question regarding attachment, which I implement and alter slightly, omitting responses regarding "town/village." In this question, respondents are asked how attached they are "town/village," "region," "country," and "Europe." The possible responses are, "Not at all attached," "Not very attached," "Fairly attached," and "Very attached." The responses are measured on an ordinal scale, ranging from 1, "Not at all attached" to 4, "Very attached."

To measure "exclusiveness," I use Marks' method of summing the differences between the highest responses and the lowest responses (1999).

Figure 3.1

$$Exclusiveness = (\text{Highest Response} - \text{Lower Response}_1) + (\text{Highest Response} - \text{Lower Response}_2)$$

Thus, answers can range from 0, when one feels equal attachments to all levels, to 6, when one is only attached to a single territorial community. For instance, if a person only feels attached to his country, he would rate his attachment to "country" as 4, and consider his feelings for his region and Europe as a 1. This person would have an *exclusive* identity and would be coded a 6. On the other extreme, a person could feel "very attached" to her region, country, and Europe, rating her feelings a 4 for each level. She would be 0 for the purpose of this index.

While this operationalization of "exclusiveness" utilizes the only Eurobarometer questions linked to regional identities, it does obfuscate some important relationships^{iv}.

For instance, a person designating all 1's to each level could end up in the same category as the person who is "very attached" to all three. To understand fully what this operationalization measures, I tabulated all the possible combinations of responses. After tallying all the combinations of responses, there are no respondents who felt completely unattached to any level of governance. In light of the operating definitions, I consider these respondents as having multiple identities. That is, their positive feelings toward their region or country did not correspond with strong feelings for Europe. Those who were 0's and 1's displayed more cumulative patterns: they also felt strongly about Europe. Finally, respondents in the 5 or 6 categories displayed an attachment to one level and one level only.

These results suggest the following way of conceiving the responses:

[Table 3.1 about Here]

The summary statistics on the variable indicate that the mean value of exclusiveness is 1.32, with a standard deviation of 1.19.

Euroskepticism

The second dependent variable is the level of skepticism a respondent feels toward the EU. The relevant question is the following:

Generally speaking, do you think that your country's membership of the European Union is a good thing, bad thing or neither good nor bad?

The response "a good thing" was coded as 1, "neither bad nor good" as 2, and "a bad thing" as 3. Thus, Euroskepticism increases as the scores to the responses become higher.

Federalism and Structural Constraints

In both models, federalism is a key independent variable; however, operationalizing federalism poses methodological difficulties stemming from its conceptualization. Most definitions emphasize the federalism is a process that structures the distribution of authority between the center and the subunits (e.g., Filippov, Ordeshook, and Shvestova 2004, Rodden 2004). Attempts to capture this process encompass a variety of measurement schemes, including the dichotomization of unitary and federal states (Rodden 2004). Such a simple measure would misconstrue the complex institutional arrangements that are present in Europe. Thus, I chose to follow Jonathan Rodden's advice: "...any attempt to measure federalism should be carefully calibrated to the theoretical argument of interest" (492).

In this vein, Hooghe and Marks emphasize issues of governance to explain why national identities can pose barriers to integration; these theories of governance and identity are critical in understanding the logic for considering federalism's role in conditioning Euroskepticism. As Bednar states, "It is the combination of independence and direct governance that make federalism unique: the citizens have a relationship with their government that is complete, with mutual influence between the people and the government at each level" (Bednar Forthcoming, 25). In federations, the territorial bases of human communities dictate the size and placement of jurisdiction lines (Hooghe 2003). Westphalian nation-states were frequently political constructs built upon these territorial bases. Often, federalism was a response to these groups' demands for self-governance, which, in turn, kept the state together. In fact, the cohesion is by design: federal constitutions makes exiting the federation costly and includes numerous safeguards to prevent subunits from seceding (Bednar Forthcoming). Even in the worst of

situations of relations between the center and a subunit, the center will not terminate its relationship with the subunit, but rather alter the quality of it.

These theoretical considerations correspond with the three structural components of a federation that Bednar proposes, as well as her coding scheme. The structural components of a federation include: geopolitical division, in that territory must be divided into mutually exclusive jurisdiction and. the constitution must recognize these entities and they cannot be abolished by the center; independence, meaning the center and the subunits have independent bases of authority; and direct governance, such that “Authority is shared between the state and the national governments: *each governs its citizens directly, so that each citizen is governed by at least two authorities*” (Bednar 2005).

Thus, for a state to be coded as *federal*, it must fulfill these structural requirements. A *quasi-federation* does not have an exhaustive division of territory (excluding a federal district that acts as the seat of the center). A *unitary* state fails to meet all three of the requirements. Table 3.2 indicated my coding of the member states.

[Table 3.2 About Here]

Control Variables

By implementing robust standard errors, I can test the hypothesized relationships in the presence of both individual- and group-level control variables without causing bias in standard errors due to over counting the true number of degrees of freedom. Conversely, ignoring the clustering of errors in each country inflates the degrees of freedom available and render hypothesis testing on coefficients too liberal (Bowers and

Drake, 2005). Adjusting for the true degrees of freedom signifies that I have 13 degrees of freedom in each of my models^v.

