

Unconditional support? Eurocrisis and institutional trust in Central Eastern Europe

Aleksandra Sojka

PhD Candidate

Department of Political Science

University of Granada, Spain

XI Spanish National Political Science Conference (AECPA)

Sevilla, 18 -20 September 2013

Abstract:

EU accession constituted an important element for the stabilization and modernization of the new democratic institutions in Central-Eastern Europe. Support for EU membership in these countries has been linked to a discontent with the performance of domestic institutions, while Euroskepticism has been observed to be more pronounced in countries with higher levels of satisfaction with the workings of national democracy. However, in the recent years, the financial and economic crisis has put into question the output legitimacy of EU institutions, while support for the European integration project has been eroding in the whole of the EU. In this context, the goal of the paper is to explore the possible link between Central and Eastern European citizens' evaluations of the financial, economic and political crisis at the EU level and their attitudes towards the political system. The data used for the analysis is the Eurobarometer series.

Keywords: institutional trust, economic crisis, Central Eastern Europe, European Union

1. Introduction

Not even a decade has passed since the Eastward enlargement, therefore only now we can start to assess the way new European citizens' perceptions and attitudes are shaped in the context of EU membership. Comparative studies of the changes in attitudes in the Central Eastern European new EU member states after the accession are still scarce. Some of the recent studies of support for integration in this group of countries point to the economic benefits as most important explanatory variable (Jackson, Mach, and Miller-Gonzalez 2011, Guerra 2012), while other explain differences between countries in relation to the satisfaction with the workings of national democracy (Ilonszki 2009). It seems that both approaches could be potentially relevant in the context of the current financial and economic crisis which has severely undermined the legitimacy of the EU institutions and eroded support for the European integration project in most of the member states.

If the economic benefits drive attitudes towards the EU in Central Eastern Europe, the impact of the economic crisis could constitute a decisive factor in the decline of support for European institutions. However, it stems from the existing research that economic calculations are not the only relevant factor which conditions political support, as we must also take into account how attitudes are shaped by the perceptions of political and economic performance. Specifically, in the context of Central and Eastern Europe, EU membership has been considered as a guarantee for the modernization and stabilization of the recently re-established democratic institutions and the functioning of market economy. This implied a general positive image of the EU which fostered "unconditional support" for integration (Guerra 2012) and high levels of trust in EU institutions.

While trust in European institutions has been high, political trust in domestic institutions, on the other hand, has been generally low, a situation considered to be a legacy of non-democratic regimes in the region (Mishler and Rose 1997). In the context of the EU, the discontent with performance of domestic institutions has been argued to constitute a central element to the support for European integration and trust in EU institutions (Sánchez-Cuenca 2000; Ilonszki 2009; Muñoz, Torcal, and Bonet 2011). From this perspective perceptions of political and economic performance of institutions (national and supranational) are directly linked. The underlying assumption to these approaches has been the perception of the EU as an efficient alternative to the low-performing national institutions on the one hand, and the lack of knowledge about the workings of the more remote European institutions, which results in the use of national proxies (Anderson 1998) to evaluate the EU, on the other. However, in the current context of financial crisis and the intense media coverage of the austerity measures promoted by the EU to resolve the economic problems, difficulties related to the working of the EU institutions have become more

visible, possibly influencing both assumptions. As we take this fact as our starting point, the goal is to investigate the link between citizens' perceptions of the EU performance and their attitudes towards the political system. In other words, we seek to verify whether in the new member states, where the EU has been perceived mainly through its economic outputs and membership has been predominantly conceived as an opportunity of further institutional modernization, the current context of EU financial, economic, and institutional crisis has an impact on attitudes towards national and supranational institutions.

The paper is structured into three parts: firstly, the theoretical underpinnings of studying institutional support and political trust in a multilevel system of governance in general, and in the context of Central Eastern Europe in particular are briefly presented. Secondly, we explore the patterns of trust in European and national institutions across Central Eastern Europe and some contextual variables which depict the impact of the crisis on the economies of the new member states, together with citizens' perceptions of the economy. Finally, explanatory models are proposed for trust in national parliaments and the EU in Central Eastern Europe, in order to verify whether the perceptions of economic crisis and EU performance could constitute explanatory factors of trust in domestic and European institutions.

2. Support for national and supranational institutions in the enlarged European Union

The structure and development of public opinion attitudes towards the EU are well documented in the case of the EU-15, providing us with concrete explanatory models pointing, among others, to instrumental factors (Gabel 1998), national proxies (Anderson 1998), the effects of cognitive mobilization (Inglehart 1970), political cueing (Hooghe and Marks 2005), performance of institutions (Sánchez-Cuenca 2000; Ilonszki 2009; Muñoz, Torcal, and Bonet 2011) and affective/identity factors (McLaren 2006; Duchesne and Frogner 2008). However, since our main point of interest lies in the possible relationship between the supranational and the national level of governance, in what follows we focus on the instrumental and performance theories regarding support for political system in European Union and how the connection between political trust and the performance of institutions could be theoretically formulated from the perspective of Central Eastern European states.

2.1 Support for national and supranational institutions: theoretical outline

As a result of its progressive politicization, the subjective legitimacy of the EU – that is, rooted in citizens' legitimacy beliefs (Fuchs 2011) - has become an issue of intense academic debate, reflected in the growing number of publications on this

topic (Lucarelli, Cerutti, and Schmidt 2011; Schmidt 2011; Fuchs and Klingemann 2011, among others). Political support is central to these debates, and one of the most influential approaches to this issue has been formulated already in the 1960's when Easton put forward his model for the analysis of political systems with concepts of support and legitimacy as central to it (Easton 1979). If we treat the EU as a political system (Hix and Høyland 2011) one of the biggest challenges is to consider how institutions at different levels (national and supranational) interact with each other and how we can integrate these interactions into a "multilevel structure of government within the analytical framework of political support and pay attention to the interplay of support among different levels of government" (Muñoz et al. 2011).

