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Abstract

The present master thesis is studies the state and prospects of European identity development in the member-states of the European Union. The matter of national and European identity has been the subject of various research and works. In line with constructivists' approach identity in the research is considered as a concept, which is subject to change due to external and internal factors. Attempt is made to consider the influence of the external factors on development of European identities in two member-states of the European Union, chosen as cases for the research, namely Germany and Austria. The external factors considered in the thesis are political, economic and social factors further operationalized and quantified in order to establish presence of the patterns or absence thereof, which could link external factors with subjective personal perception of identity. In addition, current state and prospects of European identity are considered.

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List of abbreviations

EU – European Union

GDP – Gross domestic product

PESTLE – analysis of political, economic, social, technological, legal and environmental factors

USD – United States Dollar

FPÖ – Freedom party of Austria

BZÖ – Alliance for the Future of Austria

SPÖ – Social Democratic Party of Austria

ÖVP – Austrian People's Party

Introduction

The question of the interrelations between the national identities of the 28 EU (European Union) member states and European identity, which is subject of many researches and discourses, is very important for the functioning of the European Union.

The feeling of identity is very important because it affects the decision-making, the desire of people to participate in integration, promote and support it with own actions and believes. It also helps building the feeling of ownership in the actions and projects on the Union level. Therefore, stronger identity and feeling of belonging to a group wider than any single nation is crucial for long-term success of the European Union.

Moreover, having one collective identity in external perception further enhances the image and strength of the EU in international arena. Clearer feeling of identity will help in overcoming attitude of passiveness in EU integration processes.

It is argued that “Europe needs a morally acceptable political structure and policies which strengthen the sense of common purpose while establishing the credibility of the European Union and making its citizens proud to be Europeans” (charter of European identity, 1995). This feeling of pride mentioned above summarizes the attitude of ownership and willingness to be actors rather than simple observers or by-standers in the process.

It is further argued by Delgado-Moreira (1997) that “European identity is necessary for the European Union to avoid "fragmentation, chaos and conflict" of every kind (military, social, economic and political) and to help achieve cohesion, solidarity, subsidiarity, concertation and cooperation”. He names the possible sources for such European identity: “political and ideological beliefs, economic theory, culture, history, geography, ethnic common destiny, etc.” and considers it a tool to fight “the threat of dissolution...from both inside and outside. (Delgado-Moreira, 1997).

Another aspect is that European integration is an ongoing process with 28 member-states, which have sometimes drastically different historical experience and therefore attitude to many issues, such as immigration, defense policy or other fields. Closer integration shifts the decision-making from national to supranational level, which inevitably raises conflicts if perception of the member-states differ on the issue. So, Kantner (2006) supporting arguments in his researchers sites in his work that there is a need for a common identity first, which will then in turn make the decisions on sensitive controversial issues easier.

Based on the abovementioned it is possible to argue that the topic of European identity and its development over time is very relevant for understanding the processes in the European Union, for explaining citizens' participation, or lack thereof, in the decision-making for the Union through its institutions, and making assumptions on the future development of the EU.

The present thesis paper is aimed at considering the relations between individual national identities among the member states of the European Union and the emerging European identity, as well as what external factors influence the development and evolution of such European identity.

In the process of the work, the approaches to defining identity are considered. The criteria are analyzed and established for defining the scope of what is to be considered under European identity, theoretical foundations are laid.

In order to analyze the changes to the national identity two case examples of the EU members are considered: Germany and Austria. The reasons for case selection is provided in the respective section of the thesis.

Therefore, the **research question** could be formulated as follows: Under which conditions is development of the European identity possible in course of European integration?

The **hypothesis** that will be explored is that under certain economic, political or social conditions the integration process, like the one continuing in the European Union, could lead to emergence of Union level (European) identity instead or alongside national identity.

The **dependent variable** of the present research is the European identity, which can be operationalized by the attitude of people towards the European Union and their responses to the questions of whether they could identify themselves as Europeans and not only representatives of the respective nations, as measured on a regular basis by the Eurobarometer studies in all member-states of the European Union.

Independent variables can be divided into several categories – political, economic, and social.

Operationalization of independent variables includes the following:

- Political component – popularity of the extreme-right nationalistic or anti-European parties, as measured by the number of votes and seats received by these parties in a given period.

- Economic component – cumulative and per capita Gross domestic product (GDP) of the country, contribution of the country to the EU budget and anti-crisis programs
- Social component – unemployment level over a given period of time, number of immigrants in the country.

The thesis consists of introduction, describing the methods, case selection and overview of theoretical framework for studying identity. The analytical chapters include a chapter on analysis of the case countries, done with the help of PESTLE analysis. Followed by the analysis of indicators for dependent variable, European identity, done on the basis of Eurobarometer survey results. Subsequently comparative analysis is performed in order to identify the correlation between political, economic and social indicators and changes in the dependent variable, measured by answers of the respondents. Conclusion summarizes the main findings and illustrates the questions, which require further research.

Theoretical framework

Identity and approaches to studying identity

Identity in a broad sense can be described as a category or attributes that a person will use to describe him/herself or as a “socially distinguishing features that a person takes a special pride in” (Fearon, 1999). This general term is very wide, it can include everything starting with a race or ethnicity to social or family status, believes, class etc. For the purpose of this work, it is necessary to narrow this concept down to two terms – national identity and European identity, which will be studied in more details, and the relations between them will be observed.

National identity, therefore, is a peculiar type of identity, defining how a person associates oneself with a certain nation-state. It should be also noted that identity is an evolving process, and cannot be “defined in a static way, purely as a result of a historic process” (Jackobs and Meier, 1998) and it includes thoughts of what a person would like to be along with conditions and means of realizing this ideas in the future (Jackobs and Meier, 1998).

When studying European identity it is reasonable first to define, what it specifically means, and what are the criteria of distinguishing European identity from other surrounding ideas. However, there are many problems in using this academic concept due to many uncertainties contained in it. As emphasized by Walkenhorst (2009) “there are very few scholarly articles on European identity that do not emphasize the vagueness of the term, its problematic uses and its contrasting meanings”.

An attempt will be given to define collective European identity.

First, as it was mentioned in the introduction, collective identity brings up the feeling of membership in the community and “enthusiasm among its members” (Kantner, 2006) for the crucial projects and policy fields, which are implemented at the Union level. Indeed, if measures are agreed on the union level and some policy fields are put into place, consent of the leaders does not always ensure success; it is the support of the community, which is needed. Just one example is, for instance, constitutional referendum in France and Netherlands, which failed, although the constitutional treaty was developed and accepted by the leadership of the countries, its ratification was rejected by referenda in these two countries. Certainly, in this example, the popular vote was held and the citizens provided an open and unequivocal opinion on the proposed constitution, but in many matters, this lack of support can be not as obvious, but just as harmful for the projects and policies. An example of this could be the free movement of labor, although it is one of the founding aspects of common market, and there are no barriers in theory, in practice the whole range of discriminatory practices can be observed set by employers or in the community (European Commission, 2014a). Lack of general support and fears and desires to protect the local jobs clearly has influence on how effective is this freedom in the EU. These are just two of the examples, but in practice, there are much more.

It should be now considered, how identity is defined by various authors. The term ‘European identity’ has been used in many various studies and texts and its meaning has become diluted through this. The concepts of European identity have been in place for a while now and very all building around the “we-feeling” among Europeans and the term was institutionalized by the Declaration on European identity (1973). (Berendeev, 2012)

Kantner (2006) offers that “it refers to actors’ deep convictions and that it includes all the features that other, ‘harder’ types of concepts do not catch: properties like values, traditions, culture, morality, religious beliefs, and so on.” (Kantner, 2006).

Haas (1958) explained the process of forming a collective identity by shifting the loyalties toward a new center (Haas 1958,16), at the same time mentioning that it does not imply “immediate repudiation of the national state or government” (Haas 1958, 14). In line with this, Risse (2004) explains ideas of Haas by summarizing three following reasons for such shift:

1. The high value placed on this new center itself by the people as a general concept they agree with
2. The pressure exerted by this new center to conform with its requirements

3. Other instrumental behavior, like the satisfaction with performance or actions of such organization (Risse, 2004).

The question of what is to be included under notion of European identity can be tackled from various approaches. The very first question posed – is how exactly the European identity is defined. There are various criteria to do so. Their brief summary is presented below along with the conclusions of what approach is used for the purpose of this thesis.

The first and the obvious criterion that comes to mind is the geographical one. Based on this idea European identity is defined as the collective identity of all countries that fall in European subcontinent. However, the problem in this regard is that “geographical notion of Europe has never coincided with the political notion” (Sergeev, 2013).

Classification based on this criterion cannot apply to the study of European identity since it lacks precise political borders; take for instance such countries as Turkey or Russia, with some territories, which geographically are part of Europe, however have a significantly different identity and mentality with influence of other factors.

Another criterion could be religious and cultural factors. They are however too ambiguous. If one would take Christianity as a basis, then again, the territories would be too big and common religion does not exactly represent coinciding identities, it merely reflects some common values and principles. Moreover, there are big shares of population in Europe, which do not practice religion or have different beliefs; they are not to be excluded, when the question of national identity is concerned. Culture on one hand is the binding factor between some of the states of Europe, who have long historical ties and relations, but on the other hand, cultural peculiarities are unique in any single state and can represent the differences and arguments between the states, rather than a factor that strengthens European identity. Such factors as ethnicities, languages, traditions are too heterogeneous in Europe to become the binding factor for common identity (Berendeev, 2012).

However, there are many commonalities in European culture, and close cooperation within the framework of the EU increases common grounds, therefore idea of Guisi et al. (2013) can be supported that deeply rooted cultural norms of a country affect the behavior of this country and decisions on policy on a Union level.

In a more general sense the idea of European identity could be represented by values, like personal freedoms, liberal economy or democracy, but again the same problem arises that the boundaries will be too wide, since these general values have been spread all

over the world and have become part of legal systems and international law (Berendeev, 2012).

Finally, there is a criterion of membership in the EU as a basis for defining European identity. This criterion has both advantages and disadvantages. On the one hand, it allows clearly identifying the borders and studying more precisely, what is included in European identity. Furthermore, this definition of identity enables us to study in more detail the factors that affect changing identity, if any. On the other hand, some can argue that if this criterion is taken as the basis for defining Europeans, does it mean that citizens of such countries as Norway or Switzerland are excluded from this. (Weinshtein, 2009). However, it can be argued that although these countries are culturally obviously European, from the standpoint of identity they clearly have own national identity, which unlike in the EU member-states, experiences no pressure exerted by integration.

Therefore, since the focus of this thesis is on the changing national identity rather than cultural identity the latter criterion is chosen to define what European identity is. This falls in line with the argument presented by Kantner (2006) “[n]one of the many trials to define the limits of Europe by apparently pre-given criteria could give an answer to the question of European identity...”. However, there is a clear criterion, with “strong practical implications” (Kantner, 2006), which is the citizenship status. Essential, however, is to remember that the citizenship status is only a numerical indicator and “it is ascribed regardless of the self-understanding of the individuals” (Kantner, 2006). Therefore, the task is then to define, which part of these automatically ascribed persons indeed share the European identity and have this feeling of belonging not just to a nation-state, but also to Europe.

All in all, it can be said that under the term European identity one understands the fact of being a European Union citizen from a formal standpoint, but also possessing a feeling of belonging to the community of Europe, as opposed to just nation-state and shifting the loyalties for any of the reasons mentioned above.

This presents the following puzzle – how and whether this feeling can coexist with the national identity or one will prevail. In order to consider this question it seems relevant to study in more detail the theoretic approach of constructivists, in line with which identity is considered in this work.

Social constructivism

The difference of constructivists’ approach is that they believe that “a nation exists when a significant number of people in a community consider themselves to form a nation, or behave as if they formed one” (H. Seton Watson, 1977:5). Or as B. Anderson (1996)

stated in his “Imagined communities” nation is “an imagined political community – and imagined as both inherently limited and sovereign”.

