

Political and Economic Integration in the EU: The Case of Failed Tax Harmonization

Supplementary Material

This document provides additional information on the data used in the article “Political and Economic Integration in the EU: The Case of Failed Tax Harmonization” and reports robust findings relying on variance-weighted least square estimation instead of the probit specification used in the article.

Data, Coding and Sources

Table 1: *Data and Coding*

Variable	Coding
Support for QMV in the Council	Binary measure on member state support for the introduction of QMV in taxation.
General integration support of government	The Chapel Hill Expert Survey codes party leadership positions. For aggregating government position values, the weighted average of the government parties is estimated using the survey question on the overall European integration support of the party leadership. Weights are estimated according to the seat shares in the government. The scale of the survey question ranges from 1 to 7 (1= strongly opposed to integration, 7 = strongly in favor of integration). For missing countries, the weighted average of neighbors is coded. <i>Source for cabinet seats:</i> Political Data Yearbook, European Journal of Political Research.
Total taxes as a share of GDP	Total taxes including social security contributions as % of GDP.
Top corporate tax rates	Adjusted top statutory tax rate on corporate income.

Table 2: *Data and Sources*

Variable	Sources
Support for QMV in the Council	
Maastricht IGC	CONF-UEM 1604/91, CONF-UEM 1612/91, CONF-UEM 1605/91, CONF-UP 1782/91, CONF-UP 1777/91, st 6457/90, st 09046/90 CONF-UP-UEM 2001/91, st 11125/90, CONF-UP-1786/91, CONF-UEM 1611/91, st 11125/90, Laursen and Vanhoonacker (1992)
Nice IGC	CONFER 4707/00, CONFER 4712/00, CONFER 4717/00, CONFER 4719/00, CONFER 4720/00, CONFER 4722/00, CONFER 4723/00, CONFER 4733/00, CONFER 4737/00, CONFER 4750/00, CONFER 4770/00, CONFER 4808/00, Laursen (2006)
Lisbon IGC	DOSEI project, König and Hug (2006)
General integration support of government	Ray (1999); Steenbergen and Marks (2007) Hooghe et al. (2010)
Total taxes as a share of GDP	OECD (2011)
Top corporate tax rates	Eurostat (2011)

Robustness Check

There is some methodological discussion on whether the probit specification should be used in small sample sizes, given the properties of maximum likelihood estimation (Long, 1997). Table 1 in the article reports estimates of probit models, Table 3 of the supplementary material shows the results of variance-weighted least square models. The findings are robust. The only difference is that the variance weighted least square estimates of the general integration support variable are statistically significant (at low levels) in the case of the Nice and Lisbon IGCs, which provides some weak empirical support for the alternative explanation that more pro-integrationist governments were more likely to support the introduction of QMV.

Table 3: *Predicting the support for QMV in taxation for the Maastricht, Nice, and Lisbon IGCs. Variance-weighted least square regression estimates; standard errors in parentheses; *** $p < 1\%$, ** $p < 5\%$; * $p < 10\%$.*

	Maastricht (1991)	Nice (2000)	Lisbon (2004)
Total taxes as a share of GDP	0.062*** (0.019)	0.061* (0.033)	-0.015 (0.015)
Top corporate tax rates	0.024 (0.015)	0.033 (0.020)	0.038*** (0.012)
General integration support of government	0.363 (0.440)	0.610* (0.367)	0.241* (0.143)
	EU-12	EU-15	EU-25

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