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Mwita Chacha

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## European Union membership status and decentralization: A top-down approach

Mwita Chacha 

Political Science and International Relations, Nazarbayev University, Astana, Kazakhstan



### ABSTRACT

Despite state resilience and the waning of the ‘Europe of the Regions’, European integration persists in affecting subnational actors. Subnational actors have maintained lobbying offices in Brussels to access European Union institutions while others have continued to organize around regionalist parties in the European Parliament. This study explores whether and how EU membership has influenced decentralization. I argue that states exposed to Europeanization, candidates and members of the EU, decentralize more compared to non-EU states. Quantitative tests using recent data on regional authority and three case studies of France, Poland, and Spain provide support for this argument. This article contributes to the research on Europeanization and multilevel governance by focusing on state-level motivations for decentralization. This study’s findings allude to the need of examining how other facets of European integration affect subnational actors and investigating variations in decentralization between EU member-states.

**KEYWORDS** Europeanization; regional authority; decentralization; European Union; self-rule; shared rule

A ‘Europe of the regions’ has not emerged in the European Union. Reforms to the EU’s regional policy, the creation of the Committee of the Regions, and the emergence and extension of subsidiarity and partnership principles motivated scholarly attention particularly in the 1980s and 1990s on the subnational implications of these reforms (Elias 2008). An initial conjecture of this research suggested that subnational actors would acquire competencies at the expense of member-states (Borras-Alomar, Christiansen, and Rodriguez-Pose 1994). By the 2000s interest in this theme had waned as it became evident that Europe remained firmly in the hands of nation-states (Elias 2008).

Notwithstanding this state resilience, the EU persists in its effects on subnational actors. Subnational actors continue to establish offices in Brussels with the aim of influencing EU policies (Tatham 2015). The process of accession witnessed in Central and Eastern Europe involved applicants establishing

**CONTACT** Mwita Chacha  [mwita.chacha@nu.edu.kz](mailto:mwita.chacha@nu.edu.kz)  Political Science and International Relations, Nazarbayev University, 53 Kabanbay Batyr Ave, Astana 010000, Kazakhstan

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regional governance structures to implement EU policies (Brusis 2014). Enlargement and the recent Eurozone crisis have influenced changes in strategies subnational actors use to influence the EU (Swenden and Bolleyer 2014). Regionalist parties continue to use the political space the European Parliament has availed to promote their subnational agendas (Hix and Høyland 2013). Crucially, recent regional political debates on autonomy and independence in Scotland and Catalonia reference the influence and prospects of EU membership in their autonomy movements (Colino, Molina, and Hombrado 2014). Put differently, European integration continues to have a significant effect on subnational actors despite the waning of ‘a Europe of the regions’ (Elias 2008, 487).

These persistent regional consequences of European integration call for the need to explore how European integration can motivate state officials to decentralize, or transfer certain decisionmaking competencies downwards. This study builds on research on Europeanization and multi-level governance to argue that the domestic adaptation of EU laws and policies, a unique characteristic of the EU compared to other intergovernmental organizations, can influence decentralization. Requirements to join and maintain membership in the EU including creating and enhancing the competencies of subnational actors with the aim of ensuring the EU’s legitimacy and efficiency can motivate state officials to advance decentralization. This unique feature of the EU distinguishes EU candidate- and member-states from non-EU states and helps to explain the higher levels of decentralization in countries exposed to Europeanization compared to non-EU states. I test this argument quantitatively using data on regional authority that Marks, Hooghe, and Schakel (2008) developed and qualitatively by examining decentralization efforts in France, Spain, and Poland. The statistical findings and case narratives support the main claims of my argument: membership in and accession to the EU has influenced decentralization in states exposed to Europeanization compared to non-EU states.

This article makes three contributions to the research on Europeanization and multi-level governance. First, this study proposes a top-down approach to explain how European integration impacts decentralization that complements bottom-up approaches in extant literature (see Dardanelli 2017; Jolly 2015). Second, this study further highlights the impact of supranational governance on regional authority by considering the effects of EU candidate and membership status on the self-rule and shared rule dimensions of regional authority (cf. Hooghe and Marks 2016). Finally, this study’s top-down approach complements those examining how regional authority impacts subnational engagement with the EU by identifying a potential and reinforcing source of regional authority – EU candidacy and membership status (see López and Tatham 2018; Tatham 2011).

## European integration and territorial politics

Literature on the European Union and territorial politics has considered how and whether various aspects of European integration have influenced decentralization and subnational mobilization. Below, I identify two broad themes in this literature: the effect of the EU's economic and political-institutional integration on subnational mobilization and decentralization. While this literature highlights how Europeanization processes affect subnational mobilization and decentralization from the bottom-up and how decentralization impacts subnational adaptation to Europeanization, there remains a need to further consider a top-down effect of Europeanization on territorial reforms. This latter theme is developed in the argument section.

A dominant argument proposed to explain decentralization and subnational mobilization considers how economic liberalization motivates territorial reforms. One argument posits that economic integration encourages demands for political separatism by lowering the cost of political independence. Strict political boundaries play an influential role in determining the size of a country's production and market under protectionist conditions. With economic openness, however, these boundaries become less relevant, increasing the likelihood of subnational mobilization, particularly for heterogeneous countries, that can result in decentralization (Wacziarg, Spolaore, and Alesina 2003).

