

KEEPING EUROPEANS TOGETHER

ASSESSING THE STATE OF EU COHESION

Edited by Josef Janning



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RETHINK: EUROPE

Rethink: Europe is an initiative of the European Council on Foreign Relations and Stiftung Mercator. The project examines the underlying forces shaping European cohesion and our continent's ability to act on the global stage. Rethink: Europe offers spaces to think through and discuss Europe's strategic challenges. We do this by inviting thought leaders and policy practitioners from national capitals, the European institutions, as well as from outside Europe, to reconsider and reflect upon European integration and exchange new ideas and forward thinking on Europe.

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Foreword

“If we take the EU Cohesion Monitor seriously, it’s clear that there isn’t just one but several European narratives.”

This line from one of many discussions at Stiftung Mercator and the European Council on Foreign Relations, is a powerful reminder of the diversity of the EU for anyone participating in the debate on Europe today.

The EU Cohesion Monitor shines a light on this diversity. It reveals that each country has its own unique cohesion trajectory, which differs from one EU member state to another.

Not every EU country is on the path to strong EU cohesion, like Luxembourg, for example. The EU Cohesion Monitor makes clear that a source of cohesion in one country may be a cause for its decline in another. This is why attempting to establish an overarching and all-encompassing cohesion narrative for the EU would be missing the point entirely.

The essays of this publication perfectly reflect the diversity of European cohesion. They provide the national context and personal assessments of the state of cohesion from representatives of the EU member states. The contributions, written by 28 analysts and EU observers from across the continent, offer a qualitative interpretation of the quantitative findings collected by Josef Janning and his team at the European Council on Foreign Relations.

This volume also includes the essay, “Making sense of Europe’s Cohesion challenge” by Josef Janning, which seeks to explain the original findings of the Cohesion Monitor, and a methodological note to explain how all data for the project has been collected and used.

At Stiftung Mercator, we see the EU Cohesion Monitor’s findings as a source of inspiration and calibration for our work on Europe. We also realise that this meticulous undertaking has already raised a lot of interest among decision-makers and opinion-shapers, and we hope it will continue to foster debates and fresh thinking about the fabric that holds Europeans together.



Verena Ringler, International Affairs Director, *Stiftung Mercator*

Josef Janning

Making sense of Europe's cohesion challenge

What does it mean to be a European? Apart from using geographical explanations, a good answer might begin with some contextual reference to a particular group of countries that have historically demonstrated a high level of difference – culturally, socially, economically, and physically. Europe's history is shaped by the peculiar proximity of difference, and proximity is more than just a geographical term. Europe's many languages are mostly, but not exclusively, derived from two linguistic sources: the Romance and Germanic languages. Indeed, European ethics too are mostly, but not exclusively, shaped by Judeo-Christian religious norms and beliefs. The proximity of difference has given birth to a high level of pan-national engagement. Europeans have traditionally interacted across borders, not just commercially, but in the arts and sciences as well. Movements in music, visual arts, literature, and architecture are also deeply interwoven across Europe. To top it all off, despite their interaction with each other on so many developments in the arts and sciences, Europeans have fought endlessly against each other, over territory and people, over resources and trade-routes, over power and religion.

To be European means to share this unique background. And as rich and colourful as it may be, it still does not provide a satisfactory answer to the question we are asking. Over the past 100 years, what it means to be a European has evolved in a rather different direction than at any other time in the continent's history. The Europe of today still suffers most, if not all, of the elements listed above, but with the important development that European states are willing to cooperate more with each other by uniting as part of a union. To be European today means to belong to a bloc of countries that do not go to war with each other, but instead pool sovereignty in order to foster mutual security and prosperity.

This fundamental change in European history altered the meaning of social cohesion, which gained a transnational dimension in the context of the European Union. In our time, cohesion also means that states and societies are willing to cooperate with each other on issues facing the European community. The old Europe of endless rivalries between nations was built on the idea of inward-looking national cohesion, where individual states required only internal cohesion to be successful. The new Europe of integration between nations requires cohesion within and between the societies of the EU member states.

What is cohesion?

Cohesion is something we all experience – at least, the desire to cohere with others. Cohesion is about how we define ourselves; it is about our feelings of belonging, as well as our shared interests, if not our common destiny – and it can also be about mutual dependence. Cohesion involves trust and the management of expectations, a longstanding commitment that binds actors and people together. In the discipline of sociology, cohesion is defined as the willingness to cooperate, evoking all of the connotations mentioned above. It applies as much to the relationship between individuals as to those among members of a social group, from the smallest of communities to the largest of societies.

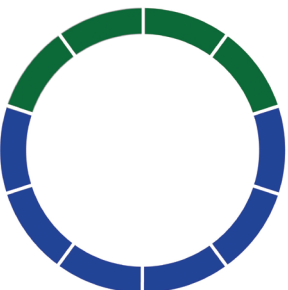
The power of societies lies in their ability to engage in collective action – to put the means and abilities of the many to a common purpose. Therefore, the willingness of members of a society to cooperate is critical. Without cooperation and without cohesion, collective action cannot begin to be effective. Cohesion is the connective tissue of political systems, holding the parts together and allowing the muscles to work in unison. On the national level, cohesion is sustained by factors well beyond the core benefits of statehood: prosperity and security. A shared language, a unified political system with equal participation rights, a common educational system communicating the historical and cultural narratives of a society, a sense of national identity – all of these things also contribute to cohesion in society.

On the EU level, cohesion is also essential, but the resources for ensuring it are scarcer. Some of the same sources can be drawn on to build cohesion between European societies, but the cohesive pull of “Europe” is generally weaker than cohesion factors on a national level. For example, the relevance of the European level for ensuring the prosperity and security of Europeans is difficult for individual citizens to assess in concrete terms. Counterfactual evidence that proves the pacifying and prosperity-inducing effects of integration is not

The structure of the EU Cohesion Monitor

Individual Cohesion

- Experience**
 - Citizens of other EU countries % of population
 - Visited another EU country
 - Socialised with people from other EU country
 - Foreign language skills
- Engagement**
 - Turnout in EP elections
 - Anti-EU/populist share in EP elections
 - Anti-EU/populist share in national elections
- Attitudes**
 - Trust in EU
 - Positive image of EU
 - National interest well taken into account
 - Perception as European
- Approval**
 - Support for economic and monetary union
 - Support for common foreign policy
 - Support for common defence and security policy
 - Euro among most positive results of EU
 - Free movement among most positive results of EU
 - Peace in Europe among most positive results of EU



Structural Cohesion

- Resilience**
 - Disposable income
 - Debt to GDP
 - Social Justice Index
- Economic Ties**
 - EU trade to total trade
 - EU trade to GDP ratio
 - EU investments to total investments
 - EU investments to GDP ratio
- Funding**
 - Inflow of EU funds as % of GDP
 - Balance of payments to EU budget
- Neighbourhood**
 - Population (shared) living near borders
 - Non-EU neighbours
- Policy Integration**
 - Number of opt outs
- Security**
 - Joint commands and cooperation
 - Joint development and procurement
 - Multinational deployments

available, and a political process that can adequately demonstrate to citizens the impact of European policymaking is lacking.

As a still incomplete system, in territorial and political terms, the EU lacks some of the other resources of cohesion that individual states have. For instance, the EU does not have as strong a political identity as its individual member states. Like individual member states, the EU has democratic representation and participation, but to lesser effect, and the articulation of the political will of the people is more diffuse. Evidently, the absence of a truly shared language and common political socialisation means that the sense of community among Europeans will always be much weaker compared to the national level. And yet, practical experience suggests that the level of interaction between EU member states is significantly higher than is most commonly the case between countries that are actually neighbours. For most EU countries, trade with other EU member states is greater than trade with the rest of the world combined. In many parts of the Union, borders have physically disappeared, where they had been unavoidable decades ago. In some places, it has become quite normal to live in a European country on one side of a border and work in another on the other side. However, this experience is not shared equally across the EU. The British popular vote to leave the EU is in fact a direct indicator of the unwillingness to cooperate. As our data shows, the factors building the will to cooperate are lower in the UK than in most other EU member states. The outcome of the British referendum suggests that a low level of cohesion as measured by the EU Cohesion Monitor could alter the pace of European integration.

Monitoring European cohesion

There are clear grounds for European cohesion – the border-free zone, the economic prosperity derived from being part of the EU, and the security assurance afforded by the Union – and there is a willingness among member states to cooperate. It is for these reasons that European cohesion has gradually strengthened over time. The questions we want to ask now are how strong that cohesion is, and to what extent it is shared among and between European societies. The political divisions that have opened up over the multiple crisis situations of the past decade raise the question of whether cohesion has been lost or broken. Have countries in crisis lost the cohesion that was built over time through EU membership, and how have calls of solidarity between EU member states impacted how much individual members are willing to give? The crucial period to look at in this respect is the seven years from 2007, the year before the financial crisis ravaged Europe, to 2014, the most recent year for which we

have a full set of data and which immediately predates the current refugee crisis.

Opinion research provides some interesting answers to the issues in question, but does not capture all relevant aspects or subtleties regarding the complex tale of cohesion. A number of the linkages between EU countries have to do with macro-level metrics such as trade, finance, patterns of movement, and military cooperation among EU countries. These figures and their implications will shape the views of economic and political elites, but are generally less easily comprehended by a wider public. In fact, the belief systems of many Europeans may not yet reflect the raft of changes that have taken place over the past few decades, and may not mirror the degree to which mutual dependence has grown. After all, European integration has not sought to replace national identities, but rather to cover up the shortfalls in policymaking at the national level.

The EU Cohesion Monitor was designed to gather and structure findings on the present state of cohesion in the EU.¹ The Monitor brings together various sources of information, both quantitative and qualitative data from different sources, in order to develop a common overall measurement of cohesion that can facilitate comparison between member states. Given the level of heterogeneity among individual EU member states, we expected that levels of cohesion would differ, but so would the strength of contributing factors. For some countries, the impact of EU trade might be a strong driver towards greater cohesion, while for others, it could be the amount of fiscal solidarity, or the level of cross-border movement.

Rather than directly asking people about their readiness to cooperate with other Europeans, the EU Cohesion Monitor focuses on factors that nourish and sustain the willingness to cooperate, a number of which may not already be adequately reflected in the attitudes and beliefs of many people. These factors can be grouped according to the following three terms:

- 1. Interdependence.** Indicators of interdependence are those that contribute to a growing mutual dependence between European individuals and member states in economic, social, and political terms. Indicators of interdependence would be the levels of mutual trade, financial transfers, security cooperation, and socio-economic resilience.
- 2. Interaction.** An indicator of interaction would be the level of cross-border flows of goods and people, communication skills and patterns, geographical proximity, and political participation at the EU level.

¹ The full data and findings from the EU Cohesion Monitor can be accessed in their entirety and free of charge here: <http://www.ecft.eu/eucohesionmonitor>.

- 3. Identity.** Indicators here would be the general views of the public on the EU and on membership in the EU, attitudes towards integration and on “more Europe” or the proximity of “non-EU”.

In total, 32 different factors drawn from these three clusters were integrated into the ten indicators used by the Cohesion Monitor.

Some of the indicators measured by the EU Cohesion Monitor, such as trade and financial flows, clearly refer to structural conditions or the macro level of society. While they might be perceived by the wider public in the form of the export dependency of jobs, for example, or in the presence of construction signs indicating EU co-financing, these structural indicators will likely be more clearly perceived by elites because they are regularly thinking and working on a macro level. On the other hand, a number of indicators used in the EU Cohesion Monitor explicitly measure the experiences, actions, and beliefs of individuals – in other words, these indicators address the micro level of society. As such, the Cohesion Monitor’s findings have been drawn from both macro and micro dimensions to define the position of EU societies at a high level and at a more granular one.

The current state of cohesion in the EU

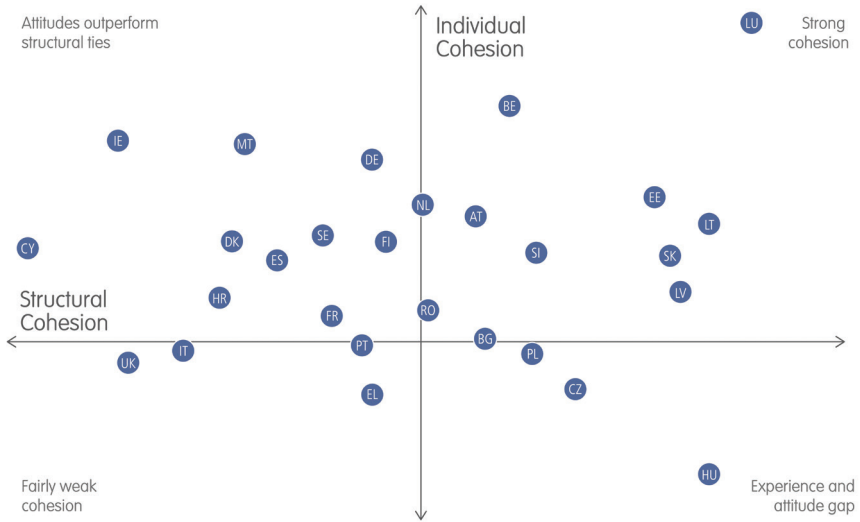
The overall results of the EU Cohesion Monitor convey a mixed message about the willingness of member states across the EU to cooperate.

Overall cohesion levels

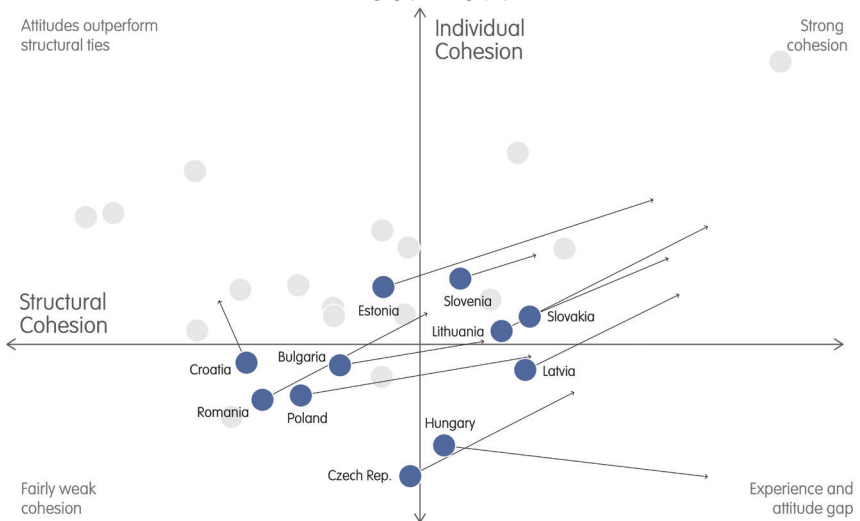
The process of integration has been bringing European nations closer together for over 50 years, but the outcome today in terms of cohesion is not overwhelming. The data shows that Luxembourg scored the highest on both macro and micro cohesion levels, with little “cohesion potential” left to explore. In contrast, the cohesion results from the six founding members of the EU – France, Germany, Italy, the Netherlands, Belgium, and Luxembourg – were quite disparate. In fact, our research revealed that there is quite a spread among them in terms of structural cohesion. Luxembourg leads the founding members and Italy is last. The two other smaller “founding members” – the Netherlands and Belgium – rank just above the halfway mark, and the three large “founders” – France, Germany, and Italy – below.² On individual cohesion, however, all

² Countries in the EU Cohesion Monitor are rated on a scale of 1 to 10, where 5.5 represents the halfway point.

EU cohesion levels in 2014



Shift in cohesion for East-Central European countries, 2007-2014



founding members except for Italy are clearly above the halfway mark. So, length of membership seems to have an impact on cohesion, although it is not very visible. The cohesion matrix shows that 75 percent of member states scored above 5 out of 10 on individual cohesion, including a range of both old and young EU members. The even split on structural cohesion seen among the founding members also applies to the EU at large, because 50 percent of its members rank above 5 out of 10 on this metric, and the other half remain below it.

Our findings that the overall level of individual cohesion indicators is higher than the structural indicator total seem at odds with the current European political environment and with many of the debates taking place in national capitals of Europe. That there is an uptick in these indicators between 2007, the last year before Europe was shaken up by the financial crisis, and 2014 also seems to defy expectations. Though not very strong, the increase in cohesion during this period is palpable. The aggregate scores point to one salient trend: that over this seven-year period between 2007 and 2014, the range between lowest and highest scores has also increased, indicating that the differences in the two levels of cohesion measured for each country are growing. The findings indicate that the EU has become more diverse in terms of cohesion over this seven-year period.

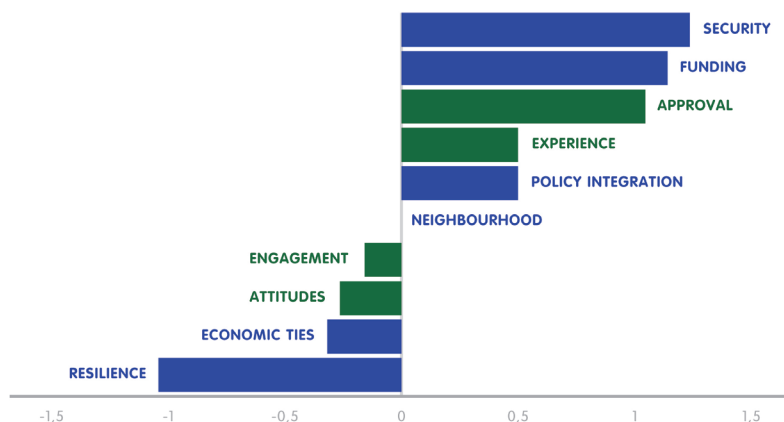
Cluster matrix data

The cluster diagram shows member states scattered widely across the two axes of structural and individual cohesion, explicitly indicating this trend of diversification. In 2007, a group of about 18 member states sit in the range of ± 1 around the intersection of the structural and individual axes. This means that they are at the mid-level of cohesion in both structural and individual terms. Seven years later, that zone has lost almost half of the countries – the cluster in the middle does not represent two-thirds of EU states any longer. No single trend emerges when charting the trajectories of different states in the seven-year period. At first sight, they seem to be spreading in all directions. However, there are three directions that are of particular interest. Firstly, Germany and the seven smaller affluent countries rank lower on structural cohesion, but grow in individual cohesion, meaning that citizens of these countries feel more European, but that on a macro level the countries are less cohesive.³ Secondly, the East-Central European countries make a large leap forward in structural cohesion indicators, with some moderate gains in individual cohesion. Thirdly,

For more information on the ranking system and the various indicators and factors making up the Cohesion Monitor, please see our PDF explorer, which is available at www.ecfr.eu/eucohesionmonitor.

³ This grouping consists of the three Nordic states, Denmark, Sweden, and Finland; the three Benelux states, Belgium, Netherlands, and Luxembourg; and Austria).

Overall gains and losses by indicator across the EU 2007-2014



the matrixes show that the countries hit hardest by the sovereign debt crisis tend to lose on both dimensions, with profound differences among them: Portugal and Greece do not change much in structural terms, but while individual levels in Greece go down, they move up marginally in Portugal. Ireland loses on structural cohesion but not as much as Italy and Spain, while the country's individual cohesion level increases slightly.⁴

Cohesion divergences

These matrix analyses are useful because they clearly identify outliers, which in this case means the countries that occupy the corner zones of the four sectors of a matrix. In 2007, the monitor's northeast corner is occupied by Luxembourg, allowing us to see that it is significantly ahead of the other EU countries in both individual and structural cohesion. Seven years later, Luxembourg still leads and remains at the edge of the quadrant, but on structural cohesion levels, the three Baltic States and the Slovak Republic have moved closer to it, demonstrating an increase in their own structural and individual cohesion indicators. In the 2007 matrix, the southwest corner opposite Luxembourg, which indicates low individual and low structural cohesion, is the United Kingdom, joined by Greece, Romania, Poland, Bulgaria, and Portugal. Seven years later, in 2014, the matrix shows that Britain's outlier position has grown.

⁴ For detailed illustrations of the 2007-2014 changes and country positions, visit www.ecfr.eu/eucohesionmonitor.

Only Cyprus shows a lower level of cohesion in structural terms, and only Greece, the Czech Republic, and Hungary rank below the UK on individual cohesion. Thus, both macro- and micro-indicators combined, the UK's score shows the biggest distance to the leader in cohesion, Luxembourg. Britain sits at the other end of the spectrum – an observation that explains why a “No”-vote was possible. Likewise, the rising approval rates in major continental EU member states in response to the referendum indicates the effect of perceived connectivity: Faced with a Brexit decision, citizens in other EU countries value integration more positively.⁵

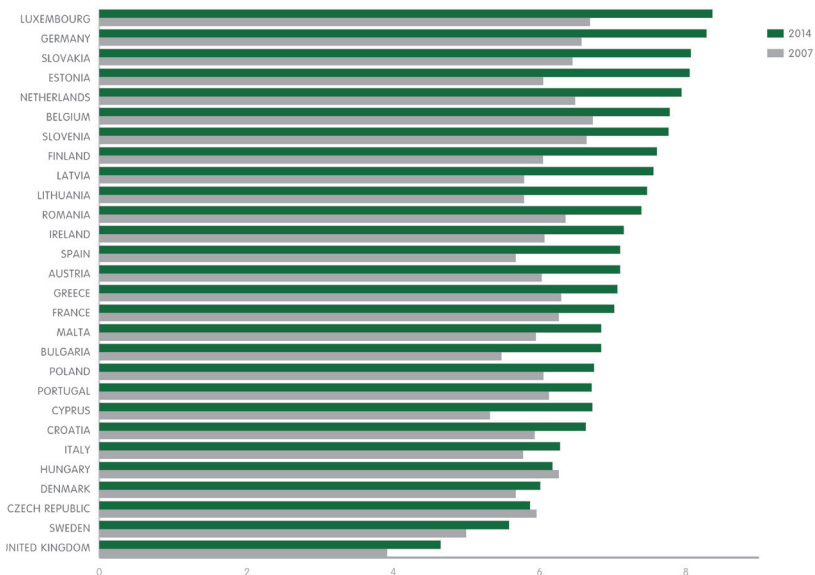
The remaining two corners are shaped by divergent cohesion profiles. In 2007, the northwest corner, indicating high individual cohesion but low structural cohesion, is occupied by Ireland. No other member state is higher on individual cohesion while ranking as low in structural terms. With both trends growing during the years of the financial crisis, Ireland's outlier position becomes even more visible in 2014. In the southeast corner, indicating high structural cohesion but low individual cohesion, and directly opposite to Ireland, is Hungary. Since 2007, Hungary has overtaken the Czech Republic as the least individually engaged member state. Hungary's position in 2014 is very peculiar indeed, because it has a high level of structural cohesion matched by the Baltic States, and closing in on Luxembourg, but is at the lowest level of individual cohesion. The two countries could not be more different: the Irish people have held individual EU-mindedness high over the years of a severe economic and financial crisis, whereas the Hungarian people show a somewhat weaker level of cohesion while their country's structural connectedness with the EU rapidly progressed over the same period.

Cohesion convergences

The EU Cohesion Monitor's results do not just reveal divergences and outliers: there are some notable convergences and similarities between EU countries too. Evidently, the outliers discussed above look very different in the radar view of the monitor's ten indicators. The Benelux countries, for example, show a relatively similar pattern to each other. To be sure, there are visible structural differences among them, on resilience and economic ties, and when it comes to individual cohesion, on experience and engagement. However, the overall picture is one of convergence rather than divergence. The same can be said of the Baltic States. Though their profiles differ significantly from that of the Benelux

⁵ According to a representative poll taken by the French IFOP Institute among citizens in the five other large EU countries and Belgium; „Les Européens et le Brexit“, Paris: July 2016; http://www.ifop.com/media/poll/3442-1-study_file.pdf.

Overall cohesion gains and losses by EU member state 2007-2014



countries, the pattern among the three countries is very similar. Even closer are the three Nordic countries. Differences show up on approval, economic ties, and the level of policy integration (with Denmark and Sweden not participating in all levels of integration), but otherwise the pattern is strikingly similar. We can therefore see a series of mini-blocs emerging in certain corners of the EU.

There is no similar convergence among most of the larger EU member states, but the radar images of France and Germany are quite similar, especially when compared with the radars for Poland or the UK. After all, France and Germany differ rather strongly on socio-economic structure and policy. Spain and Portugal look quite close on the radar, as do Spain and Italy. Romania and Bulgaria also have some interesting similarities. Each of the views also shows two to three indicators with greater deviations, but convergences prevail. It follows that similar socio-economic conditions, levels of development, and neighbourhoods tend to result in similar patterns emerging on the cohesion radar.

The East-South divide

The EU Cohesion Monitor data reveals a significant split among EU member states between 2007 and 2014. When ranking countries according to their change in cohesion levels over the period, the dichotomy is striking. All of the East-Central European countries have gained over the seven-year period, and nine of the top 12 belong to this region. On the other hand, cohesion among almost all of the countries in the south of Europe has declined, with only Malta and Portugal improving over the period.

EU-wide correlations

Another way of looking at the overall results is to focus on patterns of change for specific indicators. While there is no EU-wide correlation on most indicators, but instead gains and losses in different areas for different member states, two indicators stand out precisely because they show a general EU-wide correlation. More than anything else, the resilience indicator of the structural dimension has suffered across the EU. This indicator seeks to measure the willingness of member states to extend solidarity across borders. It assumes that affluent societies are more willing to share with others, because they can afford to, which will have the knock-on effect of pacifying the neighbourhood by easing social cleavages. As a constraining factor, the indicator factors in the level of social justice within the giving society, assuming that significant social cleavages within a society would reduce the willingness of that society to share beyond its borders. Resilience, as measured here, has fallen in almost all EU member states, and has only gained in four states (Poland, Lithuania, Luxembourg, and Bulgaria). Resilience has not only declined in the countries of Europe's South and Ireland, which suffered most from the economic crisis, but also in the UK, the Netherlands, and France.

On the other end of the scale, almost all countries show significant improvement in the approval indicator, which is part of the individual dimension. Data used here is based on representative polling undertaken by Eurobarometer. For this indicator, six questions were evaluated, which address principal outcomes of integration and issues of, or areas for, deeper integration. In all member states except for Hungary and the Czech Republic, the state of policy support in 2014 is visibly more positive than for 2007. The reasons for this become much clearer when looking at the attitudes indicator, which gathers more general opinions on membership in the EU. Visible gains in some countries, particularly in Sweden, Finland, the UK, and Lithuania, contrast with sizeable losses in

others, such as Greece, Cyprus, Spain, and Slovenia. While the financial crisis brings about more critical views on being part of the EU, citizens express higher support for “more Europe”. This paradox could be reflecting a growing divide within European societies. On the one hand, there are those who feel that the policy responses to the crisis are insufficient and therefore support deeper integration. On the other, there are those who are dissatisfied with the state of the EU, and who conclude that integration itself is the problem rather than the solution. The latter view is prevalent among most of the populist nationalist movements and parties in Europe.

Resolving EU asymmetry

It is also interesting to study the closing of asymmetries between member states. Monitoring cooperation in the area of military security provides interesting evidence in this regard. Gaps between the EU 12 members belonging to NATO and the rest were quite large in 2007, but by 2014, most of the new members and also the non-NATO EU members had significantly increased their levels of military cooperation, levelling the former asymmetries in this area. This change may not necessarily have much impact on the broader public’s view, but it will certainly be influencing the perception of cohesion among political elites.

The level of economic development is another area of great asymmetry in cohesion between EU countries. It is a long-standing EU policy to reduce such asymmetry through financial flows from the richer to the poorer regions, as a form of fiscal solidarity. To measure this effect, the EU Cohesion Monitor looks at the financial transfers through the EU’s structural funds as a share of national GDP. With a multiannual average of financial inflows above 4 percent of national GDP, Lithuania leads the board on this indicator. In real life, this means that in many towns and regions of the country, investments into infrastructure, socio-economic conditions, and education will bear the label of being co-funded by the EU. The same holds true for other East-Central European member states. Each year, financial transfers from Brussels have ranged between 1 and 5 percent of national GDP. The Monitor’s data on fiscal solidarity demonstrates that East-Central Europe has benefited greatly from EU structural funds, triggering a “catching-up effect”. Between 2007 and 2014, the levels of structural cohesion have gone up sharply across East-Central Europe.

Conclusions

In sum, the EU Cohesion Monitor findings for 2007 and 2014 tell a number of different stories – some predictable, but others surprising and counterintuitive. The overall picture signals a rather surprising continuity given the disruptive nature of the crises the EU has faced over the period. However, below the surface a lot of change is taking place, as regionally or sectorially, the level of cohesion is dynamic and ever-changing.

There are two recurring narratives that articulate the extent to which European cohesion has changed in the period. One is the prevailing story of the financial crisis, triggering the sovereign debt crisis, and leading to political cleavages over “austerity” vs. bad governance. Cohesion was tested in the crisis response strategies of many member states, but largely prevailed.

The other narrative is the untold success story of deepening European connectivity across the former Iron Curtain. It took 25 years from the fall of the Berlin wall for many East European countries to join the EU, but the following seven years really anchored the “new members” in the EU – in structural terms, on the macro level. In many places, however, the individual level of cohesion has not kept pace. The resulting gap is weakening Europe. Among other reasons, the unwillingness of East-Central European countries to engage in EU solutions to the refugee crisis is a reflection of low levels of cohesion on the individual level. Among the elites, the quid pro quo of the huge benefits of EU membership is understood, but the public and populists fail to see them.

Europe’s cohesion challenge

The EU Cohesion Monitor illustrates how cohesion is affected by changing attitudes and political and economic events over a given period of time – in this case, the seven years between 2007 and 2014. The data shows that the glue between European societies consistently helps to deal with disruption and conflict, and apparently acts as a buffer to political frustrations. The results of the Monitor help us to understand that cohesion is still a work in progress: even decades after taking the initial steps towards it, there is significant unused potential. The comparison of data from 2007 and 2014 indicates the enduring willingness of Europeans to cooperate. Over these years, cohesion does not shrink or fall apart across the EU in the face of major crises. Rather, in many places, including some of those hit hardest by crises, cohesion levels have proven to be less volatile than expected.

