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The main goal is to enhance the quality and quantity of intellectual exchange among researchers, educators, scholars and practitioners dealing with major issues of public administration and public policy in the Central and East European regions.

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Public Policy-making in Slovakia¹

Katarína Staroňová²

Introduction

From May 1, 2004, the eight candidate countries of Central and Eastern Europe including Slovakia will obtain full membership of the European Union. In the course of the accession process, these countries readied themselves for EU accession, particularly by harmonising domestic legislation with *acquis communautaire*, meeting the criteria for EU accession and related reforms in the public and private sector. Slovakia seems to have met the formal criteria for the accession. Yet, is the country actually ready to become a full member of the EU?

EU member states are not only subject to formal general, normative and binding legal norms of the EU, but also must adhere to some unwritten standards concerning professional and efficient making and governance of public policy. In practice, this means that candidate countries should not only focus on the content of the harmonised legislation and public policy as such, but, above all, on the quality manner of policy making, which would comply with the principles of democratic and efficient governance.

The goal of this study is to analyse the state of the public policy process in Slovakia from the point of view of good governance and draw attention to the most serious problems in that manner. This analysis is based on the cyclical nature of public policy being divided into several stages (policy development, adoption, implementation, and evaluation/monitoring) and examines its aspects and outputs. The study of the practical aspects of public policy-making in Slovakia is based on empirical data obtained through structured interviews. Field work for this

project was carried out during the four-month period from May to August 2002. The interviewees were employees, both political and non-political nominees, from Slovakia's state administration bodies, at all levels of selected ministries and their subordinate institutions. Other persons addressed in the project were representatives of interest groups, members of committees and working groups and other experts involved in the policy-making process.³ The data collected are based on real policy-making cases, with specific cases separately. Another important source of empirical data was documents and materials drawn up by civil servants for supreme ministerial representatives which were analysed in terms of their content as well as form.

Stage 1: Public Policy Development

The first stage of public policy-making is its development at ministerial level, i.e., initiating the creation and drafting of a policy and strategic materials defining its main objectives. This basis then serves to produce a legislative or non-legislative public policy. At this stage, various alternatives of solving an issue are considered and appropriate instruments selected for that purpose.

a) Analysis of the drafting process

The formalised framework of public policy-making in Slovakia is legislatively defined with regard to law-making initiatives, adoption and approval of laws and promulgation of legal norms. The formalised legislative process is particularly governed by internal normative acts, i.e., Legislative Rules of the Slovak Government and Guidelines for Preparation and Submission of Materials to the Sessions of the

¹ This study has been published within the project "Slovak Policy Network" run by the Slovak Governance Institute (www.governance.sk) with the support of the Embassy of the United States in Bratislava. The study and field research has been carried out thanks to International Policy Fellowship at Center for Policy Studies, OSI Hungary.

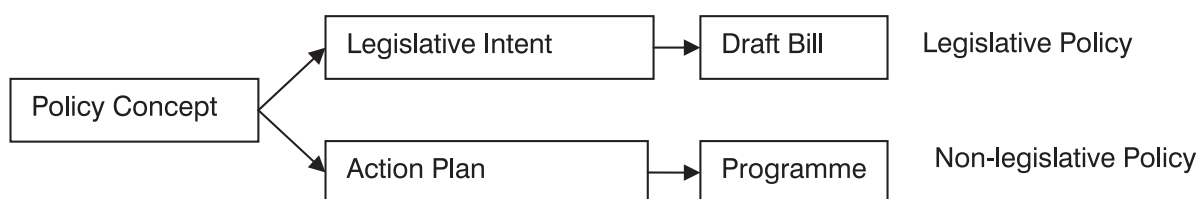
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³ In total, 39 interviews were conducted with the following break down: Ministry of Education – 13, Ministry of Justice – 11, experts (interest groups, civil society organizations, working group members, etc.) in the field of education – 4, experts in the field of justice – 8, Office of the Government/ EC Delegation – 3.

Slovak Government. There are **no formalised rules or guidelines regarding the broader process of public policy-making** which would deal with formulating problems and objectives, proposing policy concepts, strategies, and analyses or proposing action plans, their implementation, monitoring, and evaluation. Some ministries have internal methodology or guidelines directing the preparation of documents for their high-ranking officials or for the sessions of the government or parliament. However, these guidelines only concern technical aspects, not the techniques of policy analysis, drafting a policy concept and producing a non-legislative policy. As a result, some civil servants, particularly those at the lower rungs of the ministerial hierarchy, have only a vague understanding of the policy-making process and how they alone contribute to its final outcome.

In practice, most draft bills are initiated by individual ministries (on the basis of the government programme), where such drafts are also produced. In 80 % of cases, ministries follow the Legislative Plan of Work, which is prepared annually on the basis of the government programme. In recent years, the number of draft bills under preparation has multiplied two or three times, especially as a result of harmonisation with *acquis communautaire*, which also affected the quality of drafted legislation.

Under ideal conditions, a policy material is produced in the following steps:



In reality, however, only a very small percentage of the materials submitted to the government for approval pass through these three steps. For 60% of the submitted draft bills, no policy concept or legislative intent was prepared and hardly any draft bill comes with both of these documents.⁴ There are no

directives as to when and how a policy concept, legislative intent or action plan should be produced. In practice, these materials are prepared only if the government charges the sponsor of the law to draw up a policy concept or legislative intent. Legislative rules state that the legislative intent should be prepared when a draft bill with “significant economic or financial impact” is prepared. There is no practice of preparing policy concepts or action plans for internal use within the ministry. This is why the majority of laws, for which the government does not require that a policy concept or legislative intent should be drawn up, are prepared directly in the form of their legal wording, without considering their specific goals and issues to be solved by them.

The practice is to set up ad hoc advisory committees and working groups made up of civil servants and experts in a certain area who are engaged in the preparation of a policy concept or legal norm. Official working groups are set up upon a mandate from the minister. The number of members ranges from 4 to 24; unofficial working groups are much smaller and are made up of 1 to 3 civil servants and 1 or 2 experts. It is not unusual that the establishment of an unofficial working group is initiated by experts, not civil servants.

Neither the composition of committees and working groups at the level of central state administration nor their exact number is publicly known. Even civil servants alone

do not have such information, even if working at the same ministry. The lists of all working groups do not exist, even though big committees dealing with the reform of an important law are published on the Internet. If somebody happens to know about the existence of a working group, such a person can obtain the list of its members. Non-transparency is

⁴ Information provided by the Legislative Board of the Government

a result of mismanagement rather than intentional efforts to conceal the information. Yet, consequences are immense. First, this has led to a relatively high number of advisory bodies at different levels that differ in terms of quality and outcomes. In connection with cross-cutting issues, it is not exceptional that the same issue is dealt with by several working groups at the same time, some of which are not aware of the existence of the others.

Second, it is the current trend to have a working group of its own at the ministry and civil servants often do not realise that the issue in question is cross-cutting.

Since the information on the existence, composition, and objectives of working groups are not publicised, coordination with other ministries or institutions takes place rather on an ad hoc basis. This extreme “ministerialism” was also identified by the audit of central authorities of state administration and is attributed to the nature of the coalition government, where disputes among political parties in the coalition are reflected in disputes among their ministries. What is more, there is sometimes the paradox that even those ministries that are governed by the ministers from the same political party are not coordinated.⁵

Third, sometimes there is a separate working group in charge of drafting a policy concept and another working group in charge of drafting a specific legal norm. Even though there is linkage between these two groups (one person can be the head of both working groups or some key members of them are in both groups), it happens that such groups work in parallel. This means that the working group drafting the legal norm has no policy concept at its disposal since it is not yet finished. Thus, the drafting of the policy concept by the other group becomes meaningless.

A very important factor affecting the quality of outputs seems to be the organisation of

Case in point: Poor coordination of working groups concerning the same issue

The issue of domestic violence and child protection became a hot topic towards the end of 2001 thanks to the campaign of non-governmental organisations and resultant pressure from the public and media. There was the need for new legislation in this area. For this reason, an unofficial working group was created at the Ministry of Justice (initiated by NGOs) consisting of representatives of women’s non-governmental organisations and law-making experts from the ministry, with the aim of producing a draft of complex legislation concerning this issue. At the same time, the Association of Women Judges created its own working group. Both the Ministry of Justice and Association of Women Judges produced competing draft bills without discussing the issue with each other. The latter working group asked a member of parliament to submit the draft bill on prevention of domestic violence to the parliament (and thus skipped the whole process of gradual steps in its adoption, particularly consultation and coordination). After a series of negotiations between the representatives of both groups, the two competing draft bills were merged into one in the parliamentary committee. However, neither of the groups was aware of the existence of another working group at the Office of the Government, which had been dealing with domestic violence for several years, but without producing any material output in the form of a policy concept or proposal for a legislative or non-legislative policy.

work within the working group. The question of roles and functions of individual group members is usually not very clear. The respondents have complained that the objective of their work is not clearly defined and working materials are not adequate, so they have to use their own resources. Only a few working groups keep records of the ongoing work. If somebody joins the group in the course of the process, such a person will receive no information concerning materials or division

⁵ The experience of OECD countries shows that an increasing number of public policies are cross-cutting and various coordinating mechanisms are being developed among ministries. Many of them have implemented a notification system, i.e., compulsory publicising of the ministry’s intentions through the intranet so that any department could express its interest to participate in a working group. More information can be found in the document Wiring it up: Whitehall’s management of Cross-Cutting policies and Services.

of roles. Some respondents have complained that unless the person is a lawyer, it is difficult to take part in the working group where use of legal language is expected and statements not formulated in this manner are often disregarded.

Case in point: Parallel working groups

The Ministry of Education set up two working groups dealing with the issue of “Millennium: the Strategy of Education for the 21st Century,” which worked in parallel, one of them was in charge of the policy concept, the other prepared the draft bill. Thus, before the first working group finalised the draft policy concept according to good governance principles (e.g., discussions with the public and interest groups), the second working group had prepared the draft bill without taking account of the outcomes of the first one.

All civil servants have agreed that the smaller and less official the group is, the better results it can achieve. Big committees are usually very difficult to manage and show a relatively high rate of delayed or failed delivery of outputs. Also, the more official the group is, the higher prestige it gives to its members, and membership of it is often regarded as the expression of social status rather than working activity. One member of a committee which did not deliver the expected output for several years noted that “membership of the ministerial committee was a reward for previous work.” As one civil servant said in the interview, he uses the existence of the working group particularly for defending his own ideas in the eyes of his superiors. External members of committees and working groups are usually not paid for this work and participate in them in addition to their own jobs. It is therefore extremely difficult to motivate committee members and organise their work. It proved to be a good strategy to break down committees and big working groups into smaller units. Yet, the best results are achieved by small, unofficial groups. On the other hand, if a working group is unofficial, there may be trouble defending its outputs within the ministry or against other ministries.

Moreover, the official working group increases the credibility of findings in the eyes of others (although the work might have been done by only one person).

When drawing up official materials, civil servants at ministries heavily rely on external stakeholders, most often on interest groups from a certain area. For example, the head of the Association of Judges admitted that the association has its own legislative unit which prepares policy concepts and draft bills concerning judges in advance and then addresses the ministry with ready-made material. He noted that civil servants were glad to receive such a material, as they had less work to do on its preparation and they trusted judges for their “legal way of thinking.”

