AMSTERDAM INSTITUTE FOR SOCIAL SCIENCE RESEARCH

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Risk Sharing When Unemployment Hits: How Policy Design Influences Citizen Support For European Unemployment Risk Sharing (EURS)

Policy report

Results of a survey experiment by the University of Amsterdam (the Netherlands)

With support of INAPP (Italy)[1]

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To cite this report: Vandenbroucke, F., Burgoon, B., Kuhn, T., Nicoli, F., Sacchi, S., van der Duin, D., Hegewald, S. (2018). *Risk Sharing When Unemployment Hits: How Policy Design Influences Citizen Support For European Unemployment Risk Sharing (EURS).* AISSR Policy Report 1 (December 2018).

[1] We also thank KULeuven for financial support.
[2] We thank Erik Schokkaert, Sharon Baute, Miroslav Beblavy and Mathias Dolls for comments, the IPSOS staff for their support in fielding the survey, the ACES-community at UvA for promoting the interdisciplinary environment needed for this research, and Zahra Runderkamp for layout and production.

Abstract

In the aftermath of the Eurozone crisis, proposals to share the risk of unemployment shocks have been high on the political agenda. Welfare states have built-in automatic stabilisers to cushion economic shocks, notably unemployment insurance. The argument with regard to the Eurozone is that a monetary union needs mechanisms to buttress or complement the automatic stabilizers of its member states; support for national unemployment insurance might achieve this. However, are European citizens ready to share the risk of unemployment crises hitting their countries? This report sheds light on that crucial, yet unresolved question by conducting a conjoint survey experiment on public support for European unemployment risk sharing (EURS) among a representative sample of 19641 respondents in 13 European member states in October and November 2018. The conjoint experiment studies citizen preferences for policy proposals, implementing EURS, that vary on six dimensions: (1) generosity, (2) education and training conditions, (3) between-country redistribution, (4) national versus European administration, (5) impact on taxes, and (6) conditions with regard to individual job search effort. Our results show that policy design matters for public support. They also highlight variation across countries and socio-economic and ideological differences among citizens. Most importantly, fundamental opposition to EURS is confined to a small segment of the European population. In all countries in the sample, there are potential majorities for specific policy packages that organize EURS.

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Summary

Why conduct a survey on public support for cross-border risk sharing?

In the aftermath of the Eurozone crisis, the European Commission has argued repeatedly that the European Monetary Union has to be completed by automatic fiscal stabilisers. Welfare states have built-in automatic stabilisers that cushion economic shocks; for instance, unemployment benefits support the purchasing power of people who lose their job. The argument with regard to the European Monetary Union is that a monetary union needs mechanisms to buttress or complement the automatic stabilizers of its member states. To achieve this, one of the options would be the re-insurance of national unemployment benefit schemes at the Eurozone level. Another option, tabled by the European Commission, would be a scheme that supports Member States' public investment capacity when they are hit by a crisis and have to cope with reduced revenue and increased spending on unemployment benefits. Both options share a common insight: it is important that Member States' automatic stabilisers can play their role in times of crisis whilst simultaneously their public investment capacity is protected; therefore, the monetary union has to be, to some extent, an 'insurance union'.

However, are EU citizens ready to share the risk of unemployment crises hitting their countries? This remains a crucial, yet unresolved question. This report sheds light on that question, on the basis of a survey conducted in 13 Member States, covering 70% of the EU's population, involving 19641 respondents. Risk sharing can be organized in many different ways. Thus, the generic idea that the stability of the European Monetary Union can be bolstered by the cross-border sharing of risks related to unemployment shocks has led to a large variety of detailed policy proposals. Our survey is designed to take that large diversity as much as possible into account and to translate it to citizens of all straits of the population in an understandable way. The core idea in all the policy variants we tested is that a new European policy would support unemployment benefits in countries that are in need, due to a significant increase in unemployment. Therefore, we refer to our core idea as 'European Unemployment Risk Sharing' (EURS). Our results show that the specific design of policies, aiming at particular modes of risk sharing, matters for public support among citizens. They also highlight differences in support across countries, and differences among citizens related to their social and economic condition and their personal world view.

Our main conclusions

Our evidence leads to the following conclusions with regard to European unemployment risk sharing (EURS):

- Fundamental opposition to EURS is confined to a relatively small segment of the population.

- Citizens are sensitive to the design of EURS: although this sensitivity differs across countries, they generally tend to prefer packages that are more generous (more generous means: a larger amount of European subsidies and, thus, a higher guaranteed minimum level of unemployment benefits in the participating countries), that require countries to offer education and training to all their unemployed citizens, that entail no tax increases, and that require individual beneficiaries to fulfill at least some conditions (e.g. accept a suitable job offer).

- Generous packages can carry majorities in each of the countries in our sample, even if a generous package would require additional taxation (whether that would indeed be the case is not something we discuss; this is not more than a hypothesis which we test). In some countries, domestic redistribution from rich to poor of the eventual tax burden (if there would be a tax burden) is necessary to rally sufficient support.

- In most countries, support is larger if the implementation of EURS is decentralized: this adds to arguments developed elsewhere that one should not try to build a true European benefit scheme but a *re*-insurance scheme that supports national benefit systems with lump sum transfers.

- In all countries, support increases if EURS is associated with *social investment* policies, that is, a good combination of training, education and activation.

- A debate that exercises the policy community a lot, i.e. the question how tolerant the scheme should be with regard to structural between-country redistribution, seems less important for citizens, when they express preferences, than for policymakers. This is not to say that such debates are not important; but other issues – such as education, training and activation requirements – seem to carry more weight for citizens' judgment.

Rather than insurmountable polarization, we observe room for constructive democratic deliberation.

Our methodology: a survey experiment with 'conjoint analysis'

In order to explore citizens' attitudes with regard to these complex questions, we fielded a focused survey experiment. We confronted all individual respondents with three pairs of two alternative policy options (hence, six policy options in total). We thereby asked respondents two sets of questions: for each pair, they had to tell us which of the alternative policy options they would prefer; and for each of the six policy options they had also to indicate whether they would strongly oppose it, somewhat oppose, somewhat support it, or strongly support it (or, neither support nor oppose it). Thus, we simultaneously gathered information about relative preferences

across alternative policy packages, and information about the absolute level of support or resistance against these policy packages.[3]

The alternative policy options share a number of features (in our report, we call these 'the fixed points'); but they differ importantly across six dimensions (in our report we label these 'the moving parts').

The 'fixed points' of all the policy packages judged by our respondents are the following:

1. The disbursement of European support for a Member State is triggered by significant increases in unemployment in that Member State; the scheme does not generate a permanent cash flow to each Member State.
2. European support is earmarked to unemployment benefits: it is used to subsidize national unemployment systems.
3. The scheme sets a common floor to the generosity of unemployment benefit levels in all the participating countries. The respondents are informed that the participating member states can provide unemployment benefits that are higher than the common floor, but at their own expense.

The 'moving parts' are related to six dimensions, across which policy packages differ. We make respondents think about a '*generosity*' dimension (D1), a '*training and education*' dimension (D2), a '*between-country redistribution*' dimension (D3), a '*taxation*' dimension (D4), an '*administration*' dimension (D5), and a '*job search effort dimension*' (D6). Concretely, the moving parts differentiate the policy packages as follows:

1. The *generosity dimension* concerns the generosity of European support when a country is in need, and – intrinsically related to this – the level of the common floor for unemployment benefits that is set in all the participating countries. Three levels of European support/common floor are envisaged; they are expressed as a percentage of the last wage, covering the first six months of unemployment: (i) 40%, (ii) 60%, or (iii) 70%.
2. The *training and education dimension* concerns the presence (or absence) of a condition that countries must fulfill to obtain support: (i) either there is no condition to obtain

[3] In addition to questions about the policy packages, we ask questions about: (a) the respondent's age, level of education, citizenship and residence on a NUTS2 level, main activity in the recent past, income level and main source of income, and household composition; (b) the respondent's personal experience with unemployment, feelings of economic insecurity and his/her perception of the evolution in his/her relative income position; (c) the respondent's general socio-economic ideology, electoral preferences, values, religion and identity; (d) the respondent's opinion on the responsibility of governments to secure a decent standard of living for the unemployed, the actual standard of living of the unemployed in his/her country and the job search effort of unemployed people; (e) the respondent's trust in trade unions, in national institutions and the EU, and in the current political leaders in his/her country and the EU: (f) the respondent's concern with globalization, trade and migration and other societal problems.

support, or (ii) the participating countries must offer training and education opportunities to all their unemployed citizens.

3. The *between-country redistribution dimension* refers to the following question: may some countries, in the long run, receive more support from the scheme than they pay into it? Here, we make a distinction between (i) a 'pure insurance' scheme, whereby in the long run countries cannot receive more support from the scheme than they paid into the scheme (no between-country redistribution in the long run); (ii) a 'tolerant' scheme, which allows any kind of between-country redistribution that might emerge in the long run; (iii) a 'redistributive' scheme: next to insurance against severe unemployment shocks, it deliberately generates distribution from rich to poor countries.
4. The *taxation dimension* concerns the long-run impact on levels of taxation in the respondents' own country. Three scenarios are tabled: (i) no long-run impact on levels taxation; (ii) taxes will increase with 0,5% of income for everyone in the country; (iii) taxes will increase with 1% of income, only for the rich in the country.
5. The *administration dimension* distinguishes schemes that are (i) administered by the European Union and schemes that are (ii) administered by the national governments. One may interpret this as a distinction between a 'genuine European unemployment benefit scheme' (whereby an EU fund would cash out benefits directly to individual European citizens) and a 're-insurance' scheme (whereby an EU fund disburses lump sum budgetary transfers to Member States, but the whole unemployment benefit system remains national); but the survey does not go into that level of detail, and tests the general sensitivity of respondents to 'European' versus 'national' administration of such a scheme.
6. The *job search effort dimension* concerns conditions applying to individual unemployed people. We distinguish three scenarios: (i) there are no conditions for unemployed people; (ii) the unemployed must accept any suitable job or lose the benefit; (iii) the unemployed must apply for at least one job per week, and accept any suitable job offer, or lose the benefit.

These 'moving parts' generate 324 different combinations of policy options (3 x 2 x 3 x 3 x 2 x 3 = 324): all 324 alternative policy packages organize cross-border risk-sharing, but each policy package does it in a different way. Each of our 19500 respondents has been confronted with 6 packages, drawn *randomly* from the total set of 324 alternative policy packages. In order to obtain robust conclusions about the respondents' attitudes and their sensitivity to alternative design options, it is crucial that they are confronted with the result of a random draw. This methodology is called a *survey experiment with conjoint analysis*.

It is important not to misunderstand the nature of our 'moving parts', for instance with regard to the taxation dimension. We are *not* saying that implementing cross-border risk sharing would imply either no tax increases or tax increases equivalent to 0,5% of incomes. These figures are meant to indicate to respondents that some packages come with extra contributions for

unemployment insurance whilst other packages may not imply extra contributions; '0,5%' and '1%' are simple figures that convey that message, nothing more.

Whilst there are some important 'fixed points' and a number of 'moving parts', some design features are left open in the survey: issues related to the coverage of the benefits[4], whether or not the scheme can issue debt[5], which countries would participate and whether or not it would be limited to the Eurozone[6], and details of the financial and administrative operations.[7] We motivate this choice in detail in the report.

Our 324 packages cover the essence of the huge diversity of outstanding policy proposals in a way that is both relevant and accurate, but also accessible to respondents. It differentiates fundamental modes of risk-sharing, rather than going into any detail. It is, to the best of our knowledge, the first time that such a complex 'policy design' problem, referring to policies that respondents *have to imagine* since they do not yet exist in practice, is fielded in a survey. We wanted to avoid the risk of making that exercise in imagination too complex for respondents.

A sample drawn from 70% of the EU population

The survey was implemented in Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Netherlands, Poland, and Spain. These countries vary considerably with respect to their level of economic development, their welfare state model (notably the generosity of their current unemployment benefit systems, the strictness of their policies vis-à-vis people living on unemployment benefits, i.e. the availability requirements, the monitoring of job search efforts, the sanctions that are applied); their economic performance over the last 10 years, their geographical location, the length of their membership of the EU, and their membership of the Eurozone. Fieldwork was conducted by means of an online panel, by the survey company IPSOS

[4] National unemployment benefit systems differ considerably in terms of their coverage of the unemployed, because of different waiting periods, eligibility rules and labour market institutions. The logic of the schemes we propose to respondents is that they also imply some guidelines with regard to the coverage of the unemployment benefits. This is bound to be an aspect of any concrete policy proposal in this domain, but we do not confront respondents with it. The quality of the scheme, in terms of the generosity it entails, is captured by a focus on the level of the benefits, expressed as a simple linear percentage of the last wage (thus also making abstraction of minima, caps, differentiation on the basis of household composition, etc.).

[5] Whether or not such a scheme can issue debt, is a salient policy question. The issuance of debt allows the intertemporal smoothing of shocks, which means that the functionality of the scheme is not limited to so-called 'asymmetric shocks', hitting only one or a limited number of countries. The issuance of debt is not mentioned in the survey experiment. But the framing and the wording of the questions are compatible with debt issuance, and the respondent is nudged to think in a long-term perspective, which, in actual practice requires an intertemporal perspective (for instance, the questions on between-country redistribution and taxation explicitly refer to 'long run' impacts).

[6] The question which countries participate is not part of the survey; the survey is framed in terms of 'EU Member States', which implies that it is not necessarily limited to the Eurozone (two countries in the sample do not belong to the Eurozone).

[7] We do not confront respondents with precise mechanisms that would ensure 'pure insurance' (such as 'experience rating' of contributions paid by participating countries, or 'claw-back' mechanisms). Neither do we confront them with the exact, administrative way in which the schemes would be funded.

and took place in October and November 2018; it assured a representative sample in each country.

Nudging and judging the respondents: a careful approach

We did not nudge the respondents by referring to the potential positive outcomes of risk-sharing schemes, or to potential pitfalls. The positive outcome expected from cross-border risk-sharing is more stability everywhere, and, as consequence, less unemployment and lower social security contributions in the long run. We do not mention this to our respondents, which means that we undersell the proposal: it is presented in terms of principles of 'need' (across countries) and solidarity (implicitly, not using the word). Neither do we mention potential pitfalls related to moral hazard: countries may become less worried about the risk of severe unemployment crises, and therefore less pro-active in their overall policies, when there is some insurance against severe crises; the incentives for individuals to avoid unemployment (or to find a new jobs as soon as possible) may diminish when the upshot of the scheme is that benefits become more generous. However, in our 'moving parts', the *education and training dimension* and the *job search effort dimension* can obviously be interpreted by respondents as remedies to moral hazard, both at the level of national policies and at the level of individual behavior by benefit recipients. In this sense, the problem of moral hazard is present in the survey's design, and these questions may nudge respondents to think about the risk of moral hazard.

In the analysis of our results, we take into account three phenomena, which are inevitable in such a survey design: inattentive respondents, inconsistent respondents, and inconsistent packages.

Since we want respondents to reason about differences in policy design, lack of attention can be seen as a problem, at least if the aim is to present the results of *considered judgment*. On the other hand, lack of attention is a reality in the formation of personal opinions and the views of 'inattentive citizens' cannot be discarded out of hand. Our survey includes an attention check, which allows to eliminate *inattentive respondents*, i.e. respondents that show, by the *end* of the survey, that they are no longer attentive (or simply not attentive) to detail. We present our main results with the exclusion of the respondents that fail this attention check; this eliminates 19% of the respondents. In addition, we also provide results with inclusion of those respondents.

Respondents are confronted with three pairs of alternative packages: they have to tell us their preferences over each pair, and indicate their absolute level of support (or resistance) for each single package. A respondent who chooses package A over package B, and then expresses a higher level of support for B than for A, gives, *prima facie*, an *inconsistent response*. If this happens two or even three times, the respondent is *repeatedly inconsistent*. Again, the views of such inconsistent respondents cannot be discarded out of hand in a democratic political process; but if our aim is to present the results of considered judgment, they pollute the analysis. The share of respondents who give one (and only one) inconsistent response is 11,9%; we consider this a relatively low figure, given the complexity of the questions tabled. Only 2,6% of the

respondents are repeatedly inconsistent. We present our main statistical results with the exclusion of repeatedly inconsistent respondents. Eliminating both the inattentive respondents and the repeatedly inconsistent respondents eliminates 20,6% of the respondents.

The random generation of policy packages is necessary to draw robust conclusions with regard to the sensitivity of respondents to changes in the individual dimensions of the policy design. Yet, random combinations inevitably create (*prima facie*) *internally inconsistent packages*. To take one example: if the scheme is based on the 'pure insurance' option, in the long run there are no net beneficiaries and no net contributors at the country level. Taking a long-run perspective (with smoothing out of temporary fluctuations), this implies the following: if the domestic level of taxation in country X does not increase, it is not possible to improve the generosity of the current benefit level in that country X, since it cannot rely on structural external support to do that. Consider, for instance, Estonia, a country in which the level of generosity of unemployment benefits is very low today. An Estonian respondent who is confronted with a package that combines 'pure insurance', 'no extra taxation', 'a benefit (at least) equal to 70% of the last wage for the first 6 months of unemployment', has to judge a package that is – in Estonia – not feasible in current conditions (it might be feasible if unemployment would further decrease, or if other social programmes are cut or public deficits allowed to increase, but that is not something proposed in our survey). The example shows that the internal inconsistency of a package is a country-specific feature: there is one country in our sample, in which a 70% target for the level of benefits (for the first 6 months of unemployment) without any additional domestic funding is not *prima facie* unfeasible.

Given the nature of our research we can only make a rough judgment about which packages are, *prima facie*, internally inconsistent. For our main conclusion, we zoom in on packages that are internally consistent.[8]

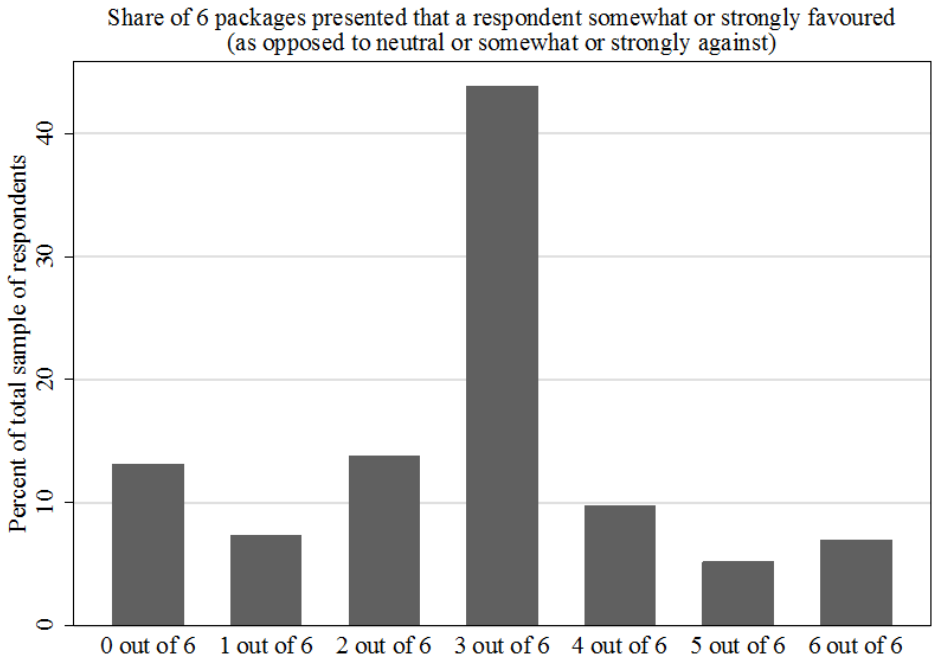
First observations: limited fundamental opposition, differences across countries

Fundamental opposition to cross-border risk-sharing is limited: less than 10% of the respondents rejects the majority of the six packages they reviewed (whereby 'reject' means: somewhat oppose or strongly oppose). We also considered the converse pattern, the share of respondents

[8] The report makes a distinction between internal inconsistency of the 'free lunch' type, and internal inconsistency of the 'cheap talk' type. The report also sheds light on the problem of *external inconsistency of package combinations. External inconsistency* refers to a combination of preferences across countries, which would be incompatible if they would be implemented simultaneously. Consider for instance the following situation: preferences expressed in countries X, Y, Z imply the receipt of structurally redistributive transfers (in the long run) from other countries, whilst in all the other countries the preferred option is 'pure insurance', which excludes structural redistribution in the long run: it is not possible to combine these preferences in an EU scheme. Our analysis allows to highlight both these external inconsistencies and the existence of unique packages that would mobilize sufficient support to be accepted in each of the countries under review. Figure ES4 in this Executive Summary illustrates this.

who positively support (somewhat or strongly support) three or more of the six packages they saw: this share is equal to 66%.[9] This is shown in Figure ES1.

Figure ES1: Fundamental support for packages, pooled sample, 13 countries



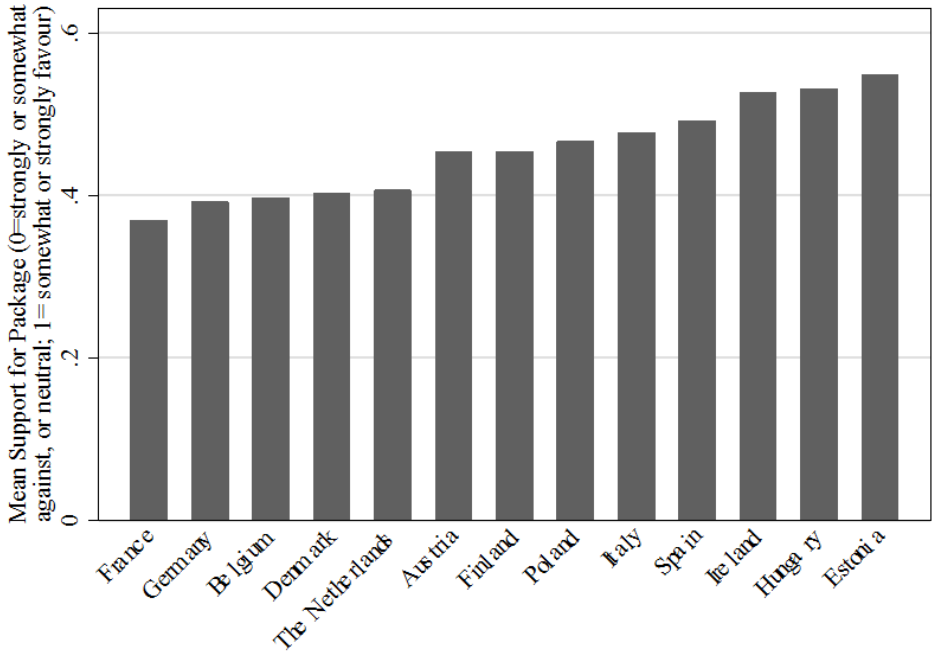
Reading note at Figure ES1

The bar in the middle shows that 44% of all respondents, over all countries, say that they are 'somewhat in favour' or 'strongly in favour' with regard to 3 out of the 6 policy packages with which they are confronted. The bar on the far left shows that 12,9% of all respondents say that they are 'somewhat in favour' or 'strongly in favour' for *none* of the 6 packages they have seen (in other words, the attitude of 12,9% of the respondents with regard to all 6 packages is either 'somewhat against', 'strongly against', 'neither in favour nor against').

Levels of support however differ across countries, as shown in Figure ES2. Figure ES2 displays the 'mean level of support' per country, over all packages seen by respondents:

[9] This figure does not change when we exclude all packages (for respondents in all countries) that might be internally inconsistent, on a large construal of that notion, because they combine a generosity level of 70% and no increase in taxation. The percentage increases marginally (to 66,9%) when the respondents who fail the attention check are also excluded.

Figure ES2: Mean support for packages, by country



Reading note at Figure ES2

In France, 'mean support' is equal to 38%; in an (imaginary) series of 'votes' by French respondents on *all* the packages they have seen, 38% of the votes would be 'somewhat in favour' or 'strongly in favour'. In Estonia, 'mean support' is equal to 55%. Please note that the 'vote' is about *all* the packages seen by the respondents, including packages that are far less popular than other packages.

Intuitively, the pattern that emerges is that mean support is lower in most of the richer countries with mature and well-established welfare states (notably France, Germany, Belgium, Denmark, the Netherlands). It is considerably higher in the poorer member states, with less developed welfare states (such as Estonia and Hungary), and in member states that have been hit hardest by the Eurozone crisis (in our sample: Italy, Spain, Ireland).

Respondents are sensitive to the design of the scheme. They generally tend to prefer packages that are more generous (70% wage replacement), that require countries to offer education and training to their unemployed, that entail no increased tax burden, and that require individual beneficiaries to fulfill at least some conditions (e.g. accept a suitable job offer). However, interestingly, this sensitivity differs across countries.

Our survey allows much more fine-grained analysis than what is presented here, notably with regard to the impact of individual socio-economic characteristics of respondents, the impact of their world view, and how these individual features interact with differences in the design of the policy. Our report sheds some light on such individual-level determinants of support. An unsurprising observation is that a positive attitude towards the EU increases support for an EU

initiative to organize cross-border risk sharing. More surprising is the finding that, simultaneously, the type and purpose of the risk sharing proposed in our survey attracts marginally more support from people with low incomes than from people with high incomes. This will be explored in additional academic publications.

Potential majorities in each country

Our survey allows us to *predict* levels of support for specific packages, as if a vote would have been cast. Obviously, one should be cautious when deriving 'predicted votes' from survey results, but our method provides the most robust evidence to do so. Figure ES3 shows predicted levels of support when all countries are pooled, as if an (imaginary) supranational vote would take place. The *bars* capture the share of voters who somewhat or strongly support a specific EURS package (whereby EURS stands for 'European Unemployment Risk Sharing'), relative to those who declared either support or opposition. In other words, the bars assume that 'neutral' answers ('neither in favour nor against') are not voting, or, when forced to vote in favour or against, would split in a proportional way between the support and oppose camps. The *solid horizontal lines* on each bar show the share of support assuming that all 'neutral' respondents would turn against the package when the vote is cast. Thus, the top of the bars and the solid horizontal lines indicate an upper and a lower bound.

Figure ES3: Predicted Vote for Sample Packages, Pooled Sample (13 countries)

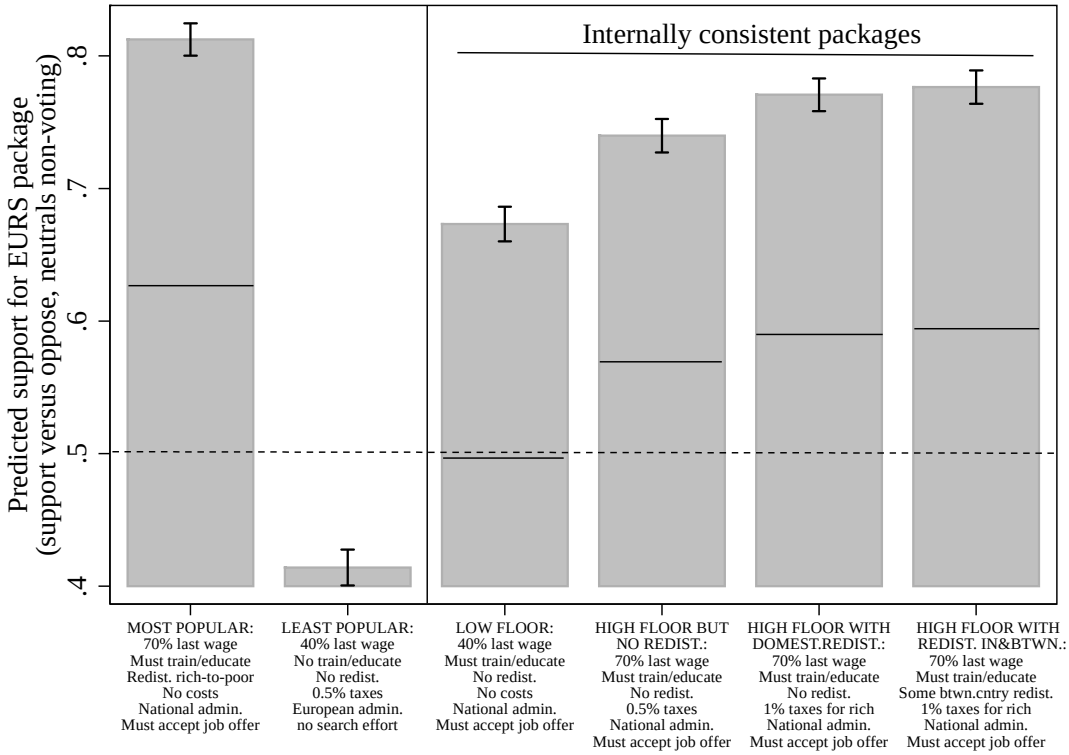


Figure ES3 focuses on six EURS packages. The first two packages are only interesting in theory: the first (starting from the far left of the graph) is the 'most popular' and the second is the 'least popular' package. Both are internally inconsistent and clearly not viable as political projects. The most popular package (more than 80% of the vote, excluding neutrals) is a 'free lunch' where respondents want the most generous assistance without having to pay anything extra for the assistance. We consider this as internally inconsistent in most of the countries under review. The least popular (somewhat more than 40% of the vote, but no majority) is also internally inconsistent, since it combines a low common floor for the benefits with a general increase in taxation, whilst such a low common floor does not require an increase in taxation. Its lack of popularity is due to the increase in taxes and the low level of generosity, and the fact that no conditions apply to participating countries and their unemployed citizens.

The remaining four packages represent mixes that are *prima facie* internally consistent. They are roughly ascending in generosity and character of domestic and between-country redistribution. As can be seen by the descriptions of each, not all dimensions vary. For instance, it's clear that respondents tend to prefer that participating countries provide training and education for their unemployed; that administration be at the national (rather than European) level; and that individual beneficiaries should be required to at least accept a suitable job offer. Hence we keep these three features constant. But we differentiate along three dimensions:

- *generosity*: a package that subsidizes 40% of the last wage versus a package that subsidizes 70% up the last wage (for 6 months);
- *between-country redistribution*: a package that does not allow between-country redistribution in the long run, in contrast to a package that tolerates between-country redistribution;
- *taxation*: a package that implies no extra taxation in the respondent's country in the long run, a package that implies a long-run increase of taxation of 0,5% of income for everybody in the respondent's country, and a package whereby taxes only increase for the rich (by 1%).

Table E1 summarizes the features of these packages, which we label *LOW FLOOR, HIGH FLOOR & NO REDISTRIBUTION, HIGH FLOOR & DOMESTIC REDISTRIBUTION* and *HIGH FLOOR & DOMESTIC AND BETWEEN-COUNTRY REDISTRIBUTION*.

Table ES1: Features of the four internally consistent EURS packages under review in Figure ES3 and ES4

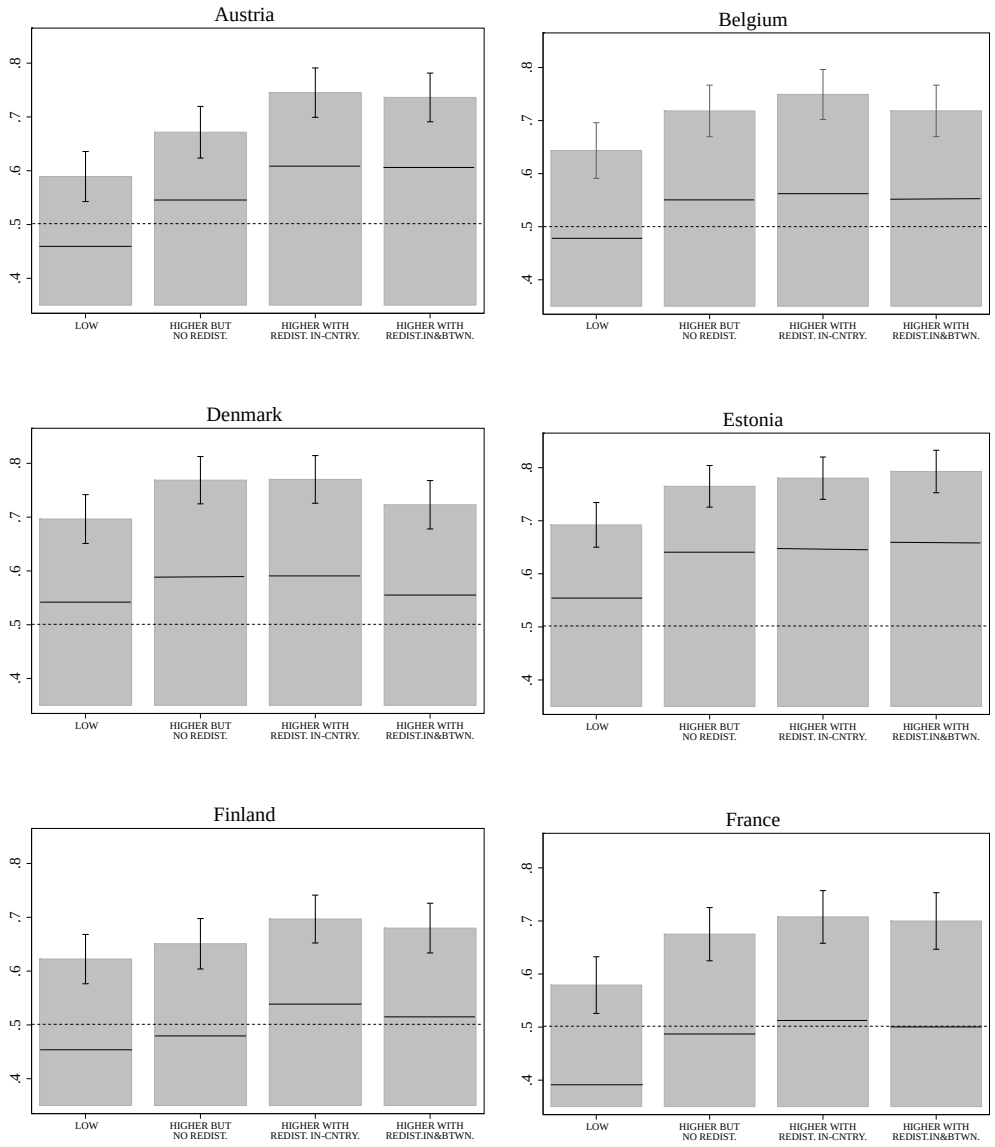
	LOW FLOOR	HIGH FLOOR, NO REDISTRIBUTION	HIGH FLOOR & DOMESTIC REDISTRIBUTION	HIGH FLOOR & DOMESTIC AND (possibly) BETWEEN-COUNTRY REDISTRIBUTION
D1	40%	70%	70%	70%
D2	the participating countries must educate and train			
D3	no between-country redistribution in the long run			tolerant: in the long run any between-country redistribution is possible
D4	no extra taxation in your country	everybody pays 0,5% extra in your country	the rich pay 1% extra in your country	
D5	national administration			
D6	unemployed people must accept any suitable job, or lose the benefit			

Across these internally consistent packages, Figure ES3 displays a quite clear pattern of Europeans tending to prefer packages that are more generous and entail more redistribution – particularly within countries through progressive taxation, but also between countries by allowing participating countries to draw on more from the insurance facility than they pay in. The LOW FLOOR package has the least predicted support: 65% when 'neutrals' are excluded, but just under 50% should one assume all neutrals vote against the package. The remaining, more generous and redistributive packages are above the 50% threshold, even one assumes that all neutrals would vote against. The package that our models predict would receive the most voter support is that which combines a generous replacement of last wages with redistribution within countries and tolerance for distribution between countries in the long run.[10]

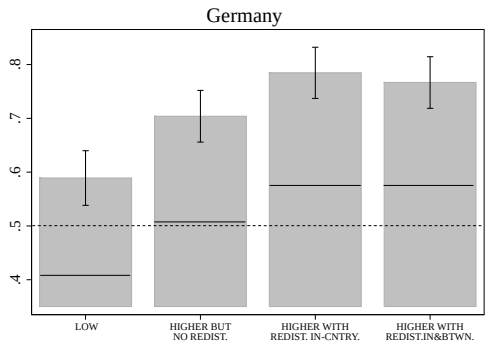
[10] These packages feature the second variant of the 'between-country redistribution' dimension, as explained in the section on methodology (cf. *supra*): they *allow* redistribution, but do not impose it; the third variant in the 'between-country redistribution' dimension *imposes* redistribution from rich to poor countries. The differences in support between the second and third variant are small. The second variant can be understood as most conform to the principle that countries 'in need' always deserve support, even if in the long term they turn out to be net beneficiaries of the scheme. 'Need' here refers to severe unemployment problems, rather than being a poor country; protecting against unemployment shocks is the core, principled rationale of the scheme, rather than redistribution

Political deliberation on a European unemployment risk sharing will not be based on a supranational vote, but on decision-making in the European Council. Therefore, the country-specific patterns are also important. Figure ES4 shows the results per country.