Initially the theories concerning support for the EU focused on the utilitarian factors. The instrumental approach rests on the assumption that economic conditions influence support for the EU and citizens make rational calculations about the benefits from European integration (Gabel 1998). However, these explanatory models have been soon supplemented by other theories which related support for EU membership to other types of factors. Specifically, here the model proposed by Anderson (1998) is of interest as he connects the national and the European level by arguing that due to the fact that citizens are generally ill-informed about the workings of the EU, their attitudes towards the supranational level are not results of a rational cost-benefit calculation regarding European integration, rather their support for EU is mediated by attitudes towards domestic politics. Specifically, he finds out that citizens' diffuse support of the domestic political system (operationalized as satisfaction with the way national democracy works) constitutes a proxy for attitudes towards EU membership. However, Sánchez Cuenca (2000) rejects the view that support for national and supranational political systems does not vary independently. He argues, quite to the contrary, that citizens are in fact capable of discerning between the two levels of institutions and that "the worse citizens' opinion of national institutions and the better the opinion of supranational ones, the stronger the support for European integration" (Sánchez-Cuenca 2000, 169). More recently, Muñoz et al. (2011) tried to reconcile both perspectives by arguing for a congruence/compensation model taking the example of national parliaments and the EP. Their argument follows the assumption that in a multilevel political system such as the EU, there are different effects of trust in institutions at different levels. Therefore, at the individual level they argue that institutional trust "spills over onto different levels of government, and therefore, trustworthiness is congruent." However, at the country level, a compensatory process is in place – citizens who live in countries with general low levels of political trust (and poorly performing institutions) tend to have higher trust in EU institutions.

In the context of the current institutional crisis of the EU, we must also wonder whether and how the perceptions of the economic and political difficulties in

tackling of the crisis by EU institutions impact attitudes towards domestic and European institutions.

2.2 Political trust in Central Eastern Europe – a legacy of untrustworthiness?

While assessing the effects of Eastwards enlargements of the EU, some authors suggest that the new member states of Central Europe differ from the previously admitted members in terms of political attitudes due to their differential socialization processes and historical experience following the Second World War (Weiss 2003; Fuchs and Klingeman 2006). The ten new member states from Central Eastern Europe have experienced socialist rule in the second part of the last century followed by the processes of triple transitions which refer to the reestablishing of democratic institutions, implementing market economy and redrawing of the national boundaries (Offe 1996). Much of the debate concerning the Eastward enlargement of the EU has been accompanied by a concern that citizens of Central and Eastern European countries, may remain more attached to their recently regained national sovereignty, and exhibit higher levels of Euroskepticism (Weiss 2003). Some authors also argue that the enlargement has had negative effects on the sense of community within the EU, as the new member states exhibit lower levels of trust in other people (Fuchs and Klingeman 2006; Thomassen and Back 2009). However, unarguably, one of the most important legacies of the non-democratic regimes in the region has been a tendency to distrust political institutions (Mishler and Rose 1997).

From the perspective of Central Eastern European member states –new democracies with legacies of non-democratic regimes– the generally low levels of political trust have been linked to political and economic performance as mediated by individual level perceptions and attitudes (Mishler and Rose 2001, 55). In the case of the EU, accession encapsulated the promise of improving the economic well-being of its citizens. In Central Eastern European member states EU integration represents a guarantee for the stability of democratic institutions, as well as economic benefits in terms of improvement of personal economic situation and the national economy. These expectations favored the emergence of a positive idea of the EU linked to “unconditional support” (Guerra 2012, 10). In terms of the institutional theory, in CEE national trustworthiness standard (Muñoz et al 2011) and the perception of economic and political performance of national institutions has been lower than that in the rest of the EU countries, while support for European integration and EU institutions has been high, in line with the compensation hypothesis.

However, EU membership is no longer a possibility which might be supported or opposed on the basis of utilitarian calculations or evaluations concerning the future. Citizens of the new member states are already part of the EU and as such can develop “more sophisticated and nuanced assessments of what their

countries' membership in the EU means" (Loveless 2010, 1098), becoming more realistic about the gains to be expected from integration. Direct experience of membership together with worsening perceptions of EU output performance will unarguably have an impact on attitudes in the new member states. This is why it becomes of interest here to investigate the relationship between the declining support for EU and trust in European and domestic institutions in CEE countries.

3. Hypotheses and data

As argued above, in a multilevel system of governance, such as the European Union, the objects of political trust are multiplied as national and supranational institutions become irremediably linked. So far the main preoccupation in EU scholarship has been to establish the sources of trust in supranational institutions, where the performance of national institutions and perceptions of economic situation constituted principal explanatory factors (Sánchez-Cuenca 2000; Iłonszki 2009; Muñoz, Torcal, and Bonet 2011).

As we approach the EU as a political system, where the national and the supranational levels influence each other, it can be assumed that citizens' perceptions of the political and economic crisis at the supranational level are correlated with their attitudes not only towards the supranational institutions, but also, towards the domestic political system. It could be that citizens of the new member states, who no longer perceive the EU as their panacea, could turn to their national institutions. However, it is also possible that since the national political institutions might be perceived as part of the bigger supranational system of decision-making where the democratic deficit becomes more and more visible, citizens might feel excluded and, thus, loose trust in both levels of governance. In order to test both possibilities in what follows we present a comparative study of the patterns of trust in European and national institutions in the new member states of the EU. Moreover, we verify whether the perceptions of economic crisis at the European level and EU's problems in its management could constitute a factor which favors higher levels of trust in the domestic political institutions. Specifically, we test hypotheses regarding the effect of the declining perceptions of economic and political performance of the EU on political trust in Central Eastern Europe: one set of hypotheses relates to the performance of national and European economies. Our hypothesis one is that negative perceptions of national economy might foster more trust in the EU, in line with the expectations regarding modernization and development of the new EU member states (H 1.1). The second one is that the perceptions of economic problems at the European level might erode the image of the EU's effectiveness and increase the odds of trusting in national parliament (H 1.2). The second set of hypothesis, relates to the interplay of political trust between the two levels of government. Based

on the congruence assumption, we posit that negative evaluations of the EU in terms of its political performance are part of a more generalized disaffection with the political system and as such trust in national and supranational institutions is correlated (H2.1 and H2.2).

In order to test these hypotheses concerning political trust at the national and European level we use the data available from recent Eurobarometer studies. Three recent EB studies have been chosen to illustrate the trends in institutional trust over the last decade. The first selected study is EB 62, from autumn 2004, just after the first Eastward enlargement of May 2004. In this case latecomers Romania and Bulgaria are also included in the group of Central and Eastern European member states, even though these two countries became members of the EU only in 2007. However, after inspecting country levels of institutional trust in both countries the results are similar to the rest of CEE states. The second time point inspected is 2008, particularly EB 69.2 with fieldwork developed in spring 2008, a few months before the bankruptcy of Lehman Brothers which marks the initial point of the global economic crisis. The third time point selected for comparison is a recent Eurobarometer study which includes trust variables, from autumn 2011 (EB 76.3), where we can be sure that impact of the economic crisis in general and the problems of the Eurozone in particular can be evaluated. This selection provides a good basis for comparisons of the evolution of political trust in all EU countries with quite recent data. This allows us to assess the impact of such a recent development as the economic and financial crisis.