With a limited number of degrees of freedom allowed due to clustering, I judiciously selected the most theoretically sound control variables in both models. These control variables capture the socio-economic situation in which the respondents find themselves, their interest in politics, and their feelings of national identity (e.g., Gabel 1998, Carey 2002, McLaren 2002). The summary statistics for each variable are presented in the appendix.

Socialization Theory of Identity Formation

The socialization theory of identity formation stresses that experience with national and supranational institutions influence the way that a social identity forms (Klandermans et. al. 2004). I use similar measures that social psychologists Klandermans, Sabucedo and Rodriguez (2004) use to measure the inclusiveness of identification of Galician and Dutch farmers.

One such measure is the respondent's evaluation of the quality of democracy in her country. If the democratic institutions within a country are viewed as suspect or inefficient, it is probable that a citizen is loath to identify with it. Klandermans et. al. (2004) posit that those with higher evaluations of democracy in their own country will have higher levels of inclusiveness.

While the previous variable draws on the respondents' experiences with their national institutions, knowledge of EU institutions variable taps into respondents' experiences with supranational institutions. This variable also gauges the respondents' political cognition, which is theorized as facilitating multiple identities. The literature

predicts that those with higher political cognition and know about European policies and institutions will have multiple identities.

This variable is also included in the Euroskepticism model. Respondents who understand the EU, its policies and its institutions will be less likely to view it as a mysterious force negatively affecting their lives. I expect a negative relationship between knowledge and Euroskepticism.

Functional Theory of Identity Formation

The functional theory of identity formation maintains that one's attachment can be seen as a function of economic expectations (Klandermans et. al. 2004). Two variables measuring personal economic expectations and national economic expectations are included in the model, as well as the Euroskepticism model. I can reasonably expect a positive relationship between personal economic expectations and multiple identities, as well as a positive relationship between national economic expectations and multiple identities.

These variables have strong theoretical support for their inclusion in models of European support. Gabel and Whitten (1997) found that individuals consider both their personal economic expectations, as well as that of their country, when evaluating the European Union. Thus, a negative evaluation of both individual and national economic fortunes should be related with a high degree of Euroskepticism.

Income is included in the identity model. The process of European integration has increased the investment opportunities for the wealthy, while constrained welfare spending of member states. For these reasons, I expect a negative relationship between

income and identity, with people with higher income having multiple identities and those with lower incomes having exclusive identities.

Euroskepticism Model

I include two demographic variables in my model: gender and education. I control for gender as there has been a gender gap in support of the EU. Women are less likely to support European integration as their position in the labor market makes them vulnerable to neoliberal processes (Carey 2002; Nelsen and Guth 2000). The gender variable is a dichotomous variable, with female as the reference category, and male assuming a value of 1. I expect a negative relationship between gender and Euroskepticism.

Educational attainment factors into the inclusiveness of one's identity and individual level support for the EU. Inglehart posits a positive correlation between cognitive mobilization and support for the European Union (1970, 1971). With respect to the Euroskepticism dependent variable, I predict a negative relationship between education and Euroskepticism.

Support for the EU in a member state also depends on whether respondents feel that their member state benefits from its membership in the Union. In this vein, the fiscal transfer variable measures whether a member state is a net donor of funds or a net recipient of structural funds, calculated as the average net fiscal transfers per country as percentage of GDP over the period of 1995-2000. This is a structural variable that will theoretically influence individual attitudes so that people are more Euroskeptic as the average net fiscal transfer decreases.

I have also included a term that interacts blue collar workers and gross national income. Market liberalization affects different sectors of the labor market in various ways; I include manual workers in this model as they have been particularly vulnerable, especially with the enlargement to Central and Eastern Europe. More importantly, their plight is especially salient, given that it is often politicized and invoked by pervading radical right populist parties (e.g., Norris 2005). Conversely, manual workers in poorer member states will not be adversely affected, as trade liberalization hurts those whose skills are scarce and benefits those whose skills are abundant (Hooghe and Marks 2004). Respondents who are skilled or unskilled manual workers or non-desk employees were coded as 1. I interacted this with the gross national income in 2003, measured in the value of American dollars in 2001. I expect manual workers in rich countries to be more Euroskeptic, whereas manual workers in poorer countries are less Euroskeptic.

RESULTS

Federalism and Exclusive Identity: Empirical Tests

I apply an ordered probit to analyze the relationship between multiple identities and federalism. This nonlinear model is an appropriate way of estimating the relationship given that the dependent variable is categorical and there is an underlying order to the responses. The χ^2 statistic evaluates the overall fit of the model; notably, it is statistically significant ($p < .001$). Table 4.1 shows the ordered probit estimates. The probability of seeing this coefficient for “federalism” purely by chance is less than 5%. The coefficient is also negative, which supports the hypothesis that identities become more inclusive as the level of structural decentralization increases.

[Table 4.1 About Here]

The other coefficients in the model accord with extant theories; however, these coefficients mean little on their own. The substance of nonlinear models of categorical variables lies in the marginal changes of a variable. A method to derive these probabilities is to look at the predicted probabilities of being classified into the possible outcomes of identity for various levels of federalism and then take the differences between the outcomes. I hold the other variables at their means. Table 4.2 clearly shows that the probabilities are decreasing for all three categories of federalism. Note that the probability of having the most inclusive identity is highest for respondents living in a federation. This suggests that the hypothesis between an inclusive identity and federalism holds.

