

Is European Integration Causing Europe to Become More Nationalist? :
Evidence from the Recent Financial Crisis

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Abstract

The European Union's political and economic integration project has grown dramatically since its inception in 1952. While the ultimate goal of the EU is unclear, one of its aspirations has been to attempt to create European citizens. The idea is that over time, citizens would look towards Europe as their main national identity. While the political and economic integration projects are quite far along, the national identity project has lagged far behind. The number of people who have primarily a European identity is quite small and has not increased much in the past 20 years. There are a far larger number of citizens for whom their national identity is paramount, but a European identity also exists. Since 1992, this group has grown smaller and the number of citizens with only a national identity has grown larger. This paper argues that the EU integration project has pushed citizens to value their national identities more and to look to their national governments to protect them. We examine the evidence for this in the context of the 2009-2009 financial crisis. We show that in countries most seriously hit by the crisis, national identities have increased dramatically and citizens with a national and European identity have decreased supporting our argument.

Introduction

Since its inception in 1952, the original European Community of six member states has expanded its institutional scope and geographic reach tremendously. Today, the European Union (hereafter EU) includes 27 member states united by ever expanding supra-national political institutions and economic agreements. No less than 13 centralized EU organizations govern policy, law, and financial decision making, across six levels of economic incorporation ranging from “strong” (Eurozone) to “weak” (free trade association agreements). This institutional complexity has produced an economically integrated Europe. But Europe, and by extension the EU, aims to be more than a supra-national bureaucracy and economic association.

For some, one of the ultimate goals of the EU is to create a cultural community of Europeans united by a shared sense of belonging, a sort of “new nationalism” in Haas’s (1958) terms. We see evidence for this when the EU establishes a “national” anthem (Beethoven’s Ode to Joy), a flag, citizenship and a passport, a “capital” (Brussels), and attempts to establish a constitution - symbols of belonging that are usually associated with nation states, not economic associations. An appeal to a common European cultural heritage is enshrined in the Treaty of Lisbon, which references the “cultural, religious and humanist inheritance of Europe” and a common history (Council of European Union 2008: 18; quoted in Risse, 2010:1). In addition to the economic project, the EU is at least partly a political project of identity construction (for a more elaborated argument, see Shore, 2000).

But while the economic project has been incredibly successful, the political identity project remains fragile and tenuous. Put more provocatively, the EU led supranational deepening of political and economic integration in the past 20 years has not resulted in more of a sense of “Europeanness.” In fact, it may be the cause of a decline in “Europeanness”

even as the EU has produced the completion of the Single Market, the enlargement into Central and Eastern Europe, and the introduction of the Euro.

In 2010, the percent of Europeans who only identify with their nation surpassed the percent of those who see themselves as European sometimes for the first time since 1999. Meanwhile, the percentage of EU citizens who see themselves solely as European has remained low, an average of four percent between 1992 and 2010 (see figure 1). These shifts were particularly pronounced between 2005 and 2010 when increases in having only a national identity were recorded in 20 of the 27 EU countries (see table 1). This occurred not in just small countries but in some of Europe's largest and most important countries.

These trends in identity suggest that Europeans have started to see themselves more as belonging to their respective nations even as the political and economic integration project has deepened. Why should this be the case?

There is a complex but explicable political and social process going on here. The economic integration project has produced both winners and losers across Europe (Fligstein, 2008). The forces of globalization, Europeanization, and neoliberalism have been particularly hard on those citizens who have benefitted less from economic integration. The European Union has mostly been an organization that has produced more market and less social protection. It has also taken control over national markets and diminished the sovereignty of governments to intervene into those markets. It follows that citizens who perceive they have benefitted less, who are in the majority, have started to see Europe as less of a collective identity that includes them. They have come in the past 20 years to look to their national political parties and governments to protect them ever more. They have come to view themselves more as member of a national community. The natural protector of those with only a national identity is national governments.

One way to see if this argument is true is to examine how the financial crisis has affected Europeans' sense of belonging. We see the crisis as an opportunity for a natural experiment to examine if in such a crisis, citizens look to the nation or to Europe for their political identity. The financial crisis was an international crisis that began with massive bank failure across Europe, followed by a steep recession in almost all EU member states (for an account of how this has played out across Europe, see Ertuk et. al., 2012). This recession was met by collective policy making at the EU level and coordinated by the central banks. The EU and the European Central Bank have pushed austerity measures onto all countries. From the point of view of citizens, the financial crisis originated because of the globalization of finance. But, the policies pursued to fix the crisis all involved international authorities pushing national authorities to scale back their welfare states and social safety nets in order to lower budget deficits and protect their credit ratings.

The European authorities who push for further integration are perceived as elites who are not working in the interests of citizens in any given nation state (Hix 2008). In wealthier countries like Germany, citizens of poorer countries like Greece could be blamed for the crisis and its severity. The citizens of wealthier countries may view citizens in other countries as undeserving of help. In the countries where the crisis has been the worse, citizens understand that no one is coming to their rescue, certainly not the other "Europeans." It is not surprising that on both sides of the crisis, one way citizens would respond would be to experience a resurgence in national identity.

Why does this resurgence matter for the future of Europe? For better or worse, European identity is at the core of the European political project. As Hooghe and Marks (2008: 2) aptly put it, "*identity* is decisive for multi-level governance in general, and for regional integration in particular," because "governance is an expression of community". Without this identification this governance lacks legitimacy. If in moments of crisis,

Europeans fall back to their national identities, while EU elites push for further consolidation and integration (as has been the case in this crisis), there is a mismatch between the political actions of governments and the preferences of citizens who view themselves mainly as citizens of a nation state. This mismatch produces political tension within and across member states. Such tensions could lead to a rollback of existing EU institutions and the exit of some of the member states like Britain. If we are right and the supranationally induced political and economic integration is exasperating this tendency, then the possibility for more dramatic political reaction increases.

In this paper, we look at whether individuals in countries that were hard hit by the crisis are more likely to identify with their nations as opposed to Europe. We proceed by first providing a theoretical backdrop to thinking about how national identities are formed. Then we consider what is known about the spread of European identity. We generate some hypotheses about how the current economic crisis might undermine a sense of “Europeanness”. In particular, we argue that citizens in Europe view their national governments as their main avenue of both political grievance and protection during an economic downturn. This heightens their sense that they belong to a nation, and have a state that works to protect them. It also increases their awareness that a distant European community is not likely to come to their rescue while their community and government might be politically pressured to do so. They also trust their national government less when it fails to respond critically to the EU integration push.

We then provide evidence that shows how a sense of being European dropped significantly in many European countries during the period 2005-2010. Our data analysis shows that this is quite related to the economic downturn in each society. We conclude by considering how the current negotiations about the future of the Euro show clearly the political dilemmas faced by the leaders of the core member state governments. So, for

example, the German government has faced criticism that it has not done enough to help its neighbors. But, it is clear that some Germans are feeling less European and do not view their fortunes as tied to those of citizens in other countries. In this way, the democratically elected German government is not behaving in a “heartless” fashion, but instead is responding to the wishes of its citizens. It is this kind of political pressure that economic integration has induced.

Theories of Integration and Identity

Sociologists, anthropologists, and political scientists have been interested in the formation of collective identities like national identities since the founding of their disciplines (for a critical review of the concept of identity in the post-war era, see Brubaker and Cooper 2000). Collective identities refer to the idea that a group of people accept a fundamental and consequential similarity that causes them to feel solidarity amongst themselves (Therborn 1995, ch. 12; Brubaker and Cooper 2000). This sense of collective identity is socially constructed, which means it emerges as the intentional or unintentional consequence of social interactions. Collective identity is also by definition about the construction of an ‘other.’ Our idea of who we are is often framed as a response to some ‘other’ group (Barth 1969). People grow up in families and communities, and come to identify with the groups in which they are socially located. Gender, ethnicity, religion, nationality, social class, and age have all been the basis of people’s main identities.

Anderson has written one of the seminal works concerning national identity, *Imagined Communities: The Origins and Spread of Nationalism* (1983). He writes: "In an anthropological spirit, then, I propose the following definition of the nation: it is an imagined political community -- and imagined as both inherently limited and sovereign" (1983, 5).