However there are also significant problems with the chosen data source. Most importantly, the institutional trust question in the Eurobarometer series is formulated in a dichotomous way – respondents can indicate only whether they “tend to trust” or “tend not to trust”. Such a formulation is clearly very limiting, as it does not allow us to establish the intensity of institutional trust (in contrast to other cross-national surveys, such as the EVS, IntUne). However, other studies which do include more sensitive measures of our dependent variable, offer limited time perspective on the impact of the economic crisis which broke out just as the last available surveys were carried out (2008 for EVS and 2009 for the IntUne data).

4. Economic crisis effects on political trust in Central Eastern Europe - analysis

4.1 Economic crisis in Central Eastern Europe: indicators and perceptions

In terms of economic development, the ten new member states of Central Eastern Europe exhibited important differences to the old member states of the EU at the moment of accession. One good indicator of this difference is GDP per capita, as

compared to the level of the whole of the EU-27. If we look for the data for 2011, this difference 7 years after the first Eastward enlargement is still very clear, with the two latecomers, Romania and Bulgaria, still below 50 points (EU-27 being the reference point of 100). The impact of economic crisis has been uneven in the region, while some countries, such as Poland, managed to preserve their good economic shape and economic growth, others, such as the Baltic countries, encountered more serious problems in the aftermath of the economic crisis initiated in 2008. The authorities of three of the CEE countries have actually sought financial help of the EU in order to face economic difficulties – Hungary and Latvia did so as early as autumn 2008, and Romania in spring 2009.

Table 1. GDP and unemployment in Central Eastern Europe (2011, compared to 2008)

	GDP per capita		Unemployment	
Poland	64	(+8)	10	(+2,8)
Lithuania	66	(+5)	13,9	(+10,2)
Bulgaria	46	(+3)	11,6	(+5,8)
Hungary	66	(+2)	10,8	(+3)
Romania	49	(+2)	7,6	(+1,7)
Latvia	58	(0)	15,5	(+8,9)
Slovakia	73	(0)	14	(+3,8)
Czech Republic	80	(-1)	6,5	(+2,1)
Estonia	67	(-2)	12,1	(+8,2)
Slovenia	84	(-7)	8,7	(+4,2)
EU-27	100		10	(+3,1)

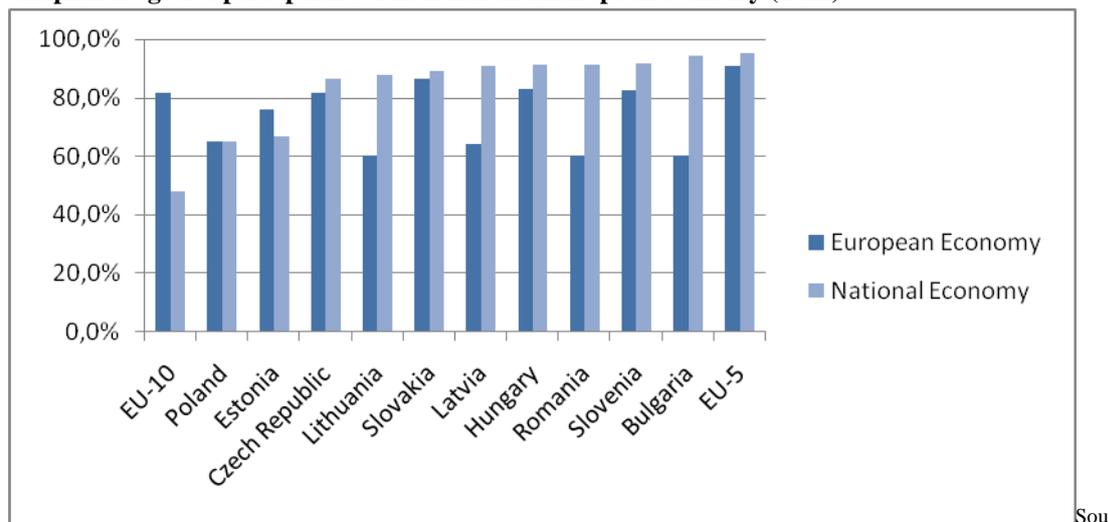
Source: Eurostat. GDP in ppp, EU-27 is 100. 2011 data as of November 2011. Change indicates change in value as compared to November 2008.

As the European sovereign debt crisis unraveled in the aftermath of the global economic crisis, some of the CEE countries have been directly affected by measures undertaken to tackle it, as members of the common currency – Slovenia became member in 2007, Slovakia joined in 2009, while most recent country to adopt the euro is Estonia in 2011. The creation of the European Financial Stability Facility (before ESM was in place) has even caused a severe government crisis in Slovakia in the fall of 2011 when the parliament initially rejected Slovakian participation in the mechanism, highly politicizing the issue of EU among the Slovak publics.

Overall, in the aftermath of 2008, five of the CEE member states managed to increase its GDP per capita in relation to the EU-27 mean (most importantly, Poland, but also Lithuania, Bulgaria, Hungary and Romania), while three (Czech Republic, Estonia and Slovenia) witnessed a reduction of their GDP. The other indicator which can illustrate the impact of the economic crisis on the states in question is the unemployment rate which has increased all over the region since 2008, most significantly in the Baltic states.

How are these macroeconomic changes reflected in the public perceptions of economy? Using the Eurobarometer survey of 2011, we can compare the share of respondents who indicate a negative view of national and European economy. In order to make the comparison easy to interpret the EU countries are grouped. However, instead of comparing the CEE countries to the EU-15, we decided to divide the old member states into two groups – EU-5 refers to the old member states most severely affected by the Eurocrisis (Portugal, Ireland, Italy, Greece and Spain) and EU-10 refers to the rest of the EU countries, members before 2004. Here the main point of interest is to explore the changes in political trust in relation to the economic crisis, and therefore it makes sense to group Southern European new democracies together with Ireland and Italy, all five states most hardly affected by the sovereign debt crisis and austerity measures implemented within the EU to tackle it. Since the main objective is to evaluate the way institutional trust changed in the group of Central and Eastern European states, the two other new member states which do not belong to this category, Cyprus and Malta, are excluded from the comparison.

Graph 1. Negative perceptions of national and European economy (2011)



Source: EB 2011. Note: countries are ordered according to the negative evaluation of national economy.

We can see that in the five countries (EU-5) most severely affected by the economic and financial crisis both the perception of national as well as a European economy are very negative (more than 90%), while in the other ten old member states of Western Europe the perception of European economy is rather negative, while that of national economy is much better. The CEE member states are somewhere in the middle. Latvia and Lithuania and the latecomers, Romania and Bulgaria, evaluate the European economy much better than their national economy. Polish respondents are the least negative both in terms of their perceptions of the national, as well as the European economic developments. In Czech Republic and Slovakia the perception of both levels is almost equally negative, while Estonia is the only country in the CEE

group where the situation of national economy is actually more positively evaluated than that of the European level.

