

Social Protection and Citizens' EU Policy Expectations: The Interplay Between National and Supranational Politics?

Sharon Baute

Postdoctoral researcher – Centre for Sociological Research

University of Leuven, Belgium

sharon.baute@kuleuven.be

Paper prepared for the EUSA International Biennial Conference, May 9-11, 2019, Denver.

Panel 5E Euroscepticism in the Wake of Eurozone & Refugee Crises

Please do not cite or distribute without permission of the author.

Abstract

As European welfare states have become embedded in the multi-level polity of the EU, social policy is no longer an exclusively national affair. What do citizens expect from European integration regarding their social protection levels? And what explains whether they perceive European integration either as a threat or an opportunity? Using data from the European Social Survey 2016, this article describes the first cross-national analysis of citizens' expected consequences of further European integration for social protection in their country. The analysis demonstrates that citizens' expectations are the joint result of national and European policies and policy evaluations. The results show that dissatisfaction with national welfare provisions and trust in EU institutions translate into higher expectations about the EU's potential to increase social protection. Furthermore, citizens hold far more optimistic outlooks when national welfare provisions are less generous or if they live in a country that financially benefits more from the EU's structural funds.

Keywords

Multi-level governance, European integration, EU trust, welfare states, European Social Survey

Introduction

Over the last decades, the European Union started to gradually intervene in social policy through both market-making and market-correcting policies (Martinsen & Vollaard, 2014; Scharpf, 1999). As a result, European welfare states have become embedded in the multi-level polity of the EU (Leibfried & Pierson, 1995). This implies that social policy is no longer an exclusive national affair but is increasingly designed as well as constrained by EU policy-making. Most notably, the crisis has illustrated the impact of decisions taken at the EU level on national welfare states.

Against this backdrop, citizens are becoming increasingly aware of the consequences of European integration. Previous empirical research shows that public concerns about the EU's impact on social protection are a specific concern (Baute, Meuleman, Abts, & Swyngedouw, 2018) that structures attitudes towards future integration (Brinegar & Jolly, 2005; Mau, 2005; Ray, 2004). In countries with more generous welfare systems, welfare state concerns are more dominant (Baute et al., 2018) and opposition towards integration in general is more prevalent (Sánchez-Cuenca, 2000). In advanced welfare states, especially left-wing citizens are less inclined to support European integration, whereas in less developed welfare states, the left is more pro-EU than the right (Brinegar, Jolly, & Kitschelt, 2004).

These studies suggest that many Europeans have perceptions about how European integration affects social protection or have expectations about how it will do so in the future, and that the nature of these perceptions varies both within and across EU member states. Nevertheless, it remains unclear why citizens hold either optimistic or pessimistic views about the future impact of European integration on social protection levels. Do their prospects represent the hope of surmounting national problems or are they driven by European factors? Such expectations of the European integration process are of vital importance for the EU's legitimacy, as the years of 'permissive consensus' have been replaced by 'constraining dissensus' (Hooghe & Marks, 2008). Moreover, understanding citizens' expectations about it becomes crucial as they may play a major role in public contestation over future European integration.

To improve our understanding of the formation of EU expectations amongst the European public, this contribution answers the following research question: *To what extent do national or supranational policies and performance evaluations drive citizens' expectations about the impact of Europeanization on social protection?* In the context of multi-level governance, I assume that citizens' expectations about the impact of European integration regarding social protection are the joint result of both the European and national conditions. Therefore, in this study I aim to disentangle their relative importance and test whether they interact with each other, as the impact of national factors might be contingent on European factors and vice versa. To answer the research question empirically, cross-national data from

the European Social Survey 2016 is analysed by means of multilevel modelling. The findings have broader consequences for our understanding of how public expectations operate in a multilevel setting.

Social protection in a multilevel governance system

Since long time, national welfare states are the primary institutions providing citizens' with social protection in the case of sickness, old age or unemployment (Ferrera, 2005). Since the last decades, European welfare states are undergoing profound transformations, not only through internal challenges such as aging populations and changing family structures but also through external challenges, most notably the processes of globalization and European integration. Ferrera (2005) theorizes the challenge of European integration to national welfare states as being an attempt to redefine the boundaries of welfare. Accordingly, European integration can be understood as a process of de-bounding and de-structuring of the national welfare state. Whereas social sharing builds on closure, European integration rests on opening, blurring the spatial demarcations and closure practices that nation states have built to protect themselves (Bartolini, 2005; Ferrera, 2005).

In sum, European integration gradually undermines the sovereignty (the legal authority) and the autonomy (the de facto regulatory capacity) of national welfare states through the establishment of supranational institutions (Leibfried, 2015, p. 264). Whereas prior to the European integration process, welfare states were national states (de Swaan, 1992), they gradually became semi-sovereign states (Hemerijck, 2012). The ongoing European integration has resulted in multi-level governance in the area of social policy (Leibfried, 2015). This implies that social protection is no longer exclusively dealt with at national level but also, and in a growing extent, at the EU level.

European integration and welfare states have become intertwined in complex ways and the consequences for social protection levels are ambiguous. On the one hand, the EU can be considered as a regional manifestation of globalization, pushing forward economic integration. In this respect, scholars have emphasized that European integration is a destructive force as it has major drawbacks for welfare policies in EU member states (Offe, 2003; Scharpf, 2010). For instance the EU Stability and Growth Pact forced member states to limit spending which led to welfare retrenchment in times of economic crisis. Accordingly, the EU is often criticized for producing undesirable effects of the single market on national welfare states, increasing risks of social dumping and a race to the bottom in terms of social standards (Bernaciak, 2014). On the other hand, European integration can be seen as a defensive wall against globalization (Hyman, 2005). In this regard, scholars have argued that European integration instead exerts a positive influence on the welfare state, for instance through various structural funds that aim to reduce regional disparities in income, employment, investment and growth (Allen, 2010) or through a number of social regulations in the area of health and safety at work and gender equality (Falkner, 2010). Although recent attempts have been made by EU policy-makers to

strengthen the EU's social dimension, the EU's social competences and policy instruments are constrained by institutional obstacles (Bailey, 2017).

The process of European integration is in constant development and further integration can both strengthen the welfare state – through supporting the so-called European social model at EU-level – or weaken existing social protection systems, by limiting policy options and creating pressures towards a downward harmonization in the strongest welfare states. Therefore, I pose that there is an ambiguous potential of EU decision-making for social protection levels in the various member states. In times of constraining dissensus (Hooghe & Marks, 2008), the question remains how citizens perceive this potential of EU decision-making, or whether and why citizens consider more EU decision-making as an opportunity to increase social protection levels in their country.

EU governance

In first instance, citizens' expectations are likely to be shaped by the current EU governance itself and their perceptions of it. One can even expect that it is a prerequisite to consider the EU institutions as well-performing and trustworthy in order to believe that the EU has the capability to strengthen the level of social protection that prevails within a country. If EU institutions are perceived as well-performing, this may create a certain amount of confidence in the policy outcomes that the EU will deliver in the future. Contrary, if citizens distrust EU institutions, they may tend to believe that more EU decision-making is only going to worsen the situation instead of bringing improvements to the country. Previous research has shown that trust in the EU institutions is associated with a more positive stance towards European integration more generally (Kritzinger, 2003; Sánchez-Cuenca, 2000). Therefore, I hypothesize that the more trust citizens have in EU institutions, the more likely they expect that more EU decision-making will increase social protection levels in their country (H1).

