

# In the eyes of the people

An analysis of the impact of EU membership on new member states

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## *Abstract*

This study analyzes the impact of EU membership on new member states. The focus is on the citizens' perceptions of the benefits of EU membership taking the eastwards expansion in 2004 as a point of departure. Considering the maze of complexities linked to the countries different political, economic and historical contexts, this enlargement is an especially tangled case. The question addressed is: What can explain whether or not the EU membership is considered a country benefit?

The economic and political dimensions are analyzed to explore which impact they have on how the citizens evaluate the benefits of EU membership as these two dimensions are expected to be of particular importance to them. The Central and Eastern European countries in addition to the two Mediterranean states, Cyprus and Malta are examined.

The results of the comparative analysis show that the economic dimension has the strongest effect of the two as the economic variables are important to the citizens in all of the ten member states. The political dimension, on the other hand, does not have the same equivalent impact. In Estonia for instance the political variables do not have any effect on the citizens' evaluation of the benefits of the membership. Also, it does not matter to the citizens in any of the countries whether or not the EU is considered to be promoting human rights, except for in the Czech Republic and Slovakia. Therefore, this study questions the use of Western European theoretical models on the Eastern European world and argues that perhaps other factors might have stronger effects than those of the political dimension.

Nevertheless, the analysis of the impact of EU membership on the ten new member states which joined in 2004 indicates that the political and economic variables are indeed of importance when seeking to understand how the new EU citizens evaluate the benefits of the EU membership.

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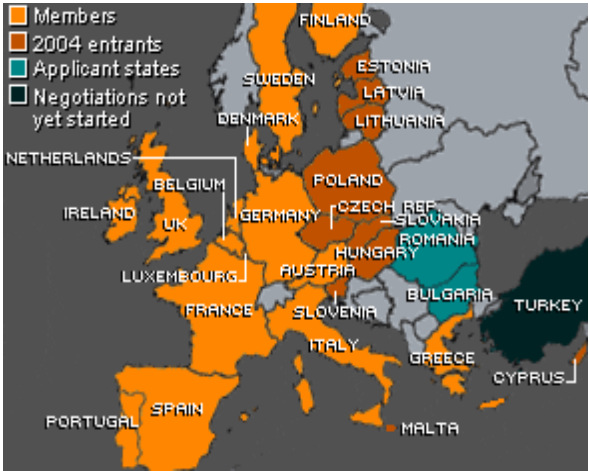
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*”Today we succeeded in fulfilling the aim, which generations of Europeans have fought for. In 1989 brave and visionary people tore down the Berlin Wall. They would no longer tolerate the forced division of Europe. Today, we have delivered on their hopes. We have decided to heal our continent. We have decided to create One Europe”*

(Danish Prime Minister Anders Fogh Rasmussen closes the negotiations about the Eastern enlargement 13. December 2002)

# *1 Introduction and research question*

On the first of May 2004 ten new countries became members of the European Union bringing 75 million people into the Union. This expansion was the largest and most ambitious in the history of the EU and it included three former Soviet republics; Estonia, Latvia and Lithuania, four former satellites of the USSR; Poland, the Czech Republic, Hungary and Slovakia, a former Yugoslav republic; Slovenia, and two Mediterranean islands; Cyprus and Malta. With the constant expansion of the EU, Bulgaria and Romania becoming members in 2007 and other countries to follow, time seems appropriate for an analysis of how the citizens in the new member states consider the impact of EU membership.

The impact of EU membership on new member states is the main concern of this study, focusing on the enlargement in 2004. This enlargement was unique in both size and historic perspective, and it is both interesting and complex. The European Commission has expressed that the enlargement in 2004 has been a catalyst for economic dynamic and modernization in the EU, and that good preparations are the reasons for its success: "It is clear that the fifth enlargement, as the other enlargements, has been a story of success" (European Commission 2006a). This study seeks to explore the impact of EU membership on the new member states which joined in 2004, in the following referred to as EU10. To which extent does the population consider the EU accession to be a benefit to them and their countries?

The literature on EU enlargement has focused mainly on three dimensions concerning the politics and processes of EU expansion, which can be labeled as applicant's-, member state -, and EU politics (Schimmelfennig and Sedelmeier 2005:6). Both Frank Schimmelfennig and I agree that the literature has neglected a fourth dimension of EU enlargement; the impact of enlargement. Most relevant for enlargement is namely the impact of enlargement on new member states. The literature has mainly focused on single case studies of new members or compared new and old member states. This study will move beyond the predominant single-case design in enlargement research, and use a comparative approach analyzing the impact of EU enlargement on the Central European, Eastern European and Mediterranean states. This study is



based on the citizens' experiences of membership. The following research question will be discussed:

**“What can explain whether or not EU membership is considered a benefit by the population in the Central and Eastern European and Mediterranean states?”**

## 1.1 Background of the research question

When exploring how the population in the EU 10 evaluates the benefit of EU membership, major variations can be found (Table 1.1). In most cases between 60 and 70 per cent believe it has benefited their country to join the EU. The highest scores are found in Lithuania with 70, 8 per cent and Slovenia with 67, 2 per cent. In Hungary, Malta and Latvia there are just above 50 per cent who think that their country has had a benefit of becoming an EU member. Cyprus has the lowest scores where only 34, 7 per cent agree that EU membership has been useful. Cyprus has, however, the highest number of people who are uncertain and the highest number thinking it has not benefited their country to join the EU. Malta, Latvia and Hungary also have a high number of citizens considering the EU membership to be of no benefit to their country. Though the highest scores are found in Lithuania, many Lithuanians are insecure, and many consider their country to not have benefited from the membership. How can these variations be explained? What factors influence how the EU membership is evaluated? The results in the EU10 countries are presented in Table 1.1 below.

Table 1.1: “Taking everything into account, would you say that your country has on balance benefited or not from being a member of the EU?”

<i>Country</i>	<i>BENEFITED</i>	<i>NOT BENEFITED</i>	<i>DO NOT KNOW</i>
Lithuania	70,8%	13,6%	15,6%
Slovenia	67,2%	24,2%	8,6%
Slovakia	66,2%	22,1%	11,7%
Estonia	64,7%	20%	15,3%
Poland	63,4%	23,4%	13,2%
Czech Republic	60,8%	30,4%	8,8%
Latvia	53,4%	35,5%	11,4%
Malta	51,9%	35,6%	12,5%
Hungary	50,9%	31,9%	17,2%
Cyprus	34,7%	40,5%	24,8%

**Source: Eurobarometer survey 2006, ZA-Nr. 4506, own calculations**

The aim of this study is to analyze how the population in the EU 10 has experienced the EU membership to be of economic and political importance as these factors seem particularly relevant. Theories on EU enlargement and its impact on citizens are presented in Chapter 2 as well as a review of the enlargement process before becoming members of the European Union. Although many theories are based on explaining attitudes in the Western European population, they may be - and have been - transferred to Central and Eastern Europe. Thereafter, the data and variables used in the empirical part are introduced. The analysis is based on the Eurobarometer surveys from 2006. As this data set is conducted in both old and new EU members states and includes a large number of questions on the impact of EU enlargement it seems particularly suitable for analyzing the research question addressed here. In this chapter the methodological approach and statistical procedure applied in the analysis are also presented. In Chapter 4, the results of the analysis of the impact of the economic and political dimensions on EU enlargement are shown and discussed. The analysis is carried out separately in order to explore the impact between countries. Some structural data are presented which may contribute in understanding similarities and differences between the countries. Finally, all variables will be analyzed simultaneously, in order to see which variables have the highest impact when controlled for one another. In summary a conclusion will follow.

I would at this point like to emphasize the following aspects. Firstly, my point of departure in this study is 2006 - two years after the enlargement took place. Since preparations for enlargement took several years, EU has probably had an impact on the states prior to the actual date of membership. This indicates that the economic and political experience of the EU 10 citizens might have been influenced before the membership. Secondly, the process is dynamic and the consequences will first be visible over time. Nevertheless, it might be of interest to look at transformations so far and try to evaluate some aspects that may help explaining whether EU membership is considered to be a country benefit for the population in the EU10. Thirdly, the study focuses on the political and economic dimension, because these may be expected to be of particular importance. However, I would like to stress that other dimensions, not included in this study, may be highly relevant for example the social and cultural dimension. Finally, the countries Malta and Cyprus are included in the analysis as they joined the EU at the same time as the Central and Eastern European countries (CEEC`s). As these countries have different political, economic and historical contexts, the appropriateness of including them might be questioned. However, Cyprus and Malta are included because it might be of interest to see possible similarities and differences between these two countries and the countries which have been Soviet dominated for decades. Still, the main interest of this work is the evaluation of the economic and political dimensions in the Central and Eastern European countries.

## ***2 Theoretical perspectives on European integration and enlargement***

John Peterson and Michael Shackleton have described the European integration process as follows (Peterson and Shackleton 2002:2):“Europe integrated surprisingly rapidly in the 1950s and early 1960s. Then in the 1970s and early 1980s, the European Community, EC, went into a period of Eurosclerosis with an economic crisis, and it was incapable of accomplishing anything important. With the Single European Act in 1986, the single Market project in the early 1990s and the fall of the Berlin Wall in 1989, the West-European governments responded by agreeing to the Maastricht Treaty which led the EC into a political union, the EU”. The *Maastricht Treaty* had the EU- citizenship, the four freedoms, Economic Monetary Union, establishment of the Committee of the Regions and the creation of the three pillar system of policy areas and decision making. The *Nice Treaty* from 2001 defined the political and ethical premises of co-existence among Europeans. Gilberti argues that when such significant forms of unity are accepted, the people should be involved in the integration process (Gilberti 2000:41). As emphasized by the neofunctionalist Ernst Haas (1958:16): “Citizen allegiance and support was not initially necessary; rather it would follow from the ‘spill-over’ process, as loyalties would be ‘redirected’ from the national to the European level”. The involvement of the people in the European integration process is most commonly known as the involvement in European Parliament elections and referenda. But behind the participation lies a deeper issue: What drives citizens to support or oppose European integration? Scholars have studied this question for years without any consensus on the answer. This study may contribute to the debate by exploring variations in how the population in the EU10 considers EU membership two years after the enlargement in 2004.

While there is a well established body of scholarship theorizing and analyzing public support for European integration in Western Europe, there is also to an increasing extent a focus on Central and Eastern Europe. In this chapter the first part will present an overview of the enlargement process. As the 2004 expansion was an especially large and complex case, it is important to

present some aspects of the process leading to enlargement and the instruments used. Thereafter, a brief introduction to the EU's decision to expand eastwards is given. This might be important in understanding the reaction of the population, as the policies implemented at the European level and attitudes of the population are in a dynamic relationship as argued by Gilberti (2000:41). A presentation of theories which can be used in analyzing how the population evaluates the impact of EU membership will follow. Finally, based on the theoretical presentation, hypotheses are elaborated which will be used in the analysis in the empirical part.

## 2.1 Introducing the main developments of the fifth enlargement

The enlargement in 2004 was a unique, historic enlargement which signified the reunification of Europe after decades of division by the "Iron Curtain". The President of the Commission in 1998, Jacques Santer, expressed his opinion about the enlargement in this way: "The collapse of the "iron curtain" ended the cold war and presented us with a unique opportunity to unite Europe. We have a historical and moral duty to seize this opportunity" (Santer in Sjørusen 2006). It was the fifth enlargement of the European Union and the most ambitious when considering the number of countries and population acceding to the EU. In addition it was the most complex since the ten countries were economically, politically and socially different (European Commission 2006a). The EU treated the candidates equally, but Poland, the largest and most strategically located, was in a category of its own. Also the Czech Republic and Hungary were in privileged positions because of their strategic locations (Dinan 2004: 19). The Commission announced in 1997 that Poland, the Czech Republic and Hungary were ready to begin the accession negotiations. The Commission also included Slovenia and Estonia since they were making rapid progress. This meant that the EU made a formal distinction between the five it started negotiations with, and the other five that did not get included. This shock of rejection galvanized the other five applicants to catch up with the rest. Soon, the candidates competed among themselves to close the chapters of the *Acquis Communautaire*, which is a detailed doctrine a candidate must accept in total as a condition for membership. In 1999 the war in Kosovo reminded the EU of the importance of enlargement as a stabilizing factor, and since the last five applicants had been working hard to achieve the results expected, the EU decided to

open accession negotiations with the remaining five in 2000. Bulgaria and Romania were also included, but according to Dinan struggling and not likely to join at the same time as the others (Dinan 2004:20). These countries did not access the EU before 2007.

Cyprus and Malta were in a different category. Malta's challenge was its small size which the EU thought could be a problem when it came to the handling of the rotating presidency, even though the country was well off economically and well developed administratively (Dinan 2004:17). The challenge with Cyprus was the division between the Turkish Republic of Northern Cyprus and the Greek-Cypriot South which was recognized as a sovereign state. The South Part wanted to join, but the EU was skeptic towards acquiring a divided new member state, and pressure was put on Turkey to make the parts negotiate unification. The hardliners of the northern part refused to have anything to do with the accession process. Greece threatened to block the entire enlargement if Cyprus could not join because of its special geopolitical position, and in 1998 negotiations began leaving the northern part of the island outside the EU. The chronology of enlargement is presented in table 2.1.

Table 2.1 Chronology of the 2004 enlargement

<i>Country</i>	<i>Country Application</i>	<i>Began negotiations</i>	<i>Accession Treaty</i>	<i>Membership</i>
Cyprus	3 July 1990	31 March 1998	16 April 2003	1 May 2004
Malta	16 July 1990	13 October 1999	16 April 2003	1 May 2004
Hungary	31 March 1994	31 March 1998	16 April 2003	1 May 2004
Poland	4 May 1994	31 March 1998	16 April 2003	1 May 2004
Slovakia	27 June 1995	13 October 1999	16 April 2003	1 May 2004
Latvia	13 October 1995	13 October 1999	16 April 2003	1 May 2004
Estonia	24 November 1995	31 March 1998	16 April 2003	1 May 2004
Lithuania	8 December 1995	13 October 1999	16 April 2003	1 May 2004
Czech Republic	17 January 1997	31 March 1998	16 April 2003	1 May 2004
Slovenia	10 June 1997	31 March 1998	16 April 2003	1 May 2004

Source: Dinan 2004:14

The Treaty of Rome from 1957 establishes that any European state may apply to become a member of the Community. With the ending of the cold war and the collapse of the Soviet

Union there was no longer a division in Europe that excluded countries from applying, and it became necessary to specify the conditions for membership. In the Treaty of Maastricht 1991-1993 the fundamental principles of the Union; liberty, democracy, respect for human rights and fundamental freedoms and the rule of law, were clarified, which any new entrant would have to fulfill. The Amsterdam Treaty added that any member state which violated these principles would be suspended from its rights in the EU. The unratified Constitution from 2004 elaborated even further the fundamental values by adding human dignity and equality. Also it established a possibility for withdrawal from the Union (Michalski in Dinan 2006:273).

As mentioned previously the EU's *Aquis Communautaire* is a body of rules and regulations which a candidate must accept in total as a condition for membership. The *Aquis* is normally defined as the treaties and the subsequent legislation enacted in the framework of the Union (Michalski in Dinan 2006:275). The negotiations with the EU10 were organized into thirty chapters, covering important policy areas for the EU; Economic and monetary affairs, Social affairs, Agriculture, Fisheries, Enterprise, Free movement of goods, Taxation, Competition, Transport, Energy, Environment, Consumers, Education - Training - Youth, Audio-visual - culture, Research - New technologies and Area of freedom, security and justice (European Commission 2003). The principle of the total acceptance of the *Aquis* implied that accession negotiations were really about the length of transition periods and the candidate's ability to adopt the *Aquis*.

The four previous enlargements only had the adoption of the *Aquis* as a criterion for membership in addition to the requirement that the state had to be European, but the European Council agreed that the political content of the *Aquis* needed to be spelled out more explicitly if the old totalitarian regimes were to apply for membership in the Union. The importance of respect for democratic principles and human rights had played an important role in enlargement even as early as during the debate in the 1970s on the accession of Greece, and in Copenhagen, in 1993, the Copenhagen Criteria were set up by the European Council (Sjursen 2006:210). They established that EU membership could be applied for if the requirements in the Copenhagen Criteria were fulfilled. When ending negotiations the European Council concluded the Criteria as: (European Council 1993:13): "The stability of institutions guaranteeing

democracy, the rule of law, human rights and respect for and protection of minorities, the existence of a functioning market economy as well as the capacity to cope with the competitive pressure and market forces within the Union. Membership presupposes the candidate's ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union." The EU has been criticized for suddenly demanding the fulfillment of criteria that had not been asked by any member before, but still these conditions became the new basis for evaluating the countries' readiness.