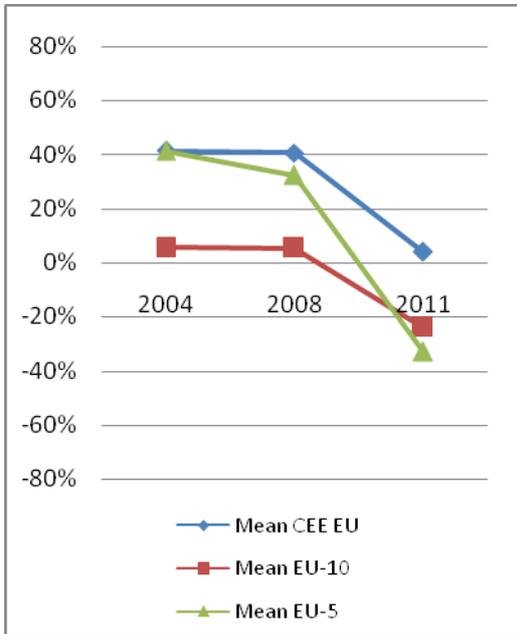
4.2 Political trust in the enlarged European Union in the context of economic and financial crisis

Having analyzed the overall impact of the economic and financial crisis in CEE countries in terms of basic macroeconomic indicators and public opinion perceptions, we can now turn to analyzing the changes in political trust in the same period.

In the following tables we can assess the way national and supranational institutional trust has changed at three important time points over the past decade. As the dependent variable is dichotomous and we cannot really evaluate the intensity of trust, for the sake of clarity, the values in the graphs correspond to the evolution of net trust in institutions (Roth 2010). This is the percentage of respondents that declare to trust the institution minus the percentage of those who indicate that they tend not to trust it. In this way we can see more clearly whether those who trust outnumber those who do not feel confident about the institution in question (if the number is positive), or on the contrary, whether those distrusting prevail (if the number is negative).

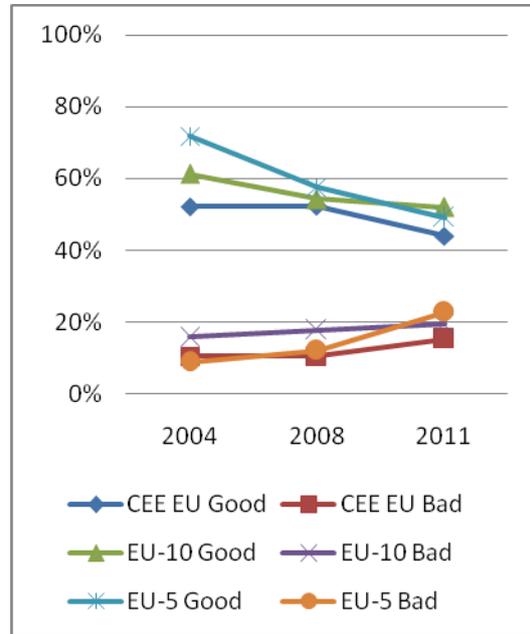
We first turn to the higher level – the supranational level of EU institutions and its development in the wake of the economic and financial crisis. The institutions of the EU – the Commission, the Parliament, the Council – are far more remote than the national institutions, and thus, are less known by the citizens and not so easily distinguished from each other. That is why we chose to focus on the more generic measure of trust at the supranational level – “trust in EU as an institution,” rather than the variables related to specific institutions of the EU. However, trends in trust towards each EU institution (EP, EC, EU Council) have been also analyzed confirming that the aggregate levels of trust follow the same patterns for the years and country groups under scrutiny here.

Graph 2. Net trust EU



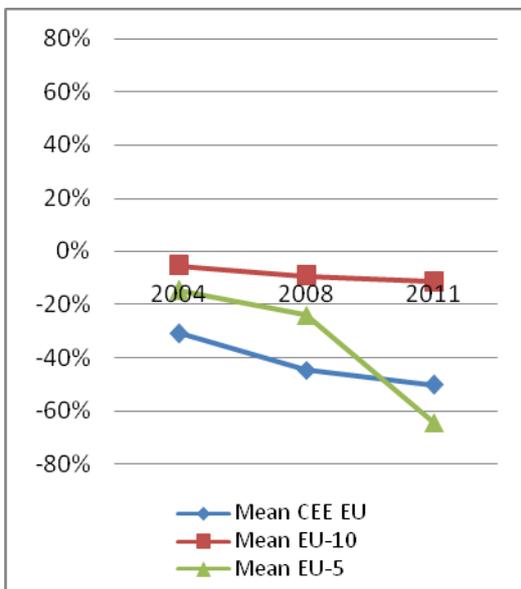
Source: EB 62.2 EB 69.2. EB 76.3

Graph 3. Country EU Membership



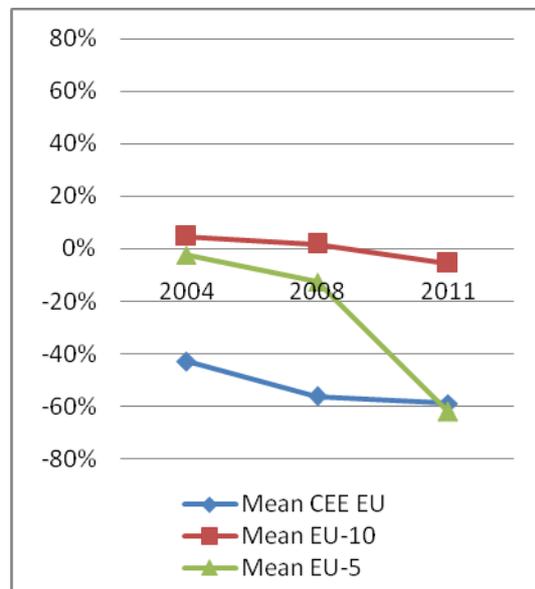
Source: EB 62.2 EB 69.2. EB 75.3

Graph 4. Net trust in National Government



Source: EB 62, EB 69.2. EB 76.3

Graph 5. Net trust in National Parliament



Source: : EB 62, EB 69.2. EB 76.3

At the supranational level, it is quite clear that while the net levels of trust between 2004 and 2008 remain almost the same, there is a very clear downward trend in 2011 for all three groups of countries (see graph 2). The decrease is especially pronounced in the case of the five countries affected most severely by the economic and financial crisis, however, the aggregate change of mood in Central Eastern European member states is also quite clear. While these countries have not been affected as severely by the economic downturn and the associated austerity measures as Southern European states (and Ireland), still citizens in the new member states have become much more distrustful of European institutions in 2011, as compared to 2008, before the economic crisis became an issue. However, while in all old member states of the EU those who lack confidence in the EU outnumber those who admit to trust it, the CEE countries remain above the level of zero net trust, that is, there are still more citizens who trust the EU on the aggregate level of the region. Graph 3 illustrates the changes in support for the EU, in particular, the perception of membership as something positive or negative for one's country¹. This variable has been often taken as a satisfactory measure of public Euroscepticism (Serricchio, Tsakatika, and Quaglia 2013). As we look at its development in the last three years, it becomes clear that after 2008 there has been an overall increase in Euroscepticism, especially noticeable in the case of the EU-5. The share of citizens who consider EU membership a good thing has been declining and at the aggregate level is now the lowest in the CEE group of countries.

