Understanding Public Support for British Membership of the Single Currency

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There has been much public debate about whether a referendum on British membership of the European single currency could be won despite opinion polls showing a widening gap between those opposed to membership and those in favour. However, academic research provides little insight into why British attitudes towards the Euro vary at an individual level, and hence what factors might be crucial in a referendum campaign. Existing studies suggest, among other things, that British political parties can shape voters’ preferences on important public policy issues. We explore this and other explanations using data from recent Eurobarometer and British Elections Study surveys. We find that general evaluations of the EU, British national identity and concerns over the democratic character of EU governance are stronger predictors of support for the single currency than which party a person supports. However, we also find that the influence of these factors varies with a citizen’s level of information about the Euro, which suggests that the supply and use of information might be crucial in a referendum campaign.

Whether Britain joins the European single currency is a key issue in current British politics. For example, research has shown that voters’ opinions on membership of the single currency affected how people voted in the 2001 election (Evans, 2002). Thus, appreciating why British voters vary in their attitudes toward the single currency is important for understanding British electoral behaviour. In addition, if a referendum is held, public attitudes to the Euro will ultimately determine whether Britain joins the single currency. While a variety of factors will no doubt shape voting behaviour in such a referendum, a study of public attitudes helps us understand, first, how and why voters differ in their attitudes towards the single currency and, second, how far these views may be influenced by the positions parties take or the information supplied in a referendum campaign.

Studies of British support for membership of the single currency have identified trends in aggregate support and some temporal variation among different sets of voters, most commonly by party affiliation. Public opinion surveys have consistently indicated that a referendum on British membership of the single currency would be difficult for a ‘Yes’ campaign to win. Eurobarometer surveys since 1992 have not shown more than 40 percent of the British public in favour of the single currency (Hix, 2000; Banducci, Karp and Loedel, 2003). Yet, public opinion is relatively ‘soft’: British Election Studies panel surveys show that around a third of
responents changed their opinion from survey to survey. Consequently, depending on how voters evaluate membership in the single currency, elites may have opportunities to swing public opinion. Indeed, as the 1975 British referendum on membership in the European Community showed, public opposition can decline abruptly in the face of a strong campaign in support by party leaders and the business community (Dalton and Duval, 1986).

But no existing study has tested carefully competing explanations for support for membership. This omission limits our understanding of British voting behaviour, both in national elections and a potential referendum. Is variation in support a reflection of partisanship, economic interests, or attitudes toward EU institutions? As a first step toward answering this question, we investigate how and why British voters vary in their attitudes towards the single currency. Specifically, we identify and test a series of theoretical claims about cross-sectional variation in public support for a single currency. In the next section, we review existing research on support for the Euro and identify specific hypotheses. We then describe the survey data and measures used to test these hypotheses. We analyse data from two surveys: Eurobarometer 53, conducted in Spring 2000; and the 1997–2002 British Elections Study. The third section discusses the results and their implications for understanding British public opinion on the single currency.

Explaining Individual-Level Attitudes in Britain Towards the Euro

Existing research suggests five factors that might influence individual level attitudes towards the single currency. First, membership in the single currency has distributional consequences, with citizens in tradeable sectors or with high levels of human or financial capital likely to be better off, and citizens in non-tradeable sectors or with low levels of capital likely to be worse off. Existing research finds considerable support for these claims in studies of attitudes towards the single currency across the European Union (EU) as a whole (Gabel, 2000; Kaltenthaler and Anderson, 2001; Banducci, Karp and Loedel, 2003).

Due to data limitations, we cannot examine variations in British support for the Euro by occupational sector or sensitivity to the further liberalisation of international trade. However, we can examine one central argument in these studies: that a single currency works to the advantage of those with high levels of human and financial capital and to the detriment of those with low incomes and low human capital. As Scheve (1999) demonstrates, support for monetary integration in Europe should be positively related to financial assets and occupational skills. Notably, Scheve (1999) provides evidence that income (a proxy for financial assets) and the level of education (a proxy for human capital) are positively related to support for a single currency in the British electorate in 1997. Thus, we hypothesize that, if individual economic interests matter, income and education should be positively related to support for British membership of the Euro. Second, several recent studies highlight the importance of national identity for understanding public attitudes toward European integration in general, and a single currency specifically. As Laffan (1996) argues, the EU is developing political authority over
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areas that are highly salient for citizens’ sense of national identity. McLaren (2002) presents evidence that public opinion toward the EU reflects this concern over national identity. She finds that citizens who perceive that the EU is a threat to their national culture are less likely to support European integration. Carey (2002) adds nuance to this finding, demonstrating that national identity has differential effects on citizens depending on their level of national pride. The impact of national identity on support for European integration increased with the level of national pride.