According to Anderson (1983), several properties are identified in this definition, the communities being imagined, because the members of these communities feel some kind of unity, even though they have never, and perhaps, will never meet each other. It is limited, because any nation knows that there are others outside and nobody imagines a nation, covering the whole world. The third aspect is sovereignty of a nation (Anderson, 1996). So, if a nation is indeed an ‘imagined community’ as constructivists present it, and following Gellner’s (1983) argument the nations are created by people, they are “artefacts of men's convictions and loyalties and solidarities” (Gellner, 1983), a conclusion can be drawn that the feeling of national identity is also a choice of a person, which is subject to change, if the conditions change.

On the other end of the line, there is national identity. Nationalism has been a very powerful force in Europe in the past, and now the question is how these national identities “can be partially overcome in the construction of a new Europe” (Jackobs et al., 1998). So, if European integration is to continue successfully regardless of whether this will be a strong Union, demonstrating characteristics of a super-state or this will be socially oriented Europe, there should be a certain “we-feeling” developed in order to gain necessary support for actions of this Union. Therefore, in line with arguments of Jackobs and Meier (1998), the question of European identity can be asked in the following way: “are we in the presence of new “we”, a new people with characteristics of European” (Jackobs et al., 1998)

Methods

The present research requires use of mixed approach with qualitative and quantitative methods used together. In the process of this research the whole range of methods was used among them document review, case study, quantitative analysis, and PESTLE analysis.

Document review is performed to identify normative and regulatory documents, which influence the development of European identity. It includes literature review on the given area of research. Document review allows gathering the most relevant information on the subject.

Case study

According to Tellis (1997) case studies as a method “are designed to bring out the details from the viewpoint of the participants by using multiple sources of data”. They can be used according to Yin (2003) if the person conducting research cannot manipulate, what

actions are taken by participants of the study, while there is a desire to study the context, because they may be relevant to the research and affect the process. This is indeed what happens in the situation of researching effects of integration on identity. In study of national identity there is a whole range of affecting factors – historical, political, economic, social and others.

Quantitative and qualitative analysis

Analysis of quantitative data is used to establish patterns in economic development, political choices and social situation in selected cases. Using the statistics of government or independent institutions it will be possible to define the main parameters, operationalizing the independent variables.

In order to cover all of the abovementioned factors, *PESTLE analysis* is used. It is a very suitable instrument for the purpose of this research, because it covers range of political, economic, social, technological, legal and environmental factors. It is a useful instrument “for understanding the ‘big picture’ of the environment” (CIPD, 2013) for an organization or even the whole country as in case of this research.

Analyzing the effects on national identity in whole European Union presents a significant challenge for any researcher. The effects may vary over the countries due to different historical, political and economic situations. Therefore, the research should be now limited to some member countries, trying to see whether the trend of changing identity exists indeed. Analysis of the effects on national identity is limited in scope to two member countries of the European Union – Germany and Austria. The countries are chosen based on the most different cases selection model. Below is a brief characteristic of the two.

To summarize, for the purpose of the present research it is necessary to set certain framework of aspects, which will be taken into account. Due to complex nature of the relations in the EU, large number of players and long timeframe of integration, the research should be limited to certain countries and timeframes. As it was mentioned under case selection two countries have been chosen – Germany and Austria. Furthermore, the analysis is limited by the timeframe from 1990 for Germany and 1995 for Austria for the reasons mentioned above. Additionally, it should be noted that only some of the political, economic and social factors will be considered, which according to the author’s hypothesis, might have significant effect on identity evolution. These external factors will be described in detail in the PESTLE analysis chapter.

Chapter 1. Analysis of external factors in Germany and Austria. PESTLE analysis

The following chapter is dedicated to analysis of the chosen cases – member-countries of the European Union – Germany and Austria. The reasons for this case selection have been described above. The objective of this chapter is to identify main political, economic and social features, that will show similarities and differences of these two countries in order to see in the following chapters, whether these differences reflect the development of European identity.

1.1 Brief characteristic of Germany and Austria

Germany

The first country chosen is Federal Republic of Germany, one of the founding members of the European coal and steel community, which makes it a very interesting and significant country for analysis. It is also important because it was a founding member in integration; therefore, German people had more time to see the effects of integration on identity.

Germany is located in western central Europe and is the fourth largest country of the EU according to the size (European Union, 2014a) while population of Germany is over 80 million, which makes it the most populous country of the European Union (European Union, 2014b). Economically, Germany is one of the main drivers of economic development in the EU, with GDP of over USD 46 thousand in 2013 (World Bank, 2013), which makes it a high-income country. This is not the highest value of GDP per capita in the EU, it should be remembered that the population is very big, meanwhile, the total GDP was over USD (United States Dollar) 3.7 trillion in 2013 (World Bank, 2013), higher than in any other member country of the European Union. This position makes Germany both population wise and economically a crucial player in the EU. Support or lack thereof to European integration, therefore, can significantly affect its future. For these reasons, Germany has been chosen as one of the cases for analysis in the present research. The abovementioned is just a brief characteristic, and the PESTLE analysis below will provide further insights into Germany's position, its political, economic and social situation.

Austria

The second chosen country is Austria. Although Austria is very close to Germany – it borders it in the southeast – the country is very different in political, economic and historical terms.

Austria has joined the European Union in 1995, so its history of membership is much briefer than Germany's. Now consider the main economic indicators. Population of Austria is only about 8.4 million people, living on a territory, which is approximately 4 times smaller than Germany (European Union, 2014a). One can see from the numbers above that when comparing the area and population number, that population density in Austria is lower than in Germany.

As for economic indicators, GDP of Austria in 2013 was about USD 428 billion, with about USD 50.5 thousand per capita (Worldbank, 2013), which is higher than in Germany, but it can be seen that cumulative GDP of the country is much less than that of Germany.

Speaking about the significance of Austria in the European Union, it might be useful to pay attention to one of the statements of Austria's Federal minister of foreign affairs back in 2001, who pointed out that after the fall of the iron curtain, reunion of ex-soviet eastern European countries with the western European family has brought Austria "from the periphery of Western Europe to the center of the continent and strengthened its position in this dynamic and strategic region of Europe" (Ferrero-Waldner, 2001). The table below summarizes the abovementioned indicators for both countries.

Table 1. Brief characteristics of Austria and Germany selected as cases for the research

Indicator	Austria	Germany
Year of joining the integration processes	1995	Founding member (ECSC, since 1952)
Size of the country	83 879.0 km ²	357 137.2 km ²
Population	about 8.4 million	over 80 million
GDP total	USD 428 billion	USD 3.7 trillion
GDP per capita	about USD 50.5 thousand	over USD 46 thousand

Sources: the table is developed on the basis of the data of World bank (2013) and EU (2014a)

This brief outlook just confirms that the two chosen countries are indeed different, and their common feature is the membership in the European Union. Below, in course of PESTLE analysis, further analysis of positions of two countries will be done, which will uncover, what are the differences in the political situation and attitude of the countries and political elites, more details of economic situations will be provided, followed by analysis

of social indicators and briefly of technological, legal and environmental factors, which have a lesser influence on the position towards the EU or national identity.

1.2 Germany – PESTLE analysis

The first country analyzed here will be Germany. The first group in PESTLE analysis are **political factors**. Germany is a Federal Republic with 16 lands. Historically it was divided into two parts after the World War II, and the country was in different spheres of influence – Western Germany was part of integration processes from the very beginning in 1952, when the European coal and steel community went into force, while Eastern Germany was in the sphere of influence of the Soviet Union, and was separated figuratively by the iron curtain and literally by the Berlin wall since 1961 till 1989. This had a profound impact on all spheres of life of the country, including political life.

With regards to the attitude to the European integration it is interesting to consider how opinions towards political life and future of the country are reflected in the results of elections to the German parliament. To limit the scope of analysis only results of the elections will be considered that were held after reunification of Germany in 1990. Looking at the list of the parties, which are on a ballot during elections in German parliament, only some present nationalist or anti-European rhetoric. Most prominent are - National Democratic Party of Germany, Alternative for Germany, which emphasizes that it is anti-Euro, rather than anti-EU (Huggler, 2014) , and Free Voters, which are not a registered party demonstrate conservative views, with focus on local level and Euroscepticism. There was another party, which demonstrated nationalist views in the previous elections, but has not participated in the last ones in 2013 – the Republicans. However, as indicated in table 2 below, these parties are not very successful in the federal parliamentary elections.

Table 2. Votes won by the parties demonstrating nationalists or anti-European views in German parliament in the period of 1990-2013

Alternative for Germany					
	First vote, %	No of seats	Second vote,%	No of seats	Total seats
2013	1.9%	0	4.7%	0	0
National Democratic Party of Germany					
2005	1.8%	0	1.6%	0	0
2009	1.8%	0	1.5%	0	0

2013	1.5%	0	1.3%	0	0
The Republicans					
1990	1.7%	0	2.1%	0	0
1994	1.7%	0	1.9%	0	0
1998	2.3%	0	1.8%	0	0
2002	0.1%	0	0.6%	0	0
2005	0.1%	0	0.6%	0	0
2009	0.1%	0	0.4%	0	0
Free voters					
2013	1.0%	0	1.0%	0	0

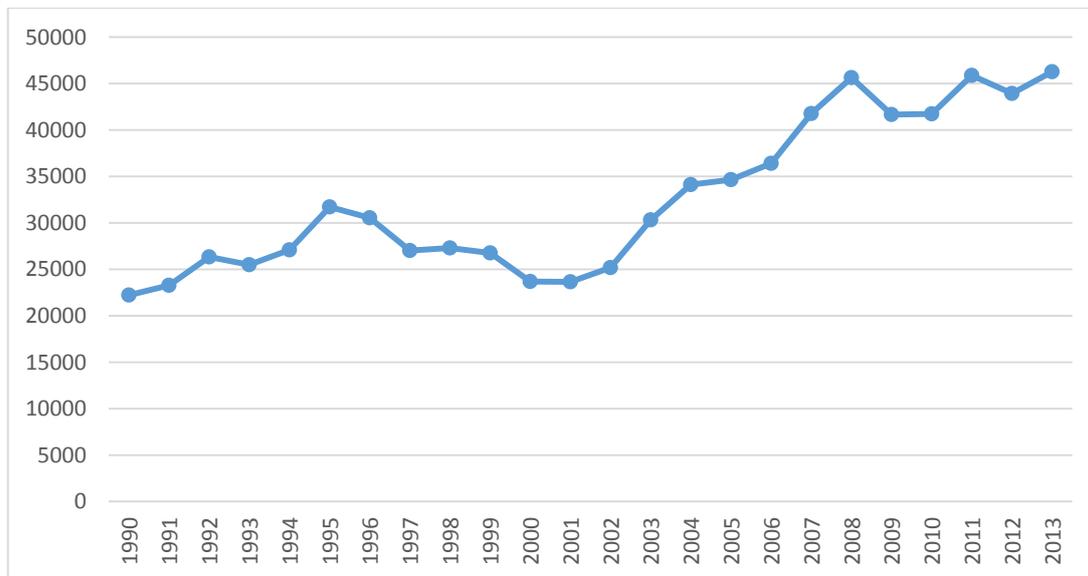
Source: the table is composed based on the data on federal parliamentary elections at: <http://www.electionresources.org/de/> by Alvarez-Rivera (2014a)

As can be seen from the table above, none of the parties with strong nationalist or anti-European rhetoric in Germany received much support over the period of last 25 years. They all have only minor group of supporters, but never made the threshold necessary to be represented in the Parliament. Moreover, parties with rather pro-European or neutral views seem to be more popular in Germany. One should not make a mistake of automatically assuming that views on Europe are key in Parties popularity, it is also due to their stance on other matters, and however, lack of interest to nationalist and anti-European countries does confirm that anti-European rhetoric is not popular among German people. Cautious attitude to nationalism could be partly explained by historical reasons and fear of repeating the mistakes of the past and returning to Nazism or other reasons.

