

Cohesion or illusion?

Losing funds and European sentiment

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February 18, 2026

1 Introduction

The EU Cohesion Policy is the European Union's largest investment instrument, aimed at reducing regional disparities and promoting development. While all European regions are eligible for support, resources are distributed unevenly, with the largest share allocated to less-developed areas. Until 2013, the policy expanded steadily; however, in 2014 its budget was reduced in per capita terms.

Recent political and economic developments have placed the future of the policy under increasing review. Persistent divisions between net-recipient and net-contributor Member States risk undermining support for cohesion spending, especially as the EU faces new and competing priorities [Margaras and Alvarez \(2025\)](#). Two factors are particularly relevant. First, the 2024 European elections saw an unprecedented rise in non-establishment parties, and the re-election of the Von der Leyen Commission II was secured with only 55% of parliamentary votes—the lowest approval rate since 1993.¹ The long-standing coalition of EPP, S&D, and Liberals barely retained a majority, prompting the inclusion of Greens/EFA to secure support. Second, the

¹<https://www.europarl.europa.eu/news/en/press-room/20240710IPR22812/parliament-re-elects-ursula-von-der-leyen-as-commission-president>

Russo-Ukrainian war has prompted a significant increase in defense expenditure, with recent reforms allowing Cohesion Policy funds to be redirected for defense purposes.²

In this context, one possible scenario is a further downsizing of Cohesion Policy. Such a shift, however, could have unintended consequences. Reduced funding for policies aimed at promoting equality and development may weaken citizens’ support for the EU itself. This paper investigates whether cuts to Cohesion Policy funding affect public attitudes toward the EU, particularly as expressed in European Parliament elections.

Our empirical strategy exploits changes in eligibility for the European Regional Development Fund (ERDF)—the largest component of the Cohesion Policy—and applies a Difference-in-Differences approach. A region is considered “treated” when it loses access to the Convergence Objective. Our results suggest that funding losses are associated with a measurable decline in pro-EU sentiment, manifested in reduced vote shares for establishment parties and increased support for opposition or non-parliamentary parties, compared with regions that retained funding.

To our knowledge, this is the first study to assess the causal impact of Cohesion Policy cuts on EU sentiment, and the first to use European election outcomes—specifically, changes in support for European parliamentary groups—as the main measure of public attitudes.

The remainder of the paper is organized as follows: Section 2 reviews the relevant literature; Section 3 describes the data; Section 4 outlines the identification strategy; Section 5 presents the findings; Section 6 explores the channel of our findings and Section 7 concludes.

2 Literature review

The literature on the economic causes of Euroscepticism highlighted the role of economic insecurity and immigration on EU support. [Becker et al. \(2017\)](#) show that individual characteristics such as education, dependence on manufacturing employ-

²<https://www.consilium.europa.eu/en/press/press-releases/2025/07/15/cohesion-policy-mid-term-review-council-and-parliament-strike-a-deal-to-better-address-current-and-emerging-challenges/>

ment, low income and high unemployment supported the Brexit vote. [Barone et al. \(2016a\)](#) found that immigration had a positive impact on right-wing parties in Italy and reduced vote participation with an increase in protest vote, [Caselli et al. \(2020\)](#) showed that competition from China and immigration supported the success of right-wing and authoritarian parties in Italy. [Halla et al. \(2017\)](#) showed this effect also in Austria. [Algan et al. \(2017\)](#) found a relationship between increase in unemployment and increase in non-mainstream parties voting in Europe, accompanied by a decrease in trust towards the EU and national institutions. [Guiso et al. \(2017\)](#) showed that economic insecurity drives the demand for populist policies and that populist parties emerge more likely in countries faced by a systemic crisis. [Guiso et al. \(2019\)](#) show that populist parties are more likely to emerge when mainstream politics and institutions are not able to react to economic shocks.

The literature on the effect of Cohesion Policy on voting behavior highlights the effect of Cohesion funding to support EU sentiment in the recipient regions. [Bachtrögl and Oberhofer \(2018\)](#) found that effectiveness of EU funds in treated firms led to a decrease in Le Pen votes in the 2017 French Presidential elections. [Crescenzi et al. \(2020\)](#) show that EU funds are not directly able to increase citizens' support towards the EU, but they are able to lower Euroscepticism when they are linked with improvements in the labor market. [Rodríguez-Pose and Dijkstra \(2021\)](#) found that investments in EU cohesion policy are linked to a lower anti-EU vote. The following three papers use an RDD strategy exploiting the 75% ERDF threshold: [Borin et al. \(2021\)](#) show that EU funds have mitigated the increase in Eurosceptical attitudes and lowered support for anti-EU parties; [Albanese et al. \(2022\)](#) show that EU funds lowered populist voting in the 2013 Italian elections and [Gold and Lehr \(2024\)](#) show that Cohesion policy is able to reduce right populist votes and increase support towards the EU. Finally, [Rodríguez-Pose et al. \(2024\)](#) show that being stuck in a development trap, often in middle or high-income regions, results in support for Eurosceptic parties.

Less is known about what happens when regions lose access to EU support. [Barone et al. \(2016b\)](#) show that Abruzzo, which exited Objective 1 in 1996, had a negative effect on regional per-capita GDP growth, [Di Cataldo \(2017\)](#) shows that South Yorkshire, after losing the convergence objective in 2006, experienced a drop in its

economic performance and [Cerqua and Pellegrini \(2023\)](#) show that only regions that experienced a considerable reduction in funding during a recession suffered a negative impact on economic growth.

To our knowledge, this would be the first paper analysing what happens to EU sentiment when Less Developed regions experience a reduction in funding.

3 Data

3.1 The EU Cohesion Policy

The EU Cohesion Policy is the main investment policy of the European Union, aimed at promoting “job creation, business competitiveness, economic growth, sustainable development, and improving citizens’ quality of life” in order to reduce regional disparities. It applies to every region in the Union and accounts for nearly one third of the EU budget.

For the European Regional Development Fund (ERDF)—the largest component—the EU classifies areas³ into three categories:

- **Less developed regions:** GDP per capita below 75% of the EU average.
- **Transition regions:** GDP per capita between 75% and 90% of the EU average.
- **More developed regions:** GDP per capita above 90% of the EU average.

