European Monetary Union reform preferences
of French and German parliamentarians

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Abstract: We analyze results from a self-conducted survey of members of the French and German parliaments (Assemblée Nationale, Sénat and Bundestag) on economic policies and reform options for the Eurozone. Our econometric analysis addresses the key question to which extent potential heterogeneity between politicians are driven by national differences or whether it reflects different party ideologies similar to within-country cleavages. We show that a Rhine-divide exists, but that ideological differences between members of national parliaments are quantitatively more important and more robust than national differences between the French and the Germans. However, for EMU-related policies like Eurobonds, the Fiscal Compact and the strong ECB involvement we find a strong and robust difference between parliamentarians of both countries even if they belong to the same party family and controlling for individual characteristics.

Keywords: EMU reforms, policy preferences, elite survey, members of national parliament, comparative politics.

JEL codes: E60, E62, F15, H60.

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1. Introduction

Since 2010 the euro area debt crisis has confirmed that the European Monetary Union (EMU) was created with an incomplete institutional design (Lane, 2012; O'Rourke and Taylor, 2013; Frieden and Walter, 2017). The loss of an adjustable nominal exchange rate occurred without a sufficient match by more effective alternative adjustment instruments. From the beginning, the Maastricht Treaty's "no bailout clause" has raised issues of credibility, given the absence of an orderly procedure to deal with the case of sovereign insolvency (Fuest et al., 2016; Zettelmeyer et al., 2013; Baerg and Hallerberg, 2016). At the same time, the fiscal rules of the Stability and Growth Pact have proved largely ineffective (Ioannou and Stracca, 2014). Moreover, the absence of a well-defined lender of last resort has given rise to risks of multiple equilibria with destructive contagion in the government bond markets (De Grauwe, 2012; De Grauwe and Ji, 2013; Lorenzoni and Werning, 2013). The threat of destructive and self-enforcing vicious circles has been further increased by the continuing national responsibility for the supervision of large banks and the mutual financial dependence of national banking sectors and governments (Moro, 2014).

The dramatic years of crisis have yielded substantial learning effects. The verdict that the EMU in its initial set-up resembles a "half-built house" (Bergsten, 2012) has become a far-reaching consensus. Several shortcomings of the initial Maastricht constitution have been addressed since the outbreak of the acute crisis in the spring of 2010. Fiscal and macroeconomic governance rules have been refined (Buti and Carnot, 2012; Hodson, 2013). The rules of the Stability and Growth Pact have been strengthened. In addition, 25 European Union (EU) Member States signed the Fiscal Compact, which obliges signatory countries to establish deficit caps within their own national law according to contractual minimum standards (Creel et al., 2012). The European Central Bank (ECB) has effectively stepped into the role of a lender of last resort through the "Outright Monetary Transaction" (OMT) program (Drudi et al., 2012). The OMT program allows purchases of crisis countries' bonds under the condition of an agreement with the European Stability Mechanism (ESM), whose existence has played a key role in the stabilization of the euro area since 2012. A banking union has been set up with a European supervision of large banks under the responsibility of the ECB and the establishment of a European Banking Resolution Mechanism (Howarth and Quaglia, 2014).

In spite of this seemingly impressive list of reforms, the political and academic reform debate remains intense and the future of the Eurozone unclear (for an academic survey see Dolls et al., 2016; for a political initiative, European Commission, 2017). Using an original survey of French and German members of national parliaments (henceforth abbreviated MPs) we provide novel insights into the acceptance of existing rules, changes to national policies, and the political feasibility of new European-level institutions to preserve and stabilize the Eurozone. Our survey relates to diverse reform topics, which cover the set-up of new fiscal stabilization instruments for the euro area (e.g. through a European unemployment insurance) or possible new financing instruments for euro area governments. There is an ongoing debate about the extent to which national autonomy should be limited through constitutional reforms with more EU competences or the introduction of an "EU Finance Minister" (European Commission, 2017), who could give binding orders for issues like tax policies or structural reforms. Moreover, the important role taken by the ECB as a lender of last resort for illiquid governments remains highly controversial.

Any further reform of the euro area setup, however, must respect the unanimity constraint of EU treaty changes. Reforms are only feasible if they are acceptable for all Member States. This holds in particular with the acute crisis pressure receding. European heterogeneity of reform preferences may result not only from different economic or political interests but also from different values and beliefs summarized as "culture". Cultural heterogeneity is increasingly regarded as highly relevant for the feasibility of further integration steps in Europe in general and for the EMU in particular. Alesina et al. (2017) show that the heterogeneity of general norms (including the value of hard work or obedience) between Northern and Southern Europe has increased in the European Union over the last decades despite more economic integration. Guiso et al. (2016) argue that the Greek crisis has been aggravated by cultural clashes. Viewed from this angle, politicians are unable to agree on optimal crisis management because decisions may run against deeply rooted norms and beliefs of their voters. If, for example, German voters strongly adhere to values of control, punishment and obedience, a German government may find it difficult to agree to a generous financing of a crisis country which has not respected European rules. This may even hold if a more generous approach – by preventing crisis contagion – would be beneficial for Germany itself.

In their analysis of the euro crisis and the underlying national policy traditions, Brunnermeier et al. (2016) focus on Germany and France. They diagnose a "Rhine-Divide" according to which policy approaches between Paris and Berlin differ substantially: Compared to France, German economic policy stresses the importance of rules over discretion and principles of liability over solidarity. Liquidity constraints tend to be seen as an outcome of fundamental insolvency in Germany, whereas in France they are often viewed as part of self-enforcing bad equilibria. Consistent with these assessments, French policy prescriptions are more Keynesian and demand-oriented whereas German approaches emphasize the need of austerity and structural reforms in order to deal with such crises.

Our contribution follows those authors who view different economic policy traditions as a constraint on EMU reforms. Following Brunnermeier et al. (2016) we analyze EMU-related reform preferences with a particular focus on the possible French-German divide. Our study is unique insofar as it is based on the first comparative survey of euro reform preferences in national parliaments in the euro area: France (covering both chambers, the Assemblée Nationale and the Sénat) and Germany (Deutscher Bundestag[2]). Over the history of European integration, France and Germany have played a pivotal role for new integration initiatives (Brunnermeier et al., 2016). A political consensus of the two largest euro area economies appears to be a necessary (although not sufficient) condition for the viability of any EMU reform options.

While recent euro area reform decisions such as the ESM or the Fiscal Compact have been initiated by the Council, they are constrained by the consent of national parliaments according to national rules. According to Maatsch (2015), the power of parliaments relative to their governments has been effectively cut back during the crisis, for example through fast-track procedures suppressing extensive parliamentary debates or merger of different complex decisions into a single package. The author shows that this curtailment of parliamentary control rights occurred mainly in Southern Europe. However, the influence of the Bundestag through its veto power has even been fostered, mainly due to rulings by the German Federal Constitutional Court.

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[2] An inclusion of the first chamber in Germany, the Bundesrat, appears less interesting given that it only consists of representatives from state governments (the so-called *Länder*), which makes it not comparable to the larger number of individual parliamentarians in the French Sénat.

We conducted the survey in spring 2016, addressing the German Bundestag and the two French parliamentary chambers at the national level. Our questions cover two fields. The questions on national growth policies include both demand and supply side issues: an increase in national investment in different domains and more flexible labor markets. The EMU-related questions cover institutions, policies and reform options for the euro area comprising an assessment of the ECB involvement, the debate on voting rules on tax issues in the EU, the Fiscal Compact, a possible European unemployment insurance scheme, and the collectivization of debt through Eurobonds.

A key question is to which extent the German-French heterogeneity is driven by genuine German-French differences or whether it largely reflects different party ideologies. The latter creates polarization of views, which are familiar from within-country debates. Our results draw a differentiated picture. We show a distinct "Rhine Divide" beyond the usual party polarization for some of the euro-related topics like Eurobonds, the Fiscal Compact and the strong ECB involvement: For these issues, French and German parliamentarians have strongly contrasting views even within one party family. Intra-party differences are less pronounced for national economic policies such as labor market deregulation or investment spending.

Our paper complements Blesse et al. (2017) in which we have analyzed four questions from the same survey that relate exclusively to labor market issues. In contrast to the companion paper this study has a broader scope and focuses on preferences of national MPs on fiscal and economic policy and reform issues in the Euro area. Two questions that were included in the previous paper are also taken up here as they contribute to the EMU reform debates (labor market flexibility, European unemployment insurance).

In the next section, we describe the institutional setting and survey details. After a descriptive look at both the country and party dimension of MP preferences in Germany and France in section 3 we provide a thorough econometric testing as well as a series of robustness checks in section 4, taking into account individual heterogeneity among of respondents. Section 5 concludes.

2. Survey description

2.1 Institutional setup and survey details

The national legislative chambers in Germany and France differ in various aspects. The German Bundestag has a mixed-member proportional voting system where 299 members of parliament are directly elected (first vote) and 299 are indirectly elected from party lists (second vote).[3] Note that the German MPs in our survey were elected in late 2013 for four years in office.

The legislative branch in France is divided into two chambers: the Assemblée Nationale and the Sénat as the lower and the upper house, respectively. Whereas MPs in the Assemblée Nationale are elected by majority decisions in up to two rounds for 5 years (starting in our sample in 2012 for the legislative term ending in 2017), members of the Sénat are indirectly elected by elected officials of various tiers of government including the Assemblée. Half of the senators are elected every three years for a six-year term, the last election preceding our survey being September 2014.

