Funding Disapproval

An Examination of the European Regional Distribution Fund's Impact on Public Opinion of the EU

Using public opinion data, this study examines the impact of the European Regional Distribution Fund on public opinion of the EU to understand whether the Union's cohesion policy spending furthers the European integration process. Contrary to expectation, regional spending does not foster a more positive image of the European Union among the constituents of the regions receiving the funds. Rather, there is a weak negative relationship between ERDF spending and public opinion of the EU. While the effect is statistically significant, it is noteworthy that, according to this study's additional findings based on demographic information, image of the EU is much less impacted by regional spending than demographic factors. Occupation and financial stability indicators, for instance, have a much more pronounced effect, which again contradicts expectations. Supposed need for social and financial assistance from a supranational body such as the European Union correlates with a more negative image of the European Union: individuals from rural communities or respondents who declared having financial difficulties show a significantly more negative opinion of the Union than their urban and financially stable counterparts. In summary, this study demonstrates that supposed need for EU financial support correlates with an increasingly negative image of the EU.

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1.Introduction:

Historical Context

On May 9, 1950, Robert Schuman made a promising declaration to the future six European Coal and Steel Community members that the Old Continent, the birthplace of the atrocities that plagued the first half of the 20th century, would now strive to become an example of peace for the rest of the world. His peace was not meant to be an abstract word, representative of an unattainable utopian future, but a clear objective attained through "concrete achievements, which first create a de facto solidarity". The past seventy years have seen the relative success of this vision, shared by many other state officials who understood the importance of such a strong block. It has been marked by policies designed to overcome obstacles set against this integration project; now, as the European Union's legitimacy is facing a rising wave of Euroskepticism, it is important to understand how funds distributed by the European Commission to ensure the Union's cohesion impact public opinion on the EU. While it is true that the E.U. is facing a wide array of challenges, it is also presented with many opportunities to prove once again that Robert Schuman's words held the promise of a tangible, lasting union through political and economic cohesion policies.

Research Question

Levels of Euroskepticism subsided in the latter half of the 2010s, as Europe began recovering from the economic challenges caused by the 2008 financial crisis. For a few years earlier in the 21st century, populist radical right parties took advantage of the public discontent in the wake of the crisis, as well as the large uptick in refugee arrivals from the Syrian civil war, to

acquire more influence in their national politics. One of the common traits among the different member-states' PRR parties was their politicization of the EU's response to these crises, fueling the populist discontent against the supranational body. This tendency culminated in Britain's vote to leave the EU in 2016. However since then, to varying degrees, their rhetoric began finding less traction as economic and social challenges became less prevalent and European countries began to recover. The European Union seemed to regain some public legitimacy.

However, the Covid-19 pandemic has provoked conditions similar to the early 2010s, namely economic upheaval and a laggard crisis response from EU authorities. It is probable that, in the wake of the Covid-19 pandemic and the crises it has caused, the image of the EU will be negatively impacted throughout the bloc. This study seeks to understand how a key aspect of the EU's continental cohesion policy, regional funding redistribution, impacts European citizens' opinion of the European Union. This is my driving research question: "*What impact does EU funding allocation have on public opinion on the EU itself?".r* In addition to examining the effect of ERDF distribution itself has an impact, this essay examines how the EU image expressed by different tranches of the population. The findings of this essay show that, counter-intuitively, a supposed higher need for the EU and its initiatives, such as social inclusion and economic support projects, does not correlate with a more positive EU image: rather, the relationship is negative. Respondents whose occupation, financial situation, or community type would supposedly most benefit from being a part of the Union generally reflect the most negative image of the Union.

Core Concepts

There are three concepts necessary to grasp the purpose of this research project. Firstly, the **European Union** is a political and economic union of 27 countries located on the European continent. It traces its origins to the European Coal and Steel Community (ECSC) and the European Economic Community (EEC), established respectively by the 1951 Treaty of Paris and 1957 Treaty of Rome. Secondly, the **European Regional Distribution Fund** (ERDF) refers to the European Union structural cohesion policy, a project that began in 1975. Its purpose is to distribute funds from richer regions of the EU to poorer regions in order to fund programs in various project types such as innovation and research, the digital agenda, support for small and medium-sized enterprises (SMEs), and the low carbon economy.

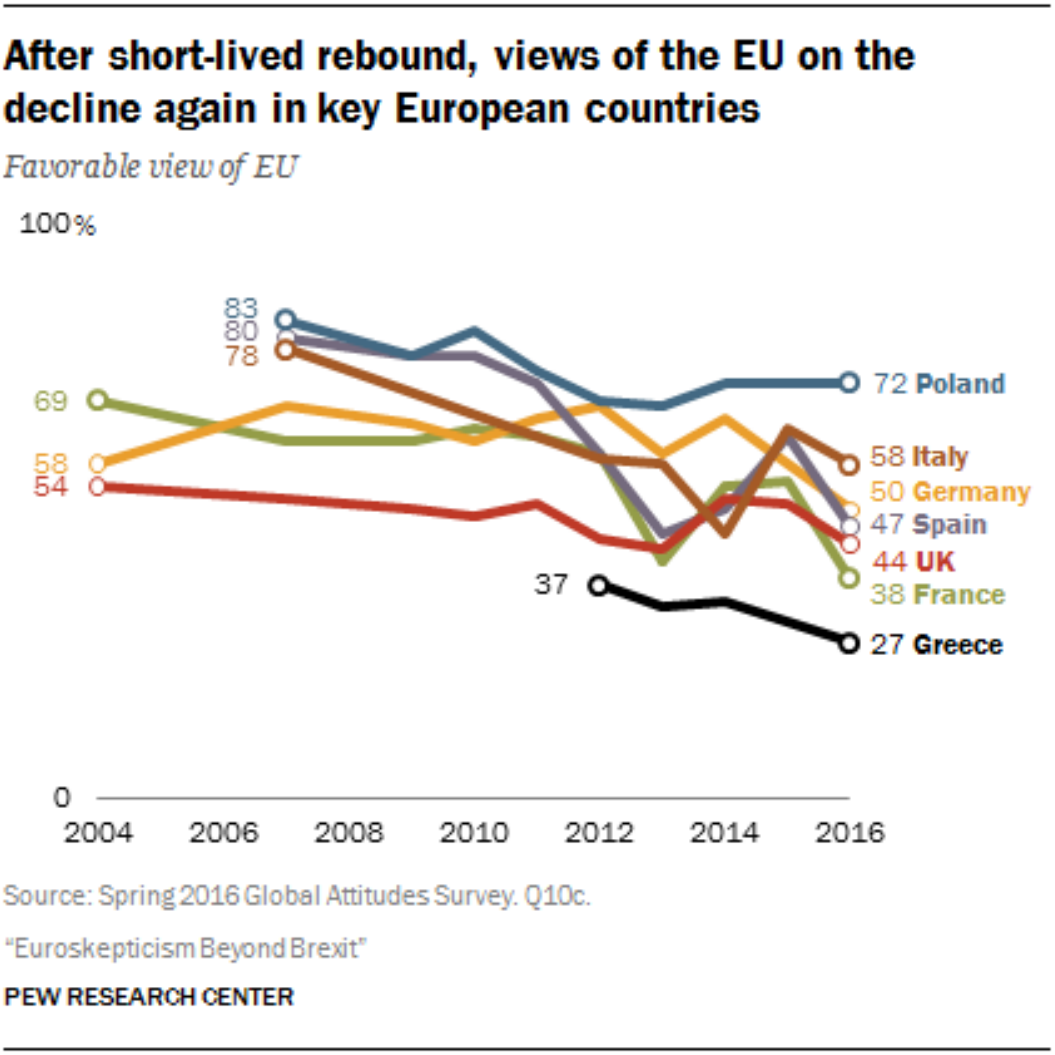
Lastly, the **Eurobarometer** is a poll gathering data collected from every EU region concerning EU citizens' opinion on the European Union. The data is gathered by asking several questions, such as "Rank how effective the EU is on X policy on a scale from 1 to 5?" or "Do you view yourself as an EU citizen?". This data has been central to measuring the health of the EU by examining the views of its citizens towards the Union, which often dictates policy priorities. The data is available at the very least for biannual results.

Core Ideas within Field of Study

One of the most important factors in EU policy making is **EU Public opinion**, which has shifted considerably, and directly influences what steps are taken by national actors in their state's relationship with the Union, as well as the EU actors themselves. In the past 15 years, there has been a surge in skepticism about the legitimacy and usefulness of the European Union called Euroskepticism. Three factors account for Euroskepticism in Europe and its variations

across member-states at present: the financial difficulties caused by the 2008 crisis, the large increase in refugee arrivals starting in 2015, and the politicization by national political actors of both these issues and the E.U.'s approach to solve them.