Nations are imagined because members of even the smallest nation never know or meet more than a minuscule fraction of their fellow nationals. When connected to a state (institutions of government exercising authority in a defined territory), nations establish limits and boundaries. The state creates rules that define who citizens are, and who foreigners. Nations are communities because, "regardless of the actual inequality and exploitation that may prevail in each, the nation is always conceived as a deep, horizontal comradeship. Ultimately it is this fraternity that makes it possible, over the past two centuries, for so many millions of people, not so much to kill, as willingly to die for such limited imaginings" (Anderson, 1983, p. 5).

Deutsch defined nationality as "a people striving to equip itself with power, with some machinery of compulsion strong enough to make the enforcement of its commands probable in order to aid in the spread of habits of voluntary compliance with them" (1953, p. 104). But in order to attain this, there has to be an interconnection between the members of disparate social groups. "Nationality, then, means an alignment of large numbers of individuals from the lower and middle classes linked to regional centers and leading social groups by channels of social communication and economic discourse" (Deutsch, 1953, p. 101).

Deutsch's approach helps makes sense of one on the most obvious difficulties with a theory of nationality. In different times and places, the basis of an appeal to a common culture can include language, religion, race, ethnicity, or a common formative experience (for example, in the U.S., immigration). Deutsch helps us understand that any of these common cultures can form the basis for a national identity and that which identity gets used in a particular society will depend on history. The historical "trick" in building a nation-state is to find a horizontal kind of solidarity that appeals to a wide group of people of differing social strata and offers a sense of solidarity that justifies producing a state to protect the "nation."

Nationalism can have any cultural root, as long as that culture can be used to forge a cross-class alliance around a nation-building project. A nation-state can come into existence when such a national story exists and once in existence, the state apparatus will be used to reproduce the nation. But at its foundations, the nation is created through communication and exchange across social strata and groups.

Deutsch's theory helps us make sense of what has and has not happened in Europe in the past 50 years. If there is going to be a European national identity, it is going to arise from people who associate with each other across national boundaries. As European economic, social, and political fields have developed, they bring about the routine interaction of people from different societies. It is the people who are involved in these routine interactions who are most likely to come to see themselves as Europeans and be involved in a European national project as they begin to identify with people who are like them.

What does it mean to identify as a European? The literature on national identities tends to distinguish two ideal types of nationalism: civic and ethnic (Kohn, 1944; Brubaker, 1992; Eisenstadt and Geisen, 1995; Reeskens and Hooghe, 2010). Civic forms of national identity tend to focus on citizenship as a legal status obtainable by anyone willing to accept a particular legal, political, and social system (Reskens and Hooghe, 2010). Ethnic forms of nationalism require that people adhere to national culture by virtue of having been born into it. Ethnic nationalism focuses on how common religion, language, national traditions, ancestry, and membership in a dominant ethnic or racial group are the bases for national membership. While both civic and ethnic conceptions of nationalism imply that a person has one and only one national identity, the civic conception allows that people who were not born and raised in a particular place can assume its national identity by agreeing to become a member of that society.

Most of the empirical literature (Green, 2007; Kufer, 2009; Risse, 2010) shows that the cultural meaning of “European” tends to follow the civic conception. People who identify as European view themselves as in favor of peace, tolerance, democracy, and cultural diversity and as in general agreement with Enlightenment values. They see being a European as an acceptance of those values. Many people in Europe who have both a national and a European identity also view their national identities in such civic terms. Risse argues (2010) that this means that having a European identity does not force people to choose between their nation and Europe.

Evidence for “Who is a European”

Who are the Europeans and how many are there? Evidence suggests that Europeans come from the highest socioeconomic groups in society. These include the owners of businesses, managers, professionals, and other white collar workers. They are involved in various aspects of business and government, travel frequently in Europe, and sometimes live in other European countries for a period of time (Fligstein, 2008; Risse, 2010; Favell, 2009). They engage in long term social relationships with their counterparts who either work for their firm, or are their suppliers, customers, or, in the case of people who work for governments, their colleagues in other governments. They speak second, or third, languages for work. Since 1986, they have created Europe-wide business and professional associations in which people gather regularly to discuss matters of mutual interest (Fligstein, 2008). Young people who travel across borders for schooling, tourism, and jobs (often for a few years after college) are also likely to be more European. The most Europeanized are those who choose to work abroad (Favell, 2008). Educated people who share common interests with other educated people around Europe, such as similar professions, interests in charitable

organizations, or social and cultural activities such as opera or art will be interested in travel and social interaction with people in other societies. Finally, people with higher income will travel more and participate in the diverse cultural life across Europe. They will have the money to spend time enjoying the good life in other places.

If these are the people who are most likely to interact in European-wide economic, social, and political arenas, then it follows that their opposites lack either the opportunity or the interest to interact with their counterparts across Europe. Most importantly, blue collar and service workers' jobs are less likely than managers, professionals, and other white collar workers to have their work take them to other countries. Older people will be less adventurous than younger people and less likely to know other languages. They are less likely to hold favorable views of their national neighbors and will remember who was on which side in the Second World War. They will be less likely to want to associate with or have curiosity about people from neighboring countries. People who hold conservative political views that value the "nation" as the most important category will be less inclined to travel or to know, and interact with, people who are "not like" them.

How many people identify with Europe? Fligstein (2008), using Eurobarometer data, shows that in 2004 only 3.9 percent of people who live in Europe viewed themselves as Europeans exclusively while another 8.8 percent viewed themselves as Europeans while also having some national identity. This means that only 12.7 percent of the people in Europe tend to view themselves as Europeans. However, this translated into 47 million people – not a small number. Scholars who have looked at this data have generally concluded that the European identity has not spread very far (Gabel, 1998; Deflem and Pampel, 1996; Citrin and Slides, 2004). The bulk of the population in Europe falls into two other categories: citizens with only a national identity (in 2004, 41%) and citizens with a national mostly but also a European identity (in 2004, 48%). It is this latter group that Risse (2010) describes as

European “lite” and Fligstein (2008) as “situational” Europeans. These are people who in some circumstances might think of themselves as Europeans. The evidence shows that these citizens tend to be middle class and have white collar occupations.

In the most recent survey asking the same question (June 2010), there was some important changes from the 2004 results. Seven percent of respondents claimed a European identity first plus some national identity, 3 percent claimed a European identity only, and 41 percent expressed a national identity plus sometimes a European one (3% gave no answer). Now, 46% of citizens identified only with their nation. The “situational” Europeans declined substantially while those with only a national identity rose.

We will explore these data in some detail in a moment. It is useful to draw a conclusion for how citizens in Europe’s identity might affect their political view towards more integration. The number of people in Europe who mostly think of themselves as European is quite small, about 10-13%. The number who have mostly a national identity but sometimes think of themselves as European contain from 41-48% while those with only a national identity range from 41-46%. These numbers imply that if a political issue comes along that brings people to see themselves as Europeans, 51-59% percent of people will favor a European solution to a problem. But since 84-87% of citizens have mostly a national identity, it is even more likely that issues will come to be seen as national.

Why does this matter for politics?

There is currently very little political will on the part of the citizens of Europe towards more political integration (Eurobarometer, 2010). There are simply not enough people with strong European identities to push forward a European wide political integration project.

While there is a majority in most countries who sometimes think of themselves as European, this is clearly a shallow and situational identity. As we have just suggested, it is easy to argue that depending on the political issue, citizens can easily be suspicious of other European countries and support their national government as the locus of relevant politics.

The construction of a "European" identity has only happened in a partial way. There has been increased communication and interaction between certain groups in Europe. People who are educated or are owners, managers, professionals or white collar workers have had opportunities to meet with and interact with their counterparts in other countries because of the EU's market and political integration project. For these people, this interaction has produced a European identity and support for the EU project. But, for the vast majority of the population, these interactions are infrequent. For them, the national narrative still dominates. There are a substantial number of people in Europe who sometimes think of themselves as Europeans. But, these people obviously do not share as many interaction patterns with other Europeans and they remain mainly national in their identity.

This has played out in EU politics in significant ways. The democratically elected governments across Europe have pursued European integration projects when their citizens have favored them. But they have steadfastly opposed European integration into national labor markets, labor relations, and all policies tied up with welfare states like pensions and health care. Public opinion polls have repeatedly shown that citizens have opposed transferring sovereignty over these issues to the EU for fear of interference in national social models (Eichenberg and Dalton, 2003; Hix, 2008).