National parliaments in Germany and France differ somewhat by the degree of involvement in controversial legislation, for example during the euro crisis. Whereas the German government had major policy measures approved by the Bundestag, France relied, as in other cases of controversial legislation, on a strong executive. The French government used constitutional powers and issued decree laws. Eventually the French executive did involve its national MPs in the decision on rescue policies during the Euro crisis, such as the European Financial Stability Facility (EFSF), ESM and the Fiscal compact. However, it did so by using a fast-track procedure which limited the parliamentary debates to one.[4]

Our survey of the French and German parliaments is a result of a collaboration of researchers from ZEW Mannheim and the University of Mannheim, both located in Germany, as well as the École Polytechnique in Palaiseau, France. The survey is the first comparative survey of

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[3] The German electoral system allows for additional parliamentary seats (excess mandates) when number of second vote seats exceeds number of first vote seats. In the 2013-17 legislative period the total number of seats was 630.

[4] Some authors view the limited involvement of the French parliament as problematic, as it undermines democratic legitimacy; see Brunnermeier et al. (2016 pp. 45-46) and Maatsch (2015).

national representatives about their attitudes on EMU institutions and policy reform preferences.

The questionnaires for the French and German MPs were formulated in French and German, respectively, but had the same content and wording. The survey contained a cover letter and a three-page survey, and was sent out in late April 2016 from Palaiseau for the French parliament, and from Mannheim for the Bundestag. The initial contact was through regular mail to the main office of the members of parliament. Politicians could respond either by mail, email, fax, or via a customized online-survey tool. In case of no response, reminder emails were sent after a month (unless somebody explicitly declined to participate). As a final attempt to obtain an answer, MPs were contacted by phone. Completed surveys were received between late April and mid-July 2016.

The survey was not anonymized in order to analyze the determinants of participation as well as the elicited beliefs of the MPs about EMU policy reforms. The confidentiality of the individual answers was guaranteed, however, in order to encourage unbiased reporting of preferences. Individual characteristics of MPs, such as party membership, country of origin, as well as age, gender, education or length of parliament membership, were self-collected. We randomized the ordering of questions in each question bloc of the questionnaire in order to avoid biased response behavior due to possible order effects.

In total, we received 232 completed questionnaires from the overall population of 1,552 national MPs in Germany and France (response rate of 14.95%). German MPs were slightly more responsive than their French counterparts, with response rates of 16.03% and 14.21%, respectively. The response rates compare reasonably well to other surveys, while being somewhat lower than previous surveys of the Bundestag (Heinemann and Janeba, 2011; Heß et al., 2013), but slightly higher for French MPs (Deschouwer and Depauw, 2014).

Table 1 gives an overview of the participation rates across country of origin. We also report participation rates across an ideological dimension. For this purpose we classify the MPs according to the political grouping in the European parliament. In Germany there is a clear correspondence between an individual party and a parliamentary group. By contrast, the French bicameral system lacks such congruence. MPs from political parties self-select in various ways into existing blocs or parliamentary groups in both houses. Table A1.1 in the Online-Appendix documents the relation between parties on the one hand and national and

European parliamentary groups on the other hand. In what follows, we use the respective fraction membership in the European Parliament (EP) as the measure of the left-right position. Our baseline estimates consider MPs from the fractions of both Socialists and Democrats (S&D), Greens (Greens/EFA) as well as European United Left–Nordic Green Left (GUE/NGL) as left-leaning MPs, which we compare to the conservatives of the European People's Party group (EPP), the Europe of Nations and Freedom (ENF) and the Liberals (ALDE). Conservatives have a lower participation rate than left-wing MPs with 12.9 compared to 16.0%, respectively.[5]

In Blesse et al. (2017) we have conducted a non-response analysis on the basis of a simple probit model in order to predict survey participation. The analysis confirms higher response rates of German and S&D (or more generally left-wing party) members, and shows the importance of several individual characteristics. For instance, age is positively related to participation, while number of years in parliament has the opposite effect. Several characteristics such as education (upper secondary, university degree or type of degree of study) do not matter. Committee membership is partially relevant for survey participation: Finance committee members tend to be more inclined to answer to our questionnaire. In order to deal with issues of sample selection we always include all MP characteristics in our econometric analysis below.

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[5] In recent years right-wing populist parties have enjoyed a growing vote share across several Western democracies. In our data set, there are not a sufficient number of observations to analyze right-wing populist views on EMU policies. The German *Alternative für Deutschland* (AFD) was not present in the Bundestag at the time of the survey and the *Front National* held only a few seats in the Assemblée.

Table 1: Characteristics of MPs: response vs. non-response

	Response	No response	Total
Country			
France	131	791	922
Germany	101	529	630
Party membership by EP fraction			
European People's Party Group (EPP)	88	562	650
Progressive Alliance of Socialists and Democrats (S&D)	110	506	616
Alliance of Liberals and Democrats for Europe (ALDE)	9	63	72
European United Left–Nordic Green Left (GUE/NGL)	12	86	98
Greens–European Free Alliance (Greens/EFA)	12	78	90
Others	1	25	26
National parliament group (GER/FRA)			
Greens (Bündnis 90/DIE GRÜNEN)[a]	9	54	63
Christian-Democrats (CDU/CSU)[a]	41	269	310
The Left (DIE LINKE)[a]	12	52	64
Social-Democrats (SPD)[a]	39	154	193
The Republicans (LR)[b]	47	292	339
Socialist Party (PS)[b]	67	330	397
Other French MPs[b]	17	169	186

Note: Country of origin indicated by a - Germany; b - France. To ensure confidentiality we show only the respective response results from single parliamentary groups if at least 3 party members answered the survey. "Others" in the panel party membership by EP groups includes individual MPs with no EP group affiliation and the Europe of Nations and Freedom (ENF). The group of "Other French MPs" includes MPs with no group affiliation, members of the European Democratic and Social Rally group (RDSE), the Communist Party (PCF), Radical, Republicain, Democratic and Progressist, (RRDP), the Union of Democrats and Independents (UDI), the French Greens (Écologistes) as well as the Democratic and Republican Left Group.

2.2 Questionnaire

Our survey covers important topics of the EMU reform debate. We address both the national dimension - policies that may improve the working of a common currency through higher economic growth and more economic convergence - and the European dimension, relating to (reforms of) EMU policies and institutions directly.

National growth policies

The following question is often discussed in the context of growth promotion at the national level.

Question 1 (Q1): Flexible labor markets

For higher economic growth of the EMU it is essential that especially countries with permanently high levels of unemployment make their labor markets more flexible (e.g. via an easing of dismissal protection regulations or a decrease of the statutory minimum wage).

Disagree				*Undecided*				*Agree*
☐ -4	☐ -3	☐ -2	☐ -1	☐ 0	☐ +1	☐ +2	☐ +3	☐ +4

Question 2 (Q2): Higher investment

For higher economic growth of the EMU it is essential that its member states increase their investment expenditures.

Disagree				*Undecided*				*Agree*
☐ -4	☐ -3	☐ -2	☐ -1	☐ 0	☐ +1	☐ +2	☐ +3	☐ +4

The wording of all questions reflects the requirement that respondents unfamiliar with economic terminology should be able to grasp the main issue at stake. For that purpose, we have chosen "flexible labor markets" as a typical supply-side prescription. We have clarified the term more flexible labor markets through examples of dismissal protection and minimum wages. Thus, the answer to Question 1 approximates the extent to which a respondent's economic thinking is aligned with a supply-side view in the context of labor markets. Question 2 refers to investment, which has a supply-side dimension as well because better public infrastructure makes firms more productive (e.g. Haughwout, 2002). More recently, higher public investment has often been strongly supported by left-of-center politicians and economists, as part of a demand-side policy. In this sense, Question 2 is less clearly identified as a supply side policy as compared to content and wording of Question 1.

EMU institutions and policies

The first question of the EMU-related survey part covers the role of the European Central Bank (ECB) during the crisis. Question 3 asks for an evaluation of a crucial aspect of ECB involvement: the central bank's interventions in the market for euro area government bonds.[6]

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[6] In order to avoid the wording being too complex, we dropped the distinction between different bond purchasing programs. Since 2010, the following different programs have come into existence: the Securities Market Program of 2010, the OMT program (set up in 2012 but never activated), and the quantitative easing (QE) programs since 2015.

Question 3 (Q3): Asset purchase program of ECB

The European Central Bank has taken a strongly active position in recent years by purchasing sovereign bonds of euro countries. This strongly active position of the ECB should continue.

Disagree   *Undecided*   *Agree*

☐ -4	☐ -3	☐ -2	☐ -1	☐ 0	☐ +1	☐ +2	☐ +3	☐ +4

One recurring topic in the EMU reform debate is a possible restriction of national fiscal autonomy and transfer of power to the level of the Eurozone. The European Commission's recent reflection paper on the deepening of the European Union via a European Treasury and a European Finance Minister (European Commission, 2017) underlines the relevance of the debate. Questions 4 and 5 cover two different aspects of fiscal autonomy: deficit limits and voting in the European Council on taxes.

Question 4 asks about the desirability of the Fiscal Compact (as part of the Treaty on Stability, Coordination and Governance in the EMU), which imposes a limit on each country's general government structural deficit since 2013. Question 5, by contrast, relates to the decision rule at the EU level on tax matters. Under the status quo, any tax legislation at the EU level must pass with unanimity, which has been reached for certain aspects in the area of indirect taxation (e.g., full harmonization of the value added tax base and minimum threshold for the value added tax rate). For direct taxation, neither tax rates nor tax bases are currently harmonized (Bénassy-Quéré et al., 2014). Question 5 asks about an end to national veto power in EU tax legislation matters by moving from unanimity to majority voting (see also Wasserfallen, 2014). We use corporate tax caps and floors as possible areas of application for majority voting. The balanced framing ("caps" and "floors") reduces the risk that individual preferences on the level of taxes drive the results.