Table 1: Falling levels of trust in the EU in different member-states



Secondly, driving the purpose of this research is the **European Union integration project**, which refers to the process of industrial, economic, political, legal, social and cultural integration of states wholly or partially in Europe. Since its inception in the 1950s to today, the EU as a

body has strived to expand its influence geographically, politically, and economically through various cohesion projects. The idea, born after the Second World War, is to bring European states closer together through cooperation in these areas. Robert Schuman believed that peace should be achieved through concrete unifying achievements that create a de facto solidarity, via pacts that would make war ultimately "not only unthinkable, but materially impossible". The European cohesion policy, supported by the ERDF, has been since considered a key step in the integration process.

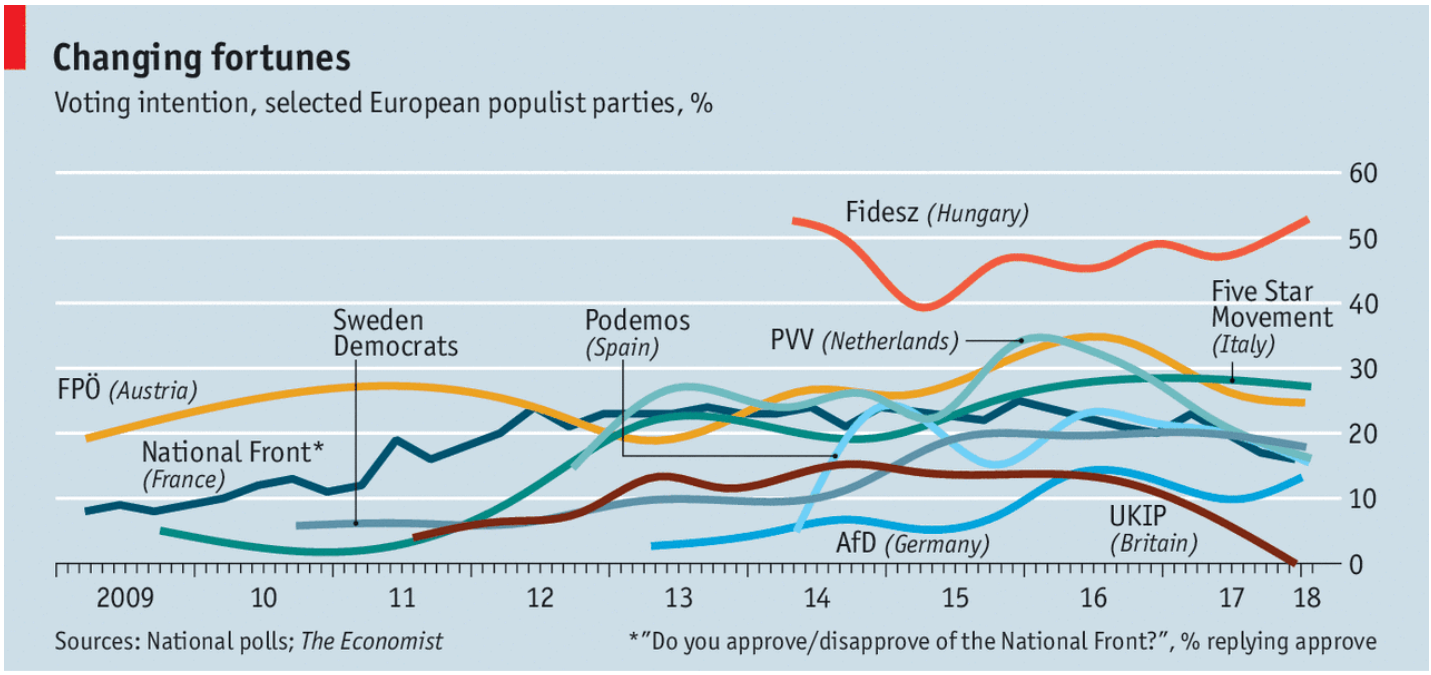
Theoretical Ideas and Topic Importance

This study therefore sought to understand if redistribution of funds in the European Union furthers that integration process by increasing the Union's popularity. There are two main reasons why the findings of this project are important, its relevance to today's international relations landscape and its versatility.

The relevance in today's world is not difficult to understand: the European Union has just suffered one of the most significant setbacks to its integration project, the United Kingdom's departure from the European Union. This has happened despite that fact that, like all E.U. member-states, the U.K. benefited from being part of the Union in many ways, such as profiting from the four freedoms of movement as well as the membership's preferential trade agreements. It is also important to remember that public skepticism regarding the Union rose in the fallout of the 2008 financial crisis after political actors such as Marine Le Pen and Nigel Farage presented the citizens' hardships as a result of the Union's unsound reaction. Therefore, depending on how the EU handles this Covid-19 crisis and how political actors present the EU's reaction to the

crisis, public opinion on the Union will be affected in its aftermath as well. The EU may well face a worsened crisis of legitimacy in 2021.

Table 2: Varying levels of support for European populist parties with anti-EU rhetoric.



Popularity of Populist Radical Right parties in Europe starting after the 2008 financial crisis

The second reason why the findings of this paper matter is because they can be applied to other contexts. Its scope expands beyond the E.U. Public funds and services are not distributed at random, there is an importance to both how their allocation is conducted and how this distribution subsequently affects public response to the allocating body. This shows whether public funds help governing bodies to increase their popularity among their constituents. For example, government officials and politicians may be interested in hearing whether projects, and

more importantly what types of projects amongst which tranches of the population, affect public opinion on them and the institutions they represent.

2.Background

Literature Review

On Public Opinion Interpretation

There are three main schools of thought presented by scholars on public opinion interpretation that help consider how to understand the results of public polls. These concepts are essential to this study as understanding how individuals report their views on the European Union via the Eurobarometer is its central analytical tool.

1. *Literalism*: Supported by Howard Schuman, this theory, also referred to as "survey fundamentalism", holds the belief that some polls tell the literal truth about public opinion. Public opinion is what the pollsters say it is – regardless of whether pollsters measure intensity of opinion, non-opinion, or hypothetical opinion (Moore).
2. *Nihilism*: The notion, articulated by Schuman and Scott (1987), that public opinion measures are so tenuous that no matter how carefully worded, they cannot provide a valid measure of public opinion. The solution to this problem, according to the authors, "requires giving up the hope that a question, or even a set of questions, can be used to assess preferences in an absolute sense" (Bishop).

3. *Realism*: This last principle holds that polls can give a meaningful measure of public opinion, even in an absolute sense, if they are conducted correctly. It takes into account both non-opinion and opinion intensity, and attempts to differentiate, in the words of Daniel Yankelovich (1991), between the public's "top-of-the-mind, offhand views (mass opinion) and their thoughtful considered judgments--public judgment." (Melvin et al). **Pertinence to this study**: For the purposes of this research, realism is the most efficient way of regarding public polling. The Eurobarometer's research process is well conducted, as it provides multiple, specific questions with numerical answers to a large range of individuals representative of the EU population. It can thus be trusted to give a meaningful measure of EU public opinion. However, the polling results cannot be taken as literal truth as there is always space for polling biases, such as social desirability bias (EU citizens may want to portray themselves as more pro-EU than they are).

<u>On Efficiency of Fund Redistribution</u>

The European Union's fund distribution process is at the core of this study's independent variable. The results of the paper, which demonstrate that fund distribution does not foster a more positive opinion of the EU, hint at the possibility that the Union's fund distribution process is not efficient as it fails to achieve its goal of enhanced cohesion.

1. *Convergence*: This idea argues that cohesion policies have a positive impact in terms of growth and narrowing the level of economic, social, and political disparities among the subdivisions within a certain entity (like counties in a U.S. state). Convergence takes a

neoclassical or market perspective arguing that by supporting the free movement of goods, labor and services will begin to flatten disparities between different regions. Since a cohesion policy supports these different elements, the argument goes that fund redistribution should lead to convergence (Wright).

2. *Divergence*: According to this position, a cohesion policy is not causing convergence, but instead argues that the system has an inbuilt tendency towards divergence, which suggests that ultimately regional growth will be uneven even with wealth redistribution. While it does not state the redistribution leads to lack of growth, it does argue that it does not promote a more cohesive body. In other words, it will cause disparities (Martin & Sunley)

Pertinence to this study: Both of these schools of thought are useful in conducting the research and interpreting its results. The results of the study will support one theory more than the other, but until the regressions are run, both are possible tools of analysis. If public opinion is positively impacted by fund redistribution (in a statistically significant manner), then the principle of convergence will provide a more effective explanation. If public opinion is not impacted or is negatively impacted by fund redistribution, the idea of divergence will be more supported.

<u>On E.U. Public Opinion</u>

One of the most important factors in EU policymaking is **EU Public opinion**, which has shifted considerably, and directly influences what steps are taken by national actors in their state's relationship with the Union, as well as the EU actors themselves. In

the past 15 years, there has been a surge in skepticism about the legitimacy and usefulness of the European Union called Euroskepticism.