After this introduction of the institutional aspects of the EU enlargement process, some theories are presented which seek to explain the enlargement process from the perspective of the EU and which gains the EU had from expanding.

## 2.2 Rationalist and constructivist theories in explaining the EU enlargement process

Studies of EU enlargement (Barysch 2006; O'Brennan 2006; Dinan 2004; Sjursen 2006; Schimmelfennig and Sedelmeier 2005; Bieler 2005; Zaborowski 2006; Fierke and Wiener 2005) have focused on why the EU decides to enlarge, and Sjursen has used three ideal types of the EU to analyze this research question. The EU as *a problem solving* entity, and a *value and norms* based entity.

Firstly, the EU as a problem solving entity has roots in rationalism. Rationalist approaches view the world in utilitarian terms. This means that the world of international relations is seen as a universe of self-regarding units whose identity is assumed given and fixed, and who are responsive largely if not only to material interests (Ruggie 1998:3). Rational approaches to the study of EU enlargement are formulated in this way by Schimmelfennig and Sedelmeier (2005:12): "States favor the kind and degree of horizontal institutionalism that maximizes their net benefit". Helene Sjursen (2006) develops a hypothesis that the EU is a problem-solving entity whose purpose is to promote the material interests of the member states, and that the EU would prioritize enlargement to states where the benefits to the existing member states are



particularly high. In the decision to enlarge to the EU10 the opportunities for materialistic benefits could have been of great importance to both the member states and the candidate countries. It might be expected that both the EU10 and the 15 old member states, the EU 15, had high expectations for economic prosperity.

Secondly, the value based conception of the EU suggests that the EU might be moving towards a value based community where a sense of common identity would function as a basis for integration (Sjursen 2006:2). This social constructivist conception contrasts rationalism, as it is based on cultural factors and whether the actors inside and outside an organization share a collective identity and the same values (Schimmelfennig and Sedelmeier 2005:14). International interactions take place in an institutional environment where social identities, values and norms shape the outcomes. Seeing enlargement in this perspective the focus thus moves to the study of norms and social identities instead of material consequences for individual actors. Schimmelfennig and Sedelmeier develop the following hypothesis” (Schimmelfennig and Sedelmeier 2005:16): “*The organization will expand to outside states to the extent that these states share its collective identity, values and norms*”. They argue further that the process of horizontal institutionalization will be faster and deeper the better the cultural or normative match. Enlargement will continue until the cultural borders of the international community and the formal, institutional borders of the international organization match. The discussion of Turkish membership in the EU is an example of how complex the debate about horizontal institutionalization can be geographically and culturally. The EU as a value based ideal type would consider the common good of the polity to justify potential costs to the member states. Sjursen develops the following hypothesis (Sjursen 2006:10): “*The EU will prioritize enlargement to states towards which it has a particular sense of kinship duty*” Reference to a `a duty to solidarity` and a sense of shared destiny, was a regular feature in the arguments for enlargement to the CEEC`s. The European Parliament expressed the following in 1991 (European Parliament in Sjursen 2006:12): “We in Western Europe must not disappoint the great hopes which the peoples of Eastern Europe have of receiving our aid in their current emancipation process. Our credibility depends on how consistently we set our course towards integration to achieve a new European identity”.

Finally, the norms based conception of the EU sees the EU as a rights-based type of entity. Contrary to the value-based entity, integration would not rest on a common identity, but on universal rights and democratic procedures. Sjursen develops the following hypothesis (Sjursen 2005:10): *“The EU enlarges based on a concern to protect universal principles of human rights and democracy, and prioritizes enlargement to those states that would make this possible”*. The focus on stability of political institutions was of great importance to the EU, and the Copenhagen Criteria were set up to guarantee democracy in all EU10 before entering the EU.

Now, after presenting some perspectives of the enlargement from the EU itself, I will turn to theories which can explain the citizens' attitudes to the EU accession. Many of the theories which will be introduced are aimed at explaining the attitudes of the population in the CEEC's. However, as most theoretical models have their roots in Western Europe they are expected to be relevant also for the Mediterranean states.

### 2.3 Theories explaining citizens attitudes towards the EU - the utilitarian, value and political- economic approaches

There is a well established body of scholarship examining the determinants of public support for European integration in the Western European countries. Three general models have been developed based on the utilitarian, value and political-economic approaches (Cichowski 2000: 1246). First, the utilitarian approach suggests that individual attitudes result from a cost-benefit calculation where citizens assess the various costs and benefits associated with European integration (Tucker et al. 2002). The presumption is that citizens evaluate the economic consequences of European integration for themselves and for groups which they are part, and that such consequences motivate their attitudes (Hooghe and Marks 2005:420). Second, the value based approach argues that political values and cognitive capabilities affect a citizen's ability to form concrete opinions about abstract and distant institutions, such as the EU (Inglehart 1970). Ronald Inglehart's cognitive mobilization hypothesis is formulated as follows: *Individuals possessing high levels of political awareness and communication skills are better able to understand and identify with a supranational community*. A relatively high degree of

cognitive skills is needed to understand the implications and effects of European integration. Possessing high cognitive capabilities will increase cosmopolitan perspectives, and the knowledge of abstract political issues. Levels of education and occupational status are linked to cognitive mobilization, as those with higher status occupations and incomes tend to be better educated and better informed about politics and more active politically (Inglehart 1970). Finally, from the political economic approach Robert Rohrschneider and Stephen Whitefeld argue that positive macroeconomic conditions are more likely to leave citizens with positive evaluations of government performance, and this is not limited to national governments (Rohrschneider and Whitefeld 2006: 150). For example, when citizens believe that the common market brings about affluence, support for the EU increases. The three general models form the basis of the theoretical discussion. Most of the scholars use a combination of two or three of the approaches in their arguments.

When attempting to understand what determines attitudes toward European integration in the Central and Eastern European states, Rachel Cichowski states that these perspectives, developed in the context of Western European countries, can be used to examine the CEE case. Cichowski does not discard these models, but debates that a reevaluation is necessary. For instance the political economic perspective is criticized for failing to explain EU support and instead suggested the opposite (Eichenberg 1998 in Cichowski 2000:1247). Cichowski contributes to this reevaluation by focusing on the utilitarian and value based approaches. She finds that citizen support for European integration in CEE countries at the time of application is influenced by a combination of both utilitarian and value factors. However, in the case of Central and Eastern Europe, the strongest utilitarian factors were not based on measures of specific industry economic benefit, but rather the attitudes toward democracy and free-market economy (Cichowski 2000:1271). As European integration stands as the further institutionalization of free-market reforms, Gabel and Whitten (1997) examine the relationship between economic perceptions and European integration, and they find that support for integration is positively related to a citizen's perceived household financial situation. Cichowski agrees with Gabel and Whitten, that those individuals possessing negative evaluations of their household financial situation are more likely to favor a return to a previous economic order or at least not favor the elaboration of free market reforms. Reversed, this utilitarian model would indicate that CEE

citizens possessing positive evaluations of their personal financial situation are more likely to support membership in the EU (Cichowski 2000:1248). Hooghe and Marks also acknowledge subjective economic evaluations to influence public opinion on European integration alongside objective factors in their study of Western European support for European integration (Hooghe and Marks 2005). They find that citizens who feel confident about the economic future are likely to regard European integration in a positive light, whereas those who are fearful will lean towards Euro-scepticism.

All of the scholars above agree that the personal financial situation has an effect on support for European integration or support for EU membership. However, the hypothesis is tested on various cases at various points in time and the dependent variables differ. Therefore, it is necessary to test the hypothesis on the EU 10 case. Based on Cichowski`s work (2000) the following hypothesis is formulated:

*Individuals who possess positive evaluations of their personal financial situation are more likely to consider EU membership a country benefit*

Concerning democracy, Cichowski finds that the motivations behind the CEE interest in joining the EU is not unlike that of applicant countries involved in the second phase of European enlargement. Greece, Portugal and Spain regarded membership in the EC<sup>1</sup> as helpful in the consolidation of new democratic regimes. The consolidation of democratic institutions is as much of interest to the citizens as personal economic benefit (Lieven in Cichowski 2000). Cichowski underlines that these democratizing countries applied for membership in order to stabilize and consolidate their new political institutions. Accession would decrease the risk of reverting to authoritarian regimes (Wallace in Cichowski 2000). Similar to the effect of economic perceptions, a utilitarian model would indicate that if citizens are comfortable with their democratic experience so far, they are more likely to accept a permanent democratic system, and membership in the EU. It is of interest to test the findings of Cichowski (2000) and

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<sup>1</sup> The EC, the European Community, turned into the EU, the European Union, with the Maastricht Treaty in 1991-1993

the results of the analysis, on the EU10 two years after their inclusion in the EU. The following hypothesis is formulated:

*Individuals with positive attitudes towards the country's democratic development are more likely to have positive attitudes towards the EU, as citizens who are satisfied with the democracy they have experienced so far, are more likely to favor the permanence and continuation of a democratic system*

Furthermore, Cichowski underlines the importance of political partisanship as she finds that parties representing explicit favorable positions on EU membership were more likely to have supporters who favor EU membership. Political parties provide cues to citizens that might be crucial to their general attitudes towards the EU (Cichowski 2000:1264).

Tucker et al. (2002) find, on the other hand, that the arguments based on Western experience with integration are only bits of the puzzle. While there are similarities in the general factors that shape mass attitudes in both Western and Eastern Europe, major differences exist, as there is no equivalent in Western Europe to the social and economic shifts in the former communist world (Tucker et al 2002:569). They present a theoretical model explicitly designed for the post-Communist context, and find that post-Communist citizens use their opinion about EU membership to direct their support toward particular political parties (Tucker et. al 2002: 570). This finding is in contrast to Cichowski who argued that post-Communist voters use their party attachment as a proxy in answering questions about EU support. Tucker et al. also find that one's status in the wake of the transition is a powerful determinant of EU support. "Winners" who have done well in the transition are more likely to support the EU and the free market reforms, as it ensures a continuation of the transition process from which they have benefited. On the other hand, "losers" who have been hurt by the transition will oppose this step (Tucker 2002: 559). Based on Tuckers work, the following hypothesis is developed to be tested in the case of EU10:

*Individuals with favorable opinions about the economic reforms are more likely to have favorable opinions about the EU as it ensures a continuation of the transition process from which they have benefited.*

Rohrschneider and Whitefield (2006) show that when applying expectations from Western experience to post-Communist circumstances, the utilitarian approach seems to be less important. The utilitarian approach assumes that the eastwards enlargement of the EU would be relatively easy achieved politically because it was based on strong elite and mass commitment to market values and on favorable economic calculations for the entrants. Rather than citizens' assessments of international market institutions and economic calculations, Rohrschneider and Whitefield underline the importance of exploring the values underlying citizens' assessments of the EU, for example their commitment to market norms or democratic structures. They find that Central and Eastern Europeans are much more likely to make judgments about integration based on their underlying economic values than on expected material payoffs (Rohrschneider and Whitefield 2006:154). Values operate as prisms through which people interpret the world and define their economic interests. Rohrschneider and Whitefield opens up the possibility of public opinion in the post-Communist context about integration being driven by factors which were irrelevant in the context of Western Europe. They conclude that both utilitarian and value based explanations in analyzes of EU support in post-Communist countries should be accounted for.

Regime performance is a predictor which focuses on citizens' experience with new democracies and markets in Central and Eastern Europe. Transition research indicates that public evaluations of national market institutions and democratic regimes are to a large extent shaped by their current performance. In addition publics are likely to compare the current regime with the performance of the collapsed Communist regime. Therefore, Rohrschneider and Whitefield expect the performance of national regimes to influence views about the EU. The better national systems perform, the more reluctant citizens will be to abandon national institutions for the EU. This is especially relevant in accession countries as these are also the ones that are the most democratic and the most successful in implementing market reforms (Rohrschneider and Whitefield 2006:149). The hypothesis developed by Rohrschneider and Whitefield (2006) will also be tested on the EU 10 case in this work. It is interesting to see how relevant the hypothesis

is in the countries which have become members of the EU is, and not just accession countries. It is formulated as follows:

*Individuals who are satisfied with the performance of the national systems, national market institutions and democratic regimes, are more reluctant to abandon national institutions for the EU*

Finally, Rohrschneider and Whitefield stress the role of political parties in influencing public support. Simon Hix (2002) has argued that supporters of a particular party family, regardless of country, may be expected to relate integration issues to the ideological and social characteristics of the party (Hix in Rohrschneider and Whitefield 2006:151). Rohrschneider and Whitefield, however, underline the importance of country context and debate that citizens attitudes toward EU integration may depend on and interact with national economic and social conditions and whether the EU is to the left or right of the status quo. In addition, they hypothesize that parties polarize on integration and enlargement, and this may result in less support for integration as elite competition may create uncertainty for the citizens. As Chicowski (2000) and Hooghe and Marks (2005) argued, Rohrschnieder and Whitefield also consider party identifiers to be more likely to adapt their position taken by their party leadership (Rohrschneider and Whitefield 2006:153).

Thomas Christin (2005) also presents a model specifically designed for the Central and Eastern European countries. The general model he proposes to adopt conceptualizes attitudes towards the European Union as a function of political and economic factors. Christin indicate that attitudes toward free market economy and democratic transition in the 1990s in Central and Eastern European countries might have been a mix of values, socialization, Western orientation and perceptions of the consequences of the economic and political transition. But, whatever these attitudes reflect, if the EU serves a symbol of democracy, respect for human rights and the rule of free markets, individuals with favorable opinions about the economic and democratic reforms should be positively oriented towards the EU (Christin 2005:34). Christin agrees with Tucker (2002) that for post-Communist citizens, membership in the EU can function as an implicit guarantee that the economic reforms undertaken since the end of communism will not

be reversed. Christin develops four hypotheses (Christin 2005:15): 1: individuals with positive attitudes towards the free market economy are more likely to have positive attitudes towards the European Union, whereas those with negative attitudes are more likely to have negative attitudes towards the EU. 2: individuals with positive attitudes towards the country's democratic development are more likely to have positive attitudes towards the European Union, whereas those with negative attitudes are more likely to have negative attitudes toward the EU. The second hypothesis supports Cichowski's work from 2000. The third hypothesis Christin develops is 3: individuals with positive attitudes towards the defense of human rights in the country are more likely to have positive attitudes towards the European Union, whereas those with negative attitudes are more likely to have negative attitudes towards the EU. Finally, Christin develops a fourth hypothesis based on both Tuckers analyzes and Rachel Cichowski's work where it is debated that the economic transition across the former communist states has divided societies into "winners" who have benefited from the transition and "losers" who have been hurt by the transition. To identify "winners" and "losers" Tucker et al rely directly on individuals self assessments of their economic progress during the transition, and the study demonstrates how one's status in the wake of the transition is a powerful determinant of support for EU membership. Christin's hypothesis is formulated (Christin 2005:16) 4: winners from economic reforms are more likely to have positive attitudes towards the European Union whereas losers are more likely to have negative attitudes. Based on Christin's work the hypothesis addressing the impact of political factors which will be used in this work is:

*Individuals with positive attitudes towards the defense of human rights in the country are more likely to have positive attitudes towards the European Union, whereas those with negative attitudes are more likely to have negative attitudes towards the EU*

Hooghe and Marks` (2005) analysis of what motivates support for the EU in Western Europe, is rare as it includes nationalism and ethnicity as independent factors influencing EU support. However, Rohrscheider and Whitefield discuss that there are reasons to believe that effects of social and attitudinal factors are more powerful in Eastern Europe (Rohrschneider and Whitefield 2006: 150). Firstly, post-Communist-states are characterized by high ethnic diversity. All countries, except Hungary, Poland, Slovenia have significant minorities.