Given that its primary goal has been economic integration, the EU provides the context that facilitates territorial reorganization. The EU's large market and the accompanying transnational economic legal framework makes smaller units viable, thus encouraging subnational mobilization and decentralization (Alesina and Wacziarg 1999). Marks, Hooghe, and Schakel (2008, 176) further observe that as a result of deeper economic integration, subnational actors may demand more competencies in order to be effectively competitive in the EU's single market. Highlighting the bottom-up approach, literature on regionalist parties also attests to this economic integration motivation for subnational mobilization. Dardanelli (2014) and Jolly (2015) attribute EU's economic integration as having influenced the rise and strategies of regionalist parties. For Dardanelli (2014, 232), 'regional-nationalist parties with a secessionist agenda and positive attitudes to the EU [...], have argued that integration provides political and economic incentives and opportunities to acquire independent statehood.' In Jolly's (2015) case economic integration in the EU has diminished the advantages of large states and in the process availed a permissive environment for the viability and success of regionalist parties.

However, this economic integration argument is not without its critiques. One counterargument considers how market integration heightens the possibility of economic shocks that can be mitigated through central government

action (Garrett and Rodden 2003). In the EU context, Van Houten (2003) finds economic integration not to have increased sub-national mobilization. Brancati (2014) similarly argues that economic integration in the EU is only weakly associated with subnational mobilization as measured by support for separatist parties. For Brancati (2014, 73), the benefits of economic integration are not evenly distributed nor large enough to enable regions to be viable as politically independent units. Her findings suggest that the political context of EU states may be mediating the extent to which the EU affects territorial politics.

European integration also encompasses political processes that have been argued to impact subnational mobilization and decentralization. The EU has developed into probably the most vital source of laws and policies for its member-states, a feature that distinguishes the EU from other types of inter-governmental organizations. Literature on the 'Europe of the regions' for instance has noted how the direct elections of members of the European Parliament and its growing legislative role, institutional reforms such as the creation of the Committee of the Regions, the promulgation and development of the EU's regional policy, subsidiarity and partnership principles, and the growing importance of Brussels as the 'EU policy center' have influenced territorial reforms in member-states (Elias 2009; Massetti and Schakel 2016). This growing policy role of the EU has had the effect of necessitating the creation of regional governance structures to aid in policy formulation and implementation and motivating subnational authorities, where they already existed, to push for EU policies that advance their regional goals through mechanisms such as opening lobbying offices in Brussels (Borghetto and Franchino 2010; Swenden and Bolleyer 2014).

These political-institutional aspects of European integration have also generated 'opportunities and incentives' for subnational mobilization and decentralization in the form of regionalist party activities. The EU's institutional and policy reforms noted above, the transfer of competencies to the EU level, and the EP's growing legislative role have availed opportunities for regionalist parties to coordinate and demand greater voice and devolution (Dardanelli 2017; De Winter and Cachafeiro 2002). For these regionalist parties, the EP has become 'an effective channel to promote sub-state interests within the EU arena, especially when MEPs are elected on the basis of regional constituencies' (Tatham 2008, 504).

Moreover, the EU's political-institutional integration influences how subnational actors adapt to Europeanization. Tatham (2011) and López and Tatham (2018) investigate the effect of decentralization on subnational involvement in EU policymaking. Tatham (2011) demonstrates how decentralization has positively affected the institutionalization of subnational participation in EU policymaking. His evidence suggests that 'greater devolution leads to less bypassing and more state-region cooperation on the European scene',

collaboration that is akin to the shared rule component of regional authority. Taking a step further, López and Tatham (2018, 768) show that ‘as decentralization increases the Europeanization of regional authorities, regional interest groups will also increasingly Europeanize.’

This literature demonstrates that political and economic facets of European integration have influenced subnational mobilization and decentralization. Specifically, this literature identifies characteristics that encompass Europeanization as having affected territorial reorganization from the bottom-up. Additionally, the literature shows that the decentralization consequences of Europeanization can impact the strategies of subnational actors as they seek to engage with the EU. Yet, this literature leaves unanswered the question of how and whether exigencies of Europeanization can motivate decentralization from the top-down. This present study takes heed of these observations by considering the motivations of state actors to decentralize in the face of Europeanization. The argument developed in the next section builds on this literature but explores how the demands for acquiring and maintaining EU membership can influence decentralization from the top-down.

### **EU membership status, Europeanization, and decentralization**

I lay out an argument that considers how states exposed to Europeanization, the transposition of EU policies and norms as a consequence of seeking membership in and being a bonafide member of the European Union, influences decentralization. I argue that membership in the EU obligates states to adopt EU policies domestically, some of which require the establishment and strengthening of subnational authorities to ensure legitimacy and the efficient implementation of EU rules and regulations. This process of Europeanization, unique to the EU, ensures that those states exposed to Europeanization, acceding and full members of the EU, have regions enjoying greater levels of authority compared to those states not exposed to Europeanization.

As a process that involves the transposition of EU regulatory policies and other directives domestically as a consequence of EU membership (Olsen 2002), Europeanization is unique to the EU. No other intergovernmental organization in the world has developed an extensive set of rules and regulations that are expected to pervade its constituent member-states’ and candidates’ governance structures such as those emanating from the process of European integration (see Borghetto and Franchino 2010). The deepening of European integration has resulted in a plethora of rules and regulations subject to domestic adaptation in candidate- and member-states. This expanding body of EU policies has made it necessary to involve additional stakeholders beyond the central government to ensure legitimacy and effective and efficient policy implementation. Some of these additional

actors have included subnational authorities that have acquired a key role in the development and implementation of EU policies in their respective domains.