Besides citizens' evaluations of EU institutions, it is likely that the extent to which member states have objectively benefitted from EU-level welfare provisions is of major importance in explaining citizens' expectations about how further integration will affect social protection levels. EU-level welfare-related provisions are hard to measure, but are most visible in the EU-level spending programmes serving welfare functions (Burgoon, 2009). Of particular importance in this regard are the European Structural and Investment Funds, representing about half of the EU's budget and focusing on reducing regional disparities in income, employment, investment and growth (Anderson 1995; Falkner 2010; Geyer 2000; Leibfried and Pierson 1995). The receipt of these funds may structure expectations about future gains or losses of continued integration with regard to social welfare, because they function as positive frames. The more substantial the resources that countries receive, the more likely that citizens may perceive that the EU protects and enhances social rights in different ways, translating into stronger beliefs that the EU strengthens the capacities of national welfare states. This logic is supported by previous studies which found a positive relationship between EU net transfers and support for more social policymaking

at the EU level (Beaudonnet, 2013; Burgoon, 2009). In donor countries on the contrary, the benefits of EU-level governance regarding social protection may be less visible. Moreover, in these member states, negative frames about the EU-welfare nexus are possibly more dominant. There may be a perceived conflict of interests between domestic social protection and European integration, because of domestic resources flowing to other member states. Therefore, I hypothesize that in member states that receive more transfers of the EU budget, citizens are more likely to expect that European decision-making will increase social protection levels (H2).

Welfare state performance

Expectations about the EU's potential to increase social protection levels do not necessarily depend on the EU itself. Alternatively, not the EU but the national welfare state may constitute the main point of reference from which citizens' expectations arise about what European integration will bring with respect to social welfare. In other words, the welfare state might function as a benchmark (de Vries, 2018). Of particular importance is citizens' satisfaction with the outcomes of the welfare state (Roosma, Gelissen, & van Oorschot, 2013), since welfare state performance determines the potential importance of the EU. I assume that outcome satisfaction – more specifically regarding the level of social protection the national system provides – is inversely related to citizens' expectations regarding the output of the European supra-state machinery. Citizens are risk-averse, which implies that only when they are quite dissatisfied with the status quo they put their hope in an alternative governance level and are willing to transfer competences to this alternative level. One has potentially less to lose if the national welfare system is not performing according to one's desires. In such a case, citizens' unfulfilled expectations can be directed towards the European governance level, turning European integration into an opportunity to increase social protection levels instead of a threat (Bertoncini & Koenig, 2014). In this respect, Harteveld and colleagues (2016) pose that the EU can function as a lifebuoy for those who believe that national institutions are ill-performing. Irrespective of whether citizens' perceptions and beliefs are based on a correct interpretation of reality, they form a real basis for their expectations. From previous studies we know that people show higher support for EU integration more generally when they have low trust in national institutions (Kritzinger, 2003; Sánchez-Cuenca, 2000). When looking at support for EU-level social policies in particular, it is also found that low trust in the social security system and low satisfaction with its performance function as facilitator for support (Baute, Meuleman, & Abts, 2019). What all these studies indicate is that the EU is considered as a means of escape from the inefficiency of the nation-state (Kritzinger, 2003, p. 234). Accordingly, I hypothesize that the more citizens feel that the national welfare state provides decent social protection, the less they expect an increase in social protection levels if more decisions are taken by the EU (H3).

Irrespective of these subjective evaluations, objective welfare state performance is likely to structure citizens' EU policy expectations. In particular the generosity of national social benefits is of major importance, since it determines the potential impact of the EU on the level of social protection in the

member states. Assuming that more European decision-making leads towards convergence in social policy outcomes across the EU, a potential increase in social protection levels is largest in the least developed welfare states. In these welfare states, citizens are more likely to perceive the EU as a source of better governance that enables their relatively weak welfare systems to catch up with more strongly developed systems. Contrary, living in an EU member state with more generous welfare spending decreases the importance of the EU as a substitute. Moreover, in the strongest welfare state, further integration might even fuel concerns about downward convergence in the quality and generosity of national social benefits and services. Previous empirical research has shown that in member states with more generous social spending, citizens are indeed more fearful for a loss of social security resulting from European integration (Baute et al., 2018; Ray, 2004), have less trust in the EU (Kumlin, 2009) and are less supportive of integration in general (Sánchez-Cuenca, 2000). In addition, more generous replacement rates for unemployment seem to dampen support for EU-level welfare assistance (Burgoon, 2009) and higher regime efficacy (in terms of reducing the at-risk-of-poverty rates) also diminishes support for integration (Beaudonnet, 2015). This strengthens the expectation that in the most developed welfare states, citizens are more likely to expect that European integration will undermine social benefits and services instead of producing higher levels of social protection. I thus hypothesize citizens are less likely to expect social protection levels to increase if more decisions are taken by the EU when they have more generous welfare provisions in their country (H4). Figure 1 gives a visual presentation of the conceptual model.

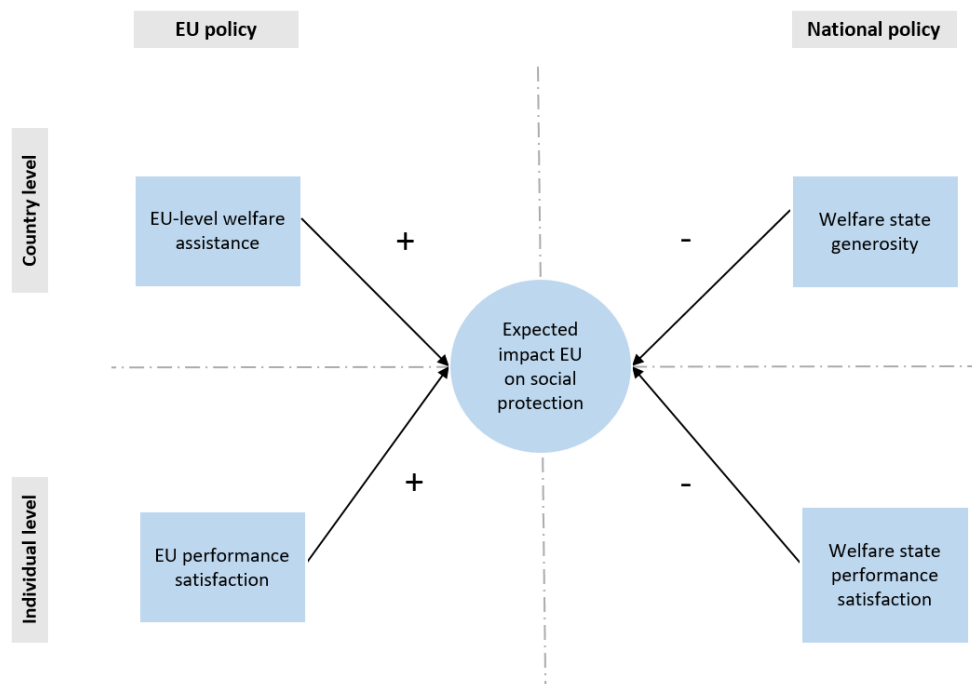


Figure 1. Conceptual model of citizens' expected consequences of European integration on social protection levels.