Research on public support for a single currency reveals similar effects of national attachments. National identities involve a national economy with boundaries, which gives the currency an important symbolic value (Laffan, 1996, p. 85; Smith, 1991, p. 14). Müller-Peters (1998) distinguishes between patriotic and nationalistic attachments to a country. The key distinction between these aspects of identity is that patriotism involves exclusively positive emotional attachment and pride while nationalism rests on negative evaluations of other nationalities. She finds that pride in a national currency is closer to nationalism than patriotism and consequently a strong national identity should be associated with opposition to the Euro. This is particularly true for the British, where nationalism is by far the most important explanation for anti-Euro sentiment (Müller-Peters, 1998). She also finds that support for the single currency is higher among citizens with European level patriotism.

Routh and Burgoyne (1998) develop a theory of national identity and support for the Euro exclusively in the British public. They were interested in identifying the psychological bases for adherence to the status quo in terms of monetary policy versus adoption of the Euro. They hypothesized that one’s sense of national identity is a strong determinant of how much value one puts on the status quo. National identity is separated into two components: cultural and instrumental. Cultural identity captures symbolic components of nationhood such as a currency. Instrumental identity involves the tangible benefits of citizenship, such as the quality of government services and policy. The question of support for the Euro thus amounts to a comparison of the instrumental and cultural value of the UK government controlling monetary policy versus the economic benefits and costs of the Euro. Or, as Leonard (2001) puts it, are the economic benefits worth the political price in terms of sovereignty and loss of democratic control?

Using pride in the United Kingdom as an indicator of cultural identity and evaluations of the quality of public services as an indicator of instrumental identity, Routh and Burgoyne (1998) find that only pride has a direct effect on support for the single currency. But, instrumental identity does have an indirect impact on support by tempering one’s assessments of the economic benefits of the Euro.

With the available survey data we can examine several implications of this research. Specifically, the data allow us to test the following hypotheses:

• citizens with a strong British identity and national pride should oppose the single currency, while citizens who have a European identity should support the single currency;
• there should be an interaction between national identity and pride, such that support for the single currency is more strongly related to British identity for those who are proud to be British; and
• support for the single currency should be inversely related to citizens’ instrumental evaluations of British government institutions.

Third, a number of studies argue that citizens’ levels of information or knowledge about the single currency affects their support for British adoption. The basic story is that the level of public sophistication regarding European issues generally, and the single currency specifically, is low. This matters for public attitudes because uninformed and less politically aware citizens tend to have less stable political attitudes that, consequently, are relatively less structured by systematic factors than informed citizens (Zaller, 1992; Alvarez and Brehm, 1995). Atkinson (2001) makes a similar point regarding British attitudes towards the single currency. As a result, we would expect that the variability in survey responses to questions about British membership in the Euro to be greater among citizens who are poorly informed about the Euro than amongst those who are well informed about the Euro.

In addition, previous studies show that support for the Euro increases with the level of public information and saliency regarding the Euro (Whiteley, 2001; Huhne, 2001). One reason for this may be that opposition is based on general fear or ignorance of the single currency and greater knowledge reduces these concerns. For example, other research on referendums has found that uninformed citizens tend to be more risk averse than informed citizens, and hence are more inclined to vote for the institutional and political status quo against change (Christin, Hug and Sciarini, 2002). If these informational effects exist, we should expect support for the single currency to increase with the level of information about the Euro.

Fourth, Banducci, Karp and Loedel (2003) argue that citizens’ general attitudes toward the EU and European integration affect how they view the single currency. A positive experience or view of the EU provides citizens with greater confidence in the conduct of monetary policy at the EU level than a negative appraisal of membership in the EU. This is roughly consistent with the general decision model defined by Routh and Burgoyne (1998), whereby citizens are comparing the status quo to political life and policy outcomes with the Euro. If this model is accurate, British citizens’ experience with the EU, both in terms of perceived benefits of EU membership and in terms of views of the quality of the EU institutions, should affect how they appraise the value of adopting the Euro. This implies two specific hypotheses: that support for the single currency should be positively related to one’s appraisal of British membership of the EU; and, support should be positively related to one’s appraisal of the democratic character of EU governance.