Levels of political support and trust in the EU institutions have fallen significantly in all three groups of countries after 2008, clearly in reaction to the economic and political difficulties of the period. The other element of interest here is trust in national institutions in the same period. As mentioned in the beginning, overall levels of trust in national institutions in the CEE countries at the moment of accession have been much lower than in the rest of the EU, while the trust in European institutions was quite high. When looking at the results of trust in national institutions: government and parliament, it becomes quite clear that the general tendency to distrust national institutions among CEE member states of the EU has not changed over the course of the years of their EU membership, it has become slightly stronger after 2008 (see Graph 4 and 5). However, we can also observe that there is a clear downward trend in the old member states of the periphery: in 2011 the levels of net trust in national institutions in these countries were even lower than in Central Eastern Europe. Therefore, we can conclude that, as expected, it is in these countries most hardly hit by the economic and financial crisis and the austerity measures implemented to tackle it where citizens withdraw their trust in national

¹ The percentages do not add up as there is a third category, that is this who consider EU membership to be "neither good, nor bad" for their country.

institutions, while in Central Eastern Europe we observe a slightly negative trend, however, not as pronounced as in EU-5.

Group comparisons can be useful to evaluate general trends in citizens' attitudes especially in the enlarged EU of 27 member states, however, it is necessary to look at country level variations in order to establish more valid conclusions.

**(Table 2. Institutional trust and Euroscepticism in Central Eastern Europe compared
- at the end of the paper)**

It is quite clear that declining trust in the EU is a trend shared by all ten Central Eastern European member states. There are only two CEE countries where the decrease of trust in EU between 2008 and 2011 was less than 10%, as we can observe in table 1. The same trend is evident in terms of the perception of country benefit of membership (which can be used as measure of overall Euroscepticism). The percentages of CEE citizens who perceive their country membership in the EU as a bad thing are anywhere between 10% and 20%, which is not very high considering that almost 20% is the mean share of EU citizens considering membership to be a bad thing in the old member states. There are only three CEE countries where more than 20% of the respondents see EU membership as a negative thing for their country – Slovakia, Slovenia and Hungary, in the case of the latter it is the only country where the share of negative perceptions has not augmented, but it was already quite high in 2008. Finally, looking at the country-level percentages of citizens who hold a negative image of the UE overall, there is also a noticeable increase (except for Bulgaria and Latvia), however these results are lower than in Western European old member states where a mean of 30% of respondents indicate holding a negative image of the EU. The only CEE member state which surpasses this number is Czech Republic (33%) known for its low levels of support for the EU overall. These three indicators clearly point out to a loss of trust in European Union institutions and an increase in the share of citizens in Central Eastern European member states who hold a negative image of the EU and consider EU membership to be a bad thing for their country.

The main question here is, how does this overall decline in trust in the EU and the increase in the share of Eurosceptic citizens affect political trust in the context of Central Eastern European new democracies. While we can discern clear common patterns in the region in terms of attitudes towards the UE, it seems that between 2008 and 2011 the variation in levels of trust in national political institutions in Central Eastern Europe does not follow any specific pattern in all ten states. However, we can distinguish three different groups. There are countries where we

can observe a clear downward turn after 2008 – Slovenia, Slovakia, Czech Republic and Romania, both in trust in national parliaments, as well as the national government. The result of this decrease is that in these countries in 2011 only around 10% of the respondents indicate to trust the national political institutions, with the exception of Slovakia where in spite of strong decline, still more than 20% admit to trust the parliament and the government. The second group includes member states where no significant change can be appreciated, or the existing changes are rather small. This group includes the three Baltic states (Lithuania, Latvia and Estonia), where the levels of trust in national political institutions are slightly higher than in the first group, and especially high in Estonia, where half of the respondents declared to trust the government. The third group which might be distinguished is that of three member states where trust in national political institutions has actually augmented. We observe an increase of 10% or more in the share of citizens who tend to trust the national parliament in Poland, Hungary and Bulgaria. In Hungary and Bulgaria there is also a noticeable rise in trust in the national government, while in Poland it remains the same. These findings are interesting because it is these three member states that have been found to exhibit higher levels of support for European integration in relation to the poor perception of their national institutions' performance in comparison to other CEE members states (Ilonszki 2009, 1049).

Overall we cannot establish a clear pattern in the ways trust in national political institutions has evolved in the ten new member states of Central Eastern Europe after the economic and financial crisis broke out. While the decline in trust in the EU is clear, and the increase in public Euroscepticism quite widespread, there are only three CEE countries where citizens seem to trust more in national political institutions than before the economic crisis (Poland, Hungary, Bulgaria). It seems that the prevailing response has been that of congruence with decreasing institutional confidence at both national and supranational levels of governance (the case of Slovakia, Slovenia, Czech Republic and Romania). In the case of the Baltic states, levels of political trust in domestic institutions remain the same. However, it is important to note that we can only start to assess the impact of the economic and financial crisis on levels of political trust in the context of the EU as a political system. The most recent available data regarding institutional trust is that of 2011, while in the context of the EU most pronounced effects of the Eurocrisis and institutional efforts to tackle it were developed mostly in 2011 and 2012, with the controversies surrounding the second Greek bailout, Spanish and Italian sovereign debt problems, and the establishment of the European Stability Mechanism, as some of the most recent elements of the Eurozone crisis.

5. Explaining trust in national institutions in Central Eastern Europe in the context of European economic and financial crisis

Finally, in order to verify our hypotheses regarding political trust in Central Eastern Europe in relation to the perceptions of the economic crisis and the EU we perform a set of logistic regressions. The overall aim is to establish whether perceptions related to the economic and political crisis can constitute predictors for European and national political trust. In order to do that we include in the models factors related to the attitudes regarding national and European economy, as well as the deteriorating perceptions of the EU.