Figure ES4: Predicted Vote for Sample Packages, by Country



from rich to poor. To the extent that respondents buy into this rationale, this may explain why there is generally marginally more support for the second variant than for the third variant, even if the differences are very small.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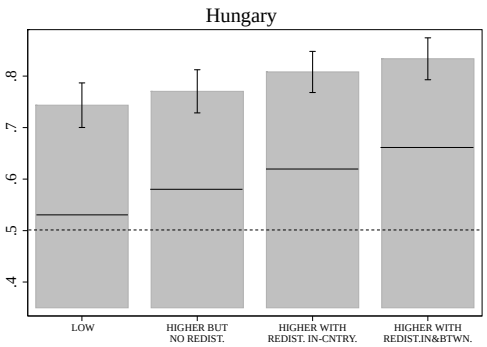
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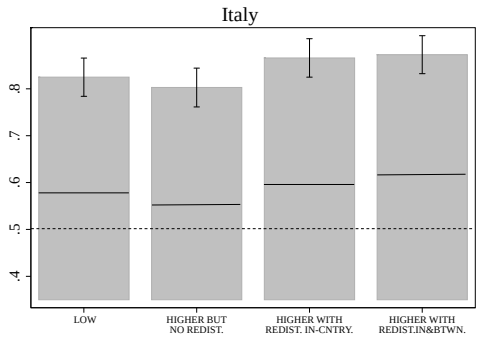
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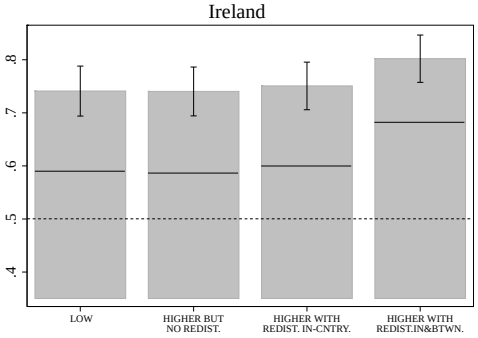
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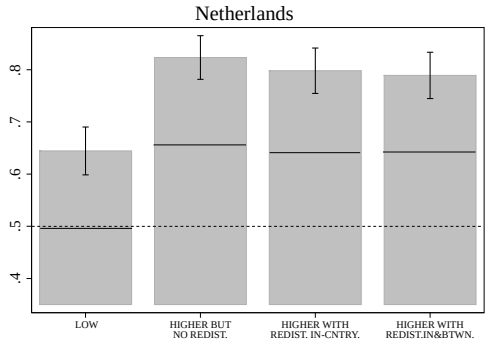
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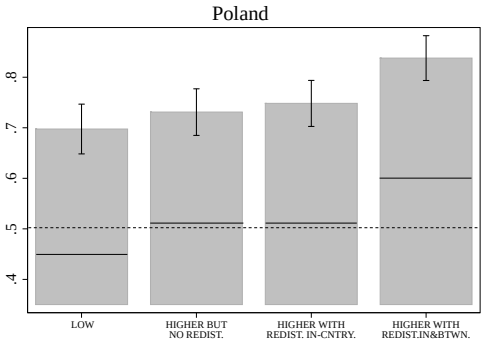
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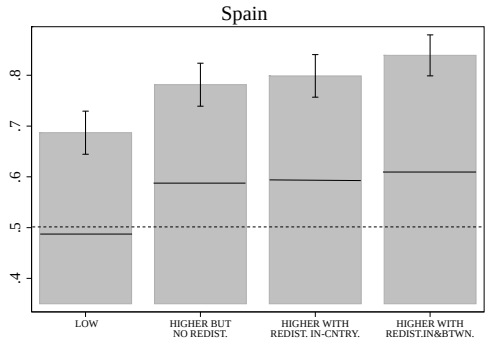
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Reading note at Figure ES4 (for Italy)

In the graph on Italy, the *bars* show the share of Italian respondents who somewhat or strongly support four specific EURS packages (whereby EURS stands for 'European Unemployment Risk Sharing'), relative to those who declared either support or opposition. In other words, the bars assume that 'neutral' respondents ('neither in favour nor against') are not voting, or, when forced to vote in favour or against, would split in a proportional way between the support and oppose camps. Support expressed by Italian respondents always surpasses 75%, but is higher for the packages with HIGH GENEROSITY and DOMESTIC REDISTRIBUTION (with between-country redistribution adding hardly anything in terms of support). The *solid horizontal lines* on each bar show the share of support assuming that all 'neutral' respondents would turn against the package when the vote is cast: even in that case, there would be majority support by our Italian respondents for the 4 policy packages shown.

Figure ES4 reveals important country-specific patterns that can deviate from the pooled pattern captured by Figure ES3. Space forbids going into the detail of all the interactions between a respondent's country and that respondent's sensitivity to particular design features of the scheme, interactions that emerge from this analysis. In most of our countries, citizens prefer more generous and more redistributive programs. But there are two countries, Ireland and Italy, that prefer (modestly) less generous insurance. Additionally, a number of countries are not particularly more enthusiastic about packages that have domestic redistribution (compared to an across-the-board modest tax burden to pay for the programme). This applies to Belgium, Ireland, Poland – but is most marked in the Netherlands. Finally, compared to the pooled Figure ES3 pattern, a number of countries are substantially more or less enthusiastic about both domestic and between-country redistribution. The countries that are particularly enthusiastic about this redistributive combination are Poland, Estonia, Ireland and Spain. And the countries that are substantially *less* enthusiastic about such cross-country and domestic redistribution include Austria, Belgium, Denmark, Germany and the Netherlands. This is, of course, a predictable split in terms Euro-zone political economy and net debtor and creditor status, and the pattern comports with earlier studies suggesting very divided support in Europe for particularly cross-nationally redistributive European schemes.

However, the take-home message is that the *HIGH FLOOR* packages carry potential majorities in each of the countries under review. Whether or not between-country redistribution further enhances support, or reduces it, depends on the country. In some countries, domestic redistribution of the eventual tax burden (if there would be a tax burden) is necessary to rally sufficient support (France and Finland). The *domestic* distributive impact of an eventual increase in taxation would obviously be a matter for domestic decision-making, and not something to be decided jointly in the Council.

Pointers for policies

The aim or our report is not to debate the potential benefits and pitfalls of European unemployment risk sharing (EURS) and the intrinsic pro's and con's of specific design features.

We focus on what they mean for public support. The examination of citizens' attitudes towards EURS nevertheless leads to some pointers for policy-makers:

- fundamental opposition to EURS is confined to a relatively small segment of the population;
- citizens are sensitive to the design of EURS: although this sensitivity differs across countries, they generally tend to prefer packages that are more generous, that require countries to offer education and training to their unemployed, that entail no tax increases, and that require individual beneficiaries to fulfill at least some conditions (e.g. accept a suitable job offer);
- generous packages can carry majorities in each of the countries in our sample, even if a generous package would require additional taxation (whether that would indeed be the case is not something we discuss). In some countries, domestic redistribution of the eventual tax burden (if there would be a tax burden) is necessary to rally sufficient support;
- in most countries, support is larger if the implementation of EURS is decentralized: this adds to arguments developed elsewhere that one should not try to build a true European benefit scheme but a *re*-insurance scheme that supports national benefit systems with lump sum transfers;
- in all countries, support increases if EURS is associated with *social investment* policies, that is, a good combination of training, education and activation;
- A debate that exercises the policy community a lot, i.e. the question how tolerant the scheme should be with regard to between-country redistribution, seems less important for citizens, when they express preferences, than for policymakers.

Section 1. Purpose and structure of the report

In the aftermath of the Eurozone crisis, the European Commission has argued repeatedly that the European Monetary Union has to be completed by automatic fiscal stabilisers. Automatic fiscal stabilisers cushion economic shocks by supporting effective demand when a crisis hits an economy. Welfare states have built-in automatic stabilisers; for instance, unemployment benefits support the purchasing power of people who lose their job. The argument with regard to the European Monetary Union is that a monetary union needs mechanisms to buttress or complement the automatic stabilizers of its member states. To achieve this, one of the options would be the re-insurance of national unemployment benefit schemes at the Eurozone level. Another option, tabled by the European Commission, would be a scheme that supports Member States' public investment capacity when they are hit by a crisis and have to cope with reduced revenue and increased spending on unemployment benefits. Both options share a common insight: it is important that Member States' automatic stabilisers can play their role in times of crisis whilst simultaneously their public investment capacity is protected; therefore, the monetary union has to be, to some extent, an 'insurance union'.

However, are EU citizens ready to share the risk of unemployment crises hitting their countries? This remains a crucial, yet unresolved question. This report sheds light on that question, on the basis of a survey conducted in 13 Member States, covering 70% of the EU's population involving (without the pretesting) 19641 respondents. Risk sharing can be organized in many different ways. Thus, the generic idea that the stability of the European Monetary Union can be bolstered by the cross-border sharing of risks related to unemployment shocks has led to a large variety of detailed policy proposals. Our survey is designed to take that large diversity as much as possible into account and to translate it to citizens of all straits of the population in an understandable way. Our results show that the specific design of policies, aiming at particular modes of risk sharing, matters for public support. It also highlights differences in support across countries, and differences among citizens related to their social and economic condition and their personal world view. The most important conclusion is that fundamental opposition to cross-border risk-sharing is confined to a relatively small segment of the population. Depending on the specific design of risk-sharing schemes, there are, potentially, majorities in support of such schemes in each of the countries in our sample. In yet other words, rather than insurmountable polarization, we observe room for constructive democratic deliberation.

In order to explore citizens' attitudes with regard to these complex questions, we proceeded in the following way. We confronted all individual respondents with three pairs of two alternative policy options (hence, six policy options in total). We thereby asked respondents two sets of questions: for each pair, they had to tell us which of the alternative policy options they would prefer; and for each of the six policy options they had also to indicate whether they would strongly oppose it, somewhat oppose, somewhat support it, or strongly support it (or, neither support nor oppose it). Thus, we simultaneously gathered information about relative preferences across alternative policy packages, and information about the absolute level of support or resistance against these policy packages.

The alternative policy options share a number of features (we call these 'the fixed points'); but they differ importantly across six dimensions (we label these 'the moving parts').

The ‘fixed points’ of all the policy packages judged by our respondents are the following:

4. the disbursement of European support for a Member State is triggered by significant increases in unemployment in that Member State;
5. European support is earmarked to unemployment benefits: it is used to subsidize national unemployment systems;
6. the scheme sets a common floor to the generosity of unemployment benefit levels in all the participating countries.

The ‘moving parts’ are related to six dimensions, across which policy packages differ. We make respondents think about dimensions with regard to:

7. the *generosity* of the scheme (3 alternative options);
8. *training and education* conditions attached to the scheme (2 alternative options);
9. the possibility of *between-country redistribution* (3 alternative options);
10. the impact on *taxation* (3 alternative options);
11. the *administration* of the scheme (2 alternative options);
12. the *job search effort* that would be required from individual unemployed people (3 alternative options).

These ‘moving parts’ generate 324 different combinations of policy options: all 324 alternative policy packages organize cross-border risk-sharing, but each policy package does it in a different way. Each respondent has been confronted with 6 packages, drawn *randomly* from the total set of 324 alternative policy packages. In order to obtain robust conclusions about the respondents’ attitudes and their sensitivity to alternative design options, it is crucial that they are confronted with the result of a random draw. This methodology is called a *survey experiment with conjoint analysis, as explained in Box 2.*

A European unemployment risk sharing (EURS) scheme would buttress existing domestic policies that protect residents facing job loss. Doing so would manifest some solidary sharing of economic risks associated with unemployment shocks. This can be construed as in part a matter of altruistic solidarity or redistribution among members of a thin kind of social and political community associated with the EU project. But it can also be construed as a matter of insurance against risks, motivated by a common concern about the benefits of sharing in the burden of indemnifying citizens against such risks; insurance, so conceived, appeals to self-interest on a more narrow, national level. This is, in a nutshell, what our survey is about.

Whether or not automatic fiscal stabilizers are necessary at the Eurozone level has been a hotly debated issue. And, whether or not automatic stabilizers should be associated with unemployment insurance is also debated. We rehearse some of the arguments in support of EURS, since these arguments inform the way in which our survey experiment has been set up, but we do not engage with the validity of these arguments and the underlying debates. Our starting hypothesis is that these arguments are relevant, and we test citizens’ attitudes towards policies based on them. It should be noted that, in addition to economic arguments, advocates of EURS sometimes table a political argument: the solidarity embodied in EURS might increase the EU’s legitimacy; it rebalances economic and social dimensions of European cooperation. The results of our survey experiment can be used to shed light on that political argument.

Structure

Section 2 very briefly rehearses some arguments in favour of EURS, and we propose a typology of policy options to implement EURS. We develop this typology with special reference to three recent publications which are particularly useful for our purpose. We explain to what extent and how our survey experiment covers the large diversity of policy options present in these publications.

Section 3 provides a full description of the survey and elaborates on challenges such as inattentive respondents, inconsistent respondents and inconsistent combinations of policy options.

Section 4 presents an overview of recent publications on citizens' attitudes to European solidarity that are relevant for our purpose.

Section 5 presents our main results.

Section 6 briefly concludes with pointers to policies.

The structure of our report allows the reader to skip **Sections 2 and 4**, if time constraints prevent reading the entire report.

Section 2. Cross-border risk sharing when unemployment hits: a typology of policy options

Our survey focuses on a key issue in recent debates about the completion of EMU. An insight that gained prominence in these debates, is that nearly all existing monetary unions are true 'insurance unions'. They not only centralize risk management with regard to banks, they also centralize unemployment insurance. Historically, EMU was the one exception, but it is now gradually developing policies driven by the need for mutual insurance, notably in its progress towards a Banking Union. Next to a Banking Union and a Capital Market Union, the European Commission argued repeatedly that EMU also needs fiscal stabilisers; to achieve this, one of the options would be the re-insurance of national unemployment benefit schemes at the Eurozone level. Another option, which the European Commission seems to prefer in its latest publication on the matter, would be a scheme that supports Member States' public investment capacity when they are hit by a crisis and have to cope with reduced revenue and increased spending on unemployment benefits.[11] In fact, both options share a common insight, to wit, that it is important that Member States' automatic stabilisers can play their role in times of crisis whilst simultaneously their public investment capacity is protected.

The organization of fiscal stabilizers, including, as one option, a re-insurance of national unemployment benefit schemes, has not only been advocated by the European Commission. It was rehearsed in successive official EU reports and the subject matter of a large debate in academic and policy circles.[12] It is also present in the joint declaration by the German and French governments of 19 June 2018. The generic idea that stabilization can be bolstered by the cross-border sharing of risks related to unemployment shocks has led to a large variety of detailed policy proposals. In this section we illustrate this diversity of proposals on the basis of three recent publications. Our survey experiment is designed to take that large diversity as much as possible into account and to translate it to citizens of all straits of the population in an understandable way.

[11] See European Commission (2017a), notably on pp. 25-26 and European Commission (2017b), notably pp. 13-16. The Commission's *Reflection Paper* (European Commission 2017a) sketches three different options for a stabilization function: a European Investment Protection Scheme; a European Unemployment Reinsurance; a Rainy Day Fund. The *Commission Communication* of 6 December (European Commission, 2017b) builds on this, but expresses a preference of the first option (an investment protection scheme). It proposes "a stabilisation function that could provide quick support and help to maintain national investment levels in the event of large asymmetric shocks, typically by filling the financing gap of pre-existing pipelines of projects and/or supporting skills upgrading." Importantly, the Communication emphasizes the following features of such a scheme: "[T]riggering should be activated automatically and rapidly on the basis of pre-defined parameters (for example, based on a large temporary negative deviation from their unemployment or investment trend). ". And, "[t]he stabilisation function should be constructed in such a way that all participating Member States would have the same probability to benefit and would contribute consistently." The combination of these features highlights the fact that the scheme would correspond to a true *insurance* logic, rather than a redistributive logic.

[12] See, among others, European Commission (2017a, 2017b), Carnot et al (2017), Dolls et al (2017), Beblavy and Lenaerts (2017), Vandenbroucke (2017a), Beblavy et al (2015), Spath (2016), Oksanen (2016), Brandolini et al (2016), Strauss (2016), Dullien (2014), Gros (2014), Andor (2014).

The reference to unemployment insurance in many of these policy scenarios is not happenstance. Unemployment insurance supports purchasing power of citizens in an economic downturn, and is therefore an automatic stabiliser *par excellence.* Existing monetary unions either opt for a downright centralisation of unemployment insurance (like it was historically the case in Canada or in Germany), or they demand some convergence in the organisation of unemployment insurance and provide a degree of reinsurance and centralisation when the need is really high (like in the US, which combine centralisation and decentralisation in unemployment insurance). This is rational behaviour for two reasons.

First, risk pooling enhances resilience against asymmetric shocks in a monetary union. The notion 'asymmetric shocks' should be understood broadly here: a shock that is symmetric in origin may play out very differently in individual countries because the national background conditions differ. The advantage of risk pooling in the face of asymmetric shocks, so conceived, has been the main argument in support of automatic fiscal stabilizers, and, more particularly, a degree of cross-border risk sharing in unemployment insurance. Risk-pooling allows the interregional smoothing of economic shocks. However, there is a relatively broad consensus that, in order to be economically effective and politically legitimate, a European scheme that organizes interregional smoothing, must be able to also organize intertemporal smoothing, that is, the scheme must be able to issue debt at the Eurozone level. In other words, since the business cycles of EU Member States are partly synchronized, economic shocks are partly symmetric. Therefore, borrowing on the level of the European scheme allows this symmetric part of the shocks to be smoothed over time. Space forbids to explain this argument here; it is based on the observation that there is degree of synchronization of the business cycle across EU Member States (simply put, synchronization means that we witness also symmetry rather than only asymmetry, and interregional smoothing and intertemporal smoothing must be combined).[13]

The second reason why a degree of centralisation of unemployment insurance is rational policy in monetary unions, also applies when shocks are completely symmetric across the whole Union and risk *pooling* between Member States has no added value *per se.* National insurance systems create a positive externality; a country that properly insures itself, also helps its neighbours (as individuals do with regard to their neighbours when they vaccinate themselves against infectious diseases). Because of that positive externality, it is a matter of common concern that all members of the monetary union dispose of an effective stabilization capacity. Simultaneously, as with any good with a positive externality, there is risk of insufficient, sub-optimal provision of that good, if it is not promoted or supported in one or other way (think again about vaccination, which is promoted by public authorities and/or made compulsory). The effectiveness of the stabilisation capacity of Member States depends on a whole cluster of policy principles: sufficiently generous unemployment benefits; sufficient coverage rates of unemployment benefit schemes; no labour market segmentation that leaves part of the labour force poorly insured against unemployment; no proliferation of employment relations that are not integrated into systems of social insurance; effective activation of unemployed individuals; and the constitution of budgetary buffers in good times, so that the automatic stabilisers can do their work in bad times. The implementation of such a cluster of principles in *each* EMU Member State of the monetary union is a matter of common concern. Whether or not unemployment risks are shared at the Eurozone level, the

[13] De Grauwe and Yi; (2017); Dolls et al (2017).

implementation of such common 'stability-supporting' *domestic* principles would benefit the Eurozone as a whole.

The argument in favour of EU support for national unemployment benefit schemes, is that a European support scheme would contribute to the national implementation of these domestic principles (think about the *subsidization* of vaccination by public authorities). Conversely, it is plausible to argue that these stability-supporting domestic principles become *a fortiori* imperative, if the Eurozone were equipped with reinsurance of national unemployment insurance systems (for instance, to address asymmetric shocks on the basis of the first reason explained above): European countries would not agree to support each other's unemployment benefit system, if – in exchange for this support – national governments cannot guarantee that their national system functions adequately.

Wrapping up the whole argument, it seems that *the quality of domestic policies and cross-border risk sharing are intrinsically related, whereby the latter supports the former and the former conditions the latter.* At least, that is a plausible approach to the development of policies. To be sure, this mutual relationship between the quality of domestic policies and cross-border risk sharing is not present in all policy scenarios that have been published on the matter. But it motivates the way our survey experiment is organized.

In this section, we propose a typology of policy options with regard to cross-border risk sharing. We develop this typology with special reference to three recent publications on fiscal stabilization and the sharing of risks related to (un)employment shocks, which are particularly useful for our purpose (which is not to say that they are the only relevant publications on the matter, cf. footnote …). We will explain to what extent and how our survey experiment covers the large diversity of policy options present in these publications. A full description of the survey is provided in **Section 3**.

2.1. Genuine European unemployment insurance versus re-insurance of national systems

A research consortium led by the *Centre for European Policy Studies* (CEPS) examined 18 different variants of a 'European unemployment benefit scheme'.[14] A first important distinction made in this research is that between a 'genuine' European unemployment benefit scheme and an 'equivalent' European unemployment benefit scheme. Both types of schemes require the organization of a common fund at the European level, but they would operate very differently. A genuine European unemployment benefit scheme would Europeanise the existing national unemployment benefit schemes to a large extent: it would not just set up a common fund, but also define common (minimum) eligibility and benefit rules for individuals. It would – at least partly – replace existing national unemployment benefit schemes. In the genuine variants, unemployment benefits are transferred directly to the unemployed individuals, and, in turn, contributions are collected from employers and employees. Alternatively, the national schemes could remain in place and the European level could 're-insure' them, which means providing additional funding in difficult times to accommodate adequate counter-cyclical policies.

[14] The European Commission sponsored this research and asked to examine these 18 variants. For a synthesis of this research, see Beblavy and Lenaerts (2017).

Therefore, in the CEPS-led research project, the latter variants were called 'equivalent' or 're-insurance' schemes; throughout this report, we will use the term 're-insurance'. In the re-insurance scheme, financial transfers occur between the supranational EU fund and the Member States. Countries pay contributions into the fund and receive transfers from the fund when triggered.

A political argument that is sometimes tabled in support of a genuine scheme is that it would be more visible among European citizens and could become tangible proof of European solidarity. A political counterargument might be that such a genuine scheme would impose centralized policy decisions on the details of unemployment benefit systems, and contradict widely supported principles of subsidiarity which accommodate diversity in our national social systems. From a technical point of view, the complexity of harmonizing national systems so that they can be (at least partially) replaced by a genuine European scheme should not be underestimated. Re-insurance schemes are in that sense easier and likely more acceptable. Since disbursements of support in a re-insurance scheme are normally based on a trigger (e.g. a rate of increase of short-term unemployment in a country beyond a threshold), re-insurance can be set up with the objective to cover only large shocks, rather than any cyclical movement. In general, re-insurance allows more flexibility in the design of a scheme.[15]

In short, in the CEPS study, the genuine and the re-insurance scheme differ in two respects: the collection and disbursement of funds, and whether or not there is a trigger that sets the scheme running. The distinction between 'genuine' and 're-insurance' model is theoretically sound, but as the study also recognizes, it does not reflect well the complexities of existing multi-tiered unemployment insurance schemes in practice, such as the US system.[16] More importantly, in the European context it is perfectly conceivable that a re-insurance scheme would be accompanied by minimum requirements on the quality of national unemployment benefits: these minimum requirements would not impose uniformity in the detail of national systems, but organize a degree of upward convergence with regard to some general features of national systems. Such minimum requirements might be more or less strict, and thus accommodate more or less national diversity. One should therefore think of 'genuine' and 're-insurance' variants as existing along a *continuum*, where variants are distinguished on the basis of the specification of their features (Beblavy and Lenaerts, 2017, p. 17). In a sense, moving from a 're-insurance' model towards a 'genuine' European unemployment benefit scheme, implies a higher *degree of Europeanisation* of national unemployment-related policies. However, Europeanisation is a complex and multifaceted notion in this context, since the policies at hand have different dimensions and there can be more or less Europeanisation on each dimension. We do not confront the respondents in our survey experiment with an explicit choice between a 're-insurance' and a 'genuine' model, as this would be both too theoretical and simplistic (compared to the multitude of conceivable policy choices) and too abstract to grasp for respondents. However, our survey experiment allows to test to what extent more or less Europeanisation of the proposed policy, in its different and complex dimensions, impacts upon public support. This will become clear when we present the survey in full in **Section 3**. The respondents' sensitivity to subsidiarity is explicitly tested, by

[15] For instance, in the context of re-insurance, flexibility in the design makes it easier to engineer the system so that it is an insurance scheme and not a redistributive scheme, if that is seen as undesirable (see below in the text, and Vandenbroucke 2017).
[16] Vandenbroucke and Luigjes (2016) and Fischer (2017).

differentiating between 'European administration' and 'national administration'. However, if the scheme would force upward convergence in national benefit levels, and/or if countries' activation and training policies would have to comply with common standards, 'Europeanisation' is, in a sense, also at play. Respondents' reactions to these aspects of the proposed policies may therefore also be influenced by sensitivity to Europeanisation of domestic policies. A priori, it is difficult to predict whether more or less Europeanisation leads to more or less support for cross-border risk sharing: sensitivity to subsidiarity may pull in one direction (against Europeanisation), but concern with institutional moral hazard in member states (**see Box 1**) may pull in the opposite direction (in favour of more Europeanisation, in order to minimize institutional moral hazard).

2.2. Debt issuance, generosity and insurance versus redistribution

The variants studied by CEPS and their partners were further differentiated on the basis of three additional dimensions:[17]

1. whether or not the scheme is allowed to issue debt to cover short-term imbalances, i.e. whether or not the scheme would add intertemporal smoothing to interregional smoothing across countries;
2. in the genuine variants, the generosity of the benefits funded by the EU: the generosity varied in terms of the duration of the EU-funded benefits, their replacement rate, the capping of the benefits, and the strictness of the eligibility criteria;
3. whether or not specific mechanisms would limit undesirable redistributive consequences of such a scheme; a scheme would be redistributive if, in the long run, certain countries can be net-beneficiaries (i.e. they accumulated more support than what they paid into the scheme), whilst other countries would end up being net-contributors. If redistribution is seen as undesirable, mechanisms that dynamically link what countries pay into the scheme to the support they receive from it, such as 'experience rating' or 'claw-back', can guarantee that the scheme operates, in the long term, mainly as an insurance device rather than as a redistributive device.

Here we briefly indicate to what extent these dimensions play a role in our survey experiment.

As we already wrote in the introductory section, there is a broad consensus that, in order to be economically effective and politically legitimate, a European scheme – if it is set up – must be able to organize intertemporal smoothing. This means that the scheme must be able to issue debt. In our survey experiment, we do not test what citizens think about the issuance of debt (or not) by such a scheme. Adding this question would have made the survey experiment overly complex and abstract, as will become clear when we present it in full. (Respondents would then not only have to imagine alternative ways in which the scheme would interact with taxes and benefits in their country and alternative scenarios with regard to between-country redistribution; they would also have to imagine alternative scenarios with regard to the functioning of the scheme at the EU level in an intertemporal perspective.) The wording of the survey experiment is such that it is

[17] The CEPS-led project examined yet other dimensions, which need not be mentioned here (e.g. whether there would be cyclical variability).

compatible with the issuance of debt and intertemporal smoothing, but it does, in principle, not exclude that the scheme works only as a interregional insurance only, without debt issuance.

Our survey experiment captures differentiation in generosity by means of one parameter: the floor that is set to the replacement rate of unemployment benefits during the first six months of unemployment. We propose three variants for this floor: 40%, 60% or 70% of the last wage, during six months. In other words, to simplify the survey experiment, issues of coverage and eligibility are left open, although they are obviously very important.[18] In our survey experiment, the level of support by the European scheme and the common minimum floor for unemployment benefits across the participating countries are strictly tied together: in other words, we presuppose that a European scheme would *always* imply common minimum standards with regard to the quality of unemployment benefits. Since the level of European support is expressed as a percentage of the last wage of the unemployed, our survey design might be understood as if it describes a 'genuine' European unemployment benefit scheme, in which a European fund cashes out benefits directly to individual EU citizens. However, our wording does not exclude a 're-insurance' model, as the framing that respondents have to read makes clear, and a re-insurance model can be combined with common minimum standards. For instance, in a 're-insurance model' the lump sum budgetary transfer that a country in need receives can be defined in terms of a number of eligible unemployed inhabitants times a target replacement rate applied to a representative average wage level. Simultaneously, the countries covered by the EU re-insurance scheme can be obliged – in exchange for the support provided – to guarantee a minimum level of generosity in their national unemployment benefit system, defined in terms of a target replacement rate, expressed as a ratio of the last wage of the individual who is unemployed. In yet other words, it is perfectly conceivable that the European support would have the form of a lump sum fiscal transfer, but be earmarked *de facto* to support unemployment benefits at an agreed minimum level. Obviously, the higher the minimum floor, the more the scheme would force upward convergence in benefit levels, and, in this sense, a higher minimum floor implies a higher degree of Europeanisation (in the Appendix we provide OECD data that shed light on the actual generosity of unemployment benefit systems in the countries in our sample). When we present the full survey experiment in **Section 3**, it will become clear that its wording admits both a 'genuine' variant and a 're-insurance' variant, and the continuum in between; but in our survey there is always a tight coupling of European support and a common minimal floor in benefit levels.

The distinction between insurance and redistribution is important in our approach to the policy problem at hand, as is concern with moral hazard. The concepts are explained in **Box 1**. We want to test how respondents react to the presence or absence of minimum 'quality' requirements on the policies pursued by the participating countries, which can be seen as useful per se, but also as precaution against moral hazard, both on the level of the policies adopted by the countries and on the level of the individual unemployed persons (these minimum requirements concern the provision of training and education opportunities for unemployed people, and on activation demands vis-à-vis individual unemployed citizens). Independently from these minimum requirements on the quality of the Member States' domestic policies, we test how respondents react to features of the scheme that either orient it, at the level of relationships between countries,

[18] See Dolls et al (2017).

towards a pure insurance device (by demanding a strict reciprocity between pay-ins and pay-outs) or orient it towards deliberate redistribution (from rich to poor countries).

Box 1: Solidarity, insurance and redistribution, and moral hazard

Our research project fits into a broader range of research projects that examine the scope for 'European solidarity'. But what is 'solidarity' about, and what kind of solidarity is at stake in our project?

Let us first define these concepts with regard to relationships between individual persons. In our understanding, 'solidarity' means that we share resources, with the aim of compensating individuals for (disadvantageous) circumstances for which we do not hold them responsible. Depending on the circumstances for which we do not hold individuals responsible, two different types of solidarity can be conceptually distinguished: *insurance* and *redistribution*. Pure insurance means that we compensate individuals for risks that cannot be foreseen at the level of the individual, but can reasonably be calculated at the level of a homogeneous group (a group of individuals with identical risk profiles). In practical terms, since individual risk profiles are identical, the expected net present value of benefits cashed in by a pure insurance mechanism is, for all individuals, equal to the net present value of their contribution to the scheme. In other words, in a pure insurance scheme, over a sufficiently long time span, there are no 'net beneficiaries' and no 'net contributors' in money terms (in welfare terms, there are of course gains). Insurance is, by definition about future risks.

Solidarity takes the form of (deliberate) redistribution when individuals are *different* with regard to the circumstances for which we do not hold them responsible, and when we are aware of those differences. The prime example of redistribution is progressive taxation, which redistributes (*inter alia*) from economically talented individuals to economically less-talented individuals: progressive taxation compensates (in part) the disadvantage of having less economic talent; redistribution follows from the fact that individuals differ with regard to talent. In terms of the motivation and disposition of the participating individuals, redistribution is often seen as a more 'demanding' form of solidarity than insurance. Well-organised insurance can readily be understood as a matter of enlightened self-interest: the expectation is that, in the end, everybody wins. So conceived, redistribution is, *prima facie*, not a matter of enlightened self-interest. In practice, in social security schemes, insurance and redistribution very often get mixed up, and this creates the true cement of national welfare states.

These definitions can be extended to relationships between EU Member States. Solidarity transfers between EU Member States are triggered by circumstances defined at the level of those nation states; depending on the nature of those circumstances (unforeseen risks with identical risk profiles across countries, or given and known circumstances in which countries differ), we have insurance or redistribution.

Insurance inevitably implies a degree of *moral hazard*. If we want to reason carefully about the possible objections against insurance schemes and about the design features that can attenuate those objections, it is important to distinguish moral hazard, on one hand, and a degree of redistribution that might be interwoven deliberately (on purpose) with the insurance scheme, on the other hand. Individual moral hazard occurs when the actor who benefits from the insurance adapts his behaviour; we may say that 'institutional' moral hazard occurs when the collective actor (the government) who benefits from the insurance adapts its *public policy*. Redistribution, in contrast, can be justified by circumstances that are not 'under control' of the actor, which means that the parameters that constitute the basis for redistribution are, in principle, not linked to deliberate behaviour or public policy *choices* (we write 'in principle', because in actual practice, all observable and available parameters may be influenced by policy). Nevertheless, especially in the context of relationships between EU Member States, for reasons of political sustainability, we may want to focus on 'insurance' and to avoid redistribution as much as we want to avoid 'institutional moral hazard' (at least as much as possible). The reason for this approach is that national electorates may be as much against moral hazard (especially moral hazard in other countries) as they are against cross-border redistribution, whilst they might be convinced to pool resources at EU level in an insurance device because that makes *everyone* better off. However, national electorates may also be in favour of cross-border redistribution, if it is deliberately oriented towards poorer countries. Moral hazard may lead to unwanted redistribution. Mechanisms such as 'experience rating', 'claw-back', or minimum requirements on the policies pursued by the participating countries can militate both against institutional moral hazard and unwanted redistribution. But we should be aware that 'moral hazard' and redistribution are two different issues.

Vandenbroucke (2017b) discusses the distinction between redistribution and insurance in the context of normative theories about justice for the EU.

2.3. Impact on individual contributions to unemployment insurance

This subsection discusses the impact of a European unemployment insurance on the contributions to be paid by individual citizens, and how that is introduced in our survey experiment. This is a complex challenge, since the impact on contributions is country-specific, and since we have to consider possible inconsistencies in the policy proposals that respondents have to assess. In order to introduce the problem at hand, we first have to reconnect with the last issue discussed in the previous subsection: insurance versus redistribution. Two recent papers, one by Carnot et al. and one by Dolls et al. are our points of reference.

Carnot et al. (2017) is an especially interesting paper about fiscal stabilization for the Eurozone, since it illustrates how one can engineer the design of a system such that it corresponds as closely as possible to an insurance logic: in a sense, one could say that the objective of the design, in this paper, is to define 'a risk profile' across countries that approximates as much as possible a random risk with a uniform profile that can be covered by 'pure insurance'.[19]

There is an important difference between the paper by Carnot et al. and other publications on this topic: Carnot et al. argue that earmarking of the transfers generated by the scheme (earmarking the use of the 'fund' by Member States) is not necessary (neither earmarking for unemployment benefits, as we propose to the respondents in our survey experiment, nor earmarking to public investment efforts, as proposed by the European Commission in its latest publication on the topic).[20] They also argue that minimum requirements with regard to the quality of national unemployment benefits and national activation policies are not necessary. Whether or not such 'qualitative' minimum requirements are necessary to make such a scheme function adequately from a technical point of view, is not something we wish to discuss in this report. However, we test citizens' attitudes with regard to such requirements: even if there would be no strict 'functional' necessity for these requirements, they may constitute a political 'give and take'. Citizens may think that, in exchange for EU support, Member States must have not only sufficiently generous unemployment benefits, but also pro-active training and education policies, and activation policies.

[19] Although the scheme simulated by Carnot et al. (2017) is intended to be a pure insurance device, the simulation results show that there remains a degree of redistribution in the scheme: there are net beneficiaries and net contributors, when the outcomes of the scheme are accumulated over a number of years: see Table 5 in their paper. However, the authors deem this result politically sustainable on the basis of an astute (additional) design feature that makes countries 'pay' (over the long term) for their net benefit. These clever technicalities lead us too far for the purpose of our survey experiment. We let respondents choose between a scheme that is based on a notion of financial 'reciprocity' (in the long run, countries cannot receive more support from the scheme than they pay into it), a scheme that is on purpose redistributive in favour of poor countries, and a scheme in which any long-term redistributive consequences are tolerated.

[20] Carnot *et al.* (2017) show that there is, in a sense, a *continuum* between proposals for an EU-UI that would effectively support the Member States' national UI schemes and proposals for a European stabilization instrument that would support Member States' investment capacity, at least if the trigger of the scheme is based on national unemployment rates. See Annex Ii of paper (4): even if the money generated by the scheme is not earmarked to unemployment benefits, the scheme d*e facto* acts as a reinsurance of national budgets for national unemployment benefits. In other words, the different options tabled by the European Commission in its Communication of 6 December 2017 (European Commission, 2017b) are on a continuum, and thus instantiate *one* generic policy proposal.

Suppose that the transfers cashed out by the European scheme are not earmarked to unemployment benefits (i.e. suppose we adopt the approach developed by Carnot et al.). If such a scheme is designed in such a way that, in the long term, there are neither net beneficiaries nor net contributors among the participating countries, in principle, the *long term impact* on the level of taxes or contributions to be paid by individual citizens can be zero: in some years, certain governments may have to cater for a transfer of money to the European common fund, for which they might want to ask their citizens to pay; in other years, the same governments may receive a transfer of money from the European common fund, which means that, in principle, taxes or contributions paid by their citizens might be reduced (the transfers are not earmarked). From an intertemporal perspective, these positions would cancel out. In the design of our survey experiment, we apply such an intertemporal perspective: we ask respondents questions about the *long-term* impact on the tax level in their country.