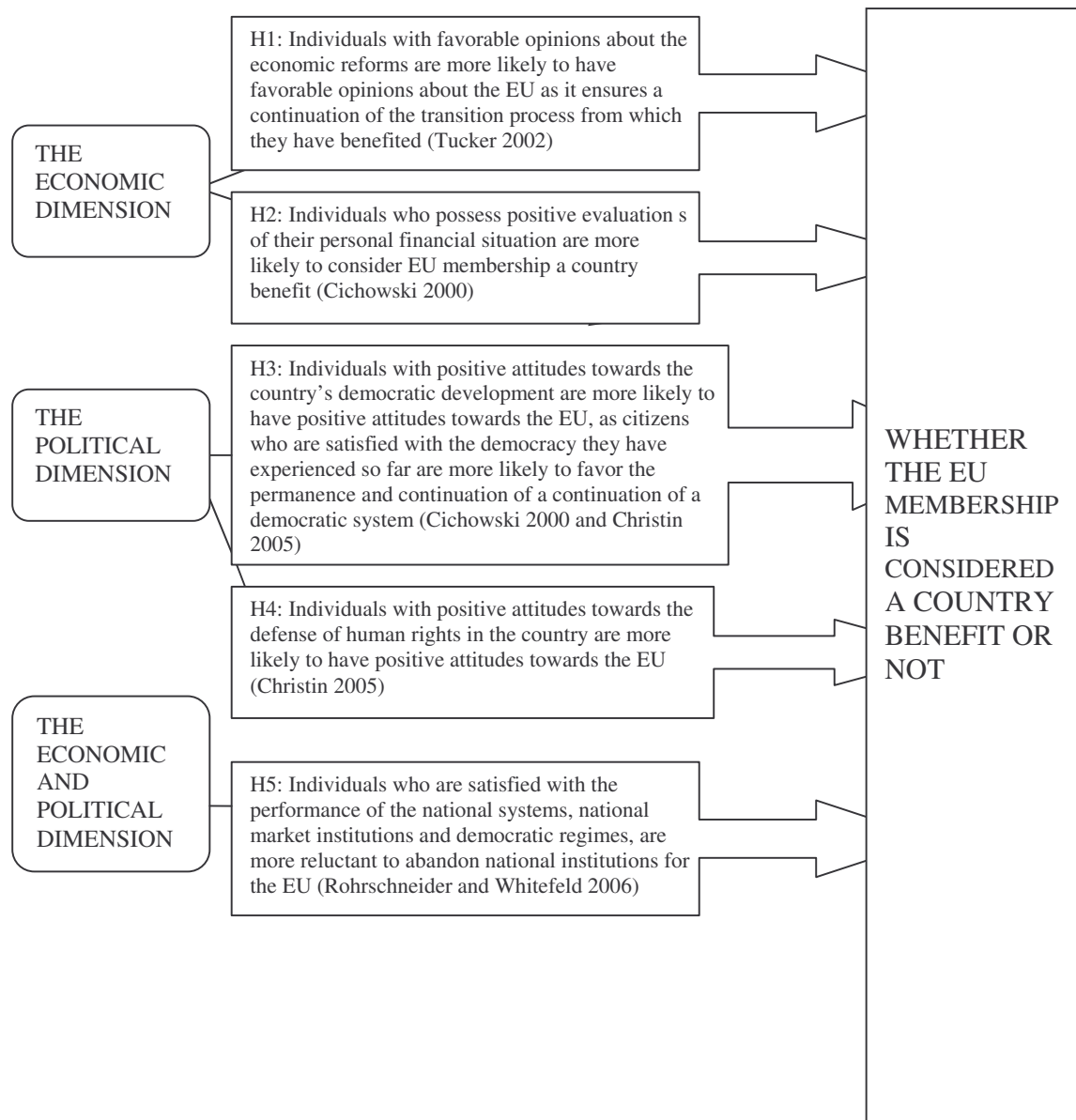
Rohrscheider and Whitefield indicate that this may induce a shift away from economic concerns to a focus on how the institutions might support minorities' political aspirations. Secondly, the recent history of supranational rules in states in the region is important. All countries except Slovenia (which was subordinate within Yugoslavia) were formally part of the Soviet Bloc and were dominated by it politically and economically. Therefore, they debate that EU membership might either be seen as consolidating national independence or as threatening national independence.

The literature on public support for European integration in Central and Eastern Europe takes the Western European models as a point of departure for understanding the Eastern European world. Therefore, a small part of this work will also be dedicated to explore how well the economic and political models fit the Eastern European countries, compared to how much explanatory power they have in Western Europe. The Mediterranean states, Cyprus and Malta, are then included in the EU 10 analysis, together with the Central and Eastern European countries, as all countries joined at the same time in 2004.

## 2.4. Presentation of hypotheses and theoretical model analyzing the impact of EU membership

In this section, the hypotheses presented above, based on the different theoretical approaches, are summarized. Recalling the research question presented in Chapter one, the aim of this work is to analyze how the economic and political factors influence whether EU membership is considered a country benefit among the population in the EU10. Based on the theoretical discussion presented above, five hypotheses were formulated, two of the hypotheses can be allocated only at the economic and political dimensions respectively, and one hypothesis can be allocated at both dimensions. A summary of the dimensions, theoretical arguments and hypotheses is presented in Figure 2.1.

Figure 2.1: Dimensions and hypotheses explaining whether citizen's in Central and Eastern European countries and Mediterranean states consider the EU membership a country benefit.



Having presented the theoretical approaches and hypotheses derived from these in this chapter, the focus will now turn to the operationalisation of the hypotheses. The next chapter presents the variables used in testing the hypotheses, the data and the statistical methods which will be applied in the empirical analysis.

### 3 *Data, Operationalisation and Method*

What can explain whether the EU membership is considered a country benefit among the population in the EU10? This analysis will move beyond the predominant single-case design in enlargement research, and apply a large- n, statistical analysis on the impact of EU enlargement on the Central European, Eastern European and Mediterranean states which became members of the EU in 2004. As the research question has a dependent variable which is a dummy, logistic regression will be applied. This chapter will first present the data, followed by the operationalisation of the economic and political dimensions. Variables used to measure what influences attitudes towards the EU in the EU10 will be presented, based on the formulation of the hypotheses. Finally, logistic regression as a method for analyzing the research question and challenges related to this method is introduced.

#### 3.1 Measuring economic and political dimensions – data and variables used in the empirical analysis

The individual level analysis is based on Eurobarometer data from 2006 conducted by the European Commission. Although, data from 2007 would be preferred, in order to get a time range of three years instead of two years after enlargement, the dataset was not yet available at the time of the analysis. However, it is interesting to see what the EU citizens opinions about EU membership were in 2006 as it gives an indication of how membership has affected them in the two years the countries have been members of the EU. Furthermore, this particular data set from Eurobarometer “*European Union Enlargement, the European Constitution, Economic Challenges, Innovative Products and Services*” includes a wide range of questions on citizen’s attitudes and evaluations on the enlargement process and its benefit. It is thus highly suitable for analyzing the research question of this work. Also, Eurobarometer provides data on all EU

member states and thus facilitates comparative analysis<sup>2</sup>. In the following the variables used to analyze the research question will be presented.

The research question aims at explaining whether EU membership is considered a country benefit among the population in the Central and Eastern European and Mediterranean states. This dependent variable **EU *benefit*** will be measured by the following question: “Taking everything into account, would you say that your country has on balance benefited or not from being a member of the EU?” The values are; has benefited, has not benefited and do not know. A dummy variable is created, with the values has benefited (1) and has not benefited (0). Don’t know is categorized as missing, so that only the respondents with distinct opinions are included. The missing values are excluded from the analysis.

In chapter 2.4. the five hypotheses allocated at the economic and political dimension were presented. The following variables will be used in the individual level analysis at the economic dimension: economic stability, economic prosperity, financial situation, national economy. At the political dimension the following variables will be used: political stability, trust in national government, satisfaction with national democracy and EU promoting human rights. The respective variables and questions are presented below.

***Economic stability:*** “I feel we are more stable economically because our country is a member of the European Union”. The question had four alternatives which were recoded to tend to agree (1) and tend to disagree (0) when the dummy variable was created. This variable is used to measure the hypothesis by Tucker 2002 that individuals with favorable opinions about the economic reforms are more likely to have favorable opinions about the EU as it ensures a continuation of the transition process from which they have benefited (H1). The argument for using this variable is that citizens who consider the country to have become more stable economically because of EU membership, are more likely to have positive economic experiences attached to the enlargement, and are therefore more likely to have favorable opinions about the EU membership.

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<sup>2</sup> ZA Study Nr. 4506. “*European Union Enlargement, the European Constitution, Economic Challenges, Innovative Products and Services*”

***Economic prosperity:*** “What does the European Union mean to you personally?” The economic prosperity variable is created by a question that seeks to explore what the EU means personally to each respondent. There were 16 different answers to give, and multiple answers were possible, so a dummy variable was constructed. The dummy has two values; either a respondent mentioned economic prosperity or did not mention it as one of the 16 alternatives to what the EU meant to them personally. This variable is also used to measure H1 as individuals who consider the EU to mean economic prosperity are more likely to have positive economic experiences with the EU membership, and are therefore more likely to consider it a country benefit.

***Personal financial situation:*** “How would you judge the current situation of your financial situation?”, and the values used are good (1) or bad (0). The variable is used to test Rachel Cichowski’s (2000) hypothesis that individuals who possess positive evaluations of their personal financial situation are more likely to consider EU membership a country benefit (H2).

***Satisfaction with national economy:*** “How would you judge the current situation of the (NATIONALITY) economy?”. The values are: very good, fairly good, fairly bad, very bad. A dummy variable was created with the values good (1) and bad (0). H1 presented above expects individuals with favorable opinions about the economic reforms to be more likely to have favorable opinions about the EU as it ensures a continuation of the transition process from which they have benefited. Citizens who are satisfied with the performance of the national economy are expected to be more likely to have favorable opinions about the EU membership, as they favor a continuation of the process of which they are satisfied. Therefore this variable will also be used to test H1.

***Political stability:*** “I feel we are more stable politically because (OUR COUNTRY) is a member of the European Union”. The values are tend to agree (1), tend to disagree (0). This variable is used to test the hypothesis both formulated by Cichowski (2000) and Christin (2005) that individuals with positive attitudes towards the country’s democratic development are more likely to have positive attitude towards the EU. Citizens who are satisfied with the democracy

they have experienced so far are more likely to favor the permanence and continuation of a continuation of a democratic system (H3). Individuals who consider the political situation to be more stable now that their country is in the EU are expected to be more likely to consider the EU membership a country benefit as they would like a continuation of the political stability they consider themselves to have experienced.

***Trust in national government:*** “I would like to ask you a question about how much trust you have in certain institutions. Please tell me if you tend to trust or not to trust the (NATIONALITY) government. The variable has two values; tend to trust (1) and tend not to trust (0). Both this variable and satisfaction with national democracy below will be used to test H3 as well as political stability above. If the EU10 citizens trust in their national governments they are more likely to have positive attitudes towards the countries democratic developments, and are therefore expected to be more likely to consider the EU membership a country benefit.

***Satisfaction with national democracy:*** “On the whole, are you very satisfied, fairly satisfied, not very satisfied or not at all satisfied with the way democracy works in (OUR COUNTRY)? (1) Satisfied (0) Not satisfied. As emphasized above, individuals who are satisfied with the national democracy are more likely to have positive attitudes towards the democratic development of the country and is expected to have favorable attitudes towards the impact of EU membership.

***EU promoting human rights:*** “Please tell me for each of the following statements, if you agree or disagree? In political terms, the enlargement of the European Union increases the protection of human rights and minorities in the European Union.” (1) Totally agree, Tend to agree (0) Totally disagree, Tend to disagree, do not know and missing.<sup>3</sup> EU promoting human rights is used to measure Christin’s (2005) hypothesis that individuals with positive attitudes towards the defense of human rights in the country are more likely to have positive attitudes towards the EU (H4). The reason for this is that if the EU10 citizens consider the enlargement of the EU to be protecting human rights, they are more likely to have positive attitudes towards the defense of

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<sup>3</sup> The problem, however, was the many missing values, and in order to keep the number of units higher than the number of missing, the missing values were included in the analysis coded as (0). The value (1) therefore only includes the respondents who explicitly say they think the EU increases the protection of human rights, and the value (0) includes totally disagree, tend to agree, don’t know and missing.

human rights. Based on Christin (2005) they are therefore more likely to have positive attitudes towards the EU.

The hypothesis formulated by Rohrschneider and Whitfield (2006) that those individuals who are satisfied with the performance of the national systems, national market institutions and democratic regimes, are more reluctant to abandon national institutions for the EU, will be tested by all variables. If negative relationships are found, for instance between economic stability and EU benefit, it might be that the individuals who consider the country to have become more economically stable are more reluctant to abandon the national institutions for the EU. The expected effects are presented in table 3.1.

Table 3.1: The expected impact of the economic and political dimension on whether the EU membership is considered a country benefit in the EU10

<i>Dimensions</i>	<i>Operationalisations</i>	<i>Expected effect</i>
The economic dimension	• Economic stability	+
	• Economic prosperity	+
	• Personal financial situation	+
	• Satisfaction national economy	+
The political dimension	• Political stability	+
	• Trust in national government	+
	• Satisfaction with national democracy	+
	• EU promoting human rights	+

As mentioned in the introduction (Chapter one) structural data will be presented as well as they might be able to contribute to understanding cross country variations. The actual developments taken place at the national level are measured by, at the economic dimension, inflation rates, unemployment rates and economic growth. The political dimension takes use of government effectiveness, corruption, political rights and civil liberties ratings.

There are some methodological considerations connected to the use of the structural data which should be discussed in this context. Firstly, when examining the countries economic growth, the gross domestic product per capita growth (GDP) in the countries is used. The real GDP per



capita of an economy is often used as an indicator of the standard of living of individuals in a country, and there is no indicator which is as universal and widely accepted as the GDP. Gross domestic product is a measure of the results of economic activity. It is the value of all goods and services produced less the value of any goods or services used in producing them. The calculation of the annual growth rate of GDP volume allows comparisons of economic development both over time and between economies of different sizes, irrespective of changes in prices. The absolute level of GDP and GDP per capita are often considered indicators of the “wealth” of a country and its inhabitants. The aspects to consider when using GDP per capita as an indicator of economic growth, are the following. First, GDP per capita growth varies depending on the basket of goods used to deflate the nominal value; second, it does not provide any information relevant to the distribution of income in a country. Third, it does not take into account negative externalities from environmental damage consequent to economic growth and thus, the amount of growth may be overstated once the environmental damage is taken into account. Finally, GDP per capita does not take into account positive externalities that may result from services such as education and health. In addition, differences in price levels and consumption habits between countries must obviously be considered, adjusting them by purchasing power parities, PPP. GDP per capita is then expressed as the “purchasing power standard”, PPS, (Statec 2007).

Secondly, government effectiveness and corruption are two factors explored at the political dimension. The Worldwide Governance Indicators (WGI) Project reports aggregate and individual governance indicators for six dimensions of governance, and government effectiveness is one of the WGI indicators. It measures the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of formulation and implementation and the credibility of the government’s commitment to such policies (The World Bank). However, the quality of the governance indicators is questioned in current debates. Jens Andvig argues that the indicators measure the same thing, and therefore should be used carefully (Andvig 2007). Keeping this in mind, the WGI give an indication of the political situation, but one should not rely entirely on this index. The methodological challenge is solved by using the WGI to measure government effectiveness, but using data on corruption from Transparency International, as collecting data from different sources is a way of

creating more reliable results. To measure levels of corruption in different countries based on hard empirical data is not the preferred method, because such comparative data does not reflect actual levels of corruption. The debate about the definition of corruption is ongoing and still not resolved, and there is a need for more research on corruption in order to map the levels based on hard data from different countries (Aarebrot 2007; Søreide 2007; Bain 2007). One strong method of compiling cross-country data is therefore to draw on the experience and perceptions of those who are most directly confronted with the realities of corruption in a country. The Corruption Perception Index, CPI, presents a score which relates to perceptions of the degree of corruption<sup>4</sup> as seen by business people, academics and risk analysts<sup>5</sup>.

### 3.2 Analyzing the impact of EU membership by means of regression analysis

Since the dependent variable is a dummy logistic regression analysis will be applied in the statistical analyzes. Logistic regression is the preferred method for binary dependent variables and it uses the logistic curve to represent the relationship between the independent and the dependent variables (Hair 2006:368). Because the binary dependent variable has only the values of 0 and 1, the predicted value must fall within the same range (Hair 2006:356). At very low levels the probability approaches 0, but never reaches 0, and likewise it will approach 1.0 but never exceed it. This nonlinear relationship between the dependent and the independent variables contradicts the linear relationship in regression analysis. The direction of the relationship, positive or negative, reflects the changes in the dependent variable associated with changes in the independent variable. A positive relationship means that an increase in the independent variable is associated with an increase in the predicted probability, and vice versa for a negative relationship (Hair 2006:381). How much the probability will change, is determined by the numeric value of the coefficient. If the predicted probability is greater then

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<sup>4</sup> The CPI focuses on corruption in the public sector and defines corruption as the abuse of public office for private gain. The surveys used in compiling the CPI ask questions that relate to the misuse of public power for private benefit, for example bribery of public officials or questions that probe the strength of anti-corruption policies, thereby encompassing both administrative and political corruption (Transparency International).

<sup>5</sup> The CPI is a composite index, making use of surveys of businesspeople and assessments by country analysts. It consists of credible sources using diverse sampling frames and different methodologies.

.50 then the prediction is that the outcome is 1, otherwise it is 0. Since the dependent variable is whether EU membership has been a country benefit, the outcome can either be has been a benefit or has not been a benefit. If the predicted probability is greater than .5 it has been a benefit, and if it is lower than .5 it is considered as not to have been a benefit.