The dependent variable is institutional trust: in national parliaments and the EU. Trust in national parliament has been chosen as the variable which best reflects the levels of political trust in the domestic context, as the parliament constitutes the cornerstone of democracy in its function of political representation and might be less influenced by partisan preferences and electoral evaluations as is the case of trust in national government. Trust in the supranational institutional level is operationalized with the variable denoting trust in the EU as an institution. Trust in both cases is a binary variable coded “tend not to trust” (0) and “tend to trust” (1). As mentioned above, such a formulation imposes some restrictions on the way we can interpret the results, above all we are unable to really measure the intensity of political trust. However, for the purpose of this exploratory study, this information might be enough as the objective is to establish whether there is any relation between the two levels of governance overall and verify the direction of such possible association.

The first set of independent variables includes controls for sex (with women as the reference category), age of the respondent, habitat (rural being the category of reference) and the perception of respondents economic situation, specifically her/his job situation coded from good to bad, and therefore reflecting negative perceptions of one’s employment situation. We also control for knowledge about the EU. Secondly, a variable measuring politicization is introduced, specifically regarding discussion of European politics, as here we are interested in controlling for the effect of discussing issues related to the performance of the EU. The third set of variables is constituted by negative perceptions of economic situation. However, here we include two different variables – one regarding the negative perception of national economy and one which refers to the evaluations of the European economic performance. The last block of variables operationalizes perceptions related specifically to insitutional performance. In terms of EU political performance, the (deteriorating) EU image is taken into account, on the other, the lack of trust in the EU as an institution. In terms of national political institutions, lack of trust in national parliament is included as a factor. These variables can help us answer the question of how the deterioration of

perceptions of political performance of national and European institutions are associated between different levels of government.

Table 3. Logistic regression on trust in the EU in Central Eastern Europe (2011)

	B		S.E.	Exp(B)
Sex (Female)	-0,025		0,060	0,975
Age	-0,063	***	0,020	0,939
Habitat (Rural)	-0,092		0,063	0,912
Job situation (Bad)	-0,244	***	0,040	0,784
EU Knowledge	0,158	*	0,071	1,171
European Politics Discussion	0,035		0,097	1,036
National Economy (Bad)	0,119	*	0,053	1,127
European Economy (Bad)	-0,815	***	0,053	0,443
Trust National Parliament (No trust)	2,135	***	0,093	8,454
Czech Republic	-0,600	***	0,131	0,549
Estonia	-0,679	***	0,148	0,507
Hungary	-0,320	*	0,134	0,726
Latvia	-0,806	***	0,130	0,447
Poland	-0,642	***	0,134	0,526
Slovakia	-0,214		0,131	0,807
Slovenia	-0,597	***	0,128	0,551
Bulgaria	0,519	***	0,153	1,680
Romania	0,006		0,146	1,006
Model summary				
2 LL	6708,884			
Change in 2 LL	1499,986			
Nagelkerke R2	0,298			
% correct	70,4%			
N	5928			

Data: EB 76.3, November 2011. * p<.05; **p<.01; ***p<.001

We first analyze the effects of our independent variables on trust in the EU as an institution. We observe that in terms of socio-economic variables, age might constitute a predictor of trust to some extent – older citizens in CEE countries have slightly smaller odds of trusting the EU. Also bad employment situation is associated with lower levels of trust in the EU. Discussion of European politics has no effect on the odds of trusting the EU, and therefore it seems that our assumption that more negative reporting on the EU political and economic troubles might cause a

politicization of European politics and more negative evaluations of its institutions is not clear from this point of view.

Regarding our hypotheses on the effects of perceptions of economic crisis on political trust, we find that when citizens of Central and Eastern European member states perceive their own national economy in negative terms, they are more prone to trust the EU, as stipulated by the performance theory, and thus confirming our H1.1.

Table 3. Logistic regression on trust in National Parliament in Central Eastern Europe (2011)

	B		S.E.	Exp(B)
Sex (Female)	-,107		,075	,898
Age	,035		,025	1,036
Habitat (Rural)	,135		,079	1,144
Job situation (Bad)	-,133	***	,053	,875
EU Knowledge	,349	***	,085	1,418
Political Discussion	,273	**	,112	1,314
National Economy (Bad)	-1,034	***	,066	,356
European Economy (Bad)	,194	**	,066	1,214
Trust EU (No Trust)	-1,882	***	,100	,152
EU Image (Negative)	-,389	***	,057	,678
Czech Republic	,402	*	,200	1,496
Estonia	1,956	***	,186	7,071
Hungary	1,970	***	,180	7,172
Latvia	,810	***	,192	2,248
Poland	,973	***	,180	2,647
Slovakia	1,378	***	,179	3,967
Slovenia	,368		,203	1,444
Bulgaria	1,480	***	,186	4,391
Romania	,375		,216	1,455
Model summary				
-2 LL	4571,228			
Change in -2 LL	1770,710			
Nagelkerke R2	,393			
% correct	81,6%			
N	5910			

Data: EB 76.3, November 2011. * $p < .05$; ** $p < .01$; *** $p < .001$

Negative perceptions of the European economy on the other hand, constitute a good predictor of less trust in the EU, as expected. In terms of how political trust interplays between the national and the European level, in line with the existing research and our expectations, we find that at the individual level there is a

congruence process at work and those who mistrust their national parliament, tend to also exhibit lower levels of trust in the EU as part of a more general process of political disaffection. Thus our H2.1 is confirmed. We now turn to the second model proposed, where we test a similar set of independent variables and their association with trust in the national parliaments in CEE countries. Here, socio-economic control variables seem to have little explanatory power. The only exception is personal bad employment situation; as might be expected, it decreases the odds of trusting in national parliament. Knowledge about the EU, on the other hand, is associated with more trust in the national parliament, as well as is the case of discussion of European politics, pointing to a more general effect of political knowledge.

As far as the initial hypothesis regarding perceptions of economic performance is concerned, there are two main factors which are good predictors of trust in national parliament across CEE countries. In terms of evaluation of the economy, a negative perception of the national economic situation decreases the odds of political trust in national institutions, in line with the existing research. The other variable of interest, related to the evaluation of European economy turns out to be significant as well. The direction of the effect of this variable indicates that negative evaluations of the European economy increase the odds of depositing trust in the national parliament, confirming our hypothesis H1.2. This finding is especially relevant from the point of view of this study, as it actually confirms that the financial and economic problems at the European levels might result in CEE countries' citizens turning to their national institutions.

The second research hypothesis, regarding the effects of rising Euroscepticism and the perceptions of a declining political performance in the EU after 2008, yields further interesting results. Lack of trust in EU as an institution decreases the odds of trusting in the national parliament among the ten CEE member states, in line with the congruence argument and in line with our hypothesis H2.2. It is, thus, quite clear that, while negative perceptions of economy at the European level are associated with more trust in national institutions, in terms of political factors the directions of the effect is that of congruence. A growing disaffection towards the EU in CEE countries seems to be part of a more generalized disaffection with the political system in the new democracies of Central Eastern Europe.

