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Does differentiated integration strengthen the  
democratic legitimacy of the EU?  
Evidence from the 2015 Danish opt-out referendum

Dominik Schraff and Frank Schimmelfennig



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## **Abstract**

Since the 1990s, European integration has been characterized by a combination of politicization and differentiation. Starting with the Danish referendum on the Maastricht Treaty in 1992, which has led to a series of Danish opt-outs from the Treaty on European Union, domestic politicization has been one of the major drivers of differentiated integration in the EU. Whereas recent theorizing and research has covered the causes and conditions of differentiated integration extensively and has also addressed some of its institutional effects and dynamics, we lack any empirically based understanding of its micro-level consequences. Does differentiated integration improve the democratic quality of the EU and strengthen citizens' support – or does it promote political divides and foster citizens' alienation from European integration? This paper develops a theoretical argument on the positive attitudinal effects of differentiated integration, contending that differentiation accommodates heterogeneous preferences in a diverse EU and strengthens citizens' ownership of European integration. A quasi-experimental analysis of public opinion of the 2015 Danish Justice and Home Affairs opt-out referendum demonstrates that the public vote increased citizens' internal EU efficacy, indeed. Eurosceptic voters in particular strengthen their belief that their individual voice counts in EU politics, suggesting that differentiation can have a positive effect on the perceived democratic quality of the EU.

## **Keywords**

Denmark; differentiated integration; efficacy; European Union; referendum



## Introduction\*

Since the 1990s, European integration has become increasingly differentiated. Starting with the British and Danish opt-outs from the Treaty of Maastricht, EU treaty revisions, new treaties (e.g. on the Schengen free-movement area or the Eurozone's Stability Mechanism ESM and Fiscal Compact) and EU accession treaties generally exempt or exclude individual member states from specific treaty-based obligations or rights. Whereas the majority of such differentiations, especially those resulting from EU accession, have been temporary, some have introduced long-lasting divisions among the membership – in particular between participants and non-participants of the Euro and Schengen areas and of integration in Justice and Home Affairs (Schimmelfennig and Winzen 2020). Thus, differentiation has become a durable structural feature of European integration.

Recent theorizing and empirical research has covered the trajectories, causes and conditions of differentiated integration in EU treaties and legislation extensively (see, e.g., Leuffen et al. 2013; Schimmelfennig and Winzen 2020). It has established that EU enlargement has significantly increased the heterogeneity of EU member states – and that the expansion of supranational policy-making into areas of core state powers such as internal and external security policies as well as fiscal and monetary policies has made European integration more controversial and raised concerns about national identity and sovereignty. The resulting politicization of European integration, mobilization of exclusive national identities, and growth of Eurosceptic parties and governments have been important drivers of durable differentiated integration in the EU's treaty framework (Schimmelfennig and Winzen 2019; Winzen and Schimmelfennig 2016). In some cases, governments have either followed their own preferences in negotiating opt-outs or taken into consideration public skepticism towards the deepening of European integration. Ahead of the Brexit referendum, this has been the UK story of differentiated integration since the early 1990s. In other cases, negative referendums on EU treaties have forced governments to refrain from participating in the European integration of core state powers. Denmark exemplifies this pathway. Its current policy-wide opt-outs from monetary union, justice and home affairs and defense policy were granted after the negative 1992 Danish referendum on the Treaty of Maastricht and reconfirmed in two referendums of 2000 (on the Eurozone opt-out) and 2015 (on the justice and home affairs opt-out).

Yet we know comparatively little about the effects of differentiated integration<sup>1</sup> – in particular at the micro level of citizens. In his pioneering work, Kölliker (2001, 2006) distinguishes centrifugal and centripetal effects of differentiation: it may drive insiders and outsiders further apart or it may bring them closer together over time. Yet the analysis of these effects has generally remained at the level of EU institutional development and elite interactions. Kölliker (2001, 2006) theorizes integration effects based on the positive or negative externalities of the collective good produced by the insider group of member states. Jensen and Slapin (2012) suggest a 'cascading' effect of initial differentiation, increasingly widening the gap between insiders and outsiders as the dropping out of outsiders facilitates insiders' decision-making on 'ever closer union'. By contrast, Martinsen and Wessel (2014) show that differentiation can have disintegrative effects on future policy-making in the core. Schimmelfennig (2016) finds path-dependent differentiated integration in the Eurozone crisis as the financial crisis affected Eurozone insiders and outsiders differentially.

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<sup>1</sup> See Burk and Leuffen (2019) for a recent call to move from causes-of-effects to effects-of-causes studies of differentiated integration.

By contrast, Adler-Nissen (2008, 2009, 2011, 2014) points out how informal institutional and diplomatic practices may mitigate the formal divides created by differentiation. Naurin and Lindahl (2010) show that the Euro-outsiders Denmark, the United Kingdom and Sweden do not suffer from a bad reputation and possess high network capital in the EU, and Dyson and Marcussen (2010) describe the ‘fuzzy’ governance structures that transcend the formal boundary between Eurozone and opt-out countries. Yet none of this theoretical or empirical work addresses effects of differentiated integration at the level of citizens.