These features of the EU and national politics and the growth of Europeanized middle and upper middle class persons have created several interesting levels of politics. National political parties over time have tried to adopt different political positions over time to try and attract voters. The middle and upper middle class voters who have benefited from the EU

have generally voted for parties with a pro-EU stance. This has produced a pro-EU platform in center left and center right political parties in most of Europe. Only extreme right and extreme left parties have tried to take an anti-EU position in order to garner votes.

But most politics in Europe remains resolutely national. Fligstein (2008: ch. 7) reviews the literature on the degree to which a European politics exists at the level of nation states. He concludes that most political discussion within European countries remains focused on the national politics and most political activities organized by national groups are focused on national governments. There is lots of evidence that European political stories are part of the national discourse (Trenz, 2004; Koopmans, 2004). But, the way these stories play out depends very much on the issue in contention and the role of national governments in that issue. There is some transnational organizing occurring of social movement organizations and there is evidence that the frequency of protests against European policies is on the increase (Imig and Tarrow, 2007). But, there is also evidence that much of this protest reflects national groups trying to get their national governments to protect them from EU policies that undermine their positions.

Perhaps the most interesting and subtle effect of all of this economic and social interaction is the creation of interest in European affairs in national political discourse. There is strong evidence that European affairs are covered in national papers and that national groups organize to protest to their governments about EU policies they don't like. There is also some evidence that on occasion, these discussions can be trans-European and result in policy coordination. But, these discussions more frequently reflect the complex identities of people who live in Europe. Since the majority of people who live in Europe have predominantly a national identity, it should not be surprising that many European political issues end up being framed to national as opposed to European wide interests. This means that as issues confronting Europeans are discussed within national media, they are more

likely to be filtered through national debates and self-images as European ones. So while there is certainly a wide awareness of European issues, the ability to produce European policies is going to always be difficult because of the institutional limits on the EU and the conflicting political demands that citizens place on their governments.

The financial crisis that began in 2007 has affected Europe dramatically in many ways. What began as a banking crisis, quickly morphed into a recession, and turned into a long running sovereign debt crisis (Erturk et. al., 2012). It started in the main banks in all of the main European countries and spread quickly from those countries to all of the countries in Europe (Fligstein and Habinek, 2012). The economies of Latvia, Estonia, and Lithuania nearly collapsed as western European banks pulled out and made credit nearly impossible to obtain. National governments responded to the economic downturn across Europe by slashing government spending, thereby sending their economies into even more of a tailspin. Governments' ability to borrow money came under fire and Portugal, Italy, Ireland, Greece, Spain, and Great Britain, all experienced severe retrenchments.

One of the central features of the crisis was the management of bank reorganization and the regulation of the Euro. Much of the fiscal austerity was pushed by the German government, which presides over the biggest economy and is the main support of the Euro. In order to stay in the Eurozone, governments had to agree to stiff measures that limited their spending and pushed them to undertake unpopular political measures.

From the theoretical perspective outlined here, these events clearly showed the citizens of many countries that the European Union and the European Central Bank would not be showing them much solidarity. Being a European was not going to mean that your government was going to be given time to resolve the crisis or undertake measures to ensure that employment and output were going to rise. It is not too great a leap to predict that citizens across Europe came less and less to see themselves as Europeans involved in a

positive sum “win-win” political and economic project and more and more skeptical that believing in a European community of like-minded self-identified Europeans was going to be the political answer to their economic problems.

Moreover, it is also the case that one would expect that in countries where the crisis was more severe, citizens would be the most skeptical of European wide solutions to the problems. In sum, citizens who might have felt under some conditions to be European, in countries where the crisis was particular intense might in fact decide that their national governments and national communities were more likely to protect them than Europe. In sum, we argue that the financial crisis could actually have worked to undermine even those with a “European lite” identity, particularly in countries that were the hardest hit.

European Identity and Support for the EU During the Financial Crisis

How did Europeans’ sense of belonging change during the economic crisis? Figure 1 uses the last two waves of the Eurobarometer survey (2005 and 2010) that asked respondents the following identity question: “In the near future do you see yourself as national, national and European, European and national, or European only,” where “national” refers to the respondent’s nationality. The Figure shows the EU average by each category from 1992 to 2010. Exclusive nationalists (nationality only) and inclusive nationalists (nationality and European) consistently make up the two largest response groups, on average 41 and 46 percent, respectively. Exclusive nationalists are individuals who only identify with their respective country while inclusive nationalists are those who identify with their respective county and Europe. A decline in the number of individuals who hold national as well as European identities signifies a lack of connection to the European project and its institutions.

[Figure 1 here]

The most prominent attitudinal division is not between those holding exclusively national identities and those holding exclusively European identities: the latter has remained steadily below six percent since 1992. Rather, the main cleavage in public opinion is between exclusive and “inclusive” nationalists (Risse 2010; Hooghe and Marks 2005). Indeed, the most interesting changes in identity occur precisely between the exclusive and inclusive nationalists: the proportion of nationality only respondents increases throughout the early 1990s, outnumbering those who are European sometimes (inclusive nationalists) by 1996, and then leveling out to below the inclusive nationalists through the early 2000s.

However, between 2005 and 2010, the number of exclusive nationalists surpassed the number of inclusive nationalists for the first time since 1999. Those holding exclusive nationalist identities in the EU increased from 41 percent in 2005 to 46 percent in 2010, while those holding national and European identities decreased from 48 percent in 2005 to 41 in 2010 percent. The other categories remained stable, which suggests that individuals who once had a secondary European identity became more nationalist after the financial crisis unfolded.

But even more important are how the changes were more significant in some countries than others. Since our argument is that most of politics is national, it follows that if a particular country becomes more nationalist, its overall politics are likely to become more anti-Europe. Table 1 shows change across response categories between 2005 and 2010 for the 27 EU member states. The Table excludes the “don’t know” or “refusal” response categories. Looking at changes by country confirms the overall EU trend: in most countries, individuals have become more national and less European in the “lite” sense. Thirteen countries witnessed increases in citizens reporting only have a national identity of more than 5%. The increase is particularly stark in some of the newer member states, Czechs (+21.2%), Slovenians (+19.8%), and Romanians (+17.2%) became more nationalist in huge numbers.

Yet, some of the most populous core European countries are not far behind: the Italians (+10.3%) and French (+9.9%) experienced a surge in nationalism as well. Germany, Europe's richest and most populous country, increased its share of nationalists by 3.2 percent. Given Germans' discomfort with expressions of national pride and generally high support for the European integration since the 1950s, the increase in how many Germans identify with their nation is relatively small but not insignificant. In absolute numbers, a 3.2 percent increase means that 2.5 million more Germans identify exclusively with their nation in 2010 as compared to 2005. The British stand out among the Europeans with 72 percent of the British identifying with their nation in 2010, up from 65 percent in 2005. Other studies have also reported on the British tendency to be more nationalist and less supportive of EU integration than continental Europe (Fligstein 2008).

Unfortunately, without panel data that would allow us to say whether an individual who held an inclusive identity moved to an exclusive category, it is only possible to describe general trends. Europeans across all the member states are identifying more with their nations and less with Europe. Interestingly, in half the countries (13 out of 27), we see evidence for polarization: individuals are moving away from inclusive and toward exclusive identities, either as exclusive nationalists or Europeans (in the strict sense). Thus, as the EU has increased financial and political cooperation to provide coordinated policy solutions in the form of bailout funds and EU imposed austerity measures, public opinion has shifted away from Europe and toward a national sense of belonging.

[Table 1 here]

What is the relationship between identity and support for the European project? Previous studies have shown that identity matters tremendously for whether or not individuals support European integration. Hooghe and Marks (2005) show that exclusive identification with the nation state is a more powerful predictor of opposition to European

integration, than factors of economic cost or benefit. Citrin and Sides (2004) use the 2000 Eurobarometer questions on support for membership in the EU, attachment to the EU, and trust in EU institutions to argue that identity (national versus European) has huge effects on all indicators of support. For example, only 38 percent of individuals who identify exclusively with their nation say that EU membership is a good thing, compared to 73 percent of those who identify as both national and European, and 76 percent of those who identify as exclusively European (Citrin and Sides 2004:174). Thus, even a secondary European “lite” identity makes huge differences in support for European integration. Inclusive nationalists are significantly more likely to trust EU institutions, hold positive attitudes toward the EU, see EU membership as good thing for their country, and hold more liberal political attitudes toward minorities and immigrants (Citrin and Sides 2004; Checkel and Katzenstein 2009; Hooghe and Marks 2005, 2008; Fligstein 2008, 2009).