Surprisingly, the readiness of Europeans to support “more Europe” did not diminish significantly across the period, even though the EU in general was seen more critically in 2014. Interestingly, the sources of cohesion in different member states were also more diverse after seven years of crisis and crisis response. A greater divergence among cohesion drivers in different member states seems to indicate that cohesion-building will be more complex in future.

What do these findings mean for Europe today? The EU of 2016 is already different to the EU of 2014, even though the sovereign debt crisis is not fully resolved. In the meantime, the refugee crisis has come as an additional challenge to the political cohesion of the EU, exposing deeply rooted divisions and new political cleavages between member states. Unlike the financial crisis, the refugee crisis addresses the internal cohesion of EU societies much more directly and profoundly. This time, the conflict is over people and society, rather than money and national budgets. Today, it seems that cohesion is even more precious for Europe than before – but it also looks as if more “cohesion capital” has been lost over the last few months as a result of this crisis and Europe’s weak response to it. When data for 2015 and 2016 is available, the true effect of the refugee crisis on EU cohesion will become apparent. It may well be that the resilience of cohesion will surprise analysts again. After all, some of the indicators deal with economic interdependence, proximity, and interaction – things that will continue to be important even if the crisis is not resolved on the European level. But cohesion in these areas could decline over time. The crisis of the Schengen system, leading, among other things, to the reintroduction of border controls between Denmark and Sweden, Germany and Denmark, and Austria and Germany, has served as an early warning of how daily life could change if the system guaranteeing free movement in Europe were to fall apart. In this sense, the refugee crisis has, in fact, raised awareness of the density of interaction in Europe, on both macro and micro levels.

There seem to be contradicting trends at work in Europe today. While interdependence and interaction on economic issues and among citizens deepens, constraints to cohesion also seem to be growing, mostly driven by anti-EU political rhetoric. In most EU countries a political discourse has developed rejecting the notion of integration in response to interdependence. Furthermore, perceived social imbalances in one’s own country can stand in the way of European solidarity. The British debate about “in-work benefits” is a case in point. The phenomenon of social imbalance restricting EU cohesion is wider, though. Many EU countries have engaged in considerable political ring-fencing to defend the national status quo against an intrusive Europe.

The reason behind this reflex stems from the effects of deep integration: the single currency and the single space of mobility have eliminated the principle of non-interference in domestic affairs. Now, political narratives and political organisations from individual member states impact others, and are impacted by others. The benchmarking exercise of the Lisbon Agenda launched at the beginning of the millennium appears outdated today, as fiscal conditionality, the European Semester (the EU review of draft national budgets), and new rules for the role of Frontex constrain national sovereignty.⁶

Evidently, political populists all over Europe have sensed this change. Their political claims indicate a rejection of further economic, social, and political cohesion between Europeans. As diverse as they otherwise may be, the new populist nationalists in Europe have one common view: that the pooling of sovereignty is a key problem for Europe's nation states. The thing that was once the essence of integration to its founding generation has now become the arch-nemesis of many Eurosceptic politicians. To return sovereignty to the nation state and to national parliaments is the principal goal for all of these new political parties and movements.

This newfound unwillingness to cooperate would destroy European cohesion, should it prevail. The connectivity among Europeans would be weakened in favour of a national identity that has been set up in opposition to European integration. For now, the populist vote remains a minority in most places within the EU, even though these minorities have won substantial influence in some cases. The influence of sovereigntist movements has shaped current decisions on refugee policy in countries as diverse as Hungary, Poland, Denmark, and France. Meanwhile, the rise of populist forces means that decisions are taken on the EU level but not implemented by member state governments, undermining European cohesion.

On the other hand, the rationale of working together still holds true. Europe's shared interest in security and prosperity calls for close cooperation. Its benefits have distinctively shaped the way the EU looks and acts today. The EU's form of cooperation extends well beyond the strictly voluntary and issue-specific cooperation that sovereigntists would like to see. These are the options, and it is up to Europe's political players and publics to decide which route to take.

⁶ The Lisbon Agenda, also known as the Lisbon Strategy or Lisbon Process, was an action and development plan for the European Union, adopted by the European Council in Lisbon in March 2000. Its goal was to make Europe "the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion" by 2010. Its main instrument was a benchmarking process identifying best practices in member states and suggesting their implementation in other parts of the EU.

Arnold Kammel

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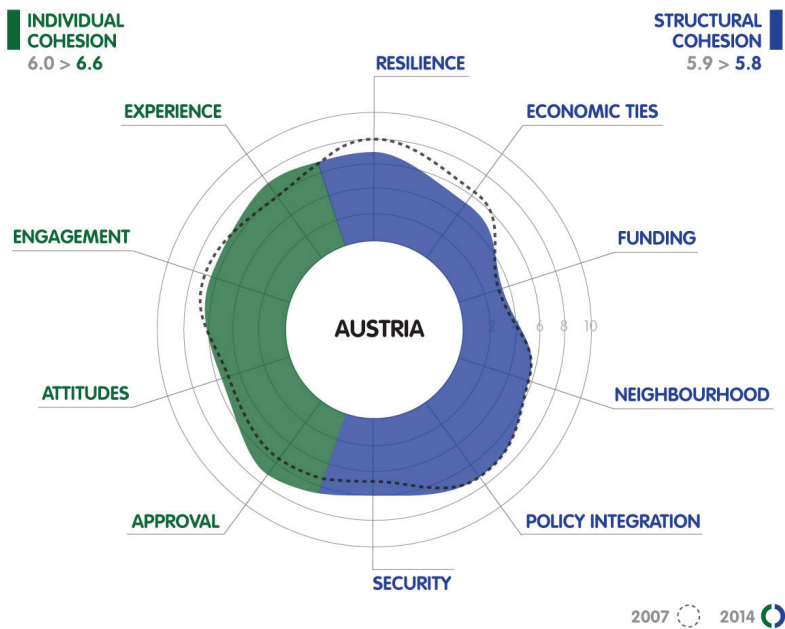
Austria: Failing to fulfil its potential

In June 1994, 66.6 percent of Austrians voted in favour of Austria's accession to the European Union by 1 January 1995. However, the initial EU euphoria was soon replaced by scepticism and disillusion – although Austrian scepticism about EU membership has never reached the same threshold as, for example, in the United Kingdom.

Historically pro-Europe

Due to Austria's geographic location in the centre of Europe as well as the historical experience of living together in a multi-ethnic entity, Austrians are quite pro-European and open-minded with regard to European issues. Because of this, in the EU Cohesion Monitor, Austria ranks among the better performing countries. One indication of this outside the Monitor's surveyed areas is the number of Austrian Erasmus students, which has always been above the EU average. However, this pro-Europeanness is not entirely reflected in the turnout at European Parliamentary elections. Turnout fell from 67.3 percent in 1996 to 45.4 percent in 2014, when the anti-EU Freedom Party received almost 20 percent of votes. At the national level, too, anti-EU and anti-establishment trends are on the rise. This is very much linked to the fact that trust in EU institutions is decreasing, particularly because the EU is perceived as lacking problem-solving capacity.

From an economic perspective, Austria is a small, strongly export-oriented country and its most important trading partners have traditionally been its immediate neighbours and other European states. Thus, the European internal market, and especially the four freedoms, are of crucial importance to the Austrian economy and wider public. Austria benefited from the fall of the Iron Curtain in 1989 as a member of the European Free Trade Association, offering it new opportunities for export and foreign direct investment. And since the opening of Eastern Europe, Austria has taken part more and more in globalisation, because it has moved from a marginal position at the dividing line between East and West into the centre of Europe. Accession to the EU Single



Market in 1995 and the creation of the Economic and Monetary Union (EMU) in 1999 brought further positive integration effects, which were supplemented and reinforced by those stemming from the EU enlargement rounds of 2004 and 2007. Overall, Austria's ever-deeper integration into the EU has in almost all cases led to higher economic growth and greater prosperity.

Austria has profited considerably from 20 years of EU membership, up until the global financial and economic crises in 2008-2009 and the subsequent euro crisis. Austria gained an "EU bonus" from membership, amounting to around 0.5 to 1 percentage points annual GDP growth. But since the numerous crises in Europe (financial crisis and recession in 2009; euro crisis since 2010; uncertainty due to the Ukraine-Russia crisis since 2013-2014) the "EU growth bonus" has flattened.¹ Furthermore, as a consequence of the crisis, Austria also accelerated its failure to fulfil the commitments of the Stability and Growth Pact, especially with regard to overall debt, which reached 86.2 percent of GDP in 2015. Since its membership, Austria has been a net contributor to the EU budget, which the public does not oppose. However, economic benefits and a strong economic position among Central and East European countries did not translate to a

¹ See Fritz Breuss, "Österreich in der EU – Eine Erfolgsgeschichte", *Wirtschaftspolitische Blätter*, February 2015, pp. 255-264.

stronger political position with regard to those countries. Austria missed its chance to play a decisive role in framing regional cooperation, although it still actively supports the integration of the Western Balkan countries into the EU.

Support for cooperation

Austrians support further development of the EMU as well as other policy areas, such as Common Foreign and Security Policy/Common Security and Defence Policy (CFSP/CSDP). In general, Austria seems to be reluctant to shape EU policy but is in principle committed to fully implementing EU policies. Austria is actively participating in all major integration projects, such as Schengen and the EMU. Together with other EU members, Austria has proactively further developed cooperation, as in the case of the Prüm Convention on stepping up cross-border cooperation on crime. And as a neutral country, strengthening CFSP/CSDP is a key priority for Austria's security and defence policy: in joining the EU, Austria did not vote for an opt-out in the field of CSDP, but committed itself to active participation. Thus, Austria deploys personnel in both civilian and military CSDP missions and operations, although Austria does not proactively seek a leadership role.

Until the migration/refugee crisis reached its peak, Austria cooperated and coordinated closely with neighbouring member states similarly affected by the crisis, and tried to push for a common European solution. When it became obvious that a common solution was not achievable, Austria opted for national solutions, but also included the candidate and potential candidate countries of the Western Balkans. Furthermore, in external relations, Austria has hosted EU engagement in international mediation talks, such as in the case of Iran or Syria.

In conclusion, Austria perceives itself as a core pro-European member, strongly supporting the further deepening of European integration in all policy areas, including economic integration and deeper cooperation in areas of security and defence policy. Although the public support this approach, there is an urgent need to better communicate the added value of EU membership in order to avoid strengthening anti-European movements. Austria has benefited strongly from its membership within the EU. Even so, it could make even more out of its membership by proactively shaping European policies. This would require it to better define its interests at the European level, lobby more effectively for its position, and better envision scenarios for future European development.

Simon Desplanque

2

Belgium: The reliable European

Like other small nations, Belgium scores quite well on both individual and structural cohesion in the EU Cohesion Monitor. In individual cohesion, Belgium scores second highest among all European Union members in the 2014 results. In spite of the various crises that have hit the EU, Belgium's individual cohesion has remained remarkably stable over the past ten years. However, this is not the case for structural cohesion, at least in relative terms: here, Belgium has steadily been left behind by other (small) states such as the Czech Republic, Slovenia, and even Hungary, which all score considerably lower than Belgium in terms of individual cohesion. How can these trends be explained?

A past that speaks for integration

Belgium's geographical position is key to its European policy. At the crossroads of Western Europe and with no "natural borders", the country has no choice but to interact with its neighbourhood, and not always to its advantage. Long before Belgium's independence, the territory was at the heart of some of the fiercest battles for regional and even continental domination. After the country's creation, political elites continued to consider Belgium's location as a factor of instability. For more than a century, the country's two powerful next-door neighbours (France under Napoleon III and unified Germany after 1871), were considered major threats to the Kingdom's territorial integrity, even though they had given guarantees of its independence. As evidenced in the two world wars, these concerns were fully justified.

At the end of World War II, some of the most prominent Belgian political leaders attempted to find a sustainable solution for the country. It was the Minister of Foreign Affairs of the day, Paul-Henri Spaak, who encouraged Belgium to pursue European integration. In a 1944 speech, he called for the creation of a new (Western) European structure in which the regional dimension would play a crucial role. This marked the beginning of a new era:

Belgium's location was no longer a threat to its independence but instead an asset, if not the primary basis, for its economic prosperity.

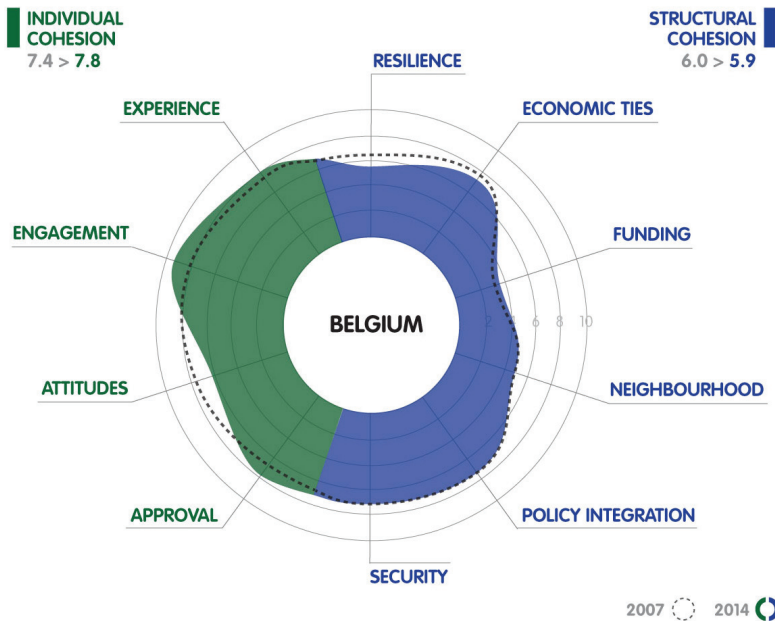
Given the country's background, the idea of European unification was welcomed by Belgian political and economic elites. Nearly all the political parties supported the project, aside from the Communist Party and the far-right factions, which only achieved significant results from the 1980s onwards. The vast majority of the population understood the potential benefits of the integration process and supported the idea of an "ever closer union" between the peoples of Europe.

Cohesion as an everyday reality

Nowadays, Belgians are more aware than ever of their state's smallness and its dependence on external actors and factors. This partly explains why the country scores so highly in terms of individual cohesion: given its size, Belgium has little to offer in comparison with France, Germany, or even the Netherlands. Tourism is a good example here: few Belgians spend their entire holidays in Belgium. Trips in France or Spain are nearly a national "tradition", dating back well before the rise of low-cost air transport. And a lot of Belgian companies, including SMEs (the economic fabric of Belgium), operate at an international level. Therefore, it is not surprising that a lot of Belgian citizens speak different languages, although Dutch speakers are more likely to do so than their French-speaking counterparts.

In general, even if the financial crisis has diminished the trust of some Belgian citizens towards the EU as an institution, Belgians still support the European project. Indeed, from an historical perspective, they were among the first to take advantage of this process. Today, in a time of globalisation and uncertainty, the vast majority of the population still believes that only deeper integration can resolve the challenges European countries are confronted with. And at a more philosophical level, the "Belgian way of life" can be seen as the quintessence of the European ideal. For Belgians, living together with people from various cultures (French and Dutch speakers) is not an abstract concept: it is a reality they experience in their everyday lives.

Given this strong individual cohesion, how can the relatively average results in structural cohesion be explained? The loss is actually not that big: Belgium only dropped a few points on two indicators, Resilience and Economic Ties. As regards the first issue, the 2008 financial and economic crisis led to the bankruptcy of one of Belgium's major banks. This institution had to be saved



by the state, which led, together with other expenses, to an increase in the national debt. As for Economic Ties, the forecast for growth has been lowered several times since the crisis. All in all, the country's performance is not that bad compared to other EU countries affected by the economic crisis.

In a changing Europe, Belgium seems to be a reliably cohesive actor. However, some dynamics are not fully rendered by the EU Cohesion Monitor. Since the beginning of the 2000s, the country has experienced a decline in one of its major assets: its political leadership within the EU. This can partly be explained by the 2004, 2007, and 2010 enlargements – in a bigger union, it is to be expected that a relatively small country will lose some of its political weight. However, this is not the only problem. Fewer political leaders are really interested in Belgium's EU policy and instead tend to focus on domestic politics. In terms of European cohesion, this is a real loss, because from an historical perspective, Belgium has always been a leader in the European integration process. Its symbolic weight should not be underestimated, especially by its own political elites. If the country really wants to tackle the challenges that Europe has to face, it should not forget that it still has the potential to be the game-changer that it has often been in the past.

Marin Lessenski

Bulgaria: Supporting further cohesion

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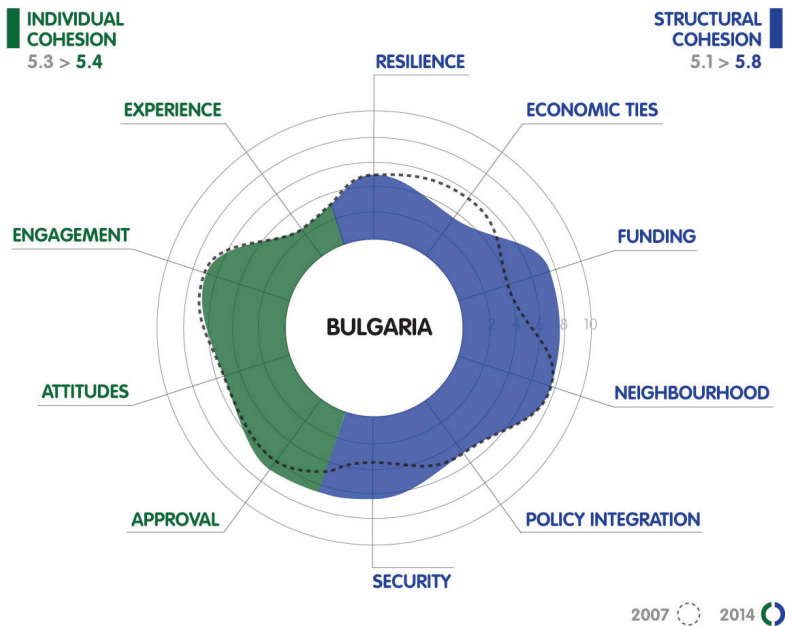
Maria Todorova writes that in the Balkan countries in the nineteenth and first half of the twentieth centuries, when people were travelling to the rest of Europe, they used the phrase: “to go to Europe”.¹ The same terminology was later used in the Eastern Europe bloc in regard to Western Europe. The reason for this self-identification as being outside Europe was the region’s relative socio-economic backwardness and isolation, and its view of Europe as representing a desired model of development. It was not “a resigned posture of non-belonging”; rather, it was an indication of the aspirations of these states and societies, which transformed into “the return to Europe” of Václav Havel and others, and became the motto of European Union enlargement. EU accession, including Bulgaria’s in 2007, became the culmination of a process of re-joining Europe and an affirmation of a European identity.

Bulgaria’s adjustment to the EU seems very much like overcoming the jetlag caused by the pre-accession period. In the early days of membership, emotions and expectations were high, but people had little institutional or personal experience of what membership actually entailed. Several years later, experience has grown, even if scepticism has grown alongside it. The EU Cohesion Monitor registers the progress of Bulgaria from fairly weak cohesion in 2007 to fairly strong cohesion in 2014, due mostly to structural cohesion gains with smaller increases in individual cohesion.

The path to greater cohesion

Some of the strongest factors driving cohesion include the experience gained by institutions and the personal experience gained by Bulgarians as citizens of the EU through travel, study, and working abroad. In 2009, Bulgaria, among the other new EU members, was qualified as “a policy taker” as opposed to

34 ¹ Maria Todorova, *Imagining the Balkans* (Oxford: Oxford University Press, 2009), pp. 43,44.



“a policy driver” in a report on shaping EU policies.² The “policy takers” were less active because they had less experience and limited capacity to promote their own positions, and preferred instead to jump on the bandwagon of a bigger country’s position. There were a few exceptions, though, as the then new member states made coalitions to advance their agendas, most notably in the areas of energy and climate.

Over time, Bulgarian institutions started to learn how to deal better with EU membership. EU funds have been an important part of this process, by introducing new rules and stricter institutional culture. Funds have also been used to promote EU membership among the public. But this has had some adverse effects: too often, “membership” and “funds absorption” have been conflated, sidelining other aspects of the integration process.

Personal familiarity and links with the rest of Europe have increased significantly. Free travel invariably tops the list of benefits of EU membership for Bulgarians. At least a million Bulgarians reside in the EU’s other member

² Marin Lessenski, “Not Your Grandfather’s Eastern Bloc: The EU New Member States as Agenda Setters in the Enlarged European Union”, OSI-Sofia, April 2009, available at http://osi.bg/downloads/File/ComparativePolicyReport_OSI-Sofia_EuPI_28April2009.pdf.

states, mostly in Greece, Spain, Germany, Italy, and the United Kingdom. There is hardly a family in Bulgaria without close ties to other family members living elsewhere in the EU. Young Bulgarians, especially, take free travel and other advantages of EU citizenship for granted now. Trade patterns show that 60 percent of imports and over 50 percent of exports are with EU partners.

Public opinion surveys consistently demonstrate positive attitudes towards the EU. In 2015, nearly 65 percent of Bulgarians assessed EU membership positively, up from 43 percent in 2008.³ Negative assessments declined from 39 percent in 2008 to 22 percent in 2015. Sixty-two percent would vote for membership again and only 22 percent against it. Trust in the EU remained very high, at 47 percent, especially compared to trust in national institutions, which was at 12.4 percent. This may be because Bulgarians see “Brussels” as a welcome counterweight to the perceived deficits of national authorities. Bulgarians are among those who have retained a very positive attitude of the EU over the years. In 2007, the year of accession, 59 percent of Bulgarians saw the EU favourably, compared to a European average of 52 percent.⁴ In late 2015, 48 percent of Bulgarians had a positive outlook, compared to an EU average of 37 percent.⁵

Obstacles to cohesion

But factors hindering cohesion do exist. Anti-EU sentiments are on the rise, exacerbated by political parties and other groups who want to deny Bulgaria’s membership and promote alternatives to the EU. The share of people who would vote for a party that supports leaving the EU has increased from 11.5 percent in 2013 to 17 percent in 2015.⁶ Confidence in the EU is being eroded by an image of a problematic and weak EU burdened by a myriad of issues – debt crises, refugees, the push for Brexit – to which it often reacts erratically.

Moreover, the public is frustrated with Bulgaria’s own problems in catching up with Western Europe on the economy, quality of life, democracy, and governance.⁷ This could be one explanation for the paradox that Bulgarians tend to identify less as “European citizens”, even though they approve very

3 Marin Lessenski, “Assessing EU Membership Experience, Benefits and Further Integration: Public Opinion in Bulgaria 2015”, OSI-Sofia, May 2015, available at http://osi.bg/downloads/File/2015/EuPI_May2015_EU_Survey_Eng_.pdf (hereafter, Lessenski, “Assessing EU Membership”).

4 Eurobarometer 67, European Commission, June 2007, available at <http://ec.europa.eu/COMMFrontOffice/PublicOpinion/index.cfm/Survey/getSurveyDetail/instruments/STANDARD/surveyKy/617>.

5 Eurobarometer 84, European Commission, December 2015, available at <http://ec.europa.eu/COMMFrontOffice/PublicOpinion/index.cfm/Survey/getSurveyDetail/instruments/STANDARD/surveyKy/2098> (hereafter, Eurobarometer 84).

6 Lessenski, “Assessing EU Membership”.

7 See Marin Lessenski, “Don’t Panic: Findings of the European Catch-Up Index 2015”, OSI-Sofia, 2016, available at <http://www.TheCatchUpIndex.eu>.

strongly high of EU membership. Just 47 percent of Bulgarians say they feel like “European citizens”, with 52 percent saying they do not, as compared to an EU average of 64 percent and 34 percent respectively – a peculiar throwback to the nineteenth-century “to go to Europe” sentiment.⁸

On structural cohesion, Bulgaria remains outside of Schengen and the eurozone, missing out on these mechanisms for further integration, but the debt and refugee crises have made these projects less desirable.

Bulgaria’s citizens and government will most likely remain highly supportive of the EU, recognising that membership provides the best framework for the country’s development. But several things could increase cohesion. Bulgaria should be more assertive in EU affairs based on its pro-EU positions and should project this image to its citizens (the upcoming EU presidency in 2018 would be an opportune moment). This includes staying on a course towards Schengen and the eurozone and joining both mechanisms as soon as the conditions are right. Bulgaria should improve its efforts to catch up with more developed countries, as its failure to do so might be projected on membership. However, first things first: since anti-EU discourse seems to a large extent to be a self-fulfilling prophecy with transborder spill-over effects, it should be addressed not only by Bulgaria, but EU-wide by all member states.

Lukas Orešković

Croatia: Suffering from European short-sightedness

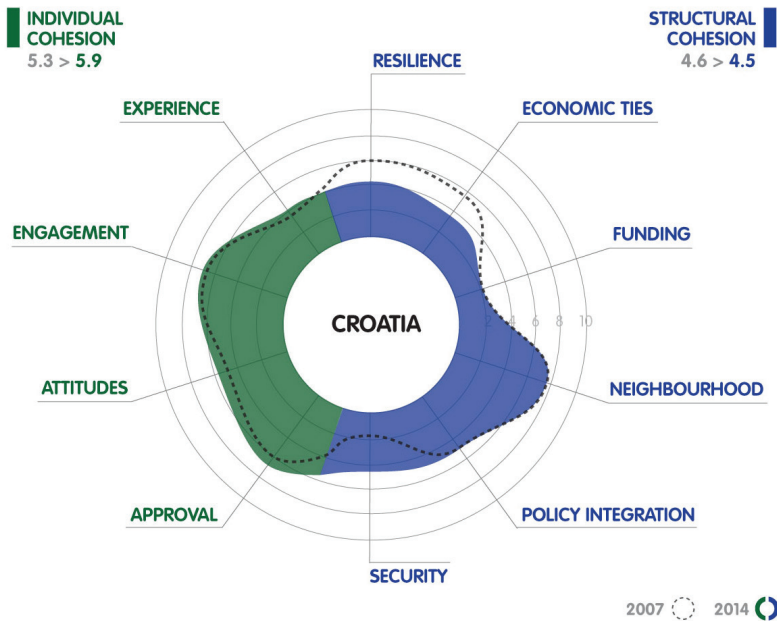
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This is a very turbulent moment to discuss the issue of Croatia's individual and structural cohesion with the European Union. Croatia recently went through an unprecedented political crisis, which culminated with the Prime Minister Tihomir Orešković losing a confidence vote in the Croatian parliament on 16 June. New elections are likely to be scheduled for mid-September 2016.

Orešković's government, inaugurated in January 2016, has had to spend the majority of its mandate focusing on domestic crisis management. Instead of implementing the National Reform Programme, the governing coalition of the Croatian Democratic Union (HDZ) and the Bridge of Independent Lists (MOST) deepened the country's social divide, polarising Croatian society through nationalist and revisionist discourse. These events led to a series of nationwide protests and petitions against the right-wing cultural and social actions taken by the HDZ and its coalition partners.

A country divided by social and ideological conflict

The most influential of the government parties, HDZ, set the scene for social unrest by assigning prominent public office positions to extreme right-wing figures from the ranks of their coalition partners. Using their positions within the ruling political constellation as leverage, these nationalists degraded the state of ethnic relations in Croatia, put a considerable amount of pressure on the media and NGO sector, and attempted to prevent education reform. These actions led to a series of protests. A number of left-wing cultural figures and NGOs rose up against HDZ's Minister of Culture, Zlatko Hasanbegović. Domestic and foreign media, NGOs, and politicians have strongly criticised Hasanbegović for his apologetic positions on the World War II-era Croatian fascist *ustasha* regime and for his crackdown on independent media. Furthermore, HDZ's



attempt at influencing the education reform led to the second-biggest protest in contemporary Croatian history (40,000 protesters) on 1 June.

Moreover, the government has been continuously shaken by intra-coalition disputes between MOST and HDZ. In June, MOST asked HDZ's President and Deputy Prime Minister Tomislav Karamarko to step down from his position in the government, which caused the political crisis to worsen. Prime Minister Tihomir Orešković, not a member of either party, requested the resignation of both deputy prime ministers – MOST Leader Božo Petrov and HDZ Leader Karamarko. HDZ replied by demanding the resignation of the prime minister. On 8 June, Karamarko suggested that the prime minister and both deputy prime ministers, including himself, should step down. On 16 June, Orešković lost a confidence vote in the Croatian parliament. Two days after the vote, Karamarko resigned from the position of deputy prime minister. The crisis ended with around 90 percent of MPs voting to dissolve the parliament on 20 June.

The result, in effect, will be that Croatia loses an entire year to internal political turbulence, meaning that the country will do very little in terms of proactively contributing to EU foreign policy goals.

2007-2013: The period of political consensus

In this context, the EU Cohesion Monitor's data makes for interesting reflection. Croatia registered a positive increase in individual cohesion in the period from 2007 to 2014, due to the widespread political consensus on European integration in that period. In 2006, HDZ openly supported Euro-Atlantic integration as one of Croatia's vital national interests. After the HDZ's decision to support it, all the other parliamentary parties followed suit. Thus, a national political consensus was forged, one that would last all the way to 2013 and the country's accession to the EU.

During the 2007-2013 period, there were almost no dissenting voices in the national debate on the EU. Political elites promoted accession as a means of strengthening the rule of law, expanding markets, boosting the economy, and fostering investment. This intense top-level political and media campaign is reflected in all four individual cohesion indicators, on all of which Croatia increased its scores in this period (especially on the Attitude and Approval indicators).