The original logistic coefficient,  $B$ , indicates the direction of the relationship. A positive coefficient increases the probability, whereas a negative value decreases the predicted probability. The exponentiated coefficients are logarithms of the original coefficient, and must be interpreted differently. The logarithm of 0 is 1.0, and corresponds to a relationship with no direction. When the exponentiated coefficient is less than 1, increasing values of the variable correspond to decreasing odds of the event's occurrence. When it is greater than 1, increasing values of the variable correspond to increasing odds of the event's occurrence. Since they are exponents, their impact is multiplicative. This means that the coefficients impact is not added to the dependent variable, but multiplied for each units change on the independent variable (Hair et.al, 2006:365). The challenges appear when wanting to determine how much the probability will change. In order to determine the magnitude, the numeric value of the coefficient must be evaluated, and though there are techniques for exploring the strength of the effects, it is not as precise as ordinary regression analysis. For metric variables the interpretation of the magnitude seeks to explain how much the estimated probability will change for each unit change in the independent variable (Hair 2006:36). Magnitude is best assessed by the exponentiated coefficient, with the percentage change in the dependent variable shown by:

$$\text{Percentage change} = (\text{Exponentiated coefficient} - 1.0) * 100$$

When nonmetric independent variables are used, the interpretation of the exponentiated coefficient is different, as it indicates the presence or absence of a characteristic. It is essential to note the reference category as the values that are chosen determines how the coefficient is interpreted. The relationship can be expressed as follows:

$$\text{Odds represented category} = \text{Exponentiated coefficient} * \text{Odds reference category.}$$

The importance of noting the reference category should be stressed once more. All variables are coded so that a change from 0 to 1 means a change from a not present to present characteristic. I will illustrate this by taking the variable trust in national governments as an example. If the individuals have trust in their national government, the value is 1, as contrasted to if they do not trust their national government. Then the value is zero. If the values had been chosen the other way around, the interpretation of the results would also have been the other way around. However, all variables have the same values to facilitate interpretation. Either not present (0) or present (1) characteristic.

Another methodological challenge is that many questions in survey research allow for don't know as an answer. Listwise deletion means that units of measurement with a missing value on one or more of the variables relevant for an analysis are excluded from the analysis. Listwise deletion is appropriate when the number of units of measurement is large compared with the number of missing values (Pennings et.al 2006). Even though listwise deletion is used in the analysis, the value "do not know" has in some cases been recoded when there were high numbers of respondents who gave "I do not know" as an answer. This was done to guarantee that the number of units would remain high.

In the next chapter the results of the empirical analysis of the impact of the economic and political dimension on the evaluation of EU as a benefit will be presented.

## ***4 The impact of the economic and political dimensions on EU membership seen from the citizen's perspective***

In this chapter, the economic and political evaluations affecting the EU10 citizens' attitudes towards the EU membership two years after the eastwards enlargement will be explored. Starting out with the economic dimension, the EU 10 in general will be examined. Thereafter, the attitudes towards EU membership are analyzed in the separate countries independently to see how variations can be explained. In order to examine how the actual development has been, structural data at national level will be presented as well. This is followed by an analysis of the impact of the political dimension on EU benefit. Finally, both the economic and political dimensions are analyzed in one integrated model to compare the effect of the respective dimensions on EU benefit in the EU10.

### **4.1 The impact of the economic dimension in all the member states that joined the European Union in 2004**

A report made for the European Commission about the economic situation after the enlargement in 2004 concludes (European Commission 2006a): "...The favorable economic expectations have been fulfilled. The new member states have undertaken extensive reforms to modernize and are now dynamic market economies. The stability provided by accession has helped to multiply trade and investment between the EU15 and the EU10 as well as within the EU10, creating a win-win situation for all involved: contributing to growth and employment in the EU10". How does the population in the EU 10 consider the impact of EU membership? Do they share the view of the European Commission?

The economic dimension explores the individual level perceptions of the countries economic stability, economic prosperity, personal financial situation and national economy (see Chapter 3.1). The effect of the economic variables on all EU 10 is presented in the table 4.1.

Table 4.1: The impact of the economic dimension on whether EU membership is considered a country benefit in the EU10<sup>6</sup>

Economic dimension	<i>B</i>	<i>S.E</i>	<i>Exp (B)</i>
Economic stability	2.024 **	.064	7.570
Economic prosperity	1.208**	.088	3.345
Personal financial situation	.466**	.063	1.593
Satisfaction national economy	.502**	.071	1.651
-2 log likelihood	6682,388		
Hosmer and Lemeshow test	.219		
Nagelkerke r <sup>2</sup>	.378		
N=7267			

\*\*p significant at .01 level

The results show that all economic variables have positive and significant effects on EU benefit in the EU 10. This indicates that the economic dimension indeed, as expected, is important for the EU 10 citizens in considering whether the EU membership has been a country benefit or not.

Economic stability, economic prosperity and satisfaction with national economy are the three variables with the strongest effect on EU benefit. All test the same hypothesis formulated by Tucker (2002) that individuals with favorable opinions about the economic reforms are more likely to have favorable opinions about the EU as it ensures a continuation of the transition

<sup>6</sup>Weighted at EU 10

EU benefit: "Taking everything into account, would you say that your country has on balance benefited or not from being a member of the EU?"

Economic stability: "I feel we are more stable economically because our country is a member of the European Union".

Economic prosperity: "What does the European Union mean to you personally?" Economic prosperity one of sixteen values.

Personal financial situation: "How would you judge the current situation of your financial situation?",

Satisfaction with national economy: "How would you judge the current situation of the (NATIONALITY) economy?"

process from which they have benefited. Strong support for H1 is found in the EU10. Economic stability has the strongest effect on EU benefit. If the country is considered to have become more economically stable because of EU membership, the odds increase by as much as 657 per cent that EU membership is considered a benefit as contrasted to if not considered to have made the country more economically stable<sup>7</sup>.

The second strongest effect is that of economic prosperity. If economic prosperity was mentioned as one of the things the EU meant personally to the respondents, the odds are 234.5 per cent higher that EU membership is considered a benefit then if it was not mentioned.

The third strongest effect is the effect satisfaction with national economy has on EU benefit. The odds are 65 per cent higher that EU membership is considered a country benefit if the EU 10 citizens consider the national economy to be good and not bad. This effect was expected as individuals with favorable opinions about the economic reforms, would be more likely to have positive attitudes towards the EU membership to ensure the continuation of the satisfactory economic situation.

Personal financial situation also has an effect on whether the EU10 citizens consider the EU membership a country benefit or not. However, the effect is the weaker than economic stability and economic prosperity, but close to that of satisfaction with national economy. If the financial situation is considered to be good, the odds that citizens believe EU membership has benefited their country, increases by 59 per cent contrasted to if the personal financial situation is considered bad. This means that the results give support to H2. The hypothesis of Cichowski (2000) was that individuals who possess positive evaluations of their personal financial situation are more likely to consider EU membership a country benefit.

The goodness of fit of the economic model is represented by the -2 log likelihood and the Nagelkerke  $r^2$ . A perfect fit has a -2LL value of 0.0 and a  $R^2_{\text{LOGIT}}$  of 1.0. In this case -2LL was 8948,159 in the first model where none of the independent variables were included, and

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<sup>7</sup>  $(7,570 - 1.0 = 6,570)$ . Only the first calculation is shown.

6682,388 in the second. As the model increases model fit, the -2LL value decreases, therefore it is possible to say that the economic model is a good fit. The Nagelkerke  $r^2$  is, 378 which is the explanatory power of the regression equation. It indicates that the economic variables explain 37 per cent of the variance in EU benefit in the ten countries.

In order to explore the EU 10 it is interesting to compare the results to the EU15. Do the economic variables have the same effect?<sup>8</sup> A brief comparison of the EU 10 and the EU15 might also shed some light to the discussion of whether theoretical models developed in the West might also be useful to explain attitudes in the Eastern world. The findings are presented in the table 4.2.

Table 4.2: The impact of the economic dimension on whether EU membership is considered a country benefit in the EU15

Economic dimension	<i>B</i>	<i>S.E</i>	<i>Exp(B)</i>
Economic stability	2.255**	.047	9.539
Economic prosperity	1.199**	.070	3..317
Personal financial situation	.292**	.051	1..339
Satisfaction national	.216**	.047	1.241
economy	12468.297		
-2 log likelihood	.142		
Hosmer and Lemeshow test	.387		
Nagelkerke $r^2$			
N=12715			

\*\* Significant at 0.01 level

The main findings can be summed up in the following. Firstly, all variables have a positive effect in the EU 15 as in the EU10. Secondly, the -2 log likelihood has decreased from 16700,374 to 12468.297 indicating that the economic model is a good fit. Finally, the Nagelkerke  $r^2$  is .387 meaning that the economic variables explain 38. 7 per cent of the variance

<sup>8</sup> Weighted at EU 15. EU 15 consists of Belgium, the Netherlands, France, Luxembourg, Germany, Italy, the United Kingdom, Ireland, Greece, Portugal, Spain, Finland, Sweden, Denmark and Austria.



compared to 37.8 per cent in the EU 10, thus indicating that the economic model has as much explanatory power in the EU15 as in the EU10. The model is useful in both the EU 15 and the EU10.

Even though there is little difference between the EU15 and the EU10 on a general level, country differences in the West as in the EU 10 might be expected. However, the situation in the EU15 is not the scope of this work, and in the next section the EU 10 countries will be analyzed separately in order to analyze to which extent the countries in Central and Eastern Europe differ on the economic dimension.

#### **4.1.1 The impact of the economic dimension at country level**

Starting out with the analysis of economic stability, frequency distributions (see Appendix A) show that slightly above 50 per cent agrees that EU membership has made the economic situation more stable, but almost 40 per cent consider the economic situation to have become less stable. There are cross country variations however. Firstly, Lithuania, Estonia and Slovenia had the highest figures with more than 60 per cent considering the economic situation as more stable. In the Czech Republic and Poland about 50 per cent meant that EU membership had made the economic situation more stable. Hungary, Malta, Slovakia and Latvia had lower figures ranging from 46 to 43 per cent.

Secondly, about 25 per cent thought of the EU as meaning economic prosperity. The results ranged from 35, 7 per cent who mentioned it as an important factor in Slovakia to 15, and 8 per cent in Latvia. Where few consider the EU to mean economic prosperity, it might indicate that there has not been any change in the economic situation, the situation has become worse or that the change in either direction is not considered to be related to EU membership.

Thirdly, the perceptions of the personal financial situation in the EU 10 also varied in each country. Overall 44, 7 per cent considered their financial situation as bad. The three countries where most people considered their personal financial situation to be bad were Hungary, Latvia

and Slovakia. The countries where the most people considered their current personal financial situation as good, on the other hand, were Cyprus, Slovenia, Estonia and Poland. In the middle range were the Czech Republic, Malta and Lithuania, where around 50 per cent considered the situation as good.

High figures where more than sixty per cent consider the national economy to be good are found in Estonia and Cyprus, whereas in Slovakia, Latvia, Hungary, Malta, Czech Republic the lowest number of people who considered the national economy as good are found.

The economic dimension explores the individual level perceptions of the countries economic stability, economic prosperity, personal financial situation and national economy. The effect of the economic variables on the attitude towards EU membership is presented in table 4.3. The analyzes are conducted in the separate countries independently.

Table 4.3: The impact of the economic dimension on whether EU membership is considered a country benefit in the EU 10

Economic dimension	<b>B</b>	<b>S.E</b>	<b>Exp (B)</b>
<b>Cyprus</b>			
Economic stability	.1529**	.237	4.614
Economic prosperity	1.074**	.335	2.982
Personal financial situation	.344	.283	1.410
Satisfaction national economy	.166	.261	1.181
Hosmer and Lemeshow test	.746		
Nagelkerke r <sup>2</sup>	.257		
N=394			
<b>Czech R.</b>			
Economic stability	2.194**	.190	8.968
Economic prosperity	1.924**	.287	6.848
Personal financial situation	.064	.193	1.066
Satisfaction national economy	.987**	.197	2.684
Hosmer and Lemeshow test	.294		
Nagelkerke r <sup>2</sup>	.502		
N=910			
<b>Latvia</b>			
Economic stability	1.964**	.183	7.128
Economic prosperity	1.324**	.311	3.758
Personal financial situation	.572 **	.176	1.772
Satisfaction national economy	.796**	.271	2.217
Hosmer and Lemeshow test	.669		
Nagelkerke r <sup>2</sup>	.368		
N=789			

<i>Economic dimension continued</i>	<b>B</b>	<b>S.E</b>	<b>Exp(B)</b>
<b>Poland</b>			
Economic stability	1.939**	.196	6.955
Economic prosperity	.459	.273	1.582
Personal financial situation	.525**	.87	1.690
Satisfaction national economy	.008	.234	1.008
Hosmer and Lemeshow test	.616		
Nagelkerke r	.276		
N=774			
<b>Slovenia</b>			
Economic stability	1.448**	.183	4.255
Economic prosperity	1.205**	.239	3.338
Personal financial situation	.733**	.186	2.081
Satisfaction national economy	1.001**	.193	2.722
Hosmer and Lemeshow test	.650		
Nagelkerke	.335		
N= 880			
<b>Slovakia</b>			
Economic stability	2.109**	.239	8.238
Economic prosperity	1.453**	.246	4.276
Personal financial situation	.891**	.212	2.437
Satisfaction national economy	642 *	.319	1.9
Hosmer and Lemeshow test	.358		
Nagelkerke r <sup>2</sup>	.380		
N=883			
<b>Malta</b>			
Economic stability	3.308**	.391	27.328
Economic prosperity	1.218**	.475	3.382
Personal financial situation	1.554**	.351	4.730
Satisfaction national economy	1.257*	.578	3.516
Hosmer and Lemeshow test	.553		
Nagelkerke r <sup>2</sup>	.719		
N=388			

<i>Economic dimension continued</i>	<b>B</b>	<b>S.E</b>	<b>Exp(B)</b>
<b>Hungary</b>			
Economic stability	2.114**	.191	8.277
Economic prosperity	.700**	.245	2.014
Personal financial situation	.630 **	.99	1.877
Satisfaction national economy	1.127**	.267	3.086
Hosmer and Lemeshow test	.215		
Nagelkerke r <sup>2</sup>	.431		
N=758			
<b>Lithuania</b>			
Economic stability	2.330**	.257	10.279
Economic prosperity	1.608**	.398	4.993
Personal financial situation	.497	.262	1.644
Satisfactiion national economy	.603*	.286	1.827
Hosmer and Lemeshow test	.909		
Nagelkerke r <sup>2</sup>	.393		
N=752			
<b>Estonia</b>			
Economic stability	1.851**	.204	6.364
Economic prosperity	.038	.275	1.039
Personal financial situation	.447*	.211	1.563
Satisfaction national economy	.534*	.220	1.707
Hosmer and Lemeshow test	.717		
Nag elkerke r <sup>2</sup>	.257		
N=739			

\*\*p significant at .01 level. \* p significant at .05 level. Analyzes are carried out for each country separately.

The economic stability variable, as in the general analysis, had a positive and significant effect on EU benefit. For example, in Cyprus the Exp (B) is 4.614, which indicates that if the country is considered more economically stable because of the EU, the odds are 361.4 per cent higher that the membership is considered a benefit.<sup>9</sup>

As in the general analysis, economic stability in fact has the strongest effect of the economic variables in all countries. In Malta for instance, the economic stability variable has a much stronger effect on EU benefit then the others. The exp (B) is 27.328 indicating that if the

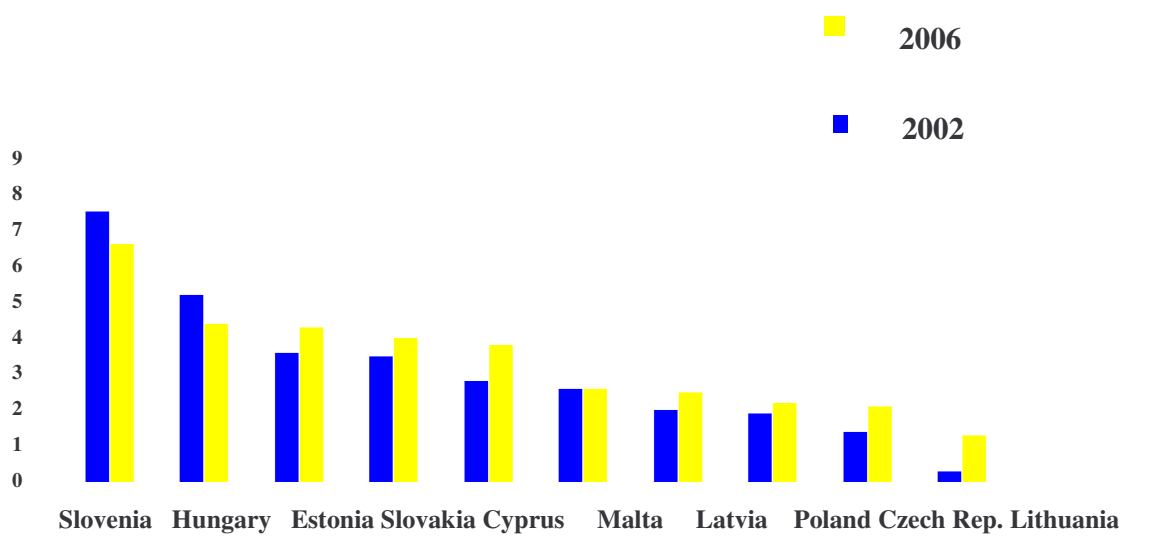
<sup>9</sup> (4.616-1.0=3.616)

country is considered more economically stable because of EU membership, the odds are 2632.8 higher that the membership is considered a country benefit. Also in Lithuania and Estonia the effect is very strong compared to the effects of the other economic variables.