Funding programs run in periods of seven years,⁴ and regional classification is determined using the average GDP per capita of the three years preceding implementation (for example, for 2007–2013, the reference years are 2003–2005).

Most resources are directed toward less developed regions. According to official documentation for the 2014–2020 period, “around half of all resources have been

³Due to NUTS2 boundary changes, Slovenia, Poland, and Lithuania do not fully match the classification assigned by the European Commission. In particular, capital cities have been separated from their surrounding regions in the classification, but our data aggregates them. As a result, we label these regions according to the status of the larger aggregated unit: they are recorded as “Less Developed” if the encompassing region is such, even if the capital city itself is “More Developed”.

⁴Prior to 2000, programming periods were 1989–1993 and 1994–1999.

allocated to less developed regions, around 10% to transition regions, and just over 15% to more developed regions”.

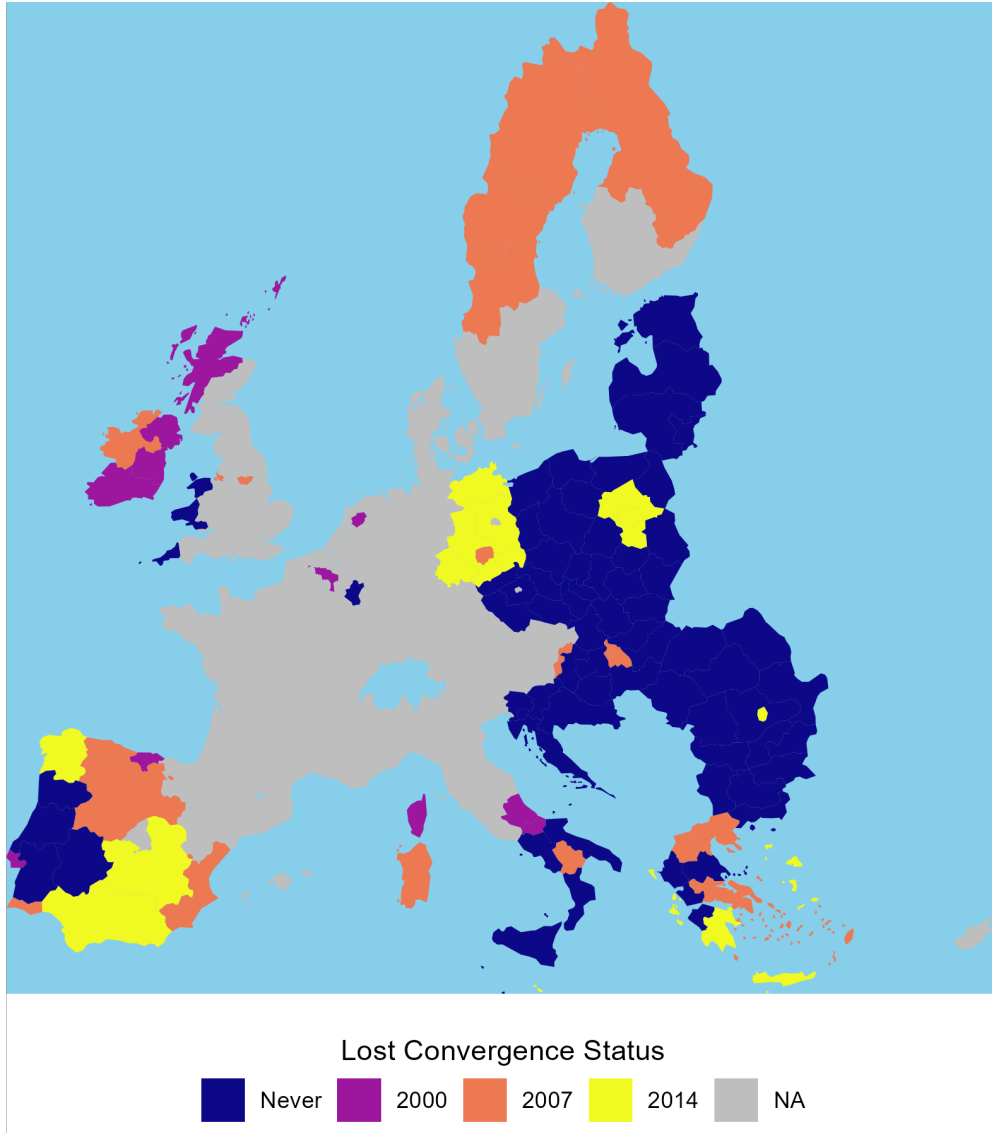
We compile funding data from the dataset “Historic EU payments – regionalised and modelled”,⁵ which reports annual payments for each fund from 1989 to 2020. For the purposes of our analysis, we define **treated regions** as those that were at some point classified as Less Developed but were subsequently reclassified as Transition⁶ or More Developed. Regions that consistently retained Less Developed status constitute our **control group**.

Figure 1 presents the treatment and control groups. Given that our setting involves staggered adoption, the map refers to the year in which each region lost Convergence status, indicating the cohorts used in the subsequent analysis.

⁵https://cohesiondata.ec.europa.eu/Other/Historic-EU-payments-regionalised-and-modelled/tc55-7ysv/about_data.

⁶For aggregation purposes, the Transition category also includes Phasing-in and Phasing-out regions.