Overall, the two models confirm our initial hypothesis concerning the effects of political and economic crisis of the EU on political trust in Central Eastern Europe. However, it must be noted that here we focus on performance evaluations and do not take into account affective factors which might be less volatile in the face of the crisis. Another issue is the importance of the contextual factors – the differential impact of the crisis in terms of real economic indicators, across the

region. This could be taken into account in a more complex, multilevel research design.

6. Discussion

The main objective of the paper is to explore the ways in which institutional trust of citizens from Central Eastern European new member states has been affected by the current financial and economic crisis at the EU level. In a multilevel system of governance, such as the European Union, the national and supranational institutions are weaved together in a dynamic structure. The Eastward enlargement of the EU included ten post-socialist member states where levels of political trust have been significantly lower than in the more established Western democracies. Moreover, the levels of economic development of CEE countries have been (and still are) below that of the old member states of the EU. European integration seemed to constitute a guarantee of further economic and democratic change and a benchmark for evaluating institutions of the new democracies. In these new member states, the EU has been perceived positively through its economic and political outputs and membership has been predominantly conceived as a guarantee for further modernization of institutions and economic development. After less than five years of membership the financial and economic crisis has put into question the output legitimacy of the EU institutions, while support for the European integration project has been eroding in the whole of the EU. Therefore, it can be assumed that in the current context of EU institutional crisis, perceptions of the economic and institutional problems at the European and national level, as well as the declining image of the EU, could have an impact on attitudes towards political institutions in these countries.

One hypothesis could be that citizens of the new member states, who have become more realists about the workings of the EU, no longer perceive it as the solution to their problems and turn to their national institutions. However, it is also possible that if the national political institutions are perceived as part of the bigger supranational system of decision-making, citizens might feel excluded and, thus, loose trust in both levels of governance. In order to test both possibilities we present a comparative study of the patterns of trust in European and national institutions in the new member states of the EU. While trust in the EU has been declining in all of the CEE countries and the share of Eurosceptic citizens is growing, there are no such clear trends at the national level. Between 2008 and 2011 trust in domestic political institutions (parliament and government) declines in some of the countries, remains stable in others, and increases in the particular cases of Poland, Hungary and Bulgaria. Therefore, in principle we cannot argue for any of the two possibilities hypothesized as a general trend in new member states.

The second objective of the paper is to verify whether the perceptions of economic and political crisis at the European and national level could constitute factor which influences trust in political institutions. Specifically, we propose two hypotheses concerning the effect of the European economic and financial crisis on political trust in Central Eastern Europe and two regarding the interplay of trust between levels of governance. On the one hand, we test whether perceptions of economic problems at the European and national level might constitute an explanatory factor for trust in national parliament on the one hand, and the EU on the other. It turns out that in the context of Central Eastern Europe -as expected- negative perceptions of national economy continue to constitute a good predictor of more trust in the EU, while negative perception of European economy increase the odds of trusting in national parliament. The latter finding is especially significant as it points to the ways in which both levels of governance are weaved into a dynamic structure. The second question posed in the paper refers to negative perceptions of national political performance and falling levels of trust in European institutions. Here it becomes quite clear that a congruence process is at work in the context of Central Eastern Europe, and a lack of trust and a negative image of the EU increase the odds of not trusting the domestic institutions, indicating a more general tendency of political disaffection.

These are only preliminary findings concerning the impact of the perceptions of financial and economic crisis on political trust in Central and Eastern European EU member states. This impact will be better evaluated when more recent data is made available as the financial and economic crisis is still evolving and it is to be seen how the austerity politics undertaken in the name of the EU influence further European and domestic political trust in the European political system.

References

- Anderson, C. J. 1998. "When in Doubt, Use Proxies: Attitudes Toward Domestic Politics and Support for European Integration." *Comparative Political Studies* 31 (5) (October 1): 569–601.
- Cerutti, Furio, and Sonia Lucarelli, ed. 2008. *The Search for a European Identity: Values, Policies and Legitimacy of the European Union*. New York: Routledge.
- Citrin, Jack, and John Sides. 2004. "More than nationals: how identity choice matters in the new Europe." In *Transnational identities: Becoming European in the EU*, edited by Richard Herrmann, Thomas Risse, and Marilynn B. Brewer, 161–185. Oxford: Rowman & Littlefield.
- Diez Medrano, Juan, and Paula Gutiérrez. 2001. "Nested Identities: National and European Identity in Spain." *Ethnic and Racial Studies* 24 (5) (September): 753–778.
- Duchesne, Sophie, and André-Paul Frogner. 2008. "National and European Identifications: A Dual Relationship." *Comparative European Politics* 6 (2) (July): 143–168.
- Easton, David. 1979. *A Systems Analysis of Political Life*. A Phoenix Book. Chicago: University of Chicago Press.
- Fuchs, Dieter. 2011. "European Identity and Support for European Integration." In *Debating Political Identity and Legitimacy in the European Union*, edited by Furio Cerutti, Sonia Lucarelli, and Vivien A. Schmidt, 55–75. New York: Routledge.
- Fuchs, Dieter, and Hans-Dieter Klingeman. 2006. "Democratic Communities in Europe. A Comparison Between East and West." In *Democracy and Political Culture in Eastern Europe*, edited by Hans-Dieter Klingemann, Dieter Fuchs, and Jan Zielonka, 27–67. Routledge Research in Comparative Politics. London: Routledge.
- Fuchs, Dieter, and Hans-Dieter Klingemann, ed. 2011. *Cultural Diversity, European Identity and the Legitimacy of the EU*. Glos: Edward Elgar Publishing.
- Gabel, Matthew. 1998. "Public Support for European Integration: An Empirical Test of Five Theories." *The Journal of Politics* 60 (2) (May 1): 333–354. doi:10.2307/2647912.
- Guerra, Simona. 2012. "Does Familiarity Breed Contempt? Determinants of Public Support for European Integration and Opposition to It before and after Accession." *JCMS: Journal of Common Market Studies*.
- Hix, Simon, and Bjørn Kåre Høyland. 2011. *The Political System of the European Union*. Basingstoke: Palgrave Macmillan.
- Hooghe, Liesbet, and Gary Marks. 2005. "Calculation, Community and Cues: Public Opinion on European Integration." *European Union Politics* 6 (4) (December): 419–443.