Question 4 (Q4): Fiscal Compact

The Fiscal Compact that was signed by 25 EU member states in 2012 commits the contracting parties like France and Germany to limit the general government deficit (cyclically adjusted) at 0.5 % of Gross Domestic Product.

Do you think it is desirable that [Germany/France] complies with the obligations of the Fiscal Compact?

Non desirable   *Undecided*   *Desirable*

☐ -4	☐ -3	☐ -2	☐ -1	☐ 0	☐ +1	☐ +2	☐ +3	☐ +4

Question 5 (Q5): Tax policy

The European council should be able to vote on taxes with a qualified majority (e.g. binding caps or floors for corporate taxes).

Disagree   *Undecided*   *Agree*

☐ -4	☐ -3	☐ -2	☐ -1	☐ 0	☐ +1	☐ +2	☐ +3	☐ +4

Question 6 addresses an issue in the area of fiscal policy as well, but shifts attention to a new fiscal instrument: a fiscal capacity for the euro area through a European unemployment insurance (EUI). Variants of EUI have been discussed widely in the literature (Andor, 2014; Dullien, 2014; Dolls et al., 2015). A common feature of all variants under consideration is that at least a part of unemployment benefits is (directly or indirectly) financed from a common European pool of resources. The purpose of a common insurance scheme is to stabilize euro economies hit by an asymmetric shock. We refer to EUI in our question because it appears less abstract compared to other type of stabilization capacities such as stabilization funds or contingent reinsurance mechanisms (see Dolls et al., 2015 for details).

Question 6 (Q6): European unemployment insurance

A common European unemployment insurance should be introduced to absorb recessions in individual member states of the EMU.

Disagree   *Undecided*   *Agree*

☐ -4	☐ -3	☐ -2	☐ -1	☐ 0	☐ +1	☐ +2	☐ +3	☐ +4

Finally, Question 7 addresses the role of a new joint financing instrument in the form of Eurobonds. Again, we use simple wording to illustrate the idea. Eurobonds with joint liability

of euro members are a far reaching financial innovation compared to other instruments (such as the "blue/red bond" proposal by Delpla and von Weizsäcker, 2010; or the "European Safe Bonds" by Brunnermeier et al., 2016), which appear to be less known in the general public.

Question 7 (Q7): Eurobonds

All euro countries are jointly liable for Eurobonds and all euro countries pay the same interest. The EMU should issue Eurobonds.

Disagree				*Undecided*				*Agree*
☐ -4	☐ -3	☐ -2	☐ -1	☐ 0	☐ +1	☐ +2	☐ +3	☐ +4

3. Descriptive analysis

A main objective of our study is to find out to what extent national differences between France and Germany matter in the debate on the future of EMU (i.e., the "cultural" Rhine divide). Alternatively, differences in policymakers' views in France and Germany could be rooted in differences in ideology, or simply be the result of certain individual characteristics like age or gender. We focus in particular on the need to disentangle the influences from nationality and ideology/party membership. The former would constitute a long-run obstacle to a German-French consensus, while the latter can change with elections.

We begin with a descriptive analysis and present the distribution of responses along the two dimensions of interest across policy fields. Throughout sections 3 and 4 we focus on members of national parliaments who belong to either the left-of-center or the right-of-center parliamentary groups of the European Parliament to facilitate cross-country comparisons.[7]

National growth policies

Figures 1 and 2 show the heterogeneity of responses to questions regarding national growth policies by nationality and party ideology, respectively. The issue of labor market flexibility to enhance growth polarizes respondents along party groups but not much along the country dimension. Conservative MPs in both countries tend to support higher flexibility of national

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[7] In section 5 we check the robustness of our findings by focusing only on MPs from the social-democrats (S&D) and the Christian-democrats (EPP) groups as the relevant units of comparison.

labor markets, while the opposite is true for social-democratic politicians. The main national difference is that French parliamentarians show slightly more support for extreme views (higher frequency of strong support (+4) or strong rejection (-4) than German politicians. Higher investment spending is favored by overwhelming majorities in both countries but German politicians and conservative party members are somewhat less enthusiastic.

Figure 1: National growth policy priorities – national cleavage
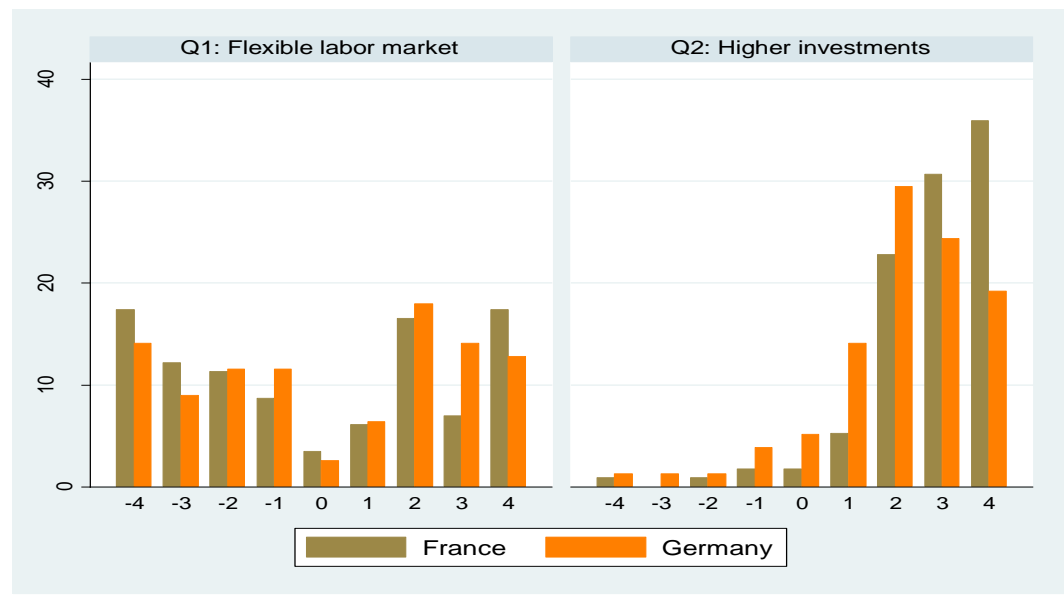
Figure 2: National growth policy priorities – partisan cleavage
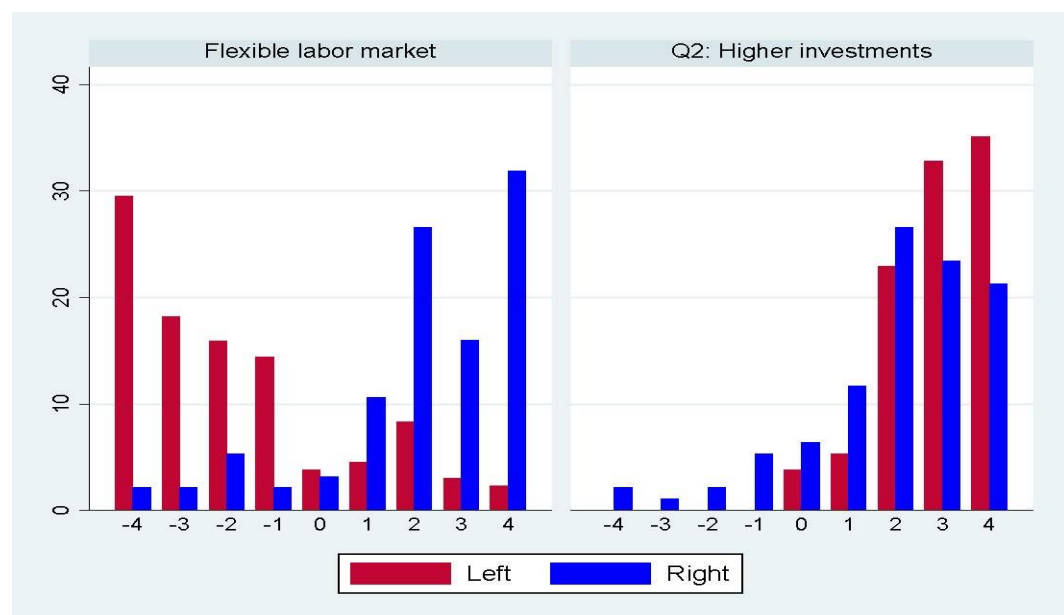
EMU institutions and policies

Figures 3 and 4 illustrate the distribution of policy preferences of MPs across the five remaining questions about EMU institutions and reform initiatives along nationality and political ideology of European Parliament party groups.