1. *Ambivalent or indifferent? Reconsidering the structure of EU public opinion*.: University of North Carolina in Chapel Hill's Florian Stoeckel wrote a paper on new ways to interpret E.U. public opinion. His piece reveals that levels of ambivalence towards the EU increase with political sophistication. In addition, it shows how citizens are more ambivalent, less indifferent, and less positive about the EU when elite division on European integration is more pronounced. Finally, Stoeckel's research shows that trust in EU institutions and attachment to Europe decrease indifference and ambivalence about the EU. This is useful for the research as it reveals how different demographics change their opinion on the European Union based on their political knowledge as well as national elites' politicization of the Union. It also depicts that trust in EU institutions, of which the ERDF is a part, increases likelihood of positivity towards the E.U.
2. *Euroskepticism and the future of European integration*: Catherine E Devries wrote a book concerning the recent rise of Euroskepticism and how European integration relies on public opinion of E.U constituents. The book examines the role of public opinion in the European integration process, and develops a theory of public opinion that emphasizes the deep connections between people's views about European and national politics. Devries suggests that public opinion cannot only be characterized as either Eurosceptic or not, but rather consists of different types. This dichotomy is important as it offers new views about how the EU should be reformed and which policies should be pursued.

3. *Ever closer or ever wider? Public attitudes towards further enlargement and integration in the European Union:* The paper by Sara B Hobolt researches how public attitudes towards the processes of European Union "deepening" and "broadening" are related and asks whether European citizens see them as complementary or conflicting. Using Eurobarometer data, the paper examines the factors shaping attitudes towards enlargement and increasing political integration across the 27 member states. Hobolt's findings suggest that the 'winners' of integration – high-skilled individuals in core eurozone countries – are most likely to support E.U. integration; however, they are against further enlargement as they fear that a wider union might be costly.

<u>On the E.U. Cohesion Policy</u>

As mentioned before, the purpose of this research is to understand whether a key element of the European Union integration project, its economic cohesion policy, is effective. The EU strives to expand its influence geographically, politically, and economically through various enterprises. The idea, born after the Second World War, is to bring European states closer together through cooperation in these areas. Robert Schuman, one of the founding fathers of the EU, believed that peace should be achieved through concrete achievements, which first create a de facto solidarity" via pacts that would make war ultimately "not only unthinkable, but materially impossible". The European cohesion policy, since its inception, has been considered a key step in that process.

1. *Cohesion policy and European integration: building multi-level governance*: Liesbet Hooge has assembled and edited a collection of studies in a book that explains how the European cohesion policy plays into the politics of the Union at the regional, national, and E.U.-level. The first part of the book looks into the policy dynamics at the European level, determining how projects are prioritized and allocated among the nations and the regions. In the second part, eight member-state studies evaluate the impact of uniform EU policy on territorial relations by comparing policy making before and after the reform. These provide valuable insight in understanding distribution of resources in the ERDF project.
2. *The 'added value'of European Union cohesion policy*: Andrea Mairate's paper provides assesses whether the cohesion policy has furthered the European integration project so far by measuring the 'added value', or benefits, brought about by European Union regional policy, on the basis of the past experiences across Member States and regions. The piece presents different facets of added value concerning impacts on the regional economic integration, policymaking and programming, institutional developments, implementation, learning, and political awareness. This paper is important to the study as it demonstrates whether cohesion policy has brought greater sense of European integration, which is ultimately the goal of my study. However, Mairate does use public opinion as a measure.
3. *The long-term effectiveness of EU Cohesion Policy*: John Bachter and his colleagues have put together a book that presents their studies regarding the European cohesion policy, focusing on ERDF distribution. The papers assess the long-term effectiveness of EU Cohesion Policy by showing the achievements of the ERDF from 1989–2012. They also present the relationship between the cohesion policy and regional development, and

discuss whether and how the Cohesion Policy has contributed to efficient, sustainable, and inclusive growth. They do so by approaching different cases (namely, NUTS-2 regions in Latvia) and different demographics –a paper is dedicated to the impact of ERDF on youth unemployment across Europe. Lastly, they delve into the administration and delivery of the Cohesion Policy at the European Level in order to understand what mechanisms decide how ERDF distribution takes place.

Data

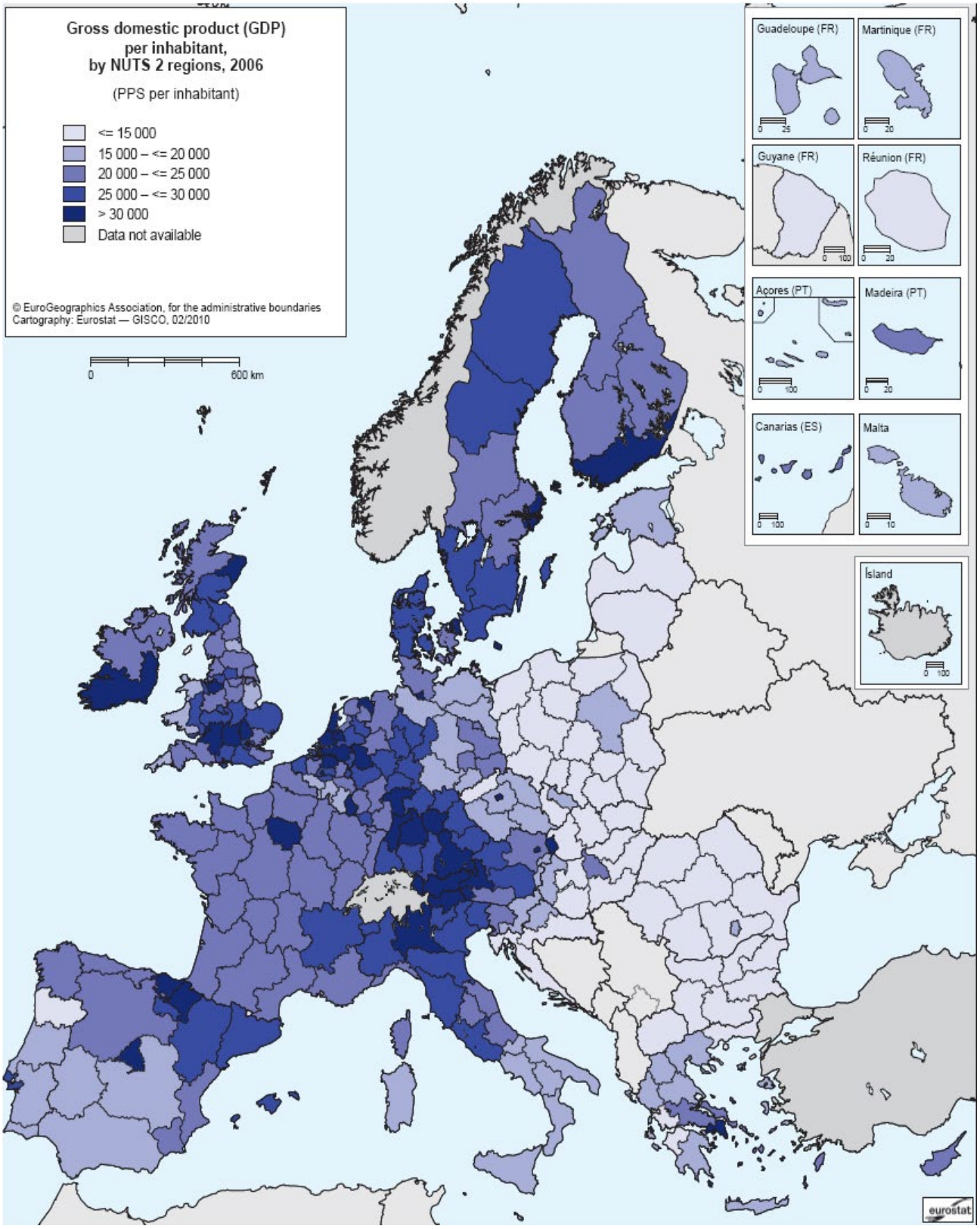
Data on the European Union is divided into what is called “NUTS" classifications. They are classified from NUTS-0 to NUTS-3. The NUTS-0 level refers to the member-state level of analysis, like Germany. The NUTS-1 level stands for the largest subnational classification in the European Union, such as German federal states: in total, there are 104 regions that usually have between 3 to 7 million inhabitants. **The NUTS-2 level is a further breakdown**, more akin to UK counties, where **there are 181 regions of 800,000 to 2 million people.** Lastly, the NUTS-3 classification is the smallest sub-division, equivalent to French departments. Th EU counts 1,348 NUTS-3 regions of 150,000 to 800,000 inhabitants.

My **X-variable consists of the data about the ERDF redistribution funds**, which is usually found at the NUTS-2 level and made public by the European Commission. The data set covers 10 years of ERDF distribution, **from 2009 to 2018.** In addition, the dataset containing the population information specific to each Nuts2 region, as well as some demographic data, is also made available by the European Commission. **My Y-variable is the public opinion poll, called Eurobarometer**. The Eurobarometer’s polls, when aggregated by region, are also presented at the country, NUTS-, and NUTS-2 level. The Eurobarometer data is available online at a center

called GESIS, which is the official body where Eurobarometer data is retrieved, aggregated, and analyzed. GESIS holds a comprehensive list of different trends and questions that started being collected in 1976. However, responses to the questions about the EU Image started being recorded by Nuts codes in 2010, I am going to analyze GESIS Eurobarometer trends for the past 10 years only.