It is highly positive that in most cases, the participation of external experts results from trends in the government and state administration to increase the volume of consultation.⁶ It is a desired source of additional or alternative information, particularly if group members represent the parties involved (for example, women’s organisations when drafting legislation on domestic violence). On the other hand, insufficient internal capacities for processing such external inputs pose a possible risk of state capture by interest groups. There may be several reasons for such a significant engagement of external stakeholders: positively seen, it is the need to ensure that there is broad support for a public policy among the groups affected by it, or it can be insufficient capacity at ministries for drawing up quality policy documents if perceived negatively. This is also connected with frequent mistrust in the ability of ministerial staff on the part of politicians and high-ranking civil servants.

One of the typical features of preparing a specific public policy in a transition country is that the complex reform of a whole area takes place at once, in the course of one four-year electoral term if possible. On the one hand, the fast pace of implementing reforms is posi-

⁶ The importance of consultation including subordinated organisations, experts, various interest groups or the public, is dealt with in many documents published by the EU, OECD or EU member states. These documents also describe basic consultation techniques. See for example: OECD: Information, Consultation and Public Participation in Policy Making.

tive. Yet, there is a risk that issues are formulated in very broad terms, such as the Criminal Code reform, education reform, higher education development in the 21st century, and their authors are unable to grasp the main purpose of the reform and the new law only provides a framework for their solution; it is just a kind of skeleton. Subsequently, statements can often be found in policy documents saying that “this part will be regulated separately by another law.” Thus, final outputs are not systematic and it is no exception that a law must be amended the very instant it is passed by the parliament or during the first months of its being in force. Another risk is delays in delivering the final product. A senior civil servant stressed that if he could start again from scratch, what he would do first of all would be to divide large reforms into several smaller parts and implement them in smaller steps. He emphasised that civil servants and experts in the given area do not have sufficient capacity to prepare reforms so immense in scope. He also noted that if there were such big problems to be faced even in the preparatory stage, he could not imagine what would happen in the implementation stage as nobody was interested in this at the time of preparing the reform.

Case in points: Problems with large reform projects

One of the highly important reform projects at the Ministry of Justice was “Re-codification of Criminal Code,” based on the policy concept which was half-finished but not delivered during the 1994 – 1998 government. It took eight years altogether to deliver the policy concept and produce the legislative intent. The Re-codification committee did not manage to deliver a draft bill in time during the 1998 – 2002 government and the new version of the Criminal Code is not likely to be discussed in the parliament earlier than in 2004.

In conclusion, we will summarise the main problems identified in the process of drafting a policy:

- The time for analytical preparation of legislative or non-legislative public policies is not sufficient.
- Central state administration does not have mechanisms in place for assessing non-legislative instruments and therefore automatically uses laws as the primary instrument.
- The effort to reform a whole area at once may lead to low-quality outputs. The issues for which a policy should be prepared are often defined in too broad terms and the purpose of the reform is lost at the expense of technical matters.
- The analytical and problem-solving capacity of ministries is limited and this poses a potential risk that public policy-making may be affected by individual interests (inside or outside of the public sector).
- The setting-up and composition of working groups is not sufficiently transparent and efficient and this adversely affects the quality of outputs (in terms of both content and time spent).
- Work management in working groups needs improvement. Most problems lead to improper distribution of work, delays and poor coordination between ministries.
- Consultation and public participation need to be increased (particularly active consultations with affected groups).

b) Analysis of Documents

Legislation remains to be the key instrument of public policy in Slovakia. Before drawing up a draft bill, the government may commission the sponsor of the bill to draft a policy concept or legislative intent and this must then go through internal and ministerial process of review; this becomes a binding basis for drawing up the draft bill.

Policy concept

It is always the government that initiates the drafting of a policy concept, be it through a government decree or upon the decision of its advisory body, which is why it must always pass the process of review and be approved by the government. As a result, civil serv-

ants regard the policy concept as a relatively formal and extensive document which analyses a certain broader problematic area with the outlook for the next several years and, therefore, is prepared and approved for a significantly long period. Nothing similar to an analytical study of the given policy with the scope of several pages, just serving to make the initial decision, is used. Therefore, the reasons behind making the decision at the ministry (concerning its own initiative to prepare a draft bill or project) are often discussed only orally and not recorded in writing. The respondents perceived the policy concept as something too official (“and the government did not request us to prepare it”) and rigid for “such a small matter.” “We need flexibility and want to put the project into practice in 6 months’ time... we do not want to waste time with paperwork.” The respondents also said that they regarded the ignoring of a policy concept as a way of fighting against bureaucracy and the only way of going ahead without meaningless delays. In their opinion, the official policy concept is a document for politicians (for the government cabinet in particular) rather than an analytical instrument for decision-making at the ministry.

Drafting policy concepts is sometimes seen as “a useless writing exercise,” as one of the respondents pointed out. Even though they understand the advantage of having such a policy concept at their disposal, they have bad experience of the process of drafting such a concept in working groups or with its delivery. Politicians are not interested in policy concepts as a way of analytical thinking, but only in the final product, a particular law. Other respondents have pointed out the problem of policy concept authorship, as it is an anonymous product of the ministry with low quality, and personal responsibility for it is very low and anybody can add or remove some parts of it without the author’s consent. Another respondent mentioned his reluctance to provide his own ideas to be included in the concept as “without proper authorship, they can be pirated by somebody else... I want to publish them first in an academic journal.” No matter what these causes are, the policy concept often has a very low informative and analytical quality and it does not clearly show

what the problem is, why and how it should be solved. Only in exceptional cases, such a policy concept deals with an issue that is completely new or with a new way of solving it.

The document itself is relatively extensive material that analyses the current state of affairs in some area and expectations for the future. The quality of policy concepts differs considerably among ministries as well as among working groups. Yet, most of them show deficiencies in in-depth analysis. Alternative solutions, impact or budgeting studies are rare. Policy concepts regarding cross-cutting policies do not contain cross-cutting information and research. Among some of the key limitations, civil servants name time pressure and a lack of analysts. Almost all of them complain about low availability of original or analysed data. Although ministerial departments can order such research from their subordinate institutions or use existing academic or think-tank research capacities, these resources are not fully employed, particularly think-tanks. This is mostly due to the lack of information about these resources (particularly about think-tanks) or non-relevant research (subordinate institutions). The respondents agree that a greater degree of competition (through allocating grants earmarked for dealing with selected themes, instead of the permanent flow of funds to subordinate institutions) might improve the quality and quantity of produced outputs. Another significant cause of absenting evidence-based analysis is the shortage of information about analytical techniques and poor analytical skills in both social and economic analysis (evaluation, prognosis, modelling).

Two exceptions can be found among the cases under review: the policy concept for “Infovek” at the Ministry of Education and the policy concept for “Court Management” at the Ministry of Justice. These policy concepts contain all the constituents of analytical materials, including problem definition, statistical data, the impact on society if no measures are taken, and legislative and non-legislative instruments concerning the given policy. It seems that in both cases, the key to success was the assistance in preparing the concepts and their analysis provided by external experts – Infovek Project Association and Swiss

experts cooperating with Slovak judges in piloting the project.

Legislative intent

Legislative rules state that if a law may have significant economic or financial impacts or if the government decides so, the ministry must draw up a legislative intent for the given law. There are several laws meeting the above criteria, for which, however, the legislative intent was not prepared.

According to the legislative rules, the legislative intent should state the following: the assessment of the current legislation, determining the objectives of the new legislation, summary of financial, economic, and environmental impacts as well as its effects on employment and its compliance with EU laws.

Ideally, the legislative intent should propose the most efficient solution with regard to the goal of the new enactment and envisage its possible impacts. Like the policy concept, the legislative intent does not have a unified form and its analytical value is usually very low. In practice, the legislative intent is usually a preliminary draft bill written in legal language (description of future articles of the law) or even in its preliminary legal wording. The requirement to assess financial impacts is often interpreted only as the assessment of impacts on the state budget, if such assessment is made at all. Economic, environmental, and employment impacts are usually neglected or are said to be “none” as in the case of financial impacts. Many of the respondents have stated that this formulation is more likely to pass through the process of review at the Ministry of Finance, in spite of the fact that it is obviously wrong.

The key problematic areas in drafting policy concepts/legislative intents:

- The impulse to prepare a policy concept or legislative intent comes from the top, on an ad hoc basis, and is too formalised in terms of approval, but too loose in terms of content.
- There is no systematic motivation for collecting “field” information or preparing internal policy documents for those in charge of decision-making (oral tradition prevails).
- There is a lack of standards concerning the analytical content of these documents

which results in their poor quality: the problem and its causes are not specified, only the specific remedy for it, usually a law. In-depth research as well as impact studies are often missing. This is why the concept or legislative intent is either too legalistic or too abstract.

- On the one hand, ministerial staff do not have analytical skills necessary to prepare these documents. On the other hand, where these skills are present, the motivation to prepare them is missing. There is a high risk of state capture by interest groups, which offer their own drafts of policy documents to civil servants.
- Limited availability of existent data and capacity for processing.
- The delivery of these documents is often delayed.

Case in point: The content of the analytical study (policy concept or legislative intent)

UNDP recommends that the analytical study should cover the following main points:

- a) Identification of the problem to be solved by the new legislation
- b) Determination of the primary goal and desired outcomes
- c) Assessment of the current legislation and its practical deficiencies
- d) Various alternative solutions to the problem, including non-legislative instruments
- e) Impact study (the assessment of possible economic, social, environmental and other impacts, cost-benefit analysis)
- f) The way of putting the legislation into practice (what administrative, educational and other activities are necessary for successful implementation of the proposed legislation)
- g) List of subjects for commenting/consultation (not only the obligatory ones, but also those representing target groups).

Source: UNDP *Building the Policy Making Capacity in States of Transition* (in print)

Draft Bill

A draft bill is prepared on the basis of an approved policy concept or legislative intent (or both in some exceptional cases) or directly on the basis of the legislative plan or upon a ministry's initiative. At this point, legislative experts at the ministry should take part in the process and draw up a legal version of the draft bill in cooperation with experts in the field. There is no unified procedure in place which would ensure the higher efficiency of these two types of experts working together. Each ministry has a different manner of work and organisational structure. Some of them have a separate legislative department servicing all specialised departments; some of them have a legislative unit under each specialised department, and others attached legislative experts to individual specialised departments. However, it seems that regardless of the hierarchy of organisations, all ministries have a similar problem: little or no coordination between legislative experts and content experts (from specialised departments). This may lead to such extreme cases when a draft bill is written solely by content or legislative experts. If the former is the case, the draft bill may have trouble passing through the approval process of the Legislative Board of the Government due to its technical legislative deficiencies; if the latter, the philosophy of the law and its purpose may be lost as its technically correct wording is not founded on analytical data.

The legislative rules specify the necessary constituents of a draft bill:

- Explanatory Report (the summary of the present state of affairs in terms of its social, economic, and legal aspects; why the new legislation is needed; how the proposed bill should be implemented; financial and economic impacts on the state budget; organisational impacts; compliance with the Constitution, international treaties, EU legislation, etc.);
- Financial, economic, environmental, and employment impacts;
- The Ministry of Finance report (if the state budget is affected by the draft bill); and
- A statement of conformity with EU legislation.