Economic factors

Economically Germany is one of the strongest members of the European Union. In brief summary above some information on GDP was presented, however for the purpose of the research it is important to see the dynamics of economic indicators, to make comparisons later on, whether these factors affect the attitude to European integration. The graph below briefly illustrates how per capita GDP was changing in Germany over the last 25 years, since reunification of Germany.

Graph 1. GDP per capita in Germany in 1990-2013 in USD



Source: Worldbank databank, 2013

One can see from the graph above that the trend in Germany's GDP is generally positive with some downturns in the period 1996-2001, strong growth in the next period up to the global financial crisis, the effects of which can be seen in 2009-2010. In general, as has been mentioned above, Germany has the highest total GDP of all member countries of the European Union.

It is rather important to see the economic situation in Germany not just individually, but to analyze Germany's position in the economy of the European Union. First, one should look at revenues and expenditures in the EU budget. In terms of contributions to the EU budget, Germany has been the leader in the period of 2007-2013, except for 2009, when it was second, while France took the lead. For comparison, the revenues of the EU budget in 2013 amounted to 149,503 billion Euro, while Germany's contribution was about 26 billion Euro, or over 17%. At the same time, expenditure from the EU to Germany is only about 13 billion (European Commission, 2014b).

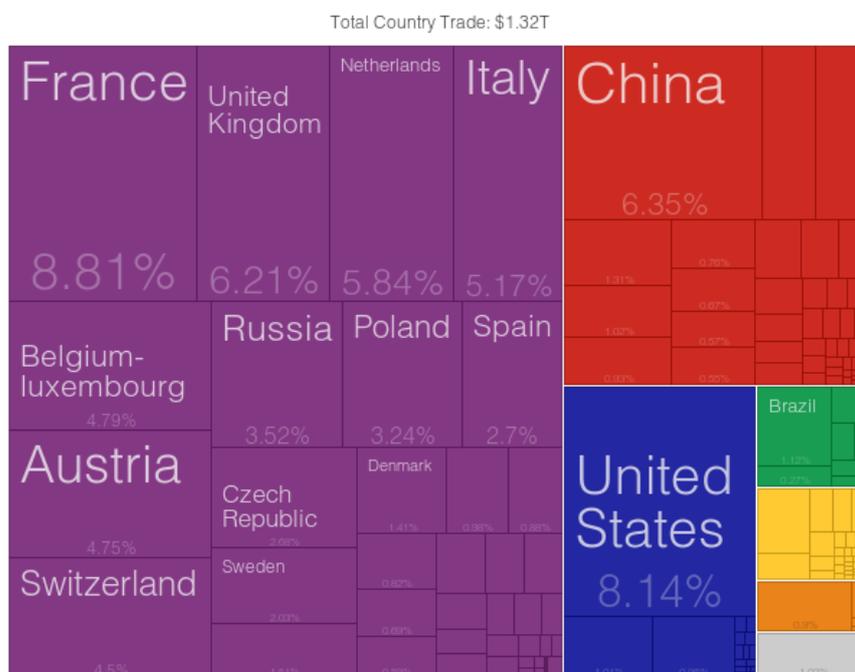
This confirms the idea of importance of Germany for economic wellbeing of the European Union. It largely sustains the EU budget. Based on the difference between the revenues the EU receives from Germany and its expenditures in the country, one can see that in terms of the budget Germany is a donor country. It should be remembered that economically there are still differences between the East and West Germany, which are a consequence of different types of economy, when Germany was still divided. Wages in Eastern and Western parts of Germany are a good manifestation of the differences between two regions. For instance, in 1990 the average income in East Germany was about one

third of income in West Germany, and in 2008 this difference was still about 25 percent (Smolny and Kirbach, 2010).

In addition to GDP and EU budget indicators, it is reasonable to look at trade profile of the country. Common market created within the framework of the European Union offers good opportunity for trade between the EU member-states. Trade in turn is a very good motivator that drives people and countries together, making them closer to each other. Europe in this sense is somewhat unique, because trade relations have been in place for years, sometimes interrupted by conflicts, however, close trade relations without tariff and non-tariff barriers between the countries are one of well observed advantages of European integration, therefore high levels of trade with other EU members can increase the positive attitude to European integration, hence create prerequisites for developing European identity.

Germany's export and import patterns include both goods flows within European Union and outside. For instance, the top export destination in 2012 was France, but its share was less than 9%, while it was followed by extra-regional destinations, such as the USA (8.14%) and China (6.35%). Still trade in European subcontinent, including both EU and non-EU member states, takes the biggest share of Germany's exports. For details, see Graph 2 below.

Graph 2. German export destinations in 2012, divided by regions



Source: Observatory of economic complexity (2012a)

Legend: European subcontinent – purple, Asian countries – Red, North and Central America – blue, South America – green, Africa – yellow, Australia – orange, other – grey

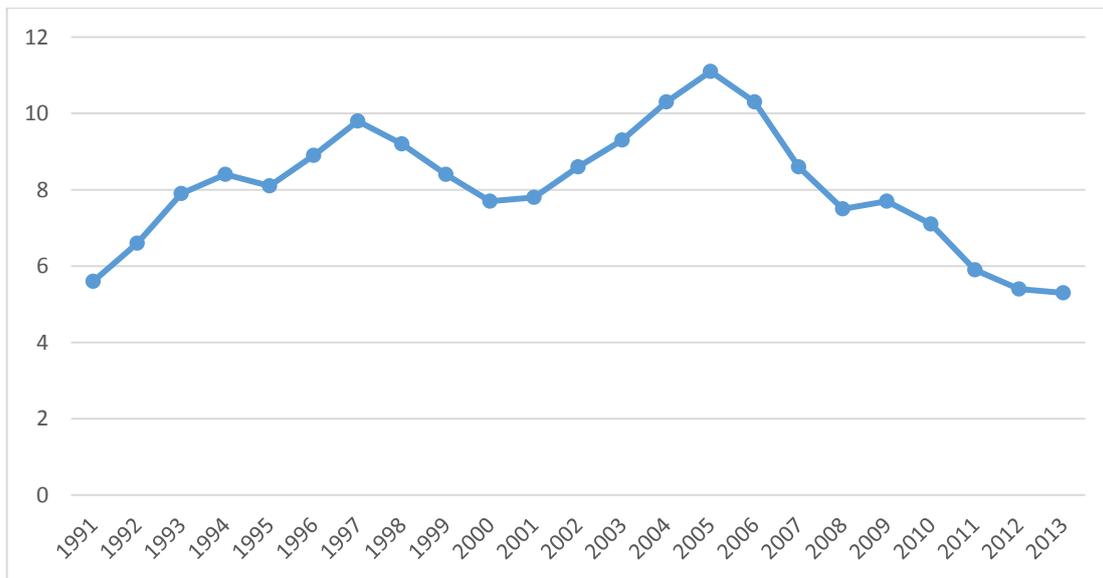
Similar regional patterns can be seen in import. The biggest share of import origins is represented by European countries, with Netherlands as a leader with almost 9%, and two more countries – France and Italy among the top 5 import origins, with 7.2% and 5.2%, respectively (Observatory of economic complexity, 2012a).

Special attention should be paid to the economic measures taken by the EU in crisis, in which Germany played a major role. There were several anti-crisis mechanisms developed for Eurozone, Germany's share in which is rather large. For instance, in the bilateral rescue package for Greece, the contribution of Germany was 15.2 billion out of total 52.9 billion Euro. At the same time the share of Germany in other tool – the European stability mechanism was about 27%, with a potential liability of 190 billion Euro. If adding the other mechanisms, the work under which has already finished, like the European financial stability facility with 95.3 billion Euro and European financial stabilization mechanism with 9.8 billion Euro, it is quite visible that significant funds were allocated by Germany to support the members of Eurozone (Federal Ministry of finance of Germany, 2013).

Social factors

Social factors are closely related to the economic ones. If a person or household is in a sustainable economic situation, there is higher probability that socially he or she will have less challenges, they will be less vulnerable to certain crises, will have a better quality of life, housing conditions etc. Social situation in turn can also have significant influence on how strongly people feel about own identity. Thus, attention should be paid to several aspects – first the level of unemployment. In Germany, the rate of unemployment fluctuated over the last 25 years, varying from 5% to 11% in different years. The graph 3 below provides a more detailed information in changes of the unemployment level in the period of 1991-2013.

Graph 3. Unemployment level in Germany in the period of 1991-2013 (% of total labor force)



Source: World Bank (2013)

The labor statistics among other factors is important in order to compare it to data on the feeling of national identity or European identity. These data will be compared with the survey responses related to national identity in the next chapter.

Another important aspect is the number of migrants in the country. It is significant for several reasons. First of all, in terms of identity there is a chance that immigrants, who have been living in a different country and often different culture need some time to adapt to the new situation, this requires an identity shift, otherwise a person will not be fully integrated in the new society. Constant A. and Zimmermann K. (2012) argue that “[p]ermanent immigrants are particularly challenged; they face the pressure to replace the national identity of the country of origin by that of the country of immigration. Their ethnic identities may be preserved or adapted to the native ethnic identities of the host countries”. Furthermore, this concept applies not only to the first-generation migrants, but to second or even third generation, if the feeling towards the country of origin was particularly strong and was passed on to the next generation. In line with this argument, it could be assumed that there will be certain adjustments happening over time and identity of country of origin could be replaced by a new identity. In such situation there are several possibilities – these individuals could develop feelings of patriotism, acceptance or even indifference towards new country of residence, or the new developed identity can become a European identity. If a person changes the country of citizenship and faces the challenges of changing national identity anyhow, then it might be easier for this person to develop an identity feeling towards the European Union, then it would be for a native resident of a given country. However, this particular issue is a subject for a deeper study and will not be considered in

depth within the framework of the present thesis. This might be an interesting topic for a post-graduate research.

For the purpose of this thesis, general information is provided below on the number of migrants in Germany. According to the Federal office for migration and refugees, the population with a migration background, meaning “all immigrants who entered the current territory of the Federal Republic of Germany after 1949, as well as all foreigners born in Germany and all persons born in Germany as Germans with at least one parent who immigrated or who was born in Germany as a foreigner” (Federal office for migrants and refugees, 2012) comprised about 16.3 million people, making it about 20% of the total population in Germany at the time.

An important observation is that in 2012 the most popular countries of origin for immigrants were Eastern European states – Poland, Romania, Bulgaria, Hungary, making up to 40% of the total flow of immigrants to Germany and countries of Southern Europe, suffering from economic crisis – Italy, Spain, Greece (Federal office for migration and refugees, 2012). This shows that large part of immigrants to Germany are in fact from other European states, so their shift in identity would not be that big, they already are part of European family with established values for human rights, democracy, common religious traditions etc. In this case culturally they have similarities, but national identity is not the same as cultural or ethnic identity, as argued by Constant and Zimmermann (2012): “[i]n the wide gamut of ethnic and national identities, it is possible that individuals can be patriotic, nationalistic, indifferent, apathetic, or subvert and undermining the host country”. On the other hand, migrants from other parts of the European Union have received this opportunity of residing in other EU country thanks to one of the fundamental freedoms – free movement of persons, which is one of the founding principles of common market, legally established by Treaties. Therefore, the people actually realizing this right might have higher appreciation of the Union and its principles, which makes their attitude to the EU more favorable, hence they have more motivation towards shifting their identity to European. However, as it was mentioned above this topic is just briefly summarized here and requires much deeper study with surveys of the immigrants in order to support the abovementioned ideas with evidence.