As mentioned above, the question posed is “What is your image of the European Union”, and the respondents’ answers were recorded numerically from **1 to 5** according the following scale: “Very positive”(1), “Fairly positive”(2), “Neutral”(3), “Fairly negative”(4), and “Very negative”(5). For instance, a regional average in the EUImage of 2.5 would represent a more positive regional view of the EU than a score of 3.5.

Table 3: EU Nuts-2 regions, labelled by Gross Domestic Product.



European Union Nuts2 regions, labelled by GDP per capita

Hypotheses

The hypotheses are separated in two categories. The first hypothesis pertains to the effect of ERDF spending on public opinion of the European Union. The next five hypotheses examine the role that demographic information declared by each respondent plays in their image of the European Union. The two categories were created to understand the magnitude of the spending effect on EU image in contrast to factors pertaining to the identity of individual respondents. The common trait of all the hypotheses is that they were made according to the simple intuition that groups, whether different regions or occupations, which have a higher need of the social inclusion and economic support provided by the EU would show a greater appreciation of the Union.

The first, main hypothesis thus states the belief that there will be a positive relationship between overall fund reception in any given region, and opinion on the European Union. In other words, the more funding a region receives in comparison to its population, the more positive opinion on the E.U. will grow. However, I expected this relationship to be tenuous at best.

My second expectation is that opinion on the European Union would be heavily affected by what type of demographic is reporting its image of the EU. For instance, I expected low skilled workers to have a more significantly positive opinion of the EU, because they have a higher need for the Union's initiatives of social support and economic redistribution. In a similar vein, community types designated as "rural" were also expected to have a more positive opinion of the European Union.

I am thus presenting six hypotheses for this project. As mentioned, the first pertains to the relationship between ERDF funding per region and public opinion of the EU. The next five are the "demographic information" hypotheses, which show how much individual traits matter in determining image of the EU in contrast to regional spending.

1. H1: There will be a tenuous positive relationship between reception of ERDF funding and growth in positive opinion of the European Union at the individual respondent level.
2. H2: Low-skill labor workers will have a positive EU Image rating recorded by the Eurobarometer, namely farmers, fishermen, and low-skilled manual workers.
3. H3: Rural communities will have a more positive opinion of the European Union than other community types.
4. H4: Individuals with lower levels of education will have a more positive opinion of the European Union..
5. H5: Respondents who declared having had difficulties paying bills the previous year will have a more positive opinion of the European Union than financially stable respondents.
6. H6: Respondents who reported larger household compositions will have a more positive opinion of the European Union than respondents in smaller households.

3.Research Method

Regression Model to Test Hypotheses

$$EUImage = \beta 1(logspendingpercapita) + i.\beta 2(Occupation) + \beta 3(CommunityType) + \beta 4(AgeEducation) + i.\beta 5(DifficultiesPayingBills) + i.\beta 7(HouseholdComposition) + \beta 8(Gender) + i.\beta 9(Age) + fe\ \beta 8\ i(Year) + \beta 9\ fe\ i(nuts)$$

This regression model presents the six variables needed to verify each hypothesis. The dependent variable is the individual response to the question "Describe your image of the European Union", which respondents could express as "very positive", "fairly positive", "neutral", "fairly negative", or "very negative". The first independent variable pertains to the log of ERDF spending amount in a given region per capita, which tests the study's first hypothesis. The second hypothesis was tested by examining the recorded **community type** from each respondent. These were categorized into three types: cities, or densely populated areas, where at least 50% of the population lives in urban centers with a minimum of 50,000 inhabitants; towns and suburbs, or intermediate density areas, where at least 50% of the population lives in urban clusters and less than 50% of the population lives in urban centers with a minimum of 5,000 inhabitants; and rural areas, or thinly populated areas, where at least 50% of the population lives in rural grid cells. The CommunityType variable was essential to the study as some of the most varied answers to the EU Image question came from differences in individual types of community.

Age Education looks at the age at which each respondent finished their education, ranging from 10 to 45, in order to establish the link between image of the European Union and level of education. The variable **DifficultiesPayingBills** refers to the question "how often did you experience difficulties paying bills the previous year?", which respondents could categorize as "Almost all the time", "From time to time", and "Almost never". This variable is used as a way to measure the financial state of each respondent, and how it interacts with the respondent rating of their image of the EU.

The last variable introduced to test a hypothesis, **Household Composition**, records the number of persons in each respondent's direct household (spouse and children) for any respondent reporting themselves as independent. This demographic variable is valuable in understanding how differently sized households view the European Union after receiving ERDF funds. The Gender variable is divided into Male (1) and Female (2). Respondent age varies from 15 to 99. Lastly, there were added fixed effects for the Nuts regions as well as the year.

4.Results

Table 4: Regression of EU Image for each variable, organized by corresponding hypothesis

	Demographic Variable	**EU Image Coefficient**
	t statistics in parentheses	**** p<0.05, ** p<0.01, *** p<0.001***
Hypothesis 1	**log of spending per capita**	**0.0126*** **
_		**-3.96**
Hypothesis 2	**Occupation 1: Student**	-0.0980***
_		(-3.94)
_	**Occupation 2: Unemployed**	0.0813***
_		(-5.42)
_	**Occupation 3: Retired**	-0.0241
_		(-1.80)
_	**Occupation 4: Farmer**	-0.0447
_		(-1.46)
_	**Occupation 5: Fisherman**	0.228
_		(-1.53)

.	**Occupation 6: Professional (Lawyer, etc)**	-0.170***
.		(-7.19)
.	**Occupation 7: Owner of a shop, craftsmen, etc**	-0.0670***
.		(-3.51)
.	**Occupation 8: Business proprietors, etc**	-0.100***
.		(-4.84)
.	**Occupation 9: Employed professional (doctor, etc)**	-0.224***
.		(-11.14)
.	**Occupation 10: General Management**	-0.262***
.		(-9.18)
.	**Occupation 11: Middle management**	-0.184***
.		(-12.20)
.	**Occupation 12: Employed position, at desk**	-0.101***
.		(-7.07)
.	**Occupation 13: Employed position, travelling**	-0.0329
.		(-1.83)
.	**Occupation 14: Employed position, service job**	-0.00126
.		(-0.09)
.	**Occupation 15: Supervisor**	-0.0304
.		(-1.08)

	Occupation 16: Skilled manual worker	0.0356*
		-2.5
	Occupation 17: Unskilled manual worker	0.0410*
		-2.23
Hypothesis 3	Community Type	-0.0393***
		(-10.88)
Hypothesis 4	AgeEducation	-0.00139***
		(-5.86)
Hypothesis 5	Difficulties Paying Bills last year: from time to time	-0.235***
		(-24.49)
	Difficulties Paying Bills last year: never	-0.367***
		(-38.69)
Hypothesis 6	Household Composition (2)	-0.0397***
		(-4.80)
	Household Composition (3+)	-0.0610***
		(-7.17)
	_cons	3.087***
		-113.25
	N	12813

Relationship between overall reception of ERDF funding public opinion and on the EU

I. Regional Funding Amount and Overall Public Opinion

The first hypothesis stated that there would be a tenuous positive relationship between reception of ERDF funding and growth in positive opinion of the European Union. This hypothesis has been **rejected** by the results of the regression model. Overall, a negative relationship between reception of ERDF funds and public opinion on the European Union has been found. While the result is statistically significant, from a practical point of view it represents a very weak negative relationship with EU image: it has much less of an effect than other key variables, such as occupation. A one percent increase in a given region's ERDF funding is related to a 0.000057 unit increase in EU image rating from 1-5; in other words, 1 percent increase in EU funding means a .0011 % increase in anti-European Union sentiment. In conclusion, the hypothesis that there would be a positive relationship between reception of ERDF funding and growth in positive opinion of the European Union has been rejected by the results of the model.

The explanation for this result may lie in the purpose of the projects subsidized by ERDF funds, namely innovation and research, the digital agenda, support for small and medium-sized enterprises (SMEs), and the low-carbon economy. These projects have little to do with industries in which a majority of the poorer citizens of Europe actually work. These citizens therefore see the majority of those EU funds go in other pockets in their own regions, fueling discontent concerning the distribution of the available funds and encouraging more anti-EU sentiment the more ERDF funds are received.

Relationship between reception of ERDF funding and demographic data

One of the key findings of this study shows that demographic information is significantly more telling of an individual's view on the EU than their region receiving funding from the ERDF project. The population variables have a stronger relationship with EU image in the regression model. However, most of the hypotheses were rejected, as supposed need for a subsidizing supranational body

II. Relationship Between Occupation and EU Image

The first sub-hypothesis for the disaggregation by demographic information projected the largest positive EU Image rating would be shown by low-skilled labor workers interviewed in the Eurobarometer, namely farmers, fishermen, and unskilled manual workers. This hypothesis was mostly **rejected** by the results. The fishermen responses were presented the most anti-EU sentiment, by a coefficient of .228. However, farmers remained in the average among the occupation categories – the farmer EU image coefficient showed a more positive opinion of the EU, but by a much smaller yet still statistically significant coefficient of .-0447. Unskilled manual workers followed the fishermen's trend of having a more negative opinion of the EU when receiving funding, but by a less important coefficient of .0407003.