Pervasive structural deficits

Croatia fared less well on structural cohesion. Most significantly, the country registered a decline on two indicators: Resilience and Economic ties. These setbacks must be seen in the context of Croatia's overall poor economic performance – the country recovered from recession at the end of 2015, six years after being hit by the financial crisis. During the recession, Croatia's public debt soared, from 186.9 billion kuna (€24.8 billion) in 2010 to more than 295 billion kuna (€39.2 billion) in 2016.

Unfortunately, excessive public debt is not the only macroeconomic instability holding the country back. All prospects of sustainable growth are crippled by hypertrophied public administration, poor governance of state-owned enterprises, and high unemployment rates.

These structural deficits were supposed to be addressed by the National Reform Programme that Orešković's administration should have initiated in May 2016. But any hope of reform-oriented policy implementation has been abandoned with the outbreak of the crisis. If the current political trends continue, it is highly likely that Croatia will not engage in serious reform before the end of 2016. And the ongoing social disturbances have already created

the conditions for the rise of anti-establishment parties, which are likely to continue to garner public support.

Because of these internal issues, public attention and political will has been focused on national affairs. This has meant that in recent years, Croatia has not pulled its weight in European affairs (as demonstrated by its results in ECFR's European Foreign Policy Scorecard).¹ While the political elites continue to polarise Croatian society by means of ideological and historical debates, the Croatian people have predominantly started to opt for anti-establishment populist parties (for example, MOST and the Human Wall). The unexpected electoral success of the MOST party testifies to the people's contempt for the continued focus on historical and ideological debates of HDZ and the Social Democratic Party (SDP). The current government was unable to shift the national discussion from historical to future-oriented topics. Its failure further polarised society, which is, once again, entangled in debates about World War II, Yugoslavia, and the Homeland War. In this polarised national climate, where history fetishisation and sharp ideological divides prevail, it is difficult to imagine constructive political action that would lead to an increase in cooperation with the EU. These constant ideological clashes are holding Croatia back. The country has already used up a number of opportunities, and after the collapse of the current government, only a tiny sliver of opportunity remains. Croatia's political class will have to abandon populist platforms and start working on the implementation of serious structural reform. Only a truly reform-oriented government can overturn more than two decades of dominant political trends. Otherwise, Croatia will continue to focus the majority of its material and political resources on internal problems and it will continue to register ever more negative structural cohesion scores.

¹ See "European Foreign Policy Scorecard", ECFR, January 2016, available at <http://www.ecfr.eu/scorecard>.

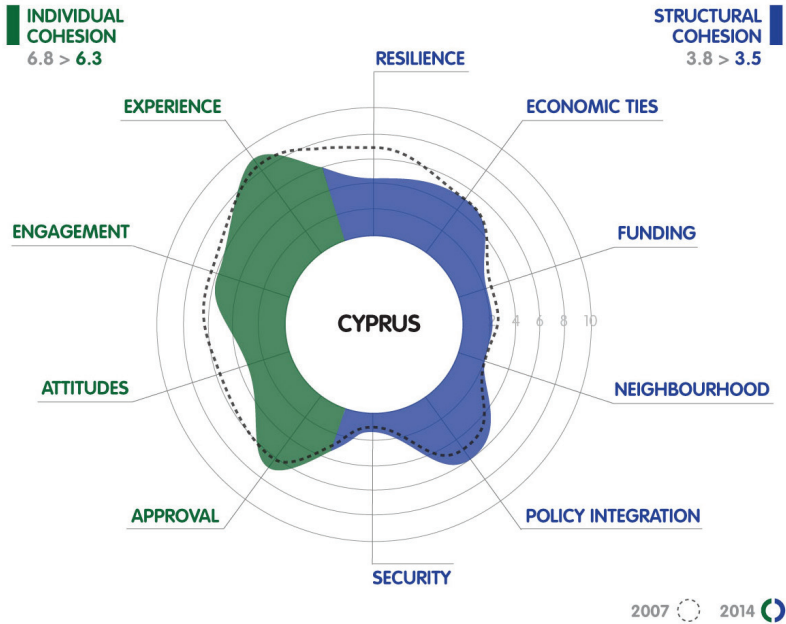
Cyprus was the first divided country to be admitted to the European Union. Its accession in May 2004 has been regarded as one of the most awkward moments in the history of EU enlargement. The third smallest member state, after Luxembourg and Malta, Cyprus's main motivation for becoming a member was to bring its internal problem with Turkey to the EU level, aiming to seek political gains by becoming a decisive actor in Turkey's accession to the EU. Therefore, in the early years of its EU accession, Turkey's accession negotiations came to a halt, due to the country's refusal to open its ports and airports to Cypriot vessels and planes.

Dealing with the financial crisis

Cyprus's static individual cohesion and decreasing structural cohesion on the EU Cohesion Monitor can best be explained by the financial crisis that hit the country under former President Demetris Christofias and its successful resolution through bitter means under the incumbent, Nicos Anastasiades. Under its presidential system of governance, Cypriots elect the president through popular vote and the president has the power to form the government.

During the Christofias administration (2008-2013), Cyprus's EU membership was no longer just a political tool, but also an economic burden; the economic crisis in the eurozone had a very negative effect on the country. The Cypriot economy fell into stagnation in 2009, and recession came in 2012. The reduction in personal consumption from 2009 onwards dealt a blow to the retail sector, which led to the closure of many shops. At the same time, unemployment rose drastically, up to 7.5 percent, the highest in the history of Cyprus aside from the post-war period of 1974-1976.

The reasons for the Cypriot crisis went beyond simply European problems: Christofias's lack of ability and refusal to take advice from his government ministers



made matters worse, and caused him to be considered the worst president of the Cypriot republic, according to public polls. Cyprus asked for a financial bailout in June 2012, but the talks went nowhere, as Christofias, the only Communist leader in Europe, was reluctant to discuss European measures that involved privatisation. In 2012, Christofias decided not to seek re-election, and in 2013, Nicos Anastasiades of the centre-right Democratic Rally party won the presidential elections.

The Anastasiades government has signed an Agreement for Economic Adjustment of Cyprus with the European Commission, acting on behalf of the Eurogroup, the European Central Bank, and the International Monetary Fund. The conditions of this deal included the closure of the country's second-largest bank, the Cyprus Popular Bank (known as Laiki Bank), and the imposition of a one-time bank deposit levy on all uninsured deposits in Laiki Bank and around 40 percent of uninsured deposits in the Bank of Cyprus (the largest commercial bank on the island). These deposits were mainly held by wealthy citizens of other countries (mostly Russia), who used the island as a tax haven. The agreement excluded deposit levies on uninsured deposits of €100,000 or less. As the *Economist* wrote, "The terms of European creditors for its bail-out included not just the usual demands for austerity and reforms but an unfamiliar demand for a banking 'bail-in' – getting debt holders and uninsured depositors

to absorb bank losses and to stump up new capital.”¹

Nevertheless, the Cypriot economy remained more buoyant than that of other member states which were also in the economic adjustment programme. Although the bailout foresaw transfer of funds until March 2016, Cyprus had already managed to gain access to private lending markets in June 2014. In March 2016, Cyprus successfully completed its multi-billion-euro bailout programme, which meant that the nation did not need the last €2.7 billion of the €10 billion loan package, partly funded by the IMF.

Hope for the future

The overall results of the EU Cohesion Monitor place Cyprus in a relatively positive position as regards individual cohesion, but a negative one on structural cohesion. The slight decrease in individual cohesion can be seen as a result of the price that Cypriot society had to pay during the bailout programme. Many people became unemployed, most salaries had to be cut, and those who had saved money in the banks lost some of their savings. The public not only blamed the ineffective government, but also the EU: they considered “that the EU raided people’s deposit accounts for a €10 billion shortfall”.²

Structural cohesion remained very low, placing Cyprus the lowest among the 28 member states. There has been a drastic decrease on the Resilience indicator due to the repercussions of the financial crisis, particularly on investments from other member states, as investors lost a significant amount of their deposits in Cypriot banks. On Security, as a small island nation outside NATO, Cyprus does not have much to offer to permanent multinational command structures and cooperation or multinational deployments. Therefore, scores in this category have always been very low.

With negotiations between the two Community leaders in Cyprus progressing to reach for a bicomunal bizonal federation and thus reunite the island, it is expected that the economy of this island nation will be boosted. In addition, the early closure of the structural readjustment plan and the government’s pledge to continue with structural reforms will likely bring a more positive trend on structural cohesion, which will also help individual cohesion to become more positive.

1 “Injured island”, the *Economist*, 6 March 2014, available at <http://www.economist.com/news/finance-and-economics/21598649-bail-out-working-bail-isnt-injured-island>.

2 “Two years after EU depositor haircut, angry Cypriots pelt Bank of Cyprus headquarters with stones”, *HellenicInsider*, 23 March 2015, available at <http://hellenicinsider.com/two-years-after-eu-depositor-haircut-angry-cypriots-pelt-bank-of-cyprus-headquarters-with-stones/>.

Viktor Bartovic

Czech Republic: Sending mixed signals

The Czech Republic has benefited from European Union membership both economically and politically. On the tenth anniversary of the country's EU accession, the Czech government commissioned a study – “Economic Evaluation of the Czech Republic's Membership in the EU after Ten Years” –, which estimated that economic benefits from the first ten years of Czech EU membership equate to around €115 billion and that EU membership helped the Czech economy to grow by an extra 1.1 percent annually.¹ Moreover, the country's net budgetary position during this period has reached more than €12 billion. Politically, thanks to EU-driven reforms, the country has significantly raised its standards of human rights protection and strengthened the rule of law (adopting anti-discriminatory legislation, consumer protection legislation, judiciary reform, and so on). The Czech Republic has also quickly become capable of using the EU to promote its foreign policy priorities. Still, the country is perceived as being among those that are lukewarm towards European integration, and whose political cohesion with the rest of the EU is low.

In the Czech Republic, as elsewhere, the question of cohesion is often limited to funding from the EU budget for infrastructural and “soft” projects or to economic convergence with the rest of the Union. This limited understanding of cohesion is shared by the political elite as well as citizens. The broader meanings of cohesion suggested by the EU Cohesion Monitor – the willingness to cooperate and to act collectively towards a common purpose – are underrepresented in the public debate. Therefore, Czech citizens are not fully aware of what the European integration project entails.

When the Czech Republic entered the EU in 2004, its main strategic goal was to become a full-fledged member of the Union. This meant to accede as quickly as possible to the Schengen area and the eurozone, and to get rid of limitations

¹ “Ekonomické vyhodnocení členství České republiky v EU po deseti letech”, Government of the Czech Republic, May 2014, available at http://www.vlada.cz/assets/evropske-zalezitosti/analyzy-EU/SEZUV-2014-1-Ekonomicke_vyhodnoceni_clenstvi_Ceske_republiky_v_EU_po_deseti_let.pdf.

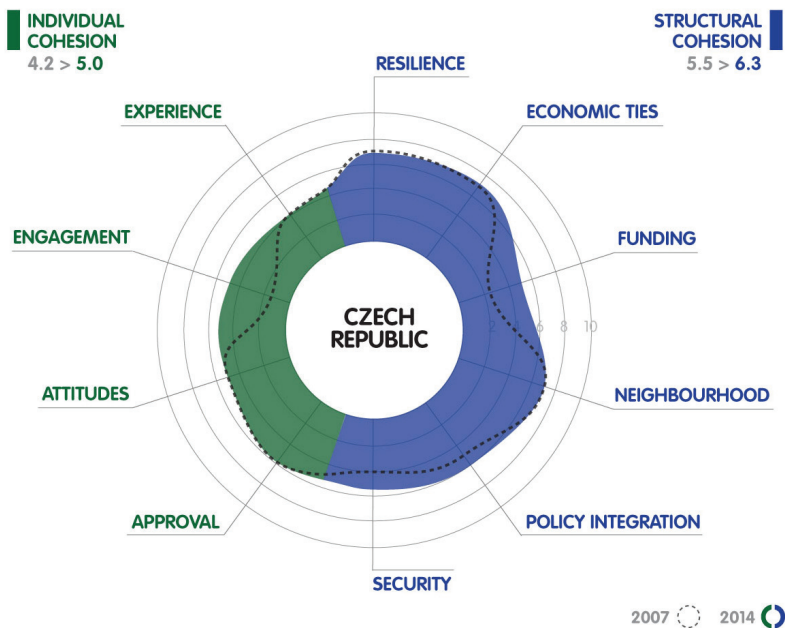
on the free movement of workers. It achieved its aims on the Schengen area and free movement of workers, but accession to the eurozone was halted, mainly because of the outbreak of the financial and economic crisis in 2009. This year was important from other points of view as well: in 2009, the Czech Republic held the Presidency of the Council of the EU and Czech satisfaction with membership in the Union peaked at 69 percent. Since then, the population has become more negative towards membership. The last similar survey from September 2015 showed that only 39 percent of Czechs are satisfied with Czech membership in the EU.

A reality check

The Monitor presents a mainly accurate version of the reality as well as the image of the country. Both individual and structural cohesion increased between 2007 and 2014. However, the overall level of cohesion is important too: the Czech Republic is among the EU countries that have reached a relatively high level of structural cohesion (seventh place in the EU), but on individual cohesion, the country is among the three worst EU member states (only Greece and Hungary rank lower).

On structural cohesion indicators, the only indicator on which the Czech score fell was Resilience. As in other countries, this was mainly because of the growing debt-to-GDP ratio. On Economic Ties, the Czech Republic ranks together with Slovakia at fourth place in the EU. This is natural, given the overwhelming orientation of the Czech exports towards EU countries as well as the high level of foreign direct investment, mainly from other EU countries. The Czech Republic, together with other states that entered the EU in 2004, increased its level of cohesion in Funding (the amount of funding from investment and structural funds increased dramatically after 2007) and Policy Integration (thanks to entry to the Schengen area).

On individual cohesion indicators, the situation remained more or less the same in Experience, Attitudes, and Approval, but increased dramatically on Engagement. However, the overall level of individual cohesion is still among the lowest in the EU, and the increase on Engagement does not fully reflect the reality. For example, voter turnout in the last European Parliament elections in 2014 was the second lowest in the EU, and there has been no significant decrease of the share of the anti-EU/populist parties in national or European Parliament elections since 2007.



Between cooperation and obstruction

The Czech Republic's willingness to cooperate and act collectively in the EU depends, to a large extent, on the composition of its political representation. During the first five years of its EU membership, as it attempted to become a full-fledged member of the Union, the country demonstrated strong willingness to cooperate. But the next five years showed the completely opposite. President Václav Klaus caused delays in the ratification of the Lisbon Treaty and took every opportunity to criticise the EU. The government refused to join the Euro Plus Pact or the Fiscal Compact and halted Czech preparations for the introduction of the euro. The country obtained a negative image as being a troublemaker and a policy killer. The current Socialist-led government appointed in 2014 decided to reverse this negative trend and image; it declared that the strategic interest of the Czech Republic lies in the gravity centre of European integration and restated the long-term commitment of the Czech Republic to introduce the euro. But this positive trend was disrupted by the migration crisis, on which the country has adopted a very negative position, especially towards relocation mechanisms. The Czech Republic was in a difficult position: it had to balance its obligation to defend the interests of the Visegrad group (of which it held the presidency) and its desire to preserve top-level relations with the "old" member states, especially Germany.

Most Czech political leaders acknowledge that there is no alternative for the Czech Republic to EU membership, and that in the long term, the EU and the Czech Republic can prosper only if cohesion among EU member states is strengthened. However, they are incapable of and sometimes also reluctant about explaining this to citizens. According to surveys, Czech citizens have some of the most negative opinions in the whole Union on the EU and their country's membership in it. But this Euroscepticism is fortunately not deeply rooted, and derives mainly from the fact that they either do not have enough information on the EU or the information they have is inaccurate. As a result, European integration is not a clear project for Czechs, and thus the public expresses confused signals on the EU. For example, according to the last Eurobarometer, 48 percent of Czechs do not want more decisions to be taken at the EU level (with 44 percent in favour). But when asked about individual policies, on all of them with the exception of the Economic and Monetary Union, the majority of Czechs support more decision making at the EU level.

European Union cohesion in Denmark presents a mixed picture. It may come as little surprise that neither individual nor structural cohesion is in general very high: Denmark has held nine referendums on EU issues since joining the European Economic Community; it has opt-outs on core areas of European cooperation; and it has a fairly Eurosceptic public. On the other hand, however, high cohesion exists in areas one might not expect, such as Engagement and Attitudes towards the EU. The reason for this ambiguity is that the Danes and their politicians have traditionally had a complicated relationship with the EU.

An instrumental approach

Denmark joined the EU in 1973, mostly for economic reasons, and because the United Kingdom was joining. Ever since then, Denmark has had a fairly instrumental relationship with the EU, in which cooperation is legitimised by its perceived utility for Denmark. This is linked to a general resistance to political integration in Europe and a fear of abrogating sovereignty. This resistance has been exemplified through nine referendums in which the Danish have had to say yes or no to further EU cooperation. For the most part, they have said no, as in 1992, when the Danes rejected the Maastricht Treaty. Although the margin between Yes and No votes was very small (less than one percentage point), images from the tiny Nordic country as they celebrated their “no to Brussels” made headlines throughout Europe, and reminded politicians of the salience and extent of public Euroscepticism. After the rejection of the Maastricht treaty, four Danish opt-outs on core aspects of EU cooperation were created, including the eurozone, citizenship, defence, and home and justice affairs. It is not surprising, therefore, that Denmark has a low ranking on Policy Integration on the EU Cohesion Monitor: Denmark ranked 19th out of 28 in 2007, and in 2014, it fell to 26th place.

The national and European compromise that brought the Danes its opt-outs so that the Maastricht treaty could be accepted has not been particularly popular with politicians. They seem to be less wary of EU cooperation than the public, and they generally regard the opt-outs as a hindrance to the conduct of national policy. Since the opt-outs were established, every government has

recommended getting rid of them, and on two occasions, referendums have been held to try to do just that: the referendum on joining the eurozone in 2000 and the referendum to lift the opt-out on home and justice affairs in December 2015. On both occasions, the Danish population voted no, against the recommendation of the government at the time and of more than two-thirds of the national parliament.

Split between the elite and the public

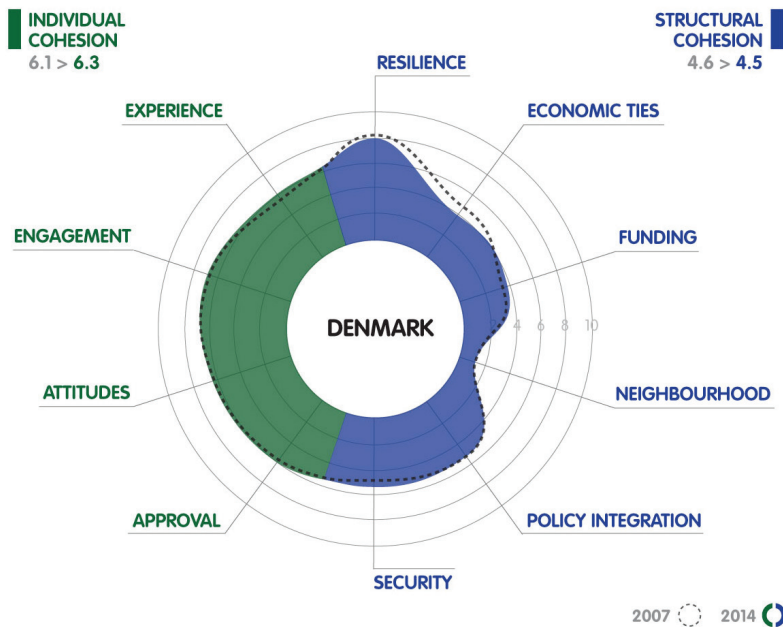
So is this a story about the divide between the elite and the public? To some extent, there is definitely a distance between politicians and citizens on the question of the EU. A large majority of Danish political parties are fairly pro-European and favour strengthening cooperation with the EU, even in the areas governed by the opt-outs. On economic governance, a large majority of the Danish parties favour more integration and are among the strongest promoters of the internal market. And on defence and security, the general sentiment is that common policy should be as comprehensive and deep as possible – although the opt-out prevents Denmark from participating.

That the Danish public feels less strongly about deepening EU cooperation than its politicians does not mean, however, that the Danish public's attitude towards the EU is solely negative. In fact, individual cohesion in terms of Attitude and Engagement with the EU is quite high compared to other member states. Denmark ranks sixth out of all 28 member states on the Monitor's Attitudes indicator, and 15th on Engagement. Part of the explanation for this is less to do with the EU itself as with the fact that Danes generally show high engagement in national and European elections and have higher trust in national and European institutions than people in many other EU member states. But the rest of the explanation is that Danes have a largely positive general image of the EU.

From Brexit to Dexit?

In speculations that a domino effect from Brexit will soon lead other states to follow the UK out of the union, Denmark is mentioned at the top of the list – not least when Brexit campaigner Nigel Farage, in his victory speech to supporters at Westminster the morning after the referendum, claimed that “in Denmark, a majority there are in favour of leaving so we could be quite close to Dexit”.¹ But Farage is wrong. An overwhelming majority of Danes believe that Denmark would

¹ “Farage hails ‘independence day’”, *RTÉ News*, 24 June 2016, available at <http://www.rte.ie/news/2016/0624/797806-political-reax/>.



not be better off outside the EU. The politicians feel the same way, and though there is a huge national debate on the subject, it seems unlikely that the Danish politicians will wish or dare to hold a vote on EU membership in Denmark. Even the most Eurosceptic party in Denmark – the populist Danish People’s Party – have finally conceded that their problems with the European project would not be solved by a Dexit. They want to roll back European integration and to limit the consequences of a border-free Europe, but they seem to want Denmark to stay inside the EU.

This is not to say that Brexit will not be devastating for Denmark. Denmark will undoubtedly suffer when it loses its likeminded big brother and closest friend in EU cooperation. The close relationship between Denmark and the UK in EU matters has become even closer recently, as Denmark has taken a step away from neighbouring countries such as Germany and Sweden, not least in the re-introduction of border controls during 2015/2016 and their fundamentally different views on how to handle the refugee crisis.

Denmark joined the EU partly because the UK did so, but they will not leave when the British do. The Danish-EU relationship may be complicated, but nevertheless, it is founded on a belief that the EU remains a much-needed framework for a small country that is trying to get by.

Viljar Veebel

Estonia: Independence and Interdependence

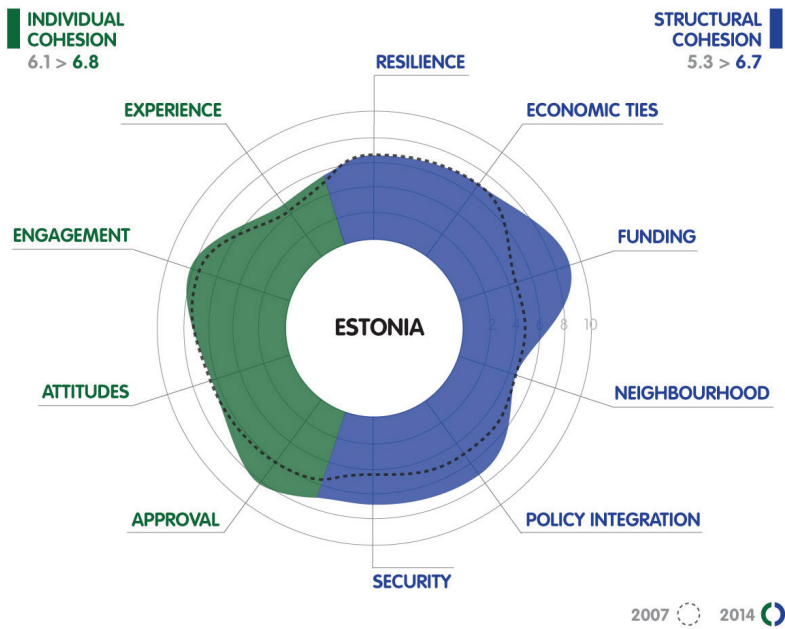
Since Estonia joined the European Union in 2004, it has been debating the optimal balance between independence and interdependence. The debate seemed to be subsiding during Estonia's initial, successful years of EU membership and of remarkable economic growth, but it has been reinvigorated by the EU's recent crises.

Balancing fears

Estonians have noted the link between mass emigration in search of jobs – the internal flow from the regions to big towns, but more significantly, out of the country – and the financial and economic crises, but they have not directly attributed this to the EU. However, the refugee crisis, at least among the wider public, is straightforwardly associated with the shortcomings of the EU. Therefore, it is no wonder that doubts have increased about the benefits of EU membership – for example, some are now ready to sacrifice Schengen at the altar of immigration fears.

Nevertheless, any negative aspects of the EU have been countered in the public imagination by the fear of Russia's growing aggressiveness and pressure. The historical experience of being squeezed between big powers, a consequence of Estonia's insecure geographical location at a border between civilisations, continues to play an important role.

So, in Estonia at present, EU membership tends currently to be seen against the backdrop of those two basic fears – the first, Russia, and the second, the possible outcome of mass immigration. On the whole, there is a certain paradox in Estonian thinking on the EU: on “big” questions such as immigration, a selective withdrawal appears to be the favoured tactic, but at a more fundamental level, strengthening membership remains the only viable strategy. However, while the two sides are relatively in balance at the moment, that could change if problems related to mass emigration (ever-



increasing costs and continuous downscaling of public services) should come to be associated with the economic and other asymmetries prevailing in the EU since the crisis. This could become a crucial concern when viewed in the context of the country’s most salient existential problem: the demographic downslide (the popular narrative of “dying out”) awaiting Estonia, should migration and other trends continue.

Countering Euroscepticism

The absence of strong democratic leadership has been a problem, especially in relation to the refugee crisis. In a leadership vacuum, attitudes have become more radical (as also evidenced in the United Kingdom with the example of Brexit). Estonian pro-independence parties point out possible alternatives (for which there are several rational arguments), but the leaders of government coalition parties tend to see even debates related to EU membership as irresponsible and unnecessary. Therefore, since the pro-EU forces refuse to engage in debate, the public mindset is quite strongly influenced by pro-independence party leaders.

On the other hand, the conflict in Ukraine has motivated Estonian citizens to educate themselves on the more profound meaning of belonging to the European family, on how best to contribute to it, and on what can be expected in return. This experience has visibly reinforced Estonians' appreciation of EU membership. And here, relatively strong moral leadership can be detected, if not primarily from the leading politicians then from wider opinion leaders.

On the question of how to cope with the fast-growing support for radical anti-European parties and ideas, better strategic communication with targeted groups and their more active inclusion into decision-making appears to be the answer. It is worth noting that EU cohesion is much lower among Russian-speaking people in Estonia. An effort from the Estonian government, backed with EU funds, is needed to enhance the conditions and improve the individual experience of the Russian-speaking population.

Structural cohesion

In the EU Cohesion Monitor's index for 2007, Estonia's individual cohesion score was somewhat higher than that of structural cohesion, but by 2014 ten years of EU membership have strengthened structural cohesion.

The structural features of EU membership may not have been overly successful in balancing out the effects of financial and economic crises, but even so, the visible signs of structural cohesion are undoubtedly growing. The role of EU funding is ever more visible (accounting for 20 percent of the central government budget) and economic integration with other EU member states deepens every year.

During the last couple of years, the main symbol of cohesion has been the Rail Baltica railway project. This scheme has both a mental and a financial dimension. While the project was largely positively received in the beginning, significant opposition to it has grown. It is thus vital for the government to better explain the decisions related to the scheme to the public.

Airline services have recently become a hot topic, related to illegal state aid given by the national government to the flag carrier, Estonian Air, and the airline's subsequent bankruptcy after investigation and decisive conclusions of the European Commission. In connection with this issue, peripheral location, low population density, and special security concerns appear to make some EU internal market rules, that are rational from the perspective

of core countries, both impractical and unpopular in Estonia, where the only way to keep up the number and frequency of connections is to give state aid. In this regard, what clearly aggravates the situation is the fact that the European Commission has not been overly eager to use the derogations and exceptions at its disposal to support the peripheral and less developed member states.

Accordingly, in the context of treaty reform, paying more attention to the special needs of small peripheral states would increase Estonia's feeling of being a valued member of the European family.

The EU rules and soft law on commercial aviation protect namely free competition, which, since the airlines (due to the pressure on ticket prices) cannot internalise the relatively significant indirect benefits to the economy (tourism, business, cultural contacts etc), takes a heavy toll on connectivity in peripheral states.

Conclusion

The financial crisis and the refugee crisis and related political debates have played an important role in terms of individual cohesion in Estonia. As radical pro-independence groups and pro-European groups have mobilised their supporters, people have become entrenched on opposing sides. As a result, social tensions are unmistakably growing.

Euro-scepticism and anti-EU movements have reached a deeper, structural level. Hitherto a matter of public debate and concern, they now form the cornerstones of two radical nationalist parties, one of which enjoys public support at around a significant 18-20 percent.

Thus, while Estonia has shown and continues to show a remarkably strong profile in the EU Cohesion Monitor, with impressive gains particularly in structural cohesion, its future development path appears less secure, with the first challenging issues already evident in public debates.