Fifth, some students of British voting behaviour and mass political attitudes believe that party leaders can ‘shape’ citizens’ opinions on key public policy issues (Dunleavy and Ward, 1981). In the British context, with a highly-centralised political system, a political media focussed almost exclusively on the leaders of the main political parties, and comparatively high levels of party support and party identification, voters rely heavily on political parties to provide information and cues about what opinions they should have about key policy issues (see especially Butler and
Stokes, 1974; Heath et al., 1991). Parties are likely to be most influential on policy issues where the electorate has low levels of information and is largely unstructured (Andersen, Heath and Sinnott, 2002). Hence, parties may be particularly influential in shaping citizens’ attitudes on the single currency. Importantly, however, recent evidence indicates that voters’ opinions on the single currency may be exogenous to their party choice. Evans (2002) found a relationship between citizens’ opinions on the Euro and which party they voted for in the 2001 general election. However, he found that most voters who switched support from Labour to the Conservatives did so because they preferred the Conservative Party’s position on this issue. In other words, in contrast to the preference-shaping view, in the 2001 election, attitudes toward the single currency shaped party choice, not the other way around.4

Nevertheless, if parties shape voters’ preferences we should expect Labour and Liberal Democrat voters to be more supportive of the single currency than Conservative voters, given the expressed positions of the leaders of these parties at the time of the surveys used in our analysis.

Data and Measurement

We test the hypotheses identified in the existing literature with data from two surveys. First, we look at evidence from the Eurobarometer (EB) 53 survey, from Spring 2000.5 This is the most recent Eurobarometer survey that includes a question about support for a single currency for the British public and most of the key independent variables we need. Second, we look at the British Election Panel Study (BES), 1997–2002. All of the variables were derived from questions on the August 2002 wave of the BES survey, except for the measures of knowledge and satisfaction with democracy, which were only asked in the first wave of the panel. The BES panel includes a larger sample than the EB and appropriate questions for testing some of the hypotheses.6 However, because the BES does not allow us to test all of the hypotheses, we will discuss the results from these data primarily as a test of the robustness of the relationships found in the EB survey. We rely on cross-sectional data because no panel or time-series data is available that allows testing of dynamic affects of these theoretical arguments at the individual-level.

For both surveys, we use multiple imputations to address the problems of missing data (King, Honaker, Joseph and Scheve, 2001).7 For several questions, some respondents either were not asked, refused to answer, or answered ‘don’t know’.8 In these cases, we used the multiple imputations procedure to assign responses to the respondents. King, Honaker, Joseph and Scheve (2001) show that this approach is superior to list-wise deletion and other common solutions.

We create independent variables to test the five hypotheses. First, we expect support for the single currency to increase as one’s financial capital and/or human resources increases. To test this hypothesis we created two variables: Education and Income. In the EB, Education is measured by the age the respondent finished her full-time education.9 In the BES, education is measured by the highest level of education qualification attained.10 Income is monthly reported income, separated
into twelve categories in ascending order in the EB and into twenty categories in the BES.¹¹

Second, the existing literature supports several hypotheses related to national identity. As discussed, we expect citizens with strong British identity and national pride to oppose the single currency while citizens who have a European identity to support the single currency. The Eurobarometer includes two questions that tap these sentiments. We used the following questions to create dummy variables for British, European, and European and British identities:

In the near future, do you see yourself as ... ? (British only; British and European; European and British; European only).

We used the following to measure national pride:

Would you say that you are very proud (3), fairly proud (2), not very proud (1), or not at all proud (0) to be British?

Consistent with Carey (2002), we interact a dummy variable indicating those who see themselves as exclusively British with the National Pride variable. This new variable, National Pride*National Identity should be negatively related to support for the single currency.

The BES does not provide a measure of national pride but does include a question that provides a test of the national identity hypothesis:

Please say which, if any, of the words on this card describes the way you think of yourself. Please choose as many or as few as apply: (British, English, European, Irish, Northern Irish, Scottish, Welsh, other, none of these).

We created dummy variables for British identity and for European identity based on whether these words were chosen by the respondent.