Such individual-level effects have been the subject of normative assessments of differentiated integration, which lack empirical substantiation, however. Critics of differentiated integration claim that differentiated integration undermines transparency, equality, democracy and solidarity (Adler-Nissen 2014: 27-31). First, differentiation adds to the already extreme institutional complexity of the European multi-level governance system, making it even more difficult for citizens to follow policy-making, attribute responsibility and hold actors accountable. Second, it creates a fragmented Union citizenship with unequal rights and obligations across the member states of the EU – for instance, with regard to the free movement of persons, from which new member states are regularly excluded for several years, or the EU’s Charter of Fundamental Rights, from which Poland and the UK have secured opt-outs. Third, it undermines the development of a single European political community. Rather than including citizens and giving them full ‘voice’ within the EU, it solves conflicts through the partial ‘exit’ of citizens and national communities. Finally, differentiated integration is seen to weaken the solidarity among member states and their loyalty to the Union. By opting out of integration or excluding (mainly poorer) members, (often wealthy) member states exempt themselves from sharing integration burdens and contributing to EU-wide convergence.

Yet these criticisms may be based on an inappropriate or unrealistic view of European democracy and solidarity. Proponents of European ‘demoi-cracy’ (Bellamy and Kröger 2017; Cheneval and Schimmelfennig 2013; Nicolaïdis 2013) question the ideal of a single European *demos*, from which the sceptics of differentiated integration appear to start. In the demoi-cratic perspective, the EU lacks the resilient collective identity of citizens, the common public sphere, and the transnational political organizations that characterize a *demos*, and it is unlikely to develop these features in the foreseeable future. Rather, the foundations and procedures of democracy and solidarity are developed most strongly at the national level. In this view, differentiated integration is not only tolerable as an instrument of accommodating the diversity of national *demoi*, but turns into a fundamental principle of a European demoi-cracy, in which the statespeoples of the member and non-member states retain sovereignty over decisions on entry, exit and constitutional issues of the national and European order. By avoiding forcing states into a choice between full integration and no integration at all, it grants each democratic nation the sovereign right to choose the level of integration that matches its policy preferences and collective identities (Lord 2015: 792).

We build on this demoi-cratic perspective to theorize and test an argument about the individual-level effects of differentiated integration. We assume that decisions to introduce or uphold opt-outs that correspond to the national majority preference of citizens have the potential to increase the democratic legitimacy of the EU and the concomitant support of citizens for European integration. Specifically, the opportunity to decide on the extent of national integration in the EU strengthens citizens’ internal political efficacy, i.e. their perceived ability to shape political outcomes according to their preferences (Iyengar 1980). Such political efficacy is an important indicator of the responsiveness and democratic quality of a political system. More specifically still, we refer to the concept of internal political efficacy, which taps into people’s evaluations of their own voice in politics. This form of political efficacy is of particular interest in the case of Eurosceptics, i.e. citizens who do not agree with the general thrust of European integration. The effective opportunity to choose their country’s level of integration has the potential to reconcile Eurosceptic voters with the EU.

We study and demonstrate this effect in a quasi-experimental analysis of public opinion around the 2015 Danish Justice and Home Affairs opt-out referendum. In this referendum, Danish citizens were

asked whether they agreed to change the full opt-out of Denmark from the EU integration in the area of EU interior policies to a case-by-case opt-in. Specifically, the approval of opting in would have been necessary to continue Danish membership in Europol, the EU's agency for police cooperation, after the entry into force of the Treaty of Lisbon. Yet by a vote of 53 to 47 percent, the majority of Danish voters decided to preserve the full opt-out. For the analysis, we exploit the fact that the referendum took place during a Eurobarometer survey – respondents were surveyed both before and after the vote took place. This accidental circumstance allows us to use the local randomization approach to regression discontinuity designs in order to estimate the effect the differentiation vote has had on the internal political efficacy of Danish voters. We find that the pro-differentiation outcome increased the perceived EU efficacy of Eurosceptic voters on the right and left of the political spectrum significantly without reducing the internal efficacy of the supporters of the integration-friendly mainstream. Rather than producing a zero-sum winner-loser game, the vote to preserve the Danish justice and home affairs opt-out strengthened the overall input legitimacy of the EU in Denmark.

To the best of our knowledge, ours is the first such test of the effects of differentiated integration at the level of individual attitudes. Because the 2015 Danish referendum is the only case that lends itself to such quasi-experimental causal inference, we remain cautious about the external validity of our findings. The findings suggest, however, that differentiation *can* contribute to the democratic legitimacy of European integration.

### **How differentiated integration accommodates heterogeneity: a micro-level argument**

The most fundamental starting point of the literature on differentiation integration is the assumption that differentiation has the potential to overcome the limiting and detrimental effects of international heterogeneity in European integration (Holzinger and Schimmelfennig 2012). Generally, however, the analysis operates at the level of states and their interactions. Theoretical arguments and empirical studies start from the interdependencies, preferences and capacities of states. Under the conditions of unanimity typical of EU treaty-making, pronounced international heterogeneity of the problems affecting member states, their preferences on the goals and policies of integration and their administrative and financial capacity to cope with integration problems and implement policies easily produces deadlock in intergovernmental negotiations. By allowing states with outlier problems, preferences and capacities to be exempted or excluded from individual EU policies, differentiated integration facilitates reaching intergovernmental agreement and enables member states to be integrated at the level they need, prefer and are able to handle. In an EU expanding its membership beyond the rather homogenous and integration-friendly founding members, and extending its portfolio beyond the rather uncontroversial market integration policies, differentiated integration thus increases the problem-solving and decision-making efficiency of the EU and its legitimacy as a voluntary community of states and peoples. The state-as-unitary-actor assumption typical of the intergovernmental analysis of integration provides for a simple analysis and overall positive assessment of differentiated integration.