Figure 3: EMU policy and reform priorities – national cleavage
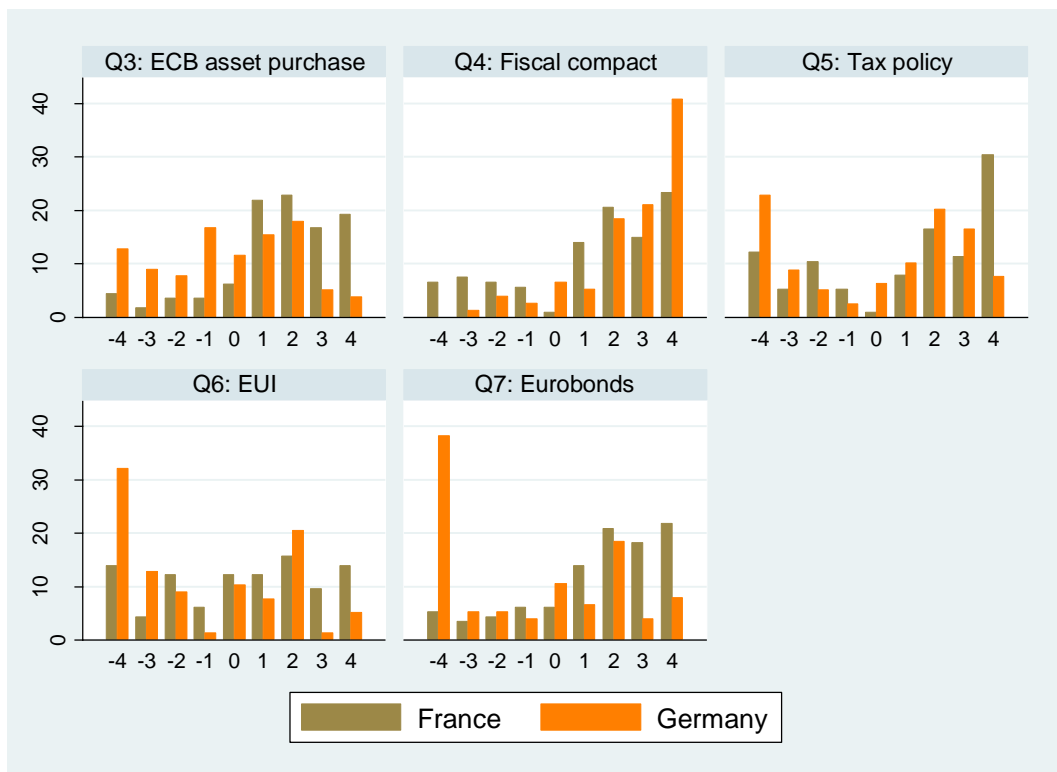
Figure 4: EMU policy and reform priorities – partisan cleavages

The strong involvement of the ECB during the euro area debt crisis splits MPs into opposite camps along both the country and the party dimension. French and socialist/social-democratic members of parliament are by and large supportive of the central bank's purchases of sovereign bonds. By contrast, more than half of German and of conservative MPs have a critical view on the role of the ECB.

A reduction of national autonomy in fiscal policy matters receives mixed support with discernable differences at the country and party level. German MPs strongly support deficit constraints as defined by the Fiscal Compact. The Compact has majority support in the French parliaments as well, but the support is weaker than in the Bundestag. By contrast, the views on European decisions rules on tax matters are again clearly polarized. A majority of French respondents welcomes a less restrictive decision rule in the EU regarding tax issues, whereas German representatives are split on that issue. The reform is popular among politicians from the left but less so among the right. Conservatives are fervent advocates of fiscal rules, whereas politicians on the left are much less united in their support.

The approval rates for a European fiscal capacity in the form of an unemployment insurance scheme are mixed, both from a country and a party perspective. A strong "no" (-4) to EUI is

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the most frequent answer given both by German and conservative politicians. A majority of left-leaning politicians support the introduction of a stabilization tool. In France opponents and supporters of EUI roughly balance out.

The issue of Eurobonds, the most far reaching option for mutual debt guarantees in the euro area, is the question associated with the strongest polarization along both country and party group dimensions. There is strong support from French members of parliament, as well as from a majority of left-leaning politicians in both countries. For German and conservative survey participants alike, Eurobonds are highly unpopular: a strong "no" (-4) is by far the most frequent response in our sample.

On top of the graphical evidence we examine statistical tests of group mean differences across MPs policy preferences. Table 2 displays the results of simple two-independent group t-tests, i.e. the average response scores to both national and EMU policy preferences along ideology and nationality. The tests show that most comparisons yield statistically significant group differences at conventional levels. Only country differences in preferences for flexible labor markets and the support for the fiscal compact do not translate into significant differences in group averages at the 10 percent level. Results are widely confirmed with non-parametric tests such as Wilcoxon-rank sum tests or Chi-square tests in Online-Appendix B. Wilcoxon-rank sum tests represents the non-parametric analog of the independent t-test if one thinks that normality assumption of the interval variable of the Likert scale is bound to fail and the Chi-square test measures the statistical relationship between the response frequencies per category across groups.

Overall, the descriptive evidence provides some support for the "Rhine divide"-hypothesis: Compared to their French colleagues, German members of the Bundestag are indeed more skeptical when it comes to a strong role for monetary policy in crisis stabilization, a new stabilization instrument (EUI), and a common public debt management (Eurobonds). Both new policy instruments receive more support in the French parliamentary chambers. However, no strong national cleavage can be detected for an important supply side issue like more labor market flexibility, for which only the partisan cleavage appears to be very strong. Moreover, we find substantial partisan differences across all policy fields surveyed in this study.

Table 2: Average responses on national and EMU policy preferences by ideology and country

	Ideology			Country		
	Left	**Right**	**t-test (p-values)**	**Germany**	**France**	**t-test (p-values)**
National						
Flexible labor market	-1.795	2.117	0.000	-0.364	0.000	0.346
Higher investments	2.901	1.989	0.000	2.242	2.732	0.014
EMU						
ECB asset purchase	1.718	-0.404	0.000	-0.010	1.480	0.000
Fiscal compact	0.361	3.152	0.000	1.853	1.325	0.118
Tax policy	1.462	-0.165	0.000	0.240	1.141	0.020
EUI	0.955	-1.681	0.000	-0.737	0.289	0.005
Eurobonds	2.092	-1.234	0.000	-0.381	1.508	0.000

4. Econometric analysis

In this section we undertake a more systematic analysis of the comparative survey of national MP preferences. The econometric testing explores the relative importance of nationality and ideology for policy preferences for matters of national growth and EMU policy and institutional design.

4.1. Model and variables

The non-anonymous survey allows us to take into account individual characteristics of MPs, in addition to the two dimensions nationality and party group. We cover individual characteristics such as gender and age, parliamentary experience (number of years as a member of parliament), education (upper secondary education: "baccalauréat"/"Abitur" and tertiary education: university degree), and expertise in economic and financial matters through membership in certain committees (finance or EU affairs).[8]

We are agnostic about the expected signs of the individual characteristics. Including the variables, however, serves to limit selection bias, since some of these characteristics determine individual response probability (see section 2.1.) and are related to policy preferences of MPs. Their inclusion therefore reduces the danger of omitted variable bias.

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[8] See Table A1.2 of the Online-Appendix for Summary statistics of individual control variables.

For our baseline model we use an ordered probit estimation with policy preferences for national or EMU policies across the -4 (disagree, undesirable) to +4 (agree, desirable) scale as dependent variables. However, we only report the effects of strong policy support, e.g. + 4 response categories, and discuss the symmetry of effects across all response categories in the main text. Results across categories are reported in the Online Appendix. In line with our research question we are mainly interested in the effects of the country and political group dummies on policy preferences. For political ideology, the baseline builds on the dichotomy of left-leaning versus conservative party affiliation in the European parliament. Socialists and Democrats (S&D), Greens–European Free Alliance (Greens/EFA) as well as European United Left–Nordic Green Left (GUE/NGL) are defined as left-leaning MPs whereas which national MPs belonging to the group of Christian-democrats (EPP), Europe of Nations and Freedom (ENF) and Liberals (ALDE) are coded as conservatives. As mentioned above, we explore the effects of alternative measures for ideological differences among MPs in section 5 below.

4.2. Results

For the sake of brevity this section illustrates the average marginal effects of our variables of interest on strong policy support, i.e. the effect of nationality, ideology and individual factors on the likelihood of eliciting +4 responses for the respective question. Note that the Online-Appendix A2 reports the full baseline regression results for each individual answer category. We check the robustness of our results in Online-Appendix C by collapsing all answer categories to a survey question into a binary variable i.e. that is we estimate the likelihood of policy support in a broader sense.

Table 3 shows the results for preferences on national growth enhancing policies and illustrates the average marginal effects for the top response category +4. Columns 1 and 2 report the results for MP preferences on flexible labor markets and more national investments, respectively. The results confirm a strong role of party affiliation for preferences on national growth policies. Ceteris paribus, a MP from the left has a 29.8 percentage point lower probability to strongly opt for more flexible labor markets than his or her conservative peer. For the demand side policy "higher national investments" the ideological divide is slightly less pronounced with a 23.4 percentage point higher probability of support from the left. Regarding the symmetry of policy support, it appears that left-leaning MPs have a significantly higher probability to disagree with flexible labor markets (Table A2.1). The positive average

marginal effects of left MPs is significantly negative across all negative answer categories and turns into significant positive coefficients for supporting answer categories (+2 to +4). Point estimates also increase symmetrically with the more negative or the more positive answer categories are. Results seem to be less robust for national investment strategies as only very supportive attitudes are positively related to left-leaning ideology (Table A2.2). More negative answer categories have negative signs in their estimated average marginal effects.

Nationality is much less important as a determinant of preferences. No response category shows statistical significance at conventional levels for nationality of MPs either for the flexible labor markets or higher national investments statements (for the full results on each response category, see the Online-Appendix A2.1 and A2.2). Also the marginal effect is much smaller than for party ideology. Individual characteristics of MPs, however, play almost no significant role in the determination of national policy preferences.