[Table 4.2 About Here]

Graph 4.1 presents a snapshot of the six possible outcomes. This visual representation suggests that the probability of falling into categories 3, 4, 5, and 6, or having a more exclusive identity, are much lower than being classified a 0, 1, or 2, or having inclusive identities.

[Graph 4.1 About Here]

These graphs suggest a relationship between more inclusive identities and political decentralization. Table 4.3 of this section makes this intuition explicit. The marginal changes between a unitary state and a federation are consistently larger than between a quasi-federation and a unitary state.

[Table 4.3 About Here]

While I cannot gauge whether federalism causes inclusive identities given that this analysis is restricted to one discrete time period, these results suggest that federal

states are linked to more inclusive identities. Furthermore, the marginal effect of federalism is such that it decreases the probability of an exclusive identity. These results corroborate hypothesis one: federalism and inclusive identities are associated.

Federalism, Identity, and Euroskepticism: Empirical Tests

In the next model, I include an interaction term of “exclusiveness of identity” and “federalism” to examine whether federalism explicitly conditions the effects of exclusiveness of identity on Euroskepticism. The principal hypothesis in this section is that people who live in a federation will be less Euroskeptic than citizens of a centralized system. A competing hypothesis envisions federalism as an institutional response to parochialism, which may make one emphasize local identities more than any others^{vi}. Devolution of power may also whet the desire of citizens in historical units for more autonomy. In these situations, sub-units without strong identities may resent these areas and the EU, whose regional form of governance allows regions to circumvent the center. Thus, federalism could make people with exclusive identities even more Euroskeptic than they would have been in a unitary or quasi-federal state.

The results from the second model are displayed in Table 4.4 below. While the values of these coefficients are meaningless on their own, the signs on the control variables accord with the existing theories. The one exception is that while manual workers are unlikely to support the EU, the p-value indicates that it is unlikely that this sentiment is conditional on income.

[Table 4.4 About Here]

Regarding the principal variables of analysis, we first notice that *exclusiveness* has a positive relationship with Euroskepticism. As predicted, federalism does not influence

Euroskepticism on its own. The effect of exclusivity on Euroskepticism, however, appears to be conditioned by federalism. Moreover, this effect is positively correlated with Euroskepticism.

Graph 4.5 shows the changes to support for the EU in different institutional settings, with the other values held at their means or modal values^{vii}.

[Graph 4.5 About Here]

The influence of federalism on the exclusivity of identity is largest for those individuals with either inclusive identities or exclusive identities. Nevertheless, the effect is larger for exclusive identities as the probability a person with an exclusive identity of 6 will support the EU drops from 40% to roughly 30% in a federal state.

[Graph 4.6 About Here]

For all scores of exclusivity of identity, federalism hardly influences the probability of responding that EU membership is neither good nor bad. Furthermore, the probability is low, hovering just below 20%.

[Graph 4.7 About Here]

Graph 4.7 plots the predicted probabilities of being opposed to membership in the EU for specific values of exclusiveness, and along varying types of federalism. We can see that the more inclusive one's identity is, the less influence federalism has on the predicted probability of being a Euroskeptic. Moreover, as the level of political decentralization increases, the probability of being opposed to the EU decreases for those with inclusive identities. For individuals with a high level of exclusivity federalism increases the probability of being Euroskeptic. This trend holds for those with an exclusive identity of 5, multiple identities of 4, and, to a lesser extent, multiple identities of 3. Generally the slopes for multiple identities and exclusive identities are steeper than

those for exclusive identities. Federalism appears to condition those on the weaker side of multiple identities and with multiple identities to be more Euroskeptic than those with similar identity profiles in unitary states.

[Table 4.5 About Here]

Table 4.5 supports what Graph 4.7 indicated: The influence of federalism is largest on the highest and lowest scores of exclusivity. Note that the change in probability of considering integration a good thing for those who have an exclusive identity of 6 decreases 11% when comparing a unitary state to a federal state. The predicted probability of not being Euroskeptic decreases by 8% for those with an exclusive identity score of 5 as they move from a unitary state to a federal state. The only positive shift associated with federalism is for those with inclusive identities. Here we see that for every shift the predicted probability of considering the EU as a good thing increases, but only by increments of 5% and 3%, respectively.

[Table 4.6 About Here]

Finally, Table 4.6 shows the change in predicted probabilities of being Euroskeptic for shifts in federal structures. Federalism influences those who scored a 0 on “exclusive identity” by decreasing the predicted probability of being a Euroskeptic. The change from a unitary state to a federation is -4%.

Interestingly, federalism has the greatest influence on those with the most exclusive identities. The predicted probability of being Euroskeptic increases by 12% for those living in a federal state, as compared to those living in a unitary state. In fact, while the predicted probabilities always increase in the final column, they are getting larger as

the score on exclusivity rises. This suggests that federalism exacerbates Euroskepticism among those who already have exclusive identities.

ANALYSIS

These results indicate that the second hypothesis was incorrect: federalism *increases* the effect of Euroskepticism. These findings contradict my theory and suggest the following explanation. Since federalism is often the response to the demands made by those with strong subnational identities, the devolution of power may only whet the subunits appetite for more independence. After all, centers are reluctant to break the relationship it has with its subunits. This commitment to the union by the center may decrease the level of attachment citizens feel for it.