The effect of Europeanization on decentralization manifests itself initially during the accession process. The requirements for joining the EU motivate territorial reforms that facilitate decentralization. States granted EU candidate status are expected to adopt the entire body of EU rules before their admission. Although early entrants to the EU faced a different set of admission rules, those that have joined since the formalization of the EU's regional policy in 1975 have encountered circumstances that have fostered the emergence of multi-level governance in the EU. Treaty revisions that have introduced such policies as the partnership and subsidiarity principles along with reforms to the regional policy have now become part of the *Acquis* that applicant states such as those that joined the EU in 2004 had to adopt domestically before formally acceding to the EU.

EU candidate states then are faced with a set of conditions for membership that necessitate decentralization. Provisions such as those the ten states that joined in 2004 were expected to implement before membership included several chapters of the *Acquis* that called for the enhancement of the administrative capacities of subnational administrative units. Several studies have noted how fulfilling these admission rules strengthened the role of subnational actors in these new member-states in EU policymaking (Baun and Marek 2014). It can be argued then that for these acceding states, the requirements for membership that have become part of EU law have either facilitated the emergence of new subnational administrative structures or ensured those already present have a greater role in subnational, national, and EU policymaking. As such, the prospects of membership in this unique international organization for candidate states has motivated them to pursue and/or enhance decentralization.

However, Europeanization's exigencies provide additional impetus for decentralization among bonafide members of the EU compared to non-EU states. In a manner similar to that described above, I argue that the requirements to maintain membership, which involve ensuring the efficient transposition of EU rules, has further motivated decentralization in member-states. Effective implementation of EU rules ensures the smooth operations of the organization (Kaeding 2006). For such effective implementation to take place, administrative capacity and the need to involve key stakeholders in member-states has become paramount (Börzel et al. 2010). This is especially the case given that as the EU has deepened and widened, the number of rules and regulations subject to domestic transposition has increased.

In addition to an increasing number of regulations that have accompanied a deepening EU, the organization has also faced legitimacy problem that have further heightened the need to involve other policy stakeholders beyond

those in the central government (Tömmel 1998). Literature on multi-level governance points to the emergence of different nodes of decision-making in the EU as a means of facilitating the efficient implementation of policies resulting from European integration (Hooghe and Marks 2003). It is in this framework that one is also able to observe how subnational involvement has been enhanced in member-states with the aim of improving the quality and legitimacy of EU policy making and implementation (Borghetto and Franchino 2010).

The argument developed in the previous paragraphs complements previous studies that considered the effect of the EU on decentralization. In their recent investigation on how minority communities influence decentralization, Hooghe and Marks (2016, 133) explore whether supranational governance, the extent of delegation to and policies addressed by intergovernmental organizations countries maintain memberships such as the EU, can also motivate decentralization. The present study takes a different approach by placing EU membership status front and centre. Acknowledging the uniqueness of the EU, and specifically the requirements for membership, compared to other intergovernmental organizations, this study's argument identifies the motivations for state authorities of candidate and member-states to implement decentralization as one of the several criteria to acquire and maintain EU membership.

Crucially, this argument does not refute domestic processes motivating decentralization independent of European integration nor does it challenge the bottom-up influence of European integration on decentralization. Instead, the top-down argument I propose takes heed of the admission from Marks, Hooghe, and Schakel (2008, 176) that it is difficult to isolate bottom-up and top-down means through which European integration facilitates decentralization. This difficulty hints at the complementarity between the bottom-up and top-down modes through which European integration impacts decentralization along with domestic political processes independent of the EU.

Three cases presented in a later section of this article – France, Spain, and Poland – attest to the complementarity of top-down and bottom-up motivations. This complementary role does not mean that the demands of EU membership are less influential. As the EU has deepened and widened integration, it has become the most important source of policy for its constituents and potential members. Given this growing policy role, it becomes imperative to evaluate the extent to which, however complementary, EU membership and Europeanization facilitate decentralization in candidate- and member-states. Thus, I test the following two hypotheses:

H1a: European Union candidacy is positively associated with decentralization.

H1b: European Union membership is positively associated with decentralization.