Tuomas Iso-Markku

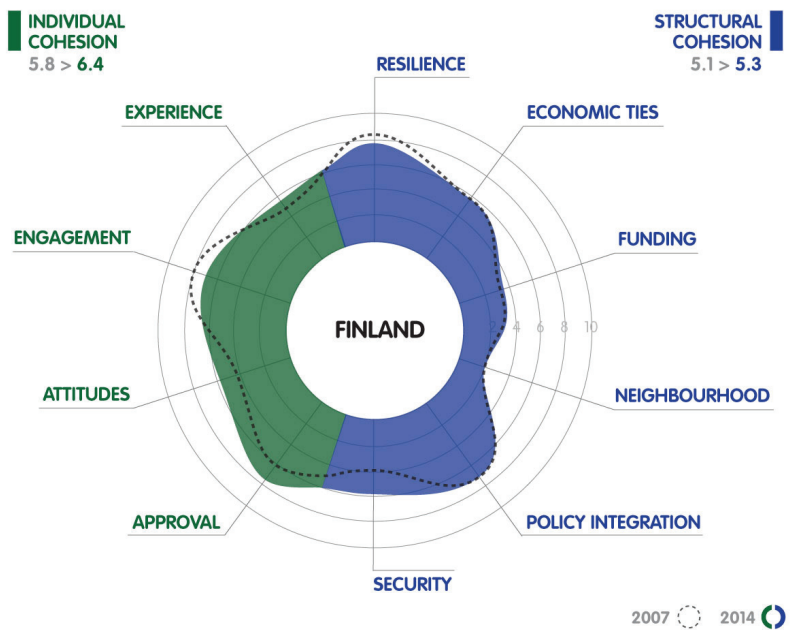
Finland: Pro-European, but only to an extent

9

The EU Cohesion Monitor suggests that the bonds between Finland and the European Union strengthened between the years 2007 and 2014: both individual and structural cohesion indicators show a slight upward trend during the period. On the surface, this finding may seem surprising, since the period saw unprecedentedly heated EU policy debates in Finland and witnessed the emergence of the Eurosceptic Finns Party as a major political force in the country. However, the value of the EU Cohesion Monitor lies in its ability to look beyond such seemingly dramatic developments in order to demonstrate that individual member states' views on and positions within the EU are shaped by a broad range of factors. Overall, the EU Cohesion Monitor's picture of Finland as a principally pro-European country whose attitude frequently compensates for its comparative lack of structural ties to Europe seems fairly accurate. That said, there are of course dynamics and nuances that the EU Cohesion Monitor is unable to identify or illustrate.

Political Euroscepticism versus pro-European attitudes

One interesting variable included in the Monitor is economic Resilience, measured by a country's level of disposable income per capita, its debt-to-GDP ratio, and its social justice index. The Monitor assumes that states with high income levels, low debt-to-GDP ratios, and relatively equal societies are more likely to show solidarity towards others than states with less resilient economies. However, the eurozone crisis has shown that this is not necessarily the case: the provision of financial assistance to the crisis-ridden eurozone countries proved most controversial in some of its most affluent member states. In Finland, the Eurosceptic Finns Party was able to polarise the debate about the bailout packages for Greece and Portugal and to profit from the widespread discontent with the EU's rescue policies, winning a stunning 19.1 percent of the votes in the 2011 national parliamentary election. This persuaded many other parties to harden their stance as well.



The Monitor fails to capture this political reality, but it correctly indicates that the rise of the Finns Party did not reflect a deeper change in the attitudes of the Finnish electorate towards the EU. Although the level of public support for the EU has never been very high in Finland, it has remained remarkably stable over the years. If anything, the recent Eurosceptic challenge may have encouraged some voters to be more vocal about their support for the Union. Moreover, the euro is held in higher regard in Finland than it is in most eurozone member states.

The electorate's robust support for the EU and the euro is important for understanding Finland's EU policy in 2016. The Finns Party now has the second-largest number of seats in the Finnish Parliament and forms part of Finland's current government coalition, but the party has acknowledged that the overwhelming majority of Finnish voters have no desire to radically alter Finland's present status in the EU. As a result, the Finns Party has, at least temporarily, softened many of its positions on the EU. As part of the government, it has committed itself to a largely pro-European government programme, which puts particular emphasis on the development of the EU's single market and the EU's foreign, security, and defence policies.

Crises and security

However, Finland's commitment has its limits. Finland is particularly wary of providing further financial support to distressed eurozone countries. In part due to the influence of the Finns Party, the present government has set strict conditions for its participation in future bailouts, maintaining that Finland's liabilities should not increase. Moreover, the Finnish electorate's willingness to show financial solidarity is likely to be further circumscribed by Finland's persistent economic woes, which have caused the government to implement large-scale cuts to public spending and push through a "competitiveness pact" that will increase working hours and trim wages. Nevertheless, Finland accepted the third bailout for Greece in August 2015. Even the Finns Party voted in favour of the bailout package to avoid a conflict with its coalition partners.

The refugee crisis represents a second uncertainty factor. In 2015, Finland received more than 32,000 asylum applications, almost nine times as many as the year before. This provoked widespread media attention and led to heated political debates, and Finns now identify "migration" as the main challenge to the EU. The implications of the refugee crisis for Finnish EU policy remains unclear. On the one hand, the government has highlighted the importance of taking steps at EU level to manage the inflow of refugees, and particularly emphasises the need to strengthen the EU's external borders. This reflects Finland's own position at one of the EU's external borders. On the other hand, some influential political figures in Finland have argued that Finland should resort to taking national measures if the EU fails to provide workable solutions. Moreover, under heavy pressure from the Finns Party, the government abstained from the Council vote on introducing an emergency relocation mechanism, insisting that any such measures should be voluntary. However, the government indicated that it will comply with the Council decision.

In one area, Finland is especially keen on strengthening its ties to the EU and to Europe in general: security. Located next to the EU's largest and most populous neighbour, Russia, Finland has always had a strong small-state identity and has seen security as one of the key benefits of its EU membership, considering the Union to be an invaluable political safety net. During its membership, Finland – one of the six EU member states that remain outside NATO – has also become more and more interested in the EU's capability of supporting its member states in terms of "hard" security. Unsurprisingly,

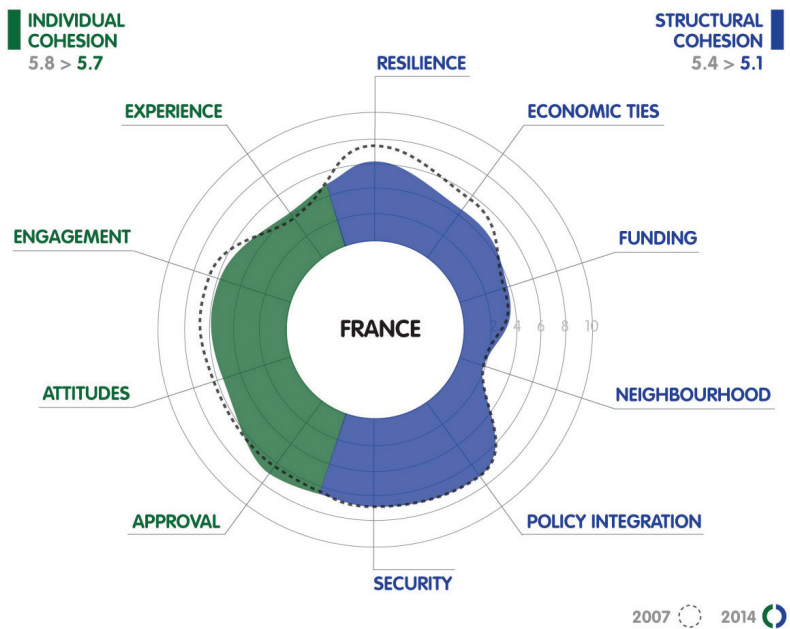
the Ukraine crisis and the current level of military activity in the Baltic Sea region have lent weight to this line of thinking. Finland therefore strongly advocates the development of the EU's defence dimension and emphasises the importance of the Union's mutual assistance clause (Article 42.7). In addition, the government has actively sought to build up Finland's relations with other states and organisations, deepening the country's bilateral defence cooperation with Sweden and entering into an enhanced partnership with NATO. The idea of mutual solidarity between EU member states comes most easily to Finland in the areas of security and defence.

France: A leader without followers

As one of the six founding countries of the European Union, France has always felt a certain sense of responsibility towards the European project. The fundamental objectives of European integration – preventing new conflicts among European nations and bolstering economic prosperity – were widely assimilated and supported by the French elites and people after the traumatic experiences of the two World Wars. Almost 60 years after the Treaty of Rome, France’s attitude towards the “European dream” has become more complex, and the country’s role in Europe is being questioned both at home and by its neighbours. Beyond the well-known structural issues stemming from lasting economic stagnation and the recurring social conflicts of recent years, the French “mal être” can be explained by a misunderstanding between the French and their European partners. From the French perspective, other EU member states have not fairly acknowledged Paris’s activist foreign and security policy and its political efforts to implement reforms at the domestic level. On the other hand, France has often been unable to unite European partners around its leadership due to differences on priorities and strategies and ineffective communication.

The challenges to French leadership

Despite the slight losses indicated by the EU Cohesion Monitor since 2007, France’s structural links to the European market remain a strong vector of its attachment to the European project as a whole. France’s trade, defence industry, tourism, and agricultural sectors, among others, play a key role in keeping France committed to the development of the EU. Its cohesion resources, however, go beyond economic interests and are also rooted in a historical and cultural belief in the construction of a “European Europe”, able to act as an independent power at the global level. At the moment, French elites are frustrated that this commitment has not been more widely recognised, and that France’s leadership at the European level is disputed. This frustration results from two main challenges.



Firstly, Germany’s hegemony in the EU jeopardises France’s ability to weigh in on the European decision-making process. Because of its geographical location and cultural characteristics, France perceives itself as a bridge between the Mediterranean world and Continental Europe. Since Germany’s reunification and in light of Berlin’s growing influence, France’s role has increasingly evolved into balancing these two worlds, a task which Paris sees itself as being perfectly suited to. For instance, it interpreted the 2015 Greek crisis as a remarkable opportunity to find a middle way between Germany and Greece’s contrasting visions of the issue. Now, as the economic gap between France and Germany has doubled since 1990, the so-called Franco-German coupling has become deeply unbalanced, and no single power is able to challenge German leadership within the EU. At the European level, France does not feel that it gets full credit for initiatives it actively co-led with Germany, such as the Normandy Format leading to the Minsk Agreements. For Paris, the European project can only move forward if a cross-regional consensus is reached on key issues, and Berlin alone does not have the legitimacy to achieve this.

Secondly, France has, with the United Kingdom, played an outstanding role in assuming security responsibilities in the European neighbourhood. The

colonial pasts of the two countries have left them with a global vision of foreign policy that is unique at the European level. The implications of the Brexit could further isolate France among European partners in foreign and security policy decision-making. French political leaders have often regretted the lack of support provided by their European partners when French troops have been deployed in the Middle East and North Africa and Sahel region, or when Paris took a strong position in the negotiations on the Iran nuclear deal. The use of the Lisbon Treaty's Article 42.7 after the terrorist attacks in Paris in November 2015 and the recent French initiative on the Middle East Peace Process illustrate the French willingness to force EU countries to share more of the burden in foreign and security policy issues and to support French leadership in general.

France's own responsibility

The weakening of France's cohesion resources should not only be attributed to other European countries' misunderstanding France's activism and leadership – France is responsible, too. Paris has often been criticised in recent years for confusing leadership with unilateralism. For instance, the 2013 operations in Mali, although eventually praised by most, took all France's partners by surprise and showed that France had little interest or trust in the EU's long diplomatic process of building a coalition. Furthermore, France's relative silence on the refugee crisis has damaged the legitimacy of its requests for support in other domains. To a certain extent, the Gaullist tradition remains relevant to any understanding of the French perception of the EU, both among the elites and the public: in this tradition, European cooperation is still seen as a vehicle for France's global ambitions. Finally, Prime Minister Manuel Valls' speech at the European Commission in March 2015 illustrated the problems of communication of French diplomacy in Brussels: the half-empty press conference room highlighted the country's loss of influence, and the ill-advised declaration that “against terrorism, Europe already has an army: it is France” did not help to undercut Europe's stereotypical perception of France as arrogant.

France's cohesion resources, therefore, have not been reduced because of a lack of willingness and commitment to the European project, but because it has not always been able to unite partners around its leadership and has appeared isolated on certain issues. Its priority must be to improve communication and trust with Brussels as well as with other EU member states. Sustained economic growth and the reduction of social tensions will be crucial in

enhancing France's credibility at the European level and strengthening mutual comprehension.

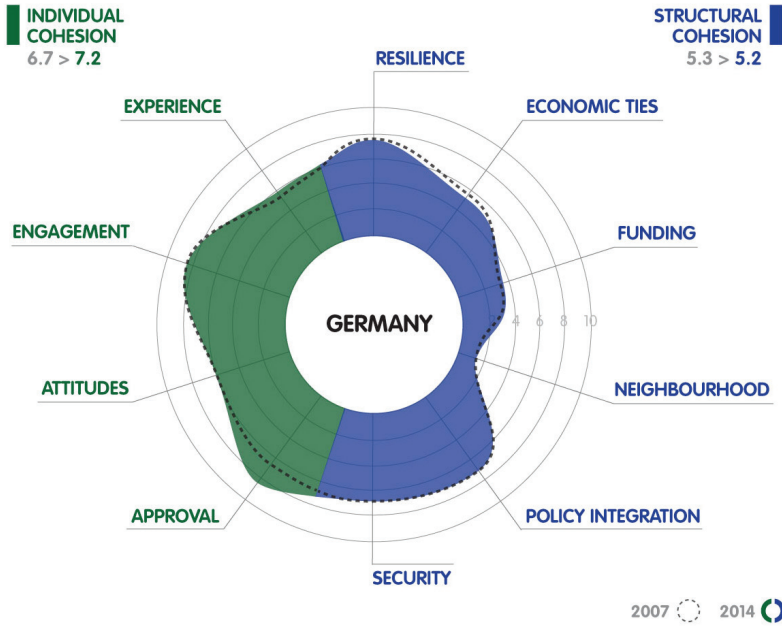
Finally, despite recent studies on the record level of Euroscepticism among the French population and the results of the Front National in the latest local elections, there is reason to believe that France is still willing to cooperate at the European level.¹ Indeed, domestic debates in France focus more on “what kind of Europe” than on “more or less Europe”. The EU's *raison-d'être* of European solidarity is not questioned, and the main demand of the population is not to implement a more transactional relationship with European partners. Rather, the EU's economic governance and the political vision for the union are the dividing lines in a society that has not given up on the idea of European cooperation.

¹ Bruce Stokes, “Euroscepticism Beyond Brexit”, Pew Research Center, 7 June 2016, available at <http://www.pewglobal.org/2016/06/07/euroscepticism-beyond-brexit/>.

Germany: Getting used to leadership

Germany's role within the European Union has been transformed in recent years, as the economic, debt, and refugee crises have shaken the EU's foundation and threatened the biggest achievements of European integration: the euro and the Schengen area. Germany is at the core of EU decision-making in tackling these multiple challenges; as the EU's economic powerhouse, Berlin bears special responsibility to take leadership. In addition, Germany's relative influence in the EU has increased, because other key drivers of European integration such as France and Italy have been preoccupied with domestic economic and political challenges. So, in the German case, the EU Cohesion Monitor's assessment period from 2007 to 2014 allows not only a pre-crisis comparison, but also tells the story of Germany's path towards getting used to its new role.

The results of the EU Cohesion Monitor point to some straightforward but surprising observations about Germany's willingness to undertake joint action and cooperation in the EU. First, the Monitor shows that Germany, together with small affluent member states such as the Netherlands, Austria, Finland, and Sweden, is part of a group of countries whose attitudes towards the EU and towards cooperation and joint European action outperforms their actual structural links to the EU. Second, Germany has been able to maintain its level of cohesion even as the EU has become more diverse. Over the seven-year period, the monitor indicates that Germany has consolidated its strength in terms of structural cohesion and improved in terms of individual cohesion.



Improving individual cohesion

It comes as no surprise that Germany ranks very high on individual cohesion, indicating that the German public has very strongly established ideas, beliefs, and experiences in favour of the EU and other member states. Traditionally, there has been a pro-European consensus both in politics and within German society. Germany's willingness to engage in further integration is considered to be a matter of course, because integration was what allowed the country to rehabilitate itself among the community of nations after World War II.

Still, it is surprising that – according to the EU Cohesion Monitor – Germany has in fact managed to improve in this area at a time of severe stress for the European project. Even though in recent years, support for the EU in Germany has not been eroded as dramatically as in crisis-ridden member states such as Greece or Portugal, infighting over the correct course to take in the eurozone crisis has left its mark on how Germans perceive the EU, too. The time of permissive consensus, when Germans tacitly consented to the impact of European integration as long as it did not negatively affect their daily life, is certainly finished. Indeed, Germans' more critical views towards the EU are reflected in the Monitor's Attitudes indicator. However, this is

mitigated by a stronger feeling within German society that the country's national interests are taken into account in the EU – an important side effect of Germany's new leadership role.

This also holds true on the Engagement indicator, which has remained stable throughout the assessment period: the foundation of the right-wing Eurosceptic party Alternative for Germany (AfD) in 2013 illustrates the mounting discontent over the way the euro crisis was managed and the fear of German citizens that the country's economic interests are in danger. However, the indicator does not sufficiently reflect the populist rise, and it is moderated by an increase in voter turnout in the 2014 European elections. Throughout the course of the refugee crisis, support for the AfD has grown stronger, demonstrating that Germany is not immune to Euroscepticism.

Approval is the key factor in Germany's improvement on individual cohesion. The Monitor's findings point to an increase between 2007 and 2014 of support for and positive views on areas of deeper integration, i.e. on Common Security and Defence Policy, monetary union, and the Schengen area. Despite the change of attitudes towards the status quo of the EU, there seems to be a widespread acknowledgement of the political and economic benefits that Germany has gained from European integration. This positive trend indicates that the majority of German citizens still believe that cooperation and deepening integration is a better alternative even in times of crisis to a relapse into renationalisation.

The refugee crisis that unfolded in 2015 might become a game-changer for Germany's individual cohesion. The financial and economic crisis did not arouse real passion or hostility, because it was only about money and national budgets. But the refugee crisis touches upon the internal cohesion of German society, and thus is potentially much more explosive. Germans have a new and uncomfortable feeling that their government is not in the driving seat on finding a European solution – something Germans could rely on during the euro crisis. German calls for European solidarity in coping with the growing number of refugees have largely been ignored by most other member states. At the same time, the AfD has been able to exploit the refugee crisis domestically with its harsh stance on migration, contributing to its increasing support.

Structural cohesion stronger than indicated

On structural cohesion, which reflects ties between member states such as trade flows, participation in common policies, and geographical proximity, Germany ranks only in the lower middle of the table, and its score has slightly decreased since 2007. Nevertheless, this does not necessarily mean that Germany, from a structural point of view, is out of touch with the EU. Germany cannot change its geography to improve on its weakest indicator, Neighbourhood, but the relatively small share of population living near borders due to the country's large geographical area and population size does not prevent Germans from socialising intensively with people from other EU countries, travelling frequently abroad, or speaking other languages (see the Experience indicator).

This is also the case on Economic Ties, an indicator that relies mainly on relative numbers. Germany's share of exports dropped from 67 to 57.7 percent between 2007 and 2014, but in absolute numbers, the country's export figures to EU partners are still very impressive and demonstrate that intra-EU trade remains a major priority for German businesses. Nevertheless, Germany's strong export-oriented economy is going where the markets are. At a time when many crisis-ridden European economies are buying fewer German products and export potentials throughout Europe seem to have peaked, German businesses are naturally reaching out to find new growth markets.

Overall, in the seven-year period of the EU Cohesion Monitor, Germany was able to strengthen its attitudes towards the EU and towards cooperation and joint European action, even in the face of the impact of the EU's multiple crises. The EU Cohesion Monitor also indicates that Germany's positive attitude towards the EU outperforms its structural links, highlighting the fact that appreciation for European integration is deeply ingrained in German society, despite increasing pragmatism towards the EU. Even though it might become more complicated to reconcile diverging national interests on the European level, common challenges call for closer cooperation – and a Germany that remains committed to a high degree of European integration holds the key to that puzzle.

George N. Tzogopoulos

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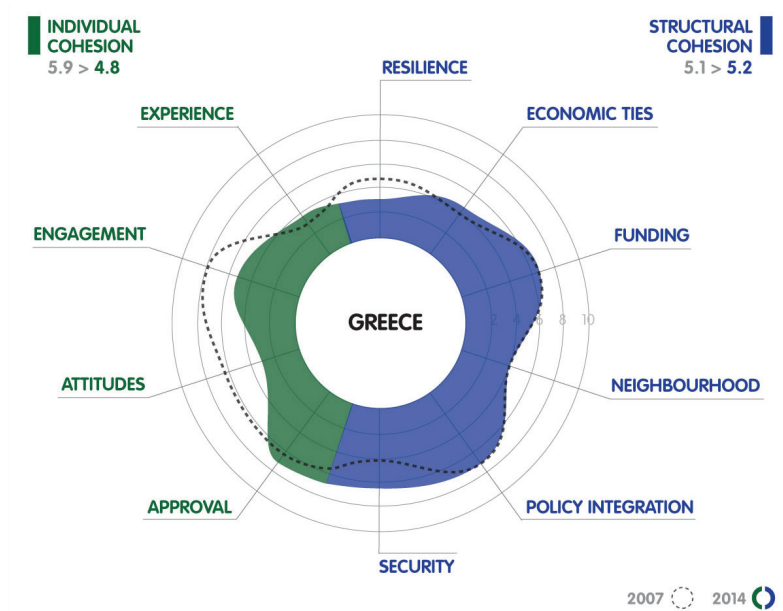
Greece: Enduring forced cohesion

Every statement about Greece and European Union cohesion should start with a time reference. As the EU Cohesion Monitor shows, the relationship has fluctuated over the years: the perceived success story of Greece in Europe in 2007 turned towards increased scepticism in 2014. This scepticism does not seem to have lessened in 2015 and 2016; in fact, the situation has deteriorated, especially in terms of individual cohesion. According to a survey published by Pew Research Center in June 2016, 71 percent of Greeks hold an unfavourable view of the EU.¹ This makes Greece the least favourable of all 28 member states towards the EU.

The shadow of the economic crisis

One thing explains why Greece is not as enthusiastic about the EU as it was just a few years ago: the impact of the economic crisis, which has seriously affected the country's political establishment and citizens since October 2009. Greece, an affluent country that had lived beyond its means for decades, suddenly experienced exclusion from the markets and needed to find a different financing source. At the time, such a source did not exist; it had to be created by the EU and the International Monetary Fund to support bankrupted eurozone countries such as Greece. Under the agreement, Greek governments could draw funds from the so-called bailout scheme and thus finance the national economy only in exchange for adopting austerity measures and implementing structural reforms. Naturally, the politicians who had led the country to the brink of collapse by overspending could no longer rely on easy borrowing to

¹ Bruce Stokes, "Euroskepticism Beyond Brexit", Pew Research Center, 7 June 2016, available at <http://www.pewglobal.org/2016/06/07/euroskepticism-beyond-brexit/>.



solve their problems. This new economic relationship between Greece and the EU, in which the former was dependent on the latter, overshadowed almost all other aspects of positive cooperation such as the absorption of EU funds and the country’s general support of European principles, values, and policies.

There is no doubt that the EU has made some mistakes in the management of the Greek crisis: for example, its failure to act before the outbreak of the problem, as well as its emphasis on excessive austerity rather than growth during the implementation of the bailouts. Nevertheless, the greatest responsibility for the situation lies with Greek politicians of the centre-right New Democracy party (ND) and the centre-left Pan-Hellenic Socialist Movement (PASOK). Their governments put political interests above national ones, ignored the growing budget deficit and debt before 2009, and showed little appetite for carrying out structural reforms and radically changing Greek public administration even after the signing of the first Memorandum in May 2010.

In the period before the leftist Syriza party rose to power in January 2015, the politicians of ND and PASOK used a convenient political communication strategy to transfer the responsibility elsewhere and blame external factors for Greece’s bankruptcy. In their attempt to find scapegoats, they almost

exclusively associated the modern Greek drama with the role played by Germany in the EU. Pointing out that Berlin is the driving force in Europe, Greek politicians tried to make the case that the EU was largely responsible for the continuation of the crisis. As a result, politicians did not take ownership of reforms and attributed their enactment to Brussels' dictation. On their side, many citizens – influenced by this political rhetoric and the media discourse that echoed it – altered their understanding of Europe. In their eyes, Europe was no longer a donor and contributor to Greece's prosperity, but instead a strict policeman monitoring the implementation of the bailouts and ignoring serious social difficulties such as poverty and unemployment. When European politicians talk about the rescue packages in terms of "solidarity", most Greek citizens see only a European interest in saving the banks.

The political criticism of the EU's role during the Greek crisis had three major consequences. Firstly, it constructed the illusion that there might be alternatives to the bailout schemes. Secondly, it undermined the chances of a national consensus emerging to steer the country out of the crisis, as happened, for example, in Portugal. And thirdly, it gave a voice to Eurosceptic political parties, which began to use anti-EU slogans to attract voters disenchanted with the current political options. The success of Syriza is an obvious example. Although not itself a typical Eurosceptic party, it managed to persuade the public that it could change Europe and bring austerity to an end not only in Greece but also in other periphery states.

No positive change in relations

Amid rising populism, the first two Greek bailouts started to yield positive results by mid-2014. Greece managed to make a partial return to the markets, issuing its own national sovereign bonds after four years. It also created surpluses, putting a provisional end to the period of the twin budget and current account deficits. Nonetheless, the real economy did not yet benefit. SMEs had no access to cheap credits, as they did in other eurozone countries. The middle class, exhausted by the previous difficult years of austerity, overlooked the positive national economy numbers. Syriza's ungrounded promises constituted a setback for the progress already made and negatively influenced the political and public will towards further cooperation with the EU. Therefore, there was no positive reboot in Greece's relationship with the EU.

One year later, in July 2015, the Greek political landscape as well as the public were openly divided on the country's European future. Syriza and other Eurosceptic parties, the Independent Greeks and the Golden Dawn, supported a "No" vote in a referendum in which citizens were asked to approve or reject a new fiscal consolidation plan for their country. By contrast, ND, PASOK, and the centre-left party – To Potami – encouraged a "Yes" vote. Greek society embraced Syriza's agenda: 61.31 percent voted against the plan, with 38.69 percent voting in favour. The result did not give Prime Minister Alexis Tsipras a direct mandate to take Greece out of the eurozone, but it could have legitimised a decision to do so, since staying in the eurozone was incompatible with the rejection of the bailout.

Tsipras finally decided to make a U-turn and thus to preserve Greece's European orientation. But the trauma of the referendum is still evident in Greek politics and society. Syriza, as a governing party, is now following policies that it does not believe in. And Greek society still sees no light at the end of the tunnel, anticipating that the EU will impose new rounds of austerity in the coming months. It is hard to say whether all this will be sustainable at the political and public level – but it is easy to conclude that at present, there is little space for orthodox cooperation with the EU.

Hungary: The EU's troublemaker

Since the Fidesz government came to power in Hungary in 2010, confrontation between Brussels and Budapest has become the norm. The current – often predominantly negative – perception of the country is strongly shaped by the domestic and external actions of Prime Minister Viktor Orbán, who views the European Union as a declining economic power with a questionable foreign policy, and sees its Western member states as having shaky democratic legitimacy.¹ Orbán's government has repeatedly clashed with Brussels on the issue of democratic governance, peaking, after several years of what critics see as a backlash against democracy, in the prime minister's 2014 announcement of building an “illiberal democracy” in Hungary.² By setting out several authoritarian countries as examples and inspiration for Budapest, he effectively called into question the validity of the EU's democratic principles for Hungary, to which the country had subscribed when it joined the Union.

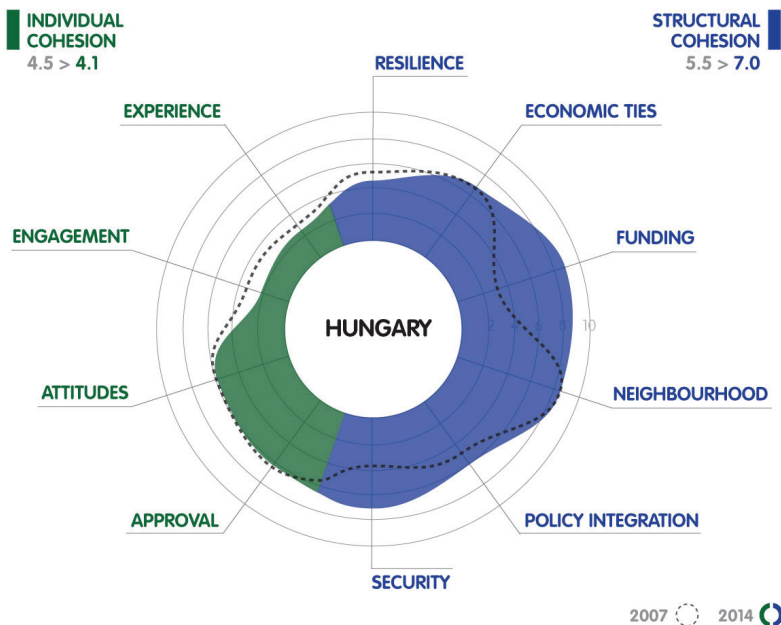
Conflict with the EU

Under Orbán, Hungary also established itself as a player in external affairs. It loudly questioned the sanctions-based common European approach to dealing with Russia's aggression in Ukraine, and has openly carried on with its “Eastern Opening” policy, under which it has greatly increased Hungary's financial and energy dependence on Russia for decades to come. Budapest's upgrade of its relations with Russia also risks Hungary becoming Moscow's Trojan horse in the EU.³ Finally, over the past year, Orbán has managed to take an informal leadership role on the refugee and migration crisis within the group of the four Visegrad countries (the Czech Republic, Hungary, Poland, and Slovakia),

1 “The greatest challenge is that EU Member States have different notions of the future”, Office of the Prime Minister of Hungary, 9 June 2016, available at <http://www.miniszterelnok.hu/the-greatest-challenge-is-that-eu-member-states-have-different-notions-of-the-future/>.