These findings also hint that parochialism may increase in federal states with significant autonomy. These growing attachments to the subunit and antipathy toward the center unit do not always occur among historical regions, such as the Basque Country or Scotland. The Italian case demonstrates such a trend. In June 1990, Rome passed Law N. 142, which, among other things, elevated the regions to a position of superiority vis-à-vis the provinces (Bull 1999). Despite the passage of this law, not all regions were satisfied. Various “special” regions, or those with an extended amount of autonomy due to the presence of considerable ethnic minorities or separatist tendencies, requested federalist reform. In February 1991, one of the “ordinary” regions, Northern Emilia-Romagna, also requested a new type of regionalization that would have given the regions more authority (Bull 1999, 152).

Yet why would those with strong subnational identities feel no attachment for Europe? In the case of regions with strong secessionist movements, would not the EU

appear as a way to free themselves from the grip of the central state? These findings are also surprising in light of the method of dispersal of cohesion funds. The EU doles out aid by subunit, which implies that those in the subunit would feel more positively toward the EU. Federal subunits have already set-up lobbies in Brussels to acquire more funds and units in federal states already have the administrative infrastructure to implement the funds effectively. Nevertheless, those with the most exclusive identities, held by respondents attached to only one level of territory, were the ones among whom federal structures had the *most* influence.

FUTURE RESEARCH AND CONCLUSION

These findings illuminate several future paths of research. The first would be a control for historical regions. Does federalism have any effect on individuals who are not in units with a strong regional identity? By controlling for historical units, we could discover whether or not federalization allows for people to think of themselves in more than national terms and to develop the mental frameworks necessary for multi-level governance.

Another possibility would be to find better survey data that asks respondents directly whether they think of themselves as “subnational identity,” “national identity,” and “European.” Including such a variable would allow researchers to operationalize inclusive/exclusive identities with more precision. Similarly, country-by-country analysis could replace the multinational data from Eurobarometer^{viii}.

Finally, these findings indicate that exclusivity of identity is linked to a broader phenomenon that describes sentiments of Euroskepticism: cosmopolitanism and particularism. Specifically, the new particularism could be a type of defensive

nationalism. Encompassing exclusive and multiple identities in a theory of cosmopolitanism and new nationalism would allow us to keep the analytical leverage identities gives us on Euroskepticism, while allowing us to include information gleaned from theories of cognitive mobilization (Inglehart 1970; Janssen 1991) and values (Inglehart 1977). Most importantly, this new theory would account for the role of subnational identities, and how various identities interact with one another.

The goal of this project was to assess how structural variables conditioned exclusivity of identity, and to investigate whether federalism conditioned Euroskepticism through the inclusiveness/exclusiveness of identity. The results indicate that the first relationship holds, but federalism does not make people less inclined to be Euroskeptic. In fact, those with exclusive identities in federations will be more likely to be Euroskeptic than those with exclusive identities in unitary states. These findings suggest that the relationship between multiple/inclusiveness of identity and Euroskepticism is not a simple, linear-additive one. Simply put, multiple identities do not always guard against Euroskepticism.

APPENDIX

Summary Statistics of Control Variables

“Gender” is a dichotomous variable, with female as the reference category. The median is 1. “Education” is measured by the age of the respondent when he stopped full-time education and is recoded on a four point scale. 1 corresponds with up to 15 years, 2 with between 16 and 19 years, 3 with 20 or more years, and 4 with still studying. The mean is 2.67 and the standard deviation is 0.88. The mean value for “fiscal transfers” is 0.49 and the standard deviation is 1.49. This value ranges from -5.6 for Germany to 3.88 for Greece. “Income” is a Eurobarometer variable on a harmonized scale; values range from 1 to 98. The mean is 33.32 and the standard deviation is 41.16. For the “evaluation of quality of democracy in country,” respondents were asked, “On the whole, are you very satisfied (4), fairly satisfied (3), not very satisfied (2) or not at all satisfied(1) with the way democracy works in (OUR COUNTRY)?” The mean is 2.67 and the standard deviation is 0.78. For “knowledge of EU institutions,” the Eurobarometer asks respondents to place themselves on a scale of 1-10 regarding “how much do you feel you know about the European Union, its policies, its institutions.” 1 signifies “know nothing at all” while 10 means that the respondent believes that he or she “know a great deal.” The mean is 4.75 and the standard deviation is 1.99. For “personal economic expectations,” respondents were asked: “What are your expectations for the year to come when it comes to the financial situation of your household: worse (1), same (2) or better (3)?” The mean is 2.16 and the standard deviation is 0.17. For “national economic expectations,” Eurobarometer asked, “What are your expectations for the year to come: will 2001 be better (3), worse (1) or the same (2) when it comes to the economic situation

in (OUR COUNTRY)?” The mean is 2.01 and the standard deviation is 0.7. For “persuade friends,” the relevant Eurobarometer question is “When you hold a strong opinion, do you ever find yourself persuading your friends, relatives or fellow workers to share your views? Does this happen: never (1), rarely (2), from time to time (3), or often (4)?” The mean is 2.47 and the standard deviation is 0.95.