The impact on taxation levels is more complicated if the scheme's transfers are earmarked to unemployment benefits, notably if a common minimum floor is defined. In that context, there might be two cases in which, *ceteris paribus*[21], the long-term tax level has to increase in a country A. The first case is one where the scheme is set up as a pure insurance device, but the common floor for unemployment benefits is higher than the actual level of (part of the) unemployment benefits in country A, and thus generates extra spending on unemployment benefits for inhabitants of country A. If the scheme operates as a pure insurance scheme, citizens of country A will have to pay extra for the improvement in the unemployment benefits in their country. The second case is one where the scheme is redistributive (redistributive on purpose, e.g. from rich to poor countries, or, not on purpose, because some countries turn out to have more frequent or more severe unemployment crises and hence benefit more from the scheme than others, without their being a sufficiently strong correction mechanism): if country A is a net contributor to the scheme in the long run, *ceteris paribus*, its citizens will have to pay more taxes.[22] Obviously, in practice these cases can apply jointly for some countries. Conversely, a scenario of constant tax levels in a country B can be a scenario whereby the unemployment benefits in B improve, but country is a net beneficiary of the scheme in the long term, i.e. other countries pay for the improvement of the unemployment benefits in B.

This dynamic is illustrated in an interesting way by Dolls et al. (2017), in which a 'common floor' operates. They study the stabilizing effects of a Eurozone unemployment insurance scheme, by decomposing the effect of its introduction into three steps. The first step is to harmonize national unemployment systems, that is all member countries introduce an unemployment insurance scheme with common features. The second step is to introduce a common Eurozone unemployment insurance scheme by pooling the contributions from all member states in every year and to finance unemployment benefits from this pool, using the same contribution rates in all countries. This step leads to interregional smoothing of unemployment shocks. The third step is to allow the Eurozone unemployment system to run deficits or surpluses. This leads to intertemporal smoothing.[23] The scheme is revenue neutral

[21] *Ceteris paribus* means that, except for spending on unemployment benefits, there are no changes in other categories of spending, government revenue or accepted government deficits.
[22] In itself, this second case can obviously also occur if transfers are not earmarked.
[23] The first and the third step do improve the stabilizing effects of the unemployment insurance systems, but these changes can be achieved, in principle, by countries acting alone. The key contribution of introducing an EMU wide

over the simulation period (2000-2013), and the contribution rates into the scheme are uniform across member states. They also assume that national insurance schemes top up the Eurozone scheme if national schemes have a more generous replacement rate (and are fully cut back otherwise): thus, their simulations imply that no unemployed would be worse off after the introduction of the Eurozone system. This implies the creation of a dual insurance model, whereby a supplementary country-specific contribution rate can top up the common (Eurozone-wide) contribution rate.[24] In their baseline scenario simulation, this dual contribution rate is significantly higher in all countries than the actual contribution rates in the existing national systems, notably because the coverage of the short-term unemployed by the Eurozone unemployment benefits would be much better than the coverage by the existing systems.

In their baseline scenario the common floor would cover all the short-term unemployed with previous employment income (which is a very broad definition of coverage[25]) and provide a 50% replacement rate of gross earnings, for a period of up to 12 months. The baseline scenario has no mechanisms that would have limited the redistributive impact of the scheme in favour of countries with severe unemployment crises in the period under review (2000-2013). It is not surprising that Austria, Germany and the Netherlands would have been net contributors, with average yearly net contributions (i.e. contributions paid into the scheme minus transfers received from the scheme) of 0,19-0,39% of GDP. Latvia and Spain would have been the largest net recipients, with average yearly net benefits of 0,36% and 0,54% of GDP. In a less generous variant of the baseline scenario, the generosity of the scheme is limited by a cap on the benefits equal to 50% of the country's median income and a waiting period of 2 months.

In Table 1, we show 4 figures for the countries covered by Dolls et al. that are also in our sample (the overlap contains 10 countries). First we show the percentage points increase in individual contribution rates in the baseline scenario (A) and its less generous variant (B). Next, we provide a calculation of the individual contribution rates in both scenario's if each country would have to pay itself for the improvement in the benefit system, i.e. if there would not be a pooling of the contributions (which, by definition, would mean that there would be no cross-border transfers and no question of net contributors or net beneficiaries) (columns A' and B').

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unemployment insurance scheme is to offer interregional smoothing, that is to offer insurance against unemployment shocks that affect the different member countries differently.

[24] The scheme simulated by Dolls et al. reads as a genuine European unemployment insurance scheme, with direct transfers from the European system to the individual unemployed, but the authors note that such a system could also be designed as a re-insurance scheme where national unemployment benefit systems stay in place, notably when it would be only be triggered when severe unemployment shocks hit the participating countries (footnote 5 p ..). This corroborates a point made earlier, that there is in fact a continuum of design possibilities.

[25] This definition is generous compared to all national systems under review, but it is a particularly radical change compared to Southern and Eastern European Member States such as Greece, Italy, Latvia, Malta or Slovakia, all with average actual coverage rates of the short-term unemployed over the period 2000-2013 (as calculated by Dolls) below 15%.

Table 1: Impact on individual unemployment insurance contributions for different scenarios simulated in Dolls et al. (2017), for 10 countries present in our survey, ppt change

	A	B	A'	B'
Austria	1.19	0.74	0.6	0.31
Belgium	0.78	0.42	0.66	0.41
Estonia	1.06	0.66	1.24	0.62
Finland	1.12	0.68	1.02	0.63
France	0.7	0.45	1.02	0.66
Germany	0.89	0.5	0.47	0.26
Ireland	0.85	0.47	1.15	0.56
Italy	1.46	0.94	1.43	0.95
Netherlands	1.29	0.85	0.48	0.27
Spain	0.37	0.22	2.1	1.3

Own calculations on the basis of Dolls et al, Tables 3 and 4.

Legend: percentage points difference between the individual contribution rates (in % of employment income) required to pay for short-term unemployment benefits (up to 12 months of unemployment) in existing national systems and the individual contributions rates required in 4 scenarios, whereby no unemployed person would be worse of:

A: replacement rate of 50%; all unemployed persons with previous employment income are covered; no cap; no waiting period

B: replacement rate of 50%; waiting period of 2 months; cap equal to 50% of median income

A' and B': idem, but contribution rates must balance the budget of the Eurozone scheme in each member state over the period 2000-2013: no pooling of contributions, no cross-border transfers.

Example of calculation, with reference to Tables 3 and 4 in Dolls et al.:

A = value column A (Table 3) – value column NAT-UI (Table 3)

A' = value column A (Table 4) – 1,56 + value column A (Table 3) – value column NAT-UI (Table 3)

Table 1 shows that the extra contributions needed vary widely across countries and scenarios. In the Netherlands, the improvement of unemployment benefits would push up individual contributions with 0.27% of employment incomes (in the less generous variant) or 0.48% of employment incomes (in the most generous variant simulated by Dolls et al.), if there would be no redistribution across countries. In the baseline scenario, which allows redistribution across countries, the Netherlands would be a net contributor, and contributions in the Netherlands would have to go up with 1.29% or 0.87% of employment incomes.

Although the impact on contributions is highly country-specific, we decided not to make our survey country-specific with regard to questions on contributions. The difficulty with country-specific calculations (and, more generally, with any calculation that aims to be both precise and correct) is that they are highly dependent on assumptions, not only with regard to the target replacement rates, the coverage and caps applied in the European scheme, but also with regard to the period that is simulated and the set of countries that would participate. In the survey, we do not mention coverage and caps, and only refer to target replacement rates (ranging from 40% to 70%); the maximal duration of the European support for the unemployment rates benefit is proposed to be 6 months (rather than 12 months, as in Dolls et al.). Therefore, we decided to

confront respondents in all countries in a uniform way with three crude alternatives with regard to extra contributions needed in the long run. For simplicity and because we think it is most relevant, we thereby focus the respondents' attention on what would happen in their own country. The three alternatives are: no extra contributions are needed in your country; everyone has to pay 0.5% of income extra in your country; only the rich have to pay extra (1% of their income) in your country. The latter variant test the sensitivity to redistribution within countries.

Obviously, attitudes of citizens on what they have to pay (extra) in their country will be influenced by what citizens in other countries have to pay (extra) to sustain the scheme. Citizens may have 'socio-tropic' concerns (i.e. if they consider the aggregate impact on their country compared to the impact on other countries) or a more 'cosmopolitan' approach (i.e. they only consider the impact at the level of European individuals, independently of the country in which individuals live). If they entertain a socio-tropic perspective, it is plausible that they prefer the 'efforts' to sustain the scheme to be similar across countries (we might call this 'financial reciprocity'), unless they explicitly want to redistribute between countries: if they want redistribution from rich to poor countries, they will accept that the 'effort' to sustain the scheme is relatively more important in richer countries. In our survey, concerns about whether the 'effort' demanded to citizens in the country of the respondent and the 'efforts' demanded in other countries are similar or not, are captured by the specific questions that test sensitivity about insurance across countries (i.e. no net beneficiaries on the level of countries, or financial 'reciprocity') versus redistribution across countries (i.e. there are net beneficiaries, *in casu*, poor countries). In the pure insurance case, the same relationship between what citizens contribute, on one hand, and the quality of the unemployment benefits in their country, on the other hand, holds in all the participating countries: there is reciprocity between the participating countries, in that the 'efforts' to sustain the scheme are similar. Hence, we have set up the survey experiment in such a way that issues of distribution within countries are clearly separated from issues of distribution between countries.

Since we want to identify causal links between specific aspects of the design of a European unemployment insurance and the degree of public support or resistance, we apply a so-called conjoint analysis (see **Box 2** in **Section 3**). In conjoint analysis, respondents are confronted with several combinations of features of policies. In our survey, these features vary over 6 different dimensions, including the level of generosity of the benefits, whether or not the scheme allows redistribution, and whether or not citizens have to pay extra contributions: in total, 324 combinations are possible (see **Section 3** for a complete presentation). To fully benefit from the potential of conjoint analysis, the combinations presented to respondents must be randomly drawn from a set features per dimension. This random combination inevitably leads to a subset of combinations that are, in practice, internally inconsistent. Consider for instance the following combination, for a Spanish respondent: (i) the generosity of benefits is 70% (i.e. the best option in our experiment); (ii) no long-term redistribution across countries is allowed; (iii) no extra contributions are needed in Spain. On plausible assumptions with regard to sufficient coverage, this is an inconsistent combination (it is a free lunch for Spanish people). In contrast, the following combination might be consistent for a Spanish respondent, at least if redistribution is allowed and he thinks that Spain should be a net beneficiary of such a scheme: (i) the generosity of benefits is 70%; (ii) long-term between-country redistribution is allowed; (iii) no extra contributions are needed in Spain. But then, if respondents in other countries would systematically prefer 'no redistribution', the latter combination is, in actual practice, also

impossible for Spain. We might qualify such inconsistency as *external*: external inconsistency arises because of the combination of incompatible preferences over countries. We discuss the problem of inconsistencies and its treatment in **Section 3.**

2.4. Membership and outcome of the scheme

It is plausible that respondents are sensitive to the range of participating countries. In the context of a survey experiment, one can imagine questions referring to the participation or non-participation of Southern Eurozone countries, or the participation or non-participation of Eastern and Central-European countries; or a question referring to whether or not the scheme is limited to the Euro area. We decided not to include such dimensions, to keep the survey experiment manageable for respondents, and in order to be able to maintain uniformity in the survey's questions across all the participating countries (2 of the 13 countries in our sample are not members of EMU).

The framing of the experiment suggests that countries can either participate or not participate, i.e. it is not postulated that all Member States will participate. Hence, whether or not the scheme is compulsory, is not an issue in this survey experiment.

Finally, we decided not to nudge the respondents by referring to the potential positive outcomes of the scheme, or to potential pitfalls. The positive outcome expected from such a scheme is more stability everywhere, and, as consequence, less unemployment and lower social security contributions in the long run. We do not mention this, which means that we 'undersell' the proposal: it is presented in terms of principles of 'need' (across countries) and (implicitly) solidarity, i.e. we mainly appeal to the respondents sense of justice, not to outcomes that might be beneficial for everyone. Neither do we mention potential pitfalls, such as institutional moral hazard (countries becoming less worried about the risk of severe unemployment crises, and therefore less pro-active in their overall policies).

2.5. Synthesis

Table 2 presents a synthesis, relating the design of our survey experiment to a whole range of policies that can be organized to implement a European unemployment insurance, in one or other way. Column (1) indicates the dimensions in which policies can differ; we have formulated these dimensions as questions. Column (2) explains how these dimensions have been integrated into our survey experiment; there are three possibilities:

1. 'left open': the survey experiment does not mention the dimension;
2. 'fixed point': a particular answer to the question in column 1 constitutes a 'fixed point' in the survey experiment
3. 'moving part': we confront the respondents with different answers to the question in column 1.

We add some comments in column (3) of the table.

Table 2: A policy typology and its translation into the survey experiment

1	2	3
Dimension of the policy	**Left open, fixed point or moving part in the survey experiment?**	**Comments**
1. Is the scheme limited to the Eurozone or not?	Left open: the question which countries participate is not part of the survey experiment; the experiment is framed in terms of 'EU Member States'	• Two non-Eurozone countries are part of the sample of 13 countries • The framing suggests that countries can either participate or not, i.e. it is not postulated that all Member States will participate or are obliged to participate
2. Can the scheme issue debt?	Left open: the issuance of debt is not mentioned in the survey experiment	• The wording of the framing and questions is compatible with debt issuance, and the respondent is nudged to reason in a long-term perspective.
3. Is the scheme's support for countries earmarked to unemployment benefits?	Fixed point: the framing explicitly indicates that the money generated by the scheme is used to support unemployment benefits (up to a common floor), i.e. earmarking is a fixed feature of the scheme	• The respondent's sensitivity to the provision of additional types of support for unemployed people, such as education and training, is tested via a specific question in the experiment.
4. Can any unemployed person be worse off after the introduction of the scheme?	Left open: the framing explicitly mentions that member states can provide unemployment benefits that are higher than the common floor, but at their own expense.	• The framing avoids suggesting that participating states would reduce existing generosity. • An open question in the survey allows study of how respondents understand the design of the system.
5. Is there a trigger, so that only severe unemployment shocks are covered?	Fixed point: the framing explicitly starts from the idea that the scheme is triggered by significant increases in unemployment.	
6. What is the scheme's position on the continuum between a genuine European unemployment benefit scheme and a re-insurance scheme? Or, more generally, what is the degree of Europeanisation of unemployment-related policies, implied by the scheme?	Moving part: the respondents' sensitivity to subsidiarity is explicitly tested, by differentiating between 'European administration' and 'national administration'. The extent to which the scheme would force upward convergence in national benefit levels is implicitly tested, as is the extent of activation and training to comply with common EU standards.	• The survey experiment is premised on the idea that 'Europeanisation' of policies is a complex and multifaceted notion. Different dimensions of the same policy package each imply a degree of 'Europeanisation' of the regulation of unemployment.

7. How generous is the European budgetary support?	Moving part: different levels of EU generosity are tested, captured by a differentiation in replacement rates supported by the EU.	• Our survey experiment presupposes a tight coupling between setting a common floor to the level of unemployment benefits across participating countries, and the level of European budgetary support • The questions focus the respondent's mind on the impact in the respondent's own country.
8. What is the impact of the scheme on the generosity of individual unemployment benefits in the respondents' country?	Moving part: variation in the scheme's impact on the generosity of individual unemployment benefits is captured by variation in minimum benefit levels that are guaranteed by the scheme.	
9. Is the scheme a pure insurance scheme, or does it allow redistribution across countries?	Moving part: three variants are tabled (i. pure insurance; ii. insurance, but any redistributive outcome is possible iii. combination of insurance with an explicit objective of redistribution in favour of poor countries;)	• Respondents are asked to reason about insurance versus redistribution with a long-term perspective.
10. Are there minimum requirements with regard to the activation of unemployed citizens in participating countries?	Moving part: three variants are tabled (no requirements; two types of activation requirements)	• In practice, these minimum requirements constitute conditions w.r.t. the policies pursued by participating governments, but they are framed in terms of individual obligations of unemployed people.
11. Are there conditions for countries to participate in the scheme (next to minimum requirements with regard to the activation of the unemployed)?	Moving part: two variants are tabled (no conditions; adequate training and education policies)	• Respondents will presumably be motivated by two concerns: whether or not solidarity is unconditional (concern with moral hazard on the level of countries' policies); whether or not investment in human capital is useful *per se*.
12. Is there an impact on levels of taxation?	Moving part: three variants are tabled with regard to what happens in the respondent's own country (i. no impact, ii. increasing taxation for everybody, iii. increasing taxation only for the rich)	• Respondents are asked to consider their own country, both from their personal point of view and from a possibly (domestic) redistributive perspective, always with an explicitly long-term perspective
13. Is there an expected impact on the average level of unemployment in the long run (due to stabilization)? Are there potential pitfalls to such a scheme (such as institutional moral hazard)?	Positive outcomes are left open, although stabilization is a key objective and expected outcome of the policy. Institutional moral hazard is dealt with indirectly, through questions on conditions for countries and individuals (see rows 10 and 11 in this Table)	• We confront respondents with principles (related to policy inputs) rather than with outcomes (related to policy outputs)

Section 3. The survey experiment

3.1. The sample

Our survey experiment has been organized in 13 countries, covering 70% of the European population: Austria, Belgium, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Ireland, Netherlands, Poland, Spain. The countries were selected with a view to be representative for the EU in terms of relative economic development, length of EU membership, welfare state type, recent unemployment record and geographical coverage; 2 of the 13 countries (Poland and Hungary) are not members of EMU. In each country approximately 1500 respondents were reached via a representative online panel, fielded by IPSOS in October and November 2018. Excluding the pre-testing 19641 respondents were involved (20440 including the pretesting).

IPSOS, an internationally renowned survey company, was contracted to carry out the field work (after two-tier public bidding competition). IPSOS maintains established online panels in most of the countries in our experiment, and relies on partners in those countries where it lacks a proprietary panel. Although the demographic distribution of IPSOS panels follows closely the demographic distribution of the population in most countries, strict quotas for age, gender, education and NUTS1 have been implemented to ensure that the randomly-drawn sample adheres to demographic distribution of the population. Accordingly, the sample demographic distribution is very close to the actual population, diverging by less than 2% in each demographic category in most countries. Even in those countries or categories where the distribution is the farthest apart from the population, the sample remains within 4% from the actual population demographics. This is comparable with leading cross-country surveys such as the European Social Survey (ESS).

3.2. Design of the survey experiment

We first confront respondents with the following *framing* in the conjoint part of our survey experiment, which aims to reconcile sufficient information about the policy question under review with accessibility to laymen:

> *European countries help their jobless people with unemployment benefits. However, governments can run into severe problems when unemployment in their country increases significantly.*
>
> *We would like to hear your opinion about a new European programme discussed by European governments. This new programme would support participating states in need due to a significant increase in unemployment.*
>
> *The programme would ensure a minimal level of support for unemployment benefits. Countries could provide higher benefits if they so wish, but at their own expense. The programme would be financed by participating states.*
>
> *This European assistance programme can be organized in different ways. Therefore, in the next pages you will be shown alternative options. You will be asked to indicate which options you prefer, and how much you are in favour or against these proposals.*

Then, respondents are confronted with three successive pairs of policy packages (randomly selected out of a total of 324 combinations). Table 3 gives an overview of the policy dimensions that we test (by formulating questions), and the policy options that are tabled, on the basis of different possible answers to those questions. For instance, the packages proposed to our respondents either foresee that the European subsidization always amounts to 40% of the last wage of the unemployed for the first six months of unemployment (which also sets a common floor of 40% to unemployment benefits in all participating countries, for the first six months), or they foresee a level of 60%, or they foresee a level of 70%.

Table 3: Overview of the dimensions (respondents see all the questions, and, depending on package, alternative answers)

Dimension 1: generosity	
How much does the new programme subsidize the national unemployment benefit, when a country is in need?	- *40% of the last wage, covering the first 6 months of unemployment* - *60% of the last wage, covering the first 6 months of unemployment* - *70% of the last wage, covering the first 6 months of unemployment*
Dimension 2: training and education	
Are there conditions that countries in need must fulfil to obtain the support?	- *No conditions* - *A country can only receive support if it offers education and training opportunities for all its unemployed citizens*
Dimension 3: between-country redistribution	
May some countries receive more support from the programme than they pay into it?	- *No, in the long run countries cannot receive more support from the programme than they paid into the programme.* - *Yes, in the long run countries can receive more support from the programme than they paid into the programme* - *Yes, in the long run, poor countries will receive more support from the programme than they paid into it, while rich countries will receive less support from the programme than they paid into it.*
Dimension 4: taxation	
What is the long-term impact on the taxes you have to pay for your unemployment insurance?	- *No impact in the long-run: the level of taxes remains the same in your country* - *In the long run, taxes will increase with 0.5% of income for everyone in your country* - *In the long run, taxes will increase with 1% of income only for the rich in your country*
Dimension 5: administration	
Who will administer the programme?	- *The European Union* - *National Governments*
Dimension 6: job search effort	
Are there conditions for unemployed people?	- *No conditions* - *Yes, the unemployed must accept any suitable job offer or lose the benefit* - *Yes, the unemployed must apply for at least one job per week, **and** accept any suitable job offer, or lose the benefit*

After having seen a pair of policy options, the respondent has to answer three questions:

- "*Which one of the two options for this European programme do you prefer?*" (the respondent must choose between option 1 or option 2);
- "*How much are you in favour or against option 1?*" (answer with a 1-5 Likert scale);
- "*How much are you in favour or against option 2?*" (answer with a 1-5 Likert scale);

We add an open question, to be answered after the three pairs of options have been assessed by the respondent, which is formulated as follows: "*Think about the differences between the options we showed you. Can you briefly tell us which features of these options have led you to make your decision?*"

In addition to the respondent's preferences and levels of support for (or resistance against) the policy packages that are presented in the conjoint part of our survey experiment, we ask questions about:

- the respondent's age, level of education, citizenship and residence on a NUTS2 level, main activity in the recent past, income level and main source of income, and household composition;
- the respondent's personal experience with unemployment, feelings of economic insecurity and the evolution in his/her relative income position;
- the respondent's general socio-economic ideology, electoral preferences, values, religion and identity;
- the respondent's opinion on the responsibility of governments to secure a decent standard of living for the unemployed, the actual standard of living of the unemployed in his/her country and the job search effort of unemployed people;
- the respondent's trust in trade unions, in national institutions and the EU, and in the current political leaders in his/her country and the EU.
- the respondent's concern with globalization, trade and migration and other societal problems.

Box 2. Conjoint analysis

Conjoint analysis is a specific type of survey experiment used to analyse respondents' stated preferences. In broad terms, these experiments ask respondents to choose between or rate their preference for two options, usually called profiles. Each profile differs on a number of attributes. By randomly drawing the actual content of the attributes shown to respondents from a set prepared by the researcher, the analysist can estimate the average effect of each of these attributes on the stated preference separately.

Although conjoint experiments have been popular in marketing for a long time, their potential has only recently been recognised within political science. One of the earliest applications within political science was by Bechtel and Scheve (2013), who applied the method to asses public support for hypothetical international climate agreements. Respondents were asked to choose a couple of times between two agreements, which differed amongst others in terms of the number of participating countries, the costs to average households in monthly terms, the share of emissions committed to by the participating countries and the sanctions involved if countries would fail to reach the latter. One year later, Hainmueller, Hopkins and Yamamoto (2014) explained in detail why and how conjoint experiments allow researchers to estimate the causal effects of differing attributes within the experiments. In this publication, they formally lay down the formal prove of the character and value of this methodology, and also put forward the necessary, yet practically testable, assumptions required to do so for its inferential use. In the same publication, the authors exemplarily present their two investigations of preferences for immigrant and for political candidate attributes among American respondents. In both investigations, respondents had to choose between two hypothetical person profiles. In the candidate experiment, the candidates differed for example in terms of their profession, gender, religion and income. In the immigrant experiment, the hypothetical profiles differed for example on their origin, education, gender and job plans.

Closer to the topic of interest here, Bechtel, Hainmueller and Margalit (2017) use a conjoint experiment to test preferences for the design of financial bailouts among Germans during the Euro crisis. Their analysis shows that the absolute cost of these bailouts had the largest (negative) impact on support among citizens, while to a lesser extent the degree to which burdens are shared across countries and the nature of the conditions imposed on the receiving country had a positive effect of support among citizens. Additionally, their analysis allowed them to demonstrate that some particular designs of the bailout measures could have counted on a majority support among German citizens.

Research applying conjoint analysis by Bechtel and Scheve (2013), Bechtel, Hainmueller and Margalit (2017) and Gallego and Marx (2018) show that the actual form of policy proposals matters a great deal for the extent to which they are supported by the public. In other words, labour market policies, climate agreements and financial bailouts are multidimensional, and each of their dimensions relates differently to the attitudes of the public towards them. A second common finding is that differences in the relative importance attributed to policy attributes by different groups is are relatively small, and in any case less substantial than suggested by prior research. For example, in the paper by Marx and Schumacher (2018), differences in preferences between different income groups were smaller than prior research had suggested, and Gallego and Marx (2017) found that the socioeconomic positions of individuals hardly changed the relative importance attributed to different dimensions. However, these differences between groups are not entirely absent, is in the latter case (Gallego & Marx, 2017) the authors showed that left-wing respondents preferred funding of the programs through public debt, while this type of funding was opposed by right-wing respondents.

3.3. Nudging and judging the respondents: a careful approach

We do not nudge the respondents by referring to the potential positive outcomes of risk-sharing schemes, or to potential pitfalls. The positive outcome expected from risk-sharing is more stability everywhere, and, as consequence, less unemployment and lower social security contributions in the long run. We do not mention this to our respondents, which means that we undersell the proposal: it is presented in terms of principles of 'need' (across countries) and solidarity (implicitly, not using the word). Therefore, one might say that we mainly appeal to the respondents sense of justice, not to outcomes that might be beneficial for everyone. Neither do we mention potential pitfalls. Potential pitfalls are related to moral hazard: countries may become less worried about the risk of severe unemployment crises, and therefore less pro-active in their overall policies, when there is some insurance against severe crises; individuals may become less worried about their individual risk of unemployment when the upshot of the scheme is that benefits become more generous. However, in our 'moving parts', the *education and training dimension* and the *job search effort dimension* can obviously be interpreted by respondents as remedies to moral hazard, both at the level of national policies and at the level of individual behavior by benefit recipients. In this sense, the problem of moral hazard is present in the survey's design, and these questions may nudge respondents to think about the risk of moral hazard.

In the analysis of our results, we take into account three phenomena, which are inevitable in such a survey design: inattentive respondents, inconsistent respondents, and inconsistent packages.

Since we want respondents to reason about differences in policy design, lack of attention can be seen as a problem, at least if the aim is to present the results of *considered judgment*. On the other hand, lack of attention is a reality in the formation of personal opinions and the views of 'inattentive citizens' cannot be discarded out of hand. Our survey includes an attention check, which allows to eliminate *inattentive respondents*, i.e. respondents that show, by the *end* of the survey, that they are no longer attentive (or simply not attentive) to detail. We present our main results with the exclusion of the respondents that fail this attention check; this eliminates 19% of the respondents.[26] In addition, we also provide results with inclusion of those respondents.

Respondents are confronted with three pairs of alternative packages: they have to tell us their preferences over each pair, and indicate their absolute level of support (or resistance) for each single package. A respondent who says to prefer package A over package B, and simultaneously assigns a higher level of support to B than to A, is, *prima facie*, an *inconsistent respondent*. If this happens only once (in a total of three pairwise comparisons), we may say that the respondent is *weakly* inconsistent; if it happens two or even three times, we may say that the respondent is *repeatedly inconsistent*.[27] Again, the views of such (*prima facie*) inconsistent respondents cannot be discarded out of hand in a democratic political process; but if our aim is to present the results of considered judgment, they pollute the analysis. The share of weakly inconsistent respondents

[26] This may seem a high figure, which affects the whole survey. However, the attention check comes at the end of the survey, after a long list of questions on the respondents' background situation and attitudes. The part of the survey where judgements are asked about alternative policy proposals comes first in the survey.

[27] One should note that such a pattern of behaviour is not, by definition, inconsistent: in principle, the respondent may have a reason to understand the 'preference' question differently than the 'support' question; he may for instance reason somewhat 'tactically' about support.

is 11.9% which we consider as a relatively low figure, given the complexity of the questions tabled. Only 2.6% of the respondents are repeatedly inconsistent. We present our main statistical results with the exclusion of repeatedly inconsistent respondents. Excluding both the inattentive respondents and the repeatedly inconsistent respondents eliminates 20.6% of the respondents; in the set of respondents that is kept for the main statistical analysis, the share of weakly inconsistent respondents is equal to 10.8%.

3.4. Inconsistent policy packages

The random generation of policy packages is necessary to draw robust conclusions with regard to the sensitivity of respondents to changes in the individual dimensions of the policy design. Yet, random combinations inevitably create (*prima facie*) *internally inconsistent packages*. To take one example: if the scheme is based on the 'pure insurance' option, in the long run there are no net beneficiaries and no net contributors at the country level. Taking a long-run perspective (with smoothing out of temporary fluctuations), this implies the following: if the domestic level of taxation in country X does not increase, it is not possible to improve the generosity of the current benefit level in that country X, since it cannot rely on structural external support to do that. Consider, for instance, Estonia, a country in which the level of generosity of unemployment benefits is very low today. An Estonian respondent who is confronted with a package that combines 'pure insurance', 'no extra taxation', 'a benefit (at least) equal to 70% of the last wage for the first 6 months of unemployment', has to judge a package that is – in Estonia – not feasible in current conditions (it might be feasible if unemployment would further decrease, or if other social programmes are cut or public deficits allowed to increase, but that is not something proposed in our survey). The example shows that the internal inconsistency of a package is a country-specific feature: there is one country in our sample, in which a 70% target for the level of benefits (for the first 6 months of unemployment) without any additional domestic funding is not *prima facie* unfeasible.

In the analysis of the survey, we make a distinction between two types of 'internal consistency':

1. internally inconsistent package of the 'free lunch' type: a policy package in which there is (i) no room for between-country redistribution (no purposeful redistribution, no tolerance for redistribution, i.e. 'pure insurance') and (ii) the individual generosity of the package exceeds the actual generosity of benefits in the country of the respondent and (iii) taxation does not increase;

2. internally inconsistent package of the 'cheap talk' type: a policy package in which there is (ii) purposeful redistribution to poor countries, (ii) the country of the respondent is rich, and (iii) taxation does not increase.

Given the nature of our research we can only make a rough judgment about which packages are, prima facie, internally inconsistent. In Table 4, we indicate which levels of generosity are internally consistent *if taxation does not increase and between-country redistribution is not allowed*: here, we consider a package as 'inconsistent' if the (gross) replacement rate proposed in our conjoint is higher than the net replacement rate for the single with an average wage, as calculated by the OECD Tax-Benefit Model. This is inconsistency of the 'free lunch' type.

Because of the net-gross distinction, this implies an underestimation of the degree of inconsistency that might arise. However, one should take into account that we may overestimate, in another sense, the degree of internal inconsistency: increasing taxation by 0.5% of incomes is a lot (compared to budgets for unemployment benefits), and some of the improvements in generosity implied by our proposals might be funded by much smaller increases; hence, whilst 'zero' extra taxation might be inconsistent, 0.5% extra might be (much) more than is needed. Therefore, we think this is a fair approximation.

Table 4: Prima facie internal consistency of the 'free lunch' type (if no taxation or between-country redistribution is allowed)

	Net replacement rate, for single with average wage (OECD)	Gross replacement rates, tabled in the survey experiment		
		40%	60%	70%
Austria	55		INCONS	INCONS
Belgium	66			INCONS
Denmark	59		(INCONS)	INCONS
Estonia	54		INCONS	INCONS
Finland	65			INCONS
France	68			INCONS
Germany	59		INCONS	INCONS
Hungary	45		INCONS	INCONS
Ireland	34	INCONS	INCONS	INCONS
Italy	66			INCONS
Netherlands	75			
Poland	36	INCONS	INCONS	INCONS
Spain	56		INCONS	INCONS

The fact that a subset of policy choices can be qualified as inconsistent is an inevitable consequence of what we want to test and our aim to make causal inferences. Our aim is to test how citizens' attitudes are influenced by the fundamental features of a range of policies establishing a European unemployment insurance scheme in one or other way. The full randomization of the conjoint experiment, discussed above, allows us to test on the aggregate level the marginal influence of different dimension features separately, i.e. independently from the content of the other dimensions that a particular respondent was confronted with (Hainmueller, Hopkins & Yamamoto, 2014).

However, we can deal with *internal* consistencies in our statistical analysis, by distinguishing policy combinations that are internally inconsistent (on the basis of plausible assumptions) from policy combinations that are not internally inconsistent. This is illustrated in **section 5.**

Our analysis also sheds light on the problem of *external inconsistency of package combinations.* *External inconsistency* refers to a combination of preferences across countries, which would be incompatible if they would be implemented simultaneously. Consider for instance the following situation: preferences expressed in countries X, Y, Z imply the receipt of structurally redistributive transfers (in the long run) from other countries, whilst in all the other countries the preferred option is 'pure insurance', which excludes structural redistribution in the long run: it is not possible to combine these preferences in an EU scheme. Our analysis allows us highlighting both these external inconsistencies and the existence of unique packages that would mobilize sufficient support to be accepted in each of the countries under review. Figures in **Section 5** illustrate this.

Section 4. What we know from existing research on solidarity in Europe

Whether or not EU citizens are open to cross-border solidarity in socio-economic matters has been the subject of a series of publications.[28] The main difference between our research and many publications on EU-wide solidarity is that these publications test the attitudes of citizens on the basis of a general predisposition to share resources across borders in various circumstances of need, or on the basis of a relatively broad description of a policy orientation. However, a number of publications are very congenial to our approach, in that they examine respondents' attitudes towards concrete policy proposals on the basis of survey experiments. In **Section 4.1**, we review some publications belonging to the former category; in **Section 4.2** we discuss two publications that belong to the latter category, a paper by Bechtel et al (2017) that helped inspire our conjoint-experiment methodology, and a paper by Dolls and Wehrhöfer (2018) that uses (different) experimental methods to explore German public attitudes.

4.1. Research on general attitudes towards European solidarity and EU social policy initiatives

Research on general attitudes towards European solidarity produces mixed results, with some studies finding considerable support for intra-EU cross-border solidarity, others finding mixed results, or results that depend heavily on the domain under review and the type of instrument (e.g. is the solidarity organized *ex post* or *ex ante*?). Unsurprisingly, there is cross-country variation: surveys show that cross-country variation is driven by different expectations as to the improvement that EU involvement may imply for the respondent's country, and by the perception of living in a country that is either a net contributor to EU policies or a net beneficiary. Results seem strongly influenced by whether or not solidarity involves personal sacrifice. One stream of recent publications emphasizes the multidimensional nature of EU social policy initiatives and EU solidarity, which is particularly interesting for our purpose.

Ferrera and Pellegata (2017) observe significant scope for European solidarity on the basis of questions concerning (amongst others) financial assistance to debt-stricken countries, EU initiatives in support of social investment, the fight against poverty, etcetera. For instance, they find that 77.7% of respondents 'strongly agree' or 'somewhat agree' with the following statement: "*The EU should equip itself with a budget large enough to provide substantial financial help to Member States facing a sudden rise in unemployment rates*" (Ferrera and Pellegata, 2017, p. 29). Approval rates differ across the six countries in their sample,[29] but everywhere they signal majorities in support of such solidarity: in Spain and Italy approval rates reached respectively 91.2% and 91.0%, in Germany they reached 64.9%. On the basis of his own

[28] Dolls and Wehrhöfer (2018), Kuhn et al (2018), Stoeckel and Kuhn (2018), Gerhards et al (2018), Ferrera and Pellegata (2017), Genschel and Hemerijck (20182108), Lahusen and Grasso (2018), Kuhn and Kamm (2018), Bechtel et al (2017), Gerhards et al (2016), Meuleman et al (2018), Baute et al (2018a, b, c).), Hooghe and Verhaegen (2017); Verhaegen (2018), Kleider and Stoeckel (2016), Burgoon (2009).