2 Viktor Orbán, speech at the XXV Bálványos Free Summer University and Youth Camp, Băile Tuşnad, 26 July 2014, available at <http://budapestbeacon.com/public-policy/full-text-of-viktor-orbans-speech-at-baile-tusnad-tusnadfurdo-of-26-july-2014/10592>.

3 Zsuzsanna Végh, “Hungary's ‘Eastern Opening’ policy toward Russia: ties that bind?”, *International Issues & Slovak Foreign Policy Affairs*, 2015, available at <https://www.ceeol.com/search/article-detail?id=298726>.



bringing the coalition out against the proposals of the European Commission and Germany’s *Willkommenskultur*. Orbán is certainly punching above his weight: this stance has put him among the most influential leaders of the EU in the ranks of politicians arguing for a “Europe of nation states” and for the return of competences to the capitals as opposed to further integration or an “ever closer union”.⁴

All in all, the common perception of Hungary is that it is a troublemaker, reaping the benefits of its EU membership while undermining the EU’s unity and cohesion, instead of contributing to the Union or even identifying with the European project. The results of the EU Cohesion Monitor seem to support this view: Hungary is a clear outlier in the EU and even more so among the Visegrad countries. From 2007 to 2014, the country’s structural cohesion has grown, benefiting like the other countries of the 2004/07 enlargement round from increasing structural funds. But its individual cohesion has remained very low, and has even slightly decreased. Aside from Hungary, this trend is otherwise only seen in the member states heavily hit by the financial and economic crisis, such as Spain, Italy, Greece, and Cyprus. In Hungary’s case, the reasons for low

⁴ Ryan Heath, “Power matrix: Ranking Europe’s leaders and ambassadors”, 28 April 2016, available at <http://www.politico.eu/interactive/power-matrix-charting-the-eu-players-by-country-european-council-national-capitals-leaders-ambassadors/>.

or declining individual cohesion differ from those in the crisis-hit group, and studying the various indicators gives ground both for hope and concern.

The impact of anti-EU discourse

In the crisis-stricken southern countries, Attitudes and Engagement have plummeted significantly. Hungarians' trust in the EU decreased in the period, matching the general trend in the Visegrad region, but with 48 percent in 2014, it still remained higher than in many "old" member states. In fact, Hungarians' trust in the EU was significantly higher than their trust in the national government (33 percent in 2014). The proportion of those who view the EU positively showed very little change (from 41 percent in 2007 to 40 percent in 2014), and people increasingly believed that their country's interests were taken into account in the EU. Perhaps contrary to expectations, Hungarians actually more and more regard themselves as Europeans (from 53 percent in 2007 to 60 percent in 2014 and 66 percent in 2015), which is especially noteworthy given that the elected government has been in constant conflict with Brussels.⁵ Even though Approval of the EU's common policies decreased slightly between 2007 and 2014, the majority of Hungarians still supported common EU policies: in 2014, 54 percent supported the economic and monetary union, and about two-thirds supported common foreign policy and common security and defence policy (64 and 69 percent respectively). These results are in stark contrast with the government's (by then) four years of rhetoric about reclaiming the country's sovereignty, and these trends offer some grounds for optimism on potential future improvements in individual cohesion.

At the same time, the drop in the Engagement score, which brought down Hungary's score on individual cohesion, gives some cause for concern. The 2009 elections to the European Parliament as well as the 2010 and 2014 national elections brought about a significant increase in support (and representation) for two parties generally viewed as Eurosceptic, populist or even anti-EU: the governing Fidesz party and the extreme right Jobbik party. To be fair, their rising popularity over the 2000s was predominantly due not to their anti-EU or Eurosceptic stance but to domestic factors (the failed governance of the left-liberal coalition in 2002-2010, and in Jobbik's case the discredit of the incumbent political elites). The current staunchly EU-critical line of Fidesz was not necessarily obvious before 2010, and even now 79 percent of its base supports Hungary's EU membership.⁶ However, the Fidesz government's

⁵ Eurobarometer 84, European Commission, December 2015, available at <http://ec.europa.eu/COMMFrontOffice/PublicOpinion/index.cfm/Survey/getSurveyDetail/instruments/STANDARD/surveyKy/2098> (hereafter, Eurobarometer 84).

⁶ "A magyarok és más európaiak: véleménye az Unióról", Median, Spring 2016, available at <https://drive.google>.

Eurosceptic discourse now dominates all EU matters across the Hungarian media, and the democratic opposition, which has a bigger pro-EU base with 91 percent in favour of EU membership, finds it hard or impossible to alter and broaden the discussion. This was especially visible in the case of the refugee and migration crisis in 2015, where on top of the crisis itself, communication about the issue without doubt contributed to decreasing trust and positive perceptions of the EU (to 41 percent and 39 percent respectively by autumn 2015).⁷ The domination of the discourse by Eurosceptic forces, combined with a population that has one of the lowest rates of socialisation with other Europeans directly or by visiting other EU countries, could further increase the fundamentally inward-looking, populist, and nationalistic Euroscepticism that characterises Hungary.⁸

There is still social potential that could be leveraged to increase individual cohesion and connectedness with the EU. But as long as the democratic opposition remains weak and unable to mobilise the increasingly disillusioned and apolitical Hungarian electorate, current expressions of anti-EU sentiment will prevail on the level of high politics, tarnishing the country's reputation and distorting the picture about Hungary as a whole.

com/file/d/0BzAQUMhhQnV-WHNZVzVSaIEodjA/view?pageId=110578652249252312493&pref=2&pli=1.

⁷ Eurobarometer 84.

⁸ Benjamin Novak, "The many faces of euroscepticism in Hungary and Central Europe", *Budapest Beacon*, 23 May 2014, available at <http://budapestbeacon.com/politics/many-faces-euroscepticism-hungary-central-europe/8251>.

Ireland: Supporting integration

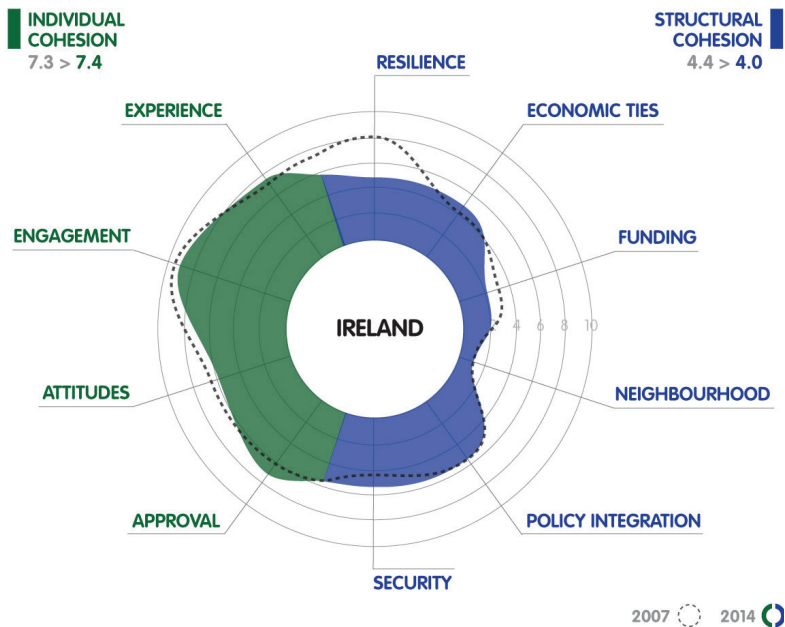
Ireland is frequently painted as an “enthusiastic” member of the European Union, but the reality is more nuanced, and not easily reflected in statistical findings. It is true that Irish attitudes towards the EU are generally positive, but this belies a multivalent attitude that is not always well understood.

Country-level studies have found that Irish public opinion is far more complex than is generally assumed, and support for the EU is based more on prosaic ideas of pragmatism and utilitarianism, rather than on a widely shared “enthusiasm” for the integration process. In general, positive Irish attitudes towards EU integration are rooted not in ideology but in the benefits it has brought to Irish society.

The historical context

This utilitarian approach has been a feature of Irish engagement with the EU from the moment of accession in 1973. Indeed, accession was largely a matter of economics driving politics. For the half century following independence in 1922, Ireland was little more than an adjunct of the British economy. The country had stagnated socially and economically. Positioned on the western periphery of Europe, far away from the centre of European integration, geography was not its ally. Its economy was grossly under-developed and largely reliant on agriculture. Inevitably, the country was poor, with income levels around 33 percent below the European Economic Community average, and almost entirely dependent on the United Kingdom – two-thirds of the country’s (mainly agricultural) exports crossed the Irish Sea to Britain.

When the UK chose to join the EEC, Ireland had little option but to follow suit, in order to safeguard its exports. Gaining access to the Common Agricultural Policy, with its high guaranteed prices, was an added – albeit significant – benefit.



The thread of pragmatism began here, and it can be traced throughout Irish engagement with the integration process. The country integrates when it sees it as being advantageous to Irish interests, which is often, but resists when necessary to protect those interests.

Though resistance is less frequent than the alternative, it is nonetheless reflected to a degree in the structural cohesion scores, particularly in terms of Policy Integration, where Ireland has availed of opt-outs when necessary. For example, Irish attitudes have always been quite favourable towards the Schengen area, but joining it was simply not an option, as it would have risked the Common Travel Area the country shares with the UK.

Changes since the crisis

The only truly significant changes on the EU Cohesion Monitor since 2007 are on the Resilience and Funding structural cohesion indicators. This is hardly unexpected: both are clear legacies of the 2011 bailout. The drop on Resilience is explained by Ireland's current high debt-to-GDP ratio, and the fall on the Funding indicator by the influx of EU funding since 2011 – in fact, before the crisis, Ireland had been on track to become a net contributor to the EU budget.

Even after a crisis that so battered Irish interests, however, the country remains, nominally, among the wealthier ones in the Union. Though it is true that the Irish recovery remains deeply asymmetric at the societal level, in 2014 Ireland managed to record the second-highest GDP per capita in the Union, after Luxembourg.

The growth of the Irish economy in the past 40 years is widely recognised at all levels of society as being a net result of Ireland's active participation in European integration efforts. The handling of the financial crisis inevitably generated some negative sentiment, but the bulk of this was explicitly directed towards the Irish government of the time, and towards the European Central Bank, which is considered to have been the driving force in blocking Irish efforts to burn senior bondholders during the crisis.

Individual cohesion

Nonetheless, it may seem jarring to the casual reader in Ireland to see the relatively insignificant changes to individual cohesion rankings, which have scarcely moved since pre-crisis days.

One might reasonably have expected to see results more in line with Ireland's fellow, and rather unkindly named, PIIGS (Portugal, Italy, Ireland, Greece, and Spain). Many of these countries have seen moderate drops in individual cohesion scores and occupy the bottom rungs of the Monitor on Attitudes towards the EU (a factor which encompasses trust in and positive images of the EU).

It is likely that the recognition of the economic benefits of membership is in part responsible for the continuing favourable attitudes towards the EU. However, it is also possible that these individual cohesion scores have been skewed somewhat by the idiosyncrasies of Ireland's party politics.

The Monitor takes into account a particular characteristic of the post-crisis European political landscape: "low voting preferences for anti-EU/populist parties in the European Parliament and national parliaments". Ireland's escape from the rise of this type of anti-EU movements is remarkable, considering its predicament during the crisis, but this does not imply the absence of populism. Nor does it imply that the conditions required for Euroscepticism to thrive do not exist. Anti-European sentiment has simply not been politicised by any mainstream party.

The underlying grievances driving Euroscepticism elsewhere have only truly been exploited in Ireland by Sinn Féin, a left-wing, formerly Eurosceptic party, which now espouses an EU reform stance. The Monitor's measurement framework does not presently reflect Sinn Féin's populist tendencies (something that later editions of the study might want to reassess), but the party's actions mirror the rise of populist elements elsewhere in Europe: after the crisis, it rapidly gained ground among alienated and working class voters, campaigning on an anti-establishment and anti-austerity platform.

Interestingly, though, Sinn Féin has at the same time promoted EU reform and pro-immigration policies. It could be argued that this has mitigated the rise of Eurosceptic sentiment in Ireland – but this does not preclude the possibility of that particular wave breaking on Irish shores at some point in the future.

Ireland, Brexit, and the future of European cohesion

It is impossible to discuss European cohesion without also discussing the dramatic European incohesion of 23 June.

The UK's referendum was the first significant disintegrative act in the EU's history and will have particularly profound implications in Ireland. As mentioned, the country's economic and political dependencies on the UK meant that its accession to the EU was entirely dependent on its neighbour's. Even today, Ireland remains the most deeply integrated country with the UK in terms of trade, language, culture, and politics. In both political and economic terms, Brexit will constitute an asymmetric shock for Ireland.

But it will also be a gauge of the progress that the country has made since accession. The two countries joined the EU on the same day, yet when the UK leaves, it will do so alone. Today, there is neither a desire nor a need for Ireland to follow suit. The shift in Irish relations from bilateral to multilateral has been transformative for the country. It was a shift from the claustrophobic to the expansive – which was liberating for a small state with a large neighbour. Brexit presents Ireland with many challenges, but there is a sense that these can only be met in the context of its EU membership.

At the time of writing, it remains to be seen whether the UK's vote to leave will be an integrative or disintegrative influence for the remaining 27. What is certain is that Ireland will favour the former.

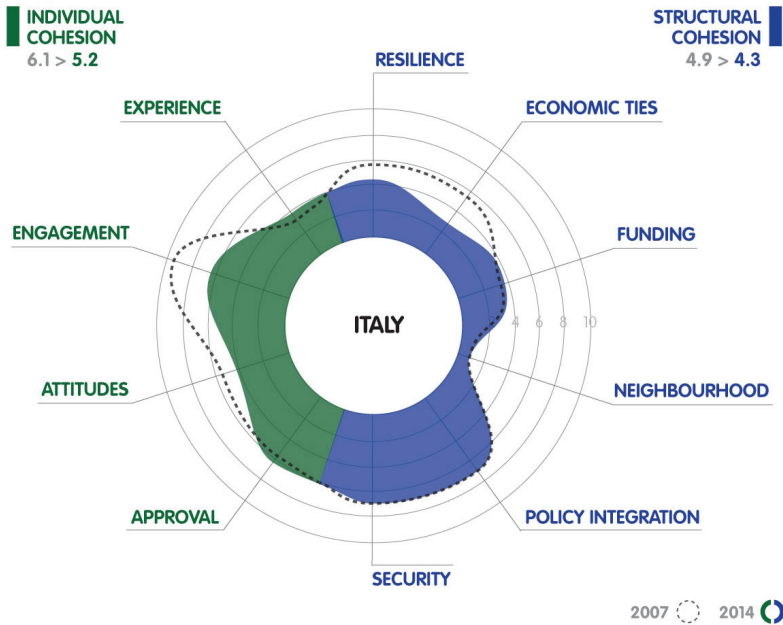
Italy:

Stepping up to the plate

The EU Cohesion Monitor's findings tell an interesting and alarming story about Italy. On the one hand, in the last 25 years, Italy's political elites have not been able to make a mark on the process of European integration. On the other, Italians have shown a remarkably high level of trust in the European Union. But the Cohesion Monitor indicates that this is changing: Italy's losses in both individual and structural cohesion highlight a widespread discontent with Europe not only at the governmental level, but more worryingly, among citizens too. The economic crisis, the EU's rigid austerity policies, and the lack of solidarity among European partners all had a profound impact on the country's perception of Europe and of EU collective action: the more Italy fell into recession, with national politicians unable to provide effective answers, the less Italians trusted not only their own leaders, but also the EU and its policies, and increasingly disapproved of the transfer of important responsibilities to Brussels. Today, Italy finds itself in a strange position: Prime Minister Matteo Renzi's government seems to have a plan for Europe, hoping to foster cooperation at EU level and to stimulate joint action and renewed solidarity among the 28 (or 27). However, the Italian public remains dissatisfied with the EU.

Equivocal engagement

Italy's role in conceiving, developing, and fostering the European project has been interpreted in different ways. Arguably, the EU as we know it would not have been the same without the Italian contribution. Figures like Alcide De Gasperi, one of the founding fathers of the European Community, and Altiero Spinelli, perhaps the very first true Europeanist, not only gave a



decisive impetus to the construction of a united and federal Europe, but also contributed to spreading among Italians a sense of belonging and pride in being European citizens.

However, over time, Italian governments have not managed to assert their influence in the European project. Italy's potential role in the process of European integration was limited due to structural inconsistencies that can be understood as recurring factors in the country's external policies. Since the birth of the European Community, various Italian governments have claimed to play a key role in defining the direction of the EU, in shaping its strategies, and in flanking the Franco-German integration engine. But the results of these efforts have been mixed, as political ambition has rarely been associated with concrete steps. Primarily, Italian governments have continually failed to fulfil the various obligations they pledged to take in order to reform the EU. During the 1980s and 1990s, as integration proceeded, Italy had been unsuccessful in complying with the strains required by the new European economic and monetary system. By ignoring years of financial imbalances and avoiding debt restructuring, Italy has become less than credible as a "core member" of the renewal of the European project. Additionally, the ambiguous nature

of Italy's foreign policy, oscillating between the main pillar of "Atlanticism" and a hesitant "Europeanism", has made Italy's governments reluctant to take decisive action to fully promote stronger cohesion and cooperation among its European partners. Because of this equivocal stance, rather than (as "founding member status" would imply) being a driving force in readiness and willingness towards further integration, Italian decision makers have voluntarily limited their activism in European affairs. Instead, they have preferred to jump on the bandwagon led by Paris and Berlin and to maintain only an illusory front-line role in the social, political, and economic reorganisation of the EU.

Successive Italian governments' hesitant attitude towards European cooperation contrasts with the positive feelings of Italian citizens towards the EU. European integration has positively affected the quality of Italians' lives: successes such as the stable maintenance of peace, the single market, the removal of frontiers, and the free movement of persons were factors that contributed to making Italian citizens among the strongest supporters of the EU integration process. Turnout in European Parliament elections up to 2009 confirmed that Italians had fully embraced their European identity: from 1979 onwards, Italy had the third-highest turnout in the European elections (75 percent average) after Luxembourg and Belgium, countries in which voting is compulsory. In a nutshell, Italy's attitude towards the EU followed a parallel pattern: on the one side, Italian governments remained prudent in shaping and favouring deeper cooperation with European partners, while on the other, Italian citizens were extremely supportive of European integration, due to the benefits they received from it.

The financial crisis and the new paradigm

But the financial crisis radically changed the paradigm that had held for nearly 30 years. Italian governments began to look to the EU and to cooperation with their European partners as the solution to the disruptive effects of the economic crisis. From Mario Monti's government on, the country has sought to establish a more virtuous approach towards mutual support at EU level, with the intention of jointly responding to the fast-changing challenges that the global situation poses to member states and to the Union as a whole. After Monti's period in office ended in 2013, the government of Matteo Renzi kept the momentum alive. The prime minister's initiatives have been aimed at achieving coordination and solidarity in EU crisis response; they demonstrate that Italy sees European cooperation as a way to cast off Italy's legacy of mistrust and to solve many Italian problems. The government has managed

to regain credibility at the European level by making suggestions such as the common debt issuance by eurozone countries, the redistribution of refugees, and the enhancement of cooperation with African third countries to stem migration flows (the ambitious “Migration Compact” recently endorsed by the European Commission). It has thus reversed its partners’ impression of Italy as an unambitious country, and revived the idea of European cooperation and solidarity, which had been missing in action in the years following the crisis.

However, the shift in the Italian government’s attitude has been counterbalanced by the loss of the Italian public’s traditional enthusiasm for Europe. As the Monitor’s findings on individual cohesion highlight, when Italy fell into recession, Italians felt betrayed by the EU: rigid European austerity policies and the lack of solidarity at EU level were deemed responsible for the rise of unemployment in Italy, for the unsustainability of its debt, and for its low growth. Instead of boosting Italians’ living standards as expected, rigid EU policies and the lack of willingness to cooperate on the part of European partners generated a shift in opinions, fuelling strong anti-Europe sentiments. Political populist entrepreneurs have capitalised on this, fomenting resentment, enhancing dissatisfaction towards the EU, and fostering Eurosceptic political forces.

Nowadays, both Italy and Europe find themselves at the crossroads: as the EU Cohesion Monitor’s conclusions show, Italy is the country in which both individual and structural cohesion have shrunk the most over the last seven years. The recent government’s assertive attitude at EU level has aimed both at revitalising Italians’ traditional enthusiasm for Europe and at jolting the European partners into action. Nonetheless, Italians’ attachment to the EU is decreasing at a worrying pace: pro-EU parties are besieged by populism and voters may show no more patience. The Italian government’s gamble on a more ambitious move towards European integration could backfire if fellow EU leaders do not step up and show an increased interest in responding jointly to the current crises and in reviving cooperation at EU level.

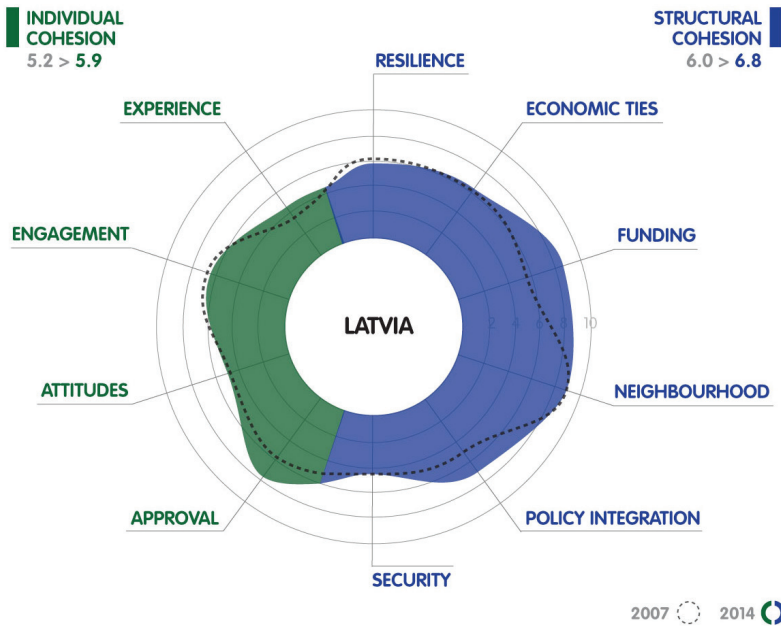
Latvia: Becoming European

Latvia is one of only a few countries that have shown progress in both the individual and structural cohesion indicators of the EU Cohesion Monitor. First and foremost, this can be explained by the fact that in 2007 both the European Union and Latvia saw the country as a new member of the Union. The country lagged behind in many structural reforms and in implementation of EU norms, and it was new to the benefits that the EU offered, such as funds, administrative capacity building, and so on. Only a small share of society had experienced the individual benefits that the EU offers – free travelling, studying, and working in any of the EU member states.¹ The seven years between 2007 and 2014 were not only a period of economic crisis, but also a steep learning curve in adjustment to EU norms and practices. Hence, the positive development in most aspects of Latvia’s EU cohesion strongly correlates with the fact that in 2014, ten years after accession to the EU, Latvia and Latvians were finally feeling and acting as fully committed members of the Union.

Cohesion out of crisis

The EU’s supervision of Latvian economic and political reforms after the 2008 financial crisis left a positive impact on cohesion not only at the official level, but also among society at large. Despite the harsh austerity measures and society’s anger towards the “rules imposed by Brussels” (especially when similar rules were not applied in other, better-off countries, such as Greece), the public began to rely on EU institutions. Additionally, many Latvians were pushed to seek economic opportunities abroad during and after the financial crisis. A large number of Latvians left the country to search for opportunities elsewhere. Although this was a very negative trend for Latvian society, it dramatically increased direct and indirect contact with people from other EU countries, and contributed to fostering open-mindedness towards

¹ The last limitations for Latvian citizens to work in the EU in some of the older member states were lifted only in 2011.



other societies and cultures. Another impact of crisis was more positive: an increasing number of individual entrepreneurs in Latvia are relying on EU support for their businesses, especially because of the much stronger regulation of the Latvian banks after the crisis. This dependency is likely to spill over from individual to structural cohesion.

The Latvian government could be criticised for often ignoring public opinion, especially on unpopular decisions on increasing taxes and cutting social benefits as part of austerity measures. But these actions have steered the country towards a relatively clear and constant path of deeper integration in the Union and adjustment to its norms. In the long term, this has also resulted in strong support for the EU. As shown by the data gathered in the Monitor, although the direct impact of austerity is negative public attitudes, it has also resulted in an increase in trust in the Union and its institutions. I would argue that this small increase is much harder to obtain, but considerably easier to maintain than negative attitudes. It is important to keep in mind here that, when asked if they “support membership in the EU” or “if they believe their country should leave the EU”, people more often than not give conflicting answers. In Latvia, although there is some negativity towards Brussels, it is targeted at the bureaucracy there rather than at the EU as such.

The absence of Euroscepticism

Latvia at a political level is typically a very “law-abiding” EU member state. It usually chooses to side with Germany, which it sees as the leader of the Union. Hence, Latvia also usually agrees with and supports EU policies. An important exception recently has been the refugee crisis. However, unlike in other Central and Eastern European countries (such as Poland, Hungary, and Slovakia), the negative and populist attitude in the society and media towards the refugees and the German “open door” policy has not resulted in a considerable increase in anti-European sentiments. And it is highly unlikely that any anti-European populists will gain considerable support in the upcoming elections.

There are a few possible explanations for this lack of Euroscepticism, but the most plausible is the so-called Russia factor, especially as the situation is similar in all three Baltic States. It is no news that Russia is seen as a threat by all three states, and the EU (along with other international organisations, of course) is seen as a guarantor of security against potential Russian aggression. The annexation of Crimea and the war in Donbas are seen as a clear warning from Russia, and, although this is often portrayed differently in the populist media, it is generally seen as a much graver threat to the Latvian statehood than the influx of refugees. The fact that the EU sided with the Baltic States and Poland on the issue of Ukraine (with the implementation of Minsk agreements and the imposition of sanctions) has demonstrated to these countries that the Union can be counted on for a guarantee of their statehood.

Furthermore, the importance of the EU in Latvian society is strongly reflected in the current discussion regarding the United Kingdom. The UK is seen as the strongest military ally in the EU, and Brexit has frightened not only the government, but also the public. The vast majority of Latvians are very concerned about the risks that Brexit will bring to society at both individual and structural levels, through limitations on free movement and in the potential weakening of the EU as a basis for Latvia’s economic and military security.² There is also some fear in Latvia that following the large differences in votes in Scotland and Northern Ireland as compared to England and Wales, Brexit might result in the dissolution of the UK itself, which would bring further economic and security risks to the European continent.

² According to Eurobarometer research from 2015, 65 percent of Latvians considered freedom of movement as the central benefit of the EU. See Eurobarometer 84, European Commission, December 2015, available at <http://ec.europa.eu/COMMFrontOffice/PublicOpinion/index.cfm/Survey/getSurveyDetail/instruments/STANDARD/surveyKy/2098>.

Lithuania: Searching for security

Lithuania has strongly increased both its individual and structural cohesion scores on the EU Cohesion Monitor from 2007 to 2014, and it remains one of the member states most supportive of deeper European Union integration. This is not surprising, given Lithuania's border location within the EU, its economic interdependence with Europe, and the Lithuanian public's perception of their country's security situation.

In Russia's shadow

In recent years, Lithuania has been trying to become less dependent on Russia in economic and energy terms. The most obvious way to do that was through closer integration with the EU. For this reason, Lithuania has been and remains a strong supporter of a strengthened European internal (including energy) market. The country's main focus of engagement is the Baltic Sea region and attempted partnership with the Nordic countries. This trend indicates Lithuania's regional priorities within the EU, but in no way negates the country's positive attitude towards other member states, with Germany the main point of reference in regard to Lithuania's perception of the direction in which the EU is moving. The position of Nordic countries and of Germany are key factors in shaping Lithuania's perception of the amount of cohesion to which the country should commit.

Nevertheless, not all Lithuania's attitudes and perceptions of the EU are positive. There has been dissatisfaction and astonishment with the reaction of some European countries and high-level officials from EU institutions to Russian aggression in Ukraine. Since security issues (both soft and hard) have been a major driving force of Lithuania's policies in recent years, it is not surprising that Lithuania reacts poorly to any step or statement on the European level that looks like evidence of a positive attitude towards

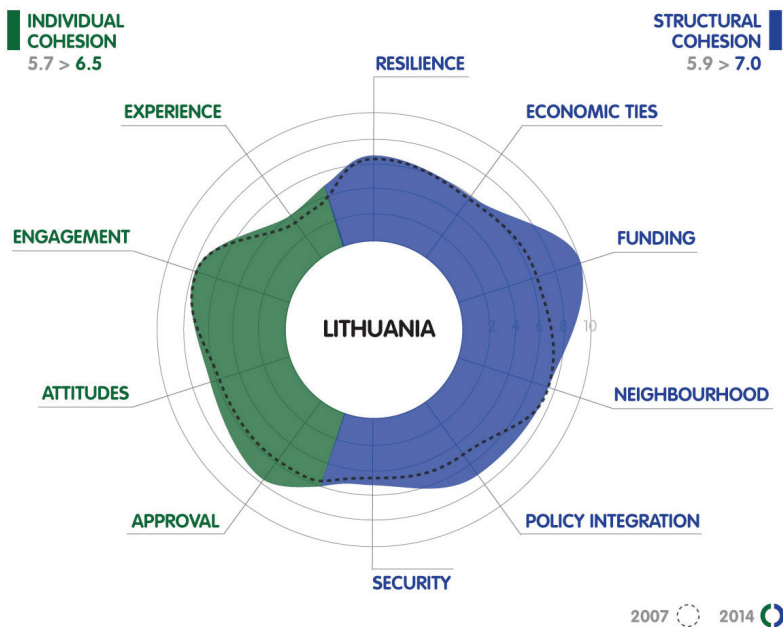
Russia (rebuilding cooperation, abolishing sanctions, etc.). This is especially pronounced within the ruling elites but also extends to society at large. Therefore, the shadow of Russia is a factor that affects (although not always or necessarily directly) Lithuania's perception of cohesion within the EU.