Figure 1: Treatment and control groups



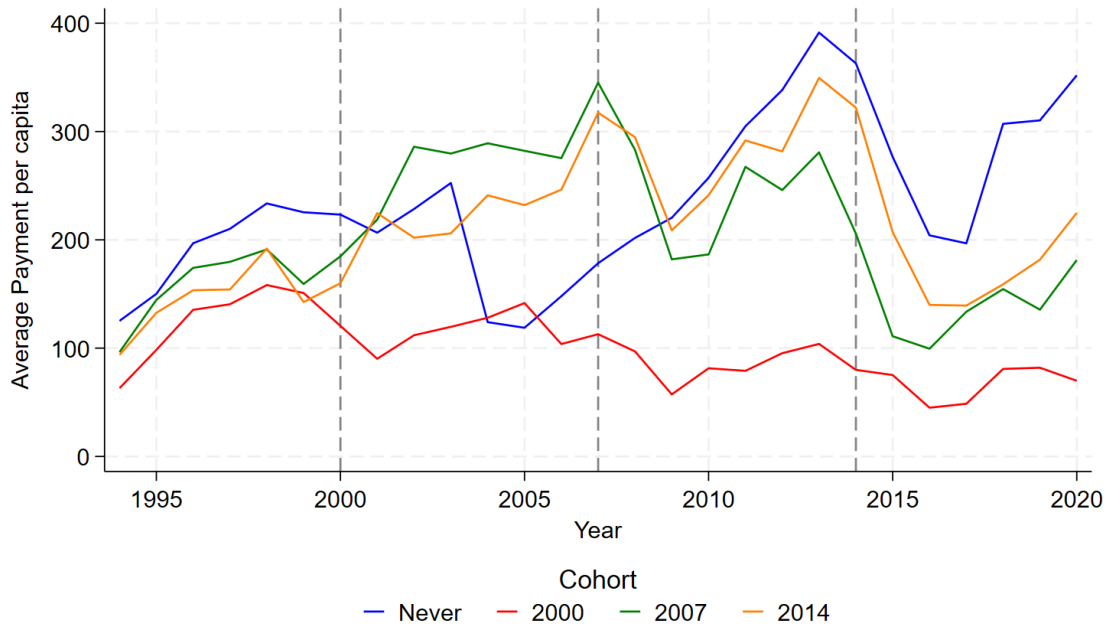
Does losing Convergence status necessarily result in a reduction in total funds? The answer is mixed. The total funding a region receives is the sum of allocations from five distinct EU funds, whereas our treatment status is determined solely by ERDF eligibility. Consequently, some treated regions exhibit substantial increases in total funding despite losing Convergence status. Conversely, during the 2014–2020 period, several regions that retained Convergence status experienced significant funding reductions.

Finally, we present initial evidence of funding reductions following the loss of Convergence status. Figure 2 shows the average per capita payments for the four groups

across years. Two key patterns emerge:

1. Within each programming period, funding intensity rises progressively, peaks toward the end, and drops sharply at the start of the subsequent period.
2. When regions lose Convergence status, their subsequent programming periods display lower peak funding levels, reflecting a sustained reduction in intensity.

Figure 2: Average Payment per capita by cohort



3.2 Elections and EU Sentiment

To measure sentiment toward the EU, we combine European Parliament election results with the Chapel Hill Expert Survey (CHES) by [Jolly et al. \(2022\)](#). European elections provide an ideal setting, as they take place every five years and simultaneously across all Member States. The CHES dataset evaluates political parties⁷ across Europe on multiple dimensions, including their position toward the EU, measured on a continuous scale, enabling cross-country comparisons.

⁷Not all parties are included in the CHES dataset; we therefore keep track of the share of votes that is “unlabelled” and include it as a control variable.

For each European election, we assign an *EU sentiment score* to each NUTS2 region according to:

$$EUScore_{i,t} = \sum_p Voteshare_{p,i,t} \times EUposition_{p,t},$$

where $EUScore_{i,t}$ is the sentiment score for region i in year t , $Voteshare_{p,i,t}$ is the vote share of party p in region i and year t , and $EUposition_{p,t}$ is the CHES-based position of party p toward the EU in year t .

Following the CHES codebook, *EUposition* measures the overall orientation of a party’s leadership toward European integration from 1999 to 2019, where 1 denotes “Strongly opposed” and 7 denotes “Strongly in favor”. For comparability, we normalize it to a $[0, 1]$ scale.⁸

To extend the measure before 1999, we rely on the Ray–Marks–Steenbergen expert surveys (Ray, 1999; Steenbergen and Marks, 2007), which provide comparable evaluations for the 1984–1999 period.

This approach allows comparison between countries with different political landscapes and accommodates changes in party positions over time.⁹ In the main analysis, we also fix each party’s EU position to its first available evaluation, so that any change in a region’s EU score can only result from shifts in vote shares between parties.

We also use a second specification in which we scale each parties’ EU position by the salience that, according to the CHES survey, measures the “relative salience of European integration in the party’s public stance”:

$$EUScoreSalience_{i,t} = \sum_p Voteshare_{p,i,t} \times EUposition_{p,t} \times EUsalience_{p,t},$$

where $EUsalience_{p,t}$ ranges from 0 representing “European Integration is of no importance, never mentioned” to 10 representing “European Integration is the most important issue” and that we normalize on a scale $[0, 1]$. In this way, parties for which the debate on European integration is not relevant are weighted less, regardless of their position.

⁸ $EUposition = (CHES - 1)/6$.

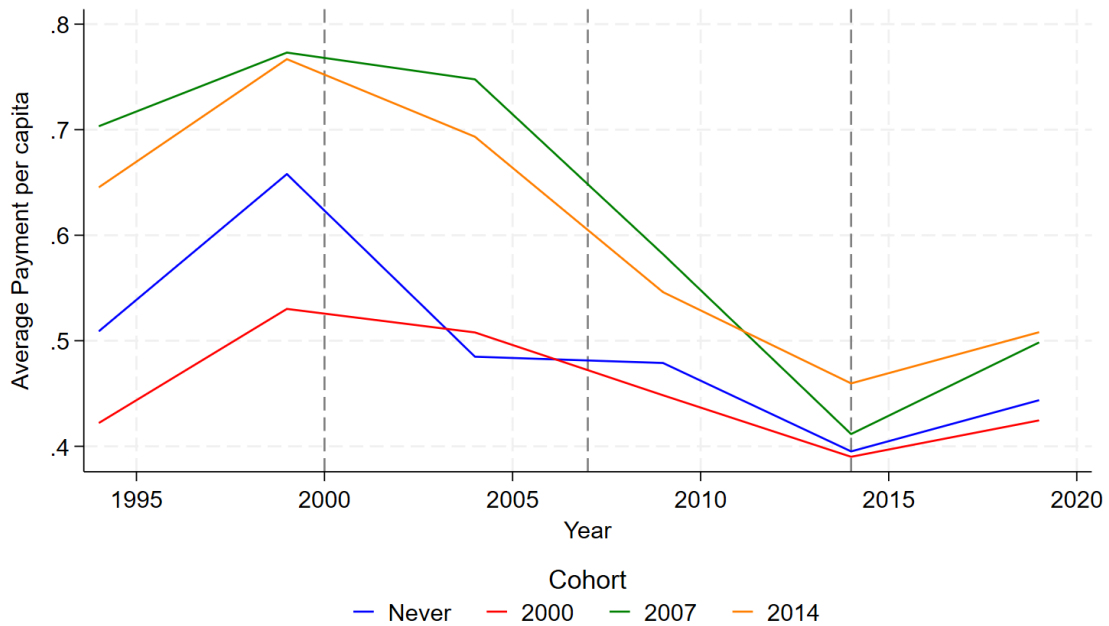
⁹Since expert evaluations are conducted at irregular intervals, we link each election to the most recent evaluation available prior to it. For example, if evaluations are available for 2010, 2014, and 2019, elections from 2009–2013 are linked to the 2014 evaluation, and elections from 2014–2018 to the 2019 evaluation. This avoids assigning an election to an evaluation conducted after the vote.