Routh and Burgoyne (1998) make a distinction between cultural national identity, captured by the variables described above, and instrumental national identity. Instrumental national attachments reflect citizens’ considerations of the quality of domestic institutions. Thus, we would expect support for the Euro to be inversely related to citizens’ satisfaction with the way democracy works in their nation. To capture this instrumental attachment, we use the respondent’s level of satisfaction with the way democracy works in the UK:

On the whole, are you very satisfied, fairly satisfied, not very satisfied, or not at all satisfied with the way democracy works in the United Kingdom? (0) not at all satisfied; (1) not very satisfied; (2) fairly satisfied; (3) very satisfied.¹²

This same question was asked in the BES. Finally, we expect that citizens, in comparing the status quo with the Euro, will take into account their judgments of the quality of EU institutions. This is a component of instrumental attachments to the EU that should be relevant to citizens’ consideration of changing authority over monetary policy to the EU level. To capture this component, we use the following EB question. No such question was asked in the BES.
And how about the way democracy works in the European Union? (0) not at all satisfied; (1) not very satisfied; (2) fairly satisfied; (3) very satisfied.

Third, we expect information to have two distinct effects on support for the single currency in the UK. First, we expect well-informed citizens to have less variable responses to the survey question than those who are poorly informed about the Euro. Put differently, we expect responses by informed citizens to be structured more by systematic factors such as those hypothesized above than citizens who are poorly informed. For similar arguments from different contexts, see Zaller (1992) and Alvarez and Brehm (1995). To test this claim, we estimate the error variance as a function of the information level of the respondent. Second, we expect those who are more informed to be more supportive of the single currency.

To measure the level of information, we would ideally like a measure of the objective knowledge of the respondent on the issue of the single currency (Zaller, 1992). Neither survey provides exactly such a measure. We use the following EB survey question instead:

How well informed do you feel about the single European currency, that is the euro? (0) not at all informed; (1) not very well informed; (2) well informed; (3) very well informed.

This question is a subjective self-assessment of whether the respondent is informed, which correlates positively with measures of objective knowledge available in earlier EB surveys.13

The BES provides only a measure of objective general political knowledge, based on a six-question battery of factual questions about the British political system.14 From this we created a variable, Knowledge (BES), which ranges from zero for no correct answers to six for all correct answers. This battery is a good measure of general political awareness (Zaller, 1992), which we presume correlates with knowledge and the single currency.15

Fourth, we expect citizens’ appraisals of the single currency to reflect their evaluation of their membership in the EU. Consistent with previous studies, we use an EB question that has been shown to capture one’s general evaluation of EU membership (Banducci, Karp and Loedel, 2003; Gabel, 1998):

Generally speaking, do you think that the UK’s membership in the European Union is ... ? (0) a bad thing; (1) neither good nor bad; (2) or a good thing.

The BES asks a related question:

Do you think Britain’s long term policy should be? (0) to leave the EU; (1) to stay in the EU and try to reduce the EU’s power; (2) to leave things as they are; (3) to stay in the EU and try to increase the EU’s power; (4) to work for the formation of a single European government.

Fifth, we create dummy variables to capture partisan attachments. The EB survey asks the respondent for which party she intends to vote if there were an election tomorrow. We use this variable to create a dummy variable for supporters of the
Labour Party, the Conservative Party, and the Liberal Democrats. The BES survey asks respondents whether they consider themselves as a ‘Conservative, Labour, Liberal Democrat, or what?’ Based on responses to this question, we create dummy variables for Conservative, Labour and Liberal Democrat partisanship.

The difference between these measures is subtle but may be significant. Electoral support for a political party, as expressed in the EB survey question, is a considerably weaker conception of partisanship than the type of support expressed in the BES survey question, which is closer to the traditional conception of ‘party identification’. Presumably, there are more people who ‘support’ a particular party, meaning that they would vote for it in the next election, than ‘identify’ with it. Also, a voter who identifies with a party is probably more likely to be influenced by the policy positions of that party than a voter who would vote for the same party but does not identify with it.

We also include controls for age and gender. These characteristics may be related consistently to independent variables of interest, such as education or level of information, and have been found to correlate with support for a single currency. We do not report the coefficients for these variables but they are available upon request.

We also introduce a control variable in our estimation of the error variance. As noted above, we expect the error variance to differ in size across respondents depending on their level of information about the single currency. However, the survey question we use to measure the level of a respondent’s information could capture other characteristics of the respondent that affect the error variance but that are not due to the respondent’s level of information. In particular, some scholars have argued that one’s level of cognitive mobilization affects how engaged and informed one is about political issues, which may affect the variability in responses to survey questions about policy issues. One’s level of cognitive mobilization is generally considered stable over time, as it is developed through formal education (Inglehart, 1990; Dalton, 1996). Consequently, we would not expect this trait to be easily manipulated by information campaigns or political communication.