The strong effects of economic stability can relate to the economic conditions at the national level. When comparing the inflation rates and the unemployment rates in 2002, two years before the EU 10 became members to 2006, two years after they became members, the following is found.

Firstly, the inflation rates have become more converging in the EU10. The inflation rate in the EU-10 is presented in figure 4.1 below. Fluctuations in the interest rate can mostly be explained by the exchange rate, food prices and tax adjustments (European Commission 2006a). However, in 2006, inflation ranged from 6.9 per cent in Slovenia to 1.8 per cent in Lithuania compared to the cross country dispersion in 2002, where inflation ranged from 7.8 per cent in Slovenia and 0.3 per cent in Lithuania. The inflation rate has decreased in Slovenia and Hungary, and increased in Estonia, Slovakia, Cyprus, Latvia, Poland, the Czech Republic and Lithuania making the differences between the EU-10 less extensive. Malta has the same inflation rate in 2006 as in 2002.

Figure 4.1: Development in inflation rates in the EU10 from 2002 -2006

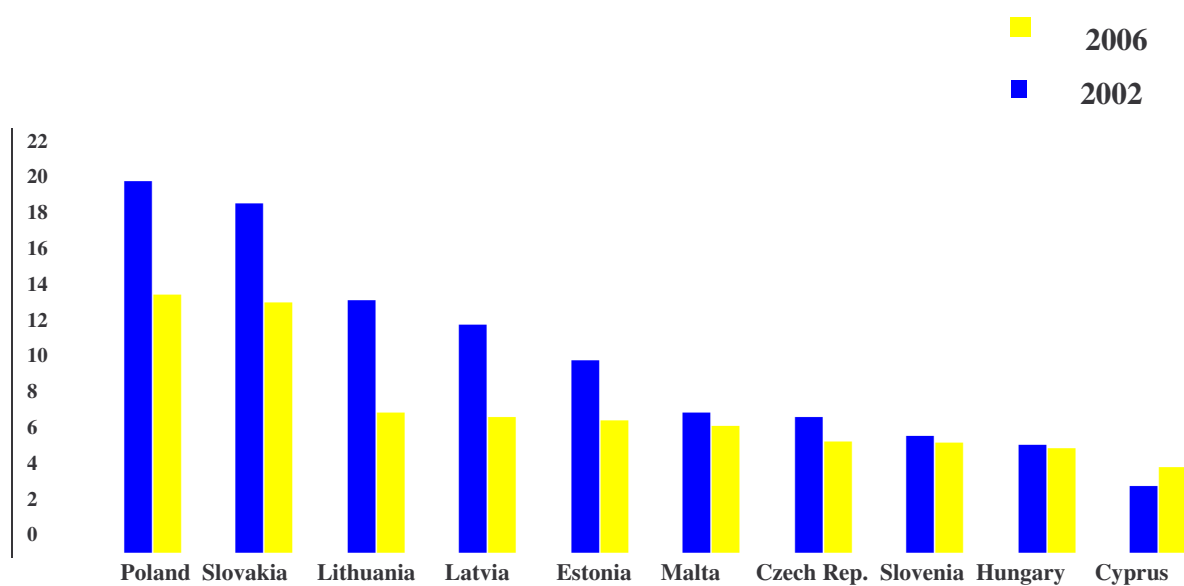


Source: Eurostat 2007

Inflation in the EU-10 has come closer to EU-15 levels over the recent years and has in all cases entered the single digit range. The cross country dispersion in the old EU-15 is still smaller, where inflation rate usually lies between 3-5 per cent, than in the new EU-10. Still, the new EU10 countries have more converging inflation rates in 2006 than in 2002.

Secondly, the unemployment rates have decreased in all EU10 except Cyprus. But as presented in Figure 4.2 below, unemployment in Cyprus has only increased from approximately three to four per cent<sup>10</sup>.

Figure 4.2: Unemployment rates-total per cent



Source: Eurostat

The favorable economic conditions at national level and the positive effect of economic stability on considering EU membership a benefit might be related. As the structural data show, the economic situation has become more stable. The EU 10 citizens, who consider the situation to have become more stable, are more likely to consider EU membership a country benefit as the economic reforms have made the country more economically stable. It is

<sup>10</sup> Unemployment rates represent unemployed persons as a percentage of the labor force. The labor force is the total number of people employed and unemployed. Unemployed persons comprise persons aged 15 to 74 who were: a. without work during the reference week, b. currently available for work, i.e. were available for paid employment or self-employment before the end of the two weeks following the reference week, c. actively seeking work, i.e. had taken specific steps in the four weeks period ending with the reference week to seek paid employment or self-employment or who found a job to start later, i.e. within a period of, at most, three months.

possible to say that the analysis of the economic stability variable in the EU 10 shows support for the hypothesis that individuals with favorable opinions about the economic reforms are more likely to have favorable opinions about the EU as it ensures a continuation of the transition process from which they have benefited (H1).

Two other variables, economic prosperity and satisfaction with national economy are also used to test the hypothesis (H1). Economic prosperity turns out to have a positive effect in all countries; however the effects are not significant in Poland and Estonia. Satisfaction with the national economy has a positive effect on EU benefit in all EU 10, but is not significant in Cyprus and Poland. Therefore, support for H1 is found in all countries. However as economic prosperity was of no significance in Poland and Estonia, and satisfaction with national economy of no significance in Cyprus and Poland, support for H1 in these countries are only based on two out of three variables in Estonia and Cyprus, and only on economic stability in Poland.

To explore the conditions at the national level, the state of the national economy and whether there has been prosperity in the EU10, the growth rate of the Gross Domestic Product, GDP, is examined. Table 4.4 below shows that the economic growth in the EU10 has been remarkable. The growth rate of GDP volume has increased from 2002 to 2006. All the new member states have experienced economic growth in recent years, except from Hungary. The most percentage increase was found in Poland, Latvia, Slovakia and Estonia.



Table 4.4: Growth rate of GDP volume in the EU10. Percentage change from 2002-2006

<i>Member state</i>	<i>2002</i>	<i>2006</i>
Estonia	8,0	11,4
Lithuania	6,9	7,5
Latvia	6,5	11,9
Hungary	4,4	3,9
Slovakia	4,1	8,3
Slovenia	3,5	5,2
Malta	2,6	3,3
Cyprus	2	3,8
Czech Rep.	1,9	6,1 <sup>^</sup>
Poland	1,4	6,1

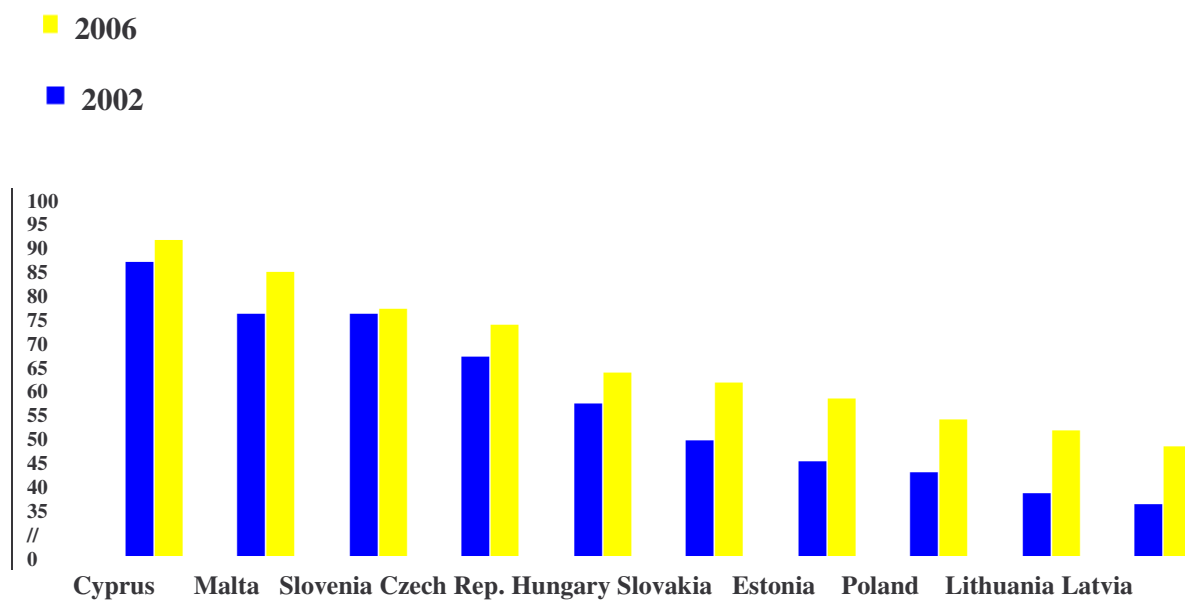
Source: Eurostat 2007

<sup>^</sup> forecasted

However, when including the fact that differences in price levels and consumption habits between countries must be taken into account (Statec 2007), adjusting them by purchasing power, Hungary has in fact increased the purchasing power standard, PPS. GDP per capita is expressed as the “purchasing power standard” in figure 4.3. The volume index of GDP per capita in Purchasing Power Standards (PPS) is expressed in relation to the European Union (EU-25) average set to equal 100. If the index of a country is higher than 100, this country's level of GDP per head is higher than the EU average and vice versa.

Cyprus is the new EU10 member which is closest to EU-25 average when it comes to Purchasing Power Standard. Even though all of the member states have had an increase in the PPS, many are still way below EU-25 average. Lithuania, Latvia and Poland all experienced a high increase, but are the three countries with the lowest figures. Malta and Slovenia both had a high growth rate of GDP, but when expressed as PPS, Slovenia is the member state which had the least growth, and changed its position from second highest PPS of the EU 10, to third from 2002 to 2006. Malta improved its PPS position from third to second, with a higher growth than Slovenia during these four years.

Figure 4.3: Change in Gross Domestic Product per capita expressed as the “purchasing power standard”, PPS



Source: Eurostat 2007

The results show how important it is to look into different aspects of economic growth before concluding one country to have improved the economic situation more than other countries. Estonia and Latvia had a high percentage growth rate of GDP, but the PPS figures put them in the low range. Hungary experienced a decrease in the percentage growth rate of GDP, but an increase in PPS. Even though the countries saw changes to varying degrees, all of the EU 10 had increased the Purchasing Power Standard from 2002 to 2006.

The increase in economic growth in all EU 10 might be related to the finding that citizens’ thinking the EU has brought economic prosperity to their countries and citizens satisfied with the national economy have favorable opinions about the membership. The economic prosperity and national economy variables also support the hypothesis formulated by Tucker (2002) that individuals with favorable opinions about the economic reforms are more likely to have favorable opinions about the EU as it ensures the continuation of the transition process from which they benefited (H1).

The personal financial situation was expected to have a positive effect on whether the membership was considered a country benefit, H2 (Cichowski 2000). The results show that the effects are positive and significant in all countries. However, the variable was not significant in Lithuania, the Czech Republic and Cyprus. The personal financial situation thus seems to be most important for the evaluation of EU membership in seven of the ten countries.

To explore how much of the variance is explained by the economic variables in the EU10, the Nagelkerke  $r^2$  is examined. In Malta, as much as 71.9 per cent of the variance in EU benefit is explained by the economic variables. This indicates that the economic model is a good fit for explaining what that affects the population in Malta in considering the EU membership a country benefit. The explanatory power is 50.2 per cent in the Czech Republic and 43.1 per cent in Poland. However, the economic variables explain less in Cyprus and Estonia with Nagelkerke  $r^2$  of .257, leaving everything but 25.7 per cent to be explained by other variables. In the four remaining countries the explanatory power of the economic variables is about 30-40 per cent. This indicates that other variables might be able to explain whether EU membership is considered a country benefit as well, therefore in the next section the impact of the political dimension will be presented.

## 4.2 The impact of the political dimension in all the member states which joined the European Union in 2004

*“The Union is founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law, principles which are common to the Member States.”*

European Commission 2002

The EU 10 countries are historically, politically and economically different. In the previous section the economic dimension was explored, and the results showed that there were variations as to which variables influenced support of the EU membership in the different countries. Now, the political dimension will be examined, and whether and how the political factors influence how the people consider the EU membership in each of the EU 10. The special political situation in Central and Eastern Europe after being a part of the Soviet Bloc and dominated by it politically for many years might compared to Cyprus and Malta`s situation have influenced the citizens perceptions differently. How do political factors influence citizens` attitudes towards the benefits of EU membership?

The variables analyzed at the political dimension are; political stability, trust in national government, satisfaction with national democracy and whether EU promotes human rights. The effect of these variables on EU benefit is presented in Table 4.5.

Table 4.5: The impact of the political dimension on whether EU membership is considered a country benefit in the EU10<sup>11</sup>

Political dimension	B	S.E	Exp (B)
Political stability	1.231**	.058	3.425
Trust national government	.311**	.065	1.365
Satisfaction with national democracy	.602**	.061	1.825
EU promoting human rights	.246**	.059	1.278
-2log likelihood	8097.727		
Hosmer and Lemeshow test	.001 <sup>12</sup>		
Nagelkerke r	.169		
N=7669			

\*\*p significant at .01 level

The results show that all political variables have positive and significant effects on EU benefit, which makes it evident that the political dimension has an effect on whether or not the EU membership is evaluated as a country benefit in the EU10.

Political stability, trust in national government and satisfaction with national democracy were the three variables used to measure the hypothesis formulated by Cichowski (2000) and also Christin (2005) that individuals with positive attitudes towards the country's democratic development are more likely to have positive attitude towards the EU, as citizens who are satisfied with the democracy they have experienced so far are more likely to favor the

<sup>11</sup> Weighted at EU10

EU benefit: "Taking everything into account, would you say that your country has on balance benefited or not from being a member of the EU?"

Political stability: "I feel we are more stable politically because (OUR COUNTRY) is a member of the European Union"

Trust in national government: "I would like to ask you a question about how much trust you have in certain institutions. Please tell me if you tend to trust or not to trust the (NATIONALITY) government.

Satisfaction with national democracy: "On the whole, are you very satisfied, fairly satisfied, not very satisfied or not at all satisfied with the way democracy works in (OUR COUNTRY)?"

Promotion of human rights: "Please tell me for each of the following statements, if you agree or disagree with it? In political terms, the enlargement of the European Union increases the protection of human rights and minorities in the European Union"

<sup>12</sup> The Hosmer and Lemeshow test turns out as significant, which would mean that the model does not fit the data well. However, when excluding the promoting human rights variable from the analysis, the test is not significant (Hosmer and Lemeshow .391). Still, the variable is kept in the model as it is not a problem in the separate country analysis.

permanence and continuation of a democratic system (H3). Strong support for this hypothesis is found as the three variables used to test the hypothesis also are the variables with the strongest effect.

Political stability has the strongest effect on EU benefit of the political variables. If the country is considered to be more politically stable because of EU membership, the odds are 242.5 per cent higher that the EU membership is considered a country benefit as opposed to if it is not considered more politically stable<sup>13</sup>.

Satisfaction with national democracy has the second strongest effect giving 82.5 per cent higher odds for considering EU membership a country benefit. Citizens who are satisfied with the national democracy are more likely to have favorable attitudes towards the EU.

Trust in national governments has the third strongest effect. The results show that if citizens trust their national governments, the odds are 36.5 per cent higher that they believe the EU membership has benefited their country, compared to if they do not trust their national governments.

EU promoting human rights tests the hypothesis formulated by Christin (2005) that individuals with positive attitudes towards the defense of human rights in the country are more likely to have positive attitudes towards the EU (H4). It turns out that if the EU is considered to be promoting human rights, the odds are 27.8 per cent higher EU membership is considered a country benefit, thus supporting H4 in the EU 10 countries. If the EU is considered to be promoting human rights, the EU 10 citizens are more likely to have positive attitudes towards the EU.