[29] Ferrera and Pellegata (2017) cover the following countries: FR, GE, IT, PL, ES, SE.

survey research and other surveys, Ferrera (2018, Yearbook ETUI) concludes that "there might be more cultural predispositions for a Caring Europe than meet the critic's eyes."[30]

Meuleman et al. (2018) observe, in general, more solidarity with the elderly than with the unemployed in EU countries. They also test whether respondents think that "*the level of social benefits and services in their country would become higher or lower if more decisions were made by the European Union rather than by national governments*". On average, 30.5% of Europeans believe that increased EU involvement would lead to higher or much higher levels of social protection. By contrast, 69.5% expect benefit levels to stay the same or become lower as a result of more European decision-making. Despite these relatively widespread concerns about the social impact of the EU, 67.1% of Europeans express their support for an "*EU-wide social benefit scheme that would guarantee a minimum standard of living for the poor*". Both attitudes are neatly aligned: in countries with strong expectations that Europeanisation will increase benefit levels, public support for an EU-level benefit scheme is comparatively strong as well. In their sample of 23 countries, the generosity of national welfare systems is a crucial driver of the sizeable cross-national differences in attitudes towards Social Europe (as Meuleman *et al* call it). In the strongly developed Nordic welfare states, few respondents expect improvement from Europeanisation of social policy, and support for EU-level benefits is relatively low. In the Eastern and Southern European countries, where social expenditure is considerably lower, respondents more often see the EU as an agent that could improve social protection (Meuleman et al., 2018, p. 10).[31]

Gerhards et al. (2018) find that European citizens "altogether display a notably higher level of solidarity with citizens of other EU countries than many politicians and social scientists have presumed so far." They add that "[t]his especially applies for the support of people in need (welfare state solidarity) and the reduction of wealth inequalities between rich and poor European countries (territorial solidarity), but also to the domain of fiscal solidarity." (p. 30). They report that 77% of respondents support the notion that "the EU should guarantee a decent standard of living for the unemployed in the EU" (Gerhards et al, 2018, p. 14-15). This 77% is only marginally lower than the support rate of 82% they record when the question is not about the EU's responsibility but about national governments' responsibility (p. 16). Across the 13 countries studied[32], support for European social security is highest in the Mediterranean countries, and lower in Austria, Poland, Sweden and Germany. Everywhere it is above 60%.

[30] Ferrera (2018) refers to Ferrera and Pellegata (2017), Gerhards et al (2018) and Genschel and Hemerijck (2018), and adds the following reflection: "Obviously, surveys must be treated with care, as they only provide snapshots… and we know that attitudes are volatile... Moreover, they indicate citizens' preferences, but not necessarily their saliency in voting behaviour. Finally, responses are sensitive to the way in which issues are framed and formulated. For these reasons, surveys only register contingent 'value expressions', not necessarily indicative of genuine value judgements and of a stable and internalised collective moral order. But these limitations should not be overrated. The fact that attitudes may easily change means in fact that that they are plastic and thus amenable to cuing on the part of elites, through issue-framing and discourse. And it cannot be assumed *a priori* that value expressions are entirely devoid of internal and stable commitments."

[31] This country differentiation is congenial to what Ferrera and Pellegata find, cf. above. Ferrera and Pellegata also find that an EU-funded benefit scheme for people in severe poverty is supported by 75,6% of respondents in FR, GE, IT, PL, SP, SE, with support in IT and ES 86,5 and 90,5%, and between 65,3% and 69,7% in France, Sweden and Germany.

[32] The sample of Gerhards *et al.* consists of: CY, ES, GR, PT, HU, FR, SK, IE, NL, AT, PL, SE, GE.

Lahusen and Grasso (2018) present a less rosy picture: "[P]ublic support for at least some kinds of EU-internal solidarity is rather moderate" (p. 259). One of the questions they table reads as follows: "*The EU is currently pooling funds to help EU countries having difficulties in paying their debts. To what extent do you agree or disagree with this measure?*" (Lahusen and Grasso, p. 259). Contrary to the results obtained by Ferrera and Pellegata, they do not find majority support for assistance to debt-ridden countries.[33] "In regard to fiscal solidarity between member states, the supporters outweigh the opponents only slightly (41% vs. 30%); indecision is high, with 29% (uncertainty is also highlighted by Genschel and Hemerijck, below). The biggest group of supporters are located in Italy (66% against 16% opponents) and Greece (64% vs. 11%). Poland leans more towards the helping side (39% vs. 20%), but this is also due to the number of undecided respondents (42%). In Denmark, Germany and the United Kingdom, the share of opponents is bigger than the group of supporters, with 38% versus 28%, 41% versus 33% and 41% versus 34% respectively. These findings show that countries on the giving and receiving side stress differently the idea of fiscal solidarity." (Lahusen and Grasso, p. 258 and Table 10.4 p. 259). Further results by Lahusen and Grasso show that fiscal solidarity is conditional and seems to privilege reciprocity. Respondents are not ready to support other EU countries in trouble unconditionally. Only a minority of 19% testifies that fiscal solidarity is a matter of moral duty. The largest group subscribes to reciprocity, fairness, trustworthiness and deservingness (Lahusen and Grasso, p. 260 and Table 10.6 p. 261).[34]

The results by Lahusen and Grasso are difficult to square with those by Ferrera and Pellegata; but the focus on debt might play a role here. Genschel and Hemerijck (2018) find that public support for European solidarity varies by issue (solidarity for what?), by instrument (solidarity how?) and by member state (solidarity by whom for whom?), and that European publics are

[33] On assistance to indebted countries, Ferrera and Pellegata (2017) test the following question: "*During the recent Eurocrisis, a number of Member States in severe economic and financial conditions have asked for help from the EU. This has led to the adoption of new common rules on the provision of financial support to heavily indebted countries. Please, indicate which of these statements comes closest to your view. Financial support from the EU should... (1) …be granted without conditions, in the name of solidarity between EU citizens and states; (2) ...take the form of soft loans, because Europeans are "all in the same boat"; (3) …be accompanied by precise conditions for repayment and domestic policy reform, so as not to put the Monetary Union at risk; (4) ...be offered voluntarily only by those countries that consider it to be in their national interest; (5) ...not be provided because Member States should take responsibility for their own problems instead of asking money from foreign taxpayers; (6) ...not be a task for the EU to deal with.*" (p. 11). In the table below, we report (partially) for 4 overlapping countries in the samples, the responses to this question in Ferrera and Pellegata, and the responses to the question "*The EU is currently pooling funds to help EU countries having difficulties in paying their debts. To what extent do you agree or disagree with this measure?*" in Lahusen and Grasso. Respondents react quite differently to the question posed by Lahusen and Grasso (which focuses the mind on actual policies) than to Ferrera and Pellegata's more open question.

	Lahusen and Grasso		Ferrera and Pellegata		
	Agree	Disagree	Granted without conditions	Soft-loans	Conditionality
France	36	34	15.6	17.1	36.6
Germany	33	41	10.9	15.6	44.5
Italy	66	16	17.0	29.6	35.5
Poland	39	20	11.2	19.6	30.8

[34] The countries covered by Lahusen and Grasso are: DK, FR, GE, GR, IT, PL, UK, Switzerland.

often uncertain in their attitudes towards European solidarity.[35] Genschel and Hemerijck note that this uncertainty opens space for political leadership; their emphasis on the potential of political leadership is congenial to what Gerhards et al. and Ferrera and Pellegata conclude.

However, they underscore that the potential for solidarity differs according to the issue at hand; this comes out clearly on the basis of a set of questions that read as follows: "*Do you think EU Member States should give financial aid to another member state suffering from X?*", whereby X is either "*unsustainable debt*", "*very high unemployment*", "*large numbers of refugees*", or "*national disaster*" (Genschel and Hemerijck, p. 4).[36] Support is strongest (and uncertainty among respondents is relatively low) in case of natural disaster and lowest in case of excessive debt. Support for European solidarity on issues of high unemployment and large refugee inflows ranges between these two extremes, and uncertainty among respondents (the share of people who say they neither support nor oppose the statement, but 'don't know') is high. With regard to instruments, they report that large majorities of respondents in all member states prefer *ex ante* instruments for European solidarity (i.e. precautionary instruments, rather than ex post improvisation), notably the idea of "an emergency fund which could be accessed in the future if a member country faces a crisis of some sort" (p. 5). Whilst there is little cross-country variation in the issue rankings, there is more cross-country variance with regard to instruments. Respondents in Denmark, Finland, France, Germany, Great Britain and Sweden offer more support for solidarity by *ex post* case-by-case assistance than by *ex ante* investment.[37] Respondents in Greece, Italy, Lithuania, Poland and Spain, by contrast, prefer *ex ante* investment aid to *ex post* case-by-case assistance. Finally, there is a stark divide between one group of self-perceived net contributors (Denmark, Finland, Germany, Sweden, UK) and another group of self-perceived net-recipients (Greece, Lithuania, Poland, Spain), with France and Italy somewhere in between. This leads Genschel and Hemerijck to sobering conclusions: "Respondents in net-contributor countries offer little support for European solidarity; respondents in net-recipient countries are all in favour" (p. 6) an established finding (e.g. Burgoon 2009). They also find, however, that the resistance of self-perceived net-contributors to European solidarity varies strongly across issues and instruments. Interestingly, and importantly for our survey experiment, support for solidarity through an *ex ante* emergency fund correlates relatively little with the self-perceived net-contributory or net-beneficiary position of countries.

The net-contributor/net-beneficiary divide is framed in socio-tropic terms in Genschel and Hemerijck's survey. However, it prompts another question: to what extent are *individual* respondents sensitive to being on the 'paying' end, versus being on the 'receiving' end? Survey results also seem to depend on whether or not respondents are confronted with the possibility of personal sacrifice for the organization of cross-border solidarity. Kuhn and Kamm (2018) have assigned respondents in the Netherlands and Spain randomly to three different versions of the following question: "*Are you, personally, prepared to make some personal sacrifice, for example, paying a little more income taxes, to help unemployed people in X?*", whereby X could be either the respondent's country or Germany or Greece. Kuhn and Kamm find that Dutch and Spanish respondents are less inclined to show solidarity towards unemployed Europeans than

[35] Genschel and Hemerijck implemented their survey in 11 Member States.
[36] They also test solidarity in case of military attack.
[37] The policy brief published by Genschel and Hemerijck provides no country-level data for support for solidarity by an '*ex ante* emergency fund'.

towards unemployed co-nationals. Individuals with higher levels of education and those who identify as European show more solidarity towards unemployed people in general, but even these individuals discriminate against foreigners. Overall, the willingness to make personal sacrifice to support unemployed people is low (and considerably lower in the Netherlands than in Spain), and only a relatively small share of respondents are willing to sacrifice so as to support unemployed people in other European countries. Kuhn and Kamm conclude that in their data the national boundaries of solidarity remain largely intact and that prospects for public support for European social policy are not very promising.

However, 'personal sacrifice' is not necessarily involved in the organization of EU risk sharing, at least if 'personal sacrifice' would mean that the respondent has to contribute *more* to a new solidarity scheme than what he/she is currently contributing to an existing solidarity scheme. 'Solidarity' means that resources are shared, but the sharing of resources does not necessarily mean that some participants are bound to end up with less resources at their disposal.[38] As we explained in **Section 2**, it is conceivable to organize European risk sharing, triggered by unemployment shocks, without having to levy extra contributions on any citizen in any of the participating Member States. Whether or not contribution rates would have to increase, is a country-specific issue, which depends on contingent features of the scheme and of the country under review.

In a series of recent papers, Baute et al. develop a fine-grained analysis of both fears of European integration and its impact on social security (Baute et al, 2018a) and attitudes towards 'social Europe' (Baute et al, 2018b and 2018c). This research is also highly relevant for our purpose. By analyzing data from the European Values Study 2008 for all EU28 countries, they show that fear about the loss of social security, because of European integration, cannot be reduced completely to a general fear about European integration. Furthermore, socioeconomic determinants and ideological position are more important in explaining citizens' fear about the EU's impact on social security than in explaining their generalized fear of European integration. More concretely, whilst low socioeconomic status correlates positively with generalized fear over European integration, it has an additional positive effect on fear of loss of social security. The same holds for ideological positions with regard to social policy: being in favour of state responsibility for welfare and being in favour of income distribution is positively related to generalized fear of European integration, and these ideological preferences have an additional positive effect on fear of loss of social security (Baute et al, 2018a).

The notion of 'social Europe' might be an answer to fears about the impact of European integration on social security; but then, the question is what kind of 'social Europe' provides the best answer? Baute et al (2018b) argue that 'social Europe' is not a one-dimensional construct; they distinguish five dimensions of 'social Europe': a supra-national decision-making level for social policy; European social citizenship rights for mobile Europeans; harmonization of the social policy of member states; solidarity between member states; and interpersonal solidarity between European citizens. On the basis of Belgian data, they show that Belgian respondents have distinct attitudes towards these five dimensions. Although these attitudinal dimensions are interrelated, they cannot be reduced to a single 'social Europe' factor. Their research indicates

[38] More generally, in welfare terms the organization of social insurance can be a Pareto improvement (see Barr, 2012).

that member-state solidarity is the primary aspect of social Europe in Belgian public opinion, whereas the preferred decision-making level for social policy cannot be considered a key component of attitudes towards social Europe (Baute et al, 2018b). Next, they examine whether positive attitudes towards national welfare states 'spill over' from the national to the European level (i.e. also contribute to support for 'social Europe'), or, are an obstacle to support for social Europe (which implies that citizens perceive the nation state and the European Union as competing governance levels in the social domain) (Baute et al, 2018c). The Belgian data demonstrate that citizens who are more positive about the welfare state are also more supportive of 'social Europe'.

However, positive welfare attitudes do not affect all dimensions of 'social Europe' to the same extent. Baute et al (2018c) make a distinction between policy instruments of social Europe that are less intrusive to national welfare states (notably EU social regulations, that create a degree of harmonization, such as the European standards for health and safety at work; but also 'member state solidarity', as implemented via the European structural funds), and policy instruments that are more intrusive (such as European citizenship rights for mobile citizens, which affect the boundaries of welfare). The positive spillover effect of support for basic welfare state principles is strongest for policy instruments that are less intrusive to national welfare states; by contrast, 'welfare state critique' (which is a specific, negative dimension of welfare state attitudes in their research) has a stronger (negative) impact on support for more intrusive instruments of social Europe. These results are highly relevant for our purpose. They show, first, that 'social Europe' might be particularly attractive to those citizens who fear the impact of European integration on social security (because specific groups of citizens both fear the EU's impact and can be attracted by the call for a social Europe), but, secondly, that it is necessary to think about social Europe in terms of concrete policy packages.

Applying the classification of Baute et al. (2018c), the schemes we propose to our respondents belong to the 'less intrusive' types of instruments (they create a degree of upward convergence in standards w.r.t. unemployment insurance, and – depending on the variants at hand – activation and training policies; and they create member state solidarity in different variants); but we also allow variation with regard to the role of the EU (versus the role of national governments) in the practical administration of the schemes, which means that we table a subtle variety of more or less 'intrusive' approaches.

4.2. Survey experiments on specific policy proposals

Bechtel et al. (2017) emphasize that one should distinguish between between 'fundamental' and 'contingent' attitudes towards policies. Whereas the former entail complete rejection or embrace of a policy, the latter depend on the specific features of the policy and could shift if those features are altered. Bechtel et al. apply this insight to a survey on public support for Eurozone bailout packages in Germany: they confront respondents with a variety of possible designs of bailout packages, and test how design features influence support. Using a conjoint analysis design, they observe particular sensitivity among Germans to the burden-sharing and cost dimensions of the bailouts. Their results imply that the choice of specific features of a rescue package has important consequences for building domestic support for international assistance efforts.

Qua methodology, our research is similar to that used by Bechtel et al., in that it tests the impact on citizens' attitudes of specific programmatic design features of policies by means of conjoint or factorial experimental design (see **Box 2** in **Section 3**). In contrast to Bechtel et al., however, the tested policies in our study are not about a bailout (which is a one-off, in reaction to a historically given situation) but about the cross-border sharing of future and unforeseeable risks. Rather than asking the general question "Are European citizens ready to share the unforeseeable risk of unemployment crises?", our objective is to shed light on the question that should exercise policy-makers most: how does the actual design of policies influence public support for or resistance against sharing the risk of future unemployment crises among European citizens? However, by examining that policy-oriented question, we also gain insight into the actual readiness of European citizens to share this risk.

Dolls and Wehrhöfer (2018) test public attitudes in Germany towards a European Unemployment Benefit Scheme (and a Sovereign Insolvency Procedure) by means of a randomized survey experiment. They find considerably more opposition to and less support for European unemployment insurance than we do (they report 57% opposition and 18% support in Germany, whilst, we find clear-cut majorities in Germany for specific policy packages that implement EURS, see **Section 5**). This striking difference in results is probably due to a radically different set up of the survey experiments and subtle differences in the wording used in the general framing. To start with the latter, Dolls and Wehrhöfer frame the issue as follows:

> "A proposal to make the euro area more resilient to economic crises is to introduce a common unemployment insurance system for euro area member states. It is supposed to support especially those member states of the euro area that suffer from high unemployment due to adverse labor market conditions. The unemployed would receive unemployment benefits partly from the common unemployment insurance scheme at euro area level in which all member states have to pay in contributions. There are different opinions with respect to the introduction of a common unemployment insurance system.
>
> The proponents say: A common unemployment insurance system for euro area member states can help to better absorb future economic crises in the euro area and would thus stabilize the currency union as a whole. All member states would benefit from such a system."

The control group in their survey experiment reads the following counterargument: "*The opponents say: A common unemployment insurance system for euro area member states has disadvantages in many respects.*" The treatment groups receive more specific counterarguments: one treatment group receives as a counterargument that such a system would lead to permanent transfers from countries with low unemployment to countries with high unemployment; another treatment group receives a counterargument that refers to moral hazard (countries receiving transfers "*don't have incentives to improve their labour markets anymore*").

Compared to the way we introduce our questions, the Dolls-Wehrhöfer framing reads more as presenting a scheme that transfers money from countries that perform well to countries that perform poorly on a structural basis, whilst our framing is presented in true insurance terms (it focuses on the risk that *any* country runs of being hit, at some moment in time, by a significant *increase* in unemployment). Also, Dolls-Wehrhöfer frame the questions more in an *economic* context. The policy is about supporting member states in the Eurozone that face high levels of

unemployment in times of economic difficulties. Both the pro- and contra-arguments are formulated in terms of economic consequences and reference to the individual level (the unemployed) is neutral: "the unemployed would receive unemployment benefits…". The question wording of the EURS, on the contrary, includes a *social* objective, namely securing and supporting a minimum level of unemployment benefits for jobless people in EU member states with significant increases in unemployment. This implicit reference to social protection may evoke feelings of solidarity with other Europeans and be partly responsible for resulting in higher levels in support compared to Dolls-Wehrhöfer.

These differences are subtle, but they can play a role. In addition, our framing is also slightly simpler *qua* formulation. More importantly, we do not nudge the respondents by referring to the potential positive outcomes of risk-sharing schemes, or to potential pitfalls. The positive outcome expected from risk-sharing is more stability everywhere, and, as consequence, less unemployment and lower social security contributions in the long run. We do not mention this to our respondents, which means that we undersell the proposal: it is presented in terms of principles of 'need' (across countries) and solidarity (implicitly, not using the word). Therefore, one might say that we mainly appeal to the respondents' sense of justice, not to outcomes that might be beneficial for everyone. In so far as we make respondents think about tangible beneficial effects, they are defined on the level of an individual that is without work.

Neither do we mention potential pitfalls. Potential pitfalls are clearly related to moral hazard: countries may become less worried about the risk of severe unemployment crises, and therefore less pro-active in their overall policies, when there is some insurance against severe crises; individuals may become less worried about their individual risk of unemployment when the upshot of the scheme is that benefits become more generous. We do not make a statement about this. However, in our 'moving parts', the *education and training dimension* and the *job search effort dimension* can obviously be interpreted by respondents as remedies to moral hazard, both at the level of national policies and at the level of individual behavior by benefit recipients. In this sense, the problem of moral hazard is present in the survey's design, and these questions may nudge respondents to think about the risk of moral hazard. The crucial difference between our design and the design implemented by Dolls and Wehrhöfer is that we table practical solutions to issues that can be perceived as issues of moral hazard, rather than explicitly mentioning the problem of moral hazard.

For their control group (i.e. the group without treatment), Dolls-Wehrhöfer mainly gauge fundamental acceptance or rejection of cross-national solidarity without nuance to it. In the control group, the details of the policy are left unspecified: if the public has pre-conceptions about the policy itself (notably about the risk of permanent transfers and/or moral hazard), then those are captured in the control group. Our design is less sensitive to pre-conceptions about the policy, because our 'moving parts' make these elements explicit.

Simultaneously, our findings and the Dolls-Wehrhöfer findings display some broad parallels with regard to cleavages in the (German) population and particular determinants of support: for instance, the observation that individuals with lower incomes are more supportive towards EURS than individuals with higher incomes; and the observation that concerns with moral hazard in the domain of employment policy have a more important impact than issues related to between-country redistribution. This will become clear when we discuss our results in **Section 5.**

Section 5. Main results of the survey experiment

We turn now to the results of the analysis of our survey. In general, the survey patterns reveal substantial and meaningful, but also conditional support for European Unemployment Risk Sharing (EURS) policies. Support is substantial and meaningful in the simple sense that the data harbor clear and robustly-stable patterns of European majorities supporting EURS packages in general. It is also substantial and meaningful in the sense that majorities support a wide range of consistent and plausible policy combinations in such packages, including relatively more redistributive and generous insurance schemes. While support varies in meaningful ways across countries, such majorities of support for EURS are stable across countries and across many realistic policy packages. That support is conditional, however, in the sense that majority support does appear to depend, in many of our thirteen sample polities, on the presence of particular policy combinations – with different policy combinations finding particular traction in different countries and among distinct socio-economic and attitudinal groups within countries. On the whole, support for packages that are internally consistent and viable from a fiscal-policy perspective tends to be stronger for more generous and redistributive assistance.

We shall clarify and develop these basic findings primarily with reference to graphical summaries to visualize patterns of support for EURS, keeping our reporting accessible to non-specialists. Such visual representation is in many cases based on statistical modeling and estimation. But we relegate the presentation and discussion of such more specialized technical detail to Appendices, and we encourage specialists to explore that detail to more fully appraise the results. In the Figures based on statistical modeling and estimation, we always indicate the confidence intervals around the point estimates; this helps the reader to assess visually the statistical significance of our results, but we do not discuss this in detail in this main report.

Focusing on an accessible overview of our analysis, we present the findings in five steps. The first step (**Section 5.1**) focuses on the broadest and roughest metrics of support and opposition to EURS in general, based on descriptive aggregates that smooth over the various features of a given insurance scheme. The second step (**Section 5.2**) focuses on respondent support for particular values *across the six dimensions* of policy design of EURS packages, including both descriptive information and more systematic inferential statistical analysis of the survey patterns. This sets the stage for the crucial third step (**Section 5.3**), which focuses on public support for policy combinations or packages of EURS that differ particularly in terms of generosity and extent of between-country and within-country redistribution. The fourth step (**Section 5.4**) summarizes how such support for particular dimensions and packages of dimensions varies across key *country-level characteristics* like existing social-policy generosity and levels of unemployment. The fifth step (**Section 5.5**) does the same, finally, focusing on how support for dimensions and packages varies across key *individual-level characteristics* of respondents, particularly socio-economic status and attitudes toward redistribution and European integration.

5.1. General Support and Opposition to European Unemployment Risk Sharing

A preliminary issue in any reckoning of political support for European unemployment risk-sharing schemes or policies involves support for and opposition to such schemes in general, smoothing-over particular features of a given scheme. Here we focus, if only briefly, on the

simple question: How much do Europeans embrace or eschew any European unemployment insurance or risk sharing, averaged across the hundreds of permutations of such insurance? We can make this judgment by focusing on the valuations respondents gave to *every* package of the three pairings of packages that they judged (six in all) – whether they preferred or "rejected" that package in its pairing from which they were asked to choose. Recall that for any given package, respondents were asked to judge whether they were strongly against, somewhat against, were neutral towards, somewhat favored or strongly favored the policy package. Our principal descriptive inference is that the more support for packages that respondents expressed on average (as opposed to neutrality or opposition), the greater the political support for a given form of European unemployment insurance.

In the summary statistics one can already see that there is support for EURS. Based on the categorical ratings, *Support EURS (categorical)* – varying from 1 (strongly oppose) to 5 (strongly support) – the sample mean for all rated packages is 3.266 with quite modest dispersal in the sample (e.g. standard deviation of 1.07). This means that, on average, there is modest support for a European insurance scheme. When we focus on a binary transformation of this ranking, *Support EURS (binary),* where 1=somewhat or strongly support and 0=somewhat or strongly oppose, or neutral, we see that 46 percent of the respondents "somewhat" or "strongly" support EURS packages in general. And if we exclude neutral answers from this reckoning, focusing on *Support or Reject EURS (binary)* (1=somewhat or strongly support; 0=somewhat or strongly oppose; missing=neutral), then we see that no less than 76 percent of the sampled European population supports some kind of European unemployment insurance.

Table 5.1: Summary statistics

Variable:	Obs	Mean	Std. Dev.	Min	Max
Support EURS (categorical)	117846	3.266	1.074	1	5
Support EURS (binary)	117846	0.456	0.498	0	1
Support or Reject EURS (binary)	117846	0.758	0.428	0	1
Chose EURS Package (binary)	117846	0.500	0.500	0	1
D1: generosity					
40% last wage	117846	0.333	0.471	0	1
60% last wage	117846	0.333	0.471	0	1
70% last wage	117846	0.333	0.471	0	1
D2: country-level conditions					
no conditions	117846	0.500	0.500	0	1
must provide educ./train.	117846	0.500	0.500	0	1
D3: country-level redistribution					
no redistribution	117846	0.333	0.471	0	1
between any country	117846	0.333	0.471	0	1
from rich to poor	117846	0.334	0.471	0	1
D4: Long-term impact on taxation					
no extra costs	117846	0.334	0.471	0	1
0.5% taxes for everyone	117846	0.333	0.471	0	1
1.0% taxes for rich	117846	0.333	0.471	0	1
D5: Level of administration					
EU	117846	0.499	0.500	0	1
National	117846	0.501	0.500	0	1
D6: individual-level conditions					
no conditions	117846	0.333	0.471	0	1
accept job	117846	0.334	0.471	0	1
apply for and accept job	117846	0.333	0.471	0	1
Household income	99186	10.014	0.719	8.27	11.37
Low education	117846	0.219	0.413	0	1
Unemployed	116124	0.068	0.252	0	1
Female	117606	0.512	0.500	0	1
Age	117846	2.124	0.792	1	3
Attention Check	117846	0.810	0.392	0	1
Internal inconsistency	117846	0.174	0.456	0	3

Figure 1 provides another way of looking at general support, focusing on the percentage of all respondents expressing what can be termed "fundamental support" for European unemployment benefit schemes in general. Recall that respondents were asked to judge six EURS packages in total; the Figure partitions the respondents on the basis of the number of EURS packages they somewhat or strongly support (ranging from none to six). Only 12.9% of respondents judged *none* of the six packages they were confronted with as something they somewhat or strongly support. Note that this might mean that the respondents are neutral (as opposed to being against) a given package. And as can also be seen in the Figure, 21.9% of the respondents strongly or somewhat supported the *majority* of the packages they saw. In addition to this 20-plus percent, we see that by far the largest percentage of the respondents, 44.1%, supported half of the packages they saw.[39]

Figure 1: Fundamental Support for Package (full sample)

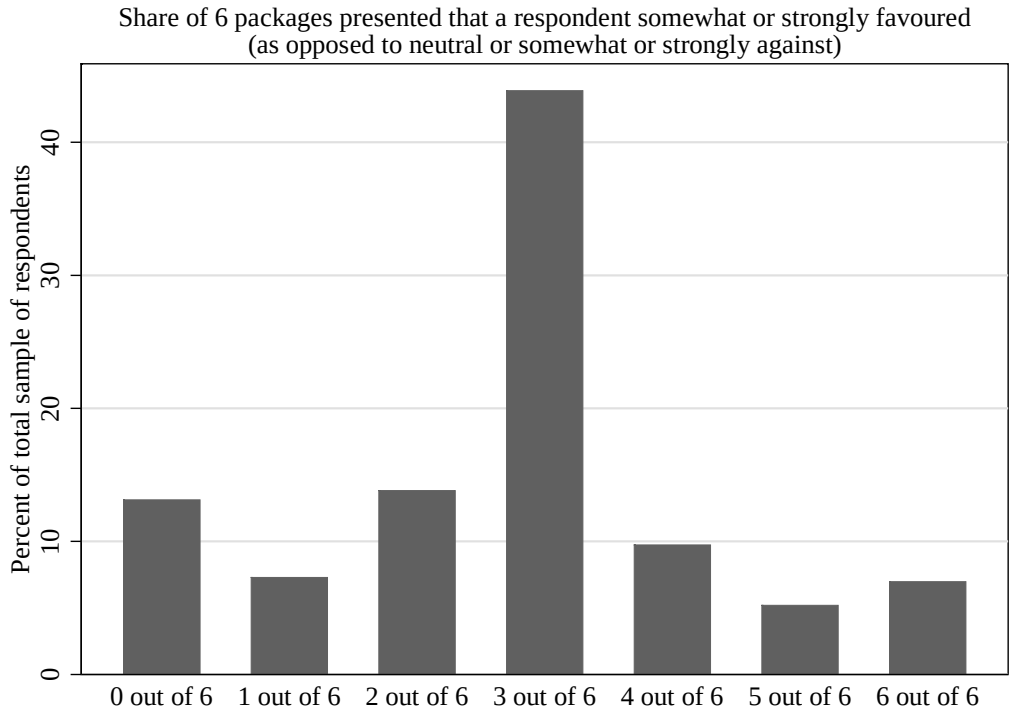


Figure 2 considers the opposite measure of respondent positioning: the percentage of respondents who were *fundamentally opposed* to European unemployment benefit schemes. This is based on the percentage of respondents who strongly or somewhat *opposed* the six packages that they rated – again, regardless of package features and regardless of whether it was a package they preferred in the pairing of the conjoint survey. Nearly 40% of the sample population somewhat

[39] These are figures for the whole sample of respondents. If we exclude the inattentive respondents, the share of respondents who judge none of the packages worthy of support reduces somewhat (to 11,7%); the share of respondents who support a majority of the packages also reduces somewhat (to 20,4%); and the share of respondents who support half of the packages increases (to 46,4%). We might be worried that this level of support is polluted by the presence of highly attractive 'free lunches' among the packages. However, if we exclude all the policy packages that combine a generosity level of 70% with no tax increase (for all respondents seeing such packages), there is hardly any change in the percentages.

or strongly supported, or were at least neutral towards, one or more of the packages they judged. Less than 30% rejected half or more of the packages they reviewed, and less than 10% rejected the majority of the packages they reviewed. We take such patterns to express contained, or modest, opposition to a European unemployment benefit scheme.

Figure 2: Fundamental Opposition to Package (full sample)

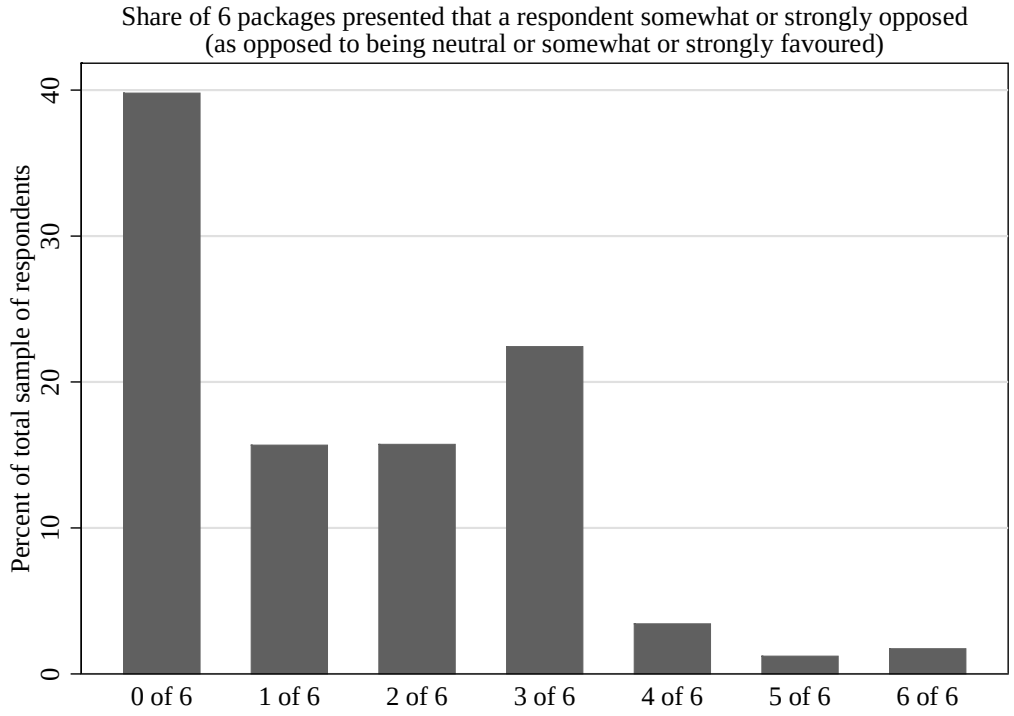
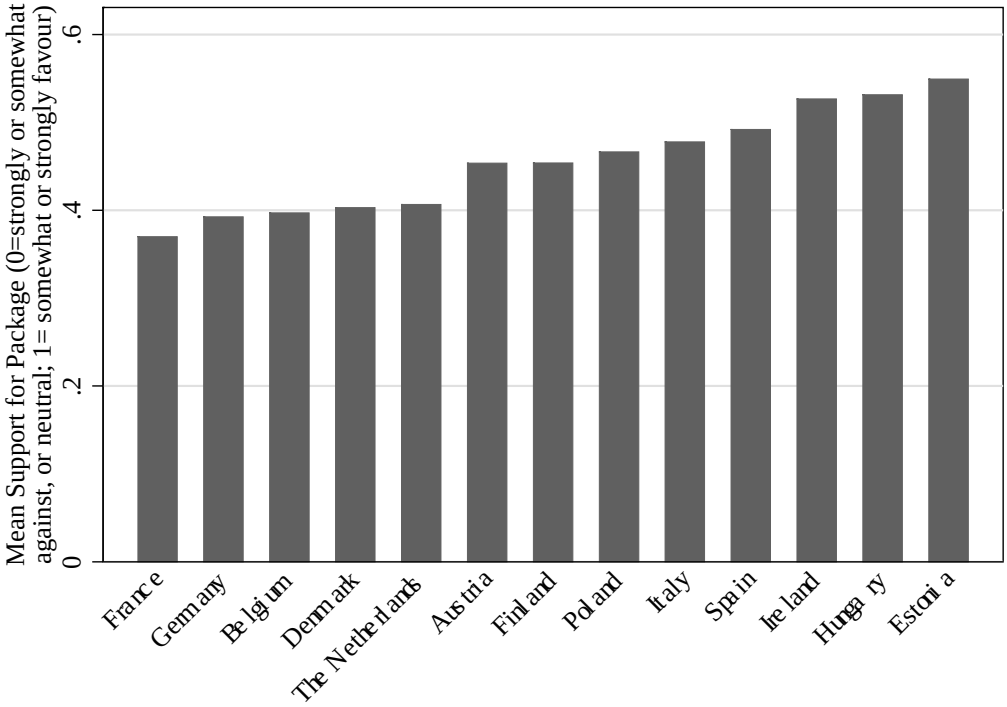


Figure 3 provides a snapshot of the patterns of general support across the thirteen sampled countries. It shows a simple country-specific sample mean for *Support EURS (binary)*, where 1= somewhat or strongly supporting a package and 0=being neutral towards or somewhat or strongly opposing a package. These calculations estimate the result of a series of 'votes' by respondents on *all* the packages they have seen (whereby all 'neutrals' count as 'voting against' when we calculate the percentage). As can be seen, the country variation is modest, ranging from about 38% support in France to about 55% support in Estonia. Below we shall consider possible country-level and individual-level sources of such differences. But for now, it is clear from this general portrait that the most developed Northern and Western European member states have populations that are relatively less supportive of EURS than their counterparts in the Southern and Central and East European countries.

Figure 3: Support for Package (by country)



One can also see that the patterns of fundamental support and fundamental opposition, as defined and discussed for Figures 1 and 2 respectively, are consistent with this general country portrait. We see for instance, that France and Denmark harbor roughly 20 percent of their respondents who cannot offer support to any of the six packages any given respondent reviewed. (See Appendix Figures A1 and A2).

5.2. Support Across Policy Dimensions of EURS Packages

We can now turn to the issue of what kinds of features of packages are more or less favored in our sample population. We do so first by focusing on a *descriptive-statistic summary* of respondent support for EURS packages across the six key policy dimensions of EURS. Here the focus is on which specific features of EURS Europeans most or least support with respect to the six dimensions on which our conjoint experiment focused. This involves judging particularly which feature of policy within a given dimension is most or least supported. For instance, do European citizens prefer a benefit scheme that is more or less generous in terms of benefits that individual beneficiaries can receive?

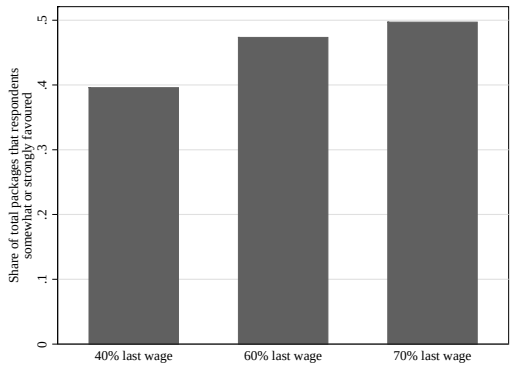
Figure 4 shows the most aggregated snapshot of support for packages according to the different attributes of a package with respect to each of six policy dimensions (D1-D6) of EURS. The exact formulation of these dimensions can be read in **Table 3** of this Policy Report; in that table one can find the exact questions and alternative answers with which respondents were confronted. Here, we use the following abbreviations (*in italics*):

- D1, the *generosity* dimension (whereby the generosity concerns both the common floor set to individual unemployment benefits and the amount European subsidization);
- D2, the *training and education* dimension (which concerns the presence or absence of a condition countries must fulfill to obtain support);
- D3, the *between-country redistribution* dimension;
- D4, the *taxation* dimension;
- D5, the *administration* dimension (EU vs. national administration);
- D6, the *job search effort* dimension (which concerns the presence or absence of conditions with which individual unemployed people may have to comply).