The trend of LSL workers having a less positive EU image than expected can most likely be attributed to two things. Firstly, low-skilled laborers are more likely to find appeal in populist anti-EU rhetoric promoted by political actors (especially in poorer regions). In addition, the initiatives that are supported by the EU's projects (such as the ERDF's goals to support innovation and research, the digital agenda, support for small and medium-sized enterprises, and

the low-carbon economy) are not directly related to these professions. Even if they constitute the lower tranche of EU wealth, these occupation types see EU projects support different sectors of their economy, even as they are in need of subsidies. High-skilled workers such as lawyers and supervisors have a more positive opinion of the EU.

III. Relationship between Community Type and EU Image

The second sub-hypothesis postulated that rural communities would present the most positive EU image rating, as they benefit the most from the Europe-wide social cohesion and economic redistribution projects supported by the EU. The results have **rejected** this hypothesis, as the opposite phenomenon is occurring. Respondents from the largest community types (urban areas) are the most likely to present a positive image of the EU. This result, with a coefficient of -0.0393, is also significantly more relevant than the actual ERDF spending, while being overall less consequential than occupation. Community types that report the highest amount of positive responses are the large urban areas, whereas rural areas and villages report the lowest.

IV. Level of Education

The regression model **rejected** the hypothesis that individuals with lower levels of education would have the most positive image of the European Union, as it shows that respondents with a higher level of education (measured by the variable AgeEducation) had a more positive view of the European Union as their region received funding, with a statistically significant coefficient of -.00139. In other words, for every additional year of education reported by an individual respondent, there will be a 0.138% decrease in anti-EU sentiment as reported on the Eurobarometer's five-point "EU image" scale. It is noteworthy that, while the result is

significant, overall education level has a lesser effect than other demographic information, such as difficulties paying bills the previous year, by a factor of a hundred.

V. Difficulties Paying Bills

The hypothesis that ERDF funding would have a larger positive impact on EU Image responses from respondents who claimed to have had difficulties paying bills the previous year has followed the general trend, as it has also been **rejected** by the results. The Difficulties Paying Bills variable has a coefficient of -.1428053, meaning that respondents reporting more difficulties paying bills the previous year have a less positive image of the EU than those who do not. Individuals who report never having had difficulties paying bills the previous year show a 30% decrease in anti-EU sentiment on the Eurobarometer's five-point scale, whereas individuals who reported having difficulties paying bills from time to time only present a 21% decrease.

VI. Household Composition

The last hypothesis that respondents who report larger household compositions would have a more positive image of the EU has been **supported** by the results. The regression model presented a coefficient of -.0120225 for the Household Composition variable, meaning that individuals who reported a higher household composition tended to report a more positive image of the European Union. Individuals whose household was composed of two people showed a 3.9% decrease in anti-EU sentiment on the five point EU image scale, while individuals with households of three or larger presented a decrease of 5.9%.

If one follows the same train of thought, present in previous interpretations of the variables, that more financially stable individuals tend to have a better image of the EU, then this

may be because individuals who can afford to have larger households have more , positively impacting their opinion on the body. Overall, the results of demographic variables show that individuals who present less need for external help appreciate the EU more than other respondents.

5.Conclusion

I believed that the image of the EU would improve because, all else equal, ERDF funds do promote more economic opportunities in poorer regions of the EU in those regions. As shown by the results, the reception of ERDF funds is associated with a more negative image of the EU. That relationship, while statistically significant, is nevertheless very weak in practical terms. Demographic information is much more telling of a respondent's EU image. Occupation and financial stability in particular had much larger effects. Only the household composition model's results fit the expectations. Generally, the idea that the apparent need for funds would correlate with a more positive image of the EU after receiving those funds was mistaken.

There are two factors that I failed to take into account that can explain this tendency: how much the purpose of the funds would impact respondent response, and the possible politicization of the EU's actions by local leaders. Firstly, the explanation concerning the purpose of the funds (innovation and research, the digital agenda, support for small and medium-sized enterprises, and the low carbon economy) points to the idea that Europe is trying to accomplish two goals at once: launching progressive, digital, green initiative projects that will help them transition into a more efficient and environmentally-friendly era, while also redistributing money to poorer, less EU-friendly regions. However, these goals may be incompatible. Poorer regions of the EU, and

their citizens, may not want funds designed to help with these goals, as the enterprises on which their livelihoods depend are not supported by the ERDF's initiatives. While the idea of EU-wide regional wealth redistribution is a sound idea to encourage cohesion, it can only accomplish its goal if it ensures that the fund distribution is popular with a majority of the inhabitants of that region.

The second issue that can explain this study's contradictory finding is not caused by the European Union itself, but rather by local leaders who succeed in acquiring and keeping power by scapegoating the European Union through populist rhetoric. After the 2008 financial crisis and the 2015 refugee crisis, right-wing politicians took advantage of the general discontent to acquire more power, partly by blaming the EU's response to these issues for the challenges they brought about. There was a notable rise in the influence of populist radical right (PRR) parties throughout the 2010s throughout Europe – along with the rest of the globe. The increasingly negative image of the European Union shown in the study, even as the regions receive more funds, can be explained by local politicians taking credit for the funds received while blaming the EU for possible failures, a message that has resonated in their support base.

Regardless of the causal mechanism, the results of this study point to the idea that the current ERDF distribution apparatus does not accomplish its goal of promoting cohesion across the European Union.

6.Appendix

Variables

Gender

D10 GENDER	Freq.	Percent	Cum.
Male	129,111	45.53	45.53
Female	154,492	54.47	100.00
Total	283,603	100.00	

.Marital Status

D7 MARITAL STATUS	Freq.	Percent	Cum.
(Re-)Married: without children	71,525	25.26	25.26
(Re-)Married: w children of this marria	75,321	26.60	51.87
(Re-)Married: w children of previous ma	1,610	0.57	52.44
(Re-)Married: w children of this marria	1,298	0.46	52.90
Single living w partner: without childr	19,517	6.89	59.79
Single living w partner: w children of	8,771	3.10	62.89
Single living w partner: w children of	1,665	0.59	63.48
Single living w partner: w children of	680	0.24	63.72
Single: without children	44,761	15.81	79.53
Single: w children	5,071	1.79	81.32
Divorced/Separated: without children	15,108	5.34	86.65
Divorced/Separated: w children	6,897	2.44	89.09
Widow: without children	23,511	8.30	97.39
Widow: w children	4,606	1.63	99.02
Other (SPONT.)	2,674	0.94	99.97
97	96	0.03	100.00
Total	283,111	100.00	

Age by final year of education

D8 AGE EDUCATION	Freq.	Percent	Cum.
0	174	0.06	0.06
2	119	0.04	0.10
3	42	0.01	0.12
4	18	0.01	0.13
5	18	0.01	0.13
6	32	0.01	0.14
7	83	0.03	0.17
8	313	0.11	0.29
9	441	0.16	0.44
10	2,019	0.72	1.16
11	2,071	0.74	1.90
12	5,617	2.01	3.91
13	2,798	1.00	4.91
14	15,418	5.51	10.41
15	16,945	6.05	16.47
16	20,249	7.23	23.70
17	18,534	6.62	30.32
18	54,388	19.42	49.74
19	27,739	9.91	59.64
20	14,537	5.19	64.84
21	11,669	4.17	69.00
22	12,078	4.31	73.32
23	11,522	4.11	77.43
24	11,463	4.09	81.52
25	9,407	3.36	84.88
26	4,842	1.73	86.61
27	3,040	1.09	87.70
28	2,353	0.84	88.54
29	1,189	0.42	88.96
30	1,740	0.62	89.58
31	614	0.22	89.80
32	675	0.24	90.04
33	457	0.16	90.21
34	408	0.15	90.35
35	560	0.20	90.55
36	283	0.10	90.65
37	225	0.08	90.74
38	282	0.10	90.84
39	191	0.07	90.90
40	509	0.18	91.09
41	162	0.06	91.14
42	241	0.09	91.23
43	151	0.05	91.28
44	137	0.05	91.33
45	241	0.09	91.42
46	111	0.04	91.46
47	107	0.04	91.50
48	112	0.04	91.54
49	85	0.03	91.57
50	207	0.07	91.64
51	63	0.02	91.66
52	74	0.03	91.69
53	60	0.02	91.71
54	60	0.02	91.73
55	73	0.03	91.76
56	44	0.02	91.77
57	27	0.01	91.78
58	43	0.02	91.80
59	20	0.01	91.81
60	51	0.02	91.82
61	14	0.00	91.83
62	32	0.01	91.84
63	28	0.01	91.85
64	16	0.01	91.86
65	29	0.01	91.87
66	21	0.01	91.87
67	11	0.00	91.88
68	20	0.01	91.89
69	17	0.01	91.89
70	14	0.00	91.90
71	15	0.01	91.90
72	10	0.00	91.91
73	4	0.00	91.91
74	7	0.00	91.91
75	10	0.00	91.91
76 years	10	0.00	91.92
77	7	0.00	91.92
78	5	0.00	91.92
79	4	0.00	91.92
80	7	0.00	91.92
82	4	0.00	91.93
83	1	0.00	91.93
84	2	0.00	91.93
85	3	0.00	91.93
86	1	0.00	91.93
87	4	0.00	91.93
89	2	0.00	91.93
No full-time education	2,272	0.81	92.74
Still studying	19,557	6.98	99.73
99	766	0.27	100.00
Total	280,024	100.00	