Finally, I expect European and national factors to interact with each other. At the individual level, I assume that satisfaction with the outcomes of the welfare state has a stronger effect on expectations when citizens have a high level of trust in the EU institutions (H5), because the latter might be a precondition to consider the EU as an alternative source of governance. If citizens are dissatisfied with the performance of the national welfare state and simultaneously distrust EU institutions, it is likely that they are equally skeptical about the EU's capability to increase social protection compared to that of the national government. Furthermore and in line with previous research, I assume individual-level factors are conditioned by national context (Brinegar & Jolly, 2005). More specifically, I expect that citizens that are dissatisfied with the coverage provided by their national welfare regime have higher expectations about the EU's potential impact to increase social protection levels than dissatisfied citizens in more generous welfare states (H6). Assuming that more EU decision-making leads towards a convergence in social policy outcomes across member states, citizens in generous regimes may have low expectations regardless of how satisfied they are with the national system. In less developed welfare states, citizens might thus be less risk-averse with respect to EU-level governance, because they have comparatively more certainty to benefit from an upwards convergence. Therefore, being dissatisfied in a weaker welfare regime might trigger stronger expectations than being dissatisfied in a stronger welfare regime.

Data and methods

Data

To test the hypotheses, data from the European Social Survey (ESS) 2016 is used (www.europeansocialsurvey.org).¹ Out of the 23 countries participating in the ESS8, the 18 EU member states are selected (N=35,450): Austria (AT), Belgium (BE), Czech Republic (CZ), Estonia (EE), Finland (FI), France (FR), Germany (DE), Hungary (HU), Ireland (IE), Italy (IT), Lithuania (LT), the Netherlands (NL), Poland (PL), Portugal (PT), Slovenia (SI), Spain (ES), Sweden (SE) and the United Kingdom (UK). The survey contains responses obtained via face-to-face interviews conducted among probability samples of the population aged 15 and over, resident in private households. National response rates in the ESS8 range from 30.6 per cent in Germany to 69.6 per cent in Poland. The sample sizes per country are shown in Appendix Table B.

Variables

¹ ESS Round 8: European Social Survey Round 8 Data (2016). Data file edition 2.1. NSD - Norwegian Centre for Research Data, Norway – Data Archive and distributor of ESS data for ESS ERIC. doi:10.21338/NSD-ESS8-2016.

To operationalize the dependent variable, I rely on a survey item in the ESS8 that asks respondents about the expected consequences of more EU decision-making for the level of social protection in their country of residence.

If more decisions were made by the European Union rather than by national governments, do you think the level of social benefits and services provided in [country] would become higher or lower?'. [Response categories: 1 'Much higher', 2 'Higher', 3 'Neither higher nor lower', 4 'Lower', 5 'Much lower']. Responses are recoded so that high scores indicate high expectations.

In line with previous research, *trust in the EU institutions* is measured by a single item assessing respondents' trust in the European Parliament, ranging from no trust at all (0) to complete trust (10) (Kumlin, 2009). Ideally, trust in multiple EU institutions would be included, but it has been shown that trust in the European Parliament correlates very strongly with trust in other EU institutions, making it a legitimate indicator for generalized trust in the EU (Harteveld et al., 2016).

Satisfaction with the *performance of the national welfare system* is assessed by an index of respondents' evaluations of the overall standard of living of (1) pensioners and (2) the unemployed in their country. Responses are respectively coded on 11-point scales ranging from extremely bad (=0) to extremely good (=10). High scores thus indicate more satisfaction with the policy outcomes of the welfare system.

The models are estimated with a standard set of social-structural variables, among which are *age* and *gender* (0=male). *Education* is categorized as low (lower-secondary or less), medium (upper-secondary) or high (advanced vocational and tertiary), based on the ISCED classification for the highest educational qualification achieved. The *income* of respondents is measured by equivalent household income, using the OECD-modified equivalence scale (OECD, 2005). To enable comparison of income between countries, the variable is categorized per country into four quartiles and a residual category of missing values. The analyses also include respondents' *welfare dependency*, measured by a dummy indicating whether respondents' main income is a social benefit (including unemployment, redundancy or any other social benefit, but excluding pensions), as welfare beneficiaries are more likely to fear a loss of social security resulting from European integration (Baute et al., 2018). I also control for *egalitarianism*, measured by an index of three items (Cronbach's alpha 0.61). Citizens were asked to indicate on a 5-point scale to what extent they agree or disagree with the following statement; (1) Large differences in people's incomes are acceptable to properly reward differences in talents and efforts, (2) For a society to be fair, differences in people's standard of living should be small, and (3) The government should take measures to reduce differences in income levels. Responses were recoded with high scores signifying egalitarian values. I further control for citizens' level of support for European integration. Citizens might have pessimistic views on how EU decision-making will affect social protection levels because they are Eurosceptic in general. This is a confounding factor I want to account for. *General support for the EU* is measured by respondents' opinion on whether European unification has already

gone too far (=0) or should go further (=10). Descriptive statistics of all individual level variables are provided in Appendix Table A.

In line with previous research, *EU-level welfare provisions* are measured by the most visible EU-level spending programmes serving welfare functions (Burgoon, 2009). For this I consider the average annual European Structural and Investments Funds allocated for the period 2014-2020, measured as a percentage of member states' gross national income in 2016 (European Commission, 2019). These funds include the European Regional Development Fund (ERDF), European Social Fund (ESF), Cohesion Fund (CF), European Agricultural Fund for Rural Development (EAFRD), European Maritime and Fisheries Fund (EMFF) and the Youth Employment Initiative (YEI). As robustness check, I consider two alternative measures. The first one is the average annual allocated social inclusion-related funds (i.e. within the ESF, ERDF, EAFRD) allocated for the period 2014-2020, which are targeted at promoting social inclusion, combating poverty and different forms of discrimination. The second alternative measure is the net EU transfer in 2016, thus also including programmes and taxes that are less strongly linked to welfare efforts. A negative net transfer indicates that a country received less payment from the EU than it contributed - thus a net contributor or donor country - whereas a positive percentage indicates that the country is a net receiver or beneficiary of the EU's budget.

To measure the *generosity of national welfare programmes*, I consider the net replacement rates in unemployment for the year 2016, measured as the proportion of previous in-work income that is maintained after sixty months of unemployment (OECD, 2018). These figures are based on a household situation of a single person without children that previously earned the average wage. As a robustness check, I include social spending as a percentage of gross domestic product in 2016 (Eurostat code: spr_exp_sum).

Furthermore, I include a dummy variable for countries that are *Eurozone members*. Although EU decision-making affects all member states, some policies - such as the Stability and Growth Pact which led to welfare retrenchment in times of economic crisis - concern only Eurozone member states. Besides, within Eurozone countries, citizens consider the EU to have a greater capacity than national governments to solve economic problems (Hobolt, 2015), whereas in euro opt-out countries, national governments are perceived as most effective handlers of the crisis. This further indicates that Eurozone membership influences citizens' attitudes towards policymaking in a multilevel setting.