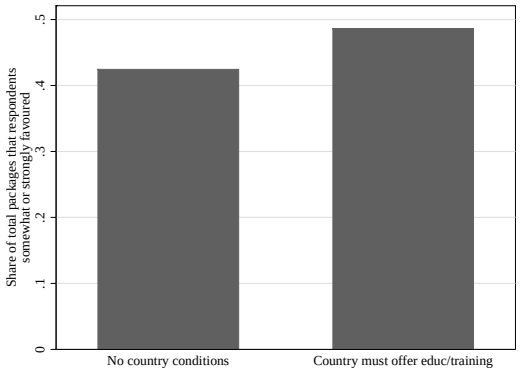
The six panels of Figure 4 capture the share of total support for packages across the different possibilities within each of these dimensions (two or three alternatives per dimension). At this level of aggregation, most of the 'moving parts' along those dimensions capture only very modest differences in the level of support. With the naked eye, however, it is clear that respondents generally tend to prefer packages that are more generous (70% wage replacement), that require countries to offer education and training to their unemployed, that entail no increased tax burden, and that require individual beneficiaries to fulfill at least some activation conditions (e.g. accept a suitable job offer).

Figure 4: Support for Package by Dimension

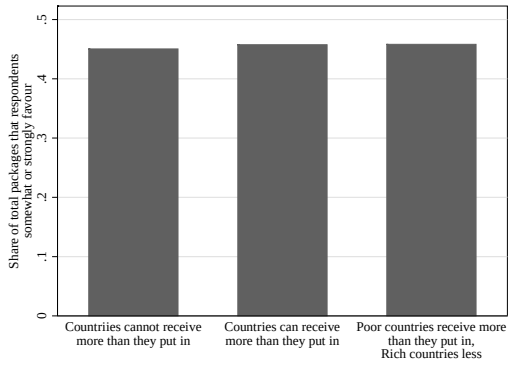
D1: Generosity



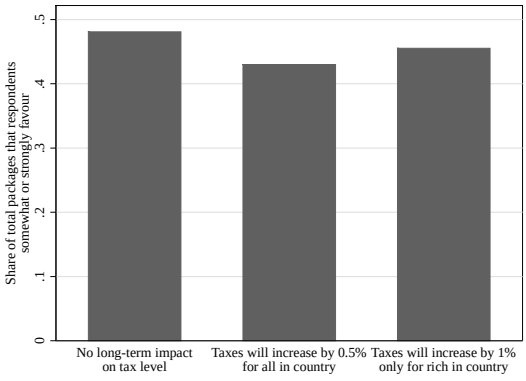
D2: Training-education condition



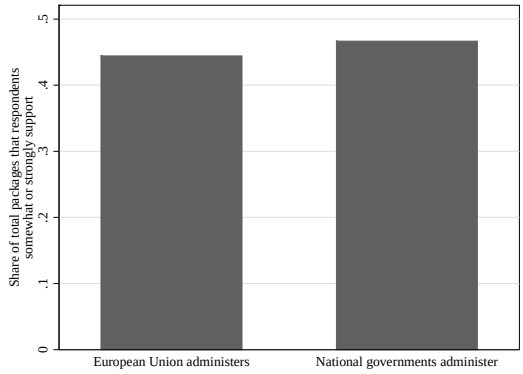
D3: Between-country redistribution



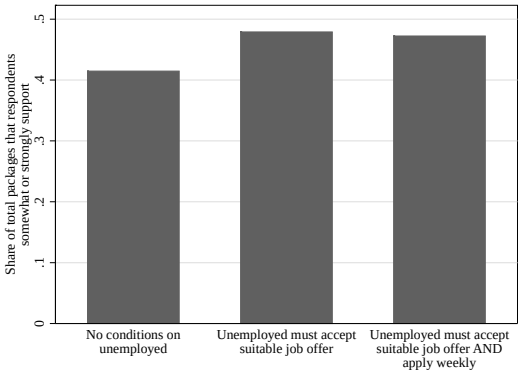
D4: Taxation

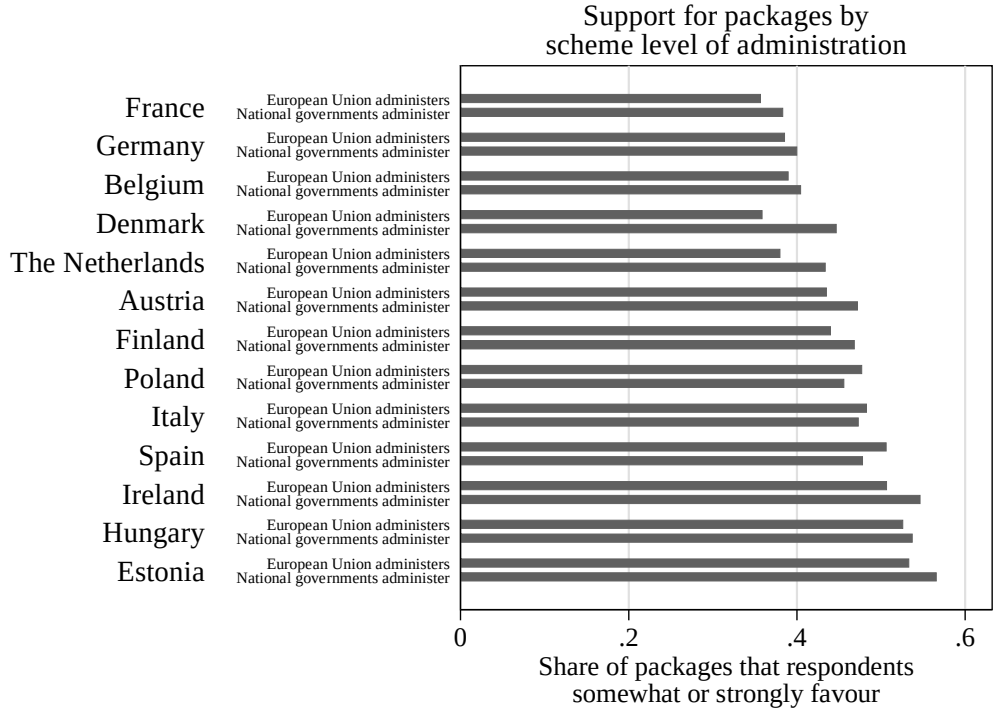


D5: EU vs. National administration



D6: Activation requirement (Job search)





Figures 5-10 show how such support in descriptive terms varies across countries. What is immediately clear is that most countries are consistent with one another in following the full-sample pattern captured by Figure 4. There are, however, some important differences between countries within this pattern, and a few countries also depart from aspects of the pattern itself. A couple of examples with respect to some dimensions should suffice to clarify the country-level variation. With respect to generosity, Figure 5 shows that the French and Dutch express the largest increases in support for packages that entail more generous support. And Poland is the country where such differences across generosity levels are most modest, though still in line with the general pattern. With respect to between-country redistribution in Figure 7, we see that those living in the most established and wealthy West European welfare states (like Germany and the Netherlands) tend to be more supportive of no redistribution, while those in the poorer, Southern, and Central European polities tend to favour between-country redistribution. With respect to the

long-term tax impact (Figure 8), in most countries we observe a prefer for no tax impact, though we see the Austrian and German exceptions. But many polities in any event strongly prefer a more progressive tax burden concentrated on the wealthy than a more modest tax burden imposed on everyone. With respect to level of administration, we see Italy, Spain and Poland being exceptions in preferring EU to national administration – a familiar pattern to those who study support for integration as a function of national governmental capacities. Finally, with respect to job search effort conditions, while most polities significantly prefer some conditionality, the Finnish respondents clearly prefer none. Our inferential analysis of differences across countries and dimensions below explore possible explanations for these and other aspects of country-specific nuance.

Figure 5: Support for Package Across Countries by D1 (Generosity)

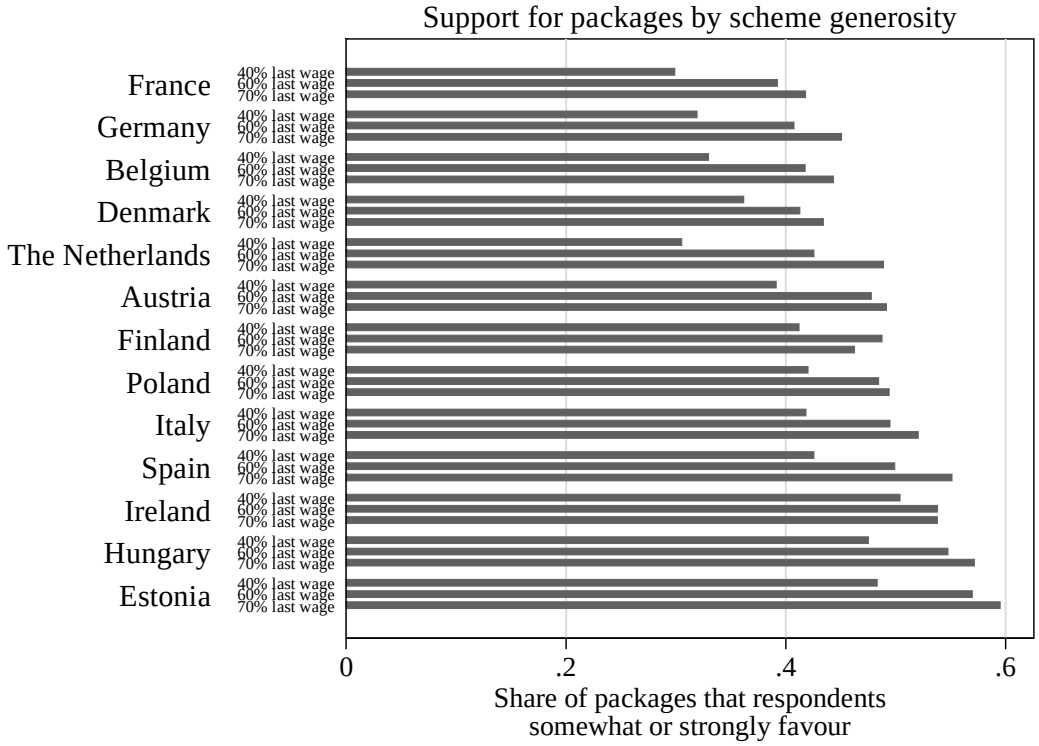


Figure 6: Support for Package Across Countries by D2 (Requirement to train/educate unemployed)

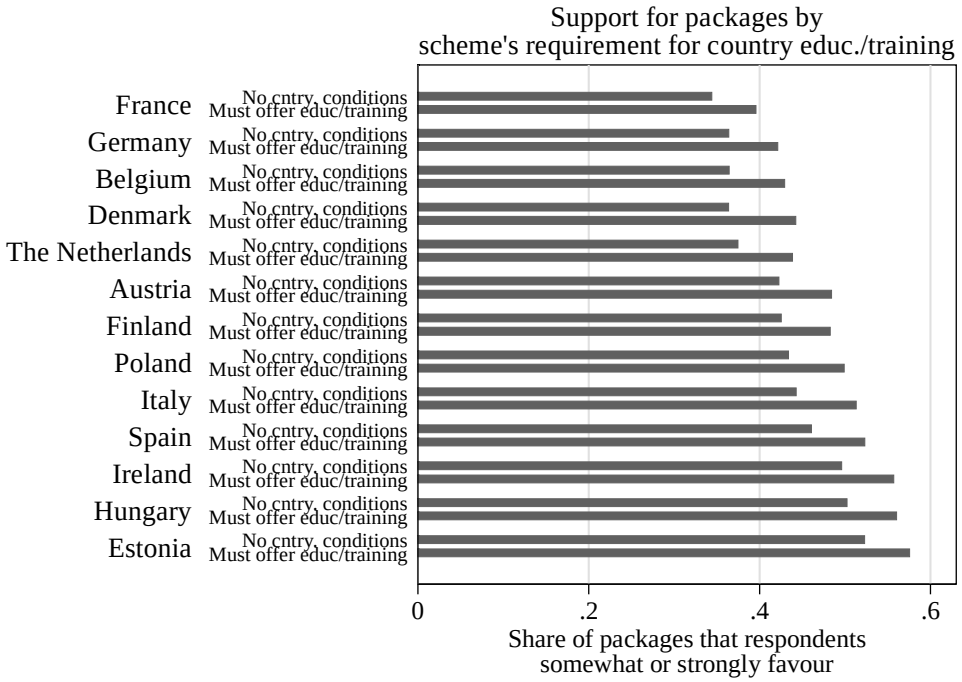


Figure 7: Support for Package Across Countries by D3 (Between-country Redistribution)

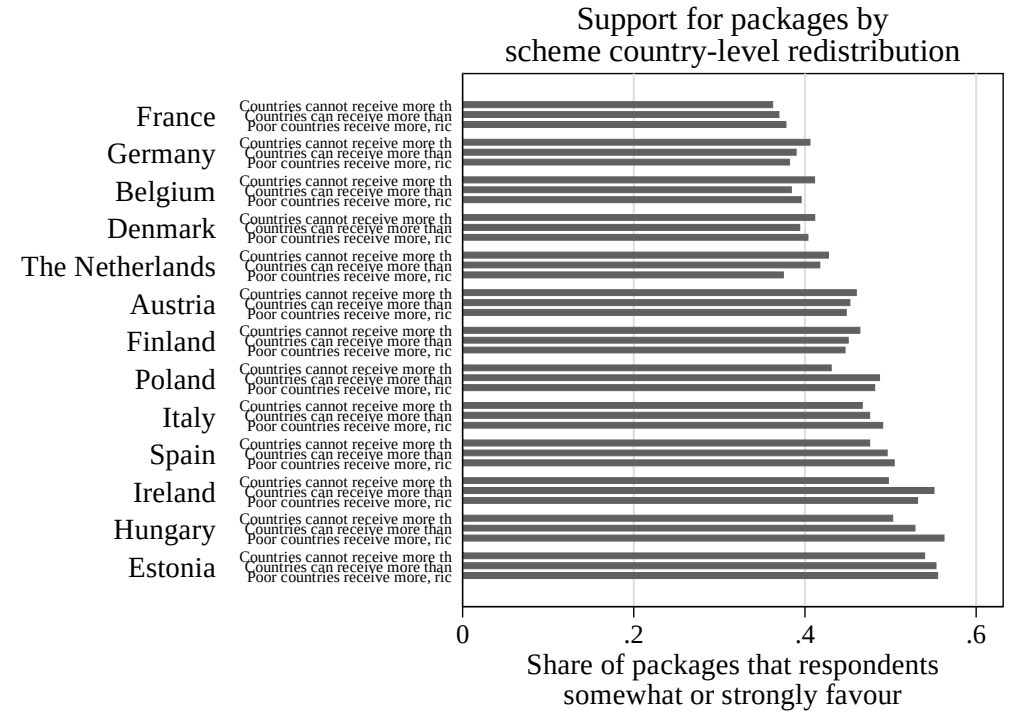


Figure 8: Support for Package Across Countries by D4 (tax burden)

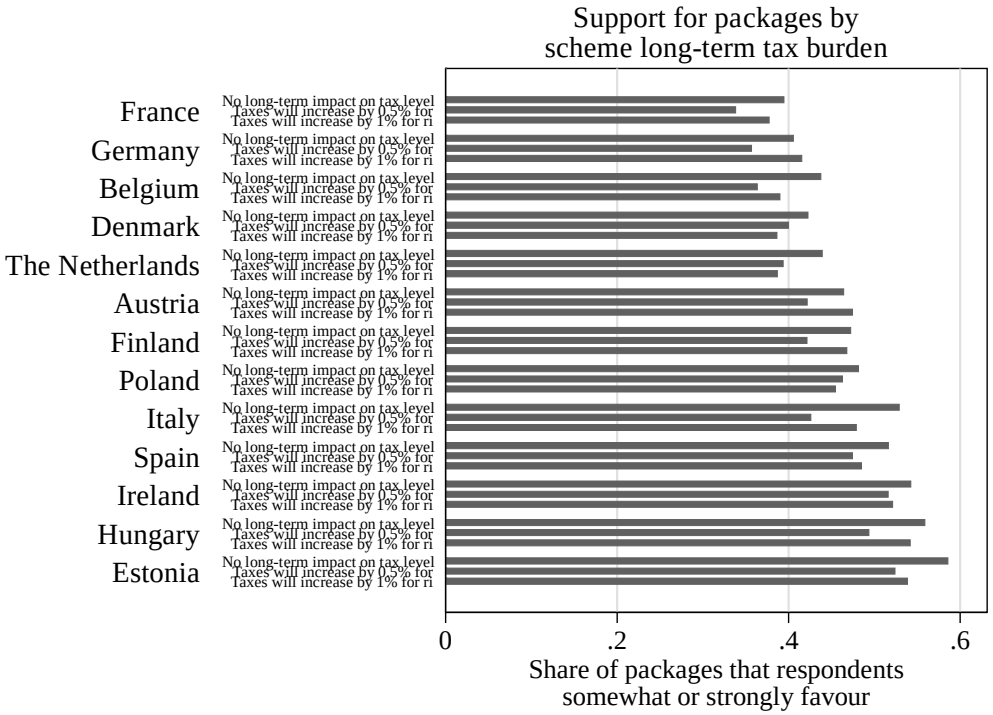


Figure 9: Support for Package Across Countries by D5 (level of administration)

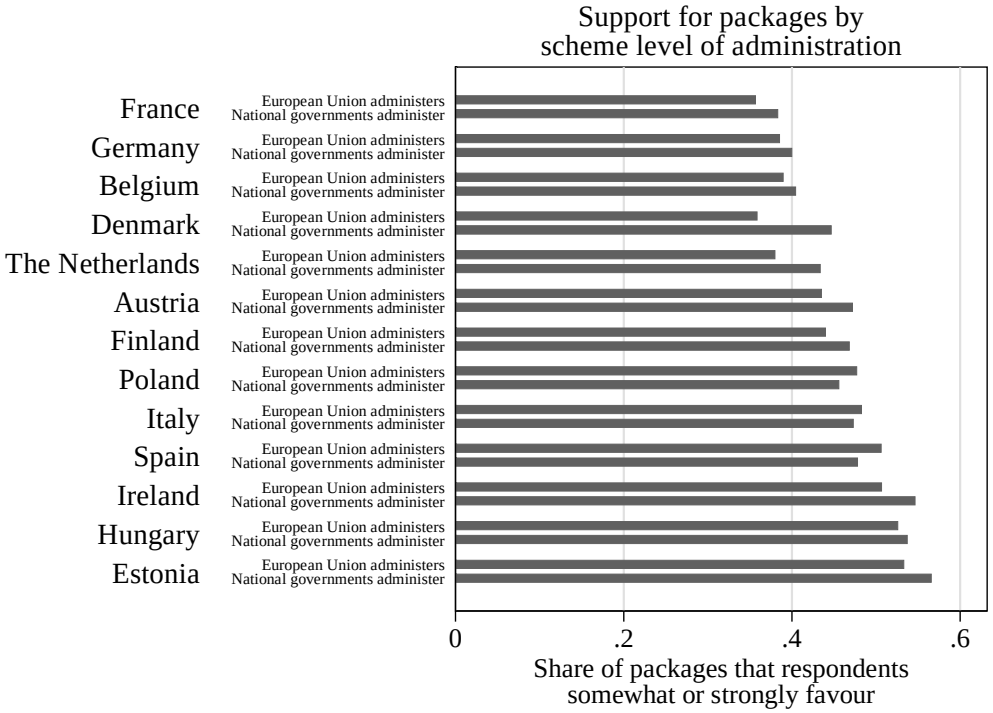
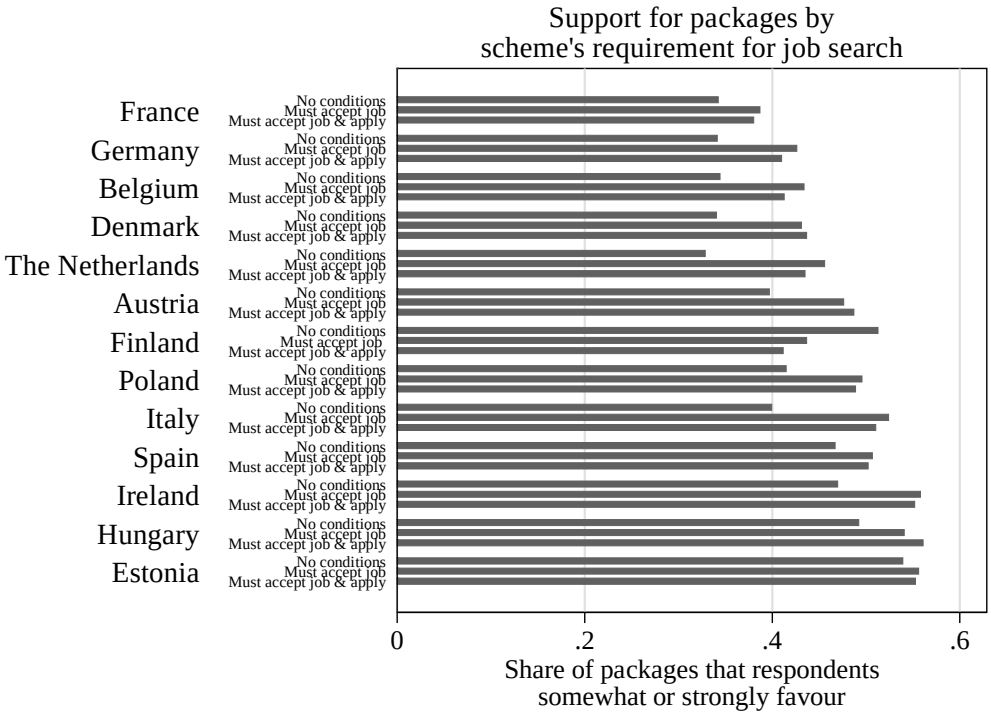


Figure 10: Support for Package Across Countries by D6 (activation requirement)



Inferential analysis of support across dimensions. Variation in public support across features of packages can be assessed more systematically by moving from the above descriptive focus to inferential estimation of support. We do so by fitting a range of models of support for a given EURS package in the full sample of package valuations: six packages judged for every respondent; the packages judged in three pairings of packages; 1500 respondents in each of the thirteen sample countries. The unit of analysis, here, is a given package-pairing-respondent-country. Most broadly, our analysis considers two distinct specifications of support for a given EURS package in such data: analyses focused on *Support EURS (categorical or binary),* based on the rating that respondents gave to every package they saw (with scores ranging from 1=strongly against to 5=strongly favour); and analyses focused on *Chose EURS Package (binary),* based on the packages that respondents preferred within each of the three pairings with which they were confronted and were asked to choose which they prefer. Not surprisingly, these variables are quite highly correlated. For instance, *Support EURS (binary),* where respondents strongly or somewhat support a package (=1) as opposed to are neutral or somewhat or strongly oppose a package (=0) has a covariance of .52 with *Chose EURS Package (binary).* But the measures of support for unemployment schemes are based on very different components of the conjoint experiment, and both are independently germane to our judgment of support for EURS.

Our baseline estimations focus on the per-package ratings respondents gave to each package: *Support EURS (categorical)* or *Support EURS (binary),* the most fine-grained of our measures of support. Table A1 summarizes the results of seven different estimations of *Support EURS* as a function of the various dimensions of policy design, as well as a range of controls. M1 and M2 focus on *Support EURS (categorical)* and are based on a simple OLS estimator with robust standard errors clustered by respondent (recalling the obvious clustering in our data tracking the 6 judged packages each respondent sees and considers). M1 provides the simplest baseline, with

the dimension-based characteristics of a given package plus only two controls for attention check (1=passed the check; 0=failed) and for inconsistency in a respondent's per-package ranking and choice of package (0-3, ranging from no inconsistencies to inconsistencies in all three of the pairings relative to per-package ratings). M2 excludes those respondents failing that attention check (19% of the sample respondents) AND those respondents who were repeatedly inconsistent (that is, choosing one package over another in a pairing and then giving a higher rating to the one they "rejected") more than once.[40] This M2 also includes basic individual-level controls for unemployment, low income, age and gender, and also 13 country dummies to mitigate any possible heteroskedasticity in the data, and country-level composition effects. M3 repeats the specification of M2, but focuses on *Support EURS (binary)* that throws away the gradations of support or opposition but also eases interpretation in counterfactuals below. We consider this M3 to be our main baseline specification. M4 follows this specification but considers an alternative estimator and way to redress possible composition effects: random intercept three-level multilevel models with respondent-packages embedded within countries (level 2) and respondents embedded within countries (level 3). Given the categorical nature of the dependent variable *Support EURS (categorical),* the remaining models are based on maximum likelihood estimators. M5 is a simple ordered logit with otherwise the same specification as M2. M6 is a random-intercept ordered logit model, with three-levels, as in M4. Finally, M7 is a rank-ordered logit, grouped by respondent, where one measures the likelihood of choosing a higher relative to a lower ranked package – based fully on the within-respondent variation. We considered other estimations, but these seven capture the main baseline study of *Support EURS (categorical).*[41]

Based on the empirical results from these specifications summarized in Table A1, we see stable corroboration of the descriptive-statistic patterns above. All other things equal – a strong *ceteris paribus* condition given that these reflect experimental treatment – sample respondents tend to prefer packages that entail: 70% replacement rate for generosity (D1); countries having to offer education and training to their unemployed (D2); the possibility of some between-country redistribution, even where only poor countries (not rich ones) can draw more than they put into the insurance pool (D3); no increased tax burden (D4); national as opposed to EU-level administration (D5); and individual beneficiaries being required to meet at least some conditions (e.g. accept a suitable job offer) (D6). These patterns are stable across the specifications, except with respect to between-country redistribution (D3), where the (always) positive coefficients lose statistical significance in the multi-level random-intercept estimators. Before turning to these patterns in more detail, it is also worth noting that those who pass the Attention check (visible in M1) are significantly more likely to support EURS. On the other hand, those respondents giving more internally inconsistent answers (choosing package A over package B and then rating B

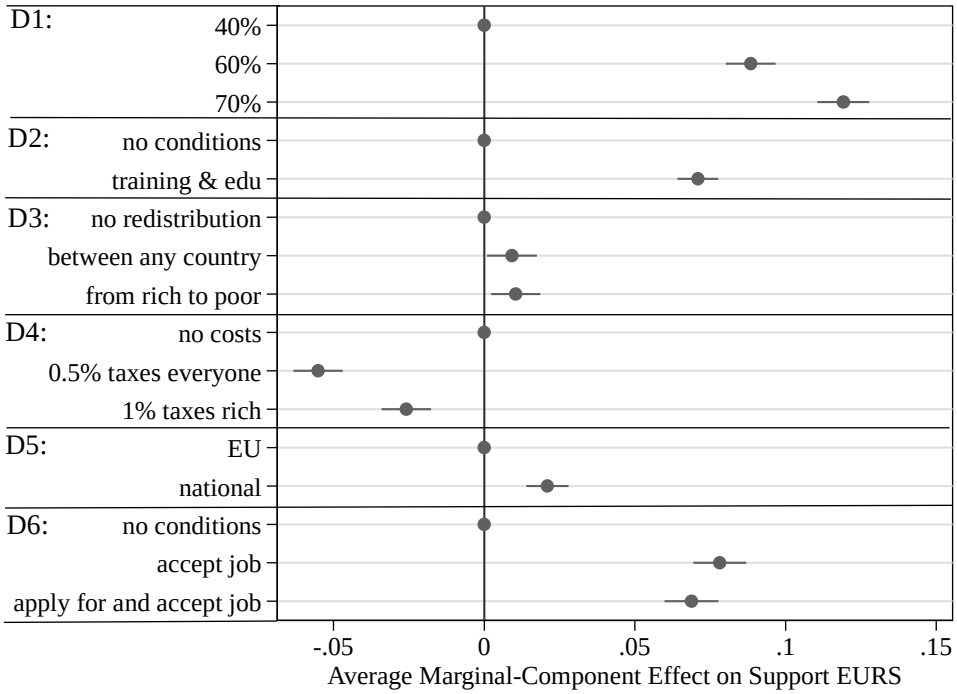
[40] Excluding the *inattentive* respondents and the *repeatedly inconsistent* respondents eliminates 20,6% of the respondents (there is some overlap between the inattentive and the repeatedly inconsistent respondents). Among the respondents that we keep in this analysis, the share of *weakly inconsistent respondents* (respondents who give one inconsistent answer in the conjoint part of the questionnaire, but not more than one) is 10,8%.

[41] For instance, we considered models with sample weights, yielding virtually identical results. And we considered a range of maximum likelihood models based on *Support EURS (binary).* These all strongly corroborate the patterns based on estimations from Table A1.

higher than A in the valuation) tend to be more likely to do so.[42] Furthermore, wealthier respondents are less likely to support EURS, but the unemployed in some estimations are *less likely* to do so. Finally the country patterns corroborate those patterns summarized in Figure 3 (results not shown).

To visualize these results, Figure 11 plots the Average Marginal Component Effects (AMCEs) for each attribute value across our six dimensions, based on the M3 baseline that includes the individual-level controls and country dummies, and focuses only on those passing the attention check and not giving an inconsistent response more than once. Such average marginal effects gauge the causal effect of a given attribute value on the probability that a profile will be chosen, compared to the baseline attribute value. Also shown are the 95% confidence intervals of these marginal effects. Our explanatory factors of interest, being experimentally derived, can be seen as conceptually orthogonal to one another. This means that AMCEs can be estimated via simple OLS regression of the outcome variable on dummies for each level of each attribute (excluding a reference category for each dimension), again with standard errors clustered by respondent to account for obvious within-respondent correlation and clustering (Hainmueller et al., 2014; Bechtel et al. 2017). The marginal effects can be interpreted as the increased or decreased chance that a respondent supports an EURS package across the given attribute options. The AMCE for each attribute level will be equal to the estimated coefficients on their dummies (Hainmueller et al., 2014).

Figure 11: Average Marginal-Component Effect (AMCE) of Dimension Attributes on Support EURS

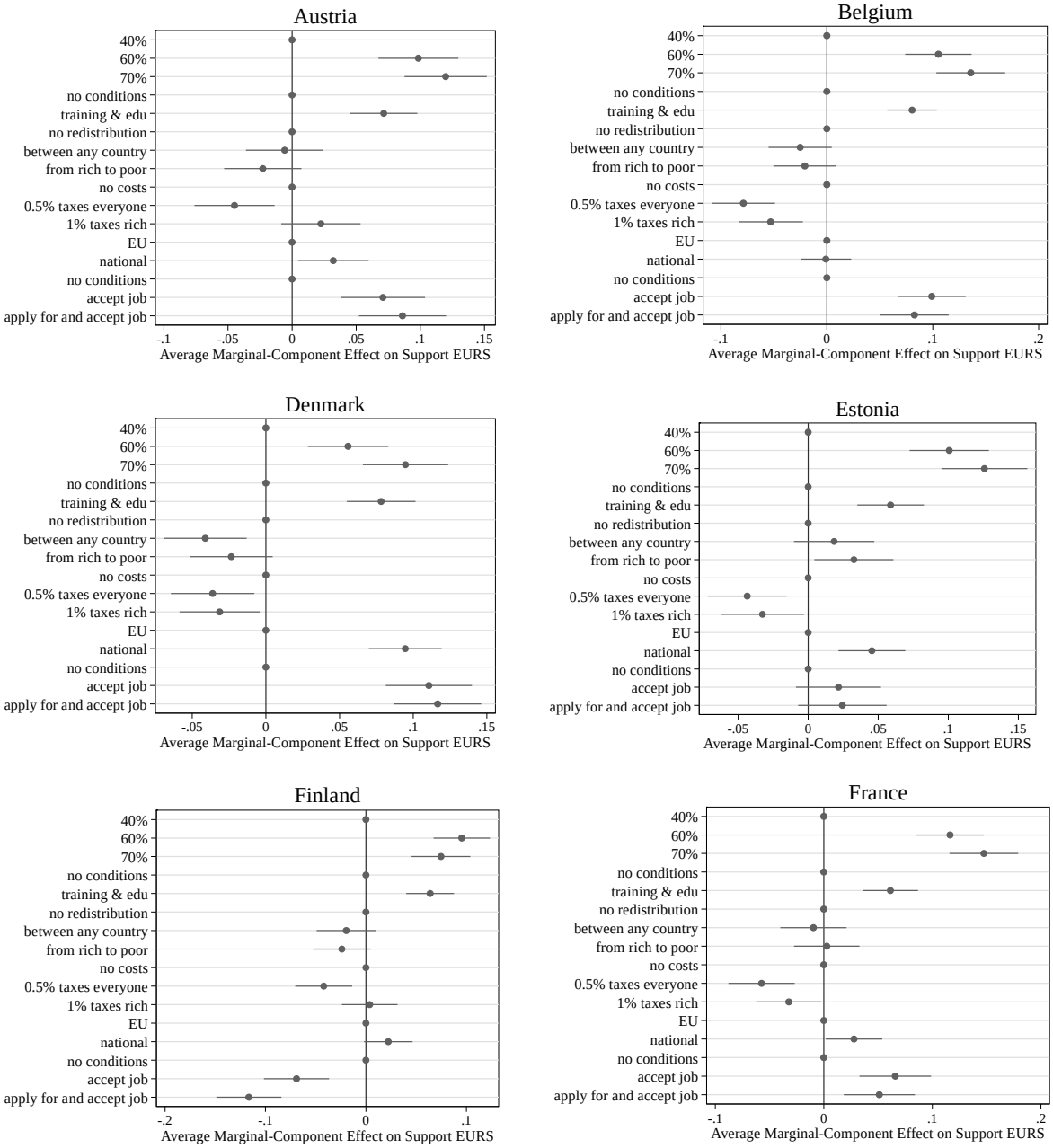


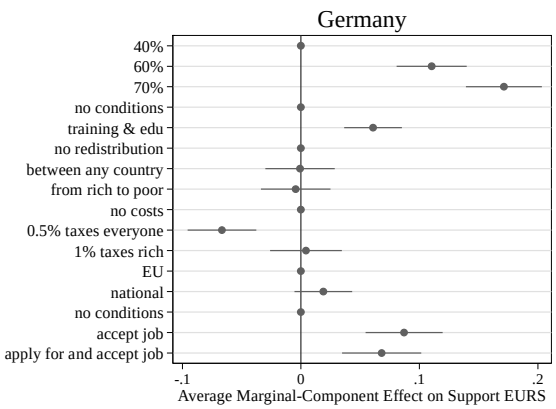
[42] We have separate analysis on the characteristics of respondents failing the attention check and including inconsistencies (not shown here).

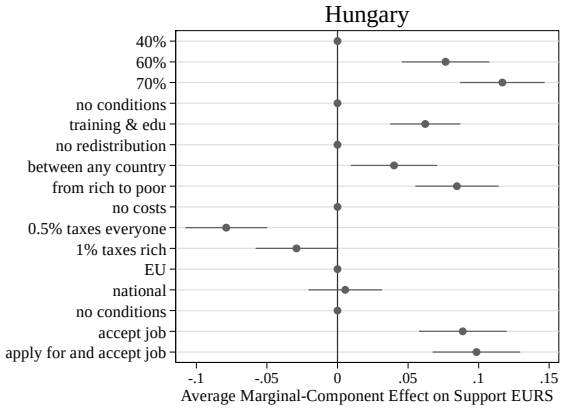
Figure 11 also clarifies the relative size of how much a given policy feature influences a respondent's support for EURS. The horizontal axis capturing increased or decreased chance of supporting a package, for instance, suggests that the strongest predictor of support for a package is package generosity: respondents are about 12% more likely to support a package if it is most generous (70%) than if it is least so (40%). The second-most influential dimension is whether there are individual-level conditions relevant to labour-market activation, where the most popular packages are those where beneficiaries must accept a suitable job offer. Respondents are 7.5% more likely to support packages that require beneficiaries to accept a suitable job than they are with regard to packages with no such activation requirement. Also substantial in effects is the long-term taxation burden, where the most popular are packages that pose no extra taxation burden, roughly 6% more likely to be supported than packages where everyone bears some (modest amount). Packages with a more progressive burden pushed on the rich are half as unpopular. And packages with a demand that participating countries provide education and training benefits for their unemployed are about 7% more popular than packages without such a requirement. The only dimension that appears on the whole matters least in statistical and substantive terms involves between-country redistribution, where we see only slight (albeit statistically significant in our baseline models) preference for some redistribution (either for any contributing countries or from rich to poor countries).