Occupation of Respondent

D15A OCCUPATION OF RESPONDENT	Freq.	Percent	Cum.
Responsible for ordinary shopping, etc.	17,159	6.05	6.05
Student	19,557	6.90	12.95
Unemployed, temporarily not working	21,825	7.70	20.64
Retired, unable to work	87,059	30.70	51.34
Farmer	2,503	0.88	52.22
Fisherman	109	0.04	52.26
Professional (lawyer, etc.)	4,057	1.43	53.69
Owner of a shop, craftsmen, etc.	7,946	2.80	56.49
Business proprietors, etc.	5,475	1.93	58.42
Employed professional (employed doctor,	7,761	2.74	61.16
General management, etc.	2,906	1.02	62.18
Middle management, etc.	18,912	6.67	68.85
Employed position, at desk	23,524	8.29	77.15
Employed position, travelling	8,691	3.06	80.21
Employed position, service job	19,878	7.01	87.22
Supervisor	2,390	0.84	88.06
Skilled manual worker	25,039	8.83	96.89
Unskilled manual worker, etc.	8,812	3.11	100.00
Total	283,603	100.00	

Type of Community

D25 TYPE OF COMMUNITY	Freq.	Percent	Cum.
Rural area or village	92,894	32.81	32.81
Small/middle town	111,015	39.21	72.02
Large town	79,191	27.97	99.99
8	27	0.01	100.00
Total	283,127	100.00	

Difficulty Paying Bills Last Year

D60 DIFFICULTIES PAYING BILLS - LAST YEAR	Freq.	Percent	Cum.
Most of the time	31,405	11.22	11.22
From time to time	76,324	27.28	38.50
Almost never/never	171,259	61.21	99.71
7	808	0.29	100.00
Total	279,796	100.00	

Tables

EU image by occupation of respondent and year.

	Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
OCCUPATION OF RESPONDENT										
Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9	Column1	Column1
Responsible for ordinary shopping, etc.	2.81691	2.80853	2.87131	2.90286	2.80616	3.00407	2.87126	2.77971	2.74391	2.74023
Student	2.58548	2.52087	2.54625	2.69162	2.5406	2.86897	2.56223	2.44825	2.47494	2.47394
Unemployed, temporarily not working	2.90686	2.86922	3.01492	3.04722	2.9705	3.19311	2.92637	2.91916	2.92749	2.88784
Retired, unable to work	2.89233	2.8811	2.94046	2.99131	2.82776	3.04313	2.85626	2.73629	2.76012	2.76089
Farmer	2.75976	2.80048	2.76412	2.84962	2.88272	3.0977	3.02717	2.86316	2.79612	2.71028
Fisherman	3.2	2.85714	3.5	3.33333	3.07692	3.25	3	3	3	2.75
Professional (lawyer, etc.)	2.58099	2.55481	2.47493	2.81043	2.69041	2.85882	2.60209	2.42857	2.56968	2.53955
Owner of a shop, craftsmen, etc.	2.84008	2.83241	2.83989	2.94474	2.77335	3.09276	2.90646	2.74166	2.81662	2.71134
Business proprietors, etc.	2.77798	2.68235	2.81859	2.99411	2.65356	2.96459	2.67748	2.62724	2.6934	2.71661
Employed professional (employed doctor,	2.52442	2.5822	2.60032	2.81997	2.49654	2.78636	2.50417	2.41299	2.39517	2.52692
General management, etc.	2.55	2.50769	2.47431	2.77695	2.54909	2.85714	2.58632	2.31939	2.42395	2.47653
Middle management, etc.	2.66667	2.6728	2.63789	2.84067	2.60454	2.85333	2.61298	2.43474	2.49386	2.46465
Employed position, at desk	2.69317	2.73122	2.74675	2.80064	2.68115	2.98102	2.75272	2.59591	2.65586	2.62539
Employed position, travelling	2.74685	2.8168	2.83139	2.94757	2.73007	3.01412	2.82798	2.71895	2.76689	2.70346
Employed position, service job	2.80393	2.82928	2.83923	2.88814	2.79775	3.0581	2.79949	2.71672	2.78384	2.72191
Supervisor	2.81659	2.8481	2.77273	3.01754	2.75706	2.96	2.93625	2.67984	2.66667	2.74194
Skilled manual worker	2.84882	2.8174	2.9414	2.89817	2.8059	3.0661	2.88875	2.77562	2.77868	2.78366
Unskilled manual worker, etc.	2.89523	2.92555	2.95393	2.95588	2.85159	3.10533	2.93254	2.81199	2.83233	2.80328

EU Image by Type of Community

	EU IMAGE					
TYPE OF COMMUNITY	Very positive	Fairly positive	Neutral	Fairly negative	Very negative	Total
Rural area or village	4,201	29,773	38,486	14,316	4,213	90,989
	4.62	32.72	42.3	15.73	4.63	100
Small/middle town	4,864	36,533	46,409	16,413	4,880	109,099
	4.46	33.49	42.54	15.04	4.47	100
Large town	5,013	28,255	29,970	11,029	3,630	77,897
	6.44	36.27	38.47	14.16	4.66	100

EU image by funding category and age

Age	Funding Categories								
	0	1.13103	1.71507	2.23535	2.897021	3.643137	4.230193	4.738753	5.1444
14	2.94	2.97	2.95	3.05	2.88	2.99	2.92	2.93	2.96
15	2.99	3.12	3.13	3.16	3.04	3.00	3.16	2.97	3.11
16	2.92	3.05	2.95	3.03	2.88	2.96	2.93	2.92	2.99
17	2.88	2.94	2.88	3.02	2.85	2.84	2.98	2.94	2.99
18	2.86	2.93	2.85	2.90	2.76	2.79	2.93	2.82	2.97
19	2.72	2.83	2.85	2.86	2.62	2.60	2.78	2.75	2.89
20	2.76	2.76	2.79	2.77	2.74	2.80	2.75	2.67	2.86
21	2.76	2.73	2.70	2.77	2.74	2.73	2.79	2.64	2.71
22	2.72	2.67	2.78	2.69	2.68	2.70	2.76	2.57	2.77
23	2.63	2.69	2.66	2.77	2.51	2.51	2.56	2.58	2.78
24	2.59	2.56	2.65	2.64	2.61	2.55	2.53	2.59	2.77
25	2.55	2.61	2.68	2.69	2.57	2.53	2.56	2.46	2.66
26	2.58	2.57	2.64	2.73	2.50	2.49	2.66	2.46	2.78
27	2.61	2.68	2.67	2.59	2.66	2.82	2.67	2.42	2.71

EU image by financial stability and funding category

Funding Categories	Difficulty paying bills last year		
	Almost all the time	From time to time	Almost never
0-	3.06	2.81	2.72
1.13-	3.09	2.92	2.75
1.72-	3.09	2.88	2.76
2.24-	3.17	2.94	2.80
2.89-	3.10	2.79	2.67
3.64-	3.04	2.74	2.71
4.23-	3.17	2.87	2.75
4.74-	3.12	2.82	2.71
5.14-	3.26	2.97	2.84

Gender and Occupation by Mean Response of EU Image

D10 GENDER	D15A OCCUPATION OF RESPONDENT				
	Responsible for ordi	Student	Unemployed, temporar	Retired, unable to w	Farmer
Male	2.78465	2.56187	3.00453	2.84463	2.86012
Female	2.83764	2.58271	2.9344	2.88289	2.77809

D10 GENDER	D15A OCCUPATION OF RESPONDENT				
	Fisherman	Professional (lawyer	Owner of a shop, cra	Business proprietors	Employed professiona
Male	3.12222	2.60062	2.86458	2.74869	2.56671
Female	2.9375	2.63081	2.83021	2.77975	2.55896

D10 GENDER	D15A OCCUPATION OF RESPONDENT				
	General management,	Middle management, e	Employed position, a	Employed position, t	Employed position, s
Male	2.56449	2.63705	2.68078	2.8172	2.80497
Female	2.54352	2.61547	2.74188	2.78742	2.83057

D10 GENDER	D15A OCCUPATION OF RESPONDENT		
	Supervisor	Skilled manual worke	Unskilled manual wor
Male	2.83372	2.87847	2.92053
Female	2.77162	2.82144	2.89641

.