Statistical modelling

To estimate individual and country-level effects simultaneously and to take into account the clustered nature of the data, multilevel modelling is applied (Hox, 2010). Multilevel modelling is warranted, as 26.20 percent of the variation in the dependent variable is attributable to country-level differences. As the analysis is based on only 18 countries, a Bayesian estimator – with noninformative priors – was used to improve the accuracy of the results (Hox, van de Schoot, & Matthijsse, 2012; Stegmueller,

2013). The Bayesian approach yields credibility intervals that have better coverage than maximum likelihood based confidence intervals, especially in the case of small N at level 2 (Bryan & Jenkins, 2015). For the Bayesian estimation, two chains of the Gibbs sampler were requested and the Gelman-Rubin criterion was used to determine convergence (the cut-off value is set to 0.01) (Gelman et al., 2014). The number of iterations is set to 10,000 to facilitate convergence and a thinning factor of 50 is used to reduce autocorrelations. All the analyses were conducted using Mplus software version 7.4 (Muthén & Muthén, 2012).

Results

Figure 2 displays the percentage of respondents that expects the level of social benefits and services to become higher or much higher if more decisions are taken by the European Union instead of the national government. On average, 30 percent of the respondents expect improvements from more EU decision-making. However, the figure shows large cross-national variation, with the majority of respondents in Lithuania (67 percent), Poland (57 percent), Estonia (54 percent), Spain (52 percent) and Portugal (51 percent) expecting social benefits and services to increase, whereas few respondents in Northern and Western European countries have optimistic expectations about the EU's potential. In Finland and Sweden, less than ten percent of the respondents expect improvements from Europeanisation. The belief that the EU is an agent that could improve social protection is thus very unequally spread across the EU member states. Figure 2 further presents the average level of support for European integration in the eighteen member states. On average, respondents score 5.16 on the question whether European unification should go further (=10) or has already gone too far (=0). Support for unification also varies considerably across countries, with the lowest support in Hungary (4.14) and the highest in Spain (6.21). Interestingly, there is no clear relationship between the two aggregated attitudes, since high average expectations do not necessarily accompany stronger support for European unification in member states (the Pearson correlation is 0.12). As shown, citizens in Estonia have relatively high expectations about the EU's potential to increase the level of social protection and benefits, whereas they support European integration to a lesser extent than the Germans or the Dutch, who have far lower expectations about social protection levels. This indicates that high expectations are not just a matter of having a positive stance towards European integration more generally. The two items capture different phenomena, suggesting that citizens' expectations about the EU's impact on social protection has its own logic, which needs to be fleshed out.

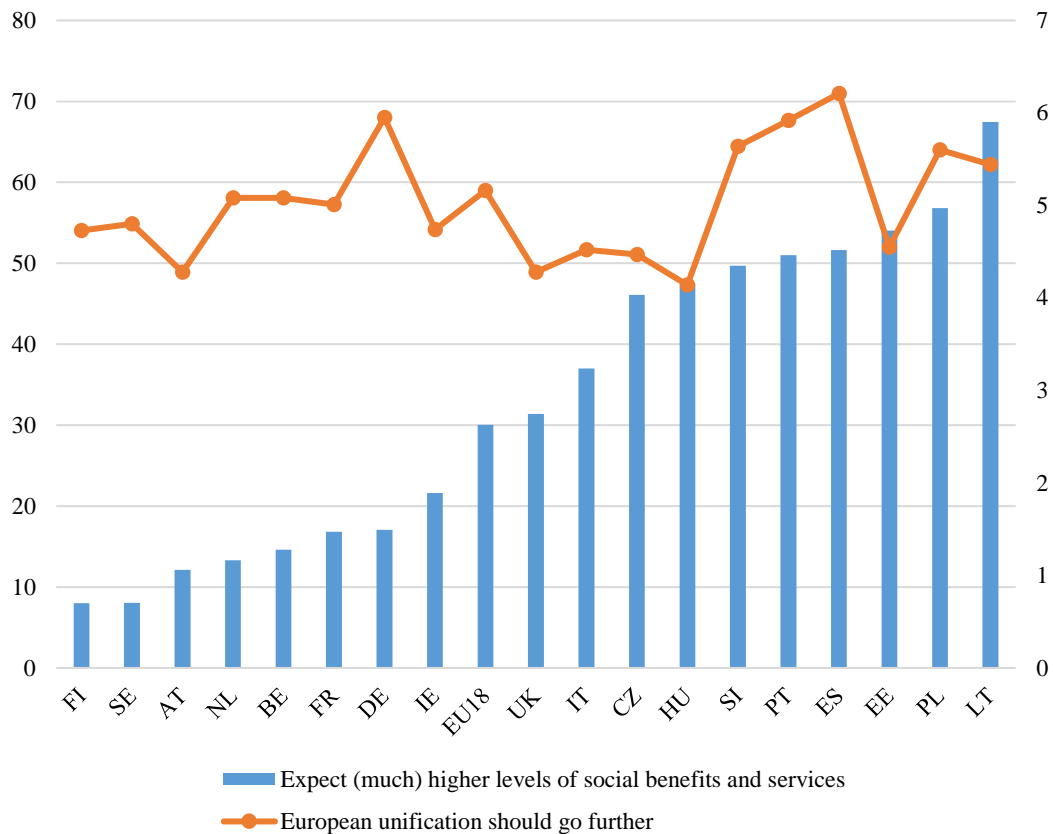


Figure 2. Percentage respondents expecting the level of social benefits and services to become higher if more decisions are taken by the European Union (N=31,764) and country means for general EU support (N=33,327). Source: ESS8, using design weights (countries) and a combination of design and population size weights (EU18).

How do EU and national policies and evaluations shape citizens' expectations about the impact of EU decision-making on social benefits and services in the country? Given that I am interested in their joint effect and potential interaction effects, the data is analysed using multilevel regression modelling, as this allows to test the effects of the individual and contextual variables simultaneously. Table 1 presents the results of the multilevel linear regression models, indicating what factors drive citizens to perceive EU decision-making as an opportunity rather than a threat. Regression coefficients and the 95% credibility intervals using Bayesian estimation are reported.² While the regression coefficients can be interpreted in the same way as regular regression with a maximum likelihood estimator, credibility intervals should be interpreted as the 95% probability that in the population the parameter lies between the two values.

² For model 2 only unstandardized coefficients are reported, since Mplus does not allow to compute standardized coefficients for models with random slopes using the Bayesian estimator.

Table 1. Multilevel models, determinants of expecting increasing levels of social benefits and services as a result of more EU decision-making.

