

**CERGE EI / GDN RESEARCH COMPETITION
FINAL REPORT**

**The perception of the Reform Process in Transition
Economies**

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SUMMARY OF THE RESEARCH

Using EuroBarometer data on Bulgaria, Hungary, Czech Republic, Slovenia, Slovakia, Poland, Romania, Estonia, Lithuania and Latvia, attitudes to the transition process were examined. These attitudes covered three separate areas:

- (i) Attitudes to electoral participation as reflected in general elections and referenda on membership of the EU and NATO;
- (ii) Attitudes to EU and NATO membership;
- (iii) Attitudes to the free market and the state of democracy of voters in their respective countries.

These three studies have resulted in four separate papers – three analyzing the issues using the data from all countries above, the fourth focusing on the developments in the Czech and Slovak Republics with respect to the voting behavior and its determinants. The first three papers were prepared in English, the last paper in Slovak. We will briefly summarize the main results before moving on to the policy implications.

1. Attitudes to Electoral Participation

1.1. Empirical Results

With respect to national (general) elections, electoral participation increased with the respondent's income, age and education. It was also greater for students and men and less for unemployed. Neither self-employed, nor farm-workers and other locational variables were significant. In addition those who opposed the free market or were dissatisfied with the general direction of development of the country were less likely to vote. Moreover, we found out that there were still significant differences in electoral participation between countries, which may in part reflect the complexity of the electoral systems adding to the costs of voting. On the other hand, it can be the reflection of differences in civic duty among different countries. The results also indicated that electoral participation increased with the increase of GNP per capita relative to its level at the start of the transition process.

The results for the analysis of voting behavior in two referenda were largely consistent with those already discussed. Focusing on the differences, age is no longer a significant factor in determining electoral participation in the referenda on the EU and has much less significant influence in the referenda on joining NATO, which suggests that age is more related to the costs individuals incur in voting than to the civic duty. Secondly, women are significantly much less likely to vote in the two referenda than men (the sex is more significant than for national elections).

1.2. Conclusions

The results tend to confirm the theoretical analysis in the conclusion that variables reflecting civic duty, the costs of voting and self interest all impact on the voting decision. The most clear link with self interest is via income. Our theoretical analysis suggested that electoral participation would increase with income and this was strongly borne out by the empirical results. The significance of the education variable suggests that the costs of voting are a factor in the voting decision with those

most cognitively able to process the data relating to the voting decision more likely to vote. The same may be true for age. The significance of the attitudinal variables unambiguously indicates the significance of a sense of civic duty in the voting decision. It provides very strong evidence that civic duty can be adversely affected by a sense of alienation from the political system, caused by disaffection with the way the system is evolving or works and that this then impacts negatively on the electoral participation decision. The two attitudinal variables reflect individual differences in civic duty but only partially and the country differences may also reflect variations in civic duty, as well as in factors which affect the complexity of the voting system and hence the costs of voting.

A key difference between referenda, probably most referenda, but clearly on these issues, and voting in general elections is the value of accumulated knowledge. Even though in transition countries many, even most, of the political parties are relatively new, voters will have known at least some of their leaders in the pre-transition days and the accumulated information of older voters will be of use to them in choosing between alternatives. Hence the costs of voting for older voters (in terms of the costs of acquiring information) will be less than those for younger voters, which might help to explain the significance of age in the regressions on electoral participation in general elections. This is much less likely to be the case for the two referenda issues, the possibility of joining the EU and NATO are relatively new, no older than the transition process itself. Information on the advantages and disadvantages of these options will not have been accumulated over time and the old will have no advantage over younger people in this respect. Hence, this may explain why we do not see such a strong age effect in the two referenda equations. We might note that although this study is very issue specific, it might well relate to referenda in general in that arguably most referenda issues are relatively new ones for which past experience offers little guidance. These results may also indicate that the general significance of age in explaining electoral participation in Western Europe may at least in part be also due to a similar cost of voting effect as we faced in our study.

2. Attitudes to Membership of the EU and NATO

2.1. Empirical Results

Support for EU accession increases with the respondent's income and education. It is also greater for students. However, those who live in villages and those engaged in farming are significantly more hostile to membership. The country dummy variables indicate that other things being equal Romanians, Poles and Bulgarians are most positive with respect to the support of EU membership, with voters in Baltic states being least favorable to it. In addition, those who opposed the free market were less likely to support accession, which tended to increase with GNP per capita relative to its level in 1991, i.e. at the start of the transition process.