Technological factors

Technological factors present a very interesting aspect. With the development of information and communication technologies, the boundaries between the countries became more transparent and easy to overcome. Access to information increases

knowledge of different cultures. New means of transportation provide unique opportunities, increasing the number of people travelling to other countries multifold. This certainly has a significant effect on the way identity evolves. However, in the scope of the present research influence of technological factors will be excluded, because it is very difficult to quantify, how technology alone influences changes in the way people identify themselves.

Legal factors

Legislative and regulatory framework in Europe is rather complex, with national laws and European law, consisting of primary legislation – the treaties, signed and ratified by every member-state and secondary law – the regulations, decisions and directives of the European Union. This uniform system provides necessary conditions for building relations between the countries within the framework of the Union. This certainly affects how identity will be developing. This factor is considered later in the research. It should be mentioned, however, that because the main legislative framework will be largely the same in both chosen case countries, legal factors will not allow differentiation between the two cases, and therefore their influence on the European identity cannot be compared. That is why, the common regulatory or legislative framework will be considered as a founding block for potential development of European identity, rather than an independent variable for the purpose of the present research.

Environmental factors

Environmental factors include the climate change and global warming. European Union is one of the leaders in proposing measures to fight these negative conditions. However, environmental factors are global in scale; the borders of a single country do not confine them. And their influence on the dependent variable seems distant and impossible to quantify.

Therefore, although all factors play certain role, some of the factors are difficult to quantify or to establish a direct link, demonstrating their effect on the dependent variable, hence only political, economic and social factors are considered in the present research.

1.3 Austria – PESTLE analysis

After having conducted analysis of the main political, economic and social factors that might affect the formation and development of European identity in Germany, it is necessary to see how these factors are affecting situation in Austria.

The first group of factors to consider, just like before is political factors.

Political situation in Austria

Unlike Germany, where Chancellor is not elected separately, but is a member of party with most votes, in Austria there is a separate election to the National council and separate elections of the president. The focus here will be made on the National Council, as a body representing citizens of the country with proportional composition. Therefore, it will be possible to see the increasing or decreasing support trends. The election results will be analyzed since 1994, when the referendum for accession to the European Union was held, after which it becomes important to see how the pro-European and anti-European forces developed over time.

In terms of Parliament parties, there are both pro-European and anti-European parties, or parties expressing Euroscepticism present at every election to the National council. The table below summarizes main outcomes of the elections in the period from 1994, just before the accession to the European Union to 2013, when the latest parliament election was held.

Table 3. Voting results on the parties candidates to the National council in Austria, expressing Euroscepticism or anti-European views in the period of 1994-2013

Year of election	Percent of votes	Seats won in the National council
Freedom party of Austria (FPÖ)		
1994	22.5%	42
1995	21.9%	41
1999	26.9%	52
2002	10.0%	18
2006	11.0%	21
2008	17.5%	34
2013	20.5%	40
Alliance for the Future of Austria (BZÖ)		
2006	4.1%	7
2008	10.7%	21
2013	3.5%	0
Team Stronach (FRANK)		
2013	5.7%	11

Source: the table is composed based on the data on federal parliamentary elections at <http://www.electionresources.org/at/> by Alvarez-Rivera (2014b)

The situation with political parties that hold sceptic or anti-European views in Austria is much more difficult than in Germany. As opposed to Germany, such parties have stronger record of accomplishment of being represented in the National council. The party, which has passed the threshold and was represented in the National council on every election since 1994 is the Freedom party of Austria. As it can be seen from the table above, its results have varied from 10 to almost 27% over the years, with the peak in 1999 and decrease to the lowest point in 2002, but with the growth again since 2008 and to the present time.

Other two parties in Table 3 are rather new. Alliance for the Future of Austria has participated in the last 3 elections, however in 2013 it was not able to acquire necessary votes to pass the threshold. Again, the peak of popularity among voters so far was 2008. Team Stronach is a party, which only participated in elections of 2013. However, it was able to win over 5% of votes and managed to get 11 seats in the National council.

Elections of 2008 and 2013 are of particular interest. There was not only one party, but two and three, respectively. Cumulatively these parties have gained a very significant share of votes, 28.2% in 2008, with 55 seats, and 29.7% in 2013, although because Alliance for the future of Austria has not passed the threshold (3.5%), the total number of seats won was 51.

For comparison strong pro-European parties, like Social Democratic Party of Austria (SPÖ) and Austrian People's Party (ÖVP) have received 52 and 47 seats, respectively in the 2013 election (Table 3). So, as it can be seen from the number of seats won and percentage of the votes, there is a very strong Euroscepticism rhetoric in Austria, which is expressed by the political parties, and these parties have the support of almost 30% of population, which voted in the election and this support has a growing trend in the last years.

Another aspect to consider are the Presidential elections in Austria.

The latest election of the president was held in Austria in 2010. The winner was the current president in office Heinz Fisher. He is a member of social-democratic party of Austria, hence holds pro-European views. What should be noted is that the candidate, who came second, was Barbara Rosenkranz, who is a member of Freedom party of Austria, with about 15% of votes (Election guide, 2015). This was the first election in Austria after its accession to the European Union, when a candidate, representing anti-European party has received this noticeable percent of votes. Although Heinz Fisher had an overwhelming

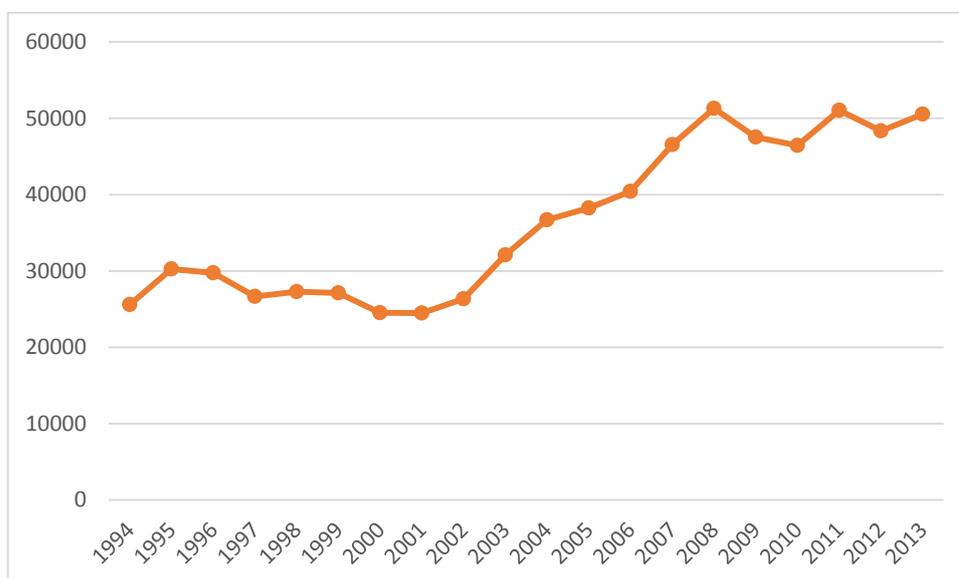
majority with over 79% (Election guide, 2015), this is still an indicator of how strong this political trend is in Austria. The next aspect to analyze is the economic situation and trends in Austria.

Economic factors

Main economic indicators that will be considered here are analyzed starting with the year 1994, just before Austria became member of the European Union to see, whether there was a shift in the indicators after Austria joined the EU.

First, GDP will be considered. Graph 4 below provides information on the trends in Austria's per capita GDP in the chosen period.

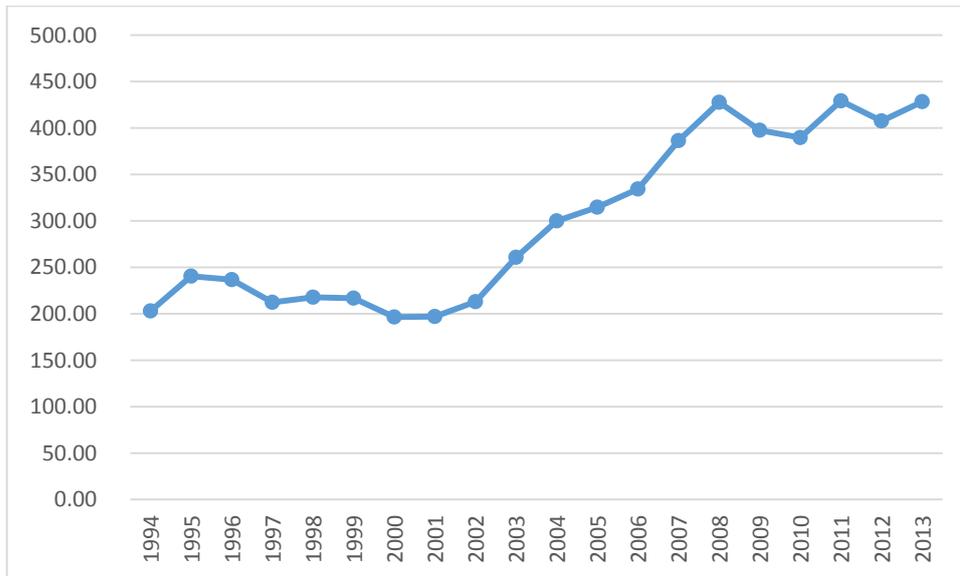
Graph 4. GDP per capita in Austria in 1994-2013, in USD



Source: World Bank, 2013

GDP per capita indicator reflects well the situation in the country from the standpoint of wealth and quality of life of population, but it does not reflect the position of the country on the scale of European Union. It only shows that Austria is a high income country, but does not demonstrate the scale of production in comparison with other EU member-states. For this purpose, it is useful to look at total GDP of the country, brief information on which is provided below.

Graph 5. Total GDP of Austria in 1994-2013, in billion USD



Source: World Bank, 2013

The two graphs presented above naturally have similar curves, reflecting general increase or decrease of revenues. However, this information will still be relevant to see, whether economic trends correlate with answers on the identity question, which will be analysed in the next chapter. The total GDP of Austria allows comparison of this country to other member countries of the European Union, namely Germany for the purpose of the present research. This comparison shows that also Austria demonstrates a higher per capita GDP due to its small population, in monetary terms the total GDP of Austria even at its peak over the last 20 years in 2011 with 429 billion Euro is still much smaller than Germany's gross domestic product, which peaked in the same year with over 3.7 trillion Euro (World Bank, 2013).

Consequently, in terms of contribution to the budget of the European Union Austria has a smaller share, which in 2013 was merely about 3 billion Euro, that being the biggest amount since 2007 (European Commission, 2014b). So, its monetary contribution to the EU budget is very small, compared to bigger countries like Germany or France. At the same time expenditures from the EU budget for Austria in 2013 amounted to 1.86 billion Euro (European Commission, 2014b), still making it a donor country, even though its contribution is rather small.

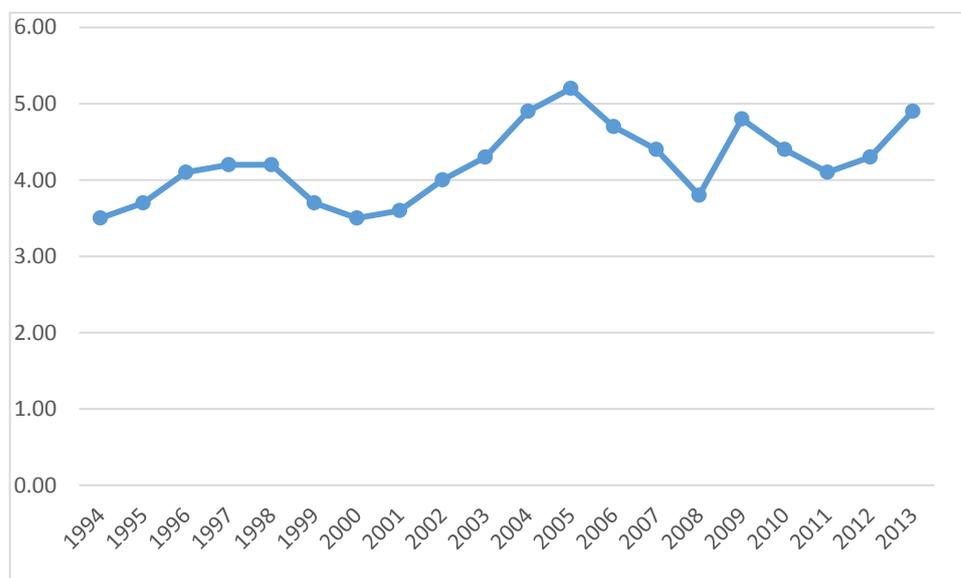
Following the logic explained in analysis of economic situation of Germany, the trade indicators of Austria are considered next. Austria's largest export destination and import source in 2012 was Germany with 28% and 37%, respectively. Among the top five export destinations there also are Italy and France with 7.2% and 3.9% of total exports, respectively. On the import side, Italy takes the second place, but only with about 6%

(Observatory of economic complexity, 2012b). So, although there are benefits of a single market, still the interregional export and import prevails.