The goodness of fit of the political model is represented by the -2 log likelihood and the Nagelkerke  $r^2$ . The -2log likelihood decreased from 9057.368 to 8097.727 which indicates that the model is a good fit as the model where the political variables are included is better than block 0, where none of the independent variables were included. The Nagelkerke  $r^2$  is

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<sup>13</sup> (3.425-1.0=2.425)

.169 which is the explanatory power of the political variables on the variance in EU benefit. The variables explain 16.9 per cent of the variance.

As in the analysis of the economic dimension, the political variables will be analyzed in the EU15. Are the same effects found in the Western world as in the EU10? The results are presented in table 4.6.

Table 4.6: The impact of the political dimension on whether EU membership is considered a country benefit in the EU15<sup>14</sup>

Political dimension	B	S.E	Exp (B)
Political stability	1.603**	.045	4.966
Trust national government	.635 **	.046	1.887
Satisfaction with national democracy	.719**	.046	2.053
EU promoting human rights	.345**	.046	1.412
-2log likelihood	13191.921		
Hosmer and Lemeshow test	.128		
Nagelkerke r	.281		
N=12119			

\*\*p significant at .01 level

The analysis shows the following. First, as in the EU 10 all effects are positive. Second, the - 2 log likelihood decreased from 15991.175 to 13191.921 indicating that the political model is a good fit. Third, when examining the explanatory power of the political variables in the EU 15, a higher Nagelkerke  $r^2$  is found. While in the EU10 the political variables only explain 16.9 per cent of the variance, they explain 28.1 per cent in the EU 15, and the analysis is thus contributing to the theoretical debate in Chapter two: there are differences with regard to factors that influence attitudes towards the EU in the EU 15 and in the EU10, and different theoretical models should therefore be used to analyze them. Nevertheless, there might of course also be cross country variations with regard to the political dimension within the EU15 for example between the southern European countries which became

<sup>14</sup> Weighted at EU15.

democracies as late as in the 1970s and the rest of the Western European countries. However, detailed analyzes on this topic will have to be explored in other contexts as it would go beyond the scope of this work. In the following section, the focus is thus on cross country variations in the Central and Eastern European and Mediterranean states.

#### **4.2.1 The impact of the political dimension at country level**

The presentation of the results starts out with some frequency calculations and correlations of the political variables. The tables are included in the appendices. To begin with, almost 50 per cent in the EU 10 consider the political situation to be more stable now that their country has entered the EU. The figures were high in Slovenia with 60 per cent believing the situation to be more stable economically, and in Cyprus, Estonia and Lithuania the results were all above 50 per cent. However, in Slovakia only 33, 8 per cent answered that it was more stable now, and rest of the countries, Czech Republic, Malta, Hungary, Latvia and Poland all ranged between 45-50 per cent.

Secondly, almost 60 per cent tend not to trust their national governments. In Estonia and Cyprus more than 50 per cent tended to trust in the national government. The second highest figures were found in Hungary, Malta, Slovenia and the Czech Republic. In Latvia, Poland, Lithuania and Slovakia only around 20 per cent tended to trust in the national government.

Thirdly, only a little more than 40 per cent, overall, were satisfied with the way the national democracy worked, while almost 55 per cent were not satisfied. More than 50 per cent were satisfied with the way the national democracy worked in Cyprus, the Czech Republic, Slovenia and Malta while Poland, Estonia and Latvia and Hungary about 35 per cent agreed to being satisfied. In Slovakia and Lithuania only about 20 per cent were satisfied with the national democracy.

Finally, about 30 per cent considered the enlargement of the EU to be protecting human rights, while a little more than 60 per cent did not. The results of the separate country analyzes are presented in table 4.7 below.



Table 4.7: The impact of the political dimension on whether EU membership is considered a country benefit in the EU 10

<b>Political dimension</b>	<b><i>B</i></b>	<b><i>S.E</i></b>	<b><i>Exp (B)</i></b>
<b>Cyprus</b>			
Political stability	.1.431**	.252	4.181
Trust in national government	.221	.237	1.248
Satisfaction national democracy	.177	.240	1.193
EU promotes human rights	-.034	.210	.966
Hosmer and Lemeshow test	.754		
Nagelkerke r <sup>2</sup>	.127		
N= 428			
<b>Czech R.</b>			
Political stability	1.274**	.173	3.575
Trust in national government	.621**	.185	1.861
Satisfaction national democracy	1.078**	.162	2.940
EU promotes human rights	.768**	.172	2.156
Hosmer and Lemeshow test	.965		
Nagelkerke r <sup>2</sup>	.221		
N=948			
<b>Latvia</b>			
Political stability	1.353**	.167	3.869
Trust in national government	.836**	.216	2.307
Satisfaction national democracy	1.094**	.178	2.987
EU promotes human rights	.311	.178	1.365
Hosmer and Lemeshow test	.801		
Nagelkerke r <sup>2</sup>	.265		
N=803			

<i>Political dimension continued</i>	<b>B</b>	<b>S.E</b>	<b>Exp(B)</b>
<b>Poland</b>			
Political stability	1.342**	.186	3.827
Trust in national government	-.499*	.210	.607
Satisfaction national democracy	.437*	.196	1.548
EU promotes human rights	-.040	.174	.961
Hosmer and Lemeshow test	.762		
Nagelkerke r <sup>2</sup>	.127		
N=821			
<b>Slovenia</b>			
Political stability	.928**	.173	2.530
Trust in national government	.604**	.203	1.830
Satisfaction with national democracy	1.249**	.178	3.487
EU promotes human rights	.267	.182	1.306
Hosmer and Lemeshow test	.320		
Nagelkerke r <sup>2</sup>	.224		
N= 923			
<b>Slovakia</b>			
Political stability	1.630**	.243	5.105
Trust in national government	1.128**	.312	3.088
Satisfaction with national democracy	1.119**	.277	3.062
EU promotes human rights	.586**	.186	1.796
Hosmer and Lemeshow test	.358		
Nagelkerke r <sup>2</sup>	.380		
N=883			
<b>Malta</b>			
Political stability	1.607**	.321	4.987
Trust in national government	1.853**	.372	6.378
Satisfaction with national democracy	2.115**	.326	8.287
EU promotes human rights	1.107**	.254	2.100
Hosmer and Lemeshow test	.160		
Nagelkerke r <sup>2</sup>	.626		
N=385			

<i>Political dimension continued</i>	<b>B</b>	<b>S.E</b>	<b>Exp(B)</b>
<b>Hungary</b>			
Political stability	1.277**	.177	3.587
Trust in national government	.675**	.184	1.965
Satisfaction with national democracy	.807**	.184	2.241
EU promotes human rights	.254	.177	1.290
Hosmer and Lemeshow test	.445		
Nagelkerke r <sup>2</sup>	.264		
N=810			
<b>Lithuania</b>			
Political stability	2.196**	.261	8.992
Trust in national government	.224	.317	1.252
Satisfaction with national democracy	.543	.320	1.720
EU promotes human rights	-.122	.240	.885
Hosmer and Lemeshow test	.594		
Nagelkerke r <sup>2</sup>	.228		
N=797			
<b>Estonia</b>			
Political stability	.922**	.204	2.515
Trust in national government	.585**	.211	1.795
Satisfaction with national democracy	.194	.211	1.214
EU promotes human rights	-.152	.207	.859
Hosmer and Lemeshow test	.813		
Nagelkerke r <sup>2</sup>	.100		
N= 767			

\*\*p significant at .01 level. \* p significant at .05 level. Analyzes are carried out for each country separately.

Political stability had a positive and significant effect in all EU 10 indicating that if the country is considered to have become more politically stable because of EU membership, the odds increase that the EU membership is considered a country benefit. The results support the hypothesis formulated by Christin (2005) that individuals with positive attitudes towards the country's democratic development are more likely to have positive attitudes towards the EU, as citizens who are satisfied with the democracy they have experienced so far are more likely to favor the permanence and continuation of a continuation of a democratic system (H3).

Political stability in fact has the strongest effects on EU benefit of the political variables in all EU 10 countries except in Malta.<sup>15</sup> For example, in the Czech Republic the  $\text{Exp}(B)$  is 3.575, indicating that when the country is considered more politically stable, it gives 257.5 per cent higher odds that the membership is regarded a benefit as contrasted to if the country is not considered more stable. However, in Malta the strongest effect is that of satisfaction with national democracy which has an  $\text{Exp}(B)$  of 8.287. The odds increase by 728,7 per cent if satisfied as contrasted to not satisfied. Political stability, which had the strongest effect on EU benefit in all the other countries, had an  $\text{Exp}(B)$  of 4.987 which still indicates a strong effect. The odds increase by 398.7 per cent if the country is considered to have become more politically stable because of EU membership.

Trust in national government and satisfaction with national democracy, are also analyzed to explore support for the hypothesis above that individuals with positive attitudes towards the country's democratic development are more likely to have positive attitudes towards the EU (H3). Trust in national governments has a significant and positive effect on EU benefit in seven of the EU 10 countries Therefore, support for H3 is found in all countries except Cyprus and Lithuania where the effects where not significant. Support for H3 is also not found in Poland where the effect was negative and significant, thus being the only EU 10 country where trust in national government has a negative effect. The result indicates that individuals who trust their national government, are less likely to consider the EU

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<sup>15</sup> As the analyzes are conducted separately in each country, the exponenciaded coefficient can only compare which effect is the strongest in each of the countries. It is not possible to compare the magnitude of one variable in one country to the magnitude of the same variable in another country.

membership a country benefit. This supports the hypothesis formulated in Chapter two by Rohrschneider and Whitefield (2006) that individuals who are satisfied with the performance of the national systems, national market institutions and democratic regimes, are more reluctant to abandon national institutions for the EU (H5).

However, when looking at satisfaction with national democracy, a positive and significant effect is found in Poland, indicating that if the population considers the national democracy as good, they are more likely to consider EU membership a country benefit. This would support the hypothesis that individuals with positive attitudes towards the country's democratic development are more likely to have positive attitudes towards the EU, as citizens who are satisfied with the democracy they have experienced so far, are more likely to favor the permanence and continuation of a democratic system (H3). Also supporting this hypothesis, positive and significant effects of the national democracy variable are found in all EU10 except Lithuania, Estonia and Cyprus where the effects are not significant.

The strong positive effects of political stability, trust in national government and satisfaction with national democracy on EU benefit, can relate to the political conditions at the national level. Comparing structural data from 2002, two years before the countries became members of the EU, and 2006, two years after joining the Union, shows the following:

Firstly, government effectiveness is an indicator of the political situation as it measures the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of formulation and implementation and the credibility of the government's commitment to such policies (The World Bank 2007). In table 4.8 the results are presented.

Table 4.8: Government effectiveness in the EU 10 before and after joining the EU

<i>Country</i>	<i>2002</i>	<i>2006</i>	<i>Improvement</i>
Czech	+0.87	+1.01	+
Estonia	+0.91	+1.17	+
Hungary	+1.02	+0.71	-
Latvia	+0.69	+0.73	+
Lithuania	+0.68	+0.82	+
Poland	+0.56	+0.49	-
Slovakia	+0.45	+0.91	+
Slovenia	+0.91	+1.11	+
Malta	+1.11	+1.21	+
Cyprus	+1.31	+1.22	-

Source: World Governance Indicators (Kaufman) 2007

As the entire EU10 rate above zero both in 2002 and 2006, the governments are quite effective. However, there are differences between them that should be discussed in further detail. In 2002 the disparity ranged from 0.45 in Slovakia to 1.31 in Cyprus, and only Malta, Cyprus and Hungary rated more than 1. In 2006 the disparity ranged from 0.49 in Poland to 1.22 in Cyprus, and five countries were rated above 1; in addition to Malta and Cyprus as in 2002, Slovenia, Czech and Estonia rated 1 or more. It is interesting that while seven of the ten countries improved their governments' effectiveness, three of them got more inefficient. Those countries were Cyprus, Hungary and Poland.

Secondly, the Corruption Perception Index ranges between 10 (highly clean) and 0 (highly corrupt). A score of 5.0 is the number Transparency International considers the borderline figure distinguishing countries that do and do not have a serious corruption problem.

The goal of the CPI is to provide data on extensive perceptions of corruption within countries, and there are interesting comparisons to be made when studying table 4.9. It is important to base the comparisons on the countries score, and not rank. The reason for this is that a country's rank can change, just because some countries either drop out, or enter the index.

Table 4.9: Degree of perceived corruption among public officials and politicians in the EU10

2002		2006		Improvement
Country (rank)	CPI score	Country (rank)	CPI score	
Slovenia (27)	6.0	Slovenia (28)	6.4	Slovenia +
Estonia (24)	5.6	Estonia (29)	6.7	Estonia +
Hungary (33)	4.9	Hungary (41)	5.2	Hungary +
Lithuania (36)	4.8	Lithuania (36)	4.8	Lithuania /
Poland (45)	4.0	Poland (61)	3.7	Poland -
Latvia (52)	3.7	Latvia (49)	4.7	Latvia +
Slovakia (52)	3.7	Slovakia (49)	4.7	Slovakia +
Czech Republic (52)	3.7	Czech Republic (46)	4.8	Czech R. +
-----		Malta (28)	6.4	
-----		Cyprus (37)	5.0	

Source: Transparency International Corruption Perceptions Index 2007

All EU 10 countries have improved their CPI score from 2002 to 2006, except from Poland where the score has declined, and Lithuania where it is stable. When considering the fact that the Transparency International figures 5.0 as the borderline for problem/not problem with corruption, there is still a lot to be done in many of the new EU members. Five of the ten member states, have a CPI score below 5.0 in 2006; Czech Republic, Lithuania, Latvia, Slovakia and Poland. On the other hand, in 2002 six countries out of eight had a CPI score below 5.0. Consequently the perceived corruption among public and politicians in the EU 10 has definitely declined. Hungary has gone from being categorized as having a problem with corruption to not having a problem with corruption in four years, and the Czech Republic, Latvia and Slovakia have improved their CPI scores, and were in 2006 ranged just below 5.0. Again, Poland is the country which stays behind and does not experience improvement. Rating only 3.7 in 2006, and actually declining from 2002, it is struggling. It has set up a large anti-corruption unit, but the results of it are yet to be seen.

The last political variable, EU promoting human rights, is only significant in the Czech Republic, Slovakia and Malta and does not have very strong effects on EU benefit compared to the other political variables in these three countries. The hypothesis formulated by Christin (2005) was that individuals with positive attitudes towards the defense of human rights in the country are more likely to have positive attitudes towards the EU (H4). The effects are only positive and significant in the three countries, yet the political rights and civil liberties have improved in all EU 10 when examining the Freedom of the world survey.

The Freedom of the world survey does not explicitly measure democracy or democratic performance. Rather, it measures rights and freedoms integral to democratic institutions (Haynes 2001:209). In table 4.10, the different rates are presented<sup>16</sup>.

Table 4.10: Political rights and civil liberties in the EU-10

<i>Country</i>	<i>Political rights</i>		<i>Civil liberties</i>		<i>Status</i>	
	<i>2002</i>	<i>2006</i>	<i>2002</i>	<i>2006</i>	<i>2002</i>	<i>2006</i>
Czech Republic	1	1	2	1	Free	Free
Cyprus (Greek) <sup>17</sup>	1	1	1	1	Free	Free
Latvia	1	1	2	1	Free	Free
Lithuania	1	1	2	1	Free	Free
Poland	1	1	2	1	Free	Free
Slovakia	1	1	2	1	Free	Free
Slovenia	1	1	2	1	Free	Free
Estonia	1	1	2	1	Free	Free
Hungary	1	1	2	1	Free	Free
Malta	1	1	1	1	Free	Free

Source: Freedom in the World 2007

The survey assigns each country and territory the status of Free, Partly Free, or Not Free by averaging their political rights and civil liberties ratings. Those whose ratings average 1 to 2.5 are considered Free, 3 to 5.5 Partly Free, and 5.5 to 7 Not Free. According to the Copenhagen Criteria, candidate countries must have democratic principles and institutions guaranteeing democracy, therefore it was expected that all of the countries would be categorized as free in both 2002 and 2006. Political rights and civil liberties range from 1 to 7, where 1 is the closest to ensuring the freedoms<sup>18</sup>. All countries rated 1 on political rights..

<sup>16</sup> The results are based on a broad range of international sources of information, including both foreign and domestic news reports, NGO publications think tank and academic analyzes and individual professional contacts (Freedom in the World).