To investigate whether funding losses affected specific European party families, we also track vote shares at the European parliamentary group level. National parties are linked to European parties following Caramani (2023),¹⁰ with adjustments for changes in group membership over time.

Election data are taken from Schraff et al. (2023), covering all national and European elections at the NUTS2 level¹¹ from each Member State’s year of accession through 2020. European elections are included from the first held after each country’s accession.

In this framework, the treatment moment for each region is defined as the first European election following the loss of Convergence status. Accordingly, we have three treated cohorts and one never-treated cohort. Figure 3 presents the simple average EU sentiment scores over time for each cohort.

Figure 3: Average EU Score Salience by cohort



¹⁰To account for historical changes in European party names and group affiliations, we follow Kaiser and Mittag (2023) and https://en.wikipedia.org/wiki/Political_groups_of_the_European_Parliament. For a visual reference, see Figure ??.

¹¹For Ireland, European election results are available at the constituency level, which may introduce minor geographical inconsistencies when aggregating to NUTS2.

4 Identification strategy

To assess the impact of losing funds on European sentiment, we use a Difference-in-Differences (Diff-in-Diff) approach, in which treatment begins when a region loses both the “less developed” status and funds. Since the timing of losing convergence status is not simultaneous, we are in a staggered adoption setting, with four cohorts in the treatment group and one cohort that never loses the status.

We use three estimators to corroborate our findings: a simple Two-Way Fixed Effects (TWFE) estimator, the Callaway-Sant’Anna (CS) doubly robust estimator and Sun-Abraham (SA) estimator.

Our TWFE specification is:

$$Y_{it} = \alpha_i + \gamma_t + \beta X_{it} + \tau d_{it} + \epsilon_{it},$$

where Y_{it} is the outcome variable, α_i and γ_t are unit and time fixed effects, X_{it} is a set of controls, d_{it} is a dummy equal to 1 if a unit is treated (i.e., has lost the convergence objective) and 0 otherwise, and ϵ_{it} is the error term. The coefficient of interest, τ , provides the causal estimate of the effect of losing funds on European sentiment. However, as highlighted in the literature, the TWFE approach can suffer from problems due to the assumption of homogeneous treatment effects and from forbidden comparisons, so we also employ two alternative estimators.

Our CS ([Callaway and Sant’Anna \(2021\)](#)) specification is:

$$ATT_{dr}(g, t; \delta) = \mathbb{E} \left[\left(\frac{G_g}{\mathbb{E}[G_g]} - \frac{\frac{p_g(X)C}{1-p_g(X)}}{\mathbb{E}\left[\frac{p_g(X)C}{1-p_g(X)}\right]} \right) (Y_t - Y_{g-\delta-1} - m_{g,t,\delta}(X)) \right],$$

where ATT_{dr} is the average treatment effect on the treated; G is the time period when a unit first becomes treated (the cohort); G_g equals 1 if a unit is first treated in period g and 0 otherwise; t denotes the time period (in our case, the year); and Y is the outcome variable. The term $m_{g,t,\delta}(X) = \mathbb{E}[Y_t - Y_{g-\delta-1} \mid X, D_{t+\delta} = 0, G_g = 0]$ represents the population outcome regressions for the not-yet-treated-by-time- $(t + \delta)$ group, where D is a treatment dummy. In practice, $m_{g,t,\delta}(X)$ is obtained by regressing ΔY_t on X for untreated units; the fitted model then generates predicted values for all units, including treated ones ([Baker et al. \(2025\)](#)). $\frac{p_g(X)C}{1-p_g(X)}$ is the inverse probability weighting (IPW) component, with $p_g(X)$ the conditional probability of

being in the treatment group given covariates X . As shown by [Sant’Anna and Zhao \(2020\)](#), this estimator remains consistent for the ATT when either (but not necessarily both) the propensity score model or the outcome regression model is correctly specified.

As emphasized by [Callaway and Sant’Anna \(2021\)](#), only not-yet-treated or never-treated units should be used as a comparison group. In our main analysis, we use the not-yet-treated units, and our results are unchanged when using the never-treated group.

For the main analysis of the effect of losing funds on electoral outcomes, we control for the percentage of older people, the percentage of people with tertiary education, population density, log GDP per capita and the share of votes not linked to parties included in the CHES survey.

5 Results

5.1 EU Score Saliency

We start by simply checking the effect of losing the status, regardless of the amount of payments received.

Our findings indicate that losing the convergence status leads to a reduction in European sentiment in European elections compared to regions that retain funding. We present our findings using EU Score Saliency.

