

# 5th Political Science & Political economy Conference Titles and Abstracts

Moses Shayo, HebrewU

*Grexit vs. Brexit: International Integration under Endogenous Social Identities (with Boaz Abramson)*

**Abstract:** This paper seeks to introduce social identity into international economics. We propose a simple framework to study the interaction between identity politics and international integration, allowing identities themselves to be endogenous. Contrary to widespread intuitions, we find that a robust union does not require that all members share a common identity. Nor is a common identity likely to emerge as a result of integration. Furthermore, while national identification in the periphery leads to premature breakup, a common identity can sometimes lead to excessively large unions. A union is more fragile when periphery countries have high ex-ante status, whereas low-status countries are less likely to secede, even when between-country economic differences are large and although union policies impose significant hardship. We trace the implications of the model for likely entrants and defectors from the EU.