This creates a potential problem in interpreting our results about the effect of information about the single currency on the size of the error variance. If those who are cognitively mobilized generally identify themselves as relatively well informed about the single currency, then a finding that those with higher levels of information have lower error variances cannot be clearly attributed simply to respondents’ levels of information about the Euro. Consequently, we design one of the statistical models to distinguish the effect of the level of cognitive mobilization from the effect of the level of information about the single currency on the error variance. We use an EB survey question commonly used to capture cognitive mobilization (for example Inglehart, Rabier and Reif, 1991):

When you hold a strong opinion, do you ever find yourself persuading your friends, relatives or fellow workers to share your views? Does this happen: (0) never; (1) rarely; (2) from time to time; (3) often.
To measure support for joining the single currency, we used the following survey questions from the EB and the BES:\footnote{16}

\textit{EB:} There has to be one single currency, the euro, replacing the British Pound and all other national currencies in the member states of the European Union. (0) against; (1) for.

\textit{BES:} If there were a referendum on whether Britain should join the single currency, the Euro, how do you think you would vote? (0) not to join; (1) to join.

Tables 1a and 1b present descriptive statistics for the independent and dependent variables.

\begin{table}[h]
\centering
\caption{Table 1a: Descriptive Statistics (Eurobarometer Data)}
\begin{tabular}{|l|c|c|}
\hline
\textbf{Variable} & \textbf{Mean} & \textbf{Standard Deviation} \\
\hline
For the Single Currency & 0.27 & 0.44 \\
Evaluation of EU Membership & 1.08 & 0.78 \\
Satisfaction with Democracy (UK) & 1.55 & 0.84 \\
Satisfaction with Democracy (EU) & 1.37 & 0.85 \\
British & 0.63 & 0.45 \\
European & 0.02 & 0.15 \\
European and British & 0.04 & 0.19 \\
Informed & 0.96 & 0.79 \\
Education (years) & 16.85 & 3.43 \\
Income & 7.44 & 3.54 \\
\hline
\end{tabular}
\end{table}

\begin{table}[h]
\centering
\caption{Table 1b: Descriptive Statistics (British Election Study Data)}
\begin{tabular}{|l|c|c|}
\hline
\textbf{Variable} & \textbf{Mean} & \textbf{Standard Deviation} \\
\hline
Referendum Vote & 0.32 & 0.47 \\
Evaluation of EU Membership & 1.45 & 1.00 \\
Satisfaction with Democracy (UK) & 1.89 & 0.71 \\
British & 0.75 & 0.43 \\
European & 0.13 & 0.34 \\
Knowledge (BES) & 4.29 & 1.64 \\
Education & 2.94 & 2.13 \\
Income & 9.70 & 5.46 \\
\hline
\end{tabular}
\end{table}
Model Estimation and Results

To test the hypothesized relationships, we estimate a series of heteroskedastic probit models. The probit model is appropriate for a dichotomous dependent variable. But, we do not expect a common error variance across observations. Due to their level of information regarding the Euro, we expect respondents to differ in the variability or ambivalence of their opinions on the Euro. Consequently, we would expect the error variance to decrease as the respondents become more informed about the single currency. If not accounted for, the resulting heteroskedasticity causes biased and inconsistent estimates. There are two remedies to this problem in this data setting (see Beck and Tucker, 1996). First, following Alvarez and Brehm (1995) and Greene (1997, p. 649), we model a multiplicative heteroskedastic error variance (Harvey, 1976) where this variance – representing uncertainty in opinion – is a function of the level of information of the respondent. We expect a negative coefficient on this parameter, indicating that as the level of information increases the size of the error variance decreases. Second, we estimate Huber (1967) robust standard errors for all parameters, which accounts for any heteroskedasticity not captured in the error variance model.

Table 2 reports the results of four models designed to test the aforementioned hypotheses. Models 1 and 2 examine the full set of hypotheses with Eurobarometer data. Models 3 and 4 report the results from the Eurobarometer and BES surveys for the subset of hypotheses that could be tested with the BES datasets. This allows us to compare the robustness of the findings across datasets. Fortunately, this requires only dropping one variable (satisfaction with democracy at the EU level) from Model 2 that was statistically significant. We then use the results of Model 1 to evaluate the substantive impact of different variables.