Moving to the level of citizens, the situation becomes more complicated. For one, the citizens of member states have conflicting preferences on issues of European integration. The margins of victory and defeat in most referendum votes on EU agreements are narrow. In addition, the losers are bound by the national majority decision. In contrast to member states in a minority position, they cannot use vetoes to opt out of an integration decision they reject. Differentiated integration operates at the level of state territories, not at the level of citizens – and generally not even at the level of subnational territories (with a few exceptions such as Greenland or, potentially in the future, Northern Ireland).

In a stylized fashion, we can distinguish voters along two dimensions: whether or not they support more or uniform integration and whether they win or lose in the national opt-out contest. Depending on the outcome, the domestic ratification of European agreements produces Eurosceptic winners and losers, on the one hand, and Europhile losers or winners, on the other. If the state obtains an opt-out from the deepening of integration, Eurosceptics are supposed to be content, whereas Europhiles are displeased.

By contrast, if a parliamentary or popular majority votes for full integration, Eurosceptics are the losers and Europhiles are the winners.

If Europhiles and Eurosceptics react symmetrically to winning and losing the opt-out contest, the net effect of differentiation on political legitimacy is zero. The satisfaction of the winners with the procedures and outcomes of the political system balances the discontent of the losers. This standard ‘winner-loser gap’ forms the starting point of studies of the losers’ consent in democratic systems (Anderson et al. 2005). For differentiation to enhance the legitimacy of European integration, it must be able to overcome the zero-sum game of winning and losing. Both the opt-out procedure as such and an asymmetric reaction of Europhiles and Eurosceptics to winning and losing may produce an overall net positive effect.

For one, we may assume that the institution of differentiated integration as such, and the opportunity to choose between different levels of European integration that it offers, enhance the democratic legitimacy of the EU for both winners and losers. Crucially, the satisfaction with having a national choice from the menu of European integration rather than being confronted with a take-it-or-leave-it proposition offsets losers’ displeasure at least partially. Additionally, the democratic procedure of making this choice either through parliamentary debate and ratification or through a referendum helps reconciling the losers with the outcome. This reasoning is in line with studies showing that the quality of the institutional or democratic process narrows the winner-loser gap (Dahlberg and Linde 2016; Martini and Quaranta 2019).

In addition, Europhiles and Eurosceptics can be assumed to start from different levels of perceived legitimacy, and experience different rates of legitimacy change, in opt-out contests. As research on the losers’ consent has shown, one-time losses generally do not undermine the perceived legitimacy of a political system, whereas repeated losing increasingly undermines evaluations of its performance, fairness or responsiveness (Anderson et al. 2005: 60-64). In a typical member state, the political mainstream – usually composed of centre-right and centre-left parties – is integration-friendly, whereas Euroscepticism is disproportionately located at the political extremes to the right and left. As supporters of the political mainstream parties, Europhile voters have a long-term experience of winning. The parties they vote for not only regularly win elections, form governments and shape policy-making, but have also supported the incremental deepening and widening of European integration. For these reasons, Europhile mainstream party supporters tend to have a high level of satisfaction with democracy, trust in institutions, and political efficacy. Against this background, winning or losing an opt-out decision is unlikely to affect their perceptions of political legitimacy strongly.

The long-term experience of Eurosceptics is different. They are typically supporters of fringe or challenger parties that are unlikely to win elections and form or participate in governments, and they have seen the EU deepen and widen against their preferences. For both reasons, they have a personal history of losing, leading to comparatively low levels of satisfaction, trust and efficacy. Losing an opt-out decision would merely confirm this experience. Winning the opt-out, however, would significantly boost their perception of democratic legitimacy and potentially reconcile them at least partly with the process of European integration.

We derive two hypotheses from this theoretical argument:

*(H1) Differentiated integration opportunities strengthen the perceived democratic legitimacy of the system (for all citizens).*

*(H2) Eurosceptic winners of differentiated integration decisions experience the largest gain in perceived democratic legitimacy.*

According to our argument, differentiated integration is likely to have a beneficial net effect on the legitimacy of national democracy and European integration. The mere opportunity to be able to choose between different levels of integration should enhance all citizens’ political efficacy. The net benefits

will be particularly pronounced, however, if differentiation opportunities are actually used because of Eurosceptic ratification victories. This is because Eurosceptics are likely to improve their perceptions of the EU's legitimacy while Europhiles are unlikely to weaken their legitimacy beliefs. We proceed to test this argument in the case of the 2015 Danish referendum on the justice and home affairs opt-out.

### **The case of the 2015 Danish opt-out vote**

Together with the UK, Denmark is the champion of differentiated integration in the EU. In the UK case, Eurosceptic governments routinely secured opt-outs in the intergovernmental negotiations on treaty revision. By contrast, Danish governments have typically supported the deepening of integration, but have been constrained subsequently by negative ratification referendums. In June 1992, Danish voters rejected the Treaty of Maastricht signed by the Danish government. In reaction, the Danish opposition parties proposed a 'national compromise' to the government, consisting in four policy-specific opt-outs (on monetary union, Justice and Home Affairs JHA, common defense, and Union citizenship), which were accepted at the Edinburgh European Council in December 1992 and confirmed in a second referendum. The opt-out from the stipulations on Union citizenship ended with the Treaty of Amsterdam in 1999. The opt-out on monetary union, however, was confirmed in another referendum in 2000, and the JHA opt-out in a referendum in 2015. After the UK leaves, the Danish opt-outs from monetary union, defense and justice and home affairs will be the longest-standing treaty-based differentiations of any EU member state.