Thus, the draft bill should be accompanied by several materials, which, if well prepared, could be regarded as analytical documentation. In practice, however, insufficient attention is paid to drafting these materials and all efforts of civil servants focus on the legal form of the bill. Most of the respondents are aware of the fact that the accompanying documents, particularly the explanatory report, are extremely important, as they help to ensure that a particular public policy: a) is better understood by civil servants from other ministries and MPs, making its enactment more likely; and b) is implemented in the way its authors envisaged and its incorrect interpretation is prevented. And even though they are aware of this, they do not pay sufficient attention to these documents. The usual practice is that the explanatory report is written last and describes the articles in the draft bill, explaining the legal language of each article rather than its rationale. The same applies to impact studies concerning the draft bill, which are limited only to impacts on the state budget, and do not meet the basic conditions for impact assessment employed in EU countries.

The quality of draft bills varies. The Czech legislation is often used as the main source of reference and some articles are copied word for word. The respondents confirmed this practice, explaining that the Czech legislation is similar to that of Slovakia, so there is no reason why their experience should not be used, in their opinion. Likewise, EU norms are often transferred without proper consideration due to pressure on completing the harmonisation of some area. The result is that some draft bills are directly transferred from a different legislative environment, without taking into account its goals and impact. One example: one draft bill stated an exact list of issues to be covered, which was word-for-word taken from the respective EU directive. However, this EU directive only presented this list as an example and gave countries the discretion to decide on it.

A big risk is posed by a so-called "fast-track procedure," which skips some important stages in adopting and approving legislation. This mechanism should only be used in exceptional cases, but practical experience shows the contrary. Subsequently, outputs,

i.e., draft bills, may be of even lower quality. Legislation related to EU harmonisation is a priority and there is considerable time pressure on “finalising chapters.” Therefore, no policy concepts or legislative intents are drawn up for these draft bills because “we do not have time for it and it is not necessary anyway.” It can be stated that arguments stressing “EU priority” seem to be the most efficient way of speeding up processes or having a legal norm enacted.

Case in point: Impact assessment techniques

EU member states have implemented in its law-making procedures impact assessment techniques and these are key factors in ensuring the availability of information and increasing the quality of new legislation. It is an analytical approach to assessing probable costs, impacts, and side effects of the planned implementation of some intervention instrument (law, regulation, non-legislative measure). The implementation of these techniques is based on the experience that new legislation may have significant and sometimes unexpected impacts on various sectors of the economy and society as a whole. Methods and techniques vary from the least sophisticated, such as simple checklists with questions (aspects of measures related to the problem, objective, and target group, main costs) to cost-benefit analysis, cost efficiency analysis, and piloting. However, it is important to train civil servants, not only in mastering these techniques, but also in understanding their importance.

Source: *Improving public policy instruments through impact assessment*. OECD, Sigma Texts No. 31 and *Regulatory Impact Analysis: Best Practices in OECD Countries*. OECD, 1997.

The fact that little time is devoted to strategic and policy thinking can be attributed to several factors. First, a key problem is **personnel capacity**. Only a low number of civil servants have analytical skills and abilities necessary for public policy analysis. Educational opportunities in this area are insufficient or non-existent. Nor are there any specialists in charge of social or economic forecasting.

This problem is also connected with poor management skills. Some general managers of departments are reluctant to delegate tasks, are extremely overloaded with work and have little time left for solving strategic questions. Second, all civil servants complain about the time pressure they are working under and the amount of administrative work they have to manage, which is related to numerous large reforms to be finished in one four-year policy cycle. Third, politicians and other civil servants expect to receive a ready-made bill and hardly anyone reads accompanying documents (the Legislative Board checks the technical rather than analytical quality). The respondents admitted that they only read the relevant parts of the draft bill during the process of review, not the whole bill and completely ignored the accompanying materials. Thus, this is a vicious circle: where there is no demand for quality analytical materials/studies, there is no supply of them either and vice versa.

Main needs identified in producing a legislative public policy:

- Need for systemic preparation of analytical (policy concepts and legislative intents) and legislative materials;
- Need for drafting analytical materials, which is often neglected in spite of its formalised framework being in place (policy concepts, legislative intents or explanatory reports);
- Need for harmonising the work of content and legislative experts;
- Need for indicating the authorship of presented materials (draft bills, policy concepts, action plans) for determining responsibility;
- Need for professional/specialised training for civil servants (no educational activities have been carried out in recent years, only on an ad hoc basis) in the area of preparation of analytical, strategic, and legislative materials;
- Need for the proper division of labour within ministries; and
- Use of the fast-track procedure must be clearly specified.

Non-legislative documents

Although public policy documents prepared at ministries are mostly legislative (90%), there are some programmes and projects which make use of non-legislative instruments. In principle, these are as follows:

- **Pilot schemes** or experimental projects aimed at initiating legislation for a new area (such as the pilot scheme Probation and Mediation at the Ministry of Justice or the project Roma Assistants at the Ministry of Education); and
- **Targeted projects** aimed at achieving some goal (such as the Judicature Management project at the Ministry of Justice or Infovek at the Ministry of Education).

Production of materials for non-legislative public policy faces problems similar to those obstructing legislative public policy: an analytical material explaining benefits and disadvantages of a project does not usually go in detail or does not exist at all. Action plans and programmes are more narrative than analytical and do not state a series of steps to be taken in a certain time frame or a budget. Yet, the most critical problem is that non-legislative measures and projects are not harmonised across individual ministries. In essence, there is no mechanism in place which would allow communication and synergy of work carried out by individual ministries (or within one ministry) with regard to cross-cutting issues. The respondents point out that if communication regarding legislative projects is minimal, where at least a formal framework for review and commenting is in place, there is complete lack of it in non-legislative projects (or, quoting one respondent, “nobody knows who does what, where and how”).

Candidate countries can produce non-legislative projects with the aid of PHARE funds or structural funds after EU accession. However, these funds are used only to a very limited extent. Most of the respondents did not know how to claim these funds, nor could they name a person responsible for this area at their ministry. A civil servant in charge of project preparation at the Ministry of Justice noted that civil servants’ ability to prepare projects is very low. This was also confirmed by the EC Delegation staff, who examine such

projects before submitting them to Brussels for approval. The respondent said that it was usually he himself who prepared the projects, even though he was not familiar with the details of the issue. He stressed that such a project should be a result of team work of civil servants from several ministries, who are content experts, and people with the knowledge of EU procedures.

Case in point: Use of Phare funds for pilot schemes

There is a false belief that it is the EU that dictates what type of projects should be prepared for funding from Phare funds for a given country. Even though the EU provides a broad framework, it is up to each country’s initiative to decide on projects, which is subject to negotiations and agreement. Therefore, it is extremely important that civil servants in charge of projects understand the whole process and are willing to take part in negotiations. Also, all civil servants in specialised departments need to have some understanding of project management and prepare draft projects from the input. A civil servant at the Ministry of Justice, responsible for the project “Probation and Mediation,” prepared a preliminary draft of the project and discussed it with a Phare officer. Because the EC regular report did not regard this issue as a problem, it could have been considered not to be eligible for Phare funding, though both civil servants managed to argue in favour of the draft, which was eventually accepted.

The summary of main problems in producing a non-legislative public policy:

- Capacity and motivation of civil servants in the area of preparation of non-legislative projects as well as their knowledge of possible scope and usefulness of non-legislative instruments are very low;
- Interministerial coordination of non-legislative projects is minimal;
- The potential of EU funds for project preparation is insufficiently used;

- Project management skills and techniques are limited (lack of training opportunities); and
- The area of budget preparation and management needs reforming.

c) Budgeting

The question of allocating funds requires special attention, for which the scope of this publication is not sufficient and therefore we will only mention the most serious problems delineated from the interviews with civil servants.

Budgeting at all stages is significantly neglected and reduced to calculating the impact on the state budget or common accounting items. Overall expenses and benefits or overall revenues and expenditures are not taken into consideration. This is why the holistic view of the benefits of a proposed law (programme, project) is disrupted. The biggest problem seems to be in the manner of financing at particular ministries. Not even directors general of specialised departments bear responsibility for funds for a specific area (such as the Probation and Mediation project) and every activity requiring any flow of funds must be approved by the director general for economy, state secretary, or minister. On the one hand, this practice allows better control over financial flows, but extremely slows the process on the other. What is more, as mid-term budgeting is still not in place, every implementation activity is at risk every year and is completely reliant on the negotiating skills of one high-ranking civil servant.

- Budgeting and the flow of funds are poorly organised (a mid-term budgeting frame and output-based budgeting is being implemented, but there is little knowledge of these at ministries).
- Financial impact studies are limited to impacts on the state budget.
- Budgets are administered by administrative/economic departments rather than specialised departments, which puts the drafting and implementation of public policies at risk.

Stage 2: Coordination and Adoption of Public Policy

The drafting of written material (policy concept, legislative intent, draft bill, or action plan) by its sponsor is followed by the process of consultation and coordination with other bodies and institutions (state institutions, subordinate institutions, non-governmental organisations, citizens) and adoption of the draft by government advisory bodies and the government itself and subsequent submission of the material to the parliament. The main objective of coordination is to obtain feedback concerning a proposed document from within the ministries or from practitioners and discover possible problems with putting it into practice. The coordination instrument in Slovakia is a process of review (intra- and inter-ministerial), which comes, however, at too late a stage of the whole policy-making process to correct discrepancies, as most drafts are in their final legal form at that time. Thus, coordination *de facto* applies to the technical aspects of the text of the draft, not to its philosophy and solutions. The process of review should be a kind of checking instrument at the end of the coordination stage, which should begin at the time of preparation of the documents by inter-ministerial working groups; it should not be the beginning of the coordination process.

a) Intra-ministerial process of review

The intra-ministerial process of review is carried out by bodies and institutions in the state administration domain controlled by the sponsor of a draft. It seems that regardless of organisational structure, the same coordination problems prevail everywhere. A foreign advisor commented on this matter by saying that “it seems that a coordinated approach, team work and team spirit are not sufficiently appreciated in the existent work culture.” Thus, the process of review is not coordinated either and not all specialised departments at the ministry are aware of what others do. In the past, all written materials were sent to all specialised departments for review/comment before being submitted to the minister’s weekly meeting. This practice has been out of use for some time now in spite of the fact

that the modern electronic era could facilitate easier communication. The respondents attribute this to the fact that a significantly higher number of materials is submitted to ministers at present.

b) Inter-ministerial process of review

The mechanism of the inter-ministerial process of review in Slovakia is seen as highly efficient by foreign experts, as the sponsor of a draft bill must first publish it and thus make it available to all ministries as well as the public (on the internet). Through this mechanism, it is also possible to electronically and efficiently collect and evaluate the opinions of individual ministries (classifying comments in terms of form, content, and importance). Furthermore, if the sponsor does not agree with comments from another institution, the mechanism makes it possible to arrange a meeting where such disputes can be discussed before a top-level meeting takes place. The respondents have confirmed that they often use just this informal process of assessing comments (via phone, web, etc.) and thus contribute to faster assessment.

Many civil servants pointed out the problem that the minimum period for comment is often ignored or evaded, which then ranges from 2 weeks to one or two (sometimes even non-working) days; this is absolutely insufficient given the complexity of materials. As a result, the specialised departments or institutions only study a part of the draft and this adversely affects the quality of comments as well as the final wording of the law.