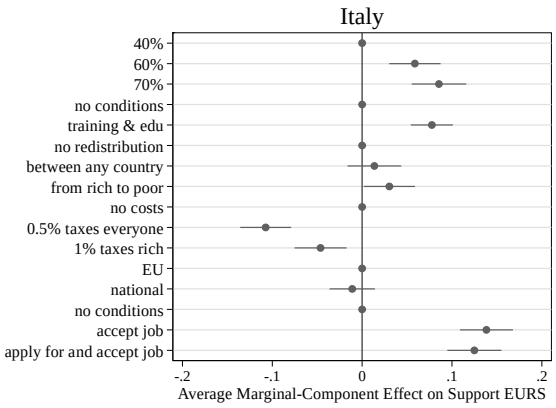
Figure 12 shows the country-specific patterns of support across the dimensions of policy design. The estimations are again based on Table A1's M3 specification, except that here we run the models for each individual country (and hence exclude country dummies). The most striking pattern to emerge from this level of detail is how stable the pooled results are in terms of which policy attributes in a given dimension are most and least popular. The important exceptions are worth noting, however. We see for instance that in the Netherlands, respondents are more strongly more spurred to support packages that are more generous in terms of programme replacement rate. And we see, more oddly, that the Estonians and Finns, unlike all other sample populations, are *not* more likely to support packages that include individual-level conditionality. In fact, the Finns tend to substantively and statistically significantly prefer no individual-level conditionality. Finally and significantly, Spain, Hungary and Poland are the polities most supportive of between-country redistribution of any form, embracing particularly a system that would redistribute financing from rich to poor countries (interestingly, in these specifications Italy does not join this plea).

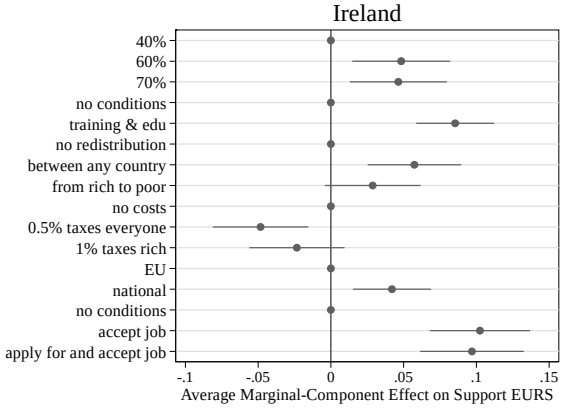
Figure 12: Average Marginal-Component Effect (AMCE) of Dimension Attributes on Support EURS, by Country

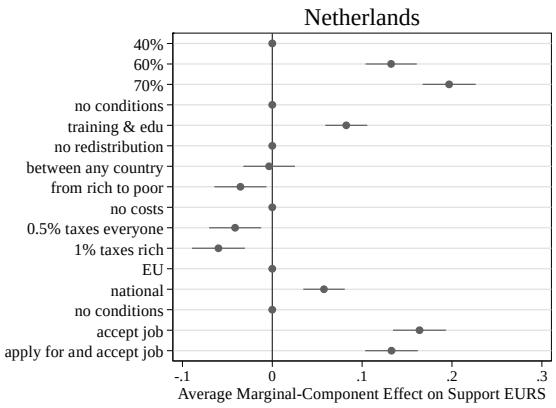


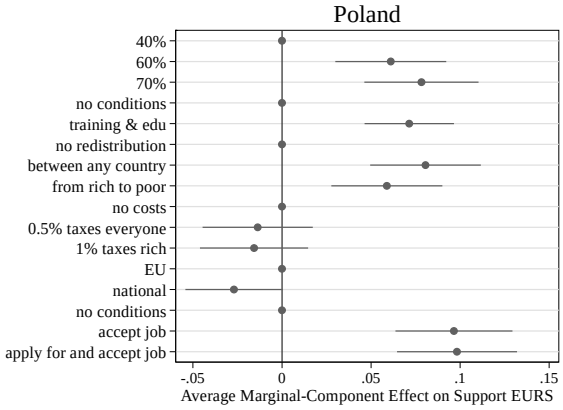

Germany
40%
60%
70%
no conditions
training & edu
no redistribution
between any country
from rich to poor
no costs
0.5% taxes everyone
1% taxes rich
EU
national
no conditions
accept job
apply for and accept job
-.1
0
.1
.2
Average Marginal-Component Effect on Support EURS

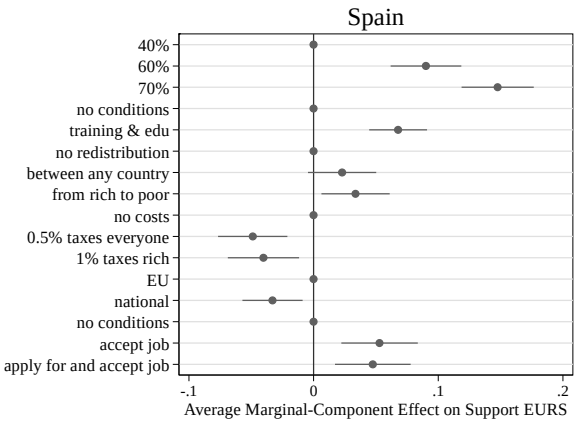

Hungary
40%
60%
70%
no conditions
training & edu
no redistribution
between any country
from rich to poor
no costs
0.5% taxes everyone
1% taxes rich
EU
national
no conditions
accept job
apply for and accept job
-.1
-.05
0
.05
.1
.15
Average Marginal-Component Effect on Support EURS


Italy
40%
60%
70%
no conditions
training & edu
no redistribution
between any country
from rich to poor
no costs
0.5% taxes everyone
1% taxes rich
EU
national
no conditions
accept job
apply for and accept job
-.2
-.1
0
.1
.2
Average Marginal-Component Effect on Support EURS


Ireland
40%
60%
70%
no conditions
training & edu
no redistribution
between any country
from rich to poor
no costs
0.5% taxes everyone
1% taxes rich
EU
national
no conditions
accept job
apply for and accept job
-.1
-.05
0
.05
.1
.15
Average Marginal-Component Effect on Support EURS

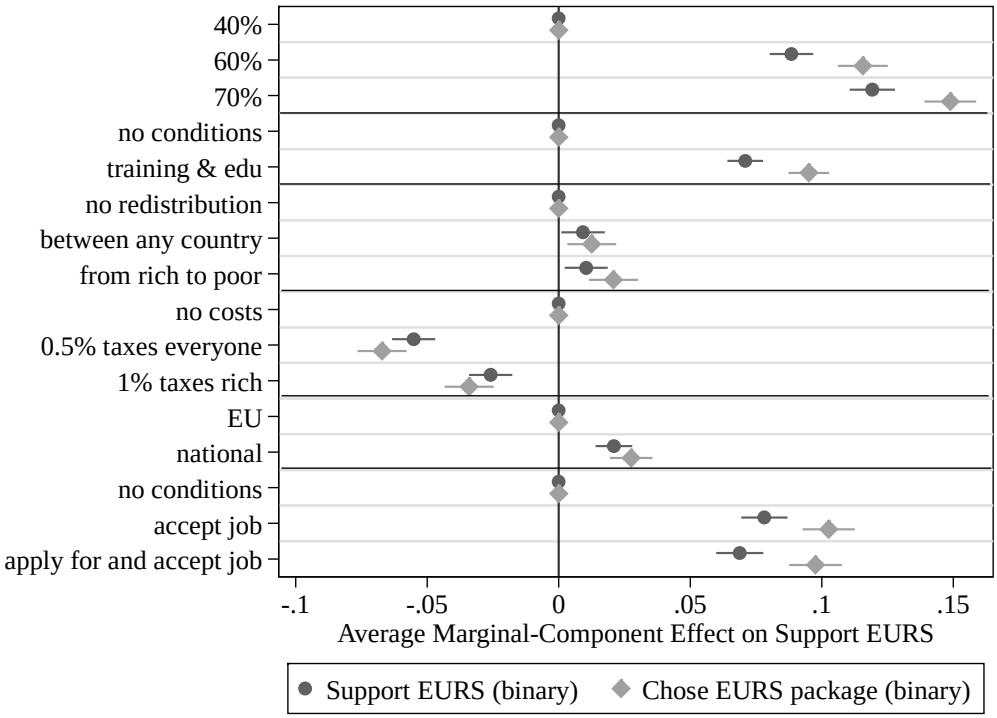

Netherlands
40%
60%
70%
no conditions
training & edu
no redistribution
between any country
from rich to poor
no costs
0.5% taxes everyone
1% taxes rich
EU
national
no conditions
accept job
apply for and accept job
-.1
0
.1
.2
.3
Average Marginal-Component Effect on Support EURS


Poland
40%
60%
70%
no conditions
training & edu
no redistribution
between any country
from rich to poor
no costs
0.5% taxes everyone
1% taxes rich
EU
national
no conditions
accept job
apply for and accept job
-.05
0
.05
.1
.15
Average Marginal-Component Effect on Support EURS



It is important to note that all of the patterns summarized in Figure 12, based on M3 from Table A1, are strongly corroborated by the other specifications focused on *Support EURS (categorical),* or based on the binary transformations of this categorical measure (e.g *Support EURS (binary)*). The patterns are also strongly corroborated by the patterns based on a focus on *Chose EURS Package (binary).* The main results of such a focus are summarized in Table A2. And the results that we want to emphasize are summarized in Figure 13. The Figure captures how the patterns based on *Chose EURS package (binary)* are substantively larger or more pronounced than are those based on the per-package rating (*Support EURS (binary).* Most importantly, finally, we see that this different experimental specification of support for EURS – based again on the simple choice of package in each of the three pairings of packages that respondents faced – yields further the identical pattern of support across the dimensions of the EURS packages that we reported in Table A1's and Figure 12's analysis of *Support EURS (binary)*. This can be easily seen by looking at the horizontal axis and the position of the predicted marginal effects for *Chose EURS package (binary),* in grey, capturing the marginal increased or decreased chance of choosing a package with the characteristic measured. Hence. respondents are all other things equal: almost 15% more likely to choose an EURS package with 70% replacement rate than an EURS package with 40% replacement rate; 9% more likely to choose packages with training and education requirement for countries; 7% more likely to choose packages with no tax increase than those that share the burden of a 5% increase; 3% more likely to choose packages with national administration; and 10% more likely to choose packages with an activation requirement (job search).

Figure 13: AMCE effects based on *Support EURS (binary)* and *Chose Package (binary).*



5.3. Support for EURS Packages

As useful as such marginal effects may be in clarifying support for particular dimensions, they do not fully capture how combinations of features in packages play out for support for European unemployment risk sharing as a full policy. Hence, we can pull-together the information about support across dimensions to answer the most relevant question about a possible EURS policy package: what combination or mix of features across the six EURS dimensions is most and least supported by our sample respondents? Answering this question *fully* would require an examination of the 324 packages that are possible, something that is feasible with our data but too tedious for this report. Instead we focus on particular combinations that are most prominent in the patterns of public support and most relevant to policy debate and intuition about the economic and political viability of European unemployment insurance schemes.

Figure 14 summarizes support for six alternative EURS packages that combine particular values across our dimensions. The attempt here is to visually capture the share of voter support for particular EURS packages. Predicting voter support on the basis of survey data inevitably involves complex guess-work, but our data offer the most robust evidence that is available to do so. All the Figure's results are based on counterfactual modeling based on taking our baseline M3 in Table A1 – predicting the "vote" for a given combination or package, within an experimental standard of *ceteris paribus* for the conjoint, and net of country-level and key individual sampling or composition effects. Here, however, we focus on *Support versus Oppose EURS*, the share of respondents who somewhat or strongly support EURS (based on our rating-based *Support EURS (categorical)* measure) relative to those who somewhat or strongly oppose EURS in that same measure. Such a share assumes that all "neutral" answers can be ignored or presumed to not vote (or to be split evenly between the support and oppose camps). The grey

bars (with 95% confidence intervals) capture these shares. Of course, such estimates are rough metrics, since neutrals are unlikely to fully stay home on an election day or to split evenly between the pro- and anti-EURS camps should the issue come to a European-wide or national referendum. To address the possibility that neutrals might alter the portrait, we also show the key result should we assume that all neutrals actually vote against the package in question (M2 in Table A1)– also an unlikely eventuality, but a good low-floor estimate for our purposes. This low-floor is given by the solid horizontal lines on each bar of Figure 14.

Figure 14: Predicted Vote for Sample Packages, Pooled Sample (13 countries)

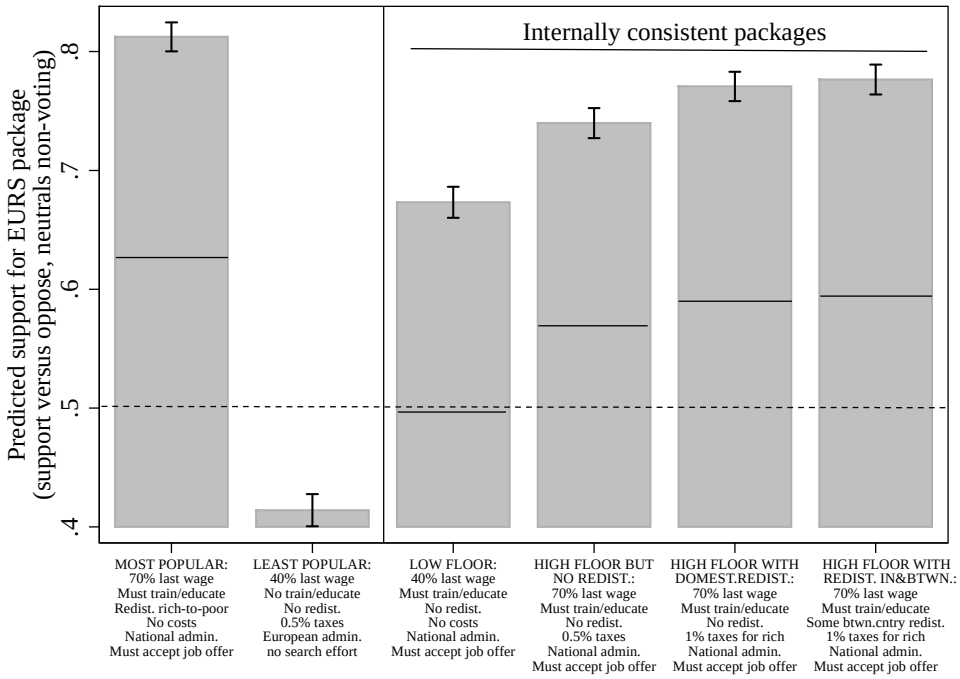


Figure 14 focuses on six modal packages. The first two packages are interesting really only in theory: the first is the "most popular" EURS, and the second the "least popular," both based purely on the results of the conjoint analysis summarized in the previous section. These policy mixes are not viable as political projects, since they involve understandable but politically and economically problematic combinations. For instance, the most popular package is a kind of "free lunch," where respondents want the most generous assistance, without having to pay a tax price for the assistance.[43] Still, these "most popular" and "least popular" packages provide some lower-floor and upper-ceiling benchmarks to judge European support for EURS. We see from Figure 14, for instance, that more than 80% of our sample support the most popular free lunch, with more than 60% supporting even if we assume that all neutrals would vote against the package. Little more than 40% of our sample supports the least popular package: one that includes an EU-administered programme with a guaranteed replacement rate of only 40% for the

[43] In principle, such a package is not a "free lunch" if public spending on other programmes would be reduced, or, if governments would incur steadily higher levels of public debt. Such trade-offs are conceivable but surpass the remit of our research; they also seem *prima facie* implausible in the context of the policy problematic presented here.

unemployed, that raises taxes (albeit rather modestly) for everyone, and that promises no between-country redistribution but also no activation requirement for individual beneficiaries.

The remaining four packages represent what we judge to be internally consistent and particularly important modal policy mixes. The four on which we focus are roughly ascending in generosity and character of redistribution. As can be seen by the descriptions of each, not all dimensions vary. For instance, it's clear that respondents tend to prefer that participating countries provide training and education for their unemployed; that administration be at the national (rather than European level); and that individual beneficiaries should be required to at least accept a suitable job offer. Hence we keep these three features constant. But we want to see whether support for packages differ across combined differences in generosity matter (focusing on 40% versus 70% replacement rates); whether different kinds of between-country redistribution (where all countries can or cannot take out more than they pay in, or whether only poor countries can do so); and whether more or less substantial or progressive taxation (and hence within-country redistribution). We use the following short-cuts to denote the packages:

- The *LOW FLOOR* package combines the least generous support, no extra tax burden and no between-country redistribution;
- the *HIGH FLOOR BUT NO REDISTRIBUTION* combines the highest level of generosity with 0.5% taxes for everyone, but also entails no between-country redistribution;
- the *HIGH FLOOR WITH DOMESTIC REDISTRIBUTION* combines the highest level of generosity with 1% tax on the rich (no increase for others, hence within-country redistribution), but allows no between country redistribution;
- the *HIGH FLOOR WITH REDISTRIBUTION IN AND BETWEEN COUNTRIES* combines the highest level of generosity and 1%-tax on the rich with allowing countries to draw on EURS more than they pay in, hence entailing (potentially) some between-country redistribution.

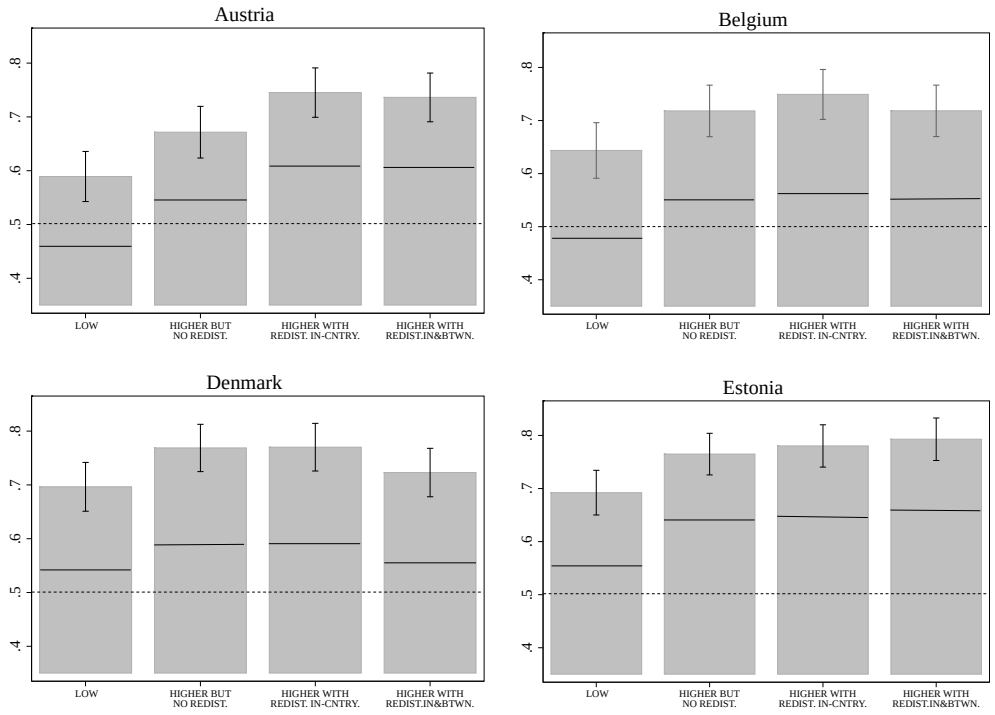
Across these internally consistent packages, we see a pattern of Europeans tending to prefer packages that are more generous and entail more redistribution – particularly within countries through progressive taxation, but also modestly between countries through allowing participants to draw on more from the insurance facility than they pay in. The *LOW FLOOR* package enjoys the lowest predicted support, with some 65% but with just under 50% should one assume all neutrals vote against the package. All the remaining, more "generous" and redistributive packages are above the 50% threshold also should one work with that stringent assumption. The package that our models predict would receive the most voter support is that which combines relatively generous replacement of last wages with some redistribution both within and (potentially) between countries.

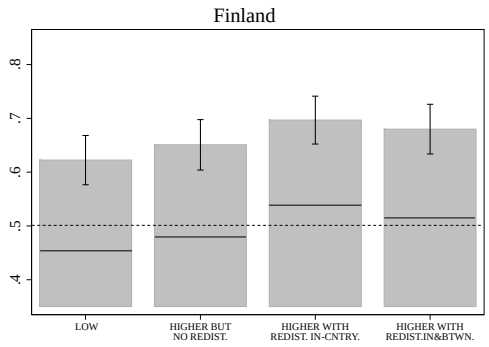
Such a pattern is particularly relevant were one to hold a European-wide plebiscite or referendum to judge a possible EURS package. However, a European unemployment insurance scheme would involve political decision-making in the European Council. If so, then the country-specific patterns are particularly important.

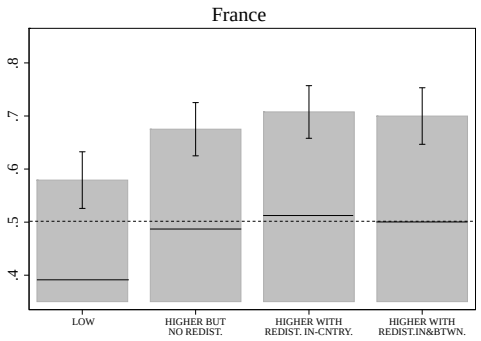
Figure 15 shows the results using the same specification discussed for the four internally consistent packages summarized in Figure 14, but here focused on per country (and, hence, again

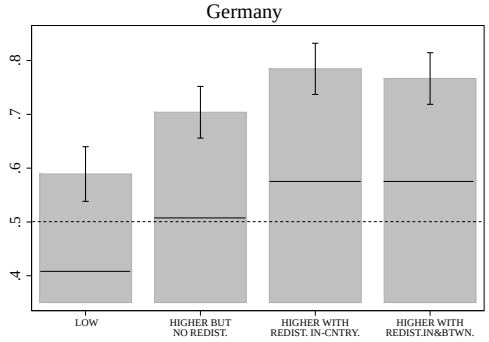
without country dummies). Here the patterns reveal important country-specific support that can deviate from the pooled pattern captured by Figure 14. Most polities, indeed, appear to prefer more generous and more redistributive programs. But there are two countries that prefer (modestly) less generous insurance – as the Irish and (particularly) Italian examples show. And a number of countries are not particularly more enthusiastic about packages that have domestic redistribution (compared to an across-the-board modest tax burden for the programme). This applies to Belgium, Ireland, Poland – but is most marked in the Netherlands. Finally, compared to the pooled Figure 14 pattern, a number of countries are substantially more or less enthusiastic about both within-country and between-country redistribution. The countries that are particularly enthusiastic about this redistributive combination are Poland, Estonia, Ireland and Spain. And the countries that are substantially *less* enthusiastic about between-country and within-country redistribution include Austria, Belgium, Denmark, Germany and the Netherlands. This is, of course, a predictable split in terms Euro-zone political economy and net debtor and creditor status, and the pattern comports with earlier studies suggesting very divided support in Europe for particularly cross-nationally redistributive European schemes.

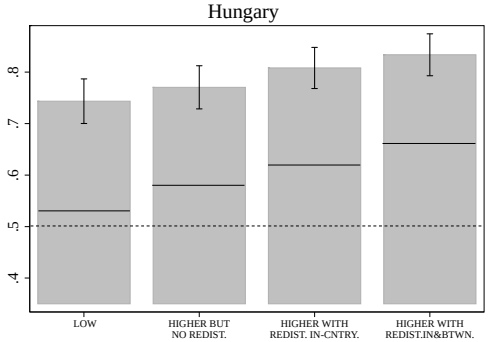
Figure 15: Predicted Vote for Sample Packages, by Country




Finland
.4
.5
.6
.7
.8
LOW
HIGHER BUT NO REDIST.
HIGHER WITH REDIST. IN-CNTRY.
HIGHER WITH REDIST.IN&BTWN.


France
.4
.5
.6
.7
.8
LOW
HIGHER BUT NO REDIST.
HIGHER WITH REDIST. IN-CNTRY.
HIGHER WITH REDIST.IN&BTWN.


Germany
.4
.5
.6
.7
.8
LOW
HIGHER BUT NO REDIST.
HIGHER WITH REDIST. IN-CNTRY.
HIGHER WITH REDIST.IN&BTWN.


Hungary
.4
.5
.6
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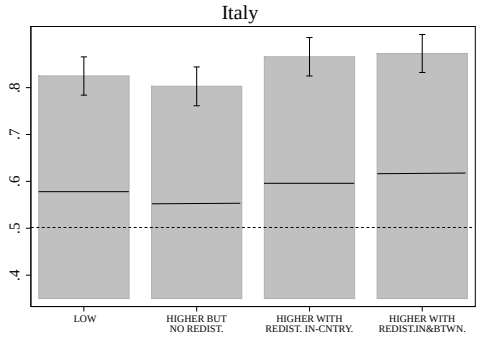
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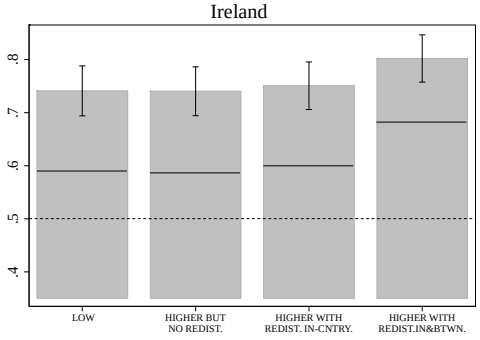
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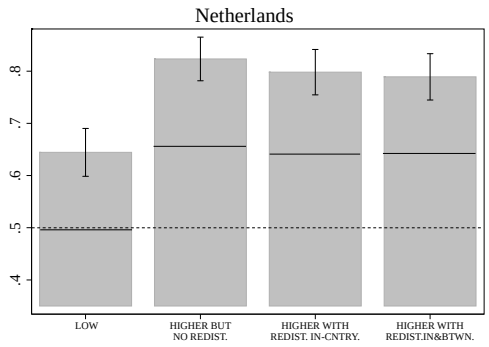
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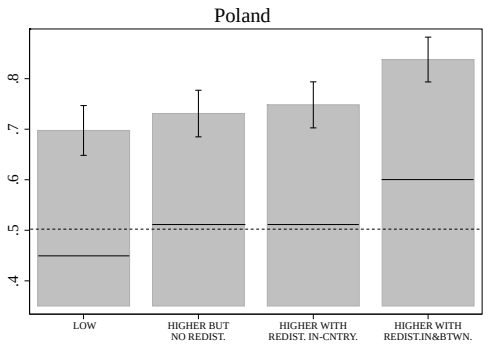
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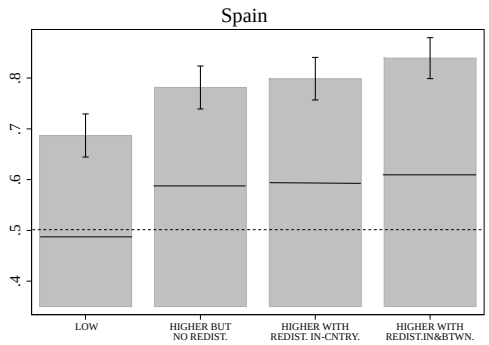


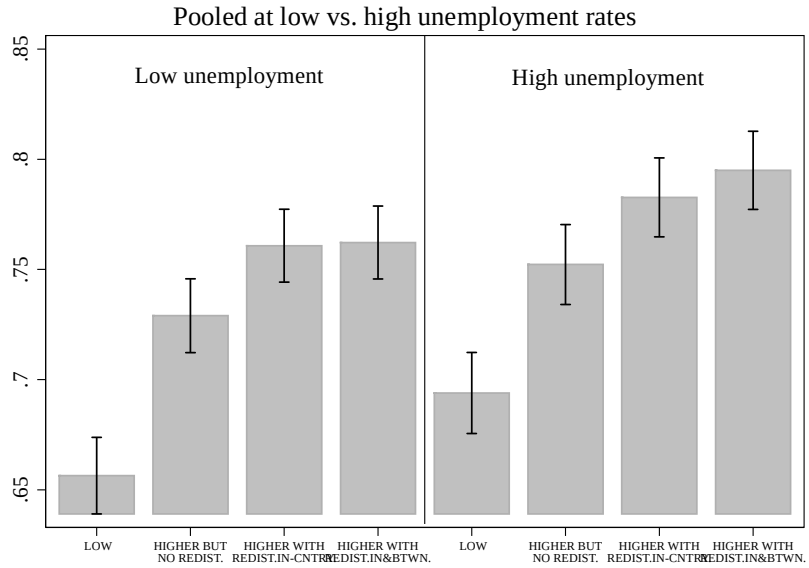
5.4. Support for EURS Across Country-level Characteristics

We can now turn to more systematic scrutiny of such cross-country differences. As the above discussion has already laid bare, political support for European unemployment insurance schemes varies in important ways across countries. So far, we have articulated this variation in the simplest of national terms, focusing on not just the pooled results but the per-country results. It is important to consider whether the results differ depending on well-known macro-political-economic characteristics of countries that can be expected to substantially shape political support for EURS. We could do so with respect to all of the previous steps of analysis – general descriptive patterns, per-dimension patterns of marginal effects, and package-based patterns across key modal packages of EURS. To conserve space, we focus here on the latter, and we relegate to the Appendix the dimension-specific results for average marginal-component effects. The Figures below summarize counterfactual estimates of support for the same four modal packages discussed in Figures 14 and 15 above. Our predicted 'vote' levels are based on the same estimation approach as in Figure 14, focused on somewhat or strongly supporting a given EURS package (relative to somewhat or strongly opposing that EURS package, the 'neutrals' treated as non-voting). The controls for the estimation basis for the models remain M3 from Table A1, except that here we exclude the country dummies so as to be able to estimate possible influence of macro-level conditions, like unemployment insurance, GDP, or any other country-level parameter (details and sources of all the country-level parameters used in this subsection are provided in Table A19 in the **Appendix**). These are rough calculations, of course, given the modest 13-country cross section on which to base the calculations. Based on these models, however, we can consider cross-level interactions that allow systematic comparison of support for packages at 'low' versus 'high' levels of the aggregates – taking the 10th percentile in the sample distribution as 'low' and the 90th percentile as the 'high; for the purposes of the summary below.

First, Figure 16 summarizes how support for the four examples of European insurance packages varies depending on a country's experience with macro-level unemployment. The measure of unemployment, here, is the standardized unemployment rate in 2017. And the 10th percentile is 4.2 percent, the figure for Hungary, and the 90th percentile is Italy at 11.2 percent. On the basis of these low and high benchmarks, Figure 16 graphs the predicted levels of support for the EURS packages based on the counterfactual estimation of the interaction between unemployment and the dimension features of packages. The left-hand panel shows the results

should one be interested in low unemployment settings like Germany or Hungary in 2017, and the right-hand panel focuses on results for high-unemployment settings like Spain and Italy.

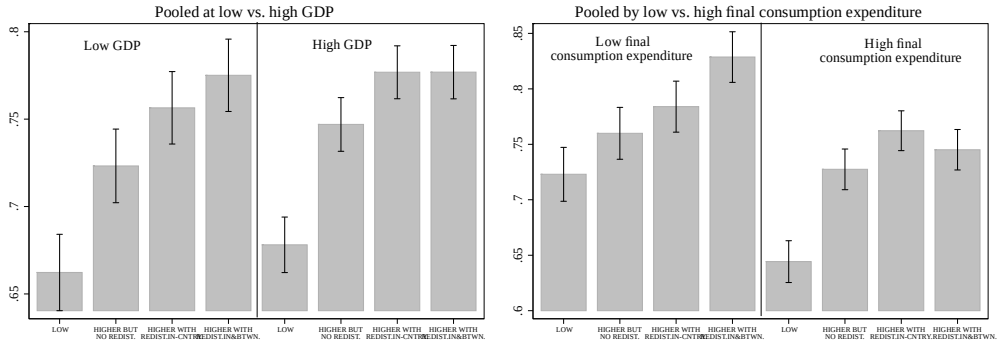
Figure 16: Predicted Support for EURS Packages Depending on National Unemployment Rates



The results comport with intuition, in that the respondents in the higher unemployment situation are predicted to be more supportive of any of the four European unemployment schemes than are their counterparts in low-unemployment settings. Also significant is that only in the high-unemployment setting, not in the low-unemployment setting, respondents are also more likely to support some between-country redistribution (the fourth package in each of the panels). Less obvious *ex ante*, is that the move to more generous settings in terms of replacement rate yields an (even) stronger increase in support for European unemployment insurance in low-unemployment settings than applies to high-unemployment settings.

Second, Figure 17 focuses on aggregate wealth of sample countries. It focuses on the possible moderating role of two measures of wealth. On the left-hand pairing, the focus is on basic per capita GDP in 2017 as a percentage of the EU-28 average (on the basis of purchasing power parity, PPP, normalization). This shows a clear pattern of increasing support across EURS packages as moves towards more generous and more redistributive packages. It also shows that this pattern is even stronger in the low-GDP setting than the high-GDP setting. In fact, in the latter, packages with some between-country redistribution are no more popular than those without (compare the third and fourth packages). This may be a straight-forward story. But we should be cautious in interpreting the result, not least because of the peculiar GDP status of Ireland. The Irish government has decided to reconsider the calculation of its GDP: it now stands at 182% of the EU average by the above measure, making it by far the 'richest' country in our set (followed by Austria and Denmark). This is dubious enough to cast doubt on the value of GDP accounting as a proxy for wealth.

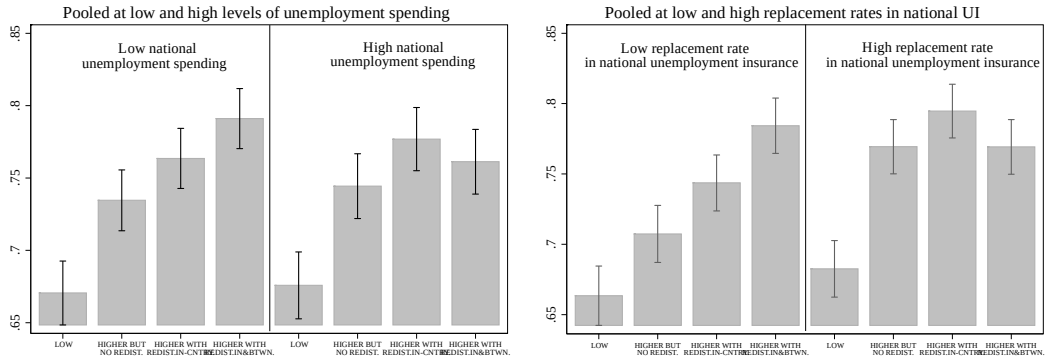
Figure 17: Predicted Support for EURS Packages Depending on GDP and on Final Consumption Expenditure



To correct for this kind of anomaly, the right-hand panel of Figure 18 focuses on 'Final Consumption Expenditure', the component of GDP that we find the most reliable national account-based indicator for living standards. The measure is again taken as a percentage of the EU28 average (again on PPP-basis). Here the Irish relative figure reduces to 106% of the EU average (with Austria and Denmark's 'Final Expenditure' equal to 120% of the EU average). Focusing on this measure, then, the right-hand panel shows an even starker difference between the (in aggregate terms) wealthiest and 'poorest' sample countries. The low final consumption settings repeat our results from low GDP settings in the left-hand panel. But the high-final consumption expenditure results shows markedly lower levels of support for all of the modal packages relative to settings with (counterfactually) low final consumption expenditure. And the comparison of support for no cross-national redistribution to some such redistribution yields a marked decrease in support (see final package support in the rightmost panel). Either way, the results provide some meaningful evidence that while all settings are supportive of EURS packages, the wealthier settings are less generally supportive of the most redistributive packages (though still clearly in favor) than are respondents in poorer settings.

Third and finally, Figure 18 focuses on how national-level social policy generosity moderates support for European unemployment insurance schemes. Such generosity is difficult to measure, of course, even with respect to the focused area of national unemployment-insurance (UI) most germane to political economic debate about a possible European-level insurance scheme. We focus on the possible moderating role of two measures. In the left-hand panels, we see total unemployment-related expenditures (as a share of GDP) in 2015, the most recent available year This is a spending measure that captures both the level of unemployment, the generosity of current benefits and their take-up, and therefore the likely *visibility* of the current national unemployment assistance. As can be seen by the two left-hand panels, respondents in the higher-UI settings can be expected to offer modestly less support for our four modal packages of EURS than are the lower, less generous unemployment insurance settings. More clearly, the more generous national settings are less supportive of the packages with more cross-national redistribution than are the less generous UI settings.

Figure 18: Predicted Support for EURS Packages Depending on National Unemployment Insurance



The right-hand panels consider an alternative measure: the net replacement rate provided by benefits for unemployed individuals, during the first six months of unemployment (this measure is based on the OECD Tax-Benefit Calculator; we use the indicator for singles). This measure of generosity paints a similar picture, where in less generous national settings we see support for more generous and redistributes European unemployment schemes. In the more generous settings, where national net replacement rates are already high, respondents become again much more supportive of European-level insurance only when it gets to the most generous 70% replacement-rate level (more dramatically in such an 'increase' than applies to less generous settings). And in such more generous national insurance settings, moving to more internal redistribution (by putting the additional tax burden on the rich) increases support for EURS, while increasing the cross-national redistribution in the European-level package actually markedly reduces support for European-level insurance – more so than applies to the spending measure.