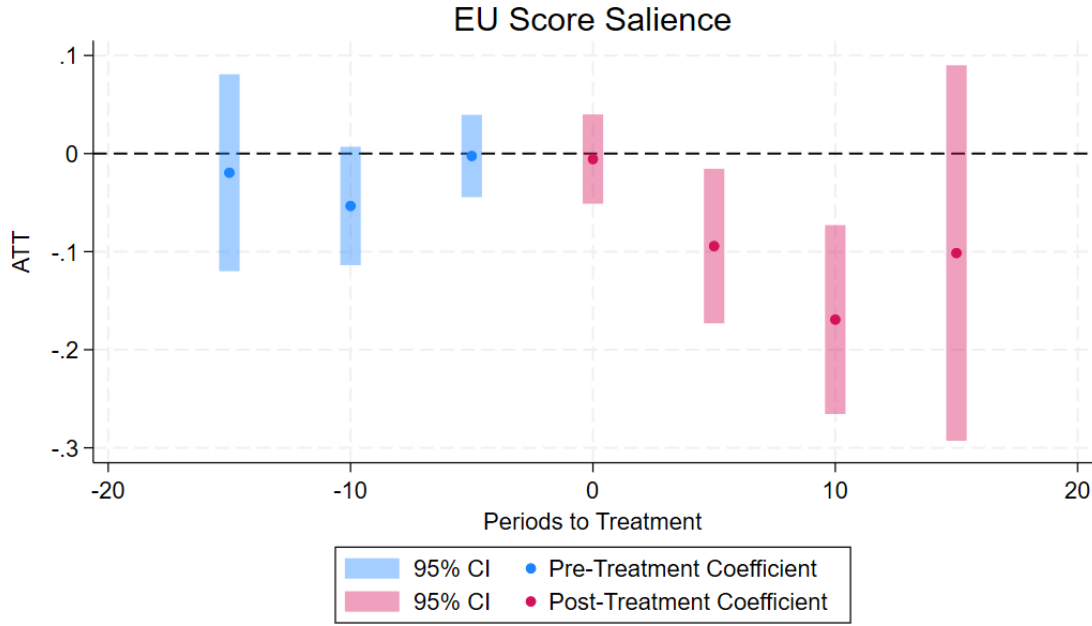
Table 1: Treated and untreated regions.

Treatment Cohorts	Freq.	Percent
Never treated	64	56.14
2004	9	7.90
2009	25	21.93
2014	16	14.04
Total	114	100

The event study visualization is reported in [Figure 4](#). We can see that the effect

is not significant immediately after the loss of the status, but becomes significant for the two subsequent elections, in line with the idea that the status loss is not sufficient for the decrease in EU sentiment. In fact, many regions losing the status do not see immediately the decrease in funding, but this becomes visible some years after.

Figure 4: EU Score Saliency



Notes: Outcome variable is EU Score Saliency. Confidence intervals at the 95% level.

Table 2 reports our results using different estimators. The results are significant using the CS estimator, however we don't find strong results for the other estimators once we add in controls and missing votes.

Table 2: EU Score Salience Diff-in-Diff estimates.

	(1)	(3)	(4)
Panel A: CS			
ATT	-0.0887** (0.0382)	-0.144*** (0.0491)	-0.0816*** (0.0296)
N	558	558	558
Panel B: SA			
Treatment	-0.0689*** (0.0363)	-0.0357 (0.0435)	-0.0221 (0.0285)
N	562	562	562
Panel C: TWFE			
Treatment	-0.0872** (0.0344)	-0.0299 (0.0329)	-0.0116 (0.0264)
N	562	562	562
Controls	No	Yes	Yes
Missing Votes	No	No	Yes

Notes: Outcome variable is EU Score Salience. Clustered standard errors in parentheses.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

As we mentioned before, the funding cuts and the economic consequences of these cuts are not homogeneous across cohorts, in fact they are particularly pronounced for the 2007 cohort. In Table 3 we provide evidence that is exactly that cohort the one the most responded to those cuts by lower support towards the EU.

Table 3: EU Score Salience Diff-in-Diff estimates by cohort.

	G2000	G2007	G2014
ATT	-0.0202 (0.0309)	-0.1067*** (0.0403)	-0.0917 (0.0619)
N	558	558	558
Controls	Yes	Yes	Yes
Missing Votes	Yes	Yes	Yes

Notes: Outcome variable is EU Score Salience. All columns report results using the CS estimator. Clustered standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

5.2 European parties

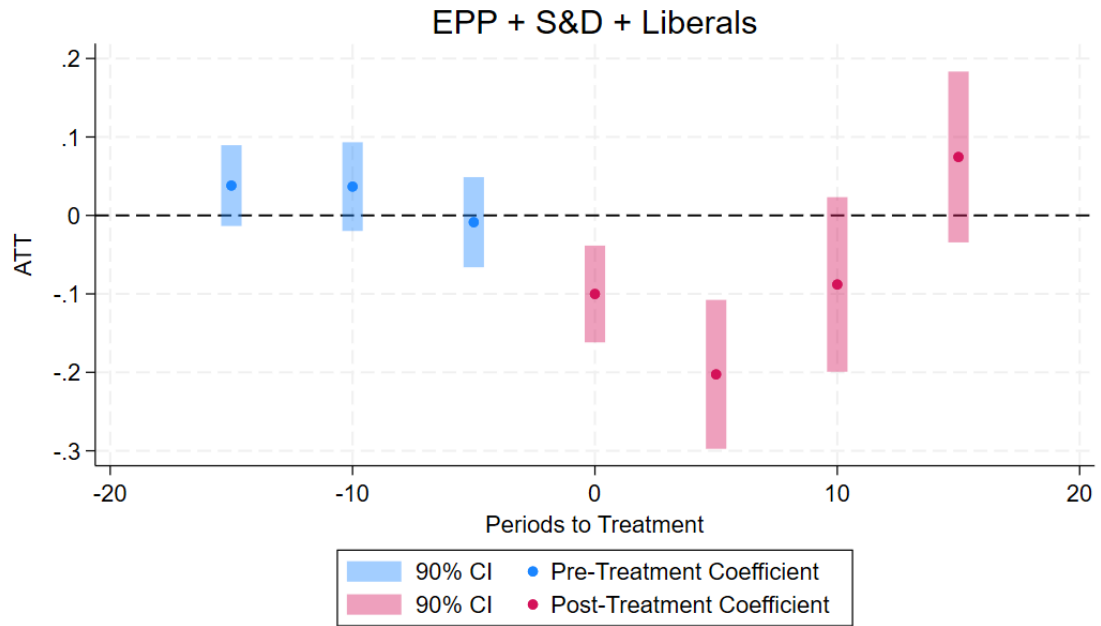
So far, we have shown that losing funds results in a reduction in EU sentiment during European elections. Now, we ask: which parties gain or lose from this? As mentioned earlier, we classified parties into political groups of the European Parliament and now examine how these European groups perform in regions that lose funding. In particular, we aggregate the “establishment” groups—those consistently in the majority in the EU Parliament (EPP, S & D, and Liberals)—the opposition groups (Greens/EFA¹², Left, Nationalists¹³), as well as parties that are non-inscrits and votes going to parties that do not enter the Parliament.