Social factors

The first among social-economic factors is the level of unemployment in Austria, which is rather stable over the analyzed period of time, exceeding the threshold of 5% only once in 2005, with 5.2% , the lowest level being 3.5% (World Bank, 2013). However, for the last several years there has been an increasing trend in unemployment levels in Austria. Detailed outlook is provided below on Graph 6.

Graph 6. Total unemployment level in Austria in 1994-2013 as percent of the total labor force



Source: World Bank, 2013

In terms of migration, Austria does not position itself as a country of immigration, it has rather strict policies for obtaining quotas for immigration, and traditional labor migration and family reunification programs have been cut down in the recent past, because there was a public dissatisfaction with the levels of migration. However, with the free movement of persons within the European Union there are limits on how Austria can restrict the number of incoming migrants (Jandl et al., 2003).

According to the International organization for migration (2013) the immigrants in Austria amounted to 15.7% of population. For comparison, in 2001 share of foreign-born residents of Austria was about 12.5% (Jandl et al., 2003). So, although in absolute numbers

immigrants in Austria are less in number than in Germany, it is still a noticeable share of population.

Technological, legal and environmental factors

These 3 groups of factors are largely similar to the description provided for Germany. Therefore, they have been excluded from the present research, based on the reasons provided above.

So, once the PESTLE analysis was done, it should be considered, what the evolution of the dependent variable is, in order to proceed with finding, what influence the independent variables exert on the dependent variable – the European identity, in order to identify, the influence of which group of factors is stronger.

Chapter 2. Analysis of the development of European identity in Germany and Austria

After analyzing main social, economic and political indicators in case countries, it is now time to see what the differences are in respect of national identity and European identity feelings among the citizens of Austria and Germany.

Main data for analysis of these indicators is provided by Eurobarometer survey that has been conducted by European Commission since 1973, which studies evolution of public opinion.

Data from Eurobarometer was chosen as opposed to own survey, because it will provide a more comprehensive sample of different audiences in the countries and it can show the dynamical picture from 1973 in Germany and since accession in 1995 of Austria, which is better than just a static survey of the current situation.

The dynamic data gives opportunity to match and contrast the changes in answers of respondents over time with the changes in main social, economic and political indicators. This will give grounds to support or disprove the hypothesis that feeling of European identity develops over time due to closer integration, if economic, social and political conditions allow it.

Pertaining to identity there are several questions in Eurobarometer study, which reflect the trends of developing European identity. For the purpose of this research, the following topic areas and questions have been chosen:

1. Feel European – “Do you ever think of yourself as not only (nationality), but also European? Does this happen often, sometimes or never?”
2. To be nationality European in the future – “In the near future do you see yourself as...?” (Eurobarometer, 2015)

The questions above directly reflect, whether person feels European in full or to some extent and what is the trend for the future. Two more questions are chosen to reflect general impression or image of the European Union, because this is also a factor in feeling European, although less direct. In essence, if a person has more positive impression about European Union he or she will be more inclined to associate themselves with this Union. Therefore, the following questions are included in the analysis:

3. Image of the European Union – “In general, does the European Union conjure up for you a very positive, fairly positive, neutral, fairly negative or very negative image?”

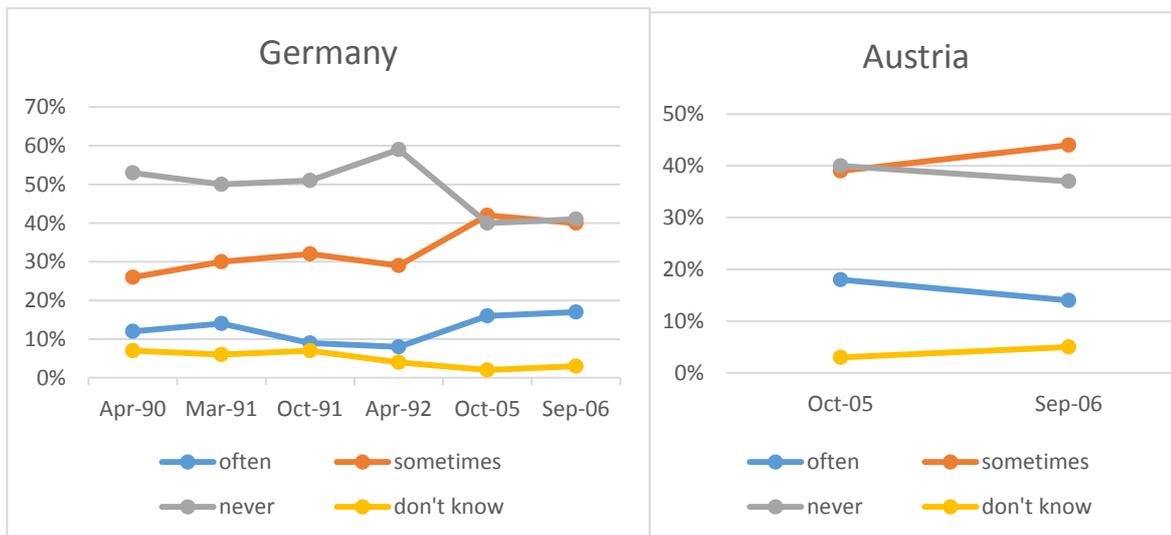
4. Future of the European Union – “Would you say that you are very optimistic, fairly optimistic, fairly pessimistic or very pessimistic about the future of the EU?” (Eurobarometer, 2015)

The aforementioned questions will be consequently analyzed in the following two subchapters starting with direct questions on feeling European and opinions about future of nationality.

2.1 Analysing questions directly targeted on feelings of European identity

The question about feelings on nationality has been asked in Eurobarometer several times, starting in 1990 and until 2006 with six measurements in total. Because Austria joined the EU in 1995, its survey on this question was done only in 2005 and 2006, which is not sufficient to see the whole trend, but responses to other questions later in the chapter will help in developing a comprehensive picture.

Graph 7. Results of the responses to the question “Do you ever think of yourself as not only (nationality), but also European? Does this happen often, sometimes or never?” by Eurobarometer



Source: Eurobarometer, 2015

The answers to this question can be divided into two groups in terms of identity”:

- Positive responses – those who have feeling of belonging to group of Europeans, not just nationals of one country, who answered “often” and “sometimes”, and
- Negative responses – those, who do not – answering “never” or “don’t know”.

The response “don’t know” is classified as negative response because it does not express any shift towards European identity, although it does not have such a strong negative connotation as response “never”.

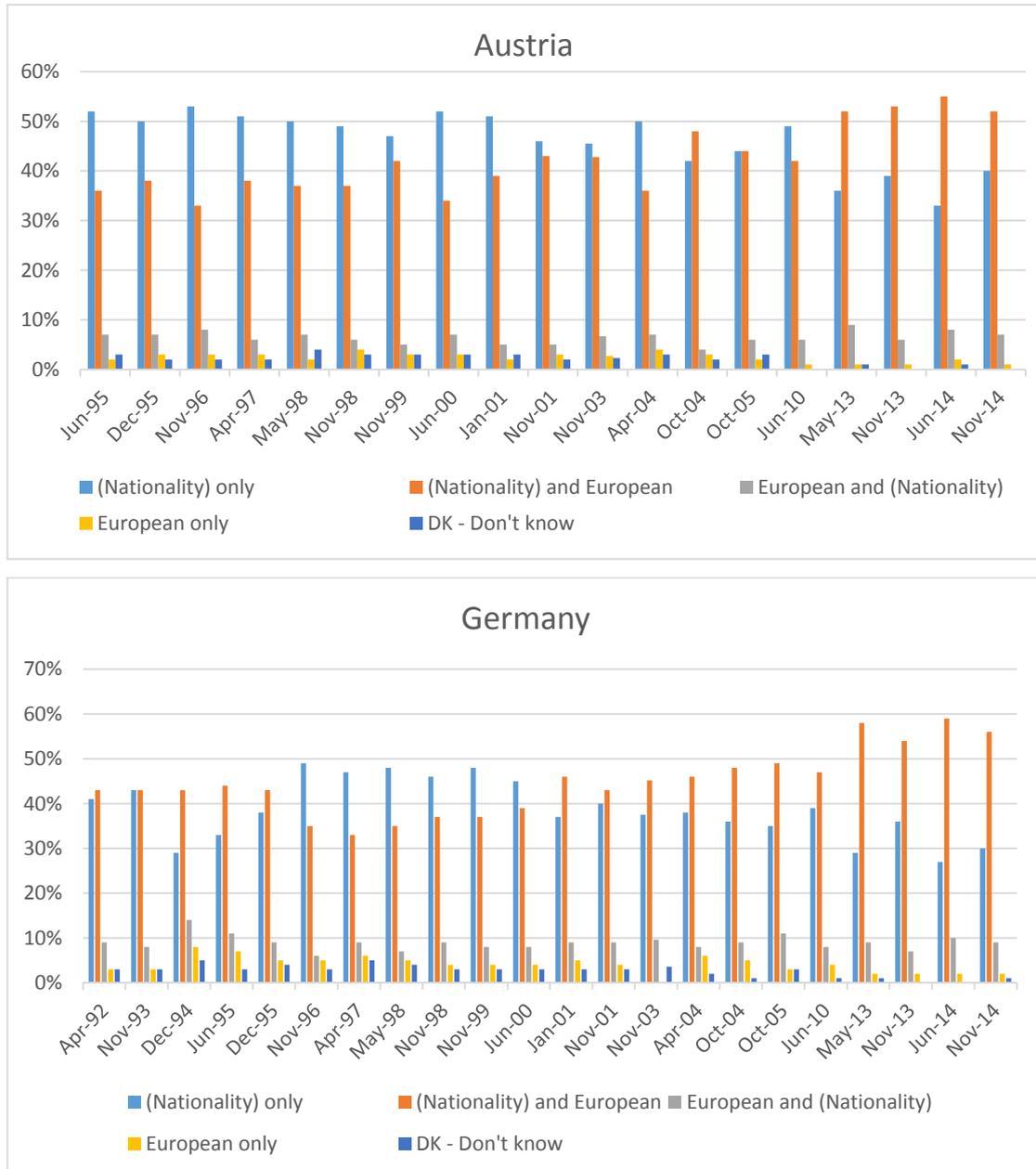
Looking at the two cases in the graph above one can see, that example of Germany is more illustrative. There is a clear trend of increasing positive responses (“often” and “sometimes”), especially in the 13 years that have passed between 1992, when in sum positive responses comprised 37%, and 2005, when positive responses reached 58%, and the strongly negative “never” decreased by almost 20%. This is a clear sign that European identity is developing among German population.

Austria on the other hand demonstrates a slightly different pattern, between 2005 and 2006 positive responses showed slight increase in those, who answered “sometimes”, but a decrease in answers “often”, which in total produced similar sum of positive answers – 57% and 58%, in 2005 and 2006, respectively. Unfortunately, there is no data of 1995 or 1996 for Austria to serve as a baseline to compare the attitudes right after accession and after 10 years.

