

# Reforming the Eurozone - Analysing Member-State Preferences

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# Presentation outline

- ▶ About the project
- ▶ Data collected by the project
- ▶ Analysing Member-State Preferences

# About the Project

## EMU Choices (.eu)

- ▶ June 2015 - June 2019
- ▶ Nine teams (Salzburg, Grenoble, Dublin, East Anglia, CEU, Stockholm, LUISS, ETH and Konstanz)

## Research Questions

- ▶ Which member states pushed for monetary, economic and fiscal integration, and why?
- ▶ What kind of economic and political integration model was advocated, and by which member state?
- ▶ How and to what extent did political economy interests drive member states' preferences?
- ▶ Did international pressure and constitutional constraints influence governments' preference formation?

## 5 research clusters

- ▶ Cluster 1: Case Studies
- ▶ Cluster 2: Quantitative Studies
- ▶ Cluster 3: Feasibility and dissemination
- ▶ Cluster 4: Theory
- ▶ Cluster 5: Legal

## 3 data frames

- ▶ EMU Historical
- ▶ EMU Formation
- ▶ EMU Position

## 5-Step Data Collection Process

- ▶ policy proposals officially negotiated during the Eurozone crisis
- ▶ contested policy issues within these proposals.
- ▶ coding of preferences of all 28 EU member states and six EU institutions
- ▶ validation interviews
- ▶ aggregation

## 10 Policy proposals

- ▶ Assistance to Greece, EFSF, ESM
- ▶ SixPack, Two-Pack, Fiscal Compact
- ▶ FTT, Eurobonds, 5-Presidents Reports
- ▶ Banking Union

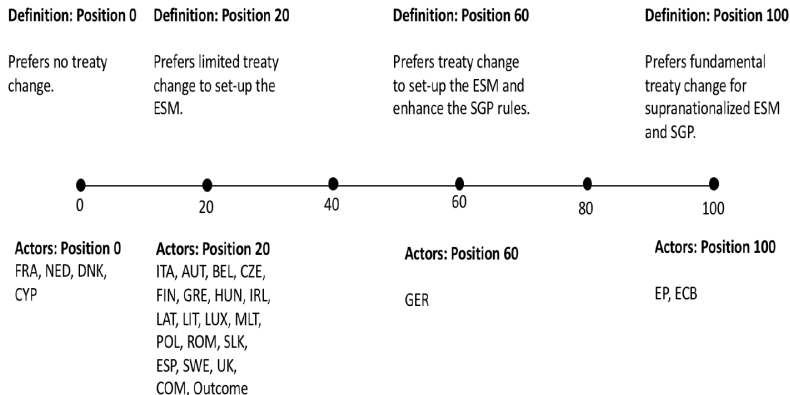
## 47 most contested issues

- ▶ they cover policy conflicts related to one of the ten selected reform proposals
- ▶ identifiable in the available primary and secondary sources
- ▶ validated by experts



# Coding of preferences

Figure 2: Example of a policy space of a contested issue.



Wasserfallen, Fabio, et al. "Analysing European Union Decision-Making during the Eurozone Crisis with New Data." European Union Politics 20.1 (2018).

# How to use this data?

- ▶ What explains these positions?
- ▶ Which country was most successful?
- ▶ Explaining decision-making during the Eurozone
- ▶ Underlying dimensionality of political conflict

# What is structuring political conflict over EMU reform?

## Possible underlying dimension

- ▶ More vs. Less integration
- ▶ Left vs. Right
- ▶ Fiscal disciplin vs. fiscal redistribution
- ▶ Or a combination of those?

## Questions

- ▶ One, two or multidimensional conflict?
- ▶ Which conflict dimension(s) explain(s) the identified underlying conflict structure?
- ▶ For which policies do we observe deviant conflict structures?

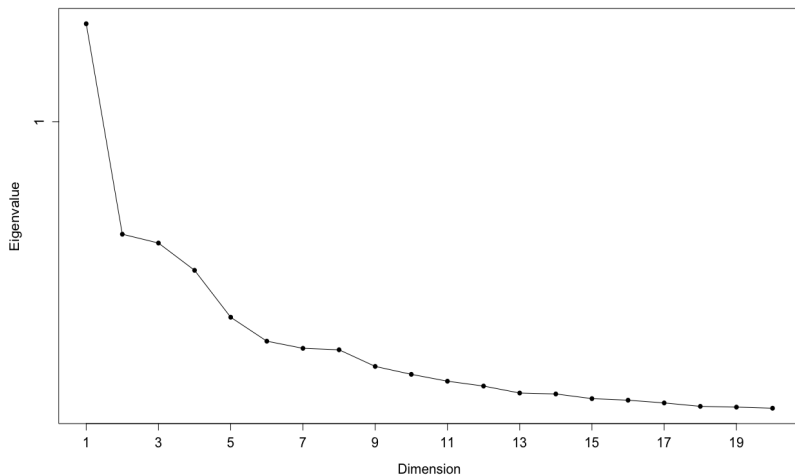
## Assumption

- ▶ Member states have an ideal point
- ▶ Ideal point structures their preferences
- ▶ Can be estimated

## Dimension reduction methods

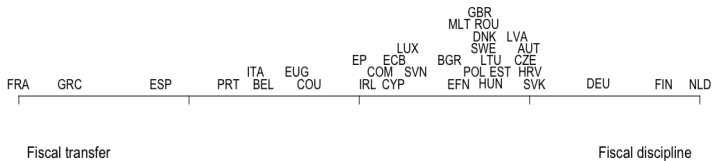
- ▶ W-Nominate
- ▶ Bayesian Ordinal Item Response Theory
- ▶ Basic Space Scaling (Robustness Check)

# How many underlying dimensions?



Lehner/Wasserfallen. "Political Conflict in the Reform of the Eurozone." European Union Politics 20.1 (2018).

# One-dimensional IRT



Lehner/Wasserfallen. "Political Conflict in the Reform of the Eurozone." European Union Politics 20.1 (2018).

## Where it does not fit:

- ▶ Specific economic interest
- ▶ Forward looking proposals
- ▶ Legal constraints and traditions
- ▶ Technocratic governments

# Conclusion

- ▶ One dimensions structures EMU conflict
- ▶ Not restricted to one issue area of EMU
- ▶ Pivotal role of Eastern MS
- ▶ Important role of coalition leaders - France and Germany



**Thank you!**