## Data and method

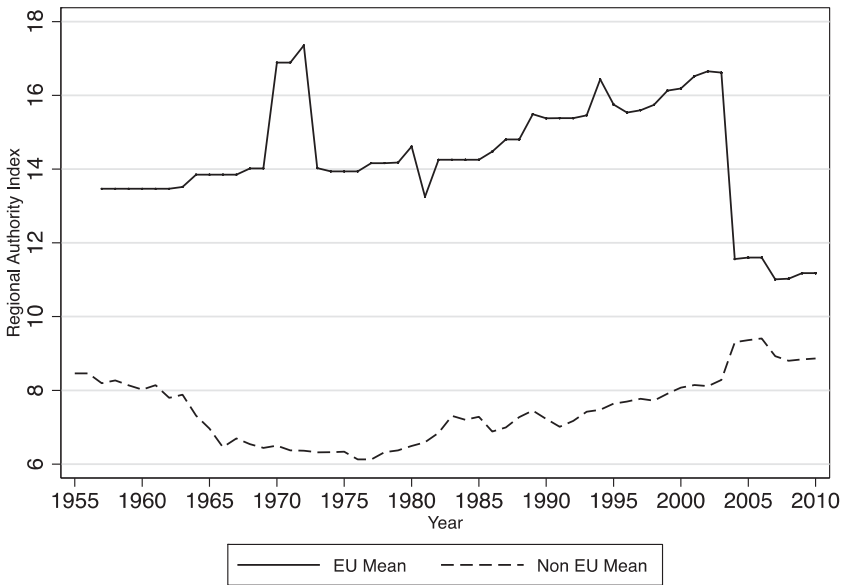
I test the two hypotheses using data from several sources for the operationalization of the dependent, main independent, and control variables. The analyses focus on countries whose levels of decentralization have been coded in the Regional Authority Index (RAI) dataset that Marks, Hooghe, and Schakel (2008) developed. The RAI dataset codes the extent of regional authority in 126 countries between the years 1950 and 2010. In summary, the compiled data are composed of 78 countries assessed between the years 1950 and 2010. The units of analysis, country-years, add up to 3658.

Three dependent variables derived from the RAI dataset are used. RAI incorporates two measures of regional authority: shared rule and self-rule. Shared rule captures the extent to which a regional government/administration exercises authority in lawmaking, executive control, fiscal control, borrowing control and constitutional reforms. Self-rule, on the other hand, evaluates the extent to which a regional government exercises authority over those living in its region in terms of having an independent executive and legislature, taxation powers, borrowing autonomy, and policy and administrative authority. RAI is the sum of these two components into a continuous variable with higher values indicating subnational administrations with more authority and therefore a higher degree of decentralization. In testing the two hypotheses, the RAI measure along with its two components, shared rule and self-rule, are estimated separately.

RAI is appropriate for this study as it encapsulates aspects of decentralization that this study causally links with European integration. The RAI data are more comprehensive temporally and spatially and cover a wider array of political systems compared to other decentralization measures (Hooghe et al. 2016; Schakel 2008). Additionally, by estimating the self-rule and shared rule components of the RAI separately, this study distinguishes the effect of exposure to Europeanization, through EU membership status, on these two dimensions of regional authority unlike previous studies (see Hooghe and Marks 2016).

Figure 1 presents means of RAI for EU and non-EU members between the years 1955 and 2010. There is a substantial difference between the EU's mean RAI and that of non-EU states in the years prior to the 2004 EU enlargement. Following the EU's enlargement, there is notable drop in the EU's mean RAI that can be explained by the entry of former communist countries into the EU that were highly centralized before applying for and gaining EU membership.<sup>1</sup>

I develop two EU membership status variables, *candidate* and *member*, to test the two hypotheses. *Candidate* is a dichotomous variable that takes the value of 1 in the years a given state was considered officially a candidate for EU accession and 0 otherwise. *Member* is also a dichotomous variable



**Figure 1.** Mean Regional Authority Index, 1955–2010.

that take the value of 1 in the years a given state was a bonafide member of the EU and 0 otherwise. These variables are operationalized using information obtained from official EU sources on member-states' accession and membership timelines.

I control for several factors that extant literature has identified as also influencing decentralization (see Arzaghi and Henderson 2005; Hooghe and Marks 2012; Treisman 2006). First, I control for ethnic diversity using the variable *fractionalization* obtained from Desmet, Ortuño-Ortín, and Wacziarg (2012).<sup>2</sup> Second, I control for a country's *population* and *geographic area* using data from the Penn World Tables and the World Development Indicators (Heston, Summers, and Aten 2012; World Bank n.d.).<sup>3</sup> Third, I control for *openness*, a country's total trade as a percentage of its GDP in constant (2005) US dollars, and *wealth*, a country's per capita GDP in constant (2005) US Dollars. Both variables are obtained from the Penn World Tables. Fourth, I control for *democracy* using the unified democracy scores (UDS), a composite measure of democracy that incorporates ten quantitative democracy indices including Polity IV and Freedom House scores (Pemstein, Meserve, and Melton 2010).<sup>4</sup> Finally, I consider the effect of the constitutionally-defined structure of government using Watts' (1998) three-point classification that Norris (2008) coded. *Federal* takes the value of 1 for unitary states, 2 for states with hybrid structures that incorporate features of both unitary and federal states, and 3 for federal states.<sup>5</sup>

Summary statistics of the compiled data are presented in the appendix. The data are estimated using a Prais-Winsten linear model with panels corrected standard errors (PCSEs). This model enables estimation in the presence of serial autocorrelation and heteroskedasticity in the panels. A lagged dependent variable is included in the estimates that helps to address the inherent autocorrelation and to take into account the effect a country's previous level of decentralization (RAI) might have on its later decentralization. All right-hand side variables with the exception of *area* are lagged by one year to address temporal dependence. Finally, to model country-specific factors not captured by the set of control variables, I include country fixed-effects in all models.