	Model 1		Model 2
	Est. [95% CI]	Std. Est.	Est. [95% CI]
<i>Individual-level variables</i>			
Trust in EU	0.036* [0.026;0.045]	0.102* [0.074;0.129]	0.032* [0.011;0.055]
Welfare state satisfaction	-0.018* [-0.029;-0.008]	-0.040* [-0.062;-0.017]	-0.069* [-0.115;-0.023]
Trust EU x Welfare state satisfaction	0.000 [-0.002;0.002]	-0.001 [-0.036;0.033]	
Welfare state satisfaction x Replacement rate			0.001* [0.000;0.003]
Trust in EU x EU funds			0.002 [-0.008;0.012]
Age	-0.001* [-0.002;-0.001]	-0.027* [-0.039;-0.015]	-0.001* [-0.002;-0.001]
Female	-0.014 [-0.034;0.006]	-0.008 [-0.019;0.003]	-0.011 [-0.031;0.009]
Education			
Low	0.116* [0.088;0.143]	0.057* [0.044;0.071]	0.123* [0.094;0.150]
Medium	0.065* [0.041;0.089]	0.036* [0.023;0.050]	0.066* [0.042;0.089]
High	Ref.	Ref.	Ref.
Income			
First quartile	0.080* [0.047;0.112]	0.037* [0.022;0.052]	0.081* [0.048;0.114]
Second quartile	0.045* [0.015;0.076]	0.022* [0.007;0.037]	0.045* [0.014;0.076]
Third quartile	0.015 [-0.015;0.045]	0.007 [-0.007;0.021]	0.014 [-0.016;0.046]
Fourth quartile	Ref.	Ref.	Ref.
Missing	0.023 [-0.013;0.058]	0.009 [-0.005;0.023]	0.024 [-0.012;0.059]
Welfare dependency	-0.060* [-0.106;-0.012]	-0.015* [-0.027;-0.003]	-0.053* [-0.100;-0.006]
Egalitarianism	0.062* [0.049;0.076]	0.056* [0.044;0.068]	0.061* [0.047;0.074]
Support for European integration	0.027* [0.023;0.031]	0.083* [0.070;0.095]	0.027* [0.023;0.031]
<i>Country-level variables</i>			
EU Funds (% GNI)	0.147*	0.466*	0.116

	[0.037;0.261]	[0.116;0.744]	[-0.112;0.302]
Net replacement rate	-0.013* [-0.024;-0.003]	-0.410* [-0.668;-0.085]	-0.021* [-0.041;-0.006]
Eurozone member	-0.140 [-0.472;0.189]	-0.123 [-0.386;0.158]	-0.156 [-0.584;0.304]
Constant	2.840	5.983	3.162
R² individual	0.031		/
R² country	0.720		/
Observations level 1	29,019		29,019
Observations level 2 (countries)	18		18

* one-sided $p < 0.025$; CI=credibility interval

The results of the multilevel regression analysis support the hypothesis regarding the association between trust in the European institutions and expectations about social protection levels (H1). Model 1 shows that the level of trust that citizens have in the European Parliament has a strong significant effect on their expectations about the EU's impact on social protection ($B=0.102$, one-sided $p < 0.025$). The more one considers the European Parliament as a trustworthy institution, the more likely one expects improvements for social protection. Those who are hesitant to trust the EU institutions are more pessimistic about the capabilities of the EU to increase social protection levels in the sense that they are more inclined to believe that more EU decision-making will only worsen the situation compared to the status quo.

Besides trust in the EU, the results confirm that policy evaluations of the national level are also important, however in the opposite direction. Being satisfied with the welfare provisions in one's country is namely negatively associated with the dependent variable ($B=-0.040$, one-sided $p < 0.025$). The models confirm that those who are satisfied with the social protection level provided by the national welfare state indeed hold less positive expectations about the probability that EU decision-making will increase social protection (H3). Put differently, citizens that are dissatisfied with their national welfare provisions see the EU as an alternative source of better governance. At first sight, this seems to contradict previous research which finds that welfare state dissatisfaction is linked to lower trust in the EU (Kumlin, 2009). This indicates that citizens who are dissatisfied with the level of protection that their national welfare state offers do actually put their hope in the EU as an alternative governance level, despite the fact that they might trust EU institutions to a lesser extent than those who are satisfied with national provisions. When citizens are faced with a trade-off between national and EU-level policy-making, dissatisfaction with one level thus seems to be favorable to the legitimacy of policy-making at the other level. Furthermore, Model 1 rejects the hypothesis that being dissatisfied with the welfare state has a stronger impact on expectations when citizens have high levels of trust in the EU institutions (H5).

Additionally, Model 1 also reveals the effects of the social-structural control variables. Whereas it is previously found that lower educated, lower income groups and welfare beneficiaries are more fearful

for a loss of social security resulting from European integration (Baute et al., 2018), the ESS 2016 data indicate that these groups are significantly more likely to expect improvement from increasing EU decision-making for social protection. This contrasting finding could signal that the lower social class is more concerned about the level of social protection in general but somehow believes that decisions made at the EU-level are more likely to increase protection levels in their country than when they are made at the national level. Furthermore, younger people and those with stronger egalitarian values and general EU support are also significantly more optimistic when assessing the impact of extended EU decision-making competences on social protection levels.

Looking at the explained variance, all individual level variables included in the model explain only 3.1 percent of the variance in the dependent variable. As they have a limited influence, I now turn to the contextual effects in Model 1.

First, we analyse the impact of EU policies. The results show a very strong effect of the total receipts from the European Structural and Investment Funds ($B=0.466$, one-sided $p < 0.025$). In those countries that receive substantively more resources from these funds (relative to their gross national income), citizens are more likely to believe that more EU decision-making will be beneficial with regard to social protection (H2). Results are robust when using social inclusion related funds and EU net transfers as alternative operationalizations.³ This indicates that among the citizenry, there is a certain awareness of the EU-level governance itself and the status of ones country as a beneficiary, and that the receipt of these funds is feeding positive expectations about the domestic impact of European decision-making for social protection. Figure 3 visually represents this relationship. In countries that receive relatively more resources from the European Structural and Investment Funds, such as Poland and Lithuania, citizens have among the highest expectations, whereas in those member states that receive relatively few resources, such as the Netherlands and France, expectations are low. Results do not show a statistical effect of one's country being a member of the Eurozone on citizens' expectations.

³ Results can be obtained upon request from the author.