<sup>17</sup> In 2004 Cyprus became a member of the EU leaving the northern part of the island outside the EU. In the case of Cyprus, two sets of ratings are provided, as there are two governments on that divided island and the table presents the results only of the southern part.

<sup>18</sup> **Political rights rating of 1** – Countries and territories that receive a rating of 1 for political rights come closest to ensuring the freedoms embodied in the checklist questions, beginning with free and fair elections. Those who are elected rule, there are competitive parties or other political groupings, and the opposition plays



There are, however, some interesting findings when it comes to civil liberties. Eight out of ten member states only rated two on the scale that measures civil liberties in 2002, and in 2006 all of them rated one. The explanations vary among the countries. Latvia's civil liberties rating improved from 2 to 1 in 2006 due to an increase in the activity of the nongovernmental sector. Lithuania's civil liberties ratings improved from 2 to 1 in 2006 due to a decline in foreign and other influences over the country's policy making and an increase in judicial independence. Poland's, Hungary's and Slovakia's civil liberties rating improved from 2 to 1 in 2005 due to the deepening of EU integration trends, resulting in greater conformity with EU human rights standards. Slovenia's civil liberties rating improved from 2 to 1 in 2003 due to legislation satisfying European Union membership requirements, including an employment bill banning any form of discrimination, and legislation giving increased rights to foreigners with permanent resident status. Estonia's civil liberties score improved from 2 to 1 in 2005 due to the effective implementation of judicial reforms and greater economic freedom (Freedom of the world 2002-2006).

To sum up, the civil liberties rating has improved in the EU-10 after joining the EU. In many cases, it is clear that this improvement is directly related to implementation of reforms demanded from the rest of the EU.

Returning to the hypotheses, the results first of all showed that the political stability variable had a positive and significant effect in all EU 10. This supports the hypothesis that individuals with positive attitudes towards the country's democratic development are more likely to have positive attitudes towards the EU, as citizens who are satisfied with the democracy they have experienced so far, are more likely to favor the permanence and continuation of a democratic system (H3).

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an important role and has actual power. Minority groups have reasonable self-government or can participate in the government through informal consensus.

**Civil liberties rating of 1:** Countries and territories that receive a rating of 1 come closest to ensuring the freedoms expressed in the civil liberties checklist, including freedom of expression, assembly, association, education, and religion. They are distinguished by an established and generally equitable system of rule of law. Countries and territories with this rating enjoy free economic activity and tend to strive for equality of opportunity.

**Civil liberties rating of 2** – States and territories with a rating of 2 have deficiencies in a few aspects of civil liberties, but are still relatively free.

Secondly, trust in national governments had a significant and positive effect on EU benefit, thus also supporting this hypothesis. However, in Poland the effect was negative and significant, and as discussed above this supports the hypothesis that individuals who are satisfied with the performance of the national systems, national market institutions and democratic regimes, are more reluctant to abandon national institutions for the EU (H5).

Thirdly, when examining national democracy and how the citizens satisfaction with the effect on whether EU membership was considered a country benefit or not, the results showed a positive and significant effect in all EU 10 countries, except for Lithuania, Estonia and Cyprus where the effects were not significant, thus supporting r H3 in Poland. If the citizens were satisfied with the national democracy, they were more likely to consider EU membership to be a country benefit.

Finally, promoting human rights is only significant in the Czech Republic, Slovakia and Malta and does not have strong effects on EU benefit compared to the other political variables in these three countries. The hypothesis was that individuals with positive attitudes towards the defense of human rights in the country are more likely to have positive attitudes towards the European Union, whereas those with negative attitudes are more likely to have negative attitudes towards the EU (H4). Support for this hypothesis is found in the Czech Republic, Slovakia and Malta, however not in the other EU 10 countries.

To explore how much of the variance is explained by the political variables in the EU10, the Nagelkerke  $r^2$  is examined. The political model explains the most in Malta, which was also the country where the economic model had the most explanatory power. In Malta as much as 62.6 per cent of whether the citizens consider the EU membership a country benefit, is explained by the political variables. 29.4 per cent of the variance is explained in the Czech Republic. The explanatory power varies from 20 to 30 per cent in the other countries. In Cyprus and Estonia only about ten per cent is explained by the political dimension.

When including the political and economic variables in one joint model, different findings may be revealed which could not be analyzed when exploring the dimensions separately for

each country. In the next section, I will thus look at the impact of the dimensions on EU benefit when analyzed simultaneously.

### 4.3 A joint analysis comparing the strength of the economic and political dimensions

In the previous section, the impact of the economic and political dimension on EU benefit was analyzed separately for each country. In the following, the political and economic variables will be integrated into one model in order to see whether changes occur in the impact of the variables when these are controlled for one another. The results are presented in table 4.11.

With respect to the economic dimension, looking firstly at economic stability, this variable still has a positive effect on EU benefit in all EU 10 and the effects are significant at 0.01 level in all countries. Secondly, economic prosperity was positive and significant in all EU10 countries when only the economic variables were included, except Poland and Estonia which were not significant. Now, also the effect in Malta lost significance. Thirdly, effects of the personal financial situation are positive and significant in five EU 10 countries, losing significance in two countries; Estonia and Latvia. Finally, satisfaction with national economy had positive and significant effects in all EU 10 in the model were only the economic variables were included, except Cyprus and Poland. Now, the variable loses significance in Latvia, Slovakia and Malta as well.

Concerning the impact at the political dimension, the following results can be found: political stability had positive and significant effects in all EU 10, but the effects in Slovenia and Estonia are no longer significant. Furthermore, trust in national government has positive effects on EU benefit, but is only significant in Latvia, Slovakia and Malta, thus losing significance in Poland where, as discussed earlier, the effect was negative. Satisfaction with national democracy has positive and significant effects in the Czech Republic, Latvia, Slovenia, Slovakia, Malta and Hungary. In the analysis where only the political variables were included, there was a positive and significant effect also in Poland. Finally, promoting human rights only had positive and significant effects in Malta, the Czech Republic and Slovakia before. Now, the effect in Malta is no longer significant.

Table 4.11: A joint analysis of the impact of the economic and political dimension on EU benefit in the EU 10

Economic and political dimension			
	B	S.E	Exp(B)
<b>Economic stability</b>			
Cyprus	1.171**	.261	3.226
Czech R.	1.716**	.219	5.563
Latvia	1.666**	.226	5.468
Poland	1.492**	.234	4.445
Slovenia	1.101**	.231	3.008
Slovakia	1.612**	.267	5.014
Malta	1.572**	.573	4.818
Hungary	1.638**	.239	5.147
Lithuania	1.625**	.332	5.079
Estonia	1.548**	.260	4.704
<b>Economic Prosperity</b>			
Cyprus	1.222**	.363	3.395
Czech R.	1.837**	.303	6.280
Latvia	1.179**	.346	3.250
Poland	.578	.305	1.783
Slovenia	1.180**	.250	3.256
Slovakia	1.365**	.263	3.915
Malta	.848	.607	2.335
Hungary	.606*	.263	1.832
Lithuania	1.586**	.436	4.883
Estonia	.074	.300	1.077
<b>Personal Financial situation</b>			
Cyprus	.376	.305	1.456
Czech R.	-.144	.209	.892
Latvia	.304	.201	1.356
Poland	.535**	.201	1.708
Slovenia	.607**	.199	1.834
Slovakia	.902**	.228	2.464
Malta	1.864**	.466	6.449
Hungary	.539*	.216	1.715
Lithuania	.243	.285	1.276
Estonia	.323	.235	1.381
<b>State of National Economy</b>			
Cyprus	.003	.291	1.003
Czech R.	.827**	.215	2.287
Latvia	.438	.320	1.550
Poland	.151	.259	1.163
Slovenia	.756**	.207	2.129
Slovakia	.227	.358	1.255
Malta	.971	.769	2.641
Hungary	.960**	.300	2.612
Lithuania	.652*	.321	1.920
Estonia	.545*	.245	1.725

<i>Economic and political dimension continued</i>	<b>B</b>	<b>S.E</b>	<b>Exp(B)</b>
<b>Political stability</b>			
Cyprus	1.134**	.311	3.110
Czech R.	.566*	.227	1.760
Latvia	.664**	.213	1.943
Poland	.736**	.231	1.163
Slovenia	.105	.234	1.110
Slovakia	.886**	.287	2.424
Malta	1.671**	.486	5.319
Hungary	.599*	.236	1.819
Lithuania	1.383**	.348	3.987
Estonia	.300	.257	1.350
<b>Trust in national government</b>			
Cyprus	.210	.282	1.234
Czech R.	.159	.232	1.173
Latvia	.593*	.253	1.809
Poland	-.376	.238	.686
Slovenia	.306	.230	1.358
Slovakia	.902**	.350	2.464
Malta	1.351*	.589	3.862
Hungary	.300	.226	1.350
Lithuania	-.111	.375	.895
Estonia	.362	.241	1.436
<b>Satisfaction with national democracy</b>			
Cyprus	.276	.296	1.318
Czech R.	.859**	.204	2.360
Latvia	.849**	.210	2.338
Poland	-.034	.238	.966
Slovenia	1.048**	.204	2.851
Slovakia	.891**	.325	2.437
Malta	2.356**	.465	10.550
Hungary	.513*	.223	1.671
Lithuania	-.076	.398	.927
Estonia	-.123	.249	.884
<b>EU promoting human rights</b>			
Cyprus	-.099	.252	.905
Czech R.	.664**	.209	1.942
Latvia	.293	.207	1.340
Poland	-.026	.197	.974
Slovenia	.218	.205	1.243
Slovakia	.567**	.218	1.764
Malta	.365	.498	1.441
Hungary	.293	.214	1.341
Lithuania	-.471	.285	.624
Estonia	-.234	.238	.791

\*\*p significant at .01 level. \* p significant at .05 level

Cyprus (N=360. Hosmer and Lemeshow test .085. Nagelkerke  $r^2$  .304). Czech R. (N=871. Hosmer and Lemeshow test .131, Nagelkerke  $r^2$  .544). Latvia (N=682. Hosmer and Lemeshow test .527, Nagelkerke  $r^2$  .439). Poland (N= 693. H&L test .834. Nagelkerke  $r^2$  .291). Slovenia (N= 831. H&L test .698. Nagelkerke  $r^2$  .386). Slovakia (N=824. H&L test .421. Nagelkerke  $r^2$  .433). Malta (N= 334. H&L test .174. Nagelkerke  $r^2$  .824) Hungary (N=675. H&L test .301. Nagelkerke  $r^2$  .469). Lithuania (N=664. H&L test .339. Nagelkerke  $r^2$  .425) Estonia (N=635. H&L test .001, Nagelkerke  $r^2$  .238). The Hosmer and Lemeshow test in Estonia turns out as significant, which would mean that the model does not fit the data well. However, when excluding the EU promoting human rights variable from the analysis, the test is not significant meaning that the other political variables in the model fit the data well. Also, when excluding EU promoting human rights from the analysis the explanatory power of the model does not change much, it decreases from .238 to .236. No other effects changed significantly. Therefore the variable is kept in the analysis.

The results show that economic stability had the strongest, significant and positive effects of all the political and economic variables on whether the EU membership was considered a country benefit to the citizens in Latvia, Poland, Slovakia Hungary, Lithuania and Estonia. This gives strong support to H1 that individuals with favorable opinions about the economic reforms are more likely to have favorable opinions about the EU as it ensures a continuation of the transition process from which they have benefited (Tucker 2002).

Comparing the results to the model where only the economic variables were included, economic stability had the strongest effect on EU benefit in all of the EU 10. Malta, Lithuania and Estonia were the countries where economic stability had very strong effects when compared to the effects of the other economic variables. However, in the integrated model the variable with the strongest effect on EU benefit in Malta was satisfaction with national democracy. This indicates a strong support for H3 that individuals with positive attitudes towards the country's democratic development are more likely to have positive attitudes towards the EU, as citizens who are satisfied with the democracy they have experienced so far are more likely to favor the permanence and continuation of a continuation of a democratic system (Christin 2005).

Also, in Cyprus, the Czech Republic and Slovenia the strongest, significant and positive effects are not those of economic stability. In these countries, economic prosperity has the strongest effects on EU benefit. For instance in Cyprus, if the citizens consider the EU to mean economic prosperity, the odds are 239.5 per cent higher that the EU membership is considered beneficial. The second most important factor in Cyprus is economic stability giving 226.6 per cent higher odds, closely followed by political stability giving 211.0 per cent higher odds. This indicates that in the countries where economic stability is not the variable with the strongest effect on EU benefit; the differences in the strengths of the effects are not as extensive in the common model. Nevertheless, the effects of economic prosperity also give support to H1.

EU promoting human rights did not have significant effects in any of the EU 10 countries, except the Czech Republic and Slovakia. However, in these two countries the effects were

not as strong as the effects of the other variables. In Slovakia, promoting human rights had the weakest but a significant effect, and in the Czech Republic the effect was the second weakest but also significant. For example, in Slovakia, EU promoting human rights has the weakest effect giving 76.4 per cent higher odds, compared to the strongest effect of all variables which is that of economic stability giving 142.4 per cent higher odds. However, the results still support H4 in the two countries formerly known as the independent republic of Czechoslovakia. H4 was formulated by Christin (2005) that individuals with positive attitudes towards the defense of human rights in the country are more likely to have positive attitudes towards the EU.

The results of the impact of the economic and political dimension on EU benefit in each country are summarized and discussed in relation to the hypotheses elaborated in chapter two. A summary of the results are given in table 4.12.

Starting out with Cyprus only three variables were significant in the final analysis; economic stability, economic prosperity and political stability. The effects were positive, meaning that if the membership was thought to have brought economic prosperity and to have made the country more economically and politically stable, the citizens were more likely to consider EU membership a country benefit. Recalling the hypotheses, H1 and H3 are supported in Cyprus. H1 being that individuals with favorable opinions about the economic reforms are more likely to have favorable opinions about the EU as it ensures a continuation of the transition process from which they have benefited. H3 was that individuals with positive attitudes towards the country's democratic development are more likely to have positive attitudes towards the EU, as citizens who are satisfied with the democracy they have experienced so far, are more likely to favor the performance and continuation of a democratic system.

In the Czech Republic, all variables had positive and significant effects except trust in national government and personal financial situation. That indicates that, as in Cyprus, H1 and H3 are supported. In addition, if the population in Cyprus has favorable opinions about the EU promoting human rights in their country, the odds increase that the membership is



considered a benefit, thereby supporting the following hypothesis: Individuals with positive attitudes towards the defense of human rights in the country are more likely to have positive attitudes towards the European Union, whereas those with negative attitudes are more likely to have negative attitudes towards the EU (H4). As mentioned previously, this effect was also found in Slovakia.

Table 4.12: How the political and economic dimensions explain whether the EU membership is considered a country benefit among the population in the EU10

<i>Country</i>	<i>Hypotheses supported</i>	<i>Explanatory power(Nagelkerke R<sup>2</sup>)</i>
CYPRUS	H1, H3	.304
CZECH R	H1, H3, H4	.544
LATVIA	H1, H3	.439
POLAND	H1, H2, H3	.291
SLOVENIA	H1,H2, H3	.386
SLOVAKIA	H1, H2, H3, H4	.433
MALTA	H1,H2,H3	.824
HUNGARY	H1,H2, H3	.469
LITHUANIA	H1, H3	.425
ESTONIA	H1	.238

Note: The hypotheses are repeated below to facilitate the interpretation of the table.

H1 (economic dimension): Individuals with favorable opinions about the economic reforms are more likely to have favorable opinions about the EU as it ensures a continuation of the transition process from which they have benefited.

H2 (economic dimension): Individuals who possess positive evaluations of their personal financial situation are more likely to consider EU membership a country benefit

H3 (political dimension): Individuals with positive attitudes towards the country's democratic development are more likely to have positive attitudes towards the EU, as citizens who are satisfied with the democracy they have experienced so far, are more likely to favor the permanence and continuation of a democratic system

H4 (political dimension): Individuals with positive attitudes towards the defense of human rights in the country are more likely to have positive attitudes towards the European Union, whereas those with negative attitudes are more likely to have negative attitudes towards the EU

H5 (economic and political dimension): Individuals who are satisfied with the performance of the national systems, national market institutions and democratic regimes, are more reluctant to abandon national institutions for the EU

In Latvia there were two variables which had positive and significant effects on EU benefit on each dimension; economic stability and economic prosperity at the economic dimension, and trust in national government and satisfaction with national democracy at the political dimension. The results at the economic dimension support H1. If the membership is regarded as having made the country more economically stable and the EU is considered to mean economic prosperity to the individual citizen the Latvians are more likely to consider the membership a country benefit. In addition, if the Latvians trust their national government and are satisfied with the national democracy, the odds are higher that the membership is considered beneficial, thus supporting H3.