## Findings

Table 1 presents estimates of the effect of EU candidacy and membership on decentralization in three models: the first model with *RAI* as the dependent variable while the second and third models with *self-rule* and *shared rule* as the dependent variable respectively. In all three models, the coefficients for the two EU membership status variables are positive and statistically

**Table 1.** The effect of EU membership on decentralization.

	RAI	Self-rule	Shared rule
Lagged D.V.	0.889*** (0.019)	0.891*** (0.018)	0.726*** (0.030)
Candidate	0.320** (0.126)	0.279** (0.112)	0.015 (0.057)
Member	0.228** (0.108)	0.173 (0.093)	0.119** (0.058)
Fractionalization	-5.040 (9.175)	-4.353 (7.331)	-1.637 (4.643)
Population	0.208 (0.109)	0.242*** (0.076)	-0.062 (0.068)
Area	-0.118 (0.810)	-0.240 (0.648)	0.370 (0.546)
Openness	-0.000 (0.001)	-0.000 (0.001)	-0.000 (0.001)
Wealth	0.008** (0.003)	0.007** (0.003)	0.003 (0.002)
Democracy	0.216** (0.087)	0.126** (0.061)	0.151*** (0.042)
Federalism	-0.262 (0.371)	-0.214 (0.143)	-0.077 (0.405)
Constant	3.001 (2.792)	2.194 (2.079)	1.603 (1.974)
<i>R</i> -squared	0.979	0.976	0.921
Observations (Countries)	3658 (78)	3658 (78)	3658 (78)

Notes: Prais-Winsten linear model with panel-corrected standard errors (PCSEs) (in parenthesis) and country-fixed effects estimates. Asterisks indicate statistical significance (two-tailed): \*\*  $p \leq 0.05$ ; \*\*\*  $p \leq 0.001$ .

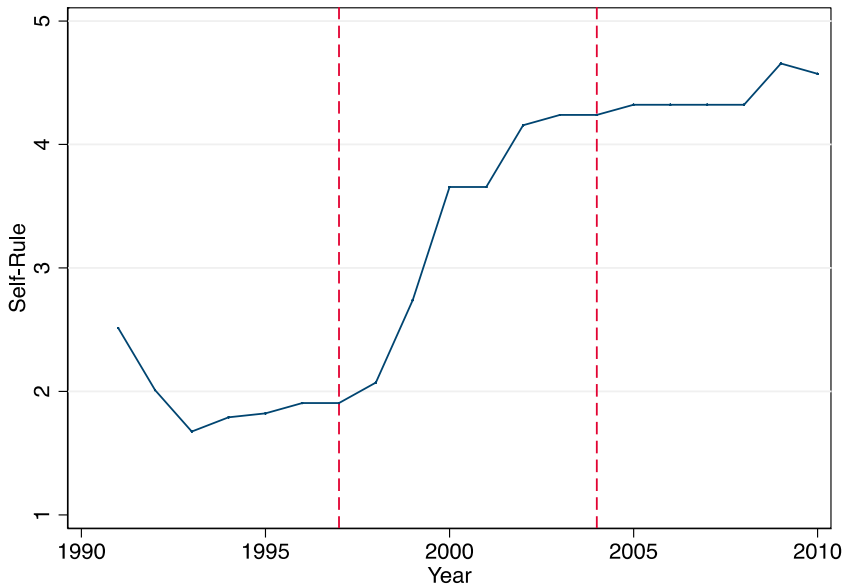
significant, revealing support for the two hypotheses. Admittedly and similar to previous studies that have explored the effect of the EU on decentralization, these candidacy and membership coefficients are substantively small. However, far from suggesting the insignificant impact of the EU on decentralization in states exposed to Europeanization, these coefficients may be pointing at how the EU complements other motivations and sources of decentralization. The three cases in the next section attest to this.

EU Candidacy and membership distinguish those states exposed to Europeanization from other states. In Model 1, there is a positive and statistically significant relationship between the composite RAI measure and EU candidacy and membership. These findings complement those that have previously pointed at the EU's uniqueness and the top-down means through which the EU influences decentralization. EU membership is featured in contributions of Hooghe and Marks (2016), Marks, Hooghe, and Schakel (2008), and Schakel (2009) with all finding a positive impact of membership in this supranational organization on decentralization. However, the findings depicted in Model 1 demonstrate that the EU's effect can be observed among both candidates and member-states, suggesting that the requirements for joining and maintaining EU membership influence territorial reforms.

Estimates for *self-rule* and *shared rule* further show the distinct effects of being a EU candidate- and member-state on different dimensions of decentralization. Although coefficients for the two categories of EU membership status are positive in Models 2 and 3, candidate status is statistically significant and positively associated with *self-rule* while EU membership is statistically significant and positively associated with *shared rule*.

The statistical significance of EU candidacy for self-rule can be explained by the potential ease in instituting such territorial reforms compared to those involving shared rule. Hooghe and Marks (2016) and Marks, Hooghe, and Schakel (2008) observe that the reforms necessary for self-rule including the establishment of regional executives and legislatures are less demanding compared to those on shared rule that necessitate regional representation and policymaking input at the national level. The self-rule reforms alluded to here are similar to those instituted in Central and Eastern European countries during their candidacy period.

Figure 2 depicts the mean self-rule component of the regional authority index of the ten Central and Eastern European states whose EU candidacy lasted on average between 1997 and 2004. The two reference lines on the *x-axis* mark these two time points. A notable observation is the average increase in the self-rule measure during these countries' candidacy period compared to the period before their candidacy and after their accession. The case study of Poland in the next section further highlights similar self-rule reforms during its candidacy period.



**Figure 2.** Mean self-rule component of the Regional Authority Index for the 10 Eastern and Central European candidate states, 1990–2010.