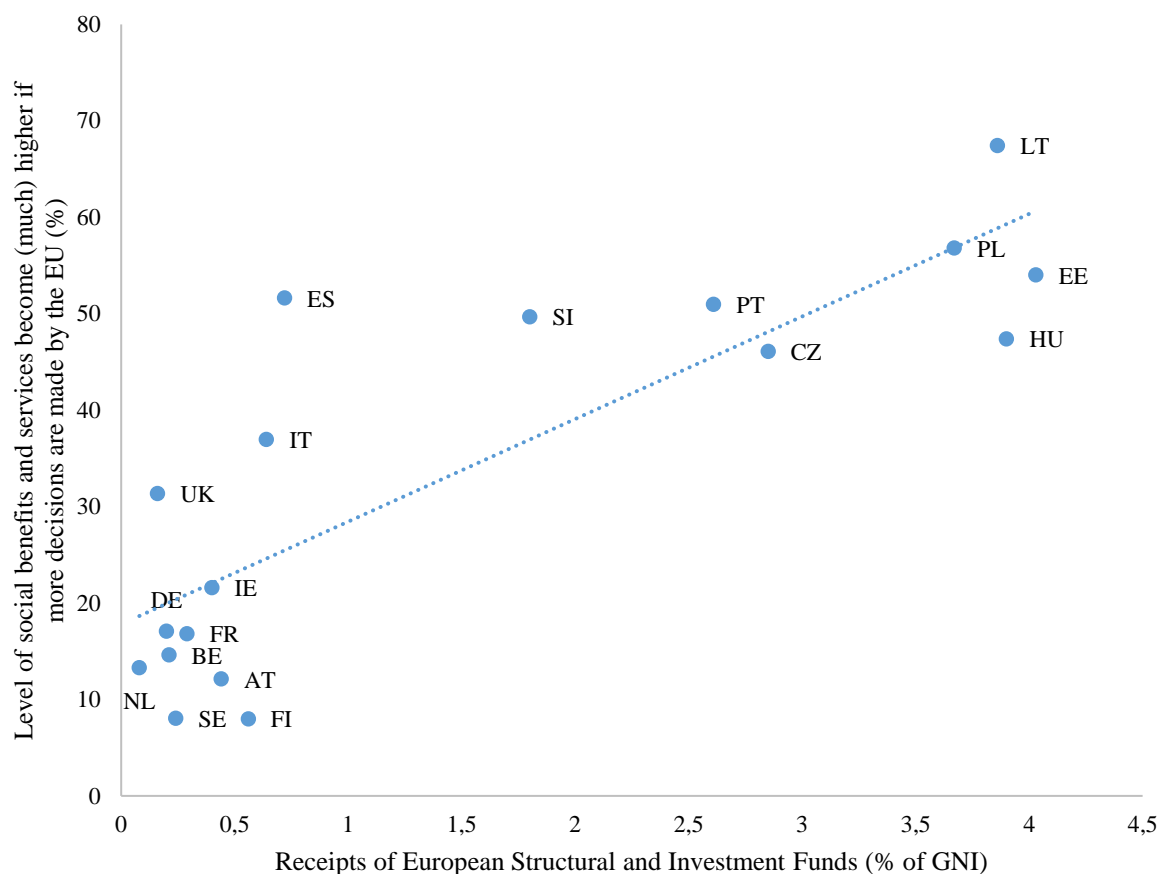


Figure 3. Country means for expectations about the EU’s impact on social security levels by receipts of European Structural and Investment Funds. Source: ESS 2016, using design weights.

Second, I look at the impact of national-level welfare policy. Results show that in member state with more generous replacement rates for long-term unemployment, citizens far less believe that more EU decision-making will result in increasing social protection levels ($B=-0.410$, one-sided $p < 0.025$). This finding confirms H4. Similar results are obtained when using social spending as a robustness check.⁴ Appendix Figure A displays the country positions according to their replacement rates. This indicates that within the multi-level governance, the social added value of the EU – and potentially also the EU in general (Sánchez-Cuenca, 2000) – will consistently be assessed against what citizens already have at home. At the same time, when EU-level welfare provisions are becoming more extensive, expectations about EU decision-making may be growing relatively to expectations about national decision-making. Overall, both the national and the EU policies explain no less than 72 percent of the differences that exist in citizens’ expectations between countries. In sum, EU-level and national level policies are structuring citizens’ expectations about social protection levels simultaneously, but in opposite directions.

⁴ Results can be obtained upon request from the author.

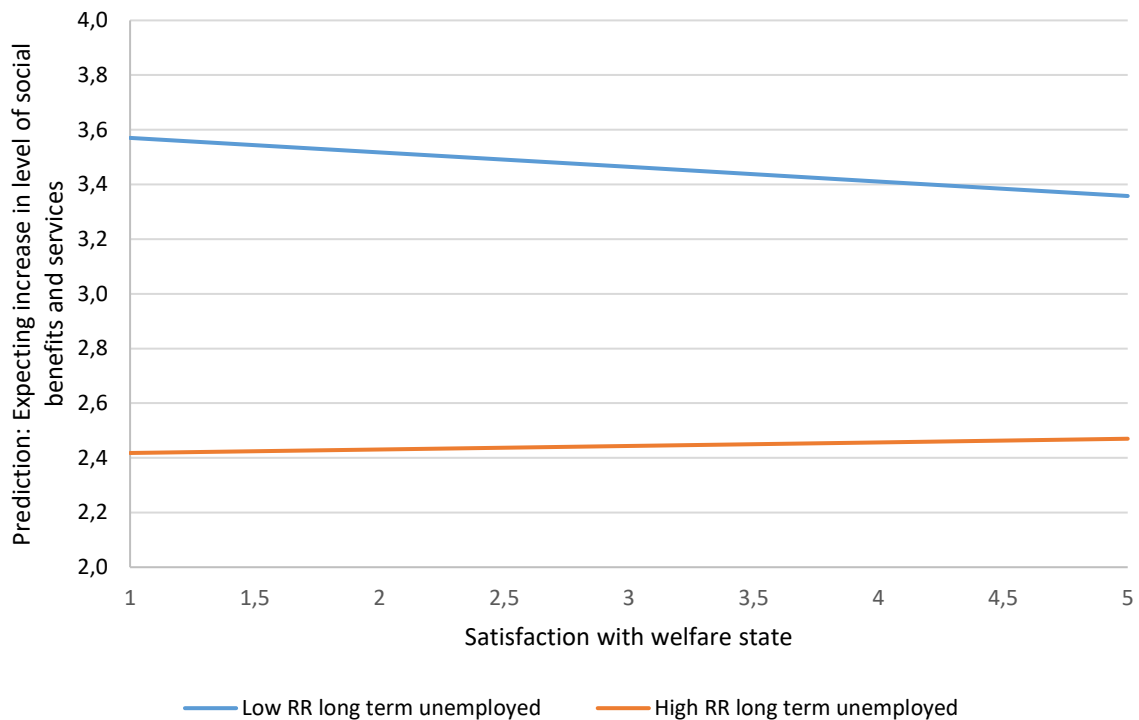


Figure 4. Effect of satisfaction with the welfare state coverage in countries with high and low replacement rates for long-term unemployment.

Additionally, cross-level interactions are allowed in Model 2. In line with hypothesis 6, results confirm that satisfaction with the welfare state has a stronger impact on citizens' expectations about the EU-welfare nexus in those countries with the least generous replacement rates for long-term unemployment. Being dissatisfied with the national welfare provisions is thus a stronger trigger for higher expectations about the EU's potential to increase them in the least generous regimes ($B=0.001$, one-sided $p < 0.025$). To visualize the cross-level interaction, Figure 4 depicts the effect of welfare state satisfaction for two groups; (1) citizens living in a country with low replacement rates for unemployment, and (2) citizens living in countries with high replacement rates for unemployment. I define a country as low generosity if its replacement rate is one standard deviation below the EU-18 mean (Hungary, Italy, Lithuania) and I define a country as high generosity if its replacement rate is one standard deviation above the EU-18 mean (Austria, Ireland, the Netherlands). As the figure shows, in the most generous regimes, the effect of welfare state satisfaction even becomes insignificant.