Year and Community Type by Mean Response to EUImage

Year	D25 TYPE OF COMMUNITY		
	Rural area or villag	Small/middle town	Large town
2010	2.79967	2.81332	2.77182
2011	2.80263	2.80472	2.74566
2012	2.8718	2.84311	2.79512
2013	2.92659	2.92652	2.87702
2014	2.81129	2.78914	2.68761
2015	3.05722	3.02963	2.938
2016	2.85857	2.80414	2.72979
2017	2.7291	2.6971	2.60467
2018	2.74749	2.72159	2.65186
2019	2.72375	2.72552	2.63566

Year and Difficulties Paying Bills the Previous Year by Mean EU Image Response

Year	D60 DIFFICULTIES PAYING BILLS - Most of the time	From time to time	Almost never/never
2010	3.00722	2.81555	2.7388
2011	2.96088	2.80855	2.72806
2012	3.06901	2.85794	2.78228
2013	3.17589	2.88906	2.86711
2014	3.11037	2.81153	2.69329
2015	3.29775	3.01025	2.96095
2016	3.17809	2.8631	2.71569
2017	3.03912	2.76616	2.59755
2018	3.05029	2.77446	2.64574
2019	2.95169	2.76808	2.65192

Year and Community Type by Mean ERDF Funding Receipt

Year	D25 TYPE OF COMMUNITY Rural area or villag	Small/middle town	Large town
2010	1.34e+08	1.11e+08	1.02e+08
2011	1.57e+08	1.45e+08	1.36e+08
2012	2.29e+08	1.62e+08	1.63e+08
2013	2.00e+08	1.51e+08	1.61e+08
2014	1.43e+08	1.30e+08	1.60e+08
2015	1.57e+08	1.23e+08	1.20e+08
2016	1.09e+08	7.51e+07	8.51e+07
2017	9.07e+07	6.94e+07	6.14e+07
2018	1.77e+08	1.27e+08	1.15e+08
2019	0	0	0

Year and Difficulties Paying Bills the Previous Year by Mean ERDF Funding Receipt

	D60 DIFFICULTIES PAYING BILLS - LAST YEAR		
Year	Most of the time	From time to time	Almost never/never
2010	1.57e+08	1.53e+08	9.70e+07
2011	1.86e+08	1.84e+08	1.24e+08
2012	2.58e+08	2.55e+08	1.43e+08
2013	2.69e+08	2.21e+08	1.31e+08
2014	2.11e+08	1.89e+08	1.16e+08
2015	1.64e+08	1.61e+08	1.15e+08
2016	9.87e+07	1.06e+08	8.07e+07
2017	1.12e+08	9.32e+07	6.25e+07
2018	1.75e+08	1.67e+08	1.26e+08
2019	0	0	0

Regressions

Regression of EU Image by Total ERDF Fund given to a region, Gender, Age, and Occupation, with a fixed effect for Year and Nuts2 region

```
. xtreg EUImage Gender Age Occupation TotalFundRegion i. Year , fe i(nuts)

Fixed-effects (within) regression               Number of obs     =    146,671
Group variable: nuts                            Number of groups  =        143

R-sq:                                           Obs per group:
     within  = 0.0187                                         min =         47
     between = 0.0001                                         avg =    1,025.7
     overall = 0.0176                                         max =      3,701

                                                F(13,146515)      =     214.59
corr(u_i, Xb)  = -0.0214                        Prob > F          =     0.0000
```

EUImage	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
Gender	.0122765	.0046014	2.67	0.008	.0032579	.0212952
Age	.0035033	.0001355	25.86	0.000	.0032377	.0037688
Occupation	.0005993	.0004321	1.39	0.165	-.0002476	.0014463
TotalFundRegion	1.62e-10	2.08e-11	7.79	0.000	1.21e-10	2.03e-10
Year						
2011	.0147453	.0108295	1.36	0.173	-.0064803	.0359709
2012	.0580946	.0108442	5.36	0.000	.0368401	.0793491
2013	.1441755	.0108396	13.30	0.000	.1229301	.1654209
2014	-.0140774	.0104793	-1.34	0.179	-.0346166	.0064619
2015	.2496734	.0104399	23.92	0.000	.2292114	.2701353
2016	.0540426	.0104688	5.16	0.000	.0335239	.0745612
2017	-.0692815	.0104829	-6.61	0.000	-.0898278	-.0487352
2018	-.0692874	.0104547	-6.63	0.000	-.0897785	-.0487963
2019	-.0731892	.0107004	-6.84	0.000	-.0941619	-.0522166
_cons	2.564313	.0137455	186.56	0.000	2.537372	2.591254
sigma_u	.18685254					
sigma_e	.87370878					
rho	.04373632	(fraction of variance due to u_i)				

```
F test that all u_i=0: F(142, 146515) = 40.13                 Prob > F = 0.0000
```

Regression of EU Image by Total ERDF Fund given to a region, Gender, Age, with a fixed effect for Year, Occupation, and Nuts2 region.

```
. xtreg EUImage Gender Age i.Occupation TotalFundRegion i.Year, fe i(nuts)

Fixed-effects (within) regression               Number of obs     =    146,671
Group variable: nuts                            Number of groups  =        143

R-sq:                                           Obs per group:
     within  = 0.0319                                         min =         47
     between = 0.0000                                         avg =    1,025.7
     overall = 0.0289                                         max =      3,701

                                                F(29,146499)      =     166.54
corr(u_i, Xb)  = -0.0496                        Prob > F          =     0.0000
```

EUImage	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
Gender	.0094648	.0047443	1.99	0.046	.0001661	.0187635
Age	.0019354	.0002068	9.36	0.000	.0015302	.0023407
Occupation						
Student	-.2294937	.0154033	-14.90	0.000	-.2596838	-.1993036
Unemployed, temporarily not working	.1429331	.0139896	10.22	0.000	.1155137	.1703525
Retired, unable to work	-.0241047	.012553	-1.92	0.055	-.0487083	.000499
Farmer	-.0498547	.0280451	-1.78	0.075	-.1048225	.0051131
Fisherman	.2914966	.1417149	2.06	0.040	.0137382	.5692551
Professional (lawyer, etc.)	-.2152326	.0225285	-9.55	0.000	-.2593881	-.1710771
Owner of a shop, craftsmen, etc.	-.0825746	.0179702	-4.60	0.000	-.1177957	-.0473534
Business proprietors, etc.	-.1443816	.0198658	-7.27	0.000	-.1833181	-.1054451
Employed professional (employed doctor, etc.)	-.2740253	.0189741	-14.44	0.000	-.3112141	-.2368364
General management, etc.	-.329879	.0263341	-12.53	0.000	-.3814934	-.2782647
Middle management, etc.	-.2323537	.014169	-16.40	0.000	-.2601246	-.2045827
Employed position, at desk	-.1390244	.0133735	-10.40	0.000	-.1652361	-.1128127
Employed position, travelling	-.0499391	.0167729	-2.98	0.003	-.0828136	-.0170645
Employed position, service job	-.0110844	.0138157	-0.80	0.422	-.038163	.0159942
Supervisor	-.0314379	.0256541	-1.23	0.220	-.0817194	.0188437
Skilled manual worker	.0304854	.0133819	2.28	0.023	.0042572	.0567137
Unskilled manual worker, etc.	.0654238	.0174256	3.75	0.000	.03127	.0995777
TotalFundRegion	1.40e-10	2.07e-11	6.77	0.000	9.95e-11	1.80e-10
Year						
2011	.0155935	.0107573	1.45	0.147	-.0054907	.0366776
2012	.0610916	.0107726	5.67	0.000	.0399776	.0822056
2013	.147475	.0107685	13.70	0.000	.126369	.1685809
2014	-.008502	.0104121	-0.82	0.414	-.0289096	.0119055
2015	.260269	.0103739	25.09	0.000	.2399364	.2806016
2016	.0636483	.010402	6.12	0.000	.0432606	.0840359
2017	-.0585598	.0104172	-5.62	0.000	-.0789773	-.0381423
2018	-.0567354	.0103905	-5.46	0.000	-.0771006	-.0363702
2019	-.0621863	.0106345	-5.85	0.000	-.0830297	-.0413429
_cons	2.704315	.0188017	143.83	0.000	2.667464	2.741166
sigma_u	.18832087					
sigma_e	.8678459					
rho	.04497057	(fraction of variance due to u_i)				

```
F test that all u_i=0: F(142, 146499) = 41.23                 Prob > F = 0.0000
```

Regression of EU Image by the log of the total ERDF fund given to a region, Gender, Age, with a fixed effect for Year, Occupation, Community Type, and Nuts2 region.

```
. xtreg EUImage Gender Age i.Occupation logspend i. Year i.CommunityType , fe i(nuts)

Fixed-effects (within) regression               Number of obs      =       146,622
Group variable: nuts                            Number of groups   =           143

R-sq:                                           Obs per group:
     within  = 0.0322                                         min =            47
     between = 0.0130                                         avg =       1,025.3
     overall = 0.0302                                         max =         3,701

                                                F(32,146447)       =        152.43
corr(u_i, Xb)  = -0.0301                        Prob > F           =        0.0000
```