Shared rule reforms on the other hand are likely to require more time to institute given that they call for regional authorities to have a greater say in national policymaking. It is conceivable that the EU's effect on such territorial reforms would be more likely in member-states with already well-established regional authorities. The case study of Spain in the next section provides plausible evidence of how EU membership can impact shared rule reforms in a member-state whose regions already possess considerable self-rule characteristics.

Three control variables are statistically significant in some of the models presented in [Table 1](#) corroborating those of previous studies. First, *population* is positive and statistically significant in the *Self-Rule* model. This finding is unsurprising given that it is in those countries with large populations that governments may deem granting self-rule optimal for service delivery and legitimacy. Additionally, countries with larger populations may be the ones more likely to experience societal demands for self-rule. Second, *wealth* is positive and statistically significant in the *RAI* and *Self-Rule* models implying that richer countries tend to ascribe certain powers to subnational levels of authority compared to less affluent states. Finally, *democracy* is positive and statistically significant across all three models. Democratic regimes may be more susceptible to calls for decentralization and it is in such regimes that one can witness the transfer of power downwards and the sharing of policymaking competencies with the central government.

In all, these results support the main premise of this article: States exposed to Europeanization tend to have higher levels of decentralization compared to non-EU states. Using the regional authority index and its two components yields findings that support the arguments proposed in this article. In the appendix, three additional tests are conducted to add confidence in the results presented in Table 1. First, in Table A2 *federalism* is omitted from the models given its high correlation with the lagged dependent variable. Second, Table A3 replaces the democracy measure with the commonly used Polity IV score. Finally, Table A4 uses the Varieties of Democracy project's Division of Power Index, an alternative measure of self-rule on a continuous scale ranging between 0 and 1 (Coppedge et al. 2018, 232). The results in these three tables corroborate those presented in Table 1: EU membership and candidacy are positively associated with higher levels of decentralization compared to non-EU status.

## **Europeanization and decentralization in France, Spain, and Poland**

To complement the above quantitative analyses, I provide case studies of decentralization in France, Spain, and Poland. While not exhaustive, these cases identify three key types of EU member-states: a unitary member-state that commenced self-rule reforms independent of the influence of its EU membership (France), a federal/highly regionalized member-state (Spain) that further instituted shared rule following EU membership, and a candidate unitary state that instituted self-rule prior to and during its accession into the EU (Poland). These narratives help to clarify the causal mechanisms of this argument. In all three cases, EU candidacy and membership complemented decentralization processes already underway in these countries.

### **France**

EU membership has complemented decentralization efforts in France. Decentralization in France commenced in the early 1980s independent of EU membership requirements. However, with the evolution and deepening of European integration, France was to be exposed to EU rules that encouraged territorial reforms especially those that enhanced the self-rule of France's sub-national authorities. Compliance with these rules such as those resulting from the reforms of the regional policy and exigencies accompanying the completion of the single market complemented domestic political efforts of decentralization in France.

Decentralization in France coincided with the period of renewal of European integration. The initial motivation for such reform was domestic politics, and specifically, François Mitterrand's socialist government in the early 1980s

(Loughlin 2007, 63). Decentralization had been part of the Socialist Party's manifesto during the 1981 presidential elections (Keating 1983, 241). The reforms that were first introduced in 1982 following intense political debate resulted in the direct elections for regional councils and the transfer of certain executive powers on their regions' affairs to the directly elected presidents of these regional councils (Loughlin 2008, 561). These executive competencies that were to be extended throughout the 1980s, 1990s, and into the early 2000s included budgetary powers over the regions' finances and competencies in the the formulation and implementation of the region's economic development policy in line with national goals (Kuhlmann 2011, 317; Loughlin 2008, 565).

Despite the domestic roots of decentralization in France, a Europeanization element can be identified. For French policymakers, territorial reforms were necessary for congruency between France's administrative structure and a deepening EU (Loughlin 2007, 66). Additionally, such reforms were viewed as imperative to ensure effective coordination and implementation of EU policy domestically especially with additional EU policies resulting from the completion of the single market and reforms to the EU's regional policy (Ladrech 1994; Mazey 1994, 132; Pasquier 2009). Put differently, while not attributing Europeanization as the key motivator of decentralization, these authors do acknowledge that France's membership in the EU did have a complementary effect on the increase in competencies of subnational authorities.

## **Spain**

The effect of EU membership in Spain sheds light on how Europeanization affects the competencies of subnational authorities in a de facto federal state. Although decentralization in Spain began before its EU membership, the expectations of EU membership, particularly the implementation of EU policies, impacted subnational actors in a manner somewhat similar to the French case. As a result of the need to efficiently and effectively apply EU rules domestically, Spain's regional authorities gained a shared governance role on EU policy.

Territorial reorganization in Spain began following the end of Franco's rule. Domestic forces, specifically demands by some of the historical nationalities—Basques, Catalans, and Galicians—for self-government following decades of Francoist push for assimilationist policies, influenced the reforms introduced in the 1978 constitution (Moreno 1997, 68–69). This constitution devolved powers to newly created subnational units, 17 self-governing autonomous communities (ACs) with varying levels of autonomy depending on the public's demands (Colino 2008, 574). Additionally, party politics and especially the rise of regionalist parties influenced the trajectory of devolution (Verge

2013). With some variations, ACs possess exclusive competencies in regional economic development, education, health, and social services, environmental policy, and some taxation authority (Toboso and Scorsone 2010).