Security is key to Lithuania's behaviour towards the EU. The EU is still not seen as a hard security actor in Lithuania, and this affects the country's general behaviour on European issues. Lithuania is still more a Euro-Atlantic rather than solely European country. The EU is seen as a soft power, an example, and a source of economic and social development – very important, very influential, but soft. Naturally, in the face of military aggression, increased militarisation on European borders, and a perceived direct threat, Lithuania is looking for security guarantees from whoever is capable of providing them. Since the EU cannot offer a lot in terms of hard security, Lithuania is focusing on cooperation with the United States and NATO. Russia and transatlantic relations are very important factors in Lithuania's European behaviour, so the country is much more willing to promote and support common initiatives and policies that have an anti-Russian or pro-Euroatlantic direction. Lithuania's support for the Transatlantic Trade and Investment Partnership (TTIP) negotiations may be the best illustration of that. Cooperation on security could contribute to an improved image of Europe or of specific European countries, as evidenced by the participation of German troops in the multinational military exercise in Lithuania, "Iron Wolf 2016".

Scepticism and realism

Perhaps the best way of describing Lithuanians' general attitudes towards the EU is "integrated but not necessarily coherent". Lithuanians have successfully and widely made use of the benefits of European integration: the open market and the possibility of free travel. Open borders even became a challenge for the country, because Lithuania experienced one of the highest emigration rates in the EU. Since 2004, 525,000 people – around 15 percent of the population – have left Lithuania. However, the increase in the numbers of relatives and friends living in other EU countries has not produced a significant increase in cohesion with the EU.

Although Lithuanians generally perceive the EU quite positively, they do not agree with EU trends on some specific issues that represent practical indicators of real cohesion. The most recent example is the country's attitude towards the migration crisis and EU immigration policies. Even though they themselves are



able to travel freely to any EU country, Lithuanians remain quite sceptical about accepting big numbers of immigrants from war-torn countries. The current wave of anti-immigrant and nationalistic rhetoric within the EU has had some resonance in Lithuania, with the public being suspicious about commitments to accept a number of people from the Middle East under common EU policies. This negative attitude has found an echo within political authorities, to some extent: the Lithuanian leadership took a cautious position on the proposal to distribute more immigrants to the member states. However, Lithuanian scepticism has been diluted with a big dose of realism. The Lithuanian political leadership is well aware that any strong objection to the proposals of the main European players – be it Germany or the European Commission – could reduce the chances of achieving European solidarity on other issues that are of much bigger importance to the country, such as the extension of sanctions against Russia or increased attention to the Eastern Partnership.

To conclude, Lithuania is a country with a coherent European policy – but that coherence does not necessary always translate into full cohesion. Peculiarities of mentality, historical experience, self-perception, and geographical location within the EU contribute to Lithuania’s push-and-pull European policy.

Though some cultural and psychological traits sometimes push Lithuania to be sceptical about supranational European politics, there is a strong awareness that the country would not have been able to perform as well as it has without the EU. Consequently, the European pull is outperforming the Euroscepticism push in Lithuania. However, it is difficult to accurately predict future developments. Continuous tensions on Eastern border, the ongoing conflict in Syria, the future relationship between the United Kingdom and the EU – all these factors will affect Lithuania’s attitudes of what the EU is and how the country should interact with it.

Luxembourg is a clear outlier in the EU Cohesion Monitor, in that it scores very highly on both structural and individual cohesion indicators. The crises that shook the European Union between 2008 and 2014 produced little change in Luxembourg's outlook. The small country has a long tradition of seeking multilateral cooperation on all fronts, and it considers the European project to be essential to its security and economic stability.

Prioritising cooperation

Luxembourg's policymaking is characterised by a cooperative, corporatist style at the national level, and governments formulate policy in close collaboration with both business associations and trade unions. The so-called Luxembourg model combines "continuous, institutionalised dialogue with industry, unions, and the government to produce low inequality, an adequate redistribution of the fruits of growth, and 'industrial peace'".¹ As a result, Luxembourg has experienced very few strikes or conflicts over the decades, and the consensual model of policymaking is highly prized, even though it has come under severe strain since the start of the economic crisis. Therefore, consensual policymaking comes naturally to Luxembourg's politicians, and they have also sought to adopt it at the EU level.

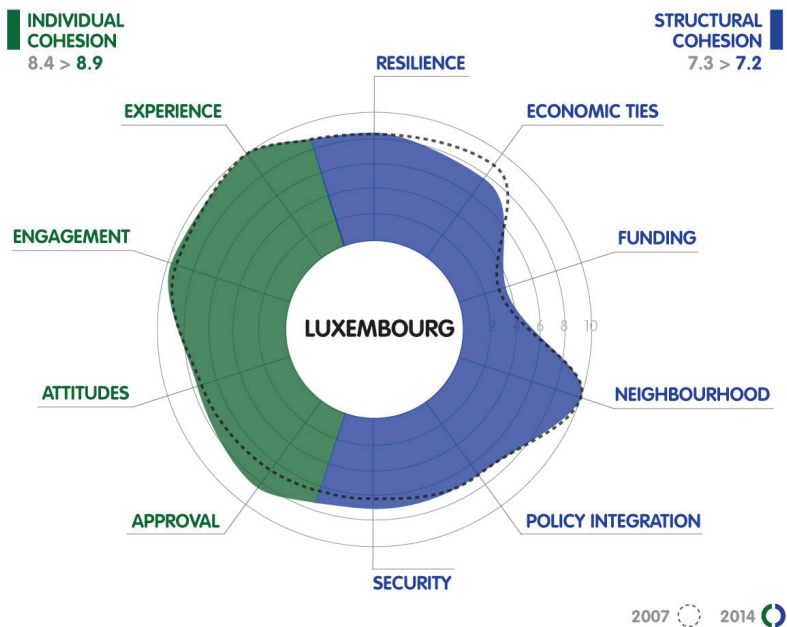
The Monitor shows how Luxembourg's high levels of individual and structural cohesiveness with the EU and the other member states predispose the government towards adopting a cooperative attitude in EU policymaking. As a small state wedged between France and Germany, this collaborative approach is hardly surprising. The principles of Luxembourg's foreign policy are multilateralism, the rule of law, and solidarity.

¹ Mario Hirsch, "The Luxembourg model has reached its limits. Social partnership and tripartite arrangements work only under fair weather conditions", Paper presented at the Politicologenetmaal, Leuven, 2010, p.1, available at <https://soc.kuleuven.be/web/files/11/72/W1B-122.pdf>.

High cohesion

Individual cohesion in Luxembourg is exceptionally high. With a population slightly over 570,000, Luxembourg has 170,000 frontier workers crossing the border every day. Furthermore, nationals of other EU member states make up around 33 percent of the resident population (with 14 percent made up of non-EU nationals). This informs the high Experience and Engagement scores in the individual cohesion section of the Monitor, as well as the high score in the Neighbourhood variable of the structural cohesion section. Interaction with other EU member state nationals is commonplace; often people work alongside French, Belgian, German, Italian, and Portuguese nationals. Luxembourg residents also speak at least three languages, and often travel to neighbouring countries for a day out. Engaging with the EU in terms of voting for pro-EU parties is also prevalent in Luxembourg, and because EU and national elections have usually been held on the same day (except in 2013, due to a snap election), turnout in EU elections is also exceptionally high. The fact that Luxembourg has compulsory voting may be another factor here. Attitudes towards the EU are also more positive than the EU average, and Approval is higher than the average.

On structural cohesion, the Monitor shows that Luxembourg's score on the Economic Ties indicator has dropped since 2007, which is interesting, since Luxembourg conducts most of its business with other EU member states. The coalition government of Liberal Democrats, Socialists, and Greens began a programme of economic diversification in 2013, along with a new concept of "nation branding" to help redress the country's damaged image after the scandals of LuxLeaks and the Panama Papers.² Luxembourg's high ranking on the Resilience indicator comes as a result of its extraordinarily high ratio of GDP per capita and its above-average levels of economic growth due to the large size of the financial sector. On the Policy Integration and Security indicators, Luxembourg scores well because it is a founding member of the EU and participates in all areas of policy integration and security integration. This of course makes sense for such a small country with a very open, export-led economy, and is very much in the country's national interests.



Fewer takers for mediation

Luxembourg has traditionally been seen as punching above its weight in the EU.³ Three former prime ministers have been chosen as presidents of the European Commission. Luxembourg is the seat of the European Court of Justice, parts of the European Commission, the European Investment Bank, the European Stability Mechanism, the Secretariat General of the European Parliament, and the Executive Agency for Health and Consumers. Many people see this as evidence of the ability of Luxembourg's diplomats as mediators and brokers. Its once potentially dangerous geographical location between France and Germany and the resulting trilingual peculiarity of its culture and society have turned into a considerable advantage in the EU context, allowing it to assume the role of translator and even broker in Franco-German relations. Luxembourg's politicians have managed at various points in time to mediate between the bigger states, France and Germany, and broker an agreement: the creation of the Stability and Growth Pact in 1997 was one such case.

³ See for example, Martine Huberty, *Punching above its weight? A case study of Luxembourg's policy effectiveness in the European Union*, Doctoral thesis, University of Sussex, 2011, available at <http://sro.sussex.ac.uk/6947/>.

More recently, however, Luxembourg's ability to influence decisions and mediate has decreased. The balance of power in the Franco-German relationship has tilted firmly towards Germany, the United Kingdom is unable to agree to anything before the Brexit referendum, and there is a generally negative attitude towards further integration in many other European countries with which Luxembourg has no special relations. This means that the space and opportunities for Luxembourg's diplomats to intervene and mediate has become smaller and smaller. The economic and migration crises show that Luxembourg's ideals and even its more realistic proposals have not resonated with enough member states for it to be considered as a mediator. Luxembourg has found itself on the margins, on the extreme of the political spectrum, as the EU Cohesion Monitor shows. With its highly pro-EU integration stance, it can no longer be seen as an effective mediator between the more Eurosceptic member states, especially those in the East, and the "old" member states.

Daniel Mainwaring
Malta: Coherent in
divergence

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On the face of it, Malta seems exceptional among the southern European countries (Portugal, Italy, Spain, Greece, and Cyprus) in having increased both its structural and individual cohesion scores on the EU Cohesion Monitor between 2007 and 2014. This would suggest that, since its accession to the European Union in 2004 and its adoption of the euro in 2008, Malta has become ever more integrated into the EU in economic, political, and social terms. It is true that Malta's cohesion scores on indicators such as Security are increased by the fact that the Maltese political class, and to some extent the populace, accept that cooperation with EU institutions serves the national interest. However, looking at the cohesion resource trends through the lens of the refugee and eurozone crises, it is clear that, in fact, national interest and bilateral relations have played a primary role in determining realities on the ground.

The refugee crisis

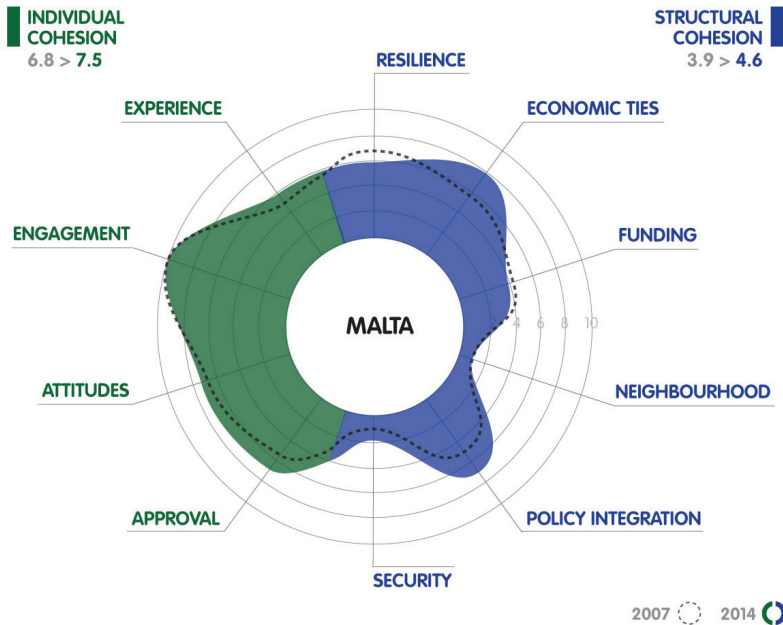
As a frontline EU state, Malta has historically received a significant flow of irregular migrants along the central Mediterranean route, primarily through Libya. Over the past two years, however, the number of irregular migrant arrivals has decreased precipitously, by roughly 85 percent. Frontex and EUNAVFOR naval assets operating in the south-central Mediterranean have sheltered Malta from irregular migrant flows, and within EU institutions, Malta remains a champion of developing a comprehensive EU migration policy. Malta's support for an overhaul of the Dublin regulations that place an undue burden on the first country of arrival is no doubt coloured by national interest. Nonetheless, calls for strengthening the European Asylum Support Office and Common European Asylum System, together with commitments to burden-sharing on refugee relocation programmes, reflect the country's genuine willingness to cooperate.

Even so, the widely praised success of the current Malta Labour Government in resolving the issue of irregular migrant arrivals is not a product of intra-EU cooperation, but rather, of bilateral relations between Malta and Italy. Malta's government has arranged an informal agreement with Italy under which migrants rescued in the expansive Maltese search-and-rescue zone are transferred to Italian vessels or disembarked in Sicily. The conditions of this informal arrangement have not been made public and are a matter of much speculation in Malta, though there are rumours that exploration rights have been granted to Italian energy company Eni in exchange for Italy's assistance in diverting irregular migrant flows to the mainland.

The EU Cohesion Monitor results correspond with greater EU-Malta cooperation in response to the migration crisis. Security cooperation has increased, with Malta participating in Frontex operations and EUNAVFOR's Operation Sophia. Economic ties have been strengthened through financial assistance aimed at alleviating the migration burden in Malta. Policy integration has been enhanced through cooperation on the development of a comprehensive EU policy on irregular migration. Lastly, a sense of European identity has been strengthened in response to migrant arrivals. However, it is bilateral relations, in the form of the Italo-Maltese agreement, which have ultimately ebbed the flow of irregular migrants to Malta. Looking out from the rock, it is clear that in the absence of this bilateral arrangement, Malta might find itself in a position similar to that of Greece, regardless of any intra-EU cooperation.

The financial crisis

Turning to the eurozone crisis and the global financial crisis more broadly, once again Malta's experience has been unique in southern Europe. As countries across the region suffered from economic recession and the social costs of structural adjustment, Malta saw an increase in economic growth and a decrease in its debt-to-GDP ratio. Indeed, the country's higher score in a number of cohesion indicators, for example Economic Ties, reflects the positive role that greater cooperation within Europe has played in Malta's economic growth. Yet, such a simplistic rendering of reality obscures the fact that economic growth has stemmed primarily from the rapid expansion of the iGaming and financial services industries. The Maltese government has nurtured growth in these industries by offering preferential tax rates and pursuing a legislative environment sympathetic to offshore banking services.



In two recent reports, both the European Commission and Oxfam singled Malta out as the fourth-worst facilitator of corporate tax avoidance in Europe.¹ In the wake of the Panama Papers scandal, as calls for greater regulation of offshore banking centres and a harmonisation of European tax policy rang out across Europe, Maltese politicians across the political divide doubled down on their defence of Maltese tax sovereignty and the country’s right to maintain a competitive edge. Despite revelations that a number of high ranking government officials, such as the Minister of Energy, maintained secret offshore accounts, MEPs of all political colours unanimously resisted the Organisation for Economic Co-operation and Development’s Base Erosion Profit Shifting (BEPS) rules. Indeed, Malta successfully campaigned for reference to a “flexible approach” to harmonising European corporate tax policy to be included in the European Council conclusions on BEPS.

The EU Cohesion Monitor fails to capture the extent to which the Maltese government has pursued unilateral and bilateral policies that supersede

¹ “Study on Structures of Aggressive Tax Planning and Indicators”, European Commission, December 2015, available at http://ec.europa.eu/taxation_customs/resources/documents/taxation/gen_info/economic_analysis/tax_papers/taxation_paper_61.pdf; “The Netherlands: a tax haven”, Oxfam International, 24 May 2016, available at <https://www.oxfam.org.au/wp-content/uploads/2016/06/OXF003-Tax-Havens-Report-FA2-WEB.pdf>.

European cooperation on the refugee and financial crises. Nor does it capture the extent to which these divergent policies are seen by the Maltese public as appropriate and necessary. Nonetheless, both the Italo-Maltese agreement on irregular migration and the growth of the financial services and iGaming industries provide only stopgap solutions to regional crises. It remains a hard truth that the agreement on irregular migration with Italy could be blown away by the winds of political change, and the growth of the financial services industry could be reversed by speculation and capital flight. Malta's precarious position with regard to both of these crises may in the end predispose the political establishment to seek out more stable, comprehensive solutions through greater cooperation within the EU.

Niels van Willigen

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Netherlands: Anti-"Brussels", not anti-EU

For a long time, the Netherlands' story within the European Union was straightforward. The Netherlands is one of the "founding six" nations, and has long been considered a guaranteed supporter of European integration. Although the Netherlands has always had a more pragmatic than ideological approach to Europe, the Dutch public has been largely supportive of European integration, Dutch national interest has generally been considered to align with European interest, and the Dutch government has supported ongoing integration at critical moments.¹ However, things have changed, especially since the European constitution was rejected by voters in a 2005 referendum. Euroscepticism entered the picture and began to influence the political agenda. The Dutch public has become more critical of both the deepening and widening of the EU. A clear illustration of the increasingly problematic Dutch attitude towards the EU is the recent rejection of the Association Agreement between the EU and Ukraine in a consultative referendum.

Still supporting the EU

At the same time, it would be wrong to say that the Netherlands has turned its back on the EU. Firstly, the Ukraine referendum in April 2016 resulted in a No vote on the part of 61 percent of those who voted – but turnout in the referendum was only 32 percent.² There is good reason to assume that a share of the Dutch population, although in favour of the Association Agreement, did not vote, in protest against the referendum being held at all: had turnout been below the threshold of 30 percent, the results would have been deemed invalid,

1 Hans Vollaard, Jan van der Harst, and Gerrit Voerman (eds), *Van Aanvallen! naar verdedigen? De opstelling van Nederland ten aanzien van Europese integratie, 1945-2015* (Den Haag: Boom bestuurskunde, 2015).

2 "Netherlands rejects EU-Ukraine partnership deal", *BBC News*, 7 April 2016, available at <http://www.bbc.com/news/world-europe-35976086>.

so many may have stayed home to try to make this happen.³ If that is indeed the case, there is more support for the Association Agreement than the outcome of the referendum would suggest.

Secondly, even after the rejection of the European constitution, the Dutch government supported and/or initiated measures that led to “more EU”. The Lisbon Treaty is a good example; others are the recent measures taken to tackle the euro crisis and the refugee crisis, which led to new EU structures such as the banking union and the European border and coast guard.

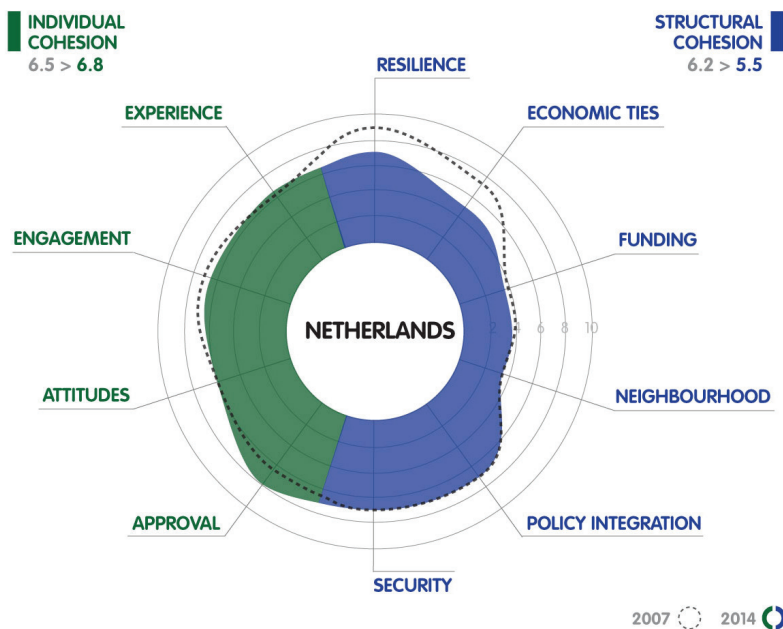
Thirdly, the results of the EU Cohesion Monitor also show that the Netherlands is still quite EU-minded. True, the Netherlands shows less cohesion in 2014 than it did in 2007: according to the Monitor, structural cohesion is in decline, and the country scores lower on the Resilience and Economic Ties indicators in particular. However, this should not be a cause for too much concern, since the fall is related to the financial and economic crisis. The Dutch economy is currently recovering, which means that improvement in terms of structural cohesion can be expected. In addition, the Monitor shows that individual cohesion has increased, even if the increase is small. The Netherlands is one of the countries that scores relatively highly on the Approval indicator. The slight increase in comparison to 2007 is remarkable in light of the many crises that put the components of the Approval indicator, including support for economic and monetary union, the euro, and free movement, under stress.

Pragmatic cooperation

The Netherlands is still very willing to cooperate and to undertake joint action with its European partners. In fact, the Netherlands scores better than founding nations Germany, France, and Italy in the EU Cohesion Monitor. The Netherlands promotes cooperation rather than blocking it, as is also evidenced by the European Foreign Policy Scorecard of 2016.⁴ At the same time, it is hard to ignore the critical stance of both the Dutch public and the Dutch government towards Brussels. Although this creates problems within the context of the EU, it is important to note that the Eurosceptic attitude is primarily directed at the EU as a formal organisation: the perceived problem is not European cooperation as such, but “Brussels”. The Netherlands has a strong disposition towards cooperation, and given its dependence on multilateralism and international trade, that will not drastically change in the near future. Even the

³ Joris Luyendijk, “This Dutch referendum spells trouble for Europe”, the *Guardian*, 8 April 2016, available at <http://www.theguardian.com/commentisfree/2016/apr/08/dutch-referendum-europe-ukraine-eu>.

⁴ European Foreign Policy Scorecard 2016, ECFR, available at <http://www.ecfr.eu/scorecard/2016>.



most hardened Eurosceptics recognise this and do not outright reject European cooperation. What they do reject, however, is the extent to which sovereignty has become pooled within the context of the EU. It is therefore worthwhile to make a distinction between EU cohesion and European cohesion – whereas the former is under pressure, the latter still seems to be undisputed.

Dutch policy toward European integration is characterised by pragmatism. In the current climate of domestic pressures from Eurosceptic actors, the pragmatic approach is likely to be further strengthened. Sometimes, the Netherlands might opt for European cooperation rather than EU cooperation. However, pragmatism does not necessarily have to mean less EU cooperation. But the Dutch government will have to listen more to the critical voices and explain better why it supports particular initiatives that lead to “more EU”. It should work to increase support among domestic actors if it is to be able to continue its European integration policies.

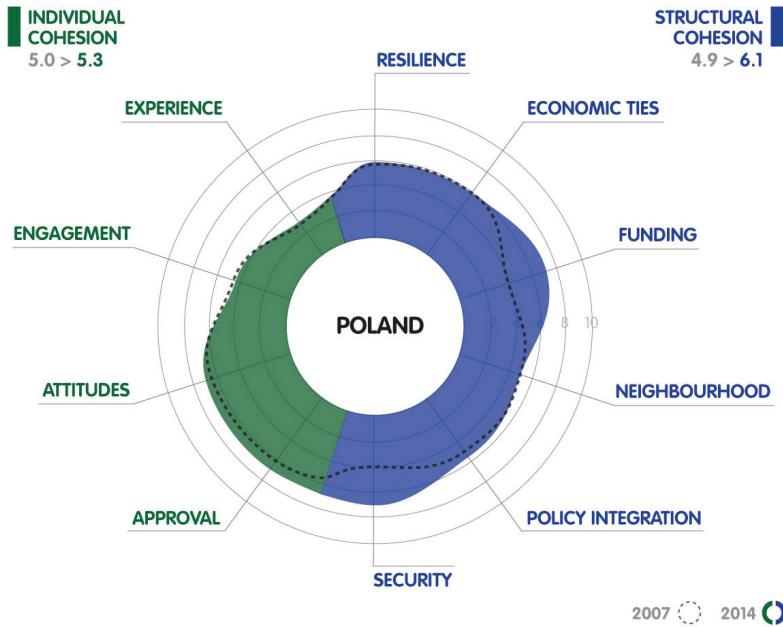
Poland: "Good change", bad change

In the EU Cohesion Monitor's rankings, Poland scores among the lowest-ranked countries on individual cohesion (24th in 2007 and 23rd in 2014). Unfortunately, in the coming years, Poland is likely to fall even further, and will join Hungary at the bottom of the ladder, with the weakest individual cohesion in the European Union. This decline will be largely because of the sweeping victory in the October 2015 parliamentary elections of the nationalist, right-wing party, Law and Justice.

The "Good Change" path to controversy

Immediately after winning its parliamentary majority, Law and Justice launched a broad and rapidly implemented policy offensive called "Good Change" (a slogan coined by the party to describe its political agenda). This programme mirrors the Hungarian model of majoritarian democracy, which has been identified by Freedom House as a gradual authoritarian slide. The Polish government's rejection of the liberal form of democracy has caused an unprecedented conflict between Warsaw and the EU institutions (the European Commission and the European Parliament). In January 2016, for the first time ever, the European Commission launched a structured dialogue with Poland under the Rule of Law Framework. In April 2016 the European Parliament by an overwhelming majority adopted a resolution criticising the Good Change programme. And on 1 June 2016 the European Commission issued a negative opinion on the rule of law situation in Poland.

The Good Change concept applies beyond domestic policy: it also involves the most far-reaching reorientation in Poland's European policy since the country's accession to the EU. Law and Justice wants Poland to distance itself



from further EU integration and even supports the reversal of integration policies. The Law and Justice perceives the establishment of the Eurozone as a great mistake. The ideal EU, as imagined by Law and Justice, would be a very loose association of predominant sovereign national states. The most serious conflict in Law and Justice’s approach to the EU lies in the sphere of identity. Party leader Jarosław Kaczyński believes that Poland is a last hold-out of the genuine traditional West (because of its conservatism, Roman Catholicism, and ethnic nationalism), and that the West has lost its way because of its liberal character. And most probably in the near future the EU will continue to challenge Poland on its rejection of liberal values. These differences in worldview will be very difficult to bridge in the coming years.

Law and Justice’s negative opinion on further EU integration stems from the fact that Kaczyński perceives Germany as the most serious threat to Polish national interests and identity. According to Kaczyński, Germany dominates the EU, and it wants to make Poland into its colony. In its desire to counterbalance German hegemony, the Law and Justice sees the United Kingdom as its main ally in the EU. By default, the Polish government’s current lukewarm attitude towards the EU may shift into open Euroscepticism after the Brexit.

Public ambivalence towards the EU

Polish society at large is undertaking an increasingly ambiguous position towards the EU, which will constitute another challenge to Poland's cohesion with Europe. On the face of it, Polish people are very supportive of EU membership. Surveys show that support for Poland's membership in the EU sometimes even exceeds 80 percent. However, scratching the surface, the attitude of Poles to the EU is much more ambivalent than it seems at first glance. In the European Commission's Eurobarometers conducted in 2015, 35 to 40 percent of Poles agreed with the statement that Poland could better face the future outside of the EU, with around half of Poles not supporting this position.¹ The proportion of Polish respondents supporting "life after the EU" was above the EU average. Fewer than 40 percent of Poles support further integration for the EU. It is not an accident that the great majority of Poles as well as the Czechs, unlike Bulgarians, Hungarians, and Romanians, have a negative approach towards their country's accession to the eurozone. Polish positive attitudes towards the EU are mostly based on the economic benefits derived from the Union (EU funds, agricultural subsidies, and labour migration). Poles enjoy being a recipient of solidarity, but there are serious limits on their willingness to provide their EU partners with solidarity. Generally, Poles are strongly against financial support for other EU states and military interventions abroad. For instance, after the terrorist attacks in Paris, only 10 percent of Poles supported direct Polish military engagement in the fight against the Islamic State. A large majority of Poles also reject the EU relocation system for asylum seekers. Around 65 percent of Poles declared that they are against providing shelter to any refugee from the Middle East. As a result of the refugee crisis and terrorist attacks, Polish attitudes towards Muslims, always suspicious, became very negative. Islamophobia is the most visible expression of a general increase of xenophobia in Polish society, similar to that which can be observed in many other EU countries.

Most likely, Law and Justice's internal and external policy will further weaken Poles' identification with the EU. In fact, in order to gain public support, Law and Justice is fostering a climate of fear against Muslims, who are presented by the ruling elite mostly as terrorists, criminals, rapists, and a threat to Polish national culture. Moreover, the opposition is accused of constituting a threat to national security because of its alleged sympathy towards Muslims. In the discourse of the ruling elite, the EU is merged with all these threats, because

¹ See Eurobarometer 83, European Commission, July 2015, available at <http://ec.europa.eu/COMMFrontOffice/PublicOpinion/index.cfm/Survey/getSurveyDetail/instruments/STANDARD/surveyKy/2099>; Eurobarometer 84, European Commission, December 2015, available at <http://ec.europa.eu/COMMFrontOffice/PublicOpinion/index.cfm/Survey/getSurveyDetail/instruments/STANDARD/surveyKy/2098>.

it is inhabited by huge Muslim communities and has already surrendered to expansive Islamism (“Multi Kulti”).