Poland only had three variables with positive and significant effects; economic and political stability and personal financial situation. If the Polish regard their personal financial situation as good, they are more likely to think of EU membership as a country benefit, thus being the first country in the final model where support for H2 is found. H2 was formulated in this manner: Individuals who possess positive evaluations of their personal financial situation are more likely to consider EU membership a country benefit. As economic and political stability also had positive effects on EU benefit, H1 and H3 are supported in Poland.

The economic variables and political stability had positive and significant effects in Slovenia. However, the three political variables trust in national government, political stability and EU promoting human rights, did not have significant effects on EU benefit. Therefore, H1 and H2 are supported. In addition, if the Slovenians considered the country to have become more politically stable, they were more likely to regard the membership as beneficial supporting H3. H3 was that individuals with positive attitudes towards the country's democratic development are more likely to have positive attitudes towards the EU, as citizens who are satisfied with the democracy they have experienced so far, are more likely to favor the permanence and continuation of a democratic system.

In Slovakia support for all hypotheses are found as the political and economic variables have significant and positive effects on EU benefit. Only satisfaction with national economy does not have a significant effect on whether Slovaks consider the EU membership to be a

country benefit or not. As in the Czech Republic H4 is supported. If the Slovaks consider the EU membership to be promoting human rights, they are more likely to consider the membership a country benefit.

The variable which had the strongest effect on the Maltese in evaluating the EU membership is satisfaction with national democracy thus putting Malta in a special position compared to the other EU 10 countries where economic prosperity or economic stability had the strongest effects.<sup>19</sup> In fact all variables at the political dimension had positive and significant effects on whether the Maltese considered the EU membership as a country benefit or not, except EU promoting human rights. The results therefore support H3. However, also the economic variables turned out have strong effects on EU benefit in Malta, except satisfaction with national economy, thus also supporting H1 and H2.

All variables at the economic dimension had positive and significant effects on EU benefit in Hungary. The results thus support H1 and H2. However, only two variables at the political dimension had positive and significant effects; political stability and satisfaction with national democracy. If the country is considered to have become more stable politically and also if the citizens are satisfied with the national democracy, the Hungarian people are more likely to regard the membership as a country benefit, thus supporting H3. Trust in national government and EU promoting human rights did not have significant effects in Hungary.

In Lithuania, three variables at the economic dimension have positive and significant effects; economic stability, economic prosperity and satisfaction with national economy. The results thus support H1, but do not support H2. H2 is also not supported in the other two Baltic States; Estonia and Latvia and not in Cyprus and the Czech Republic. If the Lithuanians consider the country to have become more politically stable, they are more likely to regard the membership in the EU as beneficial. The positive effect of political stability therefore supports H3 that individuals with positive attitudes towards the country's democratic

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<sup>19</sup> The magnitude of the effects are presented in the table above. The Exp(B) of satisfaction with national democracy in Malta is 10.550, indicating that a change from not satisfied to satisfied would increase the odds by  $(10.550 - 1.0 = 9.550)$  955 per cent that EU membership is considered a benefit which is a much stronger effect than the other variables have on EU benefit in Malta.

development are more likely to have positive attitudes towards the EU, as citizens who are satisfied with the democracy they have experienced so far, are more likely to favor the permanence and continuation of a democratic system.

When analyzing political and economic variables together in one model, none of the political variables have significant effects in Estonia. In addition, only two variables have positive and significant effects on EU benefit at the economic dimension. What affects Estonians in whether EU membership is considered a country benefit or not, is economic stability and satisfaction with national economy. The results thus indicate support for H1 being that individuals with favorable opinions about the economic reforms are more likely to have favorable opinions about the EU as it ensures a continuation of the transition process from which they have benefited. Estonians who consider the country to have become more economically stable because of EU membership, and also citizens who are satisfied with the national economy are more likely to consider the membership in the EU as a country benefit.

After discussing the findings country by country, there is one hypothesis which is not found support for. Rohrschneider and Whitefield (2006) argued that the population in the Central and Eastern European states would be likely to compare the current regime with the performance of the collapsed Communist regime. Therefore, the performance of national regimes was expected to influence views about the EU in the way that the better national systems performed, the more reluctant citizens would be to abandon national institutions for the EU (H5). However, Rohrschneider and Whitefield stressed that the hypothesis would be especially relevant in accession countries, countries which yet have to join the Union, and not the countries which already are members. This corresponds to the finding in this work, as no support for H5 is found in the EU 10 two years after they joined the EU. However, it is interesting that support for H5 was found in Poland when only analyzing the political dimension. The results then showed that citizens who trusted their national government were less likely to consider the EU membership a country benefit. This effect nevertheless lost significance in the integrated model, thus not supporting H5.

The table above shows that H1 is supported in all the new member states indicating that the economic variables are the most important among the EU10 population in considering whether EU membership has been a country benefit or not. How the economic reforms initiated because of the membership have been received by the citizens, is important for how membership is considered.

Recalling the theoretical discussion in Chapter two, the economic aspects were also important reasons for why the EU decided to enlarge. Rationalists argued that the EU expanded to maximize its net benefit and that in the decision to enlarge to the EU10 the opportunities for materialistic benefits were of great importance to both the member states and the candidate countries. It could be expected that both the EU10 and the EU 15 had high expectations for economic prosperity. The opportunities for materialistic benefits might be related to the importance of the economic dimension to the EU10 population, when considering whether the membership has been a country benefit or not.

However, the focus on the stability of political institutions also was of great importance to the EU, and constructivists argued that the EU decided to enlarge because it wanted to protect the universal principles of human rights and democracy. When exploring support for the hypotheses at the political dimension, support for H3 is found in all EU 10 except Estonia. It might be that the EUs focus on the political dimension influenced the citizens in their evaluation of whether the EU membership was a country benefit or not. Human rights were also of importance, however, only in the Czech Republic and Slovakia where support for H4 was found.

Above, however the explanatory power of the model in each of the EU 10 countries is presented (see Table 4.12) which increases the ability to look at the cross country differences.

For instance, in Malta the political and economic variables explain 82.4 per cent. In the political model the explained variance was 62.6 per cent and in the economic model it was 71.9 per cent, thus indicating that the explained variance increases when the economic and

political variables are analyzed simultaneously. In the Czech Republic, the explanatory power is 54.4 per cent, and in Hungary, Slovakia, Latvia and Lithuania between 40 and 50 per cent. In the third Baltic State, Estonia, however, only the economic dimension had an impact on EU benefit. None of the political variables were important for the Estonians in considering whether the EU membership was a country benefit or not. The explanatory of the model was still 23.8 per cent. Furthermore, in Cyprus, Slovenia and Poland the political and economic variables explain between 30 and 40 per cent.

The literature on public support for European integration in Central and Eastern Europe takes the Western European models as a point of departure for understanding the Eastern European world. Therefore, it is important to explore how well the economic and political models fit the Central and Eastern European countries. Based on the findings above, it can be argued that the integrated model with the political and economic variables is important for understanding what that affects the EU 10 citizens in considering whether the EU membership has been a country benefit or not.

However, the model explains the most in Malta, thus perhaps being able to contribute to the argument that other factors might be able to explain the Eastern European world even better than the economic and political dimensions focused on in this work as for example the social and cultural dimensions. Still, the results of the integrated model show that the variables do in fact explain a lot of the variance in *all* EU10.

## 5 *Conclusion and outlook*

From six founding members in the 1950s, the EU has enlarged to 27 member states in 2007. With the EU expansion from 15 to 25 members in 2004, the accession of Romania and Bulgaria in 2007 and more applicant countries standing in line, this work was based on the impact of EU membership on new member states.

The aim of this study was to explore the impact of the EU membership on the states which entered the union in 2004. The maze of complexities linked to the countries different political, economic and historical background, was the reason for the interest in exploring the impact of EU membership. The main concern was how the population in the Central and Eastern European and Mediterranean states evaluated the impact of EU membership. What explained whether or not the EU membership was considered a country benefit among the population in the ten countries?

In order to evaluate this, the economic and political dimensions were analyzed. How did the economic and political factors influence the citizens in their evaluation of the EU membership? Based on a combination of utilitarian, value based and political economic approaches presented in the theoretical discussion, a theoretical model was established. The model combined five hypotheses, two of the hypotheses which were allocated only at each of the dimensions and one hypothesis which was allocated at both dimensions. When testing the hypotheses, logistic regression was applied in the analysis.

Both dimensions were expected to have strong and positive impacts on whether or not the EU membership was considered a country benefit. In line with the expectations, I found that both dimensions in fact were of importance. However, in Estonia only the economic dimension turned out to play a role in how the citizens evaluated the EU membership.

The distinct Estonian case where the political variables were of no significance might be related to another result also at the political dimension. If the EU was considered to be promoting human rights, only the citizens in the Czech Republic and Slovakia were more likely to consider the EU membership as a country benefit. In the other countries human rights did not have significant effects. I explored the political conditions at the national level to see if they could be related to these cross country differences, but found that the political rights and civil liberties had improved in all the ten countries after they joined the EU, also in the Czech Republic and Slovakia. In Estonia the political conditions had improved when examining government effectiveness, the Corruption Perception index, the political rights and civil liberties. This opens for further research on why the political dimension seems to have less impact in some of the countries.

I analyzed the impact of the economic and political dimensions in the ten new member states compared to the old EU15 to further explore the weaker impact of the political dimension. Then, I found that the economic dimension had just as much impact on how the membership was considered in both the new and the old member states. The political dimension, on the other hand, had more explanatory power in the EU 15 than in the EU 10. I argued that as the literature on public support for European integration in Central and Eastern Europe takes the Western European models as a point of departure for understanding the Eastern European world, it might be that other factors could be more relevant than the political dimension in these countries.

This work indicates differences between Central and Eastern European countries and also the two Mediterranean states, Cyprus and Malta. It is quite likely that in a reunited Europe similarity exist between similar countries but even more, the regions in Europe. For example, the population in capitals and large urban cities may share similar attitudes on the benefit of EU membership across countries. Similarly, it is likely that population in rural areas may possess similar attitudes independent of nationality. This consideration opens up for analyzing the impact of EU membership at the regional level with the aim of clustering regions independent of national borders.



Furthermore, there are also other opportunities for further research. Firstly, it would be interesting to have a case oriented approach and focus on the economic and political dimension in each of the EU 10 countries. The impact of EU enlargement could thus be discussed in more detail e.g. in examining the impact on other policy areas and dimensions as well as cultural and the social dimensions.

Secondly, exploring how age, education, knowledge of the EU, gender, income and political placement affect the citizens evaluations of the EU membership, might be able to explain similarities and differences across country borders. However, such an analysis would be large and complex, and should therefore perhaps not include all EU 10, but rather concentrate on some of the countries which joined the EU in 2004.

Thirdly, the impact of EU membership could be analyzed conducting a multi-level analysis. In this work the focus has been on the individual level, but structural data was also presented to contribute to the understanding of similarities and differences between the countries. A combination of the two levels would possibly increase the ability to explore how the impact of the EU membership has been in the countries, and perhaps encourage to the comparison of the citizens' perceptions and the actual developments at the national level. There are many research challenges. For example, what role does the EU membership play? How much of the developments are actually connected to the membership and not to other international changes? Still, a multi- level analysis might be suitable for analyzing what impact EU membership really has on new member states.

Finally, it would also be interesting to test the findings in this study on other new member states. What influences the citizens in for instance Bulgaria and Romania in how they evaluate the benefits of EU membership?

This work will hopefully add information to other published enlargement studies. Follow-up studies on the effects of EU membership are necessary since time is needed to visualize consequences for new member states.

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## Appendix A Frequency analyzes

### ECONOMIC STABILITY

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	,00	3497	37,8	42,0	42,0
	1,00	4831	52,3	58,0	100,0
	Total	8328	90,1	100,0	
Missing	System	917	9,9		
Total		9245	100,0		

### ECONOMIC PROSPERITY

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	NOT MENTIONED	6996	75,7	75,7	75,7
	Economic prosperity	2249	24,3	24,3	100,0
	Total	9245	100,0	100,0	

### PERSONAL FINANCIAL SITUATION

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	,00	4133	44,7	46,0	46,0
	1,00	4861	52,6	54,0	100,0
	Total	8994	97,3	100,0	
Missing	System	251	2,7		
Total		9245	100,0		

### SATISFACTION WITH NATIONALECONOMY

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	,00	5536	59,9	61,5	61,5
	1,00	3466	37,5	38,5	100,0
	Total	9002	97,4	100,0	
Missing	System	243	2,6		
Total		9245	100,0		

POLITICAL STABILITY

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	,00	3627	39,2	44,0	44,0
	1,00	4607	49,8	56,0	100,0
	Total	8234	89,1	100,0	
Missing	System	1011	10,9		
Total		9245	100,0		

TRUST IN NATIONAL GOVERNMENT

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	,00	5487	59,4	63,1	63,1
	1,00	3203	34,6	36,9	100,0
	Total	8690	94,0	100,0	
Missing	System	555	6,0		
Total		9245	100,0		

SATISFACTION WITH NATIONAL DEMOCRACY

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	,00	5006	54,1	56,3	56,3
	1,00	3889	42,1	43,7	100,0
	Total	8895	96,2	100,0	
Missing	System	350	3,8		
Total		9245	100,0		

EU PROMOTING HUMAN RIGHTS

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	,00	6160	66.6	66.6	66.6
	1,00	3085	33.4	33.4	100,0
	Total	9245	100.00	100,0	

## Appendix B Correlation analyses

\*\*significant at 0.01 level

		<i>EU benefit</i>	<i>Economic stability</i>	<i>Economic prosperity</i>	<i>Personal financial situation</i>	<i>Satisfaction national economy</i>	<i>Political stability</i>	<i>Trust in national government</i>	<i>Satisfaction with national democracy</i>	<i>EU promoting human rights</i>
EU benefit	Pearson Correlation	1	,502(**)	,264(**)	,225(**)	,250(**)	,354(**)	,197(**)	,222(**)	,101(**)
	Sig. (2-tailed)		,000	,000	,000	,000	,000	,000	,000	,000
	N	8081	7493	8081	7908	7926	7396	7683	7845	8081
Economic stability	Pearson Correlation	,502(**)	1	,257(**)	,233(**)	,317(**)	,559(**)	,272(**)	,273(**)	,100(**)
	Sig. (2-tailed)	,000		,000	,000	,000	,000	,000	,000	,000
	N	7493	8328	8328	8147	8185	7881	7923	8102	8328
Economic prosperity	Pearson Correlation	,264(**)	,257(**)	1	,139(**)	,125(**)	,157(**)	,085(**)	,107(**)	,071(**)
	Sig. (2-tailed)	,000	,000		,000	,000	,000	,000	,000	,000
	N	8081	8328	9245	8994	9002	8234	8690	8895	9245
Personal financial situation	Pearson Correlation	,225(**)	,233(**)	,139(**)	1	,329(**)	,195(**)	,192(**)	,249(**)	,064(**)
	Sig. (2-tailed)	,000	,000	,000		,000	,000	,000	,000	,000
	N	7908	8147	8994	8994	8829	8066	8490	8686	8994
Satisfaction with national economy	Pearson Correlation	,250(**)	,317(**)	,125(**)	,329(**)	1	,246(**)	,308(**)	,329(**)	,046(**)
	Sig. (2-tailed)	,000	,000	,000	,000		,000	,000	,000	,000
	N	7926	8185	9002	8829	9002	8092	8497	8715	9002
Political stability	Pearson Correlation	,354(**)	,559(**)	,157(**)	,195(**)	,246(**)	1	,308(**)	,258(**)	,092(**)
	Sig. (2-tailed)	,000	,000	,000	,000	,000		,000	,000	,000
	N	7396	7881	8234	8066	8092	8234	7848	8022	8234
Trust in national government	Pearson Correlation	,197(**)	,272(**)	,085(**)	,192(**)	,308(**)	,308(**)	1	,333(**)	,046(**)
	Sig. (2-tailed)	,000	,000	,000	,000	,000	,000		,000	,000
	N	7683	7923	8690	8490	8497	7848	8690	8407	8690
Satisfaction national democracy	Pearson Correlation	,222(**)	,273(**)	,107(**)	,249(**)	,329(**)	,258(**)	,333(**)	1	,084(**)
	Sig. (2-tailed)	,000	,000	,000	,000	,000	,000	,000		,000
	N	7845	8102	8895	8686	8715	8022	8407	8895	8895
EU promoting human rights	Pearson Correlation	,101(**)	,100(**)	,071(**)	,064(**)	,046(**)	,092(**)	,046(**)	,084(**)	1
	Sig. (2-tailed)	,000	,000	,000	,000	,000	,000	,000	,000	
	N	8081	8328	9245	8994	9002	8234	8690	8895	9245