Several civil servants have noted that they make use of the possibility to modify the draft bill at the parliamentary stage of the law-making process through MPs in a parliamentary committee, thus skipping the process of review. Some of them do so even if a draft bill was not initiated by their own ministry but by another department. This is how changes are often made to draft bills after they passed through the government session, instead of introducing them in a regular way through the process of review. Although the civil servants admit that modifications proposed by MPs are not the best way of altering complex laws and that this practice can be harmful even to them-

selves if used by other interest groups or civil servants, they still perceive it as the best way of avoiding the time-consuming process of review/comment. The consequences may be serious: the philosophy and system of the law may be lost. There are several reasons behind this practice: the process of review/comment is relatively time-consuming or it may be too short if the minimum time is not provided and sometimes it is faster and more effective to ask an MP, especially in those cases when some important part might be omitted in a hurry; some ministries are struggling with each other, which affects the process of review; and finally, civil servants also have their own interests which they wish to push into the draft bill. The Legislative Board's staff have also confirmed this practice and noted that there is a growing number of cases when coalition MPs propose new legislation (not as a government-sponsored proposal, which would have to go through the process of review).

c) Public consultation

Between 1998 and 2002, the government took the first steps towards informing the public about proposed measures by adopting the Free Access to Information Act, in force from January 1, 2001. This law requires that draft bills must be publicly available even during the process of review. At the Office of the Government web page, all material subject to the process of review can be found and commented on prior to its submission to the government. It was a revolutionary leap forward and Slovakia thus ranked among developed countries, which attribute great importance to public consultation, especially if broad public acceptance of proposed changes, reforms, or a new policy is needed.

However, the provision of information is still relatively passive, difficult to understand for people with no legal knowledge, and comes at too late a stage of the whole process, as most of this material is already prepared to be approved by the government and civil servants are therefore reluctant to deal with comments from the public. The biggest problem is that a formal procedure must be observed by the public participating in the process of review. In practice this means that

the formulation of comments, including those from the public, is extremely important. If a comment is to be regarded as *substantial*, it must be signed by at least 500 (or 300 for non-legislative materials) citizens.

Such a substantial comment must then be dealt with by civil servants, who must also explain why it was or was not accepted. If the comment is not substantial, it does not have to be taken into consideration. One of the respondents stated that he had received a very good comment from one citizen, but as the identical comment was not sent by the minimum required number of citizens and it was not deemed to be 'substantial', he had not taken it into consideration, because it had not been written in legal language and would therefore have required too much work to implement. Another problem with commenting is that it takes place too late, which reduces its effect.

Case in point: How commenting could be made easier⁷

- Making the intent, not only the final product available (i.e., law);
- Abridged versions for the public instead of full, legal wordings;
- Classification of materials by topics (in addition to their chronological listing) on the internet;
- Active propagation of published materials aimed at encouraging citizens to comment;
- Guidelines on how to efficiently/effectively consult with specific groups;
- Inviting citizens involved to express their opinion; and
- Stimulating public discussion on a variety of issues.

Problematic areas in coordination and consultation could be summarised as follows:

- Lack of minimum standards for coordination, consultation and commenting/

reviewing (at inter-ministerial and public level);

- Failure to observe the deadlines for the process of review;
- No sharing of intentions among ministries and with the public, which makes the coordination of activities difficult; and
- Lack of active participation of citizens in the process of review.

d) Review/comment by government advisory bodies

One of the most important advisory bodies is the Legislative Board of the Slovak Government, which is an obligatory constituent in the law-making process. No draft bill can be discussed and approved by the Slovak government without its opinion. The Legislative Board comments on technical issues concerning a proposed legal norm, i.e., its legal wording and compliance with the Constitution and laws already in force, and should not provide its opinion on its content. On the other hand, the respondents from the Legislative Board were not sure about their powers as to whether to make changes to the factual content of the reviewed document or not. Likewise, there is no mechanism for registering draft bills submitted to the Legislative Board and setting priority criteria for their review. At present, this does not have to be a problem, but if the volume of documents to be reviewed by the Board increases, there would be more room for political negotiations or even intentionally postponing the review of some documents.

**Stage 3:
Public Policy Implementation
(and Enforcement)**

Every law, directive, decree, or regulation creates an implicit obligation that a longer process of implementation will be supported. Yet, practical experience shows, which the civil servants interviewed have confirmed, that the third and fourth stage of the policy-making process are extremely neglected in Slovakia. Not only are there no official guidelines or standards defining how to proceed with implementation, but this stage is also often ignored completely. The implementation of a law is first considered (if at all) after its enactment.

⁷ Public consultation is described in a number of manuals, for example Engaging Citizens in Policy Making: Information, Consultation and Policy Making. PUMA No.10; Engaging Citizens Online for Better Policy Making; Citizens as Partners, OECD; Listen Up!; Wiring it Up, UK National Audit Office, etc.

Although the respondents admitted the existence of the problem with implementation, they do not see themselves as those responsible for it. They stressed the limited scope of human and financial resources (civil servants at ministries focus their energy on having a law passed).

Based on experience from relatively successful cases of implementation ('Court Management' at the Ministry of Justice and 'Infovek' at the Ministry of Education), three key elements necessary for successful implementation have emerged – project management, skills in political sensitivity, and the flow of finance. Project management skills are poorly developed due to insufficient educational opportunities and particularly due to lack of managerial culture at ministries. The key problem is a total ignorance of deadlines and team work. The best heads of projects were those who either took part in an international project headed by experienced managers or worked under the auspices of a non-state organisation – non-governmental, private, international, etc. The respondents highly appreciated this experience, especially if it was work under supervision rather than directed by instructions. The second factor mentioned – political sensitivity – requires that civil servants (head of a department or state secretary) should assume responsibility for a given case and take immediate political steps if (un) expected obstacles appear. Such a person needs to have sufficient authority/power for improving coordination among departments/coalition parties and forming a network of supporters even from the outside of the ministry.

Flow of finance is the third important factor affecting the success of implementation. The annual budget is a clear signal of what the government's intentions are in public policy-making and often explicitly shows which of its promises the government intends to provide with funding. In theory, as most budgetary decisions of the government result from legislation, the adoption of a law could be seen as an implicit pledge to provide funds for it. However, as the budget is only approved for the period of one year and is often modified during the fiscal year, the government is rarely bound to provide the planned funds. What is more, in practice the allocation of consider-

able funds for one sector does not automatically ensure that some policy (or law) will be put into practice in the given year.

Even though public policy-making cannot be reduced to the allocation of public funds, the relation between public policy (related documents) and budgeting is of critical importance for a good policy-making process. The implementation of most policies depends at least to some extent on allocating required funds. Mid-term budgeting and some form of output-based budgeting are the key instruments in this process.

Stage 4: Monitoring and Evaluation of Public Policy

When monitoring and evaluation is not sufficient, or where sanctions are too weak, the implementation of measures fails. This happens in spite of the fact that it is just people at the executive level and those towards whom a policy is targeted who can provide valuable information about its real effectiveness and related problems. These people very often know much better why the situation is the way it is or why previous initiatives failed. However, these opportunities are not sufficiently used.

All the civil servants interviewed have confirmed that monitoring and evaluation procedures at ministries are insufficient or are only focused on auditing the observance of legislation. Systematic collection of field data and impact assessment for a law or non-legislative policy put into practice are virtually non-existent. There is a general understanding that detailed guidance is needed with regard to various methods and techniques.

Implementation, monitoring, and evaluation problems can be summarised as follows:

- In the course of preparation of a law/non-legislative policy, an implementation plan is missing (a list of steps required for implementation, time schedule, outputs, progress-evaluation plan, data collection plan for monitoring and assessment, etc.);
- Budgeting and the flow of funds are not guaranteed (a mid-term budgeting frame and output-based budgeting are missing);

- Lack of official monitoring and evaluation systems;
- Collection of data/practical experience through interviews or surveys or other consultation activities is not used; and
- Insufficient room is provided for non-governmental organisations to participate in evaluation/monitoring (for example through grants).

Conclusion

Developed countries increasingly observe the principles of good governance in public policy-making: openness, participation, accountability, effectiveness/efficiency, coherence and an analytical approach to policy-making. Recent developments have led to a renewed interest in assessing the government's results using the indicators of institutional quality and the quality of analytical preparation of documents, with a focus on efficiency and effectiveness. Good governance is important not only in connection with Slovakia's EU accession, but for the quality of life alone. For this reason, it is not only important to monitor the content of public policies presented in enacted documents and laws, but also to deal with the policy-making process. In practice this means that much greater emphasis must be placed on analytical preparation of documents prior to drafting the legal wording of draft bills as well as on producing impact assessment studies. It will be necessary to review whether the consultation and coordination process is sufficient. And finally, we must not forget that public policy is not limited to producing documents and having them enacted, but its goal is to change living conditions for the people. Therefore, the main goal of this study is to bridge the gap between ministerial offices and the public.

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Attitudes to Change in Central and Eastern Europe

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Abstract

This paper seeks to analyze attitudes to the transition process in Central and Eastern Europe. First, we analyze attitudes to the free market economy, the state of democracy, human rights and the general development of the country. Sample survey data are obtained from the Eurobarometer survey of transition countries in Central and Eastern Europe. The empirical results, obtained using sophisticated regression techniques to cope with limited dependent variables, suggest that individual attitudes become more favourable with income and education and decline with age. Self-interest is further in evidence with, e.g., farmers and the unemployed being less in favour of the free market. But public interest perceptions are also seen to influence attitudes. This is clearly the case for attitudes to democracy and the general direction of the country with the significance of free market attitudes and perceptions of human rights in addition to socio-economic variables which proxy self-interest. But by backward induction, this very

significance also makes it evident that free market attitudes and perceptions of human rights are not simply based on self interest or the individual's own position. We also look at attitudes to EU and NATO membership in the 1990s, finding that the young, the rich, those who live in capital cities and the more educated tend to be in favour of membership and the disadvantaged, the poor, the elderly, the unemployed and also farmers and those in rural communities tend to be against membership.

With respect to satisfaction with the democratic process, economic self interest variables, although in the main significant, are much less so than for free market approval. This suggests that the ability of a government, or rather a political system, to deliver economic benefits is only part of the equation in determining satisfaction with that system. In addition, the pattern of significance of location variables, with scepticism for the state of democracy tending to increase with the size of the locality in which the individual lives is consistent with the hypothesis that the potential for corruption, or at least misgovernment, is greater in larger communities.

A more recent survey shows that in 2003, the majority of people in the majority of countries felt themselves to be at least satisfied with their lives. The exceptions to this were Bulgaria and Romania, the two poorest countries. If we compare this with 2001, we see that for most countries there has been relatively little change except for Lithuania and Slovakia which have seen sharp increases in satisfaction. However, that notwithstanding, there are many people who perceive that they are worse off than five years ago. Thus, we observe a large number of people who report that things are better even when an even larger report it has got worse. In this sense, the reform process seems to be delivering an improvement in the quality of life to

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some people, but a large proportion of people are being adversely affected. It has not yet proved possible to use regression analysis on this more recent data even though raw data is available. But this does present a fruitful data source for further research.