Table 2 shows the percentage of respondents who tend to trust EU institutions, hold a positive image of the EU, and see EU membership as good thing for their country, broken down by identity category. Similarly to Citrin and Sides, the 2005 and 2010 data show stark contrasts between exclusive nationalists and Europeans across all measures of support for the EU. While trust in EU institutions decreases between 2005 and 2010 across all identity categories, only a third of exclusive nationalists say they trust the EU in comparison to the majority of situational Europeans and exclusive Europeans. Fewer respondents overall say that they have a positive image of the EU in 2010 than in 2005, but only a quarter of exclusive nationalists have a positive image compared to a majority of all others respondents. We observe the same trend for those who say that EU membership is good for their country: exclusive nationalists differ from situational and exclusive Europeans by huge margins. Because the number of respondents who see themselves as European/national or only as European is low and consistent over time (see Figure 1), these data suggest that the main

cleavage in support for the European project continues to be between individuals who see themselves as belonging only to their nation (exclusive nationalists) and those who hold a secondary European identity (inclusive nationalists). Table 2 also shows the effect of the financial crisis on support for the EU: regardless of identity, fewer Europeans trust the EU, hold a positive image of the EU, or see EU membership as a good thing in 2010 versus 2005.

2010 was the last year when the Eurobarometer asked respondents the identity question. Yet, the most recent Eurobarometer (May 2012) does ask about trust in EU institutions and attitudes toward the EU. Even though we cannot provide an attitudinal breakdown by national versus European identity, a brief examination of the 2012 data reveals that the effect of the financial crisis is still ongoing. Trust in EU institutions continues on a sharp downward decline after 2010 to hit an all time low with only 29 percent of all Europeans saying that they tend to trust EU institutions. By May, 2012, 58 percent of Europeans say they tend to distrust EU institutions - the highest number since 2005. The same sharp decline occurs in Europeans' attitudes toward the EU: by May, 2012 less than 30 percent say that they have a fairly positive image of the EU. The largest response group is the percent of individuals who are ambivalent about the EU: almost 40 percent report a "neutral" image of the EU. These recent trends in loss of trust and increasing ambivalence toward the EU underscore that the effect of the financial crisis on public opinion is still ongoing. In the aftermath of the financial crisis, Europeans are pulling away from the EU and seeing it as less relevant in their own lives in record numbers.

[Table 2 here]

So far, we have shown that identity and public opinion are closely linked: individuals who see themselves purely in nationalist terms are far less likely to support the European project. We have also shown that the number of such exclusive nationalists has increased between 2005 and 2010. In the analysis that follows, we make the connection between

changes in identity and the effects of the financial crisis. Before proceeding to the next step, it is important to examine the economic effects of the financial crisis on EU member states. We examine three economic indicators at the country level, which are then included in the model: change in GDP per capita, unemployment rate, and debt to GDP ratio.¹

Figure 2 plots the percent change in GDP per capita (2005 constant US dollars) for the 27 EU member states from 2005 to 2011. The thick line indicates the EU average. The Baltic states of Latvia, Estonia, and Lithuania were hardest hit by the economic crisis, experiencing drops in GDP per capita of 20.7, 17.3, and 11.3 percent, respectively, between 2007 and 2009 alone. Yet, the Baltics also experienced some of the highest economic growth in the years prior to 2007. For example, while Latvia was hardest hit, the Latvian economy boomed at double digit increases in GDP per capita between 2004 and 2007. The same bubble effect of extremely high growth, likely a result of EU accession in 2004, followed by dramatic decline also occurred in Lithuania and Estonia. Among other “new member” states, the crisis had milder effects on growth. In Poland, the economy contracted to grow only 1.5 percent between 2008 and 2009, which is down from an average 5 percent growth in the previous years but still not in the negative. The Polish case is, however, more the exception than the norm. As Figure 2 shows, the EU experienced a general economic decline with GDP dropping by 4.6 percent during the worst point of the crisis (2007-2009). By 2009, the majority of countries began to recover. Greece, the country that has received the most media attention due to its sovereign debt crisis and public protests against austerity measures, is an outlier in the overall trend of recovery: the Greek economy experienced its worst decline between 2010 and 2011 (-7.8 percent). Between 2007 and 2009, the Greek economy contracted by 3.8 percent. France, Germany, and Italy, the European core countries, saw GDP drops of negative 4.3, 3.7, and 7.9, respectively. Table 3 lists the percent change in GDP per

¹ We also examined IMF conditionality as an indicator for the crisis, constructed as a dummy control variable. However, its inclusion neither altered the results of the model nor did it have a statistically significant effect.

capita from 2007 to 2009 for EU member states. In sum, Figure 2 and Table 3 show that the financial crisis produced the largest economic contractions across Europe in the two years between 2007 and 2009 but to varying degrees across countries.

[Figure 2 and Table 3 here]

Changes in GDP, while perhaps a good measure of a country's general economic health, may not capture the full extent of the financial crisis. Unemployment is often the most important issue for public opinion, because rising unemployment can have dramatic effects on the economic future of individuals and communities. Figure 3 shows annual changes in unemployment rates from 2005 to 2011 for all EU member states with the EU average indicated by the thick black line. We observe similar patterns to changes in GDP: between 2007 and 2009, unemployment increases drastically across all of Europe and then decline by 2010. Table 4 shows the change in unemployment rates from 2007 to 2009. The Baltic states again have the highest increases in unemployment during the crisis, which is not surprising given the correspondingly large drops in GDP. Spain and Ireland join the Baltic states with some of the highest increases in unemployment across Europe, 9.1 and 7.3 percentage point increase, respectively. This effect is not well captured in the GDP data but it is also not surprising: both Spain and Ireland have implemented stark austerity measures aimed at cutting government benefits and state employees. Such policies are bound to affect the number of individuals looking for work to supplement loss of benefits or full time work. Interestingly, unemployment in Greece increases only marginally from 2007 to 2009 (1.09 percentage points increase), but then continues to increase starkly in 2010 (12.5 percent unemployment rate) and 2011 (17.3 percent unemployment rate). While practically all the EU countries stabilize by 2010, the Greek economy continues on a downward spiral.

[Figure 3 and Table 4 here]

Therefore, we do not include it here.

Greece, Spain, Portugal, and Ireland suffered the worst economic effects as the banking crisis evolved into a sovereign debt crisis. To capture this, we look at changes in a country's national debt as a proportion of GDP from 2007 to 2010, as displayed in Table 5. Ireland increased its share of debt by 67.2 percent in just three years, followed by Greece (37.1 percent), Latvia (32.1 percent), Great Britain (31.3 percent), Portugal (25.1 percent), Spain (25 percent), and Lithuania (21.2 percent). In 2010, Greek debt was 144.6 percent of the country's gross GDP, Portugal's was at 93.3 percent, and Ireland's 92.2 percent. These countries slipped further into debt by 2011. As the severity of the debt crisis escalated, these countries agreed to lending agreements with the International Monetary Fund, which operated in cooperation with the EU, to impose force harsh austerity policies in exchange for financial assistance. The many protests that broke out in Spain, Greece, and Portugal were a direct response to the EU's involvement in traditionally national social policy issues.

[Table 5 here]

To sum up, we hypothesize that individuals in countries most affected by the economic crisis will see the EU as a perpetrator in the economic fallout. As a result, they may turn away from seeing themselves as Europeans. Because support for the EU project and identity are closely linked, we expect that higher economic decline during the crisis years will push individuals to identify more with their nations as opposed to Europe.