Works Cited

- Bednar, Jenna. 2005. "Federalism as a Public Good." *Constitutional Political Economy* 16(2): 189-205.
- N.d. *The Robust Federation*. New York: Cambridge University Press. Forthcoming.
- Bednar, Jenna and Scott E. Page. 2005. "Culture, Institutional Performance, and Path Dependence" Paper presented at the annual meeting of the American Political Science Association, Marriott Wardman Park, Omni Shoreham, Washington Hilton, Washington, DC.
- 2007. "Can Game(s) Theory Explain Culture? The Emergence of Cultural Behavior within Multiple Games." *Rationality and Society* 19(2): 69 -91
- Bjarnadottir, Valgerdur and Damian Gadzinowski.2004. "Integrating the Oresund-What Kind of Region?" *Federalism*. 5:1-12.
- Bowers, Jake and Katherine W. Drake. 2005. "EDA for HLM: Visualization when Probabilistic Inference Fails" *Political Analysis* 13(4): 301-326.
- Bull, Anna. 1999. "Regionalism in Italy" in Peter Wagstaff, ed., *Regionalism in the European Union*. Portland, OR: Intellect, 140-157.
- Carey, Sean. 2002. "Undivided Loyalties: Is National Identity an Obstacle to European Integration?" *European Union Politics* 3(4):387-413.
- Commission of the European Union. 2001. *Allocation of 2000 EU Operating Expenditure by Member State*. European Commission, Budget Directorate, September 2001.
- Deutsch, Karl. 1966. *Nationalism and Social Communication*. Cambridge, MA: MIT Press.

- Filippov, Mikhail, Peter C. Ordeshook, and Olga Shvestova. 2004. *Designing Federalism: A Theory of Self-Sustainable Federal Institutions*. New York: Cambridge University Press.
- Franzese, Robert J. 2005. "Empirical Strategies for Various Manifestations of Multilevel Data." *Political Analysis* 13(4):430-446.
- Franzese, Robert J. and Cindy Kam. Forthcoming. *Modeling and Interpreting Interactive Hypotheses in Regression Analysis: A Brief Refresher and Some Practical Advice*. Ann Arbor: University of Michigan Press.
- Gabel, Matthew. 1998. "Public Support for European Integration: An Empirical Test of Five Theories." *Journal of Politics* 50: 335-54.
- Gabel, Matthew and Guy Whitten. 1997. "Economic Conditions, Economic Perceptions, and Public Support for European Integration." *Political Behaviour* 19(1): 81-96.
- Hix, Simon. 2005 [1999]. *The Political System of the European Union*. New York: Palgrave Macmillan.
- Hooghe, Liesbet and Gary Marks. 2003. "Unraveling the Central State, but How? Types of Multi-level Governance." *American Political Science Review* 97(2):233-43.
- 2004. "Does Identity or Economic Rationality Drive Public Opinion on European Integration?" *PSOnline*: 415-20.
- 2005a. "A Postfunctionalist theory of European integration." Annual Meeting of the American Political Science Association. Washington, D.C.
- 2005b. Hooghe, Liesbet and Gary Marks. "Calculation, Community, and Cues: Public Opinion on European Integration." *European Union Politics* 6: 421-445.

- Hughes, James, Gwendolyn Sasse, and Claire Gordon. 2002. "Saying 'Maybe' to the Return to Europe': Elites and the Political Space for Euroscepticism in Central and Eastern Europe." *European Union Politics* 3(3):327-355.
- Kaldor, Mary. 1996. "Cosmopolitanism Versus Nationalism: The New Divide?" in Richard Caplan and John Feffer, eds. *Europe's New Nationalism*. New York: Oxford University Press, 42-58.
- Klandermans, Bert, Jose Manuel Sabucedo and Mauro Rodriguez. 2004. "Inclusiveness of Identification Among Farmers in the Netherlands and Galicia (Spain)." *European Journal of Social Psychology* 34:279-95.
- Magone, José M. 2003. "The Third Level of European Integration: New and Old Insights" in José M. Magone, ed. *Regional Institutions and Governance in the European Union*. Westport, CT: Praeger Publishers.
- Marks, Gary. 1999. "Territorial Identities in the European Union," in Jeffrey J. Anderson, ed. *Regional Integration and Democracy: Expanding on the European Experience*. Boulder, CO: Rowman & Littlefield, 69-91.
- McLaren, Lauren M. 2002. "Public Support for the European Union: Cost/Benefit Analysis or Perceived Cultural Threat?" *The Journal of Politics*. 64(2): 551-566.
- Medrano, Juan Díez and Paula Gutiérrez. 2001. "Nested Identities: National and European Identity in Spain." *Ethnic and Racial Studies* 24(5): 753-778.
- Newman, Michael. 2000. "Introduction" in Catherin Hooskyns and Michale Newman, eds. *Democratizing the European Union: Issues for the Twenty-First Century*. New York: Manchester University Press: 1-11.