Attitudes to Change in Central and Eastern Europe

1. Introduction

The transition process in Central and Eastern Europe is well into its second decade. This process, the transition from a centrally planned economy to a market economy, with parallel changes in democracy, has provided a unique opportunity for economists in particular and for social scientists in general. It is not surprising, therefore, that this has generated a considerable amount of literature. Yet, there has been relatively little work done on how the people of Central and Eastern Europe view the transition process. This is slightly surprising as the importance of public opinion is implicit in much of the literature. For example, the debate between the "big bang" and the gradual approach to transition is partially predicated on the dynamic of public opinion. Amongst the work that has been done, Svejnar (2002) reports the results of a public opinion survey in the Czech Republic, Poland and Hungary. In all three countries, a majority felt it worthwhile to change the political and economic system. He links relative support to GDP growth, although this is not empirically tested. However, a majority of respondents felt that losses from the transition process exceeded the gains. It would, therefore, appear that support for the transition process at this time was based on expectations of improvements rather than the current realization. But again, we must stress the point that this work was not extended to analyze the socio-economic determinants of attitudes. Fidrmuc (2000a, b) has indirectly analyzed such impacts in research on party political support in the Czech Republic, Slovakia, Poland and Hungary during various years in the 1990s. He found that support for reformist parties is negatively affected by unemployment, as well as by the proportion of retirees, blue collar and agricultural workers. It is positively affected by the existing size of the private sector and a higher share of white collar workers or

of university educated people. In discussing this, Roland (2002) makes the obvious, but critically important point, that there is a clear pattern of winners and losers from the transition process and that support for this process depends upon the balance between them. Waldron-Moore (1999) concluded that supporters of democracy in Eastern Europe tend to favour political and economic change, are young, male, urbanized, well educated and motivated to some extent by disenchantment with the nation's past economic performance.

In this paper we will be extending this process of identifying the determinants of support for the transition process along several dimensions: support for the free market as well as satisfaction with the state of democracy and the general direction of development in the country. We will also analyze attitudes towards human rights. The empirical work will be based on accession countries and those seeking to join the EU: Poland, Hungary, Czech Republic, Slovakia, Bulgaria, Romania, Slovenia and the three Baltic States, Estonia, Latvia and Lithuania. In the next section we will consider the determinants of such attitudes from a theoretical perspective. We shall primarily focus on support for the transition process with respect to approval for the free market which will depend upon a combination of self interest and public interest or civic duty. To a considerable extent, the theoretical issues relating to both satisfaction with the state of democracy and approval for the general direction in which the country is developing are similar to those relating to the free market. Perceptions of the state of human rights, however, might be thought to be less subjective. There will then follow an empirical analysis based on data obtained from the Eurobarometer survey series, a further analysis of attitudes to EU and NATO membership and finally there will be a concluding section as well as a look at more recent data.

2. Theory

2.1 Approval for the Free Market

We can view support for the free market economy in transition countries as similar to an investment decision. There are initial costs to implementing the free market, but long-term gains. The investment should be undertaken

if the expected net cost of discounted benefits is positive or, alternatively, are sufficient to outweigh any uncertainty. From a purely self-interest perspective, this focuses on the utility (U) from individual expected net income gains over time. That is, the individual will approve of the free market if he/she is better off because of the changes. There are several possibilities for the exact starting point of this calculation. The first thing is the current time period with people making their evaluation of the free market purely on the basis of comparisons of the present and the future and ignoring the past. Certainly this is the relevant starting point for considerations of whether the free market system should be retained or whether there should be a return to a centrally planned system. But for questions of support for the free market economy, people may well begin their calculations at the beginning of the transition period. Since the question we shall be analyzing specifically relates to the future, we may assume that people make their evaluation beginning with the present. However, even if this is the case, then comparisons with the state of the economy at the start of the transition process may still be relevant if people extrapolate future expectations. In this case, expectations for the future performance of the free market will be based on past performance. This is an important point to which we shall return later.

The probability of the individual approving of the transition is likely to decrease as he/she grows older and is thus inversely related to age. The younger the person, the greater the period in which the long-term positive benefits of the free market makes an impact on his/her utility. There is, of course, another factor that people may anticipate better public services and welfare payments upon retirement in a centrally planned system and this, too, may be expected to result in declining support amongst the elderly. The probability of support also increases with the speed with which the transition process and the long-term gains from the transition process progress. For an economy, the gains may be proxied by current GNP per capita and possibly, as discussed earlier, GNP per capita near the start of the transition process. In the majority of Central and East Europe countries, GNP per capita has not increased as rapidly as has had

been hoped. It declined sharply in most countries at the beginning of the transition process. Since the early to mid 1990s, however, most of the countries in our sample have generated a sustained economic growth. But only in Poland has this been sufficient to start closing the gap in relative incomes with the advanced OECD countries compared to what it was in 1989. The fact that current incomes are now probably lower than they would have been if the centrally planned economies had been preserved should have a negative impact on free market approval if either people extrapolate their expectations of future performance or, alternatively, remember the bad medicine of the past even when evaluating what is best for the future.

But when the focus is on individuals, the transition process has two different impacts. Firstly it will, by assumption, increase GNP per capita in the long run, and secondly it will, by definition, widen income inequality. Planned economies have narrower inequalities than free market ones and the transition process has resulted in a substantial widening in income inequality (Svejnar, 2002). This is no accident; the success of the free market is based on rewarding the most successful and hence, in relative terms, penalizing the least successful. Thus, the impact of the transition process upon individuals is unlikely to be constant across the population and, indeed, even the speed with which the increase is approached may differ between individuals. We can proxy such differences by using a number of variables. Firstly, we must use relative household income on the grounds that those at the top end of the income scale can expect to gain from the transition process as the inequality widens. Similarly, more educated people, regardless of their position on the income scale, can expect to gain from a free market system where reward is based more on merit than perhaps is the case under a planned system. Research also indicates that men have benefited more, at least in the early years of the transition process, both politically and economically, from the free market than women (Kligman, 1994). Finally, the losers from the move to the free market obviously include the unemployed. This is particularly the case as the centrally planned economies

were committed to full employment. This hypothesis is also consistent with the findings of Fidrmuc (2000a, b) discussed earlier, but contrasts slightly with findings in the USA and other market economies that unemployment has little impact on economic justice beliefs (Kluegel, 1988).

Bringing all these factors together the probability that the individual will approve of the transition process can be written as:

$$\Pr(\beta_1 X_{it} + \varepsilon_{it} > 0) \quad (1)$$

where X_{it} is a vector of socio-economic variables, income, education, gender, locality, employment status, age relating to the i 'th individual during the period "t" impacting upon long term advantages. If we assume $\varepsilon_{it} \sim N(0, \sigma^2_\varepsilon)$ then we can estimate the equation, either ordered or binomial, depending upon the nature of the data.

However, self interest may only be one basis for evaluating concepts such as the free market. People may also make evaluations based on what they perceive to be in the best interest of the country (Hudson and Jones, 1994). This possibility is linked to that of civic duty (Frey, 1997, Orviska and Hudson, 2003). Because of this, it is possible that people may approve of the free market even though they are personally worse off under it, or indeed they may disapprove when they are in an advantageous position. An important part of the literature on civic duty is that it is enhanced by state institutions. Thus, e.g., corruption as perhaps exists on a substantial scale in Central and Eastern Europe (Hellman and Schankerman, 2000) can be expected to erode civic duty and lead to people placing greater weight on their own self-interest in any evaluation of a concept such as a free market. In the regression analysis relating to free market attitudes, we only have limited variables proxying public interest other than the same socio-economic variables which reflect self-interest. These additional variables primarily include country dummy variables.

2.2 Attitudes to Human Rights

The relatively modern concept of human rights can be traced back to the earlier concept of natural rights. According to Locke (1960), God's natural law provided that no one

ought to harm another's his life, health, liberty or possessions. The American Declaration of Independence (1776) slightly extended this to include 'the pursuit of happiness.' Twentieth century doctrines of human rights have been built upon these earlier concepts. Examples include the United Nations Doctrines of Human Rights and the European Convention on Human Rights as well as the constitutions of individual states. Human rights include, in addition to natural rights, what might be termed citizen rights and social rights. Specifically, they include (i) the right to life, (ii) the right to freedom, (iii) the right to property, (iv) rights related to the rule of law, (v) citizens' rights such as the right to nationality and democratic rights and finally, (vi) the right to certain social, economic and cultural goods. It is the last of these, the social right, which is the most controversial and which, arguably, varies as living standards vary. Nonetheless, the UN Declaration, for example, clearly asserts human rights to education, work, social security, rest and leisure and a standard of living adequate for one's health and well-being. This provides a direct route for socio-economic factors to impact on human rights, which, almost by definition, will decline in a recession. Individual socio-economic circumstances, as opposed to the general level of development of the country, should only impact upon perceptions of human rights given imperfect information about what is happening to others. Such differential perceptions may also be evident for natural and citizen rights, if again such perceptions are based on individual experience and this differs from individual to individual. For example, it may be that the authorities treat people differently, with the better off and better educated able to deal with the system more efficiently or are otherwise treated better. It may also be that those from ethnic minorities, most obviously in many Central and Eastern European countries the Gypsies, are treated differently from the majority population.

2.3 Satisfaction with the State of Democracy and the General Direction of the Country

To a certain extent, these are very different questions. The first relates specifically to an

evaluation of something very specific, whilst the second allows the individual to evaluate what he/she thinks is important in judging the general development of the country. However, to the extent that the government at all levels is responsible for the general development of the country, the former will depend very much upon the same factors which determine attitudes to the general direction of the country. However, the latter may include factors extending beyond democratic politics. As with the free market, both evaluations are likely to be based on self-interest, i.e., how the individual's position fares in the transition process and also on what they see as being in the best interest of the country from a non-selfish position. To reflect the latter, we can now include the two attitudinal variables already analysed - attitudes to the free market and human rights. These will be included in addition to the standard set of socio-economic variables which reflect individual self interest and, hence, any additional significance should reflect attitudes about what is good for the country independent of self interest. However, these are unlikely to fully reflect non-self-interest or civic duty concerns. For example, the government's attitude to the conflict in the Balkans, although not impacting directly on the individual, may have affected satisfaction with the democratic process. Similarly, problems, or perceived problems, of corruption may also affect people's attitudes to the state of the democratic process and the general direction the country is moving in. It should also be borne in mind that democracy works at both the national and the local or regional level and because of this, there may be significant differences in people's attitudes depending on the nature of the area they live in.

3. Empirical Analysis

The data is part of that which was gathered during the Central and Eastern Eurobarometer surveys that were conducted in October-November 1992, November 1995, November 1996 and November 1997⁵. The surveys were conducted in other years, as well, but a lack of consistency in the questions effectively limited the analysis to these four years. Nonetheless, these years offer the opportunity to

analyse how opinions have evolved throughout much of the transition period. The 1992 study was conducted by Gallup UK and the participating Eastern European Institutes. The remaining studies were conducted by GFK Europe and the participating Eastern European Institutes. The countries interviewed in the 1997 survey are shown in Table 1; other countries, for example Georgia, Albania and Belarus, were also interviewed in the earlier studies but in order to retain continuity of data, the analysis was restricted to the countries available in 1997.

At least 100 sampling points were selected in each of the countries that were analysed. These were selected, in the first instance, via a division by major socio-economic areas. Within each of these areas, smaller electoral or administrative districts were randomly chosen. Individuals were chosen via one of four main methods, these being: (i) contacted randomly from a list of the electorate, (ii) random selection of addresses from published or specially commissioned lists, with individuals being selected via a Kish matrix or other random method, (iii) random route from a selected starting point with individuals being selected via a Kish matrix or other random method and (iv) a double clustered random address sample plus next birthday in the household. The maximum number of interviews in any one household was one. All interviews were conducted face to face in people's homes.

Table 1 summarizes the survey data on the attitudinal variables. It should be emphasized that these are proportions of the whole sample including 'don't knows.' Hence, these relatively low figures do not necessarily indicate that more people are against than in favour of the transition process. Nonetheless, seldom is there a majority of the population in favour of any aspect of the transition process, particularly in recent years. Most worrying, perhaps, is the small percentage of people who to some degree are satisfied with the state of democracy. There are large differences between countries and by 1997, the Poles were consistently reasonably optimistic in their evaluation of the transition process while the Czechs and Slovaks were consistently pessimistic.