Data and Methods

We now turn to a multivariate analysis to examine more closely the role of the economic crisis in explaining differences in identity across countries. We rely primarily on two waves of the Eurobarometer surveys: Eurobarometer 64.2 (October 2005) and Eurobarometer 73.4 (May 2010) that asked respondents in all 27 EU member states to

identify with their nationality, nationality and Europe, Europe and nationality, or Europe only.² While the Eurobarometer is conducted frequently, these waves are the two most recent surveys that include the identity question. Because the latest data were collected in 2010, we cannot take into account the ongoing effects of the financial crisis in some countries. However, as discussed above, the most striking effects of the crisis occurred between 2007 and 2009 in most countries.

Using the same survey questions directly prior to (2005) and after (2010) the peak of the economic crisis allows us to examine the effects of the crisis as a natural experiment. Unfortunately, the Eurobarometer surveys do not collect panel data, meaning that the same sample of individuals is not surveyed in every wave. Even though panel data would have been ideal for our purposes, we have the next best thing: representative surveys of all EU member states, which allow us to examine changes in identity as a result of the financial crisis. As the following sections discuss, we calculate both individual and multi-level logistic regression models.

Dependent variable

We focus on identity as the dependent variable. It is coded as a binary variable, where 1 = Nationality only and 0 = National/European, European/National, and European. As indicated earlier, we are primarily interested in the difference between exclusive nationalist and individuals who are Europeans even sometimes, or inclusive nationalists. Because the “European only” response category remains relatively small and stable in both 2005 and 2010, including those respondents does not change the results. Logistic regression is the appropriate method with a binary categorical variable.

² The exact question is: “In the future do you see yourself as a) Nationality (only) b) Nationality and European c) European and Nationality d) European only e) Don’t know. We exclude respondents who answered “Don’t know” as well as missing responses in our analysis. We also exclude Malta, Luxembourg and Cyprus because not all data are available for those countries.

Controls

Seeing oneself as belonging to the imagined community of the nation as opposed to Europe is both individually and contextually determined. Individual factors such as education, age, and occupation, have strong effects on how likely someone is to identify with Europe (Fligstein 2008; Risse 2010). Better educated white-collar professionals who have the opportunity to travel outside their countries are more likely to see themselves as European, while blue-collar workers with less education who perhaps lack the opportunities of better off professionals are more likely to see themselves in national terms (Fligstein 2008). Age is coded in years, and we limit our sample to adults aged 18-80. Gender is a binary variable (1 = female, 0 = male), education is a categorical variable based on when the respondent finished full-time education (3 categories: less than secondary, secondary, and post-secondary), and occupation is a categorical variable recoded by group from the Eurobarometer's 18 possible answers (6 categories: not in labor force, blue collar and service, managers, professionals, other white collar, owners).

Support for the EU and identity are closely linked (Green 2007; Fligstein 2008). Trust in EU institutions is a major aspect of support for EU integration. We thus use trust in EU institutions as an indicator of support for the EU project. By the same logic, trust in national government institutions is a measure of trust in one's nation. Both variables – trust in EU and trust in national government – are coded as binary variables and refer to the question in the Eurobarometer surveys that reads, "I would like to ask you a question about how much trust you have in certain institutions. For each of the following institutions, please tell me if you tend to trust it or tend not to trust it (EU, national government)" (1 = tend to trust, 0 = tend not to trust) We expect that trust in EU institutions will have a negative effect on the dependent variable. Individuals who support the EU are more likely to see themselves as Europeans instead of nationals. We expect that individuals who tend to trust their national

governments will see themselves as national as opposed to European. In addition, individuals who hold more Right political views are more likely to identify with their nation only (Risse 2010). For this reason, we include respondents' self-placement on a left-right political scale in the analysis. For "political placement," 1 = left, 10 = right. We expect ideologically Right individuals to be more nationalist.

In the multi-level models, we add country level indicators of economic health and EU institutional entrenchment. Better economic conditions should lead individuals to see themselves more as European, either because they have more financial opportunities to travel and interact with fellow Europeans from other countries or because they may attribute economic prosperity to EU policies (see Hobolt 2012). We operationalize economic health as GDP per capita (in constant 2005 USD, PPP adjusted), unemployment rate, and national debt to GDP ratio. GDP numbers come from the World Bank's Development Indicators, while unemployment rates and debt ratios are from the International Monetary Fund's World Economic Outlook database. We operationalize EU entrenchment with two country level indicators: Eurozone membership (1 = yes, 0 = no) and number of years a country has been an EU member state. Because changes in identity develop over long periods of time, we expect that if a country has been an EU member state for a longer period of time and joined the common currency Eurozone, then individuals in that country may identify with Europe more than in countries without a strong EU presence.

Finally, we include a political control variable. Namely, we examine if the presence of a radical right party in parliament affects self-identification as national or European. Radical right parties have made electoral gains in countries like France, Italy, Denmark, the Netherlands, and Hungary over the past ten years. These parties have been successful partially because they mobilize nationalist sentiment and play off Eurosceptic feelings (Mudde 2007). Once such a party enters parliament, it has the ability to frame policy debates.

We thus hypothesize that when a radical right party has enough popular support to gain representation in the national parliament, it means that individuals are more open to nationalist ideology. To construct this variable, we examined electoral results since 2000 for all 27 EU member states using the NSD European Election Database. “RR presence” is coded as 1 if a radical right party was represented in parliament in the five years prior to the survey date, 0 if not.

Crisis Variables

The most important independent variables for our purposes operationalize the effect of the financial crisis. We use three indicators to model the crisis: drop in GDP, change in unemployment, and change in national debt. Change in GDP is coded as percent change in GDP per capita from 2007 to 2009, in percentages. Because most countries’ GDP fell in 2009 as compared to 2007, the percent change was mostly negative, which makes the coefficient more difficult to interpret. For this reason, we use “drop in GDP” to make interpretation easier³. We expect that an increase in “drop in GDP” will lead individuals to see themselves as more national. “Change in unemployment” is coded as the change in unemployment rate from 2009 to 2007 in percentage points.⁴ We expect that as change in unemployment increases, individuals will see themselves as more national. Finally, “change in national debt” is coded the same as change in unemployment: we take the difference in debt ratios (ratio of national debt to gross GDP) from 2010 to 2007. As discussed earlier, the debt crisis followed the initial financial crisis with the effect still worsening well into 2010. For this reason, we take the difference between 2010 and 2007 as opposed to 2009 and 2007. As with unemployment, we expect that change in debt will have positive effect on the dependent variable.

³ The exact calculation is: Drop in GDP = [(GDP2009-GDP2007)/(GDP2007)]* (-100)

⁴ The exact calculation is: Change in unemployment = (Unemployment rate 2009 - Unemployment rate 2007)

Results

To compare the factors affecting national identity, we first calculate the same “base” model for 2005 and 2010 using individual level data only (Models 1 and 2 in Table 6). Because we do not have panel data, it is worth looking at the changes in the determinants of identity before proceeding to the next step. Both models control for national variation using 26 dummy variables (not shown in the table). Model 1 (2005) and Model 2 (2010) reproduce results already found in previous studies: women, older people, and blue collar workers are more likely to be nationalist than men, younger people, and white collar professionals. Surprisingly, political placement on a left-right scale does not have a statistically significant effect on one’s identity as exclusively national or European in either 2005 or 2010, which suggests that identities and political ideologies are not causally related. This finding contradicts a common trope in the literature that individuals who hold right-wing political views are more nationalist and those holding more liberal political views are more European (see Risse 2010). This signals that the relationship between identity and political affiliation is more complex and requires further inquiry.

[Table 6 here]

Trust in EU institutions confirms our hypothesis: individuals who tend to trust EU institutions are less likely to be exclusively nationalist. The effect is the same in both 2005 and 2010. Holding all else constant, the probability of being exclusively nationalist is 23 percent lower for those individuals who indicate that they trust EU institutions as opposed to those who do not trust. Trust in national governments problematizes the hypothesis that individuals who tend to trust national governments are also more likely to see themselves as nationalist. In fact, trusting national government institutions decreases the likelihood of holding an exclusively national identity. The effect is small in 2010: individuals who trust the

national government are only 4 percent less likely to see themselves as nationalist. In 2005, the effect is not statistically significant, but the direction of the effect remains the same. This finding suggests that trust in institutions, EU or national, is more of a diffuse concept referring to generalized trust more broadly. Individuals who tend to trust institutions are slightly more likely to see themselves as Europeans as opposed to those who do not trust. When we consider the high levels of cooperation and integration between national governments and the EU, this finding begins to make sense. In sum, after the financial crisis, the individual determinants of national versus European identity remain relatively the same as before.