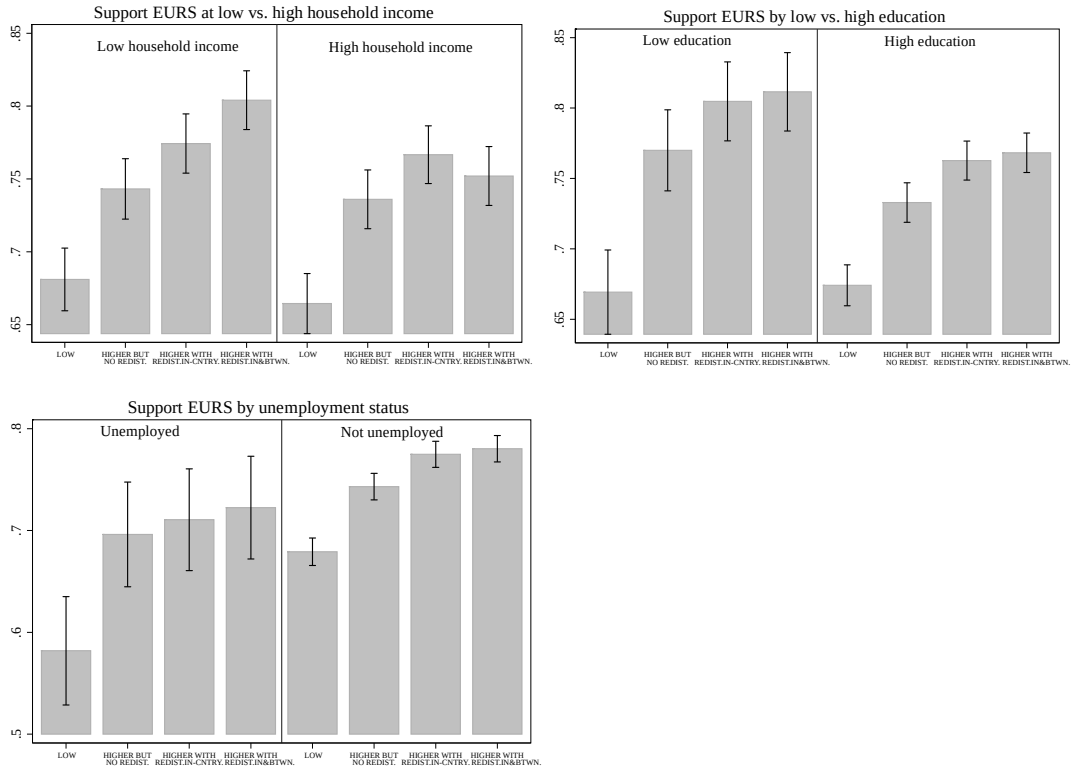
5.5. Support for EURS based on individual-level characteristics: Socio-economic Status, Socio-economic Attitudes, and Support for EU

We conclude our presentation of the key patterns of support for European insurance schemes as a function of individual-level characteristics of our European sample respondents. We focus particularly on the three key individual-level characteristics that previous research suggests dampen or intensify support for social protection generally and European-level protection in particular: socio-economic status, socio-economic attitudes, and attitudes towards European integration.

First, key features of socio-economic status – particularly household income, unemployment and education level – are key sources of economic risk relevant to a respondent's support or opposition to any social policy protection, including EURS. Our expectation is that low-income, low-education and unemployed respondents are more likely to favor EURS with more generous programmes and more progressive taxation (more within-country redistribution), though not necessarily more between-country redistribution. Figure 19 summarizes the results across low and high values of these three measures of objective economic risk: for household income, we take as 'low income' those in lower than the country-specific median of household income (based on EU-SILC household income data), and 'higher income' those above that median; 'low education' we take as those no higher than lower secondary education, and 'higher education' as those with higher than such secondary education; and for unemployed we take those who report

their labour market status as ‘unemployed’. The focus is again on the four modal European insurance packages that capture more or less generous and redistributive approaches. And the estimation approach is the same as with respect to Section 5 on the moderating role of macro-level characteristics.

Figure 19: Support for EURS by Socio-economic Status



The results suggest that individual objective economic risks have uneven moderating implications for respondent support for various packages. With respect to household income (upper left panel)[44] and education (upper right panel), those in more insecure economic positions (low household income and low education) are more likely to support a given package than are those in more secure positions. Their support also more strongly skews towards more generous and redistributive packages than do their wealthier and more educated counterparts. Indeed, those facing low risk appear appreciably more likely to support EURS that is redistributive within countries but *not* between countries. In contrast, being unemployed – the most obvious source of risk one might expect to moderate support for European-level insurance – tends not to yield stronger support for such insurance than does not being unemployed (i.e. having a job, being retired or for some other reason out of the labour market). In fact, the pattern is the opposite: the unemployed are less likely to support EURS packages than are their less dislocated

[44] We position the respondents in the income distribution that prevails in their country, by approximating their position in the income deciles that can be calculated on the basis of the most recent EU SILC vintage. Therefore, we convert the estimations of the total household income provided by our respondents into standardized individual household incomes, using the modified OECD equivalence scale applied in EU SILC.

counterparts, though here we still see considerable support for the modal packages (ranging from 57 to 73 percent support for the four packages).

Second, attitudes towards the unemployed and towards government responsibility to help the unemployed and redress inequalities are important features influencing support for social protection. Figure 20 shows results for two such measures: support or opposition to (national) government redistribution[45] (left-hand panels) and belief that the unemployed do not actually look for work[46] (right-hand panels). The left-hand panels suggest strongly that those who are strongly in favour of government redistribution are much more likely to support generous and more redistributive European-level insurance schemes (than less generous and redistributive ones). And those strongly opposing government redistribution have the opposite preference ordering: preferring less generous and regressive European-level schemes.

Figure 20: Support for EURS by Socio-economic Attitudes: Support for Government Redistribution and Beliefs About the Unemployed

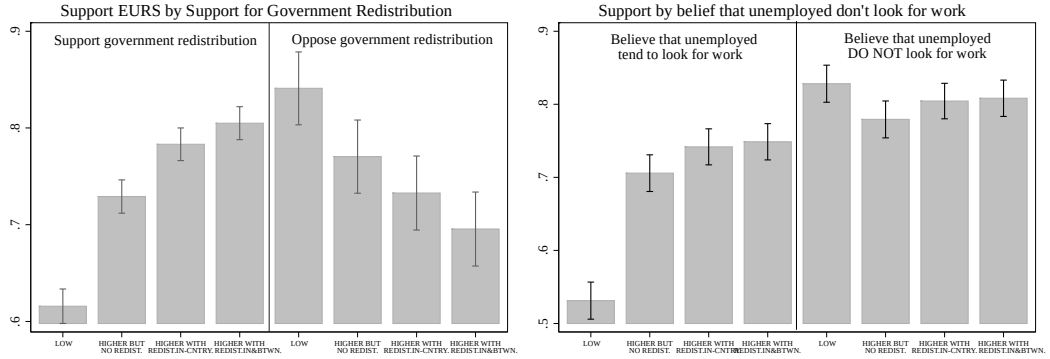


Figure 20's right-hand panel shows that attitudes towards the unemployed also moderate support for European insurance schemes (albeit not so strongly as do attitudes towards national government redistribution). Those believing that the unemployed do look for work are substantially more likely to support more generous and redistributive programmes than low-generosity and regressive systems. In contrast, respondents who strongly believe that the unemployed tend *not* to look for work – that is, essentially judge unemployed people to be slothful or exploitative – tend to be most supportive of the most modest income replacement in European level schemes, and to be no more likely to support schemes that are redistributive than those that are not. Most striking, however, is that these latter respondents (believing the unemployed don't look for work) are across the four packages more likely to support European insurance than are respondents who believe that the unemployed do look for work. What this reflects is unclear, though it likely involves how our modal packages all include activation

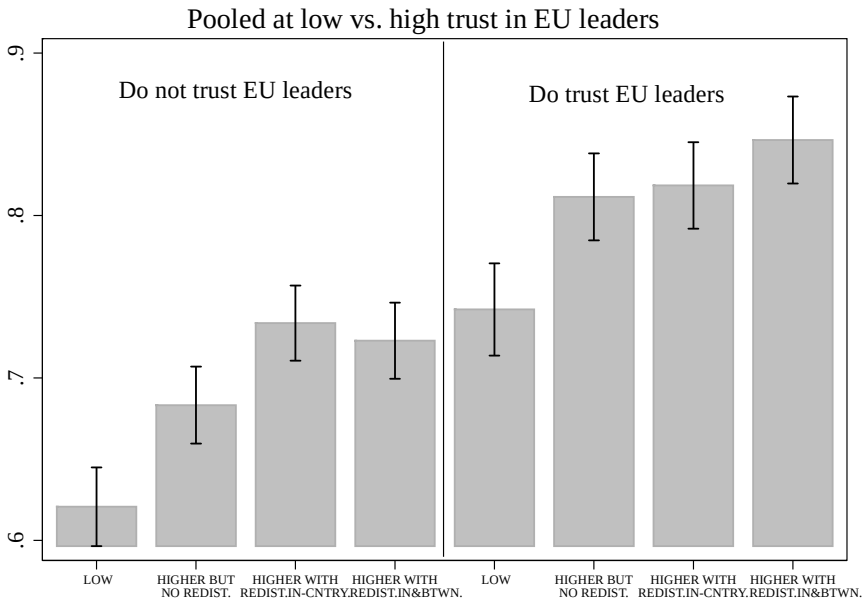
[45] The respondents are asked to say to what extent they are in favour or against each the following statements: "The government should take measures to reduce differences in income levels". Answers are scaled on a Likert scale (Strongly in favour / Somewhat in favour / Neither in favour nor against / Somewhat against / Strongly against) including the possibility "I prefer not to answer".

[46] The respondents are asked to say how much they agree or disagree with the following statement: "Most unemployed people do not try to find a job". Answers are scaled on a Likert scale from "Strongly agree" to "Strongly disagree", including the possibility "I prefer not to answer".

requirements.[47] But the pattern does reaffirm an appreciable level of support for EURS even among those with quite negative attitudes about the groups who are the most likely targets of European-level insurance schemes.

Third and finally, we can close our presentation of the results with a snapshot of how attitudes towards European integration influence support for European insurance schemes. Figure 21 provides a clear view of this, focusing on whether those trusting or distrusting of contemporary European leaders judge our four modal European insurance packages. Here the expectations and patterns in our data are simple: those more trusting of European leaders are generally more supportive of European insurance schemes than are those distrusting of EU leaders.[48] And those more supportive of the EU leaders are also more likely to support more generous and redistributive packages than less generous and redistributive ones. Those distrusting EU leaders are less so skewed in their judgments, particularly with respect to between-country redistribution.

Figure 21: Support for EURS by Trust in EU Leaders



Our discussion of both how key country-level (**Section 5.4**) and individual-level characteristics (**Section 5.5**) alter support for European insurance schemes is corroborated also through alternative estimation approaches and related measures. The results are also corroborated by descriptive patterns and by analysis of average marginal-component effects in line with the discussion in Sections 1 and 2 above, respectively.[49] The weight of evidence, taken together, is that we see indeed substantial support for European insurance packages, particularly for more

[47] As captured in Appendix Figure A3, one can see that those believing the unemployed do not look for work tend to offer higher support for less generous EURS, and across all the other packages to be much less supportive of EURS than those believing that the unemployed look for work.
[48] The respondents have to tell how much they "personally trust or distrust the current leaders of the European Union"; their answers are scaled on a Likert scale (Very much trust / Somewhat trust / Neither trust nor distrust / Somewhat distrust / Very much distrust), including the possibility "I prefer not to answer".
[49] The Appendix Figures A3-A10A4-A18 provide an overview of such AMCE plots.

generous and redistributive ones. But we also see that such support is stronger in some countries and quite modest in a few others, and that it is substantially moderated by a range of country-level and individual-level features of socio-economic experience and judgment.

5.6. Comparison with existing literature

Compared to the existing literature on citizens' general attitudes (see **Section 4**), our results side with the research that produces relatively optimistic results with regard to the potential for European solidarity (such as Ferrera and Pellegata, 2017, and Gerhards et al, 2018), rather than with the research that yields pessimistic – or at least 'sobering' – results (such as Lahusen and Grasso, 2018). The reason for this may be domain-specific (our question is not about debt-stricken countries, but about unemployment-stricken countries); existing research shows the domain-specificity of attitudes to solidarity (Genschel and Hemerijck, 2018). Also, we table a policy that is potentially beneficial for any unemployed citizen in any of the countries that would participate in the scheme: it is not about a one-sided transfer of resources from performant countries to countries that are perceived as being structurally in difficulty. Existing research has shown that, at least in a number of countries, ex ante mechanisms are more popular than ex post mechanisms (Genschel and Hemerijck, 2018). More importantly, we make respondents think about concrete packages, which provide remedies to some of the worries that – legitimately – influence attitudes, notably the risk of moral hazard. In doing so, we also make a link with social investment policies – training, education, activation – that have some traction with at least part of the population. These factors probably also explain why our results with regard to German public attitudes are strikingly different (much more open to cross-border solidarity) than the results obtained by Dolls and Wehrhöfer (2018), as we explain in more detail in **Section 4.2**.

Our analyses are premised on a multidimensional and complex understanding of what EU social policy and EU solidarity are about, and provide therefore interesting complementary insights to Baute et al (2018a, 2018b, 2018c) who explore this multidimensionality on the basis of general attitudes. Finally, our results confirm the cleavages between countries revealed in much of the recent research: the divide between net contributor countries and net beneficiary countries; the divide between countries with generous welfare systems and countries with poor welfare systems.

Section 6. Pointers for policies

This report has explored how the possibility of European unemployment risk sharing (EURS) resonates with public opinion in Europe. Our aim was not to debate the potential benefits and pitfalls of such EURS, and the intrinsic pro's and con's of specific design features. Instead our focus has been on what such design features mean for public support. This is crucial for understanding the political traction for different variants of European unemployment risk sharing. Given this motivation, we sought to take full advantage of the best available experimental methods to gauge public support for EURS. We applied these methods in representative population samples for a significant cross-section of very different EU member states.

Pulling together different approaches and arguments discussed and developed in Sections 1-4 and the empirical findings summarized in Section 5, the report articulates a qualified but considered case that European unemployment risk-sharing schemes can be expected to garner substantial political support in European publics. The support varies enough across particular design features, across countries, and across individual characteristics of respondents – enough to undergird our judgment that support for EURS is very much conditional. But within such conditions, and focusing on those design features that are internally consistent and already debated in policymaking and academic circles, our analysis predicts substantial majorities supporting a range of EURS policy options.

We conclude by moving beyond this most basic of findings, to specific conclusions from our analysis that we believe to be particularly useful for a practitioner and policy-making audience. We offer these as simple pointers for policy-makers:

- fundamental opposition to EURS is confined to a relatively small segment of the population;
- citizens are sensitive to the design of EURS: although this sensitivity differs across countries, they generally tend to prefer packages that are more generous, that require countries to offer education and training to their unemployed, that entail no tax increases, and that require individual beneficiaries to fulfill at least some conditions (e.g. accept a suitable job offer);
- generous packages can carry majorities in each of the countries in our sample, even if a generous package would require additional taxation (whether that would indeed be the case is not something we discuss). In some countries, domestic redistribution of the eventual tax burden (if there would be a tax burden) is necessary to rally sufficient support;
- in most countries, support is larger if the implementation of EURS is decentralized: this adds to arguments developed elsewhere that one should not try to build a true European benefit scheme but a *re*-insurance scheme that supports national benefit systems with lump sum transfers;

- in all countries, support increases if EURS is associated with *social investment* policies, that is, a good combination of training, education and activation;[50]
- A debate that exercises the policy community a lot, i.e. the question how tolerant the scheme should be with regard to between-country redistribution, seems less important for citizens, when they express preferences, than for policymakers. This is not to say that questions about between-country redistribution and the risk of permanent transfers should now be considered unimportant by policymakers; however, for citizens these questions seems, comparatively less important than questions about the links that can be established between European support for benefits and national training, education and activation policies.

Our results are not in contradiction with a number of recent studies that explore citizens' attitudes towards European-level solidarity on the basis of more general propositions of statements. In so far as our results diverge from findings in other studies, we think it is possible to explain the differences, as indicated in **Sections 4** and **5.6.** Obviously, refining our understanding of such differences requires further discussion and research. Our survey encompasses a wealth of data which we could not discuss in this report and which we will further explore in the near future.

[50] On social investment and the relationship between social investment policies and insurance-based protective policies, see various contributions in Hemerijck (2017).

Appendix

This Appendix compiles supporting analyses of the findings in the main report. The supplemental information, here, is presented in a series of tables and figures. We present these figures and tables below in the order of their relevance and discussion in the main report. We shall not provide here further commentary on the supplementary findings, only the following clarification of their relevance to the main report's discussion:

1. Figures A1 and A2 provide per-country results of summary description of fundamental support and fundamental opposition, respectively, supplementing the discussion in **Section 5.1**.

2. Table A1 and Table A2 summarize the findings of a range of estimation models to gauge support for European unemployment insurance, with Table A1 focusing on *Support EURS (categorical)* and *Support EURS (binary)*, and with Table A2 focusing on *Chose EURS package (binary)*. These are relevant to and underlie the discussion of average marginal-component effects in **Section 5.2**, and of counterfactual predictions of modal packages in **Section 5.3**.

3. Figure A3 shows how attitudes towards the unemployed, particular belief that the unemployed do or do not look for work, moderates support for the four modal EURS packages discussed in **Section 5.5**. It is a companion comparison to the main report's Figure 20, but here all four modal packages include *no* activation requirement for the unemployed.

4. Table A3 provides an overview of the country-level characteristics informing analysis of how support for European unemployment insurance might vary across substantive national economic and policy features of the 13 national polities in our sample.

5. Figures A4-A10 focus on average marginal-component effects of particular values of the six policy dimensions of EURS on support for EURS packages. Here, however, they provide further information on how selected *country-level characteristics* like GDP or welfare-state generosity alter support for one or another particular feature of European unemployment insurance. This supplements the discussion in **Section 5.4**.

6. Figures A11-A18 focus again on average marginal-component effects of particular values of the six policy dimensions of EURS on support for EURS Packages. Here, they provide further information on how selected *individual-level characteristics* related to socio-economic status, socio-economic attitudes and attitudes towards the EU might alter support for one or another feature of European unemployment insurance. This supplements the discussion in **Section 5.5**.

Figure A1: Fundamental Support to Package (by country)

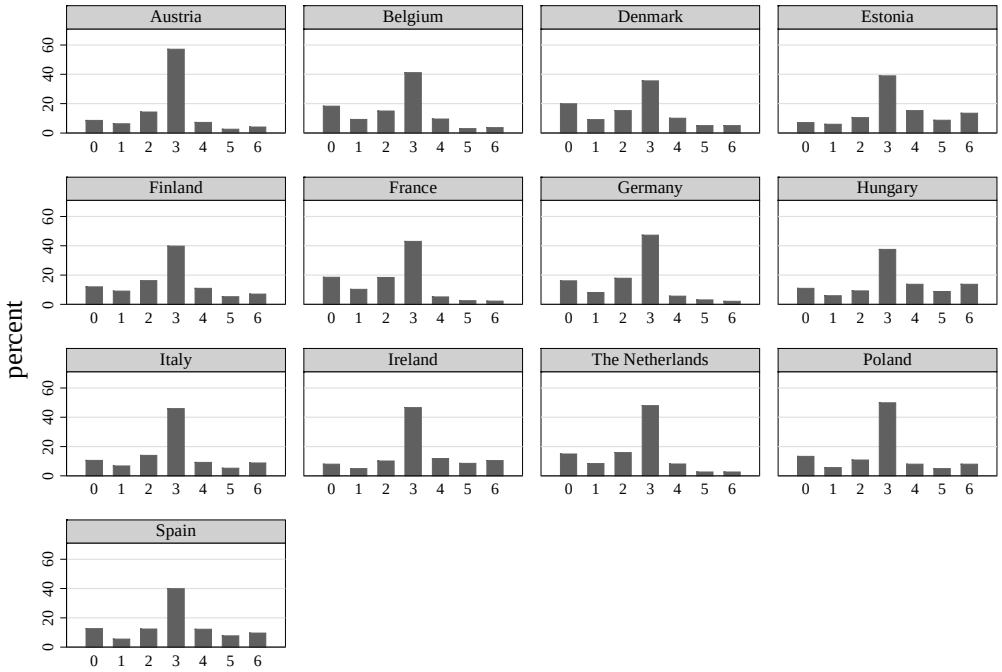


Figure A2: Fundamental Opposition to Package (by country)

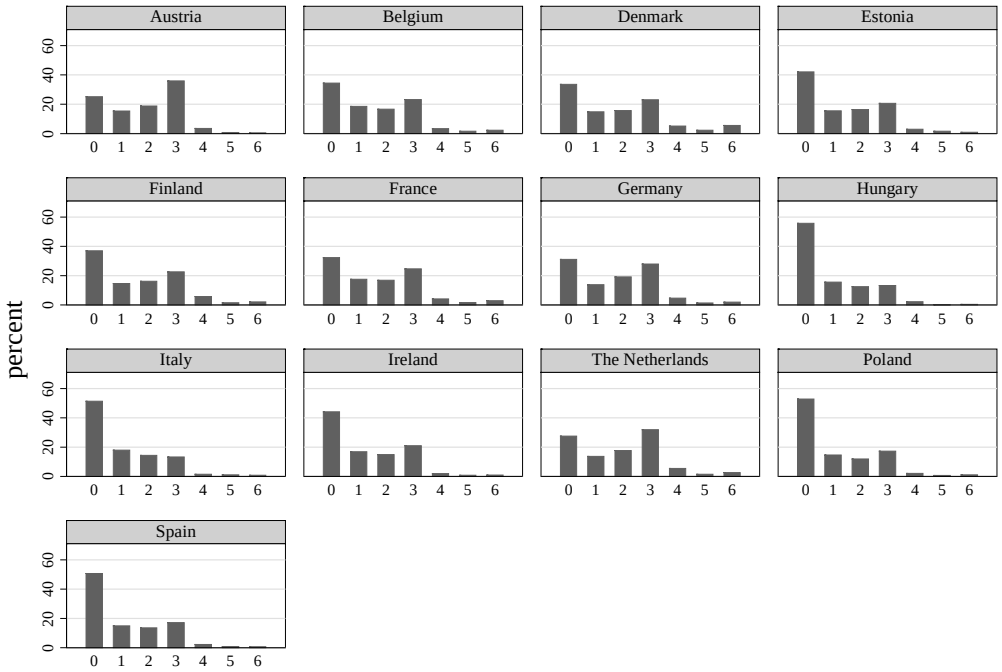


Table A1: Support for EURS based on scores of a given package (*Support EURS (categorical)* or *Support EURS (binary)*)

	M1	M2	M3	M4	M5	M6	M7
D1: generosity (baseline= 40% of last wage)							
D1=60% of last wage	0.190***	0.220***	0.088***	0.221***	0.373***	0.398***	0.321***
	(0.007)	(0.009)	(0.004)	(0.021)	(0.016)	(0.016)	(0.013)
D1=70% of last wage	0.239***	0.281***	0.119***	0.282***	0.482***	0.515***	0.404***
	(0.008)	(0.010)	(0.004)	(0.032)	(0.017)	(0.016)	(0.013)
D2: country-level conditions (baseline no conditions)							
D2=country must provide education/training	0.139***	0.156***	0.071***	0.157***	0.277***	0.297***	0.234***
for all unemployed	(0.006)	(0.007)	(0.003)	(0.006)	(0.013)	(0.013)	(0.011)
D3: country-level redistribution (baseline=countries receive no more than pay in)							
D3=countries can receive more than they pay in	0.016*	0.020*	0.009*	0.020	0.038*	0.041*	0.041**
	(0.007)	(0.009)	(0.004)	(0.021)	(0.016)	(0.016)	(0.013)
D3=poor countries can receive more, rich countries	0.022**	0.024**	0.010*	0.025	0.045**	0.051**	0.047***
less, than they pay in	(0.007)	(0.009)	(0.004)	(0.023)	(0.015)	(0.016)	(0.013)
D4: Long-term impact on taxation (baseline=No increase in taxation)							
D4=0.5% tax increase for everyone in country	-0.123***	-0.134***	-0.055***	-0.134***	-0.228***	-0.244***	-0.187***
	(0.007)	(0.009)	(0.004)	(0.011)	(0.015)	(0.016)	(0.013)
D4=1.0% tax increase for rich in country	-0.066***	-0.066***	-0.026***	-0.066***	-0.109***	-0.118***	-0.096***
	(0.007)	(0.009)	(0.004)	(0.016)	(0.016)	(0.016)	(0.013)
D5: Level of administration (baseline=European Union administered)							
D5=administered by national governments	0.055***	0.054***	0.021***	0.054*	0.087***	0.092***	0.065***
	(0.006)	(0.008)	(0.004)	(0.023)	(0.013)	(0.013)	(0.011)
D6: individual-level conditions (baseline=no conditions for unemployed)							
D6=must accept suitable job offer	0.141***	0.165***	0.078***	0.164***	0.288***	0.304***	0.271***
	(0.008)	(0.010)	(0.004)	(0.044)	(0.017)	(0.016)	(0.013)
D6=must accept suitable job offer AND apply weekly	0.125***	0.142***	0.069***	0.142**	0.249***	0.263***	0.248***
	(0.008)	(0.010)	(0.005)	(0.047)	(0.017)	(0.016)	(0.013)
Attention check	-0.118***						
	(0.011)						
Inconsistent choice and scale	0.060***						
	(0.008)						
Household income		-0.031**	-0.001	-0.034*	-0.047**	-0.065***	
		(0.010)	(0.004)	(0.016)	(0.017)	(0.018)	
Low education		0.024	-0.016**	0.023	0.026	0.039	
		(0.012)	(0.006)	(0.019)	(0.020)	(0.023)	
Unemployed		-0.042*	-0.012	-0.043	-0.063	-0.078*	
		(0.020)	(0.009)	(0.046)	(0.033)	(0.037)	
Female		0.019*	-0.001	0.019*	0.016	0.024	
		(0.009)	(0.004)	(0.008)	(0.016)	(0.018)	
Age		-0.003	0.007**	-0.003	-0.001	-0.001	
		(0.006)	(0.003)	(0.008)	(0.010)	(0.011)	
Country dummies	No	Yes	yes	No	Yes	No	No
Constant	3.074***	3.155***	0.300***	3.265***			
	(0.014)	(0.108)	(0.048)	(0.172)			
R-squared	0.023	0.046	0.036				
N	117846	78348	78348	78348	78348	78348	78348

DV for models M1, M2, M4-M7: *Support EURS (categorical):* 1=strongly against; 2=somewhat against; 3=neither against nor in favour; 4=somewhat favour; 5=strongly favour.
DV for model M3: *Support EURS (binary):* 1= strongly or somewhat favour; 0=neutral, somewhat against or strongly against.
M1-M3: OLS coefficients with robust standard errors clustered by respondent (6 packages judged per respondent). M1 is baseline with control for attention check and inconsistency; M2 and M3 exclude those failing attention check and repeatedly inconsistent, and add individual-level controls and country dummies;
M4: Model is random intercept multilevel models with respondent-package embedded within countries (level 2) and respondents embedded within countries (level 3).
M5-6: Maximum likelihood models (ordered logit and random-intercept ordered logit, respectively). Further same as M4.
M7: Rank-ordered logit with grouped by respondent. Right-hand side same as M2.

+ p<0.10, * p<0.05, ** p<0.01, *** p<0.001

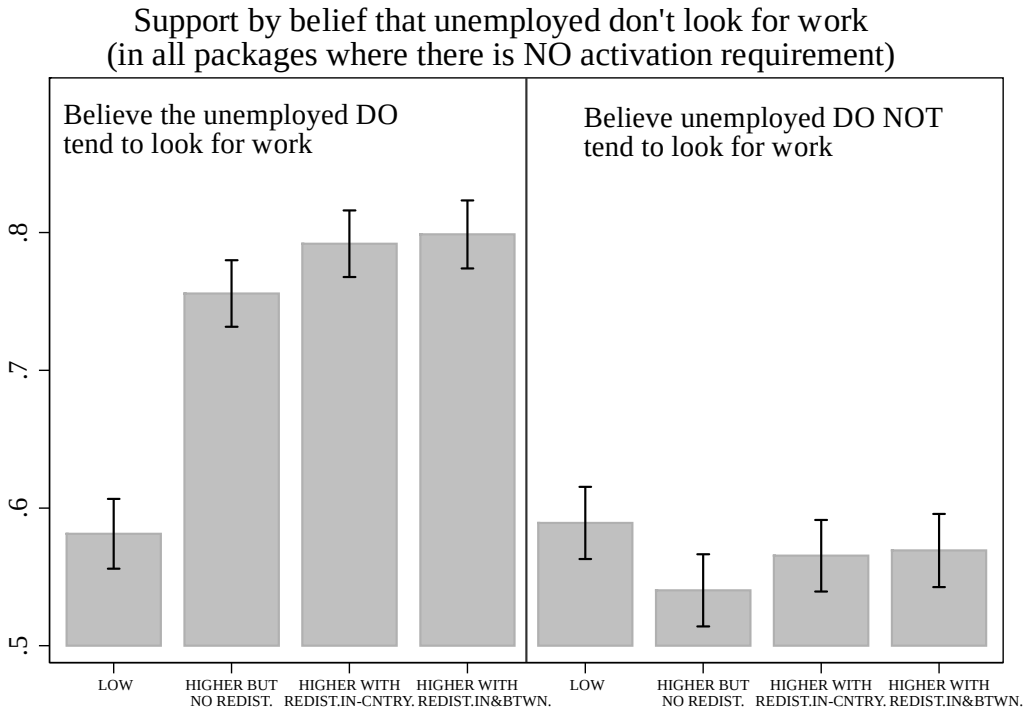
Table A2: Support for EURS based on package chosen among pairings (*Chose EURS package (binary)*)

	M7	M8	M9	M10	M11	M12
D1: individual-level generosity (baseline= 40% of last wage)						
D1=60% of last wage	0.107***	0.108***	0.116***	0.444***	0.277***	0.233***
	(0.004)	(0.004)	(0.004)	(0.017)	(0.010)	(0.009)
D1=70% of last wage	0.136***	0.136***	0.145***	0.558***	0.348***	0.285***
	(0.004)	(0.004)	(0.005)	(0.017)	(0.011)	(0.009)
D2: country-level conditionality (baseline no conditions)						
D2=country must provide education/training for all unemployed	0.088***	0.087***	0.095***	0.357***	0.222***	0.177***
	(0.003)	(0.003)	(0.004)	(0.014)	(0.008)	(0.007)
D3: country-level generosity (baseline=countries receive no more than pay in)						
D3=countries can receive more than they pay in	0.015***	0.015***	0.013**	0.061***	0.038***	0.030***
	(0.004)	(0.004)	(0.004)	(0.016)	(0.010)	(0.008)
D3=poor countries can receive more, rich countries less, than they pay in	0.017***	0.016***	0.017***	0.067***	0.042***	0.033***
	(0.004)	(0.004)	(0.004)	(0.016)	(0.010)	(0.008)
D4: Long-term impact on taxation (baseline=No increase in taxation)						
D4=0.5% tax increase for everyone in country	-0.061***	-0.060***	-0.071***	-0.246***	-0.153***	-0.121***
	(0.004)	(0.004)	(0.004)	(0.016)	(0.010)	(0.008)
D4=1.0% tax increase for rich in country	-0.033***	-0.032***	-0.037***	-0.132***	-0.082***	-0.063***
	(0.004)	(0.004)	(0.004)	(0.016)	(0.010)	(0.008)
D5: Level of administration (baseline=European Union administered)						
D5=administered by national governments	0.028***	0.029***	0.030***	0.118***	0.073***	0.058***
	(0.003)	(0.003)	(0.004)	(0.014)	(0.009)	(0.007)
D6: individual-level conditionality (baseline=no conditions for unemployed)						
D6=must accept suitable job offer	0.095***	0.093***	0.100***	0.385***	0.240***	0.196***
	(0.004)	(0.004)	(0.005)	(0.017)	(0.011)	(0.009)
D6=must accept suitable job offer AND apply weekly	0.091***	0.089***	0.095***	0.366***	0.228***	0.187***
	(0.004)	(0.004)	(0.005)	(0.018)	(0.011)	(0.009)
Attention (0=pass; 1=fail)	-0.000*	-0.000*		-0.001*	-0.001	
	(0.000)	(0.000)		(0.001)	(0.000)	
Constant	0.320***	0.321***	0.311***	-0.739***	-0.460***	
	(0.005)	(0.005)	(0.006)	(0.022)	(0.014)	
R-squared	0.033	0.032	0.038			
N	117846	117846	95454	117846	117846	117846

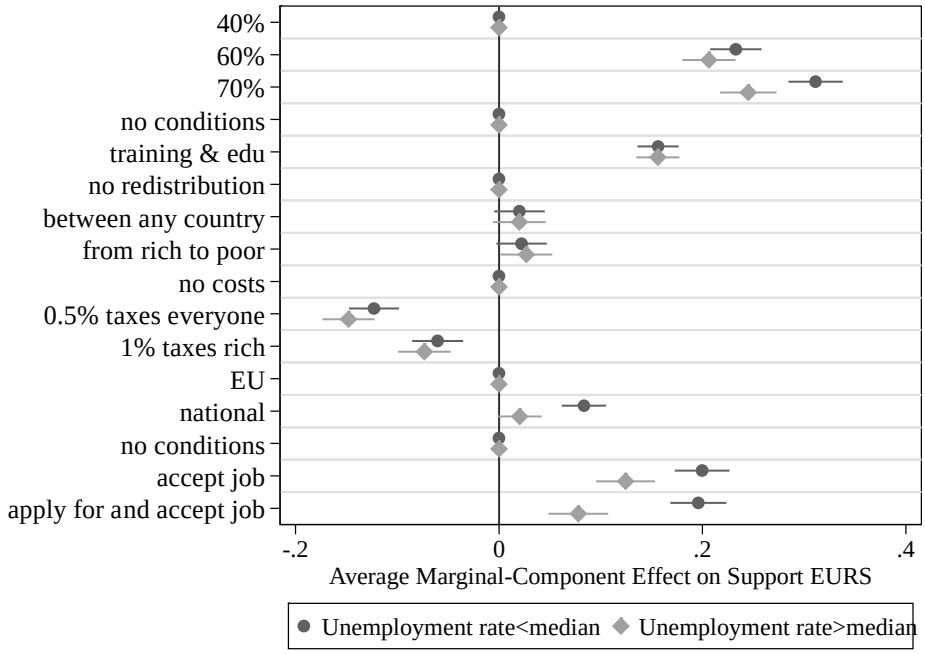
DV for models: *Chose EURS package (binary):* 0=didn't choose package in pairing; 1=chose package in pairing.
(M7-M9): Models are OLS coefficients with robust standard errors clustered by respondent (3 pairings, 6 packages judged per respondent). M7 no survey weights; M8 with survey weights; M9 with weights and only those who passed attention check;
(M10-M12): Maximum likelihood models (logit, probit, rank-ordered logit). Further same as M7-M9.