Table 3: National growth policy priorities, average marginal effect for (+4), baseline

	Flexible labor markets	Higher investments
France	0.00610	0.0761
	(0.24)	(1.55)
Left	-0.298***	0.234***
	(-6.62)	(5.00)
Female	-0.00360	-0.106**
	(-0.12)	(-2.01)
Age	0.000239	0.00392
	(0.18)	(1.48)
Years as MP	0.00129	-0.00199
	(0.72)	(-0.58)
Upper secondary	-0.104	0.00105
	(-1.27)	(0.01)
University degree	0.0929**	0.0219
	(2.22)	(0.22)
Economics committee	-0.00387	-0.0638
	(-0.08)	(-0.78)
Finance committee	0.0526	0.147*
	(1.37)	(1.89)
EU affairs committee	0.120**	0.0448
	(2.29)	(0.55)
N	214	213

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$; standard errors are reported in parenthesis
Note: Marginal effects are calculated for answer class +4 (strongest support for national policies).

We now turn to policies at the European and Eurozone level. The role of differing national views – also within the same European party family – is more pronounced here. This is illustrated for attitudes of strong policy support in Table 4. Party affiliation plays a major role in explaining the heterogeneity in policy preferences. For instance, left MPs are more supportive of ECB interventions than conservatives. On limiting national autonomy, the effects of ideology are strongly asymmetric: relative to the political right, the left favors

majority voting on tax issues at the European level and is heavily opposed to fiscal constraints with left-leaning politicians being 49.2 percentage points less likely to be strongly in favor to the Fiscal Compact. Far reaching stabilization (EUI) and mutual guarantees (Eurobonds) within Europe are particularly popular among the left MPs in both countries. Again, ideology effects are widely symmetric across all respective answer categories (Table A.2.3 to A.2.7).

The results indicate a statistically distinct impact of nationality in all policy areas, which exists independent of the significant ideological cleavage. When both factors are significant, the sign of the nationality effect is identical to the left-right effect. Compared to German politicians, the French respondents are more supportive of asset purchases by the ECB, debt mutualization through Eurobonds, and stabilization through a European unemployment insurance scheme even if they belong to the same party family as German representatives. Conversely, French politicians are more skeptical about fiscal constraints as implemented in the Fiscal Compact. French MPs are, however, more supportive for the introduction of a system of majority voting on tax issues at the European level. The sizes of the average marginal effects from nationality are on average smaller than those of ideology, but French policymakers have 18.6 percentage points' higher probabilities of strongly supporting Eurobonds or rejecting the Fiscal Compact, respectively. The effect of nationality on policy support usually has a lower point estimate across all EMU topics by about one third or even only at about 20 percent of the average marginal effect of the left ideology dummy variable. Again, individual MP factors are not consistently significant determinants of preferences.

Table 4: EMU institutions and policies, average marginal effect for (+4), baseline

	ECB asset purchase	Fiscal Compact	Tax policy	EUI	Eurobonds
France	0.127***	-0.106***	0.0882**	0.0769***	0.186***
	(4.62)	(-2.60)	(2.09)	(3.02)	(6.03)
Left	0.182***	-0.492***	0.171***	0.156***	0.262***
	(5.96)	(-9.47)	(4.23)	(5.28)	(7.63)
Female	-0.0646**	0.0291	-0.0579	-0.0264	-0.0831***
	(-2.46)	(0.60)	(-1.24)	(-0.95)	(-2.72)
Age	0.000220	0.00212	0.00257	0.00182	-0.00142
	(0.16)	(0.99)	(1.15)	(1.33)	(-0.91)
Years as MP	-0.00176	-0.00212	-0.00277	-0.00106	-0.00325
	(-0.98)	(-0.77)	(-0.93)	(-0.60)	(-1.59)
Upper secondary	0.0359	0.0546	-0.0803	-0.0116	0.114**
	(0.67)	(0.57)	(-0.66)	(-0.17)	(2.46)
University degree	0.00628	-0.0192	0.141**	0.00319	-0.127*
	(0.12)	(-0.21)	(2.01)	(0.06)	(-1.73)
Economics committee	0.0456	0.0870	0.0259	-0.0643**	0.00243
	(0.80)	(1.06)	(0.31)	(-2.14)	(0.04)
Finance committee	-0.00865	0.0804	0.122*	0.0143	0.0295
	(-0.26)	(1.35)	(1.76)	(0.40)	(0.70)
EU affairs committee	-0.0111	0.0792	0.147*	-0.0548*	-0.0670*
	(-0.29)	(1.10)	(1.81)	(-1.91)	(-1.84)
N	213	202	215	214	212

* p < 0.1, ** p < 0.05, *** p< 0.01; standard errors are reported in parenthesis
Note: Marginal effects are calculated for answer class +4 (strongest support for EMU policies).

To summarize, in line with our descriptive results we find strong support for the role of party and country influences. French policymakers and those from left-wing parties are significantly more in favor of existing and new Eurozone competencies such as Eurobonds, a European unemployment insurance scheme, and the ECB's asset purchase program, as well as in favor of more investment at the national level. On more flexible labor markets and higher investments at the national level, only the party position is significant, but not the nationality

of the members of parliament. In quantitative terms the party effect dominates the nationality effect substantially. Individual characteristics tend to play only a very small role.

In Online-Appendix C, we provide several robustness checks and find robust evidence on the statistical significance of left-leaning ideology as well as national interests as factors for the preferred design of the EMU. The magnitude of the average marginal effects consistently yield that ideology matters more than nationality.

5. Concluding remarks

Overall our results indicate that ideological differences between members of national parliaments concerning the future of Europe and the Eurozone are quantitatively more important and more robust than national differences between the French and the Germans. This is familiar from left-right controversies within countries (Wendler, 2016). Hence, our elite survey of national MPs contributes to recent evidence that European heterogeneity in cultural beliefs and values may be an impediment to significant reforms for the Union (Alesina et al., 2017; Guiso et al., 2016). Our study shows that political values and ideology do represent significant drivers of individual MPs' elicited preferences on EMU and national reforms. However, for EMU-related policies and reform options we find a strong and robust difference between parliamentarians of both countries even if they belong to the same party family. Individual characteristics of members of parliament play a minor role. Significant differences between German and French politicians are found in key areas concerning the future of the euro zone: the desirability of a strong ECB role, mutual guarantees through Eurobonds and fiscal constraints like those of the Fiscal Compact. Distinct national differences – beyond those explained by ideological differences – are much less pronounced when it comes to national growth increasing policies. When in the same political camp, Germans and French MPs do not hold very different views in this regard. Moreover, among the EMU reform issues country polarization is less pronounced for a reform of decision making at the European level on tax matters and for the introduction of a European unemployment insurance.

Our results suggest that institutional reforms relating to economic policies in the Euro area may be backed by national parliaments when in both France and Germany the majorities in parliament share the same ideological position.

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Online-Appendix (not for publication)

Appendix A1: Additional tables

Table A1.1:

Allocation of national parties and parliamentary groups to European parliament groups

Party	Country	Chamber	National fractional group	European Parliament group (EP group)
CDU/CSU	Germany	Bundestag	CDU/CSU	EPP
Grüne	Germany	Bundestag	Grüne	Greens/EFA
Die Linke	Germany	Bundestag	Die Linke	GUE/NGL
SPD	Germany	Bundestag	SPD	S&D
LR, UDI	France	Assemblée	LR	EPP
PS, MRC, DVG	France	Assemblée	PS	S&D
PRG, DVG	France	Assemblée	RRDP	S&D
UDI	France	Assemblée	UDI	ALDE
EELV	France	Assemblée	Écologiste	Greens/EFA
LR	France	Senate	LR	EPP
PS	France	Senate	PS	S&D
PRG	France	Senate	RDSE	S&D
UDI, AC, MoDem	France	Senate	UDI	ALDE
EELV, DVG	France	Senate	Écologiste	Greens/EFA

Note: The national parties refer to CDU (Christian Democratic Union of Germany), CSU (Christian Social Union in Bavaria), Grüne (Alliance 90/ the Greens), Die Linke (The Left), SPD (Social Democratic Party of Germany), LR (The Republicans), UDI (Union of Democrats and Independents), PS (Socialist Party), MRC (Citizen and Republican Movement), DVG (Miscellaneous left), PRG (Radical Party of the Left), EELV (Europe Ecology – The Greens), AC (Centrist Alliance), MoDem (Democratic Movement), EELV (Europe Ecology – The Greens). Additionally, RRDP (Radical, Republican, Democratic and Progressive) and RDSE (European Democratic and Social Rally group) national fractions of parliaments. EP groups are referred to in Table 1.

Table A1.2: Summary statistics of individual controls and alternative party definitions

	N	Mean	Standard deviation	Minimum	Maximum
France	232	0.565	0.497	0	1
Left	231	0.580	0.495	0	1
Female	232	0.272	0.446	0	1
Age	232	58.871	10.091	33	81
Years as MP	232	9.030	7.295	1	40
Upper secondary	222	0.883	0.322	0	1
University degree	220	0.823	0.383	0	1
Economics committee	232	0.078	0.268	0	1
Finance committee	232	0.147	0.354	0	1
EU affairs committee	232	0.116	0.321	0	1
Assemblée	232	0.336	9.473	0	1
Sénat	232	0.228	0.421	0	1
S&D	198	0.556	0.498	0	1
Left-right scale	219	4.924	1.832	1.231	7.667
Incumbent party	231	0.654	0.477	0	1

Table A1.3: National growth policy priorities, average marginal effect for (+4) for ordered probit without individual characteristics controls

	Flexible labor markets	Higher investment
France	0.0192	0.131***
	(0.79)	(2.90)
Left	-0.313***	0.206***
	(-7.09)	(4.61)
N	226	225

* p < 0.1, ** p < 0.01, *** p < 0.01

Note: Marginal effects are calculated for answer class +4 (strongest support for national policies).