The Good Change policy programme has resulted in a very deep political polarisation among Polish society – and as a result, Law and Justice voters perceive the European Commission’s structured dialogue with Poland under the Rule of Law Framework as a biased and illegal intervention in Polish internal affairs, which violates Poland’s sovereignty. This polarisation is unlikely to change soon. Going forward, Poland, which can and should be a provider of stability in the EU, will entrench its status of *enfant terrible* – one of the EU’s main troublemakers, even as it gradually self-marginalises and isolates itself.

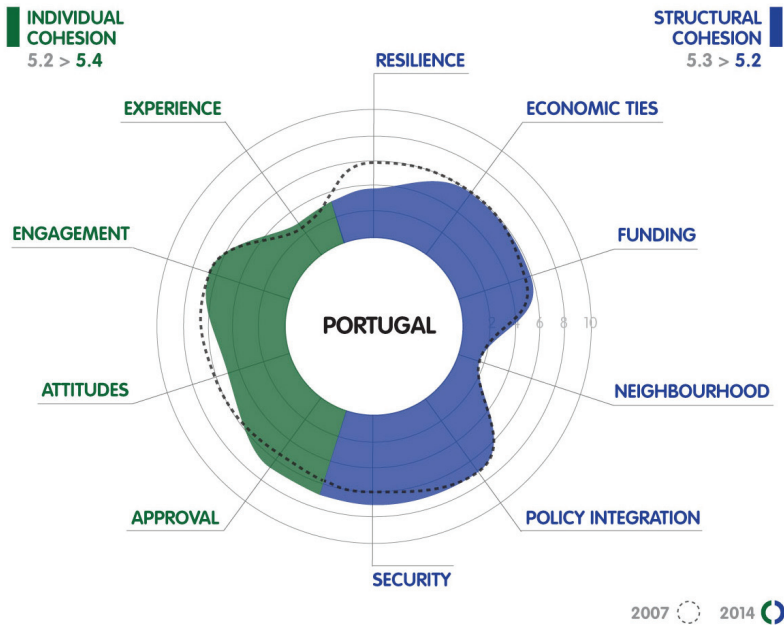
Portugal: Continuing to integrate

Of the EU Cohesion Monitor's ten indicators, Portugal's lowest score in 2014 is on Resilience, coming in at 27th place, just above the worst performer, Greece. Seven years before, Portugal was ahead of four Central European countries (Poland, Hungary, Romania, and Bulgaria) and two fellow Southern Europeans (Italy and Greece). It is obvious what happened in between: the economic and financial crisis.

Structural crisis

The crisis confirmed Portugal's inability to deal with its structural fragilities. But in fact, Portugal was in serious trouble long before the European Union was hit by the crisis. Although it experienced rapid economic growth in the years before the euro's launch (resulting mostly in a sharp increase in per capita income), after the introduction of the single currency the country's macroeconomic performance became disappointing: every year, most metrics remained below expectations, telling a story of economic fragility and unwillingness to change. In some years, low interest rates (supported by expectations of high productivity growth stemming from Eurozone membership) fuelled an apparent economic expansion. But when the financial crisis struck in 2008, both the Portuguese government and the banking system were heavily indebted. Interest rates rose quickly, locking the country out of financial markets. By April 2011, Portugal was forced to request a bailout from the EU/International Monetary Fund. Austerity arrived, and with it, the crisis rapidly escalated into a political one too. An optimistic quasi-unanimity about the European project was shattered and the public began to question the EU's ability to deliver positive results for its member states and citizens.

Furthermore, European enlargement, bringing the Eastern and Central European countries into the EU, began to be seen as a source of difficulties for Portugal. European solidarity funds were now being diverted to those countries. Lisbon's voice in Brussels became weaker. The "New Europe"



countries brought a new set of interests to the European agenda that pushed Portugal into a more peripheral position. Some domestic political voices started to say that the new, painful economic measures were nothing but EU impositions, powering a dangerous antagonism between Eurozone creditor and debtor countries. A more radicalised Left emerged and, with it, a breed of Euroscepticism unusual in Portugal (although fortunately still marginal).

Rising individual cohesion

Happily, against this problem of structural cohesion, the Monitor shows that even with the country heavily stricken by the financial crisis, Portugal's overall level of individual cohesion moved up. The fact that José Manuel Barroso was president of the European Commission from 2004 to 2014 might have helped here.

But although its ranking improved, Portugal still has some difficulties in individual cohesion, as illustrated by its 24th place ranking on the Experience indicator. This result is disappointing for a country that recently celebrated its 30th anniversary of EU membership. Historically, Portugal has never

had a significant pro-European identity, nor did it actively participate in identity-shaping events such as World War II. It is also true that Portugal is geographically distant from Europe's centre, and that for most of the twentieth century, it was also politically and culturally removed from the centre. And yet, post-revolutionary Portugal is heavily indebted to Europe for supporting its democratisation and socio-economic development. At no other point in history has the country made such rapid progress as it has over the past 30 to 40 years, a fact that is confirmed by all human development indicators. The country's economic and social tissue has undergone a profound transformation, and with Europe's support, its communication, research, cultural, and health infrastructure has been modernised. Likewise, membership of the European club has strengthened Portugal's international position.

Nevertheless, various data indicates that the Portuguese do not entirely see themselves as Europeans. Being only 2 percent of EU citizens, they are a small part of a multinational and multi-linguistic group, and their integration is somewhat fragile. As an example, since Portuguese is not a widely used language in Europe, one would assume Portuguese people would have strong motivation to learn another European language. However, the 2012 Eurobarometer survey on language competence found that Portugal ranks near the bottom of European states: 41 percent of adults reported that they could not conduct a conversation in a foreign language. Moreover, the ability of Portuguese to converse in English is more than one-quarter below the EU average of 38 percent, showing that much is still to be done in this area.

More or less Europe?

Interestingly, the Monitor also shows that Portugal is one of the EU members that provides evidence for the growing paradox, "more critical views and yet higher support for a more deeply integrated Europe". The critical vote in Portugal has gradually gained electoral strength in the past decade: in the October 2015 general election, the Left Bloc (close to Spain's Podemos and Greece's Syriza) doubled its share of votes to 10.2 percent from 5.2 percent in 2011, and is now in a parliamentary alliance with the Socialist Party in government (and the Communist Party). However, Portugal's two main parties (the Socialist Party and the opposition Social Democratic Party) continue to support the general consensus that more rather than less Europe is needed.

In no other area is this more manifest than in the interconnected issues of Schengen and the refugees. Since becoming a founding member of

the Schengen Area, Portugal has been an active defender of the Schengen Agreement as an embodiment of the European ideal: all countries united in an open regime in peace and prosperity. Consequently, it views the application of restrictions to Schengen as weakening the overall European project. In fact, a general feeling is becoming palpable within the country that erosion is already happening, with member states preferring to ignore Schengen in favour of national remedies. While Portuguese authorities associate this erosion with real difficulties in managing extensive refugee flows such as the ones we have been witnessing, they still contend that the only way to address it is through a more “common” policy. Following the European Relocation Scheme adopted by the European Council in September 2015, Portugal agreed to receive 4,754 refugees over a period of two years. At the end of February 2016, Antonio Costa, the new prime minister, announced that the country was willing to receive an additional 5,800 refugees (outside of the quota) to alleviate the pressing situation in other member states. To be sure, in comparison to other member states Portugal is in a comfortable position: it is not on the main migrant routes to enter Europe, nor is it a much sought-after destination on the continent. Additionally, anti-immigrant sentiment is not internally significant and all political forces support the government on the issue.

Notwithstanding the problems discussed, Portugal still believes that integration is the solution rather than the cause of present and future challenges.

Robin-Ivan Capar

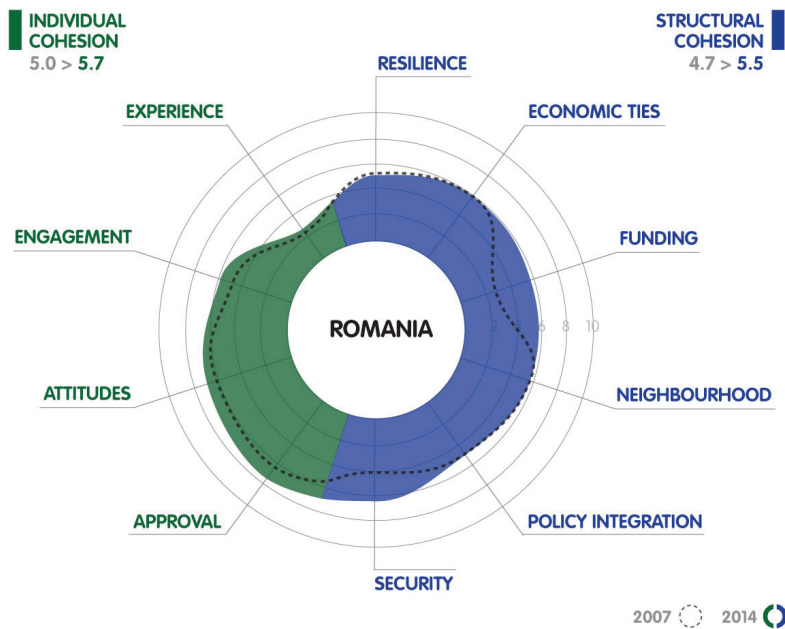
Romania: Reforming and conforming

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Last year, eight years after joining the European Union and 13 years after the formation of the National Anticorruption Directorate (*Direcția Națională Anticorupție*, DNA), Romania launched its biggest anticorruption drive to date. An almost absurd number of state officials and high profile magnates were prosecuted in 2014, 2015, and 2016, pointing to a sombre political and social reality: in spite of relentless national and EU-backed efforts, corruption is still deeply entrenched in Romanian politics.

The sheer number of figures processed by the DNA is staggering – around 1,250 defendants were sent to court for medium-level and top-level corruption last year, for a total of more than €430 million in alleged bribes. A number of ministers, senators, and members of the Chamber of Deputies were indicted during 2015, including the former prime minister Victor Ponta. The DNA's anti-graft activities have turned the Directorate into one of the most trusted public institutions in Romania.

The positive public momentum generated by the Directorate's activities was (and still is) an excellent foundation on which the post-Ponta government can build. The new technocrat government led by Prime Minister Dacian Cioloș, which took office after Ponta's resignation in November, is thus constrained mainly by the brief period of time it has to leave its mark before the new parliamentary elections, which are scheduled for December. And Cioloș's administration has a lot of work to get done in the run-up to the elections.



Reforming the system before the December elections

Cioloş the former European Commissioner for Agriculture, has pledged that he and his cabinet will implement significant changes, prioritising the reform of the public administration and the strengthening of good governance procedures. Alongside these changes, Cioloş is also set on bringing about innovations in election legislation, which should conclusively transform the country's electoral system into a proportional party-list system.

This ambitious reform plan has set the bar for expectations extremely high, and it is only natural that the Romanian people have come to expect great changes from their interim prime minister. Unfortunately, without full parliamentary political backing, Cioloş's time-sensitive legislation proposals may not get through all of the necessary procedures in time. Still, the reforms initiated in the public administration sector – cutting red tape, along with efforts to promote transparency in public spending and the professionalisation and de-politicisation of public administration – are clear signs of a renewed political will, to act on the people's demand for a new start in Romanian politics.

Positive individual and structural cohesion scores

Romania's individual and structural cohesion scores in the EU Cohesion Monitor show significant positive trends. In the post-accession period, the anti-corruption drive went hand-in-hand with institutional change, and although much still needs to be accomplished, the country's struggle against corruption – championed by the DNA – has yielded palpable results. EU monitoring has exerted a significant amount of pressure on Romanian political elites, which is reflected in several structural cohesion indicators. The European Commission's Cooperation and Verification Mechanism has thus proved itself to be a catalyst of progress, playing a key role in the process that led to the progress that has been achieved in the judicial sector and in the fight against systemic corruption. Romania's high scores on the Engagement and Approval indicators serve as additional testimony to the increasingly positive image of the EU among the Romanian population in the 2007-2014 period. The principle of freedom of movement and the economic benefits of open borders for intra-European trade and investment are highly valued, especially since foreign remittances play a key role in the Romanian economy.

Furthermore, the high score on the Security indicator, highest of all of Romania's indicator scores, is a reflection of the changing geopolitical reality of the wider region. The "security umbrella" provided by NATO and EU membership has been gaining in importance over the years. The recently activated missile defence site, within the European Phased Adaptive Approach framework, is one of several concrete NATO commitments that the country has taken upon itself, along with oversight of the Ukraine Cyber Defence Trust Fund.

A legacy that will determine Romania's EU path

Cioloş faces the challenge of creating a lasting reform and institutional legacy within the span of his brief mandate, an endeavour that would be considered as a colossal accomplishment for a government with twice as much time on its hands. And while it would border on wishful thinking to expect that the prime minister will succeed in fulfilling all of his stated goals before the December parliamentary elections, Romania's interim prime minister has a realistic chance to lay the groundwork that will yield sustainable anti-corruption, political, and societal results in the years to come.

The public administration and judicial reforms can and should be the basis of a transformational platform for ensuring that Romanian citizens can experience

the benefits of EU membership to their full extent, and that the Romanian political class undergoes a thorough reform, causing it to learn to accept a zero-tolerance policy on corruption and graft. These changes are also essential to the further development of Romania's cooperation with the EU.

Cioloș's success will be measured in part by those whom the Romanian political parties decide to promote during the forthcoming parliamentary elections, especially the two largest parties, the Social Democratic Party (PSD) and the National Liberal Party (PNL). If new faces and political integrity triumph over stale and compromised party cadres, then the seed of reform and future progress will have been planted, and the reform process will continue to increase Romania's individual and structural cohesion scores.

If Cioloș should succeed in forging a widespread political consensus on the issues discussed here as a matter of national stability and progress, that alone would be a legacy worthy of admiration, one that could serve as an exemplary beacon of constructive political action to other political actors in the region.

Slovakia:

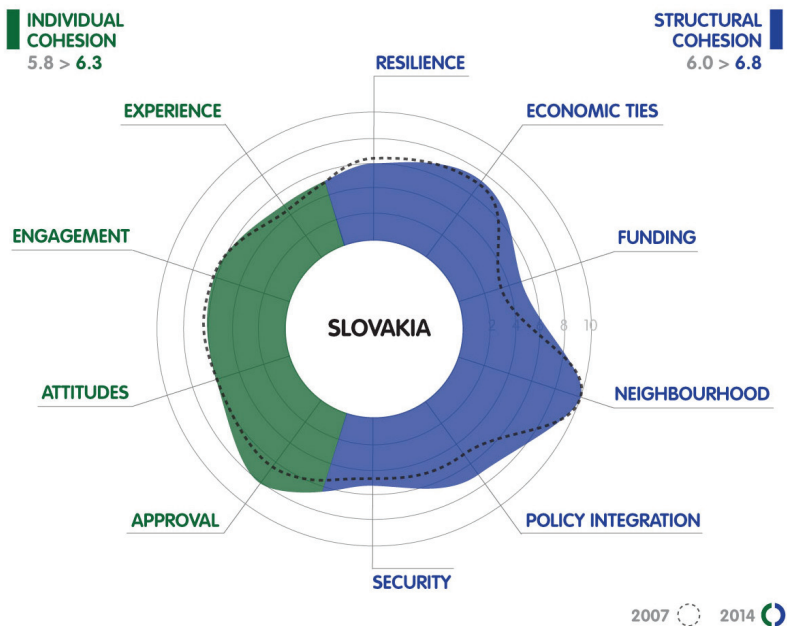
Policy over participation

After several turbulent years of regime change and economic transformation, Slovakia successfully became a member of the European Union in 2004. Its journey towards cohesion with the EU since then has shown mixed results.

Low engagement with the EU

Slovakia's score on the EU Cohesion Monitor's Engagement indicator was low in 2007, and it remained low in 2014. In 1990, the communist regime in Czechoslovakia collapsed and free elections were organised. The high turnout in early parliamentary elections (95 percent in 1990) mirrored high political and public enthusiasm about public and political affairs within Slovakian society. However, this initial interest in political affairs faded, giving way to widespread passivity and pessimism. Participation in parliamentary elections was 59.82 percent in 2016, up from the lowest turnout in 2006 of 54.67 percent. This disillusionment with political and public affairs is even more visible in elections at the regional, municipal, and European levels. Slovak turnout at the European Parliamentary elections was only 13.05 percent in 2014, and Slovakia has been the EU member state with the lowest turnout in every European Parliamentary election held since it joined the Union, in 2004, 2009, 2014. Nevertheless, European Parliamentary election results have usually returned standard pro-European parties, and in contrast with the low turnout, Eurobarometer reports regularly show that Slovakian society is strongly pro-European. That means these two opposite inclinations demonstrate a certain measure of dialectic tendencies within the Slovakian society.

The anti-EU/populist share of the vote in Slovakia has been strengthened since the national parliamentary elections in March 2016. The People's Party – Our Slovakia, an openly anti-EU, anti-NATO, and anti-establishment political party, received 8 percent of the vote, giving it 14 representatives in the National Assembly of the Slovak Republic; hence, it has a capacity, even if limited, to shape the debate on the EU. The party explicitly says that the EU takes away



the power from nation states, national sovereignty is overshadowed by EU bureaucracy and that EU membership disadvantages the national economy, which cannot protect itself from fierce Western economic competition and pressure. Therefore, it thinks that Slovakia should leave the EU, and calls for a referendum on exit similar to that held in the United Kingdom.

Experience and resilience

Slovakia scores higher than the EU average on the Experience indicator. People from Slovakia frequently visit other EU countries; they are open towards the EU and socialisation is above the average. Moreover, Slovakian people widely use foreign language skills for media, reading, and shopping – although the widespread use of foreign languages can in part be explained by the close Slovak-Czech linguistic relationship and by the existence of a substantial Hungarian minority in Slovakia.

On Resilience, Slovakia has achieved substantial macro-economic economic growth since the fall of communism and socialist governance. The real adjusted gross disposable income of households per capita rose by almost

184 percent from 1990 to 2015 – the highest growth among the four Visegrad countries (the Czech Republic, Hungary, Poland, and Slovakia). Debt to GDP in Slovakia was 52.9 percent in 2015, similar to that of other Central European countries, aside from Hungary. However, the Social Justice Index shows a mixed picture about Slovakia: on some indicators, such as prevention of poverty, risk of poverty or social exclusion, Gini coefficient, and greenhouse gas emissions, Slovakia performs very well. But in other areas of social justice, Slovakia performs poorly; these include education, labour market, unemployment rate, gender equality, and healthy life expectancy. Slovakia’s most serious social justice challenge lies in the education system – its spending on education is among the lowest in the EU, and in consequence, Slovakia ranks at the bottom of the PISA results.

Support for EU policies

Member states may “opt out” of common EU policies, thus staying outside of horizontal policy cooperation. Nevertheless, Slovakia has not made use of this “escape mechanism”; it cooperates in the European Monetary Union, the Schengen Agreement, Common Security and Defence Policy, the Charter of Fundamental Rights, the Social Chapter, and on freedom, security, and justice issues.

In the EU Cohesion Monitor, Slovakia performs very well on the Approval indicator, with strong support for EU policies. There is substantial public support for economic and monetary union, which is seen as one of the most important results of European integration and cooperation. Furthermore, there is broad public support for banking union and for common foreign policy, and the greatest public support is expressed for common defence and security policy. Slovaks see the most important positive aspect of the EU as being the free movement of persons, goods, and services, followed by the common currency and the permanent peace between member states. Similarly, the Slovak government strongly supports EU policies, particularly the policy of deepening economic and monetary union and that of strengthening the credibility and potential of common defence and security policy. Moreover, the government backs initiatives such as the Energy Union and the Digital Single Market and supports EU capital markets and the inviolability of the four freedoms. All the mentioned indicators place Slovakia in an interesting position: there is very low turnout and public support for the EU’s democratic aspects, while the Slovakian public expresses profound support, well above the EU average, for EU policies.

To conclude, Slovakia demonstrates significant strength in some cohesion indicators, while at the same time it has noteworthy weaknesses on other indicators. The strongest indicators are Experience, Resilience, Policy Integration, and Approval. But the Slovak political elite needs to take the weakest indicator, Engagement, very seriously: the low level of engagement as measured here could in the end have serious consequences for the legitimacy of the EU project in Slovakia.

Marko Lovec

Slovenia: Being a good European

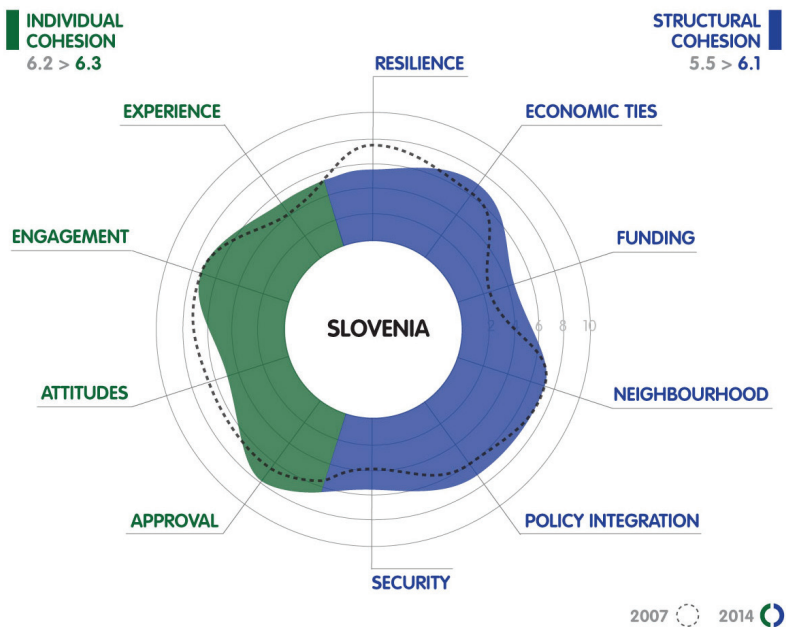
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Slovenia's gains on the EU Cohesion Monitor's structural and individual cohesion indicators make it one of the Monitor's top performers. But its development path and position within today's European Union are more nuanced than the EU Cohesion Monitor alone would suggest.

From accession to crisis

Slovenia, a small country of two million people located between Central Europe and Western Balkans, gained independence in 1991 after the disintegration of Yugoslavia. EU accession immediately became a top national priority and a key source of legitimacy for domestic political elites. As the most developed Central and East European (CEE) country, with a strong political commitment to EU membership, Slovenia proceeded quickly towards Europe. The relatively good knowledge-based skills of its residents and its geostrategic location boded well for reaping the benefits of integration.

Following accession in 2004, Slovenia continued to be a "good student". In 2007 it was the first of the CEE countries to adopt the euro. Political will seemed to have translated into economic benefits: in 2007 – the first year covered by the EU Cohesion Monitor – Slovenia's GDP per capita was at 90 percent of the EU average. With GDP growth of 6 percent, it was expected to reach EU development level within two years. At the time, Slovenia was also about to become the first new member state to preside over the European Council, which was intended to serve both as a reward and as an example for others. No wonder that in 2007 it was one of the five member states in which attitudes towards the EU were the most positive, in spite of some negative effects related to accession, such as inflation in basic commodity prices and growing economic disparities. During its presidency in 2008, Slovenia proved its commitment to the EU by supporting Kosovo's independence against its direct interests: the importance



of exports to Serbia within the Slovenian economy meant that it could ill afford to risk a dispute with its neighbour.

However, a soberer time soon followed. The global financial and economic crisis hit Slovenia hard, bursting economic bubbles and triggering capital flight. To keep the economy running, the government continued to spend. Public debt, which used to be one of the lowest in the eurozone, started to increase fast. And in 2010, Slovenia faced a second hit in the eurozone crisis. Because of the country's growing public debt-to-GDP ratio, financial markets started to speculate against the ability of government to service its debt, forcing it to cut public spending, which further depressed growth. But the causes of the eurozone crisis went beyond government irresponsibility: the half-finished structure of European economic integration was also to blame. The common currency area provided "northern" members with market access. "Southern" economies were compensated through cheap credits that fuelled growth, while problems of structural competitiveness at the EU level and institutional quality at home went unresolved. Slovenia was no exception: during the growth period, politicians opened champagne, leaving their successors to deal with problems related to the negative trade balance with the eurozone and the poor management of state-owned enterprises. As the crisis unfolded, the EU had to

address the need for the collectivisation of the costs of debt financing as well as interference with fiscal autonomy, both equally politically sensitive issues. For the EU centre there was, however, no hurry: the crisis was, in fact, strengthening asymmetrical economic trends. It was not until 2014 when, in response to the risk of general contagion, the Eurogroup and the European Central Bank applied instruments to bring interest rates down.

The rest of the CEE countries were much less economically integrated with the EU before the crisis and thus were much less affected by it. Both Slovenia and the rest of the CEE countries, however, became more dependent on the EU during the period in terms of exports, investment, and programmes financed from the common budget. The economic crisis caused substantial political turbulence in Slovenia, forcing three governments to resign in the course of four years and creating obstacles in the reform process. In 2014, in terms of economic convergence, Slovenia was back where it was within a day of its accession. The crisis strengthened Euroscepticism and brought new radical parties such as United Left into parliament. Voters were more interested in punishing the existing political elites than seeking for alternatives to the EU, but participation in European parliamentary elections continued to decline, enabling less centrist voices to gain ground there.

The eurozone crisis is far from over. “Fiscal devaluation” does not seem to be solving all the structural problems of the eurozone. After five years of crisis, growth levels are still too low to bring debt and unemployment in the EU’s periphery to sustainable levels. At the same time, the “fiscal discipline pact” has further tied the hands of member state governments. Slovenia is the member state most exposed to a Greek bailout, which is why it is pressuring Greece to continue to save. Although this could be considered strange, considering Slovenia’s own experience, it is actually a reflection of power politics and dependence asymmetries in the EU.

Policymakers and policy takers

Slovenia’s foreign policy inclinations in other crises have not always tracked the EU’s: during the Ukraine crisis, due to its dependence on exports to Russia, Slovenia sided with those opposing sanctions. But with regard to the other two major EU crises – Brexit and the refugee crisis – Slovenia is, as in the case of the eurozone, a policy taker rather than a policymaker. Brexit will likely have a negative effect on smaller open economies that depend more on exports and capital markets. Thus, in spite of being sceptical towards British claims about

economic governance and mobility (although sympathetic towards a stronger role for national parliaments), Brexit has put Slovenia in a lose-lose situation, in which it will have to depend on agreements among larger member states. The migration and refugee crisis is another case of asymmetrical dependence. The Schengen/Dublin system has put a substantial burden on the border countries. In the absence of a joint decision on sharing the burden, member states responded by unilaterally suspending the Schengen and Dublin agreements. As a result of the de- and re-bordering of the EU, Slovenia, the smallest country on the Western Balkans route, faced a daily intake of up to 12,500 migrants, while its total police force is half that. Fear of becoming a migrant pocket resulted in dramatic changes in public opinion in terms of securitisation of the issue.

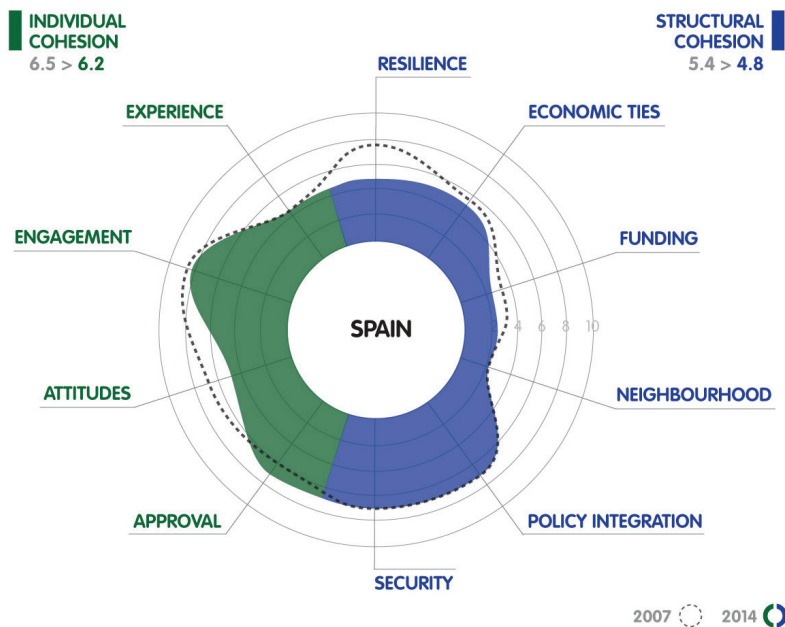
There is a shared lesson in all these crises: integration proceeds at different speeds in different areas, reflecting particular interests. This results in shared problems, but shared (“first best”) solutions are often politically unacceptable. Furthermore, integration in some areas is not necessarily followed by integration in other areas. When one is not a “status quo player”, it is not so much a question of willingness to cooperate, but of whether others are willing to cooperate. Meanwhile, relative dependence determines the distribution of costs and benefits, reflecting what Donald Tusk has recently called “power politics” in the EU. Not to diminish the importance of internal issues in the new members, the attitudes of the “old Europeans” are often hypocritical as well. Not so long ago, when pointing out the asymmetrical effects of the Transatlantic Trade and Investment Partnership at an EU forum, the Slovenian representative was faced with the argument of not understanding how important the agreement was for counterbalancing Russia: “Did we not just liberate you from communism?” It seems that seeing cooperation as something that goes beyond one’s own interests is a general problem within the EU.

Spain: Facing a test of maturity

Structural losses, individual resilience: Spain's ranking in the EU Cohesion Monitor is as predictable as it is surprising. The country's structural cohesion profile was significantly affected by the fiscal and economic crisis. At the same time, although the country was hard hit by the crisis, Spanish individual cohesion remained almost stable and lies around the overall European average. Spain is the only large member state in which Euroscepticism is not an issue, even though the country has fallen out of love with the European Union.