⁵ This being the final year the survey was conducted.

Table 1 Attitudes to the Transition Process

Percentages favoring developments with respect to:																
	1997				1992				1995				1996			
	FREEMKT		GENDEV		FREEMKT		GENDEV		FREEMKT		GENDEV		FREEMKT		GENDEV	
Bulgaria	56.3%	[4]	41.3%	[6]	40.3%	[8]	34.5%	[7]	45.8%	[5]	11.0%	[10]	52.3%	[4]	52.1%	[3]
Czech Republic	55.1%	[7]	58.1%	[2]	43.7%	[6]	56.7%	[2]	44.9%	[6]	50.9%	[4]	29.8%	[10]	28.3%	[9]
Slovakia	50.5%	[8]	47.0%	[3]	39.8%	[10]	31.2%	[8]	42.4%	[8]	26.2%	[8]	34.7%	[9]	25.3%	[10]
Estonia	49.7%	[9]	41.6%	[5]	56.0%	[3]	58.0%	[1]	57.0%	[3]	59.7%	[2]	55.6%	[3]	58.5%	[1]
Hungary	55.6%	[6]	20.2%	[10]	40.3%	[8]	12.4%	[10]	38.6%	[10]	15.4%	[9]	37.8%	[8]	30.3%	[8]
Latvia	39.5%	[10]	32.9%	[7]	43.4%	[7]	37.6%	[6]	44.7%	[7]	36.4%	[6]	47.5%	[6]	46.1%	[6]
Lithuania	65.8%	[2]	25.5%	[9]	49.6%	[4]	19.7%	[9]	40.8%	[9]	29.0%	[7]	50.3%	[5]	42.1%	[7]
Poland	55.7%	[5]	27.8%	[8]	64.2%	[2]	42.0%	[5]	63.4%	[2]	41.8%	[5]	66.3%	[2]	51.8%	[4]
Romania	65.6%	[3]	42.8%	[4]	71.5%	[1]	43.5%	[4]	80.3%	[1]	75.6%	[1]	69.1%	[1]	54.5%	[2]
Slovenia	66.0%	[1]	66.3%	[1]	46.4%	[5]	50.7%	[3]	46.0%	[4]	53.0%	[3]	46.6%	[7]	48.7%	[5]
All countries	56.2%		40.2%		49.5%		38.8%		50.8%		40.6%		48.8%		43.5%	
	DEMOCRACY		HUMAN RIGHTS		DEMOCRACY		HUMAN RIGHTS		DEMOCRACY		HUMAN RIGHTS		DEMOCRACY		HUMAN RIGHTS	
Bulgaria	35.7%	[4]	56.8%	[4]	13.2%	[10]	43.6%	[6]	5.7%	[10]	40.5%	[5]	19.5%	[10]	50.2%	[4]
Czech Republic	38.2%	[3]	54.5%	[5]	46.3%	[2]	49.2%	[3]	40.9%	[4]	46.5%	[3]	37.6%	[6]	54.0%	[2]
Slovakia	23.4%	[8]	63.6%	[1]	26.8%	[7]	43.3%	[7]	22.0%	[8]	38.9%	[7]	24.2%	[9]	46.4%	[6]
Estonia	27.2%	[7]	41.6%	[7]	37.9%	[3]	50.8%	[2]	40.9%	[4]	49.9%	[2]	43.2%	[3]	53.5%	[3]
Hungary	22.8%	[9]	60.8%	[2]	19.9%	[9]	60.3%	[1]	20.6%	[9]	52.4%	[1]	31.0%	[7]	59.4%	[1]
Latvia	16.4%	[10]	39.5%	[8]	28.8%	[6]	42.6%	[8]	27.7%	[7]	37.5%	[8]	27.5%	[8]	37.5%	[9]
Lithuania	47.7%	[2]	37.2%	[9]	25.3%	[8]	17.2%	[10]	30.0%	[6]	16.4%	[10]	41.0%	[4]	23.3%	[10]
Poland	32.1%	[5]	34.4%	[10]	50.4%	[1]	44.9%	[5]	43.7%	[2]	39.9%	[6]	58.3%	[1]	45.1%	[7]
Romania	28.8%	[6]	54.1%	[6]	37.0%	[4]	28.2%	[9]	54.6%	[1]	32.3%	[9]	47.0%	[2]	38.3%	[8]
Slovenia	48.1%	[1]	58.7%	[3]	37.0%	[4]	47.7%	[4]	42.8%	[3]	42.6%	[4]	39.2%	[5]	50.2%	[4]
All countries	32.4%		50.0%		32.2%		42.7%		33.3%		39.6%		36.6%		45.8%	

Notes: Sources: Eurobarometer surveys in the years specified, [.] denotes a ranking with [1] indicating the highest level of approval.

The results of the regressions relating to attitudes to the free market and human rights are shown in Table 2. The number of observations is denoted by N and differs from regression to regression due to responses that were omitted. The dependent variables are defined in an appendix and relate to attitudes to the free market and perceptions of human rights. Independent variables are also defined in the appendix. The first two columns relate to the free market: Column 1 reports the results of using only socio-economic variables together with time and country dummy variables. Approval increases with the respondent's income and education, but declines with age. It is also greater for students,

men and the self-employed and declines for the unemployed, those who live in villages and those who work in agriculture. Civil servants and those working in state industries are also significantly, at the 5% level, less likely to

Table 2 Attitudes to the Free Market and Human Rights

Dependent Variable: Electoral Participation				
	Free market	Free market	Human Rights	Human Rights
SEX	0.121*	0.123*	0.0959*	0.0903*
EDUCN	-0.158*	-0.162*	-0.0928*	-0.708*
LAGE	0.300*	0.279*	-0.0639*	-0.0507*
LINCOME	-0.168*	-0.172*	-0.110*	-0.0649*
SELFE	-0.179*	-0.192*	-0.0365*	-0.0369*
CITY	-0.00824*	-0.0234*	0.076*	0.0841*
CAPITAL	-0.0339	-0.0428	0.125*	0.0834*
VILLAGE	0.0831*	0.0438*	-0.0238	0.00746
UNEMP	0.111*	0.0964*	0.0784*	0.0820*
FARM	0.135*	0.0943*	-0.0352	0.0272
STUDENT	-0.100*	-0.112*	-0.300*	-0.259*
GNPPC		-0.132*		-0.164*
GNPPC91		0.221*		0.171*
CIV SERV	0.0480	0.0482	-0.0495	-0.0648*
STATE	0.0437	0.0299	0.0608*	0.0823*
GYPSY	0.0495	0.0883	0.210*	0.0756
N	36956	36956	34857	34857

Notes: The equations were estimated by ordered probit. See the appendix for definitions of the data. * denotes the variable is significant at the 1% level of significance. Country and time dummy variables were also included. A positive (negative) coefficient means that, as the variable increases, support for the dependent variable falls (decreases). For example, the significant negative coefficient on the log of income indicates that attitudes to both human rights and the free market become more favourable as household income increases.

Table 3 Attitudes to Democracy and the General Development of the Country

	Democracy	Democracy	Democracy	General Development	General Development	General Development
SEX	0.0655*	-0.00557	-0.00140	0.0848*	0.0245	0.0276
EDUCN	-0.0327*	0.0308*	0.0114	-0.0972*	-0.0460*	-0.0783*
LAGE	0.0947*	0.0975*	0.0681*	0.0346	0.0194	0.00125
LINCOME	-0.103*	-0.0500*	-0.121*	-0.185*	-0.136*	-0.138*
SELFE	-0.0198	-0.00547	-0.00616	-0.0613	-0.0329	-0.0183
CITY	0.0457	0.00969	0.00343	0.0510*	0.0436	0.0379
CAPITAL	0.109*	0.0691*	0.108*	0.0295	0.00641	-0.0182
VILLAGE	-0.0259	-0.0447*	-0.0724*	-0.0113	-0.00995	-0.0332
UNEMP	0.145*	0.118*	0.131*	0.149*	0.129*	0.142*
FARM	0.0938*	0.100*	-0.000837	0.0836	0.0753	0.0133
STUDENT	-0.195*	-0.0737	-0.103*	-0.173*	-0.0827*	-0.125*
GNPPC			0.0350*			-0.0317*
GNPPC91			-0.0588*			0.0156
CIVIL Servant	0.0223	0.0488	0.0713*	0.0164	0.00291	0.0308
STATE	0.0834*	0.0690*	0.0516*	0.0767*	0.0634*	0.0424
GYPSY	0.288*	0.134	0.407*	0.0788	-0.0185	0.0677
FREEMARKET		0.215*	0.248*		0.279*	0.310*
HUMAN Rights		0.632*	0.543*		0.455*	0.410*
N	30778	29470	29470	36956	34857	34857

Notes: The equations were estimated by ordered probit. See the appendix for definitions of the data. * denotes the variable is significant at the 1% level of significance. Country and time dummy variables were also included. A positive (negative) coefficient means that, as the variable increases, approval for the dependent variable falls (increases). For example, the significant negative coefficient on the log of income indicates that attitudes to both democracy and the general development of the country market become more favourable as household income increases.

favour the free market. There are significant inter-country differences with those in Poland, Bulgaria, Romania and Hungary being most in favour of the free market and those in the Czech and Slovak Republics least in favour. In the second column we examine the impact of including two potentially key macroeconomic variables, current GNP per capita and GNP per capita in 1991 at the start of the transition process. The expectation is that countries which have done 'well' during the transition period are likely to have a higher degree of approval for the free market than those who have done less well. As a consequence, we expect current GNP per capita to have a positive impact on electoral participation and historical GNP per capita to have a negative impact. The results are as expected and significant at the 1% level, although current GNP is much less important relative to historical GNP, suggesting that attitudes to the free market at this time were determined more by the success or failure of the centrally planned system which preceded it.

The next two columns relate to attitudes to human rights in the country. A belief that there is a lot of respect tends to increase with income, age, level of education and for students,

and decline for women, those who live in cities, particularly capital cities, the unemployed, those who work in state owned industries and gypsies. Again, there are significant differences between countries, with Hungarians being most optimistic and Lithuanians the most pessimistic in this respect. The final column shows that an optimistic view on human rights tends to increase with GNP per capita, relative to its level at the start of the transition process. This leaves open the question of whether people perceive a certain standard of living as a 'human right' or whether human rights, more traditionally defined, increase with income.

We now turn to analyse the determinants of attitudes to the state of democracy and the general direction of development in the country. The first three columns of Table 3 relate to satisfaction with the state of democracy. To a large extent, the results are similar to those already discussed relating to the free market and human rights in that men, the educated, the wealthier and students tend to take a more positive view than others, whilst those in the cities, again especially capital cities, those who work in the state sector and gypsies tend to take a less favourable view. Dissatisfaction also increases with age and for those working on

farms. In the second column, we add attitudes to the free market and human rights to the regression. Only the gender of those variables previously significant loses its significance. Both of the attitudinal variables are significant and the signs suggest that, in terms of evaluating the state of democracy, human rights are substantially more important than attitudes to the free market. Again, when we replace the country dummy variables with GNP per capita and lagging GNP per capita, both are significant. The pattern of significance for location variables suggests that there is a hierarchy of satisfaction which is greatest in villages and steadily declines as we move from towns to cities to capital cities. There are several possible reasons for this but it does suggest greater dissatisfaction with local democracy in larger cities. The country dummy variables suggest that Poland and Romania, together with Slovenia, are most satisfied with the state of their democracies, other things being equal, and Bulgaria, Hungary and the Slovak Republic the least satisfied.