Denmark had been a party to Europol, the EU's agency for police cooperation, since its foundation. This membership was possible despite Denmark's opt-out from JHA because Europol was based on an intergovernmental convention that was signed in 1995 outside the framework of the Treaty on European Union. From 2009 onwards, however, the EU integrated Europol fully and reconstituted it as an EU agency with additional tasks and European Parliament scrutiny. Because of this supranational legal integration, Denmark's opt-out from the Area of Freedom, Security and Justice (as JHA was recast) and its membership in Europol became incompatible.

Keen to continue cooperation with Europol, the Danish government favored a switch from the opt-out regime to an opt-in regime as practiced by the UK. An opt-in regime would have allowed Denmark to participate selectively in specific justice and home affairs legal acts and activities – such as Europol – at the same level as other EU member states. To this effect, the two largest mainstream parties – Venstre and the Social Democrats – agreed to hold a referendum. Backed by the other parties in government in early 2015 (the Social-Liberal Party and the Socialist People's Party) and a few additional mainstream parties, they campaigned for supporting the change in differentiated integration. By contrast, the main challenger parties on the right and left, the Danish People's Party and the Red-Green Alliance opposed the switch from the wholesale opt-out to the selective opt-in. The 'no' side won the referendum with more than 53% of the vote based on a turnout of 72%, confirming the Danish opt-out. Subsequently, Denmark replaced its full membership in Europol with a non-member cooperation agreement, entering into force in May 2017.

## **Data and Method**

### ***Data***

The analysis relies on the Eurobarometer (EB) 84.4 survey, which was a European-wide survey collected between November 28 and December 7, 2015. The survey period therefore started before and extended beyond the Danish referendum vote on December 3. The fieldwork in Denmark thus ran over 10 days and the referendum took place on day six, almost in the middle of the period. We focus on the Danish EB sample, which is comprised of 1012 respondents. Yet, we will also provide some placebo tests at

the end of our analysis that use the EU-wide sample. Our dependent variable is a measure of internal EU efficacy.<sup>2</sup> The EB question reads as ‘Please tell me to what extent you agree or disagree with the following statement: My voice counts in the EU’. Respondents can answer on a four-point scale ranging from ‘totally agree’ to ‘totally disagree’. We recode the variable so that larger values indicate higher internal EU efficacy.

We use a measure of ideological left-right self-placement (LR) to capture the political stance of participants. LR is measured on a ten-point scale ranging from 1 to 10. We classify respondents as fringe supporters if they indicate a LR value below 4 or above 7. Whereas the EB survey does not provide a genuine indicator of Euroscepticism, the correlation between a party’s extreme position on the left-right scale and its Eurosceptic position generally holds well for Denmark.<sup>3</sup> We therefore identify fringe supporters as Eurosceptic winners of the 2015 referendum. Together with the LR measure, we use the standard demographics gender, age and education to assess local randomization around the referendum date. This rationale is explained further in the following section.

## **Method**

In the statistical analysis, we use the local randomization approach to regression discontinuity designs. Local randomization assumes that units are as-if randomly assigned around a specific cutoff point (e.g., the day of the Danish referendum vote). More specifically, the design requires that units within a small window around a cutoff are randomly assigned into treatment and control group (Cattaneo et al. 2018). Due to this strong assumption, the local randomization approach to RD designs is more restrictive than the continuity-based approach (de la Cuesta and Imai 2016). Yet, local randomization is the only valid strategy in applications with discrete running variables that have few mass points (Cattaneo et al. 2015). This is the case in our study, as respondents cluster within 10 days.<sup>4</sup>

A crucial step in local randomization RD designs is the definition of the window around the cutoff. Researchers have to define the range in which local randomization appears to hold. Cattaneo et al. (2018) propose a method that uses a set of predefined covariates to assess balance between treatment and control under increasing window sizes. Intuitively, researchers subsequently widen the window around the cutoff (e.g., +/-1 day, +/-2 days, +/-3 days from the referendum) and check whether treatment and control groups remain balanced on a set of covariates. The largest window that still ensures balance between treatment and control group is selected for estimation. We use age, gender, education, and LR as covariates, as these variables can be considered background conditions that are unlikely to be affected by the treatment. The window selection procedure suggests that balance holds in a window of +/-1 day around the referendum vote.<sup>5</sup> This restricts the effective estimation sample to around 250 observations. However, as Cattaneo et al. (2015) highlight, a -/+ 1 day window most closely resembles the discontinuity around the cutoff.

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<sup>2</sup> Note that our argument could be extended to other individual perceptions of democratic legitimacy, such as satisfaction with EU democracy or EU trust. The corresponding survey items, however, were not included in the Eurobarometer 84.4.

<sup>3</sup> According to the Chapel Hill Expert Survey of 2014, the closest to the 2015 referendum, the most centrist parties on the left-right axis (the Social Democratic Party and the Social-Liberal Party) are also the most pro-EU parties. The extreme parties on the left-right axis (the Red-Green Alliance, the People’s Movement Against the EU and the Liberal Alliance) are also Eurosceptic. The Socialist People’s Party combines a moderately left with a moderately pro-EU position. The Conservative Party, the Liberal Party and the Danish People’s Party share similar moderately right positions on the left-right axis, but the Danish People’s Party is strongly Eurosceptic (Polk et al. 2017).