Table A1.4: EMU institutions and policies priorities, average marginal effect for (+4) for ordered probit without individual characteristics controls

	ECB asset purchase	Fiscal Compact	Tax policy	EUI	Eurobonds
France	0.143***	-0.0978***	0.132***	0.0857***	0.188***
	(5.38)	(-2.58)	(3.39)	(3.65)	(6.46)
Left	0.176***	-0.482***	0.167***	0.153***	0.259***
	(6.15)	(-9.86)	(4.29)	(5.45)	(7.82)
N	225	214	227	226	224

* p < 0.1, ** p < 0.05, *** p < 0.01
Note: Marginal effects are calculated for answer class +4 (strongest support for EMU policies).

Table A1.5: Bivariate probit model with sample selection

	Flexible labor markets	Higher investment	ECB asset purchase	Fiscal Compact	Tax policy	EUI	Eurobonds
France	0.060	0.038	0.355 ***	-0.043	0.069	0.133*	0.446***
	(0.083)	(0.042)	(0.073)	(0.056)	(0.080)	(0.075)	(0.083)
Left	-0.693***	0.149**	0.448***	-0.443***	0.242***	0.424***	0.654***
	(0.0582)	(0.059)	(0.070)	(0.052)	(0.072)	(0.065)	(0.064)

Standard errors in parentheses
* p < 0.1, ** p < 0.05, *** p < 0.01
Note: Marginal effects are calculated for policy support, meaning positive answer categories based on the conditional (on selection) predicted probability of responding. Excluded instruments are the individual membership in Economics, Finance and EU affairs committees of the respective MP.

Appendix A2: Baseline estimates with all categories

Table A2.1: Flexible labor markets, ordered probit, all response categories

	(-4)	(-3)	(-2)	(-1)	(0)	(1)	(2)	(3)	(4)
France	-0.01	-0.00	-0.00	0.00	0.00	0.00	0.00	0.00	0.01
	(0.03)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.03)
Left	0.28***	0.15***	0.11***	0.05***	0.01	-0.01	-0.14***	-0.14***	-0.30***
	(0.04)	(0.03)	(0.02)	(0.02)	(0.01)	(0.01)	(0.03)	(0.03)	(0.04)
Female	0.00	0.00	0.00	-0.00	-0.00	-0.00	-0.00	-0.00	-0.00
	(0.04)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.03)
Age	-0.00	-0.00	-0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Years as MP	-0.00	-0.00	-0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Upper secondary	0.10*	0.03	0.02	0.00	-0.00	-0.00**	-0.02*	-0.02	-0.10
	(0.06)	(0.03)	(0.02)	(0.01)	(0.00)	(0.00)	(0.01)	(0.01)	(0.08)
University degree	-0.15*	-0.02**	-0.00	0.01	0.00	0.01	0.04	0.03*	0.09**
	(0.09)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.02)	(0.02)	(0.04)
Economics committee	0.00	0.00	0.00	-0.00	-0.00	-0.00	-0.00	-0.00	-0.00
	(0.06)	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.05)
Finance committee	-0.06	-0.02	-0.01	-0.00	0.00	0.00	0.01	0.01	0.05
	(0.04)	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.04)
EU affairs committee	-0.11***	-0.04**	-0.02	-0.01	0.00	0.00*	0.03***	0.03**	0.12**
	(0.03)	(0.02)	(0.01)	(0.01)	(0.00)	(0.00)	(0.01)	(0.01)	(0.05)
N	214	214	214	214	214	214	214	214	214

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Table A2.2: Higher investment, ordered probit, all response categories

	(-4)	(-3)	(-2)	(-1)	(0)	(1)	(2)	(3)	(4)
France	-0.00	-0.00	-0.00	-0.01	-0.02	-0.02	-0.03	0.01	0.08
	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)	(0.05)
Left	-0.02	-0.01	-0.01	-0.03**	-0.06***	-0.07***	-0.09***	0.05***	0.23***
	(0.01)	(0.01)	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.05)
Female	0.01	0.00	0.01	0.02	0.03*	0.03*	0.04**	-0.02	-0.11**
	(0.01)	(0.00)	(0.01)	(0.01)	(0.02)	(0.02)	(0.02)	(0.01)	(0.05)
Age	-0.00	-0.00	-0.00	-0.00	-0.00	-0.00	-0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Years as MP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.00	-0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Upper secondary	-0.00	-0.00	-0.00	-0.00	-0.00	-0.00	-0.00	0.00	0.00
	(0.01)	(0.00)	(0.01)	(0.02)	(0.03)	(0.03)	(0.04)	(0.02)	(0.12)
University degree	-0.00	-0.00	-0.00	-0.00	-0.01	-0.01	-0.01	0.00	0.02
	(0.01)	(0.00)	(0.01)	(0.01)	(0.02)	(0.03)	(0.04)	(0.02)	(0.10)
Economics committee	0.01	0.00	0.00	0.01	0.02	0.02	0.02	-0.01	-0.06
	(0.01)	(0.00)	(0.01)	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.08)
Finance committee	-0.01	-0.00	-0.01	-0.01*	-0.03**	-0.04*	-0.06*	0.00	0.15*
	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.02)	(0.03)	(0.01)	(0.08)
EU affairs committee	-0.00	-0.00	-0.00	-0.01	-0.01	-0.01	-0.02	0.00	0.04
	(0.00)	(0.00)	(0.00)	(0.01)	(0.02)	(0.02)	(0.03)	(0.01)	(0.08)
N	213	213	213	213	213	213	213	213	213

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Table A2.3: ECB asset purchase, ordered probit, all response categories

	(-4)	(-3)	(-2)	(-1)	(0)	(1)	(2)	(3)	(4)
France	-0.09***	-0.04***	-0.03***	-0.04***	-0.03***	-0.01*	0.05***	0.07***	0.13***
	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.02)	(0.03)
Left	-0.16***	-0.07***	-0.06***	-0.08***	-0.05***	-0.01	0.12***	0.13***	0.18***
	(0.03)	(0.02)	(0.02)	(0.02)	(0.01)	(0.02)	(0.03)	(0.03)	(0.03)
Female	0.05**	0.02**	0.02**	0.02**	0.01**	0.00	-0.03**	-0.03**	-0.06**
	(0.03)	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	(0.02)	(0.03)
Age	-0.00	-0.00	-0.00	-0.00	-0.00	-0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Years as MP	0.00	0.00	0.00	0.00	0.00	0.00	-0.00	-0.00	-0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Upper secondary	-0.03	-0.01	-0.01	-0.01	-0.01	-0.00	0.02	0.02	0.04
	(0.05)	(0.02)	(0.01)	(0.02)	(0.01)	(0.00)	(0.03)	(0.03)	(0.05)
University degree	-0.00	-0.00	-0.00	-0.00	-0.00	-0.00	0.00	0.00	0.01
	(0.04)	(0.02)	(0.01)	(0.02)	(0.01)	(0.01)	(0.02)	(0.03)	(0.05)
Economics committee	-0.03	-0.01	-0.01	-0.01	-0.01	-0.01	0.01	0.02	0.05
	(0.03)	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)	(0.02)	(0.06)
Finance committee	0.01	0.00	0.00	0.00	0.00	0.00	-0.00	-0.00	-0.01
	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	(0.02)	(0.03)
EU affairs committee	0.01	0.00	0.00	0.00	0.00	0.00	-0.00	-0.01	-0.01
	(0.03)	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.02)	(0.02)	(0.04)
N	213	213	213	213	213	213	213	213	213

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Table A2.4: Fiscal compact, ordered probit, all response categories

	(-4)	(-3)	(-2)	(-1)	(0)	(1)	(2)	(3)	(4)
France	0.04**	0.02**	0.02**	0.01**	0.01*	0.01*	0.00	-0.01**	-0.11***
	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	(0.04)
Left	0.10***	0.08***	0.09***	0.07***	0.06***	0.10***	0.08***	-0.08***	-0.49***
	(0.03)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.03)	(0.02)	(0.05)
Female	-0.01	-0.01	-0.01	-0.00	-0.00	-0.00	-0.00	0.00	0.03
	(0.02)	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	(0.00)	(0.01)	(0.05)
Age	-0.00	-0.00	-0.00	-0.00	-0.00	-0.00	-0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Years as MP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.00	-0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Upper secondary	-0.02	-0.01	-0.01	-0.01	-0.00	-0.01	0.00	0.01	0.05
	(0.05)	(0.02)	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.10)
University degree	0.01	0.00	0.00	0.00	0.00	0.00	0.00	-0.00	-0.02
	(0.03)	(0.02)	(0.02)	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	(0.09)
Economics committee	-0.03	-0.02	-0.02	-0.01	-0.01	-0.01	-0.00	0.01	0.09
	(0.02)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.08)
Finance committee	-0.03	-0.02	-0.02	-0.01	-0.01	-0.01	-0.00	0.01	0.08
	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.06)
EU affairs committee	-0.02	-0.02	-0.02	-0.01	-0.01	-0.01	-0.00	0.01	0.08
	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.07)
N	202	202	202	202	202	202	202	202	202

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Table A2.5: Tax policy, ordered probit, all response categories