Focusing first on the majority groups, we observe a decrease in their share of votes. Our results are reported in Figure 5.

¹²They were in the majority only during the 1999-2004 legislature and the current one.

¹³See Figure ?? for a detailed overview of these groups.

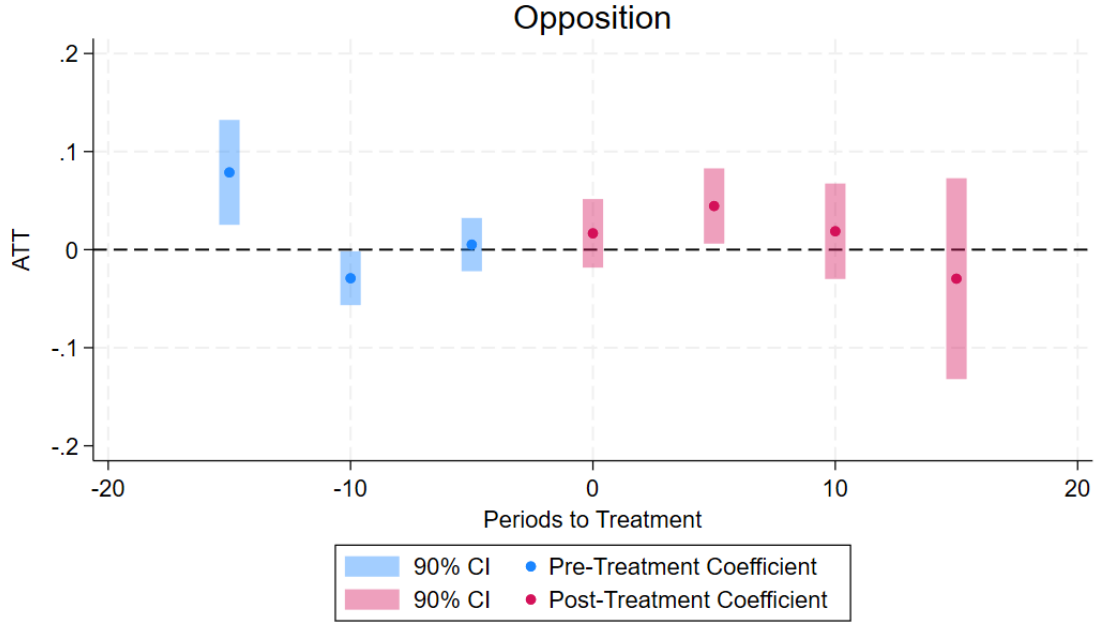
Figure 5: Majority event study



Notes: Outcome variable is the share of votes going to the majority parties (EPP, S & D and Liberals). Confidence intervals at the 90% level.

Moving to the opposition parties, we don't find a significant difference between treated and control groups, however this results is suffering of severe pre-trend issues.

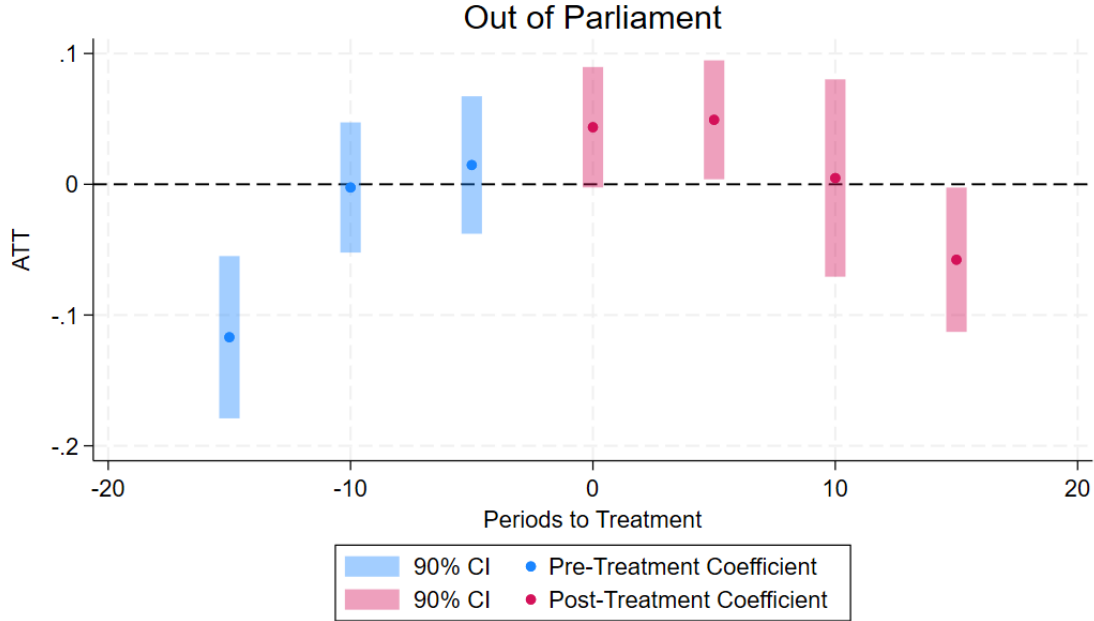
Figure 6: Opposition event study



Notes: Outcome variable is the share of votes going to the opposition parties (Greens/EFA, Left, Nationalists and Non-Inscrits). Confidence intervals at the 90% level.