The positive trend of feeling European supports the idea of shifts in national identity. However, it does not prove that European identity replaces the feeling of national identity. In order to decide, how the feelings of European identity and national identity coexist or replace one another, it might be very efficient to look at the next set of responses.

The graph 8 below gives a good indication on how self-perception of people in Germany changed over the last 22 years and in Austria over the last 19 years in terms of whether they associate themselves just with the state or with Europe. Responses can be classified into single identity – “Nationality only” and “European only” and double identity – “Nationality and European”, “European and nationality”. In cases of double identity, the dominating identity comes first, followed by the secondary identity.

Graph 8. Results of the responses to the question “In the near future do you see yourself as...?” based on Eurobarometer study



Source: Eurobarometer, 2015

The graphs above clearly show that there are two main answers in both Austria and Germany – “nationality only” and “Nationality and European”, with emphasis on nationality. These are still the largest groups, other groups such as “European only” were chosen by very small percentage of respondents, no more than 6% in Germany and 4% in Austria. This evidence suggests that European identity has not developed in full yet, and there is no convincing trend, because the number of people choosing response “European

only” fluctuates every survey period and does not demonstrate a sustainable growth pattern. What is worth examining – the changes in answer “Nationality and European”. Although the levels of this answer vary in both countries, there is a growth trend, and in Austria in 2004 and then again since 2013 this was the prevailing answer with more than 50% of the respondents replying this way. In Germany, this trend is even stronger, since 2001, this answer has been on top of the list, replacing “nationality only”. The peaks were recorded in both Germany and Austria in June 2014 with 59% and 55%, respectively.

Double identity with prevailing European component is also worth mentioning. It has a rather stable position over the years in the corridor from 6% to 14% in Germany, and 4% to 9% in Austria. Again, Germany demonstrates higher number in this category than Austria.

2.2 Indirect measurements that can indicate general attitude to the European Union

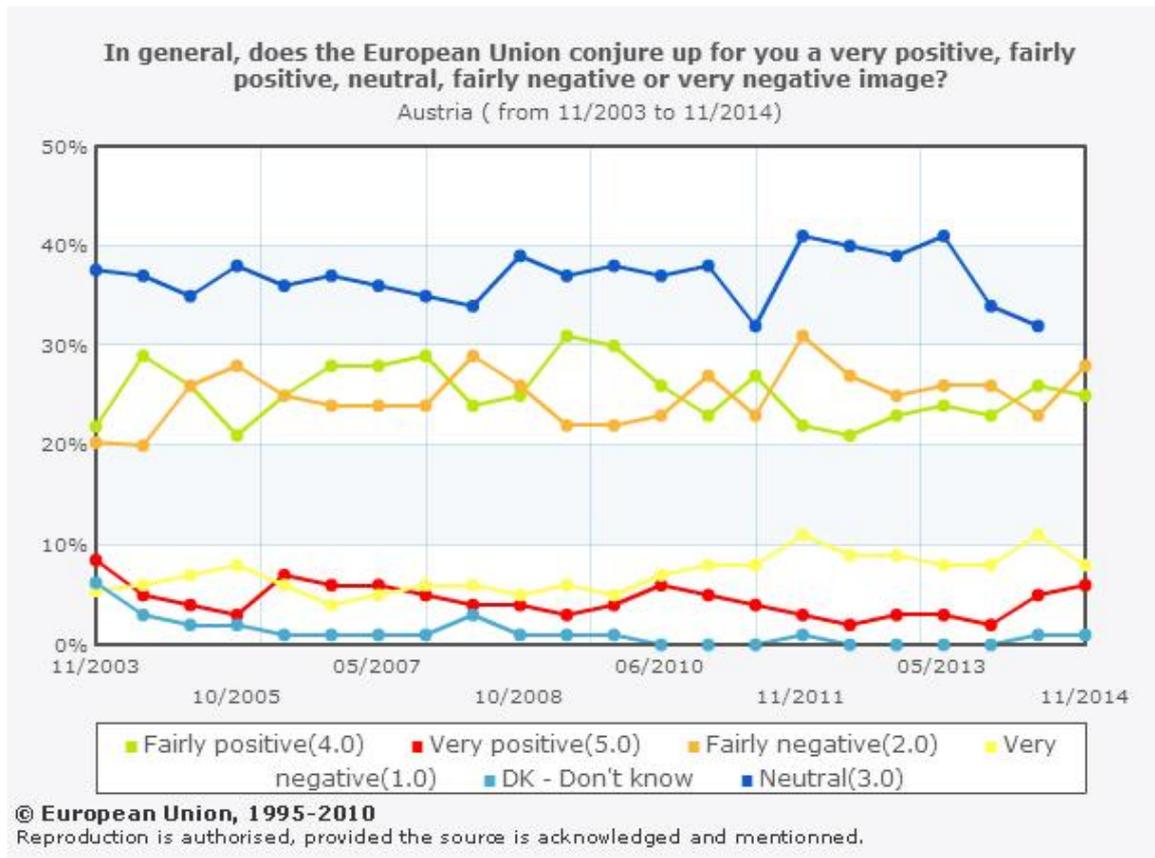
These were the direct indicators, showing specifically what people think about themselves, whether they feel belonging only to one group – their nation or to Europe as a whole community. However, less direct factors also influence the development of identity. For instance, a person with a general positive attitude to the role and meaning of the European Union will be more inclined to consider himself or herself European. These indirect indicators are presented below.

The question of image of the European Union has been asked in surveys for over a decade with choice of positive, negative or neutral responses. The dominating response in both country has been “neutral” over the last several years. However, there is a particular feature that in Germany the “fairly positive” attitude, which was even taking leading positions dropped significantly in the period of 2008-2010 and has not returned back to previous levels yet. This trend is indicated in the graph below.

In Austria, on the other hand the trends vary, and although neutral attitude is leading, there are always variations in “fairly negative” and “fairly positive” responses, each of them gaining and loosing positions in different time periods. In the next chapter attempt will be made to find correlation between these changing responses and external influencing factors.

Other responses, such as “very positive” and “very negative” are not very popular in both countries, their levels staying in range of 10% of the respondents. For details, please see the graph below.

Graph 9. Image of the European Union among the respondents from Austria and Germany in 2003-2014



Source: Eurobarometer, 2015

The last question in the scope of the given analysis is the question on the future of the European Union. This question was put forward in the last three years and reflects the latest attitude of people in case countries.

Although there are various degrees of optimism – such as very optimistic and fairly optimistic, and same two categories for pessimism, for the purpose of this research it is important to see just the general picture. The responses are controversial in the countries. When this question was asked for the first time in May 2012, 53% of Germans fell optimistic, whereas 53% of Austrians fell pessimistic about the future of the EU. In November 2013 during the latest measurement, Germans continued to be more optimistic (59%), and in Austria, the future of the EU has also gained optimism, with 54%. At the same time, it should be noted that there were more “very pessimistic” responses in Austria than in Germany during all three years of measurement. (Eurobarometer, 2015).

Overall, there are rather positive trends in all questions asked by Eurobarometer concerning identity and attitude and image of the European Union. This goes in line with the idea that membership in the Union and closer integration gradually change attitude and affect national identity. However, there is various speed of changes and spikes in indicators due to various factors. In the next chapter attempt will be made to find dependencies between these changes in indicators and various external factors, which might affect these changes.

Another factor in developing European identity is being part of the political processes in the EU. Generally, citizens participate in political life of a state by participating in elections of Parliaments or Presidents or other bodies depending on the structure of a state. The only European level body, where citizens can take directly part in selecting the members is the European Parliament. Participation of the citizens in political processes on the EU level directly or indirectly, their interest in the Union-level affairs can be considered manifestations of identity feeling. These factors, although they lie outside the scope of the present research can present valuable information on how strong the sense of belonging and acting in the EU is.

Chapter 3. Analysis of correlation between political, economic and social factors and changes in feelings of European identity

In the previous chapters, various political, economic and social indicators have been presented, all of them closely related to each other. This was followed by consideration of people's feelings and attitudes towards Europe and their self-identification. Now, the question is whether there is a causative link between economic, social and political situation in a state and feelings towards Europe.

Last decades have been marked with various crises – financial and economic crisis, troubles in Euro-zone, extreme right parties gaining weight in some EU Member-states. This all gives good opportunities to analyze and compare these changes with responses to questions of European identity.

There is no doubt that other factors also influence the development of identity, among them historical factors. Germany, for instance, is one of the founders of European integration, so more generation of German citizens have been living with the ideas of integration floating around. Austria on the other hand has less experience, since it was only a member since 1995. However, as it was mentioned in the beginning identity is a dynamic notion and the past experience is not enough, there are always current factors that influence changes in person's identity. Moreover, these purely historical factors are difficult to quantify, and they do not explain the fluctuations in the answers of respondents over years. Therefore, these historic factors, although playing an important role initially, when the integration starts, cannot explain the subsequent changes, and they will not be part of the present analysis.

In the current chapter, two cases will be compared separately – starting with Germany, after which commonalities and differences will be identified and conclusions drawn on whether the development of European identity depends on economic, social and political factors in member states of the European Union.

3.1 Finding patterns to explain changes in identity in Germany

Political factors that have been analyzed first do not show any direct connection to the changes in survey responses. Extreme right parties with skeptical views on Europe do not play a great role in German Parliament. As it was mentioned above in Table 2 above, there was no successful extreme right or anti-European party, which made it to Bundestag in the analyzed period of time since Germany's reunification in 1990. The share of votes received by those parties was very insignificant and there is no clear pattern linking the anti-European political rhetoric with responses to Eurobarometer survey questions on the

image and attitude towards the European Union. At the same time, there is no steady growth pattern in positive responses on the image of the European Union or the feeling of European in addition to nationality. Instead, responses to these questions show various patterns with periods of growth and decline in positive image or feeling European. These trends vary despite the fact that political rhetoric is largely positive towards the European Union and European integration in general. Therefore, conclusion can be drawn that political factors do not play significant role in Germany in the matters of European identity development. Hence, there is a need to consider other factors that might influence the development of European identity phenomenon.

The following group of factors under consideration is economic factors. Twenty-five years since reunification of Germany to the present time were marked by significant economic events, economic crises, introduction of Euro, and large amount of contribution to the budget of the European Union etc.

Based on the results of PESTLE analysis several trends in were identified in GDP of Germany. There are several distinct trends in GDP growth in Germany. First is rather long one from 1995 to 2000, when there was continuous decrease of GDP per capita (graph 1). In the same period in 1995-1996 there was a significant increase of the “nationality only” answers to self-identification question in the Eurobarometer survey from 38% in 1995 to 49% in 1996 (graph 8).

After this downturn, there was a period of strong economic growth from 2001 with a peak in 2008, when the crisis hit and there was another decline in GDP per capita indicators. In the same period of time the responses to questions of whether person identifies himself as nationality or European became more positive, more respondents were saying that they associate themselves with nationality and European, exceeding 40% in 2001, and maintaining this level with the peak of 49% in 2005 (for details see graph 8) . Unfortunately the question “In the near future do you see yourself as...” (Eurobarometer, 2015) was not included in the survey until 2010, so it is impossible to see what the reaction was in 2008-2009 and whether economic downturn affected opinions of people on this matter as it happened in 1995-1996. However, another question can be helpful. The question was cited in the previous chapter and reads as: “In general, does the European Union conjure up for you a very positive, fairly positive, neutral, fairly negative or very negative image?” (Eurobarometer, 2015). This question has been asked in the period 2003-2014. So, it is very helpful to see, how attitude of people towards the European Union changed during crisis time.