Conclusion

Whereas prior to the European integration process, welfare states were national states, they gradually became embedded within the multi-level policy of the EU. This study addresses the question of how public expectations about the EU's impact on social protection levels operate in the context of multilevel government. Analysing data from the European Social Survey 2016 using multilevel modelling, I

illustrate that Euro-enthusiasm has both European and national roots. Both national and EU-level welfare provisions and evaluations towards these governance levels shape citizens' expectations about the EU's impact on social protection levels, but in opposite ways.

Results show that expectations about the future are to a strong extent determined by current EU-level governance. EU-level welfare assistance and trust in the EU institutions seem to trigger positive expectations about what will happen to social protection levels if integration continues. However, we cannot conceive of the EU as a level of government that is evaluated independently of the nation-state institutions. The generosity of welfare states is set a national standard against which the potential benefits of EU decision-making are compared. When the national reference point is more generous, the result is that expectations about the EU's potential are lower. In addition, individual evaluations of a welfare state that does not provide enough coverage further fuels hopeful expectations about the EU's potential role in improving social protection in the country. This result nuances previous research that shows that national dissatisfaction directly causes Euroscepticism (Kumlin, 2009). Whereas different types of institutional trust are strongly related, the ESS8 data shows that dissatisfaction with national system is projected towards the EU by means of an alternative governance level.

The fact that the diversity in welfare systems in the EU creates diverging expectations about the EU's impact on social protection, highlights that citizens are indeed aware of their position in the EU and that they expect that more European decision-making will lead towards a convergence of social policy outcomes across the EU. Similarly, the country's benefits from the EU funds is a strong predictor of citizens' expectations about future benefits for social protection levels, indicating that objective realities of the EU governance matter in creating either hopes or fears about future consequences.

This study is limited by some shortcomings. Most notably, this study departs from the general assumption that citizens are able to evaluate how European integration potentially affects social security. This assumes a high level of cognitive skills and knowledge of the respondents. However, in a multilevel governance system we can critically question whether citizens are aware of who is currently taking what decisions with what consequences. We need more insight into the role played by knowledge and information in EU policy appraisal processes. Citizens' may as well believe that the national welfare system does not function well because of the constraints imposed by European integration or too much EU interference. In other words, welfare state (dis)satisfaction is in itself a product of different forces within the multi-level governance. Furthermore, I acknowledge the shortcomings of the model in terms of the remaining proportion of unexplained variance at the individual level. Additional predictors such as more accurate measurements of satisfaction with the performance of EU governance should be incorporated into future analyses. This study was restricted to rely on trust in the European Parliament due to reasons of data availability. Besides, it remains unclear to what extent citizens' evaluations are based on framing of the EU's performance by the media and national governments. As performance

evaluations of different political levels have zero-sum implications (Kumlin, 2011), their practices of blaming the EU or giving credit to it may have a decisive force in shaping citizens' perceptions of the EU.

The findings provide a framework for studying public perceptions of the EU policy implications and open avenues for further research on how individual-level expectations and country characteristics interact in Europe's complex governance system. As social protection is no longer exclusively defined by national actors, both national and supranational institutions are crucial in shaping the political system in which European citizens are protected. Consequently, EU preferences and expectations should be studied in relation to both national and European factors. Finally, citizens' expectations about the potential of the EU to increase social protection in their country can be considered as a sociotropic source of support for further integration. The pattern along which such perceived sociotropic benefits varies across EU member states can be of strong predictable value with respect to future contestation about the strengthening of the EU's social dimension.

Funding

This work was supported by the *International Research Infrastructure* programme of the Research Foundation FWO – Flanders (Grant Number: I001519N).

References

- Allen, D. (2010). The Structural Funds and Cohesion Policy: Extending the Bargain to Meet New Challenges. In H. Wallace, M. A. Pollack, & A. Young (Eds.), *Policy-Making in the European Union* (6th ed., pp. 229–252). Oxford: Oxford University Press.
- Bailey, D. (2017). Obstacles to “Social Europe.” In *Handbook of European Social Policy* (pp. 108–125). Cheltenham: Edward Elgar Publishing.
- Bartolini, S. (2005). *Restructuring Europe: Centre Formation, System Building, and Political Structuring Between the Nation State and the European Union*. Oxford: Oxford University Press.
- Baute, S., Meuleman, B., & Abts, K. (2019). Welfare state attitudes and support for Social Europe: Spillover or obstacle? *Journal of Social Policy*, 48(1), 127–145.
- Baute, S., Meuleman, B., Abts, K., & Swyngedouw, M. (2018). European integration as a threat to social security: Another source of Euroscepticism? *European Union Politics*, 19(2), 209–232.
- Beaudonnet, L. (2013). Preferences for European Social Policy in Times of Crisis. *Politique Européenne*, 42(4), 96–123.
- Beaudonnet, L. (2015). A Threatening Horizon: The Impact of the Welfare State on Support for Europe. *Journal of Common Market Studies*, 53(3), 457–475.
- Bernaciak, M. (2014). *Social Dumping and the EU Integration Process*. Brussels. Retrieved from <http://papers.ssrn.com/abstract=2512684>
- Bertoncini, Y., & Koenig, N. (2014). *Euroscepticism or Europhobia: Voice vs. Exit?* (No. 121). *Notre Europe Policy Paper* (Vol. 121).
- Brinegar, A., & Jolly, S. (2005). Location, Location, Location: National Contextual Factors and Public Support for European Integration. *European Union Politics*, 6(2), 155–180.
- Brinegar, A., Jolly, S., & Kitschelt, H. (2004). Varieties of Capitalism and Political Divides over European Integration. In G. Marks & M. Steenbergen (Eds.), *European Integration and Political Conflict* (pp. 62–89). Cambridge: Cambridge University Press.
- Bryan, M. L., & Jenkins, S. P. (2015). Multilevel Modelling of Country Effects: A Cautionary Tale. *European Sociological Review*, 32(1), 3–22.
- Burgoon, B. (2009). Social Nation and Social Europe: Support for National and Supranational Welfare Compensation in Europe. *European Union Politics*, 10(4), 427–455.
- de Swaan, A. (1992). Perspectives for Transnational Social Policy. *Government and Opposition*, 27(01), 33–51.
- de Vries, C. (2018). *Euroscepticism and the Future of European Integration*. Oxford: Oxford University Press.
- European Commission. (2019). European Structural and Investment Funds. Retrieved April 22, 2019, from <https://cohesiondata.ec.europa.eu/overview>
- Falkner, G. (2010). European Union. In F. G. Castles, S. Leibfried, J. Lewis, H. Obinger, & C. Pierson (Eds.), *The Oxford Handbook of the Welfare State* (pp. 292–305). Oxford: Oxford University Press.
- Ferrera, M. (2005). *The Boundaries of Welfare: European Integration and the New Spatial Politics of Social Protection*. Oxford: Oxford University Press.
- Gelman, A., Carlin, J. B., Stern, H. S., Dunson, D. B., Vehtari, A., & Rubin, D. B. (2014). *Bayesian*