- Norris, Pippa. 2005. *Radical Right: Voters and Parties in the Electoral Market*. Cambridge, MA: Cambridge University Press.
- Nuñez, Xosé Manoel. "Autonomist Regionalism within the Spanish State." In *Identity and Territorial Autonomy in Plural Societies*. Eds. Williams Safran and Ramón Máiz. London: Frank Cass Publishers, 2000, 121-141.
- Rodden, J. 2004. "Comparative Federalism and Decentralization: On Meaning and Measurement." *Comparative Politics*: 481-500.
- Roller, Elisa and Amanda Sloat. 2003. "Devolution in the European Union: The Role of Subnational Authorities in Scotland and Catalonia" in José M. Magone, ed. *Regional Institutions and Governance in the European Union*. Westport, CT: Praeger Publishers.
- Taggart, 1998. "A Touchstone of Dissent: Euroscepticism in Contemporary Western European Party Systems." *European Journal of Political Research* 33:363-388.
- Weiler, J.H.H. "Introduction." *Journal of Common Market Studies*. 40(4):555-562.
- World Development Indicators Database. (Worldbank, April 2003).

ⁱ This claim is inspired by the Bednar and Pages' (2006) game-theoretical work on culture that attributes the emergence of behavioral regularities, or culture, to a member of a cultural group's exposure to a set of incentives, institutions, and her own cognitive constraints.

ⁱⁱ The classic case is Valencia in Spain. For instance, in 2004 the Basque country and Catalonia requested Euskara and Catalan to be given the status of official languages. This request prompted the Valencian

regional government to challenge the proposal because Valenciano, which is almost exactly the same as Catalan, is not included as a language in its own right. This is just one example of how latent identities, in this case Valencian, have emerged after the introduction of the Estado de las Autonomias (Nuñez 2000).

ⁱⁱⁱ My reasons for choosing this data set are two-fold. First, both Hooghe and Marks (2004) and Carey (2002) utilize this data set in their tests on the influence of national identity on attitudes towards the EU. Second, I did not include a survey with the ascension states on theoretical grounds, as I did not want to include countries whose history with democracy has been brief.

^{iv} Díez Medrano and Gutiérrez (2001) criticize this measurement for only capturing the *relative* level of identification, not the *absolute* level for a respondent. Data constraints, however, means that this question is the best one available to explore these issues.

^v Degrees of Freedom = (# Macro Units- 2).

^{vi} Inglehart (1977) proposes this hypothesis, stating that people who identify with regional governments are parochials, and thus, opposed to the European Union.

^{vii} I estimate the relationship for a male who is not a manual worker, as there are more respondents who fulfill this description in the sample. Of the 12,887 respondents, only 26% (3,391) are manual workers.

^{viii} I did not choose this research strategy simply because I was investigating whether there was any relationship between federalism and Euroskepticism. While no generalizable theory may be available, I wanted to tell a story that escaped country-specific explanations.

FIGURES, GRAPHS, AND TABLES

Table 3.1

Code	Interpretation	Modal Response
0	Inclusive	Region = 4 Country = 4 Europe = 4
1	Inclusive	Region = 4 Country = 4 Europe = 3
2	Multiple Identities	Region = 4 Country = 4 Europe = 2
3	Multiple Identities	Region = 4 Country = 4 Europe = 1
4	Multiple Identities	Region = 4 Country = 3 Europe = 1
5	Exclusive	Region = 2 Country = 4 Europe = 1
		Region = 4 Country = 2 Europe = 1 *Equal frequencies
6	Exclusive	Region = 1 Country = 4 Europe = 1

Table 3.2

Unitary State = 0	Quasi-Federation = 1	Federal State = 2
France	Italy	Austria
The Netherlands	The United Kingdom	Belgium
Luxembourg		Germany
Denmark		Austria
Ireland		Spain
Greece		
Portugal		
Finland		
Sweden		

Table 4.1

Independent Variables	Coefficients	Robust Standard Errors
Federalism	-.12**	(.04)
National Economic Expectations	-.09***	(.02)
Personal Economic Expectations	-.03**	(.02)
Income	-.00*	(.00)
Evaluation of Quality of Democracy	-.14***	(.02)
Knowledge of EU Institutions	-.02*	(.01)
τ^1	-1.32	
τ^2	-.59	
τ^3	.21	
τ^4	.89	
τ^5	1.61	
τ^6	2.06	
LR χ^2	56.49	
Log Likelihood	-18885.54	
N	12887	
$p > \chi^2$		0.00