	(-4)	(-3)	(-2)	(-1)	(0)	(1)	(2)	(3)	(4)
France	-0.07**	-0.02*	-0.01*	-0.00	-0.00*	-0.01	0.01	0.02*	0.09**
	(0.03)	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.04)
Left	-0.14***	-0.04***	-0.03***	-0.01**	-0.01**	-0.01**	0.02*	0.04***	0.17***
	(0.04)	(0.01)	(0.01)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.04)
Female	0.05	0.01	0.01	0.00	0.00	0.00	-0.01	-0.01	-0.06
	(0.04)	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.05)
Age	-0.00	-0.00	-0.00	-0.00	-0.00	-0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Years as MP	0.00	0.00	0.00	0.00	0.00	0.00	-0.00	-0.00	-0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Upper secondary	0.05	0.01	0.01	0.00	0.00	0.01	-0.00	-0.01	-0.08
	(0.07)	(0.02)	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.12)
University degree	-0.15	-0.03*	-0.02**	-0.01*	-0.01**	-0.00	0.03	0.04	0.14**
	(0.10)	(0.02)	(0.01)	(0.00)	(0.00)	(0.01)	(0.03)	(0.03)	(0.07)
Economics committee	-0.02	-0.00	-0.00	-0.00	-0.00	-0.00	0.00	0.01	0.03
	(0.06)	(0.02)	(0.01)	(0.00)	(0.01)	(0.01)	(0.00)	(0.02)	(0.08)
Finance committee	-0.07**	-0.02*	-0.02*	-0.01	-0.01	-0.01	-0.00	0.02**	0.12*
	(0.03)	(0.01)	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.07)
EU affairs committee	-0.08**	-0.03*	-0.02*	-0.01	-0.01	-0.01	-0.00	0.02**	0.15*
	(0.04)	(0.01)	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.08)
N	215	215	215	215	215	215	215	215	215

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Table A2.6: European unemployment insurance, ordered probit, all response categories

	(-4)	(-3)	(-2)	(-1)	(0)	(1)	(2)	(3)	(4)
France	-0.11***	-0.02**	-0.02**	-0.00*	-0.00	0.01*	0.04***	0.03**	0.08***
	(0.04)	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)	(0.02)	(0.01)	(0.03)
Left	-0.30***	-0.06***	-0.05***	-0.01	0.01	0.04***	0.14***	0.08***	0.16***
	(0.05)	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.03)	(0.02)	(0.03)
Female	0.04	0.01	0.01	0.00	0.00	-0.00	-0.01	-0.01	-0.03
	(0.04)	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)	(0.02)	(0.01)	(0.03)
Age	-0.00	-0.00	-0.00	-0.00	-0.00	0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Years as MP	0.00	0.00	0.00	0.00	0.00	-0.00	-0.00	-0.00	-0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Upper secondary	0.02	0.00	0.00	0.00	0.00	-0.00	-0.01	-0.00	-0.01
	(0.09)	(0.02)	(0.02)	(0.00)	(0.00)	(0.00)	(0.03)	(0.03)	(0.07)
University degree	-0.00	-0.00	-0.00	-0.00	-0.00	0.00	0.00	0.00	0.00
	(0.08)	(0.02)	(0.01)	(0.00)	(0.00)	(0.01)	(0.03)	(0.02)	(0.06)
Economics committee	0.13	0.02*	0.01**	0.00	-0.00	-0.01	-0.05	-0.03*	-0.06**
	(0.08)	(0.01)	(0.01)	(0.00)	(0.01)	(0.01)	(0.03)	(0.02)	(0.03)
Finance committee	-0.02	-0.00	-0.00	-0.00	-0.00	0.00	0.01	0.01	0.01
	(0.05)	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)	(0.02)	(0.01)	(0.04)
EU affairs committee	0.10	0.02*	0.01**	0.00	-0.00	-0.01	-0.04	-0.03	-0.05*
	(0.07)	(0.01)	(0.01)	(0.00)	(0.00)	(0.01)	(0.03)	(0.02)	(0.03)
N	214	214	214	214	214	214	214	214	214

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Table A2.7: Eurobonds, ordered probit, all response categories

	(-4)	(-3)	(-2)	(-1)	(0)	(1)	(2)	(3)	(4)
France	-0.18***	-0.02**	-0.02***	-0.02***	-0.02***	-0.01**	0.03**	0.07***	0.19***
	(0.03)	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	(0.02)	(0.03)
Left	-0.33***	-0.06***	-0.06***	-0.05***	-0.05***	0.00	0.11***	0.16***	0.26***
	(0.04)	(0.02)	(0.02)	(0.02)	(0.02)	(0.01)	(0.03)	(0.03)	(0.03)
Female	0.09**	0.01**	0.01**	0.01**	0.01**	0.00	-0.01*	-0.03**	-0.08***
	(0.04)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.03)
Age	0.00	0.00	0.00	0.00	0.00	0.00	-0.00	-0.00	-0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Years as MP	0.00	0.00	0.00	0.00	0.00	0.00	-0.00	-0.00	-0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Upper secondary	-0.15*	-0.02*	-0.01**	-0.01**	-0.01***	0.00	0.03	0.05*	0.11**
	(0.09)	(0.01)	(0.01)	(0.00)	(0.00)	(0.01)	(0.03)	(0.03)	(0.05)
University degree	0.09**	0.01*	0.01*	0.01	0.02	0.01	-0.01	-0.03**	-0.13*
	(0.04)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	(0.07)
Economics committee	-0.00	-0.00	-0.00	-0.00	-0.00	-0.00	0.00	0.00	0.00
	(0.05)	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	(0.02)	(0.05)
Finance committee	-0.03	-0.00	-0.00	-0.00	-0.00	-0.00	0.00	0.01	0.03
	(0.03)	(0.01)	(0.01)	(0.00)	(0.01)	(0.00)	(0.00)	(0.01)	(0.04)
EU affairs committee	0.08	0.01	0.01	0.01	0.01**	0.00	-0.01	-0.03	-0.07*
	(0.05)	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.02)	(0.04)
N	212	212	212	212	212	212	212	212	212

Appendix B Non-parametric tests of group equality

Table B1: Chi-square tests (p-values)

	Flexible labor markets	Higher investment	ECB asset purchase	Fiscal Compact	Tax policy	EUI	Eurobonds
France	0.721	0.421	<0.01	<0.05	<0.01	<0.01	<0.01
Left	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01

Table B2: Wilcoxon-rank sum test (p-values)

(a) Nationality - French/German

	Flexible labor markets	Higher investment	ECB asset purchase	Fiscal Compact	Tax policy	EUI	Eurobonds
Rank-sum test	0.3585	<0.05	<0.01	<0.10	<0.01	<0.01	<0.01
Median test	0.380	<0.10	<0.01	<0.10	<0.05	0.120	<0.01

(b) Ideology - Left/Conservative

	Flexible labor markets	Higher investment	ECB asset purchase	Fiscal Compact	Tax policy	EUI	Eurobonds
Rank-sum test	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01
Median test	<0.01	<0.05	<0.01	<0.01	<0.01	<0.01	<0.01

Appendix C. Robustness and extensions

In the following we apply several sensitivity tests to investigate the validity of our findings on strong and independent effects of party ideology as well as cross-border differences in policy preferences. In particular, we consider the following robustness checks.

- First, we check whether the effects of French nationality are driven by either of the two chambers in France.

- Second, we take a different view on our ideology variable by restricting our sample on left (S&D) versus conservatives (EPP) in the European Parliament. Hence, we lose observations by cutting other parties from our sample but we yield an intuitive comparison for the left-right comparison of party ideology across country borders.

- Third, we implement a continuous measure of general party ideology from the left-right scale based on national party membership of MPs. We use the well-known Chapel Hill Expert Surveys (Polk et al., 2017) for both German and French parties. The left-right scale from this source is based on an interval ranging from 0 (extreme left) and 5 (center party) to 10 (extreme right) of the one-dimensional political spectrum.

- Fourth, we investigate whether members of incumbent parties have different policy preferences than the respective opposition parties, perhaps because the incumbent government passed legislation related to our policy issues (such as the introduction of the Fiscal Compact).[9] We define the incumbent dummy variable as 1 if a politician's party was part of the government coalition in her country in April 2016 (in Germany: Christian

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[9] Strong incumbency effects were found by Heinemann et al. (2016) in a survey among members of German state parliaments addressing the issue of compliance with a national fiscal rule. See also Maatsch (2016) for an analysis of cleavages based on plenary debates.

Democrats CDU/CSU and Social Democrats; France: Parti Socialiste, Parti radical de gauche and écologistes) and as zero otherwise.

— Fifth, we use different econometric methods and replace the ordered probit by an ordered logit approach. We also estimate the average marginal effects for a binary outcome variable in a probit model. Finally, we investigate whether sample selection via voluntary participation in our survey drives our results by adopting a two-step Heckman procedure (Heckman, 1979) and re-estimate the binary probit model.

In the following tables we abstain from reporting the results for individual characteristics, but still control for them to reduce selection into non-response and omitted variable bias.

Panel (a) in both Tables 5 and 6 provide the baseline estimates from section 4.2. Tables 5 and 6 show that our results are not driven by a single chamber in France (Panel b). Hence, there is no Assemblée Nationale or Sénat position, but rather a French view on national and EMU policies. A more precise but less comprehensive definition of the European parliament groups to which MPs' national parties are affiliated does not yield very different results either for the ideological variable – neither in magnitude nor in terms of significance (Panel c). The country variable effects remain constant except for two policy fields. Whereas we do not find significant effects of nationality in the area of tax policy decision making anymore, we do find significant positive effects of MP national origin on national investments now.

When we use a continuous measure of the ideological position, we see qualitatively very similar effects (Panel d). Note that the left-right scale proxies left positions with more negative and conservative positions with more positive values. Hence, we would expect the signs of the ideology variable to take opposite signs compared to the baseline. This is exactly what we find. However, the finer classification of parties on the left-right spectrum changes the estimated effects of the country dummy. The importance of the country dummy tends to increase under the new measure. Nationality of the MP reaches statistical significance at the 5% level in both questions relating to national growth policies. The national contrast becomes even stronger for the five questions relating to EMU. Here the absolute size of all average marginal effects for the estimated country dummy increases. Nationality is statistically significant at the 1% level for all EMU policies and reform preference questions. Finally, MPs of incumbent parties tend to speak against flexible labor markets (Panel e), but significantly support active

monetary and fiscal policies at the Eurozone level (ECB asset purchase programs, EUI and Eurobonds).