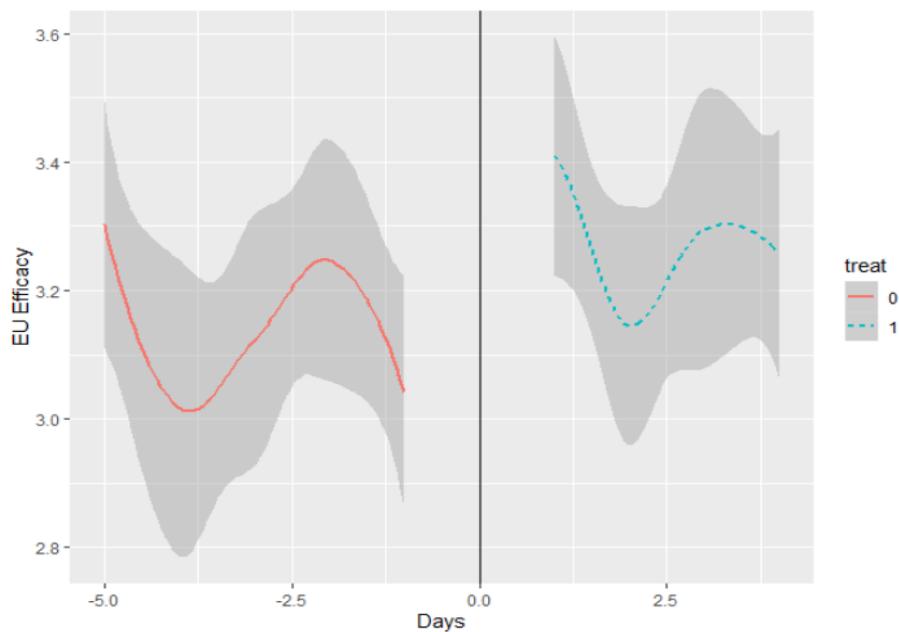
<sup>4</sup> In comparison, consider that a continuous running variable can take an infinite number of values, which results in zero probability of two observations having exactly the same value.

<sup>5</sup> See Table A1 in the Appendix for the output of the window selection procedure. The balance test relies on Hotelling’s t-squared statistic for multivariate hypothesis testing, using a p-value threshold of 0.12.

## Results

We provide a first description of the Danish referendum's impact on internal EU efficacy in Figure 1. It presents the smoothed time trend in EU efficacy before and after election day. The shaded areas depict the 95 percent confidence intervals. Figure 1 suggests that EU efficacy discontinuously jumps to a higher level after the referendum vote day. On average, Danish EU efficacy is already on a rather high level of around 3.1 prior to the referendum. Yet, efficacy even increases further after the vote. This suggests that the Danish voters improved their evaluations of citizens' influence on EU decision-making. The successful rejection of deeper integration appears to boost people's perceptions of their ability to affect EU politics. Figure 1 shows that EU efficacy bounces back in the days after the vote. However, this descriptive pattern should not be interpreted in causal terms. As we have shown above, balance does not hold over the whole survey period, but only in a small window around the referendum day. While the discontinuous jump in Figure 1 is informative, we should refrain from interpreting the temporal trends in EU efficacy. Moreover, the figure does not provide information on the effect size and potential effect heterogeneity. We therefore proceed with the local randomization RD estimating procedure below.

**Figure 1: RD Plot of EU efficacy**



Note: EU efficacy ranges on a scale from 1 to 4, with larger values indicating higher efficacy. The plot uses LOESS smoothing. 95% confidence intervals displayed.

Model 1 in Table 1 reports the local randomization RD estimate for the pooled sample one day before and after the referendum. The vote for the Danish differentiation increased EU efficacy by 0.35 points. Despite the moderate sample size, the effect is highly significant. This confirms the impression from Figure 1 that the opt-out vote raised voters' confidence in their influence on EU decision-making. Yet, as our theoretical discussion highlights, we expect that this effect is not homogeneous across the population. In line with our argument, Models 2 and 3 test for effect heterogeneity among the Europhile mainstream and Eurosceptic fringe voters. If differentiated integration serves as a mechanism to accommodate heterogeneous public preferences, we should see a particularly strong effect on EU efficacy among the more Eurosceptic fringe supporters. Put differently, as the Eurosceptic fringe supporters manage to win the public vote and maintain differentiation, perceptions of input legitimacy should increase accordingly.

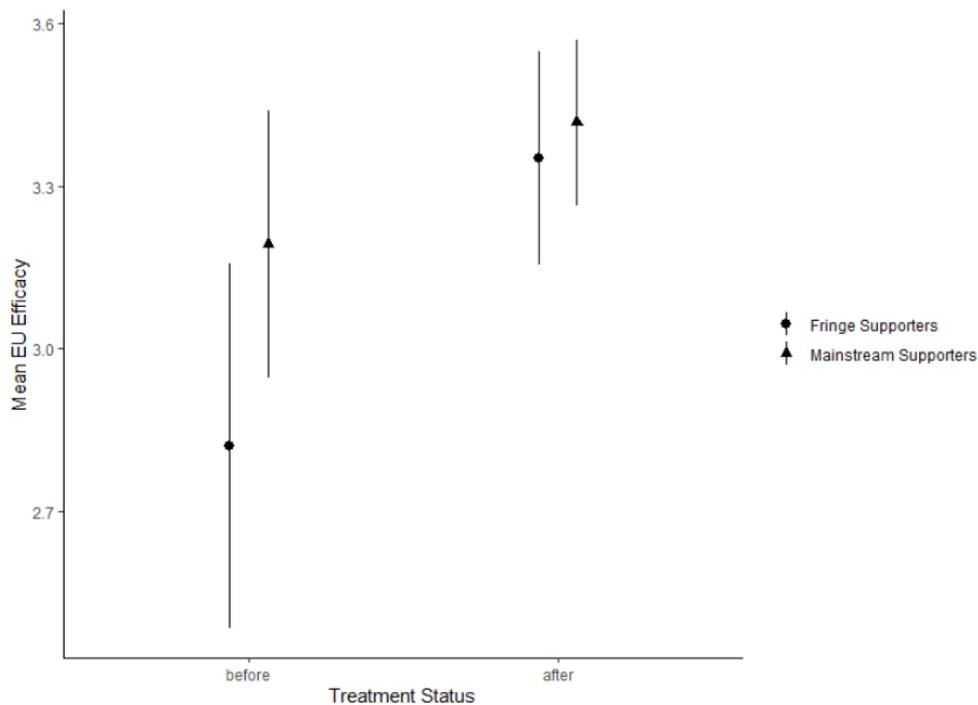
**Table 1: Local randomization regression discontinuity estimates of EU efficacy**