* $p \leq .10$ ** $p \leq .05$ *** $p \leq .01$

Graph 4.1

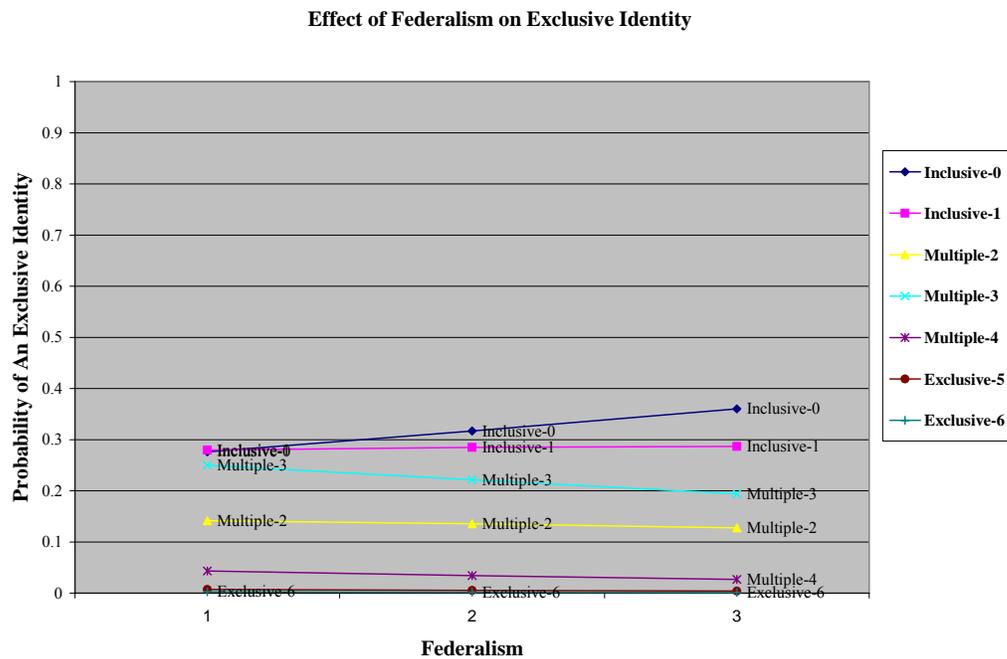


Table 4.2

Predicted Probabilities of Ordered Probit Models, All Other Values Held at Means or Modes.			
Outcome	Unitary	Quasi-Federal	Federal
0	0.27	0.32	0.36
1	0.28	0.28	0.29
2	0.27	0.25	0.24
3	0.12	0.11	0.09
4	0.04	0.04	0.03
5	0.01	0.01	0.00
6	0.00	0.00	0.00

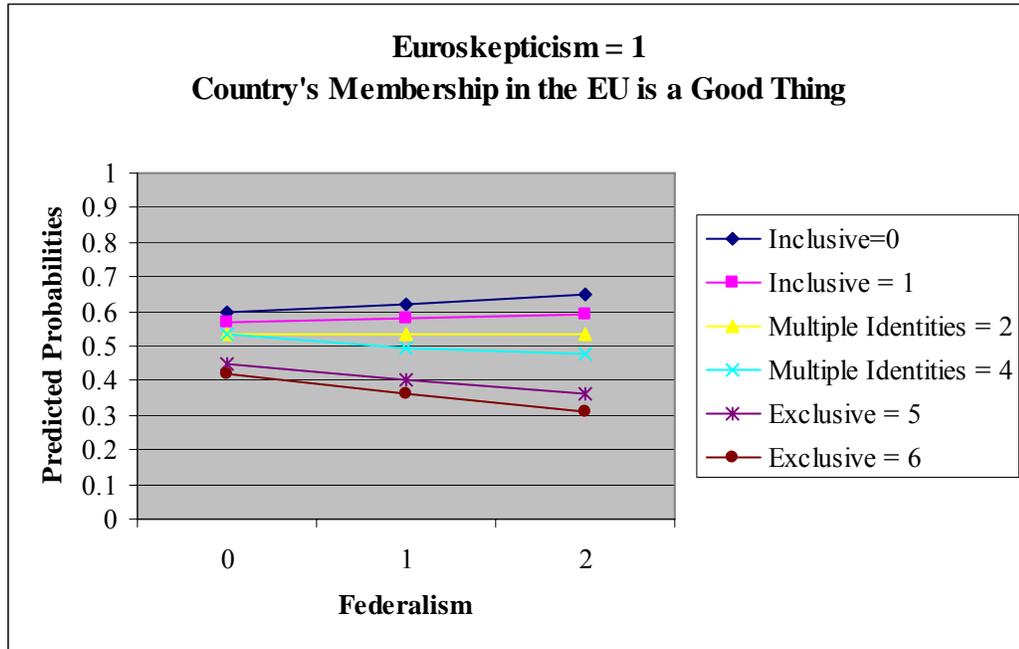
Table 4.4

Independent Variables	Coefficients	Robust Standard Errors
Federalism	-.07**	(.09)
Exclusive Identity	.07**	(.03)
Federalism/Exclusive Identity	-.03**	(.03)
Interaction		
Fiscal Transfer as Percentage of GDP	-.19**	(.06)
Knowledge of EU Institutions	-.09***	(.01)
Gender	-.11**	(.04)
Tries to Persuade Friends	-.08***	(.02)
GNI	-.02	(.01)
Manual Worker (Dummy)	.25**	(.09)
Manual Worker and GNI	-.00	(.00)
Education	-.06**	(.02)
National Economic Prospects	-.19***	(.03)
Personal Economic Prospects	-.05**	(.02)
τ^1	-1.47	
τ^2	-1.043	
LR χ^2	738.07	
Log-Likelihood	-11705.05	
N = 12,887		
$p > \chi^2$	0.00	
* $p \leq .10$ ** $p \leq .05$ *** $p \leq .01$		