Table 5: National growth policies, average marginal effects for (+4), ordered probit model, alternative definitions of origin and ideology

	Flexible labor markets	Higher investment
Panel (a): Baseline results		
France	0.00610	0.0761
	(0.24)	(1.55)
Left	-0.298***	0.234***
	(-6.62)	(5.00)
N	214	213
Panel (b): Chamber split France		
Assemblée	-0.0141	0.0811
	(-0.51)	(1.44)
Sénat	0.0501	0.0713
	(1.29)	(0.99)
Left	-0.290***	0.233***
	(-6.53)	(4.94)
N	214	213
Panel (c): Alternative definition of EP groups		
France	0.0034	0.1060**
	(0.03)	(0.05)
S&D	-0.289***	0.237***
	(0.05)	(0.05)
N	182	181
Panel (d): Continuous definition of left-right scale		
France	-0.0575**	0.124**
	(-2.17)	(2.35)
Left-right scale	0.0756***	-0.0594***
	(7.61)	(-4.35)
N	203	202
Panel (e): Member of incumbent party		
France	0.0484	0.0771
	(-015)	(-0.15)
Incumbent party	-0.0963**	0.0207
	(-2.54)	(0.39)
N	214	213

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$; standard errors are reported in parenthesis

Note: Marginal effects are calculated for answer class +4 (strongest support for national policies). Regressions include the full set of individual variables as controls (not reported). Assemblée Nationale and Sénat are measured as dummy variables for an individual MP being member of the Assemblée or respectively the Sénat. The variable "S&D" is a dummy that is 1 when an individual MP is member of the S&D group and 0 when the MP

is member of the EPP group. "Left-right scale" refers to a continuous measurement of ideology based on party membership of MPs drawn from Chapel Hill Expert Surveys (Polk et al., 2017). The left-right scale is based on an interval ranging from 0 (extreme left) to 5 (center party) to 10 (extreme right). The dummy incumbent is 1 if a politician's party was part of the government coalition in her country in April 2016 (in Germany: Christian Democrats CDU/CSU and Social Democrats; France: Parti Soicaliste, Parti radical de gauche and écologistes).

Table 6: EMU institutions and polices, average marginal effects for (+4), ordered probit model, alternative definitions of origin and ideology

	ECB asset purchase	Fiscal Compact	Tax policy	EUI	Eurobonds
Panel (a): Baseline results					
France	0.127***	-0.106***	0.0882**	0.0769***	0.186***
	(4.62)	(-2.60)	(2.09)	(3.02)	(6.03)
Left	0.182***	-0.492***	0.171***	0.156***	0.262***
	(5.96)	(-9.47)	(4.23)	(5.28)	(7.63)
N	213	202	215	214	212
Panel (b): Chamber split France					
Assemblée	0.166***	-0.105**	0.0611	0.0676**	0.174***
	(4.37)	(-2.48)	(1.28)	(2.14)	(4.66)
Senat	0.115**	-0.0960*	0.165**	0.136***	0.294***
	(2.53)	(-1.91)	(2.35)	(2.69)	(5.81)
Left					0.269***
	0.179***	-0.492***	0.179***	0.160***	
	(5.92)	(-9.37)	(4.43)	(5.32)	(7.82)
N	213	202	215	214	212
Panel (c): Alternative definition of EP groups					
France	0.130***	-0.180***	0.0632	0.0601**	0.174***
	(4.67)	(-3.59)	(1.50)	(2.40)	(5.80)
S&D					
	0.172***	-0.437***	0.186***	0.152***	0.262***
	(5.34)	(-7.77)	(4.45)	(4.75)	(6.99)
N	181	172	183	182	180
Panel (d): Continuous definition of left-right scale					
France	0.180***	-0.199***	0.123***	0.119***	0.237***
	(5.36)	(-4.98)	(2.73)	(4.03)	(6.87)
Left-right scale	-0.0503***	0.118***	-0.0466***	-0.0524	-0.0812***
	(-5.43)	(12.19)	(-3.90)	(-5.30)	(-8.29)
N	202	191	204	203	201
Panel (e): Member of incumbent party					
France	0.134***	-0.103*	0.0799*	0.0770***	0.174***
	(4.27)	(-1.85)	(1.74)	(2.72)	(4.78)
Incumbent party	0.0840***	-0.0105	-0.0260	0.0472*	0.0630*
	(3.13)	(-0.19)	(-0.56)	(1.83)	(1.93)
N	213	202	215	214	212

* p < 0.1, ** p < 0.05, *** p < 0.01; standard errors are reported in parenthesis
Note: Marginal effects are calculated for answer class +4 (strongest support for EMU policies). Note that we include the full set of individual background variables as controls (not reported). Assemblée Nationale and Sénat

are measured as dummy variables for an individual MP being member of the Assemblée Nationale or respectively the Sénat. The variable "S&D" is a dummy that is 1 when an individual MP is member of the S&D group and 0 when the MP is member of the EPP group. Left-right scale refers to a continuous measurement of ideology based on party membership of MPs drawn from Chapel Hill Expert Surveys (Polk et al., 2017). The left-right scale is based on an interval ranging from 0 (extreme left) to 5 (center party) to 10 (extreme right).

We now turn to results for different estimation procedures. First, we replace the ordered probit specification by an ordered logit estimation (Tables 7 and 8). All results remain qualitatively unchanged compared to the ordered probit specification. Second, we also apply a binary probit after collapsing answers from the supportive categories (+1) to (+4) into the outcome 1, while all other answers (rejecting and neutral positions) are coded as 0.

Results are shown in Tables 9 and 10. The national effect loses significance for both questions on national growth policies. The strong impact of the ideological dimension remains robust for the national and EMU policy preferences of national MPs. The country dummy is significant only in some cases, namely for ECB purchases, EUI and Eurobonds. The sign and magnitude of the estimated marginal effects remain qualitatively the same.

Table 7: National growth policies, average marginal effects for (+4), ordered logit model

	Flexible labor markets	Higher investment
France		
	0.00205	0.0862*
Left	(0.08)	(1.78)
	-0.287***	0.229***
	(-6.28)	(4.85)
N	214	213

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$; standard errors are reported in parenthesis
Note: Marginal effects are calculated for answer class +4 (strongest support for national policies). Note that we include the full set of individual background variables as controls (not reported).

Table 8: EMU institutions and policies, average marginal effects for (+4), ordered logit model

	ECB asset purchase	Fiscal compact	Tax policy	EUI	Eurobonds
France	0.129***	-0.103**	0.0829**	0.0683***	0.177***
	(4.67)	(-2.57)	(2.01)	(2.77)	(5.79)
Left					
	0.176***	-0.486***	0.168***	0.144***	0.251***
	(5.70)	(-9.27)	(4.23)	(4.93)	(7.22)
N	213	202	215	214	212

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$; standard errors are reported in parenthesis

Note: Marginal effects are calculated for answer class +4 (strongest support for EMU policies). Note that we include the full set of individual background variables as controls (not reported).

Table 9: Support for national growth policy priorities, binary probit model

	Flexible labor markets	Higher investment
France	0.0144	0.0536
	(0.27)	(1.20)
Left	-0.659***	0.156***
	(-12.38)	(3.07)
N	214	197

* p < 0.1, ** p < 0.05, *** p < 0.01; standard errors are reported in parenthesis
Note: Marginal effects are calculated for answer class +4 (strongest support for national policies). Full set of individual variables as controls are included in the regression but not reported.

Table 10: Support for EMU institutions and policies, binary probit models

	ECB asset purchase	Fiscal compact	Tax policy	EUI	Eurobonds
France	0.297***	-0.0563	0.0458	0.118*	0.295***
	(4.81)	(-0.98)	(0.68)	(1.78)	(5.24)
Left	0.403***	-0.436***	0.223***	0.410***	0.545***
	(6.64)	(-8.69)	(3.31)	(6.50)	(10.06)
N	213	202	215	214	212

* p < 0.1, ** p < 0.05, *** p < 0.01; standard errors are reported in parenthesis
Note: Marginal effects are calculated for answer class +4 (strongest support for EMU policies). Full set of individual variables as controls are included in the regression but not reported.

Third, we consider a possible bias in our estimates from the voluntary nature of participating in our survey, namely sample selection bias in the spirit of Heckman (1979). While we control for individual background characteristics in our baseline specification to avoid possible omitted variable bias, the same characteristics may drive individual participation in our survey (see Section 2.1). In this case our sample with MPs who actually answered was not representative for the total population of national MPs in both countries. In order to account for selected samples we adopt a two-step Heckman selection procedure, in which we instrument for participation with information on individual membership in committees (economics, finance, EU affairs). Then we proceed with a binary probit model (conditional on participation) and re-estimate the average marginal effects on our two factors of interest, nationality and ideology. Table A1.5 in the Online-Appendix illustrates the effects from the Heckman procedure. Accounting for sample selection - based on observable MP background

characteristics – we find effects of similar magnitude, sign and statistical significance across all our survey questions. Moreover, we even find similar results if we do not control for individual background characteristics (see Table A1.3 and Table A1.4 in the Appendix).

In summary, we find robust evidence on the statistical significance of left-leaning ideology as well as national interests as factors for the preferred design of the EMU. The magnitude of the average marginal effects consistently yield that ideology matters more than nationality.