	(1)	(2)	(3)
	Pooled	Mainstream Supporters	Fringe Supporters
Diff. in Means	0.347	0.255	0.532
P-Value	0.005	0.124	0.007
Window	-1/+1	-1/+1	-1/+1
Effective N	258	148	110

Note: Finite sample p-values reported. Results are substantively the same when relying on large sample properties.

Indeed, as Models 2 and 3 of Table 1 show, the positive effect of the referendum on EU efficacy is restricted to fringe supporters. We do find a positive effect among mainstream supporters, but the coefficient clearly misses acceptable standards of statistical significance. In contrast, we uncover a sizeable and highly significant positive effect among fringe supporters. Voters on the outer left and right of the political spectrum strongly increased their EU efficacy. Substantially, this means that fringe supporters – on average – increased their EU efficacy by half a point on a four-point scale. More intuitively, the effect size amounts to one-eighth or a 12.5 percentage increase. These findings suggest that the positive referendum effect on EU efficacy is restricted to the Eurosceptic fringes of the political spectrum. Moreover, we do not find that the losers of the differentiation vote, namely the mainstream supporters, decrease their EU efficacy. Rather, the support base of parties in favor of integration further sustains their high level of EU efficacy.

**Figure 2: Local average treatment effect across mainstream and fringe supporters**



The partisan dynamics become even clearer if we plot pre- and post-treatment group means with their corresponding confidence intervals. As Figure 2 demonstrates, fringe supporters had a significantly lower level of EU efficacy on the day before the referendum vote. After the referendum successfully upheld differentiated integration, fringe supporters' EU efficacy converged to the higher levels of efficacy prevalent at the political centre. Therefore, the Danish opt-out referendum appears to have closed the gap in perceived EU efficacy and responsiveness between the more Eurosceptic fringes and the pro-European centre. This suggests that differentiation has the potential to boost citizens' trust in their influence on EU politics by accommodating salient deviations of public opinion from mainstream politics. Opt-out and opt-in referenda giving citizens an effective say regarding their preferred level of integration can thus serve as a valuable instrument to sustain the perceived democratic legitimacy of the EU.

While our analysis does not provide direct evidence on the relative importance of the procedural (H1) vs. the outcome effects (H2) of the opt-out vote, it seems plausible that the result of the vote was mainly responsible for the Eurosceptics' increase in perceived EU efficacy. After all, they had known for many months that they would have the opportunity to vote on the opt-in in a referendum. By contrast, the legitimacy of the democratic referendum procedure may have contributed to the Europhile losers' consistently high perceptions of efficacy.

### ***Robustness checks***

We conducted a number of robustness checks for the findings presented above. For one, we dichotomized the EU efficacy measure into the two categories (1) 'agreement' and (0) 'disagreement'. This operationalization assumes that the most meaningful variation in the EU efficacy variable comes from respondents sorting into one of the two dimensions of the scale, ignoring the degree of agreement or disagreement. This more restrictive measure, however, demands that respondents switch from the first or second category to the third or fourth, and vice versa. Movements from agree to strongly agree or disagree to strongly disagree will be ignored. An advantage of the dichotomized dependent variable is that it can be interpreted in percentage changes.

**Table 2: Local randomization regression discontinuity estimates of EU efficacy, robustness checks**

	(1)	(2)	(3)
	Dummy DV for Danish Sample		Original DV Other EU States
	Mainstream Supporters	Fringe Supporters	Pooled
Diff. in Means	0.083	0.255	-0.015
P-Value	0.234	0.002	0.552
Window	-1/+1	-1/+1	-1/+1
Effective N	148	110	8572

Note: Finite sample p-values reported. Results are substantively the same when relying on large sample properties.

Models 1 and 2 of Table 2 demonstrate that we receive substantively the same results with this alternative measure of EU efficacy. There is a strong and statistically significant effect among fringe supporters and no effect for the political center. The effect size is even larger, suggesting a 26 percent

increase in EU efficacy for fringe supporters the day after the referendum. This robustness check shows that the differentiation vote moved a substantial amount of fringe supporters from a perception of non-efficacy to a perception of efficacy.