In the period of 2003-2008, which was signified by increasing GDP per capita (graph 1), as can be seen, dominating opinions were neutral and fairly positive opinion about the EU. Although there are some spikes and changes every year, the fairly positive responses stayed in the range of 33.6% (in 2003) to 42% (in October, 2008). However, along with dropping GDP per capita in Germany in 2008-2010, there was a decrease in positive responses and increase in negative responses to the same question. Although the GDP drop was only about 4 thousand USD (see graph 1), the shift in opinions was rather significant. The number of respondents with positive attitude fell from 42% in 2008 to 29% in 2010 (Graph 9). At the same time, the number of “fairly negative” responses almost doubled (9% in 2007 to 19% in 2010). Crisis effects can be seen in the “very positive” answers. Although they were rather rare to begin with (only 5% in 2003), there was an increase during the time of economic growth up to 11% in 2007, and sharp drop during recession to 5% in 2010 (graph 9).

The improvement of situation in 2011, when the GDP per capita returned to growth pattern and has reached the level of 2008 (graph 1), was immediately signified by increase in “fairly positive responses”. The jump was about 6% in one year, from the lowest level of 29% to 35%, although negative responses were still strong (graph 9).

The question of whether person feels nationality or also a European component was asked again since 2010, and although the levels of responses with European component were lower in 2010 than in 2005, which is probably effect of the crisis, there was a steady growth pattern since 2010 (increasing from 47% in 2010 to 58% in 2013). The detailed trends can be seen in graph 8 in the chapter above, but since the last increase the responses “nationality and European” were mentioned by over 50% of the respondents, at the latest measurement in November, 2014 being 56% (graph 8) if added other answers with European component – “European only” and “European and nationality” (in November, 2014, 2% and 9%, respectively), this gives a clear majority of 67% in 2014 (Graph 8).

Based on the analysis above, it can be concluded that there seems to exist a correlation between the economic growth of country, as measured by the GDP per capita and responses of people to the questions about European Union. However, this cannot be the only factor of influence. In the following paragraphs, other economic factors will be examined.

Along with general crisis and decrease of GDP per capita, there were also programs for support of the Eurozone, money allocated to such countries as Greece, Portugal and Ireland, where Germany’s share was rather high. For instance, Germany’s share in European stability mechanism was about 27% (Federal Ministry of finance of Germany,

2013). This meant additional costs for Germany against the backdrop of the decreasing GDP. It is just an additional economic factor that may have influenced at the decreasing popularity of the EU image in this period. Furthermore, a survey was done by Spiegel (2012), in which a question was asked about Germany's efforts to save other Eurozone members, to which the majority (54%) of respondents answered that they believe "Germany should not continue to fight to save the euro if it has to provide additional billions in aid". On the other hand, large minority of 41% did not oppose the idea of saving other Eurozone members (Spiegel, 2012). This split opinion falls in line with the responses in Eurobarometer survey about the positive or negative image of the European Union.

Therefore, it is possible to argue that economic factors play very significant role for Germans in their attitude towards the EU and their identity feelings. Another group of factors that should be tested is social factors, which will be examined below.

One of the main social factors examined in previous chapter was the level of unemployment. There were two main peaks of the unemployment level in 1997 and 2005, with 9.8% and 11.1% of total labor force, respectively (Graph 3). There is no clear evidence that unemployment level is linked with the feeling of European identity. In one case (period of unemployment growth in 1991-1997) there is a growing trend in responses "nationality only" in 1994-1996, but at the same time there was more than 10% drop in such responses between 1992-1993, although the unemployment level continued to grow. During the other peak in 2005, which was the highest point in the unemployment growth trend since 2000, there was still a growth in responses with European component of identity (graph 8). Therefore, there is no clear evidence of correlation between the unemployment level and European component evolution in the Eurobarometer surveys.

Migration data is much more difficult to compare. The dynamics of migration shows constant positive net migration, however, it is difficult to estimate, whether it has a specific effect on how people think of themselves. It would be interesting to conduct a separate study to research, what self-identification parameters are used by migrants; whether they see themselves as European and whether this transition to European identity is easier or more difficult for them in the situation, when they have to adopt to a different country.

3.2 Finding patterns to explain changes in identity in Austria

The second case country is Austria. Analysis will be done similarly to Germany, starting with political factors.

Political situation in Austria as can be seen from the previous chapters is very different from Germany. Here, the nationalistic right wing parties are stronger, and are represented in the National council. In judging the influence of political parties on the identity, there is an issue of identifying the right cause and effect relations. Strong feelings of national identity influence the election choices of the voters. Nevertheless, does the number of extreme right Eurosceptic parties also influence the identity feelings? This could be checked by comparing the responses in Eurobarometer survey in the pre- and post-election years. As it could be seen from PESTLE analysis, extreme right parties play a significant role in every election to the National Council, but there are three peak years, in 1999, when extreme right party received 52 seats or 26.9% of votes, in 2008 – with 55 seats taken by two parties and in the current Parliament, which was elected in 2013, where two extreme right parties got 51 seats combined (Table 3). Checking this against the Eurobarometer survey, one will see that in 1999, when elections for National council were held 47% of respondent said that they feel themselves as “nationality only”, however in the subsequent years, when the parliament with strong anti-European views was in office, this number increased to 52% and 51% in 2000-2001 (Graph 8). This could mean two things – either support of national identity increased because there was more opportunities to promote these views by political parties with strong presence in the Parliament, thus increasing the number of supporters, or there are other factors that influence these changes in responses. In 2008, on the contrary the “fairly negative” feeling towards the EU was on the rise, but dropped in the year following the election (graph 9). In 2013, majority of 52% to 53% (graph 8) in the first and second halves of the year demonstrated the presence of European component in self-identification, however share of votes in favor of extreme right parties was high again (table 3). Therefore, a conclusion can be drawn that although political debate covered by mass media might win additional support to Eurosceptic parties, there is no evidence that such rhetoric significantly changes self-identification of citizens and their image of the European Union.

The next group of factors are economic factors. As one has seen above, they have some influence on the evolution of European identity component in Germany. It is now important to see, whether similar effect can be observed in Austria.

Generally, economic development of Austria follows similar pattern of growth and decline as Germany. There are several important points to mention. In the period of 1995-2001 the economy of Austria was in stagnation, with the lowest indicators of total GDP and GDP per capita in 2000-2001 with slightly over 196 billion Euro and about 24.5 thousand USD per capita. In the same period of time peaks in responses “nationality only”

can be noticed in Eurobarometer study, demonstrated by over half of the respondents, with 52% and 51%, in 2000 and 2001, respectively (Graph 4). In the period prior to these peaks responses of “nationality only” dominated the survey, while European components were left behind (Graph 8). However, one instance does not prove the connection, so one should look at the other periods of significant economic growth or downturn. In the period of 2001-2008, when strong economic growth was experienced, responses “nationality only” to the question of how people see themselves in future, have not exceeded 50%, with the lowest indicator of such response in October, 2004, reaching only 42%. However, this economic approach does not explain the sudden growth of this response in the beginning of 2004, when it reached 50% (graph 8). A possible way to explain this peak is to look at the enlargement of the European Union in May 2004, which was the largest so far (European Commission, 2013). Eastern enlargement was very important for Austria for several reasons. Primarily, due to geographic position, with Czech Republic, Slovakia, Slovenia and Hungary being its immediate neighbors. Due to this, there were a lot of fears among Austrians that such enlargement will lead to job losses (Marin, 2004). These fears may significantly influence person’s perception on the whole venture, such as the European Union. However, in reality such fears are not substantiated, because between 2004 and 2005 the unemployment level in Austria grew only by 0.3%, moreover, it was decreasing in the subsequent years (Graph 6). This brings up another important issue of discrepancies between real picture and fearful perceptions. The example of unemployment demonstrates how unsubstantiated fears rather than strong evidence can influence person’s perception. This can have a significant effect on such soft matter, as identity.

Going back to economic reasons, next significant point of reference is the global financial and economic crisis. There are several aspects to point out. First, the highest GDP per capita was reached in 2008, with a drop in 2009-2010. However, there is no clear link between these economic indicators and the responses to questions on the image of the EU, which is available for comparison. As it was mentioned above, the question of seeing oneself in the future was not asked in the period of 2005-2010, so there is no reference point for the years 2008-2009.

The responses to the image of the EU question do not demonstrate a stable pattern, within this two-year period in 2008-2009, there was a spike of fairly negative attitude, reaching 29% in April 2008, and strengthening of the fairly positive attitude, growing up to 31% in June 2009. Dominating response in Austria over this whole period of almost 20 years seems to be neutral, varying from 32% to 41%, but never giving up the lead (Graph

9). So these indicators do not provide sufficient grounds to suppose that economic growth or decline influences the image of the European Union among Austrians.

There is another possibility still to look at the feeling European. Although this question was not asked directly in the first year of crisis, there is still possibility to compare indicators of 2005 prior to the crisis, with the responses in 2010, which still was a period of economic downturn. So, comparing results of 2005 survey, one will notice that it was a period, when the responses “nationality only” and “nationality and European” were equally popular, with 44% of respondents each (Graph 8). Responses in 2010 were marked with increasing nationality component, which went up to 49% and decrease of “nationality and European” responses, dropping to 42%. This can evidence that economic downturn had an effect on self-identification and decreasing European identity component. Furthermore, with slight improvement of economic situation in 2011-2013 responses with European component took the lead for the first time in Austria, exceeding 50% in 2013-2014 (Graph 8).

All in all it can be found that economic factors play some role in Austria as well in determining the image of the European Union and the self-identification of people. However, their influence is not so strong, because there is rather high sceptic view on the EU even in times of positive economic development.

The last group of factors to examine are the social factors. Like in the case of Germany, there is no clear correlation between the growing nationalistic views and real changes in employment situation in Austria. For instance, in 2000-2001, when the responses “nationality only” had its peak with over 50% of the respondents, the unemployment level was the lowest of the whole period of 1995-2013, with only 3.5% in 2000 (Graph 6). At the same time during the highest unemployment rate, in almost two decades, in 2005, the responses with nationality only and those with European component were at an equal level, with a drop of the former by 8% compared to the previous year (see graph 8). At the same time, in late 2005 there was a sharp increase of fairly negative attitude to the EU, which might be related to employment situation, because there are no other economic or political indicators to explain it. Next high point in unemployment level happened in 2009 with 4.8%, however, the responses of fairly positive image of the EU prevailed over fairly negative, with 31% and 22%, respectively (Graph 9). Therefore, there is no clear evidence linking the real unemployment levels with support or lack thereof towards the European Union.

On the other hand, as it was found above, in terms of social factors there is a difference between the facts and perception of people, so it might be the case that false

perception or fears of decreasing social welfare of job loss were driving the attitudes towards the European Union, rather than hard facts. Baumgartner and Favell (1995) mention that one of the successes of right wing parties are rooted in the fact that they effectively use their propaganda “drawing on fears of unemployment and social security” (Baumgartner and Favell, 1995). Therefore, attitude to foreigners and integration might not be caused by real problems, but rather by fear thereof. In such case it is hard to find real economic or social factor, which evidence the reasons for growing popularity of nationalist movements. To uncover, which perceptions are driving the negative attitude specific survey questions are required. For instance in Eurobarometer surveys, in the question about two main problems in the EU, unemployment issues have been among the top three, together with economic situation and migration (Eurobarometer, 2015). This question, which appeared in Eurobarometer studies in 2011, provides very valuable information about perception of people, which with longer track record could help in explaining the trends in public opinion towards the European Union and its influence on evolution of European identity.

3.3 Current state and future of European identity

There are similarities in patterns of changing attitude towards the European Union and self-identification of citizens of Germany and Austria, although some differences may be observed. This part of the chapter summarizes and compares main findings about identity changes in Germany and Austria, which have been presented above.

Three group of factors was taken into account – economic, political and social factors. As it was demonstrated above there is no clear correlation between changes in attitude and self-identification and political or social factors in Germany, and there is little evidence of this correlation in Austria, although there are individual cases of increasing support for anti-European parties. The main factor, which seems to present clear correlation, is economic factor.