EUImage	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
Gender	.0096518	.0047444	2.03	0.042	.000353	.0189507
Age	.0019052	.0002067	9.22	0.000	.0015	.0023104
Occupation						
Student	-.2250933	.0154179	-14.60	0.000	-.255312	-.1948746
Unemployed, temporarily not working	.1454234	.0139936	10.39	0.000	.1179962	.1728505
Retired, unable to work	-.0221077	.012556	-1.76	0.078	-.0467172	.0025018
Farmer	-.0653807	.0280898	-2.33	0.020	-.1204361	-.0103253
Fisherman	.2803038	.141685	1.98	0.048	.002604	.5580036
Professional (lawyer, etc.)	-.2095156	.0225403	-9.30	0.000	-.2536941	-.1653371
Owner of a shop, craftsmen, etc.	-.0838292	.0179674	-4.67	0.000	-.1190449	-.0486134
Business proprietors, etc.	-.1426605	.0198704	-7.18	0.000	-.1816062	-.1037148
Employed professional (employed doctor, etc.)	-.2667901	.0190027	-14.04	0.000	-.304035	-.2295452
General management, etc.	-.326165	.0263435	-12.38	0.000	-.3777978	-.2745321
Middle management, etc.	-.2283374	.0141822	-16.10	0.000	-.2561342	-.2005405
Employed position, at desk	-.1353367	.013384	-10.11	0.000	-.161569	-.1091044
Employed position, travelling	-.0476567	.0167752	-2.84	0.004	-.0805358	-.0147777
Employed position, service job	-.0093188	.0138174	-0.67	0.500	-.0364007	.017763
Supervisor	-.0302829	.0256505	-1.18	0.238	-.0805574	.0199916
Skilled manual worker	.0303061	.0133803	2.26	0.024	.0040809	.0565312
Unskilled manual worker, etc.	.0647406	.0174241	3.72	0.000	.0305896	.0988916
logspend	.0030142	.0008437	3.57	0.000	.0013605	.0046679
Year						
2011	.0202964	.0107429	1.89	0.059	-.0007595	.0413523
2012	.0720803	.0106986	6.74	0.000	.0511113	.0930494
2013	.1589033	.0107574	14.77	0.000	.1378191	.1799876
2014	-.0003674	.0104095	-0.04	0.972	-.0207697	.020035
2015	.2691868	.0104086	25.86	0.000	.2487862	.2895875
2016	.0684665	.0105255	6.50	0.000	.0478367	.0890963
2017	-.0600403	.010401	-5.77	0.000	-.080426	-.0396546
2018	-.0503888	.010385	-4.85	0.000	-.0707432	-.0300345
2019	-.0232442	.0180976	-1.28	0.199	-.058715	.0122266
CommunityType						
Small/middle town	-.035649	.0055847	-6.38	0.000	-.046595	-.0247031
Large town	-.0581718	.0069145	-8.41	0.000	-.0717241	-.0446194
8	-.0928129	.2243746	-0.41	0.679	-.5325827	.3469569
_cons	2.694531	.024026	112.15	0.000	2.647441	2.741622
sigma_u	.18453911					
sigma_e	.86766715					
rho	.04327696	(fraction of variance due to u_i)				

```
F test that all u_i=0: F(142, 146447) = 41.16                 Prob > F = 0.0000
```

Regression of EU Image by Age, Level of education, Difficulties paying bills the previous year, and ERDF Spending per capita, with a fixed effect for Year, Occupation, and Nuts2 region.

```
. xtreg EUImage Age AgeEducation i.Occupation spendingpercapita DifficultiesPayingBills i.Year, fe i(nuts)

Fixed-effects (within) regression               Number of obs     =    128,631
Group variable: nuts                            Number of groups  =        116

R-sq:                                           Obs per group:
     within  = 0.0416                                         min =         47
     between = 0.0003                                         avg =    1,108.9
     overall = 0.0369                                         max =      3,580

                                                F(30,128485)      =     185.77
corr(u_i, Xb)  = -0.1040                        Prob > F          =     0.0000
```

EUImage	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
Age	.0024712	.0002202	11.22	0.000	.0020396	.0029028
AgeEducation	-.0012955	.000237	-5.47	0.000	-.0017601	-.0008309
Occupation						
Student	-.0893698	.0246272	-3.63	0.000	-.1376388	-.0411009
Unemployed, temporarily not working	.1019297	.0147911	6.89	0.000	.0729393	.13092
Retired, unable to work	-.0121714	.0131482	-0.93	0.355	-.0379416	.0135987
Farmer	-.0245489	.0303801	-0.81	0.419	-.0840934	.0349956
Fisherman	.2544653	.148856	1.71	0.087	-.0372899	.5462206
Professional (lawyer, etc.)	-.1813845	.0235741	-7.69	0.000	-.2275894	-.1351797
Owner of a shop, craftsmen, etc.	-.0699365	.0188835	-3.70	0.000	-.1069477	-.0329252
Business proprietors, etc.	-.1057541	.0204058	-5.18	0.000	-.1457492	-.065759
Employed professional (employed doctor, etc.)	-.2323024	.0199357	-11.65	0.000	-.271376	-.1932287
General management, etc.	-.2737667	.0283849	-9.64	0.000	-.3294006	-.2181329
Middle management, etc.	-.1931518	.0149231	-12.94	0.000	-.2224008	-.1639028
Employed position, at desk	-.1041851	.0141609	-7.36	0.000	-.1319401	-.07643
Employed position, travelling	-.0350787	.017677	-1.98	0.047	-.0697253	-.0004321
Employed position, service job	-.0015273	.0146872	-0.10	0.917	-.030314	.0272594
Supervisor	-.0316977	.0279413	-1.13	0.257	-.0864622	.0230667
Skilled manual worker	.0378635	.0139177	2.72	0.007	.010585	.065142
Unskilled manual worker, etc.	.0560542	.0182358	3.07	0.002	.0203123	.0917961
spendingpercapita	.0003907	.0000527	7.42	0.000	.0002875	.0004939
DifficultiesPayingBills	-.1428053	.0039683	-35.99	0.000	-.1505831	-.1350275
Year						
2011	.0036932	.0115636	0.32	0.749	-.0189714	.0263577
2012	.0545934	.0115521	4.73	0.000	.0319515	.0772352
2013	.1342595	.0115283	11.65	0.000	.1116642	.1568549
2014	-.0161828	.0111293	-1.45	0.146	-.0379961	.0056305
2015	.2380741	.0111213	21.41	0.000	.2162765	.2598717
2016	.0563349	.0111259	5.06	0.000	.0345284	.0781413
2017	-.0475994	.0110856	-4.29	0.000	-.0693271	-.0258717
2018	-.0571658	.0111459	-5.13	0.000	-.0790116	-.0353201
2019	-.0415817	.0113796	-3.65	0.000	-.0638856	-.0192778
_cons	3.065	.0203597	150.54	0.000	3.025096	3.104905
sigma_u	.19445805					
sigma_e	.86219127					
rho	.04840569	(fraction of variance due to u_i)				

```
F test that all u_i=0: F(115, 128485) = 46.89                 Prob > F = 0.0000
```

Regression of EU Image by Age, Household Composition, Difficulties paying bills the previous year, and ERDF Spending per capita, with a fixed effect for Year and Nuts2 region.

```
. xtreg EUImage Age HouseholdComposition spendingpercapita DifficultiesPayingBills i.Year, fe i(nuts)

Fixed-effects (within) regression               Number of obs      =       130,094
Group variable: nuts                            Number of groups   =           116

R-sq:                                           Obs per group:
     within  = 0.0333                                         min =            47
     between = 0.0038                                         avg =       1,121.5
     overall = 0.0315                                         max =         3,599

                                                F(13,129965)       =        344.47
corr(u_i, Xb)  = -0.0634                        Prob > F           =        0.0000
```

EUImage	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
Age	.003563	.0001495	23.83	0.000	.0032699	.0038561
HouseholdComposition	-.0120225	.0017929	-6.71	0.000	-.0155365	-.0085086
spendingpercapita	.0004189	.0000526	7.97	0.000	.0003158	.0005219
DifficultiesPayingBills	-.1695248	.0038591	-43.93	0.000	-.1770885	-.1619611
Year						
2011	.0022833	.0115351	0.20	0.843	-.0203254	.0248919
2012	.0532482	.0115272	4.62	0.000	.0306551	.0758413
2013	.1326792	.0115135	11.52	0.000	.110113	.1552454
2014	-.0186846	.0110969	-1.68	0.092	-.0404343	.0030651
2015	.2326955	.011093	20.98	0.000	.2109534	.2544376
2016	.048149	.0110848	4.34	0.000	.0264229	.069875
2017	-.056409	.0110787	-5.09	0.000	-.078123	-.034695
2018	-.0647438	.0111001	-5.83	0.000	-.0864999	-.0429877
2019	-.0492826	.0113713	-4.33	0.000	-.0715701	-.0269952
_cons	3.044463	.0161676	188.31	0.000	3.012774	3.076151
sigma_u	.18887031					
sigma_e	.86634912					
rho	.04537078	(fraction of variance due to u_i)				

```
F test that all u_i=0: F(115, 129965) = 44.60                 Prob > F = 0.0000
```

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