We also conducted two placebo tests for the RD estimates. First, we estimated the referendum effect on EU efficacy among all EU member states except Denmark. We would expect no effect on efficacy among the non-voting population. This is because of the very intention of differentiated integration to accommodate member state-specific exceptions without constraining the integration of other states. Indeed, as Model 3 of Table 2 shows, there is no effect of the Danish referendum on EU efficacy outside of Denmark. For a second placebo test, we estimated the effect of the referendum outcome on political interest. Political interest has been shown to be a very resilient individual orientation that tends to be stable after adolescence (Prior 2010; Emmenegger et al. 2017). Table A2 in the Appendix reports no effect of the referendum on political interest in the Danish population.

Moreover, we scrutinized the validity of using the ideological left-right self-placement as a moderating variable. It might be possible that the differentiation vote causally affected voters' LR orientation. This would compromise the internal validity of our estimates, as conditioning on a potential outcome of the treatment induces post-treatment bias (Munoz et al. 2019). Even though we believe that the LR position is a relatively sticky political orientation, behaviors of parties in the referendum campaign and winner-loser dynamics might alter partisan alignments. Yet, comparative evidence on parties' LR position over election cycles suggests high stability in the LR dimension of political competition (Dalton and McAllister 2014). To validate this assumption in our empirical setting, we investigated LR polarization the day before and after the referendum. Figure A1 in the Appendix shows that there is no significant difference in LR polarization in the  $-/+ 1$  day window. This suggests that the fringe vs. mainstream supporter distinction is unaffected by the differentiation vote.

Another threat to validity of our RDD design comes from potential biases in fieldwork organization of the survey, particularly since data collection often follows a geographical pattern (Munoz et al. 2019). Indeed, the Eurobarometer fieldwork is organized around local sampling points, defined by randomly drawn zip codes.<sup>6</sup> However, we found no indications in the survey documentation that fieldwork followed a geographical sequence. In line with this, Table A4 in the Appendix shows that the number of surveys conducted over the six Danish regions spreads rather uniformly across dates.

Finally, we considered the possibility that the opt-out referendum primarily reflects on voters' evaluations of the national political regime rather than the EU. If this were true, our findings on EU efficacy might originate from a process of extrapolation from national regime evaluations to European ones (Harteveld et al. 2013). We therefore estimate the local average treatment effect of the referendum vote on national political efficacy and present the results in Table A3 of the Appendix. The local RDD estimate suggests that national efficacy has remained unaffected by the referendum.

Differentiated integration is generally understood as a tool to accommodate the increasing heterogeneity of preferences in an enlarging and deepening European Union. While previous research provides plenty of insights into the causes and conditions of differentiation and its longer-term institutional effects and dynamics, we lack evidence on its effects among EU citizens. Does differentiation succeed in accommodating heterogeneous preferences among citizens or does it widen existing political divides on European integration? In this paper, we have argued that opt-out referendums on European integration can have a positive effect on citizens' evaluation of the EU's input legitimacy. While citizens generally value the chance to voice their opinion on a politicized integration issue, the Eurosceptic part of the electorate improves its internal EU efficacy the most. We explain this finding by the long-term experience of Eurosceptic and Europhile voters over the course of EU integration. Considering that integration has significantly deepened since the 1990s against the will of Eurosceptics, a successful opt-out decision should primarily increase fringe supporters' EU efficacy.

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<sup>6</sup> <https://www.gesis.org/eurobarometer-data-service/survey-series/standard-special-eb/sampling-and-fieldwork/>

Contrarily, a one-time loss for Europhile mainstream supporters should not affect their high level of efficacy. These considerations predict a positive net effect of differentiation on EU efficacy within a member state's electorate.

Relying on a unique Eurobarometer survey conducted over the period of the 2015 Danish JHA opt-out referendum, we provide quasi-experimental evidence on the effect of differentiation on public opinion about the EU's input legitimacy. The estimates show that there is a positive effect of the Danish opt-out vote on EU efficacy and that this effect is largely driven by strong increases in efficacy among the Eurosceptic part of the population.

This finding has a number of important implications. First, even though referendum votes usually polarize electorates, we show that differentiated integration can lead to convergence between Eurosceptics' and Europhiles' evaluations of the EU's democratic quality. Therefore, differentiated integration appears to have the potential of reconciling heterogeneous preferences on the citizen level. This is an important insight against the background of rising Euroscepticism across Europe.

Second, the positive net effect of the opt-out vote on EU efficacy suggests that differentiated integration can be a useful instrument to recalibrate the relationship between the EU positions of citizens and political elites. The defeat of the Danish mainstream parties in the 2015 vote was an indication of a detachment between the pro-European government and the popular majority. The opt-out vote was a chance to reconfigure this relationship and our findings show that Danish citizens valued and realized their opportunity to engage. Overall, these findings paint a positive picture of differentiated integration's impact on citizens' support for European democracy. Differentiated integration has the potential to sustain support for European integration on the citizen level by accommodating salient deviations of public preferences.

To be sure, this study comes with a number of important limitations. First, data availability restricts our analysis to internal EU efficacy. While we think that citizens' opinion on the weight of their voice in EU politics is politically highly relevant, additional indicators of EU support and legitimacy would have been useful to validate our findings. Here, future research might be able to provide additional empirical evidence. Second, the internally rather valid inference provided by the local randomization estimates comes at the cost of external validity. We are cautious about extrapolating our findings beyond the Danish case. However, we see our study as a first contribution to a hopefully emerging research agenda on public opinion effects of differentiated integration. Finally, our research design cannot inform us about the durability of the effect. The immediate convergence of EU efficacy between mainstream and fringe supporters might disappear as the opt-out vote vanishes from people's minds. Yet, this shortcoming does merely state the obvious fact that other things inform EU efficacy as well. As this paper did not aim for a holistic model of citizens' EU efficacy formation, do not see the short time horizon as a matter of major concern.