Models 3 (2005) and Model 4 (2005) are the multi-level “base” models that take into account contextual economic and political factors. We remove the country dummies, because these models control for country level effects. The effect of the GDP variable confirms our hypothesis that individuals in wealthier countries are less likely hold nationalist identities than those in poorer countries, but the size of the effect is relatively small in 2005 and not statistically significant in 2010. The unemployment rate, while theoretically interesting, does not have a significant effect on identity either prior to or after the financial crisis. The national debt variable, while significant in 2005, is no longer significant in 2010. Furthermore, the effect is the opposite of what we may expect: individuals in countries with higher debt are less likely to be nationalist. However, this may be due to the fact that national debt as such does not necessarily have negative connotations for economic health. In fact, high debt may enable a national government to continue social programs that it would otherwise be forced to cut. As we discuss later, it is the sudden increase in debt that signals economic woes.

Just as at the individual level political ideology does not have an effect on identity, neither does the presence of a radical right political party in parliament. Again, this signals

that the relationship between political ideologies and party politics, on the one hand, and identity, on the other, is more complex than the relationship between variables in a regression model. Yet, this finding also implies that radical right parties, while electorally successful in some countries, are limited in their ability frame identity debates and remain marginal across Europe.

Measures of EU's institutional entrenchment as the number of years a country has been in the EU and Eurozone membership do not have a significant effect on identity. This means that individuals in core European countries, such as France, Germany, and Italy, are just as likely to see themselves in nationalist terms as individuals from new joiners, such as Romania and Bulgaria. A country's membership in the Eurozone is significant in 2010 (not in 2005) but small: holding everything else constant, individuals living in Eurozone member countries are only 5 percent less likely to identify as nationalist. In sum, we observe changes across multiple economic country level variables between 2005 and 2010, when we would have expected the effects to remain more or less the same. This provides additional justification for examining the effects of the financial crisis as a sort of natural experiment.

Model 6 is the "Crisis Model." Using the 2010 data, the model includes our indicators of the financial crisis: drop in GDP, change in national debt, and change in unemployment. While change in unemployment is insignificant, this outcome is not surprising given that the unemployment rate failed to have a significant effect in Model 4. Most importantly, the other two crisis variables are highly statistically significant and have the predicted effect. More specifically, for every 1 percent decrease in GDP between 2007 and 2009 (or 1 percent increase in "drop in GDP"), the probability of identifying as exclusively national increases by .8 percent. For example, a 10 percent decrease in GDP, as was the case in hard hit countries, increases the probability of an individual being exclusively nationalist by 8 percent. The effect of the debt ratio is smaller: for every 1 percentage point increase in debt the probability

of being national increases by .08. But if we take into account that in countries like Ireland the debt ratio increased by 67 percent and in Greece by 37 percent, then the magnitude of the comes into starker focus. It is worth noting that once the crisis variables are taken into account, the coefficients of the country level controls move closer toward their 2005 values, suggesting that the crisis variables help explain some of the difference we observe between 2005 and 2010.

Summarizing the results, the findings show that individual level characteristics have the most explanatory power on whether an individual holds an exclusive nationalist or European identity. Better educated individuals belonging to the professional or managerial occupations who trust EU institutions are most likely to have at least a secondary European identity. However, in the pre and post crisis models that include country level factors, there are observable differences in how a country's economic health, national debt rate, and Eurozone membership, affect identity. Controlling for indicators of the crisis produces results similar to pre-crisis levels. The effect of the economic crisis on identity is significant: individuals in countries that were worst hit by the crisis are more likely to hold exclusive nationalist identities.

Conclusion

The core argument of the paper has been that increased European political and economic integration in the past 20 years has pushed citizens in many of the member states to embrace a more national identity. We suggest that this happened because of the seemingly impersonal economic forces that have been released. Globalization, Europeanization, and neoliberalism are viewed by many citizens as threats to their collective well being. The EU has been an agent of these processes by creating more open markets and trying to prevent

national governments from putting up various forms of trade barriers and social protection. Naturally, many people have seen the nation as the main bulwark against such changes and embraced political parties to help push government towards preserving various forms of social protection. Citizens in many countries have come to see their fellow Europeans as not in the same boat as they are, but in fact not like them at all.

We set out to test this mechanism to see how the financial crisis of 2009-2009 affected Europeans' sense of belonging. We argued that the crisis embodied many elements we have just discussed. It was caused by global finance. It spread across Europe and has caused widespread recession and unemployment. The supranational authorities in the EU and the European Central Bank have all pushed member state governments towards policies of austerity and away from social protection. We hypothesized that in countries where the recession was the worse, citizens would turn to trying to protect themselves and not see Europe as the solution to their problems. This would cause them to increase their identification with the nation and decrease their identification with other people in Europe.

The findings showed that the crisis has had a significant effect on whether individuals hold nationalist or European identities, and the effects are stronger in countries that were worst hit economically. Across Europe, individuals are becoming more nationalist in response to the financial crisis. The numbers of exclusive nationalists have increased, while the numbers of those who see themselves as Europeans, even as "lite" or "situational" Europeans, have decreased.

What does this mean for the future of Europe and the EU? Public opinion is moving the opposite way of policy coordination by political elites. While politicians push for coordinated measures to solve the sovereign debt crisis by following the scripts of the EU and the European Central Bank, their constituents are becoming increasingly more alienated from Europe and its politics. The recent decisions to increase banking supervision and the

agreement to coordinate fiscal policy are all directed at decreasing the ability of national governments to respond to their citizens' preferences in future economic crises. If we are right, then the larger the increase in political coordination at the EU level, the more likely citizens will be to turn to political parties that will offer them a nationally focused alternative based on their national identities.

The current crisis illustrates this process. Economically, the only solution for preventing countries like Greece and Spain from spiraling further down the economic black hole, and potentially taking everyone with them, is a coordinated effort of loans and enforced austerity measures. But, in both the lending and receiving countries, such policies are widely unpopular. In both countries, national identities have increased in the wake of the crisis. Yet, catering to public opinion could result in each country making unilateral decisions, which is not clearly possible given the high degree of coordination between national and EU institutions.

This suggests that future crises are likely to increase the political conflict both within but also across the EU. In Great Britain where now 72% of citizens only have a national identity, there is serious talk of holding a referendum on the withdrawing from the EU all together in the next couple of years. Public opinion polls show overwhelming support for that withdrawal.

The 2007 financial crisis has been a key test of Europe's economic and political project. Economically, the EU was able to prevent complete default and hold the Eurozone together, but politically, it has taken losses. In 2012, the crisis is far from over across many beleaguered countries. If the main response of citizens is to turn more nationalist and to support political parties with resistance to the EU project, we can expect more conflict in national politics and the potential exit of countries from the EU. What remains to be seen is whether decision makers will be able to reach a compromise that will facilitate economic

stabilization while also making European institutions positively relevant to the majority of Europeans. Without a positive agenda that appears to directly help all of the citizens of Europe, the EU is in danger of finding its entire structure delegitimized.