Economic conditions do play certain role in development of European or double identity. However, they do not explain, why nationalistic views in Austria are stronger, although both Germany and Austria exhibit similar economic growth patterns. So, changes in GDP do affect the feelings toward Europe, but the scale initially is different. For instance, if one were to compare the effect of economic crisis on the feeling European or attitude to the EU, the following results can be observed. In Germany in years of falling GDP per capita (2008-2010) the drop in fairly positive attitude to the European Union amounted to 13% (see Graph 8), while during the same period in Austria the drop in

positive attitude in Austria amounted only to 8%, moreover, there even was an unexpected spike of positive attitude in 2009 to 31%, although the GDP was already falling. Furthermore, in times of economic growth, for instance in 1990-1995 in Germany, there was a stable level in response “nationality and European”, when people were asked to identify themselves in the future, around 43%-44%, with a drop to 33-35%, following the drop in GDP per capita (see Graphs 8 for Eurobarometer responses and Graph 1 for GDP of Germany per capita). In Austria on the other hand, as it was seen above the correlation is not that strong. This is clearly seen in Graph 9, where the responses are presented to the question on the image of the European Union, where fairly positive and fairly negative opinions are intertwined, neither having strong prevalence over the other.

All in all, it can be said that although economic conditions play a role in changing opinion towards the European Union and feeling European, the scale of these effects is different. They are stronger in Germany than Austria. There are several possible reasons for that, first that Germany is a larger country and its economy is very important for sustaining the European Union. Furthermore, as it was seen from the analysis of economic situation Germany allocated significant funds to help overcome the crisis in the Eurozone. And it is a big donor for the EU budget. Therefore, because of this sustaining role, citizens of Germany might pay more attention to the economic conditions, hence the drop in positive attitude to the European Union against the backdrop of crisis and allocation of large sums of money, while the country is experiencing economic downturn.

There is another peculiar aspect, which is the general level of responses to questions about Europe. In Austria, the negative level is traditionally higher. For example, fairly positive attitude to the European Union in Austria barely exceeded 30% at its peak, whereas in Germany it was above 40% on numerous occasions (see graph 9). At the same time, fairly negative attitude to the EU was never leading in Eurobarometer surveys, always staying below 20% with exception of two surveys in 2012-2013, when it reached 21%. Austria’s surveys, on the other hand demonstrated higher levels of fairly negative attitude above 20%, and although neutral attitude was leading, fairly negative attitude dominated over fairly positive attitude many times during the survey (Graph 9).

There is no clear evidence in analysis of economic and social factors that could explain the reasons for such difference. It might be due to historic factors, the fact the Germany has much longer experience with integration than Austria, or due to social fears in Austria. This presents a very interesting puzzle, however explanation of the reasons for more opposition to integration in one country than in other, lies beyond the scope of present research.

Another question to answer is whether one can already talk about European identity or there is no such thing. In order to answer this question it is necessary to look at the dimensions of national identity.

In terms of constructing European identity, there are two aspects, which will be considered below. First, the prerequisites necessary for such development and second, the current situation and its possible future development.

If European identity is to be considered as a form of “supranational identity” (Smith, 1992), meaning that it could replace or at least displace the national identity, then it should have similar features as national identity does. Even if national identity and European identity will exist together, the European identity should at least have the founding blocks in order to be sustainable. Among such founding blocks could be those criteria that Smith (1992) called the dimensions of nationhood. Among other things, Smith (1992) mentions the following as dimensions of nationhood:

- Territorial unity, which is considered homeland
- Shared historical memories
- Standardized culture
- Common division of labor in a given territory, mobility of members of this nation and resource ownership
- System of common rights and duties within a common legal system (Smith, 1992)

There should be added at least one more important dimension, which is common language. Joseph (2004) argues one of serious obstacles in creation of national identity is absence of common language (Joseph J., 2004).

So, formally Europe already satisfies some of these criteria. The territorial unity is defined by the borders of the EU, with common market, ensuring free movement of persons, capital, goods and services. The treaties and various regulations, directives and decisions ensure common legal framework, which is implemented in all 28 member-states. In terms of shared historical memories one could argue that Europe has a long history of living together, trading and having relations between the countries, but on the other hand such historical memories also include fighting in multiple wars against each other, and for some members of this community this historic memory can play a role of an obstacle on the way to integration. So, the abovementioned dimensions are in place and can serve as a foundation for creation of European identity.

On the other hand there are still some dimensions missing – it includes the standardized culture, Culturally, EU member-states have some similarities due to Christian

traditions, but each state tries to promote its own culture and traditions, and many people fear losing cultural diversity in the process of integration. Another element missing is common language.

So, on the one hand there are already many elements in place, which can become the foundation of European identity building, but on the other hand there are many contradictions. For instance, just take the case of the EU citizenship, which was first implemented in the Maastricht treaty (1993). Although it does not replace national citizenship in a EU member-state, it is still an element, which serves as identification of a person. However, since any person is simultaneously citizen of a member-state, so having own nationality, he or she is European at the same time. This is just one of the examples, and all these controversies may have both positive and negative effect on self-identification of person as European.

All in all formally there are some established criteria, which can serve as founding blocks for building European identity. Moreover, the concept has been legally introduced by Declaration on European identity (1973) in Copenhagen. However, the question is whether these founding blocks are used in real world. And if identity is a voluntary choice of a person, then the most important question is whether people are ready to shift the perception and feel European. The answer to this question lies in the analysis below. It has been shown, that European component has a continuing presence in answers of the respondents. During the latest Eurobarometer survey in November 2014 there were 60% of the responses, in which European component was present in Austria and 67% in Germany (see Graph 8). This presents a large majority of the citizens. However, it should be mentioned that in most of the responses European component still plays secondary role; 56% of the respondents in Germany and 52% in Austria said that in future they see themselves as “nationality and European”.

Furthermore, in answer to the question of whether people think of themselves as Europeans, and not only representatives of certain nation there is a clear upward trend in positive answers “often” and “sometimes” and decrease in negative answers “never” in the period between 1992-2006 in Germany. Unfortunately, although there is the same trend in Austria, it only was participating in two surveys in 2005 and 2006, and these two points are not enough to establish clear pattern. That is why for the case of Austria other abovementioned questions are taken into account to establish the pattern.

The general conclusion at the present situation is that “while there is thin layer of mobile, cosmopolitan Europeans, few think of themselves as generic Europeans” (Fukuyama F., 2006).

Double identity with a strong national component is now the dominating concept. So, is there really a need to choose between the two? As Risse (2003) points out that in line with Anderson's "imagined communities" (Anderson, 1996), these two identities are not mutually exclusive, and it is "wrong to conceptualize European identity in zero-sum terms, as if an increase in European identity necessarily decreases one's loyalty to national or other communities" (Risse, 2003).

European identity, therefore, is a concept that could develop further in the future, but at present, it cannot replace national identity. And in possibility of multiple identities it is quite possible that both European and national identity will continue to exist simultaneously.

Conclusion

The present thesis is focused on the matter of European identity development in parallel or replacing national identities in EU member-states. The research question, posed in the beginning of the research was – is development of the European identity possible in course of European integration? The hypothesis presented by the author stated that under certain economic, political and social conditions the integration process, like the one continuing in the European Union, could lead to emergence of Union level (European) identity instead or alongside national identity.

Because it is not feasible to conduct the analysis of all member-states of the European Union within the framework of the present master thesis research, two countries have been chosen as cases for analysis – Germany and Austria. The countries significantly vary in geographical size, amount of population, size of the economy, political context and have different experience in European integration, Germany being the founding member, and Austria only joining in 1995.

In order to study the political, economic and social conditions PESTLE analysis was conducted for chosen case countries. Special emphasis in PESTLE analysis was put on political, economic and social factors. Technological factors, although very interesting are very difficult to assess. It was not possible to quantify their effects on the developments of national and European identity within the framework of this study. However, generally technological factors, new means of communication and transportation bring people closer together, which is a positive prerequisite for better understanding various culture and closer relations, hence technologies can be considered a positive factor, although their specific degree of influence is very difficult to assess.

In terms of legal and environmental factors, they have been only briefly considered in PESTLE analysis for various reasons. Legal factors as has been mentioned in Chapter on future of European identity can be considered as one of the founding blocks necessary to develop European identity, and they are already in place universally through the EU countries in the form of treaties, regulations, directives and decisions. Since both case countries are living according to the same legal framework it does not give basis for differentiating effects in two chosen cases. Environmental factors have been excluded from analysis due to the global nature of challenge.

The PESTLE analysis helped to identify general patterns in both countries in terms of structure of political parties, economic and social development. The results were used in

the following chapters to identify correlation with changes in people's responses to the questions in Eurobarometer with regards to image of the EU and feelings of people.

In order to identify the correlation analysis of the responses was conducted first, identifying the patterns, peaks, increasing, and decreasing trends. After isolating the trends comparison was made in order to find correlation between the responses to the Eurobarometer survey and economic, political and social factors for the period of 1990-2014 for Germany and 1995-2014 for Austria.

The timeframe was chosen according to several assumptions. First, for Germany 1990 was chosen as the starting point because that was the year of reunification of East and West Germany. Prior to that only West Germany was participating in integration processes in Europe. So, the point of reunification seemed natural in order to ensure consistency of economic, social and political indicators. For Austria, in economic, social and political indicators 1994 was chosen as a starting point to see the baseline – the situation in the country prior to integration in 1995. For Eurobarometer indicators 1995 is the starting point, when the surveys were conducted in Austria, as part of European community.

After the comparison, several trends were identified. First, political factors did not play a significant role in dynamics of opinions towards the EU. Except for the minor shifts in responses to the survey in Austria, in periods, when extreme right parties were in Parliament, there is no clear correlation between the success rate of the nationalist or anti-European parties and opinions towards the EU. Another aspect is still, that the base level of anti-European political platforms is very different in two countries. In Germany, these parties do not gain success, while in Austria the support for these parties is rather high. However, the number of the supporters appears to be rather stable in both countries. And in Austria, it was noticed that even in the peak years of elections, when nationalistic parties gained significant weight, this was not reflected by any significant changes in the attitude to the European Union or self-identification of people.

Economic factors exhibited the strongest correlation of the three analyzed group of factors. In the period of economic growth, positive attitude to the European Union and self-identification with European component were stronger, while in times of crises the negative attitudes increased, while positive ones were decreasing. The scale of these changes was greater in Germany, which might be due to strong role of Germany in economy of the European Union and its efforts and monetary contributions to overcome the Eurozone crisis and bailout some of the member-states. In Austria, economic effects were also present, although not as strong as in Germany, which might be due to smaller

size, both in terms of geography and population, smaller scale of the economy, and therefore less spending on the general EU anti-crisis policies.

In terms of social factors, the main indicator, which was taken into account, was unemployment. There was no clear correlation identified between real unemployment rate and the attitude to the European Union and self-identification. However, an interesting observation was made, that it was not the unemployment itself that influenced the negative attitude, but rather fears of possible unemployment. This was especially evident in Austria prior to Eastern Enlargement, when there were many fears of possible unemployment increase due to cheaper labor from neighboring Eastern Europe countries. Migration was also considered as a factor, however conclusion was reached that specific studies are needed among migrant groups to assess their attitude to integration and their self-identification, in order to see, whether higher immigration numbers have a significant influence on European identity evolution.

All in all positive trend in attitude of the respondents to the European Union, as well as rising number of respondents with European component in self-identification confirms that European identity does develop over time under favorable conditions. However, it is now the question of double identity with both national and European component, rather than substitution of one with another. Because EU is not a state, and it is not a “super-state” European identity cannot replace national identities, which have strong historical, cultural and other roots. However, multiple layers of identity are quite possible, evidence of which was provided in the research.

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