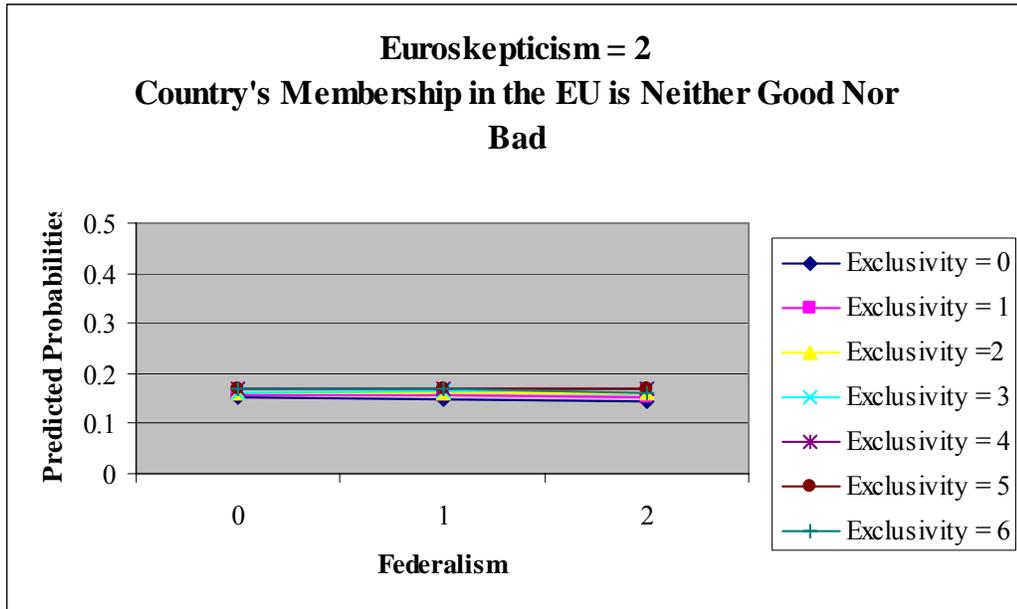
Table 4.3

Marginal Changes in Political Devolution			
Outcome	From Unitary State to Quasi-Federation	From Quasi-Federation to Federation	From Unitary State to Federation
0	0.04	0.04	0.08
1	0.01	0.00	0.01
2	-0.01	-0.01	-0.01
3	-0.03	-0.03	-0.06
4	-0.01	-0.01	-0.02
5	-0.002	-0.001	-0.003
6	0.00	0.00	-0.00

Graph 4.5



Graph 4.6



Graph 4.7

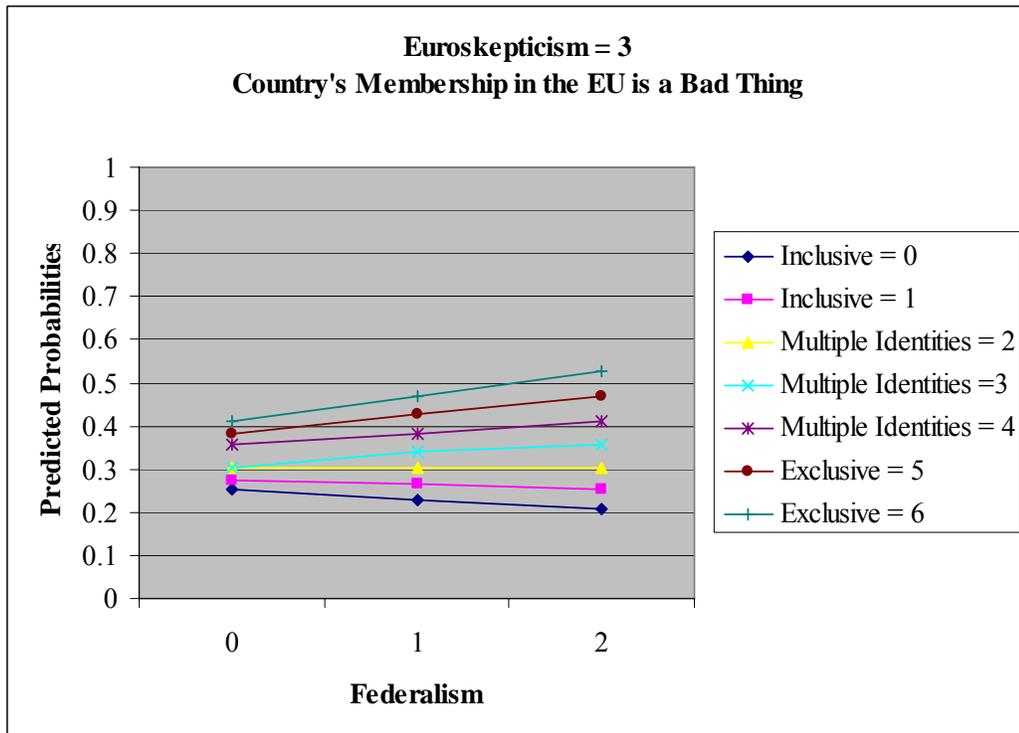


Table 4.5

Marginal Changes of <i>Federalism</i> , Euroskepticism = 1			
Identity	Change from 0 to 1	Change from 1 to 2	Change from 0 to 2
0	0.03	0.03	0.05
1	0.01	0.01	0.03
2	-0.00	-0.00	-0.00
3	-0.04	-0.01	-0.06
4	-0.03	-0.03	-0.06
5	-0.04	-0.04	-0.08
6	-0.06	-0.05	-0.11

Table 4.6

Marginal Change of <i>Federalism</i> , Euroskepticism = 3			
Identity	Change from 0 to 1	Change From 1 to 2	Change from 0 to 2
0	-0.02	-0.02	-0.04
1	-0.01	-0.01	-0.02
2	0.00	0.00	0.00
3	0.04	0.01	0.06
4	0.03	0.03	0.06
5	0.04	0.04	0.08
6	0.06	0.06	0.12