The results can be summarized as follows. First, the results are inconsistent with several hypotheses. Pride in British nationality does not suppress support for a single currency, even for those who see themselves as British only. In Model 1, we cannot reject the hypothesis that national pride is unrelated to support. In Model 2 we add the interaction term with British identity, which is statistically insignificant.

Second, economic calculations are not important factors in shaping support for a single currency in the UK. In three of the four models there is no statistically significant relationship between a respondent’s level of personal socio-economic resources (educational or income), which determine whether an individual is likely to gain or lose from British membership of a single currency, and whether the citizen then supports or opposes British membership of the single currency. Only in Model 4, where education is measured by level of degree earned, does the degree of education show up as significant.

Third, the results indicate that support does not vary systematically with differences in how informed a respondent considers herself about the single currency. In Models 1–3, the parameter estimate for subjective evaluations of information is statistically insignificant. However, in Model 4, general political knowledge, used as a proxy for level of information about the Euro, does have a statistically significant effect in the expected direction.
Nevertheless, several hypotheses receive strong support from the analysis. First, while National Pride has no relationship with support for a single currency, National Identity does have an independent effect on support, consistently associated with less support than a European identity. In Model 1, respondents who see themselves as exclusively British in the near future are less supportive of British membership in the single currency than respondents who did not see themselves as exclusively British. Models 3 and 4 also support this finding. Recall that the BES survey allows respondents to choose among a variety of identities other than European while the EB survey restricts respondents to consideration of only British, European, or a combination of these two identities. Thus, the results in Model 4 indicate that while

### Table 2: Models of Support for a Single Currency

<table>
<thead>
<tr>
<th>Choice Model</th>
<th>Eurobarometer Model 1</th>
<th>Eurobarometer Model 2</th>
<th>Eurobarometer Model 3</th>
<th>British Elections Study Model 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluation of EU Membership</td>
<td>.317** (.063)</td>
<td>.304** (.063)</td>
<td>.390** (.061)</td>
<td>.257** (.086)</td>
</tr>
<tr>
<td>Satisfaction with Democracy (EU)</td>
<td>.220** (.53)</td>
<td>.213** (.052)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Satisfaction with Democracy (UK)</td>
<td>–.083* (.040)</td>
<td>–.079* (.040)</td>
<td>.042 (.037)</td>
<td>.017 (.030)</td>
</tr>
<tr>
<td>National Pride</td>
<td>–.066 (.044)</td>
<td>–.040 (.057)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>National Pride*British Identity</td>
<td>–</td>
<td>–.049 (.088)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>British Identity</td>
<td>–.299** (.073)</td>
<td>–.170 (.234)</td>
<td>–.331** (.073)</td>
<td>–.037 (.040)</td>
</tr>
<tr>
<td>European and British Identity</td>
<td>–.112 (.119)</td>
<td>–.096 (.117)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>European Identity</td>
<td>.175 (.157)</td>
<td>.159 (.154)</td>
<td>.119 (.157)</td>
<td>.354** (.096)</td>
</tr>
<tr>
<td>Education</td>
<td>.002 (.008)</td>
<td>.002 (.007)</td>
<td>.002 (.008)</td>
<td>.045** (.015)</td>
</tr>
<tr>
<td>Income</td>
<td>–.016 (.011)</td>
<td>–.017 (.011)</td>
<td>–.014 (.011)</td>
<td>.000 (.004)</td>
</tr>
<tr>
<td>Knowledge (BES)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>.123** (.018)</td>
</tr>
<tr>
<td>Informed</td>
<td>.039 (.040)</td>
<td>.040 (.040)</td>
<td>.022 (.041)</td>
<td>–</td>
</tr>
<tr>
<td>Labour</td>
<td>.006 (.060)</td>
<td>.005 (.058)</td>
<td>–.018 (.062)</td>
<td>.154** (.064)</td>
</tr>
<tr>
<td>Conservative</td>
<td>–.169 (.098)</td>
<td>–.158 (.097)</td>
<td>–.220* (.098)</td>
<td>–.177** (.071)</td>
</tr>
<tr>
<td>Liberal Democrat</td>
<td>.022 (.094)</td>
<td>.020 (.091)</td>
<td>–.001 (.097)</td>
<td>.114 (.073)</td>
</tr>
<tr>
<td>Constant</td>
<td>–.154 (.209)</td>
<td>–.216 (.215)</td>
<td>–.184 (.186)</td>
<td>–.158** (.271)</td>
</tr>
</tbody>
</table>