We now turn to attitudes to the general development of the country. The results are similar to before and we shall focus on key differences. Firstly, age is no longer significant. Self-interest variables are particularly important. Approval for the general direction of the country increases with relative income,

It is worth noting that the unemployed have significantly less favourable evaluations of the transition process along all four dimensions. This is not unexpected and is consistent with the conclusions of Fidrmuc (2000a,b) but contradicts the work referred to earlier in the USA (Kulegel, 1998). This tentatively suggests that people are less likely to blame the system for their own unemployed status when that system has been in place for a long time. But when the system is relatively new and there is something to which it can be compared, people are more ready to associate their own misfortune with its perceived weaknesses.

4. Attitudes to the EU and NATO

Our data allows us to analyze attitudes prior to membership of either organization. Table 4 shows the proportion in favour of joining the EU and NATO. Thus, for example, support in Poland for EU membership was 76.2% in 1997, down from 78.5% in 1995. The comparable figures for NATO membership for Poland were 75.4% and 80.3% respectively. Romania, Bulgaria and Poland had consistently high support for membership of both organizations and Latvia and Estonia had the lowest support. Support was typically greater for EU membership than NATO. The data for 2001 are obtained from the Candidate Countries Eurobarometer 2001 and thus, apart from the

Table 4: Support (%) for membership of EU and NATO

EU	Bulgaria	Czech Rep.	Slovakia	Estonia	Hungary	Latvia	Lithuania	Poland	Romania	Slovenia
1995	71.9 [3]	56.8 [9]	65.8 [5]	51.9 [10]	64.7 [6]	58.1 [8]	62.7 [7]	78.5 [2]	86.3 [1]	66.1 [4]
1996	71.7 [3]	58.5 [7]	59.2 [6]	37.9 [10]	60.0 [4]	49.7 [9]	53.6 [8]	79.5 [2]	89.7 [1]	59.3 [5]
1997	74.9 [3]	62.4 [7]	73.4 [4]	43.1 [10]	68.9 [6]	49.2 [9]	52.4 [8]	76.2 [2]	83.3 [1]	70.7 [5]
2001	80 [2]	54 [6]	66 [4]	36 [10]	70 [3]	46 [9]	50 [8]	54 [6]	85 [1]	56 [5]
NATO										
1995	44.1 [6]	42.5 [8]	42.4 [9]	45.4 [5]	43.6 [7]	41.4 [10]	59.0 [3]	80.3 [2]	82.0 [1]	58.5 [4]
1996	45.2 [5]	39.5 [7]	35.4 [8]	33.7 [10]	43.3 [6]	34.1 [9]	46.9 [4]	78.2 [2]	88.4 [1]	54.0 [3]
1997	52.1 [5]	45.9 [6]	38.2 [8]	34.6 [10]	59.3 [3]	36.4 [9]	42.4 [7]	75.4 [2]	76.4 [1]	57.0 [4]

Proportion of those responding who supported membership, including "don't know" responses. [.] denotes an ordering of support. Data obtained from Central and Eastern Eurobarometer surveys for the 1995-97 data and the Candidate Countries Eurobarometer 2002 (2002) for 2001.

education and is lower for the unemployed and women. Current income per capita has a substantially greater impact than income at the start of the transitions process, with the latter insignificant. Finally, both attitudes to the free market and human rights are again very significant, but this time there is a much more equal impact on attitudes than previously.

countries already referred to, includes Turkey, Cyprus and Malta⁶. The data suggest a slight decline in support since 1997 in some countries, particularly Slovenia and Poland. On the other hand, this remains exceptionally high in

⁶ It was not possible to include the raw data from the most recent survey in the regression analysis as it is not available. In addition, data on questions on attitudes to NATO membership were not requested.

Table 5: The Pattern of Support for EU and NATO membership

NATO membership			
EU Membership	Favor	DK	Against
Favor	47.5%	9.4%	8.3%
Don't Know (DK)	7.0%	13.8%	2.8%
Against	4.0%	1.2%	6.2%

Table 6: Reasons for/against membership

NATO For:	
Will guarantee security and stability in our region	52%
Will control & reform army and military industry	13%
General progress and cooperation, not just military	10%
We need NATO support	7%
Security from Russia	5%
NATO membership makes us feel as if we are part of Europe	4%
NATO Against:	
Our country should remain neutral	6%
Against military and war	6%
Financially impossible	5%
EU For:	
General progress thanks to EU help	35%
Economy will improve/open market	25%
EU will give us higher living standards	17%
We should integrate in Europe	10%
Economic/financial aid from EU	10%
EU contributes to peace, human rights and democracy	9%
Technology, culture	4%
EU makes us strong	3%
EU Against:	
Will worsen economic crisis/is too expensive	6%
Loss of identity/independence	3%
EU acts in its own interest	2%
EU brings instability and disintegration	1%

Notes: Responses in answer to an open ended question asking "What are the main reasons why you would vote for/against NATO/EU membership." Source: Central and Eastern Eurbarometer, No. 8 (1998).

Bulgaria and Romania. In general, the relative ordering of the countries has remained consistent.

Table 5 provides a cross-tabulation of attitudes to these two issues. For example, 8.3% of the sample favoured EU membership, but were against NATO membership⁷. This indicates that almost a third of the sample lie in diagonal positions, e.g., supporting membership of NATO whilst opposing it for the EU or

vice versa. Whilst it is perhaps not surprising that there should be this degree of incompatibility in attitudes, it is possibly less expected that it extends in both directions. This suggests that there are underlying differences in the two attitudes and hence a desire for Europeanization (or factors influenced by perceptions of a common European identity) in its widest sense cannot be the sole factor in their determination.

Table 6 gives information from the 1997 survey on the reasons people gave for being in favour or against EU/NATO membership. With respect to the EU, the dominant reasons were economic in that 52% state improving the market, higher living standards or aid as a reason to join. Only 10% imply a sense of identification with Europe (i.e., sense of a common European identity influencing attitudes) while other explicitly non-economic reasons relating to human rights and culture total 16%. However, 'general progress,' the largest category, encompasses all possible reasons. With respect to NATO, the dominant reason is security in the region although only

a minority specifically focus on Russia. Factors linked to Europeanization appear to be relatively unimportant. On the negative side, it is interesting to note that people seldom indicate the loss of sovereignty as a reason for not favouring membership.

Caplanova, Orviska and Hudson (2004) report the results of the regression analysis on membership. Support for EU accession significantly increases with the respondent's income and education. Membership support is also greater for students. However, those who live in villages and those engaged in farming are significantly more hostile to membership. Those who support the free market are also more likely to support membership. The

⁷ In total, 65.2% of the sample favoured EU membership, found by adding figures across the first row of the Table, with 47.5% favouring both EU and NATO membership and the remaining EU supporters (8.3% of the sample) unsure on NATO membership. Each person is represented just once in this Table and, hence, the figures should total 100%. The fact that they slightly differ from this is due to rounding errors.

analysis indicates that the Romanians, Poles and Bulgarians are most positive in support of EU membership, other things being equal, with the Baltic States being least favourable. Further analysis indicates that people are more in favour of accession if the economy is doing better relative to its position at the start of the transition process.

Attitudes to NATO accession are, to an extent, determined by similar factors to those for the EU. In particular, both income and students retain their earlier signs and significance. Education, too, is again significant and retains its earlier significance though with less of an influence. There are several other notable differences between this regression and those for the EU. Firstly, there is no difference between those who live in villages and work on farms and the attitudes of others. However, the self employed and men are now significantly in favour of membership and those who live in capital cities are significantly more likely to be opposed. Similar to the earlier results for the EU, people opposed to the free market are significantly less likely to support NATO membership and favourable movements in GNP per capita also impact positively on attitudes to membership. Education is now insignificant. It is unlikely that this varying pattern of significance reflects differing degrees of self-interest and may therefore reflect different attitudes to non-economic self-interest factors, relating, for example, to neutrality and pacifism. However, it is interesting that there is no comparable decline in the impact of being a student. With respect to both organisations, students are significantly more in favour of membership than others. The pattern of country dummy variables suggests that Romania and Poland are again most enthusiastic in support of membership, with Slovakia being least favourable. The Baltic States no longer form such a noticeable set of outliers.

5. Conclusions and Policy Implications

Our analysis has provided empirical estimates for the impact of economic conditions, both at the individual and macro level, on attitudes to the transition process. The size of these impacts are such that they provide support for both those who argue that bad medicine should be administered quickly to get people

committed to the future of the reform process and those who argue that reforms should be done on a sequential basis with demonstrable gains increasing such support. Both of these arguments depend upon people's attitudes being determined by the impact of such reforms on the economy and their own economic position. However, the significance of GNP per capita at the beginning of the reform process in determining attitudes to the free market, human rights and the state of democracy suggest that attitudes to the reform process are determined by past performance as well as future expectations, or at the very least that future expectations are based on past performance. Only for attitudes to the general development of the country is lagging GNP per capita insignificant. Thus, on balance, this tends to support those who argue for a gradualist approach in as much as the bad medicine is not quickly forgotten.

This emphasises the somewhat obvious point, similar to that made by Roland (2000) discussed earlier, that support for the free market process depends to a large extent on how successful it is in delivering solid improvements both to individuals and to the country. Failure to deliver such improvements puts the reform process in jeopardy. This lack of support is then likely to manifest itself in ways which damage the transition process, for example, in increasing tax evasion (Orviska and Hudson, 2003). The transition process has not been as successful as had been hoped (Svejnar, 2002) and these results may provide part of an explanation for this. To ensure support in the long run, the transition process must deliver solid benefits to a majority of individuals within the society. That is, they should be better off, or at least no worse off, under the free market/democratic system than under its predecessor. To the extent that the free market widens income inequality, this must mean that there are sufficient gains in per capita GNP to compensate those lower down on the income scale who would otherwise suffer from widening inequality. It is also apparent that compensating the losers may also be an effective, if limited, means of garnering support for the reform process. For the elderly, the unemployed and the poor, a social welfare net, along Western European lines,

may prove a more effective way of cementing the gains from the transition process than the more free market approach of North America.

Predictably, support rises with income and also the level of education. It also declines with age, reflecting perhaps that the young have most to gain from increases in prosperity in the future whilst the old have most to fear from an erosion of the role of the state. Similarly, the losers in the process, most visibly the unemployed, but also perhaps those in agriculture as well, tend to be significantly less favourable in their attitudes to the free market. But the results also support the hypothesis that perceptions of the public interest also impact on attitudes to the transition process. This was clearly the case for attitudes to democracy and the general direction of the country with the significance of free market attitudes and perceptions of human rights in addition to socio-economic variables proxying self-interest. But by backward induction, this very significance is also evidence that free market attitudes and perceptions of human rights are not simply based on self interest or the individual's own position.

Satisfaction with the democratic process depends upon much the same factors as free market approval. But the differences are illuminating. Firstly, the economic self interest variables, although in the main significant, are much less so than for free market approval. This suggests that the ability of a government, or rather a political system, to deliver economic benefits is only part of the equation in determining satisfaction with that system or, alternatively, that people do not fully put the blame for economic failure on the democratic process. It further suggests a greater role for non-economic factors and possibly a greater weight on public interest versus self interest. In addition, the pattern of significance of location variables, with scepticism for the state of democracy tending to increase with the size of the locality the individual lives in, is consistent with the hypothesis that the potential for corruption, or at least misgovernment, is greater in larger communities. This emphasizes something often missed, namely that local government can play a significant role in people's daily lives and to

ignore this in focusing on national government is a mistake.