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Table 1. Change in National and European Identities in the EU, 2005-2010

	Nationality only (%)			Nationality/European (%)			European/Nationality (%)			European (%)		
	2005	2010	Change	2005	2010	Change	2005	2010	Change	2005	2010	Change
Czech Republic	37.8	59	21.2	49.1	36.1	-13	10.6	3.3	-7.3	2.5	1.1	-1.4
Slovenia	36.2	56	19.8	58	37.3	-20.7	5.1	3.8	-1.3	0.7	3	2.3
Romania	39.8	57	17.2	55.3	20.8	-34.5	3.4	15.3	11.9	1.5	7.1	5.6
Malta	27.9	39	11.1	68.6	54.6	-14	3.4	4	0.6	0.1	2.5	2.4
Ireland	49.1	60	10.9	42.4	34.6	-7.8	5.6	4.1	-1.5	3	1.6	-1.4
Italy	37.7	48	10.3	54.2	43	-11.2	6.4	7.9	1.5	1.7	1.6	-0.1
France	33.1	43	9.9	54.8	44.3	-10.5	8.2	9.2	1	3.9	3.3	-0.6
Bulgaria	44.9	54	9.1	45.2	38.2	-7	7.7	5.3	-2.4	2.2	2.5	0.3
Cyprus	32.1	41	8.9	58.1	45.6	-12.5	7.8	7.1	-0.7	2.1	6.4	4.3
Latvia	45.2	54	8.8	50.9	34	-16.9	2.7	8.8	6.1	1.1	2.8	1.7
Lithuania	54.6	62	7.4	40.4	32.6	-7.8	4	3.6	-0.4	1	1.6	0.6
United Kingdom	65	72	7	31.6	24.5	-7.1	1.9	2.2	0.3	1.4	1.7	0.3
Sweden	43.8	49	5.2	50.6	44.7	-5.9	4.8	5.1	0.3	0.8	1.2	0.4
Poland	40.4	45	4.6	53.7	48.2	-5.5	5.3	6.6	1.3	0.7	0.7	0
Greece	46.8	51	4.2	46.2	42.5	-3.7	6.6	4.6	-2	0.5	1.5	1
Austria	45.9	50	4.1	45.8	43.4	-2.4	6.6	5.6	-1	1.7	1.4	-0.3
Denmark	39.7	43	3.3	49.8	52	2.2	8.2	4.1	-4.1	2.3	1.1	-1.2
Slovakia	38.7	42	3.3	52	45.8	-6.2	7.2	9.7	2.5	2.1	2.7	0.6
Germany	35.8	39	3.2	50	48.2	-1.8	11.5	8.2	-3.3	2.7	4.5	1.8
Netherlands	34	37	3	57.6	53.4	-4.2	7.2	7.9	0.7	1.2	2.2	1
Portugal	44	44	0	52.1	47.8	-4.3	2.7	6.4	3.7	1.2	1.8	0.6
Belgium	35.2	35	-0.2	50.1	48.6	-1.5	10.1	10.2	0.1	4.6	6.7	2.1
Finland	48.8	48	-0.8	48.3	44.9	-3.4	2.6	6.2	3.6	0.3	0.9	0.6
Estonia	51.1	50	-1.1	44	44.1	0.1	4.4	3.8	-0.6	0.6	2	1.4
Spain	38.4	36	-2.4	51.4	51.7	0.3	5	6.7	1.7	5.2	5.6	0.4
Hungary	51.3	48	-3.3	44.6	46.8	2.2	3.8	4.8	1	0.4	0.6	0.2
Luxembourg	27.2	23	-4.2	51	48	-3	12.8	12.5	-0.3	9	16.8	7.8

Table 2. Identities and Support for the EU

	Tend to trust EU institutions (%)		Have a positive image of the EU (%)		See EU membership as a good thing	
	<i>2005</i>	<i>2010</i>	<i>2005</i>	<i>2010</i>	<i>2005</i>	<i>2010</i>
National	36.6	33	27	26.7	33.2	33.7
National/European	63.2	59.7	59.6	56.2	66.1	65.8
European/national	65.1	64.5	65.4	63.1	72.7	68.8
European	57.1	53.9	61.9	52.6	69.3	58.2

Table 3. Change in GDP per capita During the Crisis

Country	Change in GDP per capita 2007-2009 (%)
Poland	6.75%
Bulgaria	1.35%
Romania	0.43%
Malta	0.38%
Slovakia	0.14%
Cyprus	-0.14%
Netherlands	-2.68%
Portugal	-3.14%
Czech	-3.18%
Austria	-3.22%
Belgium	-3.41%
Germany	-3.67%
Greece	-4.17%
France	-4.28%
Spain	-5.06%
Hungary	-5.65%
Slovenia	-5.71%
Great Britain	-6.69%
Sweden	-7.14%
Denmark	-7.61%
Italy	-7.86%
Luxembourg	-8.00%
Finland	-8.95%
Lithuania	-11.30%
Ireland	-11.82%
Estonia	-17.32%
Latvia	-20.70%

Bold countries are under the EU mean of -4.5%

Table 4. Change in Unemployment Rates, 2007-2009

Country	Change in unemployment rate (2007-2009)
Latvia	10.85
Spain	9.73
Lithuania	9.41
Estonia	9.11
Ireland	7.27
Hungary	2.38
Denmark	2.26
Sweden	2.18
Great Britain	2.05
Italy	1.70
Portugal	1.48
Cyprus	1.45
Luxembourg	1.40
Finland	1.38
Czech	1.34
France	1.13
Greece	1.09
Slovenia	1.03
Slovakia	1.03
Malta	0.45
Romania	0.45
Austria	0.40
Netherlands	0.15
Bulgaria	-0.06
Belgium	-0.72
Germany	-1.04
Poland	-1.44

Table 4. Change in Unemployment Rates, 2007-2009

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Latvia	10.85
Spain	9.73
Lithuania	9.41
Estonia	9.11
Ireland	7.27
Hungary	2.38
Denmark	2.26
Sweden	2.18
Great Britain	2.05
Italy	1.70
Portugal	1.48
Cyprus	1.45
Luxembourg	1.40
Finland	1.38
Czech	1.34
France	1.13
Greece	1.09
Slovenia	1.03
Slovakia	1.03
Malta	0.45
Romania	0.45
Austria	0.40
Netherlands	0.15
Bulgaria	-0.06
Belgium	-0.72
Germany	-1.04
Poland	-1.44

Table 5. Change in National Debt, 2007-2010

Country	Change in Gross Debt as Percent of GDP (2007- 2010)
Ireland	67.19
Greece	37.10
Latvia	32.09
Great Britain	31.26
Portugal	25.05
Spain	25.02
Lithuania	21.18
Romania	18.48
France	18.09
Netherlands	17.57
Germany	17.04
Italy	15.52
Slovenia	15.51
Hungary	14.36
Finland	13.49
Luxembourg	12.38
Austria	11.62
Belgium	11.55
Slovakia	11.45
Poland	9.86
Czech	9.60
Denmark	8.84
Malta	6.90
Spain	3.00
Cyprus	2.66
Sweden	-0.91
Bulgaria	-3.62

Table 6. Logistic Regressions on National Identity

	M1	M2	M3	M4	M6
Gender (female==1)	0.21*** (0.034)	0.25*** (0.033)	0.21*** (0.034)	0.25*** (0.033)	0.25*** (0.033)
Age (years)	0.0062*** (0.0012)	0.0091*** (0.0011)	0.0063*** (0.0012)	0.0091*** (0.0011)	0.0092*** (0.0011)
Education (Ref. below secondary)	.	.	.	.	.
Edu: secondary completed	-0.44*** (0.048)	-0.48*** (0.051)	-0.44*** (0.048)	-0.47*** (0.051)	-0.47*** (0.051)
Edu: post secondary	-0.97*** (0.056)	-1.09*** (0.059)	-0.96*** (0.056)	-1.08*** (0.059)	-1.08*** (0.058)
Occupation: (Ref: Not in labour force)	.	.	.	.	.
Occu: Blue collar and service	0.11* (0.047)	0.027 (0.046)	0.12* (0.047)	0.026 (0.046)	0.027 (0.046)
Occu: Managers	-0.35*** (0.064)	-0.29*** (0.063)	-0.34*** (0.063)	-0.29*** (0.063)	-0.29*** (0.063)
Occu: Professionals	-0.60*** (0.11)	-0.38*** (0.11)	-0.59*** (0.11)	-0.37*** (0.11)	-0.37*** (0.11)
Occu: Other white collar	-0.28*** (0.058)	-0.10 (0.055)	-0.28*** (0.058)	-0.10 (0.055)	-0.096 (0.055)
Occu: Owners	-0.039 (0.067)	-0.21** (0.066)	-0.040 (0.066)	-0.21** (0.066)	-0.20** (0.066)
Trust in EU-institutions	-0.94*** (0.038)	-0.96*** (0.037)	-0.94*** (0.037)	-0.96*** (0.037)	-0.96*** (0.037)
Trust in National Government	-0.067 (0.039)	-0.19*** (0.039)	-0.068 (0.039)	-0.19*** (0.039)	-0.19*** (0.039)
Political identification (right)	0.010 (0.0080)	0.0053 (0.0076)	0.011 (0.0080)	0.0054 (0.0075)	0.0052 (0.0075)
GDP per capita (1000 USD)			-0.021* (0.0098)	-0.0084 (0.011)	-0.020* (0.0079)
Unemployment rate (%)			-0.022 (0.025)	0.0047 (0.019)	-0.027 (0.027)
Gross debt (% of GDP)			-0.0061* (0.0030)	-0.0011 (0.0030)	-0.0054* (0.0025)
Radical right party in government			-0.14 (0.14)	0.070 (0.15)	0.032 (0.11)
Years since EU-entry			0.0021 (0.0062)	-0.0028 (0.0063)	-0.0052 (0.0044)
Country in Euro-zone (dummy)			0.043 (0.20)	-0.43* (0.17)	-0.32** (0.12)
Drop in GDP 2007-2009 (%)					0.054** (0.018)
Change in gross debt 2007-2010 (%)					0.018*** (0.0054)
Change in unemployment 2007 2009 (%)					-0.065 (0.046)
Dummies for 27 countries (Ref: Austria)	not shown	not shown			
Constant	0.47*** (0.10)	0.82*** (0.099)	1.46*** (0.39)	1.41** (0.43)	1.43*** (0.36)
log country level variance			-2.26*** (0.30)	-2.09*** (0.29)	-2.91*** (0.32)
Intraclass correlation (ICC)			0.031	0.036	0.016
Intraclass correlation (null-model)			0.041	0.047	0.047
Pseudo R ²	0.095	0.11			
Countries			27	27	27
Observations	17214	17502	17214	17502	17502