Finally, we consider the share of votes going to parties that participate in the election but either fail to enter the Parliament or cannot be linked to the parties for which we have information. Our results, shown in Figure 7, reveal an increase in their vote shares compared to regions that do not lose the convergence status.

Figure 7: Out of Parliament event study



Notes: Outcome variable is the share of votes going to the parties that don't enter the parliament or that we cannot link to European parties. Confidence intervals at the 90% level.

Overall, we find that losing cohesion support does impact the voting choices of Europeans, particularly shifting votes toward anti-establishment parties.

5.3 Isolating the effect of funds

Before we considered as treated those regions that simply lost the “Less Developed” status, but, as we mentioned, the funding loss does not happen immediately when losing the status. Thus, we want to investigate better the effect of funding loss on EU sentiment.

Here we will consider regions treated not as soon as they lose the status, but we will consider them treated when after losing the status the funding cuts become visible. This means that for many regions we postpone the beginning of the treatment to the first election in which the funding cuts become significant. This implies that we come up having 4 cohorts instead of the previous 3.

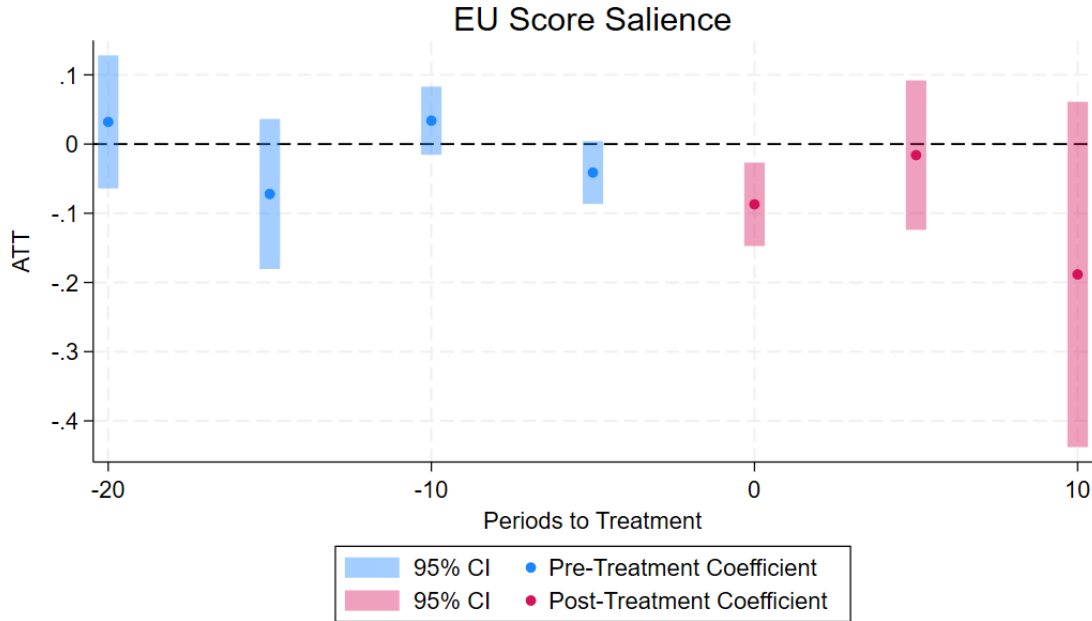
Table 4: Treated and untreated regions.

Treatment Cohorts	Freq.	Percent
Never treated	66	58.41
2004	2	1.77
2009	5	4.43
2014	17	15.04
2019	23	20.35
Total	113	100

Notes: We have 1 region less than before because Corsica, losing the status in 2000, actually never has a decrease in funding.

Our results are reported in Figure 8.

Figure 8: EU Score Salience event study



Notes: Outcome variable is EU Score Salience. Confidence intervals at the 95% level.

It can be noted that the decrease becomes significant in the first period regions are losing funds. This finding is in line with the idea that if we postpone the treatment when a region has effectively lost funds after losing the status, the political response comes together with funding cuts.

Our estimates are reported in Table 5 and now results are robust across different estimators.

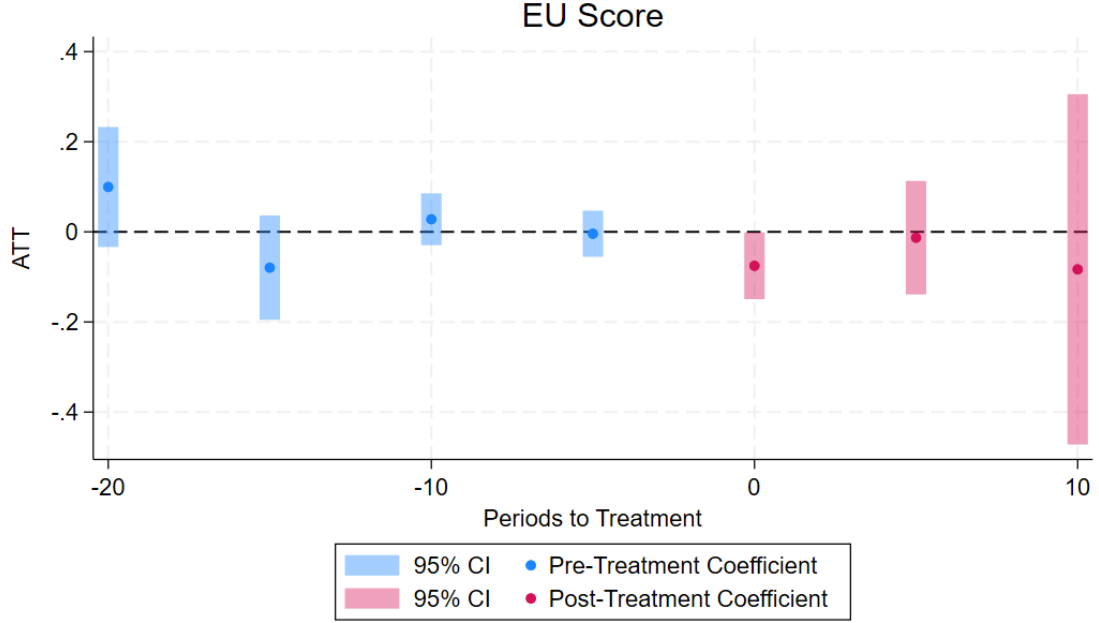
Table 5: EU Score Salience Diff-in-Diff estimates.