The consolidation of the ACs and devolution in Spain coincided with its membership in the EU. To meet its membership obligations and ensure the efficient implementation of EU policy, Spain's policymakers sought to consolidate and institutionalize shared powers between the central and the AC governments, particularly in those areas the EU rules cover. The Conference for European Affairs, comprising central government and AC representatives, was established following Spain's accession to the EU to facilitate policymaking and implementation cooperation between these two levels of government (Börzel 2000; Magone 2004, 159). In this case, initial decentralization motivated further subnational demands for involvement in EU policymaking, facilitating the consolidation of shared rule in Spain (see Tatham 2011). The emergence and persistence of this shared rule system helped to allay fears of a potential recentralization as a result of Spain's EU membership while enabling the efficient implementation of EU rules (Börzel 2000; Coates 1998; Maiz, Caamaño, and Azpitarte 2010).

## **Poland**

Poland illustrates the effect of Europeanization on the extent of subnational authority in acceding states. Poland's accession, commencing in 1997, involved adoption, implementation, and enforcement of all chapters of the *Acquis*. Chapter 21 of the *Acquis* during Poland's accession specifically called for the establishment of subnational administrative capacity for the implementation of EU's regional policy including programmes and projects covered within this policy.<sup>6</sup> Poland's territorial reform efforts that had already started in the early 1990s were to receive additional impetus following its application to join the EU.

Discussion on territorial reforms in Poland had been ongoing since the end of communist rule, with party politics playing an influential role in the trajectory of these reforms (Baun 2002; O'Dwyer 2006). The 1990s witnessed a struggle between Solidarity, a major proponent of territorial reforms, and former communists and the Peasant Party that were opposed to such reforms as they threatened their hold on their political bases (Ferry 2003; Yoder 2007). Ultimately, Solidarity emerged successful, pushing through reforms in 1997 that streamlined the number of *voivodeships* (regions) and decentralized competencies to democratically elected *sejmiki* (regional assemblies) in areas of regional development, competition, education, and health services (Yoder 2003, 272–273; Yoder 2007, 430).

Although domestic politics were important in structuring the process of territorial reforms in Poland, the prospect of EU membership provided a complementary momentum. Requirements for EU membership, including



those on territorial reforms, enabled Polish policymakers 'to overcome resistance to decentralization and counter recentralizing tendencies' (Baun 2002, 275). Crucially, EU Commission's assessments of Poland's compliance with *Acquis* played a role in motivating the Solidarity-led government's reforms. Decentralization persisted following Poland's accession into the EU, although party politics also continue to mediate the extent of decentralization and subnational authorities continue to contend with attempts at recentralization (Brusis 2014, 307–311).

## Conclusion

Despite the waning of 'a Europe of the regions', the EU has had an effect on decentralization in those states exposed to Europeanization. This study considered how the requirements of gaining and maintaining EU membership that arise from adopting EU rules and policies domestically can motivate state officials to decentralize competencies to subnational authorities. The statistical findings along with the three case narratives provide support for this argument. Additionally, these findings reveal that EU candidacy and membership impact different components of regional authority.

Moreover, this article's findings reveal the complementary role of Europeanization on decentralization. In the three case studies, it is evident that Europeanization added impetus to decentralization processes already underway in these states. Poland, Spain, and France commenced territorial reforms independent of their respective EU candidacy and membership. However, Europeanization provided an additional boost to these decentralization efforts, in most cases positively impacting self-rule. This observation implies that while decentralization is not unique to EU candidate- and member-states, the EU provides a unique institutional framework that can complement these domestic efforts. It is this institutional framework, however complementary, that differentiates decentralization in states exposed to Europeanization from non-EU states.

This study contributes to the literature on multi-level governance and Europeanization in three ways. First, the argument and findings demonstrate the complementarity of the top-down approach espoused in this article with the bottom-up approach in extant literature that had shown the EU's effect in motivating subnational mobilization and decentralization. Second, this study further highlights the uniqueness of the EU among other intergovernmental organizations in affecting territorial reforms. This present study takes the additional step of placing EU membership status at the front and centre to show how exposure to EU policies for EU candidates and member-states motivate decentralization, albeit different aspects of regional authority. Finally, this article's argument and findings complement research examining subnational adaptation to the EU. By revealing how requirements to join

and remain in the EU can effect decentralization, this study identifies a reinforcing source of regional authority that inspires subnational strategies in the face of Europeanization pressures.

Finally, this study suggests two potential avenues for future research. First, this study alludes to the need of examining how other processes of European integration affect subnational actors. Whereas this article focused on EU membership status and Europeanization, crucial aspects of European integration such as the financial and migrant crises could also be argued to affect subnational mobilization and decentralization. Second, there is need to address within EU variations in decentralization and how European integration can explain these differences. Whereas this study showed that EU candidacy and membership have motivated decentralization, variations in decentralization persist among candidates and member-states. Explaining such variations in decentralization can help to highlight how the EU's impact can be further distinguished between its candidates and member-states.