### Error Variance Model

| BES Knowledge | – | – | – | –.155** (.043) |
| Informed | –.351** (.094) | –.341** (.098) | –.313** (.088) | – |
| Persuade Others | – | –.036 (.074) | – | – |

N | 1312 | 1312 | 1312 | 2332

Note: **significant at 99 percent level. *significant at 95 percent level. Robust standard errors are shown in parentheses. Age and gender are included as control variables but not reported. As explained in the text, the EB and BES surveys do not measure evaluation of EU membership, British and European identity, education, and party support in exactly the same way.
respondents with a British identity are no less supportive than those with Welsh or Scottish identities, all of these respondents are less supportive than are those with a European identity.  

Table 3 shows the substantive impact of national identity. Based on the results of Model 1, it reports the predicted probabilities of supporting a single currency for a change in national identity from not exclusively British to exclusively British under different assumptions about a respondent’s level of information.  

It is important to note that, as shown in Table 3, the substantive effects of the independent variables depend on the size of the error variance. In a heteroskedastic ordered probit model, as the error variance increases, the substantive impact of the independent variables in the choice model decreases. Consequently, we report results under different assumptions about the respondent’s level of information, which is the only determinant of the error variance model in Model 1. At the mean information level, a change in a respondent’s identity to feeling British exclusively from not feeling British exclusively is associated with almost a sixteen percent decrease in the likelihood of supporting the Euro.

Second, information has the expected effect on the variability in expressed support for joining the single currency. The error variance model indicates that as a respondent’s level of information about the Euro increases, her error variance decreases. Due to concern about isolating the effect of information on the variability of responses, Model 2 includes a control for cognitive mobilization. The results continue to support the information hypothesis. Also, cognitive mobilization does not have a statistically significant effect on support for British entry into the Euro.

Third, the results are consistent with the expectation that evaluations of EU membership will be positively related to support for Britain joining the Euro. Figure 1 presents the relationship between evaluations of British EU membership and support for a single currency. The figure also shows how this effect varies depending on the information level of the respondent. These evaluations have a dramatic impact on support, particularly for those who are well-informed. For well-informed respondents, a one standard deviation (0.78) increase from the mean evaluation (1.08) is associated with about a twenty-five percent higher probability of support.

Fourth, there is strong relationship between how a person evaluates EU and British governance and whether she supports British membership of the Euro. Figure 2 shows the relationship between support and satisfaction with democracy in the EU. For a well-informed respondent, a one standard deviation increase in satisfaction (0.85) from the mean level (1.37) is associated with almost a doubling of the likelihood of supporting the single currency. And, a change from least to highest

| Lowest information level | .56 | .44 |
| Mean information level    | .58 | .42 |
| Highest information level | .65 | .34 |
level of satisfaction is associated with a sixty percent increase in support, for a respondent at the mean level of information. Support is also related to satisfaction with democracy in the UK in the expected way. As respondents’ levels of satisfaction increase, their likelihood of supporting the single currency decreases. But, note that this relationship disappears in Models 3 and 4 where the control for satisfaction with democracy in the EU is omitted.

Fifth, there is mixed support for the view that parties shape citizens’ preferences on the single currency. The noisier proxy for partisanship, as expressed in the EB question about vote choice, is in the expected direction but only significant for one group of voters: Conservatives in one of the models (Model 3). However, the stronger measure of partisanship, as expressed in the BES question about party identification, reveals that Labour Party identifiers are more likely to support the single currency, while Conservative Party identifiers are more likely to be opposed than other voters. Part of this difference may be a result of the smaller number of
observations in the EB survey compared to the BES survey, which reduces the likelihood that the partisan estimates are statistically significant in the EB survey. But, a more compelling explanation of the difference between the surveys is that parties are more able to influence citizens who strongly support them (as picked up in the BES results) than citizens who simply intend to vote for them in an election (as picked up in the EB results).

Conclusion

Our analysis reveals an important general finding regarding public opinion toward the single currency: voters structure their opinions in theoretically meaningful ways, independent of their party attachments. Voters appear to vary in their support based on their attitudes toward the EU and its institutions and on their political identity. Furthermore, the impact of these factors on support depends on how informed voters are, with the size of the impact increasing with information. These findings have important implications for any future efforts to join the single currency, particularly through a referendum.