	(1)	(3)	(4)
Panel A: CS			
ATT	-0.0860*** (0.0323)	-0.159*** (0.0377)	-0.0837*** (0.0270)
N	537	535	535
Panel B: SA			
Treatment	-0.0903*** (0.0366)	-0.1376*** (0.0093)	-0.1549*** (0.0144)
N	537	537	537
Panel C: TWFE			
Treatment	-0.127*** (0.0325)	-0.0576* (0.0336)	0.00775 (0.0222)
N	537	537	537
Controls	No	Yes	Yes
Missing Votes	No	No	Yes

Notes: Outcome variable is EU Score Salience. Every specification includes Unit and Time fixed effects. Clustered standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

In Figure 9 and Table 6 we present the results using EU Score, our outcome variable in which EU Position is not scaled by EU Salience. The results do not change much.

Figure 9: EU Score



Notes: Outcome variable is EU Score Confidence intervals at the 90% level.

Table 6: EU Score Diff-in-Diff estimates.

	(1)	(3)	(4)
ATT	-0.0993*** (0.0348)	-0.149*** (0.0423)	-0.0659* (0.0340)
N	537	535	535
Controls	No	Yes	Yes
Missing Votes	No	No	Yes

Notes: Outcome variable is EU Score. All columns refer to the CS estimator. Clustered standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

6 Economic Performance

As shown above, the 2007 cohort exhibits the strongest response to funding cuts. This is the same cohort that experienced a substantial loss of support during the recession and faced the most pronounced economic contraction.

We now examine whether economic performance constitutes the channel through which the loss of EU funding affects support for the European Union. As shown above, regions experiencing funding cuts exhibit weaker economic performance; however, these effects are heterogeneous. We therefore investigate whether this variation in economic performance mediates the impact of funding losses on EU sentiment. In this framework, reductions in funding first affect regional economic growth, which subsequently translates into lower support for the EU.

To test this mechanism, we split the treated sample into two groups based on post-treatment economic performance: regions with low economic performance and regions with high economic performance. We compute regional growth rates after the loss of convergence status and define high-performing regions as those with average growth above the median, and low-performing regions as those with average growth below the median. The control group remains unchanged.

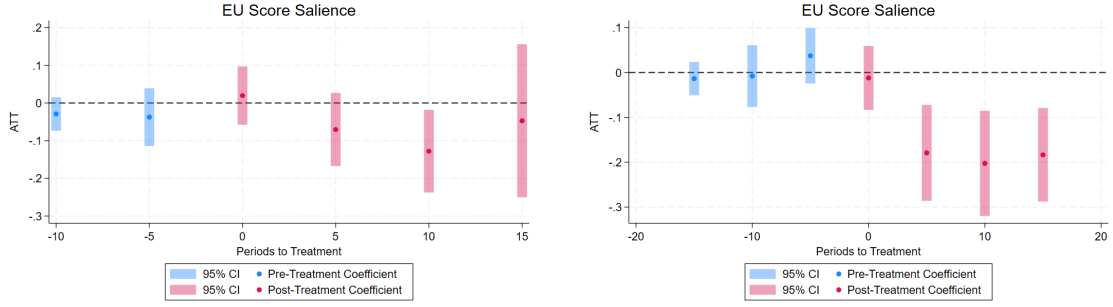
In our baseline specification, high-performing regions are those exhibiting an average five year growth rate after losing the treatment greater than 11%.

Table 7: Treated and untreated regions by performance group.

Treatment Cohorts	High Performance		Low Performance	
	Freq.	Percent	Freq.	Percent
Never treated	64	71.91	64	71.91
2004	7	7.87	2	2.25
2009	9	10.11	16	17.98
2014	9	10.11	7	7.87
Total	89	100	91	100

In Figure 10 and Table 8 we report our results for the High an Low performing regions. As it can be noted, our results is driven by those regions that had lower economic performance after losing EU funding. In fact, the High performance group does not have a significant decrease in EU sentiment after losing the “Less Developed” status.

Figure 10: Economic Performance



(a) High Performance

(b) Low Performance

Table 8: Score Salience Diff-in-Diff estimates.

	(1)	(3)	(4)
<i>Panel A: High Performance</i>			
ATT	0.0173 (0.0411)	-0.0438 (0.0516)	-0.0499 (0.0376)
N	412	412	412
<i>Panel B: Low Performance</i>			
ATT	-0.200*** (0.0537)	-0.230*** (0.0823)	-0.131*** (0.0412)
N	420	418	418
Controls	No	Yes	Yes
Missing Votes	No	No	Yes

Notes: Outcome variable is EU Score Salience. All columns refer to the CS estimator.

Clustered standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

These results suggest that it is not the mere loss of funding per se that reduces support for the EU. Rather, negative reactions emerge where funding cuts coincide with weaker economic performance. In this sense, economic performance appears to be the key channel through which Cohesion Policy shapes voters' preferences. Sustaining pro-EU sentiment therefore requires that transfers translate into tangible development outcomes. Otherwise, when funds decline without having generated durable economic improvements, voters respond by punishing the EU.

7 Conclusion

Does a cut in European funding affect EU sentiment? In this paper, we analyzed how losing access to funding from the EU Cohesion Policy influences support for the EU, as measured through European elections.

We found that losing the convergence status leads to a decrease in support for the parties historically dominant in the European Parliament, accompanied by a rise in support for opposition parties and those that participate in elections but fail to enter the Parliament.

These results are preliminary and need further investigation, particularly regarding the robustness of our findings.

Nevertheless, this paper contributes to the literature by providing some causal evidence on the impact of reductions in Cohesion Policy funding on EU sentiment. Our results also suggest that reducing European funding could potentially undermine the stability of the EU, which policymakers should carefully consider when discussing how to reallocate these resources, especially when previous support didn't result in sustained development.

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