## Notes

1. Tatham (2014) also observed this drop in the EU's regionalization levels following the 2004 enlargement.
2. Desmet, Ortuño-Ortín, and Wacziarg (2012) propose 15 levels of linguistic diversity based on the Ethnologue data for each state in their dataset. This study makes use of the first level that denotes older/historical cleavages that may tend to foster calls for decentralization.
3. I use the natural logarithm of these two variables. WDI's area measure starts from 1961. Since area sizes are reasonably stable, I extrapolate these data backwards to cover the period 1950–1960.
4. UDS is advantageous because of its wider spatial and temporal coverage compared to other common democracy measures. *Democracy* is the mean of the UDS posterior densities varying between  $-1.49$  and  $2.28$ , with higher values denoting a more democratic state.
5. In Norris' (2008) data, this variable's coverage is till the year 2004 with a few countries being classified as missing. I extrapolate the data using both the available data and other sources on government type to increase the temporal coverage to 2010 and to fill the missing countries' values.
6. Chapters 13 on Social policy and employment, Chapter 22 on the environment, and Chapter 24 on justice and home affairs also call for the enhancement of the administrative capacities of regional administrative units.

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## ORCID

Mwita Chacha  <http://orcid.org/0000-0003-1143-0359>

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## Appendix

**Table A1.** Summary statistics.

Variable	Mean	Std. Dev	Min	Max
RAI	8.628	9.285	0	36.99
Self-rule	6.765	6.748	0	26.336
Shared rule	1.863	3.232	0	15.007
Candidate	0.028	0.165	0	1
Member	0.165	0.371	0	1
Fractionalization	0.133	0.168	0	0.647
Population	2.02	1.665	−1.94534	5.727
Area	−1.908	2.121	−8.04719	2.797
Openness	61.859	48.83	3.60896	433.045
Wealth	13.086	11.193	0.644759	80.231
Democracy	0.664	0.878	−1.48529	2.277
Federalism	1.547	0.826	1	3

*N* = 3658 (78 country-years).

**Table A2.** Models without *federalism*.

	RAI	Self-rule	Shared rule
Lagged DV	0.889*** (0.0194)	0.891*** (0.018)	0.727*** (0.030)
Candidate	0.319** (0.126)	0.278** (0.112)	0.015 (0.0568)
Member	0.227** (0.108)	0.172 (0.0925)	0.119** (0.0579)
Fractionalization	−4.047 (6.815)	−3.170 (5.489)	−1.357 (4.388)
Population	0.203 (0.109)	0.238*** (0.0753)	−0.0637 (0.0681)
Area	−0.119 (0.809)	−0.240 (0.648)	0.370 (0.545)
Openness	−0.000173 (0.00101)	−3.71e-05 (0.000744)	−0.000156 (0.000633)
Wealth	0.00810** (0.00325)	0.00675** (0.00280)	0.00274 (0.00178)
Democracy	0.217** (0.0870)	0.127** (0.0608)	0.151*** (0.0415)
Constant	2.176 (2.394)	1.497 (1.920)	1.364 (1.503)
Observations	3658	3658	3658
Countries	78	78	78

Notes: Prais-Winsten linear model with panel-corrected standard errors (PCSEs) (in parenthesis) and country-fixed effects estimates. Asterisks indicate statistical significance (two-tailed): \*\* $p \leq 0.05$ ; \*\*\* $p \leq 0.001$ .

**Table A3.** Models with *Polity IV*.

	RAI	Self-rule	Shared rule
Lagged DV	0.902*** (0.019)	0.899*** (0.018)	0.742*** (0.030)
Candidate	0.380*** (0.124)	0.312*** (0.112)	0.043 (0.059)
Member	0.251** (0.103)	0.181** (0.089)	0.157*** (0.058)
Fractionalization	-3.505 (6.639)	-3.370 (5.291)	-0.456 (2.449)
Population	0.210 (0.110)	0.222*** (0.078)	-0.021 (0.069)
Area	-0.0569 (0.769)	-0.218 (0.619)	0.371 (0.543)
Openness	-0.001 (0.001)	-0.001 (0.001)	-0.000 (0.001)
Wealth	0.013*** (0.004)	0.011*** (0.004)	0.005*** (0.002)
Polity IV	0.019 (0.01)	0.015** (0.007)	0.009 (0.005)
Federalism	-0.227 (0.360)	-0.184 (0.139)	-0.082 (0.405)
Constant	2.245 (2.556)	1.839 (1.892)	1.260 (1.859)
Observations	3405	3405	3405
Countries	71	71	71

Notes: Prais-Winsten linear model with panel-corrected standard errors (PCSEs) (in parenthesis) and country-fixed effects estimates. Asterisks indicate statistical significance (two-tailed): \*\*  $p \leq 0.05$ ; \*\*\*  $p \leq 0.001$ .

**Table A4.** Estimates with division of power index as the dependent variable.

	Estimates
Lagged DV	0.838*** (0.018)
Candidate	0.038*** (0.009)
Member	0.018** (0.007)
Fractionalization	0.311** (0.158)
Population	0.023*** (0.006)
Area	0.011 (0.014)
Openness	0.000 (0.000)
Wealth	-0.000 (0.000)
Democracy	0.029*** (0.004)
Federalism	-0.002 (0.003)
Constant	-0.028 (0.054)
Observations	3281
Countries	69

Notes: Prais-Winsten linear model with panel-corrected standard errors (PCSEs) (in parenthesis) and country-fixed effects estimates. Asterisks indicate statistical significance (two-tailed): \*\*  $p \leq 0.05$ ; \*\*\*  $p \leq 0.001$ .