First, given that many British citizens report being poorly informed about the single currency, an information campaign could have a substantial impact on the level of public support. Indeed, Whiteley (2001) shows that the discussion of the Euro in the campaign preceding the 2001 British parliamentary election had a discernable impact, consistent with the results presented here, on both the level of public awareness regarding the Euro and the level of support for the Euro among voters. However, our results show that information produces this effect by decreasing the uncertainty in voters’ attitudes toward joining the Euro. Information does not appear to increase or decrease support by itself.

What information does is crystallise voters’ perceptions of the EU. If someone has low information about the single currency they are likely to be less certain in their opinions. Their attitudes are relatively unstructured by systematic causes and are therefore more variable. As they become more informed their attitude toward the Euro becomes more certain and structured by systematic determinants. But the net effect of these determinants could be toward opposition or support. Therefore, the key to a campaign strategy is to use information to affect voters’ views on the other determinants we identify: evaluation of EU membership, evaluation of EU democracy, and political identity. For example, increasing the perception of the lack of democratic accountability in the EU by opponents of single currency is a good strategy for the ‘No’ campaign (Curtice, 2001). Meanwhile, the ‘Yes’ side could increase support by providing information about the general economic benefits of EU membership, by downplaying reports of corruption in Brussels, and by encouraging citizens to see themselves more as Europeans.

Finally, our results suggest that the parties may be limited in their ability to mobilize opposition or support for the single currency simply by taking a position. Our results indicate that the partisanship effect is moderate in substantive terms.

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Support for British Membership of the Single Currency

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Notes
1 For the 1999, 2000 and 2001 BES panel surveys, about one-third of respondents changed their response to survey questions regarding whether they favour replacing the Pound with the Euro.
2 Kaltenthaler and Anderson (2001) also found that one’s national pride is negatively related to support for the Euro in a cross-national study.
3 However, this study finds that the general model of national attachments is not a good fit for the United Kingdom.
4 This is important to keep in mind, given the potential statistical problems associated with treating endogenous variables as exogenous. We have re-estimated all of the statistical models without partisanship and found consistent results with those presented here for the remaining variables. Unfortunately, a clearly exogenous indicator of party positions is not available.
6 The dataset excludes respondents who did not participate in the final wave of the survey and is weighted according to the BES instructions.
7 We used the software Amelia, produced by James Honaker, Anne Joseph, Gary King, Kenneth Sheve and Naunihal Singh (available at http://GKing.Harvard.Edu). We then analyzed the imputed datasets using Stata statistical software. We imputed 10 datasets for each survey.
8 The empirical inferences drawn from the analyses are the same when the ‘don’t know’ responses are treated as an intermediate category or, in the case of the dependent variable, when they are treated as a distinct response category and analyzed in a multi-nomial logit model. These results are available from the authors upon request.
9 If the respondent indicated she was still studying, we assigned her the number of years corresponding to her age.
10 The response categories were: (0) no qualification; (1) foreign or other degree; (2) C.S.E. or equivalent; (3) O-level or equivalent; (4) A-level or equivalent; (5) higher education below degree; (6) higher education degree.
11 The categories are: less than 240 Pounds Sterling; 240–319; 320–399; 400–479; 480–599; 600–729; 730–829; 830–999; 1000–1149; 1150–1664; 1665–2000; 2000+
12 The 79 responses of ‘don’t know’ were coded as 1.5.
13 Other EB surveys included objective questions about the introduction of the Euro. As respondents’ self-assessments of being informed about the Euro increased, they were more likely to answer these factual questions correctly. The results of these analyses are available from the authors upon request.
14 These questions were asked in the 1997 wave of the BES panel. See variable POLQUZ97 for the questions.
15 Alvarez and Brehm (2002) distinguish between chronic (general) and domain-specific political knowledge but expect those who are chronically informed to show domain-specific knowledge on many issues.
16 Responses of ‘don’t know’ were coded as missing and responses of ‘for’ and ‘against’ were imputed for these respondents. We also estimated multinomial logit models where ‘don’t know’ responses were treated as a distinct response category. The analyses supported the same inferences drawn here. The results are available from the authors upon request.
17 Note that Model 2 does not allow a direct assessment of this relationship, due to the interaction between national identity and national pride.
18 These predicted values are calculated at the mean value for all variables except dummy variables, which are set at their modal value.
These predicted values are calculated at the mean for all variables except National Identity, which is set at zero (the modal response).

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References


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