- Ilonszki, Gabriella. 2009. "National Discontent and EU Support in Central and Eastern Europe." *Europe-Asia Studies* 61 (August): 1041–1057.
- Inglehart, Ronald. 1970. "Cognitive Mobilization and European Identity." *Comparative Politics* 3 (1) (October 1): 45–70.
- Jackson, John E., Bogdan W. Mach, and Jennifer L. Miller-Gonzalez. 2011. "Buying Support and Regime Change: The Evolution of Polish Attitudes Towards the EU and Voting Between Accession and 2008." *European Union Politics*.
- Karolewski, Ireneusz Pawel. 2009. *Citizenship and Collective Identity in Europe*. Abingdon: Routledge.
- Karolewski, Ireneusz Pawel, and Viktoria Kaina, ed. 2006. *European Identity: Theoretical Perspectives and Empirical Insights*. Münster: Lit Verlag.
- Loveless, Matthew. 2010. "Agreeing in Principle: Utilitarianism and Economic Values as Support for the European Union in Central and Eastern Europe." *JCMS: Journal of Common Market Studies* 48 (4) (August 12): 1083–1106.
- Lucarelli, Sonia, Furio Cerutti, and Vivien A. Schmidt, ed. 2011. *Debating Political Identity and Legitimacy in the European Union*. New York: Routledge.
- McLaren, Lauren M. 2006. *Identity, Interests, and Attitudes to European Integration*. Basingstoke: Palgrave Macmillan.
- Mishler, William, and Richard Rose. 1997. "Trust, Distrust and Skepticism: Popular Evaluations of Civil and Political Institutions in Post-Communist Societies." *The Journal of Politics* 59 (2): 418–451.
- . 2001. "What Are the Origins of Political Trust?: Testing Institutional and Cultural Theories in Post-communist Societies." *Comparative Political Studies* 34 (1) (February 1): 30–62.
- Muñoz, J., M. Torcal, and E. Bonet. 2011. "Institutional Trust and Multilevel Government in the European Union: Congruence or Compensation?" *European Union Politics* 12 (4) (November 15): 551–574.
- Offe, Claus. 1996. *The Varieties of Transition : The East European and East German Experience*. Oxford: Polity Press.
- Pridham, Geoffrey. 2007. "Legitimizing European Union Accession?: Political Elites and Public Opinion in Latvia, 2003 2004." *Party Politics* 13 (5) (September): 563–586.
- Roth, Felix. 2010. "The Eurozone Crisis and Its Effects on Citizens' Trust in National Parliaments". CEPS Working Papers.
<http://www.ceps.eu/book/eurozone-crisis-and-its-effects-citizens%E2%80%99-trust-national-parliaments>.
- Sánchez-Cuenca, Ignacio. 2000. "The Political Basis of Support for European Integration." *European Union Politics* 1 (2) (June 1): 147–171.
- Schmidt, Vivien A. 2011. "The Problems of Identity and Legitimacy in the European Union. Is More Politics the Answer?" In *Debating Political Identity and*

- Legitimacy in the European Union*, edited by Furio Cerutti, Sonia Lucarelli, and Vivien A. Schmidt, 16–37. New York: Routledge.
- Serricchio, Fabio, Myrto Tsakatika, and Lucia Quaglia. 2013. “Euroskepticism and the Global Financial Crisis.” *JCMS: Journal of Common Market Studies*.
- Thomassen, Jacques, and Hanna Back. 2009. “European Citizenship and Identity after the Enlargement.” In *The Legitimacy of the European Union After Enlargement*, edited by Jacques Thomassen, 184–207. Oxford: Oxford University Press.
- Weiss, Hilde. 2003. “A Cross-National Comparison of Nationalism in Austria, the Czech and Slovak Republics, Hungary, and Poland.” *Political Psychology* 24 (2) (June): 377–401.

Table 2. Central Eastern European countries compared (2011)

	Political trust						Euroscepticism			
	Tend to trust National Parliament		Tend to trust National Government		Tend to trust European Union		EU Negative Image		EU Membership is a Bad Thing	
Slovenia	9,2%	--	12,3%	--	40,4%	---	20,1%	++	21,4%	++
Romania	10,2%	--	10,6%	--	56,7%	--	10,3%	+	11,2%	+
Slovakia	25,5%	--	21,6%	--	50,4%	--	26,8%	++	10,5%	+
Czech Republic	10,7%	-	15,1%	-	39,9%	--	33,1%	++	18,9%	+
Lithuania	11,2%	=	18,8%	=	58,4%	--	8,9%	+	16,0%	+
Estonia	39,8%	=	50,4%	-	55,9%	--	14,6%	+	10,4%	+
Latvia	15,2%	+	19,9%	=	43,6%	--	18,5%	=	21,4%	+
Poland	27,2%	++	30,5%	=	52,2%	--	10,8%	+	10,4%	+
Hungary	29,5%	++	27,2%	++	50,9%	-	28,3%	++	23,0%	=
Bulgaria	27,4%	++	41,7%	++	72,0%	-	10,3%	=	10,6%	+
EU-5	18,8%	--	17,7%	--	33,4%	---	28,8%	++	22,9%	++
EU-10	48,5%	-	41,6%	-	39,4%	--	30,2%	+	19,3%	+

Source: EB69 (2008), EB75 (2011), EB76 (2011).

Questions: Trust: I would like to ask you a question about how much trust you have in certain institutions. For each of the following institutions, please tell me if you tend to trust it or tend not to trust it. National Parliament, National Government, European Union (Percentage of "tend to trust"). DK treated as missing values.

EU Image: In general, does the EU conjure up for you a very positive, fairly positive, neutral, fairly negative or very negative image? (Percentage of "fairly negative" and "very negative"). DK treated as missing values. Membership: Generally speaking, do you think that (OUR COUNTRY)'s membership of the European Union is...? Good thing, bad thing, neither good or bad (Percentage of "bad thing"). DK treated as missing values.

Note: Results for autumn 2011 with change indicated as compared to spring 2008. Change ---/ +++ more than 25%, --/++ more than 10%, -/+ less than 10%. All change statistically significant at .05 level except for = (no statistically significant change).

Annex:

Model variables: codification

Dependent	
Trust National Parliament	0- Tend not to trust, 1 - Tend to trust
Trust the EU	0- Tend not to trust, 1 - Tend to trust
Independent	
Sex	0 - Male, 1 - Female
Age	1- 15-24, 2- 25-34, 3- 35-44, 4- 45-54, 5- 55-64, 6- 65+
Habitat	0- Town/City, 1- Rural/Village
Employment Situation	1- Very Good, 2- Rather Good, 3- Rather Bad 4- Very Bad
European Politics Discussion	1-Frequently, 0-Occasionally/Never
EU Knowledge	1-Good, 0-Bad
Situation of National Economy	1- Very Good, 2- Rather Good, 3- Rather Bad 4- Very Bad
Situation of European Economy	1- Very Good, 2- Rather Good, 3- Rather Bad 4- Very Bad
Distrust EU	0 - Tend to trust, 1- Tend not to trust
Distrust the National Parliament	0 - Tend to trust, 1- Tend not to trust