+ p<0.10, * p<0.05, ** p<0.01, *** p<0.001

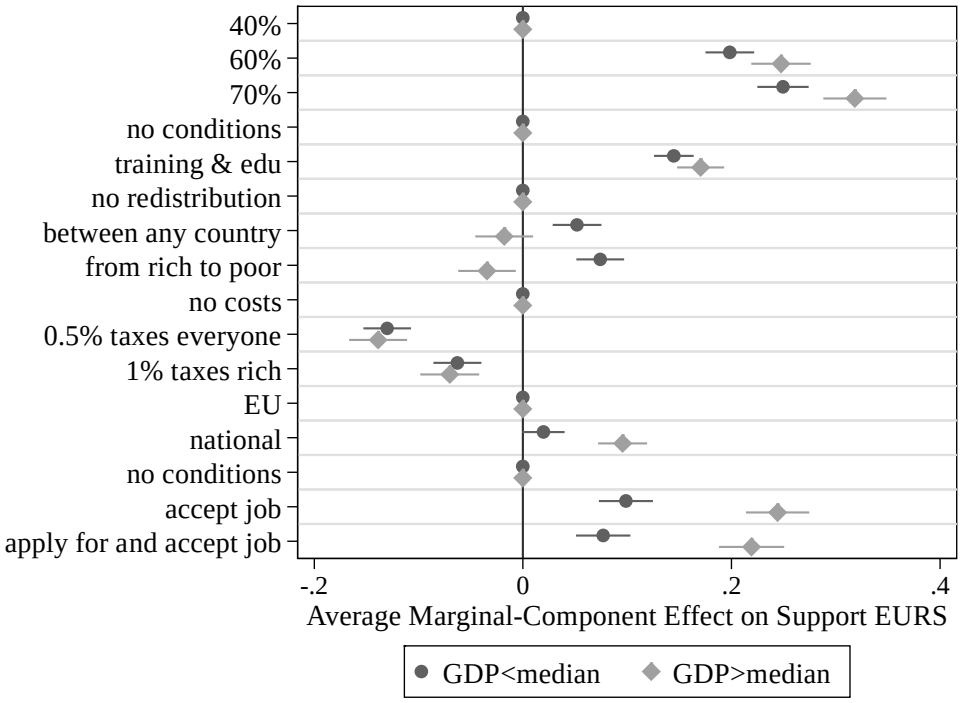
Appendix Figure A3: Support for EURS (with No Activation Requirement), by Beliefs about the Unemployed



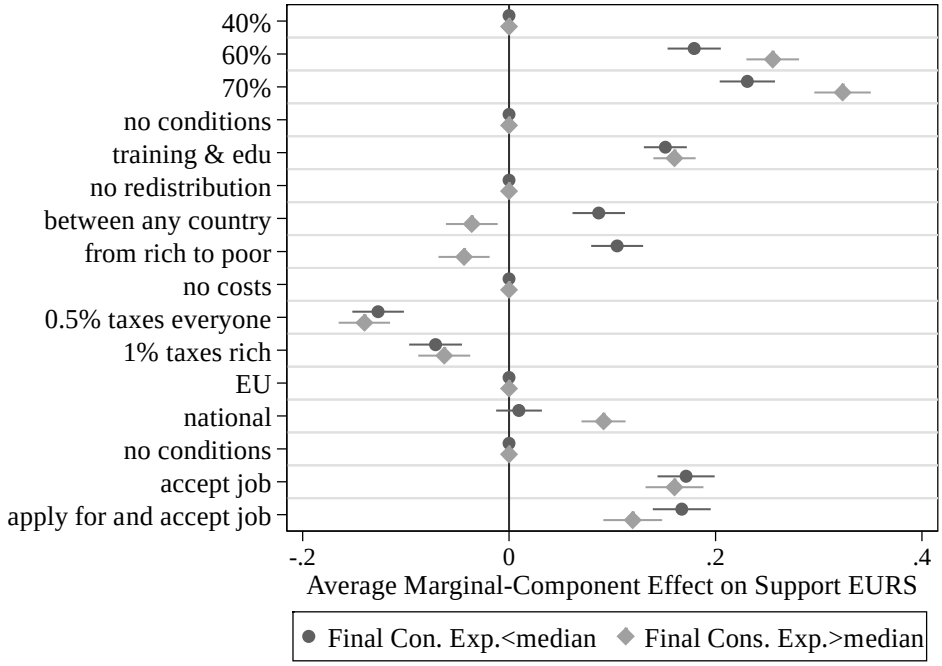
Appendix A4: AMCE based on *Support EURS (categorical)*, by Unemployment Rate



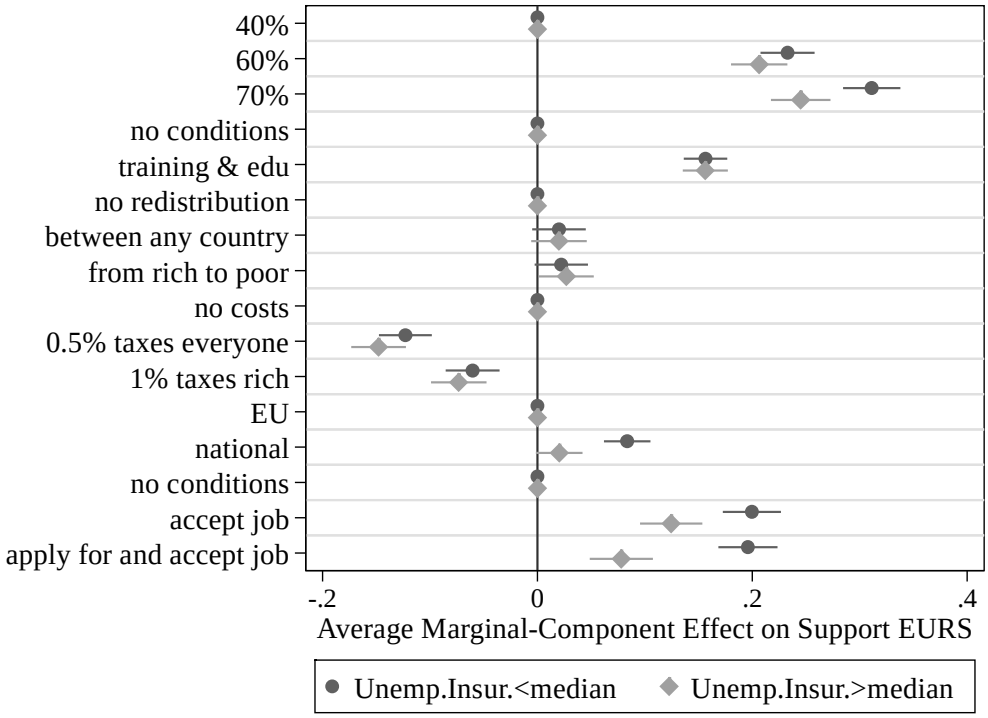
Appendix A5: AMCE based on *Support EURS (categorical)*, by GDP



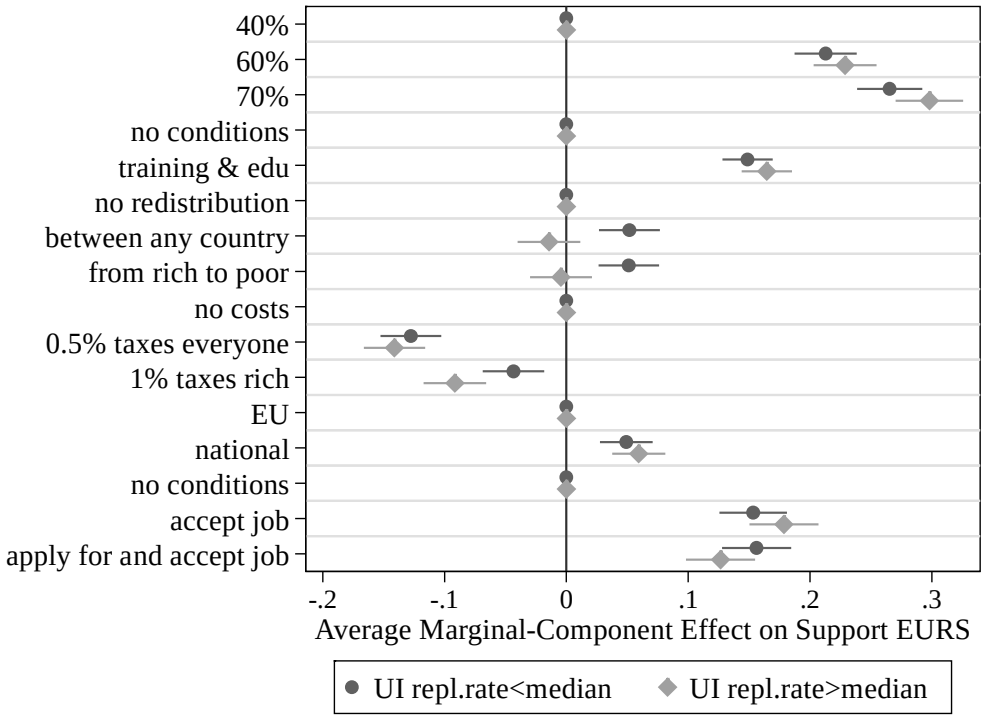
Appendix A6: AMCE based on *Support EURS (categorical)*, by Final Consumption Expenditure



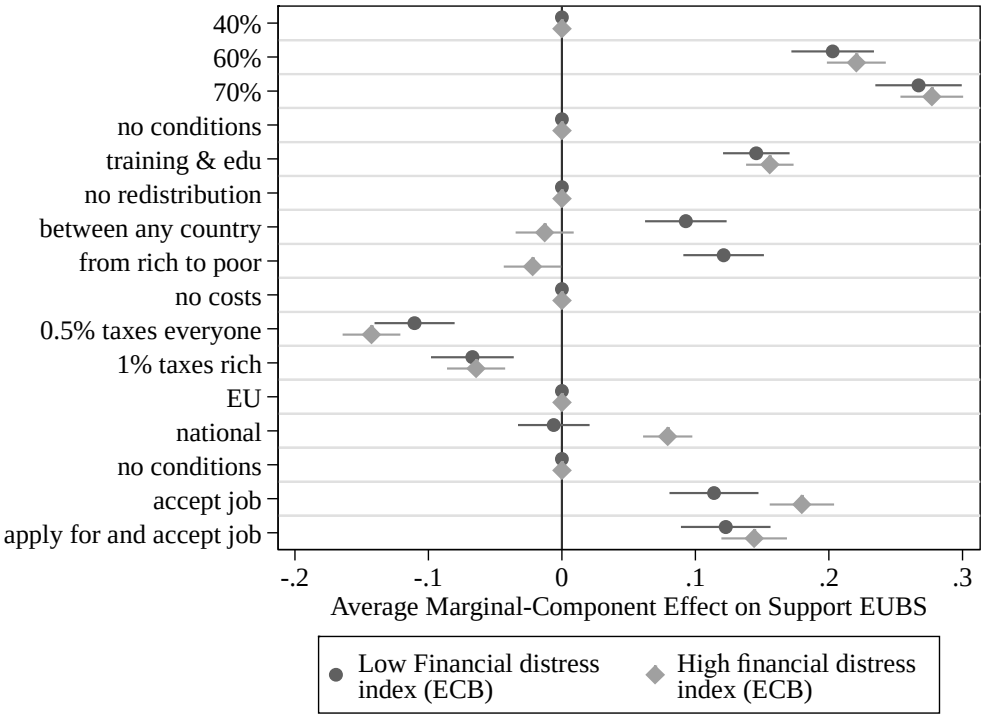
Appendix A7: AMCE based on *Support EURS (categorical)*, by Unemployment Insurance (UI) Expenditure



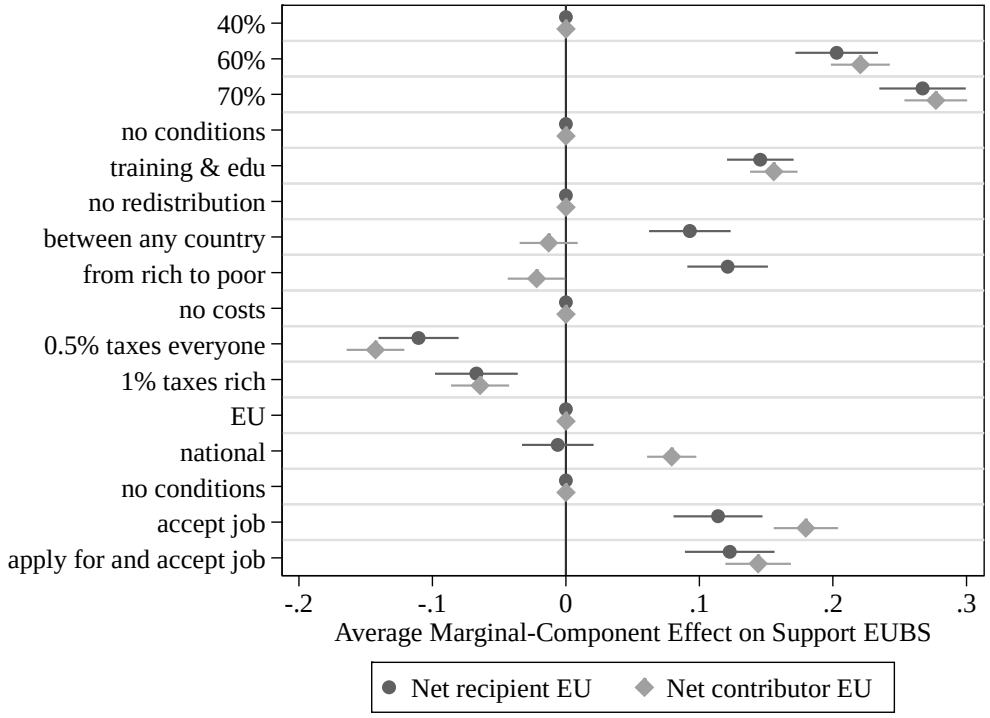
Appendix A8: AMCE based on *Support EURS (categorical)*, by UI Replacement Rate



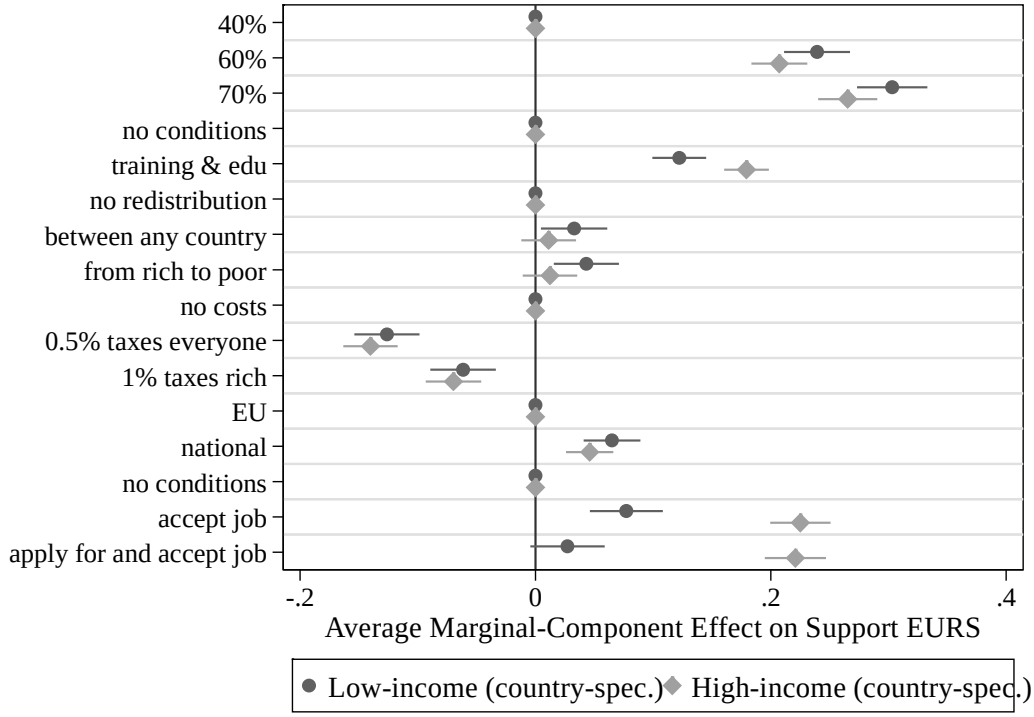
Appendix Figure A9: AMCE based on *Support EURS (categorical)*, by ECD Financial Distress Index



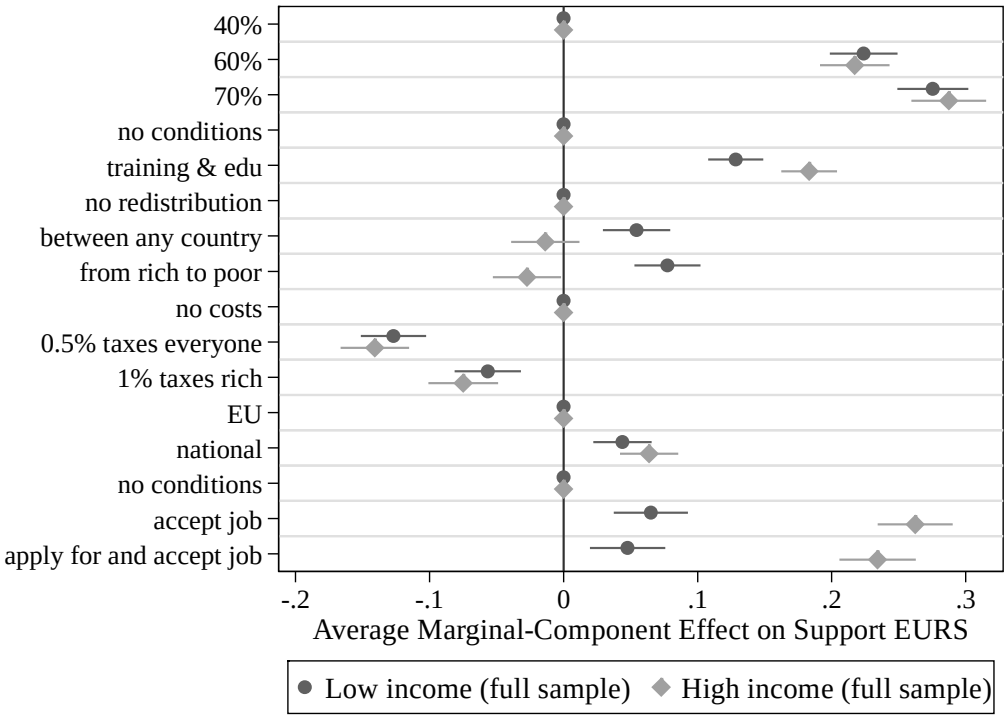
Appendix Figure A10: AMCE based on *Support EURS (categorical)*, by EU Net recipient/contributor



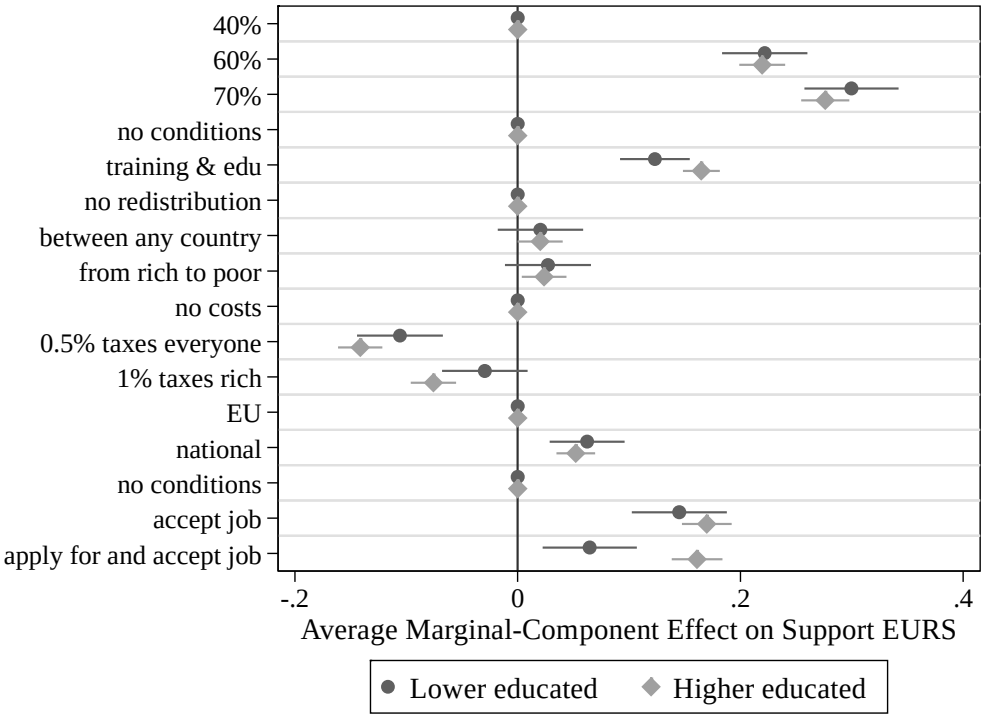
Appendix Figure A11: AMCE based on *Support EURS (categorical)*, by Country-specific Household Income



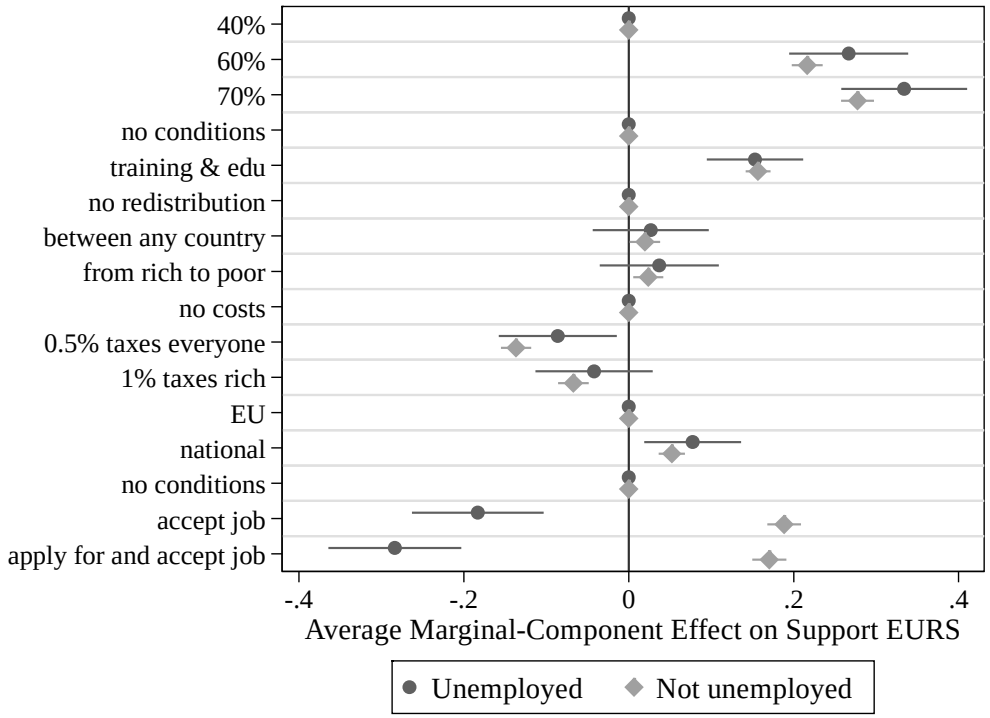
Appendix Figure A12: AMCE based on *Support EURS (categorical)*, by Household Income



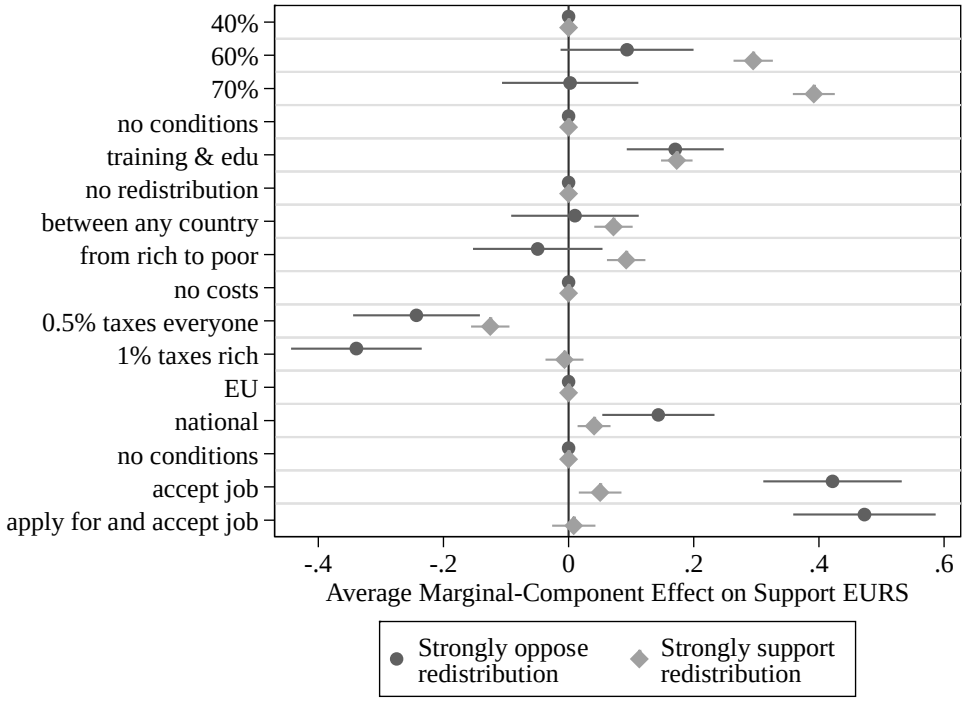
Appendix Figure A13: AMCE based on *Support EURS (categorical)*, by Education level (lower=no more than lower secondary; higher=more than lower secondary school)



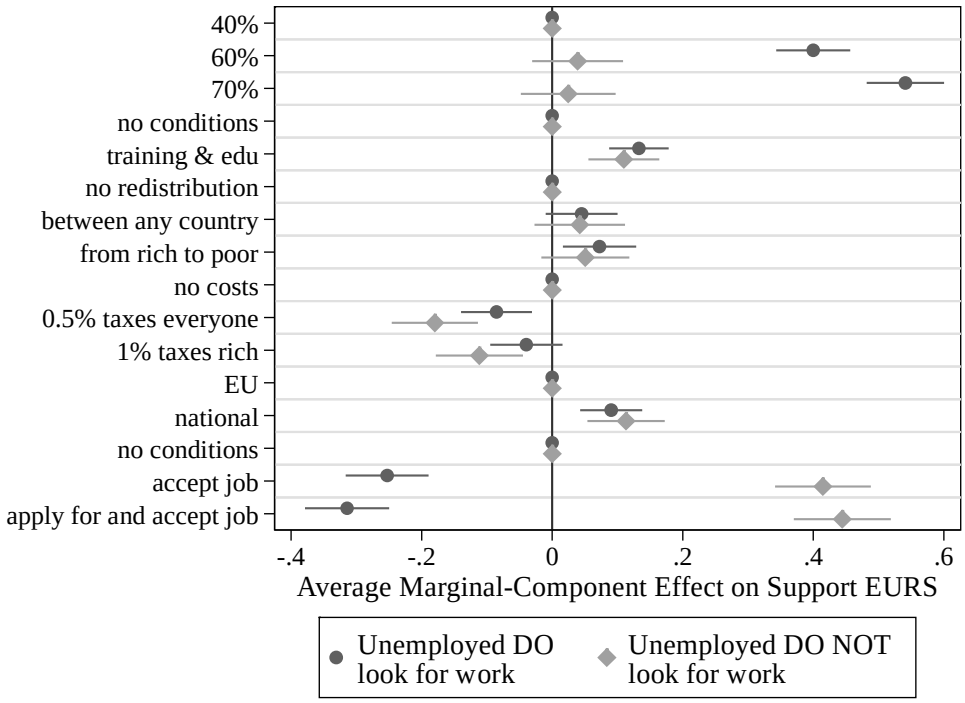
Appendix Figure A14: AMCE based on *Support EURS (categorical)*, by Unemployed status



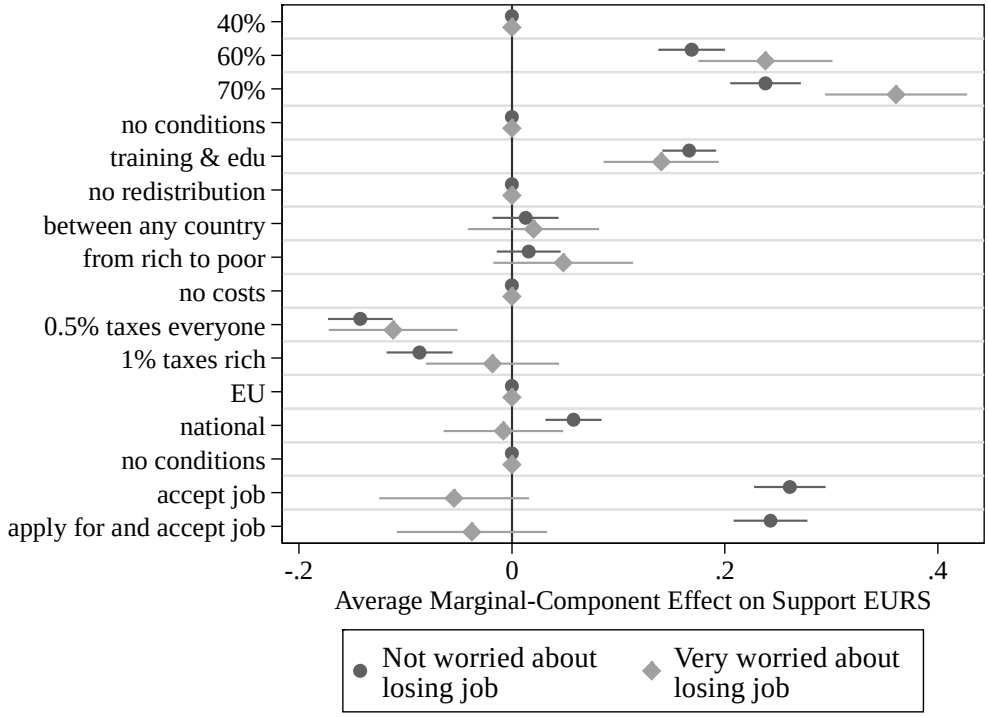
Appendix Figure A15: AMCE based on *Support EURS (categorical)*, by Attitude towards Government Redistribution



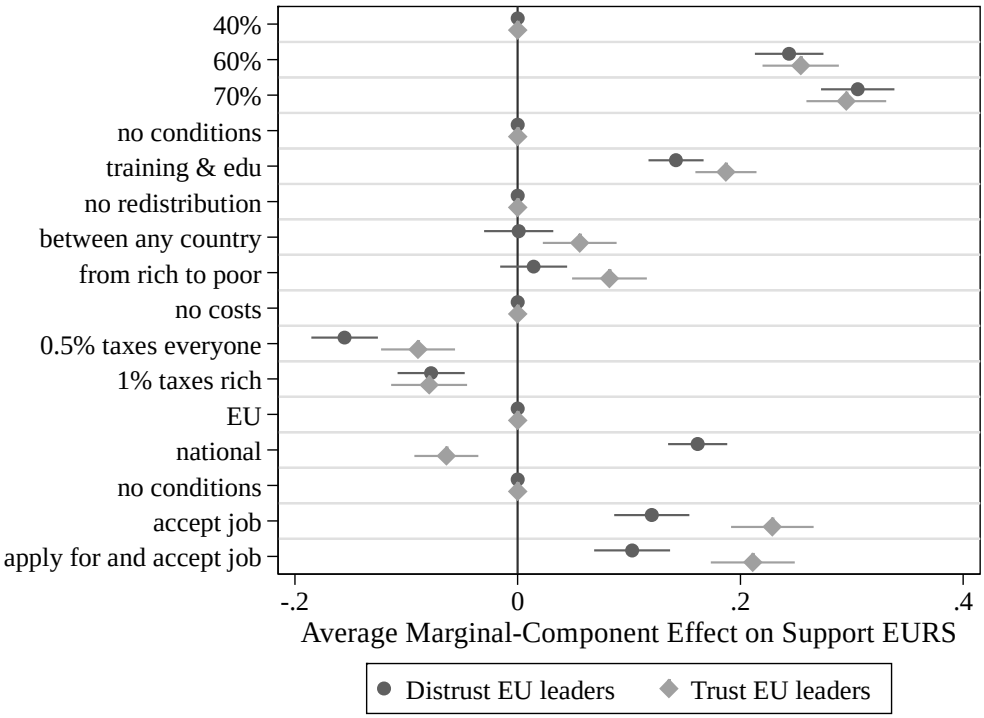
Appendix Figure A16: AMCE based on *Support EURS (categorical)*, by Attitude towards the Unemployed



Appendix Figure A17: AMCE based on *Support EURS (categorical)*, by Worry About Job Loss



Appendix Figure A18: AMCE based on *Support EURS (categorical)*, by Trust EU Leaders



Appendix Table A19: Country-level Characteristics for 13-country sample

(a)

		National economy											
		GPD per capita			Fin. Cons. Exp.	GPD change			Gini coefficient	EU fiscal transfers	Unemployment rate		
	count	*2008*	*2012*	*2017*	*2017*	*2008*	*2012*	*2017*	*2017*		*2008*	*2012*	*2017*
EU28		100	100	100	100	107	105,9	115,6	30,3	0	7	10,5	7,6
Austria	1	124,9	131,8	127,3	120,3	108,9	110,6	117,8	27,9	-0,23	4,1	4,9	5,5
Belgium	2	115,3	120,8	116,7	114,5	106,9	109,5	116,6	26	-0,28	7	7,6	7,1
Denmark	3	124,8	127,1	126,5	119,4	104,3	102,6	112,8	27,6	-0,28	3,4	7,5	5,7
Estonia	4	68,5	73,7	79,1	73,1	112,4	110	127,6	31,6	2,37	5,5	10	5,8
Finland	5	120,8	115,2	109,2	111,5	110,2	105,3	109,5	25,3	-0,14	6,4	7,7	8,6
France	6	106,1	106,9	103,9	106,6	105,2	106,8	113,3	29,3	-0,36	7,4	9,8	9,4
Germany	7	116,9	123,5	123,4	118,1	108,2	110,8	120,9	29,1	-0,4	7,4	5,4	3,8
Hungary	8	62,5	65,5	68,5	63,0	105,2	98,9	116	28,1	3,34	7,8	11	4,2
Ireland	10	133,7	131,3	182,9	106,2	105,7	106,4	165,2	29,5	0,16	6,8	15,5	6,7
Italy	9	106,3	101,4	96,1	100,9	102,4	96,2	98,1	32,7	-0,14	6,7	10,7	11,2
Netherlan	11	140,4	134,1	128	115,9	109,7	107,6	116,9	27,1	-0,3	3,7	5,8	4,9
Poland	12	55,4	66,8	69,8	70,5	118,5	134,7	158,2	29,2	1,75	7,1	10,1	4,9
Spain	13	101,1	90,7	92,4	93,0	109,3	101,3	111,2	34,1	0,19	11,3	24,8	17,2
Source		Eurostat	Eurostat	Eurostat	Eurostat	Eurostat	Eurostat	Eurostat	Eurostat	European Cor	Eurostat	Eurostat	Eurostat
Note		Data in PPP as percentage of EU28 aver				Chain linked volumes, 2005=10			For Ireland, data for 2016 are reported due to unavailabi				

(b)

	Public expenditure & unemployment benefits												Eligibility criteria strictness			
Repeated column	Total public expenditure			Unemployment benefit expenditure			Replacement rate, 6 months	Replacement rate, 60 months	ALMP: spending on training				Availability requirements	Job search & monitorin	Sanctions	Summary indicator
	2008	*2012*	*2015*	*2008*	*2012*	*2015*	*2015*	*2015*	*2008*	*2012*	*2016*	*average 2008-201*	*2014*	*2014*	*2014*	*2014*
EU28	25,9	28,6	28,6	1,2	1,5	1,4	67,28	30,09	0,18	0,17	0,13	0,16	1,05	1,00	1,20	3,25
Austria	27,6	29,2	29,8	1,3	1,5	1,6	60,63	57,23	0,36	0,43	0,44	0,45	0,96	1,32	0,59	2,87
Belgium	27,7	29,6	30,3	3,2	3,4	3,1	76,08	63,36	0,17	0,16	0,15	0,16	0,72	0,99	1,24	2,95
Denmark	28,9	32	32,3	1	1,9	1,5	74,58	47,36	0,22	0,37	0,33	0,35	1,32	1,32	0,77	3,41
Estonia	14,7	15	16,1	0,3	0,5	0,4	62,36	20,28	0,02	0,14	0,08	0,08	1,2	1,32	1,63	4,15
Finland	25,1	30,1	31,6	1,7	2	2,7	71,00	46,88	0,34	0,50	0,47	0,47	0,8	0,825	1,11	2,735
France	30,8	33,8	34,2	1,5	2	2	67,65	45,36	0,25	0,29	0,30	0,30	1,08	1,155	0,92	3,155
Germany	27,1	28,7	29	1,4	1,1	1	66,18	41,00	0,31	0,22	0,19	0,25	1,2	1,155	0,75	3,105
Hungary	22,3	21,3	19,4	0,8	0,6	0,4	61,65	10,66	0,06	0,04	0,02	0,05	1,12	0,33	0,59	2,04
Ireland	20,2	23,6	15,8	1,8	3,2	1,8	56,37	56,52	0,25	0,39	0,19	0,32	1,04	0,99	0,91	2,94
Italy	26,7	29,3	29,9	1,1	1,6	1,7	72,82	22,60	0,18	0,14	0,17	0,15	1,12	0,33	1,51	2,96
Netherland	26,1	30,6	29,9	0,9	1,4	1,5	75,43	31,40	0,09	0,10	0,07	0,09	1,16	1,32	1,27	3,75
Poland	19,3	18,9	19,1	0,4	0,3	0,2	47,57	13,75	0,12	0,01	0,01	0,03	1,36	0,33	1,4	3,09
Spain	21,4	25,5	24,6	2,3	3,4	2,2	68,90	32,27	0,15	0,15	0,11	0,14	0,8	0,495	1,39	2,685
Source	Eurostat	Eurostat	Eurostat	Eurostat	Eurostat	Eurostat	OECD	OECD	Eurostat	Eurostat	Eurostat	Eurostat	Langenbucher (2014)			
Note	In percentage	In percent	In percent	In percentage of G	In percentage	In percentage of	EU28 is in this ca	EU28 is in this c	In percentage	In percenta	In percent	In percentage of GD	EU28 average by own calculation			
			For Poland and the EU28 average, data for			For Poland and the EU28 average, data for 2014 are used due to unavailabilit					For Italy, data from 2015 due to unavailability					
											EU average exludes Italy and the UK due to data unavailability					

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