With respect to membership in the EU and NATO, the results suggest that, in general, more people were in favour of EU membership than NATO⁸. This is not unexpected since the benefits of joining the EU are financial as well as bringing benefits in other areas including security, whilst the benefits of joining NATO, apart from enhancing a feeling of belonging to Europe, are largely limited to security. On the other hand, the loss of sovereignty is considerably greater with respect to EU membership. The data also suggests that there is not a simple dichotomy between those who supported membership of both organizations and those who did not. This was the dominant division, but almost one third have divergent attitudes. Our analysis suggests why this might be the case and reflects the different impact membership has on different sections of the community. Thus, for example, capital cities stand to lose most in terms of loss of sovereignty by membership in both organizations, but also tend to gain the most economically from membership in the EU. It is also true that under the rotating presidency of the EU, for six months each country becomes much more the focus of interest than it ever would as a simple nation state and also each country will at some time have an EU commissioner. There are fewer such compensations with NATO membership. This pattern of interest is clearly evident in the significance of CAPITAL in the two regressions⁹. The similar pattern of significance of the self-employed also reflects their unambiguous self-interest in seeking the market reforms of recent years protected by NATO membership, but the more ambiguous impact of freer trade, resulting from EU membership, on their businesses. Farmers and those who live in rural areas are significantly less in favour of EU membership, but are not significantly different in their attitudes to NATO. This too is consistent with self-interest.

More generally those who tend to have done best out of the transition process, those with the highest income, the more educated, and possibly students, tend to be more in

⁸ For example in Bulgaria in 1997, 74.9% supported EU membership, but just 52.1% supported membership in NATO.

⁹ If this interpretation is correct, it would imply a very high level of cognitive sophistication and before such a hypothesis could be accepted, more empirical confirmation within other contexts would be necessary.

favour of membership in the two organizations which either protect or enhance that process. Thus, for political and economic unions, and this may apply equally to existing as well as prospective ones, popular support appears to, at least partly, depend upon a calculation of self-interest. Perceptions of the public interest are important, but these too are likely to be based on the perceived self-interest of others. Politicians may speak of 'the tide of history' and the 'noble task of reuniting Europe'¹⁰ and appeals to some sort of shared ideal based on a sense of civic duty may help cement support, but unless people actually perceive benefit from the union such appeals are unlikely to be successful.

6. Postscript: Have the Economic and Political reforms Brought Increased Well Being?

The last of the surveys on which this work was based was done in 1997. Since that time, there was a break until 2001 when the Candidate Countries Eurobarometer appeared. The format is much closer to that of the Eurobarometer surveys conducted in Western Europe. This will allow valuable future analysis of the evolution of attitudes between 'new' and 'old' Europe. However, the questions on which this survey was based are unlikely to appear again. Thus, in this respect, these surveys and the analysis we have conducted are uniquely valuable. But there is a second reason why this is so; they relate to a unique time in history when several countries emerged from Communist regimes and, to a certain extent foreign domination, and began the evolution of their political and economic systems towards democracy and the free market.

At the moment this data allows us to answer the question of whether people perceive the reform process to be benefiting them. The more recent survey shows that in 2003, the majority

of people in the majority of countries felt themselves at least satisfied with their lives. The exceptions were Bulgaria and Romania, the two poorest countries. If we compare this with 2001, we see that for most countries there has been relatively little change except for Lithuania and Slovakia which have seen sharp increases in satisfaction. However, that notwithstanding, there are many people who perceive that they are worse off than the previous five years. This is particularly true in Slovakia, Lithuania, Bulgaria, Poland and Romania. The fact that this is so for Lithuania and Slovakia, despite the increases in the number who say they are happier than two years ago, may be explained by the difference in the time frame or the fact that perceptions of the past are biased. It is also possible, however, that the economic reforms which have perhaps partially been behind increases in aggregate reported well being have divided societies into winners and losers and the losers in particular feel that they have fared badly in the reform process. Certainly we observe a large number of people who report that things are better even when an even larger report that things have got worse. In this sense, the reform process seems to be delivering an improvement in the quality of life to some people, but a large proportion of people are being adversely affected.

Table 5 Life Satisfaction in 2003

	GNI per capita	% satisfied + Very satisfied		5 Year change
Bulgaria	6,300	30	[33]	-46
Czech Republic	13,200	72	[74]	-2
Slovakia	10,800	62	[54]	-26
Estonia	8,600	53	[50]	+2
Hungary	11,500	56	[57]	-5
Latvia	8,600	51	[55]	-3
Lithuania	7,500	53	[40]	-11
Poland	8,900	64	[61]	-26
Romania	5,200	38	[40]	-29
Slovenia	15,600	82	[85]	+2

Sources: CCEurobarometer 2003: 2, except for figures in [.] which relate to CCEurobarometer 2001. The relevant questions were: "On the whole, how satisfied are you with your life in general" and "If you compared your present situation with five years ago, would you say it has improved, stayed the same or got worse?" The figure reported equals those who thought it had improved minus those who thought it had got worse.

¹⁰ The President of the Commission, Romano Prodi when addressing the Spaak Foundation in October 2000.

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Data Appendix: Variable Definitions

Dependent Variables

FREEMKT	Responses to a question which asked "Do you personally feel that the creation of a free market economy, that is one largely free from state control, is right or wrong for (OUR COUNTRY'S) future?" Those who answered "right" were coded "0." The alternative includes "don't know," but not those who declined to answer.
HUMAN	Responses to a question which asked "How much respect is there for individual human rights in (OUR COUNTRY)?" The responses were a lot of respect, some respect, not much respect, no respect at all.
GENDEV	Responses to a question which asked "In general, do you feel things in (OUR COUNTRY) are going in the right or the wrong direction?" The answers were right direction, don't know, wrong direction.
SATDEM	Responses to a question which asked "On the whole, are you satisfied, fairly satisfied, not very satisfied, or not at all satisfied with the way democracy is developing in (OUR COUNTRY)?" The responses were: very satisfied, fairly satisfied, not very satisfied, not at all satisfied.

Independent Variables

SEX	1 if the respondent is female, otherwise 0.
EDUCN	The highest level of education achieved, ranges from 1 (up to elementary) to 4 (higher education).
LAGE	Log of Age in years
LINCOME	Log of household income prior to tax and deductions using an increasing scale of 1 to 16
UNEMP	1 if the respondent is unemployed, otherwise 0.

SELFE	1 if the respondent is self-employed, otherwise 0.
CITY	1 if the respondent lives in a non-capital city, otherwise 0.
CAPITAL	1 if the respondent lives in a capital city, otherwise 0.
TOWN	1 if the respondent lives in a town, otherwise 0.
VILLAGE	1 if the respondent lives in a village, otherwise 0.
FARM	1 if the respondent is a farmer, otherwise 0.
STUDENT	1 if the respondent is a student, otherwise 0.
CIVIL SERVANT	1 if the respondent is a civil servant, otherwise 0.
STATE	1 if the respondent works in a state owned industry other than in agriculture, otherwise 0.
GYPSY	1 if the respondent is ethnically defined as a Gypsy, otherwise 0.
GNPPC	GNP per capita (constant 1995 '000 US\$) in the year current to the time of the survey.
GNPPC91	GNP per capita (constant 1995 '000 US\$) in 1991 at the beginning of the transition process ¹¹ .

¹¹ Except for Slovenia where data was not available for 1991 and 1992 was used instead.

Information for Contributors

The *Occasional Papers* are devoted to public administration and public policy issues based on empirical research carried out in Central and Eastern Europe.

Papers

Decisions about the publication of a manuscript are based on the recommendation of the main editor and an additional review process conducted by two appropriate specialists from a relevant field. The main editor and/or deputy editor selects these specialists.

Submissions should not have been published previously and should not be under consideration for publication elsewhere. Papers presented at a professional conference qualify for consideration. The submission of manuscripts that have undergone substantial revision after having been presented at a professional meeting is encouraged.

Components of a Policy Paper

Presentation of the Issue

What is the problem that requires action?

Scope of the Problem

What is the history and current context of the issue? How did it become an issue? Who is affected and how severely?

Consultations

What are the views or positions of groups who will be significantly affected? What are the concerns of other ministries/agencies who will be affected?

Options for Consideration

What three or four distinct options should be considered? What are their implications? What are their advantages and disadvantages?

Additional Issues:

Consistency with the government's priorities; the effectiveness of available options in addressing the issue; the economic cost-benefit; the effects on taxpayers; the impact on the private sector; environmental impacts; the fiscal impact on the government; the disproportionate impact on various groups or regions; the complexity and timing of implementation; public perception; and constraints raised by legal, trade, or jurisdictional issues.

Recommendation (s)

What is the proposed course of action? Why was it chosen over other possibilities?

Implementation Issues

What are the financial impacts of the proposed course of action? What are the implications for government operations? Will the proposal require regulatory or legislative changes? What is the proposed means of evaluation?

Communications Analysis

What is the current public environment? What are the key issues of contention, and how can they be addressed? What is the position of key stakeholders, both inside and outside the government, on the proposal, and what communication vehicles should be used for each? How does the proposal relate to government reform priorities? What is the objective of communication on this issue? What is the key message?

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The title should be a brief phrase adequately describing the content of the paper.

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An abstract is a summary of the information in a document. The abstract should not exceed 250 words. It should be designed to clearly define the contents of the paper. The abstract should: (i) state the principal objectives and scope of the research; (ii) describe the methodology employed; (iii) summarise results and findings; and (iv) state the principal conclusions. References to literature, bibliographic information, figures or tables should not be included in the abstract.

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The introduction should supply sufficient background information on the topic and also provide the rationale for the present study. Suggested guidelines are as follows: (i) the introduction should first clearly present the nature and scope of the problem that was researched; (ii) it should provide an overview of the pertinent literature used; (iii) it should state the research methodology employed and, if necessary, the reasons for using a particular method; and (iv) the principal results of the investigation should be stated.

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This section should contain an overall description of the topic and present data gathered during the research project. The manuscript should utilise representative data rather than repetitive information. Data that will be referenced several times in the text should be provided in tables or graphs. All data, repetitive or otherwise, should be meaningful. Results must be clearly and simply stated as the section comprises innovative research findings for an international community of academics and practitioners.

Discussion

This section presents principles, relationships, and generalisations indicated by the researcher's findings. This should not restate information present in the results section, but should: (i) point out any exceptions or lack of correlation; (ii) define unresolved issues; (iii) show how the results and interpretations agree (or contrast) with previously published work; (iv) discuss the theoretical implications of the work, and any possible practical applications; and (v) summarise the evidence for each conclusion. The primary purpose of the discussion section is to show the relationships among facts that have been observed during the course of research. The discussion section should end with a short summary or conclusion regarding the significance of the work.

Acknowledgements

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References

Only significant, published references should be cited. References to unpublished data, papers in press, abstracts, theses, and other secondary materials should not be listed in the references section. If such a reference is essential, it may be added parenthetically or as a footnote in the text. Secondly, authors should verify all references against the original publication prior to submitting the manuscript. Stylistically, authors should utilise the in-text parenthetical reference system with complete references alphabetised at the end of the text.

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