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## Appendix

**Table A1: Output of window selection procedure for local randomization estimation approach**

Window selection for RD under local randomization

```
Number of obs =      792
Order of poly =      0
Kernel type   =      uniform
Reps          =     1000
Testing method =      rdrandinf
Balance test  =      hotelling
```

```
Cutoff c = 0
Number of obs      Left of c      Right of c
1st percentile    96              79
5th percentile    96              79
10th percentile   96              79
20th percentile   96              79
```

Window length / 2	p-value	Var. name	Bin.test	Obs<c	Obs>=c
1	0.169	NA	0	96	162
2	0.079	NA	0.004	185	245
3	0.001	NA	0.112	267	306
4	0.002	NA	0.046	326	380

```
$`window`
[1] -1 1
```

```
$results
      w.length p-value variable      Bi.test  Obs<c  Obs>=c
[1,]         1  0.169      NA 0.0000475617    96    162
[2,]         2  0.079      NA 0.0043833295   185    245
[3,]         3  0.001      NA 0.1123261836   267    306
[4,]         4  0.002      NA 0.0460010417   326    380
```

Covariates used: Gender, age, education, left-right self-placement

**Table A2: Placebo test for referendum effects on political interest**

	(1)
	Political Interest
Diff. in Means	0.005
P-Value	0.927
Window	-1/+1
Effective N	258

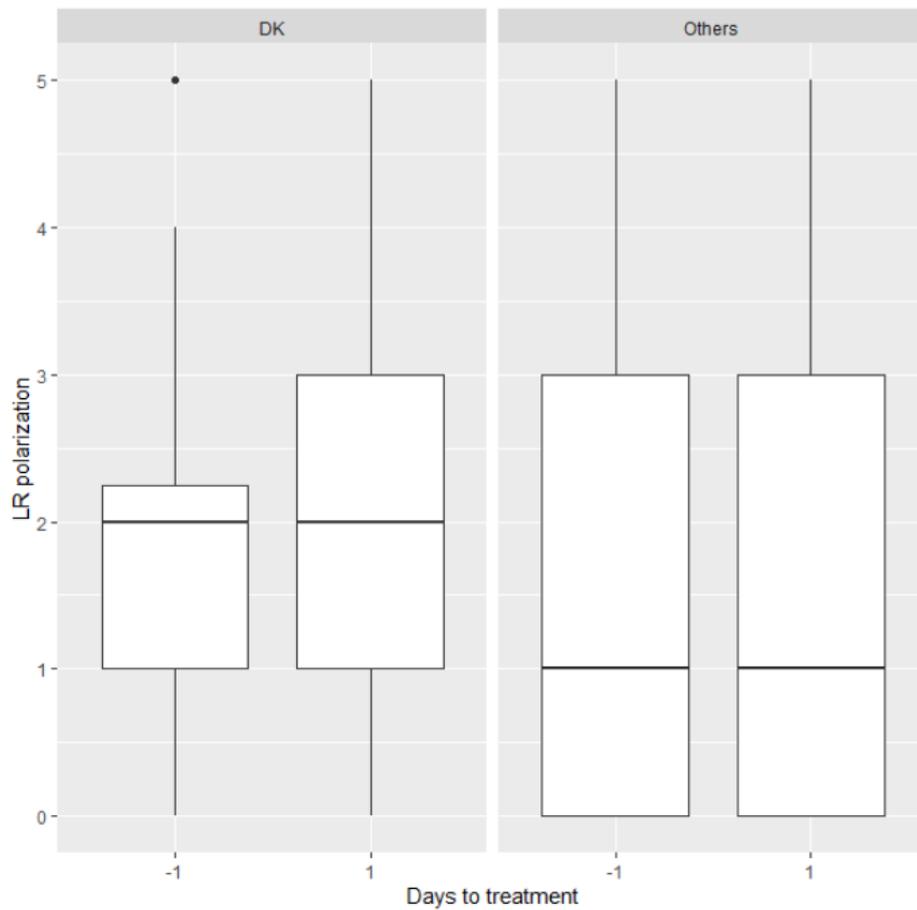
**Table A3: Referendum effect on national efficacy**

	(1)
	National Efficacy
Diff. in Means	0.085
P-Value	0.243
Window	-1/+1
Effective N	331

**Table A4: Cross-tabulation of survey dates across Danish regions in EB 84.4**

DATE OF INTERVIEW	REGION - DENMARK NUTS 2					Total
	Hovedstad	Sjælland	Syddanmar	Midtjylland	Nordjylland	
Saturday 28th Novembe	17	11	23	47	8	106
Sunday 29th November	24	21	15	7	9	76
Monday 30th November	27	24	35	15	1	102
Tuesday 1st December	35	25	26	16	9	111
Wednesday 2nd Decembe	37	29	26	12	12	116
Thursday 3rd December	22	14	40	26	10	112
Friday 4th December 2	20	13	32	38	3	106
Saturday 5th December	36	16	29	18	3	102
Sunday 6th December 2	17	7	20	25	13	82
Monday 7th December 2	34	25	24	12	4	99
Total	269	185	270	216	72	1,012

**Figure A1: Boxplots of left-right polarization before and after the referendum vote**



Note: The LR polarization measure capture the deviation of a respondent from the middle of the scale (5=maximal left or right; 0=political center). The plot shows boxplots for the Danish sample and the other EU member states.

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