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Is Europe an Optimal Political Area?

International Economics Serie

A commonly espoused explanation for the lack of more European integration in the context of the EU is that Europeans in different countries are simply too different from one another to truly agree on and implement common policy. Based on the premise that EU integration is beneficial in terms of optimizing economies of size, but that this might come at the risk of the marginalization of certain countries that have minority opinions, Professor Guido Tabellini and his co-authors, Professor Alberto Alesina and Professor Francesco Trebbi, analyzed data collected by the EVS in order to determine just how culturally different Europeans are from one another, publishing their results in the Brookings Papers on Economic Activity 2017. Beginning in 1980, the EVS study survey citizens of what would become the EU on their opinions on a set of cultural values along a series of five dimensions: religiosity, gender equality, sexual morality, the role of the state, and values + civil capital. The study continued to interview residents in a series of “waves” until 2008. Based on an analysis of data from the fourth wave examined, which included citizens from the EU-15 countries, or countries that were a part of the bloc after the 1995 EU enlargement, Professor Tabellini and his team came across several surprising results, which ultimately point the finger at “nationalism” as being the true obstacle that is hindering further EU integration.

The first striking result is that the amount of heterogeneity within EU countries is approximately the same as the heterogeneity between EU countries—the distribution of the distance of compared cultural values between two Italians, for instance, is about the same as the distribution of the distance between a random Italian and a random Frenchman. Consequently, EU integration does not, in fact, add much more heterogeneity to political processes than exists in a singular EU country; therefore, democracy on an EU level should not be a challenge on the basis of heterogeneity.

Professor Tabellini and his team then compared the EU data to data collected in the U.S. for a GSS study as an example of a successful federalized system containing heterogeneity, which led to another significant finding. Analysis of the GSS data in the U.S. are similar to the in the EU study—the distribution of heterogeneity within U.S. states is extremely close to the distribution of heterogeneity between U.S. states. Interstate heterogeneity in the U.S., however, is higher than heterogeneity between EU states. Nonetheless, the U.S. has functioned sustainably well as a federalized entity despite this higher level of heterogeneity, which leads to the question: If the U.S. can achieve sustained federal functionality while containing more interstate heterogeneity than Europe, ought it not be possible for Europe to achieve a similar federal system without heterogeneity proving an unsurmountable obstacle?

Third, the data demonstrates that rather than a convergence of the cultural traits occurring amongst EU countries over the period 1980-2008, overall, divergence occurred. Professor Tabellini suggests that this is

because while all EU countries have moved towards being more progressive regarding the surveyed cultural traits over the 28-year period of the study, Northern European countries have moved relatively more quickly in a progressive direction than have Southern European countries. This may be partially attributable to the increased use of the Internet that allows for increased interaction between like-minded people. Based on these factors, Professor Tabellini and his team concluded that the main obstacle to EU integration is nationalism. Although EU citizens share important cultural traits, they perceive themselves as more different than they truly are because of factors such as different traditions; thus, although politicians may share core cultural traits, it remains that many will be more willing to negotiate with a politician from their own country than a politician from a foreign country.

Professor Tabellini proposes a number of ways in which these nationalistic tendencies can be overcome to forge a common “European identity”—for instance, expanding the reach of educational exchanges within Europe to include high school or technical-university students. Existing data suggests that Erasmus participants are not drastically swayed by their experiences studying abroad to become more in favor of EU integration, perhaps precisely for the reason that the university students who currently elect to participate in this program are those who already support European integration. Another educational initiative might be the implementation of a common curriculum on European institutions and history in schools across the continent in order to help forge a stronger European identity with a shared history and set of values. Professor Tabellini adds that politicians at the EU level must continue working to form cross-border coalitions, focusing on policies which create the greatest good for the entire integrated region, as opposed to focusing on intergovernmental bargaining to bring home “good deals” for their own country constituents and negatively impacting others. Ultimately, European integration is beneficial for citizens of the continent, but the path to full integration and a shared European identity will not be a simple one.