- Data Analysis* (3rd ed.). Chapman & Hall/CRC Press.
- Harteveld, E., Van Der Meer, T., & De Vries, C. E. (2016). In Europe we trust? Exploring three logics of trust in the European Union. *European Union Politics*, 14(4), 542–565.
- Hemerijck, A. (2012). *Changing Welfare States*. Oxford: Oxford University Press.
- Hobolt, S. B. (2015). Public attitudes towards the Euro Crisis. In O. Cramme & S. B. Hobolt (Eds.), *Democratic Politics in a European Union Under Stress* (pp. 48–65). Oxford: Oxford University Press.
- Hooghe, L., & Marks, G. (2008). A Postfunctionalist Theory of European Integration: From Permissive Consensus to Constraining Dissensus. *British Journal of Political Science*, 39(1), 1–23.
- Hox, J. (2010). *Multilevel Analysis: Techniques and Applications, Second Edition*. Routledge.
- Hox, J., van de Schoot, R., & Matthijsse, S. (2012). How few countries will do? Comparative survey analysis from a Bayesian perspective. *Survey Research Methods*, 6(2), 87–93.
- Hyman, R. (2005). Trade Unions and the Politics of the European Social Model. *Economic and Industrial Democracy*, 26(1), 9–40.
- Kritzinger, S. (2003). The Influence of the Nation-State on Individual Support for the European Union. *European Union Politics*, 4(2), 219–241.
- Kumlin, S. (2009). Blaming Europe? Exploring the variable impact of national public service dissatisfaction on EU trust. *Journal of European Social Policy*, 19(5), 408–420.
- Kumlin, S. (2011). Claiming blame and giving credit? Unintended effects of how government and opposition frame the Europeanization of welfare. *European Union Politics*, 12(4), 575–595.
- Leibfried, S. (2015). Social Policy: Left to the Judges and the Markets? In H. Wallace, W. Wallace, & M. A. Pollack (Eds.), *Policy-making in the European Union* (7th ed., pp. 263–292). Oxford: Oxford University Press.
- Leibfried, S., & Pierson, P. (1995). Semi-sovereign Welfare States: Social Policy in a Multitiered Europe. In S. Leibfried & P. Pierson (Eds.), *European Social Policy. Between integration and fragmentation* (pp. 43–77).
- Martinsen, D. S., & Vollaard, H. (2014). Implementing Social Europe in Times of Crises: Re-established Boundaries of Welfare? *West European Politics*, 37(4), 677–692.
- Mau, S. (2005). Democratic Demand for a Social Europe? Preferences of the European Citizenry. *International Journal of Social Welfare*, 14(2), 76–85.
- Muthén, L. K., & Muthén, B. O. (2012). *Mplus User's Guide. Seventh Edition*. Los Angeles, CA: Muthén & Muthén.
- OECD. (2005). *What are Equivalence Scales?* Retrieved from <http://www.oecd.org/eco/growth/OECD-Note-EquivalenceScales.pdf>
- OECD. (2018). Net replacement rates in unemployment.
- Offe, C. (2003). The European Model of “Social” Capitalism: Can It Survive European Integration? *Journal of Political Philosophy*, 11(4), 437–469.
- Ray, L. (2004). Don't Rock the Boat: Expectations, Fears, and Opposition to EU-level Policy-Making. In G. Marks & M. Steenbergen (Eds.), *European Integration and Political Conflict* (pp. 51–61). Cambridge: Cambridge University Press.
- Roosma, F., Gelissen, J., & van Oorschot, W. (2013). The Multidimensionality of Welfare State

- Attitudes: A European Cross-National Study. *Social Indicators Research*, 113(1), 235–255.
- Sánchez-Cuenca, I. (2000). The Political Basis of Support for European Integration. *European Union Politics*, 1(2), 147–171.
- Scharpf, F. W. (1999). *Governing in Europe: Effective and Democratic?* Oxford: Oxford University Press.
- Scharpf, F. W. (2010). The asymmetry of European integration, or why the EU cannot be a “social market economy.” *Socio-Economic Review*, 8(2), 211–250.
- Stegmueller, D. (2013). How Many Countries for Multilevel Modeling? A Comparison of Frequentist and Bayesian Approaches. *American Journal of Political Science*, 57(3), 748–761.

Appendix

Table A. Descriptive statistics of individual level variables (unweighted).

Variable	ESS code	Description	Mean (S.D.) / %
Dependent	E38 (eudcnbf)	More decisions made by EU: Level of benefits in [country] become higher or lower (1-5), recoded	2.94 (0.98)
Age	agea	Age of respondent	49.63 (18.55)
Gender	F2 (gndr)	Female	52.86
Education	F16 (eiscd)	Own variable construction based on ISCED - Low - Middle - High	27.81 36.68 35.51
Income	F41 (hinctnta)	Household's total net income, all sources (equivalised, calculated) - First quartile - Second quartile - Third quartile - Fourth quartile - Missing	20.86 20.26 20.21 20.73 17.94
Welfare dependency	F40 (hincsrca)	Main source of household income: Code 5 (unemployment/redundancy benefit) and Code 6 (any other social benefits or grants)	5.37
Egalitarianism	E1 (dfincac) E2 (smdfslv) B33 (gincdif)	Constructed index of 3 items: - Large differences in incomes acceptable to reward talents and efforts (1-5) - For fair society differences in standard of living should be small (1-5), recoded - Government should reduce differences in income levels (1-5)	3.48 (0.78)
Welfare state satisfaction	E4 (slvpens) E5 (slvuemp)	Standard of living of pensioners (0-10) Standard of living of unemployed (0-10)	4.51 (2.29) 4.04 (2.10)
Trust in European Parliament	B11 (trstep)	Trust in the European Parliament (0-10)	4.35 (2.49)

Table B. Descriptive statistics of country-level variables.

Country	Sample size	Net replacement rate after 60 months of unemployment	Social spending (% GDP)	European Structural and Investment Funds (% GNI)	Social investment related EU funds (% GNI)	EU net-transfers (% GNI)
AT	2010	51	30.3	0.44	0.04	-0.28
BE	1766	43	29.8	0.03	0.21	-0.36
CZ	2269	37	18.9	0.22	2.85	1.96
DE	2852	35	29.4	0.04	0.20	-0.34
EE	2019	27	16.6	0.44	4.03	2.34
ES	1958	23	24.3	0.07	0.72	0.15
FI	1925	46	31.8	0.04	0.56	-0.20
FR	2070	35	34.3	0.03	0.29	-0.41
HU	1614	36	19.2	0.02	0.16	3.30
IE	2757	12	15.8	0.37	3.90	0.08
IT	2626	48	29.7	0.04	0.40	-0.19
LT	2122	0	15.4	0.06	0.64	3.09
NL	1681	8	29.5	0.33	3.86	-0.04
PL	1694	50	20.3	0.02	0.08	1.71
PT	1270	22	25.2	0.31	3.67	0.95
SE	1551	17	29.6	0.25	2.61	-0.20
SI	1307	41	23.3	0.02	0.24	0.46
UK	1959	35	26.2	0.12	1.80	-0.27



Figure A. Country means for expectations about the EU’s impact on social security levels by net replacement rates for long-term unemployment. Source: ESS 2016, using design weights.