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Figure 1. National and European Identity in the EU, 1992-2010

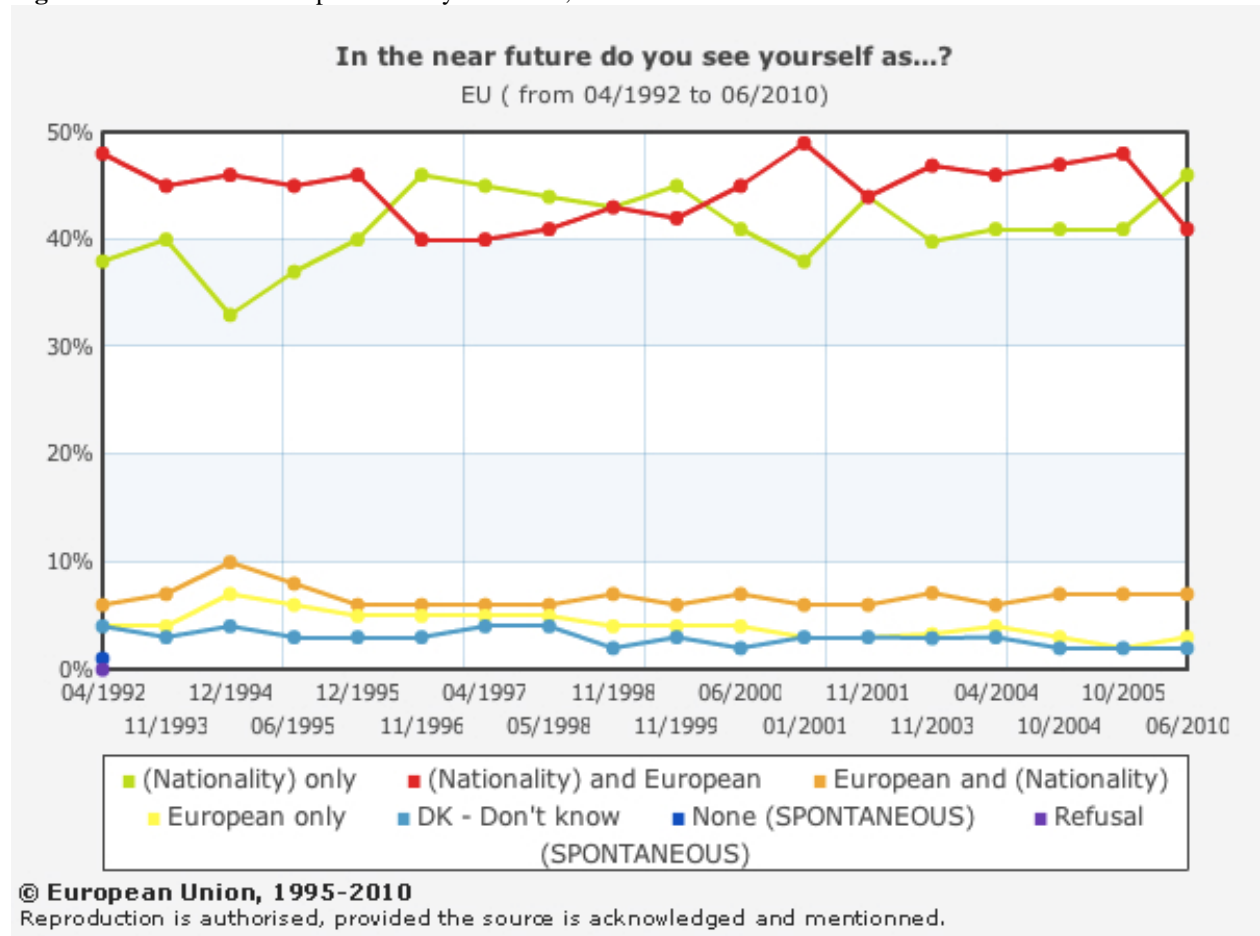


Figure 2. Percent Change in GDP per capita in EU Member States, 2004-2011

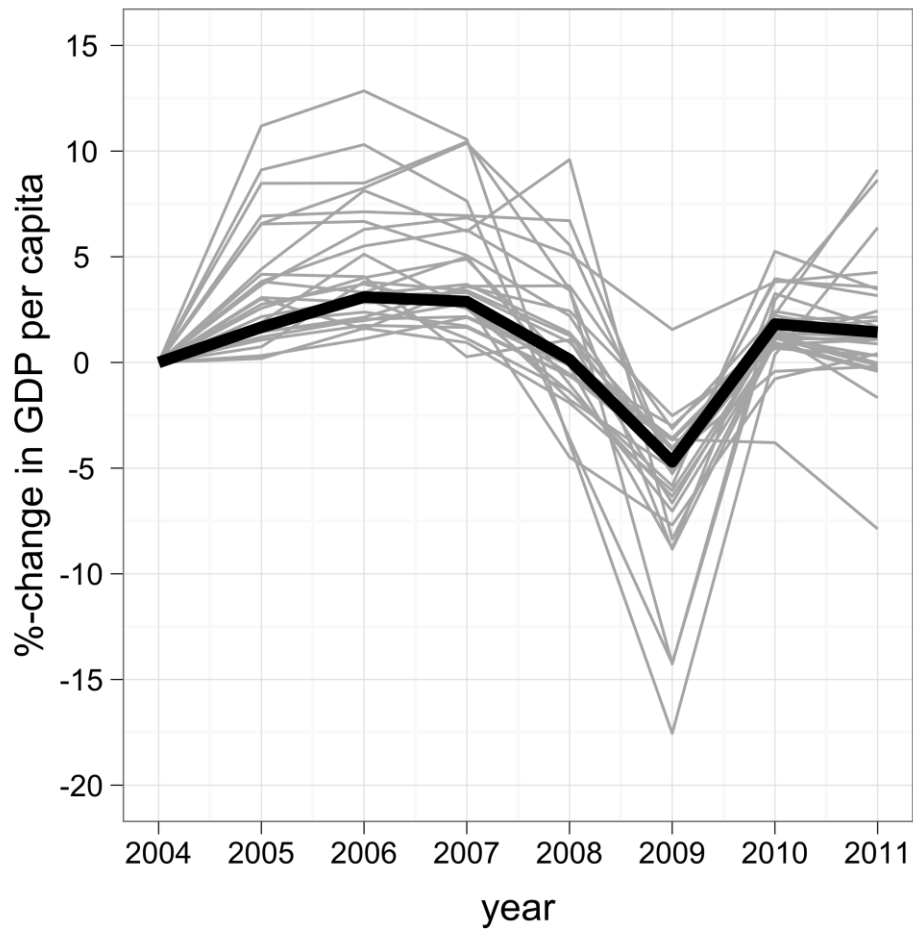


Figure 3. Change in Unemployment Rate in EU Member States, 2004-2011