The impact of Spain's 30 years of integration in the EU in political, economic, and social terms has been truly impressive. Spaniards can be proud of having overcome the Franco dictatorship and its accompanying isolation in order to become a country that can compete in a globalised world, is fully integrated in Europe, and has an acceptable social welfare system. The country's accession to the European Economic Community confirmed the opening-up of its economy and gave it a greater presence in the international arena. Spain was "not different" – it was a West European country coming back home after long exile.

The European project has provided Spain with an anchor to prosperity, modernity, and democracy as well as an antidote against nationalism. An external moderator of the worst past tendencies of the country. For two decades, Spanish public opinion towards the EU has been characterised by a permissive consensus (even a naïve Europeanism). The EU has also played the role of an external reformer. In order to meet the Maastricht criteria and be a founding member of the eurozone, Madrid implemented economic and



institutional reforms and achieved a more stable macroeconomic framework. In return, the country received substantial benefits from EU membership through transfers from EU structural and cohesion funds.

The effects of crisis

However, the financial crisis changed all that. The normalization process of Spain on the global stage and the Euro membership is already fait accompli. Since the beginning of the crisis, Spaniards have been somewhere between disbelief and guilt. When the housing bubble burst, the Spaniards realised that they had national institutions that were not up to expectations, an underperforming economic model based on low added value sectors, and an unbalanced welfare state. Thus, Spain ceased to be a model for Southern Europe, and instead was perceived as part of the PIIGS group (Portugal, Italy, Ireland, Greece, and Spain), especially after the bailout of the Spanish financial system in 2012.

Following the economic crisis, Spain's political weight in the EU collapsed. Madrid, which before the crisis had wanted to overtake Italy in GDP per capita and political influence (sorpasso), began to think that Poland was

more relevant than Spain in various EU matters. Despite the economic recovery, Madrid continues to punch below its weight in Brussels, Frankfurt, and Strasbourg. In a context of a Union increasingly looking east and a weakened Southern Europe, the government has given up trying to concoct alliances, betting all its cards on supporting Germany – and geo-economics. Its declining influence can be seen in its loss of top jobs: Madrid lost the second seat on the European Central Bank and the vice-presidency of the European Commission, while it has not been able to take over the presidency of the Eurogroup. Political instability and Spain's inability to meet its commitments on public deficit have damaged the country's credibility, the very objective set out by Rajoy's government.

However, at home, Spaniards are not too concerned yet about this decline in influence. In the current environment of economic recovery and heated political debate, Spain is undergoing a period of introspection, absorbed by its own political moment. EU affairs and foreign policy are a priority neither for the government nor the opposition, and policy is influenced by electoral interests. As a result, Spain has in general adopted a passive and reactive EU strategy focusing on domestic issues – although the government's turnaround on the refugee crisis is one exception here.

No rise in Euroscepticism

The best news is that Spain so far lacks significant anti-EU or xenophobic far-right parties. The shock suffered by the party system has occurred to the left of social democracy, and not to the right of conservatives, as has been the case in most member states. In addition, Spain continues without a pro- and anti-European cleavage, which restricts the possibilities for an increase of Euroscepticism, but also limits the quality and intensity of domestic debate about Europe. Even so, the EU is no longer perceived as a benefactor and an agent of modernisation but as an obstacle to the preservation of welfare and a Union not based on solidarity, in the wake of the refugee crisis. The debate on the EU was very limited during the election campaign, with most of the candidates focusing on the role of "Brussels" as a fiscal watchdog insensitive to the social crisis afflicting the country.

Public opinion data may seem contradictory, but in fact it is not. According to a recent survey by Pew Research Center, the Spaniards who have an unfavourable view of the EU (49 percent; 15 percent in 2007) exceed for the

first time those with a positive attitude (47 percent; 80 percent in 2007).¹ However, of all Europeans, Spaniards most advocate for “a more active EU in world affairs” (90 percent). This paradox is caused by the fact that leftists and younger generations are critical of the functioning of current European institutions, even though they support the European ideal. Thus, in a recent Ipsos MORI poll, 48 percent of Spaniards believed the country’s long-term policy should be “More Europe”.² According to Metroscopia (a leading Spanish pollster), 63 percent of Spaniards identify as “European citizens”.³

In the EU Cohesion Monitor, Spain’s score on Approval increased from 2007 to 2014, despite significant losses on the Attitudes indicator. But while Spaniards continue to be pro-European from a rhetorical point of view, they are less willing to accept sacrifices in reality. Post-crisis Spanish public opinion towards the EU is becoming more utilitarian. Increasing political fragmentation and polarisation in Spain encourages this tendency to balance national and European politics. The role of the Congress in European affairs is increasingly relevant – a novelty in Spanish politics that will influence the government’s stance on the most significant issues on the European agenda. This is precisely what happened with the refugee crisis, in which the parliamentary groups of the PSOE, Podemos, and Ciudadanos forced the Popular Party to engage with asylum seekers. Similarly, Podemos is opposed to the current European policies of the management of the eurozone crisis, free-trade agreements, sanctions against Russia, and the European security architecture. Fragmentation, focus on domestic issues and the EU’s Commission’s demanded budget cuts of over €8 billion in the next two years means that Spain is facing a test of maturity of its role in the EU.

The absence of anti-EU forces means Madrid may be called to play a role in the Union once the new Spanish party system is consolidated. The France-Germany axis is politically weak and both countries are facing national elections next year; Brexit will throw London’s role into loss of relevance; and Euroscepticism is growing in Warsaw, too. This leaves Spain and Italy as the only large pro-European states. The consolidation of the Lega Nord and the Five Star Movement as key political parties could restrict the Italian role. The EU urgently needs pro-European forces to defend the achievements of integration. Will Spain be willing to take up this task?

1 Bruce Stokes, “Euroscepticism Beyond Brexit”, Pew Research Center, 7 June 2016, available at <http://www.pewglobal.org/2016/06/07/euroscepticism-beyond-brexit/>.

2 “Half of people in nine European countries believe UK will vote to leave the EU”, Ipsos MORI, 9 May 2016, available at <https://www.ipsos-mori.com/researchpublications/researcharchive/3731/Half-of-people-in-nine-European-countries-believe-UK-will-vote-to-leave-the-EU.aspx>.

3 “30 años de España en la Unión Europea”, Metroscopia, 12 June 2016, available at <http://metroscopia.org/30-anos-de-espana-en-la-union-europea/>.

Sweden: Influential and pragmatic

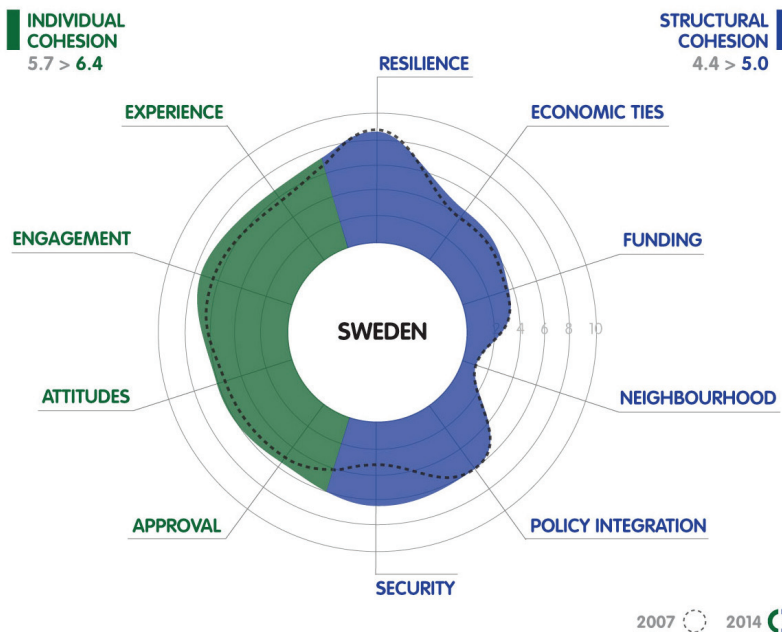
Sweden has seen an increase in cohesion during the 2007-2014 period covered by the EU Cohesion Monitor, but it still ranks quite low among the other countries examined, especially on the structural and macro level indicators. There is some truth to this – Swedes are indeed rather sceptical Europeans. But other indicators would likely paint a different picture.

On an individual level, Swedes are “good” Europeans and, for example, score highly on individual Engagement and Attitudes. However, on a structural level, Sweden scores worse. Some of these indicators would be difficult to do much about. As an example, the Neighbourhood indicator, which suggests high levels of cohesion if a high percentage of the population lives near a border, must necessarily be low for Sweden, since the main foreign border – with Norway – is a mountain range.

Increasing cooperation on security and foreign policy

On issues that can be more easily changed, however, Sweden has improved its position. Increased security cooperation is one example, and its grade here could possibly be even higher. One reason for this is that, in the face of Russian aggression, Sweden is investing considerable resources in cooperative security – in the European Union, as a privileged partner to NATO, and in bilateral arrangements. More evidence is provided by the fact that Sweden has been one of the most ambitious contributors to the EU Battlegroup concept under the Common Security and Defence Policy, which is not captured in the statistics but does illustrate the “willingness to cooperate” that is under scrutiny in this report.

It is also worth pointing out that Sweden has made a considerable ideological journey as regards security. Sweden declared itself neutral during the Second World War and chose not to join NATO when it was established. With a



strong national defence, Sweden’s strategy in the following decades was to stay out of peacetime alliances in order to preserve its neutrality during war. Therefore, it was not very willing to cooperate on defence at a European level. After the end of the Cold War and Sweden’s entry into the EU, the country stopped using the term “neutrality”, but it remained non-aligned. Since then, Sweden has embarked on a more “cooperative” stance on European defence: it has made a unilateral declaration of solidarity saying that the country will not stand idle if another EU member or Nordic country is the victim of catastrophe or attack. Today, support for Swedish NATO membership is on the rise, and all the parties in the centre-right opposition will campaign for Swedish membership in the 2018 election.

In foreign and security policy more generally, the country stands out as a determinedly cooperative actor, as illustrated by its high rankings in the ECFR Foreign Policy Scorecard. It could be asked whether this policy of always taking the lead or complying with the general European will is in fact a strategy, or just an effect of the ambiguity surrounding the country’s national interests.¹

¹ Björn Fägersten, “Swedish EU leadership or why beggars can’t be choosers”, ECFR, 2 March 2012, available at http://www.ecfr.eu/blog/entry/swedish_eu_leadership_or_why_beggars_cant_be_choosers.

Ambivalent on integration

The ambiguity of Sweden's role in European security is perhaps indicative of Sweden's role in European integration in general. A member of the EU for 20 years, Sweden has yet to formulate a vision of its place in the Union. To be fair, the country did not join for ideological reasons, but rather, because it had to, and because it was afraid of missing out. A difficult banking crisis in the 1990s had taught Swedish politicians that isolation offered little shelter in the face of ever more globalised markets. Still, the country stayed out of the eurozone after a referendum in 2003, following a polarised campaign in which the governing Social Democrats were split down the middle. Today, support for Swedish membership of the eurozone is close to single digits, and no party is actively campaigning for it. This implies that in most discussions on the future direction of European integration, Sweden has taken a permanent position in what is often referred to as the periphery.

The widespread hesitancy about the eurozone in particular and the more visionary aspects of European integration in general are somewhat offset by Sweden's influence and ambitions on more specific areas of cooperation. Sweden has engaged with the EU on a modernised budget, climate policy, civilian crisis management, transparency, and the development of the single market, and in some cases, it has opted for common solutions. Although sceptical of supranationalism in principle, Swedes often accept it on pragmatic grounds. Asylum policy is a good example: after having received considerable numbers of asylum seekers in recent years, Sweden now supports a much more robust and collective system. And here Swedish patience with slackers is limited. The data in the Monitor illustrates just how much East European member states have benefited from EU membership. From the Swedish perspective, this fact must inform debates about immigration. Sweden's Prime Minister Stefan Löfven, when addressing the European Parliament this spring, argued that common policies for migration to the EU and common policies for the free movement of people within the EU are two sides of the same coin, and member states cannot only choose the latter – a message that was clearly directed eastwards.

In sum, Sweden is an influential European player that engages quite selectively in cooperation on pragmatic grounds. It often displays a considerable willingness to cooperate, as long as projects are perceived to be rational and pragmatic, but it has little interest in more symbolic and ideological aspects of cooperation.

In this rather transactional approach to European integration, it resembles the United Kingdom, and it is therefore unsurprising that Swedes are worried over what the British exit will mean – worried over the shelter and partnership that will be lost, and worried over the direction that integration will now take without the UK in the Union.

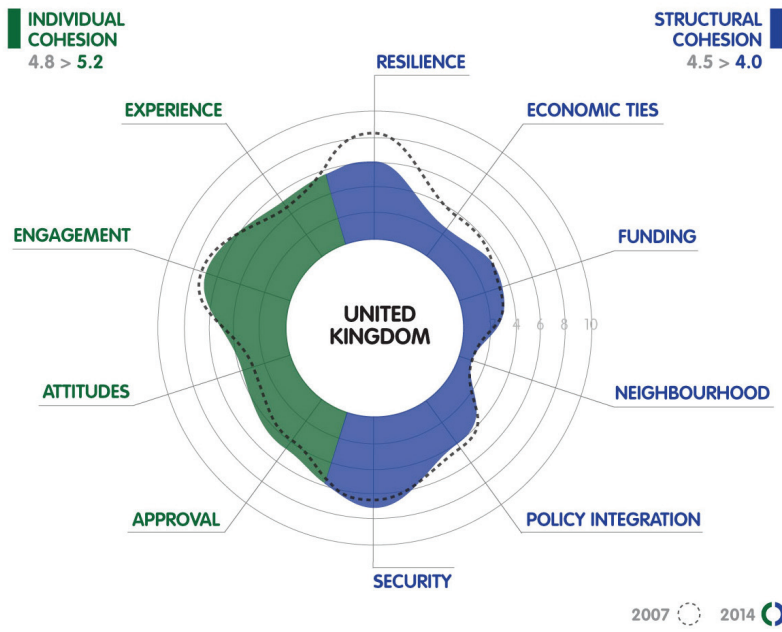
Luigi Scazzieri

United Kingdom: Checking out

On 23 June 2016 the British public voted, by 51.9 percent to 48.1 percent, to leave the European Union. The Remain side's arguments, which were focused on the economic and political risks of leaving the EU, turned out to have less traction than those of the Leave side, focused on sovereignty and underpinned by an appeal to national identity. The referendum outcome says much about the United Kingdom's position in the EU in the years before the referendum. Increasing interconnectedness with Europe on an economic and political level did not go alongside a parallel Europeanisation of British identity, and after the victory of the Conservative Party in the 2010 general election, political discourse veered increasingly towards Euroscepticism.

Low cohesion

The EU Cohesion Monitor reflects the UK's position well. The monitor shows the UK as characterised by very weak levels of both individual and structural cohesion, reflecting the UK's position as a rather unconvinced member of the EU. At an individual level, it is clear that the Monitor may even have overrated cohesion by assigning positive scores to factors such as the number of EU citizens from other member states as a share of the population. The large scale of immigration from EU countries was one of the main arguments deployed by the Leave side, and it is worth considering whether the cohesive effect of population intermixing is as strong as might be expected. In general, the British public does not identify itself as "European", as shown by the May 2015 Eurobarometer, which showed that 64 percent of British people identify as British only, rather than as both British and European.¹ Moreover, the UK's score for individual engagement probably underestimates the extent to which Euroscepticism came to permeate the UK's political arena. While it is not per se a Eurosceptic party, the Conservative Party's rhetoric and policy since 2010 can hardly be defined as supportive of the European project and the EU. Despite entering into coalition with the pro-Europe Liberal Democrats between 2010 and 2015, the issue of Europe continued to divide the Conservative Party, and the need for unity forced David Cameron to promise a referendum in



the run-up to the 2015 General Election. Moreover, the opposition Labour Party’s support for the EU has always been more pragmatic than idealistic, and became significantly less pronounced after the election of Jeremy Corbyn as leader in September 2015.

While the EU Cohesion Monitor might have somewhat overstated individual cohesion, it probably underestimated structural cohesion – that is to say, the economic and political interconnectedness that were the focus of the referendum campaign. Even accepting the UK’s deep economic ties with the EU, the Leave side sought to downplay the risks of leaving the EU. Two indicators are of particular note: Economic Ties, in which the UK scores very poorly, and Security, in which the UK scores rather well. The UK’s poor ranking in the Economic Ties indicator is due to the relatively low percentage of intra-EU trade as a percentage of the UK’s total trade. Yet the indicator obscures the fact that 50 percent of the UK’s total exports go to other EU member states. On the Security indicator, the UK scores well, but the public were not concerned with military cooperation, joint procurement, or multinational deployments, but rather with police cooperation, anti-terrorism cooperation, and diplomatic weight. In these elements of security, it did not judge the EU

to be key. These features represent an important component of security, and one that future versions of the monitor could take into account. However, the referendum outcome casts doubt upon the importance of structural cohesion as opposed to individual cohesion. In the end, identity seems to matter more than interdependence.

Identity politics and the impact of the exit

The referendum campaign showed that despite the UK's interdependence and interconnectedness with the rest of Europe, it lacked a sense of European identity on a societal level. The consequences of this lack of identity had become clear in the years since 2010, as the UK disengaged from a role of leadership in the EU. At a domestic level, the Conservative Party and the government became increasingly concerned with the issue of Europe. In 2011, the UK used its veto to stop treaty change to address the eurozone crisis. It opposed increases in the European Defence Agency's capabilities and greater efforts to cooperate more closely on defence and security matters at a European level, preferring to work bilaterally with European countries, in particular France. Like other European countries, it privileged bilateral ties with China over multilateral engagement.

However, this picture of disengagement is ultimately incomplete and therefore does not capture the damage caused by the UK's exit. In fact, the UK was at the forefront of shaping European foreign policy. It played a key role in proactively shaping the international agenda on issues such as climate change and international development. It was central in efforts to impose and maintain sanctions on Iran and Russia, and has played a prominent role in strengthening military deterrence against Russia. In Syria and Iraq it has tackled the Islamic State and was at the forefront of efforts to provide humanitarian aid. It sought to remain engaged in Libya even as civil war engulfed the country. Brexit diminishes both the UK and Europe.

The future of the UK's engagement with Europe remains to be determined. It will take years to negotiate a new, stable, and comprehensive settlement between the UK and the EU. Economically, the settlement will probably be significantly less advantageous than the Leave side sought to portray during the campaign. But it may be hoped that the UK will continue to play a proactive role in shaping Europe's foreign relations. As crises engulf Europe's neighbourhood, both parties need each other more than ever. Isolation may be a tempting option for the UK – but ultimately, this is not a path that would serve its national interests well.

Christoph Klavehn

How to capture cohesion: A methodological note

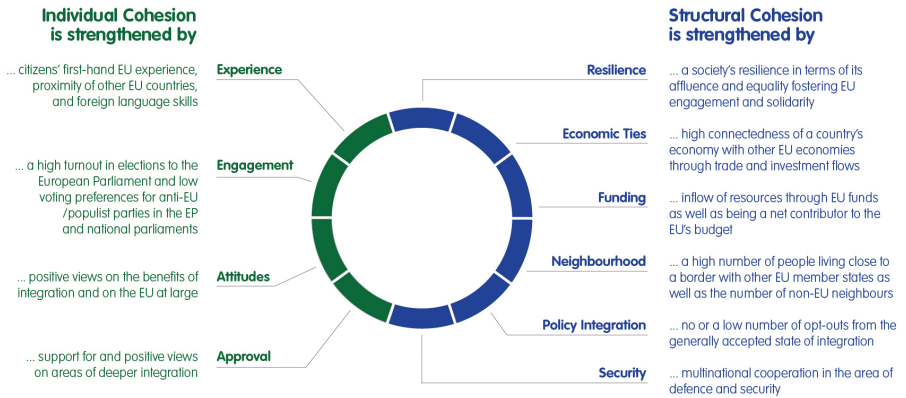
How does one even begin to measure the willingness of 28 countries and societies to cooperate with one another? Providing an answer to this fundamental question motivating the EU Cohesion Monitor project was as much about finding suitable variables as it was about coming up with a pragmatic methodological approach.

Before putting the EU Cohesion Monitor together, three conditions had to be met. First, results had to be quantitative in nature because we deliberately wanted to avoid a normative definition of what “more cohesion” means. Secondly, the data collected for the purpose of the Monitor had to be entirely transparent in order to lend credibility to the study and to encourage scrutiny of our methodology in order for it to be improved in future. Thirdly, the prototyping process and completion of the project needed to be achievable for a small team working within a relatively short timeframe.

The approach

Cohesion is a multi-layered and, at times, ambiguous idea. In order to prepare a quantitative assessment of such a subtle idea, we decided to deconstruct the term “cohesion” – dividing it into structural and individual indicators.

Contributing factors to individual and structural cohesion?



Structural cohesion indicators include Resilience, Economic Ties, Funding, Neighbourhood, Policy Integration, and Security, while individual indicators include Experience, Engagement, Attitudes, and Approval.

This division has been assessed according to whether the issues outlined above would plausibly stand as arguments in political debates about cohesion – e.g. strong ties with EU partners in trade will increase a country's willingness to cooperate and engage constructively in the single market – or whether they relate to actual experiences in the process of European integration – e.g. opting out of core policies will contribute to a lower level of cohesion – as seen with Britain's decision to leave the European Union. The hypotheses and the corresponding indicators form the basis on which the EU Cohesion Monitor is built.

This distinction between individual and structural cohesion breaks cohesion down into more tangible components: the people, their beliefs, and experiences on the one hand, and the decisions, practices, and policies of their countries on the other - individual and structural cohesion, respectively. A one dimensional model would not have been as effective at showing divergences and convergences between state and citizen – and a three dimensional model would have been too complex.

It is important to note that this model does not claim that individual indicator scores directly translate into actual willingness to cooperate in a given country. Therefore, the EU Cohesion Monitor should be read as

a measurement of cohesion potential rather than as an indicator of real cause and effect relationships.

Selecting Indicators and Factors

The EU Cohesion Monitor is made up of indicators and factors. The indicators – structural and individual – are split into a number of factors that influence cohesion.¹

Apart from the Policy Integration indicator, which counts each EU member state's opt-outs from the generally accepted state of EU integration, every indicator is composed of at least two factors. This specific selection of indicators and their embedded factors reflect both the process of making hypotheses described above, as well as the need to find publicly available data.

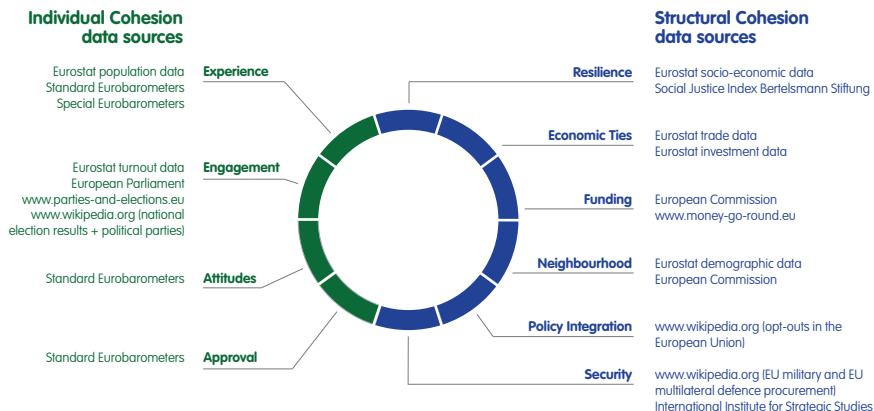
Combining a total of 32 factors to form ten indicators, the EU Cohesion Monitor draws data from a variety of sources that cohesion may flow from. However, this does not mean that our selection is all-encompassing and the data has its limitations. For example, one of the factors of the Experience indicator is the proportion of an EU member state's population that is made up of citizens from other EU member states. As useful as this statistic is, it does not factor in the extent to which these populations mix, particularly in diverse European capitals and larger cities, which we would assume to have an overall cohesion inducing effect. There were some other instances where it was too difficult to obtain data. For example, we would have liked to include the number of a country's citizens who had spent at least six months living in other EU member states, but were unable to collect this information.

Factor scaling

The data used in the EU Cohesion Monitor comes from a range of sources and is measured in different units - such as millions of euros, percent of respondents, ratios, aggregate index scores, and absolute numbers. In order to make them comparable, each dataset had to be converted into a 1 to 10 point scale, using minimum and maximum boundary values. Below and above these boundary values, a country's value would still be counted as 1 point (minimum) or not more than 10 points (maximum). This conversion of each factor to scale not only provides a means of ensuring data is comparable, but also simplifies the complexity of the data to a point

¹ The specific data sets and links to the sources are available through our data explorer (PDF file) and database (EXCEL files) on www.ecfr.eu/eucohesionmonitor.

Data sources for individual and structural cohesion



that enables us to identify and highlight convergences and divergences more easily. There are four exceptions to this rule. First, the Policy Integration and Security indicators have been capped at 7 points due to the rather substantial further steps of integration that are plausible in the foreseeable future. For example, this could include a fully integrated tax and social union, or a European army. Both projects of deeper integration have already been debated for years. Second, the Social Justice Index used as one factor of the Resilience indicator is already on a 1 to 10 point scale, thus no conversion was necessary. Third, the balance of payments to the EU budget denominated in percent of gross national income was designed to counterbalance the inflow of EU funds as a percent of GDP, the other factor of the same indicator. Rather than converting contributions to the EU budget to a 1 to 10 point scale, we used only a 1 to 5 point scale to avoid overemphasising the cohesion effect of being a net contributor to the EU. Fourth, for the Neighbourhood indicator, the number of non-EU neighbouring countries that are neither part of the European Free Trade Association, nor likely to join the EU soon, were simply counted and added to the converted value of the indicator's other factor. These countries are: Albania, Belarus, Bosnia and Herzegovina, Russia, Macedonia, Moldova, Morocco, Turkey, Serbia, and Ukraine.

The following two examples demonstrate the setting of boundary values. For all factors built on Eurobarometer data, we set the minimum boundary at 10 percent and the maximum boundary to 80 percent of respondents.

For example, in 2014, 23 percent of respondents in Greece said they had a positive view of the EU. On the EU Cohesion Monitor's 1 to 10 point scale, where values smaller or equal to 10 percent were converted to 1 point and values equal to or above 80 percent were converted to 10 points, the 23 percent of Greek respondents translates to 2.67 points. Another example is the debt-to-GDP ratio used in the Resilience indicator. A single point was given if the ratio exceeded 120 percent of GDP. This is double the current Euro convergence benchmark for a country's debt-to-GDP-ratio as laid out in Article 126 of the Treaty on the Functioning of the European Union and its protocol on excessive deficit procedure. The full 10 points were given if a country's debt-to-GDP ratio was lower or equal to 40 percent. For example, the United Kingdom scored 9.61 points with a debt-to-GDP ratio of 43.5 in 2007. In 2014 its debt-to-GDP ratio had expanded to 88.2, resulting in a decreased score of 4.58 points for this factor.

Indicator scores

The indicator scores for Engagement, Attitudes, Approval, Resilience, and Economic Ties are calculated by drawing the unweighted average from their respective factors. Due to the design of the indicators for Experience, Funding, Neighbourhood, Policy Integration, and Security, the scores are calculated differently.² This includes a weighted average for the Experience indicator. The indicators for Funding, Neighbourhood, and Security are based on the sums of their factors. Policy Integration is a subtraction from 7 points for each opt-out counted. In this subtraction, one point is counted for non-participation in the Euro currency and Schengen zone, and 0.5 points each for opting out of the Common Security and Defence Policy, the Area of Freedom, Security and Justice, Charter of Fundamental Rights, or the EU's Social Chapter.

Clusters of cohesion

The cluster view in the EU Cohesion Monitor data explorer³ is based on the combination of all individual (y-axis) and structural (x-axis) level indicators. For each of the two cohesion dimensions, for both 2007 and 2014, all indicator scores were added and the unweighted average was drawn. Even though this required the use of averages based on the averages from the

² For more details on this, please see the following publication: Josef Janning, "EU Cohesion Monitor Explorer", the European Council on Foreign Relations, available at http://www.ecfr.eu/page/-/ECFR175_EU_COHESION_MONITOR_2016.pdf, pages 97-106 (from hereon "EU Cohesion Monitor Explorer").

³ "EU Cohesion Monitor Explorer", pages 9-34.

monitor's factor level, we wanted to compare cohesion profiles from 2007 and 2014. This "bird's eye" perspective on cohesion is useful in highlighting that during the period of the study – the years dominated by the eruption and aftermath of Europe's economic and fiscal crisis – cohesion did not simply evaporate and that individual countries and groups of member states are on distinct trajectories.

Cohesion captured?

The EU Cohesion Monitor is not intended as an all-encompassing study that can conclude the debate on European cohesion. It is meant to contribute to its expansion. Its methodology – with its specific combination of hypotheses, values, scores, and conversions – could have been conceived and carried out in several different ways. Yet the monitor's essential outcome would have likely been the same. The EU Cohesion Monitor does not create new data, instead it aggregates existing data in new ways and visualises Europe's cohesion space and the playing field for political action.

This approach of rearranging of what we already know about Europe's potential for cooperation along the vectors of interdependence, interaction, and identity demonstrates where to invest in cohesion, and perhaps, where not to. The EU Cohesion Monitor confirms that each EU member state has its own unique sources, level, and trajectory of individual and structural cohesion. Even though our methodology may undergo refinement in forthcoming editions of the monitor – hopefully supported by additional and more complete data – the EU Cohesion Monitor is bound to keep showing the diversity of European cohesion.

Any questions, feedback and suggestions regarding our approach and methodology are most welcome. To contact the project team please email berlin@ecfr.eu

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