The results for NATO referendum are noticeably different from those for the EU one. Firstly, neither income, education, nor the dummy variables for those, who live in villages or work on farms, are significant. Instead the self employed and men are significantly more likely to support NATO membership, whilst those who live in capital cities significantly more likely to be opposed to NATO membership. In addition to other variables significant differences between countries remain and in general Romania tends to be most enthusiastic in this respect.

2.2. Conclusions

The results clearly indicate the importance of self-interest in the decision related to EU and NATO referenda. For example those whose livelihood is linked to the agricultural sector are against joining the EU, but not NATO – a clear reflection of the impact of EU agricultural policies and the way the accession countries will be treated in this respect. This is also arguably true for income and education. The gains from joining the EU are largely economic and those who have done well in the transition process can expect to continue to do well with EU membership. However, the pattern of significance of those, who live in capital cities, is interesting. Compared to the rest of the country, capital cities both gain (greater prosperity and inward investment tends to be focused on them) and lose (the loss of influence and power) from EU membership. But they only lose (influence and power) from NATO membership as the ‘gains’ – greater security - are diffused more evenly throughout the population. Hence the relatively greater opposition of those who live in capital cities to NATO, but not EU, membership suggests the role of civic duty – but at the local level – in this decision.

3. Attitudes to the Free Market and the State of the Democracy

3.1. Empirical Results

The results follow the already reported pattern. Attitudes to both of these variables tend to be more favorable the greater is GNP per capita relative to its 1991 level. The socio economic variables reflect a mixture of self-interest and public interest or civic duty. Dealing first with the free market, approval increases with the respondent’s income and education, but declines with age. It is also greater for students, men and self-employed and declines for the unemployed, those who live in villages and those who work in agriculture.

Turning to the state of democracy the results are similar to those already discussed with regard to the free market and we shall focus on the key differences: Firstly, neither the self-employed nor those engaged in agriculture have significantly different attitudes compared to the rest of the population. Secondly, those who live in cities and in particular those, who live in capital cities, are significantly less satisfied than those who live in towns or villages. Indeed the pattern of significance suggests that there is a hierarchy of satisfaction, which is greatest in villages and steadily declines as we move from towns to cities and to capital cities.

3.2. Conclusions

Once more we can see a mixture of both self-interest and overtones of civic duty impacting on these attitudes. The results suggest greater dissatisfaction with local democracy in larger cities, which may reflect the greater potential for civic corruption and hiding corruption in large cities than smaller towns and villages. If this is the case then this harms civic duty – this is a well-founded hypothesis in the literature. The country dummy variables suggest that Poland and Romania, together with Slovenia, are most satisfied with the state of their democracies, other things being equal, and Bulgaria, Hungary and the Slovak Republic the least satisfied.

4. Policy Implications

In terms of electoral participation, the simpler the voting system, the greater is the likelihood of electoral participation. Whilst those who are disenchanted either because they personally are not doing well or because they disapprove of political and economic developments are less likely to vote. In this respect our analysis suggests a little discussed advantage of referenda over elections, i.e. in widening electoral participation. This may be particularly important in emerging democracies with relatively new political parties. These results however have resonance beyond Central and Eastern Europe, with falling electoral participation as a worrying trend in most countries.

With respect to attitudes to EU/NATO membership our results once more emphasize that this decision is to a considerable extent influenced by self-interest. Politicians may appeal to the tide of history or to a concept of Europeanization. But unless the membership delivers benefits to individuals it is unlikely to be supported. This may also be applicable not only for potential, but also for existing unions.

However, throughout the research we have also picked up the influence of non-self interest, i.e. civic duty, or a wider duty to the community in individual attitudes and decisions. It is odd perhaps that in an individualistic society this is the glue that helps hold society together, that for example persuades people to incur the costs of voting when they have little chance of impacting on the outcome. However, our results also emphasize that this is not something that can be taken for granted and needs to be nurtured by a responsive and non-corrupt political system, which delivers economic prosperity.

Finally, our results have clearly indicated varying degrees of enthusiasm for the transition process. In nearly all cases Romania scored positively in a willingness to embrace the change. It is arguable that this is perhaps something the EU and others might take into account in decisions on accession, aid and investment. Such initiatives are more likely to work